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Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

SENATE—*Thursday, May 22, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. CARL LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, we thank Thee for every day Thou dost give us to live. We thank Thee for gloomy days and bright days, for days of striving and earnest contest, for days of pressure which drive us to prompt action, for days of reflection when life comes into clearer focus, for days of rest and quietness, for days of prayer when the curtain of sense and time are drawn back and we are in Thy presence, one with the infinite and eternal. Give us grace, wisdom, and strength for all the days and for every experience. Thanks be to Thee for this day to be lived to Thy glory and for our fellow man. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 22, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may reserve my time as there may be a Senator who would want some time later.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that I may follow the same procedure and reserve my time. I do not know of anybody on our side who may want time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR STENNIS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Mississippi (Mr. STENNIS) is recognized for not to exceed 15 minutes.

Mr. STENNIS. Mr. President, I certainly thank the majority leader and the acting minority leader. I appreciate their willingness very much. I would not have been here requesting such, except that we do have an important markup meeting in our Armed Services Committee.

THE CUBAN REFUGEE SITUATION

Mr. STENNIS. Mr. President, I addressed this body briefly on the Cuban refugee situation on May 1. A lot of things have happened since then and they have not been good.

This morning, I want to talk briefly with reference to our entire problem of immigration as a whole, and the Cuban group in particular.

At that time in early May, I urged the President to take action to stop the use of American boats to encourage those who want to leave Cuba to enter the United States and to make certain that our immigration laws are followed in the admission of the limited number of aliens authorized from Cuba and other countries each year.

My investigation into the matter indicated that the U.S. enforcement authorities, the Immigration and Naturalization Service, the U.S. Coast Guard, and the U.S. Customs Service, were overwhelmed by the massive numbers of private boats attempting to transport Cuban refugees from the port of Mariel, Cuba, to Key West, Fla. The authorities were not taking action to enforce effectively the immigration laws and laws relating to boat safety. Really, it was impossible to properly do so.

The officials then were only serving a notice of intent to fine to boat owners as the boats laden with Cuban refugees docked at Key West. It became clear to me that the threat of imposing a fine of $1,000 per passenger was not a sufficient deterrent to prevent departures from Key West for Cuba. In fact, there were reports that some boat owners and operators only raised the charter fee to accommodate prospective fines. Meanwhile the boats continued from Key West to Cuba and return. Daily, there have been reports of the mounting numbers of undocumented aliens, arriving at Key West, as well as reports of capsizings and loss of human lives.

On Wednesday, May 14, the President acted to stop the flow of refugees. On Thursday, radio messages were sent to the boats at sea not to accept passengers in Cuba and departures from Key West were discouraged by the enforcement agencies. In this regard, the local boat operators, for the most part have voluntarily remained in port. However, in the case of those who have not cooperated seizures of the boats were made.

I am pleased that the President's policy appears to be working and that some control of the Cuban refugee flow has been established. The enforcement agencies have been reinforced and are now doing an outstanding job under the new policy, but I do not think the policy has enough meaning. The Coast Guard has performed nearly 800 search and rescue missions in a monumental humanitarian effort. Sea and air units of the Coast Guard and Navy have effectively cor-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

doned off the Key West water approaches and there have been no vessels sighted on the way to Cuba in the last 4 days. Since the President's announcement on Wednesday of last week, the boat arrivals have dramatically decreased but there are estimated to be more than 500 boats remaining in Mariel, Cuba. It can be expected that more refugees will arrive.

The President's call for offshore alien documentation and a halt to illegal boat passage is sound. Americans are compassionate but, as a nation, we cannot absorb so many aliens at one time. More must be done to stop the flow of illegal aliens.

This experience with the uncontrolled and illegal Cuban immigration prompts me to urge that the administration and the Congress reexamine the immigration law and make adjustments to take into account situations like the Cuban exodus. Our immigration law is not effective.

On May 14, my colleague, Senator HUDDLESTON, introduced Senate Concurrent Resolution 94, which recognizes the principle that there are economic and social limits to the total number of immigrants which the United States can effectively assimilate. He has proposed setting a total immigration level for the United States of 650,000 in 1980. Senator HUDDLESTON's limit would still allow us to substantially meet the President's commitment to admit 232,000 refugees, from all countries combined, which was made before the current massive Cuban exodus. The most recent statistics for total legal immigration are for 1978 and show that we admitted 601,442 immigrants, including a very large number of refugees from Southeast Asia and other areas.

I believe setting a limit to immigration and enforcing it makes good sense. As a first step, this would provide firm and definite guidance to immigration authorities who must deal with unforeseen circumstances on an ad hoc basis as the international climate changes. The quota recognizes that we cannot accommodate the millions of dissatisfied individuals in the world who would seek a new home and a new life in the United States.

We must be realistic in our immigration policy and join with other nations who have established and enforced firm quotas in recognition by the international community that all those who seek a new country and a new life cannot be satisfied.

I support an immigration law that recognizes the need to limit immigration and is enforceable. I urge the adoption of Senate Concurrent Resolution 94 as a first step toward a sensible immigration policy.

Mr. President, I know this is a problem; it is a delicate, sensitive matter. But just to be neighborly and show some acts of good will does not mean that we have to abandon our own course in what we think is sound for the future of America. You can live in a community and be friendly and neighborly without inviting everyone to come and spend the night with you the same night and have them just stay on and on. There have to be boundaries to neighborliness and every other human experience.

I think that we are burning up a lot of time here toward getting more effective and more comprehensive laws on the books with reference to immigration as a whole—not talking about the Cuban influx for the time being, but a broad, comprehensive, effective immigration policy as a whole, with quotas. That has to be emphasized. But the emphasis has to be underscored more on enforcement. To be meaningful, we have to have enforcement in a just and particular way, with exceptions that are spelled out in the law which represents the policy of the people of the Nation.

Mr. President, since I have been around here, enforcement of the laws that we have to have has not been as effective as it could have been or certainly not as it should have been. I am not trying to lay blame or anything of that kind, but I do see a problem here and think we must try to help lay the groundwork for some additional sound legislation in this field.

I have great confidence in the knowledge and the ability of the Senator from Kentucky, who has prepared and is circulating the resolution here, a Senate concurrent resolution, as a first step and the beginning of a more sensible immigration policy.

Mr. President, I am privileged to join Senator HUDDLESTON in that resolution. Personally, I would go even further, but I realize that legislation is a matter of the possible, always, particularly in sensitive fields, and this is one of them.

I am going to lay aside some other things that I have been doing for the chance to give this problem some time and some effort and work with those who are more knowledgeable on the subject, really, than I am on the inferences of the problem. I am knowledgeable on the sense of need for putting this high on the list of some of the most urgent and demanding legislation and policies that I know of relating to the future.

So, again, Mr. President, with thanks to those Senators who have yielded to me this time, and my thanks to the Chair and the leader, I yield back any time I may have remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Alabama.

SYMPOSIUM ON ECONOMIC GROWTH

Mr. STEWART. Mr. President, I thank the leader.

On May 20 the Senate Small Business Committee held a daylong symposium on economic growth. I first approached the chairman of that committee with this suggestion, and he agreed to call with me that symposium. We concentrated on the declining rate of American productivity growth, our decreasing ability to compete in international markets, and the increasing burden of international market barriers and taxation.

Many useful proposals came out of the symposium, proposals which the committee, under our joint leadership, will pursue in the coming months. Senator NELSON's opening remarks at the hearings are useful, I think, and I should like to share them with my colleagues. I ask unanimous consent that they be printed here in the RECORD.

Mr. President, I look forward to working with Senator NELSON and the committees and others in the Senate on the problems of economic growth in this country.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GAYLORD NELSON

The purpose of our hearing today is to open discussion on the difficult problem of restoring our economy to a pattern of steady, non-inflationary growth.

We are here to explore the problems of inflation, employment, productivity, taxation, rules, regulations and paperwork. Our particular concern is the status of the economic and political environment for small and independent business, the climate for entrepreneurship.

Entrepreneurship is the heart and soul of the free enterprise system. The climate we create for independent enterprise is vital to any discussion of our national economic health. If that climate is favorable, enterprises can be started and grow and flourish. If it is not, they will stagnate and fail.

The problems that beset small business result from inattention and misapplication of laws and regulations than from any design or ill intent. The belief that free enterprise is the foundation of our economy is still almost universally held.

In like manner, the solution requires much more than a tax change here and a regulatory change there. Too often our economy careens from crisis to crisis, raising and lowering interest rates or taxes in response to the latest piece of economic bad news. The result is a profound uncertainty and lack of confidence on the part of business, both large and small, as well as on the part of labor and the consumer.

Instead of reacting to change, what is needed is a policy of action. This committee must concern itself with the broader issues and the development of legislation which responds not only to America's role in the global marketplace and the need for increased productivity, but which recognizes fully the role of the independent entrepreneur as the cornerstone of our system.

Let us look for a moment at the historical context of our economy.

Since 1950, total industrial production in the United States has grown by 324 percent, the gross national product by 737 percent and disposable income by 721 percent.

By providing an environment in which the individual was free to reach for any goal, by providing an environment which permitted an individual to take high risks as an entrepreneur, with the potential for high rewards, the American economy blossomed into the most vigorous in the world.

But what happened in the 1970's? Clearly, we have started on a downward cycle which threatens to bring the American idea of economic progress to a screeching halt.

Until 1970, productivity growth in the private sector averaged over 3 percent a year. In the 1970's, however, that growth, measuring output per man hour, declined dramatically, dipping to 1.8 percent per year from 1970 to 1978.

For all four quarters of 1979, according to U.S. Department of Labor analyses, productivity in the non-farm, private sector declined.

Had we been able to maintain the 3 percent productivity growth rate through the 1970's, real U.S. output would now be $400 billion higher, a figure that translates to $4,000 more per household this year.

Our share of world manufacturing was 21 percent in 1971. By 1978 it had dropped to 16 percent.

In 1959 citizens of other nations received 16 percent of patents granted by the U.S. By 1979 they received 35 percent of the patents, a doubling in 20 years.

Foreign banks now hold over one trillion American dollars, dollars over which the U.S. no longer exercises control and which explain in part our inability to stabilize our domestic monetary policy.

The American Productivity Center in Houston says that if current trends continue, both Japan and Germany will exceed the U.S. level in total output per man hour. That is not particularly surprising when you consider that capital investment in this country has declined to the point where the average U.S. factory is 20 years old, 8 years older than the equivalent German factory and twice as old as its Japanese counterpart.

Meanwhile, economic concentration of American business has grown enormously. In 1958, the 200 largest firms controlled 47 percent of all manufacturing assets. Today, those 200 largest firms control over 60 percent.

Even the government contributes to this concentration by relying on only 70 firms to do 80 percent of all government research and development. This exclusion of smaller business occurs in spite of evidence that smaller firms provide half of all industrial innovation and invention and, according to the National Science Foundation, get up to 24 times as much output for every dollar spent on research and development as do larger firms.

As concentration of manufacturing continues, as mergers and acquisitions expand at extraordinary rates, it is paradoxically the very small, independent entrepreneur who provides more than half of all new jobs. The study of the job generation process by MIT's David Birch demonstrated that 51.8 percent of jobs created between 1960 and 1976 were created by the very small, independent entrepreneur.

Until lately—and the White House Conference on Small Business has done much to remedy this—the small, independent entrepreneur had not received adequate attention in assessments of the American economy.

If this nation is to reverse the decline of economic growth, renewed attention to the small entrepreneur must be the foundation upon which alterations in economic policy are designed.

For example, some believe that America's decline in productivity and shrinking share of the world's markets are caused in large measure by unfair regulatory and tax burdens.

There is some merit to this interpretation and changes are clearly warranted to produce tax structures that favor entrepreneurship, reforms that reduce paperwork requirements, and policies that lift the regulatory burden.

But once again, the larger problem is the absence of a sound economic policy which accounts for the economic changes of the last decade and which creates a proper environment for small business.

If this symposium can begin to design the big picture, Congress will have a blueprint for assessing actions necessary for producing a new economic order.

THE SENATE WORKLOAD

Mr. ROBERT C. BYRD. Mr. President, after this week, only 67 days, Mondays through Fridays, will remain for Senate floor work until October 1. If Saturdays were included, there will be 10 or 11 Saturdays, which would bring the total to something like 77 or 78 working days following this week and prior to October 1. This indicates that there is much to be done and that the clock is running.

In our workload, we had 64 expiring authorization measures to begin with. Nine have passed to date. Nine have not yet been reported from committees. So we have about 55 expiring authorization measures that have yet to be passed this year.

There are 13 general appropriation bills, not counting any supplementals that may be necessary. The second concurrent budget resolution must also be in place by August 28. Additionally, there will be the debt limit which will expire.

So, the Senate has a very full platter. There will be conference reports. The two conference reports on the major energy bills, for example, will be coming along at some point—the Energy Mobilization Board, and the synfuel bill; the conference report on the first concurrent budget resolution will also come along in due time.

Then, I understand that there will be a filibuster on the military registration supplemental.

I take this moment before the Senate observes the Memorial Day weekend simply to point out to my colleagues the kind of workload that remains to be done before the Senate adjourns sine die for the session.

I have urged the leadership of the other body to press forward with the appropriation measures so that the Senate can act, because according to custom the appropriation bills generally originate in the House.

Those bills will be coming along in the early part of June. Our appropriation subcommittees in the Senate have conducted their hearings, for the most part, and are ready to begin with markup as soon as the House appropriation bills reach the Senate.

This would indicate to me that the month of June can be fairly busy in disposing of appropriation bills and, certainly, the month of July.

I hope that unanimous-consent can be achieved on a good many of the expiring authorization bills. I hope also that a good many of those bills can even be passed by unanimous consent. We have been able to do that in the past and I hope we can do that this year. This would expedite the Senate's business. The measures have already received very careful attention and work in the committees.

So this should make possible the enactment in the Senate, by unanimous consent, of a good many of those measures.

I hope we can get time agreements on the other measures so that the Senate will not have to spend too long in dealing with those measures.

I urge that committees, meanwhile, expedite their work, complete it as soon as possible, not waste time on measures that are not going anywhere. It does no good for the Senate to pass a measure if we know in advance, that the House is not going to act on the measure. It is a waste of time for the Senate to spend its energies in that way and, certainly, I hope the committee will take that into consideration.

The people of the country are very conscious of the problem of inflation, the need for a balanced budget, the need for fiscal responsibility.

I hope we will all be guided as Senators accordingly and not enact a lot of new programs that will cost money in the long run and create new budget problems.

Finally, Mr. President, as I stated early on in the session that there would be no rollcall votes on Fridays through May except in the event of emergency, I should remind my colleagues now that, with the expiration of the month of May, rollcall votes are to be expected on Fridays, and rollcall votes are to be expected on Saturdays, if and when we have Saturday sessions. I do not like Saturday sessions any more than any other Senator likes them, but it may become necessary, in the light of the short amount of time that remains, taking into consideration the two political conventions that will occur in July and August, to have some Saturday sessions.

Furthermore, I hope Senators will not ask for special consideration. There are times when Senators come to me and ask me if we can hold off votes on Mondays, and not have any votes on Fridays, and so forth, Senators on both sides of the aisle are accommodated to the extent the joint leadership can accommodate them.

But being faced with the exigencies that I have laid out here, I hope that Senators will keep those requests to a minimum. The Senate cannot operate if it attempts to accommodate one Senator on rollcall votes because when it does that it is going to inconvenience other Senators.

I have always, in my 22 years in the Senate, taken the position that if I cannot be here on a rollcall vote, I just cannot be here. I have never attempted to hold up the Senate on rollcall votes.

I feel that Senators are grown up and they ought to be able to make their choice as to whether to be out of town for an engagement or stay here for floor duty. It should not be a burden placed on the joint leadership to accommodate every Senator who has to be in Chicago, or here, or there. I merely mentioned Chicago, not to cast any reflections on the Illinois Senators.

Mr. TOWER. If the Senator will yield, I have to be in Chicago at 5 o'clock this afternoon.

Mr. ROBERT C. BYRD. I go to Chicago once in a while, also, to make a speech. But it could be Atlanta, or Charleston, W. Va., or Denver, Colo. I go to all those places and make speeches, and so do other Senators.

But I think it is up to each Senator to make his own choice, to go or to stay, and not put the burden on the leadership to delay rollcall votes or the calling up of bills just to meet that Senator's own personal convenience.

If a Senator is accepting an invitation a month or two in advance, he should not count on the leadership to accommodate him at the time the engagement arrives. The leadership just cannot do that and get the work done. Our first responsibility is to the Senate. If we want to accept outside engagements, then we ought to get excused from attendance in the Senate and get leave of the Senate to go. But, it seems to me, our first duty is to be here to get our work done.

By the way, that is a provision of the rules that is seldom enforced, and it ought to be used if a Senator has to be away. He ought to get leave of the Senate to be absent.

But each Senator is capable of making his own decision as to whether he ought to be here or ought to be somewhere else. He ought not come to the joint leadership whenever the date of the speech arrives and say, "Can you put this vote off?" Or, "Can you put that vote off?" Or, "I cannot be here to call up my amendment." Or, "I cannot be here to manage the bill."

This places an onerous burden on the Senate when Members are not here to manage bills or call up their amendments.

I hope that in the light of the calendar I have laid out and the workload we still have before us, Senators will be mindful of that and will give all the cooperation they possibly can give to the joint leadership, so that the Senate can complete its work and that Congress can adjourn sine die at a reasonably early date, circa October 1.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. Mr. President, I appreciate what the distinguished majority leader has said. I think that very often, in trying to accommodate one or two Senators, we unnecessarily burden 10 or 12 others.

Considering that we have short days in which to complete our work and to get our major authorization and appropriation bills passed, I believe we should understand that if we accept out-of-town engagements on legislative business, we do so at our own hazard. I concur with the Senator on that.

I was interested to note that he mentioned Chicago. I am going to be there late this afternoon, but I will not ask the Senate to hold up any votes until next week on my account.

Mr. ROBERT C. BYRD. I thank the distinguished acting minority leader for his supportive statement.

It is a problem, and I understand that Senators have these difficulties confronting them. I have empathy with them. I have had the same difficulties in the past and will have them again. But I have to say, also, that, as a general rule, most Senators are very cooperative, on both sides of the aisle, and very understanding. Usually, we are able to work out these things.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield me 1 minute?

Mr. TOWER. I yield 2 minutes to the Senator from West Virginia.

Mr. ROBERT C. BYRD. So, Mr. President, these words of caution are ushered with understanding of the burdens that my colleagues carry. I seek their cooperation.

I take this opportunity, also, to thank the minority leadership; because without the cooperation of the leadership on the minority side in this body, it would be extremely difficult, if not impossible, to complete the Senate's work. I have had that cooperation, and I know that I will continue to receive it. But it does take a great deal of cooperation in working out the time agreements so as to expedite our workload.

I yield the floor.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Does the Senator from Texas yield back the remainder of his time?

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time.

RECOGNITION OF SENATOR EAGLETON

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri (Mr. Eagleton) is recognized for not to exceed 15 minutes.

S. 2750—MOTOR GASOLINE INCREMENTAL PRICING ACT OF 1980

Mr. EAGLETON. Mr. President, the growing opposition from both sides of the aisle to the proposed oil import tariff underscores a dilemma which has bedeviled Congress since 1973. Everybody knows we have a serious energy dependence problem. Everyone agrees that our best, short-term answer to the problem is conservation. But, that is where the consensus breaks down. Nobody has been able to build majority support for any of the existing alternatives and there is a simple explanation for that—they are lousy choices.

The proposed import tariff, which would translate into a 10-cent-a-gallon increase in gasoline prices is inflationary, would add to the burdens of the lower income groups and, would do little to reduce our dependence on OPEC. Most economists would tell you that it would take a tax five times that amount to have any significant conservation effect. Another alternative, which in my mind is similar and just as bad as an increased tax, is to let the oil companies drive the price up and make billions in unearned profits by doing so, all in the public interest of forcing conservation.

For the same reasons that I oppose an increase in gasoline taxes, I am opposed to letting the oil companies make a killing in the market at the expense of the already hard-pressed American consumer.

That brings us to the third choice which is formal coupon rationing. In an emergency we may be forced to go to rationing. But, short of those circumstances, I do not know many people anxious to set up the $2 billion bureaucracy that it would take to administer gasoline rationing.

So where does that leave us? Without a coherent, comprehensive conservation program—7 years after the Arab oil embargo, and 2 years after the Iranian revolution.

Mr. President, the American public may be right in blaming Congress, in part, for the absence of an effective energy program. We have done a lot of debating, a lot of quarreling with each other, but there has not been much fresh thinking about our problem.

Mr. President, today I am introducing a bill for myself, Senator Nelson, Senator Pell, and Senator Baucus which I believe offers a new approach to conservation. We believe that this program would be overwhelmingly preferred by the American people to the other alternatives I have discussed, but we are not so immodest as to claim there might not be an even better idea. We just have not seen it yet.

Mr. President, this approach to conservation begins with the recognition that American consumers respond to incentives as well as penalties. We hear a lot of talk about oil companies having to have a profit incentive to produce. But what about the American consumer, does not he need a profit incentive to conserve? Why should the oil companies always get the carrots and the buying public get the stick? Our bill attempts to rectify that situation by providing for a system of incrementally priced gasoline. It would work as follows:

Based on actual gasoline usage in each State, the Federal Government would issue discount coupons equal to half of that consumption. The stamps would then be distributed to drivers on some equitable bases.

These economy stamps would entitle a consumer to a discount of 50 cents off the posted pump price. These pump prices, by the way, will continue to be regulated at least through September 1981.

A driver in no way would be limited in the amount of gasoline he could buy. But, when he runs out of discount coupons, he would be required to pay a surcharge of 50 cents per gallon above the price posted on the pump.

The effect of this incremental pricing system would be to positively reward the person who finds ways to conserve gasoline, while substantially penalizing those who increase their use. It is a way of forcing conservation from the upper end of the consumption spectrum rather than from the bottom—from the very first gallon—as is the case with tax proposals.

Under this system, the driver who is more or less average in his use of gasoline and who does nothing to change his habits would break exactly even in his expenditures for gasoline. The difference is that he would be paying much less for the first half of his use and much more for his second half and that is precisely what a well-designed conservation plan should do.

Unlike proposals for an increase in gasoline taxes, our incremental pricing plan does not add a penny to the consumer's overall gasoline bill and hence is not inflationary. It merely shifts the burden of paying for that gasoline from the bottom half of use which is irreducible anyway to the upper half where the conservation potential exists.

Unlike coupon rationing, our plan does not limit a driver's access to gasoline. It merely gives him a pocketbook reason to think before he buys.

From the oil company and retailers point of view, our incremental pricing plan in no way reduces revenues. It merely forces the industry to take its profits from the upper half of the consumers dollar rather than the bottom.

Obviously, some retailers will take in more discount coupons than others, but there is a simple means of reconciling that discrepancy. Each dealer already is required to remit State and Federal gasoline excise tax revenues on a monthly or quarterly basis. It would not be a complicated matter to piggyback that existing system by requiring dealers to turn in their discount coupons at the same time. Those with coupons for more than half their sales would receive a rebate at a rate of 50 cents for every coupon over half. Those with coupons covering less than half their sales would be required to remit at a rate of 50 cents a gallon to make up the difference.

Walter Heller, one of several economists I asked to review this proposal, had this to say:

> I just want to record my positive reaction to your proposal. While it is not as simple as a gasoline tax, I believe that it would avoid the severe inflationary impact of such a tax. And, while it is not sure footed as gasoline rationing, it avoids the tremendous administrative costs and complexities of rationing.

Mr. President, we could make no greater contribution to the fight against inflation than to implement an effective gasoline conservation program. I believe the bill we are introducing today meets that need in a way that the American people can accept.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2750

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Gasoline Incremental Pricing Act of 1980".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) the United States is currently dependent on large quantities of imported crude oil which has been increasing in price at an excessive rate;

(2) the increasing price of crude oil has resulted in rapidly increasing prices of motor gasoline and a need to increase the conservation of this petroleum product;

(3) rationing of motor gasoline is only appropriate in emergency situations;

(4) further dependence of imported crude oil will create severe economic hardships including significant increases in the rate of inflation; and

(5) such hardships jeopardize the health, safety, welfare, and national security.

(b) The purpose of this Act is to direct the President of the United States to develop a plan to provide access to a predetermined amount of motor gasoline at a discounted price and provide an incentive to conserve motor gasoline supplies by charging a commensurately higher price for motor gasoline not purchased with economy coupons. The authorities granted under this Act shall be exercised for the purpose of minimizing the adverse impacts on the American people and the domestic economy brought about by dependence on imported crude oil.

PLAN DEVELOPMENT

SEC. 3. (a) Not later than ninety days after the date of enactment of this Act, the President shall promulgate regulations which establish a program that—

(1) provides for the distribution of coupons with a fixed monetary value to be used to purchase motor gasoline at a discounted price equal to the posted price less the value of the coupon;

(2) establishes the number of coupons to be distributed at a level which is not to be greater than 50 percent of each State's actual total of gasoline sold through retail outlets and shall be adjusted to take account of sales to commercials that shall be excluded during the preceding 12-month period less an amount equal to the projected level of conservation brought about by the implementation of the program established under this Act;

(3) provides that retail dealers of motor gasoline may charge a price not greater than the posted price plus the amount of the discount for amounts of motor gasoline sold for which the user has no coupons;

(4) provides for the distribution of coupons within each State on the basis of vehicle registrations unless the State establishes an alternate plan approved by the Secretary of Energy; and

(5) provides for the payment of funds to the Treasury or State Motor Vehicle Agency by retail dealers of motor gasoline who collect discount coupons for less than 50 percent of their sales, and the payment of funds from the Treasury or State Motor Vehicle Agency to those dealers who collect discount coupons for more than 50 percent of their sales.

(b) The regulations promulgated by the President pursuant to this Act shall provide that not more than two vehicles per family shall be eligible to receive coupons and shall exclude commercial and off-road farm vehicles from the coupon and surcharge requirements.

(c) The regulations promulgated by the President under this Act shall not take effect for a period of ninety days after the Congress has approved such regulations by resolution.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

RECOGNITION OF SENATOR CRANSTON

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from California is recognized for not to exceed 15 minutes.

ROBIN MacGREGOR CRANSTON

Mr. CRANSTON. Mr. President, I dedicate this speech to my son, Robin MacGregor Cranston.

I make it in order to preserve in the history of the United States, on the page or so of the CONGRESSIONAL RECORD where these remarks will appear, a few of the memories of Robin that live in those who knew and loved him.

Robin's was a life of tumult, like our times. It was touched in many ways by the great and small events of our era, and he, in turn, touched many of those with his ambition, his determination, his hopes, his dreams. My life in public affairs affected his life in many ways, some fortunate, some unfortunate, and directly and indirectly involved him in the issues facing my generation and his and with some of the great and some of the not-so-great leaders of the past three decades.

In his private life and in his own public concerns—against the war in Vietnam, for the protection of our environment and all living things—he was a unique mixture: restless, fearless, reckless, rebellious, yet also gentle, sensitive, creative. He was born free, incredibly free. He was further resentful of all authority that impinged upon his own sovereign spirit.

His brother, Kim, said of him today:

> Robin was a spirited adventurer, with an incredible imagination, a wonderful sense of humor, a strong, kind heart, and a sense of fairness and justice he may have inherited from his ancestor, Rob Roy MacGregor, a Scottish Robin Hood.
>
> Robin lived a very full life, in which a moment was not wasted, and every experience and opportunity was taken to its outer limits. Robin did not hurt anyone and, despite occasional setbacks he experienced, his spirit remained strong and free.

David Thompson, a friend of Robin's over the years stretching back to Mira Loma High School in Sacramento, said of him on the night of his death:

> Rob pushed life to the hilt. If there was trouble, it was disaster. If there was laughter, it was hysterics. If there was love, it was all-consuming. Wherever he is now, he's busy rearranging things—or trying to.

A Texas businessman, Bernard Rapoport, called from New York early this morning to say:

> Only a small portion of the three score and ten that was supposed to have been Robin's was allotted to him. It is a tragedy. He dreamt bigger than most. As his good friend for many years and prospective employer, I sensed—no, I knew—that maturity, a little late in coming, had indeed arrived.
>
> "He possessed a beautiful heart and an enquiring mind. He wanted to taste every ingredient of life before settling on a final recipe. He was taken from us too soon, and we will never know exactly what that recipe would have been. I have no doubt that it would have won a blue ribbon.
>
> "For me, his greatest asset was that he epitomized what Sophocles said, 'I was born not to share in hate, but to share in love.'"

When Robin lay shattered and unconscious after the random accident that took his life, the President of the United States prayed for him, as did many others, known and unknown. I express abiding appreciation, on Robin's behalf, to them all, and to my Senate colleagues for the strength derived from their support and sympathy.

A friend and former colleague, Senator Harold Hughes, spoke at ceremonies for Robin on May 18 at a beautiful place overlooking the Pacific Ocean he so loved. Harold said in part:

Some words come to mind from the Book of Genesis as we sit together here on this superb spot of God's creation and as we remember Robin's great concerns and contributions to the cause of preserving the beauty of God's world for all time. The Book of Genesis begins: In the beginning God created the heaven and the earth, and the earth was without form and void, and the spirit of God moved upon the face of the waters. And God said: Let there be light. And there was light. Now the spirit of God moved in creation and brought into being all that there is.

And as we sit here today and realize that out of a void and chaos came the wonder of God's creation—of which he gave us the stewardship of all that we have—and realize that our lives are a commitment to that, we can come to understand the kind of God we are talking about.

I want to share with you today a bit of my own faith, my own belief in the way God has led me in my life. I couldn't speak of truth, I couldn't experience sadness, I couldn't understand pain, if it hadn't come my way in my life, also, to know what this day means in the lives of those of you who love Robin.

In my own faith I have had to experience the advent of what we call death in my life of my own brother and all of the members of my family at one time or the other—my brother in an automobile accident. In the last three years my daughter died, my mother died, and my son-in-law was killed in a traffic accident. I know the shock and pain that comes into a family. But I know the strength and faith of God through Jesus Christ that brings us the real joy of understanding.

You know, as the Lord spoke to us, I remember the day especially when he hung on the cross taking the sins of the world upon himself. And the thief who was at his side looked at him and said, "Master, remember me when you've come into your kingdom." And He turned and He looked back at this man hanging on the cross next to Him and said, "You shall be with me this day in paradise."

I believe with absolute assurance today that Robin is there in paradise, that he is aware of everything that is going on here today, that he is with us, that as God is spirit, he is spirit," said Harold Hughes. I am assured in the scriptures that the spiritual body is as real as the physical body and that we feel a physical absence as if we took off an old suit of clothes when we shed the body. We have a fullness of realization that life is as real and forever as we know it today.

So I come with my friends and the friends of Robin to share an absolute trust in the word that God has given us in the fullness of realization that what he has done for us is to show us the way to eternal life.

As we gather today to commemorate a life and to celebrate a victory—not a defeat, not the end, but an ongoing time of life—we come together to realize that God gave us something beautiful. The Cranston family had Robin for 32 years—a beautiful period of his life. You, his friends, shared many of those years with him. You knew his loves, you knew his concerns, you knew his compassion, you knew his heart, you knew what he believed and the depth of his feeling. His concern for the creatures of the earth that God has created. His concern for humanity itself that we discuss in terms of war and peace. His concerns for everything that mattered, really, in life.

And as you shared those concerns with him and the understanding that he had, you now come to the realization that God, for some reason, has needed him for a greater cause. There's no way that we can ever understand the ending of a life at an early stage. But one day we will understand that completely, when, as we will, we come to know the reason behind it.

I'm sure that God had a greater need for Robin where he is now that we can ever understand in this world, in our worldly thinking, in our worldly thoughts. So as we come to the realization that God has prepared a place for him, that God has said to him that he will be with Him in paradise, that God Himself, coming into the world and taking upon Himself our sin and rising in the Resurrection, has assured us that if we live with Him and die with Him and rise with Him, that we have then eternal life.

And I'm grateful for the opportunity that God has given us—each and every one—to come to the fullness of life and to the fullness of the realization of what that means.

So spoke Harold Hughes.

Then a friend of Robin's who is a young and graceful actor, Charles Valentino—he played the Scarecrow in "The Wiz"—recited a poem of his entitled "Universal Children." He dedicated it to Robin, who adored children and related to them superbly, as he did also to much, much older people like the late actor, Will Geer.

UNIVERSAL CHILDREN

From the other side of the sky we came,
Through a system we called birth,
Seeking knowledge for our brains on a sea and space called earth.
Before our arrival the mission was set,
From the first source and center of all,
To perform on the grandest stage ever built
Until that last curtain call.
Universal children, children of the universe,
Coming at you from all ends,
Expressing that of the highest law to the souls of hungry men.
And we are everywhere.
Before the beginning the ending is seen,
It happened without any warning.
Empty space became a silver screen,
Upon which this new world was dawning.
Truth and understanding is the message we bring.
Through love, disappointments will fade,
Through the words of wisdom in the songs we sing,
We bring about change.
We are everywhere, believing and achieving.
From the Father of us all we bring this message to you:
It is not enough to know where you're going,
You have to know where you're coming from, too.

And then Charles sang a song from "The Wiz":

BE A LION

There is a place we'll go,
Where there is mostly quiet,
Flowers and butterflies,
A rainbow lives beside it,
And from a velvet sky, a summer star.
I can feel the coolness in the air
But I'm still warm.
And then a mighty roar will start the sky to cryin',
Not even lightning will be frightening my lion.
And no fear inside,
No need to run, no need to hide.
You're standing strong and tall,
You're the bravest of them all,
Keep on trying.
It's on courage you must call,
Then just keep on tryin', tryin', tryin',
And in your own way, you're a lion, a lion
You're a lion.

Another gifted young friend of Robin's, Bob Berryman, then strummed his guitar and sang this song:

You and I are such good friends,
We drink and laugh and talk together,
Riding out the stormy weather all around us.
You and I are such good friends,
We think about each other often,
Come together, watch the hours moving.
You and I, you and I, you and I, you and I.
You and I are quite a pair of comets streaking through the heavens,
Out of God's creation, you and I.
You and I, we share the rain,
Children in a mountain forest,
Drinking from the fountains of our youth, you and I.
You and I, we walk the same roads
Where the chilly north winds blow,
Sing our songs together, you and I.
You and I have cried the same tears,
Learned to minimize our fears,
Our love will never die,
Our love will never die.

Then Senator Hughes said:

I wonder if we could just bow our heads for a word of prayer for a moment, and then we'll have a time of sharing by whoever the spirit moves to speak out today among Robin's friends and family. I think especially, if we might, we should remember his family—Geneva, Kim, Lori, Christa, Alan, Norma, and Robin's beloved Kimberly. And remember that those who loved Robin very much and were so very close to him feel today the closeness of his spirit with them right at this very moment.

We know that God's love is with us, that the Lord Jesus Christ—himself living—is with us. And as we turn to our God, our Father today, and lift up our hearts in prayer, let's feel that closeness and kindred spirit one with another.

Our dear Father, we come to you now at this moment just seeking your great comfort and love. We're aware of the great love that you have for us. That you created this very earth that we might live in it and have dominion over it, that you're aware of the birth of every child that takes place, of the length of their life and the way they live.

That you had a special plan for Robin's life, and that as that plan unfolded, and he unfolded it, a beautiful way of life was lived by him. That we must come to grips with the concern and the care of his family that was with him always and felt so deeply.

I pray that you will pour out a great peace in the hearts of this family especially, that you will give them a fullness of understanding of your mercy and your compassionate love, as you have loved all of us.

We want to pray for Robin today, as we know he is praying for us, and pray, Oh God, that you grant him a peace of heart himself, that you grant him a time that he can know truth and come face-to-face with the reality of what we are created for, and that through love he can fulfill that purpose now and be busy in doing that for which you have called him to do. We ask again, Oh Lord, that you will grant us your grace, your understanding and the peace that only you can give. We ask it in the name of Jesus Christ. Amen."

There was a silence, and then Harold spoke softly:

If I could now, I ask for anyone to rise who might want to share a glimpse, an insight of Robin's life. This is really a time of celebration of life, a time for recalling memories—the joyful, the funny, the whole part of all of us and of what we have of him.

Bob Berryman said this:

The thing I remember most about Robin is that he always had words of encouragement and a smile for me whenever I saw him. That's the best thing you can give a person, I think. Each of us has our destiny, to a certain extent, in our own hands, and to another extent in the hands of the Lord. And for someone to be able to be encouraging—that's a lot. It's a lot to me. So in my mind Robin will always live for that.

Jackson Leighter, an older friend of the family and of Robin's, said:

I had the privilege of knowing Robin through various stages of his life, growing up. He always had a lot of courage, a very vivid imagination—sometimes like a wild horse. But he had great beauty and an enormous capacity for love. He could have achieved a lot. He'll be missed. We love him very much.

An attorney, Alan Sigal, spoke:

I remember reading that Cicero wrote that he didn't want to be mourned by tears or have any celebration of mourning at his funeral. And that's Robin, as I know him. And I know that the last thing he would want would be sorrow here, as difficult as it may be not to feel sorrow.

I met Robin almost 10 years ago in my capacity as a lawyer. His scrapes with the legal system are no secret. On the way over, we were discussing why it was that Robin had those difficulties. He was such an outgoing fellow, he was so trusting and he believed so much in the basic good in people. I think it was really that naivete that led him into so many altercations with our legal system.

I know from firsthand knowledge, having participated in extricating him more than once from these problems, that he really was falsely accused. Reading about it all, you might not have known that. I remember the trial itself in the course of which I first came to know him—an incredible trial that got massive coverage. At the end, Robin was exonerated.

The news media asked him if he wouldn't call his dad to tell him of the verdict. Robin, accommodating always, agreed to do so, and a cadre of reporters followed him to a telephone. He placed his dime in the instrument.

Flashbulbs were going and television cameras were whirring, and he began to talk animatedly with his father, "They found me innocent," he said joyfully. After a few moments, he handed the phone to me and said, "Dad wants to thank you." I took the receiver, put it to my ear, and was astounded to hear a busy signal. I stared at Robin. He was smiling. I didn't know what to say, but I managed to mumble and stumble a few words into the mouthpiece, hung the phone up, and to my horror heard the dime drop down. I sounded like a gong going off. Robin reached over and retrieved it. No one noticed.

When we left the courthouse, I said, "Robin, why did you do that?" He said, "Well, I did call Dad. The line was busy." As always, the accommodating Robin didn't want to disappoint anybody, so he went on with his imaginary conversation. Those of you who know him as I do know that I didn't need to ask why he handed the instrument to me. That was Robin's sense of humor.

My memory of Robin is so pleasant. He was such an endearing young man, energetic and fun to be with, both as a client and as a friend. I just don't intend to let my sorrow at his loss mar those earlier memories. I hope his family and his friends follow in that belief, as well. Nevertheless, I really will miss him.

Leslie Stevens, the motion picture and television producer, made these remarks:

I was very much influenced and touched by Robin in my entire life outlook. When I first met him and associated with him, he came to work with me at Universal Studios, where he was a production associate on The Man From Shiloh and on McCloud. And in the course of all of the work on the budgets and casting and everything that he was involved with, he would occasionally come up to my house in the Hollywood hills.

One evening there was a Santa Ana wind blowing, and Robin was gazing down on the lights in the valley. He called me over and said that there was this strangest phenomenon where you could see the twinkling of the lights going along in the path of the wind.

Robin explained to me that you could see the wind if you actually looked down there and saw how those lights were affected and disturbed by it. So I looked down, and sure enough—I could actually see the outline of the wind, just like you see it on water at the beach.

And I began to think: God, somebody who can see the wind has really got something going for him. So I began to listen to a part of his world which is what they put under the "ecology" label.

I thought at first it was a fad. I wondered, "What's he into here?" But then I began to get involved. I don't know whether he talked me into it or we talked each other into it, but before the two of us we bought a whole missile base up in the middle of California. It was 65 acres of tunnels and underground chambers and stuff that had been abandoned by the government.

It was Robin's idea that we turn it into an ecology center, turning swords into plowshares, in a way. The perimeter has barbed wire all around it, but to this day there's a field of wheat planted on top of the missile base, and there are roses all entwined in the barbed wire—Robin's idea.

He was dead serious about ecology. It wasn't anything trivial or passing with him. I expected it to go away, but it didn't. And every few months he'd be coming back and telling me that I ought to get involved with whales and dolphins and things. I really listened, and heard what he was talking about, and I find to this day that I'm passionate about dolphins and whales.

What Robin was really talking about is a very deep sense of the unity of nature. He was religious in the strongest and best sense of the word. He had a feeling for what you might call the cosmic order of things. He knew then—and he said it many times in many conversations—that it was all one thing: that if you were really lined up with it properly, and if you had the right alignments and the right feelings about it, then you became like it, you merged into it.

And I have this feeling now—in this strangest and most inexplicable way—that Robin has achieved that, that he has become what he understood while he was alive, that he's part now of the cosmic order of nature—something that he understood and believed in.

An image of a moment in time keeps coming to me. It happened way back at Universal one afternoon when he was in a particularly happy mood. He was yelling goodbye to me across the parking lot. At the time in a kind of cynical way I thought it was naive, but he held up his two fingers in that old V-sign and just waved at me like that. It was kind of—good luck and we're going to be all right, and everything's gonna be good.

In the last few days I've seen it again a dozen times. I've seen Robin against the sky, holding up his two fingers. And I remember that Egyptian thing he used to say sometimes—he talked about the Eye of Ra, and the Lord of Eternity, and the star-god of millions and millions of years. And I know that's where Robin is, and that he's with us, and that he always will be.

The creator of "Mandrake the Magician" and "The Phantom," Lee Falk, rose. He said:

These stories about Robin have brought back so much. I knew him from the age of three or four, and followed his picturesque, colorful career from the East.

There's a favorite first line in an old novel I used to love, "Scaramouche": "He was born with a gift of laughter, and a sense that the world is mad." That's Robin. He could laugh at himself very well, which is very rare.

Robin really did a remarkable thing. He came unheralded into the New York show business world with no experience there, and put a great big show on Broadway. This would be a tremendous accomplishment for anybody, much less a young man only 27 or 28 who with a co-producer brought this ice show starring Tollar Cranston to the Palace Theater in Times Square. I saw the show—it was magnificient. It drew standing ovations and rave reviews.

On opening night I was standing with Robin and his father, looking up at the marquee, where it said in bright lights, "So-and-so and Robin Cranston present . . ." And it was quite a moment. Alan was very proud. And I said to Robin, "Robin, this just goes to show that when you're a good boy and do your homework, and obey your parents, stay straight and have no trouble, this is what happens. You're a success."

Well, his father really cracked up, I must say, and so did Robin.

I was the last to speak, and the following is a sort of blend of what I said and what I felt then and upon other occasions in these recent days:

I think that all of us who knew and loved Rob have only learned in these last few days how deep that love was. And we have found ourselves loving him more and more as we have exchanged stories about him and expressed our affection for him. He taught and he is now teaching us and others much about life. I think of a friend and fellow Senator whose first and only words, when he heard about Robin's accident, were "I'm going home to hug my children."

There was a measure of anxiety and anguish in our time with Robin. But that was overwhelmingly surpassed by the excitement, the exhileration, the joy, and the pride he gave us.

We miss him terribly, separated physically as we now are. He had a wonderful sense of family, and it is heartrendering that he was taken from ours and from life at 32. But spiritually we are together—forever. Our lives will be forever enriched by our memories of Robin.

I remember one of our first Christmases with him. He became more and more excited as Christmas approached, and in his excitement he misbehaved excessively. He was 3 or 4 or 5 then. We drove down from the North to stay with his Aunt Lee Fairbrother over the holidays in the snow in the mountains by Lake Arrowhead. And on the way we had to stop several times to chastise Robin for the trouble and commotion he was making in our crowded car.

On Christmas Eve, after he had finally fallen asleep, we laid out gifts for all the family under the tree. Early Christmas morning Rob arose, crept to the head of the stairs, and peeked over the bannister. When he saw the mountain of gifts, he awakened us all by shouting, "Boy, have I been good."

When Rob was about 10, we were up in a small town in the mother lode country Rob explored the little mountain community, and came back to report to me that he had discovered a place where illegal gambling was occurring. He asked what we should do about it.

The future Governor of California, Pat

Brown, who was then Attorney General, was in town for a reception that we planned to attend, so I told Robin that he should tell the Attorney General. Soon we were at the reception, and when Pat Brown arrived, Robin approached him and said, "I would like to speak with you." Pat bent over and said, "What is it, son?" Robin replied, "I want to speak to you in private—alone." So Pat led Robin over to a corner where the two spoke earnestly for a minute or two. The Attorney General came back shaking his head and said, "Oh, that son of yours!"

Some 3 months later, the press reported that there had been a police raid in that mother lode community and that a gambling ring had been broken up.

This was not really the first achievement in Rob's remarkable life, and of course it was far from the last.

One of our greatest sadnesses is that he could have achieved, in time, so much, much more, and that those who have not known or understood him could then have come to see him as we see him. But, as Harold Hughes told us, there is a place where Robin is now doing what he was called from us to do. And we know that he is doing it—magnificently.

The PRESIDING OFFICER (Mr. Bumpers). The Senator from Missouri (Mr. Eagleton).

Mr. EAGLETON. Mr. President, those of us who have been on the Senate floor have been privileged to hear as beautiful a tribute as perhaps has ever been uttered. Its beauty takes on a heightened and greater luster since it was delivered by a loving father in memory of his departed son.

The PRESIDING OFFICER. The Senator from Michigan (Mr. Levin).

Mr. LEVIN. Mr. President, I did not know Robin Cranston, and I wish I had. I do know his father, and I am glad I do.

It has been a remarkable statement that Senator Cranston has made this morning. It is going to make it easier for each of us to be open about our emotions for our children. I think we are all indebted to him for that.

I am glad to see that Senator Cranston is back here with his normal strength, steadfastness, and gentleness, which is where, I am sure, his son Robin would want him to be.

Mr. CRANSTON. I thank you and others very, very much for your thoughtful words and for your friendship. This experience has given me a greater feeling of collegiality and family with those of us who serve together in the Senate than I have ever felt before. This is yet another gift from Robin. I thank you and him.

The PRESIDING OFFICER. The Senator from Wisconsin (Mr. Proxmire).

Mr. PROXMIRE. Mr. President, I have also been privileged to be on the floor during the very moving statement by the distinguished Senator from California. There is no more tragic or painful event that can occur in the life of any person than to lose a child. My brother was killed when he was 25 years old, and the effect on my father and mother was as devastating as anything that I have ever seen, and I know what Alan Cranston must be going through.

I want to say how grateful we are for the strength and courage he has shown by the remarkable statement he has made this morning. I think it will make all of us better people and all of us really understand the sensitive and remarkable human being that Alan Cranston is, as well as his son. It was a great tribute by a father to his son, and I am most grateful that I have been on the floor to hear it.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 11 a.m., with statements therein limited to 1 minute each.

Mr. PROXMIRE. Mr. President, is the parliamentary situation that 1 minute is allowed?

The PRESIDING OFFICER. The Senator is correct.

EXTENSION OF TIME SENATORS MAY SPEAK DURING MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senators may speak up to 5 minutes each during the period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GENOCIDE CONVENTION, OUR DUTY TO THE WORLD

Mr. PROXMIRE. Mr. President, in an article commemorating the holocaust, Seymour Cain describes Jewish philosophical reaction to this horror. He first cites Eliezer Berkowitz who "finds in the holocaust evidence of the deep moral corruption of Western civilization, proclaiming its decay and eventual demise."

Berkowitz's dismal forecast is seemingly well substantiated. Human history has never witnessed so callous, gruesome and terrifying a spectacle as the holocaust. The mere existence of the holocaust supports his contention.

The burden of proof that this is not the case lies with us. Does the fact of the holocaust mean that genocide is a viable concept in modern thought? In our thought? Such a possibility repels the mind. It sickens me.

But what is the alternative? Is it possible to rationalize the holocaust?

In her book "War Against the Jews," Lucy Dawidowicz comments:

> At bottom the success of the Final Solution throughout Europe depended on Germany's opportunities and resources to carry it out, that is, whether or not Germany had uncontested control of a country or territory. Elsewhere the final solution was conditional upon a political tradition that held that all men were equal, that human life was valuable, and that the Jews were human beings entitled to life.

As Cain says, Lucy Dawidowicz believes there is something essential in the Western tradition that says "no" to genocide.

She is absolutely right. Modern society is built upon the belief that all human life is sacred. In the United States we have laws to condemn murder. The killing of a single human being. So does the rest of the world.

How much more culpable is genocide? The attempt to deny an entire group of its right to live, a group composed of many human beings. Surely we cannot permit this.

Dawidowicz has refuted Berkowitz's gloomy appraisal, but only partially. Despite all precepts to the contrary, genocide did occur in Germany. We must confront that.

Nazi actions outraged the world. But simple outrage was insufficient to halt them. Action was needed. Heroic people rose again and again to oppose Hitler's genocide. These people risked and sometimes lost their lives to defy Nazi genocide, to save Jewish lives.

These "righteous gentiles," as they are honored at Yad Vashem, were the cornerstone of Western philosophical salvation. Hitler's repressive power, his diabolical "Final Solution," could not and did not eclipse all prior human culture and intellectual evolution.

The actions of the "righteous gentiles" acclaimed and affirmed our most cherished principle of an individual's most basic right, the right to live. They confronted the holocaust. Our duty is to carry on their tradition of resistance. Resistance to the hideous spectre of genocide.

We cannot be held strictly accountable for Hitler's deeds. But we can and will be held accountable for failure to act now to prevent any further instances of genocide.

Mr. President, we can act on the Genocide Convention. It is so simple. We have before the Senate that convention that has been before us now for 30 years. This convention formally censures genocide as an international crime. As an offense to the sensibilities of all civilized nations.

Nothing stands in the way of ratification. There are no valid objections to this treaty. I call on my colleagues to ratify the Genocide Convention.

CHRYSLER LOAN GUARANTEE

Mr. PROXMIRE. Mr. President, late last year the Congress agreed on a Chrysler loan guarantee bill that provided a series of protections for the taxpayer. That bill as it emerged from the Congress was designed to raise sufficient capital in addition to the Federal guarantee to give Chrysler a fighting chance to survive.

The bill passed the Senate by a bare six votes.

Mr. President, as chairman of the Senate Banking Committee, I have conducted about 5 hours of hearings on this bill, and I am convinced that the board has agreed to provide the guarantee without requiring the company to live up to what the law clearly demanded.

For example, the law we passed insisted that as a condition to making the guarantee available, the banks—the banks that Chrysler is already into and which have a great deal at stake in the survival of Chrysler—would have to advance an additional $400,000,000 of additional credit. We did indicate that the requirement could be modified but there was no indication—none that the banks could be excused from providing any new credit whatsoever.

The fact is, Mr. President, that this is precisely what the banks have done. They have refused to provide a single additional dollar of credit to the corporation.

Since they have refused to do this in spite of the presence of a Federal guarantee for $1.5 billion, the inescapable conclusion is that the Chrysler banks that know the business as a credit risk far better than anyone else, have no faith that the company can make it.

Mr. President, there are many reasons why I vigorously oppose this action by the Board headed by the Secretary of the Treasury.

No. 1, the plan provides for no new bank credit as required by the law;

No. 2, the plan allows Chrysler's banks to discontinue their outstanding lines of credit in effect last October which is contrary to the law;

No. 3, the plan provides for no new equity capital to be raised as required by law; and

No. 4, the plan provides no firm assurances that the private money will actually be raised. For example, the deal to sell Chrysler Financial at a price of $300 million has fallen through.

Also, I am concerned by the precedent this guarantee will now establish that once we authorize a bailout we can forget the enforcement of any conditions we make to require protections for the taxpayer if those protections are difficult or inconvenient for the bailed out company.

Mr. President, with New York City, with Lockheed, with Chrysler we are going down a dangerous, expensive, inflationary path. It will be hard to turn back from that path, but we must.

In this Chrysler situation, unfortunately, we are in a parliamentary situation where there is little we can do. We can pass a resolution of disapproval, but the administration can, as they almost certainly would under these circumstances, ignore it.

We can repeal the act but, of course, that would require overriding the President's veto and there is no way we can get the votes to do it.

It appears we have a fait accompli here and it is most unfortunate.

Mr. President, I thank my good friend, the majority leader, and I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMISSION ON CIVIL RIGHTS AUTHORIZATION, 1980

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Mr. President, is it accurate that the Senate is to begin voting at 11 o'clock on the Helms amendment and that a motion to table that amendment would be in order?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAYH. For the benefit of our colleagues who may not have been present the other day, and for their edification so they might know, the Senator from Indiana intends to, at the proper time, move to table both of the Helms amendments.

The first amendment is an effort to make it appear that we are saving money by cutting the budget for the Civil Rights Commission from $11 million to $6 million.

The Senator from North Carolina, in all candor, admitted what he was trying to do was to kill the Civil Rights Commission.

It seems to me the U.S. Senate has to face up to the fact that it has been an institution that has been willing to move forward to protect the rights of American citizens. In the light of what is going on in some places of the country right now, and the kinds of feelings that exist in the minds of many of our citizens about whether they are wholly integrated into our society with full opportunities of citizenship, this is certainly not the time for us to undertake something which would, in effect, kill the U.S. Civil Rights Commission.

The second amendment is couched in terms of keeping the Civil Rights Commission out of politics. The law presently forbids the Civil Rights Commission's getting into politics. Rather, the amendment proposed by our distinguished colleague from North Carolina would cut part of the budget of the Civil Rights Commission if it gets involved in politics, thus saying, "You can get involved in politics, but we are going to penalize you by taking away part of your funds." I do not think it should be involved in politics at all. The President said it should not be involved in politics. For that reason, the Senator from Indiana is inclined to and will, at the proper time, move to table both of those amendments.

It is time for us to understand that the Civil Rights Commission has not only been a bulwark providing protection for the major civil rights legislation for the last decade and a half, but we have been giving it additional responsibility.

It is now conducting studies to see what discrimination exists as far as our elderly citizens are concerned. It is conducting studies to see what discrimination exists as far as our handicapped citizens are concerned. The Senator from North Carolina, himself, proposed an amendment which was appended to the authority and the mission of the Civil Rights Commission under which they are now conducting a study to see what discrimination exists directed at certain ethnic groups, such as Eastern European ethnic groups which, prior to this time, were not encompassed in the mandate of the Civil Rights Commission. So it is patently unfair for us to suggest that we are going to give them twice as much to do but give them half as much to do it with.

The impact of this amendment is to gut the Civil Rights Commission. Now is not the time to do that.

The PRESIDING OFICER. The hour of 11 a.m. having arrived, the Senate will resume consideration of S. 2511, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 2511) to amend the Civil Rights Act of 1957 to authorize appropriations for the United States Commission on Civil Rights for fiscal year 1981.

The Senate resumed consideration of the bill.

Mr. BAYH. Mr. President, I move to lay the amendment of the Senator from North Carolina on the table.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana to lay on the table the amendment of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Nebraska (Mr. EXON), the Senator from Alaska (Mr. GRAVEL), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Washington (Mr. MAGNUSON) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. BAKER. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The PRESIDING OFFICER (Mr. MITCHELL). Is there any Senator in the Chamber who has failed to vote and wishes to do so?

The result was announced—yeas 76, nays 14, as follows:

[Rollcall Vote No. 153 Leg.]

YEAS—76

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Ford
Garn
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Mitchell
Moynihan
Nelson
Nunn
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes

Sasser
Schweiker
Simpson
Stafford
Stevenson
Stewart
Stone
Talmadge
Tsongas
Wallop
Warner
Weicker
Williams
Young

NAYS—14

Armstrong
Domenici
Hatch
Hayakawa
Helms
Humphrey
Lugar
Morgan
Roth
Schmitt
Stennis
Thurmond
Tower
Zorinsky

NOT VOTING—10

Church
Exon
Goldwater
Gravel
Hatfield
Kennedy
Magnuson
McClure
Packwood
Stevens

So the motion to lay on the table the amendment of the Senator from North Carolina (No. 1775) was agreed to.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1776

● Mr. DANFORTH. Mr. President, for some time I have been concerned about the use of Federal funds to lobby State and local governments. Indeed, I have introduced a bill in this Congress—S. 691—which would prohibit the use of appropriated funds for that purpose. Hearings were held on that proposal last year before the Subcommittee on Federal Spending Practices and Open Government.

Nonetheless,I intend to vote to table Senator HELMS' amendment to cut the authorization of the Civil Rights Commission by 90 percent on a finding by the Comptroller General that the Commission has engaged in lobbying activities. I am taking this position for two reasons:

First, the hearings I chaired on S. 691 revealed the difficulty of defining, with any precision, what is meant by the term "lobbying." For example, can the Commission be accused of lobbying if it testifies before a State legislature or the Congress—or if it responds to a request for information regarding a proposal before a State legislature or the Congress? Before we delegate responsibility to the Comptroller General to impose punitive sanctions on the Civil Rights Commission for lobbying, we need to define—with some precision—what activities we would deem worthy of punishment. The Helms amendment fails to do that.

Second, I believe it is inappropriate for the Congress to single out the Civil Rights Commission for punishment for lobbying. If it is wrong for Federal funds to be used to lobby State and local governments, or the Congress—and I believe strongly that it is—it is wrong wherever and whenever it happens. We should not single out one agency for attack.

Although I am voting against Senator HELMS, I want it to be clear that I share his concern. I trust that, should his amendment be defeated, neither the Civil Rights Commission nor any other Federal agency will read such defeat as a license to engage in lobbying activities. It is not.●

Mr. BAYH. Mr. President, a parliamentary inquiry. Is it appropriate now to move to table the second Helms amendment?

The PRESIDING OFFICER. It is.

Mr. BAYH. I move to table the second Helms amendment.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, this is a 10-minute rollcall, is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I hope Senators will be attendant and will vote, so that the time will not have to be extended.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Nebraska (Mr. EXON), the Senator from Alaska (Mr. GRAVEL) and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Washington (Mr. MAGNUSON) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. BAKER. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD) and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 64, nays 26, as follows:

[Rollcall Vote No. 154 Leg.]

YEAS—64

Baker
Baucus
Bayh
Bellmon
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cohen
Cranston
Culver
Danforth
DeConcini
Domenici
Durenberger
Durkin
Eagleton
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Mitchell
Moynihan
Nelson
Nunn
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Zorinsky

NAYS—26

Armstrong
Bentsen
Byrd,
Harry F., Jr.
Cochran
Dole
Garn
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
Long
Lugar
Morgan
Pressler
Roth
Schmitt
Schweiker
Simpson
Stennis
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—10

Church
Exon
Goldwater
Gravel
Hatfield
Kennedy
Magnuson
McClure
Packwood
Stevens

So the motion to lay on the table Mr. HELMS' amendment (No. 1776) was agreed to.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GLENN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, this is again a 15-minute rollcall vote. Following this vote, there will be a 10-minute period for debate, after which there will be another rollcall vote.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Washington (Mr. MAGNUSON) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. BAKER. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted who wishes to do so?

The result was announced—yeas 86, nays 5, as follows:

[Rollcall Vote No. 155 Leg.]

YEAS—86

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Mitchell
Morgan
Moynihan
Nelson
Nunn
Pell

Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—5

Hatch
Helms
Humphrey
Laxalt
Stennis

NOT VOTING—9

Church
Goldwater
Gravel
Hatfield
Kennedy
Magnuson
McClure
Packwood
Stevens

So the bill (S. 2511) was passed, as follows:

S. 2511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) is amended—

(1) by striking out "$14,000,000" and inserting in lieu thereof "$11,719,000"; and

(2) by striking out "1980" and inserting in lieu thereof "1981".

EXECUTIVE SESSION

THE INTERNATIONAL NATURAL RUBBER AGREEMENT OF 1979; EX. D—96TH CONGRESS, 2D SESSION

The PRESIDING OFFICER. The Senate will now go into executive session and proceed to the consideration of Executive D, 96th Congress, 2d Session, on which there will be 10 minutes debate, to be equally divided and controlled by the Senator from Maryland (Mr. SARBANES) and the Senator from New York (Mr. JAVITS).

The Senator from New York.

Mr. JAVITS. Mr. President, I rise in support of the International Natural Rubber Agreement and urge the Senate to give its advice and consent to its ratification. It is scheduled to enter into force on October 1, 1980.

Mr. President, this happens to be a matter of particular interest and satisfaction to me, because this is the first commodity agreement worked out between the developed countries, the big user countries, and the developing countries. It is an agreement which will be an element in what is called the commodity stabilization fund, which has been developed between the developed countries and the developing countries combined in an organization known with the acronym of UNCTAD.

I have had the privilege of being an adviser to the U.S. delegation of UNCTAD way back at its early conference in Nairobi, Kenya, in which the matter was hotly considered and took a long time, several years, before anything was done about it.

U.S. participation in the INRA is extremely important as it will accord the United States substantial economic and foreign policy benefits while being consistent with our overall international commodity policy.

The objectives of the 5-year INRA are to stabilize short-term natural rubber price fluctuations without disturbing long-run market trends while at the same time encouraging the expansion of future natural rubber supplies. The main vehicle for price stabilization in the agreement is the establishment of a 550,000 metric ton buffer stock of natural rubber which will be employed to defend a price range designed to insure consistency with long-term market trends. The price range consists of an adjustable reference price around which a stabilization band of plus or minus 15 percent and 20 percent is constructed in which market forces are permitted to operate.

As the world's largest consumer of natural rubber, the United States will also benefit substantially from those provisions in the agreement which are designed to foster the expansion of natural rubber supplies. The buffer stock will be large enough—550,000 metric tons—to be effective in stabilizing prices and will be financed equally between exporting and importing countries, which will not permit the producers to use the buffer stock in support of cartel-like activities. Thus, the agreement's buffer stock will dampen the extreme price volatility which the rubber market has exhibited in the past and which will, in turn, help to create an atmosphere which will stimulate new investment and production of natural rubber. In addition, the agreement stipulates that producing member countries will undertake policies to insure continuous availability of natural rubber supplies and that the administrative council of the agreement will recommend steps to avert shortages and identify and propose measures to expand and improve production.

The foreign policy benefits of the INRA are also extremely significant. The agreement will help strengthen U.S. relations with the Association of Southeast Asian Nations (ASEAN) as well as several African nations, which are natural rubber producers. Four members of ASEAN—Malaysia, Indonesia, Thailand, and Sri Lanka—account for 88 percent of the world's exports of natural rubber. For these ASEAN and the African countries of Liberia and Nigeria, the agreement will offer greater predictability of incomes and foreign exchange earnings, help encourage investments that will increase production, and help stimulate development.

In addition, U.S. ratification of the INRA is extremely important to reaffirming the U.S. commitment in the north-south dialogue to the pursuit of international commodity stabilization and cooperation. As the first commodity agreement negotiated under the auspices of the United Nations Conference on Trade and Development (UNCTAD) intergrated commodities program, the INRA is geared toward future integration into the common fund, which is currently in its final negotiations within UNCTAD.

Mr. President, the Journal of Commerce, in a recent editorial, convincingly outlined the arguments in favor of the INRA; and I shall ask unanimous consent that the editorial be inserted in the RECORD at the end of my statement.

U.S. participation in the International Natural Rubber Agreement for fiscal year 1981 requires an authorization level of $88 million but with only a budgetary outlay of $5 million. This will insure the U.S. voting share of 24.8 percent of the total importing countries voting strength, which will give the United States 12.4 percent of the voting share in the INRA's governing council, the International Natural Rubber Organization (INRO) Council.

As I have pointed out, the barebones of the agreement are that it provides for a buffer stock which can be sold or added to, which is what is the market stability on the part of the producer countries of natural rubber of 550,000 metric tons. This is a big concession to the developed countries, because the developing countries started out with a buffer stock of 100,000. And, to us, a buffer stock is very meaningful.

The other element of the agreement which is of importance is what it costs us. We are about 25 percent of the user group—24, to be exact—and our contribution to the buffer stock is about half that, somewhere between 12½ and 15 percent. Of the $88 million which is provided for by way of authorized appropriations, only $5 million is an outlay. The rest is called up should it be required.

Altogether, I believe it is a highly constructive agreement.

I see, with pleasure, in the Chamber the Senator from Connecticut (Mr. RIBICOFF) who, as a leading member of the Finance Committee, had a great deal to do with this effort at commodity acquisition and commodity stabilization. I hope he is as gratified as I am that we finally made one.

Mr. President, I hope very much, because of the factors I have mentioned and its broader implications which I have mentioned, that the Senate will act favorably and ratify this treaty.

I believe that this is a small amount of fiscal expenditures in light of the substantial economic and political benefits which will be derived from U.S. participation in the International Natural Rubber Agreement, and I urge my colleagues to give their advice and consent to the ratification of the INRA and to support the authorization of appropriations for the U.S. obligations under the agreement.

Mr. President, I ask unanimous consent that the editorial published in the Journal of Commerce be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RUBBER BOUNCES BACK

In the next month or so, Congress is going to get around to authorizing or rejecting the latest in a series of international commodity agreements. The focus of this particular accord, which took 60 countries nearly two years to hammer out, is natural rubber. A number of economic and political conditions exist which say it should be ratified.

As a rule, we tend to think these types of arrangements are more trouble than they're worth. The motivating concept behind their existence is fine—avoiding wild fluctuations in commodity prices not only makes corporate planning easier, but removes some of the feast-or-famine potential built into the economies of developing countries dependent on the fortunes of a particular primary product. The vehicle constructed to render stable what by definition the free market would rather see swing is the buffer stock, which moderates the supply available to the market and thereby reduces fluctuations in price.

In spite of their good intentions, the success of commodity agreements has been mixed. Without getting into an elaborate economics lecture, four elements are needed to give commodity agreements a good chance of working: The price of the good in question can't be depressed by sudden increases in supply; in other words, demand should be highly inelastic. There shouldn't be a readily available substitute for the commodity; if one exists, its production costs must be high. In order to insure producer cooperation, prices for the good should be low when the agreement takes effect; if they aren't, the temptation to cheat is great. Finally, the size of the buffer stock has to be big enough to have an effect on price fluctuations. Other commodity arrangements, most notably the one covering tin, have not been successful in keeping prices down because buffer stocks haven't been big enough.

The agreement currently before Congress covers a commodity and a market characterized by some of these criteria. The natural rubber market is controlled by a small number of producers—four countries, Malaysia, Indonesia, Thailand and Singapore generate roughly 90 percent of the world total—and could stabilize the market by themselves. The possibility of a natural rubber cartel surfaced about five years ago, when a producers' agreement to control the supply of rubber was reached. It was never put into effect, largely because the cost of producing a substitute—synthetic rubber—was still significantly below the price of the real stuff.

That condition still exists, but just barely. Synthetic rubber, like so many other chemically-derived substitutes for natural goods, was an economically attractive substitute as long as the price of a major component—petroleum—remained low. OPEC and blue-eyed Arabs around the world have changed all that, and sent economists, agronomists, chemists and inventors back to the drawing boards to look for alternatives. If synthetics are on their way out, something has to take its place. For the forseeable future, the most attractive option seems to be natural rubber.

There isn't much question the U.S. needs natural rubber, either. Radial tires have a much higher natural rubber content than other types. And America has always been the world's largest purchaser: In 1978, the United States imported roughly one-quarter of total world production, about $800 million worth. There isn't much cause to think the bill has gone down since then. Two years ago natural rubber was selling at about 45 cents a pound. Today the price is roughly half again that much.

With prices hovering around 70 cents a pound, and the number of producers limited to a few small countries, why should we urge the United States to support an agreement that seems unlikely to bring the price down or insure stable supply levels? These were the types of questions spokesmen from the U.S. tire industry and other skeptics were posing before House and Senate subcommittee hearings recently.

There are several reasons, some cynical, some embodied in the agreement itself, which tend to suggest the market will become stabilized and then remain that way. America's recession and the shock waves it will produce throughout the rest of the industrialized—and natural rubber consuming—world are apt to depress the price for this commodity substantially. Rather than express the hope that economic failure will insure success for the agreement, administration officials point out other factors which suggest the price will come back. Because of the small number of producers, the agreement will be easy to police. Moreover, with an international agreement in sight, the four largest producers have made commitments to increase production levels. For the past few years, the reverse has been the case.

The last reason involves the size and location of the buffer stocks. Initially, the producing countries wanted a buffer stock of 100,000 million metric tons. The United States and other major consuming countries were pushing for a stock seven times that large when the negotiations began. The final solution was a compromise, but one which favors the consumers: 550,000 million metric tons. These stocks will be located in both consuming and producing countries, which removes the possibility of the latter group acting like a cartel somewhere down the road.

Supporters of the agreement admit it isn't 100 percent air tight. They do argue it is an improvement over international commodity treaties in terms of policing and quality control. The size of the market and the type of commodity—tend to support that view.

American support for the agreement isn't going to cost us very much. $5 million in initial outlays, an additional $83 million in U.S. contributions for the life of the agreement. That seems a reasonable price to pay for something that has a good chance of stabilizing the price of an increasingly important commodity, and isn't likely to do us any harm politically in either East Asia or the Third World. Buffer stocks and commodity agreements don't usually seem to work. We are inclined to think rubber may well be the exception to the rule.

Mr. SARBANES. Mr. President, I yield a minute and a half to the Senator from Ohio.

Mr. GLENN. Mr. President, I thank the distinguished Senator from Maryland very much.

Mr. President, during our consideration of the treaty in the Foreign Relations Committee, I pointed out that producing countries should take an important step toward improving the availability of natural rubber. They have a very high and progressive export and production tax on natural rubber and I think that has really inhibited the expansion of natural rubber production.

For many of these countries, these high taxes have served as their major source of government revenue, and I realize that. But, in the long run, these high taxes will be counterproductive, because it forces people to do more experimenting to try to find a substitute that will be just as effective as natural rubber but less expensive.

Hopefully, these countries will reduce taxes and see fit to raise some of their revenue by some other means. If not, they will wind up eventually pricing themselves out of some of the major world markets.

I would say our rubber industry, the RMA the Rubber Manufacturers Association, which we have a number of leading members in Ohio, of course, were very concerned that they were not able during these negotiations to get the producing countries to reduce these commodity taxes sufficiently or to agree to what the users, the rubber manufacturers in this country, thought they should be reduced to.

Taxes run as high as 62 percent. They got them down, finally to a maximum of 50, which is still very, very high, I am sure we would all agree.

I plan to support this, but I wanted to note the rubber manufacturers' concerns. They wound up not opposing this at the end. They said they would not oppose it publicly, at least. But they are still very much concerned that these high tariffs are going to wind up not only affecting consumers in this country and around the world, but also the countries that are producing countries, by the fact that we will be forced into alternate means by producing new types of rubber ourselves. So I hope those producer countries would so note these remarks.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, first, I want to commend the distinguished Senator from New York, Senator JAVITS, for the leadership he has shown in this entire area. He has participated as an American representative at the U.N. conferences that have addressed this issue, along with other very important international economic issues, and, as he already outlined in his opening statement. The International Natural Rubber Agreement is a very important and beneficial for positive relationships between producing and consuming countries.

As the Senator noted, this agreement had been very carefully worked out. It has, I think, broad and general support. The benefits, I think, are manifest, both for the United States as a consuming country and other consuming countries, as well as for the producing countries.

With respect to the producing countries, I think it is important to note that 90 percent of the world's natural rubber production comes from four of the ASEAN member countries, Malaysia, Indonesia, Thailand, and Singapore. These are countries with whom the United States has very close and important relationships, both in political and strategic terms. So there is the added foreign policy dimension to this agreement, as well as its economic benefits which will accrue both to us and to the producing countries.

We expect the agreement to reduce the volatility of natural rubber supply prices, which have seriously impeded additional investments in natural rubber. We expect it to dampen price fluctuations, thereby reducing inflationary domestic pressures, and we anticipate that it will, indeed, encourage additional production of natural rubber, an issue which the Senator from Ohio very carefully addressed himself to in the committee hearings.

One of the provisions of the agreement, article 43, provides that: "Exporting members to the fullest extent possible undertake to pursue policies and programs which insure continuous availability to consumers of natural rubber supplies." That, of course, is intended to encourage increased production within the stable framework which we anticipate this agreement will provide with respect to prices.

So it gives us an opportunity, I think, both as producers and consumers, to demonstrate that we can join together in a way that serves the interest of both groups and in a way that will make a contribution to an improvement in the international economic situation.

We are moving quickly here and I

think we should do that as a demonstration of American leadership in this area. I urge the Senate to support the treaty and the legislation which accompanies it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York has 1½ minutes remaining.

Mr. JAVITS. Mr. President, I yield a half-a-minute to the Senator from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. President, if the Senator would yield for a question, I note that on page 3 of the report, the bill calls for $88 million in fiscal year 1981 as the U.S. contribution to the buffer stock fund. On the other hand, it says that approximately $100,000 will be spent in fiscal year 1981. Because of the need for only $100,000 in 1981, could not the $88 million be extended over a period of years?

Mr. JAVITS. No; because the commitment of others hinges upon our commitment, and our commitment, as the Senator will see, is rather small. Therefore, it is necessary in order to put the thing together to do it now. There is $100,000 of administrative expense. It is too speculative that no money will be required. The $5 million, which is all that is being called for now in outlays, is a conservative approach to the problems which I have just described. There will be implementing legislation immediately following consideration of the treaty.

Mr. MATSUNAGA. I thank the Senator.

Mr. JAVITS. Mr. President, I ask for the yeas and nays. That is usual on treaties.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I have just one other note of interest to Senators. All of us have heard about synthetic rubber. We used it a lot in World War II. To show what has happened to the world, Members should know that the cost of manufacturing synthetics is now such that we prefer to use natural rubber because it does not have an oil base. That is just an indication to our colleagues of why it is so essential to keep on top of economic developments throughout the world in order to deal with the major political and security questions which we have to deal with.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the Resolution of Ratification on Executive D, 96th Congress, 2d session, on the International Natural Rubber Agreement of 1979.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Washington (Mr. MAGNUSON) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. BAKER. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The PRESIDING OFFICER (Mr. BOREN). Are there any other Senators present who wish to vote?

The yeas and nays resulted—yeas 90, nays 1, as follows:

[Rollcall Vote No. 156 Exec.]

YEAS—90

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Mitchell
Morgan
Moynihan
Nelson
Nunn
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—1

Proxmire

NOT VOTING—9

Church
Goldwater
Gravel
Hatfield
Kennedy
Magnuson
McClure
Packwood
Stevens

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to and the Senate gives its advice and consent to Executive D, 96th Congress, 2d session, International Natural Rubber Agreement of 1979.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, I ask unanimous consent that the President be immediately notified of the Senate's consent to the resolution of ratification on the International Natural Rubber Agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of legislative business.

INTERNATIONAL NATURAL RUBBER AGREEMENT AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed now to the consideration of Calendar Order No. 782.

Mr. BAKER. Reserving the right to object, Mr. President, I shall not object. My reservation is to advise the majority leader that that item is cleared on the calendar on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 2666) to authorize appropriations for the International Natural Rubber Agreement for fiscal year 1981.

The Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations with an amendment to strike all after the enacting clause and insert the following:

> That in order to meet the obligations of the United States as a member of the International Natural Rubber Organization established by the International Natural Rubber Agreement, there is authorized to be appropriated for the fiscal year 1981 $88,000,000 for the payment of contributions by the United States to the buffer stock account established by the agreement. Funds appropriated under this Act are authorized to remain available during the period in which the International Natural Rubber Agreement remains in effect with respect to the United States.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. SARBANES. Mr. President, the Senate has just considered the International Natural Rubber Agreement of 1979 and given its advice and consent to ratification. S. 2666, the International Natural Rubber Agreement Implementing Act of 1980, would allow the United States to fulfill its share of the expenses to finance the 550,000 metric ton buffer stock established by the agreement. The U.S. share is 15 percent of the total.

S. 2666 would authorize the appropriation of $88 million, to be made available during such time as the United States remains a member of the agreement.

While only $5 million of this amount is expected actually to become outlays in fiscal year 1981, the administration has requested the appropriation of the full $88 million since the United States could be required to provide funds on 30 days notice, should the buffer stock manager certify that such funds are needed for buffer stock purchases.

Mr. President, this legislation is essential for realizing the economic and foreign policy advantages which are likely to accrue from U.S. participation in the International Natural Rubber Agreement. I urge my colleagues to vote favorably on S. 2666.

Mr. JAVITS. Mr. President, I support S. 2666 on the grounds stated by my colleague from Maryland.

Mr. President, I give my support to S. 2666, a bill to authorize the appropriation of $88 million to implement the International Natural Rubber Agreement, which this body has just ratified.

It would finance the U.S. share of the direct Government contributions to finance buffer stock transactions under the agreement.

Only $5 million of this authorization is expected to result in outlays during fiscal year 1981, to provide start-up money for buffer stock operations. The remaining $83 million would result in outlays only when required to finance buffer stock operations.

I urge my colleagues to support this authorization, which involves a small amount of fiscal expenditures in light of economic and political benefits it produces for the United States.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–731), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The purpose of S. 2666 is to authorize the appropriation of $88 million to serve as the United States' share of the direct government contributions to finance the buffer stock transactions of the International Natural Rubber Agreement. The buffer stock will serve as the principal mechanism to stabilize short-term price fluctuations of natural rubber. The buffer stock manager will accomplish stabilization by buying or selling rubber for the buffer stock at various times, triggered by movements of natural rubber prices around an agreed reference price.

The U.S. contribution represents 12½–15 percent of the total government contributions required by the agreement. The total financial commitment to finance the 550,000 metric ton buffer stock is equally divided between the producer group and the consumer group. The U.S. share as a member of the consumer group is based upon its share of total net imports of natural rubber, which is approximately 25 percent. Therefore, the U.S. share is 25 percent of the consumer group's commitment, or 12½ percent of the total.

Only $5 million of the $88 million will be paid in initially as start-up money for the buffer stock operations. The remaining $83 million will be subject to call within 30 days notice if and when the buffer stock manager certifies that funds are needed for buffer stock transactions. Since it is uncertain when these calls will be made, the full appropriation is requested in 1981.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, may I inquire of the majority leader whether it is not his intention to proceed to the multilateral bank bill conference?

Mr. ROBERT C. BYRD. Mr. President, I was going to proceed to the consideration of Calendar Order No. 801, S. 1647, on page 26, at the moment, because Mr. Jackson and Mr. Inouye are here on the floor and want to proceed, if I may.

Mr. JAVITS. Yes.

COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 801.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1647) to establish a commission to gather facts to determine whether any wrong was committed against those American citizens and permanent resident aliens affected by Executive Order numbered 9066, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with amendments, as follows:

On page 2, beginning with line 8, strike through and including line 19, and insert in lieu thereof the following:

(1) approximately one hundred and twenty thousand civilians were relocated and detained in internment camps pursuant to Executive Order Numbered 9066, issued February 19, 1942, and other associated actions of the Federal Government;

(2) approximately one thousand Aleut civilian American citizens were relocated and, in some cases, detained in internment camps pursuant to directives of United States military forces during World War II and other associated actions of the Federal Government; and

(3) no sufficient inquiry has been made into the matters described in paragraphs (1) and (2).

(b) It is the purpose of this Act to establish a commission to—

(1) review the facts and circumstances surrounding Executive Order Numbered 9066, issued February 19, 1942, and the impact of such Executive order on American citizens and permanent resident aliens;

(2) review directives of United States military forces requiring internment of Aleut civilians; and

(3) recommend appropriate remedies.

On page 3, line 22, strike "fifteen" and insert "seven";

On page 3, line 24, strike "Eleven" and insert "Three";

On page 4, line 1, strike "House of Representatives";

On page 4, line 4, strike "Members of the Senate" and insert "members";

On page 4, line 10, strike "Commision" and insert "Commission";

On page 4, line 11, strike "following" and insert "after";

On page 4, line 13, strike "Eight" and insert "Four";

On page 4, line 22, strike "including travel time, for each day" and insert "for each day, including travel time";

On page 5, beginning with line 7, strike through and including line 12, and insert in lieu thereof the following:

Sec. 4. (a) It shall be the duty of the Commission to—

(1) review the facts and circumstances surrounding Executive Order Numbered 9066, issued February 19, 1942, and the impact of such Executive order on American citizens and permanent resident aliens;

(2) review directives of United States military forces requiring internment of Aleut civilians; and

(3) recommend appropriate remedies.

On page 5, line 23, after "Washington;" insert "anchorage, Unalaska, and Saint Paul, Alaska;";

On page 6, line 1, after "and" insert "in";

On page 6, line 2, strike "deems necessary and proper" and insert "finds appropriate";

On page 6, line 15, after the period, insert the following: The Commission may request the Attorney General to invoke the aid of an appropriate United States district court to require, by subpoena or otherwise, such attendance, testimony, or production.

On page 7, line 12, after "rates" insert a comma and the following: Except that the compensation of any employee of the Commission may not exceed a rate equivalent to the rate payable under GS–18 of the General Schedule under section 5332 of such title

On page 7, line 19, strike "title 5, United States Code" and insert "such title";

On page 7, line 20, after "the" insert "Administrator of";

On page 7, line 21, strike "Administration"

On page 8, line 1, after "Chairman" insert "of the Commission"

On page 8, line 2, strike "of General Services";

On page 8, beginning with line 3, strike through and including line 5, and insert in lieu thereof the following:

(4) procure supplies, services, and property by contract in accordance with applicable laws and regulations and to the extent or in such amounts as are provided in appropriation Acts; and

On page 8, line 14, strike "its duties" and insert "the duties of the Commission, to the extent or in such amounts as are provided in appropriation Acts";

On page 8, beginning with line 17, strike through and including line 24, and insert in lieu thereof the following:

TERMINATION

Sec. 7. The Commission shall terminate on February 1, 1982, unless extended by a subsequent Act of Congress.

On page 9, beginning with line 5, strike through and including line 7, and insert in lieu thereof the following:

Sec. 8. To carry out the provisions of this Act, there are authorized to be appropriated $1,500,000 for the period beginning October 1, 1980 and ending February 1, 1982.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Commission on Wartime Relocation and Internment of Civilians Act".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) approximately one hundred and twenty thousand civilians were relocated and detained in internment camps pursuant to Executive Order Numbered 9066, issued February 19, 1942, and other associated actions of the Federal Government;

(2) approximately one thousand Aleut civilian American citizens were relocated and, in some cases, detained in internment camps pursuant to directives of United States military forces during World War II and other associated actions of the Federal Government; and

(3) no sufficient inquiry has been made into the matters described in paragraphs (1) and (2).

(b) It is the purpose of this Act to establish a commission to—

(1) review the facts and circumstances surrounding Executive Order Numbered 9066, issued February 19, 1942, and the impact of such Executive order on American citizens and permanent resident aliens;

(2) review directives of United States military forces requiring internment of Aleut civilians; and

(3) recommend appropriate remedies.

ESTABLISHMENT OF COMMISSION

SEC. 3. (a) There is established the Commission on Wartime Relocation and Internment of Civilians (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of *seven* members, who shall be appointed as follows:

(1) Three members shall be appointed by the President.

(2) Two members shall be appointed by the Speaker of the House of Representatives.

(3) Two members shall be appointed by the President pro tempore of the Senate.

(c) Their term of office for members shall be for the life of the Commission. A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

(d) The first meeting of the Commission shall be called by the President within sixty days after the date of enactment of this Act.

(e) Four members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) The Commission shall elect a Chairman and Vice Chairman from among its members. The term of office of each shall be for the life of the Commission.

(g) Each member of the Commission who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS–18 under the General Schedule contained in section 5332 of title 5, United States Code, for each day, including traveltime, he or she is engaged in the actual performance of his or her duties as a member of the Commission. A member of the Commission who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

DUTIES OF THE COMMISSION

SEC. 4. (a) It shall be the duty of the Commission to—

(1) review the facts and circumstances surrounding Executive Order Numbered 9066, issued February 19, 1942, and the impact of such Executive order on American citizens and permanent resident aliens;

(2) review directives of United States military forces requiring internment of Aleut civilians; and

(3) recommend appropriate remedies.

(b) The Commission shall hold public hearings in Los Angeles, San Francisco, and Fresno, California; Portland, Oregon; Seattle, Washington; Anchorage, Unalaska, and Saint Paul, Alaska; Phoenix, Arizona; Salt Lake City, Utah; Denver, Colorado; Chicago, Illinois; New York, New York; Washington, D.C.; and in any other city that the Commission finds appropriate.

(c) The Commission shall submit a written report of its findings and recommendations to Congress not later than October 1, 1981.

POWERS OF THE COMMISSION

SEC. 5. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandum, papers, and documents as the Commission or such subcommittee or member may deem advisable. The Commission may request the Attorney General to invoke the aid of an appropriate United States district court to require, by subpena or otherwise, such attendance, testimony, or production.

(b) The Commission may acquire directly from the head of any department, agency, independent instrumentality, or other authority of the executive branch of the Government, available information which the Commission considers useful in the discharge of its duties. All departments, agencies, and independent instrumentalities, or other authorities of the executive branch of the Government shall cooperate with the Commission and furnish all information requested by the Commission to the extent permitted by law.

ADMINISTRATIVE PROVISIONS

SEC. 6. The Commission is authorized to—

(1) appoint and fix the compensation of such personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the compensation of any employee of the Commission may not exceed a rate equivalent to the rate payable under GS–18 of the General Schedule under section 5332 of such title;

(2) obtain the services of experts and consultants in accordance with the provisions of section 3109 of such title;

(3) enter into agreements with the Administrator of General Services for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator;

(4) procure supplies, services, and property by contract in accordance with applicable laws and regulations and to the extent or in such amounts as are provided in appropriation Acts; and

(5) enter into contracts with Federal or State agencies, private firms, institutions, and agencies for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of the duties of the Commission, to the extent or in such amounts as are provided in appropriation Acts.

TERMINATION

SEC. 7. The Commission shall terminate on February 1, 1982, unless extended by a subsequent Act of Congress.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. To carry out the provisions of this Act, there are authorized to be appropriated $1,500,000 for the period beginning October 1, 1980 and ending February 1, 1982.

Mr. INOUYE. Mr. President, I rise in support of S. 1647, a bill to establish a seven-member national Commission to review the facts and circumstances surrounding the mass relocation and internment of 120,000 Americans—native-born citizens and lawful resident aliens—during World War II.

That episode has often been described as the blackest chapter in our American history. Yet, many Americans do not know about this event, in which due process and equal protection of the law as guaranteed under our Constitution, was denied for up to 4½ years for some citizens.

The purposes of this legislation are many: To address these violations of civil and constitutional rights, to enlighten other Americans about this sad episode, to study the sociopsychological effects of the internment experience, and to answer numerous unresolved questions about these actions by the Federal Government.

Mr. President, I wish to commend my colleague, Senator TED STEVENS, for amending my original bill to include an inquiry into the relocation and internment of the Alaskan Aleuts during this same period of time. Unbeknownst to most of us, over 1,000 native American citizens of the Aleutian Islands were summarily evacuated and retained in camps far worse than those that housed the Japanese-Americans.

We have waited much too long to address this issue. Let us all cooperate and support this national Commission in its awesome task of studying and reviewing the events that caused this full-scale evacuation of a racial group, as well as the arbitrary policies inflicted upon the internees. Let us also assist this Commission in recommending appropriate remedies to Congress and the President.

Mr. JACKSON. Mr. President, I rise in support of S. 1647.

Nearly 40 years ago then President Franklin Roosevelt issued Executive Order 9066 authorizing the Secretary of War to prescribe military areas to which "any or all persons" who represented a threat to security could be restricted. The order was based on the President's wartime powers as Commander in Chief.

Attorney General Biddle explained the action at a press conference shortly after the order was issued saying:

> This is a Japanese problem.

He indicated that the order was very simple and very broad and that it authorized the Army to act anywhere in the United States to restrict the movement of any person but as a practical matter it was not intended that American citizens other than those of Japanese descent would be affected. The Attorney General stated that:

> Undoubtedly large groups will be placed temporarily in camps until they can be settled.

There followed what can only be described as one of the most regrettable chapters in American history. Approximately 120,000 Japanese-American citizens and resident aliens were interned in relocation camps. They were deprived of liberty and property based on their ethnic background and without any semblance of procedural due process. Although the order was justified principally on national security grounds to protect against "espionage and sabotage" to national defense facilities, no criminal proceeding against a single Japanese-American citizen was prosecuted during this period.

Mr. President, Japanese-American groups view this episode in our history as a tragic failure of American democracy. It is seen as the result of wartime hysteria manifested through the highest levels of this Nation's Government. The action of the Supreme Court in upholding the order and the failure of the Congress to question the order or to subsequently conduct an adequate investigation of the facts and circumstances surrounding the internment is seen as an abrogation of our democratic responsibilities.

S. 1647, the Commission on Wartime Relocation and Internment of Civilians Act, is an effort to establish a mechanism which can make an honest appraisal of this period in our history. The bill would establish a seven-member Commission which would be authorized to conduct a full investigation of the facts and circumstances surrounding Executive Order 9066 and the actions which flowed from that order. The Commission would conduct hearings at appropriate locations around the United States and would be authorized to obtain necessary documentary evidence. The Commission would last for 12 months and would report its findings to the Congress within 3 months after its investigation is completed.

During its consideration of S. 1647, the Senate Committee on Governmental Affairs adopted an amendment proposed by Senator Stevens which would direct the Commission to also investigate the military relocation of certain Aleut Indians who were moved from the outer Aleutian Islands to the mainland because of the military threat to the islands on which they resided.

While this case is not on all fours with the interment of Japanese-Americans, preliminary evidence made available to the committee indicated that the Aleuts who were relocated were not allowed to leave their camps in Southwest Alaska and that they lived under harsh conditions without proper food or medical attention. The committee determined that the Commission would be an appropriate mechanism to investigate this case. Accordingly, the Commission is directed to conduct an inquiry into the military relocation of Aleuts and make recommendations concerning any additional remedies which should be made available to that group.

Mr. President, many questions remain unanswered about the measures taken during World War II involving the forced relocation of Japanese-American citizens. These questions are of paramount importance to those who still bear the scars of personal experiences in the relocation. They are also of importance to all Americans who share democratic values. S. 1647 will permit these questions to be thoroughly investigated and discussed in a public forum. If additional remedies are appropriate the Congress can consider them at a later date.

This approach to addressing the questions raised by the Japanese internment represents a consensus which has developed over a period of years within the Japanese-American community in the United States. I might note that it is supported by all of the Japanese-American Members of Congress who submitted testimony to the Governmental Affairs Committee. I believe that this legislation is a positive action which will enable us to put this chapter in our history behind us once and for all. I hope that it will help us to prevent a similar action from taking place in the future.

Mr. MATHIAS. Mr. President, I am pleased to join with my distinguished colleague in supporting S. 1674, which would establish a Presidential Commission to gather facts about the internment of Japanese Americans during World War II.

Thirty-eight years have passed since this sorry episode in our history. It is incumbent on the Government of this country to review carefully the circumstances which gave rise to the internment of some 110,000 Americans of Japanese ancestry, and 1,000 Aleut civilian U.S. citizens who were relocated at about the same time. I think all would agree that we have a special responsibility to assure that this will never happen again. The underlying premise of this legislation strikes at a most fundamental freedom, that is our civil rights and liberties. James Madison, the Founding Father of our Constitution, spoke clearly of this American belief when he said:

> It is proper to take alarm at the first experiment on liberties. We hold this prudent jealousy to be the first duty of our citizens. . . .

This legislation would lay the framework for steps to right the wrongs that were done to thousands of Aleut and Japanese Americans during World War II.

Mr. President, last fall Clarence Mitchell, chairman of the Leadership Conference on Civil Rights, and a dear friend, wrote a piece which appeared in the Baltimore Sun on this very issue. I ask unanimous consent that this article be printed in the Record at this time for the benefit of my colleagues.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE WRONGS OF EXECUTIVE ORDER 9066

(By Clarence Mitchell)

Wearing medals on his uniform and obviously having been wounded in combat, Captain Daniel K. Inouye tried to get a haircut in a San Francisco barbershop. He was told, "We don't serve Japs in here."

That incident and other information make instructive reading in a publication of the Japanese American Citizens League. It seeks to rally support for S. 1647, "a bill to establish a commission to determine whether any wrong was committed against those American citizens and permanent resident aliens affected by Executive Order 9066."

Executive Order 9066 authorized military commanders to exclude any and all persons from areas considered militarily sensitive. It also empowered commanders to house those evacuated. This seemingly generalized authorization during World War II began the most incredible mistreatment of our citizens in modern times. Its chief targets were Americans of Japanese ancestry living in California.

Captain Inouye, now a United States Senator from Hawaii, was joined in introducing S. 1647 by Senators Spark Matsunaga (D., Hawaii) and S. I. Hayakawa (R. Calif.), Perhaps it is a measure of maturity in our country that these three Americans of Japanese ancestry have been elected to our highest law-making body. If any one of the three had walked on the Senate floor when Executive Order 9066 was issued in February, 1942, there would have been a riot in that august body because of prejudice against Japanese after the Japanese attack on Pearl Harbor.

It is ironic that the real objective for many in California was to grab lands, property and other assets of those affected by the order. The JACL pamphlet states that General John L. DeWitt, military commander, issued over 100 orders stripping rights from American citizens as well as resident aliens. He is quoted as saying: "A Jap is a Jap; it makes no difference whether the Jap is a citizen or not."

This paragraph from the JACL booklet describes what many of us knew and observed in numbed shock at the time:

"There were 15 temporary detention camps scattered throughout Arizona, California, Oregon and Washington. They were mostly county fair grounds, race tracks and livestock exhibition halls hastily converted into detention camps with barbed wire fences. Each camp held about 5,000 detainees, except for Santa Anita race track near Los Angeles which held over 18,000 and Mayer, Arizona which held only 247. Living quarters consisted of horse stalls, some with manure still inside."

As evidence of the blundering associated with the displacement of Japanese-Americans from their mainland homes and possessions, plans to apply the executive order in Hawaii had to be scrapped because the commander in the islands decided that military necessity required the Japanese-Americans to be free to help maintain the islands' economy. The JACL writers note that in contrast to California, "Hawaii was 3,000 miles closer to the enemy and in far greater danger of invasion and sabotage."

Japanese-American seamen were denied jobs on U.S. merchant vessels even though they were experienced and we needed manpower. When I discussed this at the time with our former ambassador to Japan, he said the British had caused the problem because seamen of Japanese ancestry were arrested and put in jail when our ships entered British ports. Eventually, this problem was solved.

The climax of events associated with Japanese-American displacement came when permanent camps were established. These were set up in Arizona, Arkansas, California, Colorado, Idaho, Utah and Wyoming. Those seeking to leave without permission ran the risk of being shot. JACL asserts that "dozens of detainees and internees were shot and wounded and eight were killed by guards."

"Living quarters were crowded." JACL states and "large extended families or groups of unrelated individuals were squeezed into tiny unpartitioned 16-by-20-feet units."

It may be difficult to establish accurate measurements of the harm done to those who were put in the detention centers because there is no real way to compensate for hurt to pride, destruction of dignity and unjust humiliation. Nevertheless, S. 1647 gives us a chance to try.

What should be easier and should leap from the records of land and property transactions at that time are the farms, businesses and homes that were acquired by the types of persons who are always ready to capitalize on the misfortunes of others.

If the bill becomes law and those appointed to carry it out do a good job, our country will be able to speak with greater confidence and credibility when it rightly calls for respect for human rights in other parts of the world.

Mr. BAKER. Mr. President, I ask unanimous consent that a settlement by the distinguished Senator from Alaska (Mr. Stevens) be printed in the Record.

The PRESIDING OFFICER. Without objection it is so ordered.

STATEMENT BY SENATOR STEVENS

I strongly support the purpose and the provision of S. 1647. Through the Commission established pursuant to this legislation, the Japanese-American community will, hopefully, not only be completely redeemed from the stain on their integrity, but their experience will also teach us as a society to carefully guard the fundamental freedoms of all people at all times in all situations.

On behalf of myself and the Aleut-American community, I also wish to thank Senators Inouye and Jackson for enthusiastically supporting an amendment of mine accepted in the Senate Governmental Affairs Committee. The amendment authorizes the Commission to also investigate the experiences of the Aleut people during World War II.

The Aleut people number about 3,200. The large majority live today, as they have since earliest times, in villages located on the lower Alaskan peninsula, the Aleutian Island chain, and the Pribilof Islands in the Bering Sea.

Although progress has been made in recent years, the most tragic chapter in the history of the U.S.-Aleut relations has never been reviewed either in the Congress or in the Courts. That chapter is the Aleut experience during World War II.

After the Japanese attacks on Dutch Harbor and the fall of Attu and Kiska, the Aleut communities of St. George, St. Paul, Unalaska, Akutan, Nikolski and some small villages were evacuated by order of U.S. military authorities, after some consultation with officials of the U.S. Department of the Interior. Temporary camps were established for the Aleuts in Southeastern Alaska, in such places as abandoned gold mines and canneries.

Although the Fish and Wildlife Service in some cases, and the Bureau of Indian Affairs in other cases, had direct responsibility for the administration and support of the camps, about 800 Aleut people suffered almost unimaginable neglect, hardship and deprivation from June 1942 until mid-1944, when they were repatriated, after a fashion, to their homes. During the internment of the Aleut people, in camps located at Funter Bay, Killisnoo, Ward Cove and Burnett Inlet, literally scores of people died from lack of adequate shelter, poor sanitary conditions and inadequate medical care. Epidemics of diseases ravaged the camps, including influenza and measles.

The Aleutian/Pribilof Islands Association, the legally recognized representative of the Aleut people, has over the past year researched the Aleut experience in World War II. APIA has obtained extensive documentation of the injustices, losses of property and wrongful deaths suffered by the Aleuts during the war. Much of this documentation has been obtained from the U.S. Archives in recently declassified materials. Other primary materials have also been obtained.

In the view of APIA, there is no existing remedy for relief of this unique case. The provisions of S. 1647, as amended to include the Aleut experience, could provide the basis upon which appropriate restitution could be based.

● Mr. HAYAKAWA. Mr. President, after the Japanese attack on Pearl Harbor, the west coast of the United States—rich with naval bases, shipyards, oil fields and aircraft factories—seemed especially vulnerable to attack. Would Japanese carriers come to bomb the cities? Would their submarines sneak through the Golden Gate to shell San Francisco? Would they actually mount an invasion?

War, of course, breeds fear of enemies within—spies, saboteurs. There were rumors that Japanese farmers in Hawaii had cut arrows in their fields to direct Japanese fighter pilots to Pearl Harbor, and that west coast Japanese were also organized to help the enemy. Such rumors were later found to be without foundation, but in the anxieties of the moment they were believed.

On February 19, 1942, President Roosevelt signed Executive Order 9066 which set in motion an evacuation program of Japanese-Americans. It applied to citizens and noncitizens alike in the three west coast States and a portion of Arizona. Some 110,000 Japanese—of whom more than 70,000 were U.S. citizens by birth—were sent to assembly centers set up at fairgrounds and racetracks. They were then transferred to 10 semipermanent relocation camps in distant, underpopulated areas, such as Minidoka, Idaho; Heart Mountain, Wyo.; Granada, Colo.; Rohwer, Ark.; and Manzanar, Calif.

Today the Senate is considering legislation to establish a commission to review the facts surrounding the relocation of the Japanese-Americans who lived in our Western States. This review is long overdue.

In recent months, the controversy surrounding the question of reparations payments for those people who were forced to live in the relocation camps has again come to the attention of the American people. The fact that there is controversy on this point explains why such a commission is necessary. I do not believe that this is the time to restate all the points on either side of the question, but it is the time to take action that will result in an official position regarding the actions taken under Executive Order 9066.

In addition, this legislation directs the commission to investigate the circumstances of the relocation of the Aleut Indians during World War II. These Native Americans were forced under military directives to leave their homes in the Aleutian Islands. I am pleased that S. 1647 has been amended to insure that the circumstances of their relocation are fully investigated.

I join my colleagues who have cosponsored the Commission on Wartime Relocation and Internment of Civilians Act in urging that this measure be enacted and a factfinding commission be appointed without delay.●

Mr. MATSUNAGA. Mr. President, I rise in support of S. 1647, a bill which provides for a Federal study of the relocation and internment of American civilians during World War II.

The bill, as reported by the Senate Committee on Governmental Affairs early this month, provides for a 1-year study, to be conducted by a seven-member Federal Commission. It marks the first time that the Federal Government has ever examined the relocation of civilians during World War II.

Some 120,000 of those interned under Executive Order 9066 were Americans of Japanese ancestry and their elderly parents.

No doubt many of my colleagues will recall vividly the atmosphere which prevailed in the United States following the attack on Pearl Harbor on December 7, 1941. Rumors were rampant that Japanese war planes had been spotted off the west coast and erroneous reports of followup attacks on the U.S. mainland abounded. A great wave of fear and hysteria swept the United States, particularly along the west coast.

Some 2 months after the attack on Pearl Harbor, in February 1942, President Franklin D. Roosevelt issued Executive Order 9066. The Executive order gave to the Secretary of War the authority to designate "military areas" and to exclude "any or all" persons from such areas. Penalties for the violation of the military restrictions were subsequently established by Congress in Public Law 77-503, enacted in March 1942.

Also in March, the military commander of the western district issued four public proclamations establishing restricted zones in eight Western States, instituting a curfew applicable to enemy aliens and "persons of Japanese ancestry," and restricting the travel of Americans of Japanese ancestry and alien residents. They subsequently were ordered to report to detention camps.

Significantly, the military commander of the then Territory of Hawaii, which had actually suffered an enemy attack, did not feel that it was necessary to evacuate all individuals of Japanese ancestry from Hawaii—although it is true that a number of leaders in the Japanese-American community in Hawaii were sent to detention camps on the mainland.

Furthermore, no military commander felt that it was necessary to evacuate from any area of the country all Americans of German or Italian ancestry, although the United States was also at war with Germany and Italy.

FBI Director J. Edgar Hoover, who could hardly be accused of being soft on suspected seditionists, opposed the evacuation of Japanese-Americans from the west coast, pointing out that the FBI and other law enforcement agencies were capable of apprehending any suspected saboteurs or enemy agents. Martial law was never declared in any of the Western States and the Federal courts and civilian law enforcement agencies continued to function normally.

Of the approximately 120,000 Japanese-Americans evacuated from the west coast, not a single one was ever tried for, convicted of, or even charged with a crime. As a consequence of their evacuation, they lost their homes, jobs, businesses, and farms. Their faith in the American system was severely shaken.

In retrospect, the evacuation of Japanese-Americans from the west coast, and their incarceration in what can only be described as American style concentration camps, is regarded by most historians as one of the blackest pages in American history. It remains the single most traumatic and disturbing event in the lives of many Nisei. More importantly, their children have started to ask questions about the internment camps. Why did not their parents and grandparents protest? Did they commit some crime that they were ashamed of?

No branch of the Federal Government

has ever undertaken a comprehensive study of the actions taken under Executive Order 9066. In 1943 and 1944, the U.S. Supreme Court did hear three cases involving violations of the Executive order. In Hirabayashi against United States (1943) and Korematsu against United States (1944), the Court ruled and the Executive order did permit the imposition of curfews and did allow the exclusion of American citizens from certain areas. However, in Ex Parte Endo (1944), the Court ruled that neither the Executive order nor act of Congress authorized the detention of an American citizen against her will in a relocation camp.

In 1972, Congress repealed the Emergency Detention Act of 1950, a repugnant law which established procedures for incarcerating Americans merely suspected of espionage or sabotage during an internal security emergency in camps similar to those established for Japanese-Americans during World War II. In 1975, President Ford repealed Executive Order 9066, and Congress repealed Public Law 77-503 and a host of other outmoded emergency war powers granted to Presidents since the Civil War.

Despite these commendable actions, many unfinished questions remain about the detention of Japanese-Americans during World War II and there remains an unfinished chapter in our national history. The proposed study would finally make all the facts known and would allow Congress to decide whether any further action should be taken to compensate victims of the wartime relocation policy.

I strongly urge a favorable vote on S. 1647 as reported by the Governmental Affairs Committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read:

A bill to establish a commission to review the facts and circumstances surrounding Executive Order Numbered 9066, issued February 19, 1942, and the impact of such Executive order on American citizens and permanent resident aliens, to review directives of United States military forces requiring internment of Aleut civilians, and to recommend appropriate remedies, and for other purposes.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE INAUGURATION OF DR. BILL L. ATCHLEY TO THE PRESIDENCY OF CLEMSON UNIVERSITY

Mr. THURMOND. Mr. President, the date of April 18, 1980 was indeed a memorable one for all who are interested in higher education, and particularly for those associated with or acquainted with Clemson University in my native State of South Carolina. On that day, Dr. Bill L. Atchley was inaugurated as ninth president of Clemson University. It was a distinct honor and privilege for me to participate in the inaugural ceremony and express greetings from the U.S. Senate to President Atchley and to the distinguished assemblage.

Mr. President, Clemson University is one of the strong and vital forces in this Nation's system of land-grant public-service-oriented educational institutions. This fine university has been rendering signally outstanding service to the State of South Carolina and to wider regions since its opening nearly a century ago.

Bill Atchley, Clemson's new president, brings vigorous and exciting leadership to the university—leadership that will serve well to build and extend the institution's programs to even higher levels and wider horizons in the years ahead. While he is uniquely qualified as an educator and administrator, he can also be described as people-oriented, down-to-earth, direct, accessible, bold, and innovative. In the few months that he has served as president, he has already shown himself to be the type individual who can and will lead Clemson University to meet the challenges of our ever-changing world.

Mr. President, I feel sure that my colleagues in the Senate will be most interested in the proceedings of the inaugural ceremony, and particularly the outstanding inaugural address by Dr. Robert L. Clodius, president of the National Association of State Universities and Land-Grant Colleges, and the equally outstanding president's response by Dr. Atchley.

Mr. President, in order to share with my colleagues the remarks and addresses at Dr. Atchley's inauguration, I ask unanimous consent that the proceedings, remarks, and addresses at the Clemson University inaugural ceremony be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INVOCATION BY THE REVEREND H. LEVY ROGERS, PASTOR, CLEMSON UNITED METHODIST CHURCH

Eternal God, Creator and sustainer of life, source of wisdom and learning, fountain of justice, mercy and love,

O Lord of life, Who directs the movement of human history and shapes the destiny of the nations, who leads your people in their search for knowledge and inspires us to know the truth that makes us free.

Be Thou our guide as we move into a new era in the life of our beloved Clemson University.

With hope and confidence we journey on this day, thanking you for your past leadership, whereby this blessed institution has rendered so much to so many.

We seek again your favour upon our academic community, and upon the new President and administration who will lead us, looking to you, O God, for the spiritual resources for this hour.

We ask for the wisdom of the ages, together with the vast new knowledge of our times, in forming the educational policies of our day.

We hope for a new alliance of scientific technology with the humanities and arts, resulting in educational goals based on the real needs of people and the crucial problems of the world.

We pray for a value system grounded in personal worth and human esteem, coupled with the ethic of justice and mercy, bonded together by respect and love for all people, and the appreciation of the beautiful in life.

We seek a new vision of inclusiveness in higher education for our state, a model for the nation; bringing, we pray, economic equity and justice for all people.

We ask for a sense of accountability in which all parts of the university community feel responsible to and for one another, grounded yet in our ultimate accountability to you.

Deliver us, O God, from the bureaucratic danger so prevalent in society today, whereby service institutions seek to become ends in themselves, claiming divine rights and infallible status, forgetting they exist to serve humankind.

Keep us always mindful of our marvelous heritage, from whence we have come; of those who have brought us on the way.

May we ever serve the people of the land, the soil they till, and always be grateful to you for fields that grow green in the spring.

And now by faith, may the challenge of this time and place in history be accepted with boldness and enthusiasm, in the belief that greater service to community, state, nation, and the world is ever before us. Amen.

REMARKS BY MR. T. KENNETH CRIBB, MEMBER, BOARD OF TRUSTEES

Mr. Chairman, many of us here are Clemson men and Clemson women—by virtue of having been educated here—or by virtue of having been associated with the administration, faculty or staff—or just by virtue of having adopted Clemson. It's my good fortune to speak for all of us in the Clemson family—and especially for my colleagues on the Board of Trustees—in telling all of the rest of you how very glad we are to have you here today. You do us great honor to be with us as we lift our ninth president to the shoulders of the giants who have trod these hills before him. The very warmest of Clemson welcomes to you all.

William Faulkner said: "There is no such thing as was—only is." He meant that we are the sum of our past—and that is nowhere more certain than in the academic world.

In our audience and on our platform are persons whose special contribution to our university through the years will always be an important part of whatever success Clemson might enjoy. As we recognize them—some individually and some along with their colleagues—join me in thanking them for what they have meant and will mean to all of us as Clemson fulfills her destiny. The President Emeritus of the University, Robert Cook Edwards. The Junior Senator from South Carolina, The Honorable E. Fritz Hollings. Member of the United States House of Representatives representing the Fourth District, The Honorable Carroll A. Campbell, Jr., The Lieutenant Governor of South Carolina and President of the South Carolina Senate, The Honorable Nancy Stevenson. The Speaker of the South Carolina House of Representatives, The Honorable Rex Carter. Seated in the audience and on the platform, Members of the General Assembly of South Carolina. You will meet our Governor later—but now I would like to recognize other Members of the South Carolina Budget and Control Board, State Treasurer Grady L. Patterson, Jr., Executive Director William T. Putnam. Members of the South Carolina Commission on Higher Education. Representing the Municipalities of South Carolina, the Mayor of Clemson, The Honorable Catherine Smith. Billy Rogers, the President of the National Alumni Council is on our platform and will participate in our ceremonies. I'd like you to meet the other officers and members of the National Alumni Council. The Officers and Board of the Clemson University Foundation.

The Officers and Directors of IPTAY. Seated in our audience—The Emeriti Faculty, The Vice-President for Business and Finance Emeritus Milford A. Wilson, The Vice President for Development Emeritus Wright Bryan. May I present as a group the Executive Officers of the University: The Vice President for Academic Affairs and Dean of the University Victor Hurst; The Vice President for Student Affairs and Dean of Students Walter Cox; The Executive Officer to the President Admiral Joseph McDevitt; The Director of Development Stanley Nicholas; The Vice-President for Business and Finance Melvin Barnette; and also as a group, The Deans of the University; The Dean of the College of Agricultural Sciences Luther P. Anderson; The Dean of the College of Architecture Harlan E. McClure; The Dean of the College of Education Harold F. Landrith; The Dean of the College of Engineering Lyle C. Wilcox; The Dean of the College of Forest and Recreation Resources Benton H. Box; The Dean of the College of Industrial Management and Textile Science Wallace D. Trevillian; The Dean of the College of Liberal Arts H. Morris Cox; The Dean of the College of Nursing Geraldine Labecki; The Dean of the College of Sciences Henry E. Vogel; The Dean of Graduate Studies and University Research Arnold E. Schwartz; The Acting Dean of Undergraduate Studies Jerome V. Reel, Jr.; The Dean of University Extension Samuel M. Willis; The Dean of Admissions Kenneth N. Vickery.

Three colleagues whom I would like to introduce together: The Honorable Paul Quattlebaum; The Honorable Alex Quattlebaum; The Honorable Frank Jervey; Emeriti Trustees of the University.

And finally my other colleagues, whom I will recognize individually, but whom you can recognize together: Mr. Paul W. McAlister; Mr. Louis P. Batson, Jr.; Mr. Robert R. Coker; Mr. Fletcher C. Derrick Jr.; Mr. William Green Deschamps, Jr.; Mr. William N. Geiger, Jr.; Mr. Lewis F. Holmes; Mr. Thomas B. McTeer, Jr.; Mr. Buck Mickel; Mr. James C. Self; Mr. D. Leslie Tindal; Mr. James M. Waddell, Jr.; Members of the University Board of Trustees.

We have other guests on our platform who honor us by their presence and by their representation of their special constituencies, and we are most pleased to recognize them. For the Southern Association of Colleges and Schools, its President Elect Henry G. Hollingsworth. For the United States House of Representatives, the Member representing the Third District, The Honorable Butler C. Derrick, Jr. For the people of the State of South Carolina, The Honorable the Governor of South Carolina Richard W. Riley. For the United States Senate The Senior Senator from South Carolina The Honorable J. Strom Thurmond.

Greetings by Dr. Henry G. Hollingsworth, President-Elect, Southern Association of Colleges and Schools

It is a great honor and pleasure to represent the Southern Association of Colleges and Schools on the occasion of the inauguration of Dr. Bill Atchley as President of Clemson University. I bring greetings and best wishes to the Clemson Family and the many friends of Clemson here today from over 10,000 member institutions including universities, colleges, technical institutions and public and private elementary and secondary schools in 11 states and South America. Clemson was first accredited by the Southern Association in 1927 and has maintained this accreditation since that time. Such accreditation is actually a sign of quality, indicating that those who attend the institution have the opportunity for a quality education.

Quality is a key word in today's event because Dr. Atchley follows in a line of quality presidents. I have personally known his two immediate predecessors. Dr. Robert F. Poole was president during my years at Clemson. Dr. Poole provided great leadership as Clemson forged ahead in academics, service and athletics. That tradition of quality was magnified under the leadership of Dr. Robert C. Edwards as Clemson College became Clemson University and took its place of leadership among the great universities of the south and the nation.

Today marks a continuation of the emphasis of quality and as with past presidents a new surge of energy will carry Clemson to even greater heights in all areas of endeavor.

To Dr. Atchley, on behalf of the Southern Association of Colleges and Schools and personally as a graduate of Clemson, I wish you good luck and smooth sailing as you continue and re-emphasize Clemson's thrust for quality.

Remarks of Congressman Butler Derrick

It is on no less important occasion than the inauguration of your new president, Dr. Bill Atchley, that I have the honor to address you, the assembled faculty, students, alumni and guests of Clemson University. I bring you greetings from Washington and from the U.S. House of Representatives.

It will come as little surprise that Washington, as well as this entire nation, is presently beseiged by tough situations both in the domestic and international spheres. Principle among the domestic issues is the energy crisis, a problem which I am happy to say is being directly addressed on this University's campus. Dr. Atchley, I commend you for placing additional emphasis on energy by choosing it as the topic for your inauguration.

I need not emphasize the pervasiveness of energy in our domestic environment—it is deeply tied to our most basic forces of society; the forces of production and distribution. Nor is it necessary for me to outline or recount the effects of the present high costs of energy: We all witness them when we drive our cars, heat our homes, and in the overall price we pay for the variety of goods and services produced in this country.

Our present reliance on foreign imported crude oil is at the heart of this problem. While conservation is the most immediate and effective measure for the short run, a longer-range policy to diversify and develop alternates to our present energy mix is unquestionably needed. We must shift the burden to domestically available sources.

The need, therefore, is for research—research into the technology and feasibility of domestic alternate energy sources—research to enhance energy conservation and efficiency—research and development which is presently under way in many of this Nation's institutions of higher education.

Clemson University has and is taking a large part in this effort. Currently under way in six of your colleges are the basic energy research, development, and teaching programs that are so vital to the development and success of a viable energy strategy. I am proud to note that Clemson is involved in research in the areas of energy conservation in the food producing and processing industry; in developing energy efficient engineering applications; in developing the potential applications of solar, hydrogen and wood-utilization technologies; and more broadly, by addressing the various economic problems inherent in the whole scope of the energy shortage.

It is imperative that this work be encouraged and enhanced. I appreciate your allowing me the privilege and opportunity to have addressed you on the occasion of the inauguration of Dr. Bill Atchley. In light of his work in West Virginia on the Governor's energy advisory council, I feel confident that under his guidance, Clemson will contribute significantly to this Nation's pool of basic knowledge and research in the field of energy, a task that is critical to the effort to manage and eventually overcome this energy crisis.

Bill, I am pleased to be the congressman representing Clemson University as it is included in South Carolina's third district. My staff and I are available to assist you and Clemson University whenever needed. I look forward to working with you for the continued growth and development of this great university.

Greetings by Richard W. Riley, Governor of South Carolina

This is a "special day" for Clemson and a special day for South Carolina. As Governor, I want to extend greetings of welcome to all those assembled here today and to the new President of this great University.

Again, as Governor and as a friend, I must express my and our state's appreciation for the contribution and dedication of Bob Edwards. He will be missed.

But as we look ahead to the 80's, we have some difficult and complex issues before us. I believe it is significant and important that Dr. Atchley brings to this University a background and skills that are commensurate with the educational strengths of this school. Bill Atchley has been an energy advisor to two Governors. He will serve that same role in South Carolina as we make Clemson the energy center of the Southeast.

Dr. Atchley's expertise and consistency and his interest in all "people" will, I believe, mean a lot to the future of Clemson, as well as the future of South Carolina.

Address by Senator Strom Thurmond

President Atchley, members of the board of trustees, members of the faculty, members of the student body, distinguished guests, ladies and gentlemen: It is a distinct pleasure for me to be at Clemson on this auspicious occasion. First, I want to take this opportunity to congratulate the able and distinguished members of the Board of Trustees of this fine Institution for selecting Dr. Bill L. Atchley as our new President.

Second, I want to congratualte Dr. Bill L. Atchley upon his selection as President of this vibrant, dynamic and outstanding Institution which will provide unlimited challenges to his superior intellect and forceful leadership.

It is always good to come home to Clemson University—and it is particularly satisfying to be here today to share in this memorable inaugural event. All of us rejoice together as this great institution continues its march forward in this new decade.

I am extremely proud to be a "Clemson man" and to have been associated with and honored by my Alma Mater in the past.

I have given considerable thought to those qualities that Clemson University so uniquely imparts to its graduates. I feel very strongly that some of the most basic value foundations of my life were greatly broadened and deeply ingrained while I was a student here. This was really an extension of those personal values that had come to me from my parents. I am referring to those values of honor, integrity, loyalty, truth and patriotism.

These values have served me well during my lifetime and have also allowed me to serve others over the years. These are the values that were further nurtured and developed in a most significant and meaningful way for me while I was a Clemson student.

Values such as these are instilled in Clemson students through many circumstances and various personal contacts. In my own case, the single most important group of contributors, I feel, was the excellent faculty that I had the opportunity to know, both inside and outside the classroom. The names of Daniel, Hunter, Newman, Brackett, Earle, Klugh, Morrison, Cummins, and Bradley come quickly to mind. There are, of course, many others.

As we assemble here today, I am sure that the very fine faculty and staff currently at Clemson continues to exemplify and instill these same characteristics and values in all students on the campus and in others through contact with Clemson programs throughout the State. We are indeed fortunate to have had such an outstanding faculty and staff continuously available at Clemson University.

The major Clemson programs over the years have, in the main and correctly so, been directed to the betterment of the citizens and resources of South Carolina. These programs, however, are not, and should not be, limited to this State only. The region, the Nation, and indeed the World, are served by the far ranging activities of this great University.

Many of this land-grant University's programs and projects are cooperative with other states and with related federal interests. While most of the instruction, research extension, and other public service activities are primarily state-oriented, I am well aware of the excellent Federal-State relationship in all of these and many more meaningful Clemson University programs. They involve such things as architectural and housing initiatives, environmental research and many other joint efforts. Clemson continues to expand its ever-widening and stronger role in the major Federal-State program areas.

As we consider all of these programs and activities, the primary leadership must come from one individual, the President of Clemson University. We recognize that President Bill Atchley has the required high level of leadership ability and personal character to stand at Clemson University's helm in the years ahead. President Atchley has committed himself to the fulfillment of this difficult task, and we know that his strength of character and his high sense of values will serve him, and all of us, well. President Atchley has very strong and deep convictions about how this institution can best serve its proper role and I am sure he will be successful. His lovely wife will be a great asset to him here.

President Atchley, we bring you greetings from the United States Senate, and applaud your unique ability to lead this great University. You may be assured that we will always be available and most willing to give our support in any way that we can for the continued development and advancement of Clemson.

THE ENERGY PARADOX AND THE UNIVERSITY CHALLENGE

(By Robert L. Clodius, President, the National Association of State Universities and Land-Grant Colleges)

There is a myth widespread in our land that being president of a large, complex university is an impossible job. If this were true, you might think that, with my Latin name, I am here before friends and countrymen, as was Anthony at Caesar's funeral, to bury Bill Atchley, not even to praise him. But because a university is not an impossible thing, but a beautiful and vital institution, and because this is not a funeral but a celebration, I am here to challenge him—and with him, Clemson University.

As difficult as it may be at times to manage, the university is an old and honored institution. In fact, it is the oldest continuously existing social institution in the world with the exception of the Althing in Iceland and the Church of Rome. Governments have come and gone. Cultures have arisen, flourished, and died. But the university has been in continuous existence since its founding in the 12th century—and there is precious little evidence of senility. Simply maintaining a tradition of that sort is an awesome responsibility—and an invigorating challenge to a University president.

Institutions, of course, exist only so long as they satisfy a need or fulfill a necessary function. What is it about the university that has enabled it to survive cataclysmic changes in cultures, governments, societies—what have you—for almost nine centuries so far?

Thomas Carlyle once wrote that "the true university is—a collection of books"; and, at one period in British history, Oxford and Cambridge were considered in just that way—as a collection of books. Their faculties were repositories of information which they passed on to students unchanged and unchallenged, making them in fact simply extensions of the library.

That would satisfy two of the functions of the university as I see it—the preservation and transmission of the known body of knowledge.

However, no institution limited simply to the preservation and transmission of a body of stable knowledge could have survived almost nine centuries of societal upheavals. The word "university" derives from the same Old French word that gives us "universe" and "universal," all connoting "whole" or "entire."

A third function—that of expanding and extending knowledge—must be added. In the sciences, we call this process "research"; in the liberal arts, it is more commonly known as "scholarship." In either case, it is the search for truth.

Perhaps I should have said truths—in the plural. Truth is a slippery thing. One person's truth is another person's belief or faith. Yesterday's truths are apt to be today's historical curiosities. The kind of truth that is in the university's province is based on fact, and is more of a process than it is a fixed entity.

A question is asked. All the known information bearing on the answer is assembled and arranged in some sort of logical or meaningful order. From this, an hypothesis—a prediction, if you wish—is suggested. An experiment is organized to close the circle—to check the facts, the reasoning, the projections, and finally to tie the thing back together again. A truth is in this way established. But it is a conditional truth—conditional only upon the repetition of the facts, assumptions, and so forth of the self-consistent system in which it was obtained. And it is apt to raise more questions sometimes than it answers.

This method of pursuing the truth lends itself admirably to analysis, and it is often charged that the university dissipates its intellectual energies finding out more and more about less and less. But the process is also applicable to synthesis—to the fashioning of larger truths from a number of smaller ones—of bringing together relevant knowledge from disparate fields to attack complex problems. Because it includes in its jurisdiction all the fields of learning that mankind has been able to identify and organize, the university is uniquely equipped for attacking problems and answering questions requiring this type of approach.

To this, the pioneers who gave us the land-grant concept added another function—that of social responsibility. These institutions, as Jonathan Turner, the architect of the land-grant philosphy, put it, were to cover "all possible knowledge and all modes of science: abstract, mixed, and practical." They were to be involved in the society in which they existed, not insulated from it. Thomas Clemson would certainly have agreed with Ezra Cornell's statement that "I would found an institution in which any person could find instruction in any study." And he would have added that his institution should also conduct research and provide public service in all those studies.

This, then, as I see it, is the university. Its basic functions are to preserve, organize, expand, and transmit knowledge through the employment of a rigorous method of thought based on the establishment of verifiable truths—and to train disciples in the use of this method. That's a mouthful. The Germans of the 18th century shortened it to two words: lernfreiheit—and lehrfreiheit freedom of investigation, freedom of learning, freedom for the teacher and freedom for the student—the unfettered search for truth.

Considering these functions—and the distinction with which they have been discharged by America's state and land-grant universities—the long survival of the university is hardly a mystery. No other institution is so uniquely qualified for attacking civilization's most basic problems.

Take, for instance, the matter of energy, which has been the symposium topic here. Energy, of course, is about as basic as things can get. Without it, there is no movement, and without movement there is no life. At first, there was only the energy manufactured by the human machine from the food he ate. At some point, man learned to potentiate the muscle-power use of this energy by inventing tools like levers and wheels. And then he enlisted the more powerful muscles of animals and harnessed to the tools.

Well, one thing led to another to arrive at today's highly technological society—a society that simply could not have been created and could not continue to exist without the massive consumption of energy.

The energy-fueled changes that have been made since 1859 when Colonel Drake's Pennsylvania oil well came in have exercised a controlling influence on our social and spiritual environments. They have altered our concepts of time and space and even of their use. They have taken us from the farms to the cities and back again to suburbia and exurbia. They have taken us out of the fields and put us behind desks in offices where the climate is completely controlled by man-made, energy-fueled machines. They have made possible—perhaps even demanded—big business, big labor, and big government. By contributing to the increase in the average life span, they have made available to us a wealth of mature judgment and experience no society before us has ever had, a fact emphasized by someone's statement that because life was nasty, brutish, and short, ancient history is largely a record of juvenile delinquency. They have eliminated the economic justification for slavery and yet made possible for each of us to have more "servants" than the wealthiest king in an earlier age. They have altered—and are altering—our concept of human labor. They have changed formal education from the privilege of the few to the necessity of the many, both for the society and for the individual. They have, in plain fact, altered every conceivable aspect of our lives.

And now, as everyone knows, we are faced with an energy crisis.

The most apparent manifestation of this crisis for most people are the lines at the gas pumps and the alarming increases we have to pay for gasoline. If this were all there was to it, we could perhaps write it off as inconvenience—a serious inconvenience, certainly—but still only an inconvenience that could be solved by conservation, greater use of mass transportation, and the like.

But there are far more serious manifestations. The realization that the world's supply of petroleum is finite and that it is being exhausted at an alarming rate has already affected not just our national but also the international economy. It has provided the federal government with yet another reason for increasing the bureaucracy and establishing rules and regulations affecting our daily lives. It has placed unaccustomed wealth and international power in the hands of countries, some of which apparently cannot use that power wisely or responsibly.

The person who wrote the article about petroleum in the Columbia Encyclopedia had a simple solution. "It is worth remembering," he wrote, "that the pursuit of happiness was not unknown before 1859," when Colonel Drake's oil well made petroleum a practical source of energy for us.

But, actually, that is no solution at all. More changes have been brought about in our lives in just the last century and a half than were made in our entire previous history. These changes are fundamental. We have built a manmade civilization based on the massive consumption of energy, and there is simply no going back. We could not, for instance, even feed today's population with only the energy sources available to us in the middle of the last century.

Nor do we need to go back if the supply of energy were the only problem. We have vast deposits of coal. The sun still shines, and if it stopped, we wouldn't have any worries. We wouldn't be here to worry. We already have a tremendously powerful source of energy in atomic fission. Atomic fusion could, in theory, give us an almost inexhaustible source of cheap energy. And the history of science teaches us that there are undoubtedly other sources out there somewhere that we don't know about yet.

The difficulty is that each of these sources, as do our present ones, for that matter, bring with them serious consequences involving almost every aspect of the quality of our lives. Even, as the amount of energy used in increases and the power of the energy multiplies, life itself, somewhere on the planet, is threatened. Drake's discovery, threatened the extinction of the whale.

The use of petroleum has contributed to the pollution of the atmosphere, has made us significantly dependent economically upon unstable foreign governments, and has caused large areas of our fields and forests to be paved over with concrete and asphalt. Atomic power has the ability to destroy us by explosion in war or by poisoning our atmosphere by accident. The development of atomic fusion as a practical source of energy seems years and billions of dollars away, and will bring with it consequences we can't even imagine now.

This, then, is the paradox of energy: we can't live without it—massive amounts of it—but we're not at all certain we can live with it, literally and figuratively. We have come to depend vitally—I use the word deliberately—upon an almost unbelievably powerful servant. With his—or her—help, we have constructed a world of our own creation. But the servant seems constantly threatening to become a monster—a monster which, in providing us with the muscle power we must have to keep running the civilization we have created for ourselves, intrudes upon every aspect of our lives—our atmosphere, our environment, our economy, our health, our national security—our whole human ecology.

Nowhere else except at the university do we have the abilities, the knowledge, the insights to deal with such a universal problem: the scientists to establish and test the laws relating to the release of energy; the engineers to develop the technology for using it; the economists to explore the effect of its use on our economy; the health scientists to determine its consequences for our physical well-being, and the plant and animal scientists for the effect on our food supply; the earth and atmospheric scientists to explore how it will alter our environment; and surely the historians, psychologists, and sociologists, to determine the consequences for our culture and our society.

The energy crisis, in other words, challenges the university to do that which no other institution can do: to bring to bear on our most serious problems the totality—the universe—of knowledge through a systematic, fact-based exploration. In this instance, it is to provide for us—for all of us—an alternate source of energy sufficient to our expanding needs without creating, at the same time, a monster that could be as destructive as the energy is beneficial.

It is a tough challenge. But no one ever said that being a university president was an easy job. Good luck, Bill Atchley. We're all depending on you, on Clemson University, and those other great public universities that have taken as their mission the provision of instruction, research, and public service of the highest quality. The challenge is not somewhere outside. The challenge is right here within the boundaries of this lovely place. It is to take the massive problems that confront society, with all their paradoxes, to deal with them on the highest levels of research and scholarship, and to bring them to human scale and understanding.

Thank you.

REMARKS BY MR. LEWIS F. HOLMES, MEMBER, BOARD OF TRUSTEES

Thank you Mr. Chairman.

Members of the Legislature, the Congressional Delegation, other Distinguished Guests, Ladies and Gentlemen.

My assignment today is a very pleasant and enjoyable one indeed. I have the distinct privilege of introducing the new president of Clemson University, Dr. Bill Atchley.

Before I do that, however, I want to recognize our very lovely First Lady of Clemson, Mrs. Pat Atchley and their children, Julie, Pamela and David. Mrs. Atchley, we are delighted to have you and your family as part of the Clemson family and wish to tell you again just how much we appreciate all that you have done for this university during the past year.

When the Board of Trustees announced its selection of Dr. Bill Atchley as Clemson University's ninth president, we were convinced that our decision was a good one and that Clemson was most fortunate that Bill Atchley said "yes" on that Saturday morning in February, 1979.

I can tell you today without reservation that the wisdom of both decisions has been reaffirmed many times in the past 13 months.

Bill Atchley is the right man for Clemson. He possesses all of those qualities which I believe are essential ingredients in providing the kind of leadership that today's institutions must have if they are to prosper and excel in these uncertain times.

He came to us with impressive academic credentials and a well-established record of achievement in higher education—a proven track record if you will.

I'm not going to present a detailed account of Dr. Atchley's educational background and experience because this information is included in your program. Instead, let me emphasize four outstanding qualities which I suggest are the essence of this educator who today officially receives the cloak of leadership of this great university.

First, Bill Atchley is a strong and proven leader.

And certainly if there was a time when the institutions which made this nation great need strong and courageous leadership, it is today. Our leaders must be willing to make tough decisions which at times will be unpopular but are in the best interests of the institution and its future.

Secondly, he is a champion of higher education, a man who firmly believes that the future of this State and Nation rests in the ability of our colleges and universities to provide quality and innovative curriculums for our young men and women in these changing times.

We realize that this quality is a product of an excellent faculty, students eager to learn, and a proper environment of resources in which teaching and learning experiences can flourish.

Dr. Atchley is committed to nothing short of excellence in teaching and to seeing to it that Clemson has the necessary facilities and equipment to get the job done. He has said on many occasions that the improvement of faculty salaries at Clemson is a top priority item.

He exemplified this same commitment to academic excellence as Dean of Engineering at West Virginia University, where he developed the engineering effective teaching center and the engineering experiment station, which became the largest research unit on that campus.

These accomplishments are characteristics of a man who thinks big, as does Bill Atchley.

A good example of this key quality is his leadership in West Virginia of a business team whose efforts resulted in the location of a $700 million coal conversion plant in the Morgantown area. And as you know, he has proposed the creation of a major energy research and development center at Clemson University to serve the State.

My fourth point—and a most important one in a society which seems to be growing more and more impersonal—is Dr. Atchley's genuine interest in people.

I'm sure you have heard it said that Clemson is a people's university built on people-to-people relationships. After watching Dr. Atchley meet and talk with South Carolina citizens throughout the state over the last eight months, I can say without a doubt that he is the best "people" person I have ever seen.

It is a great personal pleasure for me to present Dr. Bill Atchley.

REMARKS BY BILLY G. ROGERS, PRESIDENT, CLEMSON ALUMNI ASSOCIATION

Some 92 years and 12 days ago today, at the Fort Hill Mansion just a few hundred yards from here, Thomas Green Clemson passed from this life. He left the stewardship of his "dream" in the hands of others—including this institution's nine presidents. Clemson's expanding services, geared to the demands of a new age and time, are more vital each passing day. Alumni are outstanding in business, industry, the professions, Government, public and foreign service.

President Atchley, it is my honor today to represent Clemson's 33,000 alumni, our student body, and the university's many friends all over the world. We as a "Clemson family" resolve to lift our eyes to the horizon . . . not rest content with our achievements, but to see before us the unrealized aims of the founder, and have his faith, hope, and courage to go forward.

We look upon the future as a "territory" . . . open-ended and always unfolding.

Our challenges are an "enemy" to be subdued. And then a resource to be exploited, but not abused.

Toward that end, the young men and women who study on this campus today join those of us who count it a privilege to be alumni and friends.

Together, we pledge to you our strength, our time, our talents, our resources.

So that none who choose this insitution for study shall be short-changed nor have their wonder diminished because of insensitivity or inactivity. . . .

That none be deprived of discovery because we lack the resources to be bold and innovative. . . .

So that none—ever—shall doubt themselves or their education because we are unsure of our commitment to Clemson University and its mission to serve the people of this State, this Nation, and indeed . . . the world.

With great pride in our past, and with full confidence in our future, I pass to you in the name of students and alumni this signet ring. . . . A symbol of authority that recognizes your investiture as the 9th president and chief executive officer of Clemson University.

GREETINGS BY F. OSCAR LOVELACE, PRESIDENT, STUDENT GOVERNMENT, CLEMSON UNIVERSITY

It is my privilege to offer the students' greeting to you, President Atchley.

We, the Students, are fortunate and pleased to have you as our leader so that you will help us meet the challenges of today and tomorrow. We encourage you to lead Clemson to a truly great academic tradition by

Firstly, improving the atmosphere to teach and the atmosphere to learn among faculty and students.

Secondly, by implementing the concept of the university as a team of colleges working toward a common goal rather than a conglomerate of autonomous colleges working in spite of each other.

Thirdly, by striving to offer our students a strong and broad educational fundation so that the strength of general education will be manifest in our curricula and so that Clemson will fulfill its purpose not alone as a technical college but as a true university.

With these three challenges I give Billy G. Rogers, President of the Alumni Association, the students' Clemson distinctive symbol of academic achievement, the university ring. And with him I present this ring to you. Let us help each other to realize our ideals, in hopes that we might be described as Chaucer depicted the Man of Learning years ago: "And gladly he would teach and gladly learn."

REMARKS BY DR. C. STASSEN THOMPSON, PRESIDENT, FACULTY SENATE

President Atchley, members of the board, Faculty colleagues, students, distinguished guests and friends of the University.

As President of the Faculty Senate, I have been given the responsibility of issuing the challenges of the Faculty. Given the social and economic environment facing higher education it is appropriate that these challenges be issued publicly.

Today's ceremony, the first formal presidential inauguration in the history of Clemson University, and these regalia, link the academic present with the academic past. This linkage is both symbolic and substantive, for rituals and ritual objects such as these are representations of the principles of higher education. Put simply those principles are service to society through rigorous development of human intellectual capacity.

If Clemson is to continue to meet the needs of society and to contribute to knowledge, to function as a true university, it must protect and preserve the academic prerogatives and freedom of its Faculty. The Clemson Faculty takes great pride in fulfilling its teaching, research and public service responsibilities to the State of South Carolina and to our Nation. But to continue to fulfill these vital responsibilities requires continuous intellectual ferment and that academic freedom be fostered.

This week's seminars have focused upon energy. The Clemson Faculty also represent a resource vital to our society. That resource, unlike some others can not only be renewed but expanded—given the proper intellectual and cultural environment which fully supports and encourages the professional development of the faculty. We charge you to vigorously encourage the growth of a tradition of intellectual development wherein humanity's age old search for truth can go forth.

President Atchley, the cap and gown which I am about to present to you from the faculty identifies you as Clemson University chief educator. With this investiture goes the challenge that you settle for nothing less than academic excellence for our University. Such excellence is attainable with your support of the Faculty and of the tradition of Faculty perogatives and freedom.

In closing, I affirm to you and to all those present here that we, the Faculty, will be no less demanding of ourselves than we are of you. Ours is a joint venture. As a colleague your challenge is also the Faculty's challenge and it is in this spirit of cooperation and commitment that we offer it to you today.

INAUGURAL ADDRESS BY BILL L. ATCHLEY, PRESIDENT, CLEMSON UNIVERSITY

Distinguished guests. Ladies and gentlemen.

This is a great occasion and an historic day in the life of Clemson University. On a more personal level, it is the highest honor and the greatest privilege I have ever received.

It is not every day that a man has the opportunity to be invested formally with the authority to take the helm of a major land-grant university—a people's university with a rich tradition of public service that is fast approaching the century mark. It is every day, however, that debts continue to grow to the many people who bring such an institution and such an individual together for such an occasion. I would like to take just a moment to pay tribute to some of those people: First, to my personal "Rock of Gibralter," my wife, Pat; to my three children; and to the other members of our families—all of whom have given me the kind of support and encouragement which can only come from a family whose members believe strongly in each other. Next, to some old and many new friends and colleagues, who have enriched my life, broadened my horizons, and lifted my vision.

I pay sincere tribute to the eight men who have held the office I now hold, and a special tribute to the late Dr. Robert Franklin Poole and to Dr. Robert Cook Edwards—men who in their own unmistakeable ways led Clemson University through four decades of the greatest achievement and growth in this institution's ninety-two year history. And I offer my sincerest thanks and words of great respect to the members of our Board of Trustees—a group of gentlemen whose wisdom and guidance, and whose dedicated stewardship, have enabled Clemson University to benefit millions of South Carolinians of all ages.

To all these people who have established such a rich heritage and such high standards, and have built for Clemson University such a great foundation for the future, and to all the other people who have helped make it possible for me to stand here today to respond to the challenges which have been put before us: I say, thank you from the bottom of my heart.

It is customary in inaugural ceremonies for one to give a formal response to the challenges put forth; to outline the planks of his academic platform; and to share his educational philosophy. I intend to meet those obligations, but I would prefer to approach it this way: Let's you and I just do a little "thinking out loud" together—about why I am here, why you are here, what Clemson really means to all of us, and how we all fit into that busy, complex, sometimes confusing but always exciting world beyond the boundaries of this campus.

I was sitting here a few moments ago, thinking about how much Dr. Clodius has given us to consider in his very thoughtful and excellent address. I was also thinking about the words of the distinguished speakers who took part in our energy symposium this week. The energy problem and the role higher education should play in dealing with that problem are, indeed, central questions facing us today. But the energy problem, and the frustration and the sense of helplessness we sometimes feel in the face of that problem, have their roots in an even more fundamental problem.

James Reston, of "The New York Times," has written:

> Our age has been described as the Age of Materialism. We are increasingly discovering that it has been an Age of Emptiness. Ultimately, every human being yearns to feel that there is some inner and deeper meaning to his life than just being and accumulating. Modern man is discovering that materialism is not enough, that spirituality is real.

James Reston called it "an Age of Emptiness." The academic platform which I propose for Clemson University—and the educational philosophy out of which our "Blueprint for Tomorrow" on this campus will emerge—are to a great extent my response to what could become an "Age of Emptiness."

My platform and philosophy are really suggestions for how we can begin to discover again that creative spirit of self-reliance which is in us all. We will need that spirit to deal with a world in which we suddenly, and painfully, have discovered that we do not have endless water; we do not have infinite croplands; or so many other natural resources we have taken for granted for so long.

My academic platform and educational philosophy are straightforward and clear. Here are the five major points of my platform:

One—we are going to continue to develop academic excellence at Clemson University, and to build upon the dedicated faculty who are now here. Our top priority will still be to produce superbly educated men and women who have been exposed to high quality, broadly based teaching. These young men and women will leave this campus ready to assume productive, creative, and meaningful positions in our economy and leadership roles in American society.

To strengthen academic quality means that we must continue to seek some necessary resources—human resources, financial resources, equipment resources, and safe and effective teaching facilities and laboratories—because these will enable our teachers to teach, and our graduates to compete, in the fierce competition of the real world.

Providing our students with a broad-based education which still focuses on preparing for careers in important fields like agriculture, engineering, textiles, forestry, architecture, and all the other professions we serve, will require that we give those students a meaningful exposure to science, technology, the social sciences, the humanities, and the arts.

With that commitment to a broad-based education in mind, I am delighted to announce today that we have obtained a "seed grant" of $250,000 from private sources to begin as soon as possible the necessary architectural and engineering studies for a performing arts center on the Clemson campus.

I will announce soon the specific details of this grant, but I want to emphasize that we intend to look to the private sector for the funds to construct this badly needed facility. I am convinced the private sector will recognize the value of such an important investment in the future of our most important national resource—the minds, values, and attitudes of our young people and future leaders.

Number two—we at Clemson are going to live and work by the conviction that knowledge itself it important, that it is, in fact, superior to material things, and that means we are going to continue to strengthen our research capabilities and our extension and other public service activities.

We're all familiar with the proverb that if you give a man a fish, you give him one meal for one day. But if you teach him how to fish, you have given him self-reliance and helped him for a lifetime. You see, the gift of knowledge is better than the gift of things. The gift of things makes people subject to, and dependent on, those things. But the gift of knowledge makes people free.

Clemson University will continue to develop knowledge—and to make that knowledge available to people. To accomplish this, we intend to press ahead to obtain state funding to build a continuing education center on this campus, a project which was approved by the people of South Carolina through their General Assembly a few years ago and again last year, but had to be postponed. Well, we can't afford to wait any longer. The more than 20,000 men and women, from all walks of life, who attend continuing education courses offered by Clemson University each year, are living proof of the immediate need of this center to serve the people of this state.

Number Three . . . We at Clemson are going to be willing to be productive, and willing to know the value of effort.

As Robert Frost once said: "The world is full of willing people; some willing to work and the rest willing to let them." All of us—the faculty, students, administrators and staff, on campus and throughout the 46 counties, are going to work hard for Clemson University, or we're not going to be at Clemson University. It's that simple.

At the same time, we are going to provide the kind of leadership to this University which will stimulate real initiative, encourage real innovation, and nurture creativity. I am talking about maintaining a climate where people have the freedom to make mistakes. But at the same time, they will have the incentive that comes from knowing that effectiveness and innovation in the classroom, in the laboratory, and in working with the public will be recognized, and more importantly, will be rewarded.

Number Four . . . We are going to have good communications, open communications, and effective communications in everything we do. Just last Friday I announced the broad details of a new governing council for the University, and I am going to continue to simplify and open up administrative structure and procedures wherever possible. I have no illusions about creating any perfect organizational structures. We are a people's university, run by people, run for people, and as human beings will do, we will make some mistakes. But a fear of failure is not going to be an obstacle to any of us in our thinking or in our attitude about innovation.

Good communication will also characterize our relationships with all the people connected with the University so that faculty, students, staff, alumni, and supporters can be brought together in an atmosphere where we listen to each other instead of talking at each other. We will also communicate more effectively with the General Assembly, with other members of state government, with leaders in agriculture and industry, with the Commission on Higher Education, with our sister institutions of higher education, and with our colleagues at all levels in education in the state.

We want people to know and to understand that we at Clemson University take pride in our tradition of being good and efficient managers of our funds and our resources. We want people to know that all—all—of our budgets and funding requests are based on identifiable and demonstrated needs and programs for this state and not on rhetoric or political games.

We want people to understand that we all must work to find some way to keep the cost of a college education within the reach of the average family, a situation which grows more critical each year.

We want those people who have the idea that higher education in South Carolina has been overfunded, especially at the expense of elementary and secondary education, to know that this idea is both unwarranted and false. It is also dangerous. We should insist on the best at all levels of our educational system, rather than attack higher education which plays such an essential role in the health and well-being of our economy and the ultimate quality of our lives.

Now here is my fifth and final point: We at Clemson will dedicate ourselves to try to realize our full potential as a land-grant university, an institution, as Dr. Clodius has indicated, which is uniquely capable of bringing together the perspectives and the best minds in agriculture, engineering, all the other technologies and sciences, and the liberal arts. In the environment of the land-grant university, we are challenged to bring these areas together to consider all the aspects of problems like energy, the world food shortage, and the environment, to name only a few. The challenge is to develop the new technology to deal with those problems, and at the same time develop the new strategies to educate people about those problems and help them make whatever adjustments they must make in their attitudes and lifestyles.

The "band-aid" approach just won't work any longer for the "materialistic" problems of things like energy and hunger. There just is no magic solution out there somewhere to the problems of dwindling fuel reserves and growing enough food to help feed the world. The key, again, does not lie in a "materialistic" approach. The key is to rekindle that spirit of creativity and self-reliance I was referring to earlier. It is the kind of spirit we must have to develop an entirely new way of looking at ourselves and our world.

It is in that spirit that I have proposed and will continue to seek, the consensus and the means to establish an energy research and development center on this campus, making use, extensively I might add, of facilities and expertise that already exist at Clemson. The center I envision will represent a true partnership of scholarship, government, industry, and agriculture. It will enable our state to make the wisest and most efficient use possible of the state's resources and money by serving as a "site of coordination" for researchers from universities and colleges, industry and agriculture, and other state agencies and programs.

The "energy-environment-economic" crisis is one which will dominate our attention in the quarter-century ahead. We need right now to begin exploring that problem as it affects us here in our own backyard. We should not wait in vain on some other state or the federal government to develop a solution to meet our unique needs. And we should not be alluded into believing that a fragmented, "everybody-going-his-own-way" approach will get the job done here in South Carolina. We need an intelligent, efficient, and well-coordinated effort to find just the right combination of conservation, new technology, and ways to produce some fundamental changes in public attitudes and values if we are to have any hope of overcoming the energy problem this state will face over the next quarter century.

There, then, are my academic platform, some of the challenges we face, and something of the educational philosophy by which I propose to lead Clemson University in the decade of the 1980's. Let me now summarize my five points:

One . . . We will continue to develop academic excellence at Clemson University.

Two . . . We will continue to believe that knowledge is one of the most important treasures in life and the gift of knowledge is Clemson's most important obligation.

Three . . . We will work hard, work smart, and be innovative in everything we do.

Four . . . We are going to have good communications, and be good communicators, both on and off-campus.

Five . . . We are going to realize more completely our potential as a land-grant university, a unique institution among all the systems of education known to man.

That ultimately is my vision for Clemson University—an institution that has meant much to South Carolina, but which can and will mean much, much more in the future. We want to focus on our strengths and what makes us different, what sets us apart from, not what makes us similar to other institutions. Our goal is to become more truly a "people's university" and to work in close partnership with the people of this state and with our sister institutions in the state to create a stronger and more innovative system of higher education—a system which will be the envy of, and a model for, the entire nation.

Ladies and gentlemen, Clemson University faces great challenges, but also great opportunities in the future. With the energy problem here at home, with the world beginning to call on us for more and more food, and with the vast infusion of new industries and new people coming into South Carolina in the decades ahead, Clemson will have opportunities to serve and responsibilities to meet the likes of which we have never imagined.

Clemson has a great tradition, and now—the future is moving toward us. We have two options. We can face the future as people expecting to live in an "Age of Emptiness." Or we can face the future with a spirit which recognizes that materialism and material things alone are not the answer.

It is a spirit which can deal with the fact that we may have to sacrifice some things we have grown accustomed to, that we may not be as powerful as we once thought we were, but which also realizes that change is not always bad, and it can be planned for, and it can lead us on to new and greater adventures. It is a spirit expressed well by Alfred Lord Tennyson in a poem entitled "Ulysses." Ulysses is sitting at home, alone, tired, thinking about his adventures and his younger days, remembering the excitement he felt when he thought he could beat the world. But he doesn't dwell on the past. He suddenly looks out of his house to the sea and his ship, and thinks of the future, and he says:

> There lies the port: the vessel puffs her
> sail.
> There gloom the dark broad seas . . .
> Come, my friends,
> 'Tis not too late to seek a newer world.

His words will serve as my response, and the response of Clemson University, to the challenges laid before us today and which we will surely face tomorrow. His goals and our goals are these:

> To strive,
> To seek,
> To find.
> An not to yield.
> 'Tis not too late to seek a newer world.

Come, my Clemson friends. We still have much to accomplish.

MISS USA 1980

Mr. THURMOND. Mr. President, each year a beautiful young lady is chosen Miss USA and I am delighted that this high honor for 1980 was recently awarded to a most deserving South Carolinian, Miss Shawn Nichols Weatherly, of Sumter, S.C.

Miss Weatherly was chosen from contestants from 50 States and the District of Columbia at the 1980 Miss USA

Pageant at Biloxi, Miss., on May 15, 1980. She will represent the United States at the Miss Universe Contest in Seoul, Korea, in July.

A most interesting and informative article about the newly crowned Miss USA was published in The State, Columbia, S.C., newspaper on May 17, 1980.

Mr. President, in order to share this article with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

South Carolina Girl Surprised by Win

Biloxi, Miss.—Blue-eyed Shawn Nichols Weatherly, the newly crowned Miss USA, said Friday she never claimed to be perfect and does not intend to let the title turn her head.

The shapely 20-year-old blonde from South Carolina told reporters she feels "very humble" following her victory in the 1980 Miss USA Pageant.

"Now that I've won I have to try harder to make people believe that I'm myself. I'm human, like anybody else. I'm not perfect. And I'm not stuck on myself," she smiled.

Shawn, a native of Sumter, was selected over contestants from throughout the nation in the internationally televised pageant.

The new Miss USA receives an $18,500 cash award, a $10,000 service contract, an extensive wardrobe, and will represent the United States at the Miss Universe Contest in Seoul, Korea, in July.

Miss Weatherly, chatting with reporters at her motel suite, said it was hard for her to believe she'd really won until she got up Friday morning and read it in the newspapers.

"I said to myself, 'It's real. It's in black and white.' "

She is the daughter of a Sumter real estate agent and is a junior at Clemson University, majoring in a communications and advertising. Her plans to go into modeling or public relations work.

She is a member of the women's fencing team at Clemson and runs eight miles a day. Her hobbies include dancing, roller skating and weight lifting.

Shawn said she entered the state pageant in South Carolina "because it was something to do."

She planned to fly to New York on Saturday to begin a series of interviews and personal appearances.

"There's a fantastic amount of responsibility involved in representing the United States, especially now when things are a little shaky, like in the economic situation," she said.

"I just hope I can be a good will ambassador and represent the United States the best I can."

Miss Weatherly's boyfriend is Dwight Clark, a wide receiver for the San Francisco 49ers of the National Football League.

Clark was present Thursday night when the winners were announced. "I tell you, I've never been that nervous before a game," he told a reporter.

She is the first South Carolinian to become Miss USA since 1954, when Miriam Stevenson of Winnsboro won both the national Miss Universe titles.

With the money that comes from her title she said she'll help her boy friend pay for telephone bills the two have accumulated.

She's not intensely interested in school at the present time and said, "Daddy can't get too upset about my final exam grades now."

She was correct. Weatherly said of her grades, "We'll burn them." He added that the family is still excited and "very proud of her."

The pageant was broadcast to television audiences in 30 countries and was the culmination of two weeks of competition and rehearsals.

THE SHARP FALL IN INDUSTRIAL PRODUCTION AND THE CAUSES OF RECESSION

Mr. THURMOND. Mr. President, the recently reported April figures for U.S. industrial production portend a deeper recession than that indicated in earlier months. A May 17, 1980 article by Art Pine in the Washington Post provides a more detailed description of this situation, and it is highlighted by the statement that:

> The Federal Reserve Board reported yesterday that industrial production skidded 1.9 percent last month, the most since the onset of the 1974–75 recession and a further sign that this recession may be more serious than expected.

Mr. President, I feel sure that all of us are tremendously concerned about the plight of our Nation's economy. We seek solutions to these economic problems but we know the problem is complex and requires carefully planned and executed actions on several fronts. An excellent anlaysis and discussion titled "The Causes of Recession" was printed in the May 15, 1980 issue of the Wall Street Journal. In that article the author states that:

> If we see that the recession was basically caused by inflation, Government spending excesses and tax increases, we have some hope of designing a mix of policies that both moderates the recession and builds a sound base for the next recovery. If instead we blame the one man (Mr. Volcker) who started down the right road, we will end up fighting the recession with yet another burst of money creation, and doom ourselves to another and more virulent repetition of the inflation-recession cycle we are just now experiencing.

Mr. President, in order to share these two informative articles with my colleagues, I ask unanimous consent that the articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, May 17, 1980]

Industrial Production Dips Sharply

(By Art Pine)

The Federal Reserve Board reported yesterday that industrial production skidded 1.9 percent last month, the most since the onset of the 1974–75 recession and a further sign that this recession may be more serious than expected.

New figures also showed that housing starts fell 2.1 percent in April. However, that was less than the 21.8 percent recorded in March, suggesting that the housing industry may be leveling off.

The combination of figures heightened concern by economists that the recession may prove more severe than the "short and mild" one that the Carter administration has predicted.

The decline in industrial production was spread throughout the economy. Two weeks ago, the Labor Department reported that the nation's unemployment rate shot up from 6.2 to 7 percent in April, the most since early 1975.

The figures came as the Federal Reserve Board reported that the nation's money supply, which had been shrinking far more rapidly than the Fed intended, exploded last week and rose $5.8 billion, the largest increase on record.

However, analysts warned that the figures may be skewed because of technical factors and may not represent a relaxation of the Fed's tight-money policies. Even with last week's jump, the growth of the money supply still is within targets.

The April plunge in industrial production followed dips of 0.7 percent in March and 0.2 percent in February. The index, which measures the output of factories, mines and utilities, stands 2.9 percent below its March 1979 peak.

Although the sharpest declines came in the auto and construction industries, there was a visible worsening in virtually every major sector of the economy. Output of consumer goods plunged a full 2 percent.

The decline in housing last month left overall starts at a seasonally adjusted annual rate of 1.019 million units, down from 1.041 million in March. That is 41.8 percent below the 1.75-million-unit rate recorded a year ago.

The department reported that permits for new housing units, a bell-wether of trends—fell 14 percent in April to 41.3 percent below their level a year ago. However, starts of single-family homes recovered some, rising 1.6 percent.

Analysts were divided over the significance of the April figures. William A. Cox, the Commerce Department's deputy chief economist, said the smaller dip in April showed that the housing slump has "got to be close to bottom."

However, Michael Sumichrast, economist for the National Association of Home Builders, said the slippage in building permits foreshadows still more declines in starts in coming months, and shows that the market will continue to be soft.

The April rate for single-family starts was the lowest since January 1970, and marked the fourth worst month since the government began keping records in 1959. Starts of multifamily units fell 7.5 percent.

The $5.8 billion rise in the basic money supply left the overall figure at $371.2 billion. A broader measure, which includes money in circulation and checking deposits at banks and thrift institutions, rose $5.6 billion to $388.6 billion.

Meanwhile, Charles Brown, chairman of the board of the American Telephone & Telegraph Co., predicted yesterday that the current recession will not be as severe as the 1974–75 slide.

[From the Wall Street Journal, May 15, 1980]

The Causes of Recession

For some two years now the accumulated wisdom of the economics profession has been telling us that a recession was just around the corner. Now that the thing has finally arrived, the accumulated wisdom of the economics profession is telling us that it all could have been avoided if at 9:03 on the morning of March 11 Chairman Volcker had zigged instead of zagged.

It was inevitable, we suppose, that the Federal Reserve's monetary policy would be blamed as the "cause" of the recession. With any recession it usually is. And the headlines from the Fed's March credit restriction package had scarcely died down when the April upsurge in reported unemployment was announced. It takes a critical mind to notice that this would be one of the shortest "lags" ever observed, especially if you also notice that signs of weakness were fully apparent in February and industrial production took a plunge in March. But if "tight money" is uncritically accepted as the cause for the decline, it will be almost impossible for us to understand our economic predicament, let alone correct it.

So we are especially distressed that among those blaming the Fed are our monetarist friends, who have done so much to enlarge our economic understanding. The money supply figures (the initials of which keep getting longer and more complicated) have "actually declined," they complain; the Fed has "slammed on the brakes." Unless memory is playing tricks on us, the voices now shouting alarm over the drop in M1B and M1A are the same voices that six months ago were telling us that the number to watch was the Monetary Base, the most direct measure of how much high-powered money the Fed is injecting into the economy. In the following chart of the St. Louis base, point to the date on which Mr. Volcker slammed on the brakes:

You may be able to see, if you have a set of calibrated eyeballs, the most gradual slowing in the growth of the monetary base starting sometime around the turn of the year. Clearly the Fed has done nothing dramatic. If we are to have any chance of slowing inflation, we need a gradual slowing in money growth. Measured by the monetary base, anything more gradual could scarcely be imagined.

The dramatic change, the one causing the declines in the Ms, has come not from the Fed but from the economy. The big change has not come from the supply of money but from the demand for money. The reserves supplied by the Fed have not been loaned and reloaned fast enough to work themselves into the money supply in the usual fashion. While the monetary base has had only a gradual slowing, there has been a dramatic drop in what the economists call the monetary multiplier. The falling money supply is not causing the recession; the recession is making the money supply fall.

This is no small intellectual difficulty for the monetarist faith. Not, of course, for the central lesson that overly rapid money growth causes inflation. But for the "leads" and "lags" and "money illusion" through which the monetarists try to associate changes in money with changes in the real economy, with booms and recessions. These prescriptions assume a constancy or at least sure predictability in the related concepts of demand for money, the monetary multiplier and monetary velocity. When it is changes in these variables that move the economy, as currently seems to be the case, you cannot get far fighting recession by manipulating the Ms.

Theoretically, of course, the Fed could make the monetary base jump around so that, say, M1B tracks a straight line. At the moment this would call for massive injections of bank reserves. Is that what we really want? Time deposits soared during April, Eurodollar loans exploded, and the dollar was weak on the foreign exchange markets despite central bank support. Could it turn out that our real problem is that even now the Fed has not yet got inflation under control?

Now, to give monetarism its due, it's very doubtful that we would be in this fix if over the last decade the Fed had stuck to Milton Friedman's prescription of steady 3 percent monetary growth. But when the global problem is inflation, the monetarists ought to be the last to go around beating on the Fed to make money grow faster. They ought to go back to an ancient text, which reads like an attack on monetarism as recently practiced:

> The monetary authority controls nominal quantities—directly, the quantity of its own liabilities. In principle, it can use this control to peg a nominal quantity—an exchange rate, the price level, the nominal level of national income, the quantity of money by one or another definition—or to peg the rate of change in a nominal quantity—the rate of inflation or deflation, the rate of growth or decline in nominal national income, the rate of growth of the quantity of money. It cannot use its control over nominal quantities to peg a real quantity—the real rate of interest, the rate of unemployment, the level of real national income, the real quantity of money, the rate of growth of real national income. . . . —Milton Friedman, Presidential address to the American Economic Association, 1967.

This does not mean, Mr. Friedman added with his next breath, that monetary policy has no effect on the real sector. And we have no wish to assert that money and credit had nothing to do with the current recession. The point is that Mr. Volcker did what he promised—start a fight on inflation by bending down money growth ever so slightly. Beyond that, the Fed's role was entirely passive.

To understand the actual causes of the recession you have to go back to the reason the economists have been predicting it these past two years. Basically because the consumer has become loaded down with debt. Like the Hunt brothers, we have all been going into debt in order to acquire real assets, in the hope of turning a profit on inflation. This psychology is measured in the most foreboding of all our dismal economic statistics, that consumers are saving only about 3 percent of disposable income.

This debt creation and savings erosion cannot go on forever. It went on longer than most economists expected, thanks largely to the capitalization of capital gains on housing. This spring the end finally came, and we headed into recession.

The end came with a tremendous spike in interest rates, which made borrowing prohibitive and ended the refinancing of home mortgages. But as the monetary base shows, the interest rate spike was not caused by the Fed. Rather, the market was bidding up interest rates because of suddenly heightened inflationary expectations, basically aroused by Mr. Carter's two 1981 budgets.

The Fed refused to validate these expectations with a further acceleration of money growth (and though they came late in the game, the direct lending limits probably played a part in this unwinding). If the Fed had printed money to validate the Carter budget and the soaring interest rates, we would have spun toward hyperinflation.

Another vastly important cause of recession now, finally, has been nearly overlooked. This is the huge tax increases being imposed on the economy just as it peaked out. Inflation has steadily been raising taxes through bracket creep. On March 27 Congress finally passed the misnamed "windfall profits tax," which at the time we labeled the most destructive single piece of legislation since the Smoot-Hawley Tariff. Social Security tax increases were already looming, and the President threatened the economy with a new oil import fee cum gasoline tax.

As a measure of the cumulative effect of these changes, the budget estimates show a $100 billion rise in government revenues in the fiscal year starting next October, to $625 billion in Fiscal 1981 from $524 billion in Fiscal 1980. About half of this is inflation, and the other half the real tax increases described above. Some have already gone into effect, and the rest cast their shadow on the incentives for production and investment. Is it any wonder that a recession should accompany the biggest peacetime tax increase in history?

These understandings are absolutely crucial to any sensible policies for dealing with the recession. If we see that the recession was basically caused by inflation, government spending excesses and tax increases, we have home hope of designating a mix of policies that both moderates the recession and builds a sound base for the next recovery. If instead we blame the one man who started down the right road, we will end up fighting the recession with yet another burst of money creation, and doom ourselves to another and more virulent repetition of the inflation-recession cycle we are just now experiencing.

UNNECESSARY ENVIRONMENTAL REPORTS

Mr. BAKER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Mr. GOLDWATER in connection with environmental reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. GOLDWATER

A lot of very peculiar things go on under the title of environmental protection, but probably nothing is happening that is quite as unnecessary as the environmental reports on new weapons systems. For example, the Pentagon has to get such a report on every new system and one of those, of course, is the MX system. The cost of these efforts so far through January of 1980 was $4.6 million and the remaining work for January through September of 1980 has been negotiated with a projected cost of about $8.9 million plus some additional work that the military is not aware of yet.

Can you imagine that? Almost $13 million just to satisfy some bureaucrat's idea of what a weapons system might do to the environment. We hear a lot of peculiar things going on in this town that we live in and work in, but never anything as peculiar as this.

REPRESSION IN KOREA

Mr. PELL. Mr. President, in the absence of the senior Senator from Massachusetts (Mr. KENNEDY), I ask unanimous consent to have printed in the RECORD, a statement he would have made if he were here.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. KENNEDY

I am deeply concerned by the severe military crackdown in the Republic of Korea, which represents a serious reversal of the initially hopeful trends toward liberalization following President Park's death last October.

Less than five months after lifting the Park regime's hated Emergency Measure Number Nine, South Korea authorities have adopted Martial Law Decree Number Ten. This new, repressive decree extends marital law to the entire country; all political activities and gatherings are proscribed; labor strikes are banned; the universities and the headquarters of both major political parties are closed; criticism of the government is forbidden; and the National Assembly is prevented from convening. Equally disturbing, more than 100 religious, student, and political leaders have been arrested, including opposition leaders Kim Dae Jung and Kim Young Sam and former prime minister Kim Jong Pil.

Two months ago, I expressed my support for continued political liberalization in Korea. But, at the same time, I warned of the danger posed by the South Korean military under the command of General Chon Too Hwan. Tragically, these warnings proved well-founded, and any hopes for the future of democracy in Korea are now in doubt.

President Choi Kyu Hah has promised that the "political evolution program" which he announced last December "will proceed without change." The South Korean Government should move promptly to end martial law, repeal Martial Law Decree Number Ten, and release all those under arbitrary arrest.

In addition to these urgent steps, I strongly encourage the South Korean Government to complete its program of political liberalization no later than the end of this year. I would especially welcome the return of governmental power to civilian control, the lifting of press censorship, and release of all remaining political prisoners, leading to enactment of a democratic constitution, free and open elections, and the formation of a broadly-representative cabinet.

The willingness of the South Korean Government to carry out these steps will bear directly upon the future course of our relations. Only by supporting a more liberal and open political system for the Korean people can we help to assure the long-term stability and well-being of the Republic of Korea.

SOLVING THE IRAN CRISIS

Mr. PELL. Mr. President, in the absence of the Senator from Massachusetts (Mr. KENNEDY), I ask unanimous consent to have printed in the RECORD a statement he would have made if he were here, together with an article.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. KENNEDY

In a very thoughtful article on the Iran crisis, Professor Roger Hilsman of Columbia University proposes that the United States pursue a two-track policy to releasing the 53 Americans held hostage in Iran.

The "external" track would consist of "behind-the-scenes pressure and persuasion on the ayatollah and the mullahs by the other Moslem countries to convince them that holding the hostages brings discredit on all of Islam." The "internal" track would consist of quiet and persistent efforts with Iranian moderates to release the hostages.

Professor Hilsman is a former Assistant Secretary of State for Far Eastern Affairs. I think that his recommendations deserve attention and consideration, and I submit his article for printing in the RECORD.

IRAN PERSPECTIVE: DON'T PUFF THE MILITANTS

(By Roger Hilsman)

President Carter's decision to come out of the Rose Garden and campaign indicates, among other things, that he has given up on the hostages—at least until after the election. But many specialists in international affairs and the Middle East think that a rather promising policy has yet to be tried. And if anything, yesterday's terrorist bombing of the Iranian embassy in London may make the Iranians more open to subtle pressure than they have been so far.

The more hard-line tactics that have already been tried have not worked. One of the first, the possibility of a military raid, was given thorough study beginning as soon as the hostages were taken. Such a raid can have one of two goals. The first is to rescue the hostages unharmed. The second is to teach a lesson to Iran and any other country tempted to seize our embassy. If the first is the goal, the risks must be minimal. If the goal is to demonstrate American power to deter future seizures, then at least a proportion of the hostages in Iran would have to be regarded as expendable.

Whatever the motivation, however, conditions—the location of the embassy in the middle of Tehran, the terrorists' rigging of the entire embassy with dynamite, the nonoptimum timing—made it likely that even if everything went smoothly, at least half a dozen of the hostages would be killed, two or three dozen of the raiders, and four or five times as many Iranians.

This was apparently the main reason that Secretary of State Cyrus Vance opposed the raid. But Vance was also convinced that relations with our allies would be irreparably damaged. Our allies doubted that economic sanctions would be effective. They believed sanctions would actually hurt them more than Iran. But President Carter gave our allies an ultimatum: Either join the U.S. in sanctions or the U.S. will use military force. Our allies reluctantly went along, not knowing that the raid had already been ordered, and Vance was convinced they would regard our actions as an act of duplicity and deceit.

Finally, Vance pointed out, even if the raid were a stunning success, nothing would be accomplished. The Iranians would simply round up all the other Americans now in Iran—including newsmen—and would end up with more hostages than they held before.

It could be argued that the raid was still necessary—to teach not only Iran a lesson but all the other nations that might be tempted to seize our embassies for political reasons. However, the question here is whether Iran in fact has a government in the normal sense of the word. If there is no government, but only several rival factions striving for power, a punitive raid is meaningless. Clearly, President Abolhassan Bani-Sadr's orders are simply not obeyed by the militants. The Ayatollah Ruhollah Khomeini obviously has great prestige, but does he command? For example, some time ago he *suggested* that the militants should turn over the hostages to the government. Their reaction was negative, and he studiously avoided giving an actual order—obviously in fear that it would not be obeyed.

A raid to teach other nations a lesson seems equally pointless. In the 500 years or so that states have systematically maintained embassies in each other's capitals, governments have seized embassies no more than a dozen times. Governments not only fear retaliation, but almost always have a variety of other goals in their relations with other states. As a consequence, governments usually assume the responsibility for freeing embassy hostages seized by terrorists, as was the case in Colombia. And last fall, the Pakistani government was in sympathy with the terrorists who seized the American embassy, but it nevertheless attacked them.

That there is no effective government in Iran has also frustrated both President Carter's and UN Secretary General Kurt Waldheim's attempts at negotiations. Both have tried to make a deal with the nominal heads of the Iranian government. But the Iranian officials were never able to carry out their part of the bargain. The effort was still worth it, for there was always a chance that Bani-Sadr might be able to use the agreement to outmaneuver the other factions and achieve real power. For this reason such efforts should be continued. But President Carter should be neither surprised nor angry—as he clearly has been—if the Iranians are unable to carry through.

It is also the fact that there is no real government in Iran that has caused the sanctions to fail. Immediately after the hostages were taken, Carter imposed limited sanctions—halting oil imports, freezing Iranian assets, and so on. He embarked on stiffer sanctions and is trying to force our allies to go along with them. If there were a government in Iran, sanctions might work—although from the Napoleonic wars to the present, economic sanctions have worked only rarely.

The trouble with sanctions in Iran is that they hurt not the militants, but the Iranians who actually want to see the hostages freed, the economic and military elites and the moderate politicians, such as Bani-Sadr. What is worse, sanctions force Iran to turn to the Soviet Union for help—which the Soviets are only too happy to provide. The policy of sanctions is delivering Iran into the Soviet orbit without the Soviets risking a single soldier or even the onus of engineering a coup by the Communist Tudeh Party.

The truth of the matter is that sanctions, public threats, moving the fleet to the Persian Gulf, and similar power moves not only strengthen the militants but vastly increase their incentive to hold the hostages longer still. Their strategy is to wave the bloody shirt of colonialism and past oppression in the Third World and to try to put the blame for all Iran's troubles on the U.S. Any action by the U.S. that permits them to claim to stand up against the "superpower bully" simply makes them heroes. The militants say that their goal is to have the shah returned, to regain the billions he secreted abroad, and to force the U.S. to apologize. Their true goal is publicity for their cause, and they delight in any action that gives them publicity.

Given that there is no government in Iran that can enforce orders, given that sanctions and military moves only drive Iran into the eager arms of the Soviet Union, and given that both threatening rhetoric and threatening actions simply encourage the militants to hold hostages even longer, what can the U.S. do?

There seems to be only one policy that has offered any hope of getting the hostages out unharmed—either last November or today. This policy has two parts, one external, one internal.

The external element consists of behind-the-scenes pressure and persuasion on the ayatollah and the mullahs by the other Moslem countries to convince them that holding the hostages brings discredit on all of Islam. Neither Bani-Sadr and the political moderates nor the military and economic elites are happy at seeing their country become a pariah. If any of them succeed in establishing effective control of the country, an arrangement will rather quickly be worked out to transfer the hostages to some neutral country and then home. Ironically, the same thing is likely to happen if it is the Communist Tudeh Party that achieves effective power. If Iran is finally driven into the Soviet orbit, the Communists will wish to defuse the situation as quickly as possible.

The trouble with our emphasis on both sanctions and inflammatory rhetoric these past six months is that it tends to nullify the efforts of both the Islamic countries and the Iranian moderates. Their arguments for releasing the hostages are not only discredited but, in the face of what is viewed as superpower belligerency, both the Islamic countries and the Iranian moderates must take public stands in support of the militants. Hence the internal part of the policy.

The U.S. must give up its public threats. And it must stop pressing our allies to impose sanctions and quietly de-emphasize its own. The government must continue to try to negotiate a deal, but without inflating public hopes or permitting its own hopes to rise.

The only policy that has any promise of being effective, to sum up, is also the only policy that has not been tried. The U.S. government must make it clear to both the Islamic nations and the moderates within Iran that it is on their efforts that the U.S. government intends to rely and that the U.S. will no longer adopt public postures that impede their efforts. There is no need for the U.S. to try to return the shah or to make any apologies.

Finally, the government must try to persuade the media, and especially the TV networks, to turn as much as possible to other stories—and at the very least to cease the pernicious practice of announcing sonorously that this is the 100th-and-such day of the captivity of the hostages. Denied the publicity that is their true goal, the militants will be much less able to resist the pressure from the other Islamic nations and from moderate elements within Iran itself.

ALLIED RESPONSE TO THE IRAN AND AFGHANISTAN CRISIS: "SOLIDARITY ON CHARADE"

Mr. BAYH. Mr. President, the results of the Naples conference on the kind of economic sanctions the European Community will impose against Iran in support of U.S. efforts to end the hostage crisis should really surprise no one given the past track record of American support from this source.

Clearly, the initiatives which are in the offing as a follow-up to the allies' earlier Luxembourg meeting last month are much less severe than originally announced or anticipated. A preliminary assessment based on what we now know suggests that trade ties between Europe and Iran will remain more or less intact.

According to some reports, the planned measures affect less than 10 percent of European trade with Iran. And what is particularly galling is the characterization of the hostage crisis as merely a "troublesome problem" which was attributed to one European foreign minister. Because the sanctions will not affect trade agreements before the date of the seizure of the U.S. Embassy in Iran and our diplomatic personnel, about $7 billion in trade will continue to flow in support of heavy industry; specifically, port facility projects, auto-assembly plants and steel mills.

In addition to the continuation of such lucrative trade relations, oil purchases have been officially exempted from the European sanctions. This has occurred amid reports that the Japanese are now likely to resume the purchase of Iranian oil at a premium price. Resumption of those sales will double Iran's exports—now put at between 610,000 and 1 million barrels per day. The result of these sales will provide the Tehran regime with more hard currency with which to sustain trade relations with the Soviet Union.

It thus appears that rather than producing effective economic sanctions to convince the Iranians to end the hostage crisis quickly, the Naples conference has given Tehran the green light to persist in its present policy. If anyone should seriously question this, just consider the fact that Foreign Minister Ghotzbadeh in effect approved the actions taken by the Europeans by indicating that those nations participating in these sanctions would not be the target of retaliation by Iran.

And the Foreign Minister went further by indicating that he expected many firms in Europe to circumvent what sanctions have been applied and claimed that 1,200 American firms have already contacted his government to see how they could do business despite U.S. sanctions. If this is true, it is the view of this Senator that those firms should be barred from ever doing business with the Federal Government again.

Mr. President, the European Community has acted in a way which is not in its long-term interest nor in the interest of the Alliance. It has sent a signal to the Government of Iran that the economic importance of that country to the life of Europe outweighs the political importance to the United States in solving the hostage crisis. This is the wrong signal to send at the wrong time. So I believe that the United States must now transmit its own signal of disapproval through diplomatic and other channels.

VENICE ECONOMIC SUMMIT

Very shortly, the President will be attending an economic summit in Venice, Italy, to discuss a range of energy and trade issues which affect our relationships with our major trading partners. I have joined several of my colleagues in urging that such issues as automobile trade be high on the agenda. But, Mr. President, in assessing the results of the Naples Conference, I would respectfully recommend to the President that he not go to the Venice summit. Vice President MONDALE would be an able representative and such a decision would reflect the appropriate disappointment with the nonactions taken by the Naples Conference. Such a decision would communicate the degree of frustration and real resentment which many of us feel about this charade of solidarity in support of U.S. efforts to put economic pressures on Iran. I have written the President to urge him not to attend the Venice Economic Summit.

CONCERNS OF ALLIES CONSIDERED

While there is certainly a valid concern not to undermine the forces of moderation in order to avoid "driving Iran into the arms of the Soviets" through a process of "Castroization" which the French seem to fear so badly, how long must we wait for those forces to assert themselves in a constructive way? It has now been more than half a year since our citizens were seized with the blessings of a religious despot. Although the Europeans have cooperated in the suspension of military sales to Iran, a ban on service and maintenance contracts as well as a reduction of Embassy staffs, these moves fall woefully short of the measures called for by the U.N. Security Council Resolution vetoed by the U.S.S.R.

The recent indication by Iran that it intended to arm Afghan rebels if the Soviets remain in Afghanistan seems as well to undercut the excuse which has been posed by some nations for not following through on a tougher sanction program.

The fact is that the Naples conference represents a step back from the fuller range of sanctions indicated on April 22 after the Luxembourg meeting. It is this step back that sends a dangerous message that the industrialized democracies of Europe really do not have the political will to adhere to the principles they repeatedly expouse at international forums.

But most fundamentally, it is a dangerous message because it lessens the strength of the contention that the United States is not alone in meeting the present crisis which involves not only Iran, but the Soviet occupation of Afghanistan as well. What could logically result from such a view is the growing feeling among Americans that we might as well go it alone if, on a matter of such undisputed and undeniable principle involving not just the security of the United States, but of all diplomatic personnel, we cannot get desired support from those we count as our closest friends, who can we count on?

While there have been conspicuous and gallant exceptions throughout the hostage crisis, such support sadly does not offset the far greater harm done by the lackluster performance of our allies at the Naples Conference. Nor is it a welcome signal as to our ability to sustain a comprehensive response to the Soviet aggression against Afghanistan since the economic relationships between certain European nations and the Soviets are highly developed to the point that oil dependency to a degree exists ever here.

ENFORCING COMPLIANCE AND SENDING A MESSAGE

Mr. President, for some time I have been concerned about the reticence on the part of Congress to send an effective message of our own, not only to our allies, but to other governments who value highly their access to the U.S. market and, yet, persist in policies which undermine the impact of the American generated call for sanctions against Iran and the Soviet Union. For this reason, I have introduced two bills to encourage cooperation and penalize those countries whose primary concern seems to be to make a profit off of the present crises.

S. 2507, the Economic Sanctions Compliance Act, and S. 2555, the Iranian Sanctions Compliance Act, would broaden the power of the President to impose stiff trade penalties on nations undermining U.S. efforts to solve the Iranian hostage crisis and achieve the withdrawal of Soviet forces from Afghanistan.

In each case, the President would be empowered to increase tariffs by 50 percent of the value of products coming in from such countries determined to be undermining U.S. efforts and exclude such products from procurement with Federal funds by making inapplicable the waiver of "Buy American" laws under the terms of the International Government Procurement Code. This, in effect, would bar foreign countries from bidding on Federal contracts.

It is important to understand that the legislation as drafted is intended for two specific and extraordinary foreign policy purposes which have legislative precedent, the most conspicuous of which is the Jackson-Vanik amendment to the Trade Act of 1974 to facilitate freer emigration from the Soviet Union.

While utilization of such trade powers should not be taken lightly, the situations in both Iran and Afghanistan have been described as paramount threats to world peace and the rule of international law. Therefore, I have no hesitation to propose these bills as one way to facilitate a resolution of both issues favorable to U.S. interests.

It is also necessary to appreciate the role which Congress must play to buttress what appears to be the faltering drive of our Government to boost international cooperation in pursuit of both of these goals. It is no secret in the world of diplomacy that there are some things which our negotiators cannot say publicly but which the Congress can and should. I believe we are at a point where the frustration of the American people must be heard through their elected representatives and such an expression will serve a profoundly constructive purpose. Such a purpose will be served, I believe, through approval of the pending bills and I intend to press for passage of these measures at the earliest possible date.

SOVIET OUTCRY

Mr. President, I would like to call the attention of my colleagues to the fact that while the administration has not yet formulated a position on either S. 2507 or S. 2555, the Soviet Union has. In fact, Mr. President, the U.S.S.R. seems to be absolutely terrorized at the thought of some legislative vehicle suddenly putting nations which they trade with in a position of choosing between them and us. On two occasions, I have had the dubious honor of being criticized by name in the Soviet press for introducing this legislation.

On April 10, TASS, the official Soviet news agency, assailed the Iranian Sanctions Compliance Act as a device of "blackmail." On April 15, in Izvestiya, the Soviets, in an apparent reference to the economic sanctions compliance bill aimed at their invasion of Afghanistan, stated that this legislation was a "legalization" of arm-twisting policy designed to enforce compliance through participation in the Olympic boycott on other measures. This article also complained about the "malicious lecture" which accompanied the introduction of the bill concerning due respect for "North Atlantic solidarity."

Now we might just brush off such criticism in light of the fact that we are now observing "World Trade Week" and the Soviet Union is deeply committed to unfettered trade, as well we all know. We might also reject such criticism as unwarranted interference in the domestic affairs of the United States as it is common practice in the Soviet Union to do when commentary is made about their governmental processes.

But I think the concern reflected by this criticism goes much deeper because it is sparked by the realization that even the massive buildup of Soviet military forces cannot offset the economic leverage which the United States could bring to bear if we would only suggest that we would use it. Denial of the American market to foreign products in pursuit of the foreign policy purposes I am referring to would be a formidable inducement for those nations intent on having it both ways during this present crisis.

LONG-TERM IMPORTANCE OF ALLIED AND INTERNATIONAL SUPPORT

The reluctance of the majority of our allies to support the United States in this most difficult time does not speak well either of U.S. leadership or of the ability of our allies to perceive what is in their long-term security interests.

The recent actions by Parliament in England to essentially gut the laudable efforts of the Thatcher government in support of tough economic sanctions is another indication as to the extent of the disarray within the alliance.

We also see the Olympic Committees of several European countries, some abetted by their governments, others not, insist that the Soviet aggression against Afghanistan should be legitimized by sending teams to the 1980 Olympics. At the same time we are criticized for lack of consultation, the President of France holds a "quickie" summit with Brezhnev, indicating more a desire to be perceived as the "leader of Europe" than any intention to solve the Soviet-sponsored crises in Southwest Asia.

So if the allies are intent on seeing the United States faced with monumentally difficult crises, act more and more without the kinds of "consultations" one nation might find suitable while another will not, I am afraid their actions are inviting just this result.

Perhaps the present difficulties will be transcended by our enduring common interests and commitments to agreed principles upon which democratic societies derive their mandate to govern. However, if those principles are not supported by firm and decisive action when they are themselves threatened, I am afraid that the fabric of the alliance will be at the very least frayed and, at the worst, begin to unravel. Once that process begins, the likelihood is that the vital interests of our allies will be threatened more than ever before. And while there is no doubt that the United States will live up to its commitments by whatever means are necessary, that undertaking will be much more dangerous because in large measure others were not willing to share this common burden more fully at the present time.

Mr. President, I hope that most of my colleagues share these sentiments and that the European Community, Japan and other nations so willing to vote against lawlessness and aggression will also demonstrate a capacity to match such words with deeds.

At this point, I ask unanimous consent that a copy of my letter to the President urging him to consider not attending the Venice Economic Summit be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., May 22, 1980.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The difficulties and dangers presented by the hostage crisis in Iran and Soviet aggression against the fiercely independent and deeply religious people of Afghanistan have severely tested American foreign policy and done violence to the principles of international peace and law. Your own tireless and courageous efforts to steer a course to bring both of these threats to peace to an end have earned the respect and support of our people and their elected representatives.

One indispensible component of our policy to demonstrate to the Soviet Union and Iran that the flagrant disregard of international law is not without a high price has been a series of economic and other sanctions, including the boycott of the 1980 Summer Olympics. The force of these initiatives depends upon the cooperation of our allies and other countries who have gone on record as opposed to aggression against sovereign nations and the kidnapping by terrorists of diplomatic personnel as a tool of statecraft. However, with the outcome of the Naples Conference on an economic sanctions program against Iran, and the decision by a number of nations to participate in the 1980 Summer Olympics, the success of our present course appears much more difficult. To signify the strong disapproval of the American people over the lack of cooperation from our allies with U.S. efforts to resolve the hostage situation in Iran, and remove the Soviet presence from Afghanistan, I would respectfully urge that you consider not attending the Economic Summit scheduled for June 22 and 23 in Venice, Italy.

I do not make this recommendation lightly, because I understand the tremendous importance of the issues of energy and world trade which are slated for discussion with the heads of state of Great Britain, France, West Germany, Japan, Canada, and Italy. It would seem preferable for Vice President Mondale to go in your stead if such a summit appears to be absolutely necessary. The issues involved in resolving the crises in the Persian Gulf Region on terms favorable to the United States are stark and fundamental. They are of no less importance to the future security of the nations who will attend the summit. Somehow, however, that message appears to have been lost on some of our major allies and nations who profess a concern about the "gravest threat to the peace since World War II," but insist on business as usual with nations who are now menacing the peace of the world.

It further appears to me that the time to rely on powers of persuasion is coming to an end. Nations who undermine our efforts with respect to a resolution of both these crises must themselves face the possibility that such continued behavior will not be cost free. For this reason, I have introduced legislation which would broaden your power to enact trade sanctions against countries determined to be undercutting the impact of such actions as our grain embargo against the Soviet Union and our efforts to free the U.S. hostages held by Iran. As complicating as this step might be in terms of our trading policies, we simply must act to crystallize the issues now or face the prospect in the future of having to pay a far higher price in order to protect our vital interests.

I am sending along copies of this legislation I have introduced to accomplish this purpose. Let us send the message loud and clear that no nation who continues to do business as usual with the Soviet Union and Iran should be able to continue to do business as usual with the United States. It is my hope and anticipation that positive action by the Senate will strengthen your own hand and, with it, guide our nation to a future which will find an America which has surmounted the present challenges to our security.

Thank you for the consideration of this letter.

Sincerely,

BIRCH BAYH,
U.S. Senator.

GASOHOL FROM ON-FARM PRODUCTION

Mr. BAYH. Mr. President, I recently received a report by the Solar Energy Research Institute showing that a properly designed farm-size alcohol still can produce fuel alcohol with a net gain in liquid fuel. Fuel alcohol production, particularly on a small scale, has been subjected to the erroneous criticism that it wastes energy. But SERI researchers not only concluded that the still, built by the Gene Schroder family of Campo, Colo., is a net energy producer but that it also is a profitable business venture.

The Schroder's still produces 400,000 gallons of 190-proof alcohol a year from grain sorghum, an animal feed. SERI found that the still, which incorporates several energy-saving techniques, results in a net gain of 52,000 Btu's per gallon of alcohol produced over the energy consumed in its production, not including any energy credit for the animal-feed byproduct. When the energy used to grow the milo is subtracted, the operation still ends up with a net energy plus of 14,000 Btu's for every gallon of alcohol produced.

I might add as an aside that the key issue in discussing the energy balance question is not thermal efficiency, but the amount of liquid fuel produced compared to the amount used to manufacture the alcohol. On that basis, an alcohol plant burning coal or perhaps methane from a manure digester, could show an energy loss—just as coal-fired electric plants do—and still provide a valuable addition to our liquid fuel supply, where the real shortage lies.

According to the SERI report, the new design, although more energy efficient than the old one, could be further optimized for additional energy savings. The Schroders are now modifying their plant to increase both the output and the efficiency—thereby increasing the net energy gain even more—and will produce 200-proof anhydrous alcohol in place of the current 190-proof product.

Mr. President, this report, by a Department of Energy laboratory, should go at least part of the way toward putting to rest the old notion that fuel alcohol production wastes energy. That notion grew out of energy analyses conducted on older beverage alcohol plants. These plants were built in the days when fuel was cheap and they produced an energy-intensive product. The SERI report illustrates that new alcohol plant designs, developed with energy savings in mind, can make an important contribution to our Nation's liquid energy supply.

Mr. President, I ask unanimous consent that the SERI report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PRELIMINARY ENERGY BALANCE AND ECONOMICS OF A FARM-SCALE ETHANOL PLANT

[Figures mentioned in text not printed in RECORD]

SECTION 1.0: INTRODUCTION

Motivated by the desire to have an alternative market for its grain, the Schroder family of Campo, Colo., has designed, built, tested, and modified a small-scale ethanol plant over the past 18 months. The plant currently operating is the second design. A third, and probably final, design will be installed and operating within a few months. The current plant produces approximately 30 gal/hr of 190-proof alcohol on a continuous basis. The new plant will produce 50 gal/hr of 200-proof alcohol.

A key feature of the Schroder plant is the relatively low process heat requirement, which is achieved by extensive use of waste-heat recovery heat exchangers. This is manifested in the low temperatures of the process output streams.

SECTION 2.0: PURPOSE

Acting on the request of the Office of Alcohol Fuels, U.S. Department of Energy, and at the invitation of the Schroder family, representatives from the Solar Energy Research Institute, Dan Jantzen and Tom McKinnon, evaluated the energy balance on the Schroder plant. The objective was to help clear up the controversy surrounding the net energy benefit of ethanol production. Although the study was site-specific to the Schroder plant and limited in scope, it is indicative of the potential performance of grain-to-ethanol plants in general.

SECTION 3.0: PLANT DESCRIPTION AS OF 27 MARCH 1980

The plant has two 3500-gal cookers fitted with agitators; three 7000-gal fermenter tanks, also with agitators and soon to have cooling coils; three 16 ft sieve-tray distillation columns; and two steam generators with waste heat recovery coils (see Fig. 3–1). All the heat exchangers are field-fabricated double-pipe type. The plant is designed to operate 24 hours per day, with one operator on duty. Cookers and fermenters operate batchwise on 36 hour cycles. Two cook batches are required per fermentation batch. Distillation is continuous.

To start the process, the cooker is half filled with 68° C water that is preheated in a counter-flow heat exchanger against the hot mash from the previous batch; 124 bushels of grain and an enzyme are added to the hot water. Steam is injected to raise the temperature to 88° C. The batch is held for 1½ hours and is continuously agitated. The enzyme breaks the starch into dextrins (short hexose chains), liquefying the starch. The cellulose and protein from the starch remain as suspended solids.

The batch is then pumped through counter-flow heat exchangers to preheat the water for the next batch. Currently, the mashing makeup water is from a well at 16° C (see Sec. 4.0).

Two cooker batches are put in the fermenter tank along with the saccharifying enzyme and a concentrated yeast solution where the dextrin is converted to glucose, then ethanol. The fermentation takes approximately 36 hours at 45° C. The fermenters are also continuously agitated.

Upon completion of fermentation, the beer solution should be 12% ethanol. This beer solution with stillage suspended is pumped through a counter-flow heat exchanger where the beer is heated against the hot stillage from the bottom of the beer column; the heated beer is then pumped to the top of the beer column. Two rectifying columns in series are then used to distill the ethanol to 192 proof. The alcohol is then condensed, with the condenser water entering at 16° C and leaving at 70° C. It is saved in a large insulated tank and used as boiler feedwater.

The cooled stillage is pumped to a tapered auger which produces a solid product with a 65% moisture content and a thin stillage that contains approximately one-third of the solids. The solids, which are 28–32% protein on a dry basis, are a valuable protein supplement product sold to livestock growers. The thin stillage is not currently being used.

SECTION 4.0: PLANT IMPROVEMENT

The Schroders are building a new plant (see Fig. 4–1) which will incorporate a number of improvements to increase production, reduce operating labor, and further reduce process heat demands.

The new plant will have molecular sieve drying columns to take the alcohol from 188 proof to 200 proof (anhydrous) so it may be used as a gasoline octane booster. The molecular sieve columns are expected to have much lower energy demands relative to benzene distillation schemes. By reducing the proof from the distillation columns from 192 to 188 proof, considerable distillation energy will be saved by reducing the reflux rate on the rectifier.

The new plant will use hot water from the hot water storage tank for makeup water to the cookers rather than well water. Thus, the condenser will be the only process water input to the system.

An improved recovery scheme will be developed for the stillage to reduce the loss of the solids in the thin stillage.

This plant design has significantly reduced process heat demands, but the electricity consumption remains high. The tank agitators are run more than necessary, and the heat exchangers may be causing large pumping losses.

SECTION 5.0: ENERGY BALANCE MEASUREMENTS

The energy inputs to the system are diesel fuel and electricity. The other inputs are grain, water, and enzymes. The diesel fuel was measured by weighing the fuel into a tank specially set up for the test. The electricity was measured with a watt-hour meter on the plant. The process outputs are ethanol, stillage, and excess hot condenser outlet water. The ethanol was measured with a calibrated integrating flowmeter. The stillage was not measured. The diesel inputs occur in the cooking and distillation steps. The electricity is used for agitators, pumps, and lights. Two steam generators are used, one for the distillation and one for cooking, and thus the heat inputs to each step could be measured separately.

The test was conducted by measuring the diesel fuel used in one cook batch and that used to distill a different fermentation batch. The cooking energy was doubled since two cooks are used per fermentation batch.

The Schroders made a crude estimate of the quantity of diesel fuel required to load, mill, and unload the grain from the storage bins to the cooker. Thus, the system boundaries are the grain bins on the farm to the ethanol tanks and stillage pile on the farm.

Energy balance calculations for the conversion process are shown below. A global energy balance would include, in addition, energy debits for production and delivery of fuel and enzymes, construction of the plant, distribution of alcohol and stillage, and farming energy. An energy credit would be given for stillage.

PROCESS ENERGY BALANCE CALCULATIONS

	Btu $\times 10^6$
Input:	
Grain input: 6,957 lb/cooker × 2 cookers =13,914 lb or 238.5 bu.	
Cooking energy input: 75 lb diesel × 2 cooks × 18,500 Btu/lb	= 2.78
Distillation energy: 398 lb diesel × 18,500 Btu/lb	= 7.36
Electrical input: 270 kWh × 11,600 Btu/kWh (29 percent conversion efficiency)	= 3.13
Grinding augering site transport energy: 5 gal diesel × 138,700 Btu/gal	= .69
Total energy input	= 13.96
Output:	
190-proof ethanol: 481 gal × 0.95 × 85,000 Btu/gal	= 38.84
Stillage: 11 lb (dry)/bu × 248.5 bu—2,733 lb.	
Energy requirements/gallon 190-proof ethanol: 13,960,000 Btu ÷ 481 gal	[1] =29,020
Net energy ratio (processing only): 38,840,000 ÷ 13,960,000	= 2.78

[1] Btu per gallon.

Note: This energy balance was run on a fermentation batch using a new supply of yeast and the alcohol yield is said by Gene Schroder to be less than yields in pervious batches.

SECTION 6.0

PRELIMINARY ECONOMIC ANALYSIS

[Basis: Farm-scale ethanol plant processing 160,000 bu/yr of grain sorghum producing 400,000 gal of 190 proof ethanol; total capital cost of plant is $400,000 installed per Gene Schroder]

Cost/Bushel Grain Processed

$1.90	Value of sorghum on the farm.
−1.25	Credit for stillage sales.
.65	Net feedstock cost for alcohol. $0.04/wet lb × 11 lb dry/bu ÷ 0.35 dry matter.
.05	Electricity costs. $0.05/kWh × 270 kWh ÷ 248 bu.
.44	Diesel costs. $1.10/gal × 0.40 gal/bu.
.38	Enzymes. $0.15/gal × 2.5.
.60	Capital. $400,000; 20 percent interest; 10 yr. Capital recovery factor = 0.238, $95,200/160,000 bu.
.50	Labor. 4 men × $20,000/yr/160,000 bu.
.08	Bonding insurance taxes. $12,000/160,000 bu.
.06	Maintenance. 2.5 percent of capital 0.025 × 400,000/160,000 bu.
.25	Depreciation. 10-yr straight line $40,000/160,000 bu.
3.01	Production cost/bushel or $1.20/gal at 2.5 gal/bu.

Assume alcohol sells for $1.90/gal:
Gross profit: $0.70/gal × 400,000 gal = $280,000.
Net profit after 50 percent taxes: $140.000.
ROI: $140,000 ÷ 400,000 = 35 percent.

See Fig. 6-1 for sensitivity of ethanol production costs and fig. 6-2 for sensitivity of return on investment.

INTERNATIONAL FINANCIAL INSTITUTIONS—CONFERENCE REPORT

Mr. **SARBANES**. Mr. President, I submit a report of the committee of conference on S. 662 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of March 20, 1980.)

THE INTERNATIONAL FINANCIAL INSTITUTIONS BILL

Mr. SARBANES. Mr. President, the conference report and statement of managers on S. 662, the international financial institutions bill, provide a detailed explanation of the recommendations of the committee of conference. I will highlight briefly the main provisions of this legislation.

The principal purpose of the bill is to authorize continued U.S. participation in three regional development institutions: The Inter-American Development Bank, Asian Development Fund, and African Development Fund.

This bill includes the following authorizations of appropriations for those institutions:

A sum of $2.4 billion to purchase capital stock of the Inter-American Development Bank. Of that sum, only 7.5 percent would be paid to the Bank from the Treasury. The remainder is a contingent liability the expenditure of which is highly unlikely;

A sum of $630 million for the U.S. contribution to the Fund for Special Operations of the Inter-American Development Bank;

A sum of $378.25 million for the U.S. contribution to the Asian Development Fund; and

A sum of $125 million for the U.S. contribution to the African Development Fund.

The executive branch will request appropriations pursuant to these authorizations over a 4-year period.

In addition to the authorizations, the conference report contains several substantive provisions from the House bill, including:

A requirement designed to enhance U.S. export opportunities through development bank procedures;

A requirement that the President evaluate a proposal to increase energy and mineral exploration in the Western Hemisphere through multilateral bank incentives to private investment;

A requirement that the United States encourage the banks to promote the use of renewable energy resources; and

A requirement providing more detailed and frequent reports on human rights issues in the banks.

Mr. President, the conference on this bill was extraordinarily difficult. Initially, the House conferees agreed to authorize continued U.S. participation in the three institutions at the levels agreed upon by all parties to the replenishment negotiations. However, the House rejected that conference report by a narrow margin.

After House rejection, conferees were faced with two undesirable options. We could insist on the authorizations included in the Senate bill pursuant to the replenishment agreements. In that event, in the judgment of both House conferees and the executive branch, passage of the legislation was unlikely. If the bill failed, lending by the IDB and ADF, which has been suspended for 6 to 9 months, would probably not be restored until October 1981 at the earliest.

On the other hand, if we reduced the sums agreed upon in the multilateral bank negotiations, we faced the fact that the United States would fail to carry out its undertaking with respect to its share of the replenishments which had been carefully negotiated over a period of years and which complied with the guidelines earlier established by Congress.

Mr. President, with many of the recipients of loans from these institutions facing serious economic difficulties, Senate conferees decided that the resumption of lending by the regional development institutions was a pressing matter. Therefore, we agreed at this time to an authorization 10 percent less for the Inter-American Development Bank and 15 percent less for the Asian Development Fund than the replenishment agreements require.

Having done so, we anticipate action in the next Congress on legislation authorizing the full U.S. share of participation in these institutions. Executive branch spokesmen indicate that the President will propose such legislation.

Mr. President, I recognize that the outcome of this conference casts doubt on the credibility of U.S. commitments in a very important international arena where we have tried to demonstrate responsible leadership. Passage of this conference report should be required as the first step in continued U.S. participation in these vitally important multilateral development institutions.

It should be recognized that multilateral development banks are a cost effective way to provide assistance to our friends, allies, and trading partners. For every dollar we contribute to the multilateral banks, other donor nations contribute at least $3. For every dollar contributed to the banks by the developed countries, the banks are able to provide up to $50 in loans to developing countries.

U.S. contributions to the development banks directly benefit our own economy. Recent studies indicate that, for every dollar we have contributed to the multilateral banks, over $1.50 has been injected into the U.S. economy through procurement of our goods by loan recipients and by bank payments to U.S. bondholders. The banks support the development process in developing nations which are now our most rapidly growing export market. In fact, the LDC markets are now more important to U.S. trade than the entire European Community.

Mr. **JAVITS**. Mr. President, I rise to support this particular conference report with some deep concern which I must express.

It will be noted that unlike what has happened on other implementations of international negotiations, where a set figure was agreed upon for the U.S. contribution, there has been an effort made here in the other body to reduce the amount of our contribution so that it would be considerably less than what was negotiated. The other body cut it as much as 40 percent.

This is the second or third time—I forget which, but I think it is the third—we have tried a conference, and at the insistence of the House conferees have had to accept in this authorization a cut of 10 percent for the U.S. contribution to the International Development Bank, and its fund for special operations, and 15 percent in the U.S. pledged contribution to the Asian Development Bank.

These cuts have put in jeopardy the U.S. ability to negotiate. Hence, Mr. President, I felt that this was extremely ill-advised, and the only reason I went with a conference was on the assurance of the administration that it would be in here seeking next year the 10 percent and 15 percent, respectively.

Mr. President, the administration gave us official assurance in the conference that it would be in here seeking these authorizations to make up the aggregate amount agreed upon in the international negotiations next year, and similar assurance was given by the Senate conferees. As to the House conferees, Mr. President, my impression is, and that is all I can state, that there are divided opinions in that body.

But, Mr. President, I wish to emphasize to my colleagues that these are very important matters because we now do 40 percent of our exports with these developing countries which are directly affected by the lending power of these international financing agencies.

It is noteworthy that our Treasury estimates that for every U.S. dollar paid into these multilateral banks, U.S. GNP has increased by between $2.40 and $3.40, and that in balance of payments terms, they are worth to the United States $2.4 billion more than we ever put into them.

These are very important factors, Mr. President. I am very deeply concerned and agreed only with great reluctance to the conference report.

I realize that we have gotten, I believe, at least, the willingness to accept this delay in the remainder of our contribution on the part of the other countries involved in also making contributions, but it is certainly not a very creditable thing for the United States, nor is it designed to facilitate our international relations or to give that degree of reliance and credibility which our country has to have in terms of security and economic future of our own people.

The bill, as passed overwhelmingly in the Senate more than a year ago, authorized the total U.S. contribution negotiated internationally, of $2,747 million for the Inter-American Development Bank (IDB); $700 million for the Bank's soft window, the Fund for Special Operations; $445 million for the Asian Development Bank's (ADB) soft window, the Asian Development Fund (ADF); and $125 million for the African Development Fund (ArDF), which provides concessional assistance to Africa's poorest countries.

In authorizing the full amounts requested by the administration, the Senate accepted the administration's contention that a cut in the authorization levels of these U.S. contributions—I repeat, authorization not appropriations levels—would represent a repudiation by the United States of its internationally negotiated commitment made to the other donor countries who participated in the replenishments of these vital multilateral development banks.

However, the conference report which we have before us today authorizes only 90 percent of the original U.S. contribution to the IDB and its FSO and 85 percent of the U.S.-pledged contribution to the Asian Development Fund. While it is true that these cuts are much smaller than the 40-percent and 60-percent cuts originally voted by the House for the IDB and ADF respectively, it would be a serious mistake for us to look at the results of the conference in quantitative terms. The very fact that a cut was made in an international obligation—sets precedents which we may come to regret during congressional consideration of future replenishments and in future international negotiations with our economic allies. The Senate conferees do not view the reduced figures contained in this conference report as cuts, but rather as the first stage in a two-stage authorization process.

We can no longer afford to look at our contributions to these multilateral development banks as solely foreign aid born out of our human concerns for the people of the poorest countries. While we must continue to recognize the intrinsic need for the economic development of these countries and for improvement in the depressed living conditions of their peoples, the rapidly increasing trade and financial ties between the United States and the developing countries which can be related directly to the operations of the multilateral development banks are an element of growing importance to the United States.

At present developing countries purchase about 40 percent of our exports and represent the greatest potential for expansion of our overseas markets. Developing countries already provide the United States with more than 25 percent of the raw materials we require. Jobs in the United States are becoming increasingly dependent upon these export markets and upon access to, and the security of, critical raw materials which we import from developing countries.

During our hearings Treasury representatives indicated that, according to their studies, "for every dollar the United States has paid in to the multilateral banks over the years, 1972–77, real U.S. GNP has increased by between $2.40 and $3.40, depending on the assumptions one uses. In balance-of-payments terms, the activities of the banks in a direct sense have returned to (the United States) $2.4 billion more than we ever put into them." The Treasury added that these were very hard numbers which related only to the direct activities of the Banks and did not include any indirect, long-term effects.

In addition, the administration, in its negotiation of the U.S. share of these replenishments, followed Congress' directive contained in Public Law 95-481, the Foreign Assistance Act of 1979, that the U.S. share in future replenishments of the IDB should not exceed of: paid-in capital, 34.5 percent; callable capital, 34.5 percent; the Fund for Special Operations, 40 percent; and in the Asian Development Fund, 22.2 percent. This is exactly the percentages that the administration came back with and which are contained in the Senate-passed bill.

Mr. President, the Senate conferees were faced with a situation that both the Treasury officials representing the administration and the Chairman and the ranking minority member of the House conferees told us, that—notwithstanding the soundness of the administration's position—it would be impossible to return the conference report once again to the House with the full authorization figures. We were told that the moderate votes, who generally support the MDB's, could not be persuaded on this conference report to support the full authorizations.

Furthermore, Treasury officials indicated to us that the Banks have already stopped providing critically needed loans to these very poor countries and that, if a bill was not reported out of conference, the Banks' lending operations would continue to be closed for at least another year.

We cannot continue to look back at what has happened but must look constructively ahead to future replenishments.

In addition, to facilitate congressional approval of future replenishments, the administration must immediately develop a new legislative strategy. Because the complexity of the issue necessarily makes this a long-term stretegy, it will involve, in my opinion, an extensive educational process for the Members of both Houses about the importance of both our bilateral and multilateral assistance programs, especially in these hard economic times, to the United States as well as to the international economy.

In conclusion, Mr. President, I urge my colleagues to support the conference report only because we have no other choice. Rejection of this conference report would close the Banks for a long time and would raise further serious questions about U.S. leadership in international economic and political issues.

I note those facts, Mr. President, and for the reasons stated I urge, nonetheless, that the conference report be approved by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following items on the calendar: Nos. 690, 767, 770, 772, 773, 775, 790, 795, 800, 804, 807, 810, 812, 813, 818, 829, and 830.

Mr. BAKER. Mr. President, reserving the right to object, may I compare notes with the majority leader for a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I thank the majority leader for permitting me to confer with him and compare lists.

The purpose of this reservation is to advise him that all the items he has identified are cleared on our calendar for unanimous-consent action, and we have no objection to their consideration at this time.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

EXTENSION OF THE GREAT PLAINS CONSERVATION PROGRAM

The bill (H.R. 3789) to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FIRE PREVENTION AND CONTROL

The bill (S. 2709) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 17. There are authorized to be appropriated to carry out the foregoing provisions of this Act, except as otherwise specifically provided, with respect to the payment of claims, under section 11 of this Act, an amount not to exceed $20,804,000 for the fiscal year ending September 30, 1981.".

Sec. 2. Section 16(b) of the Act entitled "An Act to establish the National Bureau of Standards", approved March 3, 1901 (15 U.S.C. 278f(b)), is amended to read as follows:

"(b) Authorization of Appropriations.—For purposes of this section, there is authorized to be appropriated an amount not to exceed $4,255,000 for the fiscal year ending September 30, 1981.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–717), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Purpose

This legislation provides an authorization of $20,804,000 for the U.S. Fire Administration (USFA) in the Federal Emergency Management Agency (FEMA) and $4,255,000 for the Center for Fire Research in the Department of Commerce.

BACKGROUND AND NEED

The United States continues to have one of the worst records of deaths, injuries, and property damage due to fire of any nation in the world. Last year, approximately 8,400 people died from fire; 300,000 more were injured. Direct property damage from fire is $5 billion annually, and it is estimated that the total cost of fire in the United States is more than $21 billion per year. The fire death rate in this country is 20 times greater than the death rate of all other natural disasters combined. Property damage from fire is four times greater than from all other natural disasters.

The committee detemined that there is a need to accelerate the development of the programs of the USFA and the Center for Fire Research in order to more effectively combat the unacceptable death, injury, and property damage levels in this country. The committee acted to carry out this purpose in the Federal Fire Prevention and Control Act. This activity was carefully coordinated with other important committee efforts.

The committee has focused its efforts in the 96th Congress on systematically coordinating the activities of the various Federal agencies under its jurisdiction in the hazardous materials transportation area. To carry out this essential activity, the committee has acted on provisions significantly affecting hazardous materials transportation in the following major pieces of legislation: The Federal Railroad Safety Authorization Act, the Hazardous Materials Transportation Safety Act, the national transportation safety authorization, the U.S. Coast Guard authorization, and the Radioactive Materials Transportation Safety Act of 1980. The transportation of hazardous materials continues and will continue to increase. The Commerce Committee has determined that this Nation will do all that it can to assure that this transportation is safe.

As the legislation before this committee indicates, there are a number of Federal agencies which are required to effectively interact with each other to assure this objective. The roles and responsibilities of these agencies, including: the Federal Railroad Administration, the Coast Guard, the Materials Transportation Bureau, the U.S. Fire Administration, the National Transportation Safety Board, and the Federal Emergency Management Agency, are further delineated in these laws. The committee will continue its review of these programs to assure that these agencies coordinate their efforts, that duplication is eliminated, and that their enforcement effort is efficient and effective.

TRAVEL SERVICE AUTHORIZATIONS

The bill (S. 2248) to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 6 of the International Travel Act of 1961, as amended (22 U.S.C. 2126) is amended by striking out "and" immediately after "1979;" and inserting immediately before the period at the end thereof the following: "; and (9) $8,000,000 for the fiscal year ending September 30, 1981".

Sec. 2. The International Travel Act of 1961, as amended (22 U.S.C. 2121 et seq.) is further amended by adding at the end thereof the following new section:

"Sec. 10. (a) Notwithstanding any other provision of law, the Secretary may not reduce the number of employees of the United States Travel Service in the offices of such Service in foreign countries to a number that is less than the number of authorized employees assigned to such offices in fiscal year 1979.

"(b) Notwithstanding any other provision of law, the Secretary may not reduce the amount of funds appropriated pursuant to this Act that are available for obligation to pay for the activities of the offices of the United States Travel Service in foreign countries to an amount that is less than the amount of funds that were available for obligation to pay for the activities of such offices in fiscal year 1979.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–720), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of S. 2248, is to authorize appropriations for the United States Travel Service (USTS) for fiscal year 1981, and to require that the agency operate at the fiscal year 1979 funding levels and staff levels in its Washington and regional offices, that is, Canada, Mexico, the United Kingdom, Germany, Japan, and France (regional and International Congress offices).

COMMITTEE CONSIDERATION

The Committee held 1 day of hearings on S. 2248, at which 22 witnesses representing all sectors of the travel and tourism industry testified, including the Committee's Travel and Tourism Industry Advisory Council (See Appendix A for a list of the witnesses). Those Witnesses unanimously reaffirmed their support for enactment of S. 2248, as a stopgap measure in the event the House does not act in timely fashion on S. 1097. All of these witnesses unanimously opposed the administration's proposed restructuring of its tourism program.

Once again the testimony revealed that the Department of Commerce had failed to consult the travel and tourism industry before devising its plan to restructure USTS' promotional program even though the agency's mission is to complement and supplement the efforts of the private sector.

Aside from the Department of Commerce's unsupported testimony therefore, there is nothing in the hearing record but total support for S. 2248; and total rejection of the program put forth by the Department. The Committee finds this rejection especially disquieting because for the second consecutive year USTS has chosen to forego any prior consulation and dialogue with the industry it is directed by statute to assist. Had the agency chosen to do otherwise, the likelihood of its proposing the kind of program necessary for the United States to compete effectively in the world tourism market would have been increased immeasurably.

The hearing record is not only silent in support of the agency's program, it confirms other disturbing questions about the effectiveness of USTS's role as the Government's spokesman on tourism. The Department witness testified in support of its proposal to give tourism promotion responsibilities to the commercial Foreign Service officers in its International Trade Administration. In one of its earlier budget appeals to OMB, however, USTS had stated that the "Commercial Foreign Service officers cannot provide adequate attention to tourism."

Our apprehension in this regard is further illustrated by USTS' reply at the hearings when asked if the agency had submitted its views to the Department of Energy on DOE's recently proposed contingency conservation and rationing plans. USTS answered that it had submitted views to the Department of Commerce to be considered as part of the Department's overall views. Those views in turn were submitted to OMB, but not submitted to the Department of Energy.

These instances are further illustrative of Arthur D. Little, Inc.'s conclusion in its report on the National Tourism Policy Study that historically tourism issues have been accorded a low priority within the Department of Commerce. Indeed, at earlier hearings in 1978,[4] USTS was asked for its position on the administration's "three-martini lunch" proposal. Even though that proposal would have meant economic disaster for the industry and caused widespread unemployment within it, USTS replied that it supported the administration.

The hearing record of S. 2248, is one more in a long series of industry pleas for the Congress to once again take the initiative and assure that the Federal Government assist and not cripple its efforts to help the United States capture its share of an industry which is estimated to be the world's largest by the end of the twentieth century. The record is another disheartening commentary on our efforts as a Government where travel and tourism are concerned. Over the years, successive administrations of both political parties have not only failed to take the interest of the industry into account, they have proposed policies and programs which have threatened the livelihood of significant segments of its 6 million-plus work force, and undermined an economic structure which is responsible for generating over $148 billion in the economy.

CONCLUSION

The United States has changed from a travel destination which was perceived by international visitors as too expensive, to one which is not only one of the world's best bargains, but offers attractions and conveniences to appeal to everyone.

The Committee therefore recommends enactment of S. 2248, as an interim measure so that USTS may continue its efforts to help continue the growth trend of the United States as an international travel destination.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 13, 1980.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN. Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 2248, a bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE— COST ESTIMATE

1. Bill number: S. 2248.

2. Bill title: A bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes.

3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation, May 8, 1980.

4. Bill purpose: S. 2248 authorizes to be appropriated $8 million for fiscal year 1981 to carry out the activities of the United States Travel Service (USTS). The bill would also prevent the Secretary of Commerce from reducing the number of employees or the level of obligations for USTS below the fiscal year 1979 level.

The President's fiscal year 1981 budget proposes elimination of USTS, and transfering responsibility for tourism data collection, policy analysis, technical assistance and international development programs to the International Trade Administration (ITA). The President is requesting $8.5 million for these activities for fiscal year 1981. Fiscal year 1980 appropriations to date for USTS are $8 million.

5. Cost estimate:

Authorization level:	
Fiscal year:	*Millions*
1981	$8.0
1982	
1983	
1984	
1985	
Estimated outlays:	
Fiscal year:	
1981	7.2
1982	.8
1983	
1984	
1985	

Including outlays from prior years' budget authority enacted to date, total fiscal year 1981 outlays are estimated to be $8.0 million, assuming the funding level in S. 2248.

The costs of this bill fall within budget subfunction 376.

COMMERCIAL FISHERIES RESEARCH AND DEVELOPMENT ACT AUTHORIZATIONS

The Senate proceeded to consider the bill (H.R. 4890) to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983.

The bill was ordered to a third reading, read the third time, and passed.

Mr. CANNON. Mr. President, it is my understanding that in the committee report on H.R. 4890, a bill to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983—Report No. 96–722—the text of the committee's regulatory impact statement was inadvertently omitted. I therefore state for the RECORD that the committee found that the bill will impose no additional regulatory burden, will not adversely impact on the privacy of individuals, and will not require additional paperwork.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–722), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of the legislation is to extend the authorization of appropriations for Federal-State efforts in research and development and fisheries disaster assistance under the Commercial Fisheries Research and Development Act (Public Law 88–309). The legislation would authorize to be appropriated in each of fiscal years 1981, 1982, and 1983, $10 million under subsection 4(a), $5 million under subsection 4(b), and $500,000 under subsection 4(c) of the 1964 Act.

BACKGROUND AND NEEDS

The Commercial Fisheries Research and Development Act of 1964 authorizes the Secretary of Commerce to cooperate with the 50 States, the Commonwealth of Puerto Rico, and the governments of the Virgin Islands, American Samoa, and Guam in carrying out a program of research development of the Nation's commercial fisheries. The act further authorizes the Secretary to provide assistance to States when fisheries have suffered damage due to natural disasters. Finally the act provides for the development of new commercial fisheries.

The key function of the act is to combine the financial resources and expertise of the States and the Federal Government in a cooperative effort for the development and effective management of the Nation's commercial fisheries resources. Subsection 4(a) of the act currently authorizes $10 million per fiscal year for this purpose, and $5 million has been appropriated in each of the last 2 fiscal years. The Federal share for approved projects is a maximum of 75 percent. All 50 States and the other recipients of the funds have participated in carrying out project activities. Approximately 300 people in the States, including scientists and staff support, are continuously supported by P.L. 88–309 funds in their efforts to gather information to help solve fisheries problems and to provide a data base for better fisheries management.

Since fiscal year 1966 when funds were first made available, substantial results have been achieved. A total of 837 projects has been initiated at an estimated total cost; both State and Federal of nearly $84 million. There have been 700 completed projects, costing about $70 million; 137 projects are continuing in various stages of completion with an estimated cost of more than $13 million.

The projects cover many activities, including aquaculture, construction, coordination and planning, development, research, and disaster aid. Research continues to be the backbone of the program with 53 percent of the fiscal year 1979 Federal dollars being spent for this purpose, 17 percent for the collection of fishery statistics, 4 percent for aquaculture, 8 percent for technical assistance and marketing, 6 percent for coordination and planning, and 12 percent for construction, operation, and maintenance of laboratory facilities.

With the passage of the Fishery Conservation and Management Act (FCMA) of 1976, Public Law 88–039 has become an even more important program for the States. Some States are using a portion of their Federal dollars made available under this authorization to provide research support for cooperative State/Federal fisheries management plan development. Plans that have been completed include: American lobster, Gulf of Main shrimp, South Atlantic shrimp, surf clams, and dungeness crab. Some of these have been adopted by Regional Fishery Management Councils as the basis for developing Fishery Management Plans (FMP's), such as the surf clam plan which has been implemented and has been effective. Stock assessment and statistical programs conducted on offshore and Continental Shelf fish stocks also have contributed to establishing a data base for the development of fishery management plans by the Regional Councils.

The National Marine Fisheries Service has been actively exploring with the States ways in which the States can use Public Law 88–309 funds to more effectively support the cooperative State/Federal management programs and to orient their research towards studies which will complement management and research related to species managed under the FCMA.

Subsection 4(b) of the 1964 act currently authorizes $3 million per fiscal year to assist a State in which there has been a commercial fishery failure due to a resource disaster caused by natural or undetermined causes. These funds can be used in the form of grants to help restore the affected resource and fishery, and for research and development to prevent a similar failure in the future. Funds appropriated under subsection 4(b) have cumulatively totaled $3.45 million, and have been made available to the States on the basis of need. No funds have been appropriated under this authorization since fiscal year 1974; however, $3,574,000 were advanced to the National Marine Fisheries Service (NMFS) by the Federal Disaster Assistance Administration (FDAA) in fiscal year 1979 to fund oyster resource disasters in Alabama, Mississippi, Louisiana, and Texas. The advance was made with the provision that NMFS would request a supplemental appropriation for this disaster assistance and reimburse FDAA for the advance of funds when supplemental appropriations were received.

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[4] Hearings on S. 2552, before the Subcommittee on Merchant Marine and Tourism of the Committee on Commerce, 95th Cong., 2d sess., Mar. 15, 1978, p. 38.

Subsection 4(c) of the 1964 act currently authorizes $500,000 per fiscal year in grants to assist the States in developing new commercial fisheries. No funds have been appropriated under this authorization in past fiscal years.

NATIONAL SEA GRANT COLLEGE PROGRAM ACT AUTHORIZATION

The Senate proceeded to consider the bill (H.R. 6614) to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources, jointly, with an amendment to strike all after the enacting clause and insert the following:

That the National Sea Grant College Program Act (33 U.S.C. 1121 et. seq.), as amended, is further amended—

(1) in section 203(6) by inserting "Great Lakes and the" immediately before "territorial sea";

(2) in section 205(d)(2) by inserting "may be applied to the short-term rental of buildings or facilities for meetings which are in direct support of any sea grant program or project and" immediately after "contract" the second time it appears therein;

(3) in section 206(c) by inserting the following new paragraph immediately after paragraph (2):

"(3) Not to exceed $7,000,000 for fiscal year 1981, not to exceed $7,000,000 for fiscal year 1982, and not to exceed $7,000,000 for fiscal year 1983.";

(4) in section 209(c)(3) by striking the first two sentences and inserting in lieu thereof the following: "Any individual appointed to a partial or full term may be reappointed for one additional full term."; and

(5) in section 212 by inserting the following new paragraph immediately after paragraph (2):

"(3) Not to exceed $55,000,000 for fiscal year 1981, not to exceed $60,000,000 for fiscal year 1982, and not to exceed $65,000,000 for fiscal year 1983.".

Sec. 2. Section 3(c) of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a(c)) is amended by inserting the following new paragraph immediately after paragraph (2):

"(3) Not to exceed $5,000,000 for fiscal year 1981, not to exceed $5,000,000 for fiscal year 1982, and not to exceed $5,000,000 for fiscal year 1983.".

Sec. 3. The section heading of section 3 of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a) is amended to read as follows:

"Sec. 3. Sea Grant International Program.".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–723), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

It is the purpose of the bill H.R. 6614, as reported, to amend the National Sea Grant College Program Act (33 U.S.C. 1121 et seq.) in sections 206(c) and 212 to authorize funds to carry out the provisions of the act. The bill also amends section 3(c) of the Sea Grant Program Improvement Act to authorize funds to carry out the provisions of that act. The bill makes further amendments to the National Sea Grant College Program Act to include the Great Lakes, to allow the use of funds for the short term rental of facilities, and to allow members of the Sea Grant Review Panel to serve more than one term.

BACKGROUND

The purpose of the Sea Grant Program is to increase the understanding, assessment, development, utilization, and conservation of the Nation's ocean and coastal resources by providing assistance to promote a strong educational base, responsive research and training activities and broad prompt dissemination of knowledge and techniques. The Sea Grant Program was born when President Lyndon Johnson signed the Pell-Rogers Sea Grant College and Program Act into law in 1966. Sea Grant started in the National Science Foundation in 1967 and in February 1968, the first Sea Grant awards were made to Massachusetts Institute of Technology, California Institute of Technology, and Louisiana's Nicholls State College. In 1970, under Reorganization Plan IV, the Office of Sea Grant became part of the newly formed National Oceanic and Atmospheric Administration where it is housed today. In 1971 the University of Rhode Island, Texas A & M University, Oregon State University, and the University of Washington became the first Sea Grant Colleges.

Since then several more colleges and universities have attained Sea Grant College status, bringing the total to 14.

The Sea Grant Program awards three basic types of grants:

(1) Institutional grants which go to institutions of higher learning, or combinations thereof, with an existing broad base of competence in marine affairs, and a positive, long-term commitment to Sea Grant objectives "as evidenced by the commitment of the institution's own resources in the form of matching funds, creation of the organization necessary for management of the Sea Grant Program, establishment of interdisciplinary research teams, and development of advisory service mechanisms for strong interaction with marine communities in its region." Sea Grant Colleges are named from this group.

(2) Coherent Project grants which go to institutions which have some, but not comprehensive, competence in marine affairs. They enable such institutions to apply their expertise toward Sea Grant objectives and to develop the broader base of competence necessary to qualify for institutional support. Coherent Project support may also be used "to bring into the Sea Grant Program, on a more or less continuing basis, qualified entities which have rare or unique capability in a specialized field of marine affairs." Such entities need not be institutions of higher education.

(3) Project grants which go to individuals for clearly defined activities with outstanding merit and contribute to fulfillment of Grant objectives. Project support is usually, though not exclusively, for 1-year efforts.

Both Institutional and Coherent Project support presume a continuing effort through the years by the grantee institutions. In return for this commitment, an effort is made to assure continuity of Federal support. A college or university must have been in an institutional grant status for at least 3 years to qualify for consideration as a Sea Grant College.

Congress established two further arms of Sea Grant, the National Projects Program and the International Cooperative Assistance Program. Established in 1976, the International Cooperative Assistance Program is aimed at promoting cooperation between U.S. academic institutions and their counterparts in developing countries. Primary goals include enhancement of research and development capabilities of countries in relation to their ocean and coastal resources; exchange of information and technology transfer; fostering of economic and social development; building of scientific and technological capacity to identify and solve marine resource problems; and creation of a cooperative atmosphere between scientists in the United States and those in developing countries. There are now projects at 11 institutions in the United States supporting projects in Chile, Colombia, Costa Rica, Egypt, India, Israel, Malaysia, Mexico and at several nations in the South Pacific.

The National Projects Program, also established in 1976, was initiated without specific Congressional guidance beyond that of addressing problems of national significance. The project undertaken by the Office of Sea Grant has been a 5-year program in beach protection (Nearshore Sediment Transport Study). In 1978, 14 additional problems were identified and others are being considered for future funding.

SMALL BUSINESS ENERGY CONSERVATION ACT OF 1980

The Senate proceeded to consider the bill (S. 2635) to amend the Small Business Investment Act of 1958, to authorize guarantees with respect to energy facilities, to conform it to current needs and usage, and for other purposes, which had been reported from the Select Committee on Small Business with an amendment to strike all after the enacting clause and insert the following:

Section 1. Short Title.

This act may be cited as the "Small Business Energy Conservation Act of 1980".

Sec. 2. Table of Contents.

The table of contents in section 101 of the Small Business Investment Act of 1958 is amended—

(a) by amending the description of title IV, part A to read as follows:

"PART A—LEASE, POLLUTION CONTROL, AND ENERGY CONSERVATION GUARANTEES.".

(b) by amending the reference to section 404 to read as follows:

"Sec. 404. Pollution Control and Energy Conservation.".

SEC. 3. POLLUTION CONTROL AND ENERGY CONSERVATION.

(a) The caption of section 404 of the Small Business Investment Act of 1958 is amended to read as follows:

"POLLUTION CONTROL AND ENERGY CONSERVATION.".

(b) Subsection (a) of section 404 of the Small Business Investment Act of 1958 is amended—

(1) by redesignating paragraph (1) as paragraph (2);

(2) by redesignating paragraph (2) as paragraph (3);

(3) by redesignating paragraph (3) as paragraph (4); and

(4) by adding the following new subsection (I):

"(1) 'energy facilities' means (A) solar thermal energy equipment which is either of the active type based upon mechanically forced energy transfer or of the passive type based on convective, conductive, or radiant energy transfer or some combination of these types; (B) photovoltaic cells and related equipment; (C) any product or service the primary purpose of which is conservation of energy through devices or techniques which increase the energy efficiency of existing equipment, methods of operation, or systems which use fossil fuels, and which is on the Energy Conservation Measures List of the Secretary of Energy or which the Administration determines to be consistent with the intent of this section; (D) equipment the primary purpose of which is production of energy or fuels from wood, coal, coal-derived synthetic fuels, coal-oil mixtures, biological waste, grain, or other biomass source of energy; (E) equipment the primary purpose of which is industrial cogeneration of energy, district heating, or production of energy from industrial waste; (F) hydroelectric power equipment; (G) wind, geothermal, or tidal energy conversion equipment; and (H) any other property (real or personal) and any engineering architectural, consulting, or other professional services which, in the discretion of the Administration are deemed necessary or appropriate to assist small business concerns in acquiring and utilizing any of the equipment described in this paragraph (1).".

(c) Subsection (b) of section 404 of the Small Business Investment Act of 1958 is amended to read as follows:

"(b) The Administration may, whenever it determines that small business concerns are or are likely to be at an operational or financing disadvantage as compared with other business concerns with respect to the planning, design, or installation of energy facilities or pollution control facilities, or the obtaining of financing therefor (including financing by means of revenue bonds issued by States, political subdivisions thereof, or other public bodies), guarantee the payment of amounts due under qualified contracts. The foregoing powers shall be subject, however, to the following provisions:

"(1) Notwithstanding any other law, rule, or regulation or fiscal policy to the contrary, the guarantee authorized in the case of energy facilities or pollution control facilities may be issued when such property is acquired by the use of proceeds from industrial revenue bonds which provide the holders interest which is exempt from Federal income tax.

"(2) Any such guarantee shall be for the full amount of the payments due under such qualified contract and shall be a full faith and credit obligation of the United States.

"(3) No guarantee shall be issued by the Administration unless the Administration determines that there exists a reasonable expectation that the small business concern in behalf of which the guarantee is issued will perform the covenants and conditions of the qualified contract.

"(4) Any guarantee executed and delivered by the Administration shall not be terminated, canceled, or otherwise revoked; shall be conclusive evidence that such guarantee and the proceedings and determinations pursuant to which it was issued comply fully with the provisions of this section; and shall be valid and incontestable in the hands of the person or persons to whom the payments under the qualified contract are due: *Provided, however,* That nothing contained in this paragraph (4) shall require payment to be made by the Administration prior to the satisfaction of any conditions to such payment contained in the guarantee or provided for pursuant to paragraphs (1), (2), or (3) of subsection (d) of this section.".

(d) Subsection (c) of section 404 of the Small Business Investment Act of 1958 is amended to read as follows:

"(c) The Administration shall fix a uniform fee for any guarantee issued under this section which shall be payable at such a time and under such conditions as may be prescribed by the Administrator. The fee shall be set at an amount which the Administration deems reasonable and necessary and shall be subject to periodic review in order that the lowest fee that experience under the program shows to be justified will be placed into effect. In no case shall such amount exceed 3½ per centum of the total of all payments under the qualified contract which are guaranteed under this section. The Administration may also fix such uniform fees for the processing of applications for guarantees under this section as the Administrator determines are reasonable and necessary to pay the administrative expenses that are incurred in connection therewith.".

(e) Subsection (d) of section 404 of the Small Business Investment Act of 1958 is amended to read as follows:

"(d) In connection with the guarantee of payments under any qualified contract pursuant to authority conferred by this section, the Administrator may require, in order to minimize the financial risk assumed under such guarantee—

"(1) that the obligor under a qualified contract pay an amount, not to exceed one-fourth of the average annual payments for which a guarantee is issued under this section, which shall be held in escrow and shall be available (A) to meet obligations accruing in any month for which the obligor is in default, or (B) if no default occurs during the term of the qualified contract, for application (with accrued interest) toward the final payment required under the qualified contract;

"(2) that upon occurrence of a default under the qualified contract, the obligee under a qualified contract shall, as a condition precedent to enforcing any claim under the qualified contract guarantee, utilize the entire period, for which there are funds available in escrow for the making of payments, in such reasonable diligent efforts to eliminate or minimize losses under the qualified contract as the Administrator may prescribe in writing, and no claim shall be made or paid under the guarantee until such effort has been made and such escrow funds have been exhausted;

"(3) that any guarantor of the qualified contract will become a successor of the obligee for the purpose of collecting from an obligor in default payments which are in arrears and with respect to which the obligee has received payment under a guarantee made pursuant to this section; and

"(4) such other provisions, not inconsistent with the purposes of this section as the Administrator may in his discretion require.".

(f) Subsection (e) of section 404 of the Small Business Investment Act of 1958 is amended to read as follows:

"(e) Any guarantee issued under this section may be assigned with the permission of the Administration by the person to whom payments under the qualified contract are due.".

SEC. 4. INVESTMENT OF IDLE FUNDS.

Section 405 of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.".

SEC. 5. PROGRAM CEILINGS.

Section 20 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(h) For fiscal year 1981, the Administration is authorized to enter into guarantees not to exceed $250,000,000 for the programs authorized by sections 404 and 405 of the Small Business Investment Act of 1958.

"(i) For fiscal year 1982, the Administration is authorized to enter into guarantees not to exceed $300,000,000 for the programs authorized by sections 404 and 405 of the Small Business Investment Act of 1958.".

● Mr. NELSON. Mr. President, I support S. 2635, the "Small Business Energy Conservation Act of 1980," a measure which will assist small business concerns, under a program already being successfully administered by the Small Business Administration, in financing the acquisition of equipment and facilities designed to conserve energy generally, and to reduce reliance on petroleum as a primary source of energy.

Small business concerns play a major role in the Nation's economy, in the aggregate, consume approximately 25 percent of the energy utilized in manufacturing in this country. Accordingly, to the extent that small businesses are able to institute measures to conserve energy, particularly energy derived from petroleum products, small business concerns can play a major role in solving the Nation's critical energy problem. All business concerns, both large and small, have motivation to reduce petroleum consumption by making existing facilities more efficient or by converting to alternative sources of energy. Typically, however, small business concerns lack the financial strength to obtain required large amounts of capital on financial terms as favorable as those available to larger companies.

For example, large companies can obtain industrial revenue bond financing at favorable interest rates, with repayment terms as long as 20 to 25 years, on the strength of their own credit standing. Most small businesses simply cannot obtain such terms.

It was to address this problem that the pollution control bond guarantee program under sections 404 and 405 of the Small Business Investment Act of

1958 was originally enacted. This program has enabled small businesses to obtain guarantees from the Small Business Administrator to induce lenders or bond investors to provide funds for the acquisition of pollution control facilities on terms equivalent to those available to large businesses. Since 1976, small business concerns able to demonstrate their ability to meet their obligations under such terms have financed over $95,000,000 in needed pollution control equipment. In the absence of the assistance provided by this program, these small business concerns might not otherwise have been able to obtain such financing.

Testimony, letters, and conversations with small business owners, their trade associations, and financial institutions participating in the pollution control guarantee program indicate that similar assistance is needed to assist in the financing of energy facilities. The committee learned that small businesses are forced to endure high energy costs in many cases because they lack the capital funds necessary to invest in alternative fuel systems or efficiency measures, and because available conventional financing is so expensive that it completely offsets any possible savings in fuel costs.

The Office of Technology Assessment has estimated that small business concerns, in the aggregate, could reduce their reliance on petroleum products by the equivalent of over 300,000 barrels of oil per day within the next decade (and over 450,000 barrels per day by the year 2000) if aggressive conservation measures are taken. This act would provide many small businesses with the ability to initiate such aggressive conservation measures.

The SBA pollution control bond guarantee program has been successfully operated and generally effective in making needed financial assistance available to small business concerns in connection with pollution control projects. No Government losses have been experienced to date, and the revolving fund established to support and guarantee obligations and operating costs of the program has grown from $15,000,000 to almost $21,000,000 through the collection of guarantee fees from participating small business concerns.

The Small Business Administration has established criteria for eligibility in the program to assure, to the maximum extent practicable, that the guarantee program will be self-sustaining. Many small businesses have already taken advantage of the program and the number of applications by small business concerns desiring to participate has steadily increased. Testimony from small businesses, participating financial institutions, and the SBA indicates that comparable participation in the expanded program for financing energy facilities will also occur.

Bond underwriters with experience in the pollution control bond guarantee program have commented favorably on provisions which would clarify the scope of the guarantee. As originally enacted, section 404 lacked certain language, commonly found in other Federal guarantee programs, establishing conclusively the validity and irrevocability of guarantees issued by the Administrator. In the absence of such a provision, bondholders and their counsel were required to make independent inquiry into the circumstances under which an individual guarantee was issued, to satisfy themselves that the security afforded by the guarantee was adequate. As a result, the SBA's General Counsel has been required to render a legal opinion for each financing.

In addition, the law currently provides for the establishment of an escrow fund for each guaranteed contract requiring sufficient funds to meet payment obligations for a 3-month period in the event of default by a small business concern. Upon default, section 404 permits SBA, as a condition precedent to its obligation to make any payments under the guarantee, to require that the creditor of the small business concern utilize during the entire 3 months period "reasonable diligent efforts" to eliminate or minimize losses under the guarantee contract.

Testimony indicated that the present statutory scheme results in uncertainty among issuers of industrial development revenue bonds, bond indenture trustees, and bond purchasers as to what measures must be taken to assure that the SBA guarantee will be fully enforceable in the event of a default.

The bill addresses this problem by providing that the SBA guarantee may not be revoked or its validity or authorization contested after issuance. It further clarifies the existing statute by making it clear that the actions that the holder of the guarantee must take to minimize SBA's risk exposure must be specified in writing, either in the guaranteed contract or—in the case of actions to be taken during the period after a default and while escrow funds are available to meet the small business concern's obligations—by specific written request.

By eliminating uncertainty concerning the respective rights and obligations of the small businesses and the holders of its guarantees, these changes can be expected to encourage private funding sources to participate in the program, while continuing to give SBA adequate means to avoid unwarranted risk exposure.

Mr. President, the bill as introduced was amended by striking all text after the enacting clause and substituting a new text. The amendment makes three substantive changes, includes a new section increasing the authorized program ceiling, and incorporates other technical and conforming changes.

With regard to the substantive changes, the committee made subparagraph (D) of subsection (1) under the definition of "energy facilities" more encompassing by including equipment the primary purpose of which is production of energy or fuels from coal derived synthetic fuels, and coal-oil mixtures. Because there is insufficient actuarial data to support a reduction in the guarantee fee at this time, the committee also agreed to leave the maximum guarantee fee at 3.5 percent (which is the same as current law). Also, section 115 of S. 918, the omnibus small business authorization bill, was included to enable the Small Business Administration to invest temporarily idle funds, other than appropriated moneys, in the pollution control bond guarantee revolving fund.

During the hearing on the bill, the committee was informed that the pollution control bond guarantee program is expected to operate at a $200 million level in fiscal year 1981. The committee therefore agreed to increase the program guarantee ceiling to accommodate the anticipated increase in activity. It will also permit SBA to meet any new demand resulting from the program's expansion to permit the financing of energy saving equipment or facilities. The maximum guarantee level for fiscal year 1980 was established at $250 million, and for fiscal year 1982, $300 million.

Since the program has experienced no losses to date and the assets of the revolving fund will continue to grow because of the continued payments of the guarantee fees, no authorization or appropriation will be necessary to sustain these new program levels.

I urge my colleagues to support this important measure which will help to conserve energy and at the same time enable small businesses to remain competitive in the face of rising energy costs.●

● Mr. WEICKER. Mr. President, as a cosponsor of S. 2635, the Small Business Energy Conservation Act of 1980, I strongly urge the passage of this legislation which would provide sorely needed assistance to qualified small businesses to undertake energy conservation projects. Specifically, S. 2635 would provide small businesses that have proven track records with long-term, low interest financing through the bond market for acquisition of innovative, energy-sufficient equipment. Under this legislation, SBA is authorized to guarantee payment of principal and interest by small firms for energy equipment and facilities that are financed by tax-exempt municipal or State bonds.

It should be noted that SBA is allowed to issue similar guarantees to qualified businesses for acquisition of pollution control facilities. This program is one of SBA's most successful programs: In the 3½ years of its existence, the pollution control program has had only one default, and because of the security of that transaction, it is not anticipated that this default will result in any net loss to SBA. In addition, the revolving fund for payment of guarantees under the pollution control program has grown substantially from $15 million to $21 million through guarantee fee payments paid by the small business concerns who have qualified for this program.

Mr. President, this success can easily be realized in the field of energy conservation through S. 2635. The Office of Technology Assessment (OTA) in a recent study estimates that small businesses account for 25 percent of the total energy used by manufacturing and 6 percent of total U.S. consumption. OTA's review of the assistance offered under S. 2635 indicates that by 1990 the equivalent of 300,000 barrels of oil per day could be conserved and by the year

2000 a savings of 450,000 barrels of oil per day could be achieved.

This legislation represents but one of a number of steps that this Nation must take to combat the present energy crisis. This Nation's reliance on insecure foreign-source oil threatens our economy and national security. In the short-term, the only effective weapon that we have against OPEC is energy conservation and measures which enhance this effort. If given the necessary financial tools, businesses will continue to play an ever-increasing role in curtailing our consumption of scarce energy resources. I urge the adoption of this legislation as a small but important step in this direction.●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read:

A bill to amend the Small Business Act and the Small Business Investment Act of 1958 to authorize guarantees with respect to energy facilities, to conform it to current needs and usage, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–725), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The Small Business Energy Conservation Act of 1980 would provide financial assistance, in the form of guarantees, to small business concerns for the purpose of acquiring property designed to conserve energy or to reduce consumption of petroleum products. The act would accomplish this objective by expanding an existing Small Business Administration (SBA) program, currently limited to pollution control facilities, to include a broad range of energy facilities. In addition, the act would increase the level of guarantees authorized to be made under the combined program, and would amend certain program requirements to reflect experience under the SBA pollution control program.

SUMMARY OF MAJOR PROVISIONS

Under sections 404 and 405 of the Small Business Investment Act of 1958, the Small Business Administration currently guarantees the payments of qualified, credit-worthy small business concerns under contracts or loan agreements entered into for the purpose of acquiring pollution control facilities. The Administration is authorized to issue such guarantees to assist small businesses which would otherwise be at an operational or financial disadvantage as compared to other larger business concerns with respect to the acquisition of such equipment. Under current law, guarantees may be issued where pollution control equipment is to be acquired with proceeds from industrial revenue bonds which provide the holders interest which is exempt from Federal income tax.

The Small Business Energy Conservation Act of 1980 would amend section 404 of the Small Business Investment Act of 1958 to provide similar assistance to small business concerns in connection with the acquisition of (i) solar energy equipment; (ii) equipment which conserves energy by improving the efficiency of existing equipment or systems which utilize fossil fuels; (iii) equipment which produces energy or fuels from wood, coal, waste products, grain or other biomass sources of energy; (iv) cogeneration equipment; (v) hydroelectric power equipment; and (vi) equipment to convert wind, geothermal or tidal energy into electricity or other useful forms of energy.

This act establishes a program level on guarantees under section 404 of $250,000,000 for fiscal year 1981, and $300,000,000 for fiscal year 1982. These authorizations provide guarantee authority to meet increased needs under the pollution control program, and also provide for the additional authority needed in connection with the inclusion of energy facilities in the program.

Under section 405 of the Small Business Investment Act of 1958, a separate revolving fund, originally established in 1976 in the amount of $15,000,000 is available to the Administrator of the Small Business Administration to satisfy obligations under the program. The guarantee fees and processing fees which are received by the Administration from the small business participants in the program are also paid into the fund. At the conclusion of the current fiscal year (1980), the balance of the revolving fund will be approximately $21,000,000. This act provides that any amount in the fund in excess of the $15,000,000 may be invested by the Administrator in bonds or obligations issued or guaranteed by the United States. This investment authority was previously available to the Administrator under Public Law 94–305, which established the pollution control bond guarantee program in 1976, but was erroneously deleted in a later amendment to section 405.

This act would also clarify the respective rights of the Small Business Administration and the holder of a guarantee in the event of a default by a participating small business concern.

BON SECOUR NATIONAL WILDLIFE REFUGE

The Senate proceeded to consider the bill (H.R. 6727) to establish the Bon Secour National Wildlife Refuge.

● Mr. SIMPSON. Mr. President, I would like to comment on the wildlife refuge bill being considered by the Senate today. First, I would like to state that I understand and concur with the rationale behind our national wildlife system. I also understand that the Bon Secour Refuge which the Senate is considering may have a number of worthwhile benefits for wildlife.

I am concerned, however, with the budget implications of this new program. This authorizing legislation will add $25 million to an already strained Federal budget. Mr. President, there are a number of projects like this one which are deserving of our consideration. The problem as I view it, however, is that even though this specific project may be worthwhile, as more such projects are considered and approved the ability of Congress to mandate a fiscally responsible budget becomes almost impossible to achieve.

The Nation is now watching Congress closely to see if it will meet its responsibility of creating a sound fiscal policy. One of the surest methods of achieving this goal is to create new spending programs only in the direst of circumstances. Thus, while I will not object to the proposed legislation, I would urge my colleagues to remember, as the session proceeds, the economic crisis before the Nation and our need to make hard decisions on higher levels of Federal spending.●

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–740), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The proposed Bon Secour National Wildlife Refuge is considered by the Fish and Wildlife Service to be the best remaining undisturbed gulf coast beach ecosystem between Pensacola, Fla., and New Orleans, La. The refuge area will consist of four separate units near the mouth of Mobile Bay.

The Perdue and Little Point Clear units, containing approximately 2,870 acres and 2,771 acres respectively, are located on the barrier spit known as the Fort Morgan Peninsula. Over 95 percent of the land in the Little Point Clear unit is in four or five ownerships. The unit consists of predominantly salt marsh and adjacent upland habitat. Over 75 percent of the land in the Perdue unit is in five ownerships with the remainder in lots or small acreages controlled by about 150 owners. One 1,300-acre parcel containing over a mile and a half of frontage on the Gulf of Mexico is owned by the Nature Conservancy which was able to obtain the property through a foreclosure action and is willing to sell the property to the Federal Government at their cost. The Nature Conservancy secured the property for $5.35 million. At the time of the purchase in December, 1978, the property was appraised at $7 million. This tract would serve as the nucleus for the Bon Secour Refuge. The Perdue Unit consists of beach dune, upland, wetland and open water habitat interspersed with several small lakes and ponds.

The Little Dauphin Island unit is a barrier island encompassing about 287 acres of beach, marsh, and upland habitat. Except for several acres on the northwest end of the island, the unit is owned entitrely by Dauphin, Ltd. The Skunk Bayou unit is located on the mainland along the eastern side of Bon Secour Bay between Weeks Bay to the north and the Bon Secour River to the south. The unit contains approximately 4,000 acres of predominantly wetland habitat consisting mostly of a tupelo-gum hardwood swamp with a fringe of marsh along the shoreline and tidal creeks.

According to the ascertainment report prepared by the Fish and Wildlife Service, the area is important in terms of both history and archelogy. Although the proposed refuge area has never been intensively surveyed, numerous prehistoric sites have been recorded, eight of which are located near Little Lagoon on the Perdue unit. Archeological studies are currently being conducted on Little Dauphin Island and current evidence indicates the area was used as a shell gathering station and a village area which may date back 12,000 years.

According to the service report, the floral habitats of the proposed refuge units are pristine in nature and are excellent representatives of typical barrier island-related habitat types. The most impressive faunal component of the proposed refuge area is its expansive migratory bird population, present during the fall and spring migrations. The proposed refuge provides critical resting and feeding sites for birds of two flyways. In addition to the approximately 100 resident species of birds, the area supports over 40 nonresident nesting and 125 wintering species, and 90 spring and fall migratory species of the Mississippi flyway. Thus, nearly 350 species may be found here in a year's time.

The diverse habitats also support a variety of mammals such as Florida opossums, nine-banded armadillos, eastern cottontails, bobcats, and several species of Alabama State-listed endangered gulf beach mice. Reptiles and amphibians found in the area include large populations of lizards (such as eastern-grass, green anole, and southern fence), various snakes (such as eastern kindsnake, eastern diamondback rattlesnake, and water moccasin), and various species of toads and frogs. The Florida softshelled turtle and the rare Mississippi diamondback terrapin are indigenous to the area.

Freshwater species of fish found predominantly in Gator Lake on the Perdue unit include bluegill, largemouth bass, mosquito fish, killifish and alligator gar. Little Lagoon on the Perdue unit, which is a prime nursery area for numerous marine vertebrate and invertebrate species, supports large schools of juvenile marine fish, such as croakers, spot, mullet, and menhaden before they mature and enter the gulf. The Little Dauphine Island marshes are adjacent to one of the world's richest, most productive fish and oyster areas (the Mississippi Sound), and serve as a highly productive nursery area for species which depend on marsh food.

An inventory of the wildlife habitat in the State of Alabama classified the proposed refuge in the highest category possible. The endangered American peregrine falcons and southern bald eagles utilize the shorelines of the proposed refuge in their search for prey. The endangered red-cockaded woodpecker has been sighted inland in the pine forests. Five species of endangered or threatened sea turtles use the waters off the shores of the proposed refuge. The last known Alabama nesting site of the Atlantic loggerhead turtle is on the Fort Morgan Peninsula. Protection of the beach through refuge designation may encourage them to come ashore to lay their eggs once again.

The four units of the proposed Bon Secour National Wildlife Refuge provide a diverse and unique wildlife ecosystem which is threatened by residential and commercial development along the limited Alabama coastline. Hurricane Frederick hit this gulf coast area in 1979, devastating large portions of the densely developed shortline. Despite the constant threat of such hurricanes, most of the coast has been or is being developed with seasonal homes. Because of the area's commuting distance from the cities of Mobile and Pensacola, there is an increasing demand for year-round homes.

The Perdue and Little Point Clear units are zoned commercial, and there is the possibility that this ecosystem could be destroyed by development in the very near future. Over the years there have been attempts to subdivide and create resort areas in several locations, and there is continued interest by private developers at present. Such development would have a significant adverse effect on indigenous floral and faunal species, many of which are endangered or threatened. The environmental value of the Bon Secour area has been well documented. Acquisition at this time is especially appropriate because of the reduced land prices resulting from the 1979 hurricane and the existence of willing sellers.

ENVIRONMENTAL RESEARCH, DEVELOPMENT, AND DEMONSTRATION AUTHORIZATION ACT OF 1981

The bill (S. 2726) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1981, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Environmental Research, Development, and Demonstration Authorization Act of 1981".

PROGRAM AUTHORIZATION

SEC. 2. (a) There are authorized to be appropriated to the Environmental Protection Agency for environmental research, development, and demonstration activities for the fiscal year 1981 for the following activities:

(1) for air quality activities authorized under the Clean Air Act—

(A) in the Health and Ecological Effects program, $45,243,000;

(B) in the Industrial Processes program, $4,099,000;

(C) in the Monitoring and Technical Support program, $20,825,000;

(2) for water quality activities authorized under the Clean Water Act—

(A) in the Health and Ecological Effects program, $21,884,000, of which $950,000 shall be obligated and expended on the Cold Climate Research program through the Environmental Protection Agency's Corvallis Environmental Research Laboratory, Corvallis, Oregon;

(B) in the Industrial Processes program, $13,737,000, of which $2,500,000 is for the Renewable Resources program;

(C) in the Public Sector Activities program, $14,800,000;

(D) in the Monitoring and Technical Support program, $12,101,000;

(3) for water supply activities authorized under the Safe Drinking Water Act—

(A) in the Health and Ecological Effects program, $12,359,000;

(B) in the Public Sector Activities program, $14,080,000;

(C) in the Monitoring and Technical Support program, $1,008,000;

(4) for solid waste activities authorized under the Solid Waste Disposal Act, $26,446,000 of which—

(A) $300,000 is for a program to demonstrate the effectiveness of in-place solidfication of hazardous wastes at a site in Charles City, Iowa;

(B) $68,000 is for a demonstration project to monitor and isolate hazardous wastes at a site in Coventry, Rhode Island;

(C) $500,000 is for a study of cement kiln wastes;

(D) $500,000 is for scoping studies, demonstration of cleanup technologies, continued monitoring, and related activities at two hazardous waste sites in Burrillville and North Smithfield, and Smithfield, Rhode Island;

(5) for pesticide activities authorized under the Federal Insecticide, Fungicide, and Rhodenticide Act—

(A) in the Health and Ecological Effects program, $5,970,000;

(B) in the Industrial Processes program, $2,900,000;

(C) in the Monitoring and Technical Support program, $565,000;

(6) for radiation activities authorized under the Public Health Service Act—

(A) in the Health and Ecological Effects program, $2,990,000;

(B) in the Monitoring and Technical Support programs, $191,000;

(7) for interdisciplinary activities—

(A) in the Health and Ecological Effects program, $5,232,000;

(B) in the Monitoring and Technical Support program, $2,868,000;

(C) in the Anticipatory Research program $14,745,000;

(8) for toxic substance activities authorized under the Toxic Substances Control Act—

(A) in the Health and Ecological Effects program, $31,876,000;

(B) in the Industrial Processes program, $1,772,000;

(C) in the Monitoring and Technical Support program, $3,247,000;

(9) for energy activities—

(A) in the Health and Ecological Effects program, $50,096,000;

(B) in the Energy Control program, $55,003,000, of which $500,000 is for a study of uranium mining wastes.

(b) There are authorized to be appropriated to the Environmental Protection Agency, Office of Research and Development, for the fiscal year 1981, for program management $4,666,000.

(c) When he finds it in the public interest, the Administrator of the Environmental Protection Agency is authorized to utilize funds authorized in subsection (a) or (b) for appropriate scientific and professional review of research and development grant, contract, and cooperative agreement applications.

(d) Funds may be transferred between the categories listed in subsections (a) and (b) except that no funds may be transferred from any particular category listed in subsection (a) or (b) to any other category or categories listed in any such subsection if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in subsection (a) or (b) from any other category or categories listed in any such subsection if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Administrator of the Environmental Protection Agency or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate a written report containing a full and complete statement concerning the nature of the transfer involved and the reason therefor; or

(2) each committee of the House of Representatives and the Senate having jurisdiction over the subject matter involved, before the expiration of such period, has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

(e) The Administrator shall establish a separately identified program to conduct continuing and long-term environmental research and development. Unless otherwise specified by law, at least 15 per centum of funds appropriated to the Administrator for environmental research and development in each category listed in subsection (a) of this section shall be allocated for such long-term environmental research and development under this subsection.

ACCESS FOR ENVIRONMENTAL RESEARCH

SEC. 3 (a) Within one year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency, after consultation with the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Secretary of Energy, interested members of the public, and representatives of the oil shale industry, shall issue regulations providing for access to oil shale mining, processing, retorting and refining operations operating on federally owned land, by representatives of Federal, State and local government and other appropriate persons for reasonable and legitimate research on the environmental effects of oil shale operations. Compliance with such regulations shall be made a condition of any lease entered into by the United States with any oil shale operation, and each existing lease shall be deemed amended to incorporate such condition.

(b) The regulations issued under subsection (a) of this section shall provide for—

(1) certification by the Administrator of each person or class of persons to whom such access shall be granted to assure that the research needs of such person or class of persons require physical access to oil shale operations and cannot be satisfied by examination of information publicly available, and to assure compliance with this section by such persons or class of persons;

(2) restrictions on the access granted to certified persons, as necessary to—

(A) protect their health and safety;

(B) minimize interference with the oil shale operations; and

(3) conditions and restrictions for the use of information gained through such access to—

(A) preserve the privacy of trade secrets and other information which the Administrator determines must remain private to maintain the competitive position of the owner or operator of an oil shale operation or any contractor or subcontractor of such owner or operator; and

(B) allow information obtained through access provided by this section to be available to the public.

(c) Any person granted access to an oil shale facility for the purposes of this section shall be subject to the provisions of section 1905 of title 18, United States Code. The Administrator shall provide such persons with information necessary to assure that such persons understand the provisions of section 1905 of title 18, United States Code.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–745), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUMMARY OF AUTHORIZATIONS

As reported, the bill has the following major provisions:

1. It authorizes $368.7[1] million for research and development in the Environmental Protection Agency's regular research programs. This endorses the Administration's budget total while authorizing the following changes within program categories:

(a) of the health and ecological research authorization under the Clean Water Act $950,000 is to be obligated for Cold Climate Research through the Environmental Protection Agency's Corvallis Environmental Research Laboratory, Corvallis, Oregon;

(b) of the industrial processes research authorization under the Clean Water Act, $2,500,000 is for the Renewable Resources Program;

(c) of the research activities authorized under the Solid Waste Disposal Act—

(1) $300,000 is for a program to demonstrate the effectiveness of in-place solidification of hazardous wastes at a site in Charles City, Iowa;

(2) $68,000 is to continue monitoring and other activities in a demonstration project in Coventry, Rhode Island;

(3) $500,000 is for scoping studies, monitoring, and related activities at two hazardous waste disposal sites in Burrillville-North Smithfield and Smithfield, Rhode Island;

(4) $500,000 is for a study of cement kiln wastes;

(d) of the energy research activities, $500,000 is for a study of uranium mining wastes.

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[1] This total does not include program support of approximately $27,463,000. In past years, program support was authorized separately for the agency's different programs. Beginning with the 1981 fiscal year, the agency is providing for program support through a single account.

BUDGET SUMMARY (BY MEDIUM)

[In thousands of dollars, fiscal years]

Medium (program category)	1980 authorizations (1)	1980 estimate (2)	1981 President's request (3)	1981 committee recommendation (4)	Difference (col. 4 minus col. 3) (5)
Air:					
Health and ecological effect	46, 624	42, 143	45, 243	45, 243	0
Industrial processes	4, 050	4, 067	4, 099	4, 099	0
Monitoring and technical support	21, 289	20, 610	20, 825	20, 825	0
Subtotal	71, 963	66, 720	70, 167	70, 167	0
Water quality:					
Health and ecological effect	25, 224	23, 603	21, 884	21, 844	0
Industrial processes	14, 827	14, 377	11, 237	13, 737	+2, 500
Monitoring and technical support	12, 250	12, 248	12, 101	12, 101	0
Public sector activities	14, 358	14, 928	14, 800	14, 800	0
Subtotal	66, 659	65, 156	60, 022	62, 522	+2, 500
Drinking water:					
Health and ecological effect	(1)	12, 023	12, 359	12, 359	0
Public sector activities	21, 944	7, 929	14, 080	14, 080	0
Monitoring and technical support	975	988	1, 008	1, 008	0
Groundwater	4, 000	1, 805	(1)	(1)	0
Subtotal	26, 919	22, 745	27, 447	27, 447	0
Solid waste: Public sector (subtotal)	10, 243	14, 243	26, 446	26, 446	0
Pesticides:					
Health and ecological effect	8, 298	8, 534	5, 970	5, 970	0
Industrial processes	900	3, 886	2, 900	2, 800	0
Monitoring and technical support	440	548	565	565	0
Subtotal	9, 638	12, 968	9, 435	9, 435	0
Radiation activities:					
Health and ecological effect	(2)	2, 950	2, 990	2, 990	0
Monitoring and technical support	(2)	182	191	191	0
Subtotal	2, 930	3, 132	3, 181	3, 181	0
Noise—Public sector (subtotal)	500	0	0	0	0
Interdisciplinary activities:					
Health and ecological effect	5, 009	5, 116	5, 232	5, 232	0
Monitoring and technical support	3, 467	2, 858	2, 868	2, 868	0
Anticipatory research	16, 883	14, 739	14, 745	14, 745	0
Subtotal	25, 449	22, 713	22, 844	22, 844	0
Toxic substances:					
Health and ecological effect	26, 397	23, 613	31, 876	31, 876	0
Industrial processes	1, 742	1, 648	1, 772	1, 772	0
Monitoring and technical support	2, 838	2, 688	3, 247	3, 247	0
Subtotal	30, 977	27, 949	36, 895	36, 895	0
Energy:					
Health and ecological effect	49, 186	48, 906	50, 096	50, 096	0
Energy controls	54, 275	52, 458	57, 503	55, 003	−2, 500
Subtotal	103, 461	101, 364	107, 599	105, 099	−2, 500
Program management	4, 596	4, 628	4, 666	4, 666	0
Agency total	375, 492	364, 875	368, 702	368, 702	0

(1) In public sector.

(2) Combined.

EPA PROGRAM AUTHORIZATIONS

As reported by the Committee, the bill authorizes appropriations of $368,702,000 for environmental research and development in the Environmental Protection Agency.

1. *Air Quality.*—The fiscal year 1981 authorization for air quality research is $70,167,000. Of this total, $45,243,000 is for research in the Health and Ecological Effects program, $4,099,000 is for the Industrial Processes program, and $20,825 is for monitoring and technical support.

2. *Water quality.*—The fiscal year 1981 authorization for water quality research is $62,522,000. Of this total, $13,737,000 is for the Industrial Processes program. This amount is $2,500,000 higher than the Administration's request. The increase is intended to restore funding for a joint project of the Environmental Protection Agency and the Department of Agriculture to evaluate methods of reducing agricultural runoff and consequent pollution and soil losses. The Committee endorses the agency's request for funding under the Industrial Processes program in other respects. The Committee also endorses the Administration's request for $12,101,000 for monitoring and technical support and $14,800,000 for public sector activities, and $21,884,000 for Health and Ecological Effects research.

COLD CLIMATE RESEARCH

The bill would direct the agency to set aside $950,000 of its $21,884,000 Water Quality-Health and Ecological Effects Research request for Cold Climate Research.

This authorization is to continue activities formerly conducted by the Arctic Laboratory in Fairbanks, Alaska, and currently conducted through the Agency's Corvallis, Oregon, Environmental Research Laboratory. Although this funding is listed under water quality programs, it has been used in the past to perform environmental research in other program areas and it is anticipated that funding may be taken from other program areas. By taking this authorization from the Water Quality program, some of the Agency's water quality research priorities may not be funded. The Agency has apparently not taken note of the Congress' actions restoring this funding for continued Cold Climate Research in each of the past two fiscal years. If taking this authorization from water quality programs becomes a serious burden, then it is anticipated that the Agency will request Cold Climate Research funding in fiscal year 1982 under the appropriate programs.

An appendix to the report further explains Cold Climate Research projects anticipated in fiscal year 1981.

3. *Drinking Water.*—The fiscal year 1981 authorization for drinking water research and demonstration is $27,447,000. This is the same amount as the Administration's request, which includes a new initiative for development of cost-effective processes for small drinking water systems. Of the total, $12,359,000 is for the Health and Ecological Effects program, $14,080,000 is for the Public Sector Activities program, and $1,008,000 is for monitoring and technical support.

4. *Pesticides.*—The fiscal year 1981 authorization for research and development activities under the Federal Insecticide, Fungicide and Rodenticide Act is $9,435,000. This is the same as the Administration's request. Of this total, $5,970,000 is for the Health and Ecological Effects program, $2,900,000 is for the Industrial Processes program, and $565,000 is for monitoring and technical support.

5. *Radiation.*—The fiscal year 1981 authorization for radiation research is $3,181,000. This is the same as the Administration's request. Of this total, $2,990,000 is for the Health and Ecological Effects program and $191,000 is for monitoring and technical support.

6. *Solid Waste.*—The fiscal year 1981 authorization for solid waste research and development is $26,446,000, the same amount as the Administration's request. This is an increase of $12.4 million over the current estimate. The increase primarily reflects new emphasis on research to support efforts to clean up hazardous waste disposal sites. During the current fiscal year, the Agency has implemented a regulatory program to control future disposal of hazardous wastes, and has begun monitoring, surveys, containment, and cleanup activities at more than 150 hazardous waste disposal sites which are potential or actual threats to human health or to natural resources. The Committee wishes to commend the Agency's initiatives in the area of hazardous waste research. It is critically important both to the cleanup of past, unregulated dumpsites and to appropriate regulation of future hazardous waste disposal that the agency carry out a thorough research program which includes both health and ecological effects and research into control technologies in this relatively new area of pollution control.

The Committee recommends that the Agency carry out certain hazardous waste monitoring and demonstration projects. These include:

(1) Commencement of the second stage of a demonstration project begun in 1979 to test the practicability of in-place solidification of hazardous wastes at a site in Charles City, Iowa, for which the Bill provides $300,000 in fiscal year 1981. In 1979, the Agency committed $100,000 to the stage of this demonstration project, which is anticipated to last another three years. The total cost anticipated by the Agency is approximately $1,100,000.

The LaBounty dumpsite in Charles City, containing some six million pounds of arsenic wastes and other pharmaceutical byproducts, is located next to the Cedar River, the primary source of drinking water for Cedar Rapids, Iowa, some sixty miles downstream. In addition, the site sits atop the Cedar Valley Aquifer, which is the primary source of potable water for all of eastern Iowa, and currently supplies water to about 310,000 of the state's residents. Because of these potential impacts on water supplies, the Agency initiated activities at the site, together with state and local officials, early in 1979.

(2) A $500,000 authorization for scoping studies, demonstration of cleanup technologies, and continued monitoring at two hazardous waste sites in Rhode Island—the Western Sand and Gravel site in Burrillville-North Smithfield and the Davis site in Smithfield. The Agency has already been actively involved at these sites.

The Western Sand and Gravel site in Burrillville-North Smithfield is the repository of chemicals in trenches and several unlined lagoons. The levels of chemicals leaching into nearby surface waters are so serious that the Agency initiated actions to pump out certain lagoons at the site. There is concern that the groundwater in the area may become seriously contaminated. The State of Rhode Island is currently developing alternatives for further cleanup and containment at the site. The Committee intends that the Agency assist in demonstrating available cleanup technologies at this site and implement a program of monitoring at the site during and after cleanup to demonstrate that the cleanup has been effective.

The Agency is also directed to assist the State of Rhode Island in determining the scope of the hazardous waste problem at the Davis dump site in Smithfield, Rhode Island. This assistance will include monitoring of surface and ground waters and testing of samples taken in the area. The demonstration of cleanup technology and monitoring at the Davis site may also be undertaken as appropriate.

(3) An authorization of $68,000 for the EPA to continue studies on methods to deal with the hazardous waste problem at the Picillo farm site in Coventry, Rhode Island. Illegal dumping of flammable chemical wastes occurred at this site and there are now thousands of barrels of chemicals stored there. A substantial explosion and fire occurred at this site in late 1977. Surface water contamination near the site is serious. The Committee directs the Agency to continue its current studies to isolate the hazardous waste problem at the Picillo site and to cooperate with the State of Rhode Island in developing cleanup and containment alternatives.

TINICUM NATIONAL ENVIRONMENTAL CENTER

The Committee is concerned about the potential health and ecological effects associated with the Folcroft Landfill, located within the boundaries of the Tinicum National Environmental Center, a wildlife refuge near Philadelphia, Pennsylvania. The Folcroft Landfill represents the Federal Government's first acquisition of a hazardous waste disposal site. The fact that the landfill is located within a national wildlife refuge makes its potential adverse impact on fish, wildlife and other ecological values of primary concern. The Federal Government should be responsible for evaluating the potential health and particularly the ecological effects associated with this landfill and for developing alternatives to mitigate or avoid adverse impacts. With this view in mind, the Agency is encouraged to initiate a study to assess the possible health and ecological effects which may be associated with the Folcroft Landfill. Because of the particular importance of maintaining the integrity of the area for use as a wildlife refuge, the Agency should work with the Fish and Wildlife Service in completing this study and in developing alternative approaches to mitigate or avoid any potential adverse impacts. Although no specific amount was authorized for this project, the Agency and the Fish and Wildlife Service are encouraged to consider it a high priority.

7. *Toxic Substances.*—The fiscal year 1981 authorization for toxic substances research is $36,895,000. This is the same as the Administration's budget. Of the total, $31,876,000 is for the Health and Ecological Effects program, $1,772,000 is for the Industrial Processes program and $3,247,000 is for monitoring and technical support.

8. *Interdisciplinary Activities.*—The fiscal year 1981 authorization for Interdisciplinary research is $22,844,000. This is the same as the Administration's request. Of the total, $5,232,000 is for activities in the Health and Ecological Effects program, $2,868,000 is for monitoring and technical support, and $14,745,000 is for Anticipatory Research activities.

SENIOR ENVIRONMENTAL EMPLOYMENT

Under the Monitoring and Technical Support program, the Agency has been involved with a pilot program for employing older Americans in environmental programs. The Committee is concerned that transfer by the Department of Labor of the Administration of the Senior Environmental Program from the Agency to the title V National Contractors may severely disrupt this valuable program. The Agency has proven in a pilot program with the Administration on Aging that it has the capability to provide good employment opportunities for older workers in high-priority environmental jobs. Transferring authority for the Senior Environmental Employment Program to title V National Contractors will increase administration costs and workload and provide little opportunity for the Agency to direct and control the quality of the environmental work being done. The Older Americans Act clearly gives the Department of Labor the authority to enter into agreements with the Agency to administer this program. Therefore, the Agency is encouraged to enter into an Interagency Agreement with the Department of Labor to maintain its role in managing and directing the Senior Environmental Employment Program to ensure the continuing success of this program.

ACID RAIN

The Agency began studies in 1979 to assess the national impact of acid precipitation. Among the areas in the United States most significantly affected by acid precipitation are the States in the Northeast and upper Midwest. Much of the rest of the United States, especially mountainous regions, is potentially affected by acid rain as the Nation increasingly relies on coal as its principal energy source.

The Administration has proposed legislation to reduce oil consumption which has the potential for increasing acid precipitation. The Administration proposal would require certain power plants to switch from burning oil or gas to coal, and authorize Government grants for conversions. Should there be significant increases in sulfur oxide emissions (EPA estimates an increase of 330,000 tons per year), there may be an increase in acid precipitation which could lead to adverse impacts on soils, forests, agriculture, and aquatic ecosystems. Most of the plants scheduled for conversion are in the East, an area where the acid rain problems has been most severe. In addition, the proposed conversion comes at a time when the U.S. and Canada have entered into discussions on means to reduce acid rain. The Agency should address the implications of conversions of power plants in the East to coal in its anticipatory research efforts on addressing the long-term environmental impacts of acid precipitation.

ECOLOGICAL EFFECTS

The Agency's ecological effects research program is designed to support national regulatory efforts which reflect increasing emphasis on human health rather than overall environmental quality. Ecological effects research complements human health effects research by determining (1) the extent to which environmental pollution damages the structure, function and dynamics of freshwater, marine and terrestial ecosystems; (2) the degree to which these ecosystems can recover from pollutant stresses; and (3) the effects on human health or economic welfare resulting from the altered or damaged ecosystems. Clearly, this is an important program, but it could be carried a step further. The Committee is concerned that protection of ecological values, including fish and wildlife, does not receive sufficient emphasis within the Agency, even though the Agency has primary responsibility within the Federal government for ecological effects research.

The Committee encourages the Agency to consider a broader program of ecological effects research, both to define environmental threats to fish, wildlife, and natural resources, and to develop remedial measures for their protection. This kind of research should be carried on within programs related to hazardous waste, pesticides, water quality, and other media.

To take advantage of the full extent of knowledge and expertise on national ecological values and natural resources, the Committee encourages the Agency to develop and implement such programs in cooperation and consultation with the U.S. Fish and Wildlife Service, which maintains some responsibility for research on fish and wildlife resources.

9. Energy.—This fiscal year 1981 authorization for energy research and development is $105,099,000. This is a decrease of $2,500,000 from the Administration's request, offsetting a $2,500,000 increase in water quality programs. Of the total, $50,096,000 is for the Health and Ecological Effects program and $55,003,000 is for the Energy Control program. The Committee recommends that $500,000 of the Energy authorization be used for the first half of a study of the adverse health and ecological effects of uranium mining wastes and control measures for uranium mining wastes.

SPECIAL STUDIES

The bill directs the Agency to set aside $500,000 from the Solid Waste authorization and $500,000 from the authorization for Energy Programs to perform studies of cement kiln dust wastes and uranium mining wastes. These authorizations are believed necessary because the Agency has proposed regulating these two classes of wastes as hazardous wastes under the Solid Waste Disposal Act, and it is important that the Agency be keenly aware of any serious health or ecological impacts of these two high-volume wastes, and of existing and potential methods to control these wastes.

The Senate currently is in conference with the House of Representatives on a bill amending the Solid Waste Disposal Act of 1972. A provision of the House bill would suspend regulation of these wastes for three years while studies of their effects and of appropriate controls are conducted. The Senate has not agreed, formally or informally, to accept the House amendment regarding these two waste streams, and the committee does not intend that the authorization for the studies described above be interpreted as an acceptance of the House position. Regardless of whether regulations are suspended in the interim, studies leading to a reasonable and fair degree of regulation of these wastes are a high priority.

ACCESS FOR ENVIRONMENTAL RESEARCH

The Agency is directed to issue regulations providing for access to oil shale mining, processing, retorting and refining operations operating on Federally owned land by representatives of Federal, State, and local government and other appropriate persons for reasonable and legitimate research on the environmental effects of oil shale operations.

This provision permits officials of the Environmental Protection Agency, and contractors carrying out studies for the Agency, to have access to privately-operated oil shale projects on federal lands after the administrator has certified that such visits are necessary to their studies.

Those who are granted such access would be subject to the legal sanctions of Federal law forbidding disclosure of proprietary information by Federal employees. The Agency would be required to provide specific guidelines surrounding such access, and to ensure that any contractor who undertook such work was aware of the guidelines affecting that work and of the laws forbidding disclosure of proprietary information.

LINING OF BESSEMER DITCH, COLO.

The Senate proceeded to consider the bill (S. 2546) to authorize the Secretary of the Interior to design and construct a gunite lining on certain reaches of the Bessemer Ditch in the vicinity of Pueblo, Colo., to prevent or reduce seepage damage on adjacent properties, and for other purposes, which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 2, line 7, after the period, insert the following:

Nothing in this Act shall be construed in any administrative or judicial proceeding as establishing congressional acquiesence or approval of any theory of Federal liability for damages or as establishing a precedent for Federal liability or responsibility in any situation similar to that addressed by this Act.

On page 2, line 13, strike "The costs of design and construction authorized by this Act shall be nonreimbursable and nonreturnable." and insert in lieu thereof the following:

The design and construction costs of the works authorized by this Act shall be included as capital costs of Pueblo Dam and Reservoir, Fryingpan-Arkansas Project, Colorado, and shall be allocated to the purposes served by Pueblo Dam and Reservoir in accordance with procedures established pursuant to Federal Reclamation Law.

On page 2, line 24, after "appropriated" insert "for fiscal year 1981";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to design and construct a gunite lining on approximately eight thousand feet of the Bessemer Ditch in the vicinity of Pueblo, Colorado, to prevent or reduce seepage damage on adjacent properties. Nothing in this Act shall be construed in any administrative or judicial proceeding as establishing congressional acquiesence or approval of any theory of Federal liability for damages or as establishing a precedent for Federal liability or responsibility in any situation similar to that addressed by this Act.

SEC. 2. The design and construction costs of the works authorized by this Act shall be included as capital costs of Pueblo Dam and Reservoir, Fryingpan-Arkansas Project, Colorado, and shall be allocated to the purposes served by Pueblo Dam and Reservoir in accordance with procedures established pursuant to Federal Reclamation Law. The Bessemer Irrigating Ditch Company, which owns, operates, and maintains the Bessemer Ditch, shall be responsible for maintaining or replacing the completed gunite lining authorized by this Act.

SEC. 3. There is hereby authorized to be appropriated for fiscal year 1981 for the design and construction of approximately eight thousand feet of gunite lining on the Bessemer Ditch in the vicinity of Pueblo, Colorado, the sum of $1,500,000 (based on October 1979 prices), plus or minus such amounts, if any, as may be justified by reason of changes of construction costs as indicated by engineering cost indices applicable to the type of construction involved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HISTORIC SITES ACT IMPROVEMENTS

The Senate proceeded to consider the bill (S. 2680) to improve the administration of Historic Sites, Buildings and Antiquities Act of 1935 (49 Statute 666), which had been reported from the Committee on Energy and Natural Resources with an amendment on page 2, beginning with line 7, insert the following:

SEC. 2. Section 2 of the Joint Resolution entitled, "To provide for the preservation and protection of certain lands in Prince Georges and Charles Counties, Maryland, and for other purposes", approved October 4, 1961 (75 Stat. 780, 781), as amended, is further amended by adding the following after the final period in subsection (c): "The Secretary is authorized to cooperate with the Accokeek Foundation in the operation and maintenance of the National Colonial Farm, and funds appropriated to the Secretary for operation and maintenance of the farm may be made available to the Foundation for such purposes, subject to such terms and conditions as the Secretary may prescribe in furtherance of the purpose of this Act."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in furtherance of the purposes of subsection 2(e) of the Act of August 21, 1935 (49 Stat. 666), the Secretary of the Interior may provide financial assistance for the maintenance and protection of the Folger Library and the Corcoran Gallery of Art.

(b) Authority to enter into contracts or cooperative agreements, to incur obligations, or to make payments under this Act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

SEC. 2. Section 2 of the Joint Resolution entitled, "To provide for the preservation and protection of certain lands in Prince Georges and Charles Counties, Maryland, and for other purposes", approved October 4, 1961 (75 Stat. 780, 781), as amended, is further amended by adding the following after the final period in subsection (c): "The Secretary is authorized to cooperate with the Accokeek Foundation in the operation and maintenance of the National Colonial Farm and funds appropriated to the Secretary for operation and maintenance of the farm may be made available to the Foundation for such purposes, subject to such terms and conditions as the Secretary may prescribe in furtherance of the purpose of this Act.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–754), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of S. 2680, as ordered reported, is to authorize the Secretary of the Interior to provide financial assistance to the Folger Library and the Corcoran Gallery of Art in Washington, D.C. The measure also authorizes the Secretary to make funds available to the Accokeek Foundation for the operation and maintenance of the National Colonial Farm at Piscataway Park in Maryland.

The 1980 Interior Appropriations Act provided $600,000 for the maintenance of the Folger Library, the Corcoran Gallery and the Arena Stage. Funding for the Arena Stage was made contingent upon its designation as a National Historic Site.

This funding was made available pursuant to subsection 2(e) of the Historic Sites Act of 193 which provides, in part, that the Secretary of the Interior is authorized to enter into cooperative agreements with the owners of historic properties to provide funding for the operation and maintenance of these properties. Such funding is, of course, subject to appropriations.

As part of the funding provisions, the Interior Appropriations Act included language prohibiting future funding for these buildings absent any specific legislative authority. This legislation provides that authority for the Corcoran and the Folger.

While these two institutions perform for and on behalf of the American people cultural functions of national and international significance, they are privately rather than publicly funded. Along with their National responsibilities assumed before the Federal Government established its important role in cultural matters, these institutions must also maintain costly buildings of historic and architectural prominence. Most importantly, these private institutions are placed at a severe competitive disadvantage by more recently established, federally-supported institutions housed in federally-owned buildings.

Since the Interior Appropriations Act was signed into law, the Arena Stage has not been designated as a National Historic Site and the prognosis for such designation is not favorable. Therefore, the Arena Stage was not included in S. 2680.

Funds authorized by the Act are to be available, when appropriated, for maintenance and security support for these two institutions. The funds are to be used for helping to meet the cost of physical plant upkeep for these buildings which are maintained on behalf of the American people in the Nation's Capital.

During the consideration of this measure, the Committee agreed to conduct oversight hearings next year on the general issue of providing Federal funds to the owners of historic properties for the maintenance and upkeep of these buildings. The purpose of these hearings will be to develop a set of specific criteria to guide the Committee in the authorization of additional properties under these provisions of the 1935 Historic Sites Act.

As these two particular structures were considered last year by the Appropriations Committees and funded, the Committee agreed to the specific authorization for the Folger and the Corcoran at this time. The Committee expects to review this authorization in the context of its oversight hearings on this issue next year.

ANIMAL CANCER RESEARCH ACT

The Senate proceeded to consider the bill (S. 2043) to provide for research in the diagnosis, prevention, and control of malignant tumors in domestic animals, poultry, and wildlife, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Animal Cancer Research Act".

SEC. 2. Congress finds that—

(a) basic research on malignant tumors or cancers is essential to protect the health of domestic animals, poultry, and wildlife, including birds;

(b) carcinogenic agents have not been adequately identified in domestic animals, poultry, and wildlife management;

(c) basic research in diagnosis, prevention, and control of malignant tumors in animals and birds has not been adequately coordinated;

(d) significant theories of a common factor in malignant tumors, such as chorionic gonadotropin, have not been pursued in depth;

(e) research on diagnosis, prevention, and control of cancer in animals and birds will be beneficial in identifying any common factors in human and animal malignant tumors, if such exist; and

(f) it is imperative for the Department of Agriculture and the National Institutes of Health to coordinate and consult with regard to the research authorized under this Act to achieve the maximum benefits from such research.

SEC. 3. The Secretary of Agriculture shall conduct a program of basic research on cancer in animals and birds at appropriate facilities within the Department of Agriculture or by grants to other qualified research facilities.

SEC. 4. The Secretary of Agriculture and the Director of the National Institutes of Health shall annually review the research program conducted under this Act in order to coordinate the program with the National Cancer Institute research program.

SEC. 5. There are hereby authorized to be appropriated $25,000,000 for fiscal year 1981, and $25,000,000 annually thereafter to carry out the program under this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read:

A bill to provide for research and coordination of research in the diagnosis, prevention, and control of malignant tumors in domestic animals, poultry, and wildlife.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD, an excerpt from the report (No. 96–757), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

S. 2043, as amended by the Committee on Agriculture, Nutrition, and Forestry, would authorize the appropriation of funds to the Department of Agriculture for the conduct of basic research on cancer in animals and birds. The research would be conducted at appropriate facilities of the Department of Agriculture or by grants to other qualified research facilities. The bill also provides for consultation and coordination of animal cancer research between the Department of Agriculture and the National Institutes of Health.

Under the bill, the authorization level would be $25 million for fiscal year 1981, and $25 million for each fiscal year after 1981.

Cancer in domestic animals and poultry results in major economic losses each year. These losses result from animal losses and from condemnation of millions of pounds of meat and poultry. Basic research on the diagnosis, prevention, and control of malignancies in livestock and poultry can result in major economic savings. For instance, avian leukosis, also known as Marek's disease, annually costs the poultry industry over $200 million. With the discovery of a vaccine to treat this type of cancer, loss to the poultry industry has been reduced to $300 million per year.

However, even greater benefits can be derived from research on animal cancer diseases in the battle to control human cancer diseases. The development of the vaccine for Marek's disease was a milestone in cancer research. Basic research on animal cancer holds the promise of answers to some of the questions on the causes of cancer, or how it can be prevented. Successful research on man, animals, or birds will begin to unravel the unknown on cancer for all of them.

There is a great need for more basic research on common agents found in many types of cancer such as chorionic gonadotrophin. While the Science and Education Administration of the Department of Agriculture has a research program on the physiology of chorionic gonadotrophin, the research has not considered the possible linkage of common cause agents for animal cancers.

There is a need for better communication between and coordination by the researchers at the Department of Agriculture and those at the National Cancer Institute.

The proposed Department of Agriculture program would be extremely modest in comparison to the National Institutes of Health effort of about one billion dollars a year. However, the benefits of the Department of Agriculture program would not be modest. The fundamental knowledge that could be realized by expanded animal cancer research would be far reaching. The bill specifically is intended to develop basic research on cancer in this area. It is a small start, but a start that is needed immediately.

TRANSFER OF INDIAN LANDS

The Senate proceeded to consider the bill (S. 2223) to permit any Indian to transfer by will restricted lands of such Indian to his or her heirs or lineal descendants, which had been reported from the Select Committee on Indian Affairs with amendments as follows:

On page 2, line 8, after "descendants" insert "and other Indian persons eligible to hold land in trust";

On page 2, beginning with line 14, strike through and including line 24, and insert in lieu thereof the following: after the words "of such member" insert "or to any Indian persons who is recognized by the Secretary of the Interior as eligible to hold land in trust:".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that—

(1) as a result of the enactment by certain States of amendments to their intestate succession laws, members of Indian tribes within such States are restricted in their right to devise restricted Indian lands to their own children who are not classified as heirs at law under such amended intestate succession laws; and

(2) it is the policy of Congress to allow any Indian to devise restricted Indian lands and shares in the assets of any Indian tribe or corporation to his or her heirs or lineal descendants and other Indian persons eligible to hold land in trust.

Sec. 2. Section 4 of the Act of June 18, 1934, as amended (25 U.S.C. 464), is amended (1) by inserting in the first proviso clause immediately after the words "corporation or any heirs" the following: "or any lineal descendants", (2) after the words "of such member" insert "or to any Indian person who is recognized by the Secretary of the Interior as eligible to hold land in trust:".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read:

A bill to permit any Indian to transfer by will restricted lands of such Indian to his or her heirs or lineal descendants, and other Indian persons.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–760), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE AND BACKGROUND

This bill would amend Section 4 of the 1934 Indian Reorganization Act (25 U.S.C. § 464) to authorize Indian persons who own an interest in trust or restricted real property to devise such interest to their lineal descendants, or to other Indian persons for whom the Secretary of the Interior is authorized to hold land in trust. Section 4 of the IRA presently places a restriction on the persons or entities to whom an Indian may will trust property as follows: (1) to the Indian tribe where the land is located (2) to any member of such tribe, or (3) to any "heirs" of the testator. The Department of the Interior has long held that the term "heir" must be defined in accordance with the law of the state in which the property is located. The term "heir" or "heir at law" is generally interpreted by state law to mean only that person or class of persons who would inherit the property if the person who owns the property dies without a will. Because of the interplay between the Federal statute and the state laws of interstate succession, an Indian thus may only devise restricted property to the Indian tribe where the land is situated; to another member of that tribe; or the person or persons who would take the property even if he didn't write a will at all.

This point has recently been dramatically illustrated in Arizona and it has also been noted in Montana, North Dakota and Idaho. The problem arises from the fact that these states have recently amended their laws of interstate succession to conform to a Model Probate Code that provides a new definition for "Heir at law" as follows: That in the case of a surviving spouse who is the parent of all of the children of the decedent, the surviving spouse shall be deemed the sole heir at law. In the case of an Indian owner of trust property, this change in the state law means that he or she may not leave trust property to his or her children if there is a surviving spouse who is the parent of all of the children. Such lineal descendants are not deemed "heirs" under Sec. 4 of the IRA.

The intent of Section 4 of the IRA was to end the erosion of the tribal land base and attempt to reverse a course that was leading to fractionated ownership of individual trust allotments. While the limitations in this section have, in some measure, served to stem the flow of allotted lands out of Indian ownership, it has not stopped the fractionation of ownership of individual trust allotments. In some instances the statute may actually contribute to further fractionation.

STANDING ROCK SIOUX RESERVATION LANDS

The Senate proceeded to consider the bill (H.R. 2102) pertaining to the inheritance of trust or restricted land on the Standing Rock Sioux Reservation, North Dakota and South Dakota, which had been reported from the Select Committee on Indian Affairs with amendments as follows:

On page 1, line 3, strike "devise" and insert "distribution";

On page 2, beginning with line 3, strike through and including line 8, and insert in lieu thereof the following:

Sec. 2. Only the Standing Rock Sioux Tribe of North Dakota and South Dakota (hereinafter the "tribe") or persons who are (a) enrolled members of the tribe, (b) members of a federally recognized Indian tribe, or (c) otherwise recognized as Indians by the Secretary of the Interior (hereinafter the "Secretary") shall be entitled to receive by devise or descent any interest in trust or restricted land within the boundaries of the reservation as defined by the Act of March 2, 1889 (25 Stat. 888), except as provided in section 4 of this Act.

On page 2, line 19, strike "leaving" and insert "possessed of";

On page 2, line 22, strike "an approved will" and insert "a will approved by the Secretary pursuant to section 2 of the Act of June 25, 1910 (36 Stat. 856), as amended (25 U.S.C. 373) and which is";

On page 3, line 17, strike "parents" and insert "surviving parents or parent";

On page 3, line 21, strike "parents" and insert "parent";

On page 3, line 24, strike "parents" and insert "parent";

On page 4, beginning with line 6, strike through and including line 8, and insert in lieu thereof the following:

(c) As used in this section, the words "children" and "issue" include adopted children and children of unwed parents where the Secretary determines that paternity has been acknowledged or established, except that (1) a child may not inherit by intestate succession from or through a parent whose parental rights with respect to said child have been terminated pursuant to lawful authority and (2) a parent may not inherit by intestate succession from or through a child with respect to which such parent's parental rights have been so terminated.

On page 4, line 21, strike "leaves" and insert "dies possessed of";

On page 4, line 24, after "lifetime" insert a comma and "but the remainder of such interest shall descend as provided in section 3 of this Act";

On page 5, line 11, after "Secretary" insert "as of the date of the decedent's death".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. Speaker, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–762), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

In 1887, Congress enacted the General Allotment Act (Act of February 8, 1887, 24 Stat. 389) which established the general policy of individualization of ownership of Indian lands by allotting parcels of land to individual Indians, legal title to such lands to be held in trust by the United States. Sec. 5 of this Act (now found in 25 U.S.C. § 348) provides that upon the death of the allottee without a will, title to trust lands descends to the allottee's heirs as determined by state law.

In 1934, Congress enacted the Indian Reorganization Act (Act of June 18, 1934; 48 State. 985). Sec. 4 of this Act (found at 25 U.S.C. § 464) places restrictions on those persons to whom an Indian can devise by will trust allotted property. The only person to whom such property can be devised are: (1) the Indian tribe where the land is situated, (2) any member of such tribe, or (3) to any "heirs" of the testator. An "heir" is determined by reference to the state laws of intestate succession.

Indian tribes have always been recognized under Federal law as having powers of self-government. Despite this fact, the policies and laws described above totally preempt the authority of tribes to enact any laws to govern the inheritance of trust property situated within their own reservation or owned by their members.

A number of Indian tribes have, in the past, requested Congress to enact special legislation to govern inheritance of trust property on their reservations. This is fully discussed in the letter from the Department of the Interior on this legislation, dated April 15, 1980, which appears in this report. The purpose of this legislation then is simply to enact, at the request of the Tribe, a code of laws to govern inheritance of trust lands on the Standing Rock Sioux Indian Reservation.

HAY TRANSPORTATION ASSISTANCE PROGRAM ADJUSTMENTS

The Senate proceeded to consider the bill (S. 1625) to amend the act of December 20, 1944, as amended, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That the Act of December 20, 1944 (58 Stat. 836; 12 U.S.C. 1150), is amended by adding at the end thereof a new section 4 as follows:

"Sec. 4. Notwithstanding any other provision of law, no persons who have received or have owing to them, prior to the date of enactment of this section, payments at rates announced by the Secretary of Agriculture for self-hauling of hay or other roughages under the hay transportation assistance program shall be liable for, or be obligated to refund, any amount that is determined by the Secretary to be in excess of the payment computed in accordance with the maximum rate provided by section 8 of the Farmer-to-Consumer Direct Marketing Act of 1976: *Provided*, That the Secretary determines that such persons are otherwise entitled to payments under the hay transportation assistance program.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–763), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

SHORT EXPLANATION

S. 1625, as amended by the committee, directs the Secretary of Agriculture to adjust or cancel certain claims that arose in the administration of the hay transportation assistance program. The debts of those who have not made the requested refund would be canceled; and repayments would be made to those farmers who have already made a refund and who are entitled to payments under the bill.

BACKGROUND AND NEED

In the summer of 1976, it became apparent that livestock producers needed Federal assistance because of the impact of the drought on the various sources of livestock feed, such as hay and feed grains. For years, the U.S. Department of Agriculture had a program of providing subsidized livestock feed in such situations. However, the program was based on the availability of surplus feed grains. In the summer of 1976, this program was not in operation, inasmuch as there were no longer stocks of surplus feed grains, and the need for feed grains was more widespread than ever before.

To fill this gap, the President exercised the broad authority given to him by Congress in section 305(a) of the Disaster Relief Act of 1974: "In any emergency, the President may provide assistance to save lives and protect property and public health and safety.". He authorized the implementation of the emergency livestock feed program, the cattle transportation program, and the hay transportation assistance program. The programs were funded by the Federal Disaster Assistance Administration but administered by the Agricultural Stabilization and Conservation Service of the Department of Agriculture.

The purpose of the hay transportation assistance program is to provide livestock producers with financial assistance for transporting roughage purchased from points beyond their normal trade area to the location of their lievstock in a designated drought-stricken county.

In implementing the hay transportation assistance program in 1976, the Secretary of Agriculture provided that assistance would be limited to (1) two-thirds of the transportation costs not to exceed $27 per ton for hay hauled by commercial conveyance or delivered by seller; or (2) 8 cents per ton, per load, not to exceed $27 per ton for hay hauled by the livestock owner in his own conveyance.

Later, the program was amended to provide that commerical feedlots on farms or reaches normally producing a portion of the feed for feeding purposes could receive hay transportation assistance on a quantity equal to the smaller of the amount of (1) feed lost due to the drought; or (2) roughage transportation assistance for eligible livestock owned as of June 17, 1976.

On October 7, 1976, the program was further amended to include beet pulp as an eligible roughage under the program.

With the approval of the Farmer-to-Consumer Direct Marketing Act of 1976 (on October 8, 1976), increases were made in transportation assistance under the program to require the Secretary to pay 80 percent of the cost of transportating hay (not to exceed $50 per ton) from areas in which hay was in plentiful supply to areas where farmers or ranchers were located. Wherever farmers performed the transportation themselves, the Department calculated and paid a uniform rate of reimbursement expressed in cents per ton mile. The rate was established at 9.5 cents effective October 8, 1976.

After a few weeks of experience under the program using the 9.5 cents reimbursement rate, the Department found that this rate resulted in overpayments in virtually all cases involving self-transportation of roughage for distances of over 100 miles. Consequently, on December 1, 1976, the self-haul rate was adjusted from 9.5 cents per ton mile to a two-step rate of 9.5 cents for the first 100 miles and 6.5 cents per ton mile for the remainder of the trip. This rate change was to correct what was found to be excessive benefits for farmers hauling long distance.

Upon the program's expiration, it was learned through an audit of the program that farmers who had transported beet pulp pellets in their own conveyances had been paid in excess of 80 percent of the cost. This happened because of the condensed nature of the roughage and because the farmers used large capacity vehicles for hauling.

Approximately 40 producers who transported beet pulp in their own vehicles have been required by the Department to make partial refund of payments made under the program because the rate of payment authorized for self-hauling exceeded the applicable statutory maximum rate ($50 per ton). The Department has collected the excess amounts from some of these farmers and claims against the rest are pending.

In many cases, contracts were executed for the purchase of roughage in reliance on the committed level of assistance. Since the participants had no knowledge that the published flat rate exceeded the legal maximum rate, at the time the contracts were executed, it seems unfair and harsh to require these producers to make repayments.

S. 1625 authorizes the adjustment or cancellation of these claims. The bill will provide relief by allowing payments to stand as made to those participants who transported roughage in their own conveyance and were paid on the basis of the published flat rate that was in effect at the time.

Under the bill, the Secretary would retain authority to ensure that the program participants have complied with all requirements of the program other than the statutory ceiling on reimbursement. The debts of those who have not made the requested refund would be cancelled; and repayments would be made to those farmers who have already made a refund and who are entitled to payments under the bill.

FISH AND WILDLIFE CONSERVATION ACT OF 1980

The Senate proceeded to consider the bill (S. 2181) to assist the States in developing fish and wildlife conservation plans and actions, and for other purposes, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 3, line 5, strike "in urban and nonurban areas";

On page 3, line 23, strike "under" and insert "pursuant to";

On page 3, line 23, after "5(a)" insert "of this Act";

On page 4, line 23, after "responsibilities" insert "but such agencies, for purposes of this Act, will submit a single conservation plan";

On page 5, line 21, strike "animal" and insert "species";

On page 8, line 17, strike "120" and insert "180";

On page 8, line 21, strike "120" and insert "180";

On page 9, line 7, strike "may not disapprove" and insert "shall approve";

On page 9, line 8, beginning with "in" strike through and including the comma in line 11, and insert "which is substantial in character and design";

On page 9, line 15, after "of" insert "any of";

On page 10, line 9, after "to be" insert "eligible as";

On page 10, line 17, strike "the" and insert "this";

On page 11, line 11, after "Act" insert "of September 2, 1937 (16 U.S.C. 669e(a)(1), commonly referred to as the";

On page 11, line 13, strike "(16 U.S.C. 779c (a)(1))";

On page 11, line 14, after "the" insert "Act of August 9, 1950 (16 U.S.C. 777c(a)(1), commonly referred to as the";

On page 11, line 16, strike "(16 U.S.C. 777c (a)(1))";

On page 12, line 22, strike "Federal Aid in Sport Fish Restoration Act" and insert "Act of August 9, 1950 (16 U.S.C. 777c(a)(1), commonly referred to as the Federal Aid in Sport Fish Restoration Act)";

On page 12, line 25, strike "Federal Aid in Wildlife Restoration Act" and insert "Act of September 2, 1950 (16 U.S.C. 6690e(a)(1), commonly referred to as the Federal Aid in Wildlife Restoration Act)";

On page 13, line 7, after the comma, insert "and to the availability of funds appropriated under section 11,";

On page 13, line 9, strike "(c)" and insert "(e)";

On page 13, beginning with line 23, strike through and including page 14, line 3, and insert in lieu thereof the following:

(C) in which less than 80 percent of the costs to be reimbursed are for the express benefit of nongame fish and wildlife or the users of nongame fish and wildlife;

On page 15, line 3, strike "and information and extension services";

On page 15, line 12, strike "and";

On page 15, line 12, after "1982," insert "and 1983";

On page 15, line 24, strike "except that if the Secretary has designated such plan under section 5(b),";

On page 16, line 22, strike "disregard" and insert "not include";

On page 18, line 25, strike "5" and insert "8";

On page 20, line 7, after the dash insert "(1)";

On page 20, beginning with line 16, insert the following:

(2) That portion of any amount allocated to any State under subsection (b) (2) or (3) for any fiscal year and not disbursed to the State for such fiscal years under section 6 shall remain available for disbursement to the State under such section for the next succeeding fiscal year and if not disbursed for such succeeding fiscal year shall be available for disbursement by the Secretary, without regard to subsection (b), to the States to carry out the purposes of this Act.

On page 21, line 22, strike "(a)";

On page 21, line 22, strike "AND";

On page 21, line 22, after "revision" insert a comma and "and implementation";

On page 21, line 23, after "plans" insert "and actions";

On page 21, line 25, after "development" insert "and implementation";

On page 21, line 26, after "plans" insert "and for administration of this Act under section 8";

On page 22, line 2, strike "$8,000,000" and insert "$5,000,000";

On page 22, line 2, strike "1980,";

On page 22, line 3, strike "and";

On page 22, line 3, after "1983" insert a comma and "and 1984";

On page 22, beginning with line 4, strike through and including line 15;

On page 22, line 16, strike "excise taxes on wild bird supplies" and insert "study";

On page 22, beginning with line 17, insert the following:

The Director of the United States Fish and Wildlife Service, in consultation with affected parties, shall conduct, out of funds available for the administration of this Act, a comprehensive study to determine the most equitable and effective mechanism for funding projects under this Act. On or before the expiration of the 30-month period following the date of enactment of this Act, the Director shall report to the Committee on Environment and Public Works of the Senate and to the Committee on Merchant Marine and Fisheries of the House of Representatives the results of such study, together with their recommendations with respect thereto.

On page 23, beginning with line 3, strike through and including line 21;

So as to make the bill read:

S. 2181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fish and Wildlife Conservation Act of 1980".

SEC. 2. DECLARATION OF FINDINGS AND PURPOSE.

(a) The Congress finds and declares the following:

(1) Fish and wildlife are of ecological, educational, esthetic, cultural, recreational, economic, and scientific value to the Nation.

(2) The improved conservation and management of fish and wildlife, particularly nongame fish and wildlife, will assist in restoring and maintaining fish and wildlife and in assuring a productive and more esthetically pleasing environment for all citizens.

(3) Many citizens, particularly those residing in urban areas, have insufficient opportunity to participate in recreational and other programs designed to foster human interaction with fish and wildlife and thereby are unable to have a greater appreciation and awareness of the environment.

(4) Historically, fish and wildlife conservation programs have been focused on the more recreationally and commercially important species within any particular ecosystem. As a consequence such programs have been largely financed by hunting and fishing license revenues or excise taxes on certain hunting and fishing equipment. These traditional financing mechanisms are neither adequate nor fully appropriate to meet the conservation needs of nongame fish and wildlife.

(5) Each State should be encouraged to develop, revise, and maintain, in consultation with appropriate Federal, State, and local and regional agencies, a plan for the conservation of fish and wildlife, particularly those species which are indigenous to the State.

(b) PURPOSE.—It is the purpose of this Act—

(1) to provide financial and technical assistance to the States for the development, revision, and maintenance of conservation plans and programs for nongame fish and wildlife; and

(2) to encourage that all Federal departments and agencies utilize their statutory and administrative authority, to the maximum extent practicable, and consistent with each agency's statutory responsibilities to conserve and to promote conservation of nongame fish and wildlife and their habitats, in furtherance of the policy of this Act.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) The term "approved conservation plan" means the conservation plan of a State approved by the Secretary pursuant to section 5(a) of this Act.

(2) The term "conservation plan" means a plan developed by a State for the conservation of fish and wildlife which meets the standards prescribed by the Secretary under section 4.

(3) The terms "conserve", "conserving", and "conservation" mean to use, and the use of, such methods and procedures which are necessary to ensure, to the maximum extent practicable, the well being and enhancement of fish and wildlife and their habitats for the ecological, educational, esthetic, cultural, recreational, and scientific enrichment of the public. Such methods and procedures may include, but are not limited to, any activity associated with scientific resources management, such as research, census, law enforcement, habitat acquisition, maintenance, development, information, education, population manipulation, propagation, technical assistance to private landowners, live trapping, and transplantation.

(4) The term "designated State agency" means the commission, department, division, or other agency of a State which has primary legal authority for the conservation of fish and wildlife. If any State has placed such authority in more than one agency, such term means each such agency acting with respect to its assigned responsibilities but such agencies, for purposes of this Act, will submit a single conservation plan.

(5) The term "fish and wildlife" means wild vertebrate animals that are in an unconfined state, including, but not limited to, nongame fish and wildlife.

(6) The term "nongame fish and wildlife" means wild vertebrate animals or, at the discretion of the State, any invertebrate animals, that are in an unconfined state and that—

(A) are not ordinarily taken for sport, fur, or food, except that if under applicable State law, any of such animals may be taken for sport, fur, or food in some, but not all, areas of the State, any of such animals within any area of the State in which such taking is not permitted may be deemed to be nongame fish and wildlife;

(B) are not listed as endangered species or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531-1543); and

(C) are not marine mammals within the meaning of section 3(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362 (5)).

Such term does not include any domesticated species that has reverted to a feral existence.

(7) The term "Secretary" means the Secretary of the Interior.

(8) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

SEC. 4. CONSERVATION PLANS.

(a) PLAN STANDARDS.—Not later than 6 months after the date of enactment of this Act the Secretary shall develop and publish such guidelines as the Secretary deems necessary or appropriate to provide that conservation plans developed and subsequently revised by the designated State agencies with financial assistance under this Act result in the conservation of fish and wildlife and their habitat. Conservation plans prescribed under this subsection must:

(1) provide for the vesting in the designated State agency of the overall responsibility for the development of the conservation plan;

(2) provide for an inventory of the nongame fish and wildlife, and such other fish and wildlife as the designated State agency deems appropriate, that are within the State and are valued for ecological, educational, esthetic, cultural, recreational, economic, or scientific benefits by the public;

(3) with respect to those species identified under paragraph (2) (hereinafter in this section referred to as "plan species"), provide for the determination of—

(A) the size, range, and distribution of their populations, and

(B) identify the extent, condition, and location of their significant habitats;

(4) identify the significant problems which may adversely affect the plan species and their significant habitats;

(5) determine those actions which should be taken to conserve the plan species and their significant habitats, and the estimated time and cost required to effect each such action;

(6) establish priorities for implementing the conservation actions determined under paragraph (5);

(7) provide for the monitoring, on a regular basis, of the plan species and the effectiveness of the conservation actions determined under paragraph (5);

(8) provide for plan review and revision, if appropriate, at intervals of not more than 3 years.

(9) ensure that the public be given opportunity to make its views known and considered during the development, revision, and implementation of the plan; and

(10) provide that the designated State agency consult, as appropriate, with Federal agencies, and other State agencies during the development, revision, and implementation of the plan.

SEC. 5. APPROVAL OF CONSERVATION PLANS AND CERTAIN NONGAME FISH AND WILDLIFE CONSERVATION ACTIONS.

(a) APPROVAL BY SECRETARY OF PLANS.—(1) Any State may apply to the Secretary for approval of a conservation plan.

(2) Applications for the approval of conservation plans shall be made and reviewed by the Secretary in such manner as the Secretary shall by regulation prescribe.

(3) If the Secretary determines that a conservation plan—

(A) meets the requirements set forth in section 4, the Secretary shall within 180 days from the date of application for approval designate the plan as an approved conservation plan; or

(B) does not meet such requirements, the Secretary shall within 180 days from the date of application for approval disapprove the plan, give the State concerned a written statement of the reasons for disapproval, and provide the State opportunity for consultation with respect to the deficiencies in the plan and the modifications required for approval.

(4) The Secretary shall approve any conservation plan submitted or resubmitted for approval under this subsection as soon as practicable but not later than 180 days after the date on which the Secretary receives the application for approval. The Secretary shall approve a conservation plan which is substantial in character and design unless the Secretary determines in writing that to implement any part of the plan on the basis of such specifications, identification, or priority would threaten the natural stability and continued viability of any of the plan species concerned.

(b) Effect of Approval of Plans.—If the Secretary approves the conservation plan of any State under subsection (a)—

(1) that portion of such plan that pertains to wildlife conservation shall be deemed to be an approved plan for purposes of section 6(a) (1) of the Act of September 2, 1937 (16 U.S.C. 669a(a) (1), commonly referred to as the Pittman-Robertson Wildlife Restoration Act); and

(2) that portion of such plan that pertains to fish conservation shall be deemed to be an approved plan for the purposes of section 6(a) (1) of the Act of August 9, 1950 (16 U.S.C. 777c(a) (1), commonly referred to as the Dingell-Johnson Sport Fish Restoration Act).

(c) If the Secretary approves the conservation plan of any State under subsection (a), those conservation actions set forth in the plan which pertain to nongame fish and wildlife shall be deemed to be eligible as nongame fish and wildlife projects for which reimbursement is available under section 6.

(d) In the absence of an approved conservation plan, and on a showing of need by the State, the Secretary may deem certain conservation actions to be nongame fish and wildlife projects for which reimbursement is available under section 6(e) (2) (B) if they are consistent with the provisions of sections 2 and 4 of this Act.

Sec. 6. Reimbursement of State Costs for Developing, Revising, and Implementing Conservation Plans and Implementing Certain Nongame Fish and Wildlife Conservation Actions.

(a) In General.—Any State may apply to the Secretary for reimbursement under this section for costs incurred by the State for the following:

(1) the development of a conservation plan,

(2) the revision and maintenance of an approved conservation plan,

(3) the implementation of nongame fish and wildlife conservation actions approved under sections 5 (c) and (d),

(4) the implementation of conservation programs and actions specified in an approved conservation plan,

(5) the coordination, integration, or implementation of the conservation plan or conservation actions approved under this Act with other related plans or actions developed pursuant to the Act of September 2, 1937 (16 U.S.C. 669e(a) (1), commonly referred to as the Federal Aid in Wildlife Restoration Act) and the Act of August 9, 1950 (16 U.S.C. 777c(a) (1), commonly referred to as the Federal Aid in Sport Fish Restoration Act.

(b) Applications.—Application for reimbursement under this section shall be made in such manner as the Secretary shall by regulation prescribe and shall contain such information as is necessary to enable the Secretary to determine whether the State meets the eligibility requirements set forth in subsecion (c).

(c) Eligibility.—No State is eligible for reimbursement under this section unless the Secretary finds that the costs, for which reimbursement is sought, have been incurred by the State as follows:

(1) If reimbursement is sought under subsection (a) (1) such costs have been incurred in developing a conservation plan that meets the standards set forth in section 4.

(2) If reimbursement is sought under subsection (a) (2) and costs have been incurred in revising the plan in a manner consistent with the requirements set forth in section 4.

(3) If reimbursement is sought under subsection (a) (3), and costs have been incurred in implementing the conservation actions as approved by the Secretary.

(4) If reimbursement is sought under subsection (a) (4), such costs have been incurred in implementing conservation actions specified in the approved conservation plan, and in a manner consistent with such plan.

(5) If reimbursement is sought under subsection (a) (5), such costs have been incurred in consolidating or coordinating conservation plans and actions approved under this Act with approved plans and actions under the Act of August 9, 1950 (16 U.S.C. 777c(a) (1), commonly referred to as the Federal Aid in Sport Fish Restoration Act) and the Act of September 2, 1950 (16 U.S.C. 6690e(a) (1), commonly referred to as the Federal Aid in Wildlife Restoration Act) in a manner consistent with sections 2 and 4 of this Act.

(d) Reimbursement.—Subject to the limitations in subsection (c) and the terms and conditions imposed under section 7, and to the availability of funds appropriated under section 11, the Secretary shall reimburse each State which the Secretary finds to be eligible therefor under subsection (e).

(e) Limitations.—(1) The total amount of the reimbursement paid to any State under this section with respect to any fiscal year may not exceed the allocation available to the State under section 8 for such year.

(2) No reimbursement may be paid under this section to any State for any cost incurred by the State during any fiscal year—

(A) after September 30, 1990, in developing a conservation plan;

(B) after September 30, 1985, for costs incurred in implementing certain nongame fish and wildlife actions approved under section 5(d);

(C) in which less than 80 percent of the costs to be reimbursed are for the express benefit of nongame fish and wildlife or the users of nongame fish and wildlife;

(D) in implementing an approved conservation plan, unless the cost was incurred in implementing actions approved under sections 5 (c) or (d);

(E) in implementing an approved conservation plan covering only nongame fish and wildlife, or any nongame fish and wildlife conservation action approved under section 5 (c) or (d), to the extent that more than 10 percent of such costs are paid for with moneys collected during such year by the State—

(i) from the sale of hunting, fishing, and trapping licenses, and

(ii) as penalties (including forfeitures) for violations of the hunting, fishing, and trapping laws of the State; or

(F) in implementing an approved conservation plan or any nongame fish and wildlife conservation action approved under section 5(c) or 5(d), to the extent that—

(i) more than 10 percent of such costs are applied for purposes of conservation law enforcement under any such plan or action, and

(ii) more than 10 percent of such costs in any such year are accounted for by personal service inkind contributions.

(3) The amount of the reimbursement paid to any State under this section with respect to any fiscal year—

(A) may not exceed 75 percent for the development of a conservation plan except that during fiscal years 1981, 1982, and 1983 such amount shall not exceed 90 percent;

(B) for the implementation of nongame fish and wildlife conservation actions approved under section 5(c) or 5(d), may not exceed 75 percent of the cost of implementing the action during such fiscal year, except that if such action is undertaken by two or more States such amount shall not exceed 90 percent;

(C) during and after the fiscal year in which the conservation plan of the State is approved under section 5(a), may not exceed 75 percent of the cost of implementing and revising the conservation plan during such fiscal year, or if two or more States cooperate in implementing or revising such plan, such cost shall not exceed 90 percent, and

(D) after September 30, 1990, may not exceed—

(i) 50 percent of the cost of implementing and revising the plan during the fiscal year, if the approved conservation plan of the State covers only nongame fish and wildlife, or

(ii) 75 percent of the cost of implementing and revising the plan during such fiscal year, if the approved conservation plan of the State covers fish and wildlife.

(4) (A) In computing the costs incurred by any State during any fiscal year in developing or revising conservation plans, in implementing approved conservation plans, or in implementing nongame fish and wildlife conservation actions approved under section 5(c) or 5(d), for which reimbursement may be available under this section, the Secretary shall—

(i) take into account, in addition to each outlay, the value of inkind contributions and real and personal property received and applied during such year by the State for such purposes; and

(ii) not include any other Federal moneys received by such State and applied by it, directly or indirectly, for such purposes.

(B) For purposes of subparagraph (A), inkind contributions may be in the form of, but are not limited to, personal services rendered by volunteers in carrying out surveys, census, and other scientific studies regarding fish and wildlife. The Secretary shall by regulation establish (i) the training, experience, and other qualifications which such volunteers must have in order for their services to be considered as inkind contributions; and (ii) the standards under which the Secretary will determine the value of inkind contributions and real and personal property for purposes of subparagraph (A).

(C) Any valuation determination made by the Secretary for purposes of this paragraph shall be final and conclusive.

Sec. 7. Terms and Conditions of Reimbursement.

Reimbursements made to the States under section 6 shall be subject to such terms and conditions as the Secretary shall by regulation prescribe as being necessary and appropriate to protect the interests of the United States. Such terms and conditions shall include, but not be limited to, the following:

(1) Each State and each designated State agency shall keep such records as the Secre-

tary shall require as being necessary and appropriate for fully disclosing the amount and purposes of costs incurred by the State for which reimbursement under section 6 is, or may be, sought. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for purposes of audit and examination, to such records.

(2) Upon a finding by the Secretary, after notice and opportunity for an agency hearing on the record, that any State has received reimbursement under section 6 for which it is not eligible, or has violated any term or condition imposed under this section, the State shall thereafter be ineligible to receive reimbursement under such section until restitution satisfactory to the Secretary is made, such violation ceases, or adverse effects resulting from such violation are remedied.

SEC. 8. ALLOCATION OF FUNDS FOR ADMINISTRATION AND REIMBURSEMENT OF STATES.

(a) IN GENERAL.—The total amount appropriated pursuant to section 11(a) for any fiscal year and the total amount appropriated pursuant to section 11(b) for any fiscal year shall each be available for administration and for allocation among the States as provided in this section.

(b) ALLOCATION FORMULA.—Of the total amount appropriated for any fiscal year pursuant to each subsections (a) and (b) of section 11—

(1) the Secretary shall deduct so much, but not to exceed 8 percent thereof, as may be necessary for administering during such fiscal year the provisions of this Act relating to the purposes for which so appropriated;

(2) less the deduction under paragraph (1), the Secretary shall allocate—

(A) for the District of Columbia and the Commonwealth of Puerto Rico each a sum equal to not more than one-half of 1 percent of such amount; and

(B) for Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands each a sum equal to not more than one-sixth of 1 percent of such amount; and

(3) less the deduction under paragraph (1) and the sums allocated under paragraph (2), the Secretary shall allocate for each of the States (other than those provided for in paragraph (2)) a sum—

(A) one-third of which is based on the ratio to which the area of such State bears to the total area of all such States, and

(B) two-thirds of which is based on the ratio to which the population of such State bears to the total population of all such States,

except all sums allocated under this paragraph shall be adjusted equitably so that no State shall be allocated a sum which is less than one-half of 1 percent of the amount available for allocation under this paragraph for any fiscal year or more than 5 percent of such amount.

(c) TREATMENT OF AMOUNTS ALLOCATED BUT NOT USED FOR ANY FISCAL YEAR.—(1) That portion of any amount deducted by the Secretary under subsection (b)(1) for administrative purposes for any fiscal year and not expended during such fiscal year shall remain available for administrative purposes until the close of the next succeeding fiscal year and if not obligated or expended by the close of such succeeding fiscal year shall be available for disbursement by the Secretary without regard to subsection (b), to the States to carry out the purposes of this Act.

(2) That portion of any amount allocated to any State under subsection (b) (2) or (3) for any fiscal year and not disbursed to the State for such fiscal years under section 6 shall remain available for disbursement to the State under such section for the next succeeding fiscal year and if not disbursed for such succeeding fiscal year shall be available for disbursement by the Secretary, without regard to subsection (b), to the States to carry out the purposes of this Act.

SEC. 9. OTHER FEDERAL ASSISTANCE AND ACTIONS.

The Secretary and the chief executive officer of any other appropriate Federal department or agency may loan to any State such personnel and equipment of the department or agency, share such scientific or other appropriate information, and provide such other assistance as the Secretary or officer determines appropriate for purposes of assisting any State to develop or revise conservation plans.

SEC. 10. DISCLAIMERS.

Nothing in this Act shall be construed as affecting—

(1) the authority, jurisdiction, or responsibility of the States to manage, control, or regulate fish and resident wildlife under State law;

(2) any requirement under State law that lands, waters, and interests therein may only be acquired for conservation purposes if the owner thereof is a willing seller; and

(3) the authority of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468–1469; 7 U.S.C. 426–426b).

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

FOR DEVELOPMENT, REVISION, AND IMPLEMENTATION OF CONSERVATION PLANS AND ACTIONS.—There are authorized to be appropriated for purposes of making reimbursements under section 6 to States for the development and implementation of conservation plans and for administration of this Act under section 8 not to exceed $5,000,000 for each of fiscal years 1981, 1982, 1983, and 1984.

SEC. 12. STUDY.

The Director of the United States Fish and Wildlife Service, in consultation with affected parties, shall conduct, out of funds available for the administration of this Act a comprehensive study to determine the most equitable and effective mechanism for funding projects under this Act. On or before the expiration of the 30-month period following the date of enactment of this Act, the Director shall report to the Committee on Environment and Public Works of the Senate and to the Committee on Merchant Marine and Fisheries of the House of Representatives the results of such study, together with their recommendations with respect thereto.

● Mr. CHAFEE. Mr. President, I am happy that the Senate is approving today legislation that will provide badly needed Federal assistance to State wildlife resource agencies. The new funding will allow the States to improve their existing conservation programs and to move toward a more comprehensive system of fish and wildlife planning. It will enable them to focus new and innovative management efforts on species of wildlife to which present programs have heretofore given little attention or ignored. The planning and projects that will be made possible through this legislation will enable the States to address an inadequacy of most, if not all, existing wildlife programs in this country.

A little background information at this point will help, I believe, in explaining the problem and why it has developed. Over the years most of the wildlife programs which have been initiated at both the State and Federal level for the conservation of fish and wildlife have paid special attention to wildlife species which are taken for sport or food. This historically narrow approach to wildlife management stems not so much from a lack of concern on the part of wildlife managers for the other species of so-called nongame wildlife, but more from the fact that funds for wildlife conservation programs have always been scarce and those funds which were available have been derived almost wholly from the sale of hunting and fishing licenses and from taxes on sport hunting and fishing equipment.

Those citizens who have supported the existing programs can take great pride in what has been accomplished by these programs, and what with enhanced support and attention can be achieved in the future by them. I think we would all agree, however, that we could and should improve our ability to conserve and manage those many species of wildlife that are generally overlooked by existing programs. The bill the Senate is approving today will be crucial to this improvement effort.

Mr. President, the programs initiated pursuant to this legislation will benefit everyone who enjoys or appreciates wildlife, but I am particularly interested in what this legislation may portend for our inner city and urban citizens. There is a large and growing segment of our population who live in urban areas of our inner cities who have for a number of reasons been unable to reap much, if any, enjoyment from the wonderful wildlife resources with which this country has been blessed. This legislation provides an excellent chance for the Congress to improve the quality of life for these many Americans.

For example, through the proposed program, habitat that is directly accessible to these citizens and is suitable for nongame wildlife could be restored or created and then managed by State wildlife agencies. Along with these management efforts better information could be generated on how this wildlife, particularly songbirds, could then be enjoyed in urban situations. I hope the Congress will take this opportunity to bring to these many citizens the benefits that an association and understanding of wildlife can provide.

As I am sure many of my colleagues remember, the problems which I have just outlined were addressed during the last Congress and resulted in the unanimous approval by the Senate of legislation on this subject. Unfortunately, the House, though it was interested, was not able to approve its version of a nongame bill until very late in the second session, a fact which resulted in no bill being finally approved during the 95th Congress.

The legislation approved today builds on the experiences and knowledge gained last Congress and I believe this legislation will produce a more efficient and secure program than would have been possible under the previous legislation. It should also be noted that the House has already this session approved a bill concerning this matter and has expressed a desire for the Senate to move rapidly toward completion of similar legislation.

I look forward to working with our counterparts in the House to resolve any differences in the legislation and move a bill quickly to the President for his signature.

I ask to have printed in the Record a brief listing of some of the more important facts concerning the program envisioned in this legislation.

The material is as follows:

Facts of Interest Concerning the Fish and Wildlife Conservation Act of 1980

1. There is an imbalance in present wildlife management programs.

Over 95 percent of state and federal wildlife dollars go into programs for game species.

Management of habitat for a particular species alters the character of the land and may destroy habitat required for the survival of another species.

Whenever habitat is altered, some species will benefit and others will suffer.

2. There should be more balance in wildlife management, since 83 percent of all vertebrate species are nongame.

3. Some values of inventorying and assessing fish and wildlife in the states:

a. currently there is a paucity of such data.

b. data helps alert against endangered species:

70 percent of species currently on the threatened or endangered list were nongame at the time of their listing.

In 1990, 450 nongame species will be on the threatened or endangered list if present trends continue.

250 will be on the list in the next 5 years.

c. data aids in environmental-developer conflicts; the information gathered can allow for a comparison of impacts on fish and wildlife before actual development is underway.

After all, habitat destruction is the major cause of the decline in wildlife.

d. available data will help bring a reduction in the time needed to prepare an EIS (Environmental Impact Statement).

e. information will cause a reduction in paperwork; currently there are federal wildlife assistance programs resulting in the processing of over 900 individual state applications a year. This bill would consolidate those efforts to 50 annual applications.

4. This legislation is modeled after the successful Pittman-Robertson (hunting) and Dingell-Johnson (fishing) Acts. Established in 1937 and 1950, these Acts use an excise tax on sporting arms and ammunition (P–R) and on fishing equipment (D–J).

5. Other positive benefits:

a. Nongame legislation would broaden the funding bases of all wildlife programs, and game and nongame would both benefit. Furthermore, the availability of matching federal dollars would encourage the state legislatures to broaden the states' funding bases for wildlife programs.

b. When the nongame program is fully funded and implemented, it should help improve the image of state fish and wildlife agencies by bringing a better balance to their management.

c. It will demonstrate our concern for treaty commitments with other nations which were drawn in recognition of the international values of wildlife.

d. This legislation would help provide for the healthy maintenance of urban wildlife (primarily nongame). It will increase the urban dweller's appreciation of and interest in all fish and wildlife.

e. A nongame program will provide the public with relatively inexpensive and nonconsumptive recreational opportunities such as hiking, photography and wildlife appreciation.●

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–768), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

S. 2181, "The Fish and Wildlife Conservation Act of 1980," is intended to fill a gap in this country's existing fish and wildlife management programs. Current State and Federal programs are almost exclusively focused on game species. For the first time, S. 2181 will establish a comprehensive wildlife conservation program giving adequate attention to nongame as well as game species of wildlife.

The reported bill is designed to be integrated with the existing "game" wildlife laws, specifically the Dingell-Johnson (Federal Aid in Sport Fish Restoration Act) and Pittman-Robinson (Federal Aid in Wildlife Restoration Act). The management programs established under S. 2181 may reduce the possibility that species of wildlife will become endangered and in this sense may help avoid the use of the more stringent measures contemplated in the Endangered Species Act. The bill provides for comprehensive conservation plans, and specific nongame management projects undertaken pursuant to these plans, which can be reimbursed by the Federal government. Both plans and implementing actions are essential in the creation of effective wildlife management programs.

CONRAIL RECOMMENDATIONS AND U.S. RAILWAY AUTHORIZATIONS, 1981 AND 1982

The Senate proceeded to consider the bill (S. 2527) to provide for the submission of a plan of rationalization of rail properties of the Consolidated Rail Corporation, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

FINDINGS AND PURPOSES

Section 1. (a) The Congress hereby finds that—

(1) pursuant to section 206(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(a)), formulation of a final system plan was intended to effectuate the creation of a financially self-sustaining rail system in the Region as defined in that Act;

(2) despite Federal financing for the Corporation in the amount of more than $3,000,000,000 since enactment of the Regional Rail Reorganization Act of 1973, the goal of self-sustainability has not been achieved;

(3) existing funding is nearly exhausted and a request for a new Federal authorization may be forthcoming by mid- or late-1981;

(4) additional Federal investment for the Corporation should not be authorized in a time of inflation and severe budget constraints without assurance that a program is in place which will enable that carrier to become financially self-sustaining;

(5) there has been a certain amount of confusion among various agencies with regard to responsibility for the future of the Corporation;

(6) in order to insure that Congress has adequate information and to further insure cooperation between involved Federal agencies and the Corporation, it is imperative that Congress mandate specific recommendations and proposals by a time certain; and

(7) all parties should be fully aware that additional measures, such as implementation of a plan of rationalization, may be necessary in the near future.

(b) It is the purpose of this Act specifically to identify measures designed to ensure a self-sustaining system in the Region (as defined in section 102(15) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702(15)) in accordance with the goals of such Act. To that end, this Act requires the submission to Congress of recommendations dealing with the future structure and activities of the Corporation and future funding requirements for that carrier. Additionally, this Act assigns responsibilities to various Federal agencies subject to strict statutory deadlines, and provides for input from States and other interested parties. Wide participation is desirable, as it is the intent of Congress to take such further action as may be necessary, following consideration of the recommendations submitted pursuant to this Act.

DEFINITIONS

Sec. 2. For purposes of this Act, the term—

(1) "Association" means the United States Railway Association;

(2) "Commission" means the Interstate Commerce Commission;

(3) "Corporation" means the Consolidated Rail Corporation;

(4) "rail properties" means assets or rights owned, leased, or otherwise controlled by the Corporation which are used or useful in rail transportation service; and

(5) "Secretary" means the Secretary of Transportation.

RECOMMENDATIONS OF THE CORPORATION

Sec. 3. (a)(1) The Association shall, not later than November 15, 1980, make specific preliminary recommendations to the Congress with respect to future projected funding requirements of the Corporation. At the time of such submission, the Association shall also make specific preliminary recommendations to the Congress with respect to the future structure and activities of the Corporation in the Region (as defined in section 102(15) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702(15)) as it determines are necessary or appropriate to meet the goals set forth in section 206(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(a)), together with any specific legislation necessary to implement such recommendations.

(2) Following review of the preliminary recommendations by the Secretary and the Commission and comment by interested persons as provided in section 4 of this Act, the Association shall develop and submit to Congress, not later than March 1, 1981, specific final recommendations with respect to (1) future projected funding requirements of the Corporation; (2) future structure and activities of the Corporation in the Region; and (3) legislative proposals if necessary to implement such recommendations. The specific preliminary and final recommendations shall set forth alternatives for the Congress to consider in the event it determines that modification of the Association's recommendations is warranted.

(b) In developing recommendations in accordance with this section, the Association shall identify measures designed to ensure a financially self-sustaining system in the Region. The recommendations shall be based on analyses of rail properties which might be proposed for abandonment or transfer to another railroad or qualified person and proposed operating efficiencies which could improve the Corporation's revenue/cost relationship. The Association shall, in developing recommendations under this Act, analyze and consider—

(1) projections of the Corporation's future traffic, revenues, operating costs, and capital requirements;

(2) rail properties which might be proposed for abandonment or transfer to another railroad or qualified person, taking into account the potential impact of changes in the regulatory environment;

(3) the impact on communities served by lines proposed for abandonment or transfer;

(4) proposed operating efficiencies which could improve the Corporation's revenue/cost relationship;

(5) intercity and commuter passenger services provided by the Corporation and the impact of present and potential levels of train operations on both freight and passenger traffic on the Northeast Corridor;

(6) the impact on the Corporation of proposed mergers by connecting or competing railroads;

(7) employee motivation and labor productivity programs and a projection of labor protection costs which could result from the recommendations;

(8) the future capital structure of the Corporation; and

(9) any other factors identified by the Association to be relevant to the recommendations required to be developed and submitted pursuant to this Act.

SUBMISSION OF RECOMMENDATIONS BY THE CORPORATION

SEC. 4. Not later than October 1, 1980, the Corporation shall submit to the Association its recommendations with respect to (1) proposed operating efficiencies; (2) rail properties which might be proposed for abandonment or transfer for continued operation to another railroad or qualified person; and (3) other recommendations which would assist in ensuring a self-sustaining system in the Region, together with proposed legislative changes necessary in connection with the proposed recommendations.

REVIEW AND EVALUATION

SEC. 5. (a) The Association shall, on the date of submission of preliminary and final recommendations to Congress, transmit copies of such recommendations to the Secretary, the Commission, the Governor and the public utility commissioner of each State which could be affected by such recommendations. Upon request, the Association shall furnish a copy of such recommendations to any interested person.

(b) As soon as practicable after submission to Congress of its preliminary and final recommendations, the Association shall publish in the Federal Register a summary of its recommendations and invite interested parties to comment on the recommendations.

(c) Within 30 days of receipt of the Association's preliminary and final recommendations, the Secretary and the Commission shall review such recommendations and submit a critique and evaluation thereof to Congress and the Association. In such evaluation, the Secretary and the Commission shall specifically indicate whether additional legislation is necessary or whether existing laws and procedures are adequate to implement such proposed recommendations.

RELATIONSHIP TO OTHER LAWS

SEC. 6. The antitrust laws, as defined in section 601(a)(3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791(a)(3)), are inapplicable with respect to any action taken in accordance with the provisions and under authority of this Act.

AMENDMENT TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

SEC. 7. Section 210(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 720(e)) is amended by inserting immediately after "section" in the first sentence thereof the following: "or under subsection (a) of section 306 of this Act".

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—There are hereby authorized to be appropriated to the Association for purposes of its administrative expenses such sums as are necessary, not to exceed $31,500,000 for the fiscal year ending September 30, 1981, and $25,500,000 for the fiscal year ending September 30, 1982, to remain available until expended.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read:

A bill to provide for the submission of recommendations with respect to the future structure and activities of the Consolidated Rail Corporation, for authorization of appropriations for the United States Railway Association, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–777), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

S. 2527, as reported, is designed to provide a framework for congressional review and action with regard to Conrail's future. The legislation focuses on identifying measures designed to ensure a self-sustaining system in the Northeast and should provide the necessary information for congressional decisions on future funding for Conrail and the future structure of that carrier. The bill also authorizes appropriations of $31.5 million for fiscal year 1981 and $25.5 million for fiscal year 1982 for the United States Railway Association (USRA).

In accordance with section 206(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 715(a)), formulation of a final system plan was intended to effectuate the creation of a financially self-sustaining rail system in the region served by Conrail as defined in that act. Despite Federal financing of more than $3 billion, the goal of self-sustainability for Conrail has not been achieved, and it appears that a request for new Federal authorization may be forthcoming by mid or late 1981. In these circumstances, an in-depth review of Conrail's financial situation and future funding requirements appears necessary, and the bill, as introduced, called for a review of this nature and the development of a plan of rationalization. Testimony at the hearings, however, indicated that development of a plan of rationalization (including specific abandonments and transfers) might be premature, particularly in view of pending legislation involving relaxation of rail regulation which could affect decisions with regard to particular lines. The bill was subsequently revised to focus on identifying, as opposed to implementing, measures designed to insure a self-sustaining system in the region served by Conrail.

Closely related to the issues concerning Conrail's future is a request of USRA for authorization of appropriations for administrative expenses. The USRA was created by the Regional Rail Reorganization Act of 1973 to develop and carry out a plan for restructuring the bankrupt railroads of the Northeast region into an economically viable system that would meet the transportation needs of the region. As a result of that directive, Conrail came into existence on April 1, 1976, as the Nation's longest railroad. USRA's functions include: monitoring of Conrail, contingency planning, control of Government financial support to Conrail, and representation of the interest of the United States in litigation concerning the value of the property transferred to Conrail. To continue these functions, USRA requested an appropriation of $29.5 million for fiscal year 1981. Subsequently, the Association asked for an increase in its requested authorization to perform the additional functions contemplated in this legislation. USRA's Board of Directors adopted a resolution in early 1980 stating that USRA's non-litigation functions should be transferred to the Department of Transportation by the end of 1981. However, litigation functions represent a large portion of its work: approximately 77 percent of USRA's 1979 funds were expended in support of the valuation litigation. Also, the resolution was premised upon the completion by the end of 1981 of USRA's role in establishing a self-sustaining private sector rail transportation system in the Northeast. Determination of the timing of such a transfer does not appear advisable until a solution or solutions to rail transportation problems in that area are more clearly defined. For that reason, the Committee is providing an authorization for fiscal year 1982 as well as 1981.

EARTHQUAKE HAZARDS REDUCTION ACT

The Senate proceeded to consider the bill (S. 1393) to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) to extend authorizations for appropriations, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) is amended to read as follows:

"SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

"(a) FEDERAL EMERGENCY MANAGEMENT AGENCY.—There are authorized to be appropriated to the Federal Emergency Management Agency to carry out the provisions of this Act (in addition to the authorization set forth in subsections (b) and (c) of this section) not to exceed $5,000,000 for the fiscal year ending September 30, 1981; not to exceed $10,000,000 for the fiscal year ending September 30, 1982; and not to exceed $10,000,000 for the fiscal year ending September 30, 1983.

"(b) GEOLOGICAL SURVEY.—There are authorized to be appropriated to the Secretary of the Interior for purposes of carrying out, through the Director of the United States Geological Survey, the responsibilities that may be assigned to the Director under this Act not to exceed $27,500,000 for the fiscal year ending September 30, 1978; not to exceed $35,000,000 for the fiscal year ending September 30, 1979; not to exceed $40,000,000 for the fiscal year ending September 30, 1980; not to exceed $32,500,000 for the fiscal year ending September 30, 1981; not to exceed $40,900,000 for the fiscal year ending September 30, 1982; and not to exceed $45,600,000 for the fiscal year ending September 30, 1983.

"(c) NATIONAL SCIENCE FOUNDATION.—To enable the Foundation to carry out responsibilities that may be assigned to it under this Act, there are authorized to be appropriated to the Foundation not to exceed $27,500,000 for the fiscal year ending September 30, 1978; not to exceed $35,000,000 for the fiscal year ending September 30, 1979; not to exceed $40,000,000 for the fiscal year ending September 30, 1980; not to exceed $26,600,000 for the fiscal year ending September 30, 1981; not to exceed $35,200,000 for the fiscal year ending September 30, 1982; and not to exceed $37,000,000 for the fiscal year ending September 30, 1983.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read:

A bill to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) to extend authorizations for appropriations, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–778), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The purpose of the bill is to authorize appropriations to the Federal Emergency Management Agency, the U.S. Geological Survey, and the National Science Foundation to carry out provisions of the Earthquake Hazards Reduction Act of 1977. The bill authorizes appropriations of $5 million, $10 million, and $10 million for fiscal years 1981, 1982, and 1983 to the Federal Emergency Management Agency; $32.5 million, $40.9 million, and $45.6 million for fiscal years 1981, 1982, and 1983 to the U.S. Geological Survey; and $26.6 million, $35.2 million and $37.0 million for fiscal years 1981, 1982, and 1983 to the National Science Foundation.

CONVEYANCE OF LAND TO THE UTE MOUNTAIN UTE TRIBE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources and the Committee on Indian Affairs be discharged from further consideration of H.R. 5036 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5036) to require the Secretary of the Interior to convey a parcel of land located in Colorado to the Ute Mountain Ute tribe and to pay an amount to such tribe for economic development.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

S. 2066 INDEFINITELY POSTPONED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar No. 811, S. 2066, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION ON WEDNESDAY OF S. 2698, SMALL BUSINESS ADMINISTRATION AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the Senate's return to session on Wednesday of next week, following the recognition of the two leaders under the standing order, the Senate proceed to the consideration of Calendar No. 755, S. 2698, a bill to provide authorizations for the Small Business Administration, with the understanding that the Senate will not be in session tomorrow.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I express my appreciation to the majority leader for that statement. We have negotiated at some length this morning to try to find a suitable measure for the attention of the Senate when we return on Wednesday. This is cleared on our side, and I think it is a good arrangement of the calendar of activities on our return.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope that before the day is over, we can lock in another measure or so to follow on the heels of the small business measure.

ADJOURNMENT OF THE TWO HOUSES OVER THE MEMORIAL DAY HOLIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 342.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 342, which will be stated.

The assistant legislative clerk read as follows:

H. Con. Res. 342

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, May 22, 1980, it stand adjourned until 3 o'clock post meridiem on Wednesday, May 28, 1980, and that when the Senate recesses on Friday, May 23, 1980, it stand in recess until 11 o'clock ante meridiem on Wednesday, May 28, 1980.

UP AMENDMENT NO. 1106

Mr. ROBERT C. BYRD. Mr. President, I call upon an amendment at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd) proposes an unprinted amendment numbered 1106:

On page 1, line 4, strike "Friday, May 23," and insert in lieu thereof "Thursday, May 22,".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The concurrent resolution (H. Con. Res. 342), as amended, was agreed to as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, May 22, 1980, it stand adjourned until 3 o'clock post meridiem on Wednesday, May 28, 1980, and that when the Senate recesses on Thursday, May 22, 1980, it stand in recess until 11 o'clock ante meridiem on Wednesday, May 28, 1980.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I thank my distinguished senior colleague for his courtesy and patience in waiting. It did allow the joint leadership to get some matters passed.

Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, for not to exceed 1 hour, and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

The senior Senator from West Virginia is recognized.

IMPORTANCE OF COAL

Mr. RANDOLPH. Mr. President, this morning, in West Virginia, at the Greenbrier in White Sulphur Springs, the opening session of the Aluminum Association was held. President S. L. Goldsmith, Jr., presided and Chairman John E. Blomquist also spoke. There were 350 leaders of this vital industry present.

The importance of energy legislation now pending was the subject matter of a very informative address by the Governor of the State of West Virginia, John D. Rockefeller IV, who emphasized the need for aggressive and immediate steps in this area. I feel my colleagues would be interested in a portion of his cogent comments.

Our Governor stated that he is "frustrated by the slowness with which the Nation has turned to coal despite the energy situation we are in at the present." But he added that his role as the chairman of the President's Commission on Coal has helped change the Nation's focus to coal. He continued:

America has to turn deliberately, and with a sustained commitment, to substitute coal for imported oil if we are to adequately insure America's economy from the risk of oil supply interruption in the 1980's . . . and shield our economy from the devastation of repeated OPEC price increases.

My view of what has to be done is clear. It hasn't changed. And it is embodied, for the most part, in legislation now pending before the Congress of the United States . . . legislation submitted by the administration which proposes to substitute coal for oil in the nation's utilities, the centerpiece of our Coal Commission recommendation.

What we're saying, in essence, is this:

Conservation of energy is absolutely essential. But conservation alone is insufficient as an energy policy for America.

Solar development likewise is necessary. But insufficient as an energy policy for America.

Both must be accompanied by a readjustment in present, inappropriate use of oil, natural gas and coal.

Oil is a transportation fuel. And it should be replaced, wherever possible, by coal and natural gas, and reserved for petrochemical and transportation uses.

Natural gas is a precious fuel, clean-burning and easy to transport—and should be reserved for home heating and industrial uses that require its energy qualities.

Coal—our most abundant fuel—is properly burned under large industrial and utility boilers, and this is where it should play its part in reducing oil dependency in the decade ahead.

Mr. President, as my colleagues know, Governor Rockefeller was appointed by the President of the United States as the chairman of the President's Commission on Coal. In that position—and through the final Commission report provided to the public a few weeks ago—it became clear that the work of Governor Rockefeller and his Commission members, had made a very substantial contribution to the enlightenment of the American people as to the imperative need to mine, move, market our most abundant fossil fuel—coal.

Coal is mined in many States of the Union—West Virginia, in Appalachia; Wyoming, in the Rocky Mountain States—throughout America there is the ability to produce coal. Using coal as a base stock, we have long had the technology for a synthetic liquid fuels industry in the United States.

Today it is repetitive to indicate, but I do so for the record, that in 1980, the American people will spend 90 billion dollars for foreign oil, the oil used in motor fuel, in aviation fuel, and in household heating. This petroleum from unstable and largely unfriendly countries overseas has, in a sense, for years held the American people and this Republic hostage. We have the problem of the hostages in Tehran. But we have also the tragedy of a nation of some 225 million men, women, and children—the United States of America—being hostage to the supplies of oil which are doled out by countries who decide what amounts they wish to sell in the United States and what price will be paid by the consumers in the United States.

So, it is not an overstatement. It is a truism that as a people, as a country, as a government, we are hostage in this larger sense to the supplies of petroleum from overseas.

Yesterday, as I reported in West Virginia, conference agreement was reached on the National Security Act, in which I had the privilege to participate. This measure which contains as title I of the bill the Energy Security Corporation which is charged with developing a synthetic fuels program, should come before the Senate during the next month or so. The sooner the better, because it is imperative that we at long last initiate and carry forward the synthetic liquid fuels program which has the imprint of both of the Houses of Congress upon it and now, yesterday, has the agreement of the Senate conferees and returns to both of our bodies ready for action.

The release of the equivalent in barrels of oil now coming day by day or month by month or year by year from overseas cannot be stemmed immediately by a synthetic liquid fuels program. It will take several years. But it must come 500,000 barrels per day by 1982, 2 million barrels a day by 1992. We, as a country, not speaking of an administration, or a legislative body, have finally realized the impact of a tragedy which has beset us and will continue if we continue to rely upon foreign sources of energy.

I think it was very significant that there was this convention of many companies and an industry involved in the manufacture of aluminum products. Present there were the leaders and the policymakers of an industry in this country, which has a very genuine concern in connection with alternate sources of energy. They wish to move as quickly as possible to supplant the foreign supplies of energy with which we are being choked and which, of course, is causing this country huge expenditures which, impair the balance of payments.

So, the need of commitment to synthetic liquid fuels was discussed this morning in West Virginia. It was discussed, of course, by those within an important industry, with a Governor, and with a Senator who know such fuels will work.

The commitment within the Senate to a synthetic liquids fuels program is substantial. The knowledgeable majority leader, Senator ROBERT C. BYRD of West Virginia, realizes the importance of action in this area of legislation. I have often indicated his leadership which will enable us to work as quickly as possible through the process of legislation to bring to fruition a measure that can go to the desk of the President for signature, a signature that I hope will come and believe will come. It is part of the energy program of the President and enactment I trust within not many weeks, but a very, very few weeks, can be accomplished.

Also, at our West Virginia breakfast there was mention by the participants that we have already witnessed progress on the matter of converting utility plants, those boilers now fired by oil and natural gas to what we call coal conversion.

That conversion to coal from oil and natural gas is under process, the legislation introduced by many Members of our two bodies. That legislation is now being marked up. One session has already been held in the Senate upon that important issue.

The oil replaced by The Fuel Conversion Act (S. 2470) could be used for other purposes—oil supplanted by coal in the utilities of this country. One hundred and seven of those electric utilities that are today burning within their boilers this petroleum coming from overseas, which then supplies the power which services all types of markets, homes of millions of the American people, would convert to coal. The plants which produce electricity that an America lives upon to a large degree during many hours of the 24-hour day, would convert from imported oil to coal.

I do not believe that, in speaking at such length on this subject, I have labored the RECORD. What I have said must become known to the American people as a whole. Sometimes there needs to be more exposure on a subject, other than what we read in a headline, we see on television comment, or we listen to on our radio.

Here is something that must come home with an impact not only in this body and in the House but in the administration through the White House, and the agencies like the Department of Energy and our soon to be Energy Mobilization Board. It is something that must become a part of the conscience of the American people, to understand that in the coming weeks there will be no more important legislation considered on the Hill. There will be emergency legislation, I understand of one type or another which is highly important—but the energy problem must be solved, the programs must be put in being, the rhetoric must cease, and the action must take place here on the Hill, at the White House, and in the agencies that will carry these programs forward.

There is no more important element in all of this commitment than the individual citizen, Mr. and Mrs. America, father and mother and children, all America, who must not only recognize but must be eager to see this done.

For those who are in the gallery, I say you have not only the right and the privilege but you have a responsibility, if you wish to exercise it, of saying to your Member of the House from the district in which you live, that this is an important matter.

Frankly, the future of this country depends upon the action of which I speak as being vitally needed today.

You have a Senator whom you know, you have two Senators who represent you. I suggest this not just for the writing of another letter but the writing of a very important personal letter to your Representatives and to your Senators.

I hope—perhaps I even should say I appeal to the American people, to all of the constituency—that you send the word on energy to us; that this is a priority of a magnitude which we cannot cast aside.

In conclusion, I say, Mr. President, we are not at war and, hopefully and prayerfully, I trust, we shall never have to go to war this year, next year or in the history of our country.

I read often the words of Alfred Lord Tennyson in Locksley Hall, written, of course, over a century ago, in which he prophesied what was going to happen. He spoke about the "nation's airy navies grappling in the central blue." He was talking about the aircraft that are engaged in warfare. He spoke in his prophetic lines of the "pilots of the purple twilight dropping down with costly bales," and he was speaking about the airlines of this country and the part they performed in transportation—prophetic lines over and over and over.

Then there were these lines which, if

the others have come true, I only wish these words can come true:

Till the war drum throbbed no longer and the battle flags were furled
In the Parliament of Man, the Federation of the World.

But, Mr. President, if war should come to us from any quarter we would not be able to do the job of defending the security of our Nation and our people without adequate supplies of fuel created through an independence of energy which we can supply within the United States of America.

Charles Dickens said, "These are the worst of times," as he wrote. But he also said, "These are the best of times." He spoke about the night of despair, he spoke about the morning of hope.

If George Washington, Mr. President, could, with nothing really, as Commander in Chief, win our independence only an abundance of faith, then we with that same faith not in a President because he is a Democrat or a Republican or not because the Congress has a majority of one party or the other, must see the energy problems of this country are solved and our institutions of this country remain intact.

Turning from the subject matter that I have addressed, I wonder if America realizes today, the people within our country, Mr. President, that those who are eligible to vote in this country are not at the polls except in a percentage of less than 50, which means that we are becoming a minority Nation, instead of a majority working its will over the minority. The minority is currently working its will over the majority.

I was reelected in 1978; During that year the vote in this country for seats in the Senate and in the House of Representatives, taken nationwide, Mr. President, in your State and other States, was only 34 percent of the qualified eligible registered voters. I hope that this year this tragic trend can be reversed. I trust that it will be.

The responsibilities if citizenship, regardless of individual preference or party affiliation, must go beyond those considerations, as we remember that our Republic was founded for the people, of the people, but the most important of all by the people. And so we have the opportunities here for the participation by the people and the opportunities evaporate if the responsibilities are not there.

I have served for and with eight Presidents of the United States. I took my oath of office at the other end of the Capitol as a Member of the House of Representatives on March 4, 1933, the same day that Franklin Roosevelt took his oath of office on Capitol Hill as the President of the United States.

Perhaps the best way, at times, to finish a talk like this one, which is—rather somber—would be for me to state to my colleague and friend, the Senator from Maryland, Senator MATHIAS, that Presidents come and go, I am happy in this work and want only to remain on the job.

Mr. MATHIAS. Mr. President, the Senator from West Virginia does indeed keep on the job. I do not think there is any Member of the Senate who is on the job more than the Senator from West Virginia. It has been a pleasure for me and a valuable experience to hear his remarks today.

As has been so often through the years, I find myself in substantial agreement with the Senator. Certainly, it is a challenge to the American people, in this very difficult year of 1980, that every qualified voter in this country should, as the Senator from West Virginia has pointed out, come out and discharge that minimum duty of the citizen, which is to participate in the electoral process.

It was my privilege a few years ago to serve on a panel of the American Bar Association which was looking at the electoral process. The study that we made at that time indicated that the high watermark in voting participation in America occurred in the State of Michigan in the last decade of the last century, about 1896, as I remember it, in which over 90 percent of the qualified voters turned out and voted. Since that time, there has been a gradual decline in voter participation.

I join with the Senator from West Virginia in deploring that decline and in hoping that the people of this country will view 1980 as the serious year that he and I believe it to be: and that the serious decisions that will be made this year, which will have an effect on generations to come, will be considered important enough to every American that he and she will come out and exercise the duty—not only the right, but the duty—to vote.

On the happier side of his remarks, I want to congratulate him on what he has done to make coal an alternative to imported oil. Two industries with which he is familiar, the Kelly-Springfield Tire Co. and the Celanese Co., both in Cumberland, Md., have reconverted to coal. The good news there is that they are now burning coal and they are doing it within environmental standards. They have not gone back to the old days of spraying soot all over the landscape, as was once thought to be necessary with coal.

In part, because of some of the legislation that the Senator from West Virginia has proposed, we now have better technologies for burning coal. So that those two Maryland companies, among many others, but those two with which the Senator is personally familiar, are now burning coal and they are burning it at a 20-percent fuel saving in dollars.

But, more importantly, they are burning it within a few miles of the spot from which it is extracted from the ground. They are not having to bring it from foreign shores in foreign ships to America, with all the hazards that that involves to our national independence.

So it is a serious time. It is a year that demands the attention and the participation of every voter, but it is a time that is not without hope, not without some solutions in sight. We are all grateful to the Senator from West Virginia for having been the author of many of those solutions.

Mr. RANDOLPH. I wish to thank my colleague for his generous—too generous—remarks. I am grateful.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

Mr. MATHIAS. Mr. President, the reauthorization of the Juvenile Justice and Delinquency Prevention Act gives us the chance to take a close look at our national effort to combat juvenile delinquency and determine what direction this effort should take in the future.

In the past few years, we have tried to find a balance between protecting the public and providing our troubled youth with an opportunity to live productive, noncriminal lives. The Juvenile Justice and Delinquency Prevention Act of 1974 and the amendments of 1977 have been the primary vehicles for seeking this balance on the Federal level.

Even so, the alarming crime rate among youngsters continues and has quite naturally triggered a "get-tough," "lock-em-up" attitude on the part of many people. Experience has taught us, however, that our prisons serve as graduate schools in crime, pure and simple. Instead, prevention of delinquency and rehabilitation of juvenile offenders must be the focus of our efforts.

In my home State of Maryland, juvenile delinquency has decreased and, at the same time, Maryland has succeeded in completely removing all juveniles from adult jails. I am proud of these accomplishments, and of the various programs in the State which have made these advances possible. Many of these programs were made possible through the Juvenile Justice and Delinquency Act.

S. 2441, the Juvenile Justice and Delinquency Prevention Act Amendments of 1980, renews our congressional commitment to prevent juvenile delinquency for an additional 5 years. It also reauthorizes the Runaway Youth Act. The purpose of the Runaway Youth Act is to create a network to provide assistance and protection to homeless youths, youths on the run. The reasons young people become runaways are complex and deep-seated: Parental drug and alcohol abuse, personal strife, parental emotional instabilities, peer relationships, trouble at school and parental abuse are all viewed as contributing factors. Other young people would more properly be termed "throw-aways"—they have left home because they have been told they are no longer wanted and must leave. These kids are truly homeless. When a troubled youth runs to escape from his or her environment, it is imperative that there be someone, somewhere, to listen, to help, to provide protection and survival needs. The Runaway Youth Act is the Federal Government's attempt to encourage and aid States in this important work, and to help children in this situation outside of the juvenile justice system.

A few days ago, I called to the attention of my colleagues an article by Carl Rowan which appeared in the Washington Star entitled "Some Sad Facts About America's Children." At that time, it occurred to me that as we strive to conserve the Nation's financial resources, we must also take steps to insure that precious human resources are not wasted. The annual cost of juvenile delinquency is enormous in economic terms. But it is even more devastating in human terms. An effective Federal campaign to prevent juvenile delinquency may result in a brighter future for countless young people; that is my idea of a cost-effective program.

I commend the Senator from Indiana (Mr. BAYH) for his dedication and hard work on this reauthorizing legislation and for his advocacy of a more humane and constructive juvenile justice system.

WASHINGTON GROVE, MD.

Mr. MATHIAS. Mr. President, in this era of increasing urbanization, of hectic lifestyles, of rapid change and "future shock," it is refreshing to find that a few places in our country have managed to preserve the small town character and pace that are now, for most of us, only a memory. One such place is the town of Washington Grove, Md., whose unique attributes were recognized April 17 when the town was placed on the National Register of Historic Places.

Washington Grove is an incorporated town in central Montgomery County contained within its own forest preserve. It is one of the few communities in America which has dedicated more of its lands to wilderness preservation than to urban development.

Founded over a century ago as a religious camp meeting ground, Washington Grove evolved into a summer retreat from the heat of Washington, D.C., and became a cultural stop on the Chautauqua circuit before its present incarnation as a community of individualistic, largely Gothic Revival cottages, whose year-round residents jealously guard their community against encroachment from commercial, industrial, or residential developers.

Located on the Baltimore & Ohio Railroad between Gaithersburg and Rockville, this historic district occupies 200 acres, or about 0.3 square miles. The town consists of 175 houses and has a population of about 600 persons. Parks and forest preserves constitute 57.5 percent of the town's area.

In 1873 the B. & O. Railroad line opened and the Methodist church bought an area encompassing the present town to be used as a camp meeting ground for summer preaching missions. The campground was laid out with six avenues radiating from a circle, appropriately named the "Sacred Circle," in which a wooden tabernacle was constructed. Some 250 tents were erected along the avenues leading to the circle during the first summer. Generally over the years the canvas tents were replaced by wooden tents and then by wooden cottages; but these cottages retained one important feature of their predecessors—a sharp-peaked roof, pointed toward heaven. This "Early Methodist Architecture," embellished with gingerbread trim, stained-glass windows, and broad porches, characterizes many of the homes in Washington Grove today.

Contributing significantly to both the neighborliness and the tranquillity of the community was the fact that the houses all faced on to walkways, not streets. Carriages, and later cars, were restricted to roads which ran behind the houses. The walkways were originally designed to enhance the safety of women and children; and the dozen walkways that remain still provide safe, traffic-free areas ideal for strolling, jogging, children's games, and bike riding.

Over the last 50 years the town has become a year-round community and was incorporated in 1937. It holds to many of its old traditions, however, including the fact that its governance rests in an annual town meeting and that most of the governmental functions are performed on a volunteer basis by town residents. Its octagonal town hall, its "swimming hole," and the gazebo in the main town park serve as the settings for many of the community functions which have drawn the people of the town together: The annual Fourth of July celebration, with its parade of children of all ages, dogs, and others, and its potluck supper and bonfire; the baroque breakfast, when harpsichord and recorder music by town residents fills the air on a Sunday morning in spring; the field day, when athletes of all ages compete in soccer, mile runs, three-legged races, and a watermelon-seed-spitting contest; and the Christmas concert, when children and adult choirs perform both rare and popular Christmas songs, accompanied by a brass ensemble, bell ringers, and other traditional instrumental groups.

A former mayor and poet laureate, Irving McCathran, once described Washington Grove as "a town within a forest, an oasis of tranquillity, a rustic jewel in the diadem of the great Free State of Maryland." The town is all of that and more, and I congratulate its citizens on Washington's Grove nomination to the National Register. But even more I congratulate them for cherishing traditions and its historic resources and for preserving them.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:18 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2253) to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3. An act to provide, with respect to the national park system: for the establishment of new units, for adjustments in boundaries; for increases in appropriation authorizations for land acquisition and development; and for other purposes;

H.R. 5391. An act to amend chapter 42 of the Internal Revenue Code of 1954 with respect to the determination of second tier taxes;

H.R. 6940. An act to amend the Federal Food, Drug, and Cosmetic Act to strengthen the authority under that Act to assure the safety and nutrition of infant formulas, and for other purposes; and

H.R. 7102. An act to amend title 38, United States Code, to promote the recruitment and retention of physicians, dentists, nurses, and other health-care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 345. Concurrent resolution directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 2253.

At 1:09 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes.

At 3:21 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the amendments of the Senate to the concurrent resolution (H. Con. Res. 345) directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 2253.

The message also announced that the House agrees to the amendments of the Senate to the concurrent resolution (H. Con. Res. 342) providing for an adjournment of the House from May 22 to May 28, 1980, and a recess of the Senate from May 23 to May 28, 1980.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 3. An act to provide, with respect to the national park system: for the establishment of new units, for adjustments in boundaries; for increases in appropriation authorizations for land acquisition and development; and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 5391. An act to amend chapter 42 of the Internal Revenue Code of 1954 with respect to the determination of second tier taxes; to the Committee on Finance.

H.R. 6940. An act to amend the Federal Food, Drug, and Cosmetic Act to strengthen the authority under that Act to assure the safety and nutrition of infant formulas, and for other purposes; to the Committee on Labor and Human Resources.

HOUSE BILL PLACED ON CALENDAR

The following bill was read by title and placed on the calendar:

H.R. 7102. An act to amend title 38, United States Code, to promote the recruitment and retention of physicians, dentists, nurses, and other health-care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3844. A communication from the Secretary of the Senate, transmitting, pursuant to law, a report of receipts and expenditures of the Senate, showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in his possession from October 1, 1979, through March 31, 1980; ordered to lie on the table and be printed.

EC–3845. A communication from the Deputy Assistant Secretary of Defense, reporting, pursuant to law, the Army's determination and findings indicating the necessity and approval to exclude the clause from the contract with the Federal Republic of Germany to engineer, furnish, and install a European telephone system to support U.S. forces; to the Committee on Armed Services.

EC–3846. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Is The Joint Air Force/Navy Alternate Engine Program Workable? GAO Thinks Not As Presently Structured," May 9, 1980; to the Committee on Armed Services.

EC–3847. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Action Needed To Better Protect Investors From Fraud In Purchasing Privately Placed Securities," May 14, 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC–3848. A communication from the Secretary of Commerce, reporting, pursuant to law, that validated licenses be required for exports to the Soviet Union of phosphate rock, phosphatic fertilizers and phosphoric acid of all levels of concentration; to the Committee on Banking, Housing, and Urban Affairs.

EC–3849. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission will be unable to render a final decision in Docket No. 37301, Restricted Transit, Trans-Continental Shipments of Ohio, within the specified 7-month time period; to the Committee on Commerce, Science, and Transportation.

EC–3850. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "ICC's Enforcement Program Can Be More Effective In Halting Violations and Preventing Their Recurrence," May 19, 1980; to the Committee on Commerce, Science, and Transportation.

EC–3851. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Stringent Revenue Sharing Act Requirements Are Upgrading State and Local Governments' Audits," May 16, 1980; to the Committee on Finance.

EC–3852. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days of the execution thereof; to the Committee on Foreign Relations.

EC–3853. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–183, "Closing of a Public Alley in Square 4068 Act of 1980" and report, adopted by the Council on May 6, 1980; to the Committee on Governmental Affairs.

EC–3854. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–188, "District of Columbia Workers Compensation Act of 1979" and report, adopted by the Council on May 5, 1980; to the Committee on Governmental Affairs.

EC–3855. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–187, "District of Columbia Architectural Barriers Act of 1980" and report, adopted by the Council on May 6, 1980; to the Committee on Governmental Affairs.

EC–3856. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–184, "District of Columbia Documents Act Amendment of 1980" and report, adopted by the Council on May 6, 1980; to the Committee on Governmental Affairs.

EC–3857. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–182, "Cooperative Loan Interest Rate Modification Act of 1980" and report, adopted by the Council on May 6, 1980; to the Committee on Governmental Affairs.

EC–3858. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report on recommendations of the National Commission on New Technological Uses of Copyrighted Works made to the President on July 31, 1978; to the Committee on Governmental Affairs.

EC–3859. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–3860. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report on identical bidding in advertised public procurement; to the Committee on the Judiciary.

EC–3861. A communication from the Executive Director, Marine Mammal Commission, transmitting, pursuant to law, a report concerning activities under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3862. A communication from the Secretary of Health and Human Services, reporting, pursuant to law, a delay in submission of the report on the National Health Service Corps (NHSC); to the Committee on Labor and Human Resources.

EC–3863. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, a report entitled "Working Together: A Plan to Enhance Coordination of Child Abuse and Neglect Activities," Advisory Board on Child Abuse and Neglect, May 1980; to the Committee on Labor and Human Resources.

EC–3864. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Egypt for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3865. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to Japan for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3866. A communication from the Assistant Secretary of the Navy (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the operation and maintenance of transportation equipment function at the Naval Air Station, Cecil Field, Florida, and a decision that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC–3867. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction of the Bank involving United States exports to France; to the Committee on Banking, Housing, and Urban Affairs.

EC–3868. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on section 212 of the Housing and Community Development Act of 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–3869. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Emergency Allocation Rules Fail To Recognize Needs of Petrochemical Industry"; to the Committee on Energy and Natural Resources.

EC—3870. A communication from the Secretary of Energy, transmitting, pursuant to law, a study of the uses of petroleum and natural gas as a primary energy source for combustors and installations not subject to the Powerplant and Industrial Fuel Use Act of 1978; to the Committee on Energy and Natural Resources.

EC–3871. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, notice of an application from Curtis Canal Co. and Graham Canal Co., Arizona, for a second supplemental urgent grant under the Small Reclamation Projects Act; to the Committee on Energy and Natural Resources.

EC–3872. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of the reports of the General Accounting Office for April 1979; to the Committee on Governmental Affairs.

EC–3873. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, the third annual report on the National Health Service Corps scholarship program, covering calendar year 1979; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and referred as indicated:

POM–733. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Appropriations:

"HOUSE RESOLUTION No. 202

"Whereas, The House Select Committee-TMI found that the cost for local governments, volunteer emergency action groups and the Commonwealth to provide the necessary radiological training programs and the required radiological protective clothing and monitoring equipment could be significant, and that the necessity of having such training programs, clothing and equipment is a direct result of the use of nuclear power by Pennsylvania utilities; and

"Whereas, The committe found that the power generated by nuclear power plants located in Pennsylvania benefited, not only the citizens of Pennsylvania, but also the citizens of neighboring states; and

"Whereas, The committee understands that production of power by the use of nuclear energy, in consideration of the current energy problem in the country, will continue for at least the foreseeable future to the benefit of all of the citizens of the United States; and

"Whereas, The committee found that one of the essential medical elements required by nuclear emergency response teams was the thyroid blocking agent, potassium iodide, and that sufficient supplies of this chemical in usable form was not available in the vicinity of TMI; therefore be it

"Resolved, That the House of Representatives strongly urges the Pennsylvania Public Utility Commission to adopt regulations or adopt rulings providing for the assessment against utilities operating nuclear power plants, of the cost of providing programs necessary to train State and local emergency reaction teams to handle nuclear or radiological emergencies and for the cost of appropriate equipment and clothing for such teams in possible danger areas surrounding nuclear power plants; and be it further

"Resolved, That the House of Representatives urge the Congress of the United States to appropriate sufficient funds to reimburse the individual states for their contribution to providing education and training programs for emergency response in cases of nuclear accident and to reimburse the individual states for their contribution for equipment and clothing required to safely permit the emergency response personnel to provide necessary assistance in the case of nuclear emergency; and be it further

"Resolved, That the House of Representatives urge the Pennsylvania Secretary of Health to immediately make provision to have an adequate supply of potassium iodide available in the vicinity of all nuclear power plants in the Commonwealth to respond to any nuclear emergency which might require the use of such chemical; and be it further

"Resolved, That the House of Representatives requests the chairman of the Pennsylvania Public Utility Commission and the secretary of the Pennsylvania Department of Health to indicate to the chairman of the Select Committee on Three-Mile Island, in writing within 30 days following receipt of a copy of this resolution, the status of the recommendations set forth herein; and be it further

"Resolved, That a copy of this resolution be transmitted to the Chairman of the Pennsylvania Public Utility Commission, the Pennsylvania Secretary of Health, the presiding officers of the House of Representatives and the Senate of the Congress of the United States, and the Chairman of the Nuclear Regulatory Commission."

POM-734. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Banking, Housing, and Urban Affairs:

"House Resolution No. 206

"Whereas, The House Select Committee—TMI found that during the period immediately following the incident at Three Mile Island, there was a minor run on the banks in the vicinity of TMI by persons desiring to obtain funds for use in case of evacuation; and

"Whereas, The committee concluded that, should an evacuation have been ordered, many persons would not have been able to obtain their funds from banks in the evacuated area; and

"Whereas, The committee concluded that it would impose extreme hardship on the evacuated citizens to live at relocation points without financial capability; and

"Whereas, The committee concluded that those persons required to relocate in the event of an evacuation would need financial resources for daily living expenses; therefore be it

"Resolved, That the House of Representatives urge the Governor of the Commonwealth and the Department of Banking to investigate the establishment of a records system that would permit persons suddenly relocated as the result of a nuclear accident to draw upon their funds in their local banks through banks in the relocation area; and be it further

"Resolved, that the House of Representatives requests the Governor of the Commonwealth and the Secretary of the Pennsylvania Department of Banking to indicate to the chairman of the Select Committee on Three Mile Island, in writing within 30 days following receipt of a copy of this resolution, the status of the recommendations set forth herein; and be it further

"Resolved, That the House of Representatives urge the Congress to investigate the establishment of an emergency loan program for the use of persons required to relocate as the result of a nuclear or other emergency; and be it further

"Resolved, That a copy of this resolution be transmitted to the Governor of the Commonwealth of Pennsylvania, the Secretary of Banking and the presiding officers of the House of Representatives and the Senate of the United States Congress."

POM-735. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Budget:

"Resolution

"Whereas, world peace is the most important guarantee of the survival and prosperity of the human race; and

"Whereas, the Federal budget for fiscal year 1981 would reduce spending for every Government Department except the military, whose allocations would increase by as much as 11% or $12 billion this year, and $100 billion over fiscal years 1981-1985; and

"Whereas, the proposed Federal budget would eliminate State revenue sharing funds, which will result in a $54 million loss to the Commonwealth of Massachusetts in FY81 and $72 million in FY82; and

"Whereas, this same Federal budget would eliminate between 50,000-100,000 countercyclical CETA jobs, decrease the number of new federally subsidized housing units by as much as 90,000—from 300,000 to 210,000 units—defer the child health assurance program and the welfare reform program, reduce appropriations for student assistance, education aid, health service grants, fuel assistance, solar energy research and development, head start and food stamps, and eliminate Saturday mail delivery, the youth conservation corps, the Young Adult Conservation Corps, and urban park grants; and

"Whereas, all of the above reductions in Federal programs will cause considerable hardship throughout Massachusetts, particularly to the poor and unemployed; therefore be it

"Resolved, that the Massachuetts House of Representatives urges the President and Congress of the United States to reorder the Federal budget so that priority will be given to domestic prosperity, self-sufficiency in energy production, and international peace; and be it further

"Resolved, that copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States and the Presiding Officer of each branch of Congress and to each Member thereof from this Commonwealth."

POM-736. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Commerce, Science, and Transportation:

"House Resolution No. 198

"Whereas, The House Select Committee—TMI found that the continuing communications broadcasting at the time of the Three Mile Island incident and in the days following was at times misleading; and

"Whearas, The information being broadcasted was, in many cases, not current with the status of conditions at the time of the incident; and

"Whereas, It is essential to the health and safety of the citizens in the area of possible damage that the information broadcast be current and consistent; therefore be it

"Resolved, That the House of Representatives of the Commonwealth of Pennsylvania urge the Congress and the Federal Communications Commission to urge that all broadcast media in the area of a nuclear accident or potential nuclear accident be required to broadcast simultaneously, at certain intervals information advising the public of the emergency and the current status of the emergency; and be it further

"Resolved, That the House of Representatives urge Congress and the Federal Communications Commission to investigate the feasibility of utilizing the national emergency radio alert system for the purpose of accurate communications during nuclear emergencies which might require immediate evacuation; and be it further

"Resolved, That the House of Representatives urge the Governor of the Commonwealth of Pennsylvania and the Pennsylvania Emergency Management Agency to study the feasibility of establishing a central information office to be activated in cases of fast moving emergencies, for the dissemination of accurate and current news of the emergency and be it further

"Resolved, that the House of Representatives requests the Director of the Federal Communications Commission, the Governor of the Commonwealth of Pennsylvania and the Director of the Pennsylvania Emergency Management Agency to indicate to the chairman of the Select Committee on Three Mile Island, in writing within 30 days following receipt of a copy of this resolution, the status of the recommendations set forth herein; and be it further

"Resolved, That a copy of this resolution be forwarded to the President of the United States, the presiding officer of each House of the Congress, the Director of the Federal Communications Commission, to each member of the Senate and the House of Representatives in the Congress from the Commonwealth of Pennsylvania and the Director of the Pennsylvania Emergency Management Agency."

POM-737. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Commerce, Science, and Transportation:

"House Resolution No. 199

"Whereas, The House Select Committee—TMI has found that the general public broadcast media system was the only means of communication disseminating news concerning the incident at Three Mile Island; and

"Whereas, The committee feels that all practical usable communications systems should be used in an incident of this type; and

"Whereas, The National Weather Service has a nationwide radio broadcast capability for the dissemination of weather reports on a continuous basis that could include emergency alert information on a continuous basis; therefore be it

"Resolved, That the Pennsylvania Emergency Management Agency investigate the use of the National Weather Service reporting system for the dissemination of emergency alert information; and be it further

"Resolved, That the House of Representatives urge the President of the United States through the Department of Commerce, to provide for the broadcast of emergency information by use of the National Weather Service radio communication system; and be it further

"Resolved, That information concerning the use of such system, when initiated, be generally communicated to all citizens of the United States; and be it further

"Resolved, That the House of Representatives requests the Director of the Pennsylvania Emergency Management Agency and the President of the United States, through the Department of Commerce, to indicate to the chairman of the Select Committee on Three Mile Island, in writing within 30 days following receipt of a copy of this resolution, the status of the recommendations set forth herein; and be it further

"Resolved, That a copy of this resolution be forwarded to the President of the United States, the presiding officers of each House of the United States Congress, to each member of the Senate and House of Representatives in Congress from the Commonwealth of Pennsylvania and the Director of the Pennsylvania Emergency Management Agency."

POM-738. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Energy and Natural Resources:

"HOUSE RESOLUTION No. 203

"Whereas, The House Select Committee—TMI found that the potential existed as a result of the incident at Three Mile Island for major damage in the form of radioactive contamination to real and personal property in an undefined geographical area surrounding the plant; and

"Whereas, The committee found that, should there be extensive contamination to a large geographical area surrounding or downwind from the plant site, the insurance coverages provided under the provisions of the Price-Anderson Act (Public Law 85-256) would have been insufficient to cover the damages; and

"Whereas, The committee found that the homeowners in other property insurance carried by the residents in the potential effect area did not provide for losses of the nature of radioactive contamination; and

"Whereas, Such potential contamination could cause the loss of use of personal and business property in the effected area for an indeterminate period of time; therefore be it

"Resolved, That the House of Representatives urge the Congress of the United States to thoroughly review the Price-Anderson Act as to its adequacy in respect to the knowledge available as a result of the incident at Three Mile Island; and be it further

"Resolved, That the House of Representatives urge the Congress of the United States to implement a nuclear protection insurance program similar to the present flood insurance program for the benefit of persons living in deprived areas of potential nuclear hazard; and be it further

"Resolved, That a copy of this resolution be transmitted to the presiding officer of each House of the Congress of the United States, to each member of the Senate and House of Representatives in the Congress from the Commonwealth of Pennsylvania, to the Governor of the Commonwealth and to the Insurance Commissioner of the Commonwealth of Pennsylvania."

POM-739. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Environment and Public Works:

"HOUSE RESOLUTION No. 208

"Whereas, The House Select Committee—TMI, has found that the disposal of radioactive waste from nuclear power plants is now a serious problem and will become more serious as more plants now under construction are put on line; and

"Whereas, The Committee learned that there is great concern by the citizens residing in the areas down-river from TMI as to the disposal of substantial amounts of radioactive water into the Susquehanna River and the venting of radioactive gas into the atmosphere; therefore be it

"Resolved, That the General Assembly strongly urge the President of the United States, the Nuclear Regulatory Commission and the Congress to open the presently existing Federal radioactive waste disposal sites for commercial waste disposal; and be it further

"Resolved, That the House of Representatives strongly urge the Nuclear Regulatory Commission to review existing facilities and proposals for the reprocessing of radioactive waste; and be it further

"Resolved, That the House of Representatives continues to maintain its position that no contaminated water from TMI be dumped into the Susquehanna River and no radioactive gases be vented from TMI without proper controls and that the Nuclear Regulatory Commission continuously monitor the processing and ultimate disposal of water and gas from TMI; and be it further

"Resolved, That the House of Representatives requests the chairman of the nuclear regulatory commission to indicate to the chairman of the select committee on Three Mile Island, in writing within 30 days following receipt of a copy of this resolution, the status of the recommendations set forth herein; and be it further

"Resolved, That a copy of this resolution be transmitted to the presiding officers of the House of Representatives and the Senate of the United States Congress, the President of the Unitd States and the Director of the Nuclear Regulatory Commission."

POM-740. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 55

"Whereas, Two bills have been recently introduced in Congress by the Honorable Mario Biaggi (HR 4310), and by Senator Thomas Eagleton (SB 1957), which would serve to return to the states revenues derived from the federal tax of fuel used to power motorboats; and

"Whereas, These revenues, once returned to the states, would be dedicated to the improvement of boating facilities and safety programs; and

"Whereas, The enactment of this or similar legislation would serve to redress the inequity resulting from the use of revenues generated by taxes on boaters for the support of programs unrelated to boating; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California jointly, That the Congress of the United States of America is hereby memorialized to enact legislation which would return to the several states, for their use in supporting boating-related programs and other programs related to boaters, the federal tax on fuel used to power motorboats; and be it further

"Resolved, That the Chief Clerk of the Assembly is hereby directed to transmit copies of this resolution to the Speaker of the House of Representatives, to the President of the Senate of the United States, to the Honorable Mario Biaggi, to Senator Thomas Eagleton, and to each Senator and Representative from California in the Congress of the United States."

POM-741. A concurrent resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 36

"Whereas, The Congress of the United States has, since 1972, placed a permanent annual federal spending ceiling of $2.5 billion on federal funds for social services allocated pursuant to Title XX (42 U.S.C.A. 1397); and

"Whereas, The temporary augmentation which increased the federal social services spending limit to $2.9 billion for the 1979 fiscal year will expire on September 30, 1979, which will result in a reversion to the $2.5 billion permanent ceiling beginning with the 1980 fiscal year; and

"Whereas, The federal social services funding limitations have consistently failed to recognize the actual annual increases in the cost-of-living or to accommodate national monetary inflation trends; and

"Whereas, The states and local governments will be forced to curtail social services to needy children and adults unless federal social services funding augmentation is adequately increased on a permanent basis; and

"Whereas, Through the enactment of Title XX (42 U.S.C.A. 1397), the Congress of the United States sought to encourage each state, as far as practicable, to furnish services directed at achieving various goals of social services, and to provide each state with financial assistance in order to achieve these goals; and

"Whereas, The Congress of the United States has, after eight years of open-ended funding placed a closed-end ceiling on such federal social services funding; and

"Whereas, The State of California initially allocated Title XX funds to counties based upon prior expenditures and has continued such an allocation, using 1975-76 as the base year; and

"Whereas, Such an allocation has resulted in an inequitable distribution of federal funds allocated pursuant to Title XX for social services, favoring those counties which already have expensive services in existence and disfavoring those counties with more modest program investments during the base year; and

"Whereas, Inflation and the passage of Proposition 13 on the June 6, 1978 primary election ballot, has made it difficult for counties to provide matching funds; and

"Whereas, Steps must be taken in order to preserve a minimum level of social services, maximizing limited financial resources and distributing funds according to greatest need; now, therefore, be it

"Resolved by the Senate of the State of California, the Assembly thereof concurring, That the President of the United States and the Congress of the United States are requested to take such action as is necessary to increase the permanent federal expenditure augmentation for funds allocated pursuant to Title XX for social services for the 1980 fiscal year and to provide thereafter, an annual adjustment of that augmentation and the appropriations to reflect changes in the cost of living; and be it further

"Resolved, That the Director of Social Services is directed to work with the State Department of Finance and the California Welfare Directors Association to develop a formula for the equitable allocation of any additional federal funds granted to the state by Title XX for counties, utilizing such indicators as actual need of each county, the welfare population of the county, general population and other relevant factors; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of State and

the presiding officer of each house of the state legislature of each state of the United States, to the State Department of Social Services, to the Director of Finance and to the California Welfare Directors Association."

POM-742. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Finance:

"LEGISLATIVE RESOLVE NO. 14

"Whereas the Alaska Department of Health and Social Services has encountered a serious problem which prevents the department from compensating Alaska physicians adequately for their participation in the Medicaid program; and

"Whereas the problem results directly from the federal Medicaid rules on physician reimbursement; and

"Whereas the federal Medicaid rules tie the availability of compensation to Alaska physicians to a cost-of-living adjustment which is used in the contiguous 48 states and which is unrealistic in Alaska; and

"Whereas the federal Medicaid rules do not make any allowance for the Alaska cost of living which departs substantially from the national norm; and

"Whereas adherence to the federal Medicaid rules has resulted in a situation where many Alaska physicians receive 50 percent or less of their normal charges for services when the patient is covered by Medicaid; and

"Whereas the result not only affects the availability of services to recipients of Medicaid and the participation by physicians in the Medicaid program but has the effect of driving up the cost of medical care to all other patients as well; and

"Whereas the Alaska Department of Health and Social Services has sought to resolve this problem by contact with federal Medicaid officials but to no avail; and

"Whereas the federal Medicaid Director for Region X has advised Alaska officials that an Alaska cost-of-living index may not be substituted for the economic index used by Medicare to determine rates across the United States; and

"Whereas the lack of flexibility in the provisions of federal law governing the Medicaid program can be resolved only through an Act of Congress;

"Be it resolved by the Alaska State Legislature that Congress is urged to introduce an element of flexibility into the federal laws governing the reimbursement of physicians participating in the Medicaid program and particularly to allow the use of local cost-of-living differentials for the reimbursement of physicians.

"Copies of this resolution shall be sent to the Honorable Jimmy Carter, President of the United States; the Honorable Walter F. Mondale, President of the U.S. Senate; the Honorable Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress."

POM-743. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTIONS

"*Whereas*, the Ecumenical Patriarchate has been located in Constantinople since the first century, A.D.; and

"*Whereas*, the Ecumenical Patriarchate is the center of the Eastern Orthodox Church; and

"*Whereas*, Turkey agreed in the treaty of Lausanne of nineteen hundred and twenty-three to respect and honor the rights of Christians in Turkey; and

"*Whereas*, the Turkish Government has forced over one million Orthodox Christians to leave Constantinople, closed down the Patriarchate's International School of Theology, levied heavy taxes on its property and taken other harsh and hostile measures in contravention of the Helsinki Agreement and United Nations Charter; and

"*Whereas*, the Turkish Government has launched a policy of attrition to force the Patriarchate to leave Turkey; now therefore be it

"*Resolved*, that the Massachusetts General Court protests the serious violations of religious and human rights and the persecution of the Ecumenical Patriarchate of Constantinople and the Orthodox Christians of Turkey by the Republic of Turkey and requests that the President and Congress of the United States take immediate steps with the government of Turkey to seek termination of these unlawful acts against the Christians and their institutions in Turkey and requests that the President and the Governor designate April twenty-seven, nineteen hundred and eighty as a National Day of Prayer for the observance of human rights by the Turkish Government of the Christians and Jews in Turkey; and be it further

"*Resolved*, That the Massachusetts General Court urges the United States Government to provide moral and diplomatic support to the Ecumenical Patriarchate of Constantinople; and be it further

"*Resolved*, That a copy of these resolutions be transmitted forthwith by the clerk of the Senate to the President and Congress of the United States, to the Governor of the Commonwealth and to archbishop Iakovos, chairman of the Standing Conference of Orthodox Bishops in America."

POM-744. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION NO. 4

"Whereas, the Congress of the United States has proposed an amendment to the Constitution of the United States to provide for the representation of the District of Columbia in the Congress; and

"Whereas, the citizens of the District of Columbia have all the obligations of citizenships, including the payment of federal taxes, and, in all fairness, should have a vote in the deliberations of their National Government; and

"Whereas, the population of the District of Columbia is larger than ten of our states today; and

"Whereas, our nation has been steadily marching toward a true universal franchise; and

"Whereas, House Joint Resolution 554, approved by the Ninety-Fifth Congress, Second Session, reads as follows:

" 'HOUSE JOINT RESOLUTION 554

" 'Joint Resolution proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress.

" '*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein)*, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several states within seven years from the date of its submission by the Congress:

" 'ARTICLE

" 'SECTION 1. For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

" 'SEC. 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

" 'SEC. 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.

" 'SEC. 4. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several states within seven years from the date of its submission.'; now, therefore,

"Be it resolved by the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, the House of Representatives concurring, that the Article proposed as an amendment to the Constitution of the United States as set forth in the United States House Joint Resolution 554, dated August 22, 1978, be hereby ratified by the Legislature of the State of Hawaii, and

"Be it further resolved that a certified copy of this Concurrent Resolution be transmitted to the Administrator, United States General Services Administration, and that certified copies of this Concurrent Resolution also be transmitted to the President of the United States Senate and to the Speaker of the United States House of Representatives and to the members of Hawaii's delegation to the Congress of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on the Judiciary, without amendment, but with a preamble:

S.J. Res. 152. Joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week".

H.J. Res. 445. Joint resolution to provide for the designation of the week of September 21–27, 1980, as "National Cystic Fibrosis Week".

By Mr. WILLIAMS, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. Res. 445. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2004. Referred to the Committee on the Budget.

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment, unfavorably:

S. Res. 397. Resolution disapproving Reorganization Plan Numbered 1 (Rept. No. 96–790).

By Mr. BAYH, from the Committee on the Judiciary, without amendment:

S. 1858. A bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes (Rept. No. 96–791).

ORDER FOR STAR PRINT—S. 2711

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. MORGAN, that S. 2711 be star printed to include a technical change, conforming it to the committee action reported in Senate Report No. 96–724.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. EAGLETON (for himself, Mr. Nelson, Mr. Pell, and Mr. Baucus):

S. 2750. A bill to establish an incremental pricing program for the sale of all types and grades of motor gasoline; to the Committee on Energy and Natural Resources.

By Mr. MORGAN:

S. 2751. A bill to amend the Internal Revenue Code of 1954 to permit certain multiyear pension plan distributions to be treated as qualifying rollover distributions; to the Committee on Finance.

By Mr. JOHNSTON (for himself, Mr. Jackson, Mr. Bumpers, and Mr. Hatfield):

S. 2752. A bill to amend the Act of August 25, 1916, as amended; to the Committee on Energy and Natural Resources.

By Mr. BAYH:

S. 2753. A bill to prohibit the importation into the United States of motor vehicles, and of parts of motor vehicles, that are products of the Union of Soviet Socialist Republics; to the Committee on Finance.

By Mr. JOHNSTON:

S. 2754. A bill to amend section 203 of the Energy Policy and Conservation Act to provide the President with flexible authority to ration gasoline and diesel fuel; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (by request):

S. 2755. A bill to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private or local cemetery; to the Committee on Veterans' Affairs.

By Mr. HATCH:

S. 2756. A bill to amend the Taylor Grazing Act of 1934 to clarify the power and responsibilities of the Secretary of the Interior in the approval of State selections of indemnity lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN (for himself, Mr. Stevenson, Mr. Heinz, and Mr. Danforth):

S. 2757. A bill to encourage exports and the expansion of export trade services by providing for special provisions on taxation of export trading companies; to the Committee on Finance.

By Mr. CRANSTON (by request):

S. 2758. A bill to amend chapter 21 of title 38, United States Code, to expand the eligibility for specially adapted housing benefits; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 2759. A bill for the relief of Mrs. Ting Ping Cheung-Yeh; to the Committee on the Judiciary.

By Mr. ROBERT C. BYRD:

S. 2760. A bill to provide that the Architect of the Capitol shall be appointed by the President by and with the advice and consent of the Senate; to the Committee on Rules and Administration.

By Mr. LEVIN (for himself, Mr. Metzenbaum, Mr. Tsongas, and Mr. Randolph):

S. 2761. A bill to amend title XIX of the Social Security Act to require that States provide medicaid coverage for dental services (including dental prosthetics) for eligible individuals 65 or older; to the Committee on Finance.

By Mr. LAXALT (for himself and Mr. Cranston):

S. 2762. A bill to provide for the orderly disposal of certain Federal lands in Nevada and for the acquisition of certain other lands in the Lake Tahoe Basin, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN (for himself, Mr. Culver, Mr. Leahy, Mr. Stevenson, Mr. Bradley, Mr. Heflin, Mr. Laxalt, Mr. Hatch, Mr. Cochran, and Mr. Mathias):

S.J. Res. 177. Joint resolution designating the week beginning June 22, 1980, as "National Athletic Boosters Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. EAGLETON (for himself, Mr. Nelson, Mr. Pell, and Mr. Baucus):

S. 2750. A bill to establish an incremental pricing program for the sale of all types and grades of motor gasoline; to the Committee on Energy and Natural Resources.

(The remarks of Mr. Eagleton when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. MORGAN:

S. 2751. A bill to amend the Internal Revenue Code of 1954 to permit certain multiyear pension plan distributions to be

TAX TREATMENT OF PENSION ROLLOVERS TO IRA'S

● Mr. MORGAN. Mr. President, as we are all aware in this body, the rules governing pension plans and their treatment by the tax laws contained in the Internal Revenue Code are most complex and may have operated to reduce the number of pension plans in the United States.

My friend, the distinguished Senator from Texas (Mr. Bentsen) has undertaken an ongoing review of the entire pension system in operation under the Employee Retirement Income Security Act of 1974. He has sought to make changes where necessary to protect the pensioner and the taxpayer and to preserve the integrity of our pension system.

It has come to my attention that changes have been made in recent years to correct inequities created by the law because of the harm they have worked to the system.

Section 402 of title 26 of the United States Code governs the rollover of pension plan assets into an individual retirement savings account. Often a company goes out of business or a pension plan is terminated and pension assets must be distributed.

The law allows a distribution from a pension plan be rolled over into an individual retirement account within 60 days of the distribution, with the transactions taking place within 1 taxable year in order to avoid tax liability.

Mr. President, the Internal Revenue Service favors rollovers in the area of pension plan distributions and individual retirement savings accounts. They want to avoid tax fraud and have provided technical rules to encourage compliance with the law.

The technical sections of the law have created a problem, however, which I hope the bill I am about to submit will correct. Requiring a person to rollover distributions within 60 days is certainly a reasonable requirement to avoid tax avoidance or fraud.

Pension plan assets, however, are often distributed at different times. A plan's termination may be controlled by the Pension Benefit Guaranty Office and they may determine the most opportune time for a distribution.

The Internal Revenue Service, however, determines when a distribution and rollover is tax exempt. Often there is a clash of purpose and interpretation over the concept of a lump sum distribution.

One problem that has occurred is the concept of a taxable year. Most people are able to comply with the taxable year rule as currently codified. Some have trouble meeting the taxable year rule through no fault of their own. If a distribution payment is made after the end of the taxable year, then a problem arises.

Mr. President, the loser in all this is the small pensioner. Big pension plans take care of the taxes for their members. Small company pensioners are unaware of the problem and often cannot afford the counseling service of an attorney or a bank.

The Congress has recognized the need for changes in this area. In 1978, Public Law 95–458 amended the tax code to cure the problems created by unintentional partial rollovers. The amendments were both retroactive and prospective. In 1978, the Revenue Act amended the technical provisions of the law to cure defects that were operating to the detriment of the taxpayer and indeed to the detriment of the Treasury.

What I am proposing here is to allow a person to rollover all distributions made under a pension coming within a taxable year and before the deadline for filing tax returns. All such distributions would be treated as a qualifying for a rollover to an IRA. In short, if distributions are made during the calendar year and up to April 15 of the following year, then they would be treated as eligible for rollovers so long as they met the 60-day rule.

There is precedent for this. First, as we all know, contributions to IRAs may be made up until tax filing time. Second, the majority of reform provision have been retroactive forgiveness measures. The fundamental concept here is that persons who are unfortunate to lose out under a pension plan are protected, that they may reinvest their retirement earnings in another form of savings plan and avoid tax liability.

Limiting rollovers until the time of tax filing is logical for that is the time during which most small pensioners would look at the tax consequences of a pension termination. Most people begin to look to tax exemptions in a complex area only when they are considering paying their taxes. This is a fair and equitable approach and mirrors the tax treatment for normal IRA contributions.

I believe this to be a meritorious bill and I hope that it may have speedy consideration before the Finance Committee.●

By Mr. JOHNSTON (for himself, Mr. Jackson, Mr. Bumpers, and Mr. Hatfield):

S. 2752. A bill to amend the Act of August 25, 1916, as amended; to the Committee on Energy and Natural Resources.

● Mr. JOHNSTON. Mr. President, last month, for the second time since 1977, a Director of the National Park Service was dismissed without any prior congressional consultation. I am disturbed by this action, Mr. President, for I believe this can only undermine the professionalism which ought to be inherent in this key position in national conservation policy. I had hoped, after our last experience, that the Congress would be fully consulted prior to such action and not simply notified after the fact. Once again, this was not the case.

When the Land and Water Conservation Fund was reauthorized in 1976, the Senate included a section which required Senate confirmation of the National Park Service Director in direct response to the problems we encountered in the early 1970's in making sure that a career professional was appointed. We dropped this section in conference because the department believed this would interfere with the appointment of a career professional who should be as removed as possible in both selection and throughout tenure from essentially political considerations. The last two appointees were both men well qualified for the job in background and experience, as is the new director appointed a few weeks ago.

However a new and in some respects more disturbing problem has since arisen—assuring that the qualified professionals appointed are sufficiently insulated from political pressures to enable them to exercise sound judgment based on past experiences without fear of removal. The last two directors were both removed without prior notice or consultation with the Congress for what I consider essentially political reasons. This can only erode the professional nature of the job and leaves few incentives for qualified career personnel to accept this position in the future.

I do not dispute the Secretary's authority to hire or remove those under his supervision who have not performed their jobs. Apparently, this was not the case with the last two directors and one can only conclude that the nature of this job has changed since we last discussed it in 1976. In my view, it has changed unwisely.

For this reason, I believe future nominees should be subject to Senate confirmation to assure that only those who are well qualified are nominated and that congressional oversight of job performance is present to provide some protection for professionals serving in this position. To this end, I am introducing legislation today to require Senate confirmation of future directors, a process to become effective upon date of enactment.

Leaving the conservation and preservation of our great national treasures to any one other than an experienced professional would be a serious mistake. Apparently the only way to assure that such a mistake is not made again is to give Congress a voice in the selection process and to strengthen congressional oversight of national park policies generally.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2752

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 25, 1916, as amended, is further amended as follows:

(a) In the first sentence of section 1, strike the word "Secretary" and add the following phrase:

"President, by and with the advice and consent of the Senate,";

(b) In section 1 at the end of the first sentence, add the following new sentence:

"The director of the Park Service shall have had professional experience in park, recreation, and resource management, and shall have demonstrated an appreciation for and commitment to the preservation of natural and cultural resources."; and

(c) In the second sentence of section 1, strike the word "also".

Add a new section 2 as follows:

Section 2. The provisions of section 1 shall apply to appointments made after the date of enactment of this act.●

By Mr. BAYH:

S. 2753. A bill to prohibit the importation into the United States of motor vehicles, and of parts of motor vehicles, that are products of the Union of Soviet Socialist Republics; to the Committee on Finance.

SOVIET AUTOMOBILE IMPORTS

Mr. BAYH. Mr. President, today I am introducing legislation which will bar the importation of Soviet automobiles. While Soviet exports of autos to this country are not yet the anticipated 50,000 per year which some projections show, it seems to me that at a time when over one-third of the U.S. automobile work force is idle and a substantial number of the Soviet military are busy in Afghanistan, this is simply a commonsense step to take.

Adoption of this legislation would, I believe, lend greater consistency and content to American actions taken to date imposing trade sanctions on the Soviet Union. Those sanctions can only be diluted or circumvented if they are not actively supported by our allies. In addition, the hard currency earned from continued Soviet sales in this country will only better enable the U.S.S.R. to buy products such as grain from those nations intent on undermining U.S. efforts to turn the economic screws on the Soviet Union. It is for this reason that I again urge my colleagues to support sanctions compliance legislation which I have introduced to induce other nations to cooperate in the economic quarantine of both Iran and the U.S.S.R.

At this point, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the headnotes to subpart B of part 6 of schedule 6 of the Tariff Schedules of the United States (19 U.S.C. 1202) are amended by adding at the end thereof the following new headnote:

"3. MOTOR VEHICLES AND PARTS THEREFOR OF SOVIET ORIGIN.—There may not be imported into the United States any motor vehicle chassis, body (including a cab), or part provided for in any item within this subpart, if such motor vehicle, chassis, body, or part is a product of the Union of Soviet Socialist Republics."

By Mr. CRANSTON (by request):

S. 2755. A bill to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private, or local cemetery; to the Committee on Veterans' Affairs.

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 2755, a bill to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private, or local cemetery. Mr. President, I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD at this point.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 23 of title 38, United States Code, is amended by—

(a) inserting in subsection 906(b) after "local cemetery" the words "or in such appropriate location designated by the next of kin as the Administrator, in his discretion, having due regard for the circumstances in each case, may determine.".

SEC. 2. This Act shall become effective on the date of enactment.

OFFICE OF THE ADMINISTRATOR
OF VETERANS AFFAIRS,
Washington, D.C., May 7, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private or local cemetery." It is requested that the bill be referred to the appropriate committee and that it be favorably considered for enactment.

The draft bill which would amend section 906(b) of title 38, would authorize the Administrator of Veterans Affairs to provide a memorial plaque or marker, in his discretion, to the next of kin of an individual who would otherwise be memorialized in a national, private or local cemetery if the remains of the individual have not been recovered, identified or buried at sea. Thus, in keeping with the wishes of the deceased's next of kin, the Administrator could authorize a plaque or memorial marker to be placed in an appropriate location designated by the next of kin other than in a national, private or local cemetery as presently provided for in sections 906(b) and 1003 of title 38, U.S. Code.

The proposal would be in keeping with the nature and purpose of memorialization while taking into consideration the wishes of the deceased's next of kin. Without this proposed amendatory language, however, a plaque or marker to memorialize these veterans could not be placed in a location other than a cemetery. Clearly, there are situations where the next of kin would desire to place such a plaque or marker in a location other than a cemetery, where the veteran could be honored in a fashion which would reflect his close ties with, for example, a university, American Legion Post, etc. The draft bill, therefore, would be in keeping with the nature and purpose of memorialization while taking into consideration the wishes of the deceased's next of kin.

The enactment of the draft bill would result in minimal costs to the Veterans Administration.

We were advised by the Office of Management and Budget that there is no objection to the submission of the draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

MAX CLELAND,
Administrator.●

By Mr. HATCH:

S. 2756. A bill to amend the Taylor Grazing Act of 1934 to clarify the power and responsibilities of the Secretary of the Interior in the approval of State selections of indemnity lands, and for other purposes; to the Committee on Energy and Natural Resources.

INDEMNITY LANDS ACT OF 1980

Mr. HATCH. Mr. President, I wish to submit for the RECORD the dissenting opinion of the Supreme Court of the United States in the case of Andrus against State of Utah.

As you may know, last Monday in a 5-to-4 decision, the Supreme Court reversed the lower courts' decisions and ruled against the State of Utah in a case which involves the ability of the various public land States to freely exercise rights and privileges granted them under the bilateral compacts which admitted them to the Union.

As a result of that opinion, Mr. President, the efforts of the Secretary of the Interior, Cecil Andrus, to clear away all pending in lieu land selections in the Western States have been thrown into chaos. Resolving this longstanding controversy in a fair and equitable manner is absolutely necessary to the current efforts to develop and bring to the marketplace the vital energy resources which underlie these lands.

The dissenting opinion of Mr. Justice Powell, the Chief Justice, Mr. Justice Blackmun, and Mr. Justice Rehnquist eloquently details the historical and legal background of the case.

By virtue of the reasoning therein expressed, Mr. President, I am introducing at this time, the Indemnity Lands Act of 1980 and respectfully request its prompt consideration by my colleagues in the Senate.

The opinion reads as follows:

[Supreme Court of the United States,
No. 78-1522]

CECIL D. ANDRUS, SECRETARY OF THE INTERIOR, PETITIONER, V. STATE OF UTAH

MR. JUSTICE POWELL, with whom the CHIEF JUSTICE, MR. JUSTICE BLACKMAN, and MR. JUSTICE REHNQUIST join, dissenting.

Since the early days of the Republic, the Federal Government's compact with each new State has granted the State land for the support of education and allowed the State to select land of equal acreage as indemnity for deficiencies in the original grant. Today, the Court holds that the Taylor Grazing Act abrogated those compacts by approving selection requirements completely at odds with the equal acreage principle. Nothing in the Court's opinion persuades me that Congress meant so lightly to breach compacts that it has respected and enforced throughout our Nation's history. I therefore dissent.

The Court's decision rests on three fundamental misconceptions. First, the Court reasons from the accepted proposition that indemnity lands compensate the States for gaps in the original grants to the mistaken conclusion that the States have no right to lands of equal acreage. *Ante,* at 7–10. This argument ignores the clear meaning of statutes spanning about two centuries in which Congress specifically adopted an equal acreage principle as the standard for making compensation. Second, the Court believes that the establishment of grazing districts under the Taylor Grazing Act has the same effect as a withdrawal of lands under the Pickett Act. *Id.,* at 13–19. This belief manifests a serious misunderstanding of both the history of federal land management and the language of the Taylor Grazing Act. Third, the Court assumes—without discussion—that the Taylor Grazing Act gives the Secretary of the Interior discretion to reject indemnity selections under standards inconsistent with the criteria set out in the statutes authorizing the selections. Every federal court that has considered the Secretary's authority under the Taylor Grazing Act has rejected this assumption.

A correct understanding of this case requires careful examination of a labyrinth of compacts and statutes dating back to the early years of our national history. Part I of this opinion reviews the unbroken succession of laws that undercut the Court's construction of the school indemnity selection statutes. Part II explains the development of the Taylor Grazing Act and its relationship to the executive orders withdrawing land under the Pickett Act. Finally, through a detailed consideration of the Taylor Grazing Act's critical provisions, Part III demonstrates that the Act will not permit the construction that the Court has given it.

I

When the first 13 States formed the Union, each State had sovereign authority over the lands within its borders. These lands provided a tax base for the support of education and other governmental functions. When settlers sought to carve the State of Ohio from the Northwest Territory in 1802, they encountered a different situation. Vast tracts within the boundaries of the proposed State belonged to the Federal Government. Thus, the new State's potential revenue base would be restricted severely unless the Federal Government waived its immunity from taxation.[1] In order to place Ohio on an equal footing with the original States, Congress enacted a compromise drawn from the Land Ordinance of 1785 [2] and the Northwest Ordinance of 1787.[3] The compromise set a pattern followed in the admission of virtually every other State.[4] Specific details varied from State to State, but the basic plan persisted. As consideration for each new State's pledge not to tax federal lands, Congress granted the State a fixed proportion of the lands within its borders for the support of public education. *E.g.,* Act of Apr. 30, 1802, § 7, 2 Stat. 175 (Ohio); Act of Jan. 29, 1861, § 3, 12 Stat. 127–128 (Kansas); Act of July 16, 1894, §§ 3, 6, 28 Stat. 108–109 (Utah); see *United States* v. *Morrison,* 240 U.S. 192, 201 (1916).[5]

These agreements were solemn bilateral compacts between each State and the Federal Government. See *ante,* at 7; *United States* v. *Morrison, supra,* at 201–202; *Cooper* v. *Roberts,* 18 How. 173, 177–179 (1855). For its part, the Government granted the State specific sections of land within each township laid out by federal survey. The granted sections were specified by number to ensure that the State would receive a random cross section of the public land. Title to the sections vested in the State upon approval of the survey. *United States* v. *Morrison, supra,* at 207, 219; *Beecher* v. *Wetherby,* 95 U.S. 517 (1877). Should these grants in place prove unavailable, the Federal Government promised to grant the State indemnity in other lands of equal acreage. In return, Congress required the State to memorialize its pledge not to tax federal lands "by an ordinance irrevocable without the consent of the United States." *E.g.,* Act of July 16, 1894, § 3, 28 Stat. 108 (Utah). Congress also imposed upon the State a binding and perpetual obligation to use the granted lands for the support of public education. All revenue from the sale or lease of the school grants was impresse with a trust in favor of the public schools. No State could divert school lands to other public uses without compensating the trust for the full market value of the interest taken. *Lassen* v. *Arizona Highway Dept.,* 385 U.S. 458 (1967); see *Alamo Land & Cattle Co.* v. *Arizona,* 424 U.S. 295 (1976).

A long line of statues dating from the early 1800s evidences Congress' consistent respect for the federal obligation to replace unavailable school sections with indemnity lands of equal acreage. See *United States* v. *Morrison, supra,* at 201–202. In 1826, the the first general indemnity selection statute appropriated additional tracts to compensate the States for lands lost when fractional townships were found not to contain the numbered section originally granted. The statute directed the Secretary of the Treasury to select "out of any unappropriated public land" within the township where the section had been lost the "quantity" of the land to which the State was entitled. Act of May 20, 1826, ch. 83, 4 Stat. 179. When private claims against unsurveyed public lands increased as the Nation moved West, Congress also acted to indemnify States for school sections occupied by settlers. The earliest statutes authorized officials in particular States or Territories to select "other lands to an equal amount . . . in lieu of [the] sections so occupied. . . ." *E.g.,* Act of Mar. 2, 1853, § 20, 10 Stat. 179 (Washington Territory).[6]

In 1859, a second statute of general applicability appropriated "other lands of like quantity" to replace school sections preempted by prior settlement, "fractional in quantity," missing from a township or lost "from any natural cause whatever." Act of Feb. 26, 1859, ch. 58, 11 Stat. 385. Although the statute incorporated by reference the selection provisions of the 1826 act, a more particular statute passed on the same day expressly empowered local officials in one Western county to make their own idemnity selection. Upon filing with the local federal register, the statute declared, "the lands so selected shall . . . belong to the school fund . . . in all respects the same as other school lands. . . ." Act of Feb. 26, 1859, ch. 59, 11 Stat. 385 (Sarpy County, Nebr.).

The general statutes of 1826 and 1859, consolidated and codified as §§ 2275 and 2276 in the Revised Statutes of 1874, underwent ex-

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tensive revision in 1891. The resulting law appropriated additional land to replace school sections lost because they were mineral in character, included with in a federal reservation, or otherwise disposed of by the United States." In lieu of unavailable school sections, each State was entitled to such "other lands of equal acreage . . . [as] may be selected by said State. . . ." Act of Feb. 28, 1891, ch. 384, 26 Stat. 796. The States could make their indemnity selections from "any unappropriated, surveyed public lands, not mineral in character, within the State. . . ." *Id.*, at 979.

The 1891 revision had at least four effects. First, it reaffirmed the States' unquestioned right to replace lost school sections with lands of equal acreage. Second, it removed the restriction that had limited indemnity selections to land within the township where the school section was unavailable. Third, it appeared to confirm this Court's earlier decision that school grants did not convey mineral lands to the States.[7] Fourth, it expressly conformed the general indemnity selection statutes to the mid-19th-century enactments that gave certain States the right to make their own indemnity selections. Even where the earlier statutes gave a State the power of selection, however, it had become accepted practice for the State to submit its selections for the approval of the Secretary of the Interior.[8] State enabling acts passed in 1889 and 1890 sanctioned the practice explicitly.[9] The 1891 revision of the general indemnity selection laws did not mention the need for federal approval, but the inclusion of an approval requirement in the Utah Enabling Act passed three years later suggests that the revision authorized no departure from the accepted practice. See Act of July 16, 1894, § 6, 28 Stat. 109.

By the end of the 19th century, the States' right to select land of equal acreage in lieu of lost school sections had been established for nearly 100 years. The only unsettled question was whether the Secretary of the Interior had discretion to disapprove the selections. In *Payne* v. *New Mexico*, 255 U.S. 367 (1921), this Court resolved that question in the States' favor. New Mexico had selected alternative land in exchange for school sections lying within a national forest. Before the Secretary approved the selection, the grants in place were restored to the public domain. The Secretary found that the restoration of the grants in place defeated the basis for the exchange selection. The Court held, however, that equitable title to property selected land vested in the State when the selection was filed. If the selection satisfied the requirement of the general school grant statutes, the Secretary had no power to annul the States' title. *Id.*, at 370–371.

Three weeks later, the Court made the same point even more emphatically in *Wyoming* v. *United States*, 255 U.S. 489 (1921). In that case, the land selected by Wyoming in exchange for a school section lying within a national forest later was withdrawn by the Federal Government "as possible oil land." *Id.*, at 495. The Court again concluded that equitable title to the chosen land vested in the State on the date the selection was filed. "It was not," the Court said, "as if the selection was merely a proposal by the State which the [federal] land officers could accept or reject. They had no such option to exercise. . . . The power confided in them was not that of granting or denying a privilege to the State, but of determining whether an existing privilege conferred by Congress had been lawfully exercised. . . ." *Id.*, at 496.

In the years after *Payne* and *Wyoming*, Congress further expanded the States' rights to land for the support of public education. A 1927 statute declared that school grants were "to embrace numbered school sections mineral in character. . . ." Act of Jan. 25, 1927, § 1, 44 Stat. (pt. 2) 1026. A 1958 amendment to the indemnity selection statutes, by then found in their present places as 43 U.S.C. §§ 851–852, permitted States to select mineral lands as indemnity for lost school sections that were mineral in character. Act of Aug. 27, 1958, 72 Stat. 928. This provision reflected a congressional judgment that the ban on mineral land indemnity for lost mineral lands had denied the States the fair cross section of land values contemplated by the original numbered grants.[10] Congress also found that a rule which kept the States from replacing nonmineral land with mineral land "amply protected" the federal interest in preventing a windfall to the States. Congress therefore declined to depart from the fundamental equal acreage principle accepted since 1802. H.R. Rep. No. 2347, 85th Cong., 2d Sess., 2, 3–4 (1958). Indeed, Congress always has adhered to the equal acreage principle, as its standard for just indemnification. As recently as 1966, when it amended 43 U.S.C. § 852 to allow indemnity selections from unsurveyed as well as surveyed public land, Congress rejected the Secretary of the Interior's proposal to import an "equal value concept" into the indemnity statutes. See Act of June 24, 1966, Pub. L. No. 89–470, 80 Stat. 220; S. Rep. No. 1213, 89th Cong., 2d Sess., 2, 4–5 (1966).[11]

The Utah Enabling Act of 1894 grants to the State four numbered sections within each township for the support of public education. If those sections "have been sold or otherwise disposed of" by the Federal Government, the Act—like other statutes of its kind—directs school grant indemnity lands "to be selected within said State in such manner as the legislature may provide, with the approval of the Secretary of the Interior. . . ." Act of July 16, 1894, § 6, 28 Stat. 109. In accordance with this direction, Utah has selected 194 tracts of mineral land as indemnity for lost school sections said to be mineral in character. Utah alleges that the tracts selected are unappropriated public land equal in acreage to the unavailable sections. Thus, the tracts appear to satisfy the basic indemnity selection requirements of 43 U.S.C. §§ 851–852.

The Secretary, however, has refused to determine whether the selections satisfy the indemnity statutes. Instead, he claims that the Taylor Grazing Act of 1934, as amended, 43 U.S.C. § 315 *et seq.*, gives him discretion to disapprove the selection of indemnity lands "where the value of those lands greatly exceeds the value of the lost school lands for which the State seeks indemnity." App. 61. The Court today agrees. In an unprecedented departure, the Court concludes that Congress intended the Taylor Grazing Act to abrogate the equal acreage principle that Congress has reaffirmed repeatedly since 1802. The conclusion is implausible on its face, and the Taylor Grazing Act belies it. A full review of the Act's history and structure shows that this land management legislation affects only the States' right to make land exchanges. Indeed, the language of the Act—analyzed more closely in Part III of this opinion—expressly protects the States' indemnity selection rights from any impairment whatever.

The Taylor Grazing Act was intended to protect the public lands from spoliation while providing for the orderly satisfaction of valid claims against them. By the mid 1930s, the public ranges in the Western States were seriously endangered. Overgrazing had destroyed the better grasses, erosion had bared the steep hillsides, and silt had filled the water holes. Homesteading on the better watered grounds aggravated the situation by leaving other lands without access to water. Finally, the disastrous decline of livestock prices during the Great Depression drove stockmen to make even greater use of free grazing on the already depleted public domain.[12] It was against this background that Congress in 1934 enacted the Taylor Grazing Act "to promote the highest use of the public lands pending its final disposal. . . ." Taylor Grazing Act of 1934, § 1, 48 Stat. 1269.

Section 1 of the Act authorized the Secretary of the Interior "in his discretion, . . . to establish grazing districts . . . of vacant, unappropriated, and unreserved lands from any part of the public domain . . . , which in his opinion are chiefly valuable for grazing and raising forage crops. . . ." 48 Stat. 1269.[13] Land noticed for inclusion within a grazing district was withdrawn from "all forms of entry [or] settlement" until hearings could be conducted. *Id.*, at 1270. Congress carefully provided, however, that the Act was not to impede orderly disposition of the public lands. When some States objected to an earlier draft of the Act "upon the theory that the establishment of a grazing district would restrict [a] State in its indemnity selections," Congress recast § 1 to declare expressly that

> "[n]othing in this Act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law validly affecting the public lands . . . except as otherwise expressly provided in this Act, nor to affect any land heretofore or hereafter surveyed which, except for the provisions of this Act, would be a part of any grant to any State. . . ." *Id.*, at 1269.[14]

Section 7 also gave the Secretary discretion to reclassify land within a grazing district as "more valuable or suitable for the production of agricultural crops than native grasses and forage plants. . . ." *Id.*, at 1272. Upon reclassification, such land again became "subject to settlement or occupation as homesteads. . . ." *Ibid.*

The Act contained critically important provisions for land exchanges. Section 8 authorized the Secretary to accept private and state land within a grazing district in exchange for any surveyed public land of no more than "equal value." *Id.*, at 1272–1273. The section showed special solicitude for the States by directing the Secretary to proceed with State-initiated exchanges "at the earliest practicable date, and to cooperate fully with the State to that end. . . ." *Id.*, at 1273. The Western States, however, objected to the discretionary exchange provisions. The Governor of Wyoming, for example, opposed the Act because he feared that § 8 would impair the State's right to exchange school sections isolated inside a federal reservation or a grazing district for other, better situated acreage. In testimony before the Senate Committee, he argued that the Secretary might not allow enough exchanges to permit the removal of state land from inside federally administered areas. The Governor therefore urged that the Act's exchange provisions should be mandatory.[15] Testimony given by the Executive Secretary of the Utah Land Board expressed the same concerns.[16] The State Land Commissioner of Arizona also suggested that the Act would prevent private citizens from exercising their legitimate rights against lands included in a grazing district.[17] Although the Secretary argues that these witnesses opposed the Act because it

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Footnotes at end of article.

impaired the States' right to make indemnity selections, nothing in their testimony supports that conclusion. Indeed, the testimony of all three witnesses is most remarkable for its failure to suggest that they thought the Taylor Grazing Act would interfere with school grant indemnity selections by the Western States.

Five months after the Act went into effect, President Roosevelt issued Executive Order 6910 (1934). Invoking his authority under the Pickett Act of 1910,[18] the President withdrew all unreserved and unappropriated public lands in 12 Western States "from settlement, location, sale or entry . . . pending determination of the most useful purpose to which such land may be put. . . ." The effect of this Pickett Act withdrawal was far-reaching. Although homesteading and other activities continued under existing claims, new entries upon the public domain came to a halt. See 55 Interior Dec. 205 (1935). The withdrawal also forestalled States and private citizens from exercising their exchange, scrip, or indemnity rights to appropriate public land. See *State of Arizona*, 55 Interior Dec. 249, 253–254 (1935)[19]

Only months after the Order issued, the Senators from Arizona began hearings on a proposal to undercut the withdrawal by broadening the Secretary's powers under §§ 7 and 8 of the Taylor Grazing Act[20] The bill suffered a pocket veto, but an almost identical bill became law in 1936. Act of June 26, 1936, Title I, 49 Stat. 1976. In the meantime, Executive Order 7274 (1936) excluded from the operation of the earlier Order "all lands which are now, or may hereafter be, included within grazing districts. . ." Thus, by the time the bill was enacted, the Picket Act withdrawal had no further effect on lands administered under the Taylor Grazing Act.[21]

The 1936 enactment significantly amended §§ 7 and 8 of the Taylor Grazing Act. The amendment to § 7 authorized the Secretary of the Interior to classify lands withdrawn by Executive Order 6910 or "within a grazing district" as "more valuable or suitable" for uses other than grazing or as "proper for acquisition in satisfaction of any outstanding lien, exchange or script [*sic*] rights or land grant. . . ." 49 Stat. 1976.[22] Such land would be open "to entry, selection, or location" under the applicable public land laws. The statute directed the Secretary to respond to an application for entry by classifying the subject land, but no lands were to be appropriated "until after the same have been classified and opened to entry. . . ." *Ibid.*

The amendment to § 8 made mandatory the Taylor Grazing Act's provisions for the exchange of state-owned land.[23] Upon the receipt of any State's application for an exchange, the statute now provided, the Secretary "shall, and is hereby, directed to proceed with such exchange at the earliest practicable date and to cooperate fully with the State to that end. . . ." *Id.*, at 1977. Furthermore, the Secretary was authorized to make exceptions to the equal value requirement that remained applicable to exchanges of private land. The federal land exchanged for state land could be "either of equal value or of equal acreage." *Ibid.*

III

Two specific provisions of the Taylor Grazing Act are critical to the Court's resolution of this case. The Court first must demonstrate that § 1 of the Act, 43 U.S.C. 315, does not exclude the State's school grant indemnity rights from the reach of the statute. The Court then must establish that § 7 of the Act, 43 U.S.C. § 315f, gives the Secretary of the Interior power to disapprove the selection of lands that satisfy all requirements of the school grant indemnity statutes, 43 U.S.C. §§851–852. The Court fails to clear either hurdle because neither section of the Act permits the construction that the Court would give it. The plain language of § 1 protects school grant indemnity rights from the operation of the statute. And even if the Act applied to school grants, § 7 would not give the Secretary discretion to reject otherwise proper indemnity selections.

A

Section 1 of the Taylor Grazing Act provides that nothing in the statute shall "affect any land . . . which [otherwise] would be a part of any grant to any State. . . ." The exemption is transparently clear. All grants made by the compacts between the States and the Federal Government are completely unaffected by the Taylor Grazing Act. Thus, the establishment of a grazing district is not a federal "reservation" or "disposition" of land that can prevent title to numbered school sections from vesting in the States. See 43 U.S.C. § 851. Furthermore, designated grazing land remains "unappropriated" and available for the satisfaction of school grants under the terms of the indemnity statutes. See 43 U.S.C. § 852 (a) and (d). The purpose of the Act is simply to provide that unsurveyed or unselected school land, like other public land, can be included in grazing districts "[i]n order to promote [its] highest use . . . pending its final disposal." 43 U.S.C. § 315.

The Court gives the unqualified exemption in § 1 a construction that is inconsistent with its plain language and the stated purpose of the Act. The Court concedes that the inclusion of numbered school sections within a grazing district is not a federal disposition of the land that can defeat the grants in place. *Ante*, at 13.[24] It holds, however, that the inclusion of other lands within a grazing district is a federal appropriation that can defeat a State's otherwise clear right to replace lost school sections with lands of equal acreage. *Ante*, at 19. Thus, the Court thinks the Taylor Grazing Act *does* "affect land . . . which [otherwise] would be part of" a grant to a State. Indeed, the Court concludes that the Act gives the Secretary of the Interior power to nullify an earlier congressional "disposal" of public land. This construction is wholly at odds with the express language and the clear history of the Act.

B

Even if I could agree with the Court that § 1 of the Taylor Grazing Act exempts only numbered school sections from the operation of the act, I could not agree with the Court's unexplained conclusion that § 7 allows the Secretary of the Interior to review school grant indemnity selections under a comparative value standard. Section 7 of the Act, 43 U.S.C. § 315f, gives the Secretary discretion to reclassify designated grazing lands as

> "[i] more valuable or suitable for the production of agricultural crops than for the production of native grasses and forage plants, or [ii] more valuable or suitable for any other use than for [grazing], or [iii] proper for acquisition in satisfaction of any outstanding lien, exchange or script [*sic*] rights or land grant, and to open such lands to entry, selection, or location for disposal in accordance with such classification under applicable public-land laws. . . ."

The Courts of Appeals have concluded that this section gives the Secretary substantial discretion to conserve the public lands. Thus, the Secretary may reject private applications for land that he finds suitable for more efficient uses. See *Bleamaster* v. *Morton*, 448 F. 2d 1289 (CA9 1971); *Carl* v. *Udall*, 114 U.S. App. D. C. 33, 309 F. 2d 653, 657–658 (1962). The courts also have upheld administrative determinations that certain land is not proper for private acquisition because the relevant land grant did not convey lands of that character. See *Pallin* v. *United States*, 496 F. 2d 27, 34–35 (CA9 1974); *Finch* v. *United States*, 387 F. 2d 13, 15–16 (CA10 1967), cert. denied, 390 U.S. 1012 (1968). But these federal courts agree that § 7 of the Taylor Grazing Act does not give the Secretary authority to review a land selection under standards fundamentally inconsistent with the terms of the relevant land grant statutes. See *Pallin* v. *United States*, *supra*; *Bronken* v. *Morton*, 473 F. 2d 790, 795–796 (CA9), cert. denied, 414 U.S. 828 (1973); *Finch* v. *United States*, *supra*. The word "proper" in the third clause of § 7 quoted above cannot mean proper under whatever criteria the Secretary sees fit to devise.

Nothing in this general provision, concerned with the satisfaction of private as well as state claims, suggests that Congress intended to authorize a comparative value standard at odds with the equal acreage principle found in every school grant indemnity statute since the beginning of the 19th century. When a specific statute grants fixed acreages, the Secretary cannot defeat the grant by applying a comparative value test based on the general provisions of § 7. *Bronken* v. *Morton*, *supra*. This rule should apply with special force where the Federal Government has granted fixed quantities of land to a State as part of the bilateral compact under which the State was admitted to the Union. Even the exchange provisions in § 8 of the Taylor Grazing Act acknowledged the equal acreage principle. The section allowed the Secretary to accept private lands only in return for public lands of no more than "equal value," 43 U.S.C. § 315g(b) (1970 ed.), but it authorized him to take state-owned lands in exchange for "land either of equal value or of equal acreage," § 315g(c). Having expressly acknowledged the equal acreage principle in a section dealing with the exchange of lands to which the States already hold title, the Act could not silently have authorized departures from that principle in a section dealing with indemnity for deficiencies in the original land grants.

The Congress that passed the indemnity provision under which Utah has made its selections found that a law permitting the selection of mineral lands as indemnity for other mineral lands of equal acreage "amply protected" the federal interest. H.R. Rep. No. 2347, 85th Cong., 2d Sess., 2 (1958). The sponsors of the legislation and the Department of the Interior did not conclude—as the Court does—that such selections would allow the States to secure an unfair advantage. Instead, they agreed that the selection of mineral lands on an equal acreage basis was necessary to guarantee the public schools a "fair cross section of land values." H.R. Rep. No. 2347, *supra*, at 4 (report of the Department of the Interior); 104 Cong. Rec. 11921 (1958) (remarks of Sen. Watkins); see pp. 7–8, *supra*. No later Congress has receded from this view, despite the Secretary's invitation to do so. See S. Rep. No. 1213, 89th Cong., 2d Sess., 2, 4 (1966); p. 8, *supra*. For nearly 180 years, Congress has adhered to the equivalent principle embodied in the specific statutes most relevant to this case. The Court has no basis for surmising that a general statute addressed to different issues has given the Secretary authority to adopt an inconsistent position.

Footnotes at end of article.

IV

Utah has selected land in satisfaction of grants made to support the public education of its citizens. Those grants are part of the bilateral compact under which Utah was admitted to the Union. They guarantee the State a specific quantity of the public lands within its borders. *Payne* v. *New Mexico*, 255 U.S. 367 (1921), and *Wyoming* v. *United States*, 255 U.S. 489 (1921), require the Secretary of the Interior to approve Utah's indemnity selections if they designate tracts equal in acreage to the lands replaced and otherwise satisfy the requirements of 43 U.S.C. §§ 851–852. Nothing in the Taylor Grazing Act empowers the Secretary to review Utah's selections under a comparative value standard explicitly at odds with principles consistently respected since the early days of our Republic.

For a decade or longer, however, the Secretary has refused to determine whether Utah's selections satisfy §§ 851–852. Indeed, he has refused to make any determination at all. Rather, the Secretary has claimed that the Taylor Grazing Act gives him discretion to disapprove the selection of indemnity lands more valuable than Utah's lost school sections. In the five years since Utah took issue with that claim, the registry of the District Court was swollen with the proceeds of oil shale leases on the selected land—proceeds which the Federal Government now claims on the ground that the Secretary has not approved the indemnity selections. The District Court brought this matter to a just conclusion. It ordered the Secretary to do his duty. The Court of Appeals affirmed, and I would affirm its judgment.

FOOTNOTES

[1] Congress did not address this problem in 1796 when Tennessee was created from land that North Carolina had ceded to the Confederation. Consequently, Tennessee contested congressional control over all vacant land within the State. The controversy ended with a compromise that established a federal reservation exempt from state taxation. Act of Apr. 18, 1806, ch. 31, §§ 1, 2, 2 Stat. 381–382; see P. Gates, History of Public Land Law Development 287–288 (1968).

[2] The Land Ordinance of 1785 "reserved the lot No. 16, of every township, for the maintenance of public schools within the said township. . . ." 1 Laws of the United States 565 (1815).

[3] Art. III of the Northwest Ordinance of 1787 declared: "Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged." 1 Stat. 52. Art. IV provided that legislatures established in the region could not "tax . . . the property of the United States" or interfere with the Federal Government's disposal of the public lands. *Ibid.*

[4] The pattern established by the Ohio enabling acts, Act of Mar. 3, 1803, 2 Stat. 225; Act of Apr. 30, 1802, § 7, 2 Stat. 175, was followed in the acts organizing every State except Maine, Texas, West Virginia, and Hawaii. See P. Gates, n. 1, *supra*, at 285–339.

[5] Until shortly after Congress stopped selling public land on credit, Act of Apr. 24, 1820, § 2, 3 Stat. 566, State enabling acts also exempted land sold by Congress from state taxation for a period of five years after the sale. The acts enabling the organization of Ohio and other States in the Northwest Territory contained only this proscription because the Northwest Ordinance of 1787 already banned state taxes on federal lands. See P. Gates, n. 1, *supra*, at 288–296; n. 3, *supra*.

[6] See Act of Mar. 3, 1853, § 7, 10 Stat. 247 (California); Act of Jan. 7, 1853, ch. 6, 10 Stat. 150 (Oregon).

[7] *Mining Co.* v. *Consolidated Mining Co.*, 102 U. S. 167 (1880); see *United States* v. *Sweet*, 245 U.S. 563, 570–572 (1918).

[8] See *Todd* v. *Washington*, 24 Pub. Lands Dec. 106 (1897). The Secretary of the Interior assumed the Secretary of the Treasury's responsibility for the public lands in 1849. Act of Mar. 3, 1849, § 3, 9 Stat. 395.

[9] See Act of July 10, 1890, § 4, 26 Stat. 223 (Wyoming); Act of July 3, 1890, § 4, 26 Stat. 215 (Idaho); Act of Feb. 22, 1889, § 10, 25 Stat. 679 (North Dakota, South Dakota, Montana, Washington).

[10] See 104 Cong. Rec. 11921 (remarks of Sen. Watkins of Utah, cosponsor of the bill).

[11] The Court points to nothing in nearly two centuries of American history to support its statement that the Secretary's comparative value concept is "wholly faithful to Congress' consistent purpose, in providing for indemnity selections, to give the States a rough equivalent of the school grants in place that were lost. . . ." *Ante*, at 20.

[12] See generally P. Gates, n. 1 *supra*, at 519–529, 607–613.

[13] The Taylor Grazing Act further provided that the land included within grazing districts could not aggregate more than 80 million acres. Taylor Grazing Act of 1934, § 1, 48 Stat. 1269. The acreage limitation rose to 142 million acres in 1936, Act of June 26, 1936. Title I, § 1, 49 Stat. 1976, and it disappeared entirely in 1954, Act of May 28, 1954, § 2, 68 Stat. 151.

[14] The last part of the provision was added to the statute by the House Committee on the Public Lands. See Hearings on H.R. 2835 and H.R. 6462 before the House Committee on the Public Lands, 73d Cong., 1st Sess. and 2d Sess., 195 (1934). At the time the language was inserted, the Committee had before it a report from the Secretary of the Interior indicating that some States had objected to the bill "upon the theory that the establishment of a grazing district would restrict the State in its indemnity selections." *Id.*, at 5 (memorandum from General Land Office Commissioner Johnson to Secretary Ickes); see H.R. Rep. No. 903, 73d Cong., 2d Sess., 9 (1934); S. Rep. No. 1182, 73d Cong., 2d Sess., 7 (1934). The Senate further expanded the exemption. See 78 Cong. Rec. 11147 (1934); Hearings on H.R. 6462 before the Senate Committee on Public Lands and Surveys, 73d Cong., 2d Sess., 64 (1934). The House conferees acceded to the Senate amendment, after inserting the phrase "validly affecting the public lands" behind the words "existing law." See H.R. Conf. Rep. No. 2050. 73d Cong., 2d Sess., 1, 4 (1934).

The Court simply ignores this highly relevant sequence of events. It even cites the Secretary's report on the States' concern for the plainly erroneous proposition that the original Act made "no provision . . . for the States' indemnity selections from land within grazing districts. . . ." *Ante*, at 17. Perhaps the Court's confusion arises from its assumption that the broad savings provision covers only lands specifically granted, rather than all lands needed for satisfaction of a grant. *Ante*, at 18, n. 24. This assumption is logically untenable. Lands selected in lieu of deficiencies in a grant cannot be conveyed to the grantee unless they become "part of [the] grant." 48 Stat. 1269.

[15] Hearings on H.R. 6462 before the Senate Comm. on Public Lands and Surveys, 73d Cong., 2d Sess., 195–209 (1934) (testimony of Gov. Miller of Wyoming).

[16] *Id.*, at 209–216 (testimony of George Fisher). Not until Congress amended the Taylor Grazing Act in 1936 was the Secretary of the Interior required to effect exchanges of state-owned lands. See p. 14, *infra*.

[17] Hearings on H.R. 6462, n. 15, *supra*, at 161–174 (testimony of Howland J. Smith).

[18] The Pickett Act of 1910, ch. 421, 36 Stat. 847, authorized the President temporarily to "withdraw from settlement, location, sale or entry any of the public lands of the United States . . . , and reserve the same for water-power sites, irrigation, classification of lands, or other public purposes. . . ." The Act was repealed by the Federal Land Policy and Management Act of 1976; § 704 (a), 90 Stat. 2792.

[19] This Court later held that a Pickett Act withdrawal is a "previous disposition" of land by the Federal Government that prevents title to numbered school sections from vesting in the States upon completion of a survey, *United States* v. *Wyoming*, 331 U.S. 440, 443–444, 454 (1947). Executive Order 7599, 2 Fed. Reg. 633 (1937), however, expressly exempted numbered school sections from the operation of Executive Order 6910.

[20] See Hearings on S. 2539 before the Senate Committee on Public Lands and Surveys, 74th Cong., 1st Sess., pt. 1, at 1–2 (1935). See also S. Rep. No. 1005, 74th Cong., 1st Sess., 2 (1935).

Five days after the hearings began, the President limited his earlier withdrawal by amending Executive Order 6910 to authorize exchanges of land under § 8 of the Taylor Grazing Act. Exec. Order 7048 (1935). Participants in the congressional hearings accurately observed, however, that Executive Order 6910 had left no land available for school grant indemnity selection. See *ante*, at 18, n. 23, pp. 12–13, *supra*.

[21] The Court scarcely mentions Executive Order 7274. It therefore fails to recognize that the land within a grazing district is "locked up" only to the extent that the Taylor Grazing Act affirmatively precludes otherwise legitimate claims against it. See *ante*, at 19. Any implication that the Pickett Act continues to affect lands within a grazing district is simply mistaken. See *ante*, at 15 n. 20; p. 16, n. 24, *infra*.

[22] The Senate report on this amendment says that it was intended "to provide a more practicable and satisfactory method of classification of lands within a grazing district and to make available for *private* entry lands which are more valuable for other purposes than grazing." S. Rep. No. 2371, 74th Cong., 2d Sess., 2 (1936) (emphasis added). The legislative history provides no support for the Court's inference that the amendment was a response to complaints about the effect of the Taylor Grazing Act—as distinguished from Executive Order 6910—upon *state* indemnity selections. See *ante*, at 17, 18, n. 24.

[23] See *ibid.* Mandatory exchanges were critically important to the Western States. See pp. 11–12, *supra*.

[24] Given the Court's concession on this point, its reliance on *United States* v. *Wyoming*, 331 U.S. 440 (1947), is misplaced. *Ante*, at 15, n. 20; see p. 13, and n. 21, *supra*. In that case, the United States sought to quiet title to oil land lying within one of the State's numbered school sections. The land had been withdrawn under the Pickett Act of 1910, 36 Stat. 847, several months before survey identified it as a school section. The Court held that the Pickett Act withdrawal was a "previous disposition" by the Federal Government that prevented title to the school section from vesting in the State upon completion of the survey. 331

U.S., at 443-444, 454. Since the Taylor Grazing Act—unlike the Pickett Act—does not "dispose" of otherwise unreserved public lands, *United States* v. *Wyoming* provides no support for the notion that the Act withdrew grazing lands from indemnity selection under the provisions of the State's enabling acts and the school indemnity statutes.

By Mr. CRANSTON (by request):

S. 2758. A bill to amend chapter 21 of title 38, United States Code, to expand the eligibility for specially adapted housing benefits; to the Committee on Veterans' Affairs.

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 2758, a bill to amend chapter 21 of title 38, United States Code, to expand the eligibility for specially adapted housing benefits. Mr. President, I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD at this point.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 801 of title 38, United States Code, is amended by—

(1) inserting at the end of clause (3) "or", and

(2) inserting a new clause (4) to read as follows: "(4) due to the anatomical loss of both upper extremities at or above the wrist, or the loss of use of both upper extremities at a level, or with complications, preventing natural elbow action with prostheses in place,"

SEC. 2. This Act shall take effect October 1, 1980.

OFFICE OF THE ADMINISTRATOR
OF VETERANS' AFFAIRS,
May 2, 1980.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill designed "To amend chapter 21 of title 38, United States Code, to expand the eligibility for specially adapted housing benefits," which we request be introduced and receive favorable consideration.

Under the current law (38 U.S.C. § 801), veterans are eligible for specially adapted housing if they have a compensable permanent and total service-connected disability (1) due to the loss, or loss of use, of both lower extremities; or (2) which includes blindness in both eyes having only light perception, plus loss, or loss of use, of one lower extremity; or (3) due to the loss, or loss of use, of one lower extremity, together with (A) residuals of organic disease or injury or (B) the loss, or loss of use, of one upper extremity which so affect the functions of balance or propulsion as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair. The assistance furnished consists of payment of 50 percent of the total cost to the veteran of a house having special features made necessary by the nature of the veteran's disability. The grant may not, however, exceed $30,000.

The proposed change would add a new category of eligible veterans—those having suffered a permanent and total service-connected disability due to the anatomical loss of both upper extremities at or above the wrist, or the loss of use of both upper extremities at a level, or with complications, preventing natural elbow action with prostheses in place.

It is apparent from the history of the program that specially adapted housing benefits are intended to cover structural adaptations in a housing unit being necessitated by a veteran's disability. Eligibility for this benefit has consistently been liberalized with the more recent change being made by the Veterans Disability Compensation and Survivor Benefits Act of 1977, Pub. L. No. 95-117, § 401, 91 Stat. 1063 (1977), to include disabilities which would preclude locomotion without the aid of canes or crutches.

Veterans suffering from the loss, or loss of use, of both upper extremities to the extent defined in the draft bill are confronted daily with unique problems which pose major obstacles to living in conventional homes. Unless special adaptations are made to many of the features of a conventional home, veterans so afflicted are precluded from the full and proper enjoyment of their homes without the assistance of others. Veterans of the class described here are in need of such assistance, and it would therefore be a natural extension of the benefit to extend eligibility to these severely disabled veterans.

Enactment of this proposal, which was included in the President's Fiscal Year 1981 Budget, would result in the following 5-year costs:

Fiscal year	Additional grants	Benefits cost
1981	15	$450
1982	14	420
1983	14	420
1984	14	420
1985	11	330
Total	68	2,040

The administrative cost of this proposal is insignificant in any fiscal year.

The Office of Management and Budget advises that there is no objection to the submission of the draft bill to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

MAX CLELAND,
Administrator.●

By Mr. LEVIN (for himself, Mr. METZENBAUM, Mr. TSONGAS, and Mr. RANDOLPH):

S. 2761. A bill to amend title XIX of the Social Security Act to require that States provide medicaid coverage for dental services (including dental prosthetics) for eligible individuals 65 or older; to the Committee on Finance.

● Mr. LEVIN. Mr. President, in recent years there has been a groundswell of interest in the elderly. In 1963, this interest culminated in the Presidential decision to set aside the month of May as Older Americans Month. Since then, greater public awareness has been centered on the talents, creativity, and experience older persons contribute to our society. It is quite fitting, in light of the heritage they have passed on to us, that we honor these Americans.

Recently, I received a letter from a gentleman who wanted to honor his mother on the occasion of her 76th birthday. He expressed how deeply grateful he was for the life she had shared with him and the proud tradition she had given him. It was a poignant reminder from one person of the indebtedness we all have to older Americans.

There is another, darker side to the life of elderly persons in our society. In spite of a developing awareness of the plight of older persons, our society does not recognize old age as a crucial stage in the life cycle of an individual. There is little perception that this last third of life contains various obstacles to pride and dignity. Aging brings many changes to interpersonal relationship and within a person's physical system. These changes increase the problems with which older Americans must cope.

These problems include changing family relationships—the most common of which is widowhood and retirement, with the concomitant loss of status and self-worth.

One of the major problems plaguing the aged is the accumulation of chronic physical conditions. Reduced physical capacity may limit an individual's capacity to cope with the environment. It is with this in mind that a theme of this year's Older Americans Month emphasizes building comprehensive community services to help older people live at their highest potential.

In conjunction with this theme, it seems especially appropriate to present this bill which assists the elderly poor in receiving proper dental care. The bill includes coverage for comprehensive dental care services, including dentures, bridgework, or similar prostheses, under the required services of the medicaid program.

Under current law, dental services are optional under requirements of the medicaid program. This means that of the 4.5 million elderly persons who are eligible for medicaid, only those that are fortunate to live in a State which has opted to provide dental services under the program can receive dental care. Thirty-six States now provide some type of dental service to the medicaid-eligible population, including adults and children. At least 31 of these States do not provide denture coverage and most will only provide services in emergency situations.

Without teeth or the aid of dentures the ability to chew and digest foods is an almost impossible task. For the elderly, this comes at a time when nutritional needs are most critical. Frequently, they are forced to choose foods that are easier to chew but lower in nutritional value—avoiding foods like meats, raw vegetables, and fresh fruits. These foods are essential dietary ingredients for the aged.

Tooth decay and periodontal disease are widespread among the elderly. According to the National Center for Health Statistics, more than half of all individuals over 65 have no natural teeth and 6.2 percent of the elderly without natural teeth have no dentures. An additional 30 percent of those without teeth do have dentures, but they are ineffective and require refitting and replacement. In fact, the Department of Health, Education, and Welfare has reported that almost one-third of the edentulous elderly have dentures which need to be replaced or refitted.

Our elderly suffer severe dental problems which are the result of years of inadequate dental care and which are far more serious than those of the population as a whole. Yet, they see dentists 33 percent less frequently than other segments of the population.

Not only is this a health hazard, but for many of the elderly, being edentulous brings with it emotional discomfort which ultimately interferes with social interactions and vocational activities. Many of the aged literally isolate themselves from family and friends as a result.

It is unconscionable for many of our aged to continue to live secluded and restricted lives because necessary dental health care is not available to the most needy of all Americans.

The cost of dental care is prohibitive for a large number of Americans, particularly the elderly, half of whom border on or are below the poverty level.

Despite the fact that millions of the aged cannot afford the cost associated with good dental care, neither public nor private health benefit programs have sufficiently addressed the problem.

The dental care improvements provided for in this bill will initially result in higher program cost, however, the cost will decline as the aged receive preventive and comprehensive dental care. Findings by the American Dental Association support the fact that the rate of edentulousness is steadily declining among the younger age groups that will make up the elderly of the future. The reason for the present high rate is that the senior citizens of today grew up in a time before the benefits of fluoridation and other preventive measures were known.

The dental care improvements provided in this proposal will initially result in higher costs. The reduction in human suffering and pain, however, will translate into eventual reductions in other health care costs for the aged, as improved diet and self-esteem help to reduce and prevent illness.

But more importantly, the limited cost to the Government will result in immeasurable benefits to the aged in need of dental care.

An article which appeared in the February newsletter of the Northwest Michigan Human Service Agency entitled "Poor Eating Habits Compromise Elderly Health'" revealed the findings of a study of the diet-related health problems of the elderly:

> A significant percentage of older Americans—perhaps a third or more—are short-changed on one or more essential nutrients, including proteins, calcium, iron, several B vitamins, vitamins C and D, fiber and total calories. The insidious result of these deficiencies may include reversible symptoms of senility, chronic constipation, fragile bones, "shrinkage" of the body, and a loss of energy and zest for life. Some have no teeth or poorly fitting dentures and can't chew anything but soft foods, many of which are high in refined carbohydrates and low in essential nutrients.
>
> Families are often unaware of the nutritional plight of elderly people who live alone. They tend to accept the physical and mental decline of their older relatives as the inevitable consequence of age, not realizing that most of the deterioration is potentially avoidable.
>
> Those who live to a "ripe old age" need not be doomed to spend the last portion of it shriveled, confused and decrepit. Good nutrition is certainly not a fountain of youth, but it can go a long way toward prolonging useful life and helping preserve youthful structures beneath an aging facade."

According to HEW's Health Care Financing Administration, under my proposal, the one-shot denture costs for current medicaid, fiscal years 1980, 1981, and 1982, would be:

Costs in millions—Federal share

Fiscal year	Low	Expected	High
80	$48	$60	$96
81	24	30	48
81	--	--	--

The higher utilization rate and the lower participation rate by States in current dental medicaid expenditures would cause the yearly ongoing costs to be larger:

Ongoing costs in millions—Federal share

Fiscal year	Low	Expected	High
80	$90	$110	$130
81	100	122	144
82	111	136	160

Mr. President, along with my colleagues, Senators METZENBAUM, RANDOLPH, and TSONGAS, I am filing this bill. It is my belief that it will contribute to the comprehensive dental care needs and general health of the older Americans of this country. That is a tangible act of caring and respect which Congress can take as we celebrate Older Americans Month.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by redesignating paragraph (17) as paragraph (18); and

(3) by inserting after paragraph (16) the following:

"(17) dental services (including dental prosthetics) for eligible individuals 65 years of age or older; and".

(b) Section 1902(a)(13)(B) of such Act is amended by inserting "and clause (17)" after "clauses (1) through (5)".

(c) Section 1902(a)(13)(C) of such Act is amended—

(1) in clause (i) by inserting "and clause (17)" after "clauses (1) through (5)"; and

(2) in clause (ii) by striking out "any 7 of the clauses numbered (1) through (16)" and inserting in lieu thereof "any 8 of the clauses numbered (1) through (17)".

(d) The amendments made by this Act shall apply to services provided on or after the first day of the first month that begins more than 90 days after the date of the enactment of this Act.●

By Mr. LAXALT (for himself and Mr. CRANSTON):

S. 2762. A bill to provide for the orderly disposal of certain Federal lands in Nevada and for the acquisition of certain other lands in the Lake Tahoe Basin, and for other purposes; to the Committee on Energy and Natural Resources.

LAKE TAHOE LAND TRANSFER

● Mr. LAXALT. Mr. President, today I am introducing, along with Senator CRANSTON, legislation identical to H.R. 7306 introduced by Congressmen BURTON and SANTINI on May 8, 1980.

Mr. President, we are asked once again to resolve some of the problems associated with future development of the Lake Tahoe Basin. Located high in the Sierra Nevada mountains, sitting two-thirds in California and one-third in Nevada, Lake Tahoe is known as the jewel of the Sierras. The lake is one of the highest and deepest lakes in the United States and is known for its exceptional purity and clarity.

Use of the Lake Tahoe region has increased significantly during the past two decades. There is heightened concern that continued population increases and escalating recreation demands will result in significant degradation in the basin.

In meeting the dilemma of Tahoe Mr. President, I believe it is essential that we keep certain basic goals in mind:

Our efforts must allow continued public enjoyment and use of the Tahoe area.

We must take every reasonable step to avoid significant, irreparable environmental damage.

Resolution of Tahoe's problems will require substantial public input and participation.

The best approach for dealing with Tahoe's problems is through local, State, and regional governments, including the Tahoe Regional Planning Agency (TRPA). We must work to make TRPA a success.

As regards to H.R. 7306, let me say that I am generally supportive of the concept embodied in the bill. It can be improved, and I expect amendments to that effect. But it does appear to be a creative way to generate needed funds in otherwise austere times to fund a public land acquisition program of certain key Tahoe area lands. In this regard, there are two principal areas which I feel further public acquisition appears warranted.

Today, approximately 71 percent of the Tahoe Basin is owned by the Federal, State and local governments, with 65 percent under Forest Service ownership and control. Of the remaining 29 percent in private hands, approximately 28,000 to 30,000 acres are essentially large parcels that have previously been downzoned by the bi-State regional planning agency, the Tahoe Regional Planning Agency, to General Forest category. The Forest Service has an ongoing acquisition program to acquire these lands so as to increase public ownership to approximately 85 percent. It appears to me that it would be prudent public policy to proceed with the orderly acquisition of these lands. Presumably a substantial portion of the funds generated by this measure would be utilized by the Forest Service to continue this acquisition program.

I am persuaded there are some highly fragile privately-owned lands that should be acquired by public agencies to minimize the threat to Lake Tahoe's water quality, mostly located in so-called stream environment zones. In 1977, after a 2-year million-dollar intensive study, the Tahoe Regional Planning Agency pinpointed approximately 1,000 acres that fell into this category. This would appear to be a realistic assessment of what is in fact needed. Further, the cost of acquisition of these highly fragile lands is within the range of the funding sources currently being considered.

Mr. President, I consider H.R. 7306 as a first step. More importantly, Mr. President, I consider this measure as an alternative to the proposal, H.R. 6338, introduced by Congressman Vic Fazio. The Fazio bill placed total control of the Tahoe area under the Secretary of Agriculture by establishing a National Scenic Area. I remain opposed to the Federal Government undertaking the total management of the Tahoe Basin.

In conclusion, Mr. President, let me emphasize that it is my genuine belief that the most effective tool we have to deal with Tahoe's problems in the future is the Tahoe Regional Planning Agency, the bi-State agency approved by congressional enactment. I will continue to encourage continued negotiations between Nevada and California in their efforts to design a new bi-State compact for the Lake Tahoe Basin.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) The Congress finds that—

(1) the Bureau of Land Management has extensive land ownership in small parcels interspersed with or adjacent to private lands in urban areas of Clark and Washoe Counties, Nevada;

(2) for orderly development of the communities in those counties certain of those lands should be sold by the Federal Government;

(3) the Lake Tahoe Basin is a closed basin two-thirds of which is located within the State of California and one-third within the State of Nevada;

(4) the environmental quality of the Lake Tahoe Basin is seriously jeopardized by overdevelopment of sensitive land areas;

(5) a majority of the acreage developed within the Lake Tahoe Basin and the potential for further development of sensitive land areas is within California.

(6) further tourist oriented development within the basin encourages significant permanent development of other kinds as well as tourist visitation; and

(7) the unique character of the Lake Tahoe Basin is of national significance deserving of further protection and management.

(b) The purpose of this Act is to provide for the orderly disposal of Federal lands in Clark and Washoe Counties, Nevada and to provide for acquisition of environmentally sensitive lands in the Lake Tahoe Basin.

SEC. 2. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is authorized and directed to dispose of lands under the jurisdiction of the Bureau of Land Management in Clark and Washoe Counties, Nevada as shown on the map numbered , dated , and entitled " ", and in Washoe County, Nevada, as shown on the map numbered , dated , and entitled " ", which maps are on file and available for public inspection in the offices of the Bureau of Land Management. Such disposal shall be in accordance with regulations developed jointly by the Secretary and the affected local governmental jurisdictions and shall be consistent with the provisions of the Federal Land Policy and Management Act and other applicable law except to the extent necessary to expeditiously carry out the provisions of this Act.

(b) No more than 700 acres per calendar year may be offered for sale by the Bureau of Land Management in Clark County and no more than 700 acres per calendar year may be offered by the Bureau of Land Management for sale in Washoe County.

(c) Notwithstanding section 1(b), the Secretary and the affected local governmental jurisdictions shall jointly select lands to be offered for sale under this Act. The Secretary may not offer any land for sale if in his judgment such land has not been appropriately classified in accordance with adjacent land use by the local governmental jurisdiction. In the event agreement cannot be reached on joint selection, no lands shall be offered for sale.

(d)(1) Except as otherwise provided in this subsection, the revenues from the sale of public lands under this subsection within Clark and Washoe Counties, Nevada, shall, notwithstanding any other provision of law, be deposited annually, in the general fund of the Treasury of the United States.

(2) Five (5) percent of the annual revenues referred to in paragraph (1) shall be returned to the State of Nevada annually for use in the general education program of the State.

(3) Twenty percent of the net annual revenues referred to in paragraph (1) shall be returned annually directly to the county or municipality within the boundaries of which such land sale occurred to be used for the purpose of acquisition and development of recreational lands and facilities. The total annual revenue returned under this paragraph to each such county or municipality shall be an amount proportional to the amount of revenues generated under this section from sales under this section of Federal land located within the county or municipality. The preceding provisions of this paragraph shall cease to apply on October 1, 1982, unless, on or before such date, the States of Nevada and California have submitted to Congress for ratification amendments to the Tahoe Regional Planning Compact which amendments have been approved by both States.

(e) The revenues deposited in the general fund of the Treasury of the United States under subsection (d) are deemed to be in the nature of repayment for those authorizations set forth in section 3 of this Act. The Secretary, in cooperation with the Secretary of Agriculture, shall submit an accounting report biannually of income and expenditure provided for by this Act to the committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

(f) The Secretary shall, subject to the provisions of subsection (c), make the first land sale offering of Calrk County, Nevada land no later than 1 year after the date of enactment of this Act.

SEC. 3. (a) The Secretary of Agriculture is authorized to acquire by donation, purchase with donated or appropriated funds, or otherwise, lands and interests in lands which were unimproved as of May 1, 1980 (except as provided in subsection (c)), and which are within the boundaries of the area depicted on the map entitled " ", numbered , and dated , which shall be on file and available for inspection in the Offices of the United States Forest Service, Department of Agriculture. The funds used for acquisition of such lands and interests in lands shall be the funds authorized to be appropriated pursuant to this Act, and such funds shall be in addition to any other amounts available to the Secretary for expenditure in the Lake Tahoe Basin.

(b) Lands acquired under this section shall be administered as a part of the United States Forest System; except that the Secretary of Agriculture, acting through the Chief of the Forest Service, may, in the case of lands (1) which are not contiguous to other lands within the national forest system and (2) which are unsuitable for forest service administration, transfer such lands or interests therein to an appropriate unit of State or local government with appropriate deed restrictions to protect the environmental quality and public recreational use of the lands concerned.

(c)(1) With respect to that portion of the Lake Tahoe Basin as depicted on the map referred to in subsection (a) which lies within the boundary of the State of California, as in effect on the date of the establishment of the Tahoe National Forest (Oct. 3, 1905), except as provided in paragraph (2), the Secretary of Agriculture may acquire improved lands or interests in improved lands upon a finding by the Secretary of Agriculture that such lands are being used. or that a threat exists that they will be used, in a manner detrimental to the preservation of existing air, water, or visual qualities of the basin.

(2) No detached single-family residential dwelling (together with so much of the land on which such dwelling is located as is in the same ownership as such dwelling) may be acquired under the provisions of this section unless the Secretary of Agriculture finds that a change in the use of such dwelling has occurred subsequent to enactment of this Act or that such a change in use is threatened.

(3) For purposes of this Act, the term—

(A) "improved land" means any land on which there is located a structure the construction of which commenced before May 1, 1980, together with so much of the land on which such structure is located as is in the same ownership as such structure; and

(B) "unimproved land" means any land other than improved land.

(4)(A) The owner or owners of any improved property which contains a detached single family residential dwelling acquired by the Secretary under this Act may retain a right of use and occupancy of such property for noncommercial residential purposes for—

(i) a definite term of not more than twenty-five years, or,

(ii) a term ending at the death of the owner or owners of such property.

The owner shall elect the term to be reserved. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of its acquisition, less the fair market value on that date of the right retained by the owner. For purposes of applying the preceding provisions of this subparagraph, ownership shall be determined as of the date of acquisition, except that in applying clause (ii) ownership shall be determined as of May 1, 1980.

(B) A right retained by the owner pursuant to this paragrapn shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purposes of this Act, and it shall terminate by operation of law upon notification by the Secretary to the holder of the right of such determination and tendering to him the amount equal to the fair market value of that portion which remains unexpired.

(5) The provisions of this subsection shall cease to apply on October 1, 1982, unless, on or before such date, the States of Nevada and California have submitted to the Congress for ratification amendments to the Tahoe Regional Planning Compact, which amendments have been approved by both States.

(d) There is hereby authorized to be appropriated, for the purposes of this Act, from the Land and Water Conservation Fund, $10,000,000 for the fiscal year 1981, and $20,000,000 for the fiscal year 1982. In addition there is hereby authorized to be appropriated for these and subsequent fiscal years an amount equal to the amount of revenue obtained by the Federal Government from the sale of federally owned lands in Clark and Washoe Counties, Nevada, after October 1, 1978, reduced for any fiscal year by the amount appropriated, pursuant to this sentence, in the prior fiscal years. Amounts authorized to be appropriated under this subsection shall remain available until expended. Authorizations of moneys to be appropriated under this Act shall be effective October 1, 1980.●

● Mr. CRANSTON. Mr. President, I am very pleased to join with my colleague, the junior Senator from Nevada (Mr. Laxalt), in introducing this bill to provide for the orderly disposal of certain Federal lands in Nevada and for the acquisition of certain other lands in the Lake Tahoe Basin.

Lake Tahoe is a national treasure—a beautiful alpine lake situated in the Sierra Nevada in both the States of Nevada and California. But this unique resource will be lost forever if the continued degradation of its natural beauty by private interests is not stopped.

For a number of years, I have been working closely with Senator Laxalt, Congressman Santini, Congressman Phil Burton, and others to find a workable solution to the Tahoe problem. This bill, which is a product of those discussions, can be a major step forward in curbing the environmental degradation in the Tahoe Basin.

It has been my personal belief that any legislative solution to controlling growth at Tahoe must be coupled with resolution of the public land problems in Nevada. This legislation adopts that approach.

Specifically, the bill calls for the sale of 9,000 acres of Bureau of Land Management lands in Nevada, 7,000 acres in Clark County and 2,000 acres in Washoe County, at fair market value, at a maximum rate of 700 acres per county per year. The State of Nevada and local governments would have to agree before any of this Federal land is sold.

Five percent of the revenues from the BLM land sales would go to Nevada for general education purposes. And 20 percent of the annual revenues would go to the locality where the sale occurred, for the acquisition and development of recreational lands. However, this entitlement to 20 percent of the sale revenues would terminate October 1982 if Nevada and California have not approved amendments to the Tahoe regional planning compact and submitted those amendments to the Congress for ratification.

The revenues from the BLM sales would set the authorization level for Forest Service purchase of lands in the Lake Tahoe Basin. To start the land acquisition program the bill provides an initial 2-year authorization of $30 million from the Land and Water Conservation Fund, $10 million in fiscal year 1981 and $20 million in fiscal year 1982. All funding would be subject to separate appropriations by the Congress.

Under the bill, the Forest Service could acquire unimproved lands in the Tahoe Basin in the State of Nevada. On the California side, the Forest Service could acquire not only unimproved property, but also improved property if there is an attempt to change it in a manner that is detrimental to the preservation of the Tahoe Basin.

Mr. President, I recognize that there are those who would have us attempt to do more, and provide for a greater Federal role at Tahoe. There is substantial pressure in California for the creation of a national recreation area. However, I am aware that this is unacceptable to Nevada, and I am not going to propose it for the Tahoe Basin nor will I support any other pending legislative proposals affecting Lake Tahoe. I believe that the only workable approach to the problems in the Tahoe Basin is an effective Tahoe Regional Planning Agency.

This bill offers a practical role for the Forest Service with continued land acquisition in the Tahoe Basin, and I hope will provide the climate for the States of Nevada and California to resume their efforts to work out an effective bi-State compact for the Lake Tahoe Basin. Of course, this bill can be improved, and I anticipate there will be amendments offered improving it.●

By Mr. MOYNIHAN (for himself, Mr. Culver, Mr. Leahy, Mr. Stevenson, Mr. Bradley, Mr. Heflin, Mr. Laxalt, Mr. Hatch, Mr. Cochran, and Mr. Mathias):

S.J. Res. 177. A Joint resolution designating the week beginning June 22, 1980, as "National Athletic Boosters Week"; to the Committee on the Judiciary.

NATIONAL ATHLETIC BOOSTERS WEEK

● Mr. MOYNIHAN. Mr. President, I am introducing today, together with nine of my colleagues, a resolution designating the week beginning June 22, 1980, as "National Athletic Boosters Week." This joint resolution has already passed overwhelmingly in the House and I am confident that the Senate will respond with similar enthusiasm.

The importance of athletic participation and competition cannot be overstated. Indeed, it was President John F. Kennedy who voiced the thoughts of many Americans when, in 1961, he observed that:

> The vigor of our country is no stronger than the vitality and will of all our countrymen. The level of physical, mental, moral and spiritual fitness of every American citizen must be our constant concern.

Today these thoughts are particularly relevant. Interscholastic and intra-mural sports programs are a valuable part of the educational process. They teach our young people the values of good sportsmanship, self-discipline, responsibility, and cooperation while contributing to their physical fitness.

In recent years, however, many school sports programs have suffered from acute financial problems. Budget pressures at every level of government have forced cutbacks, thereby depriving many youngsters of the opportunity to participate fully in the sports of their choice.

Fortunately, this problem has not gone unnoticed. Thousands of local volunteer athletic "booster clubs" and kindred efforts have been organized throughout the Nation to insure the survival of sound school athletic programs. These clubs have initiated a variety of activities to generate financial resources for school athletic programs in their communities, including car washes, benefits, bake sales, breakfasts, et cetera. In New York, alone, more than 200 such voluntary organizations have already been formed.

On June 25–27, 1980 athletic booster clubs from around the country will hold a national convention in Seattle. By declaring that week "National Athletic Booster Week" we will both demonstrate our support for school athletic programs and recognize the foresight, concern, initiative and hard work of the many volunteers who have contributed so much.

My resolution recognizes a group that well deserves our recognition and the Nation's appreciation. I hope that we will act promptly and enthusiastically in passing it.●

ADDITIONAL COSPONSORS

S. 878

At the request of Mr. Roth, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 878, a bill to streamline and simplify the generally applicable requirements attached to Federal assistance programs and their implementation; to facilitate the consolidation of assistance programs; to provide for multiyear funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation; and for other purposes.

S. 1010

At the request of Mr. Mathias, the Senator from New York (Mr. Moynihan), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S. 1010, a bill to establish a Commission on the International Application of Antitrust Laws.

S. 1631

At the request of Mr. Randolph, the Senator from Oklahoma (Mr. Bellmon) was added as a cosponsor of S. 1631, a bill to provide additional funds for certain projects relating to fish restoration, and for other purposes.

S. 2112

At the request of Mr. Thurmond, the Senator from Maryland (Mr. Mathias), and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 2112, a bill to amend the Surface Mining Control and Reclamation Act of 1977 relating to maps and plans of lands to be mined.

S. 2681

At the request of Mr. Dole, the Senator from South Dakota (Mr. Pressler) was added as a cosponsor of S. 2681, a bill to amend the State and Local Fiscal Assistance Act of 1972 to provide a 5-year extension of the general revenue sharing program and to provide that each State make an annual election to receive its State government allocation or the equivalent amount in specific categorical grant programs, but not both.

S. 2722

At the request of Mr. Wallop, the Senator from Arizona (Mr. DeConcini), and the Senator from Tennessee (Mr. Sasser) were added as cosponsors of S. 2722, a bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to inmates of penal institutions or facilities for the criminally insane.

SENATE JOINT RESOLUTION 152

At the request of Mr. Mathias, the Senator from Iowa (Mr. Culver), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of Senate Joint Resolution 152, a joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 172

At the request of Mr. Mathias, the Senator from New York (Mr. Moynihan) was added as a cosponsor of Senate Joint Resolution 172, a joint resolution to authorize and request the President to designate September 13, 1980, as "Commodore John Barry Day."

SENATE CONCURRENT RESOLUTION 89

At the request of Mr. Hayakawa, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of Senate Concurrent Resolution 89, a concurrent resolution expressing the sense of the Congress with respect to the overthrow on April 12, 1980, of the Government of the Republic of Liberia.

SENATE RESOLUTION 412

At the request of Mr. Roth, the Senator from Pennsylvania (Mr. Heinz), and the Senator from California (Mr. Hayakawa) were added as cosponsors of Senate Resolution 412, a resolution relating to the attempted rescue of the Americans held hostage in Iran.

SENATE RESOLUTION 427

At the request of Mr. Roth, the Senator from Nebraska (Mr. Exon), and the Senator from Missouri (Mr. Eagleton) were added as cosponsors of Senate Resolution 427, a resolution expressing the sense of the Senate with respect to the continued political independence, territorial integrity, and nonalined status of Yugoslavia.

SENATE CONCURRENT RESOLUTION 96—SUBMISSION OF A CONCURRENT RESOLUTION PROPOSING "AFGHANISTAN RELIEF WEEK"

Mr. PELL (for himself, Mr. Javits, Mr. Percy, and Mr. Exon) submitted the following concurrent resolution, which was referred to the Committee on the Judiciary:

Senate Concurrent Resolution 96

Whereas nearly one-million men, women and children have left their native Afghanistan for refugee camps in Pakistan since the onset of civil unrest two years ago; and

Whereas the prospect for continued hostilities in Afghanistan can be expected to perpetuate a massive refugee exodus; and

Whereas the men, women and children who have left Afghanistan have seen their homes bombed and shattered, their crops and flocks destroyed, and their ability to sustain life removed by military force; and

Whereas the social and religious life of the Afghan people has been disrupted, and the practice of the Muslim Religion has been prevented by the authorities in Afghanistan, thus furthering the refugee flow; and

Whereas the Afghan refugees now constitute one of the largest ethnic groups of refugees actually concentrated in one area, without hope of resettlement in other nations; and

Whereas the week of July 21–27 coincides with the scheduled 1980 Olympic Games in Moscow; and

Whereas the withdrawal of participation from the Olympic Games by athletes of the United States has been formally declared to protest the aggression of the Soviet Union against the people of Afghanistan; and

Whereas the concerns of the American people for the people of Afghanistan deserve concrete expression in the form of support and assistance to relieve the suffering of some one-million refugees from Afghanistan now in Pakistan: Now, therefore, be it

Resolved, That it is the sense of the Congress that the President should proclaim the week of July 21–27, 1980, as "Afghanistan Relief Week," and should encourage the American people to join with the U.S. Government, the Afghanistan Relief Committee, Inc., and all persons of good will throughout the world who desire to assist the people of Afghanistan, and particularly the one-million Afghan refugees now in Pakistan, in their struggle for survival.

● Mr. PELL. Mr. President, over the past several months, much has been heard and spoken of the Soviet invasion of Afghanistan. The Soviet presence there, now reported to be 85,000 men, has sparked debate on a variety of policy issues and has resulted in America's boycott of the Moscow Olympics. Unfortunately, one offshoot of the Soviet invasion has attracted little publicity—the plight of the Afghan refugees who fled to Pakistan from the Red Army's destruction of their homes and livelihoods.

Mr. President, as one of the honorary chairmen of the Afghanistan Relief Committee, I would like to bring to the attention of the Congress and the Nation the desperate situation facing the refugees. I am, therefore, introducing, along with Senators Javits, Percy, and Exon a resolution calling for the designation of July 21–27, 1980 as "Afghanistan Relief Week." An identical resolution is today being introduced in the House by Representative Lester Wolff.

The week of July 21–27 is especially appropriate for this purpose as that is the week of the opening of the Moscow Olympic games. We decided to boycott these games because of the Soviet invasion of Afghanistan. The dedication of the first week of the Olympics to the plight of the refugees that the Soviet invasion produced would be an excellent way for us to demonstrate our continued opposition to the Soviet occupation of that brave country, particularly in view of the fact that the Soviets have been cynically crowing that the choice of Moscow as the site of the 1980 Olympics represents an endorsement of the Soviet Union's peaceful foreign policy.

The people of Afghanistan, Mr. President, are proud and independent. Following the simple pursuits of farming and herding, they depend on nature's capricious hand for survival, a hand which dealt them a disastrous famine in 1970 and 1971. Nature has challenged the Afghans with a harsh environment characterized by bitterly cold winters and blistering summers.

Men, too, have challenged the Afghans. Many times in the past, foreign armies and governments sought to conquer and dominate them. Nevertheless, whether confronted by the forces of man or nature, the Afghan people have always stood their ground, refusing to abandon their homes and soil.

Mr. President, that hundreds of thousands of Afghans are now seeking relief away from their homeland is bitter testimony to the fury of the Soviet assault. Equipped with the latest in modern weaponry, the Soviets have ruthlessly sought to break the Afghan spirit. The Red Army has pressed its attack with helicopters, rockets, napalm and, some say, even poison gas. They have razed villages and destroyed crops.

The men, women and children who escaped from this inferno carried little with them but their determination to return to their land someday. For now, however, they are very much in need of supplies if they are to survive until that day. They need shelter from the harsh extremes of the climate; they need blankets, clothing and fuel; and, very urgently, they need medical care for those who did not escape until it was too late.

Over the years, the United States has been generous to those in need, providing a beacon of hope to homeless peoples around the globe. Through the many disasters, both natural and man-made, which have plagued our small world in the past, the American people have shown their compassion and concern for their fellow men and women.

I have no doubt that the American people will respond to the plight of the Afghan refugees with the same concern they have shown in the past. I hope that "Afghan Relief Week" will call to our attention the refugees' struggle for survival and urge my countrymen to join with the Afghanistan Relief Committee in providing assistance to the refugees. In the great game now being played in central Asia, let us not forget that the players are human.●

SENATE RESOLUTION 444—SUBMISSION OF A RESOLUTION OF CONGRATULATION OF WAYLAND ACADEMY

Mr. PROXMIRE (for himself and Mr. Nelson) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. Res. 444

Whereas, Wayland University, now Wayland Academy was founded January 31, 1855 by Francis Wayland upon the conviction that ". . . moral and mental training must go together in order for any culture to stand the tests of actual life";

Whereas, The Academy has exemplified these principles in a most admirable manner throughout the past 125 years; and

Whereas, The Academy and the leaders and faculty have pursued excellence in all their endeavors: Now, therefore, be it

Resolved, That the Senate congratulates the trustees, alumni, faculty and students of Wayland Academy on 125 years of achievement in the field of education and in the development of young people and expresses the hope that Wayland Academy will continue to spread its cultural influence and to maintain its commitment to excellence.

Sec. 2. The Secretary of the Senate shall transmit copies of this resolution to the President of the Academy, James R. Burnham, and to the Board of Trustees, for the occasion of the Academy's 125th Commencement on May 31, 1980.

CONGRATULATING WAYLAND ACADEMY OF BEAVER DAM, WIS., ON ITS 125TH BIRTHDAY

Mr. PROXMIRE. Mr. President, I rise today to submit a sense of the Senate resolution on behalf of myself and on behalf of my friend and colleague (Mr. Nelson) which congratulates Wayland Academy of Beaver Dam, Wis. on 125 years of outstanding service to the education and growth of young people.

For a century and a quarter, this independent, coeducational boarding and day school has exemplified a total commitment to serving the full spectrum of student needs—not only intellectual, athletic, and social, but spiritual and moral as well.

The Wayland Academy family of trustees, alumni, faculty and students has good reason to be proud of the record of their institution and I am pleased to salute that outstanding record with this resolution.

SENATE RESOLUTION 445—ORIGINAL RESOLUTION REPORTED TO WAIVE THE CONGRESSIONAL BUDGET ACT

Mr. WILLIAMS, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. Res. 445

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2004. Such waiver is necessary because S. 2004, the Emergency Public Transportation Energy Conservation Act of 1980, provides an additional authorization of $450,000,000 for the discretionary capital grant program under the Urban Mass Transportation Act of 1964, as amended.

Compliance with the deadlines of the Congressional Budget Act of 1974 was not possible by May 15, 1979, since the need for additional authorizations for such program as part of the response to the energy crisis did not come to the committee's attention until after such date; and since the Administration's supplementary budget request for this program for fiscal year 1980 was not submitted until January 1980.

SENATE RESOLUTION 448—SUBMISSION OF A RESOLUTION PROPOSING THE SELECT COMMITTEE ON INDIAN AFFAIRS A PERMANENT COMMITTEE OF THE SENATE

Mr. MELCHER (for himself, Mr. Burdick, Mr. Schmitt, Mr. Baucus, Mr. Goldwater, Mr. Domenici, Mr. McGovern, Mr. Hatfield, Mr. Inouye, Mr. Durenberger, Mr. Kennedy, Mr. Boren, Mr. Pressler, Mr. Hart, Mr. Boschwitz, Mr. Matsunaga, Mr. Helms, Mr. Dole, Mr. Morgan, Mr. Hatch, Mr. Nelson, Mr. Garn, Mr. Cranston, Mr. Hayakawa, Mr. Stone, Mr. Armstrong, Mr. Moynihan, and Mr. Javits) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 448

Resolved, That section 105(a)(1) of the Committee System Reorganization Amendments of 1977 (Senate Resolution 4, Ninety-fifth Congress, agreed to February 4, 1977) is amended by deleting "Temporary".

Sec. 2. Section 105(d) of the Committee System Reorganization Amendments of 1977 is repealed.

● Mr. MELCHER. Mr. President, I am today submitting a resolution establishing the Select Committee on Indian Affairs as a permanent committee of the Senate. As you know, the Senate has recognized the need for a committee with full legislative authority and comprehensive jurisdiction over matters relating to Indian affairs. The Select Committee on Indian Affairs was established for the 95th Congress in April of 1977 pursuant to Senate Resolution 4 and was extended through the 96th Congress by the passage of Senate Resolution 405 on October 14, 1978.

The Select Committee on Indian Affairs, which I have the privilege to chair, has served the Congress, the country, and the Indian people efficiently and effectively for over 3 years now by providing a focal point for the Senate's work in addressing issues which concern both Indians and non-Indians. During this time it has become increasingly evident that if the Congress is to continue to meet its historical, constitutional, and legal responsibilities in the area of Indian affairs, a permanent Indian affairs committee with adequate expertise and resources should be established in the Senate. It is imperative that Congress have the capacity to resolve in a fair and responsible manner the serious conflicts which continue to arise between federally connected Indian interests and other public and private interests.

It has been my experience that the Select Committee on Indian Affairs has proved to be an excellent and versatile forum for exploring alternative ways of mediating such conflicts consistent with the legal rights of Indian tribes and the overriding Federal responsibility. In addition, the committee, through its oversight functions, has continued to seek solutions to the varied problems Indians have encountered in the administration of Federal trust and social service responsibilities.

To put this issue in proper perspective, I would like to briefly summarize the historical approach to Indian affairs by the Congress. Under the Legislative Reorganization Act of 1946, the House and Senate Committees on Indian Affairs which had been in existence since the early 1800's were abolished. Legislative and oversight jurisdiction overt Indian matters were at that time vested in subcommittees of the Committees on Public Lands in the House and Senate. Although several important pieces of legislation affecting Indians were enacted during the next 30 years, this subcommittee arrangement failed to produce a truly adequate forum for legislating appropriate solutions to problems affecting Indian people. Indian legislation could no longer be reported directly to the Senate from a full Indian Affairs Committee, and legislative jurisdiction over Indian affairs was fragmented in a number of committees. In the Congress, there were more than 10 committees in all responsible for Indian affairs, a situation which resulted in a disjointed and haphazard treatment of Indian affairs.

This situation changed dramatically in April of 1977 with the establishment of the Select Committee on Indian Affairs. The Senate's record on Indian affairs during the past 3 years demonstrates clearly and persuasively that a separate committee on Indian affairs is the most efficient way to approach and resolve problems related to Indian issues. The select committee, comprised of a relatively small number of members with both a serious interests in addressing these matters and experience in Indian affairs, has been able to devote sufficient time to fully consider its legislative responsibilities and to deal fairly with Indian legislation.

Mr. President, in testimony before the Senate Committee on Rules and Administration during the hearings on Senate Resolution 4, the need for a separate committee on Indian affairs was underscored. Witnesses representing the Indian tribes as well as several of our colleagues in the Senate pointed out the compelling logic to consolidating rather than fragmenting committee jurisdiction over Indian affairs as had been proposed by the Select Committee on Committees.

This position, presented to the Rules Committee, emphasized the totally unique nature of the Federal Government's responsibility in Indian matters, and in my view, possesses even greater validity and merit today. Not only do the range and complexity of Indian issues before the Senate argue for the continuation of a separate committee, but these considerations with equal force lead to the conclusion that none of the standing committees in the Senate can be expected to devote the specialized expertise and interest to this field.

Mr. President, although Indian people comprise only a very small segment of the total U.S. population, this country's responsibilities in the field of Indian affairs is not a small responsibility. However, for too many years, this Government's Indian policy has been one of neglect resulting in an incoherent, often confusing and haphazard patchwork of outdated laws, inefficient and stifling bureaucracies and conflicting administrative policies. In addition, serious conflicts have arisen in many parts of the country following the assertion of legal rights by the Indian tribes and often these conflicts can only be resolved by the Congress. After all, Congress has not only ultimate responsibility for Federal Indian policy, but also under the law and the Constitution, Congress has plenary authority in this area.

Mr. President, significant progress has been made by the Select Committee on Indian Affairs, but our major work has just begun in providing the legislative solutions necessary to laying the foundation of a sound Federal Indian policy. If the responsibility for Indian affairs reverts to a subcommittee, which would occur in the absence of this resolution, the potential for the careful and equitable consideration of Indian issues will be severely diminished. A separate and permanent Indian affairs committee is simply the only practical way to meet this responsibility. I urge the Senate to support this resolution and act on it as expeditiously as possible.●

AMENDMENTS SUBMITTED FOR PRINTING

COUNCIL ON WAGE AND PRICE STABILITY AUTHORIZATION—S. 2352

AMENDMENTS NOS. 1777 AND 1778

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted two amendments intended to be proposed by him to S. 2352, a bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes.

● Mr. HEINZ. Mr. President, I rise today to introduce and ask to be printed two amendments to S. 2352, legislation reported by the Banking Committee on May 15 to reauthorize the Council on Wage and Price Stability (COWPS) and to vastly expand its monitoring of compliance with the price guidelines it has established. The first amendment would hold authorizations for the Council for fiscal years 1980 and 1981 roughly to current levels, adjusted for inflation, as the House Banking Committee has recommended doing. The second amendment would require the Council, in calculating price standards, to employ a more realistic and accurate estimate of productivity growth. I ask unanimous consent that there be printed in the Record the text of these two amendments.

As a member of the Senate Banking Committee which reported the legislation, I am very much opposed to provisions of S. 2352 which would triple—for the second year in a row—the authorization for the Council on Wage and Price Stability. Specifically, S. 2352 increases COWPS' authorization from its current fiscal year 1980 level of $8,483,000 to $25,044,000 in fiscal year 1981, while increasing the fiscal year 1980 authorization to $13,733,000. This additional authorization would enable COWPS to vastly expand its price monitoring efforts, increasing the number of COWPS reports filed from 6,450 per year to 17,500, and would result in the creation of traveling teams of accountants and lawyers to enable COWPS to conduct on-site audits of firms' books to monitor compliance with the "voluntary" standards.

Although COWPS maintains that this increased monitoring effort would have a significant impact in terms of controlling inflation, I believe that COWPS has yet to prove its case. The fact is that of the 1,200 firms monitored by COWPS during its first program year, only 17 "compliance units"—there are roughly 4 compliance units per firm—or about 1 percent, were found not to be in compliance. As Barry Bosworth, former Director of COWPS, testified before the Banking Committee, merely increasing the monitoring of firms will not result in significant price reductions because firms will be able to more than amply document the reasons for their price increases: costs have increased.

The committee's action in tripling the resources of COWPS would seem entirely inappropriate at a time when the Congress is trying to discipline the growth of Federal spending, when many domestic programs of great social value are facing deep cuts, and when the bipartisan congressional leadership is trying to debunk the notion that all the ills confronting our Nation can be cured by prescribing more Federal agencies and massive doses of Federal spending.

The extension of the Council, and the tripling of its authorization, is made all the more troubling by the overwhelming evidence that the Council's activities have been ineffective at best in terms of controlling inflation. Moreover, the Council has apparently ignored the congressional directive of last year that a significantly increased proportion of its resources be devoted toward monitoring the inflationary effects of Government regulations and toward seeking ways of improving productivity.

Because COWPS' record to date in controlling inflation would barely justify reauthorizing the Council, let alone tripling the resources available to it, and because there is no convincing evidence that an expanded price monitoring effort would have a significant impact on inflation, my first amendment would hold the COWPS authorization roughly to current levels, adjusted for inflation. Specifically, this amendment would authorize COWPS expenditures of $9,473,000 for fiscal year 1980 and $9,770,000 for fiscal year 1981. This amendment would authorize a level of funding identical to that set by the House Banking Committee, by a vote of 33 to 6, on May 13. Further justification for this amendment is set forth in my additional views accompanying the committee report, a copy of which I ask unanimous consent be inserted in the Record.

My second amendment would correct a major imbalance in the way in which COWPS calculates productivity in computing its price standard. The justification for this change is explained in greater detail in the accompanying fact sheet, a copy of which I ask unanimous consent be printed in the Record.

There being no objection, the amendments and fact sheet were ordered to be printed in the Record, as follows:

Amendment No. 1777

On page 3, line 22, strike out "$13,733,000" and insert in lieu thereof "$9,473,000".

On page 3, line 24, strike out "$25,044,000" and insert in lieu thereof "$9,770,000".

Amendment No. 1778

At the end of the bill add the following:

Sec. 6. Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(d) In calculating allowable price increases for the remainder of the current program year and for the next succeeding program year, the Council shall use, as the adjustment for productivity changes to the midpoint of the second year pay standard (8.5 per centum), the average growth in nonfarm output per man hour in the private sector from 1973 through 1979 (0.5 per centum), as measured by the Bureau of Labor Statistics.".

Fact Sheet: Productivity Growth Standard Amendment of Senator John Heinz

Purpose: To require the Council on Wage and Price Stability (COWPS), in calculating allowable price increases for the remainder of its second program year and during its third program year to employ a more realistic measure of productivity change.

GOALS

(1) To acknowledge, by adopting a realistic figure in the standards themselves for productivity growth, that the decline in productivity growth is a serious problem with significant implications for the rate of inflation and for U.S. competitiveness.

(2) To provide a more equitable nexus between the pay and price standards than COWPS has rendered to date because of its unrealistic assumption of productivity growth: 1.75 percent per year compared to −1.2 percent during 1979 and the long run trend over the current business cycle, 0.5 percent.

(3) To re-establish the simplicity of COWPS' program as originally intended in setting voluntary standards by adopting a realistic price standard, rather than forcing more companies (two-thirds during COWPS' first program year) off the price standard and onto a cumbersome profit margin standard.

(4) To reduce the cost-price squeeze put on business firms this year as labor and nonlabor costs accelerate. Reducing the bias in the price standard would promote business saving and investment in a recessionary environment, or at the very least stem losses caused by the structural bias in the price standard.

(5) To support the President's own Price Advisory Committee recommendation to adopt a more realistic price standard for the remainder of COWPS' second program year. This recommendation was turned down by the Administration which did, however, accept the recommendations of the Pay Advisory Committee for a liberalized pay standard and unrealistic costing of cost-of-living escalator provisions.

(6) To adopt a realistic price standard

which better reflects cost increases to business allowed by COWPS' standards or beyond its purview. The average price standard would be adjusted to 8 percent, with the range adjusted accordingly.

BACKGROUND

(1) In calculating allowable average price increases, COWPS subtracts expected growth in productivity from allowable pay increases under the standards. COWPS has allowed average pay increases of 8½ percent for the second program year; by subtracting assumed productivity growth from this figure, it arrives at allowable price increases of 6½ percent on the average.

(2) However, COWPS derives its long run productivity growth figure by relying on a ten year trend that stretches back into the 1960's. All economic experts in the field of productivity, including the Joint Economic Committee of the Congress, agree that there has been a significant downturn in long run productivity growth since 1973–4. Therefore, it is incorrect to use figures before that period in calculating current long-run productivity growth. The figures since 1973 show long-run productivity growth to be about 0.45–0.55 percent per year, depending upon which Bureau of Labor Statistics series are used and the method of computation. (Last year the figure was −1.2 percent for the nonfarm business sector. The Joint Economic Committee's long run trend figure is 0.4 percent.)

(3) The price standard was increased by 1 percent for the second program year while the pay standard was increased by 1½ percent plus an unrealistic costing of cost-of-living-adjustment (COLA) escalator provisions that COWPS itself was upset with but accepted under pressure. There is no latitude in the price standard to absorb these extra costs.

(4) With the existing structural bias in the second year price standards, many more companies will be forced to move off the price standard onto a profit standard. Pay settlements so far this year have gone beyond the upper range of COWPS' pay standard—9.5 percent. This will make a further mockery of a program which was ill-conceived from the start in the way the price standard was calculated.

(5) Since January 1980, and especially since the President's Anti-Inflation Program was announced on March 14, the entire burden in fighting inflation in the private sector has been levied on the price side, with almost no attention paid to the cost side of COWPS' restraining standards. The proposed tripling of COWPS' budget for FY 1981 to $25 million is an increase aimed almost exclusively at the price side, even though COWPS itself acknowledges that 50 percent of the current increase in prices reported in the CPI is due to energy and home mortgage interest costs.

(6) COWPS has acknowledged again and again in testimony this year the problem of cost increases due to lagging productivity. It has received comments on the unrealistic productivity growth assumption ever since last August's request for comments on the second year price standards (See, e.g., the comments by A. O. Smith Co.). But it has virtually ignored these criticisms while purporting to be concerned with the productivity issue.

JUSTIFICATION FOR COWPS AUTHORIZATION-LEVEL AMENDMENT

Mr. HEINZ. Mr. President, as my statements and votes during committee consideration of S. 2352 reflect, I am opposed to the action taken by the Banking Committee to, for the second year in a row, triple the level of funding authorized for the Council on Wage and Price Stability. The committee's action is entirely inappropriate at a time when the Congress is trying to discipline the growth of Federal spending, when many domestic programs of great social value are facing spending cuts, and when the congressional leadership is trying to debunk the notion that all the ills confronting our Nation can be cured by prescribing more Federal agencies and massive doses of Federal spending.

The extension of the Council and the massive tripling of its authorization is made all the more troubling by the overwhelming evidence that the Council's activities have been ineffective at best in terms of controlling inflation—and may have even been harmful—and that the Council has apparently ignored the congressional directive of last year that a significantly increased proportion of its resources be devoted toward monitoring the inflationary effects of Government actions and toward improving productivity. Briefly, let me review the evidence that:

First. COWPS has been largely ineffective in fighting inflation;

Second. COWPS' activities may have actually been detrimental in terms of reducing inflation; and

Third. COWPS has ignored congressional directives to concentrate more of its resources on monitoring the inflationary effects of Government actions and to seek ways of improving productivity.

INEFFECTIVENESS OF THE PAY AND PRICE STANDARDS

The statistics showing that if there is any correlation between COWPS' expenditures and activities and the rate of inflation, it is that the CPI has increased proportionately with COWPS' level of authorization, have already been cited for the record—in fact, by the Chairman himself—and need not be rehashed here. It is significant to note that of the six former Chairmen of the President's Council of Economic Advisers who testified before the committee, none cited the program of voluntary wage and price guidelines as having had or having the potential to have a significant effect on the inflation rate.

As Barry Bosworth, former Director of COWPS, testified, merely increasing the extent of price monitoring efforts will not result in significant increases in compliance with the guidelines because firms will be able to more than amply document the reasons for price increases; that is, that costs have increased. Similarly, as Arthur F. Burns, of the American Enterprise Institute, stated in a letter to Representative Stewart B. McKinney:

> COWPS has accomplished very little. The only reason for extending is that its discontinuance at this time may be interpreted by the general public as an indication of lack of concern over inflation by the Congress.

By Alfred Kahn's own admission, the Council in its pay standards has certified that wage increases as high as 9½ percent are in compliance with the standards, despite the fact that these allowable increases are in excess of the underlying rate of inflation which COWPS' program is aimed at reducing.

Rather than serving as a ceiling on wage increases, the pay standards may thus actually serve as a floor from which negotiations begin. And because cost-of-living-adjustment (COLA) clauses in multiyear employment contracts are evaluated as if the CPI were 7.5 percent, wage increases of 12.5 percent or higher are allowed under the guidelines. To quote Alfred Kahn's March 17 testimony before the Banking Committee:

> Workers enjoying the protection of COLA clauses can, within the standard, probably end up receiving annual wage increases markedly in excess even of the 9½ percent upper limit. And this is likely, therefore, to aggravate the inequity produced during the first program year by the 6 percent evaluation of COLA clauses . . . between the achieved wage increases of workers enjoying the protection of such clauses, on the one side, and the great majority of workers, unionized and nonunionized alike, who do not have such protection, on the other.

On the price-monitoring side, the method of calculating allowable price increases is so unrealistic that only one-third of those firms monitored were subject to the price standard, the remaining two-thirds being covered by extremely complicated exceptions to the basic price standard. And of the 1,300 firms monitored during COWPS' first program year, only about 1 percent were found out of compliance.

DETRIMENTAL EFFECTS OF COWPS' MONITORING EFFORTS

Aside from being ineffective, the activities of COWPS may actually be detrimental in that they divert attention away from combating the causes of inflation: most notably excessive Federal spending and borrowing; the allocation of capital by political rather than market forces; overly burdensome Federal regulations; and our declining—and now negative—rate of productivity growth.

Although COWPS maintains that the cost of complying with its guidelines is relatively minor, increasingly there is considerable evidence to the contrary. As Arthur F. Burns stated in his letter to Representative McKinney:

> I would be opposed . . . to any increase in its appropriation. Even now, COWPS is imposing heavy burdens of reporting on private firms. And, as recent verbal and financial punishment of MOBIL suggests, due process is not always sufficiently observed by this agency. Any enlargement of its staff may lead to more harassing of business firms, and perhaps of trade unions as well, without commensurate benefits to the general public. To the extent that this occurs, the so-called voluntary program may become increasingly mandatory. In short, there are better uses of government money.

Similarly, an article which appeared on the front page of the Wall Street Journal on May 12 documented the heavy burdens which COWPS' guidelines are imposing on one company, TRW, Inc. Handling the paperwork associated with the guidelines alone costs the company an estimated $1 million per year. In addition, the guidelines have, according to the article, led to distortions in TRW's pay scales and to morale problems among employees. These costs would perhaps be justified if they resulted in wage and price increases lower than what would have otherwise occured. Yet TRW officials contend the program is having little, if any effect, on inflation. And because violators of the so-called "voluntary" standards can be barred from receiving Federal contracts in excess of $5 million, the guidelines increasingly assume the character of a mandatory program—without the necessary congressional authorization and oversight. According to Charles R. Allen, executive vice president and chief financial officer of TRW:

> The voluntary wage and price guidelines are mandatory for us.

Finally there is considerable evidence that the way in which the price standard is calculated may over the long term have significant inflationary implications. In calculating allowable price increases, COWPS adjusts the average increase in wages for an assumed average change in productivity. This assumed average change in productivity is the average of the past 10 years' figures on the growth of output per man hour: 1.75 percent. Because productivity measures are very volatile, it is valid for COWPS to evaluate productivity changes over the long term. However, economists agree that since 1973 there has been a marked downward trend in productivity; specifically, productivity growth averaged only 0.5 percent from 1973 to 1979.

Because of the unrealistically high measure of productivity which COWPS employs in setting the price standards, the price standards do not adequately reflect the actual increase in unit labor costs. This is reflected in the fact that during COWPS' first program year, corporate profits as a share of national income declined from 10 percent to 9.3 percent. As a result, companies have available less capital for investment in new plant and equipment. Without such investment, productivity declines further, and inflation accelerates.

INACTION ON IMPROVING PRODUCTIVITY AND MONITORING GOVERNMENT ACTION

Increasingly there is a consensus among Members of the Congress on both sides of the aisle on a point that many of us have been making for years: that the best way to fight inflation is not to induce a recession or to impose wage and price controls, but to outproduce it. As evidence of this consensus, for 2 consecutive years, the bipartisan leadership of the Joint Economic Committee has cited measures to improve productivity as the "economic linchpin of the eighties." Among these measures are:

First. Revisions in depreciation schedules for investment so that businesses are not penalized for investing in the new plant and equipment necessary to increase productivity;

Second. Modifications in our tax system to encourage savings and investment by easing the tax burden on these activities;

Third. Devotion of a greater share of the Federal budget to research and development;

Fourth. Enactment of a comprehensive regulatory reform bill which would include sunset provisions, requirements for cost-benefit analysis and that regulations be cost-effective, and elimination of overlapping and duplicative Federal regulations;

Fifth. Institution of a regulatory budget to place the costs imposed on the private sector by the Federal Government under a budget ceiling; and

Sixth. Adoption of a comprehensive export policy so that we increase sales of American products abroad at the same time that we import jobs.

In addition, the committee also endorsed a "supply side" tax cut divided equally among individuals and business to improve productivity. Backed by a supply side model developed by Otto Eckstein of Data Resources Institute, the JEC demonstrated that such modest supply side tax cuts as a 2.7-percent increase in the investment tax credit and a reduction in the average tax lifetime of producers' durable equipment by 4 years would, within a decade:

First. Reduce the CPI by 4 percent;

Second. Increase productivity by 3.3 percent;

Third. Increase real business fixed investment by 15.6 percent; and

Fourth. Increase the capital stock by 7.2 percent.

Yet despite the unanimity of opinion on the need to enact measures to improve productivity, the record of the Council on Wage and Price Stability—which is supposed to be the focus of our efforts to fight inflation—in terms of increasing productivity has been a dismal one.

To correct this situation, Congress last year reauthorized the Council and vastly increased the resources available to it with the stipulation that "a significantly greater effort" would be undertaken to analyze the inflationary effects of Government actions and to seek ways to improve productivity.

Despite the additional resources provided to COWPS—a supplemental appropriation of $5.199 million for fiscal year 1979 in addition to the $2.21 million originally authorized, an authorization of $8.483 million for fiscal year 1980—this "significantly greater effort" has consisted of one study on productivity and the addition of three staff persons to the Government programs division, for a total of 22. And of the massive increase in COWPS staff which S. 2352 would make possible would further skew our anti-inflation efforts away from the root causes of inflation. Of the 250 additional staff to be hired in fiscal year 1980 and the 150 additional in fiscal year 1981, virtually all would be devoted to price monitoring efforts—despite the fact that COWPS monitoring efforts to date have found about 1 percent of the firms out of compliance with the standards.

In short, the preponderance of evidence is such that we perhaps not ought to reauthorize the Council on Wage and Price Stability, let alone triple its resources. I question whether the committee has acted prudently in approving COWPS' request for a $25.044 million authorization for 1981 and plan to fight this massive increase on the floor.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT—H.R. 39

AMENDMENT NO. 1779

(Ordered to be printed and to lie on the table.)

Mr. TSONGAS (for himself and Mr. MATHIAS) submitted an amendment intended to be proposed by them, jointly, to H.R. 39, an act to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes.

AMENDMENT NO. 1780

(Ordered to be printed and to lie on the table.)

Mr. TSONGAS (for himself, Mr. PROXMIRE, and Mr. EAGLETON) submitted an amendment intended to be proposed by them, jointly, to H.R. 39, supra.

AMENDMENT NO. 1781

(Ordered to be printed and to lie on the table.)

Mr. TSONGAS (for himself, Mr. NELSON, and Mr. LEVIN) submitted an amendment intended to be proposed by them, jointly, to H.R. 39, supra.

AMENDMENT NO. 1782

(Ordered to be printed and to lie on the table.)

Mr. TSONGAS (for himself, Mr. HART, Mr. CHAFEE, Mr. RANDOLPH, Mr. CULVER, and Mr. CHURCH) submitted an amendment intended to be proposed by them, jointly, to H.R. 39, supra.

AMENDMENT NO. 1783

(Ordered to be printed and to lie on the table.)

Mr. TSONGAS (for himself, Mr. ROTH, and Mr. MCGOVERN) submitted an amendment intended to be proposed by them, jointly, to H.R. 39, supra.

ALASKA LANDS: THE CONSERVATION ISSUE OF THE 20TH CENTURY

Mr. TSONGAS. Mr. President, today I am submitting, on my behalf and on behalf of other Senators, five amendments to H.R. 39, the Alaska National Interest Lands Conservation Act as reported by the Committee on Energy and Natural Resources. This action represents a milestone in the long battle over what has been rightly called the conservation issue of the century.

As you know, although the House has twice passed legislation to protect much of Alaska's most spectacular federally owned wildlands by overwhelming margins, the Senate has yet to act on this historic issue. The time agreement last February and the introduction of these amendments today set the stage for the floor debate scheduled to begin on July 21.

Mr. President, the opportunity to bring this issue to this Chamber for discussion and to a vote is one that has been sought by myself and by many of my colleagues. In the waning hours of the 95th Congress, the Senate was denied the chance to vote on this monumental legislation. The interim protection for these Federal wildlands was due to expire shortly afterward. Therefore, President Carter stepped in and used his executive powers in December of 1978 to designate national monuments and to make executive withdrawals to protect these areas of national interest in Alaska until Congress exercised its prerogative. Those actions by the President in 1978, as well as Interior Secretary Andrus' move in November 1978 and February 1980 to protect 37 million acres in Alaska as wildlife refuges, are among the most courageous and historic acts on behalf of conservation in this century. They have been widely applauded by the public.

It is my privilege to be a member of the Energy and Natural Resources Committee and to have participated actively in the markup of this bill under the guidance and leadership of the Senator from Washington (Mr. JACKSON). Through his efforts, and those of the Senators from Alaska (Mr. STEVENS and Mr. GRAVEL), and others on the committee, we were able to work out a series of important compromises on some of the most crucial issues involved, which the committee subsequently adopted.

Despite the significance of those compromises, however, the overall deficiencies of the committee's bill were such that I felt it simply was not the best underlying vehicle upon which the Senate should build its final Alaska lands bill. Consequently, together with my distinguished colleague from Delaware (Senator ROTH), and 12 of our colleagues, I submitted to the Senate a substitute bill which blends the approach used in the bill that passed the House 360 to 65 last May with numerous provisions worked out during committee markup. I felt that such a substitute would give my colleagues a clear choice between a sound and balanced measure and a more development-oriented committee bill.

The amendments we place before you today would, if adopted, improve the committee bill substantially. Such an amended bill would not be as sound as the House-passed bill. It would not be as balanced as a Tsongas-Roth substitute, which, under the time agreement, will be in order during the floor debate. Senator ROTH and I, along with other concerned Senators, will continue to consider the option of offering such a substitute on the floor. Passage of a full substitute on the floor in July might prevent what otherwise could be a very difficult and heated conference on this issue.

These amendments are designed to clear up the most glaring weaknesses of the committee bill. For example, the wildlife refuge amendments offered by Senators HART, CHAFEE, RANDOLPH, CULVER, and CHURCH will guarantee that the incomparable wildlife habitat of Federal lands in Alaska will be retained under the management of the Fish and Wildlife Service in logical and cohesive units, rather than being splintered into various areas under the multiple-use management of the Bureau of Land Management, the Forest Service, and the State of Alaska as the committee bill provides.

The wilderness amendment offered by Senators NELSON and LEVIN adds to the Wilderness System certain sensitive areas to which the committee failed to provide wilderness designation. In particular, the 8.8 million acre William O. Douglas Arctic Wildlife Range would be protected as a wilderness area—the only stretch of America's arctic coastline that would have that designation. In addition, the mandatory oil and gas exploration program for the range would be deleted and replaced with a scientifically sound 8-year assessment and impact analysis at the end of which the Secretary must recommend to Congress whether the range should be opened to such exploration. This amendment would also add the 22.5 million acre National Petroleum Reserve-Alaska to the lands on which the committee bill would direct that an oil and gas leasing program be initiated.

The amendment offered by Senator PROXMIRE and Senator EAGLETON will provide increased protection for wild and scenic rivers and create a more balanced transportation process than would the committee bill.

NATIONAL FOREST AMENDMENT

I am joined today by the Senator from Delaware (Mr. ROTH), and the Senator from South Dakota (Mr. MCGOVERN) in submitting an amendment concerning the national forests in Alaska.

The 16-million-acre Tongass National Forest is our Nation's largest forest unit, with some of the most spectacular and pristine areas in the world, yet it does not contain a single acre of designated wilderness. In the 95th Congress, as a member of the House Interior and Insular Affairs Committee, I carefully listened with interest to the principal arguments of those opposed to wilderness in the Tongass National Forest in southeast Alaska.

Those arguments were that Congress should wait on designating wilderness there until the Tongass land management plan was completed by the U.S. Forest Service, and that the existing timber industry needed a minimum of 520 million board feet allowable cut annually to support existing jobs.

The Tongass land management plan was completed in April 1979, and was the basis for the administration's Tongass wilderness recommendations, which our amendment generally adopts. Some of the plan's major findings were that an annual cut of 520 million board feet is not needed to support existing jobs, that regional emloyment can increase significantly if there is an anual Tongass National Forest harvest of 450 million board feet and present jobs could be maintained with an annual cut of only 412 million board feet. Further, the Department of Agriculture has stated that the Tongass National Forest cannot support an annual cut of 520 million board feet without massive overcutting—an unwarranted misapplication of public resources for the principal benefit of two foreign owned.

The committee did not base its national forest provisions on the findings of the Forest Service planners and economists. Instead, the committee took a questionable course of action that treats the timber industry in the Tongrass National Forest in an unusually special and favored manner.

For instance, the committe bill statutorily designates the 1970–76 average harvest level (520 mmbf) as a permanent goal, even though the average annual harvest (allowable cut) for the last 5 years has been only 438 million board feet. The Forest Service states that the demand for Tongass National Forest timber will not exceed 450 million board feet, as timber from State, Native, and other private lands will more than accommodate the foreseeable market growth.

With the committee's mandated overcutting of the Tongass National Forest, the protection that can be given to other irreplaceable resources on areas committed to timber harvest will be far below the standards of good forestry practices. The committee bill sacrifices other resource values of the forest for timber production—which is principally shipped to foreign markets.

There are two basic problems—the mandated, excessive timber harvest level and substandard protection of other resources on areas committed to harvest. These flaws put the committee bill squarely at odds with the existing laws and policies for proper management of the National Forest System.

Our amendment is supported by the land planning process, and has the backing of the administration. It balances timber production with protection for commercial fisheries and tourism. It balances sensible wilderness proposals with reasonable protection for other resources in areas that can properly be cut. It protects existing jobs that are based on harvest from the national forests, and also allows the newly acquired timberlands of the Native corporations to play a meaningful role in the regional economy.

NATIONAL PARK SYSTEM AMENDMENT

I am also introducing along with my colleague from Maryland (Mr. MATHIAS) a National Park System amendment. There are two preeminent reasons. First, the committee's bill would open the most spectacular parklands in the United States to mining, roadbuilding, industrial rights-of-way, and a host of other nonpark uses. Second, in order to facilitate such development, the committee bill would dismember parks, by altering boundaries and by arbitrarily reclassifying park areas to inappropriate designations.

In fact, the most disturbing aspect of the committee's bill is the extent that this patchwork of management categories is assigned solely for the purpose of accommodating development and commercial interests, in complete disregard for the nature of the resources that the areas supposedly were designed to protect.

Mr. President, the amendment that we are submitting does not significantly increase the acreage to be included in the National Park System. Fortunately, there is a general concensus about how much acreage should be set aside. The President has assigned to the National Park Service the management of 40 million acres of national monuments in Alaska, and the committee bill and House-passed legislation both recommended about 43 million acres for the park system in Alaska. Where the committee bill breaks sharply with the House and the administration is on the crucial question of what activities will be permitted within those units.

In the committee bill, only about half of the National Park Service acreage—22 million acres—would be designated as full-fledged national park and monuments. The rest would be designated as national recreation areas—in which excessive mining and industrial rights-of-way would be allowed—and as national preserves—a special accommodation for sport hunting.

Our amendment does not include national recreation areas. It does include preserves, but strikes a sounder balance between Park System preserves and traditional parks which serve as wildlife sanctuaries. By excessive use of weaker and contradictory management categories, the committee bill could not only damage resources but also create costly administrative difficulties.

The treatment of two of the most outstanding national park areas, Wrangell-St. Elias and the Gates of the Arctic National Parks, is particularly revealing. The committee bill would split the Gates of the Arctic Park into five separate management areas, including two national recreation areas created to allow mineral leasing and transportation corridors. Our amendment is based on the conviction that the Nation's preeminent wilderness should be managed in its entirety as a single 8.22 million acre national park.

The committee has also carved a national recreation area out of the north side of Wrangell-St. Elias National Park and National Preserve. Our amendment would delete the 1.24 million acre national recreation area and restore a carefully crafted balance between national park and preserve. Other parts of the amendment would revise the committee bill's mineral assessment program to preclude core and test drilling throughout the National Park System in Alaska rather than only on national parks and monuments as the committee bill does.

In short, our amendment attempts to more appropriately balance the necessary development with preservation of the prime national parklands in the State.

FAIR TREATMENT FOR ALASKA

Mr. President, much will be said in the coming months about this legislation and its impact on the State of Alaska. Alaska has been well served by Congress in the recent past. The Statehood Act and the Alaska Native Claims Settlement Act authorized transfer of more than 150 million acres of federally owned land to State and private ownership. The State has been able to choose some of the very best, most valuable, most developable land.

Those wise choices are paying off today as the State looks forward to a $3 billion surplus in its treasury at the end of fiscal year 1981, and as much as $18 billion by 1985, as a direct result of the land and oil wealth transferred to the State under the Statehood Act. Thus, the State of Alaska enjoys a particularly enviable economic position at this time, and probably will for a long time to come, due in large part to the farsighted generosity of the Congress. And, while not all of the State's land entitlement has been patented yet, the vast majority of that entitlement is now in the process of being conveyed. Nothing in these amendments will interfere with that process.

FOR ALL AMERICANS, FOREVER

The time is approaching when the Senate can express its will on the management of the federally-owned wildlands in Alaska. Having dealt so generously with the people of Alaska, it is now time for us to consider the long-term national interest—the present and future interests of all Americans now and to come—by designating portions of these Federal lands as units of our great national conservation systems. There is no question that this is the single most important land conservation issue of this century, and even, perhaps in the entire history of this Republic.

Mr. President, the amendments we are submitting represent the framework for a fair and comprehensive solution to the Alaska lands issue. I submit them for the consideration of the Senate with the firm belief that we will meet the challenge of this most historic opportunity.

● Mr. CHAFEE. Mr. President, I am pleased to join my colleague from the Environment and Public Works Committee, GARY HART, in sponsoring a national wildlife refuge amendment to H.R. 39, the Alaska National Interest Lands Conservation Act, as reported by the Energy and Natural Resources Committee. As a member of the Environment and Public Works Committee, and the Resource Protection Subcommittee, I have long been deeply concerned about fish and wildlife resources and about our national wildlife refuge system.

Today's effort is vitally important not only for Alaska, but for the rest of our Nation as well. We have a great opportunity in Alaska, and if we do not act strongly and decisively, we will make moot many of our wildlife protection efforts here in the contiguous United States.

This is not rhetoric; there is an age-old link between Alaska and many of the refuges we have established in the lower 48 States. Many units of our refuge system were established to protect migratory birds, but these areas are primarily wintering grounds or resting and feeding areas for birds which breed in Alaska. Some 20 percent of our entire North American waterfowl population breed in Alaska, and the annual fall flight of birds other than waterfowl is estimated at 200 to 400 million birds. Whether your interest is as a waterfowl hunter at California's Suisan Marsh, or a birdwatcher on the Chesapeake Bay, many of these birds originate in Alaska.

Without the continual productivity of Alaska's wetlands, coastal waters, and varied uplands, the millions of dollars and years of effort which we have focused on establishing many lower-48 refuges will amount to nothing.

In addition to the refuges in Alaska withdrawn by administrative action in February of this year, the National Wildlife Refuge System consists of 399 units, ranging from Alaska's 8.9 million-acre William O. Douglas Arctic National Wildlife Range established in 1960, to Florida's 3-acre Pelican Island National Wildlife Refuge, established in 1903 by President Theodore Roosevelt. The sheer numbers and variety of the fish and wildlife that rely on and are protected in our refuge system are staggering. Their value to our Nation is priceless. Suffice it to say, our refuge system represents the finest, largest, and most effective network of lands dedicated to the protection of fish and wildlife and their habitats anywhere in the world.

As great as our National Wildlife Refuge System is today, we have much to do before we have fully protected our wildlife heritage for future generations. The Alaska National Interest Lands Conservation Act represents, in a single bill, an unprecedented opportunity to guarantee a significant part of this Nation's wildlife legacy. Nowhere else in the United States but Alaska do we have herds of caribou numbering in the tens and even hundreds of thousands; nowhere else, breeding populations of emperor geese, polar bears, gyrfalcon, and Arctic terns; nowhere else, breeding colonies numbering in the tens of millions of murres, puffins, and other seabirds; nowhere else, such thriving populations of large predators such as grizzly bears and wolves.

Most fundamentally, nowhere else in the United States do we have the opportunity to protect and manage entire watersheds and nearly complete ecosystems under the cohesive direction of a single land management agency for the protection of wildlife.

Mr. President, it is on this point, and for this reason more than any other, that I am sponsoring an amendment to the version of the Alaska lands bill reported from the Energy and Natural Resources Committee. All of the many versions of Alaska lands legislation, including the Energy Committee bill, protect wildlife habitat. But, as a member of the Environment and Public Works Committee, I have witnessed the creation of too many refuges that protect mere remnants—fragments—of once great and productive ecosystems. Too many refuges have been created where lowland wetlands are severed from upland watersheds, or conflicting management schemes among various landowners and managing agencies make long-term protection difficult at best.

In Alaska, we must not repeat these patterns. We now have the chance to protect watersheds and ecosystems which are in public ownership. The bill reported by the Energy Committee falls seriously short on this count. For example, the existing Yukon Flats National Wildlife Monument—presently including a large and productive share of the upper Yukon River Basin—would be fragmented among three different Federal management agencies and four different management schemes, to say nothing of lands available for selection to the State of Alaska. Lowland wetlands are severed from upland watersheds which may be subjected to conflicting uses. An area including up to one-third of the Yukon Flats' incredible waterfowl production is to be managed, according to the Energy Committee bill, by the U.S. Forest Service.

In devising our refuge amendment, we changed the provision of the Energy

Committee bill with respect to the Yukon Flats and many other units that received similar treatment by trying, as a matter of guiding principle, to consolidate management of ecosystems and watersheds—to the extent possible—under a single agency.

Mr. President, a second fundamental principle has guided the development of our national wildlife refuge amendment. That principle is, in selecting the appropriate land management agency, we should seek the best fit of an agency's expertise and mandate with the resources and values of the land. Again on this count, the Energy Committee bill falls short. We believe that when fish and wildlife values predominate, the Fish and Wildlife Service—the specific Federal agency whose primary mission is the protection of fish and wildlife and their habitats—is the appropriate management agency. Guided by the Refuge Administration Act and other laws, the Service does an outstanding job of managing our National Wildlife Refuge System. Agencies such as the Forest Service, which the Energy Committee bill would have manage waterfowl habitat in the Yukon Flats, or the Bureau of Land Management, which the Energy Committee would have manage caribou habitat in the Arctic Range additions are fine and reputable organizations responsible for fulfilling their respective mandates. But they are not wildlife agencies.

It is inefficient, unnecessary, and clearly not in the interests of the resource to have nonwildlife agencies managing lands on which the primary values are fish and wildlife. In recognition of that fact—and in contrast to the Energy Committee bill—our refuge amendment places that responsibility in the hands of the Fish and Wildlife Service.

Mr. President, there are many aspects of the national wildlife refuge amendment I have not touched on here, just as there are many reasons for supporting a strong Alaska lands bill. In the coming weeks these will be discussed and debated repeatedly. I am pleased that the Senate is finally moving toward action on this landmark legislation, and urge the support of my colleagues for the refuge amendment.●

● Mr. ROTH. Mr. President, I was proud to be a cosponsor of Amendment No. 626 to H.R. 39, the Alaska National Interest Lands Conservation Act of 1979. As principal and first Republican sponsor of that amendment in the 96th Congress, I am especially honored to support what is truly the conservation bill of the century.

My home State of Delaware, "The First State," has always maintained a strong conservation heritage. The majestically wooded uplands, invaluable marshes, and sparkling seashores have supported thriving wildlife communities, migrating waterfowl, extensive recreation, boating and fishing, as well as compatible industrial practices.

Conservation has never been the exclusive province of one political party or the other in this country. On the contrary, our impressive history of conservation achievements shows that each step has been built upon the previous step, regardless of who controlled Congress or the White House.

Alaska truly maintains the greatest abundance of wilderness left in this country today. But, as the threat of unrestricted development and exploitation creep ever closer to the last of our irreplaceable natural monuments, we need to take forward steps in preserving our natural heritage.

Once again, I named the Energy Committee for its hard work on the "d-2" issue, but I feel the committee bill is seriously deficient in the protection of the park, refuge, and especially the wilderness lands in Alaska's national forests.

The amendment I am offering provides protection for these delicately balanced forest ecosystems while permitting the established timber industries to maintain a rate of production necessary for their economic success. Employing the practice of sound forestry management is crucial, not only to the timber industry's future, but to the future of the growing fishing and tourism trades. Congress should accept now the fair planning recommendations as provided by the U.S. Forest Service, and as provided by this amendment.

It is imperative that natural treasures such as the Yakutat Forelands, West Chichagof Island, Misty Fiords, and Admiralty Island not be perpetually lost to future generations of Americans.

Under our bill, we seek to identify and protect those areas of richest wildlife value, of greatest scenic splendor, of unique and nationally important value, and especially of foremost ecological value to future generations of Americans. I urge my colleagues to support me in strengthening the committee bill by voting for this truly historic Alaska lands bill, and particularly this national forest amendment.●

● Mr. NELSON. Mr. President, today, I join my colleagues, the Senator from Michigan (Mr. LEVIN) and the Senator from Massachusetts (Mr. TSONGAS) in submitting an amendment to H.R. 39, the Alaska National Interest Lands Conservation Act as amended by the Committee on Energy and Natural Resources. This amendment expands the park and refuge wilderness protection provided by the committee bill.

Having long been a strong supporter of wilderness designation for appropriate portions of our federally-owned lands, it gives me great satisfaction to be an advocate for the passage of a sound, balanced bill to preserve the Alaskan wilderness. In my opinion, this is the greatest land and wildlife challenge of our lifetimes.

The Federal lands in Alaska are owned by all of the American people. And the future of much of our remaining national natural heritage depends directly on how these lands are managed. What is at stake here is nothing less than the very last expanse of untouched American wilderness. These lands contain the Nation's largest unpolluted river valley, its highest mountain peak, its largest stand of virgin timber. Here are the breeding grounds for millions of waterfowl which migrate each fall to the Lower 48 States. The Alaskan wilderness supports the largest herd of free-roaming animals in the United States, the porcupine caribou. It is the habitat of grizzly, brown, and polar bears.

Adoption of this amendment to the wilderness provisions in the Energy Committee bill will provide the level of protection necessary to insure that the Alaskan wilderness is safeguarded for future generations. This amendment adds 19 million acres of wilderness to the 34 million acres of park and refuge wilderness in the committee bill. In particular, it adds 4 million acres in two units of the National Park System and 15 million acres of wilderness in seven units of the National Wildlife Refuge System, including 9 million acres in the existing William O. Douglas Arctic Wildlife Range.

A comprehensive 8-year study of wildlife resources in the Douglas Arctic Range and of the impacts of oil and gas exploration, development, and production is required by our amendment before any further exploration of the range is permitted, replacing the committee's authorization for seismic exploration on the range. The amendment adds the 22.5 million acre National Petroleum Reserve—Alaska (NPR-A) to the Federal lands opened in the committee bill to oil and gas leasing. Finally, it provides for further wilderness study for all National Park and National Wildlife Refuge System units and for National Forest Monuments.

The wilderness areas which are added by this amendment to the committee bill have been chosen according to several criteria. For a few of the most outstanding wilderness areas, the Energy Committee wilderness boundaries have been expanded to take advantage of the preeminent wilderness opportunities available. In other cases, this amendment established a system of representative wilderness units that includes a wide diversity of landscapes, ecosystems, habitats, scenery, and recreational opportunities. Many, though not all, of the most important areas for wildlife are included.

Wilderness designation for these lands presents few resource conflicts. In fact, only one area has been raised as a serious problem of competing national priorities—wilderness designation for the William O. Douglas Arctic Wildlife Range.

The range is one of our Nation's largest wildlife refuges, embracing the American Arctic's last untouched ecological spectrum stretching from the mountains to the sea. There is no other single place in America which provides such a rich, interrelated diversity of Arctic land and water habitats, supporting 142 species of birds, 44 species of mammals, and 16 species of fish.

The range is the home of the vast international porcupine caribou herd. The magnificent spectacle of these animals during their migration calls to mind the vast herds of buffalo that once swept over the Great Plains. But the caribou should be more fortunate in their fate than the buffalo. Today we realize far more clearly than we did a century ago the importance wildlife conservation holds for the well-being of our Nation. The caribou need space, and they need to be left alone: wilderness for the Douglas Arctic Range provides both.

Other species also would benefit from wilderness on the Douglas Arctic Range. The coastal plain is an important maternal denning area for polar bear in winter. Many species of waterfowl nest on the plain, and it is used by literally millions of waterfowl, seabirds, and shorebirds as they start their annual migrations that lead them to the Lower 48.

This premier wilderness area of Alaska is of vital importance not only to the wildlife which use the area for nesting, calving, denning and other such purposes, but also the peoples of this region who for centuries have relied on the wildlife resources of the range for their subsistence, their lifestyle, and their culture. All of the Native villages surrounding the range are unanimous in calling for its protection as a wilderness area.

The coastal plain of the Douglas Arctic Range also contains approximately 5 percent of the onshore Alaskan lands that are classified as "favorable" or "high potential" for oil and gas. It is on these lands where there may be a resource conflict to be resolved. Whether this conflict actually exists, its extent, and our ability to resolve the conflict if and when it arises are yet to be determined. This amendment provides a reasonable compromise which will protect the wilderness values of the range while allowing for these questions to be answered to the satisfaction of the Nation and the Congress.

Specifically, this amendment provides for: First, wilderness designation for the entire Douglas Arctic Range; second, a comprehensive inventory and assessment of wildlife resources which utilize the coastal plain and their habitats; and third, a detailed analysis of the potential impacts of oil and gas exploration, development, production and transportation on such resources and habitats, and on the culture and subsistence lifestyle of local residents. It also requires the submission of the information as to the extent of and results from oil and gas exploration, development and production activities on lands outside the Douglas Arctic Range so that Congress will be better able to assess the importance at the time the required assessments and analysis is completed of the oil and gas potential the range might represent in view of the total onshore Alaska energy situation.

The studies required by this amendment must be completed by the Secretary of the Interior in 8 years, in consultation with the Government of Canada, the State of Alaska, affected Natives, local governments, and other interested persons. Interim reports are to be made to the Congress every 2 years, and a final report is due to the Congress within 9 months after completion of the studies. In that final report, the Secretary is required to make recommendations as to whether or not oil and gas exploration and development should be permitted on the coastal plain, and if so, how it can be accomplished without harming or with minimum adverse effects on the wildlife and other values of the range.

By comparison, the committee bill also requires an 8-year study of some of these same issues. However, under the committee bill, oil and gas exploration begins before the necessary studies have been completed. In my opinion, it is preferable to explore the great majority of lands in Alaska with "favorable" or "high potential" for oil and gas before exploring the Douglas Arctic Range. We should be willing to invest 8 years in gaining the knowledge needed to safeguard the unique wildlife values of the range. It is quite possible that by combining an enhanced understanding of the wildlife of the range with an extra 8 years of experience in oil and gas exploration and development techniques, the potential resource conflict may be resolved.

It is for this reason that my amendment specifically provides for an oil and gas leasing program on the 22.5 million acre National Petroleum Reserve-Alaska (NPR-A), thereby insuring that the bulk of Alaska's "favorable" and "high potential" oil and gas lands will be open to exploration, development and production. The NPR-A contains nearly 60 percent of these "favorable" and "high potential" lands, and represents the largest onshore bloc of land with high and favorable oil and gas potential in the United States. According to the American Petroleum Institute—

> We know of no single onshore area in the United States with a greater potential for having large resources of oil and gas then the NPR-A. (September 17, 1979 letter from API to Mr. Charles P. Eddy, Deputy Assistant Secretary for Energy and Minerals, Department of the Interior).

There are other pieces of legislation which mandate opening the NPR-A including the House-passed Alaskan lands bill, the Tsongas-Roth substitute, an administration bill, and a bill introduced by my distinguished colleague from Washington (Mr. JACKSON). I applaud these initiatives and urge that the protection they afford to the fish, wildlife, and other surface values of NPR-A will be incorporated in the Alaskan lands legislation.

In addition to designating wilderness on the Douglas Arctic Range, this amendment establishes wilderness areas in six other wildlife refuges.

A 400,000 acre Becharof Wilderness is created on the Becharof National Wildlife Refuge in southwestern Alaska. This area contains the highest density brown bear population on the Alaska peninsula, and perhaps the highest concentration in the entire State.

Also in southwestern Alaska is the Togiak National Wildlife Refuge. This amendment designates 2,270,000 acres of wilderness in the northern portion of the refuge. This is a region of mountains and pristine upland tundra, with many free-flowing rivers essential to Bristol Bay's spawning populations of Salmon and steelhead.

Adjacent to Togiak is the vast Yukon Delta—formerly Clarence Rhode—National Wildlife Refuge. This amendment establishes wilderness units, totaling 2 million acres, in this refuge. These units encompass a wide diversity of landforms and habitat, from the rich coastal wetlands of the Clarence Rhode unit to the volcanic formations in the midst of the vast Yukon-Kuskokwim Delta. Among the species protected in these units are bristle-thighed curlew, grizzly bear, red fox, and wolves.

In addition, the existing Nunivak National Wildlife Refuge would become part of Yukon Delta Refuge and a 600,000-acre wilderness area would be designated on the southern portion of Nunivak Island in the Bering Sea. This wilderness covers a part of the range of the island's musk oxen who winter on the sand dunes and capes, as well as the cliffs used by millions of seabirds, such as murres, kittiwakes, and puffins.

This amendment creates a 100,000-acre wilderness in the Tetlin Range, and a 1.24 million acre unit in the southern portion of the Innoko Refuge. The Tetlin area is one of the highest density nesting regions in Alaska, with an average of over 67 nesting waterfowl per square mile. Designation of a Tetlin Wilderness would help protect this rich resource. Similarly, the Innoko Refuge is a rich waterfowl region, producing each year hundreds of thousands of ducks that utilize all four flyways in their fall migrations.

In addition to establishing these wildlife refuge wilderness units, this amendment expands wilderness on two of the great Alaskan national parks.

The Gates of the Arctic Wilderness would be expanded from 4,801,000 acres to 8,050,000. The Gates of the Arctic is the greatest wilderness opportunity in the entire Nation. Ever since the early 1930's, this area in the central Brooks Range has been envisioned as the Nation's great wilderness national park and wildlife sanctuary, an area of unparalleled scenic beauty, scientific value, and recreational opportunity.

This amendment restores to the Gates of the Arctic that original vision.

Finally, I am proposing an expanded Denali Wilderness in Mount McKinley National Park Systems unit. By adding 900,000 acres to the committee version of the bill, this amendment assures that convenient wilderness opportunity will be available to the recreationists who visit this major Alaskan attraction.

In addition to designating these wilderness units, this amendment provides for wilderness review of all National Park and National Wildlife Refuge System units and national forest monuments. The Secretary of the Interior is required to report back to the Congress with his recommendations for any additional wilderness designations. With respect to potential oil and gas leasing on nonwilderness portions of wildlife refuges, the Secretary would be free to use his discretionary leasing authority under the committee bill on those lands not recommended for wilderness once the comprehensive wildlife refuge plans are completed and he has submitted his recommendations to Congress.

Since passage of the Wilderness Act in 1964, Congress has provided that lands added to Federal land conservation systems be studied for wilderness designation. Of course, the designation of any additional wilderness system units in Alaska would require an act of Congress.

CONCLUDING REMARKS

Mr. President, the Federal lands of Alaska belong to each of us as citizens of the United States. Together they represent an opportunity to preserve and protect major segments of Alaskan ecosystems, areas of unique recreational and scenic values which—once significantly affected by man's development—can never be restored to their pristine character. The lands available for wilderness designation in the Lower 48 States are pale by comparison to those in Alaska with respect to their size and habitat integrity, wildlife and scenic grandeur, and sensitivity to disturbance. If we fail to seize this unique opportunity, our children and grandchildren will not regard us kindly. We cannot afford to make the mistakes in Alaska which have been made elsewhere in the Nation. There is only one place in our Nation with such superlative wilderness resources, and that is Alaska. We must do what we can to help insure that the benefits of these vast wildlife and other natural resources continue to provide a balance of values with the development which will be forthcoming in Alaska in the years ahead.

I feel confident that my fellow Senators will give this most important conservation bill of the century their study and concern. This Congress must not fall short of taking the courageous and sensible actions the people of this Nation expect of us through the adoption of a truly balanced wilderness proposal for H.R. 39 that this amendment offers.●

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Energy and Natural Resources will hold a second hearing on S. 2665, the National Coal Production, Distribution, and Utilization Act of 1980.

The hearing will be held on Friday, May 30, 1980, at 10 a.m., in room 3110 of the Dirksen Senate Office Building.

Questions regarding this hearing should be directed to George Dowd of the committee staff at 224–2564.●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY, AND BUSINESS RIGHTS

● Mr. METZENBAUM. Mr. President, the Judiciary Subcommittee on Antitrust, Monopoly, and Business Rights will hold a hearing on S. 2474, the Insurance Competition Improvement Act, on May 29, 1980. The hearing will begin at 9:30 a.m. in room 5110 of the Dirksen Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the committee on Armed Services be authorized to meet during the session of the Senate today to hold a markup session on S. 2294, the fiscal year 1981 Department of Defense authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate today to hold a hearing on a judicial nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Senate Select Committee on Indian Affairs be authorized to meet during the session of the Senate today to consider S. 2513, providing an operation bootstrap program for American Indians.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet during the session of the Senate today to hold a hearing on mental health and the elderly.

The PRESIDING OFFICER. Without objection, so ordered.

ADDITIONAL STATEMENTS

URGENT ACTION NEEDED TO SPEED RELIEF FUNDS TO VICTIMS OF KALAMAZOO TORNADO

● Mr. RIEGLE. Mr. President, on the afternoon of May 14, a tornado swept through Van Buren and Kalamazoo Counties in my home State of Michigan. Five people were killed, and nearly 100 persons were injured severely enough to require hospital care. Over 1,000 persons were forced to seek emergency shelter that night, and about 400 homes were damaged or destroyed. Estimates of property damage, as a result of this tornado, range in excess of $50 million.

While I am deeply saddened at the loss of lives resulting from the tornado, I am also distressed at the material devastation suffered by the families, businesses, and communities which lay in the path of the tornado. Some families and businesses lost literally everything that they owned; many others incurred partial property loss which exceeds their financial capacity to restore. Insurance coverage, in most of these cases, will not be adequate to cover the actual cost of replacing lost real and personal property.

Fortunately, Federal programs are already in operation which can alleviate the financial hardships of families, businesses and communities in Van Buren and Kalamazoo Counties. Through the May 16 Presidential declaration of a disaster for this area, these programs have been activated and may now legally begin to provide financial assistance to those harmed by the tornado. A Federal Disaster Relief Office has already been established in the city of Kalamazoo, to provide victims of the tornado with information about the type of help which is available and to accept applications for this financial assistance.

But the Presidential disaster declaration and the quick Federal agency response will be meaningless to the victims of the tornado without action by this body on supplemental appropriations for the two Federal programs which are the most important sources of disaster assistance funding.

First, the disaster loan program, administered by the Small Business Administration, is authorized to provide low-interest loans to homeowners to repair or replace real and personal property damaged or destroyed as a result of a natural disaster. This program also has authority to make low-interest loans to businesses to repair or replace damaged or destroyed real property, machinery and equipment. Certainly these loan programs will be crucial to the people of Van Buren and Kalamazoo Counties, in their efforts to restore their lives and livelihoods.

Second, the Disaster Relief Act program, administered by the Federal Emergency Management Agency, can offer loans and grants to local governments to repair or replace damaged or destroyed public facilities and to replace local government revenues lost as a result of a major disaster. Again, cities and townships in Van Buren and Kalamazoo Counties cannot do without this type of assistance if they are to make available a full range of essential public services to their residents.

Therefore, I come before you today to urge your support of the necessary supplemental appropriations for these two programs. The President's fiscal year 1980 requests for these programs were clearly not sufficient, since funds have already been exhausted. We must not turn our backs on the unfortunate victims of the tornado in Michigan—or those who have suffered hardship as a result of the volcanic eruption in Washington State, or the influx of Cuban refugees into Florida. For all of these people, as well as for those who may be hit by natural disaster in the remaining months of this fiscal year, I ask that these supplemental appropriations receive your immediate attention and positive action.●

LEE KAY—MR. CONSERVATION

● Mr. GARN. Mr. President, long before the modern environmental movement took its present form, the colonizers of this Nation came face to face with the natural environment. In struggling to carve out a place in their physical surroundings they developed a healthy respect and love for the natural world. In the wide open spaces out west, this confrontation between man and nature still dominates much of our lifestyle and produces men and women of wonderful strength and character. Mr. Lee Kay, who passed away this past week, was one of these individuals with a rugged commitment to the preservation of nature and human life and of the balance between the two. I had the great pleasure of serving with Lee as a public official in the State of Utah, and to show my respect and appreciation for him I would like to share with my colleagues the following summation of his contribution to our western way of life. It is taken from the Desert News.

The editorial follows:

Lee Kay—Mr. Conservation

Utah's conservation movement didn't begin in the 1960s, when the environment became a national concern.

That movement began long before with individuals like Lee Kay. As a member of the staff of the Utah Fish and Game Department in 1932, he developed one of the first conservation education programs in the nation. His expert cinematography and exciting narratives lent a depth to his presentations that impressed thousands of Utah school children and adult audiences.

Lee Kay died this week at the age of 83. But his contributions live on in the form of preserving the beauty of Utah's mountains, streams, and lakes.

Even more commendable was his program to conserve human life. Stunned by the needless firearms deaths, he devised Utah's hunter safety program in 1957. The previous year, Utah posted the worst accident rate in the nation for hunting: 38 firearms accidents, 128 total gun accidents for the year, and 22 persons dead from all hunting accidents. Through this program, hundreds of men and boys have been trained in the safe use of firearms.

The results are dramatic; in the past four years, the average has been 10 hunting accidents and four dead from gunshot, despite a 40 percent increase in the number of hunters. Hunting accidents by juveniles have dropped from 93 for 8,735 hunters in 1957 to only four for 46,968 in 1979. Based on the 1957 rate, the program has saved 309 lives and prevented 1,929 accidents.

No wonder Lee Kay was known in Utah as "Mr. Conservation." In recognition of these efforts, the American Association of Conservation Service presented him with the Bridger Award. And for his work as a Scoutmaster, he received the Silver Beaver Award from the Boy Scouts of America.

Lee Kay will be long remembered for his valuable contributions in making Utah what it is today. His family and many friends mourn his passing, as does the Deseret News. We extend our condolences.●

SOCIAL SECURITY BENEFITS FOR INMATES OF CORRECTIONAL FACILITIES

● Mr. SASSER. Mr. President, I recently cosponsored S. 2722, and would like to reiterate my support for this important legislation.

S. 2722 would withhold social security benefits from inmates of penal institutions and facilities for the criminally insane. It would save the social security system vital funds; funds which will make a difference as our country moves into the 1980's.

In considering this legislation, Mr. President, we must look to the original intent of the Social Security Act. The system was not designed to provide a retirement pension to each and every American worker, but to assist retirees, the handicapped, and surviving family members to recoup income lost to death, disability, and retirement. Providing social security benefits to convicted criminals circumvents that purpose; prisoners have no need for a monthly allowance, as all their basic needs are already provided.

Our colleague on the House side, Mr. William Whitehurst, estimates that 30,000 inmates, or roughly 10 percent of those in Federal prisons, currently receive social security benefits. If this figure is correct, then approximately $60 million each year is used to pay benefits for those convicted of crimes. And yet the Federal Government already spends $4.4 billion each year to maintain its correctional facilities.

Mr. President, I cannot accept the payment of social security benefits to inmates of correctional facilities. We are in a period of budgetary restraint, of negative inflationary pressure, of economic depression. The public calls out for fiscal frugality. For the first time in 12 years, Congress has voted for a balanced budget. But we continue to make payments to people who have all the necessities of life at their fingertips.

Consider the following, Mr. President:

A California inmate, convicted of four murders, receives $195 a month in social security disability payments. The reason: His claim that he is deranged, with the murders as evidence.

A New Jersey inmate receives $357 each month in social security disability payments. The reason: Headaches and dizzinesss supposedly received when he was beaten by an arresting officer. No mention of the beating was made during his trial.

A Michigan prisoner now receives $300 a month in social security survivors benefits. The reason: He is an orphan. But this inmate is an orphan only because he killed his parents, the crime for which he was convicted.

I challenge any of my colleagues to go home one weekend and tell some social security recipient that the reason one or more of his benefits is being cut is because we must continue making payments to persons incarcerated for their crimes against society. It is simply ludicrous to expect the vast number of social security beneficiaries to accept lower standard of living while prisoners live high on the hog.

I commend my distinguished friend from Wyoming, Mr. Wallop, for this initiative. I am pleased to give it my support. I look to the Senate's early approval of S. 2722, in order to increase the efficiency and effectiveness of the social security program. The 109 million Americans look to this Congress to insure that the system to which they have contributed will be around when they retire. S. 2722 can help achieve that goal.●

UNITED STATES-JAPAN TIES ESSENTIAL

● Mr. HATCH. Mr. President, last week many of the world's leaders were surprised to hear about the "no confidence" vote passed by the Japanese Diet. The effect of this has been to force Prime Minister Ohira to schedule new elections. These elections will be held during the latter part of June. Elections will be held for both the upper and lower house at the same time. This will mark the first time in Japan's parliamentary history that simultaneous elections will be held.

The situation in Japan is more serious than we would notice on the surface. The political turmoil within the ruling Liberal Democratic Party (LDP) threatens to bring about its collapse as a majority party. The LDP has been the ruling party in Japan since World War II. The threat that Japan could be ruled by a Socialist coalition is a real one indeed.

I need not emphasize to my colleagues the importance Japan plays in the strategic balance in Asia. That balance has been precariously perched since the withdrawal of the United States from Vietnam. In 1977 the Carter administration announced it would seek withdrawals of ground forces from South Korea. While these withdrawals were later countermanded, the signal had been sent to all of Asia. The signal they received was that the United States was no longer willing to defend Asia.

The Soviet Union has been quick to try and fill any vacuum of power that may or may not have been created. The increased threat to Japan by Soviet military maneuvers in the islands just north of Japan has caused a great deal of concern among Japanese defense thinkers.

Intelligence figures set the Soviet garrison in the Kuril Islands to be in the area of 10,000 to 12,000 men. This force has already been equipped with Hind D helicopters and 130-mm artillery. They have also added a tank force to their armament.

It now behooves the United States to reassure our friends in Japan of our concern and commitment to their security. During the past 5 to 6 years there has been an increase in the amount of attention paid to NATO Europe. Many in Asia have viewed this with a growing suspicion that the United States would not insure the security of Japan in a crisis. Too many in the United States view our heritage as European, therefore we should look to Europe first. This is dangerous thinking.

After World War II a new order in world politics and society came into being. It is my belief that our ties should now be arranged along economic and political lines. Japan has modeled itself after the United States. They are the second leading economic power in the world. They are a major trading partner of the United States. Our security in the future lies not in where we have been in the past, but rather where we will go in the future. Japan must be made to believe, to fully understand, that it is an undeniable part of that future.●

RESUMPTION OF NONSTOP AIR SERVICE

● Mr. CANNON. Mr. President, I would like to have printed in the Record the attached article which appeared recently in the Charleston, S.C., News and Courier. It describes the resumption of nonstop air service between Charleston and other cities including Washington, D.C. At our airline deregulation oversight hearings last year, the city of Charleston testified that they had suffered large air service cuts. At the time, air carriers were in the midst of transitioning to a less regulated environment and going through an economic rationalization of their respective systems.

One point we did express confidence in was that a market the size of Charleston would not be ignored. I am pleased to note that this has turned out to be the case and that Charleston has now experienced a significant increase in service.

The article follows:

PAN AMERICAN TO INAUGURATE DAILY N.Y.-CHARLESTON FLIGHTS

Pan American World Airways will inaugurate daily nonstop round-trip flights between Charleston and New York July 1. The airline will also introduce new service to Washington and Savannah on that date.

An airline spokesman said Thursday the new service is a result of the merger between Pan Am and National Airlines. During merger proceedings, Pan Am officials said service to Charleston would be upgraded.

The new nonstop New York service will leave Charleston at 12:40 p.m. daily, arriving at New York's John F. Kennedy International Airport at 2:18 p.m. Southbound nonstop flights will leave New York at 3:10 p.m. daily, arriving in Charleston at 4:52 p.m.

Pan Am will also offer thru-plane service daily between Charleston, Washington and New York. The flight will leave Charleston at 5:15 p.m., arriving in Washington at 7:32 p.m. and New York at 9 p.m. A southbound departure will leave New York at 8:30 a.m. and Washington at 10 a.m., arriving in Charleston at 12:12 p.m.

Daily nonstop flights will leave Charleston at 5:15 p.m. for Savannah, arriving there at 5:42 p.m. Northbound service will leave Savannah at 11:45 a.m. and arrive in Charleston at 12:12 p.m.

The number of weekly departures by Pan Am from Charleston will increase from one to 14, and the number of available seats provided each week will increase from 136 to 1,904.

All Pan Am flights serving Charleston will use Boeing 727 equipment.●

THE CANADIAN EXAMPLE: STABLE TAXES IN INFLATIONARY TIMES

● Mr. DOLE. Mr. President, for a number of years we have discussed indexing taxes for inflation, but we have done nothing about it. An opportunity to do something was offered last December by this Senator and the distinguished Senator from Colorado, Mr. ARMSTRONG. Unfortunately the Senate, by a narrow margin, rejected the Dole-Armstrong indexing amendment to the windfall profit tax bill. I hope the Senate will have an early opportunity to correct this error.

The vote was an error, because it is out of step with the thinking of the American people. About 61 percent of the people now favor automatic income tax adjustments to keep rates stable in times of inflation. While we have pondered this question, Canada has done something about it. Since 1973 Canada has had a personal income tax indexed to inflation.

Mr. President, let me observe here that the word "indexing" strikes fear in the hearts of those who feel that cost-of-living adjustments in our society have made it too easy to live with inflation. Whether or not that is so, indexing taxes is another kettle of fish altogether. Government is the beneficiary of the tax revenues generated by inflation—the failure to index taxes makes it easier for Government to live with inflation. That should be our overriding concern, since it is the policies of Government—persistent deficits and excessive money creation—that are at the heart of our inflation problem.

Mr. President, the March 1980 edition of Across the Board contains a detailed and well-considered discussion of the Canadian experience with tax indexing. I believe the article is well worth examination by my colleagues. Accordingly, I ask that the article, entitled "Keeping Up With Inflation the Canadian Way," be inserted in the RECORD.

The article follows:

KEEPING UP WITH INFLATION THE CANADIAN WAY

(By Peter Myers)

For the past six years, while Americans have done little more than debate the relative merits of indexation, Canadians have been gaining real-world experience with this controversial system for coping with inflation. The lessons they have learned may be particularly valuable in assessing the probable impact of indexation in the United States.

Although the example usually discussed by economists is that of Brazil, which unquestionably constitutes the classic model for a fully-indexed economy, the type of indexation that has been established in Canada probably is much closer to any system that could be adopted by Americans. Moreover, Canada embraced the concept of indexation in response to economic circumstances that closely parallel those now faced by the United States. Unlike Brazil, which was forced to take its first major steps toward indexation as a means of averting imminent bankruptcy, Canada adopted the concept quite voluntarily—its government simply decided to try an idea advocated in the early Seventies by both American and Canadian economists as a means of reducing the more unpleasant side effects of high inflation.

In its purest form—the Brazil provides the obvious illustration—indexation can be an extremely cumbersome system that forces everyone to become a mathematician, imposes heavy administrative costs, and invites abuse by government officials. And to the extent that an indexation system is successful in eliminating the adverse consequences of inflation, it also reduces the incentive to bring inflation itself under control. A *partial* indexation system such as Canada's, however, can avoid the worst risks while retaining some of indexation's major benefits.

Before discussing how Canada's system actually works, let me review the type of problem any indexation system is supposed to resolve. When inflation is eroding a nation's currency, people no longer have a firm yardstick for measuring the economic value of such items as wages, beef prices, or even taxes. If the rent for your apartment goes up from $400 to $600 a month, then clearly you must cut back on other expenditures. Unless you get a large enough raise, the real value of your income will have been reduced in terms of its buying power. A $25,000 salary today may be worth, in today's terms, only $22,000 in a year's time.

In a largely unindexed economy, such as that of the United States, inflation forces everyone to perform a continual financial balancing act. Inevitably there are winners and losers. Lenders see the value of their money diminishing, for example, while borrowers can repay their loans with "cheaper" money. Unless interest rates exceed the rate at which prices are rising, inflation encourages people to spend their money now rather than save it. When the inflation rate is excessive, it does not take long before major disruptions occur in the relatively delicate mechanism of a free-market economy. These disruptions can lead to social unrest and ultimately to economic chaos, as was demonstrated so disastrously by the impact of hyperinflation on Germany a half century ago.

While many people—particularly the elderly and others with fixed incomes—are badly hurt by the existence of any inflation at all, the general tendency in mature economies is to fight inflation directly with the traditional weapons of fiscal and monetary restraint. Although some individuals make a profit from inflation while others sustain losses, these dislocations usually are considered to be inevitable. Much of the damage can be repaired through such means as a boost in pension levels or welfare payments. Under normal circumstances, when prices are rising slowly enough for each individual to perform his financial balancing act with little difficulty, this make-shift attitude probably makes sense—particularly given the enormous advantages of using a country's currency as a reasonably stable yardstick of value.

But there has been a more insidious effect of inflation in countries such as the United States and Canada, which levy personal income taxes on the basis of progressive rate structures. The underlying principle of progressive tax rates, of course, is that people with higher incomes should pay relatively larger shares of the cost of government services. Somebody with a taxable income of $50,000 not only pays more tax than somebody with an income of $10,000, he also pays a higher percentage of his taxable income.

While this principle may be socially desirable, it also results in a government's becoming one of the major beneficiaries of inflation. Say the inflation rate from one year to the next is 10 percent and all dollar amounts—including your salary—have risen by precisely that amount. In theory you would have neither lost nor gained. You would need more dollars for every expenditure, but the extra dollar cost would be offset exactly by your extra dollar income. Every financial transaction would involve a larger number of dollars, but those dollars would be worth correspondingly less, leaving the actual value of each transaction at the same level as the previous year. The mere fact of the increase in your dollar income, however, would have pushed you into a higher tax bracket. And given your higher percentage tax rate, the government would be demanding a proportionately larger slice of your income. The real value of your after-tax income—despite the 10 percent raise—actually would decrease.

Governments can make enormous windfall gains from inflation as a consequence of progressive personal tax rates. The interplay between the tax rates and inflation results in what amounts to automatic annual tax boosts—increases that would not occur if people were taxed on the basis of the real value of their incomes instead of the nominal amounts of shrinking dollars reflected in their paychecks. In the United States, even if one ignores the inflation profits earned by government in the past, the 1980 boost in total taxes will be something on the order of $10 billion, unless inflation soon turns sharply downward. A further boost of similar magnitude is likely to occur next year, lifting the government's windfall gain in 1981 alone to around $20 billion. In just two years the government may make an extra profit of some $30 billion—simply because of the current level of inflation. The net result is a massive hidden transfer of wealth from private hands to the Federal treasury. And the government's windfall gets larger every year.

Governments also may profit from inflation when corporations are compelled to do their accounting—and to determine their taxable incomes—on the basis of current dollars. The equation is far more complex in the area of corporate tax, as inflation has a different impact on the individual income statement items that eventually result in a net income figure. Depreciation charges based on unadjusted historical costs, for example, may be quite unrealistic when they are compared with current replacement costs. The point is that many separate factors are involved in the determination of a company's real profit, and the present accounting standards applied to taxation reporting—being based on a depreciating measure of economic value—produce highly misleading profit figures. One indication of the problem is the increasing adoption of inflation accounting within the business communities of both Canada and the United States in order to permit more realistic financial planning. Many executives believe that reported profits are vastly overstated under traditional accounting procedures. If so, this would result in further windfall gains to the government. In other words, corporations may be subject to tax on income that has not really been earned.

Until 1972 Canada and the United States dealt with the tax consequences of inflation in similar fashions. Their governments simply pocketed their windfall tax profits, and tax revenues increased extremely rapidly—even after the occasional tax cut at election time. Few seemed to wonder why the tax collector hauled in more and more cash every year regardless of such cuts. The government's share of the total economic pie just kept on growing. If Federal officials really understood the economic side-effects of inflation, they kept their mouths shut—the extra tax profits permitted them not only to hand out rate reductions from time to time but also to indulge in other politically appealing (and occasionally worthwhile) expansions of basic social services.

This rather cavalier attitude on the part of government has remained the norm in the United States, although the unprecedented level of inflation during 1979—and the sheer size of the government's windfall profits that would result—led many economists to trot out their old proposals for indexation. The last time they had done so was in the early Seventies, when inflation was moving upward on a similar spiral.

The basic principle of indexation is that all economic values—including wages, prices, and assets—should be measured in terms of their true worth rather than in relation to a variable yardstick such as a constantly shrinking dollar. Indexation involves a continuing process of adjusting current values to compensate for changes in the worth of a nation's currency. As this worth usually is measured in terms of buying power for specific items, most economists advocate a nation's consumer price index as the appropriate adjustment factor.

Even in the United States, where the term indexation conveys unfamiliar—and, to many people, revolutionary—connotations, the concept is far from alien. The most obvious example of existing indexation occurs in Social Security payments and the area of wage rates, where cost-of-living adjustments (COLA clauses) provide an automatic mechanism for personal incomes to keep pace with the rising cost of living. In theory, COLA clauses result in the periodic wage boosts sufficient to offset increased prices. In practice, however, relatively few existing COLA clauses provide for full indexation; the trend has been for them to include only partial compensation for inflation, as is the case when a COLA clause results in a wage boost of six tenths of 1 percent for a full percentage point increase in the Consumer Price Index. Nevertheless, all COLA clauses demonstrate the distinctive feature of indexation—the linkage of economic measures to standard values through a predetermined formula. While ad hoc wage increases may achieve the same result, indexation provides for automatic adjustments.

Wage rates, however, are only one of the forms of economic value that would be subject to automatic adjustment in a fully indexed system. For example, the unpaid principal owed on a mortgage would be adjusted upward on a periodic basis to offset the reduced buying power of the dollars in which it is measured. During the first few years after they take out a mortgage, Brazilians actually find themselves with a larger debt (measured in current cruzeiros) than the amount they originally borrowed. In relation to current buying power, however, the economic value of the debt is unchanged from what it would have been in a zero-inflation environment. As a result, mortgage interest rates reflect real investment returns, and future inflation patterns become irrelevant in deciding whether a particular borrowing is worthwhile.

So, controversial as the subject of indexation may be, its economic impact is far from revolutionary—in fact, full indexation simply preserves the status quo. It eliminates the distortions that stem directly from inflation, so that the mere fact of shrinkage in a currency's value no longer creates winners and losers. Needless to say, it is rather horrifying to contemplate the enormous number of adjustment calculations that would be needed every day in an indexation system that is measured in terms of money. The Brazilian experiment is fascinating from a theoretical point of view, but in practical terms—even though most of the adjustments are effected on a quarterly basis instead of daily—it is appallingly cumbersome.

But many of the most important elements of indexation—including the indexation of a country's tax system to avoid those windfall profits to the government—can be carried out independently. You don't have to buy the entire package. In the case of Canada, indexation has been adopted selectively. As in the United States, the usage of COLA clauses has been spreading gradually without any governmental edicts; the trend has evolved through the regular bargaining process between unions and employers. But a broad range of social welfare payments (including such items as old age pensions and family allowances) have been subject to automatic escalation through indexation formulas for most of the past decade, as have the pensions of government employees. Canada's Federal politicians also were quick to catch on to the benefits of indexation when they realized it could work to their personal advantage: their salaries have been subject to automatic annual escalation since 1974. Now the politicians' incomes are linked to the industrial composite wage index (which just happens to increase at a faster rate than the Consumer Price Index); no longer are there any beefs from the public about elected officials voting themselves hefty raises. They get them automatically, without any need for a vote.

Where Canadian and American practices differ most significantly is in the area of taxation. With a few minor exceptions, Canada's personal tax system has been fully indexed since 1973. The government no longer makes windfall profits from inflation, and taxpayers no longer suffer unfair erosion in their living standards as a result of the interplay between inflation and progressive tax rates. If their incomes merely keep pace with rising prices, the government's percentage slice remains constant. If their incomes fall behind the inflation rate, which would represent a decline in personal buying power, then the government's slice actually shrinks—even though the nominal dollar amount of taxable income may have increased. Canadians move into higher tax brackets only when their incomes rise faster than inflation; they drop into lower brackets when inflation takes the lead.

Given a government's usual vested interest in inflation through its impact on tax revenue, it is worth explaining how tax indexation actually came to be accepted by the Canadian government. The concept initially was put forward by the major opposition party, the Progressive Conservatives, during Canada's 1972 Federal election campaign. The governing party, the Liberals, campaigned strenuously against the proposal. When the votes were counted, the government had been returned to office with a minority—a situation that, in Canada's parliamentary system, carries the risk of a government being booted out of power (or a new election being called) if the minor parties join forces with the official opposition to defeat the government party on any critical vote (as happened with Joe Clark's government last December, after just six months in office). Under the circumstances, the government had second thoughts about its earlier opposition to the indexation proposal and, before long, it simply "stole" the opposition's idea. Tax indexation was formally proposed by the government in its first minority budget, and the automatic adjustment procedure became effective in 1974. Political conditions clearly were a major factor in Canada's adoption of tax indexation; if circumstances had been different, the concept may have evoked as little governmental response as it did at the same time in the United States.

The way the system works today is that the basic tax deductions and the individual tax brackets are escalated annually in accordance with increases in Canada's Consumer Price Index. The actual percentage tax rates within each bracket remain constant. The indexation of deductions is needed to maintain the real value of the tax-exempt portion of each individual's income; the indexation of the tax brackets ensures that one's marginal rate remains constant when the taxable portion of one's income increases by the same percentage as average prices. Complicated as this may sound, it is accomplished easily: all that is needed is to revise various figures on the tax forms each year.

On an item-by-item basis the annual changes in each individual figure may not seem enormously important. In 1979, for example, the first $2,650 of each Canadian's income was exempt from taxation because of a basic personal deduction. The deduction amount was determined by applying the 1979 indexation factor of 9 percent to the 1978 deduction level of $2,430. (Most taxpayers are unaware of the details—the 1979 tax forms, for example, simply tell taxpayers to claim a deduction of $2,650).

The cumulative impact of indexation is far more significant and can be seen by comparing each deduction to the level that applied at the start of the indexation process. In 1972 Canada's basic personal exemption amounted to $1,500. An ad hoc boost of $100 was applied in 1973, bringing the deduction of $1,600. From 1974 onward the $1,600 amount was escalated annually by each year's indexation factor, rising initially to $1,706 in 1974 and then, successively, to $1,878, $2,090 and $2,270 before reaching the 1978 level of $2,430. For 1980 the deduction will be a little under $2,900—or 80 percent higher than the level that would have applied without indexation (or without intervening tax cuts on an ad hoc basis).

As the same ratios apply to the various tax brackets as well as to the deductions, a Canadian who had a taxable income of $25,000 in 1973 could report $45,000 of income in 1980 without any change in the percentage tax rate he paid in 1973. This reflects, of course, the fact that $1.80 in 1980 has the equivalent buying power of $1 in 1973. The Canadian dollar has shrunk by almost 45 percent during this period, when adjusted to reflect changes in the Consumer Price Index.

As far as total government tax revenues are concerned, the cumulative impact of indexation is massive. The Economic Council of Canada estimates that personal taxes in 1978 were $4.8 billion less than they would have been without indexation. Using the 10-to-1 ratio that Canadians use as a means of comparing U.S. and Canadian economic indicators (a ratio that reflects the relative sizes of the two economies), that $4.8 billion figure is the equivalent of around $50 billion in the United States. Given the similarity of the two countries' personal tax systems, the implication is that Americans have suffered hidden annual tax increases that, in the period from 1973 to 1978, had reached an annual level of $50 billion. To reach that level the tax boosts would have been close to $10 billion a year—compounded annually on top of the previous year's boost. So the second year's total boost under indexation would be something in the order of $20 billion, rising to $30 billion in the third year, and so on. Over a five-year period the cumulative government windfall profits from inflation could have reached $150 billion or so.

(By scaling up Canadian figures to measure the probable impact of tax indexation in the United States, the author has obtained results virtually identical to those calculated by Edgar R. Fiedler, Vice President of Economic Research at The Conference Board, Inc., and published in the May 1979 "Commentary" in across the board. Those estimates, in turn, were confirmed by Francis H. Schott, vice president and chief economist of Equitable Life Assurance Society, in a letter published in the September 1979 issue of across the board. Mr. Schott's fears about the budgetary impact of tax indexation gain some support from recent Canadian experience, as described later in this article.)

Although Canada's system provides for nominal tax cuts each year, while the U.S. rate schedule remains constant, it is important to recognize that taxable income figures in both countries are reported as the actual dollars earned by each individual. In terms of their true worth—or their buying power—those dollars shrink in value each year as inflation pushes up prices. The Canadian system takes this factor into account; the American system does not. Canadian incomes are measured for tax purposes in terms of their real value instead of their nominal value. The result is that the Canadian tax structure remains "neutral" during inflation, while the American system automatically imposes hidden annual rate boosts. Canada's estimated tax "cut" of $4.8 billion in 1979 was not a tax reduction when one takes into account the real value of Canadians' 1978 incomes—instead, it represents the effect of eliminating a confiscatory additional tax that would have resulted from the mere existence of inflation and its consequent distortion of the country's progressive tax rate structure. The status quo in fact had been maintained; without indexation, taxes would have been boosted by $4.8 billion in 1978.

To reemphasize, the impact of indexation is that it maintains the status quo in an inflationary environment. Logical as the system may be, one problem is that governments themselves show little inclination to accept the status quo when it comes to their own programs. Up to 1974, when Canada's indexation formula started operating, the role of the Canadian government had been expanding at an unprecedented rate. Much of the growth had been financed by the government's windfall inflation gains. The politicians got used to spending money at a lavish rate, and they locked the system into programs that could only be financed by continued rapid revenue growth. When indexation was applied to the tax system, revenues kept growing, but they did so at a much slower rate. The government's costs, however, kept rising at their previous rapid rate. The net result is that the Canadian government has experienced growing budgetary deficits. In the current fiscal year (ending March 31) the deficit is expected to be well over $11 billion, equivalent to a U.S. government deficit of more than $110 billion. While many factors have combined to lift Canada's budgetary deficits to such disturbing levels, one of the major causes unquestionably was the impact of careless spending habits developed by the government prior to indexation, when tax revenues were bloated artificially. After a spending binge it is as hard for a government to work its way back into the black as it is for any individual.

Given Canada's swollen deficits, it probably is not surprising that rumors are spreading about the possible abandonment of indexation. Many public figures now argue that Canada cannot afford automatic annual "cuts" in personal tax rates. The underlying principle of indexation is difficult for even some sophisticated individuals to comprehend, so it may be understandable that many people feel they are advocating the elemination of a future tax cut when in fact they are advocating tax increases. To many politicians there is obvious appeal in the idea of ending the indexation of income taxes, as revenue increases could be achieved automatically without the government itself seeming greedy. A decision to drop the indexing formula may seem far more saleable politically than a decision to raise taxes directly. Even when a government does not face a financial crunch, politicans prefer to be able to hand out occasional tax cuts, and indexation eliminates the windfall profits that enable them to do so. Needless to say, nobody really expects the politicians to go so far as eliminating the indexation of their own salaries.

Political considerations such as these are likely to be the ultimate determinant of whether the United States will adopt the indexation approach—and also of whether Canada will retain its present system. At the same time, many voices, including that of Canada's Economic Council, are advocating an expansion of indexation into the area of corporate taxation. Late in 1979 the Council recommended that "corporate tax legislation be reexamined by governments with a view to ensuring that taxes are based on real rather than nominal profits."

The problem with most of the economists' arguments is that they have not managed to get their basic message across to the general public; the message that indexation does not involve tax cuts but merely the maintenance of the status quo. Even in Canada, where people have lived with indexation since 1973, the concept has yet to be fully grasped.

PRAISE FOR THE FLORIDA NATIONAL GUARD

● **Mr. CHILES.** Mr. President, the Florida National Guard is back on emergency duty, this time protecting life and property in Miami, Fla.

The Florida Guard earlier this month had just completed 16 days of active duty in Key West and again in Miami, helping to keep order while more than 68,000 refugees have landed in our State from Cuba.

Keeping the peace is certainly nothing new for these citizen soldiers; 2,240 were on emergency active duty for 23 days last year, helping out when hurricanes hit and during the truckers strike.

In 1980, 5,733 members of the Guard have so far spent a total of 22 days on emergency duty during the Cuban situation and the Miami civil disorder.

I talked with many of these guardsmen 2 weeks ago during a visit to Key West.

I arrived there in the predawn hours and watched as Florida guardsmen helped Cuban refugees from their boats and then through processing and holding centers.

I visited later in the day with other guardsmen in Miami where Cuban refugees were being processed for release into the community.

Everywhere I went I found the guardsmen to be cooperative and even-tempered as they went about the trying duty of maintaining order.

The superb training these guardsmen have received was evident during that, and subsequent, calls to active duty.

Indeed, the Cuban situation was eased somewhat because many of our Florida guardsmen are bilingual, speaking both Spanish and English.

My conversations with individual guardsmen brought to light a situation which exists for many of them in their civilian jobs.

They told me of the concerns many of their employers have had about their frequent and extended absences from their jobs.

Several guardsmen have already been fired from their jobs and many more fear that they will lose their jobs or not be able to advance in their civilian careers because of the threat of the call to emergency active duty which could come at any time.

Our State is fortunate to have men and women of the high caliber as those in the Florida National Guard and we should be thankful for the fact that the Guard is always there, always ready to help in times of natural disasters or situations like those forced by the tide of Cuban refugees or those brought about by civil disorder in Dade County.

I urge each business in Florida which employs National Guardsmen to be understanding during these emergency calls to duty.

I know the situation must be difficult for many businesses, especially the smaller ones where the absence of even one employee forces others to work overtime.

Some guardsmen have already been away from their civilian jobs for a total of 3 weeks this year and many will be leaving soon for 2 weeks of annual training.

Some units returned from 2 weeks of annual training on Sunday afternoon, only to be called to Miami on active duty Monday morning.

For other Guard units the sequence is reversed. Some units now on emergency duty in Miami are being released so they can report for 2 weeks of annual training next week.

This annual training, in artillery and infantry for most of our Guard units, is very critical if America is to maintain a strong and dependable backup force for use in times when our national security is threatened.

Again, Mr. President, our Florida National Guard has performed in a most exemplary fashion during very trying times this year and I commend them for their restraint and willingness to help the fellow citizens during times of stress.

And I call upon our Florida businessmen to be understanding during these times and to keep open those jobs while our National Guardsmen and women are on active duty.●

THE BOLIVIAN PRISONER TRANSFER OF FEBRUARY 1980

● Mr. JEPSEN. Mr. President, I would like to bring the attention of my colleagues to a report I recently received from the Honorable Richard W. Peterson, U.S. magistrate for the southern district of Iowa, concerning a recent transfer of prisoners between the United States and Bolivia.

I believe Mr. Peterson's personal account of this incident provides valuable insight into the execution of extradition treaties, the living conditions which can be imposed upon Americans who commit crimes in foreign countries, and the valuable assistance rendered by Foreign Service officers and other U.S. officials in behalf of American citizens incarcerated overseas. I ask that Mr. Peterson's report be printed in the RECORD.

The report follows:

REPORT TO THE COURT: BOLIVIAN PRISONER TRANSFER

In December of 1977, the first major transfer of American offenders held in Mexican prisons under the terms of the recently approved United States-Mexican treaty authorizing return of qualified persons to their respective countries was completed. At that time about 250 Americans were returned to the United States. On February 10, 1978, the United States and the Republic of Bolivia entered a similar treaty, and later that year the first transfer of American prisoners from Bolivia began.

As in the implementation of our treaty with Mexico, the Bolivian prisoner transfer program is an ongoing one. Approximately, 20 American offenders have returned to the United States in three separate transfer operations. Apparently, about 15 Americans were in Bolivian prisons at the beginning of the year although not all qualified for return under the treaty provisions.

On Tuesday, February 19, 1980, I received a call from Thomas Hnatowski, of the Magistrates Division, Administrative Office of the United States Courts, Washington, D.C. Tom inquired if I would be available to go to Bolivia for the following week to conduct verification hearings there for three American prisoners qualified to return under the prisoner transfer treaty between the United States and Bolivia. Magistrate Edward Harris of San Diego who had been assigned to go, now found it impossible, said Hnatowski, and would I be able to take over the assignment.

I said that subject to securing the approval of my court, being able to obtain a Bolivian visa on my official passport (validated at the time only for Mexico) and to arrange for my airline connections, I would be glad to accept.

On Wednesday, February 20th, knowing that Judge Stuart was recovering from surgery, I called Judge O'Brien and told him of the Administrative Office request. He quickly and graciously agreed to enter an order authorizing the assignment. I sent my passport the same day to Tom Hnatowski in Washington to secure a Bolivian visa; it arrived back fully validated Friday afternoon.

In the meantime, air reservations had been confirmed. On Thursday, Mark Torres-Gil, Attorney with Department of Justice, Washington, D.C., leaving that day to represent the United States at the hearings in La Paz, called to confirm that I had reservations with the others of the transfer team at the Hotel Libertador in La Paz.

I flew to Miami Friday evening and at 10:00 p.m. Saturday left on Braniff Flight No. 793 for La Paz with an intermediate stop in Panama. Our flight arrived at El Alto Airport on the Bolivian altiplano at 7:00 a.m. local time Sunday.

The trip by taxi from the airport (altitude 14,000 feet) to La Paz (12,500 feet) takes about one half hour. The slight decent in the altitude helped some but not much; the rarified air requires one to really slow down to acclimatize.

The Hotel Libertador where our consulate had arranged for a $20.00 per day diplomatic rate was not deluxe but first class and very good. The rooms were comfortable, the food good, and the service excellent. Sunday was a quiet day with a short walk and several long rests. That evening in the restaurant I met by chance Herbert Cooper, of El Paso, Texas, a Federal Public Defender who had arrived to represent the three offenders to be transferred. We agreed to meet for breakfast the next day, and at 9:00 a.m. Monday we walked first to the American Embassy where we met Vice-consul Peggy Elliott who took us to the consulate located one block west from the hotel on Calle Potosi. There we met Consul James Halmo who gave us a short briefing on the prisoners and the stage of the proceedings.

Three, we were told, had final sentences (sentencias), and were ready to consent to return at verification hearings to be held for them; indeed, one was out on parole already. A fourth American might return with us, Halmo said, under Article IX of the treaty which provided for the return to the receiving country of an offender found to be mentally incompetent to stand trial by competent medical authority in the transferring country (see treaty attached as Exhibit A). The three could possibly have hearings on Tuesday depending on the receipt of the final sentencia papers Monday afternoon. In the meantime, Consul Halmo said that if we wished to visit San Pedro Prison that afternoon, Governor (Warden) Rojas would be glad to arrange a tour. We quickly agreed.

Upon our return to the hotel we found two more members of the transfer team checking in: George Diffenbaucher of Washington, D.C. and Garnet Tarcea, Atlanta, Georgia, the Bureau of Prisons officials who were to accept custody of the American prisoners from Bolivian authorities and be responsible for their return to the United States. They joined us in the consulate van at 2:00 p.m. for the 15 minute trip to the prison.

San Pedro Penitenciaria, a 150 year old structure, occupies a full block in central La Paz. It is surrounded by a stone wall approximately 25 feet high; one enters through an arched doorway on its west wall. Our party received passes from the guards at the gates and then were allowed to enter a central courtyard in which 20 or 30 prisoners including a few Americans lounged.

A wooden stairway led to a balcony where the prison offices were located. After a few minutes wait Governor Rojas invited us to his office, welcomed us with typical Latin courtesy, explained that his country was poor and could not provide the best penal conditions but that they were doing the best they could, (Jim Halmo later confirmed that Rojas was a competent, conscientious public official and was recognized as an authority in the field of Latin-American penology).

My limited Spanish was sufficient for me to explain to him briefly our mission (verification hearings); the governor was interested and responsive. At his request, the captain of the prison guard appeared and invited us to follow him for the prison tour. To Jim Halmo's amazement, George Diffenbaucher was allowed to retain his camera and later take pictures—the first time, said Jim, he ever knew of this to be allowed.

The tour of the prison lasted about an hour and a full description would be too lengthy. The following, however, are my major impressions:

1. The prison is horribly crowded. It was built for 250 inmates and at present has over 700. The cells, rather like caves in limestone walls surrounding two or three separate court yards (Section Alamo, Section Pina, etc.) are cramped and can be improved only by the inmates if they can pay the high prices demanded for lumber and other improvement supplies. In several cell blocks, tunnels on dirt or stone floors lead from cell to cell; to walk through them is like going through a rabbit warren.

2. Metal working and furniture shops offer attempts at vocational training, but in a very limited way.

3. In the kitchen four huge iron vats are set in a floor level oven. Each was over half full with a scummy, bubbling mixture which had a greasy and slightly nauseating odor. This mixture was called rancho of which the inmates received two servings a day. When they arrive carrying empty tin cans, a chunk of bread is placed in each, and rancho poured over the top. Additional food beyond this must be purchased independently.

4. The five or six Americans we met were young, appeared to be in good health but anxious that their court cases would be concluded soon. It was very apparent that they relied greatly on Halmo and Elliott, and have great respect for the efforts of these consulate officials to help.

5. An infirmary in the main court yard appears to have basic medical supplies although I am not qualified to judge fully on this. A plaque on the wall shows that the equipment and supplies were a gift of the La Paz Lion's Club.

6. Conjugal visits are allowed; in fact, one American had his wife with him at the time

of our visit. (Latin culture and society are very realistic in many ways. This aspect of their conditions of penal confinement—in most ways far substandard to ours—is one, I believe that American penologists should study. Its implementation would be complex and undoubtedly controversial but deserves thoughtful consideration.)

7. The conclusion of the tour was a visit to the solitary confinement area called the "maraya." The maraya is reached by leaving the archway entrance area, passing through the guards' dormitory (dark and with a stale odor) into a passageway ten feet wide between the high outside wall of the prison and the lower inside wall, and past open latrines with heavy odors of urine and excrement. The maraya is simply a stone shed 20–25 feet long, 8 feet high, and 8 feet wide with two open doorways and a bare stone floor. The inmate consigned there for violation of prison rules must apparently bring his sleeping pad with him. Even in the summer (as it is now) Bolivian nights are cold. In direct language, the maraya is a pit.

But the shortest and perhaps best summary of the prison was given by Garnet Tarcea of the B. P. as we stood waiting to leave through the arched gateway. "No human being," he said, "should have to live like this!" I thoroughly agree.

Upon return to the consulate, I accompanied Halmo to the Hall of Justice, a three story public building two blocks west of the consulate which houses the La Paz courts. There we met with Dr. Marcello Quintanilla (6'5'') and Dr. Carlos Tovar (5'6''), the Bolivian attorneys retained by our consulate to handle legal matters regarding the American prisoners. Halmo affectionately calls them his "Mutt and Jeff" team, and swears that it would be virtually impossible to complete prisoner transfers without their expertise and help. From my observations during the rest of the week, I am sure he is absolutely right.

All of us went to the office of the Clerk of Court handling the cases of the two Americans still in prison and ready for transfer. Upon receiving final sentencia documents, the attorneys found that the judge who had reviewed the sentences had reduced them from the full 20 years possible under a drug trafficking charge to twelve years as he had earlier indicated he would, but at the same time had increased the fine by $4,000.00 (American) each, which the attorneys immediately claimed was improper under Bolivian law. Then began the legal maneuvering which—though finally successful—took the balance of the week, ending late Friday afternoon, only a few hours before our scheduled air departure for the United States.

A full recitation of the events of the week in and out of court would be too lengthy. I will simply report in brief that during the week I accompanied Halmo at his request, and Doctors Quintanilla and Tovar, (one or both) to conferences with several district court judges, Public Prosecutor Orias, of La Paz, and one afternoon with three judges of one panel of the La Paz Superior Court (which corresponds roughly to our Iowa Appellate Court). In these instances I preferred to stay in the background but often at Halmo's request, I explained to the officials the nature of our verification hearings under the treaty and related matters. All appeared interested and graciously overlooked my mediocre "Iowa" Spanish. Halmo, explaining his request that I join him in these conferences, said that he sensed a certain appreciation by the officials with whom we met that an American judicial officer was calling upon them with our consular representative and suggested that my presence was helpful in our cause of securing decisions on a variety of legal questions regarding the prisoners. Jim was far too kind and generous in this conclusion, but in any event, the experiences were very memorable for me.

All was not a merry-go-round of endurance. We had several socially delightful evenings. On Tuesday, all of us were invited to Peggy's home for an informal cocktail party. On Thursday, all of us were guests at the more traditional and elegant two story home of Gayle and Jim Halmo in the Mira Flores district of La Paz, a very lovely residential area. The Halmos were gracious hosts, as was Peggy, and both were very pleasant evenings.

Finally after the series of frustrating episodes in courts all came right by 6:00 p.m. Friday when:

1. All required sentencia documents had been received and I conducted a verification hearing for the three transferees on Thursday afternoon February 28 from 5:30 to 6:30 p.m. at which all three executed consents to return.

2. Hearing had been held at the Narcotics Clinic in La Paz on the American considered mentally incompetent to stand trial. He was so found by the district judge at the hearing attended by both consulate personnel and myself and certified for return to the United States under Article IX of the treaty.

3. An American arrested for illegal entry into Bolivia charged with deportation was assigned to our group of returnees to the United States.

4. Braniff had confirmed seat reservations for the offenders and transfer team on its Flight No. 974 scheduled to depart at 11:20 Friday evening for Miami. Its officials promised a secure location at El Alto Airport for receiving the prisoners and priority in boarding them and the officials onto the aircraft.

5. Consulate vans arrived at this hotel to take us first to the prison and then on to the airport. Governor Rojas had been given notice of the completion of all transfers requests, and had directed the prison officials to deliver the Americans certified for transfer to the United States Bureau of Prison officials.

Night falls quickly in the Andes. It was totally dark by 7:00 p.m. Friday evening but a magnificant full moon had risen as the transfer team, having received custody of the transferees from the prison, left La Paz in the consulate vans for the airport. There all went smoothly until, as the prisoners were led by cages of dogs trained to detect drugs by odor, the canines reacted by barking! An immediate body search of all prisoners by the Bolivian Security Guards proved them to be "clean" much to our relief; the dogs' reaction was unexplained. As we waited for the departure time, Father Burger and a brother of the Maryknoll Order who had been calling on the Americans in prison, arrived to see them off. It was apparent that the prisoners greeted them with great respect; one can have nothing but admiration for the incredibly reinforcing work of these men.

At 10:30 p.m., the Braniff DC–8 arrived from Santiago, Chile. After the aircraft was serviced the prisoners and B. P. officials boarded first, followed by general passengers including myself, just having experienced the closest shake-down search by a Bolivian security guard I've ever had. Then using, it seemed, every foot of the more than a mile runway for take-off in the rarified air, our jet headed northwest over Lake Titicaca and the Cordillera Occidental to Lima. After a brief stop, the flight left for the United States at 1:00 a.m. local time March 1st and arrived in Miami at 6:30 a.m. where we were met by a team of United States marshals and Bureau of Prisons personnel who took custody of the prisoners. I left at 9:00 a.m. for Chicago and at 1:00 p.m. from O'Hare for Eppley in Omaha. Friday afternoon the temperature in La Paz had been 65°. Saturday afternoon in Omaha it was 2°. No complaint.

SUMMARY

I would conclude with a few final observations:

1. The verification hearing procedure is now smooth and works well. In December, 1977 in Mexico we were "feeling our way" to a degree. Now, thanks to more complete forms and procedural checklists, only a few problems, if any, arise.

2. Consul James Halmo, Vice Consul Peggy Elliott and their staff of our consulate in La Paz are outstanding. Their interest in the well-being and future of the American prisoners confined there was sincere, and their efforts on their behalf remarkable. The challenges they face and overcome are unique, and they deserve high accolades as outstanding foreign service officers.

3. In the La Paz experience, we discovered almost by chance that the presence and, if requested, participation by United States Magistrates in preliminary matters leading to final correct legal posture in the foreign courts may be helpful. Such reinforcement may be psychological only, but should not be overlooked as a possibility. In prison transfers the magistrate's duties under the implementing legislation are technically only verification hearings. If his attendance at other preliminary proceedings is considered helpful by the local American diplomats, however, magistrate may make a very significant contribution to the fulfillment of the objects of the transfer treaties.

4. The transfer treaties fulfill a great humanitarian goal: the return of citizens and nationals to their own homelands, cultures and environments. The dimension of this is measured by the contrast of the conditions existing in San Pedro Prison where we still have 15 or 16 Americans remaining, and in the American penal institutions.

I have prepared and delivered to the United States District Clerk, James Rosenbaum of our district court my file with the signed consents of the prisoners as required. To conclude the Bolivian prisoner transfer assignment, this report is now

Respectfully submitted.●

VOCATIONAL REHABILITATION FOR PUBLIC ASSISTANCE RECIPIENTS

● Mr. JAVITS. Mr. President, reducing the welfare rolls by developing productive employment is a goal which is sought by every city, large and small, across the Nation. It is a goal that can be reached and should be reached to rebut the danger to public assistance programs arising from their abuse. This has been demonstrated by Monroe County in New York State and I would like to share with my colleagues in the Senate the following report which Lucien A. Morin, Monroe County manager, sent to me.

The report follows:

VOCATIONAL REHABILITATION FOR PUBLIC ASSISTANCE RECIPIENTS

As welfare rolls began to mushroom in the late 60's and early 70's, there was growing concern on the part of public assistance providers over what to do about recipients with barriers to employment.

The Monroe County Department of Social Services, in searching for ways to move more clients from the welfare rolls to payrolls contacted the Singer Corporation . . . a pioneer in designing educational and vocational skill training programs.

The Department of Social Services felt that a number of people were receiving welfare payments, not because they lacked motivation to work, but because they had medical or psychological hardships which served as "barriers" to employment.

In 1971, the Social Services Department met with Singer and officials from the New York State Department of Vocational Rehabilitation to map out a program of evaluation, training and placement of welfare recipients into unsubsidized jobs. In 1972, the Singer Social Services Vocational Rehabilitation Project became reality. As far as can be determined, this program represented the first time two public agencies and a private contractor had teamed up to rehabilitate persons who, otherwise, would never leave the welfare rolls.

Funds for the project are provided by the U.S. Department of Health, Education and Welfare to the New York State Office of Vocational Rehabilitation. The Monroe County Department of Social Services provides, "inkind" funding in the form of personnel, facilities, utilities and transportation, lunch and clothing allowances for clients.

The Monroe County Department of Social Services carefully screens clients for referral to the Singer project. Once a recipient is accepted by Singer, he/she becomes involved in an extensive six month program.

Singer staff evaluate clients and help them develop skills using tools and equipment related to hundreds of different occupations. Singer trains clients to perform assembly line jobs, machinery repair, carpentry work, electrical and small appliance repair.

Follow-up studies have shown a remarkable 70 percent job retention rate. The average starting wage is $3.25 per hour for individuals placed in jobs. Since its inception in 1972, the project has been successful in placing more than 1200 persons in jobs. More than 200 were placed in unsubsidized employment in 1979 alone, producing savings in welfare expenditures of more than $1 million. Savings in public assistance, medical assistance and food stamps since 1972 are conservatively estimated at $7.2 million.

Of course, no dollar value can be placed on the satisfaction gained by a recipient previously considered unemployable, but who now is self-reliant and no longer dependent upon public assistance.●

UNHEALTHY HABITS ARE COSTLY

● **Mr. SCHWEIKER.** Mr. President, the costs in human suffering for alcohol and drug abuse, smoking, obesity, and poor nutrition are well known. A more obscure cost has been the toll on our health care system of adverse lifestyles.

I would like to bring to my colleagues' attention a recent investigation into the cost characteristics of hospital patients which sheds new light on the link between poor health habits and high-cost illness. The May 1 issue of the New England Journal of Medicine features an article entitled "High Cost Users of Medical Care" which reveals some sobering facts. The authors, Christopher J. Zook, Ph. D., and Francis D. Moore, M.D., reviewed over 40,000 hospital discharges from six different hospitals during 1976. They confirmed what other recent studies have found, that a relatively small percentage of patients consumes the major portion of hospital resources. In this particular study, 13 percent of the patients used as many resources as the remaining 87 percent. If this holds true for the entire country, then "as few as 1.3 percent of the population consumes over half the hospital resources used annually."

An equally important finding was that unhealthy habits with a possible relation to the current illness were noted more often in medical records of high cost rather than low-cost patients. The investigators found that personal habits were potentially harmful when the "record notes indicated substantial continuing consumption of alcohol, heavy smoking, use of hard drugs, obesity, and persistent refusal to follow physicians' advice regarding illness being treated." Often the records of the high-cost patients showed a common association between the unhealthy personal habits and the disease being treated, for example, alcoholism with cirrhosis of the liver or obesity with vascular disease of the heart or diabetes. While the authors make no judgment regarding causality, the implications of these findings are clear. Continued unhealthy behavior can lead to serious illness. Moreover, once diagnosed, the failure to stop such habits often leads to repeat hospitalization, continued illness, and inevitably high medical expenses.

Expensive new Federal programs are not the answer to these problems. In fact, Government involvement could stifle innovation and discourage experimentation. A more appropriate role for Government is to create incentives to encourage private sector programs and to educate the public on the effects of poor habits and unhealthy lifestyles. Legislation was enacted in 1976 launching such an effort by creating the Office of Health Information and Promotion. Despite the administration's stated commitment, this Office has suffered from lack of financial support.

Many private employers have begun offering a variety of health promotion, health education activities in hopes of more satisfied employees, less absenteeism, and lower health insurance costs. The success of these efforts is still to be determined. Nevertheless, businesses continue to show interest and enthusiasm in establishing health promotion programs for their employees. The Government could stimulate such activity through tax policy. Health insurers for their part could reward good health habits with creative benefit provisions in their insurance policies.

Early in the 96th Congress, I introduced legislation which contains incentives to encourage people to use preventive services more often. My bill, the Comprehensive Health Care Reform Act of 1979, S. 1590, requires all health benefit programs provided by employers of 50 or more employees to contain a preventive health services package. Services in the plan include childhood immunizations, maternal and infant care, hypertension screening, pap smears, and other periodic health examinations.

The time has come for health policymakers and health professionals to stop paying lip service to health promotion activities and to encourage them to reduce costs. Health education and health promotion must become part of mainstream medicine and not just a fad or convenient marketing gimmick.

The authors of this study have provided us an excellent lesson of what will happen if we continue to ignore this important aspect of health maintenance. The cost of chronic illness and high hospital utilization will continue to persist. A far better investment would be incentives for good personal habits and healthy lifestyles. I ask that the entire text of the Zook and Moore study be printed in the RECORD.

The study follows:

May 1, 1980.

HIGH-COST USERS OF MEDICAL CARE

(By Christopher J. Zook, Ph. D., and
Francis D. Moore, M.D.)

Abstract. Cost characteristics of hospital patients were analyzed in 2238 medical records randomly selected from 42,880 discharges in six contrasting hospital populations in the year 1976. Total hospital billings were concentrated on a few patients. On average, the high-cost 13 per cent of patients consumed as many resources as the low-cost 87 per cent. Repeated hospitalizations for the same disease were more characteristic of the expensive patients than were single cost-intensive stays, "intensive care," or prolonged single hospitalizations.

Potentially harmful personal habits (e.g., drinking and smoking) were indicated in the records of high-cost patients substantially more often than in those of low-cost patients. Unexpected complications during treatment were five times more frequent in the high-cost group. Public policy programs for health insurance or cost control should include provisions based on the special characteristics of high-cost patients. (N Engl J Med. 1980; 302:996–1002.)

A major portion of medical resources in the United States is consumed by a small fraction of patients.[1] This fact, most recently documented by Schroeder,[2] raises important issues of cost distribution, predictability, preventability, equity in treatment, and ultimate health status of the high-cost users of medical care.

This study develops a profile of these high-cost patients through a review of 2238 patient records in six contrasting hospital populations. The special modes of usage, diagnostic and prognostic characteristics, and other factors that contribute to high-cost utilization (e.g., unhealthy habits or unexpected complications during treatment) should be defined and understood in order to arrange or finance health service for these unfortunate patients who cost society so very much.

METHODS

Medical records

Medical records were drawn from six contrasting hospital populations. Hospital A

Footnotes at end of article.

was an adult teaching and referral hospital. Hospital B1 and B2 were the medical/surgical services (B1) and the specialized spinal-cord-injury service (B2) of a Veterans hospital. Hospital C was a suburban community hospital. Hospital D was a specialized teaching and referral hospital for children. Hospital E was a tax-supported municipal hospital.

A sample of 10 percent of the days of 1976 was randomized to ensure appropriate representation of months of the year, days of the week, and holidays. A predetermined share of all medical records from discharges on those 36.5 random days in 1976 was selected at random for the study; more than 99 percent of the records sought were obtained. Table 1 shows the sample size targeted for each institution and the composition of the 2238 records obtained, representing a 5.2 percent sample of the 42,880 discharges from those hospitals in the year 1976. Sampling variation and peculiarities in record keeping among the hospitals caused the actual proportion of records reviewed to differ slightly from the target percentages shown in the table. These objectives were, in turn, set at differing levels across hospitals because of variations in hospital size.

In preparation of frequency estimates, each observation was weighted in inverse proportion to the number of hospitalizations during 1976 to offset the inevitable oversampling of repeatedly hospitalized patients. Without this correction, patients who were repeatedly hospitalized would be oversampled in the final tabulations.

These record reviews were carried out personally by a small team of workers. All records were seen by two members of the team, and all questionable classifications reviewed by the senior author. Formal approval was received from the Executive Committee and the Human Subjects Committee in each hospital, ensuring confidentiality of patients' records and anonymity of the hospitals.

Data from the record were transferred to a computerized retrieval system; age, sex, employment, smoking and drinking history, marital status, and other characteristics were included. Medical data included all prior hospital admissions (as indicated by the patient's history in the record), diagnoses, complications, other diseases, and surgical procedures.

TABLE 1.—HOSPITAL SAMPLE

Hospital and type	Beds	Discharges recorded by hospital in 1976	Sample size (records)	Sample fraction (percent)[1]	
				Target	Actual
A—Adult teaching/referral	330	10, 450	576	5	5. 5
B1—Veterans (medical/surgical)	160	2, 820	305	10	10. 8
B2—Veterans (spinal-cord injury)	100	540	86	15	15. 9
C—Community suburban	275	9, 110	455	5	5. 0
D—Children's teaching/referral	340	13, 170	410	3. 33	3. 1
E—Tax-supported municipal	190	6, 790	406	5	5. 9
Total	1, 395	42, 880	2, 238		5. 2

[1] The "target" fraction refers to the fraction of records that we intended to sample, spread over the randomly selected days. The "actual" fraction differs slightly because of randomness in the day selection, reporting variability, and methods for counting live births in the hospitals that included obstetrics. In all but 1 instance, the actual number of records sampled was slightly larger than the number initially intended.

Hospital charges, rather than costs, provided the fiscal base for this study because of the availability of exact billing totals and the unavailability of actual cost data. Hospital bills were obtained for 30 per cent of the sampled cases; none was available from the veterans hospital, where no bills are prepared, and a billing estimate was developed for use when the bill was not obtainable.

There is evidence that most hospitals cross-subsidize, charging less than cost for expensive services and more than cost for simple dwelling days.[3] It is therefore probable that the true cost distribution, if it should ever become available, would be even more skewed than estimated in this study.

Day-rating scale

To estimate the level of intensity of care on the basis of record data, we devised a day-rating scale to indicate five different levels of treatment complexity or intensity during a stay. The five categories are shown in Table 2. Each of the 22,000 days of the indexed hospitalizations was individually rated. The validity of the day-rating scale was shown by the correlation of 0.9 to 0.97 between the simple (unweighted) sum of day ratings and billings that was found when direct billings were supplied by the hospital accounting offices.

Billing data

Billing data for the indexed hospitalizations were compared with a weighted sum of day ratings. Regression analysis was used to estimate these weights on the basis of the billings available; final estimates of billings showed a 0.94 to 0.98 correlation with actual billings. Previous hospitalization charges (i.e., during the years before 1976) were estimated by determining the product of the length of that stay and the average (1976) billing per day of the indexed hospitalization, since hospital bills for earlier years were not obtainable. The total bills, when they were unobtainable, were estimated as follows. First, we rated each day of each hospitalization on a scale of 1 to 5, using the day-rating scale. We then estimated the average bill for each rated type of day in each hospital by means of regression analysis of the bills that were available. We made regressions for total billings on the number of days in each category for that hospitalization; these equations were uniformly characterized by high R^2 values and statistically significant correlation coeffcients. The regression weights were then applied to the day-rating totals of each hospitalization to provide a total billing estimate for those for which detailed bills were lacking.

TABLE 2.—DAY-RATING SCALE (ABBREVIATED FORM)

Day rating and category	Definition[1]
5—Intensive care (level A)	Highest level of emergency and tertiary care: life support, 24-hr mechanical ventilation, operation requiring over 5 hr, admission for major trauma, stroke, heart attack, burn.
4—Intensive care (level B)	Intensive care: day in intensive or coronary-care unit, operation requiring 3–5 hr, special precautions for seizure, aneurysm containment.
3—Major procedure	Major diagnostic or therapeutic procedure: operation requiring 0.5–2 hr, dialysis, hyperalimentation, pulmonary therapy, X-irradiation for over 1 hr, CAT scan, etc.
2—Minor procedure	Minor diagnostic or therapeutic procedure: intravenous medications, single X-ray films, ultrasound, second physician consult, routine workup, operation requiring 0–0.5 hr.
1—Dwelling or discharge day.	Day of rest or discharge: day awaiting discharge or placement or day of bed rest with only routine blood work, urinalysis, and nursing care.

[1] Brief categorical definition; a detailed categorization for all record components and day ratings is available on request.

Types of high-cost utilization

Three types of high-cost utilization were identified: prolonged hospitalization, defined as a stay of 30 or more days; single, cost-intensive hospitalization, defined as a stay including at least four days rated 4 or 5 on the day-rating scale; and repeated hospitalization for the same disease, defined as more than one admission falling in the same diagnostic classification.

Diagnostic classifications and outcome categories

The diagnostic classifications (available from the authors on request) included 19 major and 38 minor groups and were based on the physiologic system involved (e.g., vascular disease), the nature of the pathology (e.g., cancer), and the nature of the initial incident (e.g., congenital anomaly or trauma).

The six outcome and prognosis categories were death in hospital, terminal disease, degenerative and irreversible but not terminal disease, disease involving permanent but not severe impairment, easily curable disease, and disease requiring life-maintenance therapy.

Potentially harmful personal habits and unexpected complications

Personal habits were identified as potentially harmful when the record notes indicated substantial continuing consumption of alcohol, heavy smoking, use of hard drugs, obesity, or persistent refusal to follow physicians' advice regarding the illness being treated. These factors were identified when the physician specifically cited drinking problems, extreme smoking, obesity, or drug use as a possible worsening factor in illness or a hindering factor in treatment, and when the medical history revealed drinking over four hard drinks per day (or the equivalent), smoking one or more packs of cigarettes per day, the use of heroin or other street drugs, or chronic alcoholism.

Two categories of unexpected complications during treatment were identified in the medical record: complications occurring outside the hospital and leading to admission (e.g., failure of prosthetic devices, unexpected reactions to clinical practice, or accidents in a nursing home), and complications occurring during the hospital stay and altering the course of treatment (22 types, including sepsis after an operation, were catalogued). Neither fault nor controllability was investigated.

RESULTS

In each of the five general hospital populations, 13 percent of the patients accounted

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for as much hospital billing as did the other 87 percent. The spinal-cord-injury center showed slightly less resource concentration. A similar skew in distribution was observed if the sum of day ratings or total hospital days was used instead of billings as the criterion.

TABLE 3.—HOSPITAL BILLING DISTRIBUTION (1 YR)

High-cost patients [2]	Percentage of total hospital billings accruing to corresponding percentage of patients					
	Hospital A	Hospital B1	Hospital B2	Hospital C	Hospital D	Hospital E
5 percent	31.7	29.8	23.0	27.6	31.4	29.9
10 percent	45.2	45.1	36.1	41.9	46.8	45.5
20 percent	63.9	63.0	59.6	59.1	66.0	64.0
30 percent	74.6	76.3	75.1	72.0	75.6	73.8
40 percent	82.6	86.3	83.9	78.5	82.6	80.3
50 percent	87.6	92.1	90.1	85.1	87.6	85.9

[1] Billings were summed over all hospitalizations for the same disease in 1 yr. Distributions were weighted by inverse of 1976 hospitalization frequency to obtain a random sample of patients

[2] Patients were ranked on the basis of charges for 1 yr, on a scale ranging from the highest 5 percent to the highest 50 percent.

Hospitals were similar in their billing concentration (Table 3). The most costly 10 per cent of patients consumed from 42 to 47 per cent of total billings. The most costly 20 per cent of patients accounted for between 59 per cent (Hospital C) and 66 per-cent of billings (Hospital D). On the other end of the scale, the share of billings of the low-cost 50 per cent of patients ranged from only 8 per cent (Hospital B1) to 14 per cent (Hospital C).

Two other calculations reveal important characteristics of the distribution of hospital charges among patients. In the first place, the hospital populations differed among themselves in absolute billing levels. For instance, the share of patients with billings of more than $5000 in one year was four times as great in Hopsital A (35 per cent), where many patients with complex disorders were cared for, as in Hospital C (9 per cent), a small suburban community hospital. Secondly, comparison of the estimated distribution of billings in the previous one and five years (for the 1976 indexed patients) showed a greater skew in the high-cost end over the longer periods (the expensive patients becoming even more expensive with the retroactive time extension). By contrast, there was relative stability in total billings at the lower end (the less expensive patients tending to remain in the less expensive category over retrospective periods).

Modes of high-cost hospital utilization

Among the high-cost patients, repeated hospitalization for the same disease was more frequent than single cost-intensive hospitalization or very prolonged hospitalization as the basis of high-cost utilization (Table 4).

TABLE 4.—FREQUENCY OF UTILIZATION MODES AMONG THE HIGH-COST 20 PERCENT AND LOW-COST 80 PERCENT OF PATIENTS IN 1976

Utilization mode in past year	Hospital A		Hospital B1		Hospital B2		Hospital C		Hospital D		Hospital E	
	High (20)	Low (80)	High (20)	Low (80)	High (20)	Low (80)	High (20)	Low (80)	High (20)	Low (80)	High (20)	Low (80)
Repeated hospitalization for the same disease	73.6	19.0	76.3	24.1	90.5	54.4	55.4	7.2	69.5	14.6	51.3	12.0
Single cost-intensive hospitalization	7.5	2.0	2.3	3.0			7.9	1.6	9.8	.8	13.6	.4
Single prolonged hospitalization	13.5	.5	15.8	2.5	9.5	2.2	9.2		3.8		12.1	
Single hospitalization, both cost-intensive and prolonged	3.2		4.5	.6		2.2	10.5		3.0		4.5	
All other single hospitalizations (none of the above)	2.2	78.5	1.1	69.8		41.2	17.0	91.2	13.9	84.6	18.5	87.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

An average of two thirds of the high-cost 20 per cent of patients had repeated hospitalization in one year, as compared with about one seventh of the low-cost patients. Repeated hospitalization for the same disease in a calendar year ranged from 51 per cent of the high-cost patients (Hospital E) to 91 per cent (Hospital B2).

A much smaller percentage of high-cost patients was characterized by a single cost-intensive hospitalization or a single prolonged hospitalization. Of the 20 per cent most costly patients in each hospital, between 7 percent (Hospital B1) and 18 per cent (Hospital C and Hospital E) had one cost-intensive stay, some of which were also quite prolonged. Of the least costly 80 per cent, only about 2 per cent had a single cost-intensive episode. A single prolonged hospitalization characterized a similar and rather low fraction of high-cost patients, as did cost-intensive hospitalizations, which accounted for between 7 per cent (Hospital D) and 20 per cent (Hospital C) of the most expensive patients.

The combinations of prolonged with repeated hospitalization and of cost-intensive with repeated hospitalization were also common among high-cost patients. Between 14 per cent (Hospital E) and 39 per cent (Hospital B1 and Hospital D) of cost-intensive hospitalizations were preceded within 12 months by an earlier hospitalization for the same disease. From 19 per cent (Hospital C) to 44 per cent (Hospital A) of prolonged hospitalizations were repeated. Among patients with spinal-cord injury, no cost-intensive stays were also repeated hospitalizations, but 76 per cent of prolonged stays were repeated hospitalizations; reentry was required for maintenance therapy rather than treatment of a new injury.

Repeated hospitalization for the same disease over a longer period

Over the previous year (i.e., the 12 months immediately before the indexed hospitalization), the frequency of repeated hospitalizations among total hospitalizations ranged from 25 per cent (Hospital C) to 70 per cent (Hospital B2); over two years, this frequency ranged from 32 per cent (Hospital C) to 91 per cent (Hospital B2). Over the previous five and 10-year periods, the frequency of repeated hospitalization approached an average of 50 per cent of all patients in the 1976 sample.

The high-cost patients, defined by charges for one year, also had above-average rates of repeated hospitalization for the same disease in earlier years. For instance, when the population with spinal-cord injury was excluded, one third of high-cost patients had at least five previous hospitalizations for the same disease, as compared with 1/10th of low-cost patients.

Diagnostic categories

Six of the 19 major diagnostic categories included two thirds of the most costly 20 per cent of patients in this study but only one third of the other 80 per cent of patients. These six diagnostic categories were alcoholism and its effects, benign inflammatory bowel disease, cancer, congenital defects, renal failure, and chronic degenerative vascular disease of the heart and peripheral vessels. The remaining one third of costly patients were distributed principally in the categories benign pulmonary disease, infections, musculoskeletal disorders, endocrine or metabolic disease, and trauma. Table 5 shows that three diagnostic categories included over half the high-cost patients in each hospital, although these three categories were not the same in each hospital and differed, for example, in the children's unit and the spinal-cord-injury center.

TABLE 5.—PERCENT OF PATIENTS IN EACH OF THE 10 MAJOR DIAGNOSTIC CATEGORIES OF HIGH-COST ILLNESSES AMONG UPPER 20 PERCENT (U20) AND LOWER 80 PERCENT (L80) OF PATIENTS RANKED ACCORDING TO BILLING TOTAL FOR 1 YR

Category [1]	Hospital A		Hospital B1 [2]		Hospital C		Hospital D		Hospital E	
	U20	L80	U20	L80	U20	L80	U20	L80	U20	L80
Alcoholism and related disease	1.7	0.8	14.7	6.8	2.4	0.5			14.1	8.1
Benign inflammatory bowel disease	5.4	8.9	5.6	9.8	5.6	7.8	5.3	3.3	11.6	4.1
Cancer	13.7	7.3	6.6	6.5	14.0	2.7	7.4	1.9	9.0	.8
Congenital defects	.3	.4		.1		.2	43.8	23.5	7.1	2.5
Endocrine and metabolic disease	1.9	3.2	3.4	8.6	2.6	1.6	.8	.4	4.2	1.0
Infectious disease	2.7	4.2	2.3	1.7	13.0	16.2	9.8	23.9	4.4	11.5
Musculoskeletal disorders	8.9	9.3	6.1	9.3	6.6	8.4	3.8	.1		3.1
Renal failure	9.4	2.4					5.1	.6		
Trauma	4.0	10.7	4.1	5.1	9.5	17.9	7.1	14.7	6.8	10.6
Chronic or degenerative vascular disease:										
Of peripheral vessels	2.7	4.8	11.6	3.8	7.7	3.3			4.7	1.3
Of brain	3.2	2.3	1.1	1.4	7.2	2.6		.4	3.0	.7
Of heart	28.9	15.1	34.7	28.5	21.2	10.1	3.0	1.2	14.6	3.1
All others	17.2	30.6	9.8	18.4	10.2	28.7	13.9	22.0	20.5	53.2
Total	100.0	100 0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] The diagnostic categories are listed alphabetically.

[2] Hospital B2 treats only spinal-cord injuries.

The frequency of the disorders in four diagnostic categories increased markedly among high-cost patients when integrated over the previous two, five, and 10 years of hospital experience. These categories were renal failure, congenital defects, peripheral vascular disease, and alcohol-related illness. By contrast, cancer, trauma, and infectious disease declined in unit cost importance over longer retrospective periods.

Prognosis and outcome

Table 6 shows high-cost and low-cost patients categorized by prognosis or outcome (death, terminal illness, highly degenerative illness, minor or easily treatable disease, and life-maintenance status).

TABLE 6.—PERCENT OF PATIENTS IN EACH PROGNOSIS OR OUTCOME CATEGORY ON DISCHARGE FROM THE HOSPITAL ACCORDING TO 1-YR BILLING PERCENTILE AMONG UPPER 20 PERCENT (U20) AND LOWER 80 PERCENT (L80) OF PATIENTS

Category	Hospital A		Hospital B1		Hospital B2		Hospital C		Hospital D		Hospital E	
	U20	L80	U20	L80	U20	L80	U20	L80	U20	L80	U20	L80
Death	15.3	1.4	20.1	3.9			11.2	3.1	2.3	1.3	15.4	1.5
Terminal	13.1	1.6	4.0	2.0		1.5	9.5	1.3	3.6		4.8	.5
Degenerative, irreversible	16.3	6.3	16.3	8.1		4.0	13.5	6.8	11.1	4.6	23.1	5.4
Incurable with major impairment	12.5	5.9	25.1	15.7	100.0	89.6	18.6	5.5	12.2	6.5	12.4	3.8
Incurable with minor impairment	9.9	14.0	29.3	31.3		2.2	24.8	17.6	10.2	9.7	15.5	9.1
Potentially curable, easily treatable	22.8	59.5	4.2	38.1		.5	16.1	56.5	24.8	65.4	16.3	57.1
Life maintenance [1]	7.6	2.3	.2						12.9	.8		
All others	2.5	9.0	.8	.9		2.2	6.3	9.2	22.9	11.7	12.5	22.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Takes precedence over other categories when overlap exists.

Death in the hospital and terminal illness occurred in approximately 20 per cent of high-cost patients, as compared with 3 to 4 per cent of low-cost patients. By far the most frequent prognosis-outcome category among high-cost patients was incurable or degenerative (and therefore highly recurrent) illness with a substantial degree of impairment (Table 6). These categories included nearly one third of the high-cost patients in the sample, as compared with about one eighth of the low-cost patients. Example of these illnesses are coronary-artery disease, chronic anemia, and muscular dystrophy.

Long-term life maintenance, including dialysis for chronic renal failure and chemotherapy for childhood leukemia, occurred only at the teaching/referral hospitals. In Hospitals A and D, life maintenace accounted for 10 per cent of high-cost patients and only about 2 per cent of low-cost patients.

Incurable disorders with minor impairment, easily treated diseases, and curable illness fell into the category of "manageable." This category contained approximately 35 per cent of all high-cost patients, as compared with nearly 75 per cent of all low-cost patients, with substantial variation across hospitals. Examples of manageable illnesses are mitral stenosis, Crohn's disease, gallstones, acute infections, and simple fractures.

Ten per cent of patients in the sample could not be categorized without additional knowledge. These patients had congenital anomalies of indefinite severity, alcoholism of uncertain duration, difficult-to-diagnose illness, or mental disease.

Age and sex distribution

Table 7 shows the age distribution of high-cost and low-cost patients. The aged were represented disproportionately among the expensive patients. Those over 65 years of age accounted for about 40 per cent of high-cost users and only 15 per cent of low-cost users. Each age cohort had a rather different clinical profile (i.e., diagnostic categories) among the high-cost patients.

The sex of the patient was not important in distinguishing high-cost from low-cost patients.

TABLE 7.—PERCENT OF PATIENTS IN EACH AGE GROUP AMONG UPPER 20 PERCENT (U20) AND LOWER 80 PERCENT (L80) OF PATIENTS RANKED ACCORDING TO COST

Age group (years)	Hospital A		Hospital B1		Hospital C		Hospital D		Hospital E	
	U20	L80	U20	L80	U20	L80	U20	L80	U20	L80
0 to 21	2.1	5.3		0.8	6.3	30.1	94.9	95.8	11.8	35.1
22 to 45	17.7	35.3	8.9	23.3	19.9	26.2	5.1	4.2	21.6	42.5
46 to 65	40.5	35.3	76.6	59.9	28.9	23.0			27.5	11.5
Over 65	39.7	24.1	14.5	16.0	44.9	20.7			39.1	10.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Potentially harmful personal habits

Unhealthy habits with a possible relation to the current illness were noted more often in medical records of high-cost than of low-cost patients. Records of high-cost patients showed a pairing of diagnosis that are commonly associated, such as alcoholism and benign inflammatory disease (e.g., cirrhosis of the liver) alcoholism and neurologic deficits; smoking and benign pulmonary disease or peripheral vascular disease; and obesity and degenerative vascular disease of the heart (or diabetes). These associations were observed in the records. No judgment is offered here regarding casuality.

Among the high-cost patients, from 31 per cent (Hospital A) to 69 percent (Hospital B1) had an associated unhealthy habit that had a possible impact on the current illness among low-cost patients, this association was less frequent (20 to 45 percent). When high-cost patients were defined by their estimated total bill for the current illness over the previous five years (instead of one year), habits with a possible worsening effect on illness ranged from 35 percent of high-cost patients in Hospital A (as compared with 20 percent of low-cost patients) up to 73 percent of high-cost patients in Hospital B1 (as compared with 45 percent of low-cost patients). All the differences between high-cost and low-cost patients noted above were found to be statistically significant at the 0.05 level by a t-test. Each hospital had this difference.

Unexpected complications of treatment resulting in readmission

Approximately 12 percent of the most costly 20 percent of patients were admitted for their indexed hospitalization because of an unexpected complication during treatment, as compared with 5 percent of the least costly 80 percent of patients. This statistic was fairly uniform across hospitals, with a slightly higher rate at the tertiary-care hospital, possibly because of case-mix complexity and referrals after treatment failure elsewhere.

Treatment failure, such as a defective pacemaker or blockage of a bypass graft after discharge, was the largest single category of prior adverse unexpected complications resulting in admission. Unexpected side effects of treatment were second in frequency. A miscellaneous grouping, including accidents in nursing homes and extreme misdiagnosis, was third in importance. Infections, drug reactions, and misadventures of the malpractice variety were the least frequent.

Unexpected complications during treatment in the hospital

Unexpected complications during hospitalization were important factors in high-cost illness. The 22 categories of event catalogued ranged from major infection or sudden myocardial infarction during hospitalization to unforseen drug reactions.

At least one unexpected complication during treatment occurred during 33 percent (Hospital D) to 44 per cent (Hospital A) of the indexed stays of high-cost patients—five times the figure for low-cost patients. The average rate of occurrence of these events during the indexed hospitalization of the most costly 20 percent of patients was 13 times as great as that of the least costly 80 percent of patients. In the indexed hospitalizations of the most costly 20 percent of patients, 533 such events were coded; in hospitalizations of the least costly 80 percent, only 167 such events were coded.

The association between high-cost hospitalization and unexpected complications was also apparent in a regression analysis of charges during the indexed hospitalization. The regression equation related hospital charges to patient characteristics, diagnostic category, the particular hospital involved, and the number of unexpected complications during treatment. The coefficients (i.e., added cost) for unexpected complications constituted an approximate measure of the degree of association between high bills and these occurrences. Such cost coefficients were statistically significant and ranged from an added $1440 in Hospital B1 (as compared with an average estimated bill of $2530) to an added cost of $2490 in Hospital

A (as compared with an average bill of $3840). Thus, if Hospital B1 is used as an example, a hospitalization during which one unexpected complication occurred was more expensive than the mean by an average of $1440, even after control for billing variation due to diagnostic categories and for other intervening variables that affected the cost of care. These cost coefficients for hospitalizations involving complications do not imply causality; the nature of the initial illness may itself have favored the complication. Judgments about the precise cause of the added expense would require analysis of several additional clinical variables, including the complexity of care, the case mix in the hospital, and the apparent cause of the complication. Such judgments were not deemed possible from a retrospective record review; the association between increased cost and the presence of complications was clearly evident.

DISCUSSION

Skewed distribution and importance of a high-cost cohort

It is no surprise that severe illness strikes some and not others. The unexpected findings here are, first, that the curve of resource utilization is so much more skewed than shown in previous research, with about 13 percent of patients using as much of the resources as the remaining 87 percent of patients in a given year. Since only one person in 10 in the United States enters a hospital in any given year, this observation suggests that as few as 1.3 percent of the population consumes over half the hospital resources used in any given year. Secondly, it became evident that repetitive episodes of illness from the same disease are the chief cause of excessive utilization by a few patients.

Direct search of individual patient records, as was done in this study (with record linkage over time), is important for a full understanding of the nature of repeated hospital admissions for the same disease.[4] The lesser concentration of resources on a small fraction of patients described in other studies may have resulted from failure to link repeated hospitalizations to the same patient, or from the use of data pertaining to only one insurance payer (many high-cost patients have several sources of payment) or pertaining to a self-selected sample (e.g., the fully employed).[1,2,5-8]

Potentially harmful personal habits in high-cost patients

Our results showed that adverse life styles were noted more often in the medical records of high-cost than low-cost adults. Alcoholism, heavy smoking, and obesity were particularly prominent. Patients in whom these habits were noted in the record had more repeated hospitalizations for an illness and therefore a higher "unit cost" of illness than did those without these habits. For some patients these harmful habits may have done much of their damage before the first admission, although potential salvageability at first admission (or first physician encounter) has not been well documented. Preventive incentives through insurance or health taxes on selected hazardous habits (or the commodities that they consume) may deserve careful attention in any debate on national health insurance.

Unexpected complications during treatment of high-cost patients

Unexpected complications during treatment were also important in high cost. Unexpected effects or results of treatment, such as hemorrhage after anticoagulants, can move a patient from very low-cost to very high-cost episodes that may persist for years.

We believe, on the basis of record review in six hospitals, that considerable cost saving and reduction in human suffering would be possible if the frequency of adverse events could be reduced, even by a small percentage. For instance, recent evidence has shown a strong negative association between adverse outcomes in surgery and volume of operations.[9] Rearrangement of utilization is one variable that can be partly controlled. If adverse outcome is found to be prevalent in one service or ward in a hospital, in one hospital, or in one community, then a highly disciplined search for the causes of repeated failure should be undertaken. Further attention is needed in this poorly understood area of medical practice to identify these events and to reduce their incidence. To focus on individual litigious episodes ("malpractice") is to obstruct the search for more subtle causes or types of failure.

Importance of long-term illness and repeated hospitalization in the medical budget

The frequency of repeated hospitalization for the same disease in high-cost illness, a phenomenon also noted by Schroeder et al.,[2] makes evident the high cost of long-term illness in the national medical budget. That study did not compare resource utilization, diagnostic categories, complications, or other characteristics in high-cost and low-cost categories and was confined to hospitalizations during a single year.

In certain diagnostic categories, one might be able to predict from age, nature of first admission, sentinel medical events, and personal characteristics the cost of treatment in the next decade as well as the likelihood that the patient will ever be free of the need for repeated care. Alcoholism, certain congenital anomalies, degenerative vascular disease, spinal-cord injury, renal failure, neurologic deficits, and mental disease all fall into this predictability category. The high incidence of repeated hospitalizations for these diseases suggests that a large portion of the total medical budget in the United States might be predictable for several years hence, for small groups that exert disproportionate leverage on medical resources by repetitive use of health-care facilities.

Illnesses that had the longest duration and caused the most repeated admissions were cardiovascular disease, certain congenial anomalies, certain types of injury (notably spinal-cord injury), renal failure, disorders of alcoholism, and long-term obesity. Thus, "intensive care" in its usual short-term sense, even with the high incidence of subsequent admission for the survivors [10] and high short-term fatality rate,[11] will not be as costly as the illness that requires 10 hospitalizations in the first 10 to 20 years of life or the illness that occurs later in life in which constant readmission and complex tertiary care are required to keep the patient alive. Research has shown that major savings can be achieved in long-term illness through greater use of ambulatory care. In one study a follow-up program for long-term diabetics reduced their readmission rate by 54 percent.[12]

Hospital economy measures should be targeted more precisely on those small groups of patients who require much longitudinal care or demonstrate a high probability of readmission.

We are indebted to the hospital executive committees and medical record departments for cooperating in this project, to Ms. Sheila Savickis for data gathering, to Dr. Theodore Colton for assistance in design of the random day sample, to Ms. Jane Corlette, Ms. Katherine Erat, Dr. Jerome Grossman, Dr. William E. Hassan, Ms. Rita Nickerson, Dr. David Wise, and Dr. Richard Zeckhauser for encouragement and helpful comments, to Mr. Arthur Finnegan for manuscript preparation, to Ms. Susan Lang Heinrich for assistance in the research, and to Ms. Judith Linn for editorial assistance.

FOOTNOTES

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STATE SALES TAXES ADD MORE TO ELECTRICAL BILLS THAN SEVERANCE TAXES

● Mr. WALLOP. Mr. President, on May 14, 1980, legislation was introduced to limit the amount of severance taxes coal producing States could charge.

The bill, S. 2695, is based on two misguided premises. First, the sponsors state that it is needed to stimulate western coal production yet the facts belie this reasoning. In 1973, Wyoming produced 14 million tons of coal. Yet by 1979, after the enactment of the coal severance tax, that figure jumped to 72 million tons—a five-fold increase. Production is estimated to double again by 1983 lending little credence to the argument that the tax is an excessive burden. Whatever impediments may exist to the production of western coal are most likely to be Federal policies which discourage production and consumption.

Second, the advocates claim the tax is an excessive burden to consumers. Again, this is not only misguided, but cynical. Severance taxes add only 1½ percent to 2 percent to the retail cost of electricity. To complain about these mineral taxes makes as much sense as it would to complain about Michigan corporate income tax or property tax because they add to the cost of an automobile.

Wyoming's severance taxes are used to mitigate the impact that accompanies rapid coal development. The revenues collected from the tax are used to support local governments, community colleges, fire protection districts, water and sewer districts, hospital districts, school districts, and road and street projects.

Oddly, the States that protest the loudest about Wyoming's severance taxes unabashedly turn right around and burden their citizens with a sales tax on electricity that far exceeds the 1½ to 2 percent levied from severance taxes. These gross sales taxes range upward to 7 percent.

To illustrate this fact, I ask the Congressional Research Service to prepare a report on the State use of general and selective sales and gross receipt taxes on the sale of electricity. This report presents an interesting comparison for those cynics who argue that it is the severance taxes that present the burden to the consumer. In addition these States uniformly levy ad valorem taxes on the plant and equipment of the utilities burdening their consumer even further. I ask that this CRS report be printed in the Record.

The report follows:

State General Sales and Gross Receipt Taxes on the Sale of Electricity in the 50 States

(As of January 1980)

Data available in the Census Bureau series on governmental finances or in other published compilations is not sufficiently detailed to provide a State-by-State summary of State taxes levied on electricity. The compilation shown in the attached table indicates the nominal rates and available data on tax base inclusions or exclusions. None of the material utilized provides figures on revenues derived from taxes on electric light and power sources; hence, no conclusions can be drawn on effective rates.

As of January 1, 1980, sales of electricity were a part of the base subject to the general sales and gross receipts tax in 31 States and to selective sales or gross receipts taxes on public utilities in 40 States.[1] In 16 States the general sales or gross receipts tax is the only special levy on electric light and power, while in another 17 States the selective sales and gross receipts tax on public utilities is the only special levy. Fifteen States use a combination of these two types of levies and only two States, Massachusetts and West Virginia, have neither. Both of these States, however, base State levies on gross income which apply to all corporate and business activities (e.g. the corporate franchise tax in Massachusetts and the business occupations tax in West Virginia) as well as to electric light and power utilities.

The complete array of States using each of these sources is:

General sales or gross receipts (16)	Selective sales or gross receipts on public utilities (17)	A combination of the 2 taxes (15)
Arizona.	Alabama.	Connecticut.
Arkansas.	Alaska.	Florida.
Colorado.	California.	Maryland.
Georgia.	Delaware.	New Mexico.
Indiana.	Hawaii.	New York.
Iowa.	Idaho.	North Dakota.
Kansas.	Illinois.	Oklahoma.
Kentucky.	Louisiana.	Pennsylvania.
Maine.	Montana.	Rhode Island.
Michigan.	Nevada.	South Carolina.
Minnesota.	New Hampshire.	South Dakota.
Mississippi.	New Jersey.	Tennessee.
Missouri.	North Carolina.	Texas.
Nebraska.	Ohio.	Vermont.
Utah.	Oregon.	Wisconsin.
Wyoming.	Virginia.	
	Washington.	

As indicated in the table, the rate of the State general sales or gross receipts tax ranges from 2 percent in Oklahoma to 7 percent in Connecticut with the modal rate at 4 percent. The complete ranking (from lowest to highest) is as follows (percent in parentheses): Oklahoma (2); Arkansas, Colorado, Georgia, Iowa, Kansas, Nebraska, North Dakota, Vermont and Wyoming (3); Missouri (3⅛) and New Mexico (3¾); Arizona, Florida, Indiana, Michigan, Minnesota, New York, South Carolina, South Dakota, Texas, Utah, and Wisconsin (4); Tennessee (4½); Kentucky, Maine, Maryland, and Mississippi (5); Pennsylvania and Rhode Island (6); and Connecticut (7).

There are three types of rates applicable to the selective sales or gross receipts tax on electricity or on electric light and power companies. In four States, the levy consists of a millage per kilowatt hour sold—California (0.001), Idaho (0.005), Montana (0.002), and New Mexico (0.004). Three States have graduated rates based on gross receipts or (in the case of Texas) on the population size of the geographic unit served—Hawaii (5.885 to 8.2), Texas (0.581 to 1.997), and Virginia (1⅛ to 3.5). For the remaining 24 States, the rate is usually based on gross receipts but may apply to appraised value as in Vermont or to net profits as in New Hampshire. The complete array from the lowest to highest percentage follows with variations from the rate (in parentheses) or gross receipts base indicated by an asterisk and noted by reference to footnote 4 in the table: Delaware and South Dakota (0.001)*; South Carolina (0.004); Oregon (0.25); New York (0.75); Alaska* and North Dakota* (1 and 2); Florida (1.5); Vermont (1.9*); Louisiana, Maryland, Nevada, Oklahoma (2); Alabama (2.2.[3]); Tennessee and Wisconsin* (3); Washington (3.6); Ohio and Rhode Island (4); Pennsylvania (4.5); Connecticut, Illinois, and New Jersey* (5); North Carolina (6); and New Hampshire (9).

In addition to the taxes described above, 36 of the 50 States (see source note to table) levy a fee on electric utilities (public utilities generally) to defray the administrative costs of the State public utility regulatory body. Such fees take the form of dollar assessments in some States or of a specified percentage of gross revenue in others. In Wyoming, for example, the assessment cannot exceed 0.0030 percent of gross annual intrastate revenues; whereas in West Virginia the total fees "cannot exceed 10 cents per $100 of valuation of property and 40 cents per $100 of total gross revenues." On the other hand, Arkansas and Massachusetts set definite rates, e.g. "2/5 of one percent" in the former, and "one-fourth of one-tenth of one percent" in the latter, with no discretion given for modification.

[States in which sales of electric power are included in the base of the State general sales or gross receipts tax; States in which sales of electric power are subject to the selective sales or gross receipts tax on public utilities. Rates (percent or per kilowatt-hour) as of January 1980]—

	General sales or gross receipts	Selective sales or gross receipts
Total, number [1]	31	40.
Alabama	(2)	2.2.[3]
Alaska	(4)	1 to 2.[3]
Arizona	4	(2).
Arkansas	3	(4).
California	(2)	1/10 mill per kWh.[3]
Colorado	[3] 3	(2).
Connecticut	[5] 7	5.
Delaware	(4)	0.001.
District of Columbia	[6] 5	6.
Florida	[5] 4	1.5.[3]
Georgia	3	(4).
Hawaii	(2)	5.885 to 8.2.[3]
Idaho	(2)	½ mil per kWh.
Illinois	(2)	5 plus 8/100 of 1 percent
Indiana	[5] 4	(4).
Iowa	[5] 3	(2).
Kansas	[5] 3	(2).
Kentucky	[5] 5	(4).
Louisiana	(2)	2.
Maine	[5] 5	(2).
Maryland	[5] 5	2.
Massachusetts	(2)	(4).
Michigan	4	(4).
Minnesota	4	(2).
Mississippi	[5] 5	(4).
Missouri	[3] 3⅛	(2).
Montana	(4)	2/10 mill per kWh.
Nebraska	3	(4).
Nevada	(2)	2.[3]
New Hampshire	(4)	9.[3]
New Jersey	(2)	5.[3]
New Mexico	[5] 3¾	4/10 mill per kWh.
New York	4	¾ of 1 percent.[5]
North Carolina	(2)	6.
North Dakota	3	1 to 2.[3]
Ohio	(2)	4.
Oklahoma	2	2.[3]
Oregon	(4)	¼ of 1 percent; 3.[3]
Pennsylvania	[5] 6	45 mills per $1.
Rhode Island	[5] 6	4.[3]
South Carolina	[5] 4	4 mills per $1.
South Dakota	4	0.001; 270.[3]
Tennessee	[5] 4½	3.
Texas	4	0.581 to 1.997.
Utah	4	(2).
Vermont	3	1.91.[3]
Virginia	(2)	1⅛ to 3.5.[3]
Washington	(2)	3.6.
West Virginia	(3)	(4).
Wisconsin	4	3.[3]
Wyoming	3	(4).

[1] District of Columbia is not included in the total number of States.

[2] Electricity exempt.

[3] Following are qualifications for the rates shown in 18 States which levy selective sales and gross receipts taxes on public utilities: Alabama also levies a use tax on total monthly sales at the rate of 4 percent on the first $40,000 or under, 3 percent on the excess between $40,000 and $60,000 and 2 percent on the excess over $60,000; Alaska rates apply to nonprofit electric companies in existence for less than 5 yr (1 percent) and those in existence longer than 5 yr (2 percent); the California State Board of Equalization may set the rate up to 2/10 of a mill as a "surcharge"; Florida's rate on gross receipts of municipally owned electric companies is 1/64 of 1 percent; in Hawaii the rate is computed on the ratio of net income (total operating revenues less operating expenses and tax accruals) to gross income with a ratio of 15 percent of less the rate is 5.885 percent- and in excess of 15 percent the rate is increased by an additional 0.2675 percent for each percentage point up to a maximum of 8.2 percent; the Nevada and New Hampshire rate is applied to "net profits"; an additional 1.5625 is levied on "apportioned receipts" of out-of-State companies with lines in New Jersey; New Jersey levies a 45 mill per $1 sale on electric power sold outside the State to coincide to the Pennsylvania tax of the same amount on power generated outside the State; New York also taxes dividends paid by electric utilities at 4½ percent of the amount in excess of 4 percent of paid in capita with a minimum tax of $125; the lower North Dakota rate is for cooperative electricity generating plants in existence for less than 1 yr; the Oklahoma levy is on rural electric cooperatives as is the 3 percent levy in Oregon; the Rhode Island levy has a minimum of $100; the higher levy in South Dakota is on rural electric companies; the Texas rate varies according to the size of municipalilty serviced; the Vermont rate is based on appraised value; the Virginia upper rate bracket will be phased out to 2 percent by 1983; and the Wisconsin rate is applicable to the electric cooperatives.

[4] No tax levied.

[5] 19 States indicated in this footnote allow exemptions by reference to sales of electric power as follows: for construction and industrial uses: Colorado and Nebraska; for sales to residential households: Connecticut, Florida, Pennsylvania, and Rhode Island; for manufacturing, mining, farming, refining, and sales to other utilities: Indiana, Kansas, Kentucky (to the extent that electricity costs exceed 3 percent of production costs), Maryland. Missouri (to the extent that electricity costs exceed 10 percent of total production costs), and Texas; manufacturing only: Iowa and Maine; Mississippi: wholesale sales of electricity between power companies; New Mexico: sales tax credited against energy tax; South Carolina for "manufacturing of tangible personality and electricity sold for the production of programs to radio and television stations"; Tennessee sales for residential use and directly used in manufacturing are at 1½ percent of sale price; and Wyoming exempts sales used for "manufacturing, assembling, processing, and the transportation business."

[6] The District exempts sales for manufacturing, assembling, processing, and refining from the general sales tax. The tax on gross receipts of electric lighting companies has no exemptions.

Source: The definitions of "general sales," "selective sales," and "gross receipts" taxes used in this compilation by the Congressional Research Service are those used by the Census Bureau. Thus, these totals do not include levies earmarked for the payment of the costs of the administrative or regulatory State agency which conducts "inspection" or "audit" functions on all public utilities. 14 of the 50 States do not have electric utility tax proceeds designated for such purpose. (These States are: Alaska, California, Florida, Illinois, Iowa, Kansas, Minnesota, Nebraska, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, and South Dakota.) The information on rates was compiled from the Advisory Commission on Intergovernmental Relations compilation, Significant Features of Fiscal Federalism, 1976–77, Table 99 supplemented by the Commerce Clearing House Inc. "All State Tax Guide." ●

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[1] States with no general sales or gross receipts taxes are: Alaska, Delaware, Montana, New Hampshire, and Oregon; States without selective sales or gross receipts taxes on public utilities are: Arkansas, Georgia, Indiana, Kentucky, Massachusetts, Michigan, Mississippi, Nebraska, West Virginia, and Wyoming.

THE UNHOLY ALLIANCE—CARTER TAXES/OPEC PRICES

● Mr. DOLE. Mr. President, as OPEC continues to hike the price of their crude oil our national economy is the ultimate loser. Many of us in this body have attempted time and time again to force the administration to reaffirm our commitment to a strong, viable strategic petroleum reserve which will serve as a cushion against future supply interruptions and as a deterrent to higher prices by the OPEC cartel. It is unfortunate for all that our attempts to reinstate full funding for SPRO and restoring SPRO to its rightful place in our list of national priorities were unsuccessful. The Carter administration, while continually and ill-advisedly refusing to build up our strategic petroleum reserves, has offered us what they thought to be a better way to reduce our dependence on foreign crude. President Carter has attempted to reduce our demand for imported crude by seeking to place an unlawful 10 cents per gallon tax on domestic gasoline consumption collected through an extraordinarily complex "Rube Goldberg" entitlements and import fee contraption.

Mr. President, it is my understanding that President Carter had hoped to restrain imports of crude oil by reducing domestic gasoline consumption. But, in reality, he merely sent a signal to the Saudis and other OPEC producers that the United States was quite willing to pay them $4 or $5 more per barrel for their oil.

Price increases by OPEC producers over the last few days only attest to this and to what I stated during the debate on the Dole-Metzenbaum amendment to the first concurrent resolution on the budget. During that debate I stated my concern that all the President was doing by attempting to impose this new tax on the American consumer was to invite further price increases by OPEC at a time when rising energy prices are a principle cause of our high rates of inflation.

Mr. President, what we have ended up with now is the worst of both worlds. First, our national energy policy has focused exclusively on decreasing consumption and conservation as opposed to increasing domestic energy production. We have in place today an energy policy which punishes the American consumer and American domestic energy producer through the so-called windfall profit tax while at the same time rewarding OPEC oil sheiks. Carter has done little to increase domestic energy supplies but he has gone far in enabling OPEC countries to reap a huge windfall profit of their own at the expense of the American consumer.

Mr. President, I am pleased to state that some progress toward a responsible approach to our energy crisis has been made. Just yesterday, the Congress included in the conference report on S. 932, the synthetic fuels bill, a provision which I sponsored, along with the distinguished Senator from New Jersey Mr. Bradley, which mandates the resumption in the filling of the strategic petroleum reserve. This was a tough battle, but I truly believe that the best interests of our country have been served by including this very vital link in our national security chain. The next battle will undoubtedly be fought when we attempt to secure the needed funding for the reserve program and I am quite confident that we will prevail and our reserve will once again be on its way to full development. For too long now the administration has simply refused to fill the reserve which is our only protection against a severe energy supply interruption. This step along with my fight to disapprove the President's misbegotten and questionably legal gasoline tax are two responsible steps recently taken by Congress to begin to put our national energy policy back on the right track.

Mr. President, in closing, I will only say that what this Nation really needs and needs very badly is an administration which places our national security interest above all else. Until this occurs I am afraid our Nation will continue to operate at the mercy of foreign interest.●

LOVE CANAL TRAGEDY HIGHLIGHTS NEED FOR SWIFT ACTION ON HAZARDOUS WASTES

● Mr. HEINZ. Mr. President, I wish to draw the attention of my distinguished colleagues to an editorial appearing in this morning's Wall Street Journal outlining the lessons that we should have learned from the Love Canal incident, citing in particular the recent release of an Environmental Protection Agency study suggesting that chromosome damage may have occurred among residents of the area. I ask unanimous consent that the text of this editorial, "Love Canal Lessons," be printed in the Record.

Upsetting as the Love Canal incident has been, is, and will continue to be, the most unsettling facts are these:

First. Not what we know—but what we do not know—about hazardous chemicals and their long-term effects on human health; and

Second. That Love Canal is not an isolated incident. In fact, nationwide, there are 20,000 to 40,000 abandoned chemical dump sites, depending upon whose estimates one chooses to believe—EPA's or its consultant's. And because of the glacial pace at which implementation of the Resource Conservation and Recovery Act (RCRA) of 1976 has been proceeding, additional such "chemical time bombs" are being created every day.

But rather than merely criticize EPA for dragging its feet on RCRA—and granted, the complexity of the law and the number of chemicals to be regulated are such that translating the intent of Congress into a meaningful enforcement program is a colossal undertaking—I would like to share some constructive suggestions for dealing with the hazardous wastes problem.

Urgently needed is the following action:

First. Passage of the "Superfund" legislation, S. 1480, to finance cleanup, containment, and compensation of victims of hazardous waste discharges and abandoned sites, and to impose strict liability for the handling of hazardous wastes;

Second. Adequate funding of the hazardous wastes unit within the Environmental Protection Agency so that the long-delayed implementation of the "cradle-to-grave" regulations governing the handling of hazardous wastes can finally be implemented;

Third. Imposition of criminal penalties for violators of RCRA regulations, including making some violations a felony, as recommended by the Justice Department;

Fourth. Expansion of the environmental health unit within the Center for Disease Control; and

Fifth. Publication by the Surgeon General of a report documenting the public health hazard posed by hazardous chemical wastes.

Briefly, let me explain each of these proposals.

S. 1480 "Superfund": Languishing in the Environment and Public Works Committee for months has been legislation to establish a "Superfund" financed by fees levied on the chemical industry. This legislation, S. 1480, would not only impose strict liability on those handling hazardous wastes, it would finance clean-up, containment, and compensation of victims from hazardous waste discharges and abandoned sites.

I might add that the popular name for this legislation, "Superfund," is really a misnomer in that it represents only a drop in the chemical bucket: The $500 million per year fund compares to an estimated clean-up cost for all the abandoned chemical dump sites of some $40 billion. By contrast, there is currently authorized under section 311 of the Clean Water Act only $35 million for all such clean-ups nationwide. The arguments in favor of this legislation are presented in greater detail in a letter I sent to the Environment and Public Works Committee in support of S. 1480, a copy of which I submit for the Record.

The letter follows:

February 7, 1980.

Hon. Jennings Randolph,
Chairman, Committee on Environment and Public Works, Washington, D.C.

Dear Jennings: I am writing to express my concern about legislation now in markup before your Subcommittees on Environmental Pollution and Resource Protection: the Environmental Emergency Response Act, otherwise known as "Superfund". Passage of this legislation is so vital to the health and safety of the residents of my state of Pennsylvania that I would urge your committee to expedite reporting a bill—preferably S. 1480, of which I am a cosponsor. Once this measure reaches the Senate floor, I will provide whatever assistance may be necessary to secure its swift passage.

The environmental health threat posed by hazardous wastes is one to which I have devoted a great deal of attention because Pennsylvania is at the epicenter of this "chemical time bomb." As evidence of the growing concern about this problem, I have received over 700 letters from constituents in support of Superfund.

My state now produces ten times as much hazardous waste as can be safely disposed of within its boundaries. Even more distressing are the following facts:

(1) Pennsylvania has not one legal site for the most toxic of chemical wastes;

(2) Pennsylvania has no requirement for permits for haulers of hazardous wastes;

(3) Pennsylvania levies a fine of only $300.00 for illegal dumping.

Compounding the problem are tough new hazardous waste disposal laws passed by the state of New Jersey. As a result, Pennsylvania now receives illicit hazardous wastes cargo estimated at 15,000 truckloads per year.

Of the many toxic waste dumps in Pennsylvania, two such environmental hazards which I have visited on several occasions dramatize the urgent need for Superfund. One is the Melvin Wade dump in Chester, Pennsylvania, where over a period of a year and a half truckloads of drums containing sodium copper cyanide, phenol, benzene, and other toxics still to be identified were illegally dumped.

Following visits to the Wade site and meetings with concerned citizens, I have been successful in securing public health testing for the residents by the Center for Disease Control. In addition, the Pennsylvania Department of Environmental Resources has signed a $350,000.00 contract for the removal of 15,000 drums from the Wade site.

However, the ultimate cost of cleaning up the ground and water contamination at the Wade site could cost as much as $3 million—well beyond the resources of existing state and Federal programs.

Also dramatizing the need for Superfund is another environmental health threat at the Pittston mine tunnels on the Susquehanna River in Luzerne County.

Into these mine tunnels over which Pittston Township lies several companies dumped millions of gallons of oil and poisonous industrial wastes over a three month period; one company alone dumped over 300,000 gallons per month. Back in October, when hydrogen cyanide gas was discovered to be forming in the tunnels, I donned a gas mask and toured the site.

More recently, on Monday of this week, I was back in Pittston to announce the beginning of a $300,000.00 investigation to determine the most appropriate means of cleaning up the mine tunnels. Already, EPA has spent over $800,000.00 on cleanup and containment efforts at Pittston, stretching the legal and financial constraints of Section 311 of the Clean Water Act to their limits.

The total cost of cleaning up Pittston—of processing the noxious wastes in the mine tunnels—is estimated to be over $10 million. This estimate, probably on the conservative side, represents almost one-third of funding under Section 311 for all such cleanups nationwide.

In short, swift passage of Superfund is essential for the removal of these and other imminent environmental health threats posed by toxic chemicals. Of the two Superfund bills now before your committee, S. 1840 seems superior in that its compensation provisions apply to abandoned sites, it imposes less of a financial burden on the states, and it covers the full costs of an emergency response. With this letter I am enclosing a copy of my previous CONGRESSIONAL RECORD statement on the need for Superfund and a sample of the hundreds of letters I have received from constituents in support of this measure.

I realize that passage of Superfund is but one of many steps necessary to deal with the insidious public health threat posed by hazardous wastes. Other needed steps include implementation of the Resource Conservation and Recovery Act of 1976 to prevent future such environmental emergencies and expansion of the resources and mandate given to the national Center for Disease Control for dealing with environmental health hazards.

I look forward to working with you toward passage of this vital measure.

Sincerely,

JOHN HEINZ.

EPA HAZARDOUS WASTES FUNDING

Mr. HEINZ. Back in 1976, Congress passed legislation—the Resource Conservation and Recovery Act—to insure safe handling of hazardous chemical wastes by establishing a "cradle to grave" permitting system governing the production, storage, treatment, transportation, and disposal of such wastes. Full implementation of this legislation would help prevent future "Love Canals" from developing; although it is important to note in this respect that last year a task force of the American Institute of Chemical Engineers testified that the original dump site design at Love Canal would have met the Federal guidelines set by RCRA.

In any case, RCRA has yet to be fully implemented for a number of reasons—not the least of which is the lack of adequate funding. To beef up these efforts, the administration has proposed increasing the authorization for EPA's hazardous wastes unit by $48 million to $119.4 million in fiscal year 1981. I would urge my distinguished colleagues on the Appropriations Committee and in the full Senate to support this funding request.

RCRA CRIMINAL PENALTIES PROVISIONS

Now that EPA is finally promulgating the "cradle to grave" regulation of hazardous chemical wastes contemplated under RCRA, it is important that the Justice Department be given the tools with which to vigorously pursue and prosecute hazardous waste law violators. To this end, I have introduced legislation, S. 2609, imposing criminal penalties for violations of RCRA and making certain violations a felony. Similar provisions are already included in the House-passed version of the RCRA reauthorization now in conference. I have written the Senate conferees asking that the provisions of my legislation, S. 2609, be included as part of the conference agreement on the RCRA reauthorization, S. 1156. I submit a copy of this correspondence for the RECORD.

The material follows:

U. S. SENATE,
Washington, D.C., April 29, 1980.

Hon. JENNINGS RANDOLPH,
Chairman, Senate Committee on Environment and Public Works, Washington, D.C.

DEAR JENNINGS: As you may know, I recently introduced S. 2609, a bill to amend the Solid Waste Disposal Act. Specifically, my bill would make violators of provisions of the Resource Conservation and Recovery Act governing the production, storage, treatment, transportation, and disposal of hazardous chemical wastes subject to criminal penalties, and would make certain violations a felony.

Because you are a conferee with the House of Representatives on S. 1156, amending the Solid Waste Disposal Act, I am writing to request that you incorporate the provisions of S. 2609 in the conference agreement. The House-passed bill already contains language making such violations subject to criminal penalties and making certain violations a felony.

In case you have not already seen S. 2609, I am enclosing with this letter a copy of the bill and my remarks in introducing it. Basically, the justification for these provisions is this: if violation of certain RCRA regulations is made a crime, prosecution of violators can be pursued by the state—regardless of whether the victims of improper handling of hazardous wastes have the inclination and the financial resources to file suit.

In addition, S. 2609 would make it a felony to knowingly transport, treat, store, or dispose of hazardous wastes in violation of RCRA. It would also be a felony to transport, treat, store, or dispose of hazardous wastes "in reckless disregard of the fact that . . . (such action) thereby causes or creates a substantial danger or risk to human life or health." By making these violations a felony, it would be possible to enlist the resources of the Federal Bureau of Investigation in tracking down violators. In fact, this provision has been recommended by the hazardous wastes unit within the Justice Department.

I hope that you will give serious consideration to including the provisions of my bill in the conference agreement on S. 1156. Should you have any questions about this proposal, please feel free to contact me, or have your staff call my legislative assistant, Mike Lockerby (Telephone: 224-6324).

Sincerely,

JOHN HEINZ.

CDC ENVIRONMENTAL HEALTH UNIT

Mr. HEINZ. Upon calling in the Center for Disease Control headquartered in Atlanta to test residents in the area of a chemical waste dump in Chester, Pa., I was shocked to discover that the CDC has available to it only six professionals to deal with all environmental health hazards nationwide. In January, I sent telegrams to the White House, OMB, and HEW urging that the resources available to the environmental health section within CDC be tripled, and the administration has in fact proposed so doing. I would urge my distinguished colleagues to support this funding request, and I submit a copy of my telegram to the President for the RECORD.

The telegram follows:

[Telegram]

JANUARY 15, 1980.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

MR. PRESIDENT: On October 12, 1979, I contacted you to propose immediate Federal action on hazardous wastes. Since that time I have become actively involved in several aspects of the problem, including securing public health testing for the residents of Chester, Pa., where an illegal toxic chemical dump is located.

During the course of studies by the Center for Disease Control it has come to my attention that the environmental health section of CDC has assigned to it only six professional staff members. In view of the health hazards posed by toxic chemical wastes, nuclear wastes, and other environmental disasters, this level of staffing is clearly inadequate.

I urge you, in preparing your budget for the coming fiscal year, to vastly increase the resources available to the environmental health section of CDC, perhaps by as much as threefold.

Thank you for your prompt attention to this matter.

JOHN HEINZ,
U.S. Senate.

SURGEON GENERAL REPORT ON HAZARDOUS WASTES

Mr. HEINZ. Just as the Surgeon General's assessment of the health hazards associated with smoking helped focus public attention on the problem, it is important for the Surgeon General to report on the threat to public health posed by hazardous wastes. Last month, Senators Muskie and STAFFORD wrote to the Under Secretary of HHS, Nathan Stark, requesting such a report. This morning, I followed up on those letters with a telephone call to Under Secretary Stark, and have received assurances that such a report would be forthcoming.

To summarize, Mr. President, hazardous chemical wastes loom as the greatest environmental health threat of the decade. Through a partnership of industry, the Federal Government, and States and localities, we can begin to contain this environmental health threat. But the time to act upon these proposals is now.

Attached is an article from the Wall Street Journal:

Love Canal Lessons

With the release of an Environmental Protection Agency study suggesting chromosome damage, families living near the Love Canal chemical dump site have suffered yet another misfortune. Unlike some more tentative environmental concerns, the disposal of toxic wastes presents a clear and present danger.

The scientific meaning of the chromosome study is still uncertain, of course, since it did not include a control group or show any line of causation between dump site and chromosome damage. The sample was pre-selected to include people likely to have genetic abnormalities. But the evidence is so alarming—11 residents in a sample of 36 showed signs of chromosome breakdown—that President Carter, at the EPA's urging, yesterday signed an emergency order under which the federal government and New York state will share the cost of relocating 710 Love Canal area families to other housing.

This move will be in addition to the 239 families who had to abandon their homes two years ago after toxic fumes were discovered in basements, traces of deadly chemicals such as dioxin showed up in drainage ditches and the New York State Department of Health concluded that residents were suffering from abnormally high rates of miscarriages and birth defects.

The chromosome damage findings were very tentative and one could argue that release of the results was premature, but we suppose such information was bound to be leaked in so highly charged an atmosphere. Its revelations have understandably added to the residents' bitterness and psychological tensions. Their resentment burst out a few days ago, when EPA officials in the area had to be protected from angry mobs.

The new study also makes it all the more important to try to understand just what went wrong at Love Canal. Much still is unknown, of course, but contrary to public impression, the original waste disposal practices of Hooker Chemicals and Plastics Corp. were not grossly negligent. A task force of the American Institute of Chemical Engineers last year told Senate environmental subcommittees that the original dump site design was well within federal guidelines set down in 1976 by the Resource Conservation and Recovery Act. Hooker used the abandoned Love Canal excavations as a dumping ground between 1942 and 1953; the sidewalls and bottom had already been lined with impervious clay and when the site was closed, Hooker added a cap. Test holes drilled by the state Department of Environmental Conservation have yet to detect any leakage through the lower sidewalls and bottom.

The problem at Love Canal, according to the Chemical Engineers' task force, was with "lack of monitoring, invasion of the site itself, and lack of remedial work." In 1953, under pain of property condemnation, Hooker deeded the site to the Niagara Falls Board of Education, which erected a school and sold the remainder of the land to private developers. The developers built houses alongside the dump site, the city of Niagara Falls built roads directly over it, and several parties used the dump site as a source of landfill. There is good reason to suspect that toxic chemicals escaped either as a result of construction-induced damage to the dump site cover or, more directly, with landfill that was used for the grading of roads and household properties.

The courts have yet to decide whether Hooker is legally responsible for these misfortunes. In the 1953 deed, Hooker advised the school board that the site was filled with "waste products resulting from the manufacturing of chemicals" and disclaimed all legal responsibility for risks and liabilities associated with those wastes. Hooker, however, did not publicly inform the school board that many of the wastes were highly toxic. Nor does the company appear to have vigorously protested construction that could endanger the dump site cover.

The difficulties in determining exact blame make it all the more necessary to limit the likelihood of future Love Canals. To this end, the EPA has recently issued a complex set of regulations providing "cradle-to-grave" standards for wastes currently being generated. The House Commerce Committee has passed a bill sponsored by Representative James J. Florio, which would set up a $600 million superfund to clean up abandoned dump sites. Reasonable men will quarrel with many of the details in each of these government efforts, but both of them are to be generally applauded.

One of the worst aspects of the Love Canal episode is that the serious health dangers did not come to public light until 1976, 23 years after the dump site was closed. The cleanup and careful monitoring of chemical dumps should have been a top environmental priority. And whatever their legal obligations, companies in the best position to know about potential public health hazards should take greater responsibility for alerting the public.●

PASSENGER RAILROAD REBUILDING ACT/ROCK ISLAND RAILROAD TRANSITION AND EMPLOYEE ASSISTANCE ACT—CONFERENCE REPORT

Mr. CANNON. Mr. President, I submit a report of the committee of conference on S. 2253 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Bradley). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2253) to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the Record of May 20, 1980.)

Mr. CANNON. Mr. President, this legislation involves the Rock Island and Northeast Corridor legislation passed by the Senate and similar legislation passed by the House which also included the subject of emerging corridors. With regard to the Rock Island (title I of the bill), the labor protection provisions are patterned after the Milwaukee Railroad Restructuring Act. Because approximately the same number of Rock Island as Milwaukee employees will require protection, the conferees have agreed on $75 million; this amount will be treated as an expense of administration in line with similar action taken in the Milwaukee legislation.

The Senate's transaction assistance provision has been adopted. This section, which is intended to facilitate purchase of Rock Island lines by noncarrier entities, has been broadened to apply to the purchase of Milwaukee as well as Rock Island lines.

The legislation agreed to by the conferees also contains a service continuation provision. Under this provision, the Commission is required to order directed service where first, a lack of rail service exists which cannot be resolved by a grant of interim authority and grain or foods are ready to be shipped to market; or second, a lack of rail service exists which cannot be resolved by interim authority, a responsible party has expressed interest in purchasing or leasing the line, and there is a reasonable expectation that the transaction will be consummated. The bill provides $15 million for directed service, which is intended to take care of the few emergency situations where interim operating authority is not a viable alternative.

With regard to the Milwaukee Railroad, the conference substitute adopts the Senate provision, modified to apply only in instances where legislation has been enacted prior to the date of this legislation to provide for a State to tender a bona fide offer for acquisition of such rail lines or line segments. This provision is intended by the conferees to be of limited application, and the cost should be minimal.

The conferees recognize that it is difficult to affix the 30-day period prior to an acquisition when the date for acquisition is uncertain. The conferees intend that this provision be invoked no earlier than the date the acquisition is approved by the ICC under section 17 of the Milwaukee Railroad Restructuring Act. The conferees further intend that a bonafide offer by a State not depend on Federal assistance.

The limited nature of the directed service authorization is an important consideration to the conferees, in view of the fact that a substantial amount of directed service has previously been provided under the Milwaukee legislation.

Another provision of the legislation clarifies and reaffirms the authority of the Interstate Commerce Commission to take appropriate actions necessary to address emergency situations. This section enables the Commission to insure continued transportation service by requiring a railroad to make its tracks and facilities available to another rail carrier in a transportation emergency.

Finally, to insure maintenance of vital commuter service, the Commission is required to order directed service over Rock Island commuter lines for a 2-year period so long as the directed service carrier agrees to provide service without payment by the Government. This legislation will, I believe, go a long way toward solving the Rock Island crisis. The bill promotes a fair and expeditious resolution of labor problems and provides an orderly transition to operations by other carriers.

Title II of this bill deals with passenger rail service. The House and Senate provisions relating to the Northeast Corridor improvement project were very similar and we have resolved the differences: $750 million is authorized to complete the project; the project will be terminated in 5 years; in the event of conflicts between project goals and funding limits, the funding limits will prevail; and Amtrak is instructed to recover all of their operating costs by 1987. Of the $750 million, $37.2 million is to be set aside for improvements to the Baltimore Tunnel, the diversion of freight off the corridor, and a study of the potential of a private rail passenger corridor.

In contrast to the Northeast Corridor provisions, the House and Senate had very different approaches to the issue of new corridors. The compromise adopted by the conferees provides, I believe, ample funding for careful evaluations of any new corridors. Briefly, the Secretary of Transportation, in consultation with Amtrak, will develop a method of evaluating potential corridors. The Secretary will then rank corridors and indicate which corridors warrant the preparation of a final evaluation. For those corridors which warrant a final evaluation, Amtrak will undertake engineering and design work sufficient to provide an accurate understanding of the investments which will ultimately be required. The Secretary and Amtrak will complete the final evaluation, based on the engineering work done by Amtrak, and send the results to Congress which can then make a decision on the corridors.

The bill would authorize $38 million for the evaluations and the engineering and design work involved, and would also authorize $25 million for Amtrak equipment in fiscal year 1982. Finally, the bill would end the special budgetary treatment that Amtrak's capital grants now receive.

In conclusion, Mr. President, I am extremely pleased that we have been able to resolve the differences between the Senate and House so that this legislation can be enacted in a timely manner. I particularly wish to thank Senator KASSEBAUM for her contribution, and I should also like to recognize the staff efforts which have substantially assisted us in reaching this compromise.

Mr. MELCHER. Will the chairman yield?

Mr. CANNON. Yes, I yield.

Mr. MELCHER. I should like to engage the chairman as manager of the bill, in a colloquy regarding the intent of the conference committee in adding my amendment as part of the transaction assistance and dropping it as a directed service provision. The conference report states, with respect to transaction assistance for the Milwaukee:

> With regard to the Milwaukee Railroad, a provision was added to include up to $18 million transaction assistance to facilitate the purchase of properties of that carrier. The conferees recognize the problems faced by the shippers on the Milwaukee Railroad, particularly the western portion, and intend that preference be given to applications involving purchase of western lines to the extent meritorious applications are filed.

Am I correct in my understanding of the conferees' meaning of western lines on the Milwaukee to be those lines west of Miles City, Mont.?

Mr. CANNON. The Senator is correct. That is the intention of the committee.

Mr. MELCHER. I thank the chairman.

Mrs. KASSEBAUM. Mr. President, I add the same thoughts that the chairman has so ably expressed. Particularly, I extend my thanks to the distinguished Senator from Nevada who has helped achieve, I think, a very important piece of railroad legislation, particularly for Kansas and the concerns of the Midwest with the Rock Island Railroad, as far as the Rock Island Railroad Transition Act.

The other aspects of it will be important not only to the Midwest, but the country as a whole, and to the agricultural and business concerns, and the consumers, that ship over the Rock Island Railroad.

Mr. President, the agricultural community, Rock Island employees, and the shipping public throughout the Midwest have waited long and patiently for the legislation which we are about to finalize this afternoon. I am pleased that members of the House and Senate committees have recognized the essential nature of this legislation to the transportation system in the Midwest. I am also pleased that conferees were able to reach a resolution of the important issues concerning the final completion of the Northeast Corridor improvement program and the question of future corridors around the Nation.

The bills were extremely diverse in nature and reaching a compromise was a difficult task. I am satisfied that both committees have resolved the issues in a manner which would satisfy the transportation needs presented to both committees during their hearings.

Because the number of employees affected by the Rock Island cessation are approximately the same as those affected by the Milwaukee cessation of operations, conferees agreed to the equivalent level of funding—$75 million. Although all the funds will be considered a "claim of the administration" I am pleased to note that the House conferees agreed to language which ensures that this legislation will not result in an unconstitutional taking against the Rock Island estate. Creditors of the estate will still maintain the right to argue the question of the existence of labor protection. However, it is important to note that regardless of the disposition of the validity of the labor protection responsibility of the estate, Rock Island employees are guaranteed their labor protection entitlement.

I feel that the directed service provision which was negotiated will result in a valuable assistance to the agricultural community's shippers of essential goods throughout abandoned Rock Island territory. The compromise will provide for directed service of an emergency nature for a period of up to 90 days. This will insure that grain will not be piled on the ground during the harvest period after enactment. Hopefully, farmers and other shippers of essential goods can make alternate arrangements for transportation of their commodities in the future. The best alternative, of course, would be new carriers coming into Rock Island territory, and I believe this legislation will encourage that.

I am pleased that House conferees agreed to the provision I authored on transaction assistance. Essentially this provides for Federal loans flowing to noncarrier entities (State and local governments, shippers, and shipper associations) to purchase, lease, and/or rehabilitate lines of the Rock Island Railroad that have been abandoned. At present, rail carriers are the only eligible recipients of these particular loans. Finally, it is important to note that these loans will be made from already authorized and appropriated funds which are available to be dispersed immediately upon enactment.

The rail banking provision contained in this compromise will also be of benefit to shippers throughout the Rock Island territory. It provides that if a purchaser or lessor has a serious interest in a particular line, the Rock Island estate may not reduce a particular line to scrap for a period of up to 6 months. The Secretary of Transportation shall determine when a potential purchaser or lessor of abandoned property has a serious interest in operating the line. The 6-month period should enable potential operators to arrange for adequate financing to assure the operation of the line.

Another extremely important aspect of this legislation, Mr. President, is that it clears up the ICC's operations over the tracks and facilities of the Rock Island. Without this authority, most of the service now being provided by interim operators would cease on May 31. This provision is absolutely essential to a resolution of rail problems in the Midwest. Also, Mr. President, the May 31 deadline underscores the necessity of quick action by President Carter to sign this measure into law.

In sections 106, 107, and 108 the legislation establishes the rights of employees to labor protection. This bill clarifies the intention of Congress that there is a single standard of labor protection for employees of the Rock Island and the Milwaukee, in that they have certain new options that they may elect in lieu of standard labor protection traditionally imposed by the Commission.

This legislation also clarifies and expresses congressional intent that if an employee elects traditional protection customarily imposed by the Commission that there is no intent to alter "the priority status, or timing of payment of, or the liability for a claim or claims if any, for employee protection which might have existed in the absence of this title."

During the last 3 years Congress has enacted several provisions which touch on the question of protection for employees affected by abandonments and transfers. The first of these actions was the Bankruptcy Reform Act of 1978, which conferred new powers on the reorganization courts to order abandonments or transfers of rail lines. The Bankruptcy Act was silent as to the protection of affected employees. The Bankruptcy Act is applicable only to railroad reorganizations which occur following the date of enactment of November 4, 1979. None have occurred.

The Milwaukee Railroad Restructuring Act of 1979 extended the new powers of reorganization courts in the area of abandonments and transfers to railroads currently in reorganization. The Milwaukee Act was not silent on the issue of employee protection, but rather established in the case of a court-ordered abandonment or a commission-authorized sale and transfer, a requirement for a fair arrangement as least as protective as that required under section 11347 of title 49 of the United States Code. In that act Congress made it clear that the protective arrangements were to be consistent with the Commission's usual practice in similar cases that had existed in the absence of the Milwaukee Act.

The present proposal iterates that the same employee protection as provided in abandonments or transfers in railroad reorganizations occurring after November 4, 1979, continues to be applicable to Rock Island employees who elect the traditional option. We are not creating any new levels of protection. It is our intention rather, to be fair but flexible in allowing employee protection that would customarily be imposed in these cases by the Commission will also be imposed when abandonments or transfers are ordered by a court rather than the Commission. There is no change. The law recognizes that in some cases, usually involving small railroads (class II and class III), where complete termination of service is directed, probably because large railroad protective standards are simply not a practical alternative, the Commission's practice has been to impose no employee protection in those limited cases. All of this customary practice is kept in place.

Although the Northeast Corridor sections of both bills were essentially the same, I am pleased that the House conferees agreed to legislation which sets 1986 as a target date for the Northeast Corridor to recover 100 percent of their operating costs through ticket and trackage rights revenues. Finally, on the emerging corridors issue which the House and Senate were in most serious disagreement about, I am satisfied that conferees have reached an equitable compromise. The most serious objection to the House provision was the fact that $55 million was to be spent for evaluation, feasibility studies, and final design of 13 specified corridors throughout the Nation. While the Senate agrees that certain studies and limited engineering is necessary for evaluation, final design for the "blueprint function" could lock Congress into final construction for these corridors. Therefore, I am pleased that the $38 million compromise will only be used for evaluation and study of such corridors as are deemed to be most appropriate.

The House legislation also provided $50 million for new equipment that would be assigned to these particular corridors. Amtrak has been experiencing severe shortages of equipment across the Nation. Accordingly, the conferees agreed that $25 million should be spent on new equipment that will be suitable for operation anywhere in the present Amtrak system. It is important to note that this money will not become available until fiscal year 1982.

Finally, the House earmarked $850 million from the windfall profit tax account to be used for the final construction of these 13 specified corridors. Because Congress is not specifically setting out what corridors will be built, if any, the House agreed to recede and strike the earmarking of the $850 million. I am pleased that the conferees were able to reach this compromise. It is important that no commitment be made for future construction before the total evaluation of the project has been done and reviewed by Congress beforehand. The experiences with the Northeast corridor have proven that substantial study and investigation by Congress is essential before any decision is made to go to the "blueprint function" and final construction stage.

I would like to compliment all the conferees for their hard work and the expeditious manner in which these negotiations were handled, once the legislation was passed by both Houses. It is my hope that the President will quickly sign this compromise into law and insure that the long-awaited labor protection for Rock Island employees is begun. Further the urgent need to continue essential transportation service throughout the Midwest is paramount. It is my hope that the Secretary of Transportation, the Interstate Commerce Commission, the Rock Island Estate, and participating railroads will immediately begin to work expeditiously to carry out the provisions of the legislation.

Mr. PELL. Mr. President, as the Senate considers the conference report on S. 2253, I want to commend the outstanding leadership the distinguished chairman of the Commerce Committee, Senator CANNON, has displayed on this legislation. S. 2253 deals with three important rail transportation issues—the Northeast corridor project, the Rock Island Railroad, and the question of "emerging rail corridors"—in a responsible and constructive manner.

As one who has been advocating high speed rail service in the Nation's most densely populated region for the past 18 years, I am especially supportive of the conference report's provisions regarding the Northeast corridor improvement project. The $750 million authorized by this legislation will provide the final push that is necessary to complete the project in the right way and allow it to achieve the goals Congress set for it in 1976. The value of rail transportation in the Northeast corridor has already been demonstrated, and we will witness even more dramatic increases in ridership in the corridor as soon as the fully electrified, high speed line is completed in 1985.

The future development of high speed rail corridors in other parts of the country depends in great part on the success—or failure—of the Northeast corridor project. The conference report has wisely recognized the potential of rail service by authorizing a moderate amount for the study and preliminary design of other corridors. The final issue addressed in the conference report provides protections to employees of the Rock Island Railroad similar to those provided employees of the Milwaukee Railroad in the Milwaukee Railroad Restructuring Act. This provision is urgently needed, and removes a serious problem in the States served by the Rock Island.

Each of these issues have been dealt with in a careful and deliberate manner by the Commerce Committee, and the conference report being considered by the Senate today represents months of hard work and analysis by Senator CANNON and the committee staff. I hope my colleagues will give their full support to this important legislation when the Senate votes shortly on S. 2253.

Mr. CANNON. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

HOUSE CONCURRENT RESOLUTION 345—DIRECTING SECRETARY OF THE SENATE TO MAKE CORRECTIONS IN ENROLLMENT OF S. 2253

Mr. CANNON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 345.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives, which the clerk will state.

The legislative clerk read as follows:

A resolution (H. Con. Res. 345) directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 2253.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the conference report.

UP AMENDMENT NO. 1107

(Purpose: Make technical correction to House Concurrent Resolution 345)

Mr. CANNON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON) proposes an unprinted amendment numbered 1107.

Mr. CANNON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the concurrent resolution, insert the following new sentence:

"In section 505(h)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976, as proposed to be added by section 112 of the bill, insert the following in subparagraph (A) immediately after 'redeemable preference shares' the first time it appears therein: ', bonds,'.".

In section 505 (h) (2) of the Railroad Revitalization and Regulatory Reform Act of 1976, as proposed to be added by section 112 of the bill, insert immediately after "preference shares': ', bonds,'."

Mr. CANNON. Mr. President, what happened in the consideration of this bill in the action by the House is that they inadvertently eliminated the word "bonds."

All we have done is reinstate that word

where it should be properly in the bill we have just acted on, in the conference report, in authorizing the necessary correction.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment (UP No. 1107) was agreed to.

The concurrent resolution (H. Con. Res. 345), as amended, was agreed to.

MORE CHOICES FOR THE CONSUMER SEEKING A HOME MORTGAGE

Mr. PERCY. Mr. President, many consumers—and certainly all homeowners—are well acquainted with the traditional or "conventional" home mortgage of 360 equal monthly payments made over a period of 30 years at a fixed rate of interest. But not many prospective homebuyers are familiar with the three new financing arrangements for homeownership developed during the last few years as alternatives to that conventional mortgage.

Through the implementation of new laws passed by Congress and some recent decisions made by the Federal agencies which regulate banks, savings and loan associations, and credit unions, some real choices are available to the qualified home purchaser that are of benefit not only to individual homebuyers but also to our economy overall.

The three principal alternatives to the conventional mortgage are:

THE VARIABLE RATE MORTGAGE (VRM)

This is a mortgage made for a fixed and usually long period of time, during which the interest rate paid by the homeowner is allowed to rise or fall within prearranged limits to reflect changes in the interest rates in our economy.

THE RENEGOTIABLE RATE MORTGAGE (RRM)

This is an automatically renewable short-term loan—between 3 and 5 years—for a home purchase with renegotiation of the interest rate at the time of renewal.

THE GRADUATED PAYMENT MORTGAGE (GPM)

This type of mortgage allows the homebuyer to make much smaller monthly payments than in a conventional mortgage during the early years of homeownership, with the size of the payment gradually increasing over the years according to a prearranged plan.

The variable rate mortgage and the renegotiable rate mortgage were developed in response to the critical problem of a shortage of funds for home mortgages during periods of high interest rates. Because financial institutions were limited by law to the payment of interest on savings at a rate generally well below the going market rate in these periods, many depositors withdrew their funds from thrift institutions and invested them in instruments with a greater return, thereby depleting the funds available to the thrift institutions for home mortgage lending. Congress this year acted to phase out the artificial limits on interest rates paid by banks, savings and loan associations and credit unions so that all savers will eventually enjoy a reasonable rate of return on their deposits.

As the rate of return to savers—interest paid to depositors by financial institutions from earnings on investments made by the institution—increases, the earnings of the thrift institutions must be able to keep pace with these interest payment requirements. If thrift institutions are paying market rates of interest on consumer savings but are themselves earning below-market rates on mortgages they hold which were contracted at interest rates now out of date, we can readily see the problem.

The VRM and RRM involve some risk from the consumer's standpoint as there is always the possibility that interest rates will go up and thereby increase the mortgage payment. Their long-term benefit is that they will help to guarantee a steady and stable supply of funds for a home purchase when the consumer demands it.

Today, in particular, I would like to focus on the third alternative mortgage instrument I mentioned earlier, the graduated payment mortgage (GPM). This program permits a young family—which is so frequently cut out of the housing market today—to buy a home earlier than it otherwise could have or to buy a higher priced home than its present income would allow. This is accomplished by permitting that family to make relatively low monthly payments on a house in the early years when family income is low and then gradually increase to higher payments later as family income increases.

Mr. President, I have long been an advocate of creative programs that enhance the opportunities for homeownership for qualified individuals and families. The cost of homeownership today has reduced the proportion of American families who are able to buy a home. Because of factors such as land and construction costs and inflation, homeownership costs are rising faster than income for typical first-time homebuyers. Most of these first-time homebuyers are young families who have the desire, the financial stability and the prospects for a sound future conducive to successful homeownership, but they do not have an income high enough in the early years to accommodate the conventional mortgage system of 360 equal monthly payments over a 30-year time span.

In 1977, I testified before the Senate Banking Committee in favor of the graduated payment mortgage. I am happy to say that such a mortgage has been authorized by Congress and is now generally available throughout the country to qualified buyers.

Unfortunately, the word has been slow in getting out to prospective homebuyers that this attractive home financing option is available, and I would like to spread the message about the GPM as best I can. I urge prospective homeowners, particularly those who feel they cannot quite afford home financing under a conventional mortgage, to consider a home purchase with a graduated payment mortgage. Homebuilders, real estate agents and financial institutions all over the country are prepared to discuss the various home financing options and provide every consumer with the information to make an informed decision about what is best for his or her own family.

Mr. President, homeownership is vital to a stable and peaceful society; it is important to all of our families. Homeownership and the entire housing industry are key elements in a healthy economy. Congress and the Federal agencies have worked with consumers and industry alike to devise creative and workable programs that promote homeownership. I urge all of my colleagues to join with me in making these programs known to as many people as possible.

QUORUM CALL

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until Wednesday, May 28, at 11 a.m. the Secretary of the Senate be authorized to receive messages from the President of the United States and/or the other body and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 11 a.m. on Wednesday, May 28, the Vice President of the United States, the President pro tempore of the Senate and/or the Acting President pro tempore of the Senate be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess pending the call of the Chair.

There being no objection, at 2:01 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 3:21 p.m. when called to order by the Presiding Officer (Mr. Baucus).

Mr. HARRY F. BYRD, JR. addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

WE MUST CONTAIN THE SPREAD OF NUCLEAR WEAPONS

Mr. HARRY F. BYRD, JR. Mr. President, on May 8, the Carter administration announced its intention to sell to India 38 tons of enriched uranium for use at the Indian atomic power station at Tarapur, north of Bombay.

Such a sale would violate the spirit of the provisions of the 1978 Nuclear Non-Proliferation Act and is justified neither by the national security interest of the United States nor by commonsense.

India has consistenly refused to accept safeguards on the plutonium byproducts of any nuclear power plant not covered by an explicit safeguard agreement. Using plutonium from a Canadian supplied nuclear powerplant, India in 1974 exploded a nuclear weapon in open defiance of the United States which had shipped nuclear fuel to India under a general understanding, and in the case of the Tarapur facility under the explicit agreement, that diversion of nuclear byproducts for weapons development would not occur.

The Department of State and the administration, after years of strident insistence on safeguarding exported nuclear materials, have now capitulated in the most important test of American nuclear export policy. The alleged justification for the abrupt reversal is the need for "improved relations" with India in the wake of the Russian invasion of Afghanistan and after the break in diplomatic relations with Iran.

The United States has been seeking "improved relations" with India for decades and has nothing to show for its efforts but the expenditure of more than $10 billion in foreign assistance and the periodic insults of an unfriendly and churlish Indian regime.

As I see it, 38 tons of enriched uranium will do no more to buy Indian friendship than have the many billions of American tax dollars lavished year after year on the vast Indian bureaucracy.

The refusal of the Gandhi government to open Indian nuclear facilities to international inspection is, in itself, strong evidence that India has much to hide and is engaged in a program of nuclear weapons development of considerable magnitude.

There is no valid reason why the United States should assist that program nor is there any logical basis for the new administration policy which would make an exception for India while attempting to continue a policy of strict non-proliferation in other areas of the globe. After having caved in to Indian demands, the U.S. Government will seem clearly hypocritical in denying nuclear exports to other nations.

India's refusal to sign the Nuclear Non-Proliferation Treaty or to permit international inspection is compounded by India's refusal to agree on a bilateral basis with the United States not to reprocess spent nuclear fuel at Tarapur for the purpose of obtaining plutonium.

India is demonstrably capable of disregarding its present limited safeguard agreement with the United States, and if permitted to produce plutonium, could easily divert plutonium to weapons use in the same manner as was done in 1974.

The principle at issue in controlling nuclear materials exports is, however, much broader than simply the particular case involving India. Nuclear materials must be made subject to full safeguards as intended by Congress under the Nuclear Non-Proliferation Act; otherwise, the inevitable result will be the spread of nuclear weaponry to ever increasing numbers of countries and governments. That potential outcome should be avoided at all cost.

The United States as a matter of paramount national policy should strive to contain the number of countries armed with nuclear weapons and to inhibit the development of nuclear weapons by any country which does not now possess them.

On Friday, May 16, the Nuclear Regulatory Commission determined that the proposed export of nuclear material and equipment to India did not satisfy the requirements of the Nuclear Non-Proliferation Act. By its decision, the Nuclear Regulatory Commission upheld its clear congressional mandate and acted prudently and correctly, notwithstanding administration support for the transaction.

Hopefully, the administration will recognize the folly of its support for the shipment of unsafeguarded nuclear fuel to India. The President should elect to abide by the decision of the Nuclear Regulatory Commission even though adverse to his position.

If he fails to do so, then Congress should act to correct a clear error in judgment which reinforces yet again the growing perception of the United States as a nation with a vacilating and unpredictable foreign policy.

Appeasement of India by reversing a stand initially announced as a fundamental administration policy puts in jeopardy the containment of the spread of nuclear weapons.

Mr. President, I ask unanimous consent at this point to insert into the Record an editorial from the Washington Post of May 20, 1980, dealing with this subject matter.

There being no objection, the article was ordered to be printed in the Record, as follows:

Waiting for Another Bomb?

The five members of the Nuclear Regulatory Commission, who hardly ever agree on anything, voted 5–0 last Friday. They concluded that two proposed exports of nuclear fuel destined for India did not meet the requirements of the Nuclear Non-Proliferation Act of 1978 and therefore could not be approved. The export licenses now go to the president, who may override the NRC. Several aspects of the NRC decision, however, should make the president rethink his announced intention of approving the exports.

The central pillar of the administration's non-proliferation policy, and of the law Congress enacted in support of it, and of the landmark Non-Proliferation Treaty, is reliance on an international system of controls and inspections known as safeguards. The NPT requires its signatories to put *all* of their non-military nuclear faciliites under safeguards. However, many recipients of U.S. nuclear supplies have not signed the NPT. The fundamental contribution of the 1978 law was its requirement that an absolute condition of future U.S. nuclear exports would be the functional equivalent of NPT membership: full safeguards.

Congress allowed a two-year grace period so exports could continue to nations that did not meet the safeguards requirement. That period expired on March 10. However, in asking for the NRC's approval, the Department of State argued that the two Indian licenses should be considered as falling within the allowed grace period because the shipping date that India had intended fell before March 10. After extensive review of the legislative history of the law, the NRC unanimously disagreed.

Its decision puts the proposed exports in a new light, because now presidential approval would require the first waiver of the law's central principle—and for the very nation that exploded a nuclear weapon in 1974 and whose government now regularly asserts its right to repeat that event if it so chooses.

Congress, which also plays a role in approving these licenses, must also reassess the Indian exports. For if the safeguards requirement is waived for India, all hope for getting other nations to comply—Argentina and South Africa, for example—dissolves.

It has been reported that the president has already assured Prime Minister Indira Gandhi that he will approve the licenses. It will therefore be difficult for him not to. It will be even more difficult, however, for him to explain the undoing, at his hands, of his non-proliferation policy. What is Mr. Carter waiting for—another Indian bomb?

U.S. IMMIGRATION POLICY: OUT OF CONTROL

Mr. HARRY F. BYRD, JR. Mr. President, the massive influx of Cuban citizens has dramatically illustrated the need for comprehensive reform of U.S. immigration law. The United States has been extremely generous in its immigration policy but it should be evident to all that our generosity is being abused and manipulated.

My distinguished colleague from Kentucky, Senator Huddleston, has devoted a great deal of time and effort to the issue of immigration reform. Because of his recognized expertise in this area, his recommendations deserve widespread attention.

On Sunday, May 11, 1980, the Miami Herald printed an article by Senator Huddleston as its lead story on the op-ed section. I commend my colleague from Kentucky for this excellent article entitled "U.S. Immigration Policy: Out of Control" and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Immigration Policy: Out of Control

(By Walter D. Huddleston)

The massive exodus from Cuba is demonstrating in a dramatic fashion that the immigration policy of the United States is out of control. We are permitting foreign governments and immigrants themselves to determine what our immigration policy will be instead of making a rational and informed decision on our own. The U.S. government has responded to the increasing immigration pressure by pretending that it is an anomaly that will soon go away.

However, the escalating Cuban immigration makes it clear that our lack of an overall immigration policy means that there are no effective limits on immigration into this country. The ultimate result of this lack of policy is that taxpayers, through their federal, state and local governments, will have to shoulder a growing financial burden. In many instances, this burden will fall disproportionately upon certain areas such as South Florida.

By lack of direction, by indecision, by shortsightedness, the administration and the Congress have sent a message to the multitudes of economically and politically repressed people throughout the world; if you can get to the United States, if you get in through force or fraud, you can stay. We won't enforce our immigration laws.

It would be good if we could invite all the repressed of the world to come to the United States and provide them with a decent standard of living. But it is not possible. There are over 14 million refugees in the world today and millions more who are willing to become illegal aliens or refugees if they perceive that there is a chance, they can get into this country. Our economy and our political system simply could not survive the strain.

We as a nation have been extremely generous in our efforts to assist these unfortunate people, and this generosity has not come cheaply to the American people. The taxpayers of this country already have spent billions of dollars for refugee assistance and the administration has indicated that it wants to spend billions more. Estimates made before the new wave of Cuban immigration revealed that refugee assistance in fiscal year 1980 will cost taxpayers $1.7 billion and that in 1981 it will increase to $2.1 billion. The Senate Budget Committee believes that there will be 435,000 refugees receiving federal assistance in 1981. This welfare assistance will not terminate quickly, but will go on for many years to come.

The cost of funding assistance programs does not include the indirect cost associated with high unemployment. The HEW inspector general reported in January that refugees are competing for jobs in high unemployment areas. The impact of this can be seen in the Congressional Budget Office's recent finding that each percentage point of unemployment in this country costs the federal treasury $29 billion.

Without question, the immigration account ledger is not all debits. Immigrants to this country have made a substantial contribution to the economy and society as a whole. But the fact that some immigration has been good for the country does not mean that unlimited immigration would be even better. We are constantly reminded that the inscription on the Statue of Liberty says, "Give me your tired, your poor, your huddled masses yearning to be free." The philosophy underlying this inscription still has significant meaning; however, it must be applied in accordance with the realities of the world today and not in 1885. We must reconcile the humanitarian needs of millions of people throughout the world with similar types of needs that exist in this country.

Our hearts go out to the typical hungry refugee child, yet our first obligation is to the 17 million American children the U.S. National Commission on the International Year of the Child found to be living in "debilitating poverty." We can admire an illegal alien who works long and hard to get ahead financially, yet his needs must be balanced against the tremendous economic and social costs associated with our own millions of unemployed.

South Florida is a microcosm that illustrates the dichotomy posed by the immigration issue. The hundreds of thousands of Cuban refugees living in this area have made a substantial contribution to the economy and society. Although this contribution should not be minimized, it must be recognized that there were some offsetting costs. For example, the HEW inspector general has found that refugees compete for scarce housing in many areas and this is especially true for South Florida. The vacancy rate of less than 1 percent for rental property is one of the lowest in the nation. Demands are already being made for more federal assistance to solve this problem.

The economic success of this region, and particularly of the Cuban community, did not occur in a vacuum. The federal, state and local governments and private organizations poured billions of dollars into refugee assistance programs that undoubtedly played an important role in the success of many refugees. The new wave of immigrants will create new burdens that also will fall heavily upon state and local governments.

Social pressures are also intensified by increased levels of immigration. The smoldering resentment from former resettlements of hundreds of thousands of refugees is being fanned into new fires of discontent and open hostility by the new influx.

Different cultures cannot be thrown together too rapidly and in large numbers without producing extreme feelings of fear and mistrust. Domestic populations have a legitimate right to object to changes in their society that they view as too rapid or extreme. To accomplish this without violence requires a careful balancing of the rights of all concerned. If one group of people succeeds in this country at the expense of another, that success is not only empty, it is costly to society as a whole.

Immigration policy should not be allowed to impinge upon the basic privileges of citizens and legal residents. In order to prevent the rising number of immigrants to the United States from doing this, our country must have a comprehensive immigration policy. Such a policy must weigh the many conflicting factors involved and arrive at an over-all immigration level that is in the best interest of the country as a whole. It must also assure that certain localities do not bear an excessive burden because of tendencies of immigrants to concentrate in those areas.

It is imperative that we have a ceiling or limit on the number of immigrants, including refugees, that the United States will accept each year. Such a ceiling must be meaningful, which means that it must be enforced. The United States cannot continue to pursue an ad hoc policy on immigration, treating each new exodus as unique and deserving of immediate acceptance.

By resettling hundreds of thousands of refugees, we have stimulated millions of people in their desperate desire to come to America. How many more millions of people will be encouraged to attempt a trip to the United States by the success of the Cuban flotilla?

We cannot pretend that we are hurting Castro by accepting some Cuban refugees—Castro will be even more securely in power once he is rid of these discontented people who threaten his regime. While Fidel Castro manipulates the generosity and emotions of all Americans, we should remind ourselves of their generosity we now show to the displaced people of the world and be proud of it. However, we must also recognize the limits of what we can reasonably do.

In order to establish the principle of comprehensive immigration levels, I have introduced a resolution in the U.S. Senate that would direct the President to set a total immigration level, including refugees, of 600,000 in 1980. This is almost twice the statutory level of our immigration quota system and would permit the United States to permit more immigrants than the rest of the free world combined. This resolution would not prevent us from assisting the Cuban refugees if the President decided to do so. However, it would limit the total number of refugees nationwide.

The United States must establish a comprehensive immigration policy that takes into consideration the impact of all immigration in this country. And we must set reasonable total immigration levels that reflect the best interests of the people of the United States. This policy would permit the United States to do what we are reasonably capable of doing and not ruin or dilute all our efforts by foolishly attempting what is impossible. We should have reasonable and enforceable limits on immigration and we should have these now.

Mr. TSONGAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE OLYMPIC BOYCOTT

Mr. ROBERT C. BYRD. Mr. President, when the Soviet Union invaded Afghanistan in December they perpetrated a horrendous crime against the people of that country and against the peace of the world, and that crime is being perpetuated every minute of every day that the Soviet Union maintains its troops in that hapless country.

The people of Afghanistan are resisting the Soviet military takeover, as any freedom-loving people would, and they are being murdered and imprisoned for daring to defend their country.

The U.S. Government has protested the invasion by every peaceful means available.

A focus of our efforts to protest has been the boycott of the summer Olympics, scheduled for Moscow long before anyone dreamed that the Soviet Union would invade its neighbor.

Both Houses of Congress, by overwhelming majority, passed resolutions stating in the strongest terms the opposition of Congress to U.S. participation in the Moscow Olympics. The President's position was the same, and his administration has been consistently and adamantly opposed to such participation.

In April, the U.S. Olympic Committee made the difficult decision to boycott the summer games. Since that time, our efforts have been concentrated on broadening the boycott.

I recognize that the boycott is a tremendous sacrifice to athletes of all countries who have trained for years with this goal in mind.

But the people of Afghanistan are sacrificing, also, 900,000 of them have voted with their feet and are today refugees in Pakistan and Iran. They have been driven from their homes. That is a sacrifice. They have seen their villages leveled to the ground. That is a sacrifice. They have been separated from their families and their friends. That is a sacrifice. They have seen their own people slaughtered. That is a sacrifice. They have seen their own people thrown into prison. This is a sacrifice.

And so it is not too much to ask athletes of peace-loving countries of the world to sacrifice. We asked our own athletes to do that. It was difficult to ask them. But they will make that sacrifice.

The achievement of justice and peace often requires sacrifice by nations and by individuals when there are those in the world who have no respect or concern for the principles of justice, of peace, or of freedom.

It is a travesty for a country which has invaded and is in the process of subjugating a nonbelligerent neighbor to serve as "host" to the Olympic games, which should be a celebration of peaceful cooperation among nations.

Several nations have joined in the boycott. Others, unfortunately, have decided to turn their backs on the people of Afghanistan who are sacrificing daily with their blood and their sweat and their tears.

These nations whose backs have been turned upon the Afghans have decided to proceed to send teams to Moscow.

I regret the decisions of those national Olympic committees which have decided to let their athletes go to Moscow. It is difficult to view such decisions as anything less than "business as usual."

As a matter of fact, it is worse than "business as usual." It is business in the face of injustice, invasion, and inhumanity to man. It may be "business as usual" in Moscow this summer but it is not "business as usual" in Kabul. There are news reports that a few days ago three score or more of the young people of Kabul were slaughtered by the "brave" Soviet invaders and that three dozen of those slaughtered young people in Kabul were women. Think of it. Those slaughtering young Afghan students will not be able to participate in the games in Moscow. They gave their lives. What greater sacrifice. They gave their lives for freedom. Yet, there are those who would not give up a game in Moscow for freedom.

Surely, this is a time for the free nations of the world to lend their public moral support to the people of Afghanistan.

I have been somewhat sickened but not necessarily surprised that some of our allies, on whose soil the invader has spilled the blood of patriots in the past and to whose rescue the United States came in wars past, have decided to go to Moscow to participate in the games.

What joy it will be for their athletes to receive medals splattered with the blood of the young people of Afghanistan who stood up against the "brave" soldiers of the Soviet Union and faced the deadly rifle fire and mingled patriotic blood with the soil of Afghanistan.

I was extremely gratified today to learn that the Turkish Olympic teams will not be participating in the Moscow games. At 2:30 p.m. Turkish time yesterday, which was early in the morning our time, the Turkish Cabinet met under Prime Minister Demirel—and, think of it, unanimously—unanimously decided in favor of the Olympic boycott. The Turkish Olympic Committee bowed to the Government decision, although the athletes had expressed a desire to participate in the games.

This decision in Turkey is viewed as a very significant one in view of the action of some of the other NATO countries. In addition, it shows the Turkish solidarity with the United States, in spite of the decisions, the weak-kneed decisions, of some of the other NATO countries. Turkey is to be saluted. In the light of the problems which Turkey faces in the current geopolitical situation, Turkey did not flinch.

Turkey took a stand. A stand for freedom.

I applaud the Turkish Council of Ministers for making this brave decision. As a country which shares a border with the Soviet Union, as a country against which the Warsaw Pact stands ready to deploy 50 divisions, the Turks understand all too well the threat to world peace which the subjugation of Afghanistan represents.

Turkey is the cornerstone of NATO's southern flank, and a proud ally. Its people are courageous, strong, and dedicated to their own homeland. They have demonstrated once again their commitment to peace and against aggression wherever it may occur.

I hope other nations will be encouraged by the example of Turkey and the growing number of countries participating in the boycott, and will take this peaceful means of rejecting Soviet aggression.

ROBIN MacGREGOR CRANSTON

Mr. ROBERT C. BYRD. Mr. President, this morning I listened with admiration and sorrow to the majority whip, Mr. CRANSTON, as he spoke of the loss of his son.

I was reminded of Absalom. We read from the Book of II Samuel that David mourned the loss of his son. Absalom was a handsome man, and his father had a father's pride in Absalom. Absalom was slain, and David mourned. We read in the 33d verse of II Samuel 18:

> And the king was moved, and went up to the chamber over the gate, and wept: and as he went, thus he said, O my son Absalom, my son, my son Absalom! would God I had died for thee, O Absalom, my son, my son!

I was reminded—as I listened to Mr. CRANSTON, and as I marveled at his stoic courage, listening as he spoke poignantly of the loss of his son, Robin—of Aaron Burr who once, as Vice President, presided over this Senate. Burr, a brilliant man, had lived a life in which he had made many mistakes. The world turned against him. Men loathed him, but he had a daughter named Theodosia, who never turned her back upon him.

In his old age when health and friends had left him, his daughter Theodosia ministered unto him. She left Charleston, S.C., for New York to see him. A violent storm befell her ship and she was never heard from again. Aaron Burr suffered worse than death daily as he looked out upon the sea for his beloved daughter Theodosia, who never came.

She had left port to hasten to his side when he was lonely and ill and forsaken, but the ship *Patriot,* bound from Charleston to New York, was lost forever.

Burr never gave up. Daily he would go down to the shore and watch for his Theodosia. In his room, when he could no longer leave his bed, there was a picture of Theodosia placed where he could always see it upon awakening, and where it would be the last thing he would look upon before he slept.

There are other similar stories to come to mind, but enough is said.

ALAN CRANSTON lost one of the most precious gifts it was his to give. And, as the great Roman woman, Cornelia, the mother of the Gracchi, once said in referring to her 2 remaining sons—she had had 12 sons and daughters, having lost all but 2 sons—"these are my jewels."

Robin, a jewel in the eyes of his father, is gone. But the memory of him will live on. We feel much empathy for ALAN CRANSTON, and I close as I began, by saying that I admire him for expressing the deep love he displayed this morning in a tribute to his son that was so eloquent.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. I wish to join the distinguished majority leader in extending my heartfelt condolences and deepest sympathy to the majority whip, Senator CRANSTON, on the loss of his dear son Robin.

It was Shakespeare who observed that "A man knoweth no pain until he loseth a son."

We can fully appreciate the pain that our good friend Senator CRANSTON must have known.

But I do hope and pray that he will take comfort in the fact that Robin has gone to a much better world and that he leaves behind him a family in which he no doubt took great pride and many friends who share Senator CRANSTON'S and his family's loss.

To Senator CRANSTON and his family, I extend my deepest sympathy and condolences.

SENATE LEGAL COUNSEL TO REPRESENT THE SECRETARY OF THE SENATE—SENATE RESOLUTION 446

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution to direct the Senate Legal Counsel to represent the Secretary of the Senate in *Hammitt* v. *Harding, et al.*

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

SENATE RESOLUTION 446

Whereas, the Secretary of the Senate has been named a defendant in *Hammitt* v. *Harding, et al.,* Civil Action No. C 80 048 SW, filed in the United States District Court for the Northern District of California, an action relating to his official duties; and

Whereas, pursuant to Sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(1) (Supp. II 1978), the Senate may direct the Senate Legal Counsel to defend an officer of the Senate;

Now, therefore, be it

Resolved, that the Senate Legal Counsel is directed to represent the Secretary of the Senate in the case of *Hammitt* v. *Harding, et al.*

AUTHORIZATION FOR RELEASE OF DOCUMENTS—SENATE RESOLUTION 447

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution authorizing Production of Documents in *McSurely* v. *McAdams, et al.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The amendment was agreed to.

The preamble was agreed to.

The resolution, with its preamble, was agreed to as follows:

S. RES. 447

Whereas, the Senate by S. Res. 226, approved August 3, 1979, directed the Deputy Senate Legal Counsel to represent the Senate Permanent Subcommittee on Investigations with respect to discovery in the case of *McSurley* v. *McAdams, et al.*, (C.A. No. 516–69), pending in the United States District Court for the District of Columbia;

Whereas, counsel for plaintiffs Alan and Margaret McSurely have requested the production of certain documents by the Senate Permanent Subcommittee on Investigations;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers and records under the control of or in the possession of the Senate are needful for use in any court for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate;

Whereas, the Deputy Senate Legal Counsel, on behalf of the Senate Permanent Subcommittee on Investigations, and counsel for plaintiffs Alan and Margaret McSurely have agreed on the voluntary production of certain documents in lieu of any subpoena for discovery or for trial to obtain documents and papers in the possession of the Permanent Subcommittee on Investigations (hereafter "the agreement");

Now, therefore, be it

Resolved, That the Chairman of the Senate Permanent Subcommittee on Investigations is authorized to produce documents and papers in the case of *McSurely* v. *McAdams, et al.*, (C.A. No. 516–69), pursuant to the above agreement.

ASBESTOS HAZARD DETECTION AND CONTROL ACT OF 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 760.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1658) to establish a program for the inspection of schools to detect the presences of hazardous asbestos materials, to provide loans to States or local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Asbestos School Hazard Detection and Control Act of 1980".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) exposure to asbestos fibers has been identified over a long period of time and by reputable medical and scientific evidence as significantly increasing the incidence of cancer and other severe or fatal diseases, such as asbestosis;

(2) medical evidence has suggested that children may be particularly vulnerable to environmentally induced cancers;

(3) medical science has not established any minimum level of exposure to asbestos fibers which is considered to be safe to individuals exposed to the fibers;

(4) substantial amounts of asbestos, particularly in sprayed form, have been used in school buildings, especially during the period 1946 through 1972;

(5) partial surveys in some States have indicated that (A) in a number of school buildings materials containing asbestos fibers have become damaged or friable, causing asbestos fibers to be dislodged into the air, and (B) asbestos concentrations far exceeding normal ambient air levels have been found in school buildings containing such damaged materials;

(6) the presence in school buildings of friable or easily damaged asbestos creates an unwarranted hazard to the health of the school children and school employees who are exposed to such materials;

(7) the Department of Health and Human Services and the Environmental Protection Agency, as well as several States, have attempted to publicize the potential hazards to school children and employees from exposure to asbestos fibers, but there is no systematic program for identifying hazardous conditions in schools or for remedying those conditions;

(8) because there is no Federal health standard regulating the concentration of asbestos fibers in noncommercial workplace environments such as schools, school employees and students may be exposed to hazardous concentration of asbestos fibers in the school buildings which they use each day;

(9) without an improved program of information distribution, technical and scientific assistance, and financial support, many local educational agencies and States will not be able to mitigate the potential asbestos hazards in their schools; and

(10) the effective regulation of interstate commerce for the protection of the public health requires the establishment of programs under this Act to identify and mitigate hazards from exposure to asbestos fibers and materials emitting such fibers.

(b) It is the purpose of this Act to—

(1) direct the Secretary of Education to establish a task force to assist States and local educational agencies to ascertain the extent of the danger to the health of school children and employees from asbestos materials in schools;

(2) require States receiving administrative funds for any applicable program (as defined under section 400(c)(1)(A) of the General Education Provisions Act) to prepare a plan describing the manner in which information relating to programs established under this Act shall be distributed to local educational agencies;

(3) provide scientific, technical, and financial assistance to State educational agencies and local educational agencies to enable them to conduct an asbestos detection program to identify asbestos hazards in schools;

(4) provide loans to local educational agencies for the mitigation of asbestos hazards which constitute an imminent hazard to the health and safety of school children and employees; and

(5) assure that no employee of any local educational agency suffers any disciplinary action as a result of calling attention to potential asbestos hazards which may exist in schools.

TASK FORCE

SEC. 3. (a)(1) There is established a task force to be known as the Asbestos Hazards School Safety Task Force (hereinafter in this Act referred to as "Task Force"). The Task Force shall be composed of ten members, who shall be appointed by the Secretary within 30 days after the effective date of this Act, as follows:

(A) One representative of the Department of Education, recommended by the Secretary of Education.

(B) One representative of the Department of Health and Human Services.

(C) One representative of the National Cancer Institute.

(D) One representative of the Environmental Protection Agency, recommended by the Administrator of such agency.

(E) One representative of the National Institute of Environmental Health Service.

(F) One representative of the Occupational Safety and Health Administration, recommended by the Secretary of Labor.

(G) Four representatives from among organizations concerned with education and health.

Members of the Task Force shall be individuals who have knowledge of the medical problems associated with exposure to asbestos, or individuals who are familiar with procedures for the following activities: the containment or removal of asbestos from buildings; the replacement of asbestos materials removed from school buildings with other appropriate building materials; and the restoration of such buildings to conditions comparable to those existing before such containment or removal was carried out.

(2) The Secretary shall designate a chairman of the Task Force from among its members.

(3) Members shall be appointed for the life of the Task Force. Any vacancy in the Task Force shall be filled in the same manner in which the original appointment was made.

(b)(1) The Task Force shall meet, no later than 30 days after the appointment of its members, at the call of the chairman of the Task Force.

(2) Five members of the Task Force shall constitute a quorum for purposes of conducting the business of the Task Force, but a lesser number may hold hearings.

(c)(1) Members of the Task Force who are not full-time officers or employees of the

Federal Government shall receive compensation at a rate determined by the Secretary, but not to exceed the daily equivalent of the maximum annual rate of pay in effect for grade GS-16 of the General Schedule, for each day (including traveltime) during which they are engaged in the performance of the duties of the Task Force.

(2) While away from their homes or regular places of business in the performance of the duties of the Task Force, all members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(d)(1) Upon request of the Task Force the Secretary shall make available to the Task Force personnel of the Department of Education to assist the Task Force in carrying out its duties.

(2) The Task Force may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(e) The duties of the Task Force shall include—

(1) the compilation of medical, scientific, and technical information explaining—

(A) the health and safety hazards associated with asbestos materials; and

(B) the means of identifying, sampling, and testing materials suspected of emitting asbestos fibers;

(2) the distribution of the information described in paragraph (1) (in any appropriate form such as pamphlets, reports, or instructions) to State educational agencies and to local educational agencies for the purpose of assisting such agencies in carrying out activities described in this Act;

(3) the review of applications for grants and loans under sections 5 and 6 of this Act, and the submission to the Secretary of recommendations respecting the approval or disapproval of such applications;

(4) the review of any guidelines established by the Environmental Protection Agency for identifying those schools in which exposure to asbestos fibers constitutes a health problem and for taking appropriate corrective actions at such schools, in order to determine whether any modifications of such guidelines should be recommended to the Secretary under paragraph (5); and

(5) providing the Secretary with assistance in formulating standards and procedures under section 7 of this Act by—

(A) submitting to the Secretary relevant information concerning the results of the review made under paragraph (4) of this subsection; and

(B) recommending such modifications to the guidelines referred to in such paragraph as the Task Force considers appropriate.

In carrying out its duties under this subsection, the Task Force shall avoid, to the maximum extent practicable, duplicating similar activities undertaken by the Environmental Protection Agency.

(f) The Task Force shall cease to exist at the end of the 180-day period beginning on the date that the authority of the Secretary to make loans under section 6 has expired.

STATE PLAN

SEC. 4. (a) Not later than six months after the effective date of this Act, the State educational agency of any State which receives administrative funds for any applicable program (as defined under section 400(c)(1)(A) of the General Education Provisions Act) shall submit to the Secretary a plan which—

(1) describes the manner in which the State, not later than nine months after the effective date of this Act, shall distribute to local educational agencies within that State's jurisdiction information describing—

(A) the programs established under this Act;

(B) the health hazards associated with exposure to asbestos fibers; and

(C) the procedures established by the Secretary under section 7 for carrying out activities under programs under this Act, and such other relevant information regarding such activities as the State considers desirable;

(2) contains a general description of the content of the information to be distributed in accordance with paragraph (1) and provides assurances that the State shall continually revise such information and distribute such revised material to local educational agencies to ensure that such agencies have available to them the most recent material available with regard to the matters referred to in paragraph (1);

(3) describes the procedures to be used by the State for maintaining records on—

(A) the presence of asbestos materials in school buildings of local educational agencies;

(B) the asbestos detection, containment, or removal activities conducted by local educational agencies (including activities relating to the replacement of the asbestos materials removed from school buildings with other appropriate building materials); and

(C) repairs made to restore school buildings to conditions comparable to those existing before the containment or removal activities referred to in subparagraph (B) were undertaken; and

(4) designates a State agency or other administrative unit with the responsibility for submitting to the Secretary the reports described in subsection (b) of this section and provides assurances that such agency or unit shall carry out the duties specified under subsection (b).

(b) Not later than six months after the submission of the plan described in subsection (a), and each six months thereafter during the two-year period beginning on the effective date of this Act, the State agency or unit designated under paragraph (4) of subsection (a) shall submit to the Secretary a report which describes the actions taken by the State in accordance with its plan under such subsection.

ASBESTOS HAZARDS DETECTION PROGRAM

SEC. 5. (a)(1)(A) The Secretary may make grants to local educational agencies for the Federal share of the costs of carrying out an asbestos detection program meeting the standards established by the Secretary under section 7(a)(1) of this Act. Grants may be made under this section only during the two-year period beginning on the effective date of this Act.

(B) The Secretary may make grants to State educational agencies for the Federal share of the costs of carrying out any asbestos detection program if—

(i) the State, through the State educational agency or some other appropriate State agency, is making grants to local educational agencies for asbestos hazard detection programs, and

(ii) such programs meet the standards established by the Secretary under section 7(a)(1) of this Act.

(C) Grants may be made under this section only during the two-year period beginning after the date of enactment of this Act.

(2) Subject to the second sentence of this paragraph, the Federal share of the costs referred to in paragraph (1) shall be 50 percent. Upon a determination by the Secretary that an applicant has limited fiscal resources and would be unable to participate in the program under this section without receiving from the Federal Government, as its Federal share of such costs, an amount greater than the amount permitted under the first sentence of this paragraph, the Secretary may increase the Federal share which may be paid to such applicant by such amount as the Secretary considers appropriate to permit the applicant to participate in the program.

(b)(1) No grant may be made under this section unless an application has been submitted to and approved by the Secretary, after consultation with the Task Force. The Secretary may not approve an application unless the application—

(A) contains a description of the methods to be used by the local educational agency, or in the case of an application by the State educational agency the methods to be used by the local educational agencies receiving grants from the State, to determine whether hazardous concentrations of asbestos fibers or materials emitting such fibers exist in school buildings under the jurisdiction of such agency;

(B) contains an estimate of the total cost of the detection program, including such detailed descriptions of the costs of each component of the program as the Secretary may require;

(C) designates the party which shall conduct the testing for the detection program and describes such party's qualifications for conducting such testing;

(D) contains assurances that the program shall be carried out in accordance with standards established by the Secretary under section 7(a)(1) and that any party employed to conduct such testing shall satisfy the competency standards established under such section; and

(E) contains such other information or assurances as the Secretary may require.

(2) The Secretary shall provide the Task Force with a copy of any application submitted to the Secretary under paragraph (1).

(3) No grant may be awarded by the Secretary under this section for asbestos hazards detection programs conducted before the effective date of this Act unless the applicant has submitted an application to the Secretary—

(A) containing the information required under paragraph (1); and

(B) providing assurances that any program for which a grant is sought was carried out in a manner which substantially conforms to the requirements established by the Secretary under section 7(a)(1).

No grant may be awarded under this section for any asbestos hazards detection program completed before January 1, 1976.

(4) After reviewing the application submitted under this section, together with any recommendations made by the Task Force, the Secretary shall determine the amount of any grant to be awarded under this section. Funds may be awarded by the Secretary for the administrative costs incurred in the preparation and supervision of the asbestos detection program and for the following activities:

(A) Visual inspections of school buildings.

(B) The sampling of building and insulation materials.

(c) Local and State educational agencies level of asbestos content in suspected materials, and tests determined to be essential to detect the likelihood of imminent danger to persons within school buildings.

(c) Local and State educational agencies receiving grants under this section shall file a report with the Secretary, not later than 120 days after the award of such grant, describing the detection activities which were undertaken, the results of the asbestos detection program, and plans for mitigating any imminent hazards which were detected by the testing. The report shall include a detailed accounting of the funds used to carry out the detection program.

(d) During the period in which grants may be made under this section, not more than 20 percent of the funds appropriated to carry out this section may be made available by the Secretary to the Task Force to conduct education and technical assistance programs related to the detection of asbestos hazards in school buildings and the implementation of appropriate actions to mitigate such hazards.

ASBESTOS HAZARDS CONTROL LOAN PROGRAM

SEC. 6. (a) (1) There is established within the Department of Education an Asbestos Hazards Control Loan Program (hereinafter in this Act referred to as the "Loan Program"), which shall be administered by the Secretary in accordance with this section.

(2) The Secretary may make loans under this section to local educational agencies in an amount equal to 50 percent of the costs of carrying out projects for—

(A) the containment or removal of any materials containing asbestos in school buildings in which such materials pose an imminent hazard to the health and safety of children or employees;

(B) the replacement of the asbestos materials removed from school buildings with other appropriate building materials; and

(C) making repairs which the Secretary determines to be necessary to restore school buildings to conditions comparable to those existing before containment or removal activities were undertaken under sub-paragraph (A).

Loans may be made under this section only for projects affecting more than 2,500 square feet of surface and in which the asbestos material to be contained or removed consists of a minimum asbestos level, as determined by the Secretary under section 7(a) (2).

(3) If the Secretary determines that an applicant has limited fiscal resources and would be unable to carry out the projects described in paragraph (2) without receiving a loan under this section for an amount greater than the amount permitted under such paragraph, the Secretary may increase the amount of the loan payable to such applicant to an amount the Secretary considers appropriate to enable the applicant to carry out such projects.

(b) Loans under this section shall be made pursuant to loan agreements which shall provide for the following terms:

(1) The loan shall not bear any interest except as otherwise provided under paragraph (5).

(2) The loan shall have a maturity period of not more than 20 years (as determined by the Secretary) and shall be repayable during such period at such times and in such amounts as the Secretary may specify in the loan agreement.

(3) Repayment of the loan shall be made to the Secretary of the Treasury for deposit in the general fund of the Treasury.

Such loans shall be subject to such other terms and conditions as the Secretary may establish for the protection of the financial interest of the United States and in furtherance of the purposes of this Act.

(c) (1) No loan may be made under this section unless an application has been submitted to and approved by the Secretary, after consultation with the Task Force, within the two-year period beginning on the effective date of this Act. The Secretary may not approve an application unless—

(A) the application contains such information as the Secretary may require, including information describing—

(i) the nature of the asbestos problem for which the loan is sought;

(ii) the asbestos content of the material to be contained or removed by the local educational agency, as determined under preliminary testing which was conducted in accordance with the standards established by the Secretary under section 7(a) (1), or, in the cose of testing conducted before the effective date of this Act, was conducted in a manner which substantially conforms to such standards; and

(iii) the methods which will be used to contain or remove the asbestos materials, in accordance with section 7(b) of this Act, and any other pertinent details relating to the project or projects to be conducted by the applicant (as described in subsection (a) (2)); and

(B) the application contains assurances that—

(i) any employee engaged in any activity to carry out programs under this section shall be notified in writing by the local educational agency conducting the program of the hazards of working with asbestos, and shall be required to utilize all appropriate safety procedures to minimize health risks;

(ii) no child or school employee shall be permitted in the vicinity of any asbestos containment or removal activity; and

(iii) the local educational agency shall pay employees engaged in containment, removal, or replacement activities to carry out programs under this section at reasonable rates of pay, as established by the Secretary on the basis of prevailing wage rates in the location of such work.

(2) The Secretary shall provide the Task Force with a copy of any application submitted to the Secretary under paragraph (1).

(3) No loans may be made by the Secretary under this section for projects described in subsection (a) (2) which commenced before the availability of loans under the Loan Program unless the local educational agency submits to the Secretary an application which—

(A) meets the requirements of paragraph (1); and

(B) contains assurances that any work already completed by the applicant has been carried out in substantial conformity with section 7(b).

No loan may be awarded under this section for any project described in subsection (a) (2) which was completed before January 1, 1976.

(d) During each of the three calendar years after the year in which this Act is enacted, the Secretary shall submit before February 1 of such year a report to the appropriate committees of the House of Representatives and the Senate, which shall—

(1) describe the number of loans made in the preceding calendar year and specify each applicant for and recipient of a loan;

(2) describe the nature of the asbestos problem of each applicant;

(3) describe the types of programs for which loans were made;

(4) specify the estimated total costs of such programs to the recipients of loans and specify the amount of loans made under the Loan Program; and

(5) specify the number of loan applications which were disapproved during the preceding calendar year and describe the reasons for such disapprovals.

STANDARDS AND SAFETY PROCEDURES

SEC. 7. (a) (1) Within 120 days after the first meeting of the Task Force, and after consultation with the Task Force, the Secretary shall establish and distribute to the State agency or unit designated under section 4(a) (4)—

(A) procedures for testing the level of asbestos fibers in schools, including safety measures to be followed in conducting such tests;

(B) standards for evaluating (on the basis of such tests) the likelihood of the leakage of asbestos fibers into the school environment; and

(C) standards for determining which contractors are qualified to carry out the testing and evaluation described in this paragraph.

(2) After consulting with the Task Force, the Secretary shall establish criteria to be used for determining eligibility for loans under section 6 of this Act. The criteria shall be based on the assessment of the extent of the health hazards posed by the presence of abestos fibers in schools, as determined in accordance with standards under paragraph (1) (B) of this subsection.

(b) After receiving recommendations submitted to the Secretary by the Task Force under section 3(e) (5), the Secretary, with the concurrence of the Task Force, shall by regulation establish—

(1) procedures to be used by local educational agencies, in programs for which loans are made under section 6, for—

(A) containing and removing asbestos materials in school buildings;

(B) replacing the asbestos materials removed from school buildings with other appropriate building materials; and

(C) restoring such school buildings to conditions comparable to those existing before asbestos containment or removal activities were undertaken; and

(2) standards for determining which contractors are qualified to carry out the activities referred to in paragraph (1).

(c) In carrying out his duties under this section, the Secretary shall avoid, to the maximum extent practicable, duplicating similar activities undertaken by the Environmental Protection Agency.

RECOVERY OF COSTS BY THE UNITED STATES

SEC. 8 (c) (1) As a condition of the award of any grant under section 5 or loan under section 6, the recipient of any such grant or loan permit the United States to sue on behalf of such recipient any person determined by the Attorney General to be liable to the recipient for the costs of any activities undertaken by the recipient under such sections.

(2) The proceeds from any judgment recovered in any suit brought by the United States under paragraph (1) (or, if the recipient files a similar suit on its own behalf, the proceeds from any judgment recovered by the recipient in such suit) shall be used to repay to the United States, to the extent that the proceeds are sufficient to provide for such repayment, an amount equal to the sum of—

(A) the amount of any grant made to the recipient under section 5;

(B) the amount outstanding on any loan made to the recipient under section 6; and

(C) an amount equal to the interest which would have been charged on such loan were the loan made by a commercial lender at prevailing interest rates (as determined by the Secretary).

(b) The Attorney General shall conduct an investigation to determine whether, by using all available means, the United States should or could recover, from any person determined by the Attorney General to be liable for such costs, the amounts expended by the United States to carry out this Act. Within one year after the effective date of this Act, the Attorney General shall submit to the Congress a report containing the results of the study, together with any appropriate recommendations.

(c) If the Attorney General determines in the report under subsection (b) that the United States should seek to recover the amounts expended by the United States to carry out this Act, the Attorney General shall proceed in an expeditious manner to recover such amounts from the persons referred to in subsection (b).

EMPLOYEE PROTECTION

SEC. 9. No State or local educational agency receiving assistance under this Act may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee has brought to the attention of the public information concerning any asbestos problem in the school buildings within the jurisdiction of such agency.

RETAINED RIGHTS

SEC. 10. Except as otherwise provided in section 8, nothing in this Act shall—

(1) affect the right of any party to seek legal redress in connection with the purchase or installation of asbestos materials

in schools or any claim of disability or death related to exposure to asbestos in a school setting; or

(2) affect the rights of any party under any other law.

DEFINITIONS

SEC. 11. For purposes of this Act—

(1) the term "asbestos" means—

(A) chrysotile, amosite, or crocidolite; or

(B) in fibrous form, tremolite, anthophyllite, or actinolite;

(2) the term "Attorney General" means the Attorney General of the United States;

(3) the term "imminent hazard to the health and safety" means, for purposes of section 6, that an asbestos material is, according to standards established by the Secretary, friable or easily damaged, or within easy reach of students or otherwise susceptible to damage (including damage from water or air circulation) which could result in the dispersal of asbestos fibers into the school environment;

(4) the term "local educational agency" means—

(A) any local educational agency as defined in section 198(a)(10) of the Elementary and Secondary Education Act of 1965; and

(B) the governing authority of any nonprofit elementary or secondary school;

(5) the term "nonprofit elementary or secondary school" means—

(A) any elementary or secondary school (as defined in section 198(a)(7) of the Elementary and Secondary Education Act of 1965) owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual, and

(B) any school of any agency of the United States;

(6) the term "school buildings" means—

(A) structures suitable for use as classrooms, laboratories, libraries, school eating facilities, or facilities used for the preparation of food;

(B) any gymnasium or other facility which is specially designed for athletic or recreational activities for an academic course in physical education;

(C) other facilities used for the instruction of students, for research, or for the administration of educational or research programs; and

(D) maintenance, storage, or utility facilities essential to the operation of the facilities described in subparagraphs (A) through (C) of this paragraph;

(7) the term "Secretary" means the Secretary of Education, or his designee;

(8) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Bureau of Indian Affairs, and the Office of Overseas Schools of the Department of Defense; and

(9) the term "State educational agency" has the same meaning given such term by section 198(a)(17) of the Elementary and Secondary Education Act of 1965.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. (a)(1) There are authorized to be appropriated—

(A) for the asbestos detection program under section 5, for the fiscal year ending September 30, 1981, and for the succeeding fiscal year, a total of not more than $22,500,000; and

(B) for the asbestos hazards control loan program under section 6, not more than $75,000,000 for the fiscal year ending September 30, 1981, and $75,000,000 for the fiscal year ending September 30, 1982.

(2) Sums appropriated under paragraph (1) of this subsection shall remain available for obligation until September 30, 1983.

(b) Programs under this Act shall be considered automatically eligible for the one-year contingent extension under section 414 of the General Education Provisions Act.

(c) If funds appropriated to carry out this Act are insufficient to pay the total amount required to make all the grants and loans authorized under this Act, the Secretary shall establish criteria to be used in determining which applicants for grants or loans under this Act have the greatest financial need for receiving funds under this Act and shall make determinations regarding the approval of applications for such grants or loans in accordance with such criteria.

(d) Notwithstanding any other provision of this Act, the authority of the Secretary to enter into agreements, or to make payments, under this Act shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

AMENDMENT TO THE EDUCATION OF THE HANDICAPPED ACT

SEC. 13. Section 611(c)(2)(A)(i)(II) of the Education of the Handicapped Act is amended by striking out "$200,000" and inserting in lieu thereof "$300,000".

● Mr. JAVITS. Mr. President, I understand that this matter has been cleared with both sides.

Mr. President, this is an absolutely critical piece of legislation, one which will respond to an imminent health hazard to schoolchildren and school personnel by establishing a program of grants and loans to States and school districts for the detection and removal of potentially debilitating asbestos hazards in school buildings. The matter of asbestos in schools is one which has been extensively investigated in this and the other body, and the House, on December 13 of last year, adopted similar legislation by an overwhelming vote of 336 to 63.

The pending bill is one which I introduced on August 2 of last year, joined by Senators PELL, STAFFORD, MOYNIHAN, CRANSTON, KENNEDY, and BRADLEY. The Subcommittee on Education, Arts and Humanities, under the leadership of Senator PELL, held hearings on this matter on March 17, 1980, in an affected school in New York City, and unanimously reported the bill on March 25 to the full Labor and Human Resources Committee, which followed suit by unanimously ordering S. 1658 reported to the Senate on April 30. The reported bill includes an amendment, adopted by the committee, to the Education of All Handicapped Children Act, Public Law 94-142, which will increase the amount which may be used by a State for the administration of Public Law 94-142 from $200,000 to $300,000 for those States whose allotments under that program are less than the amounts which would allow them to use the program's 5-percent administrative set-aside. I am informed by the Congressional Budget Office that this will involve no additional costs to the Federal Government under this program.

NEED FOR LEGISLATION

During the period 1946-72, asbestos materials, particularly in sprayed form, were used extensively in the construction and renovation of school buildings for fireproofing, insulation, acoustical, and decorative purposes. In many school buildings, these materials have become damaged or friable as a result of deterioration, abrasion, water leakage, or forced air circulation, causing the release of asbestos fibers into the air, at a level far exceeding current acceptable norms suggested by the National Institute of Occupational Safety and Health (NIOSH).

For some time, medical evidence has existed, linking exposure to asbestos fibers with chronic or terminal diseases. Most of this evidence has come from scientific studies of asbestos workers and their families. As a result, various steps have already been taken to control the exposure to this substance of persons in related occupational settings. However, only recently has concern begun to grow about the possible dangers to persons exposed to asbestos fibers in other settings, such as school buildings.

Since the mid-1970's, concern has grown regarding the hazards of asbestos in schools, as loose, flaking asbestos material was discovered in some schools around the country, as medical evidence indicating linkage between asbestos and disease mounted. In certain communities, this concern bred crises which closed schools and often resulted in dangerous and inexpert detection, removal, and containment work.

Scientific studies beginning in the 1930's have documented the link between exposure to asbestos and various types of cancer and other diseases. There is substantial scientific and medical agreement that asbestos exposure increases the risk of lung, esophagal, stomach, and colon cancers, and of mesothelioma, a cancer of the chest cavity so rare that prior to its linkage with asbestos it was not even listed in the cancer registry. Asbestos has also been positively shown to be the primary factor in the contracting of asbestosis, an irreversible and progressively disabling lung disease.

While these studies provide evidence that exposure at lower levels than that of asbestos workers can be dangerous, they do not provide scientific evidence of safe limits of exposure. For want of definite proof to the contrary, the overwhelming scientific and medical opinion is that there is no threshold level below which exposure to asbestos can be considered safe, and that any unnecessary exposure to asbestos above that normally found in the background air should be avoided.

Because of the hazards manifested in the above research findings, the Federal Government has sought to control or mitigate asbestos exposure in several ways. In the 1960's the Federal Government began restricting the level of asbestos allowed in the workplace. Regulations issued by the Occupational Safety and Health Administration on the number of asbestos fibers per cubic centimeters permissible in the ambient air over specific time periods have become more stringent over the years.

More recently, the National Institute for Occupational Safety and Health recommended elimination of all exposure from nonessential uses of asbestos and a permissible exposure limit at the lowest level accurately measurable by electron microscopy—100,000 fibers/cubic meter of air—a level 95 percent below the current standard. This recommendation is based on NIOS findings indicating that levels below both the current and proposed standards cause cancer.

Despite these activities, however, there are currently no statutory Federal programs, nor do regulations exist, to protect children from asbestos exposure in school buildings. The OSHA asbestos standards already considered inadequate, do not apply to nonoccupational environments. The proposed EPA regulations have not been effected, nor do they entail EPA financial support of the activities by schools proposed to be required.

Only certain kinds of asbestos-containing materials in certain situations in schoolbuildings cause exposure problems. The important criterion is how easily the material releases asbestos fibers, which then enter the air and contaminate the building environment. When fibers are present in the air, individuals in the building can inhale the fibers. Although most fibers will not remain in the lungs, those that are retained will stay indefinitely.

Estimates of costs associated with removal and replacement of asbestos material depending upon the particular location of the hazard, range from $2 to $12 per square foot. The costs of containment have been estimated at $0.20 to $5 per square foot.

As Anthony Smith noted in testimony before the Education Subcommittee, the costs to the New York City Board of Education of inspection, sampling, and testing from November 1978 until March 1980—approximately 1½ years—was $527,000. Mr. Smith also stated that the costs of these activities in a small school district would range between $275 and $650 per school. With approximately 90,000 elementary and secondary schools in our Nation, the costs of these essential activities alone, which would be necessary to conform with the proposed EPA regulations, would cost school districts at the least between $25 million and $60 million. The total cost to New York City for projects in approximately 150 schools will be between $9 million and $10 million. This is well below an earlier projection of $35 million to $40 million for New York's abatement program.

While the technical assistance program initiated by EPA in April 1979 has been helpful to districts in informing them of potential problems and in assessing specific hazards, a more coordinated effort at the Federal, State, and local levels is required.

We feel that, given the potential seriousness of asbestos hazards to the health of our Nation's schoolchildren, Federal funds ought to be made available for inspecting and controlling asbestos in the schools. Since very few people were aware of the potential hazards of asbestos in schools until quite recently, there would have been no way for districts to anticipate these expenditures in their school budgets. No district ought to be forced to make the unhappy choice of whether to impair a child educationally by cutting back on programs, or to impair a child's health through continued exposure to asbestos. By the same token, no district should be left in the position of knowing a hazard exists without being able to correct it.

However, many States, districts, and private schools do have the capability to support part of the costs of these projects. Therefore, a matching requirement of 50-percent Federal funds, 50-percent State or local, is proposed. But for those poorer school districts and private schools which would not otherwise be able to undertake these projects the Secretary of Education is given the authority in the legislation to increase the Federal share.

Second, the EPA has taken an important first step in educating and providing technical assistance to States and local districts concerning the problem through its guidance program. We believe these activities are essential and should be expeditiously continued. However, this program would not provide any financial assistance to help districts mitigate these hazards. This legislation would be beyond EPA's initial steps by requiring a State commitment to provide information to local districts and private schools and keep records on their progress; by establishing a task force to do more extensive study on asbestos hazards and identification techniques; and by requiring the Secretary of Education to develop standards and procedures for testing material, evaluating the likelihood of danger, determining which contractors are qualified, and for carrying out removal, containment, replacement, and restoration work.

Finally, while the efforts of the National Cancer Institute, NIOSH, and NIEHS to provide financial assistance to districts on a demonstration basis is a critical step in the right direction, there is no existing Federal program to provide financial assistance to school districts on a national basis for a program of detection and abatement of asbestos, nor is there any existing authority for such a program.

While the problem of asbestos hazards to schoolchildren is one which strongly affects education, which is principally a matter of State and local jurisdiction, it is more importantly a matter of the health and safety of a large and vulnerable segment of our population and thus one which requires prompt Federal action initiated by Federal statute.

Therefore, given the Federal Government's past activity in moderating or eliminating environmental and health hazards associated with asbestos and other materials, and the reluctance or inability of many districts to deal adequately with the problem, it is proper that the Federal role be one of financial and technical assistance to States and school districts to identify and, where appropriate, control asbestos hazards in schools. This Federal role is catalytic and cooperative—local or State education agencies are expected to match Federal financial assistance and provide for, with qualified technical assistance, the detection and removal of potential asbestos hazards.

Mr. President, I greatly appreciate the cooperation of the majority leader, and of the minority leader, in allowing this bill to be called up at this time. As I noted previously, it is a matter of a national health emergency which must be immediately addressed if we are to insure the health and safety of our children and school personnel in the years to come, and I urge its adoption to my colleagues.

SUMMARY OF S. 1658

S. 1658, the Asbestos School Hazard Detection and Control Act of 1980, makes Federal financial assistance available to States and local educational agencies and nonpublic schools for the detection and abatement of hazardous asbestos materials in school buildings. The purpose of this bill is to establish a program to help schools identify and control the exposure of schoolchildren and school personnel to potentially debilitating asbestos fibers in the ambient air.

The bill provides for a two-tiered program of Federal assistance to schools—first, through grants to local educational agencies, State educational agencies, and nonpublic schools to detect potential hazards in schools and second, through loans to school districts and nonpublic schools to control detected hazards. The Department of Education would administer both components of the program.

The bill authorizes a total of $22.5 million for fiscal years 1981 and 1982 for grants to local educational agencies, State educational agencies, and nonpublic schools for visual inspection of school buildings, sampling of building materials, and appropriate tests to determine the asbestos content in materials and the the likelihood of imminent danger within the schoolbuildings. Detection grants may be made to State educational agencies if the State is making grants for asbestos hazard detection to its local educational agencies, for reimbursement of this State effort. Applications for these grants describe detection and testing methods to be used, estimate project costs, designate the party to conduct testing and detection, and assure conformity with standards and safety procedures established by the Secretary of Education.

In addition, the legislation authorizes $75 million per year for fiscal years 1981 and 1982 for long-term, interest-free loans to local educational agencies and private schools for containing or removing asbestos-containing materials in schoolbuildings which pose an imminent health and safety hazard to children or employees. Funds under the program can also be used for replacing any materials removed with other appropriate materials and for making repairs necessary to restore buildings to their state before containment or removal activities were undertaken. Projects paid for by these loans must also be carried out in accordance with certain quality control and safety standards.

Both the Federal grants and the Federal loans can be used to pay for up to 50 percent of the costs of the particular project, except that the Secretary of Education may increase this Federal share for districts and private schools with limited financial resources. Grants and loans can also be made to retroactively reimburse districts and private schools for activities conducted back to January 1, 1976, as long as these activities were conducted in a manner that substantially conforms to the standards developed by the Secretary.

Any State receiving administrative funds under an applicable Federal education program is required to develop a plan for distributing information to its local educational agencies and private schools describing the programs available under this bill, the health hazards associated with asbestos, and the standards and safety procedures developed by the Secretary of Education. States are also required to maintain records on the presence of asbestos in its schools and activities undertaken to treat hazardous materials.

At the Federal level, the legislation establishes a task force to be composed of representatives of various Federal agencies involved in education, health and safety and of outside education and health organizations. This task force is charged with compiling and distributing information on the hazards of asbestos and means of identifying them, and with assisting the Secretary in reviewing applications and formulating standards.

The Secretary of Education is given the responsibility of developing procedures for carrying out the detection and control programs and safety and quality control standards for the conduct of the containment and removal work.

With respect to the participation of nonpublic schools in the program of grants and loans under this bill, I wish to make clear that we intend that public and nonpublic schools be eligible for assistance on an equitable basis, and that the two avenues of grant availability for schools—to wit, directly or through State agencies provided Federal grants—are not mutually exclusive. Thus, in States where nonpublic schools are constitutionally prohibited from being directly assisted by the State, the nonpublic school will have direct access to grant assistance via the Federal Government.

At this point, I ask that a study done for the Committee on Labor and Human Resources, by the Congressional Research Service, on the constitutionality of the nonpublic school provisions of S. 1658, which concludes that these provisions would pass constitutional muster, be printed in the RECORD.

The material follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, D.C., May 8, 1980.

To Senate Committee on Human Resources, Subcommittee on Education, Attn: David Morse.

From American Law Division.

Subject Constitutionality of Provisions in "Abestos School Hazard Detection and Control Act" (S. 1658) Making Nonpublic Sectarian Schools Eligible for Assistance.

This is in response to your request regarding the provisions of S. 1658 which make nonpublic elementary and secondary schools eligible for federal grants and loans for the detection, removal, and replacement of asbestos construction materials. S. 1658 would make nonpublic as well as public elementary and secondary schools eligible for federal grants, made either directly or through a state agency, of up to 50 percent of the costs of an asbestos detection program and for direct interest-free federal loans of up to 50 percent of the costs of an asbestos containment, removal, and/or replacement program. With respect to both the grants and the loans, the federal share could exceed 50 percent if the applicant would otherwise not be able to carry out the projects. Your question is twofold: (1) Does the inclusion of nonpublic elementary and secondary schools, a substantial majority of which are sectarian in nature, violate the establishment of religion clause of the First Amendment? and (2) If such inclusion is constitutional under the First Amendment, is there need for a bypass provision for those instances in which stricter state constitutional provisions might bar the participation of such schools in the state-administered part of the grant program? This memo responds to these questions in order.

CONSTITUTIONALITY UNDER THE ESTABLISHMENT CLAUSE

The First Amendment provides that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . ." Over the last two decades the Supreme Court has gradually crystallized a tripartite test by which to measure the constitutionality of statutes challenged as contravening the establishment clause:

"First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion . . .; finally, the statute must not foster "an excessive government entanglement with religion." *Lemon* v. *Kurtzman,* 403 U.S. 602, 612–613 (1971).

Statutes failing to meet any one of these tests are unconstitutional.

Indicative of the complexity that attends this area of constitutional law, however, the Court has repeatedly emphasized that these tests do not possess scientific precision but rather serve as guidelines "with which to identify instances in which the objectives of the Religion Clauses have been impaired": candor compels the acknowledgement, that we can only dimly perceive the boundaries of permissible government activity in this sensitive area of constitutional adjudication. *Tilton* v. *Richardson,* 403 U.S. 672, 678 (1971).

Nonetheless, Court decisions concerning public aid to parochial schools have made clear that at the elementary and secondary level the constitutionally permissible forms of public aid are severely limited. While the Court has upheld some forms of indirect aid, i.e., aid to the students of sectarian schools,[1] it has held unconstitutional every form except one of direct institutional assistance that has come before it [2] as well as some forms of indirect aid.[3]

In these cases the Court's secular purpose test has generally not posed an obstacle to public aid programs benefitting sectarian schools. No program has been struck down on that basis, and the purpose of S. 1658—to protect the health and safety of schoolchildren and school personnel—has been found acceptably secular by the Court in other cases.[4] Both the primary effect and the entanglement tests, however, have proven to be substantial barriers to public aid programs. Under the former test, aid programs must, at the very least, be confined to the secular functions of th sectarian schools aided. Where the aid program is not so confined, either because of the nature of the program [5] or because the Court has found the secular educational functions of such schools inseparable from their religious functions,[6] the Court has held the program unconstitutional. Moreover, even if an aid program is successfully confined to the secular aspects of such schools, it may under the entanglement test still be held unconstitutional if the government's means for assuring that the aid is in fact used for secular purposes involves too instructive and continuing a relationship between the institutions benefited and the government.

As noted above, the purpose of S. 1658 would appear well able to satisfy the secular purpose test. Similarly, the program would not appear on its face to necessitate excessive administrative entanglement between the federal and recipient sectarian schools. In those cases in which the Court has found the entanglement test violated, either the teaching function in the schools has been involved or publicly subsidized personnel have been involved in working closely with students.[7] No such function or relationship would appear to be contemplated or necessitated by S. 1658. In addition, the grant and loan program of S. 1658 would not involve a continuing relationship between the federal government and sectarian educational institutions, other than the ministerial function of receiving payments on the loans. The grants and loans would largely be a one-time occurrence.

Thus the central issue would appear to be whether the grant and loan programs of S. 1658 would violate the primary effect test. Two different lines of reasoning would appear applicable to this question. On the one hand, as noted above, the Court has repeatedly held that to pass muster under the primary effect test, aid programs [8] must be confined to the secular aspects of sectarian schools. For instance, in *Committee for Public Education* v. *Nyquist,* supra, the Court held unconstitutional a state grant program for the maintenance and repair of private school facilities and equipment. Like S. 1658 the program was justified on the grounds that it served the health and safety of the schoolchildren, but the Court struck it down because the aid was not confined solely to the secular aspects of the school's functions:

"No attempt is made to restrict payments to those expenditures related to the upkeep of facilities used exclusively for secular purposes, nor do we think it possible within the context of these religion-oriented institutions to impose such restrictions. Nothing in the statute, for instance, bars a qualifying school from paying out of state funds the salaries of employees who maintain the school chapel, or the cost of renovating classrooms in which religion is taught, or the cost of heating and lighting these same facilities. Absent appropriate restrictions, it simply cannot be denied that this section has a primary effect that advances religion in that it subsidizes directly the religious activities of sectarian elementary and secondary schools." 413 U.S. at 774.

On the other hand, the Court has repeatedly affirmed the constitutionality of programs which serve the general welfare of the public and incidentally benefit sectarian schoolchildren or religious institutions as well. In *Everson* v. *Board of Education, supra,* the Court upheld a program reimbursing parents of both public and private school children for the cost of bus fares to and from school on the grounds that it was "no more than . . . a general program to help parents get their children, regardless of their religion, safely and expeditiously to and from accredited schools." [9] In *dicta* the Court stated that similar considerations attach to such other public services as fire and police protection, connections for sewage disposal, and public highways and sidewalks:

"Of course, cutting off church schools from these services, so separate and so indisputably marked off from the religious function, would make it far more difficult for the schools to operate. But such is obviously not the purpose of the First Amendment. That Amendment requires the state to be neutral in its relations with groups of religious believers and nonbelievers; it does not require the state to be their adversary. State power is no more to be used so as to handicap religions than it is to favor them." 330 U.S. at 18.

Similarly, in *Lemon* v. *Kurtzman, supra,* the Court in *dicta* affirmed the constitutionality of publicly subsidizing such "secular, neutral, or nonideological services, facilities,

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Footnotes at end of article.

or materials" as bus transportation, school lunches and public health services.[10] In *Wolman* v. *Walter, supra,* the Court again affirmed this principle by holding the public subsidy of diagnostic speech an hearing services and diagnostic psychological services on sectarian school premises.

Thus, the Court's interpretations and applications of the establishment clause of the First Amendment make clear both that substantial public aid to sectarian schools that is not confined to the secular aspects of such schools is unconstitutional, and that secular, neutral and nonideological aid that only incidentally benefits such schools may be constitutional. The grant and loan programs that would be authorized by S. 1658 would appear to partake of both aspects. On the one hand, like the maintenance and repair program in *Nyquist,* they are not confined solely to the secular aspects of the recipient sectarian school functions. They would subsidize the schools in inspecting and, if necessary, removing and replacing asbestos materials from all of their facilities, those used for religious purposes as well as those not so used (if, in the "religion-oriented" environment of sectarian schools, such secular facilities can be identified). To that extent they share the infirmity of the *Nyquist* program.

On the other hand, the programs would appear to be akin to those that have been affirmed on the general welfare rationale: they are public health measures undertaken to protect all schoolchildren, including those in sectarian schools from the imminent health dangers of asbestos fibers. They are secular in nature, confined solely to the detection and containment or removal of asbestos. Any benefits to the religious functions of sectarian schools are merely incidental to the primary public health effects of the programs.

Although the matter is not entirely free from doubt, the latter course of reasoning would appear to be the better argument. As the Court has noted, the separation of church and state required by the First Amendment cannot be absolute but "is a blurred, indistinct and variable barrier depending on all the circumstances of a particular relationship.[11] Thus, under different circumstances, aid programs similar to those authorized by S. 1658, insofar as they benefit sectarian elementary and secondary schools, might well be found unconstitutional. But where asbestos fibers have been identified as a serious health hazard, and where asbestos fibers may exist in sectarian schools because those schools relied on governmental standards permitting their use in construction, it at least seems plausible that the government may aid such institutions in detecting and removing such fibers as part of a general health program to protect all schoolchildren. This conclusion is further reinforced by the loan nature of the removal and replacement program: that characteristic would seem to make clear that the focus of the program is not to subsidize the functions of sectarian schools but to make possible the elimination of a serious health hazard as quickly as possible. Thus, any benefit to the sectarian schools would seem to be clearly incidental.

NEED FOR A BYPASS PROVISION

S. 1658 provides two avenues for the making of grants for the asbestos detection part of the program—from the federal government to local educational agencies (Section 5(a) (1) (A)) and from the federal government to state educational agencies which make grants to local educational agencies for asbestos hazard detection programs (Section 5(a) (1) (B)). Under the above analysis both of these avenues would appear to be constitutional under the First Amendment. Some state constitutions, however, contain restrictions on public funding of sectarian schools more strict than the First Amendment, to the extent that neither state funds nor federal grants to state agencies are able to be made available to private sectarian schools.[12] The question, thus, is whether a bypass provision needs to be included in S. 1658 in order to allow private sectarian schools in states in which they could not receive grants from a state agency to receive the grants directly from the federal government.

The resolution of this question would seem to depend on whether the two avenues created for making grants in Section 5 of S. 1658 are deemed to be mutually exclusive. That is, if the making of federal grants to state educational agencies under Section 5(a) (1) (B) is deemed to bar the making of federal grants to local educational agencies in such states under Section 5(a) (1) (A), then a bypass provision would appear to be necessary to enable private schools in such states to participate. If, on the other hand, the two avenues are not deemed to be mutually exclusive, then Section 5(a) (1) (A) would seem to suffice to permit the federal government to make grants directly to private schools in those states in which they could not participate, due to state constitutional restrictions, in the state-administered grant program.

This matter could be clarified in the legislative history of the bill. In the absence of such legislative history at this point, however, it might simply be noted that S. 1658 does not itself prescribe that the two grant avenues be deemed mutually exclusive. It does not state that grants to the states are to be considered an alternative to grants to local educational agencies, nor does it provide that grants to local educational agencies made only in those states which do not participate in the state grant program. This could be taken to mean that direct grants could be made to local educational agencies even in those states participating in the state grant part of the program, and that therefore no bypass provision is necessary in the bill.

Nonetheless, it would appear advisable for this matter to be clarified in the legislative history of the bill. A bypass provision would then be necessary only if that clarification holds the two grant avenues to be mutually exclusive.

I hope the above is responsive to your request. If we may be of additional assistance, please call on us.

FOOTNOTES

[1] The Court has held constitutionally permissible the provision to sectarian schoolchildren, at public expense, of bus transportation between home and school (*Everson* v. *Board of Education,* 330 U.S. 1 (1947)); secular textbooks (*Board of Education* v. *Allen,* 392 U.S. 236 (1968)); prepared standardized tests and scoring services (*Wolman* v. *Walter,* 433 U.S. 299 (1977)); diagnostic speech, hearing, and psychological services on the nonpublic school premises (*Wolman* v. *Walter, supra*); and therapeutic speech, hearing, and psychological services, guidance and counseling services, remedial programs, and programs for the handicapped off the nonpublic school premises (*Wolman* v. *Walter, supra*). In *dicta* the Court has also affirmed the constitutionality of the provision at public expense of school lunches and physician, nursing, dental, and optometric diagnostic services on the non-public school premises. *Meek* v. *Pittenger,* 421 U.S. 349 (1975); *Wolman* v. *Walter, supra.*

[2] The Court has held unconstitutional the provision at public expense of salary supplements for nonpublic school teachers of secular subjects (*Lemon* v. *Kurtzman,* 403 U.S. 602 (1971)); the "purchase" of secular educational services from nonpublic schools (*Early* v. *DiCenso,* 403 U.S. 602 (1971)); unrestricted grants for the maintenance and repair of nonpublic school facilities (*Committee for Public Education* v. *Nyquist,* 413 U.S. 756 (1973)); reimbursement of nonpublic schools for the costs of state-required but teacher prepared testing and record-keeping (*Levitt* v. *Committee for Public Education and Religious Liberty,* 413 U.S. 472 (1973)); and loans of secular instructional materials and equipment to nonpublic schools (*Meek* v. *Pittenger, supra*). Most recently however, the Court upheld a state statute reimbursing private schools for the costs incurred in administering state-required objective tests and compiling and reporting state-required information about the schools. *Committee for Public Education* v. *Regan,* 48 USLW 4168 (1980).

[3] The Court has held unconstitutional the reimbursement of parents for part of the tuition cost of sending their children to nonpublic schools, whether by grants or tax reductions (*Sloan* v. *Lemon,* 413 U.S. 825 (1973)); *Committee for Public Education* v. *Nyquist,* supra); the provision of auxiliary services on the nonpublic school premises (*Meek* v. *Pittenger, supra*); the loan of secular instructional materials and equipment to nonpublic school children (*Wolman* v. *Walter, supra*); and the provision to nonpublic schoolchildren of bus transportation for field trips (*Wolman* v. *Walter, supra*).

[4] E.g., *Committee for Public Education v. Nyquist, supra; Board of Education v. Everson, supra.*

[5] See, *e.g., Committee for Public Education v. Nyquist, supra* (unrestricted maintenance and repair grants, tuition grants, and benefits).

[6] See *e.g. Meek v. Pittenger, supra* (loan of secular instructional materials other than textbooks to the schools); *Wolman* v. *Walter, supra* (loan of secular instructional materials other than textbooks to students).

[8] *Lemon v. Kurtzman, supra,* involved teachers of secular subjects. *Meek* v. *Pittenger, supra,* involved such auxiliary service personnel as counselors, therapeutic psychologists, and teachers for exceptional students, handicapped students, and services. In both cases the Court held that a "comprehensive, discriminating, and continuous state surveillance" would be necessary to assure that such personnel did not attempt to inculcate religion, and concluded that such surveillance would excessively entangle the state in the schools. In contrast, the Court in *Wolman* v. *Walter, supra,* found no excessive entanglement to be precipitated by public subsidies of diagnostic speech, hearing, and psychological personnel on the sectarian school premises, for the reasons that their tasks were not deemed to be closely related to the schools' educational mission and because the nature of their tasks involved only a limited and objectively defined relationship with pupils. Similarly, in *Committee for Public Education* v. *Regan, supra,* the Court found no excessive entanglement to be necessitated by public subsidy of private school costs of administering state-required tests and submitting state-required information, for the reasons that the reimbursed functions were discrete and clearly identifiable" and that the reimbursement process was straight-forward and subject to routinization.

[8] *Levitt* v. *Committee for Public Education and Religious Liberty, supra; Committee for Public Education* v. *Nyquist; Sloan* v. *Lemon, supra; Wolman v. Walter, supra.*

[9] 330 U.S. at 18.

[10] See also *Meek* v. *Pittenger, supra,* at 364.

[11] *Lemon* v. *Kurtzman, supra,* at 614.

[12] See e.g., *Mallory* v. *Barrera,* 544 S.W. 2d 556 (Mo. 1976) (federal Title I funds held to be subject to strictures of state constitution and thus barred from use for on-sectarian-school-premises teaching support, textbooks, and transportation services).●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TENSAS RIVER NATIONAL WILDLIFE REFUGE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 791.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2244) to establish the Tensas River National Wildlife Refuge.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 3, line 22, after the period, insert the following:

The Secretary and the Secretary of the Army may only enter into contracts or incur obligations to purchase lands and waters, and interests therein with appropriated funds to the extent budget authority has been provided in advance in appropriation Acts.

On page 6, line 12, after "appropriated" insert a comma and "beginning October 1, 1980";

On page 6, line 15, strike "and," and insert "to remain available until September 30, 1985, and";

On page 6, line 18, after "Army" insert a comma and "to remain available until September 30, 1985";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CONGRESSIONAL FINDINGS

Section 1. The Congress finds that—

(1) the great forests of hardwoods, which once covered vast acreages along the lower reach of the Mississippi River Valley, are rapidly being destroyed;

(2) the remaining forests constitute a unique ecological, commercial, and recreational resource, providing a combination of forest products, habitat for a diversity of fish and wildlife, and opportunities to the public for scientific research and for recreational activities such as hunting, fishing, hiking, boating, and wildlife observation;

(3) the area within which the Tensas River National Wildlife Refuge will be located contains one of the largest tracts of such forests in the Mississippi River Valley; and

(4) establishment of the refuge represents a significant action by the Federal Government for the preservation and development of the environmental resources in the basins of the Tensas, Boeuf, and Red Rivers of the State of Louisiana.

DEFINITIONS

Sec. 2. As used in this Act—

(1) the term "refuge" means the Tensas River National Wildlife Refuge that includes those lands and waters, and interests therein, located along the Tensas River in Franklin, Madison, and Tensas Parishes, Louisiana, that are depicted on the map entitled "Tensas River National Wildlife Refuge", dated February 1980, and on file at the United States Fish and Wildlife Service.

(2) The term "Secretary" means the Secretary of the Interior.

ESTABLISHMENT OF REFUGE

Sec. 3. (a) Acquisition.—Within four years after the date of the enactment of this Act—

(1) the Secretary shall acquire lands and waters, and interests therein, referred to in section 2(1) through donation, purchase with donated or appropriated funds, or exchange, or through any combination of the foregoing; and

(2) the Secretary of the Army shall acquire such of those lands and waters, and interests therein, referred to in section 2(1) as are not acquired under paragraph (1).

The Secretary of the Army shall transfer to the Secretary jurisdiction over all lands and waters, and interests therein, acquired under paragraph (2) and the Secretary shall include all such lands, waters, and interests in the refuge. The Secretary and the Secretary of the Army may only enter into contracts or incur obligations to purchase lands and waters, and interests therein with appropriated funds to the extent budget authority has been provided in advance in appropriation Acts.

(b) Establishment.—At such time as sufficient lands and waters, and interests therein, have been acquired under subsection (a) (1) and (2) to constitute an area that can be administered for refuge purposes, the Secretary shall establish the Tensas River National Wildlife Refuge by publication of notice to that effect in the Federal Register .

(c) Adjustments.—The Secretary may make such minor adjustments with respect to the boundary of the refuge as may be necessary to facilitate the acquisition of lands and waters, and interests therein, for the refuge and to facilitate the administration of the refuge.

(d) Army Acquisitions in Lieu of Certain Other Mitigation Actions.—The lands and waters, and interests therein, acquired by the Secretary of the Army under subsection (a) (2) shall be applied, on an acre-by-acre basis, in lieu and in satisfaction of the mitigation acquisitions mutually agreed to by the Secretary and the Secretary of the Army with respect to water development projects of the Corps of Engineers within the basins of the Tensas, Boeuf, Ouachita, Black, and Red Rivers in the State of Louisiana currently authorized or which may be authorized in the future.

ADMINISTRATION

Sec. 4. (a) In General.—The Secretary shall administer all lands and waters, and interests therein, acquired under this Act in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd–668ee) to conserve the diversity of fish and wildlife and their habitat within the refuge; except that the Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretative education, as he deems appropriate to carry out the purposes of the refuge. The Secretary shall give special consideration to the management of the timber on the refuge to insure continued commercial production and harvest compatible with the purposes for which the refuge is established and the needs of fish and wildlife which depend upon a dynamic and diversified hardwood forest.

(b) Flood Control.—The Secretary shall administer the refuge as part of an overall Federal management plan for the use of water and related land resources for the area. This Act shall not preclude the construction and maintenance of the Tensas River flood control project, authorized by the Flood Control Act of 1944, as amended, in such modified configuration as may be determined by the Secretary of the Army, in consultation with the Secretary. The Secretary shall assist the Secretary of the Army in this flood control project, including the provision of all lands and rights-of-ways necessary for project construction and maintenance within the refuge area as determined by the Secretary of the Army, in consultation with the Secretary. The establishment of the refuge shall not preclude any other public or private works, determined to be in the public interest, to relieve flooding along or adjacent to the Tensas River.

AUTHORIZATION OF APPROPRIATIONS

Sec. 5. For the purposes of carrying out this Act, there are authorized to be appropriated, beginning October 1, 1980—

(1) not to exceed $10,000,000 to the Department of the Interior; to remain available until September 30, 1985, and

(2) not to exceed $40,000,000 to the Department of the Army, to remain available until September 30, 1985.

UP AMENDMENT NO. 1108

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Randolph, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

A Senator from West Virginia (Mr. Robert C. Byrd) on behalf of Mr. Randolph, for himself and Mr. Johnston, proposes an unprinted amendment numbered 1108.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike lines 14 through 23 on page 4 and insert in lieu thereof:

(d) Army Acquisitions in Lieu of Certain Other Mitigation Actions.—The land and waters and interests therein, which the Secretary of the Army is required to acquire under subsection (a) (2) of this section, shall when acquired in total be in lieu of and in satisfaction of the mitigation acquisitions which otherwise would be required for the following Corps of Engineers water resources projects and modifications thereof: the Tensas River project, the Tensas-Cocodrie Pumping Plant, the Sicily Island Levee, the Bushley Bayou Levee; the Below Red River Levee, and that portion of the Red River Waterway Project below River Mile 104. Should any of these projects not be authorized or implemented, the Secretary of the Army, in consultation with the Secretary, may substitute additional projects with similar mitigation requirements which may be authorized for construction in the future and which are located wholly within the State of Louisiana and within the area depicted on the Corps of Engineers map entitled "Tensas National Wildlife Refuge Mitigation Area" dated April 1980 and on file in the Office of the Chief of Engineers, which mitigation area includes the basins of the Tensas, Boeuf, Ouachita and Black Rivers and the Red River below River Mile 104.

• Mr. RANDOLPH. Mr. President, this legislation, S. 2244, would establish the Tensas River National Wildlife Refuge in Louisiana for the purpose of conserving fish and wildlife and their habitat. The 50,000-acre refuge area is largely bottomland hardwoods which supports a diversity of species including peregrine falcons, black bear, and bald and golden eagles. The refuge will be an important addition to the national wildlife refuge system.

S. 2244 authorizes the Secretary of the Interior to acquire 10,000 acres of the refuge lands and the Secretary of the Army to acquire the remaining 40,000 acres. That portion acquired by the Department of the Army will fulfill that Department's obligation under the Fish and Wildlife Coordination Act to mitigate for impacts to fish and wildlife from certain Corps of Engineer water projects in the vicinity of the refuge.

The Fish and Wildlife Coordination Act (15 USC 661–667e) provides that fish and wildlife resources shall receive equal consideration with other project features in planning and implementing water resource development programs. Under this law Federal agencies are required to consult with the Fish and Wildlife Service and appropriate State wildlife resource agencies whenever it is proposed that any stream or body of water be diverted, deepened or modified for any purpose. Through this consultation the Fish and Wildlife Service is authorized to propose reports and recommendations for the purpose of determining the possible damages to fish and wildlife resources and to determine means and measures to prevent or mitigate the loss or adverse impact to the resources. The construction agency is expected to modify its plans to include structural and nonstructural mitigation measures and authorized to include such measures as an integral part of the project cost.

Often, and particularly where a valuable habitat type such as bottomland hardwood forest is involved, the Fish and Wildlife Service recommends that lands be purchased as a part of the project and dedicated to management to improve it as habitat for wildlife. This managed habitat is designed to offset or mitigate for the habitat lost to the project. Since the passage of the Coordination Act Amendments of 1958, the Fish and Wildlife Service has recommended over 600,000 acres of land to be acquired to offset the more than 2,300,000 acres of loss directly attributed to water resource projects. The Congress has authorized the acquisition of more than 180,000 acres of mitigation land, but fewer than 40,000 acres have actually been purchased and placed in management.

In the Tensas, Boeuf, Ouachita, and Red River Basins, which are in the vicinity of the proposed Tensas Refuge, there are a number of Corps of Engineers projects authorized for construction or study for which lands should be acquired to mitigate for fish and wildlife losses. As reported by the Committee on Environment and Public Works, the legislation required that the land to be purchased by the Corps of Engineers for the Tensas Refuge, approximately 40,000 acres, would have served as a "bank" to meet, on an acre for acre basis, the mitigation requirements of some of these projects as mutually agreed to by the Secretaries of the Interior and the Army. This process, however, may be unnecessarily time consuming.

Consequently, on behalf of myself and the Senator from Louisiana (Mr. JOHNSTON) I have an amendment which would provide that the 40,000 acres of the refuge required to be acquired by the Department of the Army would, when all of this land has been acquired, satisfy the mitigation requirements of six specified water projects. These mitigation requirements will not have been met until all of the 40,000 acres have been acquired. Should any of these six projects not be authorized or implemented, the Secretary of the Army, in consultation with the Secretary of the Interior, may substitute additional projects which are in the vicinity of the refuge and have similar mitigation requirements (that require similar types of land and numbers of acres for mitigation). The amendment has the full support of both the Departments of the Interior and the Army.●

● Mr. JOHNSTON. Mr. President, this legislation, which would establish the Tensas River National Wildlife Refuge, is virtually our last chance to preserve a large area of bottomland hardwood forests, a resource of inestimable value to our Nation's wildlife and to our people.

When President Jefferson arranged the Louisiana Purchase in 1803, the lower Mississippi River floodplain contained as much as 50 million acres of this type of forest. Bear, panther, turkey, waterfowl and a staggering diversity of other wildlife roamed these areas. Bit by bit the areas were cleared, but just 50 years ago, when legislation was passed that led to the development of the Mississippi River and tributaries flood control project, there were still an estimated 25 million arces. That legislation led to projects that made these periodically flooded lands more suitable for agriculture and the clearing of these forests began in earnest. Today, we estimate less than 3 million acres remain, and these are being cleared at a rate of up to 300,000 acres per year.

This area is of national significance. Several endangered species, including the American alligator, bald eagle, peregrine falcon and possibly Bachman's warbler, use the area. In addition, the area provides an important wintering habitat for migratory waterfowl. The acquisition of bottomland hardwoods is one of the highest priorities of the U.S. Fish and Wildlife Service and is considered essential to the maintenance of healthy waterfowl and resident wildlife populations.

I should point out that the bottomland hardwood forests also provide resting areas for millions of songbirds as well. Many birds that summer in the fields and gardens of the Midwest winter in South America and funnel through the Mississippi delta on both their northern and southern migrations.

The area that would form the refuge is not only one of the last large areas of bottomland hardwoods left; it has historical and natural values that make it truly unique. Theodore Roosevelt, who established the first national wildlife refuge more than 75 years ago, once hunted and camped in the area. The last confirmed sighting of the ivory-billed woodpecker took place within the proposed refuge. It supports one of the last populations of black bear in Louisiana and quite possibly harbors a remnant population of eastern cougar. It provides wintering habitat for both bald and golden eagles and has the highest carrying capacity for both deer and wild turkey in the State.

The refuge, when acquired, will form part of the national wildlife refuge system and be managed to maintain a wide diversity of fish and wildlife. Hunting and fishing will be permitted under the terms of the National Wildlife Refuge System Administration Act, and the legislation directs the Secretary to give special consideration to the management of timber on the refuge to insure continued commercial production and harvest compatible with the needs of wildlife which depend on a dynamic and diversified hardwood forest.

Mr. President, as you can see, this area will make a magnificent addition to our national wildlife refuge system. This legislation, however, does more than just establish a refuge.

The Fish and Wildlife Coordination Act mandates that fish and wildlife resources receive equal consideration with other project features in planning and implementing water resource development programs. This law requires Federal agencies to consult with the FWS and appropriate State wildlife resource agencies whenever any stream or body of water is proposed or authorized to be diverted, deepened, or modified for any purpose. Through this consultation the Fish and Wildlife Service is authorized to prepare reports and recommendations for the purpose of determining the possible damages to fish and wildlife resources and to determine means and measures to prevent or mitigate the loss or adverse impact to the resources. The law also provides authorization for the construction agency to modify their plans to provide structural and nostructural measures as an integral part of the project cost.

Quite often, particularly where a valuable habitat type such as bottomland hardwood forest is involved, the Fish and Wildlife Service recommends that lands be purchased as a part of the project and dedicated to management to improve it as habitat for wildlife. This managed habitat is designed to offset the habitat lost to the project. Congress has authorized the acquisition of over 180,000 acres of mitigation land, but less than 40,000 acres have actually been purchased and placed in management.

In the Tensas, Boeuf, Ouachita, Black, and Red Rivers in the area of the proposed refuge, there are a number of projects authorized for construction or study for which lands should be acquired to mitigate for fish and wildlife losses. This legislation recognizes the value of these projects to the people of the area as well as the requirement that these projects be environmentally sound. The legislation authorizes appropriations to the Secretary of the Army of $40 million to make purchases as mitigation for these projects. I had originally devised the legislation so that a bank of mitigation lands would be set up and the project mitigation requirements would be deducted from the bank.

However, I was advised by Lynn Greenwalt, Director of the U.S. Fish and Wildlife Service, and Brig. Gen. Hugh Robinson, Deputy Director of Civil Works, Corps of Engineers, that such a system would be unnecessary and time consuming. They recommended the language that I am now proposing as a floor amendment. This amendment would provide simply that the acquisitions made by the Corps of Engineers would satisfy the mitigation acquisition requirements of six specific flood control and navigation projects that are planned for the near future. Should any of these projects not be authorized or implemented, additional projects with similar mitigation requirements could be substituted by the Secretary of the Army after consultation with the Secretary of the Interior.

Mr. President, this legislation has the support of both the Corps of Engineers and the U.S. Fish and Wildlife Service. We have favorable letters from the administration. The entire Louisiana and Mississippi House delegation cosponsored the original bill which Mr. Huckaby introduced in that body. This piece of legislation strikes the balance between preservation and development and establishes a refuge of national significance. I urge its unanimous approval.●

● Mr. SIMPSON. Mr. President, I should like to comment on the wildlife refuge bill being considered by the Senate today. First, I would like to state that I understand and concur with the rationale behind our national refuge system. I also understand that the Tensas Refuge which the Senate is considering may have a number of worthwhile benefits for wildlife.

I am concerned, however, with the budget implication of this new program. This authorizing legislation will add $50 million to an already strained Federal budget. Mr. President, there are a number of projects like this one which are deserving of our consideration. The problem as I view it, however, is that even though this proposal may be worthwhile, as more such new authorizations are considered and approved the ability of Congress to mandate a fiscally responsible budget becomes almost impossible to achieve.

The Nation is now watching Congress closely to see if it will meet its responsibility of creating a sound fiscal policy. One of the surest methods of achieving this goal is to create new spending programs only in the direst of circumstances. Thus, while I will not object to the proposed legislation, I urge my colleagues to remember, as the session proceeds, the economic crisis before the Nation and our need to make hard decisions on higher levels of Federal spending.●

The amendment was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 6022, an act to establish the Tensas River National Wildlife Refuge, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6022) to establish the Tensas River National Wildlife Refuge.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move that H.R. 6022 be amended by striking all after the enacting clause and inserting in lieu thereof the text of S. 2244 as previously amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be passed, that the motion to reconsider be laid on the table, and that further consideration of S. 2244 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

VIETNAM VETERANS MEMORIAL

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 119.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

> *Resolved*, That the resolution from the Senate (S.J. Res. 119) entitled "Joint resolution to authorize the Vietnem Veterans Memorial Fund, Inc., to establish a memorial", do pass with the following amendments:
>
> 1. Page 1, line 6, strike out "in West Potomac Park".
>
> 2. Page 2, line 5, strike out "located" and all that follows through to and including "Gardens", line 7.
>
> 3. Page 2, line 7, strike out "District of Columbia:" and all that follows through to and including line 14, and insert: *District of Columbia*.
>
> 4. Page 3, strike out line 15 and all that follows, over to and including line 5, page 4.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Chair appointed Messrs. Jackson, Bumpers, Melcher, Hatfield, and Domenici, conferees on the part of the Senate.

AUTHORITY TO FILE REPORTS, BILLS, RESOLUTIONS, AND STATEMENTS UNTIL 6 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until 6 p.m. today and until 3 p.m. tomorrow to file reports, and that the same hour may be accorded for those who wish to file conference reports and Senators who wish to introduce bills, resolutions, and statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR NO ROLLCALL VOTES TO OCCUR PRIOR TO 3:30 P.M., WEDNESDAY, MAY 28, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any rollcall votes on Wednesday next ordered prior to the hour of 3:30 p.m., excepting procedural votes, occur at 3:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar: Calendar Order No. 133 on page 2 under Department of the Interior, and all nominees beginning with new reports on page 2 and extending throughout on page 3.

Mr. COHEN. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominees be considered en bloc, confirmed en bloc, that motions to reconsider be laid on the table en bloc, that the President be immediately notified of the confirmation of the nominees, and that the Senate return to legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominees considered and confirmed en bloc are as follows:

Department of the Interior

Clyde O. Martz, of Colorado, to be Solicitor of the Department of the Interior.

Department of State

Gordon Robert Beyer, of Florida, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uganda.

Robert V. Keeley, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Zimbabwe.

Charles E. Marthinsen, of Virginia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

William Caldwell Harrop, of New Jersey, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Phillip R. Trimble, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

C. William Kontas, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Sudan.

Overseas Private Investment Corporation

Dean A. Axtell, of Illinois, to be Executive Vice President of the Overseas Private Investment Corporation, vice David Gregg III, resigned.

Nominations Placed on the Secretary's Desk in the Diplomatic and Foreign Service

Diplomatic and Foreign Service nominations beginning Robert James Korengold, to be a Foreign Service information officer of class 2, a consular officer, and a secretary in the Diplomatic Service of the United States of America, and ending Fernando Sanchez, to be a Foreign Service officer of class 5, consular officer, and a secretary in the Diplomatic Service of the United States of America, which nominations were received by the

Senate and appeared in the Congressional Record on May 9, 1980.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. COHEN. Mr. President, I yield the floor.

THE NEED FOR A SURVIVABLE LAND-BASED MISSILE SYSTEM

Mr. WARNER. Mr. President, as you know, I am concerned about the steady erosion of America's military position over the past decade. This slippage continues today and is directly attributable to the failure of the United States to compete effectively with the Soviet Union in the military arena.

We in Congress have the responsibility of articulating a defense policy which assures national security and providing the authority to implement those program elements which support the overall goals.

I believe that the foundation of our policy rests upon the premise that we must have a strategic nuclear deterrent that is clearly second to none. We must have a survivable nuclear force that is capable of conducting a wide spectrum of missions with sufficient effectiveness that no aggressor will ever have reason to believe that nuclear war is to his advantage. This posture, which many fear has been abdicated, would not only reduce the possibility of a nuclear holocaust, but also, by its very existence, deter an aggressor from nuclear coercion to expand his sphere of influence and place our national interests in peril.

The land-based leg of our triad requires immediate modernization in order to assure that our strategic nuclear deterrent capability meets the goals I have identified. The MX missile system can provide us with a survivable land-based force by the end of the decade which I believe would deter an aggressor from initiating a global conflict employing weapons of mass destruction.

It is important to note that the MX is not just an Air Force project—indeed, MX is a national program. As a former Secretary of the Navy, I was pleased to see a succinct appraisal of the attributes of the MX system in this morning's Washington Post. The author, Jim Woolsey, is a former Undersecretary of the Navy. Mr. Woolsey correctly states that banking on sea-based forces alone for the job of deterrence into the 21st century is placing too many eggs in one basket.

Mr. President, I ask unanimous consent that the text of Jim Woolsey's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GETTING THE MX MOVING

It's not easy to love the MX. The House defeated the amendments proposed last week to kill the program and to delay it and study it some more. But it is clear that many members felt they faced a true dilemma. It's a legitimate feeling. There is no single happy solution to the various strategic and arms control problems we now face, and anyone trying to decide what he thinks about MX is thus faced with honestly divided counsel.

In part, the dilemma stems from previous delays. While the Soviets have been steadily deploying for the last decade the weapons that make our silo-based Minuteman ICBMs more vulnerable, we have been fiddling around in our standard fashion—holding hearings, doing studies, haggling with one another and deploying environmental impact statements instead.

The delay has split those who normally advocate having a solid margin of safety for our strategic forces—the hawks, if you must. Since MX won't be fully deployed until the late 1980s and the vulnerability of Minuteman is upon us now, many would put MX behind "quick fixes" that might improve our strategic posture sooner—such as digging extra silos in the Minuteman fields and beginning a shell game with existing missiles. But the Air Force and others have feared those efforts would draw funds away from the MX; at any rate, as the quick fixes have been delayed, they have become slow fixes themselves.

The size issue itself has added to the delay. The Air Force, long interested in deploying a big missile, has only rather recently got around to thinking seriously about how to base it. This has driven even many friends of the military in Congress up the wall. But it must be noted that the Air Force has not been interested in big missiles solely because of some institutional passion for gigantism. There are economies of scale in building missiles, within reason. But survivability is the main worry. This drives us to want more, not fewer, places that an enemy would have to attack to knock them out. The MX compromises these considerations: a relatively large missile (about the size of the smaller new Soviet ICBMs), movable among a number of hardened launch points.

This means deception. The administration's critics have said that, in order to reconcile the necessarily deceptive basing with a possible arms control agreement, the administration abandoned the cheaper alternative of merely digging extra silos and instead moved to the more complex system of roads and horizontal shelters—with the missiles lying down, not standing up—that is now before Congress. It's somewhat easier to count missiles deployed lying down.

The administration, denying that this was a central factor, responds that it opted for horizontal basing because it is more survivable: it's possible to move the missiles around more quickly, for example, if you don't have to lift them out of silos.

In any case, the administration recently changed its proposal, and slightly reduced its cost, by moving from the famous oval "race track" to a simpler, still horizontal approach. Verification of ICBM numbers under deceptive basing is a tangled issue in its own right because the Soviets don't really need any help in verifying *our* compliance with arms control agreements; all they need to do is read the newspapers. The argument is more that, if we have an agreement with them that permits lots of extra silos, they might build the permitted silos and then cheat and fill them with missiles.

At this point, most people usually get a headache and start looking at the oceans, where you don't need to dig holes in order to hide. The current fad in the seagoing line of theoretical weapons is the Shallow Underwater Missile System (SUM)—big missiles, maybe MXs, on lots of small, shallow-operating, allegedly cheap submarines. Sen. Jake Garn, in a recent Armed Forces Journal, called it Simplistic Unworkable and Maladroit.

Whether it's that bad or not, it would probably at least be considerably more expensive than many of its advocates suggest. A Marine I know says: "Amateurs talk about strategy and tactics; professionals talk about logistics." Once you start calculating the logistics, manpower, base structure and communications costs for lots of tiny submarines, the large Trident submarine may well begin to look like the best strategic bargain going.

But whether it's in little or big submarines, why not forget about MX and move the whole lot to sea? There's really only one major reason. The arcane field of anti-submarine warfare is appropriately cloaked in secrecy. Suffice it to say that our submarines are likely for the foreseeable future to remain as invulnerable as weapons ever get. But that's not good enough. In the MX debate we are talking about a key part of our ability to deter nuclear war well into the 21st century. Banking on sea-based forces (with bombers) alone for that job is putting too many eggs in the ocean's basket.

Some were wont, in the days of SALT-selling, to say that only if the SALT II agreement was approved was MX survivable, because the agreement would have limited, until 1985, the number of warheads the Soviets could put on each missile and thus would have limited their ability to target all the MX shelters. That was, and is, an absolutely terrible argument. Any system that depends for its viability on Soviet compliance with an agreement—an agreement that by its terms expires before the system is operational—is loony. The MX has to stand on its own feet. It has to be at least as affordable, in the absence of an arms control agreement for us to add shelters, or otherwise improve MX's survivability, as for the Soviets to add warheads.

The House has now decided that MX passes that test and can move forward. It's easy to understand why many voted aye with a gulp and a slight wince. But it was the right call.

LEO CHERNE

Mr. PELL. Mr. President, in connection with the letter which I, together with Senators CHURCH, JAVITS, and PERCY sent to the President expressing our support for the present Board for International Broadcasting, I wish to make it absolutely clear that there was no effort or thought to criticize my very old friend and colleague, Leo Cherne. Nor was there any inference that either he or the International Rescue Committee, which he has so ably and brilliantly led for more than 25 years, could "even remotely be identified as presently or formerly associated with the CIA or intelligence activities in any capacity."

Leo Cherne has never been involved with the CIA or intelligence activities, and, in fact, served as a Presidentially appointed watchdog over them as a member of the President's Foreign Intelligence Advisory Board.

In saying this, I speak from personal knowledge as I have been a director for 25 years and a former officer of the International Rescue Committee.

The inferences the press made that

there was such a connection are absolutely incorrect.

Moreover, I would add that I understand that Paul Seabury, whose name was mentioned in the same article, has never had any connection with the CIA or intelligence activities.

HIGHLIGHTS OF THE BUDGET CONFERENCE AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I wish to compliment Mr. HOLLINGS and Mr. BELLMON, the manager and ranking manager of the Senate conferees on the budget conference. They and their Senate colleagues on the conference have worked long and hard during very trying sessions with the House conferees, and they have achieved a product which should be strongly supported by the Senate. They have produced a balanced budget, with a $500 million surplus, which meets essential domestic priorities and achieves an adequate defense level. This balanced budget is not dependent upon the oil import fee; rather, to the contrary, it proposes that the revenues which would accrue from the fee be used for productivity tax cuts and to offset social security tax increases scheduled for January 1, 1981.

I wish now to enumerate some of the salient features of the budget conference agreement, and I hope that all Senators will give their most careful attention to this agreement which, as I have already stated, deserves our bipartisan support.

The budget conference agreement is balanced in dollars and cents and in commonsense. It proposes the first Federal budget surplus in 12 years. It balances domestic and defense priorities. It provides critically needed increases for defense preparedness and military pay, but also provides for prudent growth in domestic programs. It provides unprecedented restraint in the budget totals to help fight inflation and limit Government growth, but at the same time protects the neediest in our society from inflation and unemployment.

This budget is not balanced on the backs of the poor. It provides for most—two-thirds—of the President's requested youth education and employment initiative, totaling $2 billion in the next 2 years. It continues the 1,000,000 summer youth employment program jobs and provides a 30-percent increase—from 190,000 to 250,000—in CETA training jobs for the hard-core unemployed. It increases funds for the Job Corps by 20 percent.

The budget increases education programs for the disadvantaged by 10 percent in 1981 and by 29 percent for the 1979–81 period. It expands the Head Start program by 11 percent to accommodate an additional 13,000 children. It provides full funding for the child welfare services reform and for the conference report on title XX, providing grants to States for social services, such as day care and services for the poor and disabled.

It continues the present level of the vocational rehabilitation program and the meals-for-the-elderly program. It expands the refugee program to accommodate the current influx, tripling the size of the program compared to 1979 levels. It continues the $1.6 billion program of low-income energy assistance initiated in 1980. The budget also provides funding for 264,000 new units of federally assisted housing in 1981.

The budget provides a 14.3-percent increase for veterans' pensions and an 11.8-percent increase for veterans' service-connected disability compensation. It provides additional funds for VA hospital construction and medical care. It provides for the full 10-percent cost-of-living increase for the GI bill program requested by the President.

The budget also provides full funding for food stamps—a 38-percent increase over the 1979 level—and for social security cost-of-living increases which will amount to $18 billion in 1981 alone. Full Federal retirement cost-of-living increases—on a once-a-year basis like social security—for civilian and military retirees are also provided. The budget provides full funding for the 1980 trade adjustment assistance program supplemental appropriation.

The budget meets other essential domestic priorities. It provides for the full amount of the President's 1981 request for the strategic petroleum reserve and adequate funding for energy supply initiatives, including two solvent-refined coal plants. It provides $1.2 billion for the President's mass transit initiatives in 1980 and 1981, in addition to $3.7 billion for the continuation of the existing mass transit program.

The budget provides for the full amount of the President's 1981 request for the Economic Development Administration.

The defense increases in the budget will help improve our military readiness and support continued operations in the Indian Ocean. It will also provide long overdue pay increases for military personnel, increasing numbers of whom are eligible for food stamps and other welfare benefits at their present pay levels.

This budget provides for 8.5 percent real growth in defense budget authority in 1981 and 3.1 percent real growth in outlays. This defense level represents 5.5 percent of GNP, compared to the 7-percent average level of the last 20 years and the 9.4-percent average of the years between the Korean and Vietnam wars.

The balanced budget does not depend upon any of the revenues from the oil import fee. Instead, it proposes that the proceeds of that oil fee will be used for tax reduction to encourage productivity and offset social security tax increases.

This budget resolution also revises the 1980 budget to make room for essential supplemental funding for vital national priorities, including defense, food stamps, black lung and medicaid benefits, child nutrition, and the continuation of the Space Shuttle program.

Increases of $25 billion in costs beyond congressional control since the second budget resolution was adopted last fall have used up all of the room contained in that resolution for supplemental funding. This budget resolution increases the totals of the second budget resolution by $24.6 billion, restoring most of the flexibility contained in the second budget resolution for these important supplemental items.

The budget conference agreement also represents a reasonable balance between the resolutions adopted by each House. Compared to the budget authority levels passed by each House, the Senate moved $16.5 billion from its own position and the House moved $18.6 billion from its position. In outlay terms, the Senate moved $6.7 billion from its position and the House moved $10.3 billion. Nine of the ten Senate conferees are expected to sign the conference report, with only Senator ARMSTRONG dissenting. Eleven of the House conferees are expected to sign, including an unusual, bipartisan coalition of six Democrats, including Chairman GIAIMO and Representative SIMON, and five Republicans, including ranking member LATTA.

The same balance exists in the reconciliation savings instructions agreed to by the conference, which retained about 70 percent of all the reconciliation instructions recommended by either House. The total reconciliation required by the conference agreement totals $4.95 billion in budget authority and $6.4 billion in outlays. The original Senate version had included reconciliation instructions totaling $7.3 billion in budget authority and $8.8 billion in outlays. The House resolution had called for $6.9 billion in budget authority and $9.1 in outlays. The lower conference agreement includes all of the savings necessary to give integrity to the budget totals agreed to. The differences between the versions passed by the two Houses result mainly from the adjustments made in the budget totals as a result of the conference agreement.

Mr. President, I ask unanimous consent to have printed in the RECORD two tables which set forth the conference agreement.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

CONFERENCE AGREEMENT

[In billions of dollars, fiscal years]

	1980		1981	
	BA	O	BA	O
050	143.7	135.7	171.3	153.7
150	15.2	10.5	23.6	9.5
250	6.2	5.9	6.5	6.1
270	38.4	6.4	6.6	6.8
300	12.3	13.2	11.7	12.1
350	5.0	5 9	5.5	2.3
370	11.7	6.1	5.1	0
400	20.2	20.1	22.0	18.65
450	9.2	9.7	8.8	9.2
500	29.6	29.9	31.5	29.5
550	59.8	56.5	71.1	61.7
600	224.8	191.7	249.3	219.35
700	21.2	20.5	21.7	21.2
750	4.3	4.4	4.2	4.6
800	4.5	4.4	4.6	4.3
850	8.55	8.55	6.2	6.8
900	65.1	65.1	72.2	72.2
920				
950	−22.3	−22.3	−24.7	−24.7
Total	657.45	572.25	697.2	613.3
Revenues		525.7		613.8
Def/Sup		−46.55		+.5

CONFERENCE AGREEMENT

[In billions of dollars, fiscal years]

	1980		1981		1980 compared to—				1981 compared to—			
					Senate		House		Senate		House	
	BA	0	BA	0	BA	0	BA	0	BA	0	BA	0
050	143.7	135.7	171.3	153.7		+1.7	+1.2	+1.5	−2.1	−2.0	+10.5	+5.8
150	15.2	10.5	23.6	9.5		+.6	−.6	−.2	+.3		−.4	−.1
250	6.2	5.9	6.5	6.1			+.1		+.1		−.2	−.2
270	38.4	6.4	6.6	6.8	+0.5	−.1	−1.9		+2.8		−.9	−.3
300	12.3	13.2	11.7	12.1	+.1	+.3			+.2	+.2	−.3	−.3
350	5.0	5.9	5.5	2.3					−.1		+.1	
370	11.7	6.1	5.1	0		+.6	+.1		−.3	−.5		+.1
400	20.2	20.1	22.0	18.65	+.5	+.6	−.8		+2.25	+.6	−.8	−.85
450	9.2	9.7	8.8	9.2	+.6	+.6	+.5	+.5			−.2	−.2
500	29.6	29.9	31.5	29.5	+.3		−.3	−.2	+2.6	+1.5	−1.8	−1.2
550	59.8	56.5	71.1	61.7			−.1		+.4		−.4	−.1
600	224.8	191.7	249.3	219.35	+1.8	+1.7			+4.1	+1.15	−2.8	−.75
700	21.2	20.5	21.7	21.2			+.2	+.2	−.15	−.05		
750	4.3	4.4	4.2	4.6	+.1				−.1			
800	4.5	4.4	4.6	4.3							−.1	−.3
850	8.55	8.55	6.2	6.8	+.25	+.25	−.25	−.25	−1.0	−.7		
900	65.1	65.1	72.2	72.2	−.4	−.4						
920							−1.0	−.9				
950	−22.3	−22.3	−24.7	−24.7							−.1	−.1
Total	657.45	572.25	697.2	613.3	+3.75	+5.85	−2.85	+.65	+9.0	+.2	+2.6	+1.5
Revenues		525.7		613.8		−3.2		−3.1		+.6		
Def/Smp		−46.55		+.5		−9.05		−3.75		+.4		−1.5

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Wednesday, when the Senate returns from the Memorial Day break, the first order of business will be S. 2698, Calendar Order No. 755, a bill to provide authorizations for the Small Business Administration.

There is a time agreement on that bill. There will be rollcall votes in connection with the amendments offered thereto and final passage of the bill.

The joint leadership will be working in the meantime to develop other legislation to be taken up on the disposition of S. 2698. So there will be rollcall votes on Wednesday of next week, and there will be business on Thursday and Friday also.

RECESS UNTIL WEDNESDAY, MAY 28, 1980, AT 11 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 342, as amended, that the Senate stand in recess until 11 a.m. Wednesday, May 28, 1980.

The motion was agreed to; and at 4:25 p.m., the Senate recessed until Wednesday, May 28, 1980, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 22, 1980:

THE JUDICIARY

Robert Boochever, of Alaska, to be U.S. circuit judge for the ninth circuit, vice Shirley M. Hufstedler, resigned.

Horace W. Gilmore, of Michigan, to be U.S. district judge for the eastern district of Michigan, vice Cornelia G. Kennedy, elevated.

IN THE NAVY

The following-named lieutenant commander of the U.S. Navy for temporary promotion to the grade of commander in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefor as provided by law:

MEDICAL CORPS

Hartzman, Robert J.

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander, in the various staff corps, as indicated, pursuant to title 10, United States Code, section 5773 (Medical and Dental Corps), 5793 (Medical Corps), and 5791, subject to qualification therefor as provided by law:

MEDICAL CORPS

Bell, Clifford B.
Bolet, Celso G.
Wade, Lloyd R., Jr.

DENTAL CORPS

Wetzel, Jeffrey P.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps as indicated, pursuant to title 10, United States Code, section 5769 (line) 5773 (staff corps), and 5791, subject to qualification therefor as provided by law:

LINE

Cotton, Melvin R.
Crawford, Geoffrey E.
Jack, Richard S.
Jorczak, Rick E.
Mackie, Vernon E.
Saunders, Frank W.
Smith, Kenneth A.
Thomas, Kelvin J.
Wagner, Leon R.
Wickliff, Philip M.
Wylder, James R.

SUPPLY CORPS

Willoughby, Michael G.

CIVIL ENGINEER CORPS

Bell, Jimmie A.

NURSE CORPS

Brooks, George D.

The following-named woman ensign of the Supply Corps, of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the Supply Corps, pursuant to title 10, United States Code, sections 5787B and 5791, subject to qualification therefor as provided by law:

McKee, Laurie A.

Lieutenant Commander Martha S. Lyon, U.S. Navy for permanent promotion to the grade of lieutenant commander in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualification therefor as provided by law.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy, for appointment in the various staff corps, as indicated, as permanent lieutenants (junior grade) and temporary lieutenants, pursuant to title 10, United States Code, sections 5582 (b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Balwin, James P.
Boggio, Joseph H.
Brown, Mark T.
Davenport, Donny T.
Dolan, William D.
Doyle, John R.
Egan, Henry F.
Nitzel, Donald L.
Patrick, Kenneth R.
Prescott, Ernest A. Jr.
Vickers, Charles T.
Wheeler, Dennis R.

CIVIL ENGINEER CORPS

Jones, Thomas D.
Tarkington, Larry G.
Kimball, Mark I.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy, for appointment in the Civil Engineer Corps, as indicated as permanent ensigns and temporary lieutenants (junior grade), pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Amos, Scott J.
Ball, John L.
Bellacicco, Allan J.
Verhofstadt, Albert P.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy, for appointment in the various staff corps, as indicated, as permanent lieutenants (junior grade), pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Butler, Richard D.
Sullivan, Anne N.

CIVIL ENGINEER CORPS

Hess, Dennis L.

The following-named ensigns of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent ensigns, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Hill, Martha A.

CIVIL ENGINEER CORPS

Myers, Connie L.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 22, 1980:

DEPARTMENT OF THE INTERIOR

Clyde O. Martz, of Colorado, to be Solicitor of the Department of the Interior.

DEPARTMENT OF STATE

Gordon Robert Beyer, of Florida, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uganda.

Robert V. Keeley, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Zimbabwe.

Charles E. Marthinsen, of Virginia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

William Caldwell Harrop, of New Jersey, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Phillip R. Trimble, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

C. William Kontos, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Sudan.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Dean R. Axtell, of Illinois, to be Executive Vice President of the Overseas Private Investment Corporation.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

DIPLOMATIC AND FOREIGN SERVICE

Diplomatic and Foreign Service nominations beginning Robert James Korengold, to be a Foreign Service information officer of class 2, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America, and ending Fernando Sanchez, to be a Foreign Service officer of class 5, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 9, 1980.

HOUSE OF REPRESENTATIVES—*Thursday, May 22, 1980*

The House met at 10 a.m.

The Rev. Beverly C. Anderson, Dundalk Church of God, Dundalk, Md., offered the following prayer:

Eternal God, our Father, whose grace is sufficient for all our needs, bring our spirits into harmony with Thy spirit and our wills into accord with Thy will that we might have wholeness of life and oneness of purpose.

Bring encouragement and understanding for this day to each Member of the House of Representatives and all who labor with them. In the life of our Nation we see the aftermath of riots, the threat of strikes, the accumulation of strangers seeking a new home. Grant to those who are called to minister in these and other situations the skill and insight that would lead to the resolving of our disputes, and the healing of our ways.

In the spirit of Him who gives life, we pray. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. **ASHBROOK**. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The **SPEAKER**. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **ASHBROOK**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present. The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 340, nays 11, answered "present" 1, not voting 80, as follows:

[Roll No. 252]

YEAS—340

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Campbell
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gray
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Matsui
Mattox
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Satterfield
Scheuer
Schulze
Sebelius
Sensenbrenner
Shannon
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—11

Derwinski
Forsythe
Gingrich
Goodling
Harkin
Lloyd
Mitchell, Md.
Quayle
Sabo
Schroeder
Walker

ANSWERED "PRESENT"—1

Sharp

NOT VOTING—80

Ambro
Anderson, Ill.
Archer
AuCoin
Boggs
Bonker
Bowen
Brooks
Brown, Calif.
Buchanan
Butler
Byron
Cavanaugh
Conyers
D'Amours
Davis, Mich.
Davis, S.C.
Diggs
Dingell
Dixon
Dodd
Duncan, Oreg.
Eckhardt
Fish
Flippo
Foley
Ford, Mich.
Fountain
Giaimo
Gramm
Grassley
Green
Hansen
Heckler
Hinson
Holtzman
Huckaby
Ichord
Jacobs
Kazen
Kogovsek
LaFalce
Lewis
McCloskey
McCormack
McEwen
McKinney
Marks
Mathis
Mavroules
Minish
Moffett
Neal
Nolan
Ottinger
Panetta
Perkins
Preyer
Rangel
Rinaldo
Rodino
Rosenthal
Runnels
Santini
Sawyer
Seiberling
Simon
Staggers
Steed
Stewart
Stokes
Symms
Van Deerlin
Watkins
Waxman
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wolff
Young, Alaska

☐ 1010

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 340. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 2313.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2224. An act to amend the Small Business Act to increase the solar energy and energy conservation loan program authorization, and for other purposes; and

S. 2441. An act to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2313) entitled "An act to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes."

☐ 1020

REV. BEVERLY C. ANDERSON

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Speaker, we are grateful to the Reverend Beverly C. Anderson, pastor of the Dundalk Church of God, located in Dundalk, Md., for his moving and inspirational offering.

Members of Reverend Anderson's congregation, who have accompanied the reverend to the House of Representatives, are justly proud of Pastor Anderson because of his splendid work as pastor and his vigorous commitment to the spiritual well-being of the Dundalk community.

My fellow Members of the U.S. Congress and I thank Reverend Anderson, his wife Harriet, and members of the congregation of the Dundalk Church of God for being with us today.

SWEARING IN OF THE HONORABLE BILLY TAUZIN OF LOUISIANA AS A MEMBER OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana, the Honorable BILLY TAUZIN, be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MOORE. Mr. Speaker, reserving the right to object, the Republicans decidedly lost this election, and we have absolutely no intention of barring the swearing in of the gentleman from Louisiana.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Will the gentleman from Louisiana (Mr. TAUZIN) kindly step into the well of the House, along with the members of the Louisiana delegation, and take the oath of office?

Mr. TAUZIN appeared at the bar of the House and took the oath of office.

HISTORIC CONFERENCE AGREEMENT ON S. 932 SETS STAGE FOR AMERICA'S ENERGY INDEPENDENCE

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, it is an enormous pleasure for me to announce that the House and Senate conferees on the Comprehensive Energy Development and Conservation Act, which originated as a House bill, after several months of intensive sessions on the 10 separate titles of that bill, agreed last night on all the remaining issues that had been in disagreement.

We have instructed legislative counsel to complete the drafting of the precise language of our agreement by Monday, June 16. Under that arrangement we intend to bring this conference report to the House for approval in the third week of June, prior to the House recess for the Fourth of July home district work period.

This is unquestionably the most significant legislative initiative that we are likely to undertake in this year, or perhaps even in this decade, to restore this Nation of ours to energy independence.

The bill is a comprehensive one. It involves 10 separate titles. It commits this Nation to the development of a synthetic fuel capability of not less than 2 million barrels daily by the end of this decade by utilizing some of the coal that lies under our soil and some of the waste products of our fields and forests, indigenous American resources, to make this Nation productive of its own energy.

The legislation also contains significant initiatives for the solar energy bank and for production of gasohol, and in conservation measures designed to induce the maximum participation among the American public in the most beneficial insulation of homes and small businesses throughout the Nation.

I know that the Members of the House will be pleased with this news. We are anxious to move forward on this dramatic effort which began as a House initiative last year. Perhaps we may look forward to the President's signing this bill on the Fourth of July as a declaration of this Nation's determination to achieve energy independence.

☐ 1030

GRANDPARENTS

(Mrs. BOUQUARD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOUQUARD. Mr. Speaker, there are few titles in this life which bring a greater sense of joy and satisfaction than that of "grandparent." This past Sunday, May 18, 1980, our distinguished colleague and my very good friend, ED JONES, and his wonderful wife Llewellyn acquired this precious title. I know that I join with all of his colleagues in extending our very best wishes and congratulations to both ED and Llew Jones on the birth of their first grandchild, Meghan Elizabeth Kinnard. Meghan's mother, Dr. Jennifer Jones Kinnard, is the daughter of Representative and Mrs. Jones. To her, her husband, Dr. Michael Kinnard, and to Meghan Elizabeth we extend every good wish for a happy, healthy and joyous life. To ED and Llew Jones we wish you all the happiness, love, and pride that go with the title "grandfather" and "grandmother."

MIAMI TRAGEDY

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, I am sure that all of us are pleased that there is a semblance of order in Miami. Once again an enormous tragedy has hit this Nation—people killed, people wounded, and people in jail. The time to speak was not during the height of that turmoil. But now that it has subsided, it is time to speak.

I would suggest that this House has a singular and sobering responsibility to look at not the surface causes of what took place in Miami, but to go below the surface and find out what it is that causes this kind of upheaval in our cities. I think I know what it is. I think it is a matter of persistent joblessness in our black and minority community; and as a result of that persistent joblessness, all kinds of pathologies manifest themselves.

I would urge the Members of this House to address that problem because the potential for the same kind of danger is in every American city with a large, unemployed black population. We do not want it to happen. I think the House must take a responsibility to begin to address the problem of black joblessness, which this Member believes was the root cause behind the turmoil in Miami, Fla.

The SPEAKER pro tempore (Mrs. BOUQUARD). The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

WELCOME TO BILLY TAUZIN

(Mr. BREAUX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BREAUX. Madam Speaker, I take this time to welcome our newest member of the Louisiana delegation and the newest Member, indeed, of the House of Representatives to the Congress today. His name is BILLY TAUZIN. He brings with him the experience of a seasoned and veteran legislator from the Louisiana House of Representatives. He also brings with him the wit and charm of all Louisianians who call themselves politicians and statesmen at the same time.

I think as we get to know this young man we will know that he brings the experience, the background, and the intelligence that we can work with so well.

I also take this time to mention to every one of my colleagues that his name is TAUZIN, not Tarzan, a problem that I had for many years trying to spell my name correctly to all of our colleagues.

So we all join in welcoming our good friend and newest colleague, BILLY TAUZIN.

WELCOME TO NEW MEMBER BILLY TAUZIN

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Madam Speaker, I also rise to welcome our new colleague, BILLY TAUZIN, to the House. I understand it is somewhat unusual for a Republican to rise and welcome a Democrat, but we do things differently in Louisiana. I also think this is a very unusual circumstance. I have known this gentleman for about 10 years, and during that time I have always had a very high respect for him. My first contact came with him when he was a freshman legislator in the Louisiana House, and he went against his lawyer colleagues as members of the Bar Association and sponsored and was a floor leader for no-fault insurance legislation which was very unpopular with lawyers. He took a very courageous stand in doing what he felt was right. From that day to this, I have always had great respect for him.

BILLY, I sincerely welcome you to the House, and I know you will have a very long and distinguished career here in the House of Representatives.

SECOND PLACE AGAIN

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Madam Speaker, the struggle for equality was struck a severe blow last weekend in my home State of Maryland.

Throughout history women have been relegated to second-class role in most societies. Their advancement has not come easily. Every iota of progress has been attained only with a substantial investment of blood, sweat, and tears. Through demonstrated success in elected office, the corporate boardrooms, and the homes we have been able to eliminate many of the old myths concerning our limitations.

This year we again had the opportunity to strike at the heart of one of these myths. We had the opportunity to see Genuine Risk become the first filly to win the Triple Crown.

Two weeks before, Genuine Risk was the first filly to win the Kentucky Derby in 65 years. And then she came to Maryland for the Preakness where her dreams were shattered. In what only can be described as a blatant act of sexual harassment before a national television audience Genuine Risk was knocked aside to second place. Second place again.

JOBS CRISIS

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEPPER. Madam Speaker, I want to commend my friend and able colleague, the gentleman from Maryland, for calling attention to the need for jobs in the area, which has been the subject of such tragic violence, in the Miami area. We all know that the figures generally accepted are that among black youth, the rate of unemployment is 40 percent, and among adult black people the rate of unemployment is 12 percent.

When you take those figures, you may find some explanation, if not justification, for the violence that erupted and tore asunder our community.

The reason I rise is to say I know the Members of this House will share with us the feeling that we have part of the responsibility.

I ventured yesterday morning to call the distinguished Senator from South Carolina, Mr. HOLLINGS, chairman of the Senate Budget Committee, and our own distinguished chairman, the gentleman from Connecticut (Mr. GIAIMO), to remind them that we were going to have to have money to try to provide jobs for these people, the black people, primarily the young, but also the adults, and perhaps other aid. The Governor has designated our area as a disaster area. I anticipate the President will approve it. I just wanted the House to be aware of the fact that we are going to have to call upon you to help in this crisis.

LET US TIE OUR SALARIES INVERSELY TO INFLATION

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Madam Speaker, if your salary, my salary, and the salaries of all House Members, Senators and top Federal executive officials were tied to whether or not inflation went up or down, do you think we might get some real action around here against inflation, the mother of tyrannies?

Madam Speaker. I suggest we would get action, and fast if our pay went down as inflation went up. This is the basis of my bill, H.R. 4560, the Federal Salary Control Act. This act would allow a maximum of 2 percent annual inflation, but if Congress and the President fail to meet that 2 percent or lower goal in 2 consecutive years, there would be no salary increases allowed. This would apply to all executive branch employees with salaries at or above $40,000. Congressmen and Senators would have a minimum floor to their salaries of $42,500, after that they would have to earn more by really smashing inflation.

Madam Speaker, let us face it. is it not time we make our rate of inflation the prime concern of this Congress? We can try to solve inflation with careful planning and tight budgets but Members who are serious about it should set an example for all the citizenry by putting our own salaries. drawn from the public Treasury, on the line.

LET US HELP PRESIDENT CARTER KEEP CAMPAIGN PROMISES

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Madam Speaker, back 4 years ago when President Carter was candidate Jimmy Carter, we all recall a great many campaign promises and commitments he made to the American people at that time. One of those is recorded by the New York Times on September 9, 1976, and I quote:

> I would never increase taxes for the working people of our country and the lower and middle-income groups . . . you can depend on that if I am elected.

Madam Speaker, we all know that that promise has not been kept. But it shocked me yesterday to see a picture of the three Democrat leaders, the top leaders of this House, in the paper pledging they would do everything they could to block a vote to repeal the tax on gasoline that President Carter is trying to place on the poor people, the working people of our country.

Just the day before yesterday, we saw a parade of Members from both sides of the aisle come to this well and pledge they will do something about repealing that tax. I did not hear a soul here, the Speaker or the other leaders, defending that tax.

It is time for that leadership to defend their President and to help him keep his campaign promises.

☐ 1040

HOUSE-SENATE CONFEREES REACH AGREEMENT ON SYNTHETIC FUELS DEVELOPMENT

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CONTE. Madam Speaker, as a Member of the Congress who has actively supported synthetic fuels development, I am very pleased to say that the House-Senate conferees, who have worked so diligently on the omnibus energy bill, have reached agreement on this issue.

This legislation will be seen as an historic breakthrough in this Nation's attempt to eliminate the OPEC oil ministers' stranglehold. It will be viewed as the necessary incentive for the private sector to initiate a long-term, industry-wide program to develop our remaining vital natural resources.

Madam Speaker, this body is grateful to those conferees who have worked so hard to craft this legislation.

NATION MUST BECOME SELF-SUFFICIENT WHERE FUEL IS CONCERNED

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Madam Speaker, I just heard the gentleman from Indiana. say the President did not keep his promise not to raise taxes. And I know he is here all the time and participates actively in floor debate, but a quick review of the legislative record of this House will indicate that in fact there has been a fulfillment of President Carter's commitment. The President not only did not raise taxes, he in fact reduced them. This House passed the bill reducing them and I am certain the gentleman was present.

One of the most important questions is that of energy self-sufficiency. The very life of this Nation depends upon being independent with relation to fuel.

The proposition of imposing a tax is a philosophy that extends from Europe, where the cars are smaller, and the fuel consumption is less as a result of the very high prices, as high as $4 a gallon with resulting conservation. Hopefully, this Nation will continue to respond in the fashion that it has with a 9-percent diminution in the consumption of fuel, with a glut of fuel on the market, as contrasted to last year when there was a scarcity of fuel. Conflict and anguish wracked this country. That situation happily no longer exists.

The President overall is working and we have only just begun. The President has indeed kept his commitment.

IN LONELY DEFENSE OF THE 10-CENTS-A-GALLON TAX

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MILLER of Ohio. Madam Speaker——

Mr. MYERS of Indiana. Madam Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Madam Speaker, I stand corrected. Just a moment ago in the well I said there had been no one who had defended the 10-cents-a-gallon additional tax. Now I stand corrected. The gentleman from New York, at least is one, who now has defended the tax on gasoline. I apologize for my misstatement, but up until the time I took the well, no one defended the 10-cents-a-gallon additional tax. I stand corrected.

WAIVING CERTAIN POINTS OF ORDER AGAINST THE CONFERENCE REPORT ON H.R. 3236, SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980

Mr. PEPPER. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 673 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 673

Resolved, That upon the adoption of this resolution it shall be in order to consider, sections 303(a)(4) and 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, the conference report on the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, and all points of order against the conference report for failure to comply with the provisions of clauses 3 and 4, rule XXVIII are hereby waived.

The SPEAKER pro tempore. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Madam Speaker, I yield the usual 30 minutes for purposes of debate only to the able gentleman from Missouri (Mr. TAYLOR), pending which I yield myself such time as I may consume.

May I, on behalf of the majority of the Rules Committee, commend and welcome to his first handling of a rule on the floor, the distinguished gentleman from Missouri, who has recently become a member of the Committee on Rules.

I am sure that he will do his job with excellence, and he is to be commended. I wish him a long and happy life upon the Committee on Rules and many other successful handling of rules on the floor.

Madam Speaker, the resolution today is House Resolution 673. It is a rule providing for the consideration of the conference report on H.R. 3236, the Social Security Disability Amendments Act of 1979. The rules waives various points of order against consideration of the conference report.

Madam Speaker, may I just say by way of a personal expression that I oppose certain provisions of this bill, the Social Security Disability Amendments Act of 1979, but the House chose to preserve the bill as it was presented by the distinguished gentleman from Texas, my devoted friend (Mr. PICKLE). I am sure that no one could have presented the bill more ably and with more sincerity and dedication than he did. If experience proves that further amendments should be made in this act, I am sure that he will always be attentive to consideration of those proposals and will give them fair regard so that the ends of justice for the people of this country might be best served.

The rule waives section 303(a)(4) of the Congressional Budget Act, which provides that consideration of new spending authority is not in order before the adoption of the first budget resolution. This waiver is necessary because, by amending the social security disability insurance program and other sections of the Social Security Act, H.R. 3236 creates new entitlement authority beginning in fiscal 1981.

The rule also waives section 401(b)(1) of the Budget Act which provides that it is not in order to consider legislation creating entitlement authority which would be effective before the beginning of the next fiscal year. This waiver is necessary because section 404 of the conference report creates entitlement authority which would be effective on July 1, 1980.

Section 404 allows Federal matching payments for child support duties performed by State and local court personnel. The Budget Committee supports both of these Budget Act waivers. In his letter to the Committee on Rules, the distinguished chairman of the Budget Committee, the gentleman from Connecticut (Mr. GIAIMO), pointed out that there is ample precedent for these waivers because of the difficulty restructuring entitlement programs without technical violations of the Congressional Budget Act. The gentleman noted that enactment of H.R. 3236, as reported by the conferees, will result in savings of $6 million in fiscal year 1980 and $70 million in fiscal year 1981. These legislative savings are assumed in the budget resolution for fiscal years 1980 and 1981 now in conference.

The rule also waives clause 3 of rule XXVIII against consideration of the conference report. This rule limits, the Members will recall, the contents of the conference report to the scope of differences between the two Houses. This waiver in this case is needed primarily because enactment dates for various provisions of H.R. 3236 were changed by the conferees. Other compromises forged by the conferees also are technical scope violations.

□ 1050

A pilot project involving State services to severely handicapped individuals who are not eligible for supplemental security income payments, an expansion of a Social Security Administration project examing the effect of social security disability programs on the terminally ill, and the standards for Federal certification of Medi-Gap insurance policies fall into this category.

I will say that I am very much pleased that the conferees brought to the House in this bill from the conference the so-called Medi-Gap bill of which I was the author in the House, which will do much to protect the elderly people in this country against many abuses which have been perpetrated against them by some unscrupulous agents of some unscrupulous insurance companies.

We had in the course of our hearings an example in the State of Illinois, I believe it was, of an elderly lady who owned a farm, who had to mortgage her farm to get I believe $15,000 to pay the premiums on some 70 or 80 insurance policies, which over a course of 2 or 3 years had been sold to her by unscrupulous agents of some unscrupulous insurance companies.

We find, for example, the growth of the practice of selling insurance by mail. That would mean that a company in the District of Columbia could sell an elderly person in my State of Florida an insurance policy by mail. If there were fraud perpetrated upon that purchaser, the only redress would be for that individual to come to the District of Columbia and get a lawyer and bring suit here, with all the attendant expense and difficulty that it would entail.

Sometimes there are cancer policies, which would especially appeal to fraud in many cases, the obligation of the insurance policy would be in a long circuitous sentence that a Philadelphia lawyer could hardly unravel or understand. Yet it was a practice to take advantage of these policies with many people.

So this Medi-Gap bill adopts the principle of what we call the Good Housekeeping Seal, whereby the companies may submit their policies and their practices to a Government agency and if they are approved, there will be a certificate of issue and we hope the elderly will be advised when somebody comes up with what looks like maybe a questionable insurance policy. That individual could say, "I want to see your certificate. Have you got a certificate that your policies are fair and your practices are fair?"

So I want to commend the distinguished gentleman from Texas and others who had a part in this conference for including this provision in the conference report.

Finally, the rule waives clause 4 of rule XXVIII, which would permit points of order based on germaneness. This waiver is needed for several reasons. First, the other body chose to include changes in the SSI disability program in its version of the bill. These revisions were not contained in the House version of H.R. 3236, but were addressed in H.R. 3464, the SSI disability amendments of 1979, which passed the House on June 6, 1979, by a vote of 374 to 3.

Second, the version of H.R. 3236 passed by the other body contains amendments for aid to families with dependent children and child support programs. Similar items were considered by the House when it passed H.R. 4904, the Social Welfare Reform Amendments of 1979, on November 7, 1979, by a vote of 222 to 184.

Third, the other body included a provision establishing a program designed to eliminate abuses in the sale of Medi-Gap insurance to the elderly. The conferees agreed to adopt this provision.

Madam Speaker, this rule will allow the House to work its will on the excellent work of the conferees, and I urge my colleagues to support both the rule and the conference report.

Madam Speaker, I yield to my distinguished friend, the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Madam Speaker, I thank the gentleman for yielding.

I would like to take this opportunity to commend the gentleman from Florida for his extraordinary work and his leadership in investigating the Medi-Gap insurance frauds on which I was privileged to participate.

From the testimony, it is quite evident that the Select Committee on Aging once again performed well and serves as an important supplement to the standing legislative committees. It is this kind of work that justifies its continued existence and also the gentleman's leadership in this area of concern for the elderly is once again manifest.

The experience of abuse we were confronted with was the most cruel and most horrible experience and treatment of the elderly by the established insurance companies. Day after day they worked their fraudulent practices. Hopefully with the enactment of this conference report, that will cease; at least, I am certain it will diminish.

Risking the hazard of being repetitious, I simply must again commend the gentleman from Florida (Mr. PEPPER) for his leadership and his extraordinary and abiding commitment to the elderly.

Mr. PEPPER. Madam Speaker, I thank the distinguished gentleman from New York very much for his kind words.

While this Medi-Gap amendment bears my name, and I have worked, of course, on it; but it is the work of the Select Committee on Aging and one of those who made the most significant contribution to its passage, growing out of our long hearings on the subject, was the distinguished gentleman from New York (Mr. BIAGGI).

Madam Speaker, I yield to the able gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR. Madam Speaker, the distinguished gentleman from Florida was very generous in his praise and for that I want to express my appreciation and for the opportunity of serving on the Committee on Rules and for the cordiality that has been accorded me since I assumed that position.

Madam Speaker, House Resolution 673 is a rule waiving certain points of order against the conference report to the bill. H.R. 3236, the Social Security Disability Amendments of 1980. Specifically, this rule contains four waivers against the conference report. The first waiver is of section 303(a)(4) of the Congressional Budget Act of 1974 which prohibits the authorization of new spending authority before the first budget resolution is adopted. According to the testimony we received in the Rules Committee from the gentleman from Texas (Mr. PICKLE) and the gentleman from California (Mr. CORMAN), this waiver is necessary because the conference report contains several sections involving what may be defined as new entitlements which begin in fiscal 1981, and, as my colleagues are aware, we have not yet adopted the final version of the fiscal 1981 first concurrent resolution on the budget.

The second waiver is also a budget waiver—section 401(b)(1) of the Congressional Budget Act of 1974 which prohibits the enactment of new entitlement authority before October 1 of the current calendar year. This waiver is necessitated by the fact that one section of the conference report includes what may be defined as a 1980 entitlement with respect to SSI.

The rule also waives clause 3 of rule 28 which limits the contents of a conference report to the scope of the differences between the two Houses. Again, as was testified before the Rules Committee, because of an effort to spread out startup administrative costs so that they would not be a burden either to the administration or to the congressional budget, and because of a concern that the conference maintain the promise of both the House and Senate Committees that no benefit changes would affect anyone currently on the rolls, several effective dates were changed in the conference reports to dates later than either the House or Senate version, thus violating the scope rule on conference reports.

The fourth waiver in this rule is against clause 4 of rule 28—the germaneness rule on conference reports. In this regard, I think it should be noted that the Senate combined H.R. 3236, regarding the social security disability program, with H.R. 3434, a House-passed bill which makes often parallel changes in the supplemental security income disability program. The Senate also made other changes in the SSI program, including changes regarding the eligibility of aliens for benefits. The germaneness problems arises from two sources: First, the Senate added to this bill several provisions regarding the AFDC program; and second, the Senate added to this bill a program to increase protection for our elderly citizens purchasing the so-called Medi-Gap health insurance policies which are designed to provide additional health protections in areas not covered or not fully covered by medicare. This particular legislative proposal has had as its chief proponent our esteemed colleague on the Rules Committee and the chairman of the Select Committee on Aging, the gentleman from Florida (Mr. PEPPER). These two provisions may not have been germane to the original bill as passed by the House, thus necessitating this final waiver in the rule. But I think it should be pointed out to my colleagues that the President and some 220 House Members have formally petitioned the conference committee to maintain the Medi-Gap provision in the final version of H.R. 3236.

In support of this rule, I would make three additional points. Nearly all of the issues in this conference report have been fully debated in the House, according to our two witnesses from the Ways and Means Committee—even if not in the context of this particular legislation. Second, with regard to the two budget waivers, the Budget Committee has polled its members and no one on the Budget Committee objects to the two budget waivers contained in this rule. And finally, this rule was unanimously adopted by the Rules Committee on a voice vote. For these reasons, I urge adoption of the rule.

Mr. PEPPER. Madam Speaker, I yield such time as he may need to the distinguished gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Madam Speaker, I rise in support of this rule. As chairman of the subcommittee which originated this legislation, I can testify that it has had a long and complicated history. But, it is a good bill, and the House ought to complete action on it today. There is nothing in this bill which has not already been the subject of long study and debate, and it is time to move on to other matters.

A waiver of points of order is necessary because the Senate combined the original House bill H.R. 3236 with portions of other House-passed legislation, especially H.R. 3464, and because the Senate also added to this legislation a program of increased control over the so-called Medi-Gap policies. It is also necessary because the bill has been under consideration for some time. This prompted the conferees to change some effective dates so that they would be reasonable and so that no current beneficiaries would be accidentally affected by changes in the program.

A waiver is also needed because the timing of consideration of this legislation encounters difficulties with certain portions of the Budget Act. However, the Budget Committee has reviewed these matters and has given its approval to a waiver.

I urge, therefore, that this rule be passed so that the House can proceed expeditiously and complete action on the conference report.

Madam Speaker, may I also say in response to the gentleman from Florida, that as chairman of the subcommittee which originated the legislation and which in the subcommittee attempted to bring out a good bill, we recognize that the gentleman from Florida did not agree with all provisions of the bill and the gentleman from Florida showed his opposition in the Committee on Rules and on the floor; but the gentleman did it in a manner that was meritorious and in a gentlemanly fashion that is so typical of the services of the gentleman from Florida.

We did make some modifications with the Senate. The bill we passed may not be perfect and we will have to study and watch it in the years to come. We will do that and I give the gentleman that assurance.

I also would recognize the part the gentleman played in the Medi-Gap insurance. While we did not include in the conference report the amendment exactly as recommended by the other body, we have checked it back with the States and said, "You must get your house in order," and we give them time to do it. We leave it to the States so that we do not get into the question of jurisdiction of the Congress over insurance matters.

Madam Speaker, the committee has been asked two questions about the national panel. First, we have been asked is it the intent that the panel make independent determinations with respect to whether a State regulatory program includes standards which are equal to or more stringent than the standards contained in the model regulation approved by the National Association of Insurance Commissioners?

The answer is that the national panel would independently make the determinations, using criteria and detailed definitions based upon the language of this act which it, rather than the Department of Health and Human Services, develops.

Second, we have been asked since there may be situations in which a State implements a regulatory program after January 1, 1982, and before July 1, 1982, when the voluntary certification program is effective, is it the intent that the panel promptly review the State program and make its determination on a timely basis?

It was the understanding of the conferees that in every case, both prior to and after the effective date of the voluntary program, the panel would promptly review and make a determination on the State program. In the particular situation described by my colleague, it is the intent that the Panel make its determination, if at all possible, prior to the effective date of the voluntary program.

Let me also say we would not have taken this action on the Medi-Gap question had it not been for the perseverance of the gentleman from Florida and many that signed the petition with him; so I commend the gentleman for his work in that field and for his constant care for the poor and for the elderly and for all those that need human services. The gentleman from Florida is an extraordinary individual.

Madam Speaker, I rise in support of this rule and hope we can pass it and then pass the bill, because it is landmark legislation.

Mr. PEPPER. Madam Speaker, a number of our colleagues have anticipated that sometime there would be a Pickle-Pepper bill that would come forth in this House. Now that we have a Pepper rule and a Pickle bill, we have achieved that. I hope the Pepper rule and the Pickle bill will both be adopted.

Madam Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 2253, ROCK ISLAND TRANSITION ACT

Mr. STAGGERS. Madam Speaker, I call up the conference report on the Senate bill (S. 2253) to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 22, 1980.)

Mr. STAGGERS (during the reading). Madam Speaker, I ask unanimous consent that the statements be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER pro tempore. The gentleman from West Virginia (Mr. Staggers) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. Madigan) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Madam Speaker, I yield myself such time as I may consume.

I first would like to compliment the gentleman from New Jersey (Mr. Florio), the subcommittee chairman, for his very able work in bringing this bill to the floor, and not only this bill but many other important and troublesome bills since becoming subcommittee chairman this year. I would say he is one of the most able subcommittee chairmen in the House of Representatives, bar none. He is able, he is very knowledgeable, and he does his work well. He certainly deserves our respect.

As for the ranking minority member, the gentleman from Illinois (Mr. Madigan), I have always considered him one who is able to put aside partisan politics for the good of America. I have always thought that he had a lot of moral courage and when he thought something was morally right he would say it was politically right. He has followed through with that throughout the years. So I congratulate Mr. Madigan for the work he has done, not only on this particular piece of legislation but other work, in helping the subcommittee chairman, the gentleman from New Jersey (Mr. Florio) and others in our House.

Also the staff has done an excellent job in helping to work this out with the other body. It was not an easy conference to get through because the other body seemed very adamant and the House did, too, but we finally did come to a conclusion and worked it out, I think, to the advantage of America.

Title I provides Rock Island employees, who are unable to secure employment with other carriers, benefits and initiatives for future employment. The conference committee kept the House provision requiring the ICC to impose a $75 million employee protection plan, payable as a claim of administration, no less protective of the interests of employees than under section 9 of the Milwaukee Railroad Restructuring Act. The Congress has limited the liability of the Rock Island estate for employee protection and has provided that in exchange for such limitation, the claims for employee protection will be claims of administration. The bill provides for retraining benefits and a right of first hire on other carriers by Rock Island employees who have not found jobs already with other carriers.

The conferees adopted several other provisions from both the Senate and House versions that will accelerate and facilitate a smooth transition in the Midwest with respect to the continuing rail restructuring. The legislation provides $15 million for directed service on lines of the Rock Island that have not yet been acquired.

Vital agricultural commodities are awaiting transportation to market and the conferees have provided limited directed service to move these commodities. Every effort to enhance purchasers of lines of the Rock Island and the Milwaukee Railroad to come forward has been made in this legislation. Not less than $25 million is available for the purchase by noncarriers of Rock Island and up to $18 million is available for purchase only for lines of the Milwaukee, to the extent the Secretary of Transportation determines that funds are available.

Section 116 provides 30 days of preacquisition directed service on the Milwaukee Railroad in any State where the legislation has enacted a law prior to the enactment of this legislation, which provides for a State to tender a bona fide offer for acquisition of such rail lines or line segments. The conferees recognized that it is difficult to affix the 30-day period prior to an acquisition when the date for acquisition is uncertain.

The conferees intend that the provision not be invoked earlier than the date the acquisition is approved by the Interstate Commerce Commission under section 5 of the Milwaukee Railroad Restructuring Act. The conferees further intend that a bonafide offer by a State not depend on Federal assistance. The bill is necessary to avert a May 31 deadline when the ICC's authority to direct service without compensation expires. Provisions in this bill will assure continued commuter operations by the regional transportation authority in Chicago as well as freight operations by those carriers who have not yet filed applications to purchase segments of either the Rock Island or Milwaukee Railroad.

Title II of the legislation authorizes additional appropriations of $750 million for the Northeast Corridor improvement project and establishes a framework for orderly development of other rail corridors throughout the Nation.

The conference report would bring the total Northeast Corridor authorization to $2.5 billion and terminate the project at the end of fiscal year 1985. It would also transfer all authority over contracting for Northeast Corridor track improvements from DOT to Amtrak 90 days after enactment and transfer all remaining project authority from DOT to Amtrak at the end of fiscal year 1985. These provisions are substantially similar to those contained in the House-passed bill.

The conferees also agreed to establish priorities governing selection and scheduling of specific projects within the overall project and to provide that in the event of a conflict between Northeast Corridor trip-time goals and authorized funding limits, the latter will prevail. These provisions add an additional element of direction and control to the project and should furnish needed guidance to DOT and Amtrak as they carry out their Northeast Corridor responsibilities.

The conference report would also require the Secretary of Transportation, in consultation with Amtrak, to evaluate additional rail passenger corridors on the basis of potential energy savings, ridership and cost effectiveness, and to rank the corridors evaluated. Amtrak is then required to perform design and engineering studies on priority-ranked corridors, to conduct a more detailed final evaluation with DOT, and submit the results to Congress for further action. The conference report would authorize $38 million for these purposes and $25 million for additional short-hand passenger equipment. The House figures for these purposes were $55 million and $50 million, respectively.

The conferees also adopted a provision which would enable Amtrak to apply to the Secretary of Transportation for an order directing a private railroad to permit operation of additional passenger trains over its lines if Amtrak and the railroad are unable to reach satisfactory voluntary agreement on the terms and conditions of such operation. This provision is substantially similar to one in the House bill and strikes a fair balance between competing rail freight and passenger concerns.

Madam Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. FLORIO), chairman of the subcommittee.

Mr. FLORIO. Madam Speaker, I wish to express my appreciation for the very kind remarks by the chairman of the full committee. I express my appreciation to him as well as to the ranking minority member, the gentleman from Illinois (Mr. MADIGAN), as well as to all of the conferees who worked so very hard to put this package together.

The conference report on S. 2253 includes provisions for the Northeast Corridor improvement project, other intercity rail passenger corridors and the Rock Island Railroad.

It authorizes $750 million for the completion of the Northeast Corridor improvement project by 1985 and $38 million to begin the planning necessary for the development of intercity rail passenger corridors throughout the country. There will also be $25 million available in fiscal year 1982 for the acquisition of equipment to be used for rail passenger service.

The $750 million funding level represents the administration's request and was identical in both the House and Senate bills.

In light of the critical energy situation and continuing inflation threatening this Nation, I am pleased that the conferees recognize the importance of finishing the Northeast Corridor project and commencing the planning process for the development of other energy efficient rail passenger corridors.

The 13 rail passenger corridors listed in the conference report represent those rail passenger corridors which the Department of Transportation and Amtrak believe have the greatest potential to attract riders, reduce energy consumption, and provide cost effective service. The Secretary of Transportation will review other corridors to insure that no corridor with potential as great as these 13 was overlooked.

Amtrak, in consultation with the Secretary, is to prepare design and engineering plans which will yield accurate cost estimates. This will enable Congress to make decisions as to which corridor projects should be undertaken.

The agreement on the Rock Island represents a sound approach to rail problems in the Midwest. Provisions in the bill insure that carriers operating over the Rock Island on a temporary basis may continue. That temporary service is serving over 75 percent of the traffic of the former Rock Island.

The key to preserving service on the Rock Island is the provision of guaranteed employee protection payments of a reduced amount in place of protracted litigation over higher payments. This bill provides $75 million in Federal loans for the trustee to make such payments. The loans are an expense of administration of the estate. The estate will be required to repay them to the Federal Government.

The bill also provides $15 million to preserve service on the Rock Island where no other carrier is interested in providing temporary service, but where a potential purchaser has been identified.

Federal loan funds are also made available to purchasers of Rock Island property.

I believe this bill, dealing with the Northeast Corridor and other corridors and with the Rock Island, is an important piece of national legislation, and I urge the adoption of the conference report.

□ 1110

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois for 30 minutes.

Mr. MADIGAN. I thank the Speaker. At the outset I would be remiss if I did not personally thank both the gentleman from West Virginia (Mr. STAGGERS) and the gentleman from New Jersey (Mr. FLORIO) for their kind remarks about me. But, more importantly, to acknowledge as a Member of the House that it would be impossible, I think, for people to believe the good relationship that exists between the majority members and the minority members of the Committee on Interstate and Foreign Commerce. I want to acknowledge that that relationship does exist. It exists because we are all interested in doing what is best for this country, but primarily it exists because of the manner and the temperament of the gentleman from West Virginia (Mr. STAGGERS), the chairman of the committee, who goes out of his way to make it easier for people to perform their duties here in the House of Representatives. Later on we will have more to say about that, but I wanted to say at this point that I certainly appreciate the kind remarks of the gentleman from West Virginia (Mr. STAGGERS) and the gentleman from New Jersey (Mr. FLORIO).

In my judgment, and in agreeing with the gentleman from West Virginia (Mr. STAGGERS), I would say that the gentleman from New Jersey (Mr. FLORIO) is doing an outstanding job as chairman of our subcommittee.

The conference report which we are voting on today contains three major provisions: First, relief and assistance to those shippers and employees affected by the bankruptcy of the Rock Island Railroad; second, a $750 million authorization for the completion of the Northeast Corridor; and third, $38 million for design studies of other corridors.

ROCK ISLAND RAILROAD

The bankruptcy of the Rock Island Railroad is indicative of the condition of the rail industry as a whole. We have previously witnessed the railroad bankruptcies in the Northeast. The Milwaukee Railroad bankruptcy is a lingering issue. If dramatic steps are not taken, the industry will continue its decline. The Interstate and Foreign Commerce Committee has addressed the roots of the railroad problems in the railroad deregulation bill which was reported on May 15. However, before the railroads can be built into a revitalized transportation network, transition assistance must be given to those shippers and employees affected by the bankruptcies, and to those organizations which will provide rail service over Rock Island track.

One essential ingredient for a successful transition is preserving the skilled railroad employees necessary to provide rail service. Incentives are built into this bill so that railroad employees will continue to work in the industry rather than be idle.

This legislation assists shippers and potential purchasers of portions of the Rock Island Railroad during this transition period by making available $25 million to noncarrier entities for purchasing portions of the Rock Island system; $18 million is also available for noncarrier entities under the redeemable preference share program to the extent the Secretary determines the funds are available. Furthermore, directed service may be continued for 90 days on lines where there is a legitimate bid or on lines where there are grains or foods ready to be shipped.

NORTHEAST CORRIDOR

As our fuel resources become increasingly scarce, the need to economize becomes greater. The Congressional Budget Office report on "the current and future savings of energy attributable to Amtrak" has documented the energy savings of the Northeast Corridor. Although the corridor project has encountered difficulties which should have been avoided, it is anticipated that trip time goals will be achieved and the completion of the work assigned to the Secretary shall be completed with this authorization of $750 million. This transportation network will service 19 percent of our Nation's population.

EMERGING CORRIDORS

Short-haul, efficient transportation between major population centers is a wise use of our Nation's resources. The conference report authorizes $38 million for design studies in preparation to build fuel efficient short-haul railroad passenger corridors.

Mention is made in the conference report as to the use of the windfall profit tax as a possible source of future construction funds. We must act now to implement a wise transportation policy for future generations.

I urge the adoption of this conference report.

Madam Speaker, I would now yield to my distinguished colleague, the gentleman from Kansas (Mr. Sebelius) such time as he may require.

Mr. SEBELIUS. Madam Speaker, I thank the gentleman for yielding and for his kind remarks. I want to compliment him and the chairman of the subcommittee, the gentleman from New Jersey (Mr. Florio) and the chairman of the full committee, the gentleman from West Virginia (Mr. Staggers) for their cooperation and patience and understanding in trying to solve a very, very important problem. I would like to extend the thanks of all the farmers and businessmen who live around the 57 elevators with their 40 million-bushel capacity that are in my district, for giving us a tool to try without service to solve our problem, because right now they sit out there as islands. With harvest coming on, we need every tool we can get to solve this problem. I want to thank all of those who participated in it, and certainly with the conference report we will try to work with them to solve the problem.

Mr. BEREUTER. Madam Speaker, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding. I would like to associate myself with the remarks of the gentleman from Kansas (Mr. Sebelius) and extend appreciation due to the leadership of this committee on both sides of the aisle and to the staff, and give credit to the gentleman for his remarks concerning the importance of this legislation on agriculture.

Madam Speaker, I rise in strong support of the conference report.

As I have said many times before, the legislation that is before us today could be one of the most crucial proposals affecting my district this year. Unlike much of the Rock Island system which will be eventually purchased by other lines, an application for purchase of the portion that runs from Omaha, Nebr., to Colorado Springs, Colo., and through my congressional district, has not been received. That is exactly why this bill is so critical. It not only provides the necessary provisions for labor protection, but it also addresses the incentives for those that might be interested in acquiring the line. I might add, Mr. Speaker, I was pleased to see that the conferees felt it necessary to include in the legislation an amendment that I introduced focusing on the scrapping of the Rock Island. It is important that we give all prospective buyers adequate time to inspect the line and make a final decision on purchasing it. This amendment, I feel, provides us that time.

Madam Speaker, the constituents of my district that depend on the Rosk Island have been extremely patient while the details of this proposal have been worked out. The time for deliberations on the matter have been concluded. The chairman of the Subcommittee on Transportation, Mr. Florio, and the ranking member, Mr. Madigan, have worked long and hard on this legislation, and, I believe, have provided us with an extremely good bill. I would like to commend them, and their staffs for their fine work, and would urge all my colleagues to support this proposal.

Mr. MADIGAN. Madam Speaker, I have no further requests for time, and yield back the remainder of my time.

Mr. STAGGERS. Madam Speaker, first I would like to take one moment to compliment the two gentlemen from California (Mr. Matsui and Mr. Van Deerlin) for their active support of the bill to help to get started on their corridor of the west coast which will make it a national railroad in reality.

At this time I would like to yield 3 minutes to the gentleman from California (Mr. Matsui).

Mr. MATSUI. I thank the Chairman.

Madam Speaker, I would very much like to take a few minutes to commend the chairman of the Committee on Interstate and Foreign Commerce, as the gentleman from Illinois (Mr. Madigan) and the gentleman from New Jersey (Mr. Florio) both did. During the negotiations and discussion in the conference on this particular subject, we were in the process of discussing super funds and a number of other bills, and the chairman, the gentleman from West Virginia (Mr. Staggers) showed a great deal of patience, statesmanship, and leadership in not only handling the full committee but also working with the various subcommittee members on this particular bill. So I commend him very much. I would also like to say a few words about the chairman of the Subcommittee on Transportation and Commerce, the gentleman from New Jersey (Mr. Florio). I have only been on this subcommittee for about 4 or 5 months at this particular time, and I must say that it was through his leadership and his efforts and his ability to compromise and to hold pretty tight and fast with respect to the Senate negotiators that we were able to get the merging corridor bill and $38 million, and $25 million in rolling stock. I think the country owes a great debt of gratitude to the gentleman from New Jersey (Mr. Florio) for his efforts and for his understanding of the issues so that he was able to discuss them in an intelligent, rational, and logical way with the Senate conferees. Of course, what everyone said about the gentleman from Illinois (Mr. Madigan) I would only have to endorse further. He has been a very, very important member on the minority side of the committee, not only on this issue but on all issues that have come before us since I have been on this committee. So I would like to commend him at this time.

I would like also to commend the full committee and the House, because I am sure this bill will pass unanimously. This is the first time in 25 years that this Congress has decided to help beef up passenger rail service in this country. It is my feeling that in the future with the windfall profit tax funds, possibly we are going to have truly a national network of rail passenger service.

Madam Speaker, I yield back the remainder of my time.

Mr. STAGGERS. Madam Speaker, I yield 5 minutes to the gentlewoman from Maryland (Ms. Mikulski).

Ms. MIKULSKI. Madam Speaker, I rise to heartily endorse the conference report on H.R. 6837, the Railroad Passenger Rebuilding Act of 1980.

The Railroad Passenger Rebuilding Act of 1980 is one of the most significant pieces of legislation to come before the 96th Congress. It not only addresses the immediate, emergency needs of the workers of the bankrupt Rock Island Railroad, but looks to the future of rail service in this country by providing for the completion of the Northeast Corridor project and initiating feasibility studies and plans for rail corridors in other densely populated areas in the United States.

I commend the chairman of the Subcommittee on Transportation and Commerce, Mr. FLORIO, and the minority member, Mr. MADIGAN, for persuading our Senate colleagues to confer with us on this bill. The report that all of us in the conference agreed to is essentially the same as the bill passed by this House in March, with some changes in the other corridors section.

Among the many significant provisions of the conference report is one that is quite important to me, and everyone who has an interest in rail transportation within the Northeast. H.R. 6837 gives statutory recognition to the greatest impediment to the flow of traffic along the Northeast Corridor—the B. & P. Tunnel at Baltimore, Md.—and makes improvement of this severe bottleneck one of the bill's goals.

The B. & P. Tunnel was constructed in 1873 and was recognized as an impediment to the flow of traffic as early as 1915. For various reasons, including the Great Depression and the general decline of the railroads' economic well-being, nothing significant was ever done to solve the problem. This bill provides $28 million for improvements to the tunnel itself and $9 million for the diversion of some freight traffic around the tunnel. These provisions are modest, but significant. This Congress is taking the first steps to solving a problem that has existed for 65 years.

I should add that by looking toward the diversion of freight traffic off the Northeast Corridor, we are truly looking toward the future. If we are ever to have true high-speed passenger service, we must find a way of dealing with the problems that are inherent in running often slow moving freight trains and high-speed passenger trains over the same corridor. This bill is the first piece of legislation to ever deal with this problem.

As I stated before this House when H.R. 6837 was considered in March of this year, this bill is an ambitious one, but its goals are achievable. This bill is a far-reaching, but affordable answer to several situations that must be met in railroading. I feel privileged to have been a conferee on this bill and urge my colleagues to support the conference report that is before us this morning.

□ 1120

Mr. STAGGERS. Madam Speaker, I will take one moment in order to recognize the great work done by the gentleman from California (Mr. MATSUI) in helping to make this bill possible, including the corridor through his district which will help to promote high speed transportation. The other gentleman from California (Mr. VAN DEERLIN) had an amendment passed in committee which was very significant for rail service in California and the entire Nation. The gentleman worked very diligently on that. The gentlewoman from Maryland (Ms. MIKULSKI) has always worked to improve the railroads, trying to make them a better system of transportation.

Madam Speaker, I have no further request for time. I move the previous question on the conference report, Madam Speaker.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid upon the table.

DIRECTING SECRETARY OF SENATE TO MAKE CORRECTIONS IN ENROLLMENT OF S. 2253, ROCK ISLAND TRANSITION ACT

Mr. STAGGERS. Madam Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 345) directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 2253, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 345

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (S. 2253) to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees, the Secretary of the Senate shall make the following corrections:

(1) In section 102 of the bill, strike out "(a)".

(2) In section 103(4) of the bill, strike out "any individual after" and all that follows through "such lines, or".

(3) In section 104(a)(2) of the bill, strike out the comma after "rehabilitating".

(4) In section 104(b)(1) of the bill, insert "and section 18(b) of the Milwaukee Railroad Restructuring Act" immediately before the period.

(5) In section 104(c) of the bill, insert "on or after March 15, 1980," immediately after "which are in effect".

(6) In section 104(c) of the bill, strike out "other railroads" each place it appears and insert in lieu thereof "other rail carriers".

(7) In section 106(a) of the bill, insert a comma after "such railroad" the first place it appears.

(8) In section 108(c) of the bill, strike out "status" and insert in lieu thereof ", status," and strike out "a claim or claims, if any for" and insert in lieu thereof "any claim for,".

(9) In proposed section 505(h)(3) of the Railroad Revitalization and Regulatory Reform Act of 1976, as added by section 112 of the bill, strike out subparagraph (B) and redesignate subparagraph (C) as subparagraph (B).

(10) In section 115 of the bill, insert a comma after "108".

(11) In section 116 of the bill, strike out "(a)" after "SEC. 116.".

(12) In section 116 of the bill, strike out subsection (b).

(13) In section 117 of the bill, strike out "Federal Railroad Administration shall have the authority" and insert in lieu thereof Secretary may".

(14) In section 120(a) of the bill, strike out "commission" and insert in lieu thereof "Commission".

(15) In proposed section 703(3)(B)(i) of the Railroad Revitalization and Regulatory Act of 1976, as added by section 203 of the bill, strike out "Department of Transportation" and insert in lieu thereof "Secretary".

(16) In proposed section 703(3)(B) of the Railroad Revitalization and Regulatory Reform Act of 1976, as added by section 203 of the bill, insert quotation marks before "(iii)".

(17) In section 205 of the bill, strike out "(a)" after "SEC. 205.".

(18) In proposed section 701(d)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976, as added by section 205 of the bill, strike out "subsection (a) of this section" and insert in lieu thereof "paragraph (1) of this subsection".

(19) In the section heading for proposed section 1001 of the Rail Passenger Service Act, as added by section 212 of the bill, strike out the colon after "SEC. 1001".

(20) In proposed section 1001(b)(2) of the Rail Passenger Service Act, as added by section 212 of the bill, strike out "fatcors" and insert in lieu thereof "factors".

(21) In the section heading for proposed section 1006 of the Rail Passenger Service Act, as added by section 212 of the bill, insert a period after "RESTRICTIONS".

(22) In proposed section 1008 of the Rail Passenger Service Act, as added by section 212 of the bill, strike out "benefits" and insert in lieu thereof "benefit" and strike out "sections 1002 and 1003" and insert in lieu thereof "section 1002".

(23) In proposed section 402(h) of the Rail Passenger Service Act, as added by section 216 of the bill, strike out "railroad" and insert in lieu thereof "rail carrier" and strike out "indeed".

Mr. STAGGERS (during the reading). Madam Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER pro tempore. The gentleman from West Virginia is recognized for 1 hour.

Mr. STAGGERS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this refers to nothing but technical amendments, punctuation, and so forth, to be included in the House concurrent resolution, and there should be no objection to it whatsoever.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the concurrent resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3236, SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980

Mr. PICKLE. Madam Speaker, I call up the conference report on the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 13, 1980.)

The SPEAKER pro tempore. The gentleman from Texas (Mr. PICKLE) will be recognized for 30 minutes, and the gentleman from Texas (Mr. ARCHER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Madam Speaker, I yield myself 30 minutes.

Madam Speaker, the House earlier adopted the rule on this conference report. The chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN) would be here to present the conference report but because the gentleman is involved in a markup before our committee, he has asked us to proceed with this measure. I hope that the gentleman from Oregon, the gentleman from California (Mr. CORMAN), and other members of the committee will be able to join us shortly.

Madam Speaker, I urge approval of the conference report on the bill H.R. 3226. The bill makes immediate improvements in the social security disability program. It also makes changes in the SSI, the AFDC, and child support programs and provides for increased supervision of medicare supplementals or, that is, Medi-Gap policy.

This legislation as we said in the discussion of the rule, has been in the making for 4 or 5 years. Most of the points in this bill have been discussed, debated, and studied for a long time. I think now it is time to pass this measure because I think it will serve as a landmark for the better and more effective operation of the disability program.

Madam Speaker, few programs have been more difficult to administer but few programs also are more important to the American people than the social security disability program.

The long history of this bill has shown it is possible for Members of both parties to work together for a bill they would think would be an improvement in this program. Madam Chairman, I would commend the leaders of my subcommittee, particularly the gentleman from Texas (Mr. ARCHER) and the ranking Democrat (Mr. JACOBS) for their help, as well as the cooperation of the gentleman from New York (Mr. CONABLE) and the gentleman from Oregon (Mr. ULLMAN).

Madam Speaker, I would also say to the House we have had excellent cooperation by the gentleman from California (Mr. CORMAN).

Madam Speaker, the rule adopted requires the waiver of certain points of order because the other body put into this bill some of the provisions of the SSI and the AFDC program which was an invasion of the jurisdiction of the gentleman from California. It has been a difficult matter for us to work out many of these problems but I want to commend the gentleman from California for his understanding and for his cooperation because we have come together with most of the bill points in full agreement and it has enabled us to proceed. I do want to pay my respect to all these people.

The real importance of this legislation, Madam Speaker, is not so much the changes we made in the cap or the dropout years, but in the incentive for the return to work of people who are disabled or handicapped. We are trying to remove from these people this heavy sword that hangs over their heads that they might not have a sufficient work trial period, that they might lose their medicare or that they might lose their eligibility for these programs and that in turn if they could not get reduction on certain extra impairment expenses, that would be held against them with respect to their SGA amount.

Madam Speaker, we have given them those assurances and that kind of incentive to return to work we think is the most important part of this whole bill and will prove to be so in time to come.

We have made other changes in the area that have been mentioned, particularly in the Medi-Gap field and I commend the gentleman from Florida (Mr. PEPPER) for his cooperation.

Madam Speaker, this bill is a good bill. It should be adopted. I recommend it to the House for immediate passage.

I reserve the balance of my time.

The SPEAKER pro tempore (Mr. MURTHA). The gentleman from New York (Mr. CONABLE) is recognized for 30 minutes.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, I support the conference report on H.R. 3236.

The basic bill, designed to make improvements in the disability insurance program, began life 6 years ago in the Ways and Means Committee's Subcommittee on Social Security. In its slow and cautious development, a number of proposals—some of them mine—were considered, but eventually set aside, because they were deemed too controversial. The aim was to prepare a bill that would enhance the program yet be of such modest dimensions that both Houses of the Congress could approve it rather easily. Despite this effort to produce legislation that would be universally acceptable, H.R. 3236 nevertheless managed to draw some opposition before it finally was approved by this body, 235 to 162, about 8 months ago, in September 1979.

Nearly 5 months later, on January 31 of this year, the other body approved the bill, 87 to 1, but not before it had added numerous amendments, most of them dealing with public assistance portions of the Social Security Act.

In keeping with the slow progress of the bill itself, the conference on H.R. 3236 consumed weeks. Although a few provisions related to the disability insurance program required extensive discussion before agreement could be reached, most of the controversy within the conference centered on items outside the social security system's fundamental elements.

One of the most difficult items to resolve was the so-called Medi-Gap amendment, to provide some control over health insurance policies sold as supplements to medicare. The conference agreement, attained after days of negotiations, would establish a voluntary certification program, effective in July 1982. The program would not apply in States with standards for such policies which meet, or exceed, standards set by the National Association of Insurance Commissioners.

Although the resolution of this issue hardly could be termed ideal, it does represent what a majority of conferees felt was a workable compromise—and the only one possible within the framework of that conference.

With respect to the amendments related to public assistance, I think it can be said fairly that they mark an overall improvement in the law. Let me just cite one example. Under current law, an alien can—and many aliens have—become eligible for public assistance under the supplemental security income (SSI) program only 30 days after arriving on our shores. Under the conference agreement, a legal alien would not automatically be eligible for SSI during the first 3 years of residence in this country. Within that period, an alien could receive SSI payments only in limited circumstances, in large part because the income and resources of the immigration sponsor would be taken into account in determining the alien's SSI eligibility.

This one amendment dates back to legislation offered several years ago by our late colleague, Bill Ketchum of California. It does not equal the original, and some of us would prefer a more rigid set of restrictions, but the conference agreement is a long step in the right direction, and it is infinitely better than present law.

As far as the primary legislation in this conference report is concerned, there were relatively slight differences between the approaches taken by this body and those taken by the other body. Therefore, agreements were reached more easily, and the end result is one that I can endorse.

H.R. 3236 would, among many other things, lower maximum family benefits in future disability insurance cases, but not to a punitive extent. Under current law, it is possible for total payment to a disabled worker and dependents to exceed, in purchasing power, the net income which the family had when the worker was well and on the job. The bill would reduce that possibility, affecting relatively few disability insurance cases.

This, and a few other changes in the bill, were designed to curb some disincentives to work. An even greater number of provisions were designed to improve incentives to work, and these clearly must be seen as liberalizations of the program. One of these—which I developed and introduced in subcommittee—would permit severely disabled workers to deduct, from earnings levels affecting their eligibility for benefits, those extraordinary expenses which enable them to get around and go to work. I am particularly pleased about this provision, because I believe it will remove an unfair impediment to many paraplegics, quadraplegics, and others with severe impairments who want to leave the benefit rolls and earn a living, but are discouraged because they would have to bear such a high cost in special devices, equipment, medicines, and services.

H.R. 3236 is laden with equally significant improvements in other aspects of disability insurance, one of the two programs which make up our Nation's social security cash benefits system. These changes in title II of the Social Security Act, joined with numerous amendments to additional titles of the act, form an acceptable package—one that should help both the recipients of Federal benefits and those who pay for those benefits, the American taxpayer.

□ 1130

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Illinois.

Mr. CORCORAN. Mr. Speaker, I rise in support of the conference report to accompany H.R. 3236.

When H.R. 3236 was considered by the Senate earlier this year, an amendment which is designed to curb certain abuses of the supplemental security income program by newly arrived aliens was added by Senator CHARLES PERCY of Illinois. This amendment was originally contained in S. 1070 which was introduced by Senator PERCY and H.R. 5197, which I introduced on September 7, 1979. I introduced a similar bill in the 95th Congress.

Our current immigration law requires, as a condition of entry for certain categories of aliens, that they have a sponsor who is a citizen or permanent resident of the United States. As a condition for granting an immigration visa to the alien, the sponsor promises the Government that the immigrant will not become a public charge. The law, however, permits a new immigrant to apply for and receive supplemental security income (SSI) benefits only 30 days after arrival in the country. Because the courts have ruled that the sponsor's promise to support the immigrant is nothing but a "moral obligation," many sponsors choose to take advantage of this loophole and have reneged on their promises of assuming full financial responsibility for the newly arrived alien. As a result of this loophole in the law, responsibility for financial support of the immigrant is shifted from the immigrant and his sponsor to the taxpayers.

The Percy-Corcoran provision closes this loophole by requiring 3-years residency in the United States for an alien—other than a political refugee—to qualify for SSI, unless blind or disabled subsequent to entering this country. Also, their sponsors are required to agree in a legally enforceable affidavit to support the alien financially for 3 years at a level necessary to maintain the alien's income at the amount to which the alien would be entitled, if he were eligible for SSI.

While the final version of this provision is not as strong as my original bill, I believe that the documentation which is required to be submitted to the Secretary of Health and Human Services by the sponsor and immigrant in order that an alien may be eligible for SSI benefits during the 3 years after entry into the United States provides sufficient safeguards so that the abuses of our immigration laws will be curbed.

I would, therefore, urge my colleagues to accept this provision which will correct this situation which has outraged the American public for several years and vote for the conference report.

Mr. ARCHER. I thank the gentleman for his comments.

Mr. CONABLE. Mr. Speaker, will the gentleman yield for a further comment?

Mr. ARCHER. I will be happy to yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, not only our former colleague from California, the late Bill Ketchum, but Senator PERCY also took a considerable interest in this. So, the gentleman's interest is shared by a fine legislator from his State. There was a good deal of interest in it.

I must say, the fact that we are clamping down here illustrates the disarray we have relative to the issue of immigrants in this country. If we are permitting a flood of immigrants to come in without sponsors and without any careful screening, it is an interesting commentary that those who are backed by responsible people are now being held to a much tighter standard than previously by this provision. I think the provision is entirely appropriate, but it is obvious that we have got to get our whole refugee and immigrant policy in better shape than it is, or we are going to have massive contradictions similar to this incurring from the influx of Cubans in Florida taking place at the same time, by agreement and by widespread approval, when we are tightening the requirements made of immigrants who are sponsored into this country.

Mr. ARCHER. I thank the gentleman for his comments, and I thank him for yielding the time to me.

Mr. PICKLE. Mr. Speaker, I yield such time as he may consume to the chairman of our committee, the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, this conference agreement culminates 5 years of intensive review by the committee of the disability program. The original House bill was passed unanimously by the committee and passed the House by a substantial margin. The conference agreement we bring back to the House closely corresponds to the House bill. The conference agreement limits benefits to 85 percent of average indexed monthly earnings compared to 80 percent in the House bill. This increases benefits for low-income earners who become disabled. The other major change from the House bill is that funding for the vocational rehabilitation program remains the same as current law.

The rest of the disability bill remains virtually unchanged. It contains important new benefits for those people who take the initiative and go back to work. It improves the administration of the program, and it restores an old principle that people who go back to work after becoming disabled should be economically better off.

The Senate added several amendments affecting other programs to this bill. These amendments affect the supplemental security income (SSI), aid to families with dependent children (AFDC), the child support enforcement program, and the sale of medicare supplemental health insurance policies. The House, in separate legislation, passed H.R. 3464 by an overwhelming margin. With some changes, this bill was incorporated into the conference agreement. These changes improve benefits significantly for low-income, disabled beneficiaries who return to work.

The other change deals with SSI eligibility for aliens who have sponsors. Under current law, a sponsor signs an agreement stating that an alien will not become a public charge for the first 3 years the alien resides in the United States. However, in many cases these aliens were receiving SSI benefits 30 days after arriving in the country. The Senate wished to make all aliens ineligible for SSI for 3 years. The conference agreement follows the House provision that was passed in H.R. 4904—the welfare reform bill. Basically, an alien will be ineligible for benefits unless the alien becomes blind or disabled, the sponsor becomes eligible for public assistance.

The bill also makes minor administrative changes to the AFDC and child support programs. These changes are intended to reduce fraud and eliminate waste in the administration of these programs.

This bill encourages State governments to enact Medi-Gap insurance standards by July 1, 1982, equal to or more stringent than the model regulations proposed by the National Association of Insurance Commissioners. If an individual State has not acted by that time, the Secretary of Health and Human Services will be required to establish a voluntary certification program for medicare supplemental policies.

These Medi-Gap provisions closely resemble Medi-Gap provisions which have been reported out by both the Ways and Means Committee and the Interstate and Foreign Commerce Committee. These are important protections to our elderly population when they consider buying medicare supplementary policies.

This bill saves money in both fiscal year 1980 and 1981. This bill will save $70 million in 1981 which is slightly more than the savings anticipated by the first budget resolution passed by the House for 1981. The 5 years savings of this bill are substantial.

This bill is an important piece of legislation which should be enacted into law. I urge your support.

Mr. CONABLE. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, the conference report on H.R. 3236 should improve a number of programs under the Social Security Act.

The conferees agonized many days to bring forth this package, and it is better than I expected it would be when we started.

Under title II of the Social Security Act, it offers encouragement to those disabled people who want to work; it reduces glaring disparities between payments to younger and to older beneficiaries; it removes some obvious work disincentives, and it arrives at a compromise between the Federal and State Government positions with respect to the frequency with which collected payroll taxes must be deposited.

In the supplemental security income (SSI) program, which provides public assistance to the aged, blind and disabled, the conference report permits the continuation of medical and social services to recipients with severe disabilities who earn above the standard. In addition, the report restricts substantially the eligibility of legal aliens for SSI benefits.

Under both the SSI and title II programs, the report gives beneficiaries credit for extraordinary work expenses; it extends their trial work period from 9 to 24 months; it assures claimants a better explanation as to why they are denied benefits, and it permits payment to claimants for costly travel to undergo medical exams requested by the Government.

Under current law, State agencies make initial disability determinations through agreements between the States and the Federal Government. The conference report replaces those agreements with Federal regulations, and allows the Secretary of Health and Human Services to assume a State agency's functions if the regulations are not being followed. The report also requires the Secretary to provide a detailed advance report as to how such a takeover would be carried out, without disruption of service, and it assures that in such cases, preference will be given to State employees in filling new Federal positions.

The conferees adopted, with modifications, most of the amendments made by the other body with respect to the programs of aid to families with dependent children (AFDC) and child support. By and large, these are good amendments. One of them would require AFDC recipients, not specifically exempt, to register for employment-related activities, including job search programs. Others would offer greater Federal matching to finance improvements in computer systems for both AFDC and child support.

More specifically with respect to changes made in the disability insurance program, there is one which I feel warrants special emphasis.

It has to do with a reduction in the number of years which may be "dropped out" in determining a disabled worker's benefits. A benefit is based upon average covered earnings, and in compiling that average under current law, the worker's 5 lowest earnings' years may be "dropped out."

Younger workers obviously have fewer earnings' years to take into account than older workers, and because earnings' levels have increased rapidly and dramatically in recent times, younger workers have increasingly higher average earnings and, consequently, disproportionately higher benefits. To reduce this benefit disparity, H.R. 3236 limits the number of "drop-out years" for younger disabled workers. Those under age 27 have no drop-out years, those aged 27 to 32 have 1; those 32 to 37 have 2; those 37 to 42 have 3; those 42 to 47 have 4, and those aged 47 and older have 5.

That same provision makes an allowance for young parents who leave the labor force to bear children and care for them in their very early years. It allows a young disabled worker to drop out as many as 3 years for child care. In no case, however, could the combined number of child care drop-out years and the drop-out years provided under the new schedule, exceed 3.

In effect, this is a very modest recognition of the adverse impact which the social security system can have upon women—in this case, young mothers. The provision applies equally to men, of course, but its primary application is to the increasing numbers of women workers who otherwise would lose up to 3 years of earnings, for benefit computation purposes, during their child-bearing years.

Other parts of the conference report already have been described in considerable detail, Mr. Speaker, and I do not wish to indulge in redundancy. Therefore, I would quickly sum up by saying that whereas I continue to disapprove in principle the propensity of the other body to decorate House-passed measures with so many amendments, which are unrelated to the basic legislation, I do endorse this particular conference report and commend it to my colleagues.

Mr. CORMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California.

Mr. CORMAN. Mr. Speaker, I appreciate the gentleman yielding. I just wanted to say that I support this conference report.

Mr. Speaker, I would like to insert at this point in the RECORD a summary of the major provisions of the conference agreement affecting the SSI, AFDC, and child support enforcement programs:

SSI disability.—Under the conference agreement, a disabled SSI recipient who loses his eligibility for regular SSI benefits because his earnings exceed the substantial gainful activity (SGA) earnings limitation ($300 a month), but who continues to be medically disabled, would become eligible for a special benefit status, which would entitle him to cash benefits equivalent to those he would be entitled to receive under the regular SSI program. Persons who receive these special benefits would be eligible for medicaid and social services on the same basis as regular SSI recipients. States would have the option of supplementing the special Federal benefits. When the individual's earnings exceeded the amount which would cause the Federal SSI payment to be reduced to zero, the special benefit status would be terminated and the individual would not thereafter be eligible for any Federal SSI benefits or Federal cash benefits under the special benefits status unless he could reestablish his eligibility for SSI, which would include meeting the SGA limitation.

When a disabled SSI recipient's earnings rise to the point that he no longer qualifies for Federal SSI benefits, State supplementary payments or the special benefit status, he would nevertheless continue to retain eligibility for medicaid and social services as though he were an SSI recipient if the Secretary found (1) that termination of eligibility for these benefits would seriously inhibit the individual's ability to continue his employment, and (2) the individual's earnings were not sufficient to allow him to provide for himself a reasonable equivalent of the cash and other benefits that would be available to him in the absence of earnings. The provision allowing continuation of eligibility for medicaid and social services for persons whose earnings make them ineligible for cash benefits would also apply to SSI recipients who are blind.

The provisions would be effective for 3 years, during which the Department would be required to provide for a separate accounting of funds expended under this provision.

In addition, there would be established, effective January 1, 1981, a pilot program under which States could provide medical and social services to certain persons with severe impairments whose earnings exceed the substantial gainful activity limits and who are not receiving SSI, special benefits, or medicaid.

Under this pilot program, for the purpose of assisting States in providing medical or social services to certain severely handicapped persons, $18 million in Federal funds would be available to States on an entitlement basis for a 3-year period beginning September 1, 1981, $6 million would be available to States through the end of fiscal 1982. An additional $6 million would be available for each of the two following fiscal years. Funds that are not used during each of the first two years could be carried forward by the State.

Funds would be allocated among the States in proportion to the number of disabled SSI recipients aged 18 to 65. Prior to the start of each fiscal year, each State that does not intend to use its allocation would so certify to the Secretary of Health and Human Services. If a State certifies that it will not use all or some portion of its funds for any fiscal year or years, its allocation (or the unused portion thereof) for the period covered by the certification will be reallocated by the Secretary of HHS among States participating in the program that can make use of additional funds.

From the allocated funds, the Secretary of HHS would pay each State 75 percent of the costs of operating an approved plan for providing medical and social services to severely handicapped individuals who have earnings in excess of the substantial gainful activity limits and are not receiving SSI, special benefits or medicaid, if the State determines:

(1) that the absence of these benefits would significantly inhibit the individual's ability to continue his employment; and

(2) that the individual's earnings are not sufficient to allow him to provide for himself a reasonable equivalent of the cash and other benefits (SSI, medicaid and title XX) that would be available to him in the absence of those earnings.

(It is not intended that States would require an individual to obtain a determination as to the level of or potential eligibility for benefits which might be payable under the SSI, medicaid, and title XX programs in the absence of his earnings. Rather it is intended that each participating State would use generally available information concerning the benefits provided in that State under these programs to establish reasonable income limits to carry out this criterion.)

The State plan would have to include (1) a statement of intent to participate in the program; (2) a designation of the agency to administer the program; (3) a description of the eligibility criteria which the State will apply and the procedures for determining eligibility (which may not involve use of the Disability Determination Service which makes disability determinations for the DI and SSI programs unless it is not feasible to use any other agency for the pilot program); and (4) a description of the services which the State intends to provide under the program. The State may submit a separate State plan or it may incorporate this plan as an amendment to its State administrative plan submitted to HHS under title XX. Under the pilot program, States could provide medical and social services through their medicaid and social services programs (not limited by eligibility criteria and scope of services under titles XIX and XX) but would receive Federal matching for those services under this provision rather than under title XIX or title XX. States could also provide services through some other mechanism if they found it appropriate.

States would be required to provide a report to HHS addressing the operation and results, emphasizing the work incentive effects, of the pilot program. On the basis of State reports, HHS would be required to report to the Congress. The report would be due not later than October 1, 1983; and should include, but not necessarily be limited to, relevant demographic information, earnings, employment information, and primary impairments of the individuals who received services under the pilot program, and the types of services they received. HHS would be required to publish final regulations to implement this program no later than nine months after the date of enactment.

Employment in sheltered workshops.—For purposes of SSI, remuneration received from activity in a sheltered workshop or work activity center will be considered earned income and therefore qualify for the earned income disregards ($65 a month, plus one-half of the remaining earnings), effective October, 1980.

Deeming of parents' income to disabled or blind children.—Under the conference agreement, the deeming of parents' income and resources would be limited to disabled or blind children under age 18, whether or not the person is in school or training. Children receiving SSI who, on the effective date of the provision, are age 18 to 21 would be protected against loss of benefits due to this change, effective October, 1980.

Treatment of extraordinary work expenses.—For purposes of both the Disability Insurance program and the SSI program, the conference agreement provides that, in determining whether an individual is able to engage in substantial gainful activity by reason of his earnings, where his disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, there shall be disregarded from such earnings the cost to such individual of any impairment-related work expenses, attendant care cost, medical devices, equipment, prosthesis, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition), regardless of whether these items or services are also necessary to enable him to carry out his normal daily functions.

In addition, the conference agreement provides that impairment-related work expenses will be disregarded in determining the monthly SSI benefit amount of a disabled SSI recipient. The disregard of impairment-related work expenses when determining both SGA and in calculating SSI benefits would be a permanent provision of law effective 6 months after enactment.

Extension of the trial work period.—The conference agreement extends the trial work period under both the DI and SSI programs to 24 months. In the last 12 months of the 24-month period an individual who was performing substantial gainful activity immediately following the 9-month trial work period would not receive cash benefits while engaging in substantial work activity, but would automatically be reinstated to active benefits status if earnings fall below the SGA level. The provision would become effective with respect to individuals whose disabilities have not been found to have terminated before the sixth month after enactment.

Termination of benefit for persons in vocational rehabilitation programs.—Under the provision, an individual enrolled in an approved program of vocational rehabilitation will continue to be entitled to DI and SSI benefits after he has medically recovered if the Commissioner of Social Security determines that continuing in that program will increase the probability of the beneficiary going off the rolls permanently. The provision is effective 6 months after enactment.

Aliens receiving SSI.—The conferees agreed that for purposes of eligibility for Supplemental Security Income (SSI) benefits, legally admitted aliens who apply for SSI benefits after September 30, 1980 will be deemed to have the income and resources of their immigration sponsors available for their support for a period of 3 years after their entry into the United States, unless the alien becomes blind or disabled after entry. Under the agreement the eligibility of such aliens for SSI will be contingent upon their obtaining the cooperation of their sponsors in providing for the necessary information to Social Security to carry out this provision. The provision would not apply to any alien who is (1) admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of section 203(a)(7) of the Immigration and Nationality Act; (2) admitted to the United States as a result of the application, after March 31, 1980, of the provisions of section 207(c)(1) of such Act; (3) paroled into the United States as a refugee under section 212(d)(5) of such Act; or (4) granted political asylum by the Attorney General.

During the 3 years after entry into the United States, an alien may be eligible for SSI benefits only if his sponsor agrees to and does provide such information as the Secretary of Health and Human Services may require to carry out this provision. The alien and sponsor shall be jointly and severally liable to repay any SSI benefits which are incorrectly paid because of the sponsor's providing of misinformation or because of his failure to report, and any such incorrect payments which are not repaid would be withheld from any subsequent payments for which the alien or sponsor are otherwise eligible under the Social Security Act.

In deeming a sponsor's income to an alien under this provision, the alien's SSI benefit would be reduced by the amount of any income deemed to him. Income deemed to the alien would be considered unearned income and would thus result in a dollar-for-dollar reduction in benefits (subject to the $20 a month unearned income exclusion). The amount to be deemed would be equal to the gross income of the sponsor and his spouse reduced by an amount equal to a full SSI benefit for the sponsor and an amount equal to one-half of a full SSI benefit for each other person for whom the sponsor is legally responsible. (Income of a child, e.g., AFDC or SSI payments, which is specifically provided to or on behalf of a child in the household of the sponsor would not be included nor would Federal SSI payments received by the sponsor and his spouse. Except for the deeming provision, the alien's SSI benefit would be computed in the same manner as under existing law except that in-kind support and maintenance received by an alien living in the household of the sponsor (or sponsor's spouse) shall not result in the application of the one-third reduction. Income in the form of support or maintenance in cash or kind by the sponsor (or sponsor's spouse) would not be counted as income or resources to the extent such income or resources is taken into account in determining the amount of income and resources to be deemed from the sponsor to the alien.

On the same basis, the assets of the sponsor and his spouse would be determined as under SSI. Any resources in excess of this amount allowable under SSI ($1,500 if the sponsor is single, $2,250 for a couple) would be considered to be resources of the alien in addition to whatever resources the alien has in his own right.

Under the conference agreement, an alien applying for SSI would be required to make available to the Social Security Administration any documentation concerning his income or resources or those of his sponsor (if he has one) which he provided in support of his immigration application. The Secretary of Health, and Human Services would also be authorized to obtain copies of any such documentation from other agencies (i.e., State Department on Immigration and Naturalization Service). The Secretary of HHS would also be required to enter into cooperative arrangements with the State Department and the Justice Department to assure that persons sponsoring the immigration of aliens are informed at the time of sponsorship that, if the alien applies for public assistance, the sponsorship affidavit will be made available to the public assistance agency and the sponsor may be required to provide further information concerning his income and assets in connection with the alien's application for assistance.

SSI demonstration projects.—Under the conference agreement, the Secretary of HHS would be authorized to waive the requirements of the SSI program to permit demonstration projects aimed at improving the program.

With respect to such SSI experiments, the Secretary would not be authorized to carry out any project that would result in a substantial reduction in any individual's total income and resources as a result of his participation in the project. The Secretary could not require an individual to participate in a project and would have to assure that the voluntary participation of individuals in any project is obtained through an informed written consent agreement which satisfies requirements established by the Secretary. The Secretary would also have to assure that any individual could revoke at any time his voluntary agreement to participate. The Secretary, to the extent feasible, would be required to include recipients under age 18. The Secretary would also be required to include projects necessary to ascertain the feasibility of treating alcoholics and drug addicts to prevent the onset of irreversible medical conditions which may result in permanent disability.

The provision would become effective upon enactment.

AFDC work requirement.—The conference agreement would add to the present requirement that recipients of AFDC, who are not specifically exempt, register for employment and training the requirement that such recipients register for "other employment-related activities (including employment search)." The agreement also specifically requires that necessary social and supportive services be provided during any employment search activities under the WIN program. These services would be authorized to be provided to registrants prior to certification.

The agreement authorizes the Secretaries of Labor and HHS to establish, by regulation, the period of time during which an individual would not be eligible for assistance in the case of refusal without good cause to participate in a WIN program. In addition, the present law provision for a 60-day counseling period for persons who refuse to participate was eliminated.

The agreement also: requires that State supportive service units be colocated with manpower units to the maximum extent feasible; allows State matching for supportive services to be in cash or in kind; clarifies that income from WIN public service employment is not fully excluded in determining benefits (there would be no disregard of the first $30 a month plus one-third of additional earnings); adds to the individuals who are exempt from registration for WIN, individuals who are working at least 30 hours a week.

The conference agreement provides that the criteria for appropriate work and training to which an individual may be assigned under section 432(b) (1), (2), and (3) shall apply in the case of work to which an individual may be referred as part of employment search programs conducted under the work incentive program. In other words, job referral under the new employment search provision would be limited to jobs that meet the current WIN regulations relating to appropriate employment. (Present regulations provide limits as to reasonable travel time, provision for necessary supportive services, requirements for wages, health, and safety, and others.)

In addition, the conferees agreed to limit an individual's job search period to 8 weeks in one year, and added a requirement that there be timely reimbursement of any employment search expenses paid for by the individual.

Under the conference agreement, the provisions relating to termination of assistance and treatment of PSE earnings are effective upon enactment. Other provisions are effective September 30, 1980.

IRS collection of child support for non-AFDC families.—The conference agreement authorizes use of IRS collection mechanisms in the case of families not receiving AFDC, subject to the same certification and other requirements that are now applicable in the case of collection on behalf of families receiving AFDC.

The provision is effective July 1, 1980.

Disclosure of information for AFDC and title XX.—For purposes of titles IV and XX of the Social Security Act, the conference agreement permits the disclosure of information regarding individuals assisted under the State's plan for purposes of any authorized audit conducted in connection with the administration of the program including an audit performed by a legislative body.

The provision is effective September 1, 1980.

Federal matching for child support activities performed by court personnel.—Under the agreement, Federal matching funds would be authorized under the Child Support Enforcement program for expenditures of courts (excluding expenditures for or in connection with judges and other individuals making judicial determinations, but not excluding expenditures for or in connection with their administrative and support personnel) but only for functions specifically identifiable as IV–D functions.

The provision is effective July 1, 1980.

Child support management information systems.—The agreement increases Federal matching to 90 percent for the costs of developing and implementing child support management information systems, retaining the present 75 percent matching rate for the costs of operating such systems. The agreement requires the Secretary to provide technical assistance to the States and provides that a State system must meet certain specified requirements in order to receive Federal matching. There would be continuing review on the part of the Secretary of HHS.

Under the agreement States choosing to establish and operate systems must include as part of such systems (1) the ability to control and monitor all the factors of the support collection and paternity determination process, (2) interface with the AFDC program, (3) security against access to data, and (4) the ability to provide management information on all cases from application through collection and referral.

The provision is effective July 1, 1981.

AFDC management information systems.—The agreement provides 90 percent Federal matching to States for the cost of developing and implementing computerized AFDC management information systems. The Secretary of Health and Human Services would be required to approve State systems as a condition of Federal matching (both initially and on a continuing basis). In order to qualify for this increased match, a State system would have to include certain specified characteristics, including (1) ability to provide data on AFDA eligibility factors, (2) capacity for verification of factors with other agencies, (3) capability for notifying child support, food stamp, social services, and medicaid programs of changes in AFDC eligibility and benefit amount, (4) compatibility with systems in other jurisdictions, and (5) security against unauthorized access to or use of data in the system. The Department would be required to provide technical assistance to the States on a continuing basis.

The provision would become effective July 1, 1981.

Child support reporting and matching procedures.—The agreement would, effective January 1, 1981, prohibit advance payment of the Federal share of State administrative expenses for a calendar quarter unless the State has submitted a complete report of the amount of child support collected and disbursed for the calendar quarter which ended 6 months earlier. It would also require the Department of Health and Human Services to reduce the amount of the payments to the State by the Federal share of child support collections made but not reported by the State.

Access to wage information for child support program.—Under the conference agreement, certain tax return information must be disclosed by the Social Security Administration to State and local child support enforcement agencies, as follows.

The conferees agreed to amend the Internal Revenue Code to provide that, upon written request, the Commissioner of Social Security shall directly disclose return information with respect to net earnings from self-employment, wages, and payments of retirement income to officers and employees of a State or local child support enforcement agency. Disclosure will be allowable only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating individuals owing child support obligations.

Any agency receiving information must comply with conditions specified in current law for safeguarding information. Under these safeguards, information may be used on a computer in uncoded form if the computer is used only by the child support enforcement agency. If this information is used on computer systems shared with agencies which are not child support agencies, it must be introduced into the system and coded so that it is available only to officers and employees of the child support enforcement agency. Generally, disclosure to individuals other than officers and employees of the child support enforcement agency would not be authorized; however, the information may be disclosed to the taxpayer to whom the information pertains. This provision is effective on enactment.

In addition, the conferees agree to amend title III of the Social Security Act, Grants to States for Unemployment Compensation Administration, to require the State agency administering the unemployment compensation program to disclose directly, upon request and on a reimbursable basis, to officers or employees of any State or local child support enforcement agency any wage information contained in the records of the State agency. The agency is also required to establish safeguards necessary (as determined by the Secretary of Labor in regulations) to insure that information is used only for purposes of establishing, and collecting child support obligations from and locating, individuals owing such obligations. If the Secretary of Labor finds that the State agency has failed to comply with requirements of this provision, he must notify the agency that further payments of administrative costs will not be made to the State until he is satisfied that there is no longer any such failure. The provision is effective July 1, 1980.

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Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I wish to express my thanks to the gentleman from California (Mr. CORMAN), because he has given this conference great cooperation. Our work has been done under difficult circumstances because of the melding of the two bills between the two bodies.

The gentleman from California (Mr. CORMAN) has cooperated and helped us advance this bill, and we think we have a good bill. I want personally to pay my respects to the gentleman for his help.

Mr. CONABLE. Mr. Speaker, I agree with the gentleman that the gentleman from California (Mr. Corman) has made a significant contribution to this measure.

Mr. PICKLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge approval of the conference report on H.R. 3236. The bill makes needed improvements in the social security disability program. It also makes changes in the SSI, AFDC, and child support program and provides for increased supervision of medicare supplemental—or Medigap—policies.

This legislation has been some time in the making. It began over 5 years ago with an extensive study of the social security disability program by the Ways and Means Subcommittee on Social Security. Work and further study of the issues raised then, and on new issues as they were discovered, has continued in a series of reports and hearings each year since that time.

Few programs are more difficult to administer—but few programs also are more important to the American people—than the social security disability program. The American people deserve a well run disability program and this legislation is definitely a step in that direction.

The long history of this bill has shown that it is possible for members of both parties and of many philosophical backgrounds to work together for the common good. I am extremely proud to have been associated with the chairman of the Ways and Means Committee, Al Ullman, with the ranking minority member Barber Conable, and with all the members of the Social Security Subcommittee especially Congressman Andrew Jacobs, and Congressman Bill Archer, who worked very hard on this legislation and who stuck to what they knew was right. I am also proud of the members of the Ways and Means Committee, particularly my fellow subcommittee chairman Jim Corman, who joined us in a very complicated conference and who worked hard there to bring this bill before you today.

Nearly all factions which expressed views one way or another on this bill are now working together. I particularly want to commend my good friend the Honorable Claude Pepper. This distinguished gentleman persisted in his objection but in a courteous and exemplary manner. I also want to commend the chairman of the Rules Committee for his constancy in seeing that there is ample time for all parties to express their views.

H.R. 3236 enjoyed a unanimous vote in committee and passed the House by a 73 vote margin, although it was at that time somewhat controversial. But the House was persuaded then—and it should be even more persuaded now—that this is a good bill which will lay the groundwork for a better disability program in the future.

The legislation enjoys the endorsement as well of the Honorable Patricia Harris, Secretary of the Department of Health and Human Services.

The real importance of this legislation is not in the changes in future benefits occasioned by the sections on the cap and dropout years. The real significance is that this bill will give work incentives to disabled citizens across the land. It will enable disabled persons to try to lead productive lives without a sword continually hanging over their heads that they will lose their benefits. The bill removes that fear and gives encouragement and support through an extended trial work period, through increased medicare coverage for the working disabled and by providing for deduction of impairment related expenses in computing eligibility for benefits. These are changes that will cost money, but in the long run they will be the most important parts of this bill.

The bill also makes several corrections in the administration of the program, including requiring a more personal notice to individuals who are denied disability benefits. This is an important reform that will help the American public better understand the program—and it will make the program more rational as well.

Because the Senate added several features to the bill, it now addresses many other important issues as well, issues I mentioned at the beginning of my statement. But I would point out to the House that these generally are matters which have already been considered and approved by the House or which enjoy substantial support in this body.

Again, therefore, I urge approval of this report.

I would also like to include in the Record a summary of the bill and a detailed statement of the Conference decisions, and the material is as follows:

Summary of The Social Security Disability Amendments of 1980 H.R. 3236

The bill makes major improvements in the social security and Supplemental Security Income disability programs to improve work incentives and program accountability. Also makes changes in the SSI, AFDC, and Child Support programs and provides a voluntary certification program for medicare supplemental policies (medi-gap).

Disability insurance work incentives. To make needed corrections in the benefit formula and to enable more disabled beneficiaries to return to work despite their impairments, H.R. 3236 would (a) provide a limitation on family benefits to ensure that benefits are disproportionate to past earnings; (b) reduce the disparity between young and old disabled workers by introducing a schedule of variable drop-out years; (c) extend the present trial work period for disabled workers; (d) provide a trial work period for disabled widows and widowers; (e) deduct extraordinary impairment-related work expenses, attendant care costs, etc. from earnings in determining SGA; (f) extend medicare coverage for an additional 36 months to disabled beneficiaries who return to work; (g) eliminate the second 24-month medicare waiting period where a person again becomes disabled and entitled to benefits, and (h) provide demonstration and waiver authority for the study of various alternative ways of stimulating disabled workers to return to work.

Disability program accountability.—To improve program accountability, the bill provides a regulatory scheme to govern the State agencies who determine disability, a Federal review of State allowances on a pre-decision basis and a periodic review of individuals on the rolls with nonpermanent disabilities, a more extensive review of ALJ decisions, and the institution of a more detailed notice of denial of disability benefits.

Legal aliens—SSI.—In determining whether a legal alien meets the income eligibility criteria for SSI, the income and resources of his immigration sponsor would be deemed to be available for his support for a period of 3 years after entry into the U.S. It will be the responsibility of the alien to obtain the cooperation of the sponsor in providing necessary information.

Disabled SSI recipients.—The bill would reduce work disincentives for the disabled by providing that a disabled SSI recipient who loses his eligibility for regular SSI benefits because he increases his earnings above the present disability limitation ($300 a month), but who continues to be medically disabled, would be eligible for a special benefit status entitling him to benefits on the same basis as regular SSI recipients. In addition, the bill provides for a pilot program under which States could provide medical and social services to people with severe impairments who are not eligible for SSI or special benefits because their earnings exceed the limitation, but who continue to need assistance in order to work.

AFDC; child support enforcement.—The bill strengthens the AFDC work requirement; permits the IRS to collect child support for non-AFDC families and increases Federal matching for certain child support activities performed by courts and for computerization of AFDC and child support activities.

Depositing social security contributions for state and local employment.—Substitutes a requirement that states must deposit social security contributions within thirty days after the end of the month rather than the requirement in a pending regulation change that they be made on a 15–15–45 day basis.

Medigap.—A voluntary certification program for medicare supplemental policies would be established effective July 1, 1982. However, the program would not be applicable in any State which applies in its own regulatory program the standards recommended by the National Association of Insurance Commissioners and includes a requirement relating to loss ratios. Determinations as to whether a State has such a program would be made by a national panel, appointed by the President, consisting of four insurance commissioners and the Secretary. The bill also provides criminal penalties for fraudulent and deceptive practices in the sale of policies.

Terminally ill.—The bill authorizes a study of how the disability provisions of the Social Security Act affect the terminally ill.

Cost of bill.—H.R. 3236 provides substantial savings to the Social Security trust funds and in general revenue as follows: $6 million in 1980, $70 million in 1981, rising to $1.1 billion in 1985.

H.R. 3236 as Approved by Conference Committee—Provisions Relating to Disability Insurance

I. WORK INCENTIVE SECTIONS

Limit on Family Disability Insurance Benefits

(Sec. 101)

Present Law. The social security disability insurance program (DI) determines the amount of benefits payable based on an individual's previous earnings. The formula for determining disability benefits is the same as for retirement benefits. The benefit level is arrived at by applying a formula to the average indexed monthly earnings (AIME) the individual had over the course of a period of years which approximates the number of years in which he could reasonably have been expected to be in the work force. For a retired worker, this period is equal to the number of years between the ages of 21 and 62. For a disabled worker, the number of years of earnings to be averaged ends with the year before he became disabled. In either case, the resulting averaging period is reduced by 5.

The basic benefit amount (the primary insurance amount—PIA) may be increased if the worker has a spouse or dependent children. Benefits for the spouse are payable if the spouse is over age 62 or if the spouse is caring for minor or disabled children. Benefits for children are payable if they are under age 18 or are disabled (as a result of a disability which existed in childhood) or if they are full-time students over age 18 but under age 22. The combined benefit for the worker and all dependents is limited by a family maximum provision to no more than 150 to 188 percent of the worker's benefit alone.

Conference Action. The bill limits total DI family benefits to the smaller of 85 percent of the worker's average indexed monthly earnings (AIME) or 150 percent of the worker's primary insurance amount (PIA). Under the provision, no family benefit would be reduced below 100 percent of the worker's primary benefit.

Scope and Effective Date. The limitation is effective only with respect to individuals who first become entitled to benefits on or after July 1, 1980.

Reduction in Dropout Years

(Sec. 102)

Present Law. Disabled workers are allowed to exclude up to 5 years of low earnings in averaging their earnings. However, at least 2 years of earnings must be used in the benefit computation.

Conference Action. The bill excluded years of low earnings in the computation of disability benefits according to the following schedule:

Workers age at disablement:	*Number of dropout years*
Under 27	0
27 through 31	1
32 through 36	2
37 through 41	3
42 through 46	4
47 and over	5

The provision also would allow a disabled worker to drop out additional low years of earnings, if in those years there was a child (of such individual or his or her spouse) under age 3 living in the same household and the disabled worker did not engage in any employment in each such year. In no case would the number of such dropout years exceed 3. Further, dropout years for periods of childcare would be provided only to the extent that the combined number of childcare dropout years and dropout years provided under the regular schedule do not exceed 3.

Scope and Effective Date. The new schedule of dropout years applies to disabled workers who first become entitled to benefits after June 1980. The provision continues to apply to a worker until his death unless before age 62 he ceases to be entitled to disability benefits for 12 continuous months.

Elimination of second medicare waiting period

(Sec. 103)

Present Law. Beneficiaries of disability insurance (DI) must wait 24 consecutive months after becoming entitled to benefits to become eligible for medicare. If a beneficiary loses his eligibility and then becomes disabled again, another 24 consecutive month waiting period is required before medicare coverage is resumed.

Conference Action. The bill eliminates the requirement that a person who becomes disabled a second time must undergo another 24 consecutive month waiting period after becoming reentitled to benefits before medicare coverage is available to him. The amendment applied to workers becoming disabled again within 60 months, and to disabled widows or widowers and adult disabled since childhood becoming disabled again within 84 months.

The conferees accepted the provisions of the House and Senate bills and agreed that the provision would be effective 6 months after enactment.

Extension of medicare for an additional 36 months

(Sec. 104)

Present Law. Medicare coverage ends when disability insurance benefits cease.

Conference Action. The bill extends medicare coverage for an additional 36 months after cash benefits cease for a worker who is engaging in substantial gainful activity but has not medically recovered. (The first 12 months of the 36 month period was part of the new 24 month trial work period. See section 303.) The new provision applies to disability beneficiaries whose disabilities have not been determined to have ceased prior to the 6th month after enactment.

Funding for vocational rehabilitation services for disabled individuals

Present Law. Reimbursement from social security trust funds is now provided to State vocational rehabilitation agencies for the cost of vocational rehabilitation services furnished to disability insurance beneficiaries. The purpose of the payment is to accrue savings to the trust funds as a result of rehabilitation the maximum number of beneficiaries into productive activity. The total amount of the funds that may be made available for such reimbursement may not, in any year, exceed 1½ percent of the social security disability benefits paid in the previous year.

The House bill eliminated, effective for fiscal 1982, trust fund financing for rehabilitation services but provided trust fund reimbursement for the Federal share (80%) to the General Fund of the U.S. Treasury and to the States for twice the State share (20% x 2) of rehabilitation services which result in the performance by a rehabilitated individual of substantial gainful activity (SGA) for a continuous period of 12 months or which result in employment for 12 consecutive months in a sheltered workshop. The Senate bill struck the House provision.

Conference Action. No change from present law.

The conferees stated that they anticipate that the new method of allocating trust fund money to the States for rehabilitation of social security clients which was recently adopted administratively will continue and be intensified in the future. This method generally allocates the trust fund money based on the relative number of social security beneficiaries each State rehabilitates with earnings at the substantial gainful activity (SGA) level, provided that no State loses more than ⅓ of its previous year's funding. Currently, rehabilitation is considered to have been achieved when the client has been employed for two months. The managers expect that the measure of success, i.e., rehabilitation at the SGA level, will be modified as soon as administratively feasible so that the allocation formula will be based on the State's relative share of the total number of social security clients employed as a result of rehabilitation for no less than 6 months (although not necessarily consecutive) with earnings at the SGA level throughout the period. Furthermore, the managers expect that steps will be taken to develop procedures which will eventually result in the allocation being based on the State's relative share of total benefit terminations brought about by vocational rehabilitation services.

The conferees instruct the Social Security Administration and the Rehabilitation Services Administration recently transferred to the Department of Education to continue to explore the possibility of developing more timely and effective methods of measuring performance in trust fund rehabilitations. The results of these efforts should be promptly communicated to the Ways and Means and Finance Committees.

Termination of benefits for persons in vocational rehabilitation programs

(Sec. 301)

Present Law. Under present law an individual is not entitled to DI and SSI benefits after he has medically recovered, regardless of whether he has completed the program of vocational rehabilitation in which he has been enrolled.

Conference Action. The bill provides that DI benefits will continue after medical recovery for persons in approved vocational rehabilitation plans or programs, if the Commissioner of Social Security determines that continuing in those plans or programs will increase the probability of beneficiaries going off the rolls permanently. The provision is effective 6 month after enactment.

Treatment of extraordinary work expenses in determining SGA

(Sec. 302)

Present Law. Regulations issued under present law provide that in determining whether an individual is performing substantial gainful activity (SGA), extraordinary expenses incurred by the individual in connection with his employment and because of his impairment are to be deducted to the extent that such expenses exceed what his expenses would be if he were not impaired. Regulations specify that expenses for medication or equipment which the individual requires to enable him to carry out his normal daily functions may not be considered work related, and may not be deducted even if they are also essential to the individual's employment.

Conference Action. The bill provides for a deduction from earnings of costs to the individual of extraordinary impairment-related work expenses, attendant care costs, and the cost of medical devices, equipment, and drugs and services (necessary to control an impairment) for purposes of determining whether an individual is engaging in substantial gainful activity, regardless of whether these items are also needed to enable him to carry out his normal daily functions. The Secretary is given the authority to specify in regulations the type of care, services and items that may be deducted, and the amounts to be deducted shall be subject to such reasonable limits as the Secretary may prescribe. The provision is effective six months after enactment.

Extension of the trial work period

(Sec. 303)

Present Law. Under the DI and SSI programs, when an individual completes a 9 month trial work period, and then in a subsequent month performs work constituting substantial gainful activity (SGA), his benefits are terminated. He obtains benefits for the first month in which he performs SGA (after the trial work period has ended) and for the 2 months immediately following. Under the DI program, widows and widowers are not entitled to a trial work period.

Conference Action. The bill extends, in effect, the trial work period under the DI program to 24 months. In the last 12 months of the 24 month period the individual would not receive cash benefits while engaging in substantial work activity, but would automatically be reinstated to active benefit status if earnings fall below the SGA level.

The bill also provides that the same trial work period would be applicable to disabled widows and widowers (who are not permitted a trial work period at all under existing law). The provision would be effective 6 months after enactment.

Work incentive and other demonstration projects under the disability insurance program

(Sec. 505)

Present Law. The Secretary of Health and Human Services has no authority to waive requirements under titles II, XVI, and XVIII of the Social Security Act to conduct experimental or demonstration projects.

Conference Action. The bill authorizes waiver of benefit requirements of the DI and medicare programs to allow demonstration projects by the Social Security Administration to test ways in which to stimulate a return to work by disability beneficiaries. Also authorizes waivers in the case of other disability insurance demonstration projects which SSA wished to undertake, such as study of the effects of lengthening the trial work period, altering the 24 month waiting period for medicare benefits, altering the way the disability program is administered, earlier referral of beneficiaries for rehabilitation, and greater use of private contractors, employers and others to develop, perform or otherwise stimulate new forms of rehabilitation. Requires an interim report by January 1, 1983 and final one by 5 years after the date of enactment. The authority would be applicable to both applicants and beneficiaries, and would be effective upon enactment.

II. PROGRAM ACCOUNTABILITY

Federal review of State agency decisions—reversal of decisions

(Sec. 304(c))

Present Law. Under current administrative procedures of the Social Security Administration, approximately 5 percent of initial disability claims adjudicated by the State disability determination units are reviewed by Federal examiners. This review occurs after the benefit has been awarded, i.e., it is a postadjudicative review. This is on a sample basis and varies from 2 percent in the larger States to 25 percent in the smaller States.

Under existing law, the Secretary has authority to reverse favorable decisions with respect to DI beneficiaries.

Conference Action. The bill requires Federal preadjudicative review of DI allowances according to the following schedule:

Decisions made in fiscal year:	*Minimum percent reviewed*
1981	15
1982	35
1983 and thereafter	65

The Secretary would be given the authority to reverse decisions that are unfavorable to DI claimants

The conferees note that the percentage requirements for preadjudicative review are nationwide requirements and that the Social Security Administration will determine whether they should be higher or lower on an individual State basis. The conferees also instruct the Secretary to report to the Ways and Means and Finance Committees by January 1982 concerning the potential effects on processing time and on the cost effectiveness of the requirement of the 65 percent review for fiscal year 1983, and thereafter

Effective Date. Upon enactment.

Periodic review of disability determinations

(Sec. 311)

Present Law. Administrative procedures now provide that a disability beneficiary's continued eligibility for benefits be reexamined only under a limited number of circumstances (i.e., where there is a reasonable expectation that the beneficiary will show medical improvement).

Conference Action. The bill provides that there will be a review of the status of disabled beneficiaries whose disability has not been determined to be permanent at least once every three years. Cases where the initial prognosis shows the probability that the condition will be permanent would be subject to review at such times as the Secretary determines to be appropriate.

Effective Date. January 1982.

Closing the record—Limit on prospective effect of application

(Sec. 306)

Present Law. Present law provides that if an applicant satisfies the requirements for benefits at any time before a final decision of the Secretary is made, the application is deemed to be filed in the first month for which the requirements are met. One consequence of this provision is that the claimant is afforded a continuing opportunity to establish eligibility until all levels of administrative review have been exhausted, i.e., until there is a final decision. Thus, a claimant can continue to introduce new evidence at each step of the appeals process, even if it refers to the worsening of a condition or to a new condition that did not exist at the time of the initial application. This is frequently referred to as the "floating application" process.

Conference Action. The committee bill provides for foreclosing the introduction of new evidence with respect to a previously filed application after the decision is made at the administrative law judge (ALJ) hearing, but would not affect remand authority to remedy an insufficiently documented case or other defect.

Effective Date. Upon enactment.

Own motion review of ALJ decisions

(Sec. 304 (g))

Present Law. After his claim has been denied by the State agency initially and on reconsideration, an applicant has the opportunity for a hearing before an administrative law judge (ALJ). In the past there had also been fairly extensive review of ALJ allowances and denials through own-motion review by the Appeals Council as authorized by the Administrative Procedure Act and the regulations of the Secretary. This own-motion review has almost been eliminated in recent years.

Conference Action. The Secretary of Health and Human Services would be required to implement a program of reviewing, on his motion, decisions rendered by administrative law judges as a result of hearings under section 221(d) of the Social Security Act (the disability determination provisions). He would be required to report to Congress by January 1, 1982, on the progress of this program.

The conferees state that the report should indicate the percentage of ALJ decisions being reviewed and describe the criteria for selecting decisions to be reviewed. The conferees are concerned that there is no formal ongoing review of social security hearing decisions. The variance in reversal rates among ALJ's and the high overall ALJ reversals of determinations made at the prehearing level indicate that there is a need for such review. The conferees recognize that, at the hearing level, the claimant appears for the first time before a decisionmaker and additional evidence is generally submitted. The conferees also recognize that there have been significant changes in State agency denial rates and that in certain areas the ALJ's and State agencies have been operating with different policy guidelines. The report should identify the effects of these factors as well as any differences in standards applied by ALJ's.

Effective Date. Upon enactment.

Limitation on court remand

(Sec. 307)

Present Law. Prior to filing an answer in a court appeal of the final administration decision, the Secretary of Health and Human Services may, on his own motion, remand the case back to an ALJ. Similarly, under existing law the court itself, on its own motion or on motion of the claimant, has discretionary authority "for good cause" to remand the case back to the ALJ.

Conference Action. The bill limits the absolute authority of the Secretary to remand court cases. It requires that such remands would be discretionary with the court upon a showing by the Secretary of good cause. A second provision relates to remands by the court. The bill provides that a remand would be authorized only on a showing that there is new evidence which is material, and that there was good cause for failure to incorporate it into the record in a prior proceeding.

Effective Date. Upon enactment.

Information to accompany secretary's decision

(Sec. 305)

Present Law. There is no statutory provision setting a specific amount of information to explain the decision made on a claim for benefits.

Conference Action. The bill requires that notices of disability denial to DI and SSI claimants shall use a statement of the case in understandable language and include: A discussion of the evidence, and the Secretary's determination and the reason(s) upon which it is based.

Effective Date. The provision is effective for decisions made on or after the first day of the 13th month following the month of enactment.

Time limits for decisions on benefit claims

(Sec. 308)

Present Law. There is no limit on the time that may be taken by the Social Security Administration to adjudicate cases at any stage of adjudication. Several Federal district courts have imposed such limits at the hearing level and numerous bills have been introduced to set such limits at various levels of adjudication.

Conference Action. The bill requires the Secretary to submit a report to Congress recommending appropriate time limits for the various levels of adjudication of title II cases. In recommending the limits, the Secretary was to give adequate consideration to both speed and quality of adjudication.

Effective Date. The report is due on July 1, 1980.

Scope of Federal court review—Findings of fact

Present Law. In Social Security appeals, the U.S. District Court shall have power to enter upon the pleadings and transcript of the record, a judgment affirming, modifying, or reversing the decision of the Secretary, with or without remanding the case for a hearing. The findings of the Secretary as to any fact if supported by substantial evidence, shall be conclusive.

Senate Bill. The Senate bill modified the scope of Federal court review so that the Secretary's determinations with respect to facts in Title II and Title XVI would be conclusive, unless found to be arbitrary and capricious. The substantial evidence requirement would be deleted.

Conference Action. The conference deleted the provisions of the Senate bill because of the uncertainty as to the ramifications of the rule proposed and the concern that the administrative process is not operating with the degree of creditability which would justify elimination of the "substantial evidence rule." Appeals Council own motion review of ALJ decisions eventually should enhance the validity of the process and lead to the need for less reliance on judicial review. The conferees believe that the National Commission on Social Security should examine the disability adjudication and appeals process generally and deal specifically with such elements as the Administration proposals for judicial review in addition to alternative approaches such as a Disability Court.

The conference committee would like to reiterate what both committees stated in their reports on P.L. 94–202 that the courts should interpret the substantial evidence rule with strict adherence to its principles, since the practice of some courts in making *de novo* factual determinations could result in very serious problems for the Federal judiciary and the social security programs.

III. PROGRAM ADMINISTRATION

Administration by State agencies

(Sec. 304 (a) (b) (e) (f) and (h))

Present Law. Present law provides for disability determinations to be performed by State agencies under an agreement negotiated by the State and the Secretary of Health and Human Services. Unlike the grant-in-aid programs, the relationship is contractual and State laws and practices are controlling with regard to many administrative aspects. State agencies make the determinations based on guidelines provided by the Department and the costs of making the determinations are paid from the disability trust fund in the case of DI claimants, or from general revenues in the case of SSI claimants by way of advancements of funds or reimbursements to the contracting State agency. Present agreements allow both the State and the Secretary to terminate the agreement. The States generally may terminate with 12 months' notice and the Secretary may terminate if he finds the State has not complied substantially with any provision of the agreement.

Conference Action. The bill requires that disability determinations be made by State agencies according to regulations or other written guidelines of the Secretary. It requires the Secretary to issue regulations specifying, in such detail as he deemed appropriate, performance standards and administrative requirements and procedures to be followed in performing the disability determination function "in order to assure effective and uniform administration of the disability insurance program throughout the United States." Certain operational areas were cited as "examples" of what the regulations may specify. These include such items as the nature of the administrative structure, the physical location of and relationship among agency staff units, performance criteria and fiscal control procedures. The bill also provides that this shall not be "construed to authorize the Secretary to take any action except pursuant to law or to regulations pursuant to law."

The bill also provides that if the Secretary found that a State agency is substantially failing to make disability determinations consistent with his regulations, the Secretary shall, not earlier than 180 days following his findings, terminate State administration and make the determinations himself. The provision also allows for termination by the State. The State would be required to continue to make disability determinations for not less than 180 days after notifying the Secretary of its intent to terminate. Thereafter, the Secretary would be required to make the determinations.

Effective Date. The bill provides that these changes will be effective beginning with the 12th month following the month in which the bill is enacted. Any State that has an agreement on the effective date of the amendment will be deemed to have given affirmative notice of wishing to make disability determinations under the regulations. Thereafter, it may give notice of termination which shall be effective no earlier than 180 days after the notice is given.

Protection of State employees

(Sec. 304 (b) and (i))

Present Law. Under provisions of the Federal Personnel Manual, when the Federal Government takes over a function being carried out by a State, the Federal agency in its discretion may retain the State employees in their positions.

Conference Action. The bill requires that if the Secretary of Health and Human Services assumes the disability determination function he must assure preference to State agency employees who are capable of performing duties in the disability determination process over any other individual in filling new Federal positions. However, the Secretary would not be required to provide a hiring preference to the administrator, deputy administrator, or assistant administrator (or comparable position) in the event that the Secretary found it necessary to assume the functions of a State agency. Although he would not be required to provide a preference to persons in those positions, he could do so if he determines that such action is appropriate.

In addition, the Secretary would be prohibited from assuming the State functions until the Secretary of Labor determined that, with respect to any displaced State employees who were not hired by the Secretary, the State had made "fair and equitable arrangements to protect the interests of employees so displaced." The protective arrangements would have to include only those provisions provided under all applicable Federal, State, and local statutes, including the preservation of rights and benefits (including continuation of pension rights and benefits) under existing collective-bargaining agreements, the continuation of collective-bargaining rights, the assignment of affected employees to other jobs or to retraining programs, the protection of individuals against a worsening of their positions with respect to employment, the protection of health benefits and other fringe benefits, and the provision of severance pay.

The bill also requires that the Secretary submit to the Committee on Ways and Means and the Committee on Finance by July 1, 1980, a detailed plan on how he expected to assume the functions of a State disability determination unit when this became necessary. The plan should assume the uninterrupted operation of the disability determination function and the utilization of the best qualified personnel to carry out that function. If any amendment of Federal law or regulation was required to carry out such plan, a recommendation for such amendment is to be included in the plan for action, for submittal to the Congress.

Effective Date. Same as for the provision for Administration by State agencies.

Payment for existing medical evidence

(Sec. 309)

Present Law. Authority does not now exist to pay physicians and other potential sources of medical evidence for medical information already in existence when a claimant files an application for disability insurance benefits. Such authority does exist in the SSI program.

Conference Action. The bill provides that any non-Federal hospital, clinic, laboratory, or other provider of medical services, or physician not in the employment of the Federal Government, which supplies medical evidence requested and required by the Secretary for making determinations of disability, shall be entitled to payment from the Secretary for the reasonable cost of providing such evidence.

Effective Date. Six months after enactment.

Payment for certain travel expenses

(Sec. 310)

Present Law. Explicit authority does not exist under the Social Security Act to make payments from the trust funds to individuals to cover travel expenses incident to medical examinations requested by the Secretary in connection with disability determinations, and to applicants, their representatives, and any reasonably necessary witnesses for travel expenses incurred to attend reconsideration interviews and proceedings before administrative law judges. Such authority now is being provided annually under appropriation acts.

Conference Action. The bill provides permanent authority for payment of the travel expenses of individuals (and their representatives in the case of reconsideration and ALJ hearings) resulting from participation in various phases of the adjudication process. The amount available for air travel normally shall not exceed coach fare.

Effective Date. Upon enactment.

IV. WAIVER OF WAITING PERIOD FOR TERMINALLY ILL

Waiver of waiting period for terminally ill

(Sec. 506)

Present Law. Under the DI program the waiting period is the earliest period of 5 consecutive months in which an individual is under a disability. An individual is determined disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or is expected to last for not less than 12 months. If an individual becomes disabled and applies for benefits in the same month, the waiting period will be satisfied 5 months after the month of application. With all other conditions of eligibility having been met, benefits will be due for the sixth month after the month in which the disabling condition begins, and will be paid on the third day of the seventh month.

The waiting period cannot begin until the individual is insured for benefits (i.e., the individual has satisfied the quarters of coverage requirements). If the disabling condition begins before an individual is insured for benefits, the waiting period can begin only with the first month in which the individual has insured status.

If a worker is applying for benefits after having been entitled to DI benefits previously (or had a previous period of disability) within 5 years prior to the current application, the waiting period requirement does not have to be met again.

Senate Bill. The Senate bill eliminated the waiting period for persons with a terminal illness, i.e., a medically determinable physical impairment which is expected to result in the death of such individual within the next 12 months and which has been confirmed by two physicians in accordance with the appropriate regulations.

The provision was to be effective for applications filed in or after the month of enactment, or for disability decisions not yet rendered by the Social Security Administration or the courts prior to the month of enactment.

Benefits would be payable beginning October 1980.

Conference Action. The conferees did not agree to the Senate provision eliminating the waiting period for persons with a terminal illness, but in lieu thereof agreed to a provision authorizing up to $2 million a year to be used by SSA to participate in a demonstration project which is currently being conducted within the Department of Health and Human Services. The purpose of the project is to study the impact on the terminally ill of provisions of the disability programs administered by the Social Security Administration. It is expected that this demonstration authority and the resulting reports which will be made on demonstration projects will provide the information necessary to enable the Congress to amend the Social Security Act so as to provide the kinds of services most appropriate for individuals who are suffering from terminal illnesses.

Mr. PICKLE. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Speaker, I come to the floor enthusiastically to support this conference report.

As a Member who serves under the chairmanship of the gentleman from Florida (Mr. PEPPER) on the Select Committee on Aging and as a Member who in my own right served as Commissioner of the department of aging in Connecticut for a 2-year period of time, there is no question, Mr. Speaker, that there is a national scandal today in the area of Medi-Gap and in the area of abuse of the elderly. I would like to outline some of the abuses we found.

First, we found salesmen who were selling policies which clearly duplicated the coverage of medicare.

Second, we found misrepresentation by salesmen as to what the policies actually covered.

Third—and we had very vivid testimony to this effect—we found policies were sold which duplicated existing policies on the person for whom insurance was being extended.

And, fourth, we found in the area of mail sales of policies that substantial fraud existed.

The positive side was that we found there are many States that had acted and acted aggressively in this area. My own State, the State of Connecticut, earlier this year passed legislation that went substantially further than many other States. Connecticut passed legislation which established a minimum individual loss ratio of 65 percent and a minimum group loss ratio of 75 percent. Also, the Connecticut law provides that any gaps or overlaps with medicare must be spelled out in writing and allows the State Commissioner of Insurance to develop the implementing regulations.

Unfortunately, there are many States that do not have this coverage, and as a result this legislation which is contained in the conference report today is needed, and it is needed badly. We found three areas nationally where coverage was needed in national legislation.

First, legislation which requires that before policies are approved by the commissioner of insurance or before insurance is approved, rather, it must be approved at the State level by the commissioner of insurance;

Second, a law which would make it unlawful for an insurance salesman to represent that he was a representative or employee of medicare;

And, third and finally, the law requires that there be the creation of a program of voluntary certification in the Department of Health, Education, and Welfare.

So it is for these three reasons that the Medi-Gap coverage is necessary. I am pleased that the conference committee reached agreement in this area, and I am pleased that we now will have a voluntary certification program.

I am pleased, above all, that the frail elderly will no longer be subject to the abuse we found rampant in the United States.

So, Mr. Speaker, I applaud the Committee on Ways and Means, and I applaud especially the work of the subcommittee. I urge adoption of the conference report.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. RATCHFORD. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this was a difficult matter of negotiation within the committee. There was great concern about Federal intrusions into the area of insurance regulation, and yet there was widespread evidence of abuse in mail order sales of Medi-Gap insurance.

We think we have worked out a compromise here—and may I say that Senator BAUCUS of the other body was extremely active in this effort—that will protect the elderly and will at the same time keep the Department of Health and Human Resources from getting heavily into the insurance regulation area.

For that reason, Mr. Speaker, I think the compromise is particularly hopeful. We have, in other words, not created a substantial intrusion of a new Federal function, and yet we have dealt with the abuse that has been such a widespread matter of concern.

Mr. RATCHFORD. Mr. Speaker, I strongly agree with the gentleman from New York (Mr. CONABLE).

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. RATCHFORD. I yield to the chairman of the Select Committee on Aging.

Mr. PEPPER. Mr. Speaker, I just want to join in the commendation of the conferees, especially those on the part of the House, in accepting these Medi-Gap amendments. This has been a gracious act on their part and, I think a meaningful one for the elderly people of this country.

Second, especially as chairman of the Select Committee on Aging, I want to commend the distinguished gentleman from Connecticut (Mr. RATCHFORD) for his great contribution in producing this Medi-Gap legislation.

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Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Speaker, I support the conference report on H.R. 3236 because I believe it represents the best set of compromises obtainable.

H.R. 3236, as passed by this House, was designed to make the disability insurance program more responsive to the needs of both beneficiaries and insured workers, whose taxes pay the benefits. It did so mainly by offering new incentives to those who are disabled but who are trying to become successfully employed again.

In the other body, these important provisions were not altered radically. There were some differences, of course, but they were not terribly difficult to resolve.

The real problems for the conferees were posed by amendments of the other body which had nothing to do with the original contents of H.R. 3236. These unrelated provisions make changes in several different titles of the Social Security Act and involve such widely disparate subjects as runaway fathers and insurance policies to supplement medicare.

The conference report changes title IV of the Social Security Act by requiring many adult recipients of aid to families with dependent children to register not only for work but for job search programs. It permits easier access to data needed in tracking down delinquent parents in child support cases. And it increases Federal matching money for improvements in information retrieval systems for welfare programs.

The report amends title XVIII of the Social Security Act by requiring the Secretary of Health and Human Services to establish a voluntary certification program for medicare supplemental policies in States which do not provide certain standards. This was an amendment of the other body, adopted by the managers on the part of the House only after prolonged negotiations. The amendment was modified in conference so that voluntary certification would not become effective until July 1982 and so that a certified policy would have to meet or exceed standards set by State insurance commissioners, not Federal law.

The voluntary certification program would not be applicable to any policy issued in a State which has standards that "are equal to (or) are more stringent than" standards set forth in a model regulation adopted by the association of State insurance commissioners. A panel, appointed by the President and consisting of the Secretary of HHS and four State insurance commissioners, would determine whether a State had acceptable standards. The statement of managers makes it clear that the conference report phrase "more stringent than" was not designed to be a benchmark for the panel but was inserted solely to emphasize the congressional intent that States should not be encouraged to limit their regulatory programs to a minimal level.

Although this portion of the report is not in precisely the form that some of us who served as managers would prefer it to be, it is a pragmatic solution to a very controversial and complex issue.

Much the same can be said of agreements reached on other sensitive issues by this conference. I doubt that any of the managers is completely satisfied with every part of the report, but I believe that every manager on the part of the House is satisfied with the whole.

All in all, Mr. Speaker, it is a good report, worthy of approval by this body.

● Mr. BINGHAM. Mr. Speaker, I rise to clarify for the record why I am voting in favor of the conference report on the Social Security Disability Amendments of 1980 (H.R. 3236) when I voted against the original House-passed bill.

First, the conference committee version of H.R. 3236 includes the provisions of H.R. 3464, the supplemental security income disability amendments which make needed reforms in the SSI program and which was approved separately by the House on June 6, 1979, by a vote of 374 to 3. I supported passage of H.R. 3464 because of the help it will provide to the disabled with the lowest income. I sincerely regret that the Senate chose to attach H.R. 3464, which I favor, to H.R. 3236, which I voted against. Briefly, these SSI reform provisions are aimed at encouraging disabled SSI recipients to return to work and remain productive members of society by continuing SSI benefits even if their earned income exceeds the substantial gainful activity (SGA) earned income limit of $300 per month.

Most importantly, this would protect the medicaid and social services eligibility of these SSI recipients who return to work. Under this legislation, a 3-year demonstration program would be established by January 1, 1981, protecting disabled SSI recipients who return to work from loss of benefits including medicaid and social services up to the amount they were receiving before they returned to work. More important, the conference committee provisions also establish a pilot program to assist States in providing medical or social services to severely handicapped persons who earn more than allowed by the substantial gainful activity (SGA) rule of $300 per month and do not receive SSI, the special benefits explain above, or medicaid. However, because of current budget problems, funding of this pilot program would be delayed until fiscal year 1982. I look forward to implementation of this pilot program which will help severely disabled adults return or continue to work by allowing them to qualify for medicaid and social services. I have a number of constituents who will benefit from this long overdue reform.

Second, the conference committee reduced the cuts in social security disability benefits proposed in the House-passed version of H.R. 3236 and made it clear that the cuts would apply only to those young disabled workers with families who first qualify for benefits on or after July 1, 1980 instead of January 1, 1980 in the House version of H.R. 3236. This means that no current recipient of disability insurance benefits will be adversely affected by this 15 to 18 percent reduction in family benefits in this legislation. I regret that any cuts in benefits are included in this bill. I share the concern of current recipients of old age insurance that they set a precedent for further cuts in social security benefits and break faith with past, present and future contributors to the social security trust funds. I pledge to all these concerned citizens that I will fight any further cuts in social security benefits as long as I am in Congress.

Third, the committee retained and expanded the House-passed provisions in H.R. 3236 and H.R. 3464 which further encourage social security and SSI beneficiaries to return to work despite their impairments. These provisions would:

Double the present trial period to 2 years for both the OASDI and SSI programs for individuals still disabled 6 months after enactment. The trial work period is the period during which a disabled individual may work without losing eligibility for benefits;

Deduct from a disabled individual's earnings impairment-related work expenses, including attendant care and medical equipment costs, in computing eligibility for OASDI and SSI benefits. This provision, effective 6 months after enactment, would apply only to those disabled individuals who pay their own expenses;

Extend medicare coverage for an additional 3 years to disabled beneficiaries who return to work;

Eliminate the second 2-year waiting period for medicaid benefits for those who reapply for benefits after unsuccessfully attempting to work, effective 6 months after enactment;

Consider as earned income that income received from sheltered workshops and work activities centers, thus making it eligible for earned-income disregards to determine SSI payments, as of October 1980;

Limit the deeming of parents' income and resources to disabled or blind children age 18 whether or not the child is in school or in training, beginning October 1980. Children between the ages of 18 and 21 who are receiving SSI benefits as of October 1980 would not have their benefits reduced; and

Continue OASDI and SSI benefits for medically recovered persons in approved vocational rehabilitation programs. Benefits would be continued only if the Social Security Commissioner determined that this would increase the probability of the beneficiary being permanently removed from the disabled rolls.

Fourth, the conference committee included a modified version of a Senate amendment I supported providing protection to consumers against fraudulent Medi-Gap insurance—private insurance policies which supplement medicare benefits. These provisions would require States to establish a voluntary certification program by July 1, 1982, for medicare supplemental policies. In order to receive State certification, these policies would have to meet or exceed standards established by the National Association of Insurance Commissioners in 1979; and pay benefits to subscribers that meet an established loss ratio of 75 percent for group policies and 60 percent for individual policies. A loss ratio is the amount an insurance company pays out to beneficiaries as compared to the amount collected in premium payments. This kind of consumer protection is needed as soon as possible so I hope States will move quickly to establish their voluntary certification programs.

Finally, the conference committee version of H.R. 3236, H.R. 3464, authorizes a number of important demonstration programs including one which would eliminate the 5-month waiting period for the terminally ill to qualify for disability benefits. In addition, it tightens administration of the disability insurance program and the Aid For Dependent Children (AFDC) welfare program.

The decision to vote for H.R. 3236 as reported by the conference committee has been a difficult one because of the cuts in disability benefits to future recipients which were included in the legislation. But I believe on balance the provisions in this measure before us today do more good for social security and SSI recipients than harm. I hold out some hope that the decision to cut some disability benefits can be reevaluated next year when the National Commission on Social Security submits its extensive report to Congress on January 11. The report is expected to review the adequacy of social security benefits and recommend improvements. This should give Congress an opportunity to test the theory behind the cuts in disability benefits that they will help encourage recipients to return to work. I look forward to this opportunity.●

● Mr. SHANNON. Mr. Speaker, I rise in strong support of the Medi-Gap provisions of the conference report on the Disability Amendments Act.

In the 15 years since medicare was first enacted, we have witnessed a dramatic increase in health care costs in this country. Health care costs have consistently increased at rates far exceeding the increases in the cost of living.

No group has suffered more from these increases than the elderly who have had to pay more out of their pockets in order to participate in the medicare program and to cover the increasingly larger share of their bills which medicare does not cover.

Consequently, the elderly are increasingly turning to the purchase of private health insurance policies to fill the gaps in medicare's inadequate coverage.

It has been estimated that two-thirds of the elderly have at least one such health insurance policy and that the elderly spend almost $4 billion each year on these "Medi-Gap" policies.

The problem is that there are many abuses in the sale of these Medi-Gap policies. Hearings before the Senate and House Aging Committee's have documented the fact that policies are often sold to the elderly on the understanding they will pay for items which are not covered by medicare such as out-of-hospital prescription drugs and nursing homes. However, the reality is that most of these policies provide payment only for medicare's copayment and deductibles. Unethical insurance agents and a small number of insurance companies have also sought to capitalize on the fears of the elderly by selling them excessive or duplicative insurance with very limited value. The instances of abuse have reached the point of being a national scandal.

However, even in the face of undeniable evidence of widespread abuse, up until this year no legislation had been passed by either House of Congress which would help remedy this problem.

During the Ways and Means Health Subcommittee consideration of the Medicare-Medicaid Amendments Act of 1979 (H.R. 4000) I offered an amendment which was adopted that would set up a voluntary certification program of medicare supplemental insurance policies which is very similar to the program contained in this conference report which we are now considering.

Under this proposal companies which sell Medi-Gap insurance policies can apply to the Secretary of Health and Human Resources for certification that the policy meets or surpasses certain minimum standards. If the policy meets the standards, this fact can be used in advertising and selling the policies. This should provide a competitive advantage to policies which do protect the elderly and work to the disadvantage of those policies which are not worth the paper they are written on.

This program will also provide criminal penalties for agents who engage in fraudulent sales practices. Violations are punishable by up to 5 years in prison and a $25,000 fine. The same penalties will be applied to companies which sell Medi-Gap policies through the mail in States which have not approved those policies.

Under the certification program which we have before us, the elderly will soon have the protection from fraudulent sales practices and worthless insurance policies. I urge my colleagues to protect the elderly and approve the conference report.●

● Mr. BIAGGI. Mr. Speaker, I rise with mixed reactions to the pending conference report to accompany H.R. 3236, the social security disability amendments. The nature of my dilemma is this. When H.R. 3236 came before the House last September, I voted against the legislation because I considered it to be a punitive and premature piece of legislation which imposed unnecessary hardships on individuals and families participating in the disability insurance program.

However, the conference report includes a vitally important provision which was one of the major initiatives of the House Select Committee on Aging on which I am proud to be an original member. I refer to the so-called "Medi-Gap" provisions. In November, our committee under the exemplary leadership of Chairman CLAUDE PEPPER conducted a celebrated hearing on fraudulent medical insurance policies which were being sold to medicare recipients to cover those items which were spending nearly $1 billion a year on unnecessary and oftentimes worthless insurance policies. The catalyst for the scandal was the fact that medicare, when enacted in 1966 was supposed to cover 80 percent of the health care need of seniors—today only covers 38 percent of actual needs. Included among medical items not covered by medicare are hearing aids, eyeglasses—needed by more than 90 percent of seniors and much of the expenses associated with catastrophic illnesses.

We learned that senior citizens by the millions purchase so-called "Medi-Gap" insurance policies sold by private companies. Specifically, more than two-thirds of the 23 million seniors in this Nation have at least one Medi-Gap policy—many have more than one. All told some 19 million such policies estimated at a cost of $1.5 billion were sold in 1977 alone.

At our hearing—we heard one especially horrifying story by the son and daughter of one elderly woman who was duped into buying 71 different health insurance policies at a cost of more than $30,000 in premium payments. These policies were largely duplicative and worthless.

I actually did more than just participate in the House Select Committee on Aging hearing on this subject. In advance of the actual hearing, I joined an elderly woman at a private home to which a private insurance agent visited to sell a cancer insurance policy. I was advised by the agent of the extent of the policy's coverage and as a copy of the policy was handed over emblazoned in big red letters was the ominous warning cancer will strike. If this intimidating warning was not enough—the agent then launched into a discussion of the many medical expenses which the particular policy would cover if in fact cancer was contracted. However, the facts belie these promises. The overwhelming majority of medical expenses covered by these policies are triggered if you are in fact hospitalized. The fact is many cancer patients receive medical treatment outside of the traditional hospital—in clinics and the like. Under most cancer insurance policies—these expenses would not be covered. One of the House Select Committee on Aging staff members herself a victim of cancer purchased one of these policies and although paying $100 in premiums, her policy only covered $160 of some $4,000 in medical expenses.

What our hearing revealed was that policies sold by major insurance companies were bona fide ripoffs to elderly consumers. An insurance policy at the very minimum should return at least 60 cents of the consumer dollar in terms of expenses covered. Yet our committee found that companies were returning as little as 37 cents on the dollar including one company—which practically garnered the entire market in cancer policies—returned on the average just 43 cents on the dollar.

Following this hearing, I joined Chairman PEPPER as a cosponsor of H.R. 2602, the so called Medi-Gap Act. It directed the Secretary of the Department of Health and Human Services to institute a program of voluntary certification of policies sold in supplementation of medicare. We worked hard to get the full House an opportunity to consider this legislation.

I am supporting the conference report to H.R. 3236 because it contains important language aimed at averting continued consumer fraud in Medi-Gap insurance industry.

Specifically the language in the conference report provides:

Effective July 1, 1982, a voluntary certification program would require a medicare supplemental policy to meet or exceed standards established by the National Association of Insurance Commissioners in 1979 and pay consumers of group policies at least 75 cents on the premium dollar in benefits and for those holding individual policies the return should be at least 60 cents on the dollar.

Under the conference report, States would have until July 1, 1982, to design their own qualified certification program before the Federal program could be implemented. This is consistent with the provisions of the McCarran-Ferguson Act of 1945 which in effect leaves the regulation of the insurance industry largely to the States. It should be noted that several States, most notably my home State of New York have in fact adopted strong regulations which restrict or ban the sale of low-return insurance policies and which also bar the aforementioned "dread disease policies". New York State has been in the forefront in this area and I especially commend Commissioner Al Lewis from the State Insurance Commission.

The pending conference report also provides that the Secretary of Health and Human Services may issue certification to insurers who meet these standards and requirements. The conference report also intends that insurers notify policyholders of the loss of certification.

The conference report does provide for certain exceptions. Included are group health policies held by one or more employers or labor organizations on grounds that these policies are not designed as supplemental coverage and are sold to all persons regardless of age. Also excluded are professional trade and occupational associations if the association exists for purposes other than obtaining insurance.

Finally, the conference report provides that Federal criminal penalties would be imposed on insurance companies who sell supplemental insurance policies through the mail in States which have not approved such policies with certain exceptions. This is vital to our commitment to consumer protection.

Over our 5-year history, the House Select Committee on Aging has been responsible for leading efforts which resulted in landmark legislation. One recalls the ending of mandatory retirement at age 65, the Older Americans Act Amendments of 1978 with its establishment of our first national program of providing meals to the homebound elderly. Today our mark is again being felt on the legislative process. It was our hearing that initially exposed the fraud victimizing millions of senior citizens. It was our hearing which disclosed the unscrupulous nature of certain insurance policies to unsuspecting seniors. Finally, it was H.R. 2602 sponsored by our chariman, Mr. PEPPER and cosponsored by the leadership of the committee which served as a catalyst for the legislation before us today. I urge my colleagues to support this conference report because of the Medi-Gap language.

We are taking an important first step in an effort which will take many steps to reach total fruition. Admittedly our approach to this issue is voluntary in nature. It may require stronger action in the future. Let us hope that H.R. 3236 serves as a stimulus to States to do their best to prevent the sale of fraudulent Medi-Gap insurance policies. We must in short order enact legislation which will expand medicare coverage thus further diminishing the need for supplemental policies. Such legislation has been pending before the full House for some time—H.R. 3990. I urge the leadership to schedule this important bill for immediate consideration. As we continue to grapple with the optimum legislation for national health insurance, let us attack the issue incrementally including expansion of medicare coverage which is vital to the national health insurance needs of the our elderly.

In all candor—the Medi-Gap provisions are the saving graces of a piece of legislation to which I still harbor fundamental reservations. Specifically I remain opposed to the provisions which will limit the maximum amount of total benefits that may be paid to disability insurance beneficiaries to 85 percent of the workers average indexed monthly earnings or 150 percent of the workers benefit—whichever is less. While this provision is only for newly eligible recipients—the net result is still the same—we are reducing benefits for people in need at a time when inflation shows little sign of abating.

I also have strong reservations about the change in the so-called drop out years in computing benefits.

These provisions as well as certain other proposed changes in the disability program are based on two false premises. The first is that the disability insurance trust fund is in trouble and only by reducing benefits can we save it. This fund is sound for the next 75 years, according to the trustees of the social security system. The second false premise is that by reducing benefits, you provide work incentives for those on disability. For some this may be true but over 70 percent of recipients are over age 50 and have chronic disabilities which make rehabilitation impossible.

In essence this is not the time to make people more defenseless against inflation or recession. This will result with passage of H.R. 3236. However, in this bittersweet legislative proposal—the pros do outweigh the cons and the measure deserves support. Hopefully, next year we can review the disability program once more and do away with some of the more onerous provisions in this legislation.●

● Mr. COTTER. Mr. Speaker, I rise in strong support of H.R. 3236, the social security disability amendments.

I was privileged to be a conferee on this important legislation and can recommend this conference report without hestitation to my colleagues.

The purpose of this legislation is to provide added incentives for disabled workers to return to work and, in addition, not make disability payments attractive enough to dissuade people from returning to work.

The bill allows workers to return to work on a trial basis for 2 years without losing eligibility for benefits. It allows disabled workers to disregard work related expenses and extends medicare coverage for an additional 3 years to disabled beneficiaries who return to work. In addition, the legislation eliminates the 2-year waiting period for medicare benefits for disabled workers who find they cannot work.

The conferees labored intensely on a new Medi-Gap provision and I think the conferees decisions, on the whole, were balanced and deserve support.

Under the provision of the bill, States have until July 1, 1982, to establish their own regulations which would assure that Medi-Gap insurance policies meet or exceed the standards established by the National Association of Insurance Commissioners and have specified loss-ratios.

These minimum benefits provided a reasonable basis so that older Americans will be assured that the supplemental insurance policies they purchase really provide protection.

I was glad that the conferees accepted a provision that would limit the ability of unscrupulous legally admitted aliens who apply for SSI benefits immediately after coming to the country. In the future such aliens or their sponsors must repay any SSI benefits.

Under present law aliens admitted to this country must either be self-sufficient or have a sponsor that is capable of providing for their well-being. I think this new provision will cut down fraud and abuse in this area.

There are several small but important welfare benefits and, as a whole, I believe that this legislation deserves the overwhelming support of the House.●

● Mr. CARTER. Mr. Speaker, I am pleased to join in support of the conference report on H.R. 3236, the Social Security Disability Amendments of 1980, which is intended to provide better work incentives and to improve accountability in the disability insurance program.

In particular, I want to express my strong support for the provision in this conference report which establishes a voluntary certification program for medicare supplemental health insurance. This proposal, which has become known simply as Medi-Gap, is very similar to the Medi-Gap provision adopted by the Commerce Committee earlier this year and reported as part of H.R. 4000—the medicare and medicaid amendments—of which I am a sponsor.

In fact, I am proud to have been a cosponsor of the original Medi-Gap legislation, introduced by my good friend and distinguished chairman of the House Select Committee on Aging, Senator CLAUDE PEPPER of Florida. And I would like to take this opportunity to commend the Senator for his diligent efforts in bringing this matter to congressional attention—and for seeing that appropriate legislative action would be taken. Following the Aging Committee's hearings, the Health and Environment Subcommittee held a special hearing on the problems surrounding the sale of medicare supplemental insurance and as a result of those hearings, our Commerce Committee reported legislation containing the voluntary Medi-Gap proposal.

Mr. Speaker, I regret very much that this legislation is necessary.

I regret that numerous examples of abusive practices have occurred with regard to the selling of medicare supplemental insurance to the elderly of this country.

Many, too many, older Americans have been intimidated or misled into buying the so-called Medi-Gap policies, which were later found to be duplicative, unnecessary, or simply inadequate.

However, because these abuses have occurred, congressional attention has been focused on this problem. And as a result, a very reasonable approach has been developed to address the situation—in my opinion.

Under the legislation, insurance companies could apply on a voluntary basis for certification of their Medi-Gap policies. And in States where reasonable measures have already been developed to regulate such policies—then the voluntary Federal certification program would not apply. Certainly, it would be our hope that all States would adopt at least the minimum standards necessary to insure protection of their medicare beneficiaries from any similar abuses in the future. While many States have in fact taken the initiative in this field, not all have done so.

In conclusion, I would urge my colleagues to support the conference report, which includes this important "Medi-Gap" provision to help end the abuses in the sale of health insurance to medicare beneficiaries.

I would also like to commend my distinguished colleagues—Congressman ULLMAN, chairman of the Ways and Means Committee, and Congressman CONABLE, the ranking minority member, for their excellent work on this conference report. And I appreciate the thoughtful consideration that they have given to the Medi-Gap issue and to the many other important provisions in this legislation.

Thank you, Mr. Speaker.●

● Mr. OBERSTAR. Mr. Speaker, I rise in opposition to the conference agreement on H.R. 3236 because the legislation before us now still contains, essentially unchanged, the provision which caused me to oppose the bill when it was before us last September.

This legislation will reduce benefits an average of 15 percent to 18 percent for any disabled worker who first becomes entitled to benefits after July 1, 1980. Averages, however, do not tell the whole story. The limitation will not affect workers over age 47 who have no dependents eligible for benefits. It affects all younger workers and all workers with families. For all intents and purposes, this bill abolishes mother's benefits because the ceiling on benefits is the same whether a worker has one dependent or

10. The average reduction to this younger worker is not 15 percent, it is 30 percent.

The limitation or cap on family benefits is not necessary to protect the disability insurance trust fund. Its inclusion in a bill designed to provide work incentives is an affront to those workers whose disabilities are so severe that no amount of personal initiative would enable them to reenter the labor market and it is an economic penalty to any worker with a family who has the misfortune to become disabled.

It is important for each and every Member of this body to understand the practical, every day effect of these changes. In many cases, the effect will be to push into poverty or on to welfare rolls the families of disabled wage earners. This will be particularly true of one parent families or families where the spouse of a disabled worker is unable, for whatever reason, to enter the labor market to supplement inadequate social security benefits.

Before voting on this bill, I would like each Member of Congress to review with me the manner in which benefits are computed.

The average monthly indexed earning (AMIE) which is the basis for the primary benefit is computed by averaging every year of a worker's career. This means early years when the worker is not yet established in the labor market; years of unemployment or labor strife; years of military service at low wages; perhaps years of part-time work while continuing education, and, for women, child care years. Basically, we are talking about every year after a worker's 21st birthday. From those years, under current law, up to 5 years of low or no earnings can be dropped, but at least 2 earnings years must be used in the computation.

Under the legislation before us now, the number of permitted dropout years are reduced for every wage earner under age 47. Workers under age 27, those most likely to have the lowest annual earnings, will have to count every year. Above that age, one dropout year is allowed for each 5 years of age up to a maximum of five for an older worker. One additional change is made which will be of marginal help to workers—almost invariably women—who dropped out of the labor market to care for young children. The parent who completely discontinued working to care for a child under 3 may drop out a year of earnings for each year of childcare as long as the total number of dropout years do not exceed three.

The increase in number of years counted will mean a primary benefit reduction for every young worker with a family, but the "cap" on family benefits of 150 percent of a primary benefit or a maximum of 85 percent of average earnings hurts that worker even more.

Under current law, the maximum benefit paid to a family varies from 150 percent to 188 percent of a primary benefit. The worker with low average earnings is already "capped" at 150 percent of his or her own benefit. That low earnings worker will now be "capped" as low as 100 percent of a primary benefit.

To understand what this means to a family, we have to look at how benefits are paid.

Under current law, each eligible dependent of an annuitant is entitled to a benefit equal to 50 percent of the worker's benefit, but the total paid cannot exceed the family maximum. The limitations contained in this bill before us will provide for a maximum of one dependent. In many instances, no family benefits will be paid.

Disability benefits applications and approved claims increased gradually from 1962 when the 50-year age limit was dropped until they reached a peak in 1975. Since that time, approved claims have dropped sharply and the number of awards per 100,000 insured workers is less now than it was in 1970—458 per 100,000 against 479 per 100,000. The disability insurance trust fund is accumulating a surplus to the point we are talking about reallocating payroll taxes from that fund to the old age and survivors trust fund.

This reduction in numbers of awards is partially due to closer Office of Disability Operations' monitoring of the disability decisions of State agencies. It can also be attributed to the issuance of regulations setting forth, for the first time, the manner in which vocational factors—that is, age, education, experience—are to be evaluated when a worker is severely disabled. The administrative ability of the Social Security Administration to supervise disability awards will be strengthened by other features of H.R. 3236.

In plain everyday English, a younger worker is not adjudged disabled unless he or she is terminally ill or so severely impaired that the possibility of a return to the labor force is virtually nonexistent.

Older workers have a slightly less stringent application of vocational factors, but an older worker, frequently at the peak of lifetime earnings potential, is not found disabled if he is capable of performing the most basic, sedentary job in the economy at the minimum wage.

When a decision has been made that these workers meet the disability criteria of the law, must we compound their suffering by insuring that financial hardship accompanies physical hardship? Do we force their families on to our welfare rolls under the guise of a "work incentive?"

H.R. 3236 contains real work incentive features which I wholeheartedly support. I was one of the original sponsors of legislation to eliminate the second medicare waiting period and throughout my career I have strongly supported vocational rehabilitation services to help people enter or reenter the labor market.

When the House considered H.R. 3236 last September, it provided a "cap" on benefits of the lesser of 150 percent of a primary benefit or 80 percent of a prior average wage. The only change made in conference is that the maximum was set at 85 percent of average indexed earnings, rather than 80 percent. This minimal change does not significantly alter the fact that there will be absolutely no family benefits paid to thousands of young workers with low wages or to those older workers who have gaps in their wage records.

The reductions in benefits contained in this legislation are not necessary to protect the integrity of the disability insurance trust fund. Removing the substantial disability insurance protection workers now have, will not result in any reduction in the tax on wages. We will add to the suffering of the family of a disabled worker and achieve no benefit equal to the hardship we will impose.

Reluctantly, I cast my vote in opposition to an otherwise commendable bill.●

Mr. PICKLE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 2, not voting 42. as follows:

[Roll No. 253]

YEAS—389

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel

Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Thompson
Traxler
Tribble
Udall
Ullman
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—2

Mikulski
Oberstar

NOT VOTING—42

Anderson, Ill.
AuCoin
Badham
Boggs
Bonker
Bowen
Breaux
Brown, Calif.
Brown, Ohio
Coughlin
Davis, S.C.
Diggs
Dixon
Dodd
Duncan, Oreg.
Fish
Foley
Garcia
Grassley
Green
Hansen
Holtzman
Kazen
LaFalce
Leach, La.
McCormack
McEwen
McKinney
Martin
Mathis
Minish
Nolan
Perkins
Rodino
Runnels
Santini
Stewart
Symms
Van Deerlin
Volkmer
Wilson, C.H.
Wolff

☐ 1200

The Clerk announced the following pairs:

Mr. Wolff with Mr. Anderson of Illinois.

Mr. Rodino with Mr. Fish.

Mrs. Boggs with Mr. McEwen.

Mr. Breaux with Mr. Symms.

Mr. Kazen with Mr. Hansen.

Mr. LaFalce with Mr. Coughlin.

Mr. McCormack with Mr. Badham.

Mr. Nolan with Mr. Grassley.

Mr. Santini with Mr. Green.

Mr. Foley with Mr. McKinney.

Mr. AuCoin with Mr. Martin.

Mr. Brown of California with Mr. Boner of Tennessee.

Mr. Davis of South Carolina with Mr. Garcia.

Mr. Dodd with Mr. Leach of Louisiana.

Mr. Duncan of Oregon with Mr. Stewart.

Mr. Mathis with Mr. Perkins.

Mr. Van Deerlin with Mr. Volkmer.

Mr. Minish with Mr. Runnels.

Mr. Charles H. Wilson of California with Mr. Bowen.

Mr. Dixon with Mr. Diggs.

Ms. MIKULSKI changed her vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PICKLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL EXPLANATION

Mr. GARCIA. Mr. Speaker, I missed the vote on rollcall No. 253, the social security bill. Had I been here, I would have voted "aye."

MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1979

Mr. THOMPSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3904), to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. Two hundred and nineteen Members are present, a quorum.

RECORDED VOTE

The pending business is the demand of the gentleman from California (Mr. ROUSSELOT) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—yeas 382, nays 2, not voting 49, as follows:

[Roll No. 254]

YEAS—382

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl

Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Petri
Peyser
Pickle
Porter
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—2

Mitchell, Md.
Wilson, Bob

NOT VOTING—49

Anderson, Ill.
AuCoin
Badham
Boggs
Bonker
Bowen
Brown, Calif.
Brown, Ohio
Conyers
Davis, S.C.
Diggs
Dixon
Dodd
Duncan, Oreg.
Eckhardt
Fish
Foley
Ford, Mich.
Giaimo
Grassley
Green
Hall, Ohio
Hansen
Harkin
Holtzman
Jones, Tenn.
Kazen
Leach, La.
McCormack
McEwen
McKinney
Martin
Mathis
Minish
Moffett
Nolan
Perkins
Pritchard
Rodino
Runnels
Santini
Seiberling
Spellman
Stewart
Symms
Van Deerlin
Volkmer
Wilson, C. H.
Wydler

☐ 1220

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3904, with Mr. ROSE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 21, 1980, the gentleman from New Jersey (Mr. THOMPSON) had 30 minutes of general debate remaining; the gentleman from Illinois (Mr. ERLENBORN) had 33 minutes of general debate remaining; the gentleman from Illinois (Mr. ROSTENKOWSKI) had 40 minutes of general debate remaining; and the gentleman from Minnesota (Mr. FRENZEL) had 38 minutes of general debate remaining.

The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Chairman, I yield 8 minutes to our distinguished colleague, the gentleman from New York (Mr. WEISS).

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to my distinguished friend.

Mr. THOMPSON. Mr. Chairman the gentleman from Illinois (Mr. ERLENBORN) I think inadvertently seems to have created some confusion about the taxpayers' role in this legislation. I want to make it clear that there is no provision for general revenues to provide assistance for these plans. All funds for the plans come from premiums and pension plan assets, and withdrawal liability.

I thank the gentleman for yielding.

Mr. WEISS. Again I want to thank the distinguished chairman of the subcommittee on Management and Labor Relations for yielding this time to me and to commend him for the tremendous leadership he has provided in working our way through this very complicated subject matter.

I also want to express my appreciation to the distinguished ranking minority member, the gentleman from Illinois (Mr. ERLENBORN) because he has played a very constructive role in expediting this matter so that we now have a bill reported out by both the Ways and Means Committee and the Education and Labor Committee. Of course, I disagree with the amendments he will be offering.

Mr. Chairman, I rise in support of H.R. 3904, the Multiemployer Pension Plan Amendments Act.

I believe it is important that my colleagues understand something about the economics of multiemployer plans to know why this legislation is essential to protect the benefits of the millions of workers and retirees covered by these plans. These benefits are generally modest—an average of $210 per month, but for many recipients they may mean the difference between abject poverty and a minimum of financial security in their retirement years, especially in these times of double-digit inflation.

Although the effects of inflation are felt by every segment of the population, retired workers, who must live on fixed income, are particularly hard hit. These elderly men and women depend heavily on their pension benefits. H.R. 3904 seeks to assure that these crucial benefits will continue, and it should be noted without the expenditure of a single tax dollar that is why not only the labor movement but all of the major business groups, including the chamber of commerce support this bill without amendments.

Although all of the provisions of the legislation are important and integral to the strengthening of private pension plans, the heart of this program is financial assistance to insolvent plans to insure that retirees continue to receive their vital benefits. It may be difficult to conceive of the insolvency of a plan covering thousands of workers to which hundreds if not thousands of employers contribute. However, many multiemployer plans undergo financial difficulties when their industries experience a severe decline in employment, usually caused by external economic forces such as technological obsolescence, foreign competition, or changing consumer patterns.

When employment declines, a smaller base of employees must support the pension costs of an increasing number of retired workers. Under the Employee Retirement Income Security Act (ERISA) enacted in 1974, plan trustees could not defer funding or reduce previously earned benefits as they had in the past. Thus, trustees of plans in declining industries must, under existing law, either require high and escalating contribution rates to maintain existing benefits, or terminate the plan. Employers who remain with such a plan and must assume ever-escalating contributions are placed at a severe competitive disadvantage, particularly if they are smaller employers.

H.R. 3904 encourages the survival of multiemployer plans as viable mechanisms for providing retirement income. The primary objective of the legislation is to insulate plans as much as possible from industry declines through sounder funding, through employer withdrawal liability, and through plan reorganizations. The bill also seeks to eliminate incentives to terminate financially troubled plans and, in the event of unavoidable plan insolvency, to provide assistance to maintain benefits at modest levels.

Plan insolvency becomes unavoidable in some cases when substantial and prolonged declines in the employment base force contribution levels up excessively high. It is projected that 13 major plans will become insolvent within the next 20 years. In these plans, the ratio of retirees to active workers is 2 to 1 and it costs an average of $2,800 per active worker to fund monthly benefits of only $170 for current retirees.

This benefit level is, indeed, modest. When viewed as a replacement rate for preretirement income, these benefits are barely sufficient. The average worker retiring from such a plan in 1980 with 20 years of service will receive a pension which in combination with social security will replace only 68 percent of preretirement earnings. However, on the average, 80 percent of preretirement earnings must be replaced in order to insure that a low-wage earner will be able to maintain even a minimum standard of living. The pension plans faced with insolvency cannot achieve this basic level, despite the high contributions required from employers and the large amounts of money coming out of the pockets of active workers. None of the plans have been able to afford benefit increases in recent years. These unfortunate conditions exist not because irresponsible workers are draining their assets or employers are refusing to negotiate contribution increases, but because substantial and protracted industry declines cannot be controlled.

Under H.R. 3904, in the event of a plan insolvency, assistance will be provided to the plan to maintain benefits at the level that will, in combination with social security, replace 63 percent of 1979 pretax earnings for the average retiree. Though inadequate, our experience under ERISA has shown that the existing high level of benefits guaranteed by the act encourages the termination of troubled plans. To strike a balance, then, we are forced to reduce guarantee levels to assure at least survival of the plans, so that they can continue to provide some modest benefits. It is a difficult choice, but one we must make. For without this guarantee program, retired workers in dying industries would receive nothing.

The legislation will also be helpful to those multiemployer plans which are in trouble but are not projected to become insolvent. In plans with some financial difficulty, the ratio of active workers to retirees is more than 4 to 1, and average annual contributions of $1,400 are required to support an average monthly benefit of $220. These are the plans which the reorganization provisions of the bill are expected to place on a sounder financial footing. The provisions are narrowly targeted to effect a balance between greater funding requirements and protection from too rapid and harsh increases. Like the rest of the provisions in this bill, these are the result of extended and careful analysis of the economics of multiemployer plans.

I urge my colleagues to support this vital legislation as conceived by the joint efforts of the Education and Labor and the Ways and Means Committees without adopting any weakening amendments that will be offered here today. Unless we are prepared to overturn completely the current mix of public and private retirement income programs, or to provide massive infusions to the welfare system, it is essential that this guarantee program to preserve private pension plans is passed.

□ 1230

Mr. THOMPSON. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Pennsylvania (Mr. MURPHY).

Mr. MURPHY of Pennsylvania. I thank our Chairman, the gentleman from New Jersey.

Mr. Chairman, while I rise in support of H.R. 3904, the Multiemployer Pension Plan Amendment Act. I want to make clear that I am not satisfied that the legislation does all that can and should be done to encourage continuation and strengthening of the UMWA 1950 pension plan.

This plan was established as a result of the Federal Government seizure of the Nation's mines in 1946. The plan's "pay-as-you-go" nature was instituted 2 years later through the direct intervention of the then Republican Speaker of the House and Senator Styles Bridges. Court decisions have added thousands of beneficiaries to this plan who have had little or no work experience in UMWA-organized mines. And the Congress extension of discretionary coverage in the midst of the 1977–78 UMWA/BCOA negotiations exacerbated an already difficult situation and probably caused that deadlock to be unnecessarily extended. This, unfortunately, resulted in the suspension of pension benefits for the 1950 retirees. Current miners are guaranteed their retirement benefits, however, those who retired under the 1950 plan are not, they are dwindling in numbers at the rate of 5,000 each year. This legislation should cover all employees especially those our Government placed into inadequate private pension plans.

We in the Congress, then, have a particular obligation to the 1950 UMWA pensioners. We must insure that they will never again have to worry about their pensions in order to fulfill the promise that we first made in 1974. We must structure a legal framework that will encourage the BCOA and the UMWA to continue and to strengthen this plan. Unfortunately, the extension in late 1977 put the law into such a state that some employers were encouraged to try to terminate the 1950 pension plan to protect themselves from having other employers' financial responsibilities dumped on them.

As a member of the President's Coal Commission, I realized that special provisions were required to legally encourage the continuation of this plan, and to protect the 1950 pensioners, while relieving the employers' fears of financial ruin. That is why I joined Chairman PERKINS in vigorously supporting H.R. 6151. In that bill, we attempted to shift the psychology of the coal operators from that of attempting to withdraw from the plan to that of encouraging the employers to stay in the plan—even though there might be economic hard times in the coal industry—an increasingly unlikely event. By encouraging employers—through both the "stick" of withdrawal liability and the "carrot" of financial relief for those who remained with the plan—we hoped that the 1981 and future coal negotiations would become more manageable over this issue.

While I am disappointed that H.R. 3904 does not yet do all that it could to accomplish the goals we sought in H.R. 6151, our strong efforts have encouraged the PBGC and the Senate to take a closer look at our concerns. It has not been easy to accomplish the goals embodied in our efforts, while assuring the PBGC and others that our efforts will actually reduce risk to the termination insurance program. But the UMWA, the BCOA and interested House and Senate Members and staff have worked long and hard to meet this challenge. The efforts that we began back in December 1979, when H.R. 6151 was first introduced, now appear to be nearing success in the Senate. Language is not yet finalized, however, in all aspects of the legislative package, though we expect the final version of the Senate bill to fulfill our goals. We expect that the final version of the legislation will also recognize our efforts.

The cooperation that the operators and the UMWA have shown throughout this process is a healthy signal that the coal industry and the UMWA are striving with increasing success to solve their problems and are prepared to bear their responsibilities in providing our Nation with an economic and stable source of energy. This Congress must continue to encourage this cooperation.

Finally, I want to commend Chairman THOMPSON for the skill in which he has guided this legislation through a virtual minefield and for the well-crafted coalition of support that he has built for H.R. 3904. While we have not always agreed on all aspects of the bill, there are important provisions that must be passed to insure that no further extensions are sought. The withdrawal liability provisions of H.R. 3904 are particularly important to legally back up the 100-percent contractual guarantees and the continuing contribution obligations already in the UMWA pension trusts and contracts. These provisions structure a legal framework by which the contractual obligations will be enforced so that all employers will continue to bear their fair share of the plan's financial responsibilities. And while I hope that the 70-percent legal guarantees for the 1950 and 1974 plans will be increased in the final version of this bill, I expect that the 100-percent contractual guarantees will remain in future UMWA contracts to doubly assure retired miners that they will not have to fear for their benefits.

Final passage of the pension reform legislation, with the changes of importance to the coal industry that are being finalized in the Senate, will help to insure that retired miners will continue to have safe and secure pensions. And by removing a major disruptive issue from the bargaining table, this legislation will also help to insure a stable labor force. These working miners, two of whom are my sons, are this country's hope for ending our Nation's dependence on foreign oil. We cannot delay passage of this bill any longer. I urge its swift enactment.

□ 1240

Mr. THOMPSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BIAGGI), a distinguished member of the task force.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding.

I would like to join the gentleman from Pennsylvania (Mr. MURPHY) in his praise for the chairman, and for his ability to craft this difficult piece of legislation and guide it through the perilous course to which it was subjected. I would also like to acknowledge his remarkable grasp of the issue following in the steps of his predecessor as chairman, our esteemed friend Mr. Dent.

Mr. Chairman, I would like to look back on the origins of this legislation. When I first came to the House, I was confronted many times by constituents who had retired and who looked forward to receiving pensions which would assure them and their loved ones some degree of financial security during their retirement years.

When I met them upon their retirement they were hopeful, they were energetic and they looked forward to their retirement years with pleasure. Then one calamitous day, their pension system became defunct and I saw an absolute metamorphoses take place, from the vigorous, hopeful individuals to crestfallen people with looks of despair who were just about to give up hope.

Mr. Chairman, this incident was repeated tens of thousands of times in our Nation's history. It was this legislation that was promulgated for the purpose of dealing with that matter.

Mr. Chairman, the original legislation in 1974 was never constructed to deal with all the problems. We knew there would be some shortcomings, but it was a question of trial and error. It was a question of experiencing the legislation once it was put in place.

Mr. Chairman, this legislation, today, goes a little bit further. I feel certain that we will one day come back, based on the experience that we have with this and the original legislation. In the meanwhile, what we have done is to improve the security of the recipients, the guarantees and the income. It is critical that we continue to address ourselves to this basic original human problem. We understand that it may not be all that all of the Members want, but we have come a long way since its very inception. Being a practical legislator, I am certain we will be required to go a little bit further. On this day what we have done is give additional assurance to those individuals who are part of a private pension system who might otherwise have their retirement allotments jeopardized. I am pleased to see that another phase of this legislative development takes place, today, and hopefully it will be passed overwhelmingly and signed by the President.

● Mr. RAHALL. Mr. Chairman, as one who has a deep concern that retirees' benefit plans remain sound and secure—particularly the United Mine Workers of America multiemployer plans that provide benefits for thousands of West Virginia coal miners—I rise in support of H.R. 3904, the Multiemployer Pension Plan Amendment Act of 1979. This bill is a major step forward in clarifying employers' legal responsibilities to continue funding retirees' pension benefits. The bill has reached the floor only after long, hard negotiations. It has not been an easy task and I commend Chairmen THOMPSON and ULLMAN in their efforts at constructing the rather unusual broad coalition of labor and management support that exists for this legislation.

I am particularly pleased that both the United Mine Workers and the Bituminous Coal Operators' Association have cooperated closely on this bill and believe that this is an indication of a maturing industry and union that is prepared to shoulder its responsibilities in providing a stable energy source for our Nation. These carefully crafted coalitions, however, could quickly unravel. if we begin debating some of the amendments such as those that may be offered today. The major provisions of this bill are too important to risk this happening.

The withdrawal liability provisions of the bill, in particular, will help to legally back up the 100-percent contractual guarantees and the continuing contribution obligations already in the UMWA contract and pension trusts to insure that the 1950/1974 pension plan continues to provide benefits for retired miners. The retirees and active miners have come to rely on the PBGC's and the UMWA contract's guaranteed benefits. This bill will now legally guarantee that employers can be assured that all contributions will continue to bear their fair share of the plan's financial responsibilities and, by so doing, encourage the continuation of the 1950/1974 UMWA plan.

I do hope, however, and strongly urge that the final version of this bill will increase the legal 70-percent guarantee that presently applies to the 1950/1974 plan.

I also want to commend Chairman PERKINS, who for so long has watched out for the interests of the retired miners. His efforts will again help to insure that the final version of this legislation will be sensitive to the needs of the coal miners.

Passage of this legislation package is essential to the coal miners and the industry and will insure that the continuation of benefits for the 1950 pensioners is not a major issue in the 1981 negotiations, as it was in 1977–78. The 1950 retirees, indeed all coal miners and the coal industry and the Nation, cannot afford another divisive confrontation over this issue. Labor and management cannot again afford to enter negotiations without mandatory coverage and this legislation in place. The Congress cannot again afford to delay action. I therefore urge quick and favorable consideration.●

● Mr. GOLDWATER. Mr. Chairman, I am not a timid person in general, but on the subject of pensions and ERISA, it takes a certain amount of temerity for a layman such as I to participate in the debate. Nonetheless, I am going to be audacious enough to do so because the problems of pension plans and the bureaucracy of ERISA impact millions in the private sector, and every time we in the Congress try to resolve the problems, we seem to make life in the private sector that much more complicated.

"Complicated" sums up this entire area. My staff and I have made forays into the world of private pension plans and ERISA, and after several briefings, have come to the conclusion that for every assumption or rule, there are at least 200 exceptions. The problem is complicated and the cure makes it just that much more complicated.

I shall support this bill because without it, current law would not just encourage, it would almost demand as a matter of self-preservation, that an employer refuse to participate, and it would punish solvent plans. I am disappointed that the House did not adopt the amendment offered by Mr. ERLENBORN which would have simply exempted multiemployer plans from ERISA, but I recognize that without this imperfect solution, the liability on employers would be totally unrealistic and untenable, and it would be a disaster for millions of workers.

Having said the above, I would like to make a few comments about defined benefit pension plans in general, the philosophy behind them and suggest that perhaps we ought to look closer at the possibility of radical surgery. I think most of us have experienced owning an older car and reached the point where the repairs become more expensive than the cost of buying a new car. I believe we are headed toward that point for defined benefit plans, and perhaps we ought to be rethinking what we should be encouraging and insuring.

It seems to me that every problem we are now facing, from lack of portability to insolvency to lack of early vesting, would be nonexistent if pension plans were defined contribution, instead of defined benefit. We would not have to worry about unfunded liabilities or the demographics of the worker-retiree ratio; we would make sure that workers who by the very nature of their jobs never work for one company long enough to vest, receive benefits for which they have spent their working life contributing; and finally, we would simplify and thus reduce the cost of pension systems.

With all the time and effort and brains that have gone into devising the Rube Goldberg mechanism of ERISA, I think the same effort would make it possible to devise a plan which would encourage transition from defined benefit to defined contribution while protecting current beneficiaries, and I think we can write our laws so we would encourage the establishment of new defined contribution plans.

There is no doubt that this would require an immense effort. There is no doubt that actuaries would be appalled at the idea, but in the long run, we would insure viability and fairness in the private pension system. I think it is worth a try, and while I know suggestions of this sort have been dismissed as "simplistic" in the past, I also know that not enough research or work has gone into the idea. This kind of system would be premised on the fact that there is no such thing as a free lunch—which I know is a radical concept to some groups. But, getting what you pay for is also more reasonable and fair, and a more sound concept than the maze of unfairness in the current system.●

● Mr. BIAGGI. Mr. Chairman, as a member of the House Labor Management Relations Subcommittee, I rise in support of H.R. 3904—the so-called ERISA amendments of 1980, dealing with multiemployer pension plans. This legislation is critical to the economic fortunes of some 8 million American workers whose retirement years are in part reliant on their contributions to a pension fund.

I was proud to be an original cosponsor of H.R. 2, which became the landmark ERISA law in 1974. The central objective of the ERISA law is not unlike the main objective of H.R. 3904—namely the protection of pension plans of workers. The ERISA law focused its primary attention on single employer pensioners and developed more liberalized vesting rights and greater protections to individual pensions in the event of a fund collapse or mismanagement.

The ERISA law specifically required pension plans to insure themselves through a new Government agency called the Pension Benefit Guaranty Corporation (PBGC). At the time, it was not felt that participation in the PBGC for multiemployer plans needed to be mandatory. This was due in large measure to the belief that multiemployer plans were in fact stronger, more solvent and more insulated against risks.

However, situations changed and increased concerns were registered about the security of multiemployer plans. As our committee report points out—"the capacity of a multiemployer plan to meet its benefit commitments depends on the maintenance of a stable and growing contribution base. If employer withdrawals are accompanied by declines in the industry trade or craft covered by the plan, the resulting funding burden may be intolerably high. According to the New York Times, there have already been collapses of plans involving millinery and milk delivery workers and serious problems have developed in others.

In late 1977, the PBGC reported to Congress that at that time multiemployer plans, covering over 300,000 workers, were experiencing "extreme financial hardship," indicating a high potential for plan termination. Another 10 percent of plans involving approximately 1 million pensioners are experiencing a significant financial hardship which could result in their terminations over the next 10 years.

It is against this backdrop that we come forth today with H.R. 3904. The bill takes a number of major steps with the designed objective of increasing stability, discouraging employer withdrawal and plan terminations by encouraging new employers to join existing plans, and shortening fund authorization periods. It is a complex bill and the sum of its parts clearly is superior to some of its parts. However, behind all of the provisions is an overriding desire to see the pensions of those in multiemployer plans enjoy the same security as we achieved with the adoption of the ERISA law.

It is in this spirit that I urge support for and adoption of this bill before us, H.R. 3904.●

Mr. ERLENBORN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, a moment ago before leaving the Chamber for a moment, my colleague, the gentleman from Minnesota (Mr. FRENZEL), asked me to yield back on his behalf his time.

I have no further request for time, and yield back the balance of my time.

Mr. THOMPSON. Mr. Chairman, I have no further request for time, and yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill is considered as an original bill for the purpose of amendment and said amendment shall be considered as having been read. No amendments are in order except pro forma amendments for the purpose of debate and the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, and said amendment shall be considered as having been read and shall not be subject to amendment except pro forma amendments for the purpose of debate, and the amendments printed in the CONGRESSIONAL RECORD of May 12, 1980, by, and if offered by, Representative ERLENBORN, of Illinois, said amendments shall not be subject to amendment except pro forma amendments for the purpose of debate.

The Clerk will designate the committee amendment in the nature of a substitute recommended by the Committee on Education and Labor.

The committee amendment in the nature of a substitute reads as follows:

H.R. 3904

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Multiemployer Pension Plan Amendments Act of 1979".

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

TABLE OF CONTENTS

Sec. 1. Short title.
Sec. 2. Table of contents
Sec 3. Findings and declaration of policy.

TITLE I—AMENDMENTS TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 101. Amendment of the Employee Retirement Income Security Act of 1974.
Sec. 102. Multiemployer guarantees; aggregate limit on guarantees.
Sec. 103. Termination—multiemployer plans.
Sec. 104. Employer withdrawals; merger or transfer of plan assets or liabilities; reorganization; minimum contribution requirement for multiemployer plans; financial assistance; benefits after termination; enforcement.
Sec. 105. Premiums.
Sec. 106. Annual report of plan administrator.
Sec. 107. Contingent employer liability insurance.
Sec. 108. Transition rules and effective dates.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

Sec. 201. Amendment of the Internal Revenue Code of 1954.
Sec. 202. Minimum funding requirements.
Sec. 203. Excise taxes.
Sec. 204. Deductibility of employer liability payments.
Sec. 205. Minimum vesting requirements.
Sec. 206. Definition of multiemployer plan.
Sec. 207. Related technical amendments.
Sec. 208. Effective date.

TITLE III—AMENDMENTS TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 301. Amendment of the Employee Retirement Income Security Act of 1974.
Sec. 302. Definitions.
Sec. 303. Minimum vesting requirements.
Sec. 304. Minimum funding requirements.

TITLE IV—RELATED TECHNICAL, CONFORMING, AND CLERICAL AMENDMENTS

Sec. 401. Amendment of the Employee Retirement Income Security Act of 1974.
Sec. 402. Related technical amendments.
Sec. 403. Conforming amendments.
Sec. 404. Clerical amendments.
Sec. 405. Action taken before regulations are prescribed.

SEC. 3. FINDINGS AND DECLARATION OF POLICY.

(a) The Congress finds that—

(1) multiemployer pension plans have accounted for a substantial portion of the increase in private pension plan coverage over the past three decades;

(2) the continued well-being and security of millions of employees and their dependents are directly affected by these plans;

(3) multiemployer plans have a substantial impact on interstate commerce and are affected with a national public interest;

(4) the characteristics of multiemployer plans make them susceptible to industry declines or employer withdrawals which may result in a substantially increased funding burden for the remaining employers which can adversely affect labor-management relations;

(5) economic problems in some industries supporting multiemployer plans make plan continuation highly uncertain;

(6) the determination of the extent to which an industry can afford to continue full support for all obligations of a multiemployer plan is best made through the process of collective bargaining; and

(7) even the termination of a few multiemployer plans can have a serious financial impact on the plan termination insurance program, causing increases in multiemployer plan premiums which could be so high as to precipitate additional multiemployer plan terminations.

(b) The Congress further finds that—

(1) the current multiemployer plan termination insurance provisions are unlikely to achieve their objectives of protecting plan participants against benefit losses and encouraging the growth and maintenance of multiemployer pensions plans; and

(2) it is desirable, in order to avoid encouraging employer withdrawals and termination of multiemployer plans and to contain the potential costs of the termination insurance program within reasonable bounds, to revise the current program in order to enhance the financial soundness of such plans and to place primary emphasis on plan continuation.

(c) It is hereby declared to be the policy of this Act to protect the interests of participants and beneficiaries in financially distressed multiemployer plans and to encourage the growth and maintenance of multiemployer plans by—

(1) authorizing the opportunity for plan reorganization for plans in a financially precarious position;

(2) restructuring the guarantee of pension benefits under multiemployer plans to provide equitable protection for plan participants within acceptable cost levels;

(3) revising the multiemployer plan termination insurance program to make plan insolvency the only insurable event;

(4) revising the termination rules to require that contributions to a plan continue although vesting and benefit accruals cease;

(5) revising the minimum funding standards applicable to multiemployer plans to assure that contributions are generally sufficient to pay vested benefits;

(6) requiring that an employer who withdraws from a multiemployer plan fund a reasonable share of the plan's unfunded vested obligations;

(7) revising the definition of a multiemployer plan to avoid administrative uncertainties;

(8) revising the rules governing multiemployer plan mergers and transfers of assets or liabilities to facilitate appropriate mergers and transfers; and

(9) revising the multiemployer plan premium structure to assure adequate financing for the multiemployer plan termination program.

TITLE I—AMENDMENTS TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 101. AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Whenever, in this title, an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference is to a section or other provision of the Employee Retirement Income Security Act of 1974.

SEC. 102. MULTIEMPLOYER GUARANTEES; AGGREGATE LIMIT ON GUARANTEES.

Subtitle B of title IV is amended by inserting at the end thereof the following new sections:

"BENEFITS GUARANTEED—MULTIEMPLOYER PLANS

"SEC. 4022A. (a) The corporation shall guarantee, in accordance with this section, the payment of all nonforfeitable pension benefits (other than benefits becoming nonforfeitable solely on account of the termination of a plan) under the terms of a multiemployer plan—

"(1) to which section 4021 applies, and

"(2) which is insolvent under section 4245 (b) or 4281(d)(2).

"(b)(1) For purposes of this section, a benefit or benefit increase which has been in effect under a plan for less than 60 months before the earlier of—

"(A) the plan termination date, or

"(B) the first day of the plan year for which an amendment reducing the benefit or the benefit increase is taken into account under section 4244(a)(2) in determining the minimum contribution requirement for the plan year under section 4243(b),

is not eligible for the corporation's guarantee.

"(2) For purposes of this section—

"(A) the date on which a benefit or a benefit increase under a plan is first in effect is the later of—

"(i) the date on which the documents establishing or increasing the benefit were executed, or

"(ii) the effective date of the benefit or benefit increase;

"(B) the period of time for which a benefit or a benefit increase has been in effect under a successor plan includes the period of time for which the benefit or benefit increase was in effect under a previously established plan; and

"(C) in the case of a plan to which section 4021 did not apply on September 3, 1974, the time periods referred to in this section are computed beginning on the date on which section 4021 first applies to the plan.

"(c)(1) Except as provided in subsection (g), the benefit of a participant or a beneficiary which is guaranteed under this section by the corporation with respect to a plan is the product of—

"(A) 100 percent of the accrual rate up to $5, plus 70 percent of the lesser of—

"(i) $15, or

"(ii) the accrual rate, if any, in excess of $5, and

"(B) the participant's years of credited service.

"(2) Except as provided in paragraph (6) of this subsection and in subsection (g), in applying paragraph (1) with respect to a plan described in paragraph (5)(A), the term '60 percent' shall be substituted in paragraph (1)(A) for the term '70 percent'.

"(3) For purposes of this section—

"(A) the accrual rate is an amount equal to the base benefit of the participant or beneficiary, divided by the participant's years of credited service; and

"(B) 'base benefit' means the monthly benefit of the participant or beneficiary which is described in subsection (a) and which is eligible for the corporation's guarantee under subsection (b), which is—

"(i) no greater than the monthly benefit which would be payable under the plan at normal retirement age in the form of a life annuity, determined under regulations prescribed by the corporation, and

"(ii) determined without regard to any reduction under section 411(a)(3)(E) of the Internal Revenue Code of 1954.

"(4) For purposes of this subsection—

"(A) a year of credited service is a year (as defined in regulations prescribed by the corporation) in which the participant completed—

"(i) a full year of participation in the plan, or

"(ii) any period of service before participation which is credited for purposes of benefit accrual as the equivalent of a full year of participation;

"(B) any such year (as defined in regulations prescribed by the corporation) in or for which the participant is credited for purposes of benefit accrual with a fraction of the equivalent of a full year of participation shall be counted as such a fraction of a year of credited service; and

"(C) years of credited service shall be determined by including service which may otherwise be disregarded by the plan under section 411(a)(3)(E) of the Internal Revenue Code of 1954.

paragraph if—

"(5)(A) A plan is described in this subparagraph if—

"(i) the first year in which the plan is insolvent under section 4245(b) or 4281(d)(2) for which benefits are required to be reduced to the levels provided in this subsection begins before the year 2000; and

"(ii) the plan sponsor has not established to the satisfaction of the corporation that, during the period of 10 consecutive plan years (or of such lesser number of plan years for which the plan was maintained) immediately preceding the first plan year to which the minimum funding standards of section 412 of the Internal Revenue Code of 1954 apply, the total amount of the contributions required under the plan for each plan year was at least equal to the sum of—

"(I) the normal cost for that plan year, and

"(II) the interest on the unfunded past service liability for that plan year, determined as of the beginning of that plan year.

"(B) A plan shall not be considered described in subparagraph (A) if—

"(i) it is established by the actuarial valuations performed during the period described in subparagraph (A)(ii) that the total amount of the contributions required under the plan for the plan years for which the valuations were performed was at least equal to the sum described in subparagraph (A)(ii);

"(ii) the number of actuarial valuations performed during the period described in subparagraph (A)(ii) is—

"(I) at least 2, in any case in which such period consists of more than 6 plan years, and

"(II) at least 1, in any case in which such period consists of 6 or less plan years; and

"(iii) the plan sponsor certifies that to the best of the plan sponsor's knowledge there is no information available which establishes that the total amount of the contributions required under the plan for any plan year during the period described in subparagraph (A)(ii) for which no valuation was performed is less than the sum described in subparagraph (A)(ii).

"(C) A plan which does not meet the requirements of subparagraph (B) shall not be considered a plan described in subparagraph (A) if other records possessed by the plan establish to the satisfaction of the corporation that the total amount of the contributions required under the plan for each plan year during the period described in subparagraph (A)(ii) is at least equal to the sum described in subparagraph (A)(ii).

"(6) Notwithstanding paragraph (2), in the case of a plan described in paragraph (5)(A), if for any period of 3 consecutive plan years beginning with the first plan year to which the minimum funding standards of section 412 of the Internal Revenue Code of 1954 apply, the value of the assets of the plan for each such plan year is an amount equal to at least 8 times the benefit payments for such plan year—

"(A) paragraph (2) shall not apply to such plan; and

"(B) the benefit of a participant or beneficiary guaranteed by the corporation with respect to the plan shall be an amount determined under paragraph (1).

"(d) In the case of a benefit which has been reduced under section 411(a)(3)(E) of the Internal Revenue Code of 1954, the corporation shall guarantee the lesser of—

"(1) the reduced benefit, or

"(2) the amount determined under subsection (c).

"(e) The corporation shall not guarantee benefits under a multiemployer plan which, under section 4022(b)(6), would not be guaranteed under a single-employer plan.

"(f)(1) No later than 5 years after the date of the enactment of this section, and at least every fifth year thereafter, the corporation shall—

"(A) conduct a study to determine—

"(i) the premiums needed to maintain the basic-benefit guarantee levels for multiemployer plans described in subsection (c), and

"(ii) whether the basic-benefit guarantee levels for multiemployer plans may be increased without increasing the basic-benefit premiums for multiemployer plans under this title; and

"(B) report such determinations to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and to the Committee on Finance and the Committee on Labor and Human Resources of the Senate.

"(2)(A) If the last report described in paragraph (1) indicates that a premium increase is necessary to support the existing basic-benefit guarantee levels for multiemployer plans, the corporation shall transmit to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and to the Committee on Finance and the Committee on Labor and Human Resources of the Senate by March 31 of any calendar year in which congressional action under this subsection is requested—

"(i) a revised schedule of basic-benefits guarantees for multiemployer plans which would be necessary in the absence of an increase in premiums approved in accordance with section 4006(b),

"(ii) a revised schedule of basic-benefit premiums for multiemployer plans which is necessary to support the existing basic-benefit guarantees for such plans, and

"(iii) a revised schedule of basic-benefit guarantees for multiemployer plans for which the schedule of premiums necessary is higher than the existing premium schedule for such plans but lower than the revised schedule of premiums for such plans specified in clause (ii), together with such schedule of premiums.

"(B) The revised schedule of increased premiums referred to in subparagraph (A)(ii) or (A)(iii) shall go into effect as approved by the Congress by concurrent resolution.

"(C) If an increase in premiums is not approved, the revised guarantee schedule described in subparagraph (A)(i) shall go into effect on the first day of the second calendar year following the year in which such revised guarantee schedule was submitted to the Congress.

"(3)(A) If the last report described in paragraph (1) indicates that basic-benefit guarantees for multiemployer plans can be increased without increasing the basic-benefit premiums for multiemployer plans under this title, the corporation shall submit to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and to the Committee on Finance and the Committee on Labor and Human Resources of the Senate by March 31 of the calendar year in which congressional action under this paragraph is requested—

"(i) a revised schedule of increases in the basic-benefit guarantees which can be supported by the existing schedule of basic-benefit premiums for multiemployer plans, and

"(ii) a revised schedule of basic-benefit premiums sufficient to support the existing basic-benefit guarantees.

"(B) The revised schedules referred to in subparagraph (A)(i) or subparagraph (A)(ii) shall go into effect as approved by the Congress by a concurrent resolution.

"(4)(A) The succeeding subparagraphs of this paragraph are enacted by the Congress as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of concurrent resolutions (as defined in subparagraph (B)). Such subparagraphs shall supersede other rules only to the extent that they are inconsistent therewith. They are enacted with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any rule of that House.

"(B) For Purposes of this subsection, 'concurrent resolution' means only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress favors the proposed schedule described in

transmitted to the Congress by the Pension Benefit Guaranty Corporation on .', the first blank space therein being filled with 'section 4022A(f) (2) (A) (ii) of the Employee Retirement Income Security Act of 1974', 'section 4022A(f) (2) (A) (iii) of the Employee Retirement Income Security Act of 1974', 'section 4022A(f) (3) (A) (i) of the Employee Retirement Income Security Act of 1974', or 'section 4022A(f) (3) (A) (ii) of the Employee Retirement Income Security Act of 1974' (whichever is applicable), and the second blank space therein being filled with the date on which the corporation's message proposing the revision was submitted.

"(C) The procedure for disposition of a concurrent resolution shall be the procedure described in section 4006(b) (4) through (7).

"(g) (1) The corporation may guarantee the payment of such other classes of benefits under multiemployer plans, and establish the terms and conditions under which those other classes of benefits are guaranteed, as it determines to be appropriate.

"(2) (A) The corporation shall prescribe regulations to establish a supplemental program to guarantee benefits under multiemployer plans which would be guaranteed under this section but for the limitations in subsection (c). Such regulations shall be proposed by the corporation no later than the end of the 18th calendar month following the date of the enactment of this section. The regulations shall make coverage under the supplemental program available no later than April 1, 1982. Participation in the supplemental program shall be on a voluntary basis, and a plan electing such coverage shall continue to pay the premiums required under section 4006(a) (2) (B) to the revolving fund used pursuant to section 4007 in connection with benefits otherwise guaranteed under this section. The supplemental program shall be financed only out of the premiums collected under such supplemental program.

"(B) The regulations prescribed under this paragraph shall provide—

"(i) that a plan must elect coverage under the supplemental program within the time permitted by the regulations;

"(ii) that any such election shall be irrevocable except to the extent otherwise provided by the regulations;

"(iii) that a plan may not elect supplemental coverage unless the value of the assets of the plan as of the end of the plan year preceding the plan year in which the election must be made is an amount equal to 15 times the total amount of the benefit payments made under the plan for that year; and

"(iv) such reasonable terms and conditions for supplemental coverage, including funding standards and any other reasonable limitations with respect to plans or benefits covered or to means of program financing, as the corporation determines are necessary and appropriate for a feasible supplemental program consistent with the purposes of this title.

"(C) To the extent provided in the regulations prescribed under this paragraph, the regulations shall supersede the requirements of sections 4244, 4245, 4261, and 4281, and the requirements of section 411(f) of the Internal Revenue Code of 1954.

"(3) Any benefits guaranteed under this subsection shall be considered non-basic benefits for purposes of this title.

"(h) Benefits under a plan which are guaranteed under this section shall be subject, in the aggregate, to the limitations provided in section 4022(b).

"AGGREGATE LIMIT ON BENEFITS GUARANTEED

Sec. 4022B. (a) Notwithstanding sections 4022 and 4024A, no person shall receive from the corporation pursuant to a guarantee by the corporation of basic benefits with respect to a participant an amount, or amounts, with an actuarial value which exceeds the actuarial value of a monthly benefit in the form of a life annuity commencing at age 65 equal to the amount determined under section 4022(b) (3) (B) as of the date of the last plan termination.

"(b) For purposes of this section—

"(1) the receipt of benefits under a multiemployer plan receiving financial assistance from the corporation shall be considered the receipt of amounts from the corporation pursuant to a guarantee by the corporation of basic benefits to the extent provided in regulations prescribed by the corporation, and

"(2) the date on which a multiemployer plan, whether or not terminated, begins receiving financial assistance from the corporation shall be considered a date of plan termination.".

Sec. 103. Termination—Multiemployer Plans.

Subtitle C of title IV is amended by inserting after section 4041 the following new section:

"TERMINATION—MULTIEMPLOYER PLANS

"Sec. 4041A. (a) Termination of a multiemployer plan under this section occurs as a result of—

"(1) the adoption after the effective date of this section of a plan amendment which provides that participants will receive no credit for any purpose under the plan for service with any employer after the later of—

"(A) the date on which the amendment is adopted, or

"(B) the date on which it takes effect;

"(2) the withdrawal of every employer from the plan, within the meaning of section 4201(b); or

"(3) the adoption of an amendment to the plan which causes the plan to become a plan described in section 4021(b) (1).

"(b) (1) The date on which a plan terminates under paragraph (1) or (3) of subsection (a) is the later of—

"(A) the date on which the amendment is adopted, or

"(B) the date on which the amendment takes effect.

"(2) The date on which a plan terminates under paragraph (2) of subsection (a) is the earlier of—

"(A) the date on which the last employer withdraws, or

"(B) the first day of the first plan year for which no employer contributions were made under the plan.

"(c) The plan sponsor of a terminated multiemployer plan shall, except as provided in subsection (f) (1)—

"(1) limit the payment of benefits to benefits which are nonforfeitable under the plan as of the date of the termination, and

"(2) pay benefits attributable to employer contributions, other than death benefits, only in the form of an annuity, unless the plan assets are distributed in satisfaction of all nonforfeitable benefits under the plan.

"(d) The plan sponsor of a plan which terminates under paragraph (2) of subsection (a) shall reduce benefits and suspend benefit payments in accordance with section 4281.

"(e) In the case of a plan which terminates under paragraph (1) or (3) of subsection (a), the rate of employer contributions under the plan for each plan year beginning on or after the plan termination date shall equal or exceed the highest rate of employer contributions at which an employer had an obligation to contribute under the plan in the 2 preceding plan years ending on or before the plan termination date, unless the corporation approves a reduction in the rate based on a finding that the plan is or soon will be fully funded.

"(f) (1) The plan sponsor of a terminated plan may authorize the payment other than in the form of an annuity of a participant's entire nonforfeitable benefit attributable to employer contributions, other than a death benefit, if the actuarial present value of the entire nonforfeitable benefit does not exceed $1,750. The corporation may authorize the payment of benefits under the terms of a terminated plan other than nonforfeitable benefits, or the payment other than in the form of an annuity of benefits having an actuarial present value greater than $1,750, if the corporation determines that such payment is not adverse to the interest of the plan's participants and beneficiaries generally and does not unreasonably increase the corporation's risk of loss with respect to the plan.

"(2) The corporation may prescribe reporting requirements for terminated plans, and rules and standards for the administration of such plans, which the corporation considers appropriate to protect the interests of plan participants and beneficiaries or to prevent unreasonable losses to the corporation.".

Sec. 104. Employer Withdrawals; Merger or Transfer of Plan Assets or Liabilities; Reorganization; Minimum Contribution Requirement fob Multiemployer Plans; Financial Assistance; Benefits After Termination; Enforcement.

Title IV is amended—

(1) by striking out the heading for subtitle E and inserting in lieu thereof the following:

"Subtitle F—Transition Rules and Effective Dates";

and

(2) by inserting after subtitle D the following new subtitle:

"Subtitle E—Special Provisions for Multiemployer Plans

"Part 1—Employer Withdrawals

"EMPLOYER WITHDRAWALS

"Sec. 4201. (a) (1) Except as provided in subsection (d), an employer who withdraws from a multiemployer plan is liable to the plan for the amount determined under subsection (e), (f), or (g), whichever is applicable, and shall pay the liability in accordance with subsection (i).

"(2) The plan sponsor shall determine the liability of a withdrawal employer in accordance with subsection (e), (f), or (g), whichever is applicable, and shall notify the employer and collect the liability in accordance with subsections (i) and (j).

"(b) (1) For purposes of this section, except as provided in paragraphs (2), (3), (4), and 5), an employer withdraws from a multiemployer plan if the employer—

"(A) permanently ceased to have an obligation to contribute under the plan, or

"(B) permanently ceases all covered operations under the plan.

"(2) (A) For purposes of this subtitle, except as provided in subsection (c) (9) and paragraphs (4) and 5), in the case of an employer who has an obligation to contribute under a plan for work performed in the building and construction industry, withdrawal occurs only as described in subparagraph (B), if—

"(i) substantially all the employees with respect to whom the employer has an obligation to contribute under the plan perform work in the building and construction industry; and

"(ii) the plan—

"(I) primarily covers employees in the building and construction industry, or

"(II) is amended to provide that this paragraph applies to employers described in this subparagraph.

"(B) A withdrawal occurs under this subparagraph if—

"(i) an employer ceases to have an obligation to contribute under the plan; and

"(ii) the employer—

"(I) continues to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required, or

"(II) resumes such work within 5 years after the date on which the obligation to contribute under the plan ceases, and does not renew the obligation at the time of the resumption, if, at the time of the resumption, other employers have an obligation to contribute under the plan and the plan permits contributions by the employer.

"(3)(A) For purposes of this subtitle, except as provided in subsection (c)(10) and paragraphs (4) and (5), in the case of an employer who has an obligation to contribute under a plan for work performed in the entertainment industry (as defined in regulations prescribed by the corporation), if the plan primarily covers employees in the entertainment industry, withdrawal occurs only as described in subparagraph (B).

"(B) A withdrawal occurs under this subparagraph if—

"(i) an employer ceases to have an obligation to contribute under the plan; and

"(ii) the employer—

"(I) continues to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required, or

"(II) resumes such work within 5 years after the date on which the obligation to contribute under the plan ceases, and does not renew the obligation at the time of the resumption, if, at the time of the resumption, other employers have an obligation to contribute under the plan and the plan permits contributions by the employer.

"(4) A withdrawal of an employer under this section does not occur solely because an employer ceases to exist by reason of a change in corporate structure described in section 4062(d) or a change to an unincorporated form of business enterprise, if the change causes no interruption in employer contributions or obligations to contribute under the plan. A successor or parent corporation or other entity resulting from any such change shall be considered the original employer for purposes of this part.

"(5) A withdrawal of an employer under this section does not occur solely because an employer suspends contributions under the plan during a labor dispute involving its employees.

"(6) For purposes of this section, 'obligation to contribute' means an obligation arising under one or more collective bargaining (or related) agreements, or an obligation to contribute arising as a result of a duty under applicable labor-management relations law, but does not include an obligation to pay liability under this section or to pay delinquent contributions.

"(7) For purposes of this section—

"(A) in the case of a withdrawal under paragraph (1), the date of the withdrawal is the last day of the plan year in which the cessation occurs; and

"(B) in the case of a withdrawal under paragraph (2)(B) or paragraph (3)(B), the date of the withdrawal is the date on which the employer's obligation to contribute under the plan ceased.

"(8) The corporation shall provide by regulation for the reduction or waiver of withdrawal liability in the event that an employer who has withdrawn from a plan subsequently resumes covered operations under the plan or renews an obligation to contribute under the plan, whichever is applicable, to the extent that the corporation determines that reduction or waiver of withdrawal liability is consistent with the purposes of this Act.

"(9) The corporation shall prescribe by regulation a procedure by which a plan may be amended to provide alternative rules for the reduction or waiver of withdrawal liability in the event that an employer who has withdrawn from the plan subsequently resumes covered operations or renews an obligation to contribute under the plan, whichever is applicable, subject to the approval of the corporation based on a determination that such rules are consistent with the purposes of this Act.

"(c)(1) In the case of an employer's partial withdrawal from a plan, the employer is liable to the plan only for the amount determined under paragraph (3).

"(2) An employer's partial withdrawal from a plan occurs on the last day of a plan year—

"(A) which is the third plan year in a period of 3 consecutive plan years during which the number of contribution base units with respect to which the employer has an obligation to contribute under the plan for each such year does not exceed 40 percent of the number of contribution base units with respect to which the employer had an obligation to contribute under the plan for any one of the 5 plan years preceding the first plan year in such period;

"(B) in which, as a result of the cessation of substantially all of the employer's covered operations at one or more facilities in one or more plan years, the number of contribution base units with respect to which the employer has an obligation to contribute under the plan for the plan year does not exceed 75 percent of the number of contribution base units with respect to which the employer had an obligation to contribute for any one of the 5 plan years preceding the cessation; or

"(C) in which the employer ceases to have an obligation to contribute under one or more but less than all collective bargaining agreements under which the employer has been obligated to contribute under the plan.

"(3)(A) The amount of an employer's liability for partial withdrawal under this subsection is a pro rata portion of the amount determined under subsection (e), (f), or (g), whichever is applicable, for which the employer would be liable had the employer withdrawn on the date of the partial withdrawal, payable in accordance with subsections (i) and (j).

"(B) For purposes of calculating the liability of an employer for a partial withdrawal described in paragraph (2)(A), the first plan year of the period described in paragraph (2)(A) shall be considered the year in which the employer withdraws.

"(4)(A) A plan may be amended to define 'facility' for purposes of this subsection.

"(B) For purposes of this subsection, in the case of a plan which is not amended under subparagraph (A), 'facility' means an economic unit, generally at a single physical location, where business is conducted or where services or industrial operations are performed.

"(5)(A)(i) Except as provided in clause (ii), an employer is not liable under this subsection in connection with a partial withdrawal from a plan if the average annual contributions which the employer made under the plan during the period of 5 plan years preceding the plan year in which the partial withdrawal occurs is less than 2 percent of the total average annual contributions which all employers made under the plan during that period.

"(ii) A plan may be amended to provide that an employer described in clause (i) is liable for partial withdrawal under this subsection.

"(B) A plan may be amended to provide that this subsection does not apply in whole or in part to any employer (other than an employer described in subparagraph (A)(i)) to the extent permitted in regulations prescribed by the corporation.

"(C) The corporation may prescribe by regulation a procedure by which a plan may adopt by amendment rules defining other conditions under which an employer has liability for partial withdrawal.

"(6)(A) If, for any 2 consecutive plan years following the plan year in which an employer has partially withdrawn from a plan under this subsection, the number of contribution base units with respect to which the employer has an obligation to contribute under the plan for each such year is not less than 90 percent of the total number of contribution base units with respect to which the employer had an obligation to contribute under the plan in the plan year in which such number was the highest during the period of 5 consecutive plan years—

"(i) preceding the period of 3 consecutive plan years described in paragraph (2)(A), in the case of a partial withdrawal under paragraph (2)(A), or

"(ii) preceding the plan year in which the partial withdrawal occurred, in the case of a partial withdrawal under paragraph (2)(B) or paragraph (2)(C),

the employer shall have no further liability for such partial withdrawal for plan years beginning after the second consecutive plan year described in this subparagraph.

"(B)(i) For any plan year for which the number of contribution base units with respect to which an employer who has partially withdrawn has an obligation to contribute under the plan equals or exceeds the number of units described in subparagraph (A)(i) or (ii), whichever is applicable, the employer may furnish, in lieu of payment of the liability under this subsection, a bond to the plan in an amount not exceeding 50 percent of the annual payment otherwise required.

"(ii) If the plan sponsor determines under subparagraph (A) that the employer has no further liability to the plan for the partial withdrawal, the bond shall be cancelled.

"(iii) If the plan sponsor determines under subparagraph (A) that the employer continues to have liability to the plan for the partial withdrawal—

"(I) the plan may realize on the bond,

"(II) the employer shall immediately be liable for the outstanding amount of liability due with respect to the plan for which the bond was posted, and

"(III) the employer shall continue to make the partial withdrawal liability payments as they are due.

"(C) In any case in which—

"(i) for any 2 consecutive plan years following the plan year in which an employer has partially withdrawn from a plan under this subsection, the number of contribution base units with respect to which the employer has an obligation to contribute for each such year exceeds—

"(I) in the case of a partial withdrawal under subparagraph (A) of paragraph (2), 40 percent of the total number of contribution base units with respect to which the employer had an obligation to contribute for the plan year for which such number was the highest during the period of 5 consecutive plan years preceding the first plan year of the period of 3 consecutive years described in such paragraph, or

"(II) with respect to a partial withdrawal under subparagraph (B) or (C) of paragraph (2), 75 percent of the total number of contribution base units with respect to which the employer had an obligation to contribute for the plan year for which such number was the highest during the period of 5 consecutive plan years preceding the plan year in which the employer's partial withdrawal occurred; and

"(ii) the total number of contribution

base units with respect to which all employers under the plan have obligations to contribute in each of such 2 consecutive years is not less than 90 percent of the total number of contribution base units for which all employers had obligations to contribute in the plan year in which the employer's partial withdrawal occurred;

the employer shall have no further liability for such partial withdrawal for plan years beginning after the second such consecutive plan year.

"(D) In any case in which, in any plan year following a plan year in which an employer has partially withdrawn from a plan, the number of contribution base units with respect to which the employer has an obligation to contribute for such year equals or exceeds the number of contribution base units with respect to which the employer had an obligation to contribute in the year in which the partial withdrawal occurred, plus 10 percent of such number (or such other percentage as the plan may provide by amendment and which is not prohibtied under regulations prescribed by the corporation), the amount of the employer's partial withdrawal liability payment for such year shall be reduced pro rata, in accordance with regulations prescribed by the corporation.

"(7) The corporation may prescribe regulations providing for the reduction or elimination of partial withdrawal liability under any conditions with respect to which the corporation determines that reduction or elimination of partial withdrawal liability is consistent with the purposes of this Act.

"(8) The Corporation shall prescribe by regulation a procedure by which a plan may by amendment adopt rules for the reduction or elimination of partial withdrawal liability under any other conditions, subject to the approval of the corporation based on its determination that adoption of such rules by the plan is consistent with the purposes of this Act.

"(9) An employer to whom subsection (b) (2) (A) applies is liable for partial withdrawal only if the employer's obligation to contribute under the plan is continued for no more than a token portion of its work in the craft and area jurisdiction of the collective bargaining agreement of the type for which contributions are required.

"(10) An employer to whom subsection (b) (3) (B) applies shall have no liability for partial withdrawal except under the conditions and to the extent prescribed by the corporation by regulation.

"(d) (1) An employer who withdraws, or partially withdraws, is not liable to the plan if the amount determined under subsection (e), (f), or (g), which ever is applicable, is less than the greater of—

"(A) $25.000, or

"(B) 0.75 percent of the plan's unfunded benefit obligations, determined as of the end of the plan year ending before the date of withdrawal.

"(2) A plan may be amended to provide—

"(A) for a dollar amount lower than $25.000 or a percentage lower than 0.75 percent, or

"(B) that paragraph (1) does not apply.

"(3) (A) This subsection does not apply—

"(i) to an employer who withdraws in a plan year in which substantially all employers withdraw from the plan, or

"(ii) in any case in which substantially all employers withdraw from the plan during a period of one or more plan years pursuant to an argreement or arrangement to withdraw, to an employer who withdraws pursuant to such agreement or arrangement.

"(B) In any action or proceeding to determine or collect withdrawal liability, if substantially all employers have withdrawn from a plan within a period of 3 plan years, an employer who has withdrawn from such plan during such period shall be presumed to have withdrawn from the plan pursuant to an agreement or arrangement, unless the employer proves otherwise by a preponderance of the evidence.

"(4) (A) An employer who withdraws, or partially withdraws, from a plan is not liable to the plan if the employer—

"(i) first had an obligation to contribute to the plan after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979;

"(ii) had an obligation to contribute to the plan for no more than the lesser of—

"(I) 6 consecutive plan years preceding the date on which the employer withdraws, or

"(II) the number of years required for vesting under the plan;

"(iii) made contributions to the plan for each such plan year in an amount less than 2 percent of the sum of all employer contributions made to the plan for the year; and

"(iv) was not previously subject to this subparagraph with respect to the plan.

"(B) Subparagraph (A) shall apply to an employer with respect to a plan only if—

"(i) the plan is not a plan described in subsection (b) (2) (A) (ii) (I);

"(ii) the plan is amended to provide that subparagraph (A) applies;

"(iii) the plan provides or is amended to provide that the reduction under section 411(a) (3) (E) of the Internal Revenue Code of 1954 applies with respect to the employees of the employer; and

"(iv) the ratio of the assets of the plan for the plan year preceding the first plan year for which the employer was required to contribute to the plan to the benefit payments made during that plan year was at least eight to one.

"(e) (1) Except as provided in subsections (f) and (g), the amount of an employer's liability under this section is—

"(A) the employer's proportional share of the unamortized amount of the change in the plan's unfunded benefit obligations for plan years ending on or after February 28, 1979, in which the employer has an obligation to contribute under the plan, as determined under paragraph (2), plus.

"(B) the employer's proportional share, if any, of the unamortized amount of the plan's unfunded benefit obligations at the end of the plan year ending before such date, as determined under paragraph (3).

If the sum of the amounts determined with respect to an employer under paragraphs (2) and (3) is negative, the employer's withdrawal liability shall be zero.

"(2) (A) An employer's proportional share of the unamortized amount of the change in the plan's unfunded benefit obligations for plan years ending on or after February 28, 1979, is the sum of the employer's proportional shares of the unamortized amount of the change in unfunded benefit obligations for each plan year ending on or after such date in which the employer has an obligation to contribute under the plan.

"(B) The change in a plan's unfunded benefit obligations for a plan year is the difference between—

"(i) the unfunded benefit obligations at the end of the plan year; and

"(ii) the sum of—

"(I) the unamortized amount of the unfunded benefit obligations for the last plan year ending before February 28, 1979, and

"(II) the sum of the unamortized amount of the change in unfunded benefit obligations for each plan year ending on or after February 28, 1979, and preceding the plan year for which the change is determined.

"(C) The unamortized amount of the change in a plan's unfunded benefit obligations with respect to a plan year is the change in unfunded benefit obligations for the plan year, reduced by 5 percent of such change for each succeeding plan year.

"(D) The unamortized amount of the unfunded benefit obligations for the plan year ending before February 28, 1979, is the amount of the unfunded benefit obligations as of the end of that plan year reduced by 5 percent of such amount for each succeeding plan year.

"(E) An employer's proportional share of the unamortized amount of a change in unfunded benefit obligations is the product of—

"(i) the unamortized amount of such change as of the end of the plan year in which the employer withdraws; and

"(ii) a fraction—

"(I) The numerator of which is the sum of the contributions required to be made under the plan by the employer for the year in which such change arose and for the 4 preceding plan years, and

"(II) the denominator of which is the sum for the plan year in which such change arose and the 4 preceding plan years of all contributions made by employers who had an obligation to contribute under the plan for the plan year in which such change arose.

"(3) An employer's proportional share of the unamortized amount of the plan's unfunded benefit obligations for the last plan year ending before February 28, 1979, is the product of—

"(A) such unamortized amount; and

"(B) a fraction—

"(i) the numerator of which is the sum of all contributions required to be made by the employer under the plan for the 5 plan years ending before February 28, 1979, and

"(ii) the denominator of which is the sum of all contributions made for the 5 plan years ending before February 28, 1979, by all employers—

"(I) who had an obligation to contribute under the plan for the first plan year ending on or after such date, and

"(II) who had not withdrawn from the plan before such date.

"(4) Except as otherwise provided in regulations prescribed by the corporation, if the plan sponsor determines that the withdrawal liability of a withdrawn employer is uncollectible, the present value of such uncollectible liability shall be added to the plan's unfunded benefit obligations as of the end of the plan year in which the determination is made.

"(5) Except as otherwise provided in regulations prescribed by the corporation, if the plan sponsor determines that a withdrawn employer is not liable for withdrawal liability pursuant to subsection (d), an amount equal to the employer's withdrawal liability calculated according to this subsection shall be added to the plan's unfunded benefit obligations as of the end of the plan year in which the determination is made.

"(f) (1) A multiemployer plan, other than a plan described in subsection (b) (2) (A) (ii) (I), may be amended to provide that the liability of an employer who withdraws from the plan is an amount determined under paragraph (2), (3), (4), or (5) of this subsection, rather than under subsection (e) or (g).

"(2) (A) The amount of an employer's liability under this paragraph is the sum of the amounts determined under subparagraphs (B) and (C).

"(B) The amount determined under this subparagraph is the product of—

"(i) the plan's unfunded benefit obligations as of the end of the last plan year ending before February 28, 1979, reduced as if those obligations were being fully amortized in level annual installments over 15 years beginning with the first plan year ending on or after such date; and

"(ii) a fraction—

"(I) the numerator of which is the sum of all contribtuions required to be made by the employer under the plan for the last 5 plan years ending before February 28, 1979, and

"(II) the denominator of which is the sum of all contributions made for the last 5 plan years ending before February 28, 1979, by all employers who had an obligation to contribute under the plan for the first plan year ending on or after February 28, 1979, and who had not withdrawn from the plan before such date.

"(C) The amount determined under this subparagraph is the product of—

"(i) an amount equal to—

"(I) the plan's unfunded benefit obligations as of the end of the plan year in which the employer withdraws, less

"(II) the sum of the value as of such date of all outstanding claims for withdrawal liability which can reasonably be expected to be collected, with respect to employers withdrawing before such plan year, and that portion of the amount determined under subparagraph (B) (i) which is allocable to employers who have an obligation to contribute under the plan in the plan year in which the employer withdraws and who also had an obligation to contribute under the plan for the first plan year ending on or after February 28, 1979; and

"(ii) a fraction—

"(I) the numerator of which is the total amount required to be contributed under the plan by the employer for the last 5 plan years ending before the date on which the employer withdraws, and

"(II) the denominator of which is the total amount contributed under the plan by all employers for the last 5 plan years ending before the date on which the employer withdraws, plus any employer cotributions owed with respect to earlier periods which were collected in those plan years, less any amount contributed by an employer who withdrew from the plan under this section during those plan years.

"(3) The amount of an employer's liability under this paragraph is the product of—

"(A) the plan's unfunded benefit obligations as of the end of the plan year in which the employer withdraws, less the value as of the end of such year of all outstanding claims for withdrawal liability which can reasonably be expected to be collected from employers withdrawing before such year; and

"(B) a fraction—

"(i) the numerator of which is the total amount required to be contributed by the employer under the plan for the last 5 plan years ending before the withdrawal, and

"(ii) the denominator of which is the total amount contributed under the plan by all employers for the last 5 plan years ending before the withdrawal, plus any employer contributions owed with respect to earlier periods which were collected in those plan years, less any amount contributed to the plan during those plan years by employers who withdrew from the plan under this section during those plan years.

"(4) (A) The amount of an employer's liability determined under this paragraph is equal to the sum of—

"(i) the plan's unfunded benefit obligations which are attributable to participants' service with the employer, and

"(ii) the employer's proportional share of any unfunded benefit obligations which are not attributable to service with the employer or other employers who are obligated to contribute under the plan in the plan year in which the employer withdraws.

For purposes of this paragraph, the time of determination shall be the end of the plan year in which the employer withdraws.

"(B) The plan's unfunded benefit obligations which are attributable to participants' service with the employer is the amount equal to the actuarial present value of benefit entitlements under the plan which are attributable to participants' service with such employer, less the share of plan assets determined under subparagraph (C) which is allocated to the employer as provided under subparagraph (D).

"(C) The value of plan assets determined under this subparagraph is the value of plan assets allocated to benefit entitlements which are attributable to service with the employers who have an obligation to contribute under the plan in the plan year in which the employer withdraws, which is determined by multiplying—

"(i) the value of the plan assets as of the end of the plan year in which the employer withdraws by

"(ii) a fraction—

"(I) the numerator of which is the actuarial present value of benefit entitlements which are attributable to service with such employers, and

"(II) the denominator of which is the actuarial present value of all benefit entitlements under the plan for the plan year.

"(D) The share of plan assets, determined under subparagraph (C), which is allocated to the employer shall be determined in accordance with one of the following methods which shall be adopted by the plan by amendment:

"(i) by multiplying the value of plan assets determined under subparagraph (C) by a fraction—

"(I) the numerator of which is the actuarial present value of the benefit entitlements which are attributable to service with the employer, and

"(I) the denominator of which is the actuarial present value of the benefit entitlements which are attributable to service with all employers who have an obligation to contribute under the plan in the plan year in which the employer withdraws;

"(ii) by multiplying the value of plan assets determined under subparagraph (C) by a fraction—

"(I) the numerator of which is the actuarial present value of all contributions which have been made to the plan by the employer for the plan year in which the employer withdraws and all preceding plan years; and

"(II) the denominator of which is the actuarial present value of all contributions which have been made to the plan, for the plan years described in subclause (I), by all employers who have an obligation to contribute to the plan for the plan year in which the employer withdraws; or "(iii) by multiplying the value of plan assets under subparagraph (C) by a fraction—

"(I) the numerator of which is the amount determined under clause (ii) (I) of this subparagraph, less the actuarial present value of benefit payments made to participants (and their beneficiaries) for the plan years described in such clause (ii) (I) which are attributable to service with the employer; and

"(II) the denominator of which is the amount determined under clause (ii) (II) of this subparagraph, less the actuarial present value of benefit payments made to participants (and their beneficiaries) for the plan years described in such clause (ii) (II) which are attributable to service with respect to the employers described in such clause (ii) (II).

"(E) The amount of the plan's unfunded benefit obligations for a plan year in which an employer withdraws, which is not attributable to service with employers who have an obligation to contribute under the plan in the plan year in which such employer withdraws, is equal to —

"(i) an amount equal to—

"(I) the actuarial present value of all benefit entitlements under the plan at the end of such plan year, less

"(II) the actuarial present value of benefit entitlements under the plan at the end of such plan year which are attributable to participants' service with employers who have an obligation to contribute under the plan for such plan year; less

"(ii) an amount equal to—

"(I) the value of the plan assets as of the end of such plan year, less

"the value of plan assets as of the end of such plan year as determined under subparagraph (C); less

"(iii) the value of all outstanding claims for withdrawal liability which can reasonably be expected to be collected with respect to employers withdrawing before the year in which the employer withdraws.

"(F) The employer's proportional share described in subparagraph (A) (ii) for a plan year is the amount determined under subparagraph (E) allocated by any method which is authorized under subsection (e) or (f) and which is adopted by the plan by amendment.

"(G) The corporation may prescribe by regulation other methods which a plan may adopt for allocating assets to determine the employer's withdrawal liability for unfunded benefit obligations attributable to service with the employer and to determine the employer's share of unfunded benefit obligations not attributable to service with employers who have an obligation to contribute under the plan in the plan year in which the employer withdraws.

"(5) (A) The corporation shall prescribe by regulation a procedure by which a plan may, by amendment, adopt any other alternative method for determining an employer's liability under this section, subject to the approval of the corporation based on its determination that adoption of the method by the plan would not significantly increase the risk of loss to plan participants and beneficiaries or to the corporation.

"(B) The corporation may prescribe by regulation standard approaches for alternative methods, other than those set forth in the preceding paragraphs of this subsection, which a plan may adopt under subparagraph (A), for which the corporation may waive or modify the approval requirements of subparagraph (A). Any alternative method shall provide for the allocation of all of a plan's unfunded benefit obligations among employers who have an obligation to contribute under the plan.

"(C) Unless the corporation by regulation provides otherwise, a plan may be amended to provide that a period of more than 5 but not more than 10 plan years may be used for determining the numerator and denominator of any fraction which is used under any method authorized under this section for determining an employer's liability under this section.

"(g) (1) The method of calculating withdrawal liability set forth in subsection (f) (3) shall be the method for calculating withdrawal liability under a plan to which section 404(c) of the Internal Revenue Code of 1954 applies, unless the plan is amended to adopt another method authorized under subsection (e) or (f).

"(2) Subsection (d) shall not apply with respect to the withdrawal of an employer from a plan described in paragraph (1) unless the plan is amended to provide that subsection (d) applies.

"(h) (1) In the case of a transfer of liabilities to another plan incident to an employer's withdrawal or partial withdrawal, the withdrawn employer's liability under this section shall be reduced in an amount equal to the actuarial present value, as of the end of the last plan year ending on or before the date of the withdrawal, of the transferred unfunded benefit obligations.

"(2) In the case of a withdrawal following a merger of multiemployer plans, subsection (e), (f), or (g), whichever is applicable, shall be applied in accordance with regulations prescribed by the corporation, except that, if a withdrawal occurs in the first plan year beginning after a merger of multiemployer plans, liability under this section shall be determined as if each of the multiemployer plans had remained separate plans.

"(3) A plan may be amended to adopt rules, consistent with the interests of plan participants, beneficiaries, and contributing employers, for reducing or waiving an employer's withdrawal liability to the extent that the employer's obligation to contribute under the plan or to make withdrawal liability payments to the plan are assumed by another employer.

"(i)(1) As soon as practicable after an employer's withdrawal or partial withdrawal, the plan sponsor shall notify the employer of the amount of the liability and the schedule of liability payments, determined under this subsection, and shall, consistent with subsection (j), demand payment in accordance with the schedule.

"(2)(A)(i) Except as provided in subparagraphs (B) and (D) of this paragraph and in paragraphs (5) and (6), an employer shall pay the liability determined under subsection (e), (f), or (g), whichever is applicable, over the period of years necessary to amortize the liability in level annual payments determined under subparagraph (C), calculated as if the first payment were made on the first day of the plan year following the plan year in which the withdrawal occurs and as if each subsequent payment were made on the first day of each subsequent plan year. Actual payment shall commence in accordance with paragraph (3).

"(ii) The determination of the amortization period described in clause (i) shall be based on the assumptions used for the most recent actuarial valuation for the plan.

"(B) In any case in which the amortization period described in subparagraph (A) exceeds 30 years, the employer's liability shall be limited to the first 30 annual payments determined under subparagraph (C).

"(C)(i) The amount of each annual payment shall be the product of—

"(I) the average annual number of contribution base units for the period of 3 consecutive plan years, during the period of 10 consecutive plan years ending with the plan year in which the withdrawal occurs, in which the number of contribution base units for which the employer had an obligation to contribute under the plan is the highest, and

"(II) the highest contribution rate at which the employer had an obligation to contribute under the plan in effect during the 10 plan years ending with the plan year in which the withdrawal occurs.

"(ii) A plan may be amended to provide that for the first plan year ending on or after February 28, 1979, the number '5' shall be substituted for the number '10' each place it appears in clause (i). If the plan is so amended, the number '5' shall be increased by one for each succeeding plan year until the number '10' is reached.

"(D) In any case in which a multiemployer plan terminates by the withdrawal of every employer from the plan, or in which substantially all the employers withdraw from a plan pursuant to an agreement or arrangement to withdraw from the plan—

"(i) the liability of each such employer who has withdrawn shall be determined under this paragraph without regard to subparagraph (B), and

"(ii) the total unfunded benefit obligations of the plan shall be allocated to all employers liable under this section pursuant to regulations which shall be prescribed by the corporation.

Withdrawal by an employer from a plan, during a period of 3 consecutive plan years within which substantially all the employers who have an obligation to contribute under the plan withdraw, shall be presumed to be a withdrawal pursuant to an agreement or arrangement, unless the employer proves otherwise by a preponderance of the evidence.

"(E) An employer shall pay the liability for partial withdrawal, determined under subsection (c), in annual amounts equal to a pro rata share of the amounts payable under subparagraph (A) or (B), whichever applies.

"(3) Withdrawal liability shall be payable in accordance with the schedule set forth by the plan sponsor under paragraph (1) beginning no later than 60 days after the date of the demand.

"(4) Each annual payment determined under paragraph (2)(C) shall be payable in 4 equal installments due quarterly, or at other intervals specified by plan rules. If a payment is not made when due, interest on the payment shall accrue from the due date until the date on which the payment is made.

"(5) The employer shall be entitled to prepay the outstanding amount of the unpaid annual withdrawal liability payments determined under paragraph (2)(C), plus accrued interest, if any, in whole or in part, without penalty.

"(6) In the event of a default, a plan sponsor may require immediate payment of the outstanding amount of an employer's withdrawal liability, plus accrued interest on the total outstanding liability from the due date of the first payment which was not timely made. For purposes of this section, 'default' means—

"(A) the failure of an employer to make, when due, any payment under this subsection, if the failure is not cured within 60 days after the employer receives written notification from the plan sponsor of such failure, and

"(B) any other event defined in rules adopted by the plan which indicates a reasonable likelihood that an employer will be unable to pay its withdrawal liability.

"(7) Except as provided in paragraph (2)(A)(ii), interest under this subsection shall be charged at rates based on prevailing market rates for comparable obligations, in accordance with regulations prescribed by the corporation.

"(8) A multiemployer plan may adopt rules consistent with this Act for other terms and conditions for the satisfaction of an employer's withdrawal liability.

"(9) In the case of a terminated multiemployer plan, an employer's obligation to make payments under this section ceases at the end of the plan year in which the assets of the plan are sufficient to meet all obligations of the plan, as determined by the corporation.

"(j)(1) An employer who has withdrawn from a mutliemployer plan shall, within 30 days after a written request from the plan sponsor, furnish such information as the plan sponsor reasonably determines to be necessary to enable the plan sponsor to comply with the requirements of this section.

"(2) Before the plan sponsor demands payment under subsection (i), the plan sponsor shall give the employer a reasonable opportunity to identify any inaccuracy in the determination of the employer's withdrawal liability or the schedule of payments, and to furnish any additional relevant information. The plan sponsor shall, upon request, make relevant plan records reasonably available to the employer for inspection and copying.

"(3) No later than 90 days after the employer receives the initial notice described in subsection (a)(2), the employer may request the plan sponsor to review any specific matter relating to the determination of the employer's liability and the schedule of payments. After a reasonable review of any matter raised, the plan sponsor shall notify the employer of the plan sponsor's decision, the basis for the decision, and the reason for any change in the determination of the employer's liability or schedule of liability payments.

"(k)(1) The corporation may prescribe by regulation actuarial assumptions which may be used by a plan actuary in determining the unfunded benefit obligations of a plan for purposes of determining an employer's withdrawal liability under this section. A plan may provide that the determination of withdrawal liability under this section is to be based on the plan's actuarial assumptions or the actuarial assumptions set forth in the corporation's regulations for purposes of determining an employer's withdrawal liability.

"(2) In determining the unfunded benefit obligations of a plan for purposes of determining an employer's withdrawal liability under this section, the plan actuary may—

"(A) in the absence of complete data, rely on the data available or on data secured by a sampling which can reasonably be expected to be representative of the status of the entire plan, and

"(B) rely on a complete actuarial valuation performed every third plan year and reasonable estimates for the interim years of the unfunded benefit obligations.

"(3) The plan sponsor may initially determine the amount of the employer's liability on the basis of the latest available determination of contributions made to the plan by employers and the latest available actuarial valuation or, if later, the latest actuarial estimate.

"(l)(1) No plan rule or amendment adopted under subsection (c)(5)(A), (d), or (f) may be applied without the employer's consent with respect to liability for a withdrawal or partial withdrawal which occurred before the date on which the rule or amendment was adopted.

"(2) All plan rules and amendments authorized under this subsection shall operate and be applied uniformly with respect to each employer, except that special provisions may be made to take into account the creditworthiness of an employer. The plan sponsor shall give notice to all employers who have an obligation to contribute under the plan and to all employee organizations representing employees covered under the plan of any plan rules or amendments adopted pursuant to this section.

"(m) The corporation may, by regulation, require the plan sponsor of a multiemployer plan to provide notice to the corporation when the withdrawal from the plan by any employer has resulted, or will result, in a significant reduction in the amount of aggregate contributions under the plan made by employers.

"(n)(1) The prohibitions provided in section 406(a) do not apply to any action required or permitted under this section.

"(2) Payments of liability under this section shall not be considered contributions for purposes of this section.

"APPROVAL OF AMENDMENTS

"SEC. 4202. (a) Except as provided in subsection (b), if an amendment to a multiemployer plan authorized by section 4201 is adopted more than 36 months after the effective date of this section, the amendment shall be effective only if the corporation approves the amendment, or, within 90 days after the corporation receives notice of the amendment from the plan sponsor, fails to disapprove the amendment.

"(b) An amendment permitted by section 4201(f)(5) may be adopted only in accordance with that section.

"(c) The corporation shall disapprove an amendment referred to in subsection (a) or (b) only if the corporation determines that the amendment creates an unreasonable risk of loss to plan participants or beneficiaries or to the corporation.

"DETERMINATION OF WITHDRAWAL LIABILITY

"SEC. 4203. (a) For purposes of this part, a determination made with respect to a plan under section 4201 is presumed correct unless the party contesting the determination shows by a preponderance of the evidence that the determination was unreasonable or clearly erroneous.

"(b) In the case of the determination of a plan's unfunded benefit obligations for a plan year, the determination is presumed correct unless a party contesting the determination shows by a preponderance of evidence that—

"(1) the actuarial assumptions and methods used in the determination were, in the aggregate, unreasonable (taking into account the experience of the plan and reasonable expectations), or

"(2) the plan's actuary made a significant error in applying the actuarial assumptions or methods.

"REIMBURSEMENTS FOR UNCOLLECTIBLE WITHDRAWAL LIABILITY

"SEC. 4204. (a) By May 1, 1982, the corporation shall establish by regulation a supplemental program to reimburse multiemployer plans for withdrawal liability payments which are due from employers and which are determined to be uncollectible for reasons arising out of cases or proceedings involving the employers under title 11, United States Code, or similar cases or proceedings under State law. Participation in the supplemental program shall be on a voluntary basis, and a plan which elects coverage under the program shall pay premiums to the corporation in accordance with a premium schedule which shall be prescribed from time to time by the corporation. The premium schedule shall contain such rates and bases for the application of such rates as the corporation considers to be appropriate.

"(b) The corporation may provide under the program for reimbursement of amounts of withdrawal liability determined to be uncollectible for any other reasons the corporation considers appropriate.

"(c) The cost of the program (including such administrative and legal costs as the corporation considers appropriate) may be paid only out of premiums collected under such program.

"(d) The supplemental program may be offered to eligible plans on such terms and conditions, and with such limitations with respect to the payment of reimbursements (including the exclusion of de minimis amounts of uncollectible employer liability, and the reduction or elimination of reimbursements which cannot be paid from collected premiums) and such restrictions on withdrawal from the program, as the corporation considers necessary and appropriate.

"(e) The corporation may enter into arrangements with private insurers to carry out in whole or in part the program authorized by this section and may require plans which elect coverage under the program to elect coverage by those private insurers.

"PART 2—MERGER OR TRANSFER OF PLAN ASSETS OR LIABILITIES

"MERGERS AND TRANSFERS TO MULTIEMPLOYER PLANS

"SEC. 4221. (a) Unless otherwise provided in regulations prescribed by the corporation, a plan sponsor may not cause a multiemployer plan to merge with one or more multiemployer plans, or engage in a transfer of assets and liabilities to or from another multiemployer plan, unless—

"(1) no accrued benefit of a participant or beneficiary will be lower immediately after the effective date of the merger or transfer than the benefit immediately before that date;

"(2) the benefits of participants and beneficiaries are not reasonably expected to be subject to reduction under section 4244 or subject to suspension under section 4245 for the first 5 plan years following the plan year in which the merger or transfer is effective;

"(3) the risk of loss to the corporation with respect to any of the affected plans is not reasonably expected to increase significantly;

"(4) an actuarial valuation of the assets and liabilities of each of the affected plans has been performed for the plan year preceding the effective date of the merger or transfer, based upon data as of the end of the last plan year ending before the plan year preceding such effective date or upon more recent data, if reasonably available; and

"(5) the plan sponsors of all affected plans agree to the merger or transfer.

"(b) The prohibitions provided in section 406(a) do not apply to any action taken under this section.

"(c) A plan to which liabilities are transferred under this section is a successor plan for purposes of section 4022A(b) (2) (B).

"(d) The plan sponsor of a multiemployer plan with respect to which a merger is proposed may request an advisory opinion from the corporation with regard to whether the proposed merger complies with this section.

"TRANSFERS BETWEEN A MULTIEMPLOYER PLAN AND A SINGLE-EMPLOYER PLAN

"SEC. 4222. (a) A transfer of assets or liabilities from a multiemployer plan to a single-employer plan shall satisfy the requirements of this section.

"(b) (1) No accrued benefit of a participant or beneficiary may be lower immediately after the effective date of a transfer described in subsection (a) than the benefit immediately before that date.

"(2) No accrued benefit of a participant or beneficiary may be lower immediately after the effective date of a transfer of liabilities from a single-employer plan to a multiemployer plan, or a merger of a single-employer plan into a multiemployer plan, than the benefit immediately before that date.

"(c) (1) Except as provided in paragraphs (2) and (3), a multiemployer plan which transfers liabilities to a single-employer plan shall be liable to the corporation if the single-employer plan terminates within 60 months after the effective date of the transfer. The amount of liability shall be the lesser of—

"(A) the amount of the plan asset insufficiency of the terminated single-employer plan, less 30 percent of the net worth of the employer who maintained the single-employer plan, determined in accordance with section 4062 or 4064, or

"(B) the actuarial present value, on the effective date of the transfer, of the unfunded benefits transferred to the single-employer plan which are guaranteed under section 4022.

"(2) A multiemployer plan shall be liable to the corporation as provided in paragraph (1) unless, within 120 days after the corporation receives an application from the multiemployer plan sponsor for a determination under this paragraph—

"(A) the corporation determines that the interests of the plan participants and beneficiaries and of the corporation are adequately protected, or

"(B) fails to make any determination regarding the adequacy with which such interests are protected with respect to such transfer of liabilities.

If, after the receipt of such application, the corporation requests from the plan sponsor additional information necessary for the determination, the running of the 120-day period shall be suspended from the date of such request until the receipt by the corporation of the additional information requested. The corporation may by regulation prescribe procedures and standards for the issuance of determinations under this paragraph.

"(3) A multiemployer plan shall not be liable to the corporation as provided in paragraph (1) if, in the case of a transfer of liabilities which accrued under a single-employer plan which merged with the multiemployer plan, the actuarial present value of liabilities transferred does not exceed the actuarial present value of the liabilities for benefits which accrued before the merger, and the value of the assets transferred is substantially equal to the value of the assets which would have been in the single-employer plan if the employer had maintained and funded it as a separate plan under which no benefits accrued after the date of the merger.

"(4) The corporation may make equitable arrangements with multiemployer plans which are liable under this subsection for satisfaction of their liability.

"(d) (1) Benefits under a single-employer plan to which liabilities are transferred in accordance with this section are guaranteed under section 4022 as of the effective date of the transfer.

"(2) A plan to which liabilities are transferred in accordance with this section is a successor plan for purposes of section 4022.

"(e) (1) Except as provided in paragraph (2), a multi-employer plan may not transfer liabilities to a single-employer plan unless the plan sponsor of the plan to which the liabilities would be transferred agrees to the transfer.

"(2) In the case of a transfer described in subsection (c) (3), paragraph (1) of this subsection is satisfied by the advance agreement to the transfer by the employer who will be obligated to contribute to the single-employer plan.

"PARTITION

"SEC. 4223. (a) (1) A plan sponsor may request the corporation to petition the appropriate district court for an order partitioning a plan upon a showing by the plan sponsor that—

"(A) a case or proceeding under title 11, United States Code, with respect to an employer, or a similar case or proceeding under State law with respect to an employer, has resulted or will result in a substantial reduction in the amount of aggregate contributions under the plan, and

"(B) the plans sponsor has determined that the nonforfeitable benefits of participants and beneficiaries which would be partitioned are directly attributable to service by participants with that employer.

"(2) (A) If the corporation finds that—

"(i) the plan is likely to become insolvent as a result of the reduction in contributions described in subparagraph (A), and

"(ii) partition will significantly reduce the risk that the plan will become insolvent as a result of the reduction in contributions described in paragraph (1) (A),

the corporation may, upon notice to the plan sponsor and to the participants and beneficiaries whose benefit entitlements would be partitioned, petition the appropriate district court for an order partitioning the plan.

"(B) The corporation's petition for a partition order shall propose a transfer of no more than the nonforfeitable benefits directly attributable to service with the employer referred to in paragraph (1) (A) and an equitable share of plan assets.

"(C) Subsections (c) through (h) of section 4042 shall apply to a partition under this section in the same manner and to the same extent as such subsections apply to a termination.

"(D) The partitioned plan shall be considered—

"(i) a successor plan to which section 4022A applies; and

"(ii) a terminated multiemployer plan—

"(I) to which section 4041A(d) applies,

"(II) with respect to which only the employer described in subsection (a) (1) (A) has withdrawal liability, and

"(III) to which section 4068 applies.

For purposes of this subparagraph, the plan created by, or receiving assets and liabilities pursuant to, the transfer described in subparagraph (B) shall be considered the partitioned plan.

"ASSET TRANSFER RULES

"SEC. 4224. (a) A transfer of assets from a multiemployer plan to another plan shall comply with asset-transfer rules which shall be adopted by the multiemployer plan and which—

"(1) do not unreasonably restrict the transfer of plan assets in connection with the transfer of plan liabilities, and

"(2) operate and are applied uniformly with respect to each proposed transfer, except that the rules may provide for reasonable variations taking into account the potential financial impact of a proposed transfer on the multiemployer plan.

Plan rules authorizing asset transfers consistent with the requirements of section 4222 (c) (3) shall be considered to satisfy the requirements of this subsection.

"(b) The corporation shall prescribe regulations which exempt de minimis transfers of assets from the requirements of this part.

"(c) This part shall not apply to transfers of assets pursuant to written reciprocity agreements, except to the extent provided in regulations prescribed by the corporation.

"Part 3—Reorganization; Minimum Contribution Requirement for Multiemployer Plans

"REORGANIZATION STATUS

"Sec. 4241. (a) A multiemployer plan is in reorganization for a plan year if the plan's reorganization index is greater than zero.

"(b) (1) For each plan year, a multiemployer plan's reorganization index equals—

"(A) the benefit entitlements charge for the plan year (determined without regard to accrued benefit reductions under section 4244 which are first effective in the plan year), less

"(B) an amount equal to the charges determined under section 412(b) (2) of the Internal Revenue Code of 1954, less the credits determined under section 412(b) (3) (B) of such Code.

"(2) For each plan year, the benefit entitlements charge equals the amount which would be necessary to amortize the plan's unfunded benefit obligations for the base plan year in equal annual installments—

"(A) over 10 years to the extent attributable to persons in pay status, and

"(B) over 25 years, to the extent attributable to all other participants.

In determining the plan's unfunded benefit obligations, plan assets shall first be allocated to the benefit entitlements attributable to persons in pay status.

"(3) The determination of the benefit entitlements charge for purposes of paragraph (2) shall be based on an actuarial valuation as of the end of the base plan year, adjusted to reflect—

"(A) events which would substantially increase the plan's benefit entitlements charge if (on or before the 90th day before the earliest of the effective dates of the relevant collective bargaining agreements) the plan sponsor knew or should have known of these events, and

"(B) changes in benefits under the plan pursuant to amendments adopted after the end of the base plan year.

"(4) (A) For purposes of this part, the base plan year is the last plan year ending at least 6 months before the earliest of the effective dates of the relevant collective bargaining agreements.

"(B) If there is no relevant collective bargaining agreement, the base plan year is the last plan year ending at least 12 months before the beginning of the plan year for which the benefit entitlements charge is determined.

"(5) For purposes of this part, the term 'relevant collective bargaining agreement' means a collective bargaining agreement—

"(A) which is in effect for at least 6 months during the plan year for which the benefit entitlements charge is determined, and

"(B) which has been in effect for more than 3 years as of the end of such plan year.

"(6) For purposes of this part, 'person in pay status' means a participant or beneficiary who, at any time during the plan year, received an early, normal, or disability retirement benefit, or a death benefit related to a retirement benefit, and, to the extent provided in regulations prescribed by the Secretary of the Treasury, a person entitled to those or similar benefits under the plan.

"(c) Except as provided in regulations prescribed by the corporation, while a plan is in reorganization a nonforfeitable benefit with respect to a participant (other than a death benefit) which is attributable to employer contributions and which has an actuarial present value of more than $1,750 may not be paid in a form other than an annuity which (by itself or in combination with social security, railroad retirement, or workers' compensation benefits) provides substantially level payments over the expected life of the participant.

"(d) No terminated multiemployer plan shall be considered in reorganization or required to meet the minimum contribution requirement after the date on which the last employer withdraws from the plan within the meaning of section 4201(b) (2).

"NOTICE OF REORGANIZATION AND FUNDING REQUIREMENTS

"Sec. 4242. (a) In the case of a multiemployer plan which is in reorganization and with respect to which section 4243 (applied without regard to section 4243(e) and without regard to any accrued benefit reductions authorized by section 4244 and not already adopted) would require an increase in contributions, the plan sponsor shall notify in the summary annual report—

"(1) plan participants and beneficiaries,

"(2) each employer who has an obligation to contribute under the plan (within the meaning of section 4201(b) (6)), and

"(3) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer,

that the plan is in reorganization and that, if contributions to the plan are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed on employers.

"(b) The corporation may prescribe additional or alternative requirements for assuring, in the case of a plan described in subsection (a), that the interested parties receive appropriate notice that the plan is in reorganization, are adequately informed of the implications of reorganization status, and have reasonable access to information relevant to the plan's reorganization status.

"MINIMUM CONTRIBUTION REQUIREMENT FOR MULTIEMPLOYER PLANS

"Sec. 4243. (a) (1) A multiemployer plan shall satisfy the minimum contribution requirement for each plan year—

"(A) in which the plan is in reorganization, or

"(B) to which the requirements of subsection (d) (1) apply, because the plan does not meet the requirements of subsection (d) (2).

A plan satisfies the minimum contribution requirement for a plan year if it does not have a reorganization deficiency for the plan year.

"(2) This section shall not apply to a plan described in paragraph (1) (B) in any case in which the minimum contribution requirement of such plan is less than an amount equal to the charges determined under section 412(b) (2) of the Internal Revenue Code of 1954, less the credits determined under section 412(b) (3) (B) of such Code.

"(3) For purpses of this section, 'reorganization deficiency' means, for a plan year, an amount equal to—

"(A) the minimum contribution requirement for the plan year, less

"(B) amounts contributed by the employer to or under the plan for the plan year.

For purposes of this paragraph, withdrawal liability payments which are due with respect to withdrawals which took place before the end of the base plan year shall be considered amounts contributed by the employer to or under the plan, if, as of 90 days before the earliest of the effective dates of the relevant collective bargaining agreements for the plan year, it was reasonable for the plan sponsor to anticipate that such payments would be made during the plan year.

"(4) (A) For any plan year for which a plan is required to satisfy the minimum contribution requirement—

"(i) the plan shall continue to maintain its funding standard account,

"(ii) the plan's accumulated funding deficiency under section 302(a) shall be equal to the amount of the plan's reorganization deficiency (if any), and

"(iii) contributions for such plan year shall be allocated to accumulated funding deficiencies in the order of the respective plan years at the end of which such deficiencies were determined (including deficiencies for plan years when the plan was not required to satisfy the minimum contribution requirement).

"(B) If a plan is not required to satisfy the minimum contribution requirement for the plan year but was required to satisfy such requirement for the immediately preceding plan year, any balance in the funding standard account at the close of such immediately preceding plan year—

"(i) shall be eliminated by an offsetting credit or charge (as the case may be), but

"(ii) shall be taken into account in subsequent plan years by being amortized in equal annual installments (until fully amortized) over 30 plan years.

"(b) (1) For purposes of this part, except as provided in subsection (d), the minimum contribution requirement for a plan year in which a plan is in reorganization is an amount equal to the lesser of—

"(A) the sum of—

"(i) the plan's benefit entitlements charge for the plan year, and

"(ii) the excess, if any, of—

"(I) the increase in normal cost for such plan year which is attributable to plan amendments adopted and first effective in that plan year or in any of the 2 preceding plan years in which the plan is in reorganization, over

"(II) 15 percent of the plan's normal cost for that plan year calculated without regard to any such amendments, or

"(B) the product of—

"(i) the amount determined pursuant to subparagraph (A), and

"(ii) a fraction—

"(I) the numerator of which is the plan's current contribution base for the plan year, and

"(II) the denominator of which is the plan's valuation contribution base for the plan year.

"(2) (A) Notwithstanding paragraph (1), if the benefit entitlement charge for a plan year of a plan in reorganization is less than the plan's cash-flow amount for the plan year, the plan's minimum contribution requirement for the plan year is the amount determined under paragraph (1) after substituting 'cash-flow amount' for 'benefit entitlements charge' each place that term appears in paragarph (1).

"(B) For purposes of this paragraph, a plan's cash-flow amount for a plan year is an amount equal to—

"(i) the amount of the benefits payable under the plan for the base plan year, plus the amount of the plan's administrative expenses for the base plan year, less

"(ii) the value of the available plan assets for the base plan year determined under regulations prescribed by the Secretary of the Treasury,

adjusted in a manner consistent with section 4241(b) (3).

"(c) For purposes of this part, for a plan year—

"(1) a plan's current contribution base is the number of contribution base units with respect to which contributions are required to be made under the plan for that plan year, determined in accordance with regulations prescribed by the Secretary of the Treasury; and

"(2) except as provided in subsection (f), a plan's valuation contribution base is the number of contribution base units for which contributions were received for the base plan year—

"(A) adjusted to reflect declines in the contribution base which have occurred, or could be reasonably anticipated, as of 90 days before the earliest of the effective dates of the relevant collective bargaining agreements for the plan year referred to in paragraph (1), and

"(B) adjusted upward, in accordance with regulations prescribed by the Secretary of the Treasury, for any contribution base reduction in the base plan year caused by a strike or lockout or by unusual events, such as fire, earthquake, or severe weather conditions.

"(d) (1) Except as provided in subsection (a) (2), a multiemployer plan, whether or not in reorganization, shall satisfy the minimum contribution requirement determined under subsection (b) (1), without regard to subsection (b) (2), for plan years beginning after the effective date of this paragraph, if the plan has not met the applicable requirements of paragraph (2) for each base plan year, as described in section 4241(b) (4).

"(2) A plan meets the requirements of this paragraph for a base plan year if the value of the assets of the plan as of the end of the base plan year, as determined under regulations prescribed by the Secretary of the Treasury, is an amount equal to or greater than—

"(A) in the case of the first base plan year taken into account for purposes of this subsection, the total amount of benefits paid during that base plan year,

"(B) in the case of the second base plan year taken into account for purposes of this subsection, 2 times the total amount of benefits paid during that base plan year, and

"(C) in the case of the third base plan year and each subsequent base plan year taken into account for purposes of this subsection, 3 times the total amount of benefits paid during that base plan year.

"(3) The provisions of this subsection shall take effect with respect to plan years beginning on or after the earlier of—

"(A) January 1, 1984, or

"(B) the expiration date of the last relevant collective bargaining agreement providing for employer contributions under the plan which is in effect on December 31, 1980.

"(4) The requirements of paragraph (1) shall not apply to a plan for any plan year—

"(A) which immediately follows any plan year as of the end of which the plan met the requirements of paragraph (2) for the preceding base plan year,

"(B) in which the plan is insolvent, or

"(C) which is any one of the 5 plan years following a plan year in which the plan is insolvent in which the rate of employer contributions required under the plan for the plan year is equal to or greater than the rate of such contributions for the last plan year preceding the plan year in which the plan became insolvent.

"(5) (A) If the benefit entitlements charge for a plan year of a plan to which this subsection applies is less than the plan's replenishment contribution amount for the plan year, the plan's minimum contribution requirement for the plan year is the amount determined under subsection (b) (1) after substituting 'replenishment contribution amount' for 'benefit entitlements charge' each place that term appears in subsection (b) (1).

"(B) For purposes of this paragraph, 'replenishment contribution amount' means 115 percent of an amount equal to—

"(i) the total amount of the benefits payable under the plan during the base plan year, plus the plan's administrative expenses for the plan year, less

"(ii) the total investment income from the assets of the plan for the base plan year, as determined under regulations prescribed by the Secretary of the Treasury,

adjusted in a manner consistent with section 4241(b) (3).

"(e) (1) For purposes of determining a plan's minimum contribution requirement for a plan year, the plan sponsor of an overburdened plan shall apply an overburden credit aainst the plan's reorganization deficiency for the plan year (determined without regard to this subsection).

"(2) A plan is overburdened for a plan year if—

"(A) the average number of pay status participants under the plan for the base plan year exceeds the average of the average number of active participants for the base plan year and for each of the 2 plan years preceding the base plan year; and

"(B) the rate of employer contributions under the plan equals or exceeds the greater of—

"(i) the rate for the preceding plan year, or

"(ii) the rate for the plan year preceding the first year in which the plan is in reorganization or in which the requirements of subsection (d) (2) are not met.

"(3) The amount of the overburden credit for a plan year is the product of—

"(A) one-half of the average guaranteed benefit paid in the base plan year, and

"(B) the overburden factor for the plan year.

"(4) For purposes of this subsection—

"(A) 'pay status participant' means, with respect to a plan, a retired employee receiving pension payments under the plan in the form of an annuity;

"(B) the number of active participants shall be determined, for a plan year, by adding—

"(i) the number of active employees who are participants in the plan, disregarding employees who failed to earn any pension accrual within the plan year because of insufficient active employment,

"(ii) the number of active employees who are not participants in the plan but who are in an employment unit covered by a collective bargaining agreement which requires the employees' employer to contribute to the plan, and

"(iii) the total number of active employees attributed to employers who made payments to the plan in the plan year of withdrawal liability pursuant to section 4201, determined by dividing—

"(I) the total amount of such payments by

"(II) an amount equal to the total contributions received by the plan during the plan year divided by the average number of active employees who were participants in the plan during the plan year;

"(C) 'average number' means, with respect to pay status participants, active participants, or active employees (as the case may be), for a plan year, a number equal to one-half the sum of—

"(i) the number with respect to the plan as of the beginning of the plan year, and

"(ii) the number with respect to the plan as of the end of the plan year;

"(D) the average guaranteed benefit paid is the amount determined by multiplying the average monthly pension payment guaranteed under section 4022A(c) by 12:

"(E) 'first year in which a plan is in reorganization or in which the requirements of subsection (d) (2) are not met' means the first of a period of one or more consecutive plan years in which the plan has been in reorganization or in which the requirements of subsection (d) (2) have not been met, disregarding breaks of two or less consecutive plan years in which the plan was not in reorganization and met the requirements of subsection (d) (2); and

"(F) the overburden factor for a plan year is an amount equal to—

"(i) the average number of pay status participants for the base plan year, less

"(ii) the average of the average number of active participants for the base plan year and for each of the 2 plan years preceding the base plan year.

"(5) (A) Notwithstanding any other provision of this subsection, a plan is not eligible for an overburden credit for a plan year if the Secretary of the Treasury finds that the plan's current contribution base for the plan year was reduced, without a corresponding reduction in the plan's unfunded benefit obligations attributable to pay status participants, as a result of a change in an agreement providing for employer contributions under the plan.

"(B) For purposes of this paragraph, the withdrawal of an employer (within the meaning of section 4201(b)) does not impair a plan's eligibility for an overburden credit, unless the Secretary of the Treasury finds that a contribution base reduction described in subparagraph (A) resulted from a transfer of liabilities to another plan in connection with the withdrawal.

"(6) Notwithstanding any other provision of this subsection, if one or more multiemployer plans which are required to meet the minimum contribution requirement merge, the amount of the overburden credit which may be applied under paragraph (1) with respect to the plan resulting from the merger for any of the 3 plan years ending after the effective date of the merger shall not exceed the sum of the overburden credits which were applied under paragraph (1) with respect to each of the merging plans to avoid a reorganization deficiency for the last plan year ending before the effective date of the merger.

"(f) For any plan year in which a multiemployer plan is insolvent (within the meaning of section 4245(b) (1)) after the first plan year beginning after all relevant collective bargaining agreements which were in effect in the plan year in which the plan became insolvent expire, the plan's valuation contribution base is the number of contribution base units for which contributions were received for the plan year preceding the first plan year in which the plan is insolvent.

"(g) In the case of a multiemployer plan to which this section applies, 'minimum contribution requirement' shall be substituted for 'minimum funding standard' and 'standard' each place such terms appear in section 303(a).

"(h) (1) A multiemployer plan shall be considered not to have a reorganization deficiency for any plan year beginning on or after the effective date of this section, if the rate of employer contributions under the plan for the plan year equals or exceeds—

"(A) the rate of employer contributions which would otherwise be required for that plan year without regard to this section; plus

"(B) the product of—

"(i) 7 percent of such rate, and

"(ii) the number of plan years for which the minimum funding requirement for the plan has been the minimum contribution requirement determined under this section.

"(2) Paragraph (1) shall not apply with respect to a plan if a plan amendment is adopted while the plan is in reorganization which increases benefits with respect to service performed before the date on which the amendment is adopted.

"ADJUSTMENTS IN ACCRUED BENEFITS

"SEC. 4244. (a) (1) Notwithstanding sections 203 and 204, a multiemployer plan in reorganization may be amended, in accordance with this section, to reduce or eliminate accrued benefits attributable to employer contributions which, under section 4022A(b), are not eligible for the corporation's guarantee.

"(2) In determining the minimum contribution requirement with respect to a plan for a plan year under section 4243(b), the benefit entitlements charge may be adjusted to reflect a plan amendment reducing benefits under this section or section 412(c)(8) of the Internal Revenue Code of 1954, but only if the amendment is adopted and effective no later than 2½ months after the end of the plan year, or within such extended period as the Secretary of the Treasury may prescribe by regulation under section 412(c)(10) of such Code.

"(b) Accrued benefits may not be reduced under this section unless—

"(1) notice has been given, at least 6 months before the first day of the plan year in which the amendment reducing benefits is adopted, to—

"(A) plan participants and beneficiaries,

"(B) each employer who has an obligation to contribute (within the meaning of section 4201(b)(6)) under the plan, and

"(C) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer, that the plan is in reorganization and that, if contributions under the plan are not increased, accrued benefits under the plan will be reduced or an excise tax will be imposed on employers;

"(2) in accordance with regulations prescribed by the Secretary of the Treasury—

"(A) any category of accrued benefits is not reduced with respect to inactive participants to a greater extent proportionally than such category of accrued benefits is reduced with respect to active participants,

"(B) benefits attributable to employer contributions other than accrued benefits and the rate of future benefit accruals are reduced at least to an extent equal to the reduction in accrued benefits of inactive participants, and

"(C) in any case in which the accrued benefit of a participant or beneficiary is reduced by changing the benefit form or the requirements which the participant or beneficiary must satisfy to be entitled to the benefit, such reduction is not applicable to—

"(i) any participant or beneficiary in pay status on the effective date of the amendment, or the beneficiary of such a participant, or

"(ii) any participant who has attained normal retirement age, or who is within 5 years of attaining normal retirement age, on the effective date of the amendment, or the beneficiary of any such participant; and

"(3) the rate of employer contributions for the plan year in which the amendment becomes effective and for all succeeding plan years in which the plan is in reorganization equals or exceeds the greater of—

"(A) the rate of employer contributions, calculated without regard to the amendment, for the plan year in which the amendment becomes effective, or

"(B) the rate of employer contributions for the plan year preceding the plan year in which the amendment becomes effective.

"(c) A plan may not recoup a benefit payment which is in excess of the amount payable under the plan because of an amendment retroactively reducing accrued benefits under this section.

"(d)(1)(A) A plan which has been amended to reduce accrued benefits under this section may be amended to increase accrued benefits, or the rate of future benefit accruals, only if the plan is amended to restore levels of previously reduced accrued benefits of inactive participants and of participants who are within 5 years of attaining normal retirement age to at least the same extent as any such increase in accrued benefits or in the rate of future benefit accruals.

"(B) For purposes of this subsection, in the case of a plan which has been amended under this section to reduce accrued benefits—

"(i) an increase in a benefit, or in the rate of future benefit accruals, shall be considered a benefit increase to the extent that the benefit, or the accrual rate, is thereby increased above the highest benefit level, or accrual rate, which was in effect under the terms of the plan before the effective date of the amendment reducing accrued benefits, and

"(ii) an increase in a benefit, or in the rate of future benefit accruals, shall be considered a benefit restoration to the extent that the benefit, or the accrual rate, is not thereby increased above the highest benefit level, or accrual rate, which was in effect under the terms of the plan immediately before the effective date of the amendment reducing accrued benefits.

"(2) If a plan is amended to partially restore previously reduced accrued benefit levels, or the rate of future benefit accruals, the benefits of inactive participants shall be restored in at least the same proportions as other accrued benefits which are restored.

"(3) No benefit increase under a plan may take effect in a plan year in which an amendment reducing accrued benefits under the plan, in accordance with this section, is adopted or first becomes effective.

"(4) A plan is not required to make retroactive benefit payments with respect to that portion of an accrued benefit which was reduced and subsequently restored under this section.

"(e) For purposes of this section, 'inactive participant' means a person not in covered service under the plan who is in pay status under the plan or who has a nonforfeitable benefit under the plan.

"(f) The Secretary of the Treasury may prescribe rules under which, notwithstanding any other provision of this section, accrued benefit reductions or benefits increases for different participant groups may be varied equitably to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"INSOLVENT PLANS

"SEC. 4245. (a) Notwithstanding sections 203 and 204, in any case in which benefit payments under an insolvent multiemployer plan exceed the resource benefit level, any such payments which are not basic benefits shall be suspended, in accordance with this section, to the extent necessary to reduce the sum of such payments and such basic benefits to the greater of the resource benefit level or the level of basic benefits, unless an alternative procedure is prescribed by the corporation in connection with a supplemental guarantee program established under section 4022A(g)(2).

"(b) For purposes of this section, for a plan year—

"(1) a multiemployer plan is insolvent if—

"(A) the plan is in reorganization and has been amended to reduce accrued benefits to the level at which they are eligible for the corporation's guarantee under section 4022A(b), and

"(B) the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year, as determined under subsection (d);

"(2) 'resource benefit level' means the level of monthly benefits determined under subsections (c)(1) and (3) and (d)(3) to be the highest level which can be paid out of the plan's available resources;

"(3) 'available resources' means the plan's cash, marketable assets, contributions, withdrawal liability payments, and earnings, less reasonable administrative expenses and amounts owed the corporation under section 4261(d); and

"(4) 'insolvency year' means a plan year in which a plan is insolvent.

"(c)(1) The plan sponsor of a plan in reorganization shall determine and certify the plan's resource benefit level for each insolvency year, based on the plan sponsor's reasonable projection of the plan's available resources and the benefits payable under the plan.

"(2) The suspension of benefit payments under this section shall, in accordance with regulations prescribed by the Secretary of the Treasury, apply in substantially uniform proportions to the benefits of all persons in pay status (within the meaning of section 4241(b)(5)) under the plan, except that the Secretary of the Treasury may prescribe rules under which benefit suspensions for different participant groups may be varied equitably to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"(3) Notwithstanding paragraph (2), a plan sponsor may not determine and certify a resource benefit level for a plan year which is below the level of basic benefits, unless the payment of all benefits other than basic benefits is suspended for that plan year.

"(4)(A) If, by the end of an insolvency year, the plan sponsor determines that the plan's available resources in that insolvency year could have supported benefit payments above the resource benefit level for that insolvency year, the plan sponsor shall distribute the excess resources to the participants and beneficiaries who received benefit payments from the plan in that insolvency year, in accordance with regulations prescribed by the Secretary of the Treasury.

"(B) For purposes of this paragraph 'excess resources' means available resources above the amount necessary to support the resource benefit level, but no greater than the amount necessary to pay benefits for the plan year at the benefit levels under the plan.

"(5) If, by the end of an insolvency year, any benefit has not been paid at the resource benefit level, amounts up to the resource benefit level which were unpaid shall be distributed to the participants and beneficiaries, in accordance with regulations prescribed by the Secretary of the Treasury, to the extent possible taking into account the plan's total available resources in that insolvency year.

"(6) Except as provided in paragraph (4), a plan is not required to make retroactive benefit payments with respect to that portion of a benefit which was suspended under this section.

"(d)(1) As of the end of the first plan year in which a plan is in reorganization, and at least every 3 years thereafter (unless the plan is no longer in reorganization), the plan sponsor shall compare the value of plan assets (determined in accordance with section 4243(b)(2)(B)(ii)) with the total amount of benefit payments made under the plan for that plan year. Unless the plan sponsor determines that the value of plan assets exceeds 3 times the total amount of benefit payments, the plan sponsor shall determine whether the plan will be insolvent in any of the next 3 plan years.

"(2) If, at any time, the plan sponsor of a plan in reorganization reasonably determines, taking into account the plan's recent and anticipated financial experience, that the plan's available resources are not sufficient to pay benefits under the plan when due for the next plan year, the plan sponsor shall certify no later than 3 months before the insolvency year that the plan will be insolvent.

"(3) The plan sponsor of a plan in reorganization shall determine and certify for each insolvency year the resource benefit level and the level of basic benefits no later than 3 months before the insolvency year.

"(e)(1) If the plan sponsor of a plan in reorganization determines, under subsection (d)(1), that the plan may be insolvent (within the meaning of subsection (b)(1)) in the next 3 plan years, the plan sponsor shall—

"(A) notify the Secretary of the Treasury, the corporation, and the parties described in section 4242(a) (1), (2), and (3) of that determination, and

"(B) inform the parties described in section 4242(a) (1), (2), and (3) that if insolvency occurs certain benefit payments will be suspended, but that basic benefits will continue to be paid.

"(2) No later than 2 months before the first day of each insolvency year, the plan sponsor of a plan in reorganization shall notify the Secretary of the Treasury, the corporation, and the parties described in section 4242(a) (1), (2), and (3) of the resource benefit level determined and certified for that insolvency year.

"(3) In any case in which the plan sponsor anticipates that the resource benefit level for an insolvency year may not exceed the level of basic benefits, the plan sponsor shall notify the corporation at least 6 months before the first day of that insolvency year.

"(4) Notice required by this subsection shall be given in accordance with regulations prescribed by the corporation, except that notice to the Secretary of the Treasury shall be given in accordance with regulations prescribed by the Secretary of the Treasury.

"(f) (1) If the plan sponsor of an insolvent plan, for which the resource benefit level is above the level of basic benefits, anticipates that, for any month in an insolvency year, the plan will not have funds sufficient to pay basic benefits, the plan sponsor may apply for financial assistance from the corporation under section 4261.

"(2) A plan sponsor who has determined and certified a resource benefit level for an insolvency year which is below the level of basic benefits shall apply for financial assistance from the corporation under section 4261.

"PART 4—FINANCIAL ASSISTANCE

"FINANCIAL ASSISTANCE

"SEC. 4261. (a) If, upon receipt of an application for financial assistance under section 4245(f) or section 4281(d), the corporation verifies that the plan is or will be insolvent and unable to pay basic benefits when due, the corporation shall provide the plan financial assistance in an amount sufficient to enable the plan to pay basic benefits under the plan.

"(b) (1) Financial assistance shall be provided under such conditions as the corporation determines are equitable and appropriate to prevent unreasonable loss to the corporation with respect to the plan.

"(2) A plan which has received financial assistance shall repay the corporation on reasonable terms consistent with regulations prescribed by the corporation.

"(c) Pending determination of the amount described in subsection (a), the corporation may provide financial assistance in such amounts as it considers appropriate in order to avoid undue hardship to plan participants and beneficiaries.

"PART 5—BENEFITS AFTER TERMINATION

"BENEFITS UNDER CERTAIN TERMINATED PLANS

"SEC. 4281. (a) Notwithstanding sections 203 and 204, the plan sponsor of a terminated multiemployer plan to which section 4041A (d) applies shall amend the plan to reduce benefits, and shall suspend benefit payments, as required by this section.

"(b) (1) The actuarial present value of nonforfeitable benefits under a terminated plan referred to in subsection (a), and the value of the plan's assets, shall be determined and certified, in accordance with regulations prescribed by the corporation, as of the end of the plan year during which section 4041A(d) becomes applicable to the plan, and each plan year thereafter.

"(2) For purposes of this section, plan assets include outstanding claims for withdrawal liability (within the meaning of section 4001(a) (16) and, for the plan year during which section 4041A(d) becomes applicable and the following 2 plan years, such additional assets attributable to withdrawal liability as the corporation may prescribe by regulation to avoid premature benefit reductions.

"(c) (1) If, according to the determination made under subsection (b), the actuarial present value of nonforfeitable benefits exceeds the value of the plan's assets, the plan sponsor shall amend the plan to reduce benefits under the plan to the extent necessary to ensure that the plan's assets are sufficient, as determined and certified in accordance with regulations prescribed by the corporation, to discharge when due all of the plan's obligations with respect to nonforfeitable benefits.

"(2) Any plan amendment required by this subsection shall—

"(A) reduce benefits only to the extent necessary to comply with paragraph (1);

"(B) reduce or eliminate accrued benefits only to the extent that those benefits are not eligible for the corporation's guarantee under section 4022A(b);

"(C) comply with the rules for and limitations on benefit reductions under a plan in reorganization, as prescribed in section 4244, except to the extent that the corporation prescribes other rules and limitations in regulations under this section; and

"(D) take effect no later than 6 months after the plan year for which it is determined that the actuarial present value of nonforfeitable benefits exceeds the value of the plan's assets.

"(d) (1) In any case in which benefit payments under a plan which is insolvent under paragraph (2) (A) exceed the resource benefit level, any such payments which are not basic benefits shall be suspended, in accordance with this subsection, to the extent necessary to reduce the sum of such payments and such basic benefits to the greater of the resource benefit level or the level of basic benefits, unless an alternative procedure is prescribed by the corporation in connection with a supplemental guarantee program established under section 4022A(g) (2).

"(2) For purposes of this subsection, for a plan year—

"(A) a plan is insolvent if—

"(i) the plan has been amended to reduce benefits to the extent permitted by subsection (c), and

"(ii) the plan sponsor certifies that the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year; and

"(B) 'resource benefit level' and 'available resources' have the meanings set forth in paragraphs (2) and (3), respectively, of section 4245(b).

"(3) The plan sponsor of a plan which is insolvent (within the meaning of paragraph (2) (A)) shall have the powers and duties of the plan sponsor of a plan in reorganization which is involvent (within the meaning of section 4245(b) (1)), except that regulations governing the plan sponsor's exercise of those powers and duties under this section shall be prescribed by the corporation, and the corporation shall prescribe by regulation notice requirements which assure that plan participants and beneficiaries receive adequate notice of benefit suspensions.

"(4) A plan is not required to make retroactive benefit payments with respect to that portion of a benefit which was suspended under this subsection, except that the provisions of section 4245(c) (4) and (5) shall apply in the case of plans which are insolvent under paragraph (2) (A), in connection with the plan year during which such section 4041A(d) first became applicable to the plan and every year thereafter, in the same manner and to the same extent as such provisions apply to insolvent plans in reorganization under section 4245, in connection with insolvency years under such section 4245.

"PART 6—ENFORCEMENT

"CIVIL ACTIONS

"SEC. 4301. (a) (1) A plan fiduciary, employer, plan participant, or beneficiary, who is adversely affected by the act or omission of any party under this subtitle with respect to a multiemployer plan, or an employee organization which represents such a plan participant for purposes of collective bargaining, may bring an action for appropriate legal or equitable relief, or both.

"(2) Notwithstanding paragraph (1), this section does not authorize an action against the Secretary of the Treasury.

"(b) In any action under this section to compel an employer to pay withdrawal liability, the court may award, in addition to the unpaid liability plus interest, an equal amount as liquidated damages, payable to the plan.

"(c) The district courts of the United States shall have exclusive jurisdiction of an action under this section without regard to the amount in controversy, except that State courts of competent jurisdiction shall have concurrent jurisdiction over an action brought by a plan fiduciary to collect withdrawal liability.

"(d) An action under this section may be brought in the district where the plan is administered or where a defendant resides or does business, and process may be served in any district where a defendant resides, does business, or may be found.

"(e) In any action under this section, the court may award all or a portion of the costs and expenses incurred in connection with such action, including reasonable attorney's fees, to the prevailing party.

"(f) An action under this section must be brought within 6 years after the date on which the cause of action arose.

"(g) A copy of the complaint in any action under this section shall be served upon the corporation by certified mail. The corporation may intervene in any such action.

"PENALTY FOR FAILURE TO PROVIDE NOTICE

"SEC. 4302. Any person who fails, without reasonable cause, to provide a notice required under this subtitle or any implementing regulations shall be liable to the corporation in an amount up to $100 for each day for which such failure continues. The corporation may bring a civil action against any such person in the United States District Court for the District of Columbia or in any district court of the United States within the jurisdiction of which the plan assets are located, the plan is administered, or a defendant resides or does business, and process may be served in any district where a defendant resides, does business, or may be found.".

SEC. 105. PREMIUMS.

(a) Section 4006(a) is amended to read as follows:

"(a) (1) The corporation shall prescribe such schedules of premium rates and bases for the application of those rates as may be necessary to provide sufficient revenue to the fund for the corporation to carry out its functions under this title.

"(2) The corporation shall maintain separate schedules of premium rates, and bases for the application of those rates, for—

"(A) basic benefits guaranteed by it under section 4022 for single-employer plans,

"(B) basic benefits guaranteed by it under section 4022A for multiemployer plans,

"(C) nonbasic benefits guaranteed by it under section 4022 for single-employer plans,

"(D) nonbasic benefits guaranteed by it under section 4022A for multiemployer plans, and

"(E) reimbursements of uncollectible withdrawal liability under section 4204.

The corporation may revise such schedules whenever it determines that revised schedules are necessary. Except as provided in section 4022A(f), in order to place a revised schedule described in subparagraph (A) or (B) in effect, the corporation shall proceed in accordance with subsection (b)(1), and such schedule shall apply only to plan years beginning more than 30 days after the date on which the Congress approves such revised schedule by a concurrent resolution.

"(3) The annual premium rate payable to the corporation by all plans for basic benefits guaranteed under this title is—

"(A) in the case of each single-employer plan, for plan years beginning on or after January 1, 1978, an amount equal to $2.60 for each individual who is a participant in such plan during the plan year; and

"(B) in the case of each multiemployer plan, for plan years beginning on or after the effective date of this paragraph, an amount equal to—

"(i) $1.00 for each participant, for the first and second plan years,

"(ii) $1.40 for each participant, for the third and fourth plan years,

"(iii) $1.80 for each participant, for the fifth and sixth plan years,

"(iv) $2.20 for each participant, for the seventh and eighth plan years, and

"(v) $2.60 for each participant, for the ninth plan year, and for each succeeding plan year.

The corporation may prescribe by regulation the extent to which the rate described in subparagraph (A) applies more than once for any plan year to an individual participating in more than one plan maintained by the same employer, and the corporation may prescribe regulations under which the rate described in subparagraph (B) will not apply to the same participant in any multiemployer plan more than once for any plan year.

"(4) The corporation may prescribe, subject to approval by the Congress in accordance with this section or section 4022A(f), alternative schedules of premium rates, and bases for the application of those rates, for basic benefits guaranteed by it under sections 4022 and 4022A based, in whole or in part, on the risks insured by the corporation in each plan.

"(5)(A) In carrying out its authority under paragraph (1) to establish schedules of premium rates, and bases for the application of those rates, for nonbasic benefits guaranteed under sections 4022 and 4022A, the premium rates charged by the corporation for any period for nonbasic benefits guaranteed shall—

"(i) be uniform by category of nonbasic benefits guaranteed,

"(ii) be based on the risks insured in each category, and

"(iii) reflect the experience of the corporation (including experience which may be reasonably anticipated) in guaranteeing such benefits.

"(B) Notwithstanding subparagraph (A), premium rates charged to any multiemployer plan by the corporation for any period for supplemental guarantees under section 4022A(g)(2) may reflect any reasonable considerations which the corporation determines to be appropriate.".

(b) Section 4006(b) is amended—

(1) by striking out "Committee on Labor and Public Welfare" each place it appears and inserting in lieu thereof "Committee on Labor and Human Resources";

(2) in paragraph (1)—

(A) by striking out "coverage"; and

(B) by striking out "(B) or (C)" and inserting in lieu thereof "(C), (D), or (E)"; and

(3) in paragraph (3), by striking out "coverage".

(c) Section 4006 is further amended by adding at the end thereof the following new subsection:

"(c)(1) Except as provided in subsection (a)(3), and subject to paragraph (2), the rate for all plans for basic benefits guaranteed under this title with respect to plan years ending after September 2, 1974, is—

"(A) in the case of each plan which was not a multiemployer plan in a plan year, an amount equal to $1 for each individual who was a participant in such plan during the plan year, and

"(B) in the case of each plan which was a multiemployer plan in a plan year, an amount equal to 50 cents for each individual who was a participant in such plan during the plan year.

"(2) The rate applicable under this subsection for the plan year preceding September 1, 1975, is the product of—

"(A) the rate described in the preceding sentence; and

"(B) a fraction—

"(i) the numerator of which is the number of calendar months in the plan year which ends after September 2, 1974, and before the date on which the new plan year commences, and

"(ii) the denominator of which is 12.".

SEC. 106. ANNUAL REPORT OF PLAN ADMINISTRATOR.

Section 4065 is amended—

(1) in paragraph (1), by striking out "and"; and

(2) in paragraph (2), by striking out the period and inserting in lieu thereof ", and"; and

(3) by adding after paragraph (2) the following new paragraph:

"(3) in the case of a multiemployer plan, information with respect to such plan which the corporation determines is necessary for the enforcement of subtitle E and requires by regulation, which may include—

"(A) a statement certified by the plan's enrolled actuary of—

"(i) the actuarial present value of all benefit entitlements under the plan as of the end of the plan year, and

"(ii) the value of the plan's assets as of the end of the plan year;

"(B) a statement certified by the plan sponsor of each claim of outstanding withdrawal liability (within the meaning of section 4001(a)(16)) and its value as of the end of that plan year and as of the end of the preceding plan year; and

"(C) the number of employers having an obligation to contribute to the plan and the number of employers required to make withdrawal liability payments.".

SEC. 107. CONTINGENT EMPLOYER LIABILITY INSURANCE.

Section 4023 (as in effect immediately before the date of the enactment of this Act) is repealed.

SEC. 108. TRANSITION RULES AND EFFECTIVE DATES.

(a) Sections 4081 and 4082 are redesignated as sections 4401 and 4402, respectively.

(b) Section 4402 (as redesignated) is amended by striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d) Notwithstanding any other provision of this title, benefits guaranteed under subsection (c) may not be reduced below the level at which those benefits would be guaranteed under section 4022A, applied as of the date of plan termination as if such section applied with respect to terminations with respect to which subsection (c) applies.".

(c) Section 4402 (as redesignated) is further amended by striking out subsection (e) and adding in lieu thereof the following new subsections:

"(e)(1) Except as provided in paragraphs (2) and (3), the amendments to this Act made by the Multiemployer Pension Plan Amendments Act of 1979 shall take effect on the date of the enactment of that Act.

"(2) Section 4201, relating to withdrawal liability, is effective as of February 27, 1979. For purposes of determining withdrawal liability under section 4201, an employer who has withdrawn from a plan shall be considered to have withdrawn from a multiemployer plan if, at the time of the withdrawal, the plan was a multiemployer plan as defined in section 4001(a)(3) as in effect at the time of the withdrawal.

"(3) Except as provided in section 4243(d)(3), sections 4241 through 4245, relating to multiemployer plan reorganization, shall take effect, with respect to each plan, on the first day of the first plan year beginning on or after the earlier of—

"(A) the date on which the last collective bargaining agreement providing for employer contributions under the plan, which was in effect on the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, expires, without regard to extensions agreed to after the date of the enactment of that Act, or

"(B) 3 years after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979.

"(f)(1) In the event that before the date of enactment of the Multiemployer Pension Plan Amendments Act of 1979, the corporation has determined that—

"(A) an employer has withdrawn from a multiemployer plan under section 4063, and

"(B) the employer is liable to the corporation under such section,

the corporation shall retain the amount of liability paid to it or furnished in the form of a bond and shall pay such liability to the plan in the event the plan terminates in accordance with section 4041A(a)(2) before February 27, 1984.

"(2) In any case in which the plan is not so terminated within the period described in paragraph (1), the liability of the employer is abated and any payment held in escrow shall be refunded without interest to the employer or the employer's bond shall be canceled.".

(d) Title IV is amended by adding at the end thereof the following new section:

"ELECTION

"SEC. 4403. (a) After the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, and within the 1-year period prescribed in subsection (b), the plan sponsor of multiemployer plan may irrevocably elect, pursuant to regulations prescribed by the corporation, that the plan not be considered a multiemployer plan, but shall be considered a single-employer plan, for any purpose under this Act or the Internal Revenue Code of 1954, if—

"(1) the plan was not a multiemployer plan on the day before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, and

"(2) the plan paid premiums to the corporation for the 3 plan years preceding the date of the enactment of such Act at the rate then required for a plan which was not a multiemployer plan.

"(b) Within 180 days after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, the corporation shall prescribe by regulation a procedure for making the election described in subsection (a). The corporation shall consult with the Department of the Treasury in developing such regulations. An election under subsection (a) must be made within one year after the date of the publication of the regulations prescribed by the corporation under this subsection.".

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 201. AMENDMENT OF THE INTERNAL REVENUE CODE OF 1954.

Except as otherwise expressly provided, whenever in the this title an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954.

SEC. 202. MINIMUM FUNDING REQUIREMENTS

Section 412 (relating to minimum funding standards) is amended—

(1) in subsection (b), by striking out "(40 plan years in the case of a multiemployer plan)" and "(20 plan years in the case of a multiemployer plan)" each place they appear;

(2) by adding at the end of subsection (b) the following new paragraphs:

"(6) AMORTIZATION OF CERTAIN CHARGES AND CREDITS.—In the case of a plan which, immediately before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, was a multiemployer plan (within the meaning of section 414(f) as in effect immediately before such date)—

"(A) any amount described in paragraph (2)(B)(ii), (2)(B)(iii) or (3)(B)(i) of this subsection which arose in a plan year beginning before such date shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the amount arose;

"(B) any amount described in paragraph (2)(B)(iv) or (3)(B)(ii) of this subsection which arose in a plan year beginning before such date shall be amortized in equal annual installments (until fully amortized) over 20 plan years, beginning with the plan year in which the amount arose;

"(C) any increase or decrease in past service liability which arises during the period of 3 plan years beginning on or after such date, and results from a plan amendment adopted before such date, shall be amortized in equal annual installments (until fully amortized) over 40 years, beginning with the plan year in which the increase or decrease arises; and

"(D) any increase in past service liability which arises during the period of 2 plan years beginning on or after such date, and results from the changing of a group of participants from a lower benefit level to a higher benefit level under a schedule of plan benefits which—

"(i) was adopted before such date, and

"(ii) was effective for any plan participant before the beginning of the first plan year beginning on or after such date,

shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the increase arises.

"(7) WITHDRAWAL LIABILITY.—For purposes of this section, any amount received by a multiemployer plan in payment of all or part of an employer's withdrawal liability under section 4201 of the Employee Retirement Income Security Act of 1974 (other than amounts previously taken into account under the last sentence of subsection (j)(1)(C)) shall be considered an amount contributed by the employer to or under the plan. The Secretary may prescribe by regulation additional charges and credits to a multiemployer plan's funding standard account to the extent necessary to prevent withdrawal liability payments from being unduly reflected as advance funding for plan liabilities."; and

(4) by adding at the end the following new subsections:

"(j) MINIMUM CONTRIBUTION REQUIREMENT FOR MULTIEMPLOYER PLANS.—

"(1) SATISFACTION OF MINIMUM CONTRIBUTION REQUIREMENT.—

"(A) GENERAL RULE.—A multiemployer plan shall satisfy the minimum contribution requirement for each plan year—

"(i) in which the plan is in reorganization, or

"(ii) in which the requirements of paragraph (5)(A) apply, because the plan does not meet the requirements of paragraph (5)(B).

A plan satisfies the minimum contribution requirement for a plan year if it does not have a reorganization deficiency for the plan year.

"(B) EXCEPTION.—This subsection shall not apply to a plan described in subparagraph (A)(ii) in any case in which the minimum contribution requirement of such plan is less than an amount equal to the charges determined under subsection (b)(2), less the credits determined under subsection (b)(3)(B).

"(C) REORGANIZATION DEFICIENCY.—For purposes of this section, 'reorganization deficiency' means, for a plan year, an amount equal to—

"(i) the minimum contribution requirement for the plan year, less

"(ii) amounts contributed by the employer to or under the plan for the plan year.

For purposes of this subparagraph, withdrawal liability payments which are due with respect to withdrawals which took place before the end of the base plan year shall be considered amounts contributed by the employer to or under the plan, if, as of 90 days before the earliest of the effective dates of the relevant collective bargaining agreements for the plan year, it was reasonable for the plan sponsor to anticipate that such payments would be made during the plan year.

"(D) PLAN'S REORGANIZATION DEFICIENCY TREATED AS ACCUMULATED FUNDING DEFICIENCY.—

"(i) IN GENERAL.—For any plan year for which a plan is required to satisfy the minimum contribution requirement—

"(I) the plan shall continue to maintain its funding standard account,

"(II) the plan's accumulated funding deficiency under subsection (a) shall be equal to the amount of the plan's reorganization deficiency (if any), and

"(III) contributions for such plan year shall be allocated to accumulated funding deficiencies in the order of the respective plan years at the end of which such deficiencies were determined (including deficiencies for plan years when the plan was not required to satisfy the minimum contribution requirement).

"(ii) RULE WHERE PLAN NO LONGER HAS TO SATISFY MINIMUM CONTRIBUTION REQUIREMENT.—If a plan is not required to satisfy the minimum contribution requirement for the plan year but was required to satisfy such requirement for the immediately preceding plan year, any balance in the funding standard account at the close of such immediately preceding plan year—

"(I) shall be eliminated by an offsetting credit or charge (as the case may be), but

"(II) shall be taken into account in subsequent plan years by being amortized in equal annual installments (until fully amortized) over 30 plan years.

"(2) MINIMUM CONTRIBUTION REQUIREMENT.—

"(A) GENERAL RULE.—For purposes of this subsection, except as provided in paragraph (5), the minimum contribution requirement for a plan year in which a plan is in reorganization is an amount equal to the lesser of—

"(i) the sum of—

"(I) the plan's benefit entitlements charge for the plan year, and

"(II) the excess, if any, of the increase attributable to plan amendments adopted in normal cost for such plan year which is attributable to plan amendments adopted and first effective in that plan year or in any of the 2 preceding plan years in which the plan is in reorganization, over 15 percent of the plan's normal cost for that plan year calculated without regard to any such amendments; or

"(ii) the product of—

"(I) the amount determined pursuant to clause (i), and

"(II) a fraction, the numerator of which is the plan's current contribution base for the plan year, and the denominator of which is the plan's valuation contribution base for the plan year.

"(B) SPECIAL RULE.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), if the benefit entitlements charge for a plan year of a plan in reorganization is less than the plan's cash-flow amount for the plan year, the plan's minimum contribution requirement for the plan year is the amount determined under subparagraph (A) after substituting 'cash-flow amount' for 'benefit entitlements charge' each place that term appears in subparagraph (A).

"(ii) CASH-FLOW AMOUNT.—For purposes of this subparagraph, a plan's cash-flow amount for a plan year is an amount equal to—

"(I) the amount of the benefits payable under the plan for the base plan year, plus the amount of the plan's administrative expenses for the base plan year, less

"(II) the value of the available plan assets for the base plan year determined under regulations prescribed by the Secretary,

adjusted in a manner consistent with paragraph (4)(B).

"(3) REORGANIZATION STATUS.—

"(A) GENERAL RULE.—A multiemployer plan is in reorganization for a plan year if the plan's reorganization index is greater than zero.

"(B) REORGANIZATION INDEX.—For each plan year, a multiemployer plan's reorganization index equals—

"(i) the benefit entitlements charge for the plan year, determined without regard to accrued benefit reductions under section 411(e)(2) which are first effective in the plan year, less

"(ii) an amount equal to the charges determined under subsection (b)(2), less the credits determined under subsection (b)(3)(B).

"(4) DEFINITIONS.—

"(A) BENEFIT ENTITLEMENTS CHARGE.—For each plan year, the benefit entitlements charge equals the amount which would be necessary to amortize the plan's unfunded benefit obligations for the plan year in equal annual installments—

"(i) over 10 years, to the extent attributable to persons in pay status, and

"(ii) over 25 years, to the extent attributable to all other participants.

In determining the plan's unfunded benefit obligations, plan assets shall first be allocated to the benefit entitlements attributable to persons in pay status.

"(B) BASIS FOR VALUATION.—The determination of the benefit entitlements charge for purposes of subparagraph (A) shall be based on a actuarial valuation as of the end of the base plan year, adjusted to reflect—

"(i) events which would substantially increase the plan's benefit entitlements charge if (on or before the 90th day before the earliest of the effective dates of the relevant collective bargaining agreements) the plan sponsor knew or should have known of these events, and

"(ii) changes in benefits under the plan pursuant to amendments adopted after the end of the base plan year.

"(C) BASE PLAN YEAR.—For purposes of this subsection, the base plan year is the last plan year ending at least 6 months before the earliest of the effective dates of the relevant collective bargaining agreements. If there is no relevant collective bargaining agreement, the base plan year is the last plan year ending at least 12 months before the beginning of the plan year for which the benefit entitlements charge is determined.

"(D) RELEVANT COLLECTIVE BARGAINING AGREEMENT.—For purposes of this subsection, the term 'relevant collective bargaining agreement' means a collective bargaining agreement—

"(i) which is in effect for at least 6 months during the plan year for which the benefit entitlements charge is determined, and

"(ii) which has not been in effect for more than 3 years at the end of such plan year.

"(E) UNFUNDED BENEFIT OBLIGATIONS.—For purposes of this subsection, 'unfunded benefit obligations' means, in connection with a plan, an amount equal to—

"(i) the actuarial present value of benefit entitlements under the plan, less

"(ii) the value of the assets of the plan determined in accordance with regulations prescribed by the Secretary.

"(F) Benefit entitlement.—For purposes of this subsection, 'benefit entitlement' means the benefit of a participant or beneficiary under a multiemployer plan for which the participant has satisfied the service requirements under the terms of the plan.

"(G) Person in pay status.—For purposes of this subsection, 'person in pay status' means a participant or beneficiary who, at any time during the plan year, received an early, normal, or disability retirement benefit, or a death benefit related to a retirement benefit, and, to the extent provided in regulations prescribed by the Secretary, a person entitled to those or similar benefits under the plan.

"(H) Contribution base.—

"(i) Current contribution base.—A plan's current contribution base for a plan year is the number of contribution base units with respect to which contributions are required to be made under the plan for that plan year, determined in accordance with regulations prescribed by the Secretary.

"(ii) Valuation contribution base.—Except as provided in paragraph (8), a plan's valuation contribution base for a plan year is the number of contribution base units for which contributions were received for the base plan year—

"(I) adjusted to reflect declines in the contribution base which have occurred, or could be reasonably anticipated, as of 90 days before the earliest of the effective dates of the relevant collective bargaining agreements for the plan year referred to in clause (i), and

"(II) adjusted upward, in accordance with regulations prescribed by the Secretary, for any contribution base reduction in the base plan year caused by a strike or lockout or by unusual events, such as fire, earthquake, or severe weather conditions.

"(5) Applicability of minimum contribution requirement regardless of reorganization.—

"(A) General rule.—Except as provided in paragraph (1)(B), a multiemployer plan, whether or not in reorganization, shall satisfy the minimum contribution requirement determined under paragraph (2)(A), without regard to paragraph (2)(B), for plan years beginning after the effective date of this paragraph, if the plan has not met the applicable requirements of subparagraph (B) for each base plan year, as described in paragraph (4)(C).

"(B) Valuation test.—A plan meets the requirements of this subparagraph for a base plan year if the value of the assets of the plan as of the end of the base plan year, as determined under regulations prescribed by the Secretary, is an amount equal to or greater than—

"(i) in the case of the first base plan year to which subparagraph (A) applies, the total amount of benefits paid during that base plan year.

"(ii) in the case of the second base plan year to which subparagraph (A) applies, 2 times the total amount of benefits paid during that base plan year, and

"(iii) in the case of the third base plan year and each subsequent base plan year to which subparagraph (A) applies, 3 times the total amount of benefits paid during that base plan year.

"(C) Effective date.—The provisions of this paragraph shall take effect with respect to plan years beginning on or after the earlier of January 1, 1984, or the expiration date of the last relevant collective bargaining agreement providing for employer contributions under the plan which is in effect on December 31, 1980.

"(D) Exception.—The requirements of subparagraph (A) shall not apply to a plan for any plan year—

"(i) which immediately follows any plan year as of the end of which the plan met the requirements of subparagraph (B) for the preceding base plan year,

"(ii) in which the plan is insolvent, or

"(iii) which is any one of the 5 plan years following a plan year in which the plan is insolvent in which the rate of employer contributions required under the plan for the plan year is equal to or greater than the rate of such contributions for the last plan year preceding the plan year in which the plan became insolvent.

"(E) Special rule for determining minimum contribution requirement.—

"(i) In general.—If the benefit entitlements charge for a plan year of a plan to which this paragraph applies is less than the plan's replenishment contribution amount for the plan year, the plan's minimum contribution requirement for the plan year is the amount determined under paragraph (2)(A) after substituting the term 'replenishment contribution amount' for the term 'benefit entitlements charge' each place that term appears in paragraph (2)(A).

"(ii) Replenishment contribution amount.—For purposes of this subparagraph, the term 'replenishment contribution amount' means 115 percent of an amount equal to—

"(I) the total amount of the benefits payable under the plan during the plan year, plus the plan's administrative expenses for the plan year, less

"(II) the total investment income from the assets of the plan for the plan year, as determined under regulations prescribed by the Secretary.

adjusted in a manner consistent with paragraph (4)(B).

"(6) Credit for overburdened plans.—

"(A) Credit.—For purposes of determining a plan's minimum contribution requirement for a plan year, the plan sponsor of an overburdened plan shall apply an overburden credit against the plan's reorganization deficiency for the plan year (determined without regard to this paragraph).

"(B) Overburden test.—A plan is overburdened for a plan year if—

"(i) the average number of pay status participants under the plan for the base plan year exceeds the average of the average number of active participants for the base plan year and for each of the 2 plan years preceding the base plan year; and

"(ii) the rate of employer contributions under the plan equals or exceeds the greater of—

"(I) the rate for the preceding plan year, or

"(II) the rate for the first plan year preceding the first plan year in which the plan is in reorganization or in which the requirements of paragraph (5)(B) are not met.

"(C) Amount of credit.—The amount of the overburden credit for a plan year is the product of—

"(i) one-half of the average guaranteed benefit paid in the base plan year, and

"(ii) the overburden factor for the plan year.

"(D) Definitions.—For purposes of this paragraph—

"(i) Pay status participant.—The term 'pay status participant' means, with respect to a plan, a retired employee receiving pension payments under the plan in the form of an annuity.

"(ii) Number of active participants.—The number of active participants shall be determined, for a plan year, by adding—

"(I) the number of active employees who are participants in the plan, disregarding employees who failed to earn any pension accrual within the plan year because of insufficient active employment,

"(II) the number of active employees who are not participants in the plan, but who are in an employment unit covered by a collective bargaining agreement which requires the employees' employer to contribute to the plan, and

"(III) the total number of active employees attributed to employers who made payments to the plan in the plan year of withdrawal liability pursuant to section 4201 of the Employee Retirement Income Security Act of 1974, determined by dividing the total amount of such payments by an amount equal to the total contributions received by the plan during the plan year divided by the average number of active employees who were participants in the plan during the plan year.

"(iii) Average number.—The term 'average number' means with respect to pay status participants, active participants, or active employees (as the case may be), for a plan year, a number equal to one-half the sum of—

"(I) the number with respect to the plan as of the beginning of the plan year, and

"(II) the number with respect to the plan as of the end of the plan year.

"(iv) Average guaranteed benefit paid.—The average guaranteed benefit paid is the amount determined by multiplying the average monthly pension payment guaranteed under section 4022A(c) of the Employee Retirement Income Security Act of 1974 by 12.

"(v) First plan year of reorganization or of failure to meet paragraph (5)(B) requirements.—The term 'first plan year in which a plan is in reorganization or in which the requirements of paragraph (5)(B) are not met' means the first of a period of one or more consecutive plan years in which the plan has been in reorganization or in which the requirements of paragraph (5)(B) have not been met, disregarding breaks of two or less consecutive plan years in which the plan was not in reorganization and met the requirements of paragraph (5)(B).

"(vi) Overburden factor.—The overburden factor for a plan year is an amount equal to the average number of pay status participants for the base plan year, less the average of the average number of active participants for the base plan year and for each of the 2 plan years preceding the base plan year.

"(E) Ineligibility for credit.—Notwithstanding any other provision of this paragraph, a plan is not eligible for an overburden credit for a plan year if the Secretary finds that the plan's current contribution base for the plan year was reduced, without a corresponding reduction in the plan's unfunded benefit obligations attributable to pay status participants, as a result of a change in an agreement providing for employer contributions under the plan. For purposes of this subparagraph, the withdrawal of an employer (within the meaning of section 4201 (b) of the Employee Retirement Income Security Act of 1974) does not impair a plan's eligibility for an overburden credit, unless the Secretary finds that a contribution base reduction described in this subparagraph resulted from a transfer of liabilities to another plan in connection with the withdrawal.

"(F) Merged plan.—Notwithstanding any other provision of this paragraph, if one or more multiemployer plans which are required to meet the minimum contribution requirement merge, the amount of the overburden credit which may be applied under subparagraph (A) with respect to the plan resulting from the merger for any of the 3 plan years ending after the effective date of the merger shall not exceed the sum of the overburden credits which were applied under subparagraph (A) with respect to each of the merging plans to avoid a reorganization deficiency for the last plan year ending before the effective date of the merger.

"(7) Reduction of accrued benefits.—In determining the minimum contribution requirement with respect to a plan for a plan year under paragraph (2), the benefit entitlements charge may be adjusted to reflect a plan amendment reducing benefits under subsection (c)(8) or section 411(e)(2), but only if the amendment is adopted and effective no later than 2½ months after the end of the plan year, or within such extended period as the Secretary may prescribe by regulation under subsection (c)(10).

"(8) INSOLVENT PLANS.—For any plan year in which a multiemployer plan is insolvent (within the meaning of section 411(f)(2)(A)), after the first plan year beginning after all relevant collective bargaining agreements which were in effect in the plan year in which the plan became insolvent expire, the plan's valuation contribution base is the number of contribution base units for which contributions were received for the plan year preceding the first plan year in which the plan is insolvent.

"(9) VARIANCE FROM THE MINIMUM CONTRIBUTION REQUIREMENT.—In the case of a multiemployer plan to which this subsection applies, the term 'minimum contribution requirement' shall be substituted for the term 'minimum funding standard' and the term 'standard' each place such terms appear in subsection (d)(1).

"(10) SPECIAL RULE.—A multiemployer plan shall be considered not to have a reorganization deficiency for any plan year beginning on or after the effective date of this subsection, if the rate of employer contributions under the plan for the plan year equals or exceeds—

"(A) the rate of employer contributions which would otherwise be required for that plan year without regard to this subsection; plus

"(B) the product of—

"(i) 7 percent of such rate, and

"(ii) the number of plan years for which the minimum funding requirement for the plan has been the minimum contribution requirement determined under this subsection.

This paragraph shall not apply with respect to a plan if a plan amendment is adopted while the plan is in reorganization which increases benefits with respect to service performed before the date on which the amendment is adopted.

"(11) EFFECTIVE DATE.—Except as provided in paragraph (5)(C), this subsection shall take effect, with respect to each plan, on the first day of the first plan year beginning on or after the earlier of—

"(A) the date on which the last collective bargaining agreement providing for employer contributions under the plan, which was in effect on the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, expires, without regard to extensions agreed to after the date of the enactment of such Act, or

"(B) 3 years after the date of the enactment of such Act.

"(k) CERTAIN TERMINATED MULTIEMPLOYER PLANS.—This section applies with respect to a terminated multiemployer plan to which section 4021 of the Employee Retirement Income Security Act of 1974 applies, until the date on which the last employer withdraws from the plan within the meaning of section 4201 of that Act.".

SEC. 203. EXCISE TAXES.

Section 4971 (relating to taxes on failure to meet minimum funding standard) is amended—

(1) by adding at the end of subsection (c)(1) the following new sentence: "For purposes of this section, for any plan year in which a multiemployer plan is required to satisfy the minimum contribution requirement under section 412(j), the plan's accumulated funding deficiency under section 412(a) shall be equal to the plan's reorganization deficiency determined under section 412(j)(1)(C)."; and

(2) by adding at the end of subsection (d) the following new sentence:

"In the case of multiemployer plan which is required to meet the minimum contribution requirement under section 412(j), the same notice and opportunity shall be provided to the Pension Benefit Guaranty Corporation.".

SEC. 204. DEDUCTIBILITY OF EMPLOYER LIABILITY PAYMENTS.

(a) Section 404(a)(1)(A) is amended—

(1) by striking out the period at the end of clause (iii) and inserting in lieu thereof a comma; and

(2) by adding at the end the following:

"(iv) an amount paid by an employer under section 4062, 4063, 4064, or 4201 of the Employee Retirement Income Security Act of 1974.".

(b) Section 404(g) (relating to certain employer liability payments considered as contributions) is amended to read as follows:

"(g) CERTAIN EMPLOYER LIABILITY PAYMENTS CONSIDERED AS CONTRIBUTIONS.—

"(1) IN GENERAL.—For purposes of this section, any amount paid by an employer under section 4062, 4063, 4064, or 4201 of the Employee Retirement Income Security Act of 1974 shall be treated as a contribution to which this section applies by such employer to or under a stock bonus, pension, profit-sharing, or annuity plan.

"(2) CONTROLLED GROUP DEDUCTIONS.—In the case of a payment described in paragraph (1) made by an entity which is liable because it is a member of a commonly controlled group of corporations, trades, or businesses, within the meaning of subsection (b) or (c) of section 414, the fact that the entity did not directly employ participants of the plan with respect to which the liability payment was made shall not affect the deductibility of a payment which otherwise satisfies the conditions of section 162 (relating to trade or business expenses) or section 212 (relating to expenses for the production of income).".

SEC. 205. MINIMUM VESTING REQUIREMENTS.

Section 411 (relating to minimum vesting standards) is amended—

(1) by adding at the end of subsection (a)(3) the following new subparagraphs:

"(E) CESSATION OF CONTRIBUTIONS UNDER A MULTIEMPLOYER PLAN.—A participant's right to an accrued benefit derived from employer contributions under a multiemployer plan shall not be treated as forfeitable solely because the mutiemployer plan provides that benefits accrued as a result of service with the participant's employer before the employer had an obligation to contribute under the plan may not be payable if the employer ceases contributions to the multiemployer plan.

"(F) REDUCTION AND SUSPENSION OF BENEFITS BY A MULTIEMPLOYER PLAN.—A participant's right to an accrued benefit derived from employer contributions under a multiemployer plan shall not be treated as forfeitable solely because—

"(i) the plan is amended to reduce benefits under subsection (e) or under section 4281 of the Employee Retirement Income Security Act of 1974, or

"(ii) benefit payments under the plan may be suspended under subsection (f) or under section 4281 of the Employee Retirement Income Security Act of 1974.";

(2) in subsection (a)(4)(E), by striking out "and";

(3) in subsection (a)(4)(F), by striking out the period and inserting in lieu thereof "; and",

(4) by adding at the end of subsection(a)(4) the following new subparagraph:

"(G) in the case of a multiemployer plan, years of service—

"(i) with an employer after that employer has withdrawn from the plan, or, to the extent permitted by regulations prescribed by the Secretary, after a partial withdrawal (within the meaning of section 4201(c)(2) of the Employee Retirement Income Security Act of 1974), and

"(ii) with any employer under the plan after the termination date of the plan under section 4048 of such Act.";

(5) in subsection (d)(6), by striking out "section 412(c)(8)" and inserting in lieu thereof "subsection (e), section 412(c)(8), or section 4281 of the Employee Retirement Income Security Act of 1974"; and

(6) by redesignating subsection (e) as subsection (g) and inserting immediately after subsection (d) the following new subsections:

"(e) MULTIEMPLOYER PLANS IN A REORGANIZATION.—

"(1) NOTICE OF REORGANIZATION.—

"(A) IN GENERAL.—In the case of a multiemployer plan which is in reorganization, within the meaning of section 412(j), and with respect to which section 412(j) (applied without regard to subsection (j)(6) of that section and without regard to any accrued benefit reductions authorized by this subsection not already adopted) would require an increase in contributions, the plan sponsor shall notify in the summary annual report—

"(i) plan participants and beneficiaries,

"(ii) each employer who has an obligation to contribute under the plan (within the meaning of section 4201(b)(6) of the Employee Retirement Income Security Act of 1974), and

"(iii) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer,

that the plan is in reorganization and that, if contributions to the plan are not increased, accrued benefits under the plan may be reduced, or an excise tax may be imposed on employers.

"(B) OTHER NOTICE REQUIREMENTS.—The Pension Benefit Guaranty Corporation may prescribe additional or alternative requirements for assuring, in the case of a plan described in subparagraph (A), that the interested parties receive appropriate notice that the plan is in reorganization, are adequately informed of the implications of reorganization status, and have reasonable access to the plan's reorganization status.

"(2) AUTHORITY TO REDUCE BENEFITS.—A multiemployer plan in reorganization may be amended, in accordance with this subsection, to reduce or eliminate accrued benefits attributable to employer contributions which, under section 4022A(b) of the Employee Retirement Income Security Act of 1974, are not eligible for the guarantee of the Pension Benefit Guaranty Corporation. In determining the minimum contribution requirement with respect to a plan for a plan year under section 412(j)(2), the benefit entitlements charge may be adjusted to reflect a plan amendment reducing benefits under this subsection or section 412(c)(8), but only if the amendment is adopted and effective no later than 2½ months after the end of the plan year, or within such extended period as the Secretary may prescribe by regulation under section 412(c)(10).

"(3) RESTRICTIONS ON BENEFIT REDUCTIONS.—Accrued benefits may not be reduced under this subsection unless—

"(A) notice has been given, at least 6 months before the first day of the plan year in which the amendment reducing benefits is adopted, to—

"(i) plan participants and beneficiaries,

"(ii) each employer who has an obligation to contribute (within the meaning of section 4201(b)(6) of the Employee Retirement Income Security Act of 1974) under the plan, and

"(iii) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer, that the plan is in reorganization and that, if contributions to the plan are not increased, accrued benefits under the plan will be reduced or an excise tax will be imposed on employers;

"(B) in accordance with regulations prescribed by the Secretary—

"(i) any categorys accrued benefits is not reduced with respect to inactive participants to a greater extent proportionally than such category of accrued benefits is reduced with respect to active participants,

"(ii) benefits attributable to employer contributions other than accrued benefits and the rate of future benefit accruals are reduced at least to an extent equal to the reduction in accrued benefits of inactive participants, and

"(iii) in any case in which the accrued benefit of a participant or beneficiary is reduced by changing the benefit form or the requirements which the participant or beneficiary must satisfy to be entitled to the benefit, such reduction is not applicable to—

"(I) any participant or beneficiary in pay status, on the effective date of the amendment, or the beneficiary of such a participant, or

"(II) any participant who has attained normal retirement age, or who is within 5 years of attaining normal retirement age, on the effective date of the amendment, or the beneficiary of any such participant; and

"(C) the rate of employer contributions for the plan year in which the amendment becomes effective and for all succeeding plan years in which the plan is in reorganization equals or exceeds the greater of—

"(i) the rate of employer contributions, calculated without regard to the amendment for the plan year in which the amendment becomes effective, or

"(ii) the rate of employer contributions for the plan year preceding the plan year in which the amendment becomes effective.

"(4) Recoupment prohibited.—A plan may not recoup a benefit payment which is in excess of the amount payable under the plan because of an amendment retroactively reducing accrued benefits under this subsection.

"(5) Benefit increases under multiemployer plans in reorganization.—

"(A) Restoration of previously reduced benefits.—

"(i) General rule.—A plan which has been amended to reduce accrued benefits under this subsection may be amended to increase accrued benefits, or the rate of future benefit accruals, only if the plan is amended to restore levels of previously reduced accrued benefits of inactive participants and of participants who are within 5 years of attaining normal retirement age to at least the same extent as any such increase in accrued benefits or in the rate of future benefit accruals.

"(ii) Benefit increases and benefit restorations.—For purposes of this paragraph, in the case of a plan which has been amended under this subsection to reduce accrued benefits—

"(I) an increase in a benefit, or in the rate of future benefit accruals, shall be considered a benefit increase to the extent that the benefit, or the accrual rate, is thereby increased above the highest benefit level, or accrual rate, which was in effect under the terms of the plan before the effective date of the amendment reducing accrued benefits, and

"(II) an increase in a benefit, or in the rate of future benefit accruals, shall be considered a benefit restoration to the extent that the benefit, or the accrual rate, is not thereby increased above the highest benefit level, or accrual rate, which was in effect under the terms of the plan immediately before the effective date of the amendment reducing accrued benefits.

"(B) Uniformity in benefit restoration.—If a plan is amended to partially restore previously reduced accrued benefit levels, or the rate of future benefit accruals, the benefits of inactive participants shall be restored in at least the same proportions as other accrued benefits which are restored.

"(C) Benefit increases in year of benefit reductions.—No benefit increase under a plan may take effect in a plan year in which an amendment reducing accrued benefits under the plan, in accordance with this subsection, is adopted or first becomes effective.

"(D) Retroactive payments.—A plan is not required to make retroactive benefit payments with respect to that portion of an accrued benefit which was reduced and subsequently restored under this subsection.

"(6) Inactive participant.—For purposes of this subsection, the term 'inactive participant' means a person not in covered service under the plan who is in pay status under the plan or who has a nonforfeitable benefit under the plan.

"(7) Variations in benefit adjustments.—The Secretary may prescribe rules under which, notwithstanding any other provision of this subsection, accrued benefit reductions or benefits increases for different participant groups may be varied equitably to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"(8) Non-annuity payments under plans for reorganization.—Except as provided in regulations prescribed by the Pension Benefit Guaranty Corporation, while a plan is in reorganization a nonforfeitable benefit with respect to a participant (other than a death benefit) which is attributable to employer contributions and which has an actuarial present value of more than $1,750 may not be paid in a form other than an annuity which (by itself or in combination with social security, railroad retirement, or workers' compensation benefits) provides substantially level payments over the expected life of the participant.

"(9) Certain terminated multiemployer plans.—This subsection applies with respect to a terminated multiemployer plan to which section 4021 of the Employee Retirement Income Security Act of 1974 applies, until the date on which the last employer withdraws from the plan within the meaning of section 4201 of that Act.

"(f) Insolvent Plans in Reorganization.—

"(1) Suspension of certain benefit payments.—In any case in which benefit payments under an insolvent multiemployer plan exceed the resource benefit level, any such payments which are not basic benefits shall be suspended, in accordance with this subsection, to the extent necessary to reduce the sum of such payments and such basic benefits to the greater of the resource benefit level or the level of basic benefits, unless an alternative procedure is prescribed by the Pension Benefit Guaranty Corporation in connection with a supplemental guarantee program established under section 4022A(g)(2) of the Employee Retirement Income Security Act of 1974.

"(2) Definitions.—For purposes of this subsection, for a plan year—

"(A) Insolvency.—A multiemployer plan is insolvent if—

"(i) the plan is in reorganization, and has been amended to reduce accrued benefits to the level at which they are eligible for the guarantee of the Pension Benefit Guaranty Corporation under section 4022A(b) of the Employee Retirement Income Security Act of 1974, and

"(ii) the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year, as determined under paragraph (4).

(B) Resource benefit level.—The term 'resource benefit level' means the level of monthly benefits determined under paragraphs (3)(A) and (C) and (4)(C) to be the highest level which can be paid out of the plan's available resources.

"(C) Available resources.—The term 'available resources' means the plan's cash, marketable assets, contributions, withdrawal liability payments, and earnings, less reasonable administrative expenses and amounts owed the Pension Benefit Guaranty Corporation under section 4261(d) of the Employee Retirement Income Security Act of 1974.

"(D) Basic benefits.—The term 'basic benefits' means benefits guaranteed by the Pension Benefit Guaranty Corporation under section 4022A of the Employee Retirement Income Security Act of 1974, without regard to subsection (g) of that section.

"(E) Insolvency year.—The term 'insolvency year' means a plan year in which a plan is insolvent.

"(3) Benefit payments under insolvent plans.—

"(A) Determination of resource benefit level.—The plan sponsor of a plan in reorganization shall determine and certify the plan's resource benefit level for each insolvency year, based on the plan sponsor's reasonable projection of the plan's available resources and the benefits payable under the plan.

"(B) Uniformity of benefit suspensions.—The suspension of benefit payments under this subsection shall, in accordance with regulations prescribed by the Secretary, apply in substantially uniform proportions to the benefits of all persons in pay status (within the meaning of section 412(j)(4)(F)) under the plan, except that the Secretary may prescribe rules under which benefits suspensions for different participant groups may be varied equitably to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefits obligations.

"(C) Resource benefit level below level of basic benefits.—Notwithstanding subparagraph (B), a plan sponsor may not determine and certify a resource benefit level for a plan year which is below the level of basic benefits, unless the payment of all benefits other than basic benefits is suspended for that plan year.

"(D) Excess resources.—If, by the end of an insolvency year, the plan sponsor determines that the plan's available resources in that year could have supported benefit payments above the resource benefit level for that insolvency year, the plan sponsor shall distribute the excess resources to the participants and beneficiaries who received benefit payments from the plan in that insolvency year, in accordance with regulations prescribed by the Secretary. For purposes of this subparagraph, the term 'excess resources' means available resources above the amount necessary to support the resource benefit level, but no greater than the amount necessary to pay benefits for the plan year at the benefit levels under the plan.

"(E) Unpaid benefits.—If, by the end of an insolvency year, any benefit has not been paid at the resource benefit level, amounts up to the resource benefit level which were unpaid shall be distributed to the participants and beneficiaries, in accordance with regulations prescribed by the Secretary, to the extent possible taking into account the plan's total available resources in that insolvency year.

"(F) Retroactive payments.—Except as provided in subparagraph (D), a plan is not required to make retroactive benefit payments with respect to that portion of a benefit which was suspended under this subsection.

"(4) Plan sponsor determinations and certifications.—

"(A) Triennial test.—As of the end of the first plan year in which a plan is in reorganization, and at least every 3 years thereafter (unless the plan is no longer in reorganization), the plan sponsor shall compare the value of plan assets (determined in accordance with section 412(j)(2)(B)(ii)) with the total amount of benefit payments made under the plan for that plan year. Unless the plan sponsor determines that the value of plan assets exceeds 3 times the total amount of benefit payments, the plan sponsor shall determine whether the plan will be insolvent in any of the next 3 plan years.

"(B) Certification of insolvency.—If, at any time, the plan sponsor of a plan in reorganization reasonably determines, taking into account the plan's recent and anticipated financial experience, that the plan's available resources are not sufficient to pay benefits under the plan when due for the next plan year, the plan sponsor shall certify no later than 3 months before the insolvency year that the plan will be insolvent.

"(C) Certification of resource benefit level.—The plan sponsor of a plan in reorganization shall determine and certify for each insolvency year the resource benefit level and the level of basic benefits no later than 3 months before the insolvency year.

"(5) Notice requirements.—

"(A) Impending insolvency.—If the plan sponsor of a plan in reorganization determines, under paragraph (4)(A), that the plan may be insolvent in the next 3 plan years, the plan sponsor shall notify the Secretary, the Pension Benefit Guaranty Corporation, and the parties described in subsection (e)(1)(A) (i), (ii), and (iii) of that determination, and inform the parties described in subsection (e)(1)(A) (i), (ii), and (iii) that if insolvency occurs certain benefit payments will be suspended, but that basic benefits will continue to be paid.

"(B) Resource benefit level.—No later than 2 months before the first day of each insolvency year, the plan sponsor of a plan in reorganization shall notify the Secretary, the Pension Benefit Guaranty Corporation, and the parties described in subsection (e)(1)(A) (i), (ii), and (iii) of the resource benefit level determined and certified for that insolvency year.

"(C) Potential need for financial assistance.—In any case in which the plan sponsor anticipates that the resource benefit level for an insolvency year may not exceed the level of basic benefits, the plan sponsor shall notify the Pension Benefit Guaranty Corporation at least 6 months before the first day of that insolvency year.

"(D) Regulations.—Notice required by this paragraph shall be given in accordance with regulations prescribed by the Pension Benefit Guaranty Corporation, except that notice to the Secretary shall be given in accordance with regulations prescribed by the Secretary.

"(6) Financial Assistance.—

"(A) Permissive application.—If the plan sponsor of an insolvent plan for which the resources benefit level is above the level of basic benefits, anticipates that, for any month in an insolvency year, the plan will not have funds sufficient to pay basic benefits, the plan sponsor may apply for financial assistance from the Pension Benefit Guaranty Corporation under section 4261 of the Employee Retirement Income Security Act of 1974.

"(B) Mandatory application.—A plan sponsor who has determined and certified a resource benefit level for an insolvency year which is below the level of basic benefits shall apply for financial assistance from the Pension Benefit Guaranty Corporation under section 4261 of the Employee Retirement Income Security Act of 1974.

"(7) Certain terminated multiemployer plans.—This subsection applies with respect to a terminated multiemployer plan to which section 4021 of the Employee Retirement Income Security Act of 1974 applies, until the date on which the last employer withdraws from the plan within the meaning of section 4201 of that Act.".

Sec. 206. Definition of Multiemployer Plan.

Section 414 (relating to definitions and special rules) is amended by striking out subsection (f) and inserting in lieu thereof the following:

"(f) Multiemployer Plan.—

"(1) Definition.—The term 'multiemployer plan' means a plan—

"(A) to which more than one employer is required to contribute,

"(B) which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and

"(C) which satisfies such other requirements as the Secretary of Labor may prescribe by regulation.

"(2) Cases of common control.—For purposes of this subsection, all trades or businesses (whether or not incorporated) which are under common control within the meaning of section 414(c) are considered a single employer.

"(3) Continuation of status after termination.—Notwithstanding paragraph (1), a plan is a multiemployer plan on and after its termination date under title IV of the Employee Retirement Income Security Act of 1974 if the plan was a multiemployer plan under this subsection for the plan year preceding its termination date.

"(4) Transitional rule.—For any plan year which began before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, the term 'multiemployer plan' means a plan described in section 414(f) of this Code as in effect immediately before that date.

"(5) Special election.—After the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, and within the 1-year period prescribed in section 4403(a)(2) of the Employee Retirement Income Security Act of 1974, the plan sponsor of a multiemployer plan may irrevocably elect, pursuant to regulations prescribed by the Pension Benefit Guaranty Corporation, that the plan not be considered a multiemployer plan, but shall be considered a single-employer plan, for any purpose under the Employee Retirement Income Security Act of 1974 or this Code, if—

"(A) the plan was not a multiemployer plan on the day before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, and

"(B) the plan paid premiums to the Corporation for the 3 plan years preceding such date at the rate then required for a plan which was not a multiemployer plan.".

Sec. 207. Related Technical Amendments.

(a) Sections 401(a)(12) and 414(l) are each amended by striking out the last sentence and inserting in lieu thereof the following: "The preceding sentence does not apply to any transaction to the extent that participants either before or after the transaction are covered under a multiemployer plan to which title IV of the Employee Retirement Income Security Act of 1974 applies.".

(b) Section 4975 is amended—

(1) in subsection (d)(12), by striking out "or";

(2) in subsection (d)(13), by striking out the period and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(14) any transaction under section 4201 or 4221 of the Employee Retirement Income Security Act of 1974.".

Sec. 208. Effective Date.

Unless otherwise expressly provided, the amendments made by this title shall take effect on the date of the enactment of this Act.

TITLE III—AMENDMENTS TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 301. Amendment of the Employee Retirement Income Security Act of 1974.

Whenever, in this title, an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Employee Retirement Income Security Act of 1974.

Sec 302. Definition of Multiemployer Plan.

(a) Section 3 is amended by striking out paragraph (37) and inserting in lieu thereof the following:

"(37)(A) The term 'multiemployer plan' means a plan—

"(i) to which more than one employer is required to contribute,

"(ii) which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and

"(iii) which satisfies such other requirements as the Secretary may prescribe by regulation.

"(B) For purposes of this paragraph, all trades or businesses (whether or not incorporated) which are under common control within the meaning of section 4001(c)(1) are considered a single employer.

"(C) Notwithstanding subparagraph (A), a plan is a multiemployer plan on and after its termination date if the plan was a multiemployer plan under this paragraph for the plan year preceding its termination date.

"(D) For purposes of this title, notwithstanding the preceding provisions of this paragraph, for any plan year which began before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, the term 'multiemployer plan' means a plan described in section 3(37) of this Act as in effect immediately before such date.

"(E) After the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, and within the 1-year period prescribed in section 4403(a)(2), the plan sponsor of a multiemployer plan may irrevocably elect, pursuant to regulations prescribed by the Pension Benefit Guaranty Corporation, that the plan not be considered a multiemployer plan, but shall be considered a single-employer plan, for any purpose under this Act or the Internal Revenue Code of 1954, if—

"(i) the plan was not a multiemployer plan on the day before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, and

"(ii) the plan paid premiums to the Corporation for the 3 plan years preceding such date at the rate then required for a plan which was not a multiemployer plan.".

Sec. 303. Minimum Vesting Requirements.

Section 203 is amended—

(1) by adding at the end of subsection (a)(3)(D) the following new subparagraph:

"(E)(i) A participant's right to an accrued benefit derived from employer contributions under a multiemployer plan shall not be treated as forfeitable solely because the multiemployer plan provides that benefits accrued as a result of service with the participant's employer before the employer had an obligation to contribute under the plan may not be payable if the employer ceases contributions to the multiemployer plan.

"(ii) A participant's right to an accrued benefit derived from employer contributions under a multiemployer plan shall not be treated as forfeitable solely because—

"(I) the plan is amended to reduce benefits under section 4281 or under section 411(e) of the Internal Revenue Code of 1954, or

"(II) benefit payments under the plan may be suspended under section 4281 or under section 411(f) of such Code.".

(2) in subsection (b)(1)(E), by striking out "and";

(3) in subsection (b)(1)(F), by striking out the period and inserting in lieu thereof "; and"; and

(4) by adding at the end of subsection (b)(1)(F) the following new subparagraph:

"(G) in the case of a multiemployer plan, years of service—

"(i) with an employer after that employer has withdrawn from the plan, or, to the extent permitted by regulations prescribed by the Secretary of the Treasury, after a partial withdrawal (as described in section 4201(c)(2)); and

"(ii) with any employer under the plan after the termination date of the plan under section 4048.".

SEC. 304. MINIMUM FUNDING REQUIREMENTS.

(a) Section 301 is amended by adding at the end thereof the following new subsection:

"(c) This part applies, with respect to a terminated multiemployer plan to which section 4021 applies, until the date on which the last employer withdraws from the plan, within the meaning of section 4201(b).".

(b) Section 302 is amended—

(1) in subsection (b), by striking out "(40 plan years in the case of a multiemployer plan)" and "(20 plan years in the case of a multiemployer plan)" each place they appear; and

(2) by inserting at the end of subsection (b) the following new paragraphs:

"(6) In the case of a plan which, immediately before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, was a multiemployer plan (within the meaning of section 3(37) as in effect immediately before such date)—

"(A) any amount described in paragraph (2)(B)(ii), (2)(B)(iii), or 3(B)(i) of this subsection which arose in a plan year beginning before such date shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the amount arose;

"(B) any amount described in paragraph (2)(B)(iv) or (3)(B)(ii) of this subsection which arose in a plan year beginning before such date shall be amortized in equal annual installments (until fully amortized) over 20 plan years, beginning with the plan year in which the amount arose;

"(C) any increase or decrease in past service liability which arises during the period of 3 plan years beginning on or after such date, and results from a plan amendment adopted before such date, shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the increase or decrease arises; and

"(D) any increase in past service liability which arises during the period of 2 plan years beginning on or after such date, and results from the changing of a group of participants from a lower benefit level to a higher benefit level under a schedule of plan benefits which—

"(i) was adopted before such date, and

"(ii) was effective for any plan participant before the beginning of the first plan year beginning on or after such date,

shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the increase arises.

"(7) For purposes of this part, any amount received by a multiemployer plan in payment of all or part of an employer's withdrawal liability under section 4201 shall be considered an amount contributed by the employer to or under the plan. The Secretary of the Treasury may prescribe by regulation additional charges and credits to a multiemployer plan's funding standard account to the extent necessary to prevent withdrawal liability payments from being unduly reflected as advance funding for plan liabilities.".

TITLE IV—RELATED TECHNICAL, CONFORMING, AND CLERICAL AMENDMENTS

SEC. 401. AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Whenever in this title an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Employee Retirement Income Security Act of 1974.

SEC. 402. RELATED TECHNICAL AMENDMENTS.

(a)(1) Section 4001 is amended—

(A) in subsection (a)(2), by inserting "(other than a multiemployer plan)" after "more than one employer";

(B) by striking out subsection (a)(3) and inserting in lieu thereof the following:

"(3) 'multiemployer plan' means a plan—

"(A) to which more than one employer is required to contribute,

"(B) which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and

"(C) which satisfies such other requirements as the Secretary of Labor may prescribe by regulation,

except that, in applying this paragraph—

"(i) a plan shall be considered a multiemployer plan on and after its termination date if the plan was a multiemployer plan under this paragraph for the plan year preceding such termination, and

"(ii) for any plan year which began before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1979, the term 'multiemployer plan' means a plan described in section 414(f) of the Internal Revenue Code of 1954 as in effect immediately before such date;".

(C) in subsection (a)(6), by striking out "; and" and inserting in lieu thereof "or under section 4022A other than under section 4022A(g);";

(D) in subsection (a)(7), by striking out the period and inserting in lieu thereof "or 4022A(g);";

(E) by inserting at the end of subsection (a) the following new paragraphs:

"(8) 'accrued benefit' means an accrued benefit which meets the requirements of sections 204(g) and 302(c)(8) and any regulations and rulings prescribed thereunder;

"(9) 'benefit entitlement' means the benefit of a participant or beneficiary under a multiemployer plan for which the participant has satisfied the service requirements under the terms of the plan;

"(10) 'nonforfeitable benefit' means, with respect to a plan, a benefit for which a participant has satisfied the conditions for entitlement under the provisions of the plan (other than submission of a formal application, retirement, completion of a required waiting period, or death in the case of a benefit which returns all or a portion of a participant's accumulated mandatory employee contributions upon the participant's death), whether or not the benefit may subsequently be reduced by a plan amendment or an occurrence of any condition;

"(11) 'withdrawal liability' means an employer's liability to a multiemployer plan under section 4201, and 'withdrawal liability payment' means a payment under section 4201(i);

"(12) 'reorganization index' means the amount determined under section 4241(b);

"(13) 'plan sponsor' means, with respect to a multiemployer plan—

"(A) the plan's joint board of trustees, or

"(B) with respect to a particular function, other than a function imposed by section 4201, which the plan instruments have specifically reserved, consistent with requirements of this Act, to one or more persons who are named in such plan instruments, or who are identified pursuant to a procedure specified in such instruments, such persons,

"(14) 'contribution base unit' means a unit with respect to which an employer has an obligation to contribute under a multiemployer plan, as defined in regulations prescribed by the Secretary of the Treasury;

"(15) 'unfunded benefit obligations' means with respect to a plan, an amount equal to—

"(A) the actuarial present value of benefit entitlements under the plan; less

"(B) the value of the assets of the plan, determined in accordance with regulations prescribed by the Secretary of the Treasury;

"(16) 'outstanding claim for withdrawal liability' means a plan's claim for the unpaid balance of the liability determined under section 4201 for which demand has been made, valued in accordance with regulations prescribed by the corporation.";

(F) by redesignating subsection (b) as subsection (c)(1) and inserting after subsection (e) the following new subsection:

"(b) The corporation may prescribe by regulation definitions for any terms used in this title to the extent necessary to carry out the purposes of this title."; and

(G) by adding the following new paragraphs at the end of subsection (c)(1) (as redesignated):

"(2) For purposes of this title, 'single-employer plan' means, except as otherwise specifically provided in this title, any plan which is not a multiemployer plan.

"(3) For purposes of this title, except as otherwise provided in this title, contributions or other payments shall be considered made under a plan for a plan year if they are made within the period prescribed under section 412(c)(10) of the Internal Revenue Code of 1954.

"(4) For purposes of subtitle E, 'Secretary of the Treasury' means the Secretary of the Treasury or such Secretary's delegate.".

(2) Section 4003 is amended—

(A) in subsection (a), by striking out "determine whether any person has violated or is about to violate" and inserting in lieu thereof "enforce"; and

(B) in subsection (e)(1), by striking out "redress violations of" and inserting in lieu thereof "enforce".

(3) Section 4007(a) is amended by inserting at the end thereof the following new sentence: "The corporation may waive or reduce premiums for a multiemployer plan for any plan year during which such plan receives financial assistance from the corporation under section 4261.".

(4) Section 4021(a) is amended by inserting in the last sentence "unless otherwise specifically indicated," before "a successor plan".

(5) Subtitle B of title IV is amended by inserting after section 4022B (as added by section 102 of this Act) the following new section:

"PLAN FIDUCIARIES

"SEC. 4023. Notwithstanding any other provision of this Act, a fiduciary of a plan to which section 4021 applies shall discharge the fiduciary's duties with respect to the plan in accordance with standards prescribed by this Act, and in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of this Act.".

(6) Section 4042 is amended—

(A) in the last sentence of subsection (a), by striking out "such small" and inserting in lieu thereof "terminated";

(B) by redesignating subsection (b) as subsection (b)(1) and inserting at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of this title—

"(A) upon the petition of a plan administrator or the corporation, the appropriate

United States district court may appoint a trustee in accordance with the provisions of this section if the interests of the plan participants would be better served by the appointment of the trustee, and

"(B) upon the petition of the corporation, the appropriate United States district court shall appoint a trustee proposed by the corporation for a multiemployer plan which is in reorganization or to which section 4041A(d) applies, unless such appointment would be adverse to the long-range interests of the plan participants generally.

"(3) The corporation and plan administrator may agree to the appointment of a trustee without proceeding in accordance with the requirements of paragraphs (1) and (2).";

(C) in the first sentence of subsection (c), by striking out "and" after "interests of the participants" and inserting in lieu thereof "or";

(D) in subsection (c), by striking out "further" each place it appears and inserting in lieu thereof "unreasonable";

(E) in subsection (d)(1)(A)—

(i) by striking out "and" in clause (iv);

(ii) by redesignating clause (v) as clause (vi) and by striking out the period at the end of such clause and inserting in lieu thereof "; and";

(iii) by inserting after clause (iv) the following new clause:

"(v) in the case of a multiemployer plan, to reduce benefits or suspend benefit payments under the plan, give appropriate notices, amend the plan, and perform other acts required or authorized by subtitle E,"; and

(iv) by inserting after clause (vi) (as redesignated) the following new clause:

"(vii) to require the plan sponsor, the plan administrator, any contributing or withdrawn employer, and any employee organization representing plan participants to furnish any information with respect to the plan which the trustee may need in order to administer the plan.";

(F) in subsection (d)(1)(B)(i), by striking out "allocation requirements of section 4044" and inserting in lieu thereof "requirements of this title";

(G) in subsection (d)(1)(B)(iv), by striking out ", except to the extent that the corporation is an adverse party in a suit or proceeding";

(H) in subsection (d)(2)(B), by striking out "and";

(I) in subsection (d)(2)(C), by striking out the period and inserting in lieu thereof a comma; and

(J) by inserting at the end of subsection (d)(2)(C) the following new subparagraphs:

"(D) each employer who is or may be liable to the plan under section 4201,

"(E) each employer who has an obligation to contribute, within the meaning of section 4201(b)(6), under a multiemployer plan, and

"(F) each employee organization which, for purposes of collective bargaining, represents plan participants employed by an employer described in subparagraph (C), (D), or (E).".

(7) Section 4044 is amended—

(A) in subsection (a), by inserting "single-employer" before "defined benefit plan";

(B) in subsection (c), by inserting "single-employer" before "plan occurring during" and before "plan occurring after"; and

(C) in subsection (d)(1), by inserting "single-employer" before "plan may be distributed".

(8) Section 4048 is amended—

(A) by inserting "(a)" before "For";

(B) by inserting "of a single-employer plan" after "date of termination"; and

(C) by adding at the end thereof the following new subsection:

"(b) For purposes of this title, the date of termination of a multiemployer plan is—

"(1) in the case of a plan terminated in accordance with the provisions of section 4041A, the date determined under subsection (b) of that section; or

"(2) in the case of a plan terminated in accordance with the provisions of section 4042, the date agreed to between the plan administrator and the corporation (or the trustee appointed under section 4042(b)(2), if any), or, if no agreement is reached, the date established by the court.".

(b)(1) Section 208 is amended by striking out the last sentence and inserting in lieu thereof the following: "The preceding sentence shall not apply to any transaction to the extent that participants either before or after the transaction are covered under a multiemployer plan to which title IV of this Act applies.".

(2) Section 403 is amended—

(A) in subsection (a)(1), by striking out "title" and inserting in lieu thereof "Act";

(B) in subsection (c)(1), by striking out "4042 and 4044" and inserting in lieu thereof "4041A, 4042, 4044, 4201(b) (8) and (9), 4201(c), and 4261"; and

(C) in subsection (c)(2)(A), by inserting "or a payment of withdrawal liability under section 4201" after "In the case of a contribution".

(3) Section 3002 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary of the Treasury shall consult with the Pension Benefit Guaranty Corporation with respect to any proposed or final regulation authorized by section 411(e), 411(f), or 412(j) of the Internal Revenue Code of 1954, or by sections 4241 through 4245 of this Act, before publishing any such proposed or final regulation.".

Sec. 403. Conforming Amendments.

(a) Section 4005 is amended—

(1) by striking out the second sentence of subsection (a) and inserting in lieu thereof the following: "One of the funds shall be used with respect to basic benefits guaranteed under section 4022, one of the funds shall be used with respect to basic benefits guaranteed under section 4022A, one of the funds shall be used with respect to non-basic benefits guaranteed under section 4022 (if any), and the remaining fund shall be used with respect to non-basic benefits guaranteed under section 4022A (if any).";

(2) in subsection (b)(2)(A), by inserting "or 4022A" after "4022";

(3) by striking out subparagraph (B) of subsection (b)(2) and redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively; and

(4) by adding at the end thereof the following new subsection:

"(d)(1) A fifth fund shall be established for the reimbursement of uncollectible withdrawal liability under section 4204, and shall be credited with the appropriate—

"(4) premiums, penalties, and interest charges collected under this title, and

"(B) earnings on investments of the fund or on assets credited to the fund.

The fund shall be available to make payments pursuant to the supplemental program established under section 4204, including those expenses and other charges determined to be appropriate by the corporation.

"(2) The corporation may invest amounts of the fund in such obligations as the corporation considers appropriate.".

(b) Section 4007(a) is amended by striking out the second sentence.

(c) Section 4022 is amended—

(1) in the section heading, by inserting "—SINGLE-EMPLOYER PLANS" after "BENEFITS GUARANTEED";

(2) in subsection (a)—

(A) by inserting ", in accordance with this section," after "guarantee";

(B) by inserting "pension" after "all nonforfeitable"; and

(C) by inserting "single-employer" before "plan which terminates";

(3) in subsection (b)(1), by striking out "(8)" and inserting in lieu thereof "(7)"; and

(4) by striking out paragraph (5) of subsection (b) and redesignating paragraphs (6), (7), and (8) of such subsection as paragraphs (5), (6), and (7), respectively.

(d) Section 4041 is amended—

(1) in the section heading, by striking out "TERMINATION BY PLAN ADMINISTRATOR" and inserting in lieu thereof "TERMINATION—SINGLE-EMPLOYER PLANS";

(2) in subsection (a), by inserting "single-employer" after "termination of a"; and

(3) by striking out subsection (g).

(e) Section 4046 is amended—

(1) in paragraphs (2) and (3)—

(A) by inserting "or 4022A" after "4022"; and

(B) by inserting "basic" before "benefits"; and

(2) in paragraph (3), by striking out "4022 (b)(5)" and inserting in lieu thereof "4022-B".

(f) Section 4061 is amended to read as follows:

"AMOUNTS PAYABLE BY THE CORPORATION

"Sec. 4061. The corporation shall pay benefits under a single-employer plan terminated under this title subject to the limitations and requirements of subtitle B of this title. The corporation shall provide financial assistance to pay benefits under a multiemployer plan which is insolvent under section 4245(b)(1) or 4281(d)(2)(A), subject to the limitations and requirements of subtitles B, C, and E of this title. Amounts guaranteed by the corporation under sections 4022 and 4022A shall be paid by the corporation out of the appropriate fund. The corporation shall make payments under the supplemental program to reimburse multiemployer plans for uncollectible withdrawal liability out of the fund established under section 4005(d).".

(g) Section 4062(a) is amended by striking out "plan (other than a multiemployer plan)" and inserting in lieu thereof "single-employer plan".

(h) Section 4063 is amended—

(1) in the first sentence of subsection (a), by inserting "(other than a multiemployer plan)" after "makes contributions"; and

(2) in the second sentence of subsection (d), by inserting "(other than a multiemployer plan)" after "of a plan".

(i) Section 4064(a) is amended by inserting "(other than a multiemployer plan)" after "plan under which more than one employer makes contributions".

(j) Section 4066 is amended by inserting "(other than a multiemployer plan)" after "more than one employer".

Sec. 404. Clerical Amendments.

The table of contents in section 1 is amended—

(1) by striking out the items relating to sections 4022 and 4023 and inserting in lieu thereof the following new items:

"Sec. 4022. Benefits guaranteed—single-employer plans.
"Sec. 4022A. Benefits guaranteed—multiemployer plans.
"Sec. 4022B. Aggregate limit on benefits guaranteed.
"Sec. 4023. Plan fiduciaries.";

(2) by striking out the item relating to section 4041 and inserting in lieu thereof the following new items:

"Sec. 4041. Termination—single-employer plans.
"Sec. 4041A. Termination—multiemployer plans.";

(3) by striking out all after the item relating to section 4068 and inserting in lieu thereof the following new items:

"Subtitle E—Special Provisions for Multiemployer Plans

"PART 1—EMPLOYER WITHDRAWALS

"Sec. 4201. Employer withdrawals.
"Sec. 4202. Approval of amendments.
"Sec. 4203. Determination of withdrawal liability.
"Sec. 4204. Reimbursements for uncollectible withdrawal liability.

"PART 2—MERGER OR TRANSFER OF PLAN ASSETS OR LIABILITIES

"Sec. 4221. Mergers and transfers to multiemployer plans.
"Sec. 4222. Transfers between a multiemployer plan and a single-employer plan.
"Sec. 4223. Partition.
"Sec. 4224. Asset transfer rules.

"PART 3—REORGANIZATION; MINIMUM CONTRIBUTION REQUIREMENT FOR MULTIEMPLOYER PLANS

"Sec. 4241. Reorganization status.
"Sec. 4242. Notice of reorganization and funding requirements.
"Sec. 4243. Minimum contribution requirement for multiemployer plans.
"Sec. 4244. Adjustments in accrued benefits.
"Sec. 4245. Insolvent plans.

"PART 4—FINANCIAL ASSISTANCE

"Sec. 4261. Financial assistance.

"PART 5—BENEFITS AFTER TERMINATION

"Sec. 4281. Benefits under certain terminated plans.

"PART 6—ENFORCEMENT

"Sec. 4301. Civil Actions.
"Sec. 4302. Penalty for failure to provide notice.

"Subtitle F—Transition Rules and Effective Dates

"Sec. 4401. Amendment to Internal Revenue Code of 1954.
"Sec. 4402. Transition rules and effective dates.
"Sec. 4403. Election.".

SEC. 405. ACTION TAKEN BEFORE REGULATIONS ARE PRESCRIBED.

(a) Except as otherwise provided in the amendments made by this Act and in subsection (b), if the way in which any such amendment will apply to a particular circumstance is to be set forth in regulations, any reasonable action during the period before such regulations take effect shall be treated as complying with such regulations for such period.

(b) Subsection (a) shall not apply to any action which violates any instruction issued, or temporary rule prescribed, before such action is taken by an officer having authority to prescribe regulations relating to such action.

AMENDMENT IN THE NATURE OF A SUBSTITUTE RECOMMENDED BY THE COMMITTEE ON WAYS AND MEANS

The CHAIRMAN. The Clerk will designate the committee amendment in the nature of a substitute recommended by the Committee on Ways and Means.

The committee amendment in the nature of a substitute reads as follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Multiemployer Pension Plan Amendments Act of 1980".

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

TABLE OF CONTENTS

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Findings and declaration of policy.

TITLE I—AMENDMENTS TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 101. Amendment of the Employee Retirement Income Security Act of 1974.
Sec. 102. Multiemployer guarantees; aggregate limit on guarantees.
Sec. 103. Termination—multiemployer plans.
Sec. 104. Employer withdrawals; merger or transfer of plan assets or liabilities; reorganization; minimum contribution requirement for multiemployer plans; financial assistance; benefits after termination; enforcement.
Sec. 105. Premiums.
Sec. 106. Annual report of plan administrator.
Sec. 107. Contingent employer liability insurance.
Sec. 108. Transition rules and effective dates.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

Sec. 201. Amendment of the Internal Revenue Code of 1954.
Sec. 202. Multiemployer plans in reorganization.
Sec. 203. Minimum funding requirements.
Sec. 204. Excise taxes.
Sec. 205. Deductibility of employer liability payments.
Sec. 206. Minimum vesting requirements.
Sec. 207. Definition of multiemployer plan.
Sec. 208. Related technical amendments.
Sec. 209. Tax exemption for withdrawal liability payment funds.
Sec. 210. Effective date.

TITLE III—AMENDMENTS TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 301. Amendment of the Employee Retirement Income Security Act of 1974.
Sec. 302. Definition of multiemployer plan.
Sec. 303. Minimum vesting requirements.
Sec. 304. Minimum funding requirements.
Sec. 305. Liquidated damages with respect to delinquent contributions.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Amendment of the Employee Retirement Income Security Act of 1974.
Sec. 402. Related technical amendments.
Sec. 403. Conforming amendments.
Sec. 404. Clerical amendments.
Sec. 405. Action taken before regulations are prescribed.
Sec. 406. Pension Benefit Guaranty Corporation put in budget.

SEC. 3. FINDINGS AND DECLARATION OF POLICY.

(a) The Congress finds that—

(1) multiemployer pension plans have accounted for a substantial portion of the increase in private pension plan coverage over the past three decades;

(2) the continued well-being and security of millions of employees and their dependents are directly affected by these plans;

(3) multiemployer plans have a substantial impact on interstate commerce and are affected with a national public interest;

(4) the characteristics of multiemployer plans make them susceptible to industry declines or employer withdrawals which may result in a substantially increased funding burden for the remaining employers which can adversely affect labor-management relations;

(5) economic problems in some industries supporting multiemployer plans make plan continuation highly uncertain;

(6) the determination of the extent to which an industry can afford to continue full support for all obligations of a multiemployer plan is best made through the process of collective bargaining; and

(7) even the termination of a few multiemployer plans can have a serious financial impact on the plan termination insurance program, causing increases in multiemployer plan premiums which could be so high as to precipitate additional multiemployer plan terminations.

(b) The Congress further finds that—

(1) the current multiemployer plan termination insurance provisions are unlikely to achieve their objectives of protecting plan participants against benefit losses and encouraging the growth and maintenance of multiemployer pension plans; and

(2) it is desirable, in order to avoid encouraging employer withdrawals and termination of multiemployer plans and to contain the potential costs of the termination insurance program within reasonable bounds, to revise the current program in order to enhance the financial soundness of such plans and to place primary emphasis on plan continuation.

(c) It is hereby declared to be the policy of this Act to protect the interests of participants and beneficiaries in financially distressed multiemployer plans and to encourage the growth and maintenance of multiemployer plans by—

(1) authorizing the opportunity for plan reorganization for plans in a financially precarious position;

(2) restructuring the guarantee of pension benefits under multiemployer plans to provide equitable protection for plan participants within acceptable cost levels;

(3) revising the multiemployer plan termination insurance program to make plan insolvency the only insurable event;

(4) revising the termination rules to require that contributions to a plan continue although vesting and benefit accruals cease;

(5) revising the minimum funding standards applicable to multiemployer plans to assure that contributions are generally sufficient to pay vested benefits;

(6) requiring that an employer who withdraws from a multiemployer plan fund a reasonable share of the plan's unfunded vested obligations;

(7) revising the definition of a multiemployer plan to avoid administrative uncertainties;

(8) revising the rules governing multiemployer plan mergers and transfers of assets or liabilities to facilitate appropriate mergers and transfers; and

(9) revising the multiemployer plan premium structure to assure adequate financing for the multiemployer plan termination program.

TITLE I—AMENDMENTS TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 101. AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Whenever, in this title, an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference is to a section or other provision of the Employee Retirement Income Security Act of 1974.

SEC. 102. MULTIEMPLOYER GUARANTEE; AGGREGATE LIMIT ON GUARANTEES.

Subtitle B of title IV is amended by inserting at the end thereof the following new sections:

"BENEFITS GUARANTEED—MULTIEMPLOYER PLANS

"SEC. 4022A. (a) The corporation shall guarantee, in accordance with this section, the payment of all nonforfeitable pension benefits (other than benefits becoming nonforfeitable solely on account of the termination of a plan) under the terms of a multiemployer plan—

"(1) to which section 4021 applies, and (2) which is insolvent under section 4246(b) or 4281(d)(2).

"(b)(1) For purposes of this section, a benefit or benefit increase which has been in effect under a plan for less than 60 months before the earlier of—

"(A) the plan termination date, or

"(B) the first day of the plan year for which an amendment reducing the benefit or the benefit increase is taken into account under section 4245(a)(2) in determining the minimum contribution requirement for the plan year under section 4243(b),

is not eligible for the corporation's guarantee.

"(2) For purposes of this section—

"(A) the date on which a benefit or a benefit increase under a plan is first in effect is the later of—

"(i) the date on which the documents establishing or increasing the benefit were executed, or

"(ii) the effective date of the benefit or benefit increase;

"(B) the period of time for which a benefit or a benefit increase has been in effect under a successor plan includes the period of time for which the benefit or benefit increase was in effect under a previously established plan; and

"(C) in the case of a plan to which section 4021 did not apply on September 3, 1974, the time periods referred to in this section are computed beginning on the date on which section 4021 first applies to the plan.

"(c)(1) Except as provided in subsection (g), the benefit of a participant or a beneficiary which is guaranteed under this section by the corporation with respect to a plan is the product of—

"(A) 100 percent of the accural rate up to $5, plus 70 percent of the lesser of—

"(i) $15, or

"(ii) the accrual rate, if any, in excess of $5, and

"(B) the participant's years of credited service.

"(2) Except as provided in paragraph (6) of this subsection and in subsection (g), in applying paragraph (1) with respect to a plan described in paragraph (5)(A), the term '60 percent' shall be substituted in paragraph (1)(A) for the term '70 percent'.

"(3) For purposes of this section—

"(A) the accural rate is an amount equal to the base benefit of the participant or beneficiary, divided by the participants' years of credited service; and

"(B) 'base benefit' means the monthly benefit of the participant or beneficiary which is described in subsection (a) and which is eligible for the corporation's guarantee under subsecion (b), which is—

"(i) no greater than the monthly benefit which would be payable under the plan at normal retirement age in the form of a life annuity, determined under regulations prescribed by the corporation, and

"(ii) determine without regard to any reduction under section 411(a)(3)(E) of the Internal Revenue Code of 1954.

"(4) For purposes of this subsection—

"(A) a year of credited service is a year (as defined in regulations prescribed by the corporation) in which the participant completed—

"(i) a full year of participation in the plan, or

"(ii) any period of service before participation which is credited for purposes of benefit accrual as the equivalent of a full year of participation;

"(B) any such year (as defined in regulations prescribed by the corporation) in or for which the participant is credited for purposes of benefit accrual with a fraction of the equivalent of a full year of participation shall be counted as such a fraction of a year of credited service; and

"(C) years of credited service shall be determined by including service which may otherwise be disregarded by the plan under section 411(a)(3)(E) of the Internal Revenue Code of 1954.

"(5)(A) A plan is described in this subparagraph if—

"(i) the first year in which the plan is insolvent under section 4246(b) or 4281(d)(2) for which benefits are required to be reduced to the levels provided in this subsection begins before the year 2000; and

"(ii) the plan sponsor has not established to the satisfaction of the corporation that, during the period of 10 consecutive plan years (or of such lesser number of plan years for which the plan was maintained) immediately preceding the first plan year to which the minimum funding standards of section 412 of the Internal Revenue Code of 1954 apply, the total amount of the contributions required under the plan for each plan year was at least equal to the sum of—

"(I) the normal cost for that plan year, and

"(II) the interest on the unfunded past service liability for that plan year, determined as of the beginning of that plan year.

"(B) A plan shall not be considered described in subparagraph (A) if—

"(i) it is established by the actuarial valuations performed during the period described in subparagraph (A)(ii) that the total amount of the contributions required under the plan for the plan years for which the valuations were performed was at least equal to the sum described in subparagraph (A)(ii);

"(ii) the number of actuarial valuations performed during the period described in subparagraph (A)(ii) is—

"(I) at least 2, in any case in which such period consists of more than 6 plan years, and

"(II) at least 1, in any case in which such period consists of 6 or less plan years; and

"(iii) the plan sponsor certifies that to the best of the plan sponsor's knowledge there is no information available which establishes that the total amount of the contributions required under the plan for any plan year during the period described in subparagraph (A)(ii) for which no valuation was performed is less than the sum described in subparagraph (A)(ii).

"(C) A plan which does not meet the requirements of subparagraph (B) shall not be considered a plan described in subparagraph (A) if other records possessed by the plan establish to the satisfaction of the corporation that the total amount of the contributions required under the plan for each plan year during the period described in subparagraph (A)(ii) is at least equal to the sum described in subparagraph (A)(ii).

"(6) Notwithstanding paragraph (2), in the case of a plan described in paragraph (5)(A), if for any period of 3 consecutive plan years beginning with the first plan year to which the minimum funding standards of section 412 of the Internal Revenue Code of 1954 apply, the value of the assets of the plan for each such plan year is an amount equal to at least 8 times the benefit payments for such plan year—

"(A) paragraph (2) shall not apply to such plan; and

"(B) the benefit of a participant or beneficiary guaranteed by the corporation with respect to the plan shall be an amount determined under paragraph (1).

"(d) In the case of a benefit which has been reduced under section 411(a)(3)(E) of the Internal Revenue Code of 1954, the corporation shall guarantee the lesser of—

"(1) the reduced benefit, or

"(2) the amount determined under subsection (c).

"(e) The corporation shall not guarantee benefits under a multiemployer plan which, under section 4022(b)(6), would not be guaranteed under a single-employer plan.

"(f)(1) No later than 5 years after the date of the enactment of this section, and at least every fifth year thereafter, the corporation shall—

"(A) conduct a study to determine—

"(i) the premiums needed to maintain the basic-benefit guarantee levels for multiemployer plans described in subsection (c), and

"(ii) whether the basic-benefit guarantee levels for multiemployer plans may be increased without increasing the basic-benefit premiums for multiemployer plans under this title; and

"(B) report such determinations to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and to the Committee on Finance and the Committee on Labor and Human Resources of the Senate.

"(2)(A) If the last report described in paragraph (1) indicates that a premium increase is necessary to support the existing basic-benefit guarantee levels for multiemployer plans, the corporation shall transmit to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and to the Committee on Finance and the Committee on Labor and Human Resources of the Senate by March 31 of any calendar year in which congressional action under this subsection is requested—

"(i) a revised schedule of basic-benefit guarantees for multiemployer plans which would be necessary in the absence of an increase in premiums approved in accordance with section 4006(b),

"(ii) a revised schedule of basic-benefit premiums for multiemployer plans which is necessary to support the existing basic-benefit guarantees for such plans, and

"(iii) a revised schedule for basic-benefit guarantees for multiemployer plans for which the schedule of premiums necessary is higher than the existing premium schedule for such plans but lower than the revised schedule of premiums for such plans specified in clause (ii), together with such schedule of premiums.

"(B) The revised schedule of increased premiums referred to in subparagraph (A)(ii) or (A)(iii) shall go into effect as approved by the Congress by concurrent resolution.

"(C) If an increase in premiums is not approved, the revised guarantee schedule described in subparagraph (A)(i) shall go into effect on the first day of the second calendar year following the year in which such revised guarantee schedule was submitted to the Congress.

"(3)(A) If the last report described in paragraph (1) indicates that basic-benefit guarantees for multiemployer plans can be increased without increasing the basic-benefit premiums for multiemployer plans under this title, the corporation shall submit to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and to the Committee on Finance and the Committee on Labor and Human Resources of the Senate by March 31 of the calendar year in which congressional action under this paragraph is requested—

"(i) a revised schedule of increases in the basic-benefit guarantees which can be supported by the existing schedule of basic-benefit premiums for multiemployer plans, and

"(ii) a revised schedule of basic-benefit premiums sufficient to support the existing basic-benefit guarantees.

"(B) The revised schedules referred to in subparagraph (A)(i) or subparagraph (A)

(ii) shall go into effect as approved by the Congress by a concurrent resolution.

"(4)(A) The succeeding subparagraphs of this paragraph are enacted by the Congress as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of concurrent resolutions (as defined in subparagraph (B)). Such subparagraphs shall supersede other rules only to the extent that they are inconsistent therewith. They are enacted with a full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any rule of that House.

"(B) For purposes of this subsection, 'concurrent resolution' means only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress favors the proposed schedule described in ——— transmitted to the Congress by the Pension Benefit Guaranty Corporation on ———.', the first blank space therein being filled with 'section 4022A(f)(2)(A)(ii) of the Employee Retirement Income Security Act of 1974', 'section 4022A(f)(2)(A)(iii) of the Employee Retirement Income Security Act of 1974', 'section 4022A(f)(3)(A)(i) of the Employee Retirement Income Security Act of 1974', or 'section 4022A(f)(3)(A)(ii) of the Employee Retirement Income Security Act of 1974' (whichever is applicable), and the second blank space therein being filled with the date on which the corporation's message proposing the revision was submitted.

"(C) The procedure for disposition of a concurrent resolution shall be the procedure described in section 4006(b)(4) through (7).

"(g)(1) The corporation may guarantee the payment of such other classes of benefits under multiemployer plans, and establish the terms and conditions under which those other classes of benefits are guaranteed, as it determines to be appropriate.

"(2)(A) The corporation shall prescribe regulations to establish a supplemental program to guarantee benefits under multiemployer plans which would be guaranteed under this section but for the limitations in subsection (c). Such regulations shall be proposed by the corporation no later than the end of the 18th calendar month following the date of the enactment of this section. The regulations shall make coverage under the supplemental program available no later than April 1, 1982. Participation in the supplemental program shall be on a voluntary basis, and a plan electing such coverage shall continue to pay the premiums required under section 4006(a)(2)(B) to the revolving fund used pursuant to section 4007 in connection with benefits otherwise guaranteed under this section.

"(B) The regulations prescribed under this paragraph shall provide—

"(i) that a plan must elect coverage under the supplemental program within the time permitted by the regulations;

"(ii) that any such election shall be irrevocable except to the extent otherwise provided by the regulations;

"(iii) that a plan may not elect supplemental coverage unless the value of the assets of the plan as of the end of the plan year preceding the plan year in which the election must be made is an amount equal to 15 times the total amount of the benefit payments made under the plan for that year; and

"(iv) such reasonable terms and conditions for supplemental coverage, including funding standards and any other reasonable limitations with respect to plans or benefits covered or to means of program financing, as the corporation determines are necessary and appropriate for a feasible supplemental program consistent with the purposes of this title.

"(C) To the extent provided in the regulations prescribed under this paragraph, the regulations shall supersede the requirements of sections 4245, 4246, 4261, and 4281, and the requirements of section 418(F) of the Internal Revenue Code of 1954.

"(3) Any benefits guaranteed under this subsection shall be considered nonbasic benefits for purposes of this title.

"(4)(A) No revised schedule of premiums under this subsection, after the initial schedule, shall go into effect unless—

"(i) such revised schedule has been submitted to the Congress, and

"(ii) a concurrent resolution described in subparagraph (B) was not adopted before the close of the 60th legislative day after such schedule was submitted to the Congress.

"(B) For purposes of subparagraph (A), a concurrent resolution described in this subparagraph is a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress disapproves the revised premium schedule transmitted to the Congress by the Pension Benefit Guaranty Corporation under section 4022A(g)(4) of the Employee Retirement Income Security Act of 1974 on ———.', the blank space therein being filled with the date on which the revised schedule was submitted.

"(C) For purposes of suparagraph (A), the term 'legislative day' means any calendar day other than a day on which either House is not in session because of a sine die adjournment or an adjournment of more than 3 days to a day certain.

"(D) The procedure for disposition of a concurrent resolution described in subparagraph (B) shall be the procedure described in paragraphs (4) through (7) of section 4006(b).

"(h) Benefits under a plan which are guaranteed under this section shall be subject, in the aggregate, to the limitations provided in section 4022(b).

"AGGREGATE LIMIT ON BENEFITS GUARANTEED

"SEC. 4022B. (a) Notwithstanding sections 4022 and 4022A, no person shall receive from the corporation pursuant to a guarantee by the corporation of basic benefits with respect to a participant an amount, or amounts, with an actuarial value which exceeds the actuarial value of a monthly benefit in the form of a life annunity commencing at age 65 equal to the amount determined under section 4022(b)(3)(B) as of the date of the last plan termination.

"(b) For purposes of this section—

"(1) the receipt of benefits under a multiemployer plan receiving financial assistance from the corporation shall be considered the receipt of amounts from the corporation pursuant to a guarantee by the corporation of basic benefits to the extent provided in regulations prescribed by the corporation, and

"(2) the date on which a multiemployer plan, whether or not terminated, begins receiving financial assistance from the corporation shall be considered a date of plan termination.".

SEC. 103. TERMINATION—MULTIEMPLOYER PLANS.

Subtitle C of title IV is amended by inserting after section 4041 the following new section:

"TERMINATION—MULTIEMPLOYER PLANS

"SEC. 4041A. (a) Termination of a multiemployer plan under this section occurs as a result of—

"(1) the adoption after the effective date of this section of a plan amendment which provides that participants will receive no credit for any purpose under the plan for service with any employer after the later of—

"(A) the date on which the amendment is adopted, or

"(B) the date on which it takes effect;

"(2) the withdrawal of every employer from the plan, within the meaning of section 4201(b); or

"(3) the adoption of an amendment to the plan which causes the plan to become a plan described in section 4021(b)(1).

"(b)(1) The date on which a plan terminates under paragraph (1) or (3) of subsection (a) is the later of—

"(A) the date on which the amendment is adopted, or

"(B) the date on which the amendment takes effect.

"(2) The date on which a plan terminates under paragraph (2) of subsection (a) is the earlier of—

"(A) the date on which the last employer withdraws, or

"(B) the first day of the first plan year for which no employer contributions were made under the plan.

"(c) The plan sponsor of a terminated multiemployer plan shall, except as provided in subsection (f)(1)—

"(1) limit the payment of benefits to benefits which are nonforfeitable under the plan as of the date of the termination, and

"(2) pay benefits attributable to employer contributions, other than death benefits, only in the form of an annuity, unless the plan assets are distributed in satisfaction of all nonforfeitable benefits under the plan.

"(d) The plan sponsor of a plan which terminates under paragraph (2) of subsection (a) shall reduce benefits and suspend benefit payments in accordance with section 4281.

"(e) In the case of a plan which terminates under paragraph (1) or (3) of subsection (a), the rate of employer contributions under the plan for each plan year beginning on or after the plan termination date shall equal or exceed the highest rate of employer contributions at which an employer had an obligation to contribute under the plan in the 2 preceding plan years ending on or before the plan termination date, unless the corporation approves a reduction in the rate based on a finding that the plan is or soon will be fully funded.

"(f)(1) The plan sponsor of a terminated plan may authorize the payment other than in the form of an annuity of a participant's entire nonforfeitable benefit attributable to employer contributions, other than a death benefit, if the actuarial present value of the entire nonforfeitable benefit does not exceed $1,750. The corporation may authorize the payment of benefits under the terms of a terminated plan other than nonforfeitable benefits, or the payment other than in the form of an annuity of benefits having an actuarial present value greater than $1,750, if the corporation determines that such payment is not adverse to the interest of the plan's participants and beneficiaries generally and does not unreasonably increase the corporation's risk of loss with respect to the plan.

"(2) The corporation may prescribe reporting requirements for terminated plans, and rules and standards for the administration of such plans, which the corporation considers appropriate to protect the interests of plan participants and beneficiaries or to prevent unreasonable losses to the corporation.".

SEC. 104. EMPLOYER WITHDRAWALS; MERGER OR TRANSFER OF PLAN ASSETS OR LIABILITIES; REORGANIZATION; MINIMUM CONTRIBUTION REQUIREMENT FOR MULTIEMPLOYER PLANS; FINANCIAL ASSISTANCE; BENEFITS AFTER TERMINATION; ENFORCEMENT.

Title IV is amended—

(1) by striking out the heading for subtitle E and inserting in lieu thereof the following:

"Subtitle F—Transition Rules and Effective Dates";

and

(2) by inserting after subtitle D the following new subtitle:

"Subtitle E—Special Provisions for Multiemployer Plans

"PART 1—EMPLOYER WITHDRAWALS

"DETERMINATION OF WHETHER THERE HAS BEEN WITHDRAWAL; AMOUNT OF WITHDRAWAL LIABILITY

"SEC. 4201. (a)(1) Except as otherwise provided in subsection (d), an employer who withdraws from a multiemployer plan—

"(A) in a complete withdrawal described in subsection (b), or

"(B) in a partial withdrawal described in subsection (c),

is liable to the plan for an amount determined under this section.

"(2)(A) The plan sponsor shall determine the amount of the liability of the withdrawn employer—

"(i) in the case of a complete withdrawal, in accordance with subsection (e), (f), or (g) (whichever applies), or

"(ii) in the case of a partial withdrawal, in accordance with subsection (c)(5).

"(B) The plan sponsor shall—

"(i) notify the withdrawn employer of the amount of the liability, and

"(ii) collect the amount of the liability,

in accordance with section 4202.

"(b)(1) For purposes of this section, except as otherwise provided in this section, an employer withdraws from a multiemployer plan in a complete withdrawal if the employer—

"(A) permanently ceases to have an obligation to contribute under the plan, or

"(B) permanently ceases all covered operations under the plan.

"(2)(A) For purposes of his subtitle, except as otherwise provided in subsection (c) (11) or (h)(1), in the case of an employer who has an obligation to contribute under a plan for work performed in the building and construction industry, withdrawal occurs only as described in subparagraph (B), if—

"(i) substantially all the employees with respect to whom the employer has an obligation to contribute under the plan perform work in the building and construction industry, and

"(ii) the plan—

"(I) primarily covers employees in the building and construction industry, or

"(II) is amended to provide that this paragraph applies to employers described in this subparagraph.

"(B) A withdrawal occurs under this subparagraph if—

"(i) an employer ceases to have an obligation to contribute under the plan, and

"(ii) the employer—

"(I) continues to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required, or

"(II) resumes such work within 5 years after the date on which the obligation to contribute under the plan ceases, and does not renew the obligation at the time of the resumption, if (at the time of the resumption) other employers have an obligation to contribute under the plan and the plan permits contributions by the employer.

"(3)(A) For purposes of this subtitle, except as otherwise provided in subsection (c) (12) or (h)(1), in the case of an employer who has an obligation to contribute under a plan for work performed in the entertainment industry (as defined in regulations prescribed by the corporation), if the plan primarily covers employees in the entertainment industry, withdrawal occurs only as described in subparagraph (B).

"(B) A withdrawal occurs under this subparagraph if—

"(i) an employer ceases to have an obligation to contribute under the plan and

"(ii) the employer—

"(I) continues to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required, or

"(II) resumes such work within 5 years after the date on which the obligation to contribute under the plan ceases, and does not renew the obligation at the time of the resumption, if (at the time of resumption) other employers have an obligation to contribute under the plan and the plan permits contributions by the employer.

"(4) For purposes of this section, the date of the withdrawal is—

"(A) in the case of a withdrawal described in paragraph (1), the last day of the plan year in which the cessation occurs, or

"(B) in the case of a withdrawal described in paragraph (2)(B) or (3)(B), the date on which the employer's obligation to contribute under the plan ceases.

"(5) The corporation shall provide by regulation for the reduction or waiver of liability for a complete withdrawal in the event that an employer who has withdrawn from a plan subsequently resumes covered operations under the plan or renews an obligation to contribute under the plan, whichever applies, to the extent that the corporation determines that reduction or waiver of withdrawal liability is consistent with the purposes of this Act.

"(6) The corporation shall prescribe by regulation a procedure by which a plan may be amended to provide alternative rules for the reduction or waiver of liability for a complete withdrawal in the event that an employer who has withdrawn from the plan subsequently resumes covered operations or renews an obligation to contribute under the plan, whichever applies, subject to the approval of the corporation based on a determination that such rules are consistent with the purposes of this Act.

"(c)(1) Except as otherwise provided in this section, there is a partial withdrawal by an employer from a plan on the last day of a plan year if for such plan year—

"(A) there is a 60-percent contribution decline described in paragraph (2),

"(B) there is a facility-closing 25-percent contribution decline described in paragraph (3), or

"(C) there is a cessation of contribution obligations described in paragraph (4).

"(2)(A) There is a 60-percent contribution decline described in this paragraph for any plan year if during each plan year in the 3-year testing period the employer's contribution base units do not exceed 40 percent of the employer's contribution base units for the high base year.

"(M) For purpose of subparagraph (A)—

"(i) The term '3-year testing period' means the period consisting of the plan year and the immediately preceding 2 plan years.

"(ii) The term 'high base year' means the plan year of the 5 plan years immediately preceding the beginning of the 3-year testing period for which the employer's contribution base units were the highest.

"(3)(A) There is a facility-closing 25-percent contribution decline for a plan year if—

"(i) the sum of the percentages determined for facility closing in such plan year and in any of the immediately preceding 5 plan years equal or exceeds 25 percent, and

"(ii) the employer's contribution base units for such plan year are 75 percent or less of the employer's contribution base units for the high base year.

"(B) For purposes of subpargraph (A)—

"(i)(I) A plan may be amended to define the term 'facility'.

"(II) In the case of a plan which is not amended to define the term 'facility', such term means an economic unit (generally at a single physical location) where business is conducted or where services or industrial operations are performed.

"(ii) The term 'facility closing' means the cessation of substantially all of the employer's covered operations at a facility.

"(iii) The percentage with respect to any facility closing shall be determined by dividing—

"(I) the employer's contribution base units for the facility for the plan year (of the 5 plan years immediately preceding the plan year in which the closing occurred) for which the employer's contribution base units for such facility were the highest, by

"(II) the employer's contribution base units at all facilities for the plan year taken into account under subclause (I).

"(iv) The term 'high base year' means the plan year in the base period for which the employer's contribution base units were the highest. For purposes of this clause, the term 'base period' means the 5 plan years immediately preceding the plan year for which the determination of whether there is a facility-closing 25-percent contribution decline is being made.

"(4)(A) There is a cessation of contribution obligations described in this paragraph for the plan year if during such year the employer ceases to have an obligation to contribute under 1 or more but less than all collective bargaining agreements under which the employer has been obligated to contribute under the plan.

"(B) For purposes of subparagraph (A), there shall not be deemed to be a cessation of obligations under a collective bargaining agreement solely by reason of the fact that, with respect to the same plan, an agreement with 1 bargaining agent has been substituted for an agreement with another bargaining agent.

"(5)(A) The amount of an employer's liability for partial withdrawal under this subsection is equal to the product of—

"(i) the amount determined under subsection (e), (f), or (g), whichever applies, for which the employer would be liable had the employer withdrawn from the plan (in a complete withdrawal) on the date of the partial withdrawal (or, in the case of a partial withdrawal described in paragraph (1)(A), on the last day of the first plan year in the 3-year testing period), multiplied by

"(ii) the fraction described in subparagraph (B).

"(B) For purposes of subparagraph (A), the fraction described in this subparagraph is 1 minus a fraction—

"(i) the numerator of which is the employer's contribution base units for the plan year following the plan year in which the partial withdrawal occurs, and

"(ii) the denominator of which is the average of the employer's contribution base units for—

"(I) except as provided in subclause (II), the 5 plan years immediately preceding the plan year in which the partial withdrawal occurs, or

"(II) in the case of a partial withdrawal described in paragraph (1)(A), the 5 plan years immediately preceding the beginning of the 3-year testing period.

"(6)(A) If with respect to any plan for any plan year there is a liability under this subsection by reason of a partial withdrawal of the employer, except as provided in subparagraph (B), the dollar amount of such withdrawal liability (unreduced by any payments of such liability but reduced by any abatement of such liability) shall be applied as a credit against the liability for any partial or complete withdrawal determined under this section for a subsequent plan year.

"(B) The corporation shall prescribe such regulations as may be necessary to provide for proper adjustments in the credit provided by subparagraph (A) for—

"(i) changes in unfunded benefit obligations arising after the close of the prior year for which partial withdrawal liability was determined,

"(ii) changes in contribution base units occurring after the close of the prior year for which partial withdrawal liability was determined, and

"(iii) other factors,

so that the liability for any complete or partial withdrawal in any subsequent year (after the application of the credit) properly reflects the employer's proper share of liability with respect to the plan.

"(7) (A) (i) Except as provided in clauses (ii) and (iii), an employer is not liable under this subsection in connection with a partial withdrawal from a plan if the average annual contributions which the employer was required to make under the plan during the period of 5 plan years preceding the plan year in which the partial withdrawal occurs (or, in the case of a partial withdrawal described in paragraph (1) (A), preceding the 3-year testing period) is less than 2 percent of the total average annual contributions which all employers made under the plan during that period.

"(ii) If the unfunded benefit obligations of any plan as of the end of any plan year exceed $1,250,000, clause (i) shall apply to partial withdrawals from such plan during the succeeding plan year only if such plan provides that clause (i) is to apply.

"(iii) Any plan may be amended to provide that clause (i) shall not apply to any withdrawal from such plan.

"(B) A plan may be amended to provide that this subsection does not apply in whole or in part to any employer to the extent permitted in regulations prescribed by the corporation.

"(C) The corporation may prescribe by regulation a procedure by which a plan may adopt by amendment rules defining other conditions under which an employer has liability for partial withdrawal.

"(8) (A) If, for any 2 consecutive plan years following the plan year in which an employer has partially withdrawn from a plan, the number of contribution base units with respect to which the employer has an obligation to contribute under the plan for each such year is not less than 90 percent of the total number of contribution base units with respect to which the employer had an obligation to contribute under the plan in the plan year in which such number was the highest during the period of 5 consecutive plan years—

"(i) preceding the 3-year testing period, in the case of a partial withdrawal described in paragraph (1) (A), or

"(ii) preceding the plan year in which the partial withdrawal occurred, in the case of a partial withdrawal described in paragraph (1) (B) or paragraph (1) (C),

the employer shall have no further liability for such partial withdrawal for plan years beginning after the second consecutive plan year described in this subparagraph.

"(B) (i) For any plan year for which the number of contribution base units with respect to which an employer who has partially withdrawn has an obligation to contribute under the plan equals or exceeds the number of units for the highest year described in subparagraph (A), the employer may furnish (in lieu of payment of the liability under this subsection) a bond to the plan in the amount determined by the plan sponsor (not exceeding 50 percent of the annual payment otherwise required).

"(ii) If the plan sponsor determines under subparagraph (A) that the employer has no further liability to the plan for the partial withdrawal, the bond shall be cancelled.

"(iii) If the plan sponsor determines under subparagraph (A) that the employer continues to have the liability to the plan for the partial withdrawal—

"(I) the plan may realize on the bond,

"(II) the employer shall immediately be liable for the outstanding amount of liability due with respect to the plan year for which the bond was posted, and

"(III) the employer shall continue to make the partial withdrawal liability payments as they are due.

"(C) In any case in which—

"(i) for any 2 consecutive plan years following the plan year in which an employer has partially withdrawn from a plan under this subsection, the number of contribution base units with respect to which the employer has an obligation to contribute for each such year exceeds—

"(I) in the case of a partial withdrawal under subparagraph (A) of paragraph (1), 40 percent of the total number of contribution base units with respect to which the employer had an obligation to contribute for the plan year for which such number was the highest during the period of 5 consecutive plan years preceding the 3-year testing period, or

"(II) with respect to a partial withdrawal under subparagraph (B) or (C) of paragraph (1), 75 percent of the total number of contribution base units with respect to which the employer had an obligation to contribute for the plan year for which such number was the highest during the period of 5 consecutive plan years preceding the plan year in which the employer's partial withdrawal occurred; and

"(ii) the total number of contribution base units with respect to which all employers under the plan have obligations to contribute in each of such 2 consecutive years is not less than 90 percent of the total number of contribution base units for which all employers had obligations to contribute in the plan year in which the employer's partial withdrawal occurred;

the employer shall have no further liability for such partial withdrawal for plan years beginning after the second such consecutive plan year.

"(D) In any case in which, in any plan year following a plan year in which an employer has partially withdrawn from a plan, the number of contribution base units with respect to which the employer has an obligation to contribute for such year equals or exceeds the number of contribution base units with respect to which the employer had an obligation to contribute in the year in which the partial withdrawal occurred, plus 10 percent of such number (or such other percentage as the plan may provide by amendment and which is not prohibited under regulations prescribed by the corporation), the amount of the employer's partial withdrawal liability payment for such year shall be reduced pro rata, in accordance with regulations prescribed by the corporation.

"(9) The corporation may prescribe regulations providing for the reduction or elimination of partial withdrawal liability under any conditions with respect to which the corporation determines that reduction or elimination of partial withdrawal liability is consistent with the purposes of this Act.

"(10) The corporation shall prescribe by regulation a procedure by which a plan may by amendment adopt rules for the reduction or elimination of partial withdrawal liability under any other conditions, subject to the approval of the corporation based on its determination that adoption of such rules by the plan is consistent with the purposes of this Act.

"(11) An employer to whom subsection (b) (2) applies is liable for a partial withdrawal only if the employer's obligation to contribute under the plan is continued for no more than a token portion of its work in the craft and area jurisdiction of the collective bargaining agreement of the type for which contributions are required.

"(12) An employer to whom subsection (b) (3) applies shall have no liability for a partial withdrawal except under the conditions and to the extent prescribed by the corporation by regulation.

"(d) (1) An employer who withdraws from a multiemployer plan in a complete or partial withdrawal is not liable to the plan if the amount determined under subsection (e), (f), or (g) (whichever applies) is less than the greater of—

"(A) $25,000, or

"(B) Three-fourths of 1 percent of the plan's unfunded benefit obligations (determined as of the end of the plan year ending before the date of withdrawal).

"(2) A plan may be amended to provide—

"(A) for a dollar amount lower than $25,000 or a percentage lower than 3/4 of 1 percent, or

"(B) that paragraph (1) does not apply.

"(3) (A) This subsection does not apply—

"(i) to an employer who withdraws in a plan year in which substantially all employers withdraw from the plan, or

"(ii) in any case in which substantially all employers withdraw from the plan during a period of one or more plan years pursuant to an agreement or arrangement to withdraw, to an employer who withdraws pursuant to such agreement or arrangement.

"(B) In any action or proceeding to determine or collect withdrawal liability, if substantially all employers have withdrawn from a plan within a period of 3 plan years, an employer who has withdrawn from such plan during such period shall be presumed to have withdrawn from the plan pursuant to an agreement or arrangement, unless the employer proves otherwise by a preponderance of the evidence.

"(4) (A) An employer who withdraws from a plan in complete or partial withdrawal is not liable to the plan if the employer—

"(i) first had an obligation to contribute to the plan after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980,

"(ii) had an obligation to contribute to the plan for no more than the lesser of—

"(I) 6 consecutive plan years preceding the date on which the employer withdraws, or

"(II) the number of years required for vesting under the plan,

"(iii) made contributions to the plan for each such plan year in an amount less than 2 percent of the sum of all employer contributions made to the plan for the year, and

"(iv) was not previously subject to this subparagraph with respect to the plan.

"(B) Subparagraph (A) shall apply to an employer with respect to a plan only if—

"(i) the plan is not a plan described in subsection (b) (2) (A) (ii) (I);

"(ii) the plan is amended to provide that subparagraph (A) applies;

"(iii) the plan provides or is amended to provide that the reduction under section 411(a) (3) (E) of the Internal Revenue Code of 1954 applies with respect to the employees of the employer; and

"(iv) the ratio of the assets of the plan for the plan year preceding the first plan year for which the employer was required to contribute to the plan to the benefit payments made during that plan year was at least 8 to 1.

"(e) (1) Except as provided in subsections (f) and (g), the amount of an employer's liability under this section is—

"(A) the employer's proportional share of the unamortized amount of the change in the plan's unfunded benefit obligations for plan years ending on or after February 28, 1979, in which the employer has an obligation to contribute under the plan, as determined under paragraph (2), plus

"(B) the employer's proportional share, if any, of the unamortized amount of the plan's unfunded benefit obligations at the end of the plan year ending before such date, as determined under paragraph (3).

If the sum of the amounts determined with respect to an employer under paragraphs (2) and (3) is negative, the employer's withdrawal liability shall be zero.

"(2)(A) An employer's proportional share of the unamortized amount of the change in the plan's unfunded benefit obligations for plan years ending on or after February 28, 1979, is the sum of the employer's proportional shares of the unamortized amount of the change in unfunded benefit obligations for each plan year ending on or after such date in which the employer has an obligation to contribute under the plan.

"(B) The change in a plan's unfunded benefit obligations for a plan year is the difference between—

"(i) the unfunded benefit obligations at the end of the plan year; and

"(ii) the sum of—

"(I) the unamortized amount of the unfunded benefit obligations for the last plan year ending before February 28, 1979, and

"(II) the sum of the unamortized amount of the change in unfunded benefit obligations for each plan year ending on or after February 28, 1979, and preceding the plan year for which the change is determined.

"(C) The unamortized amount of the change in a plan's unfunded benefit obligations with respect to a plan year is the change in unfunded benefit obligations for the plan year, reduced by 5 percent of such change for each succeeding plan year.

"(D) The unamortized amount of the unfunded benefit obligations for the plan year ending before February 28, 1979, is the amount of the unfunded benefit obligations as of the end of that plan year reduced by 5 percent of such amount for each succeeding plan year.

"(E) An employer's proportional share of the unamortized amount of a change in unfunded benefit obligations is the product of—

"(i) the unamortized amount of such change as of the end of the plan year in which the employer withdraws; and

"(ii) a fraction—

"(I) the numerator of which is the sum of the contributions required to be made under the plan by the employer for the year in which such change arose and for the 4 preceding plan years, and

"(II) the denominator of which is the sum for the plan year in which such change arose and the 4 preceding plan years of all contributions made by employers who had an obligation to contribute under the plan for the plan year in which such change arose.

"(3) An employer's proportional share of the unamortized amount of the plan's unfunded benefit obligations for the last plan year ending before February 28, 1979, is the product of—

"(A) such unamortized amount; and

"(B) a fraction—

"(i) the numerator of which is the sum of all contributions required to be made by the employer under the plan for the most recent 5 plan years ending before February 28, 1979, and

"(ii) the denominator of which is the sum of all contributions made for the most recent 5 plan years ending before February 28, 1979, by all employers—

"(I) who had an obligation to contribute under the plan for the first plan year ending on or after such date, and

"(II) who had not withdrawn from the plan before such date.

"(4) Except as otherwise provided in regulations prescribed by the corporation, if the plan sponsor determines that the withdrawal liability of a withdrawn employer is uncollectible, the present value of such uncollectible liability shall be added to the plan's unfunded benefit obligations as of the end of the plan year in which the determination is made.

"(5) Except as otherwise provided in regulations prescribed by the corporation, if the plan sponsor determines that a withdrawn employer is not liable for withdrawal liability pursuant to subsection (d), an amount equal to the employer's withdrawal liability calculated according to this subsection shall be added to the plan's unfunded benefit obligations as of the end of the plan year in which the determination is made.

"(f)(1) A multiemployer plan, other than a plan described in subsection (b)(2)(A)(ii)(I), may be amended to provide that the liability of an employer who withdraws from the plan is an amount determined under paragraph (2), (3), (4), or (5) of this subsection, rather than under subsection (e) or (g).

"(2)(A) The amount of an employer's liability under this paragraph is the sum of the amounts determined under subparagraphs (B) and (C).

"(B) The amount determined under this subparagraph is the product of—

"(i) the plan's unfunded benefit obligations as of the end of the last plan year ending before February 28, 1979, reduced as if those obligations were being fully amortized in level annual installments over 15 years beginning with the first plan year ending on or after such date; and

"(ii) a fraction—

"(I) the numerator of which is the sum of all contributions required to be made by the employer under the plan for the last 5 plan years ending before February 28, 1979, and

"(II) the denominator of which is the sum of all contributions made for the last 5 plan years ending before February 28, 1979, by all employers who had an obligation to contribute under the plan for the first plan year ending on or after February 28, 1979, and who had not withdrawn from the plan before such date.

"(C) The amount determined under this subparagraph is the product of—

"(i) an amount equal to—

"(I) the plan's unfunded benefit obligations as of the end of the plan year in which the employer withdraws, less

"(II) the sum of the value as of such date of all outstanding claims for withdrawal liability which can reasonably be expected to be collected, with respect to employers withdrawing before such plan year, and that portion of the amount determined under subparagraph (B)(i) which is allocable to employers who have an obligation to contribute under the plan in the plan year in which the employer withdraws and who also had an obligation to contribute under the plan for the first plan year ending on or after February 28, 1979; and

"(ii) a fraction—

"(I) the numerator of which is the total amount required to be contributed under the plan by the employer for the last 5 plan years ending before the date on which the employer withdraws, and

"(II) the denominator of which is the total amount contributed under the plan by all employers for the last 5 plan years ending before the date on which the employer withdraws, plus any employer contributions owed with respect to earlier periods which were collected in those plan years, less any amount contributed by an employer who withdrew from the plan under this section during those plan years.

"(3) The amount of an employer's liability under this paragraph is the product of—

"(A) the plan's unfunded benefit obligations as of the end of the plan year in which the employer withdraws, less the value as of the end of such year of all outstanding claims for withdrawal liability which can reasonably be expected to be collected from employers withdrawing before such year; and

"(B) a fraction—

"(i) the numerator of which is the total amount required to be contributed by the employer under the plan for the last 5 plan years ending before the withdrawal, and

"(ii) the denominator of which is the total amount contributed under the plan by all employers for the last 5 plan years ending before the withdrawal, plus any employer contributions owed with respect to earlier periods which were collected in those plan years, less any amount contributed to the plan during those plan years by employers who withdrew from the plan under this section during those plan years.

"(4)(A) The amount of an employer's liability determined under this paragraph is equal to the sum of—

"(i) the plan's unfunded benefit obligations which are attributable to participants' service with the employer, and

"(ii) the employer's proportional share of any unfunded benefit obligations which are not attributable to service with the employer or other employers who are obligated to contribute under the plan in the plan year in which the employer withdraws.

For purposes of this paragraph, the time of determination shall be the end of the plan year in which the employer withdraws.

"(B) The plan's unfunded benefit obligations which are attributable to participants' service with the employer is the amount equal to the actuarial present value of benefit entitlements under the plan which are attributable to participants' service with such employer, less the share of plan assets determined under subparagraph (C) which is allocated to the employer as provided under subparagraph (D).

"(C) the value of plan assets determined under this subparagraph is the value of plan assets allocated to benefit entitlements which are attributable to service with the employers who have an obligation to contribute under the plan in the plan year in which the employer withdraws, which is determined by multiplying—

"(i) the value of the plan assets as of the end of the plan year in which the employer withdraws by

"(ii) a fraction—

"(I) the numerator of which is the actuarial present value of benefit entitlements which are attributable to service with such employers, and

"(II) the denominator of which is the actuarial present value of all benefit entitlements under the plan for the plan year.

"(D) The share of plan assets, determined under subparagraph (C), which is allocated to the employer shall be determined in accordance with one of the following methods which shall be adopted by the plan by amendment:

"(i) by multiplying the value of plan assets determined under subparagraph (C) by a fraction—

"(I) the numerator of which is the actuarial present value of the benefit entitlements which are attribuable to service with the employer, and

"(II) the denominator of which is the actuarial present value of the benefit entitlements which are attributable to service with all employers who have an obligation to contribute under the plan in the plan year in which the employer withdraws;

"(ii) by multiplying the value of plan assets determined under subparagraph (C) by a fraction—

"(I) the numerator of which is the actuarial present value of all contributions which have been made to the plan by the employer for the plan year in which the employer withdraws and all preceding plan years; and

"(II) the denominator of which is the actuarial present value of all contributions which have been made to the plan (for the plan year in which the employer withdraws and all preceding plan years) by all employers who have an obligation to contribute to the plan for the plan year in which the employer withdraws; or

"(iii) by multiplying the value of plan assets under subparagraph (C) by a fraction

"(I) the numerator of which is the amount determined under clause (ii)(I) of this subparagraph, less the actuarial present value of benefit payments made to participants (and their beneficiaries) for the plan years described in such clause (ii)(I) which are attributable to service with the employer; and

"(II) the denominator of which is the amount determined under clause (ii)(II) of this subparagraph, less the actuarial present value of benefit payments made to participants (and their beneficiaries) for the plan years described in such clause (ii)(II) which are attributable to service with respect to the employers described in such clause (ii)(II).

"(E) The amount of the plan's unfunded benefit obligations for a plan year in which an employer withdraws, which is not attributable to service with employers who have an obligation to contribute under the plan in the plan year in which such employer withdraws, is equal to—

"(i) an amount equal to—

"(I) the actuarial present values of all benefit entitlements under the plan at the end of such plan year, less

"(II) the actuarial present value of benefit entitlements under the plan at the end of such plan year which are attributable to participants' service with employers who have an obligation to contribute under the plan for such plan years; less

"(ii) an amount equal to—

"(I) the value of the plan assets as of the end of such plan year, less

"(II) the value of plan assets as of the end of such plan year as determined under subparagraph (C); less

"(iii) the value of all outstanding claims for withdrawal liability which can reasonably be expected to be collected with respect to employers withdrawing before the year in which the employer withdraws.

"(F) The employer's proportional share described in subparagraph (A)(ii) for a plan year is the amount determined under subparagraph (E) allocated by any method which is authorized under this subsection or subsection (e) and which is adopted by the plan by amendment.

"(G) The corporation may prescribe by regulation other methods which a plan may adopt for allocating assets to determine the employer's withdrawal liability for unfunded benefit obligations attributable to service with the employer and to determine the employer's share of unfunded benefit obligations not attributable to service with employers who have an obligation to contribute under the plan in the plan year in which the employer withdraws.

"(5)(A) The corporation shall prescribe by regulation a procedure by which a plan may, by amendment, adopt any other alternative method for determining an employer's liability under this section, subject to the approval of the corporation based on its determination that adoption of the method by the plan would not significantly increase the risk of loss to plan participants and beneficiaries or to the corporation.

"(B) The corporation may prescribe by regulation standard approaches for alternative methods, other than those set forth in the preceding paragraphs of this subsection, which a plan may adopt under subparagraph (A), for which the corporation may waive or modify the approval requirements of subparagraph (A). Any alternative method shall provide for the allocation of all of a plan's unfunded benefit obligations among employers who have an obligation to contribute under the plan.

"(C) Unless the corporation by regulation provides otherwise, a plan may be amended to provide that a period of more than 5 but not more than 10 plan years may be used for determining the numerator and denominator of any fraction which is used under any method authorized under this section for determining an employer's liability under this section.

"(g)(1) The method of calculating withdrawal liability set forth in subsection (f)(3) shall be the method for calculating withdrawal liability under a plan to which section 404(c) of the Internal Revenue Code of 1954 applies, unless the plan is amended to adopt another method authorized under subsection (e) or (f).

"(2) Subsection (d) shall not apply with respect to the withdrawal of an employer from a plan described in paragraph (1) unless the plan is amended to provide that subsection (d) applies.

"(3) In the case of any west coast longshore labor plan (as defined in subsection (l)(2))—

"(A) the method of calculating withdrawal liability shall be the method set forth in subsection (f)(3), and

"(B) paragraph (5)(A) of subsection (f) shall not apply.

"(h)(1)(A) For purposes of this section, a withdrawal of an employer does not occur solely because an employer ceases to exist by reason of—

"(i) a change in corporate structure described in section 4062(d), or

"(ii) a change to an unincorporated form of business enterprise,

if the change causes no interruption in employer contributions, or obligations to contribute under the plan. For purposes of this part, a successor or parent corporation or other entity resulting from any such change shall be considered the original employer.

"(B) A withdrawal of an employer under this section does not occur solely because an employer suspends contributions under the plan during a labor dispute involving its employees.

"(2) In the case of a transfer of liabilities to another plan incident to an employer's withdrawal or partial withdrawal, the withdrawal employer's liability under this section shall be reduced in an amount equal to the actuarial present value, as of the end of the last plan year ending on or before the date of the withdrawal, of the transferred unfunded benefit obligations.

"(3) In the case of a withdrawal following a merger of multiemployer plans, subsection (e), (f), or (g), whichever applies, shall be applied in accordance with regulations prescribed by the corporation; except that, if a withdrawal occurs in the first plan year beginning after a merger of multiemployer plans, liability under this section shall be determined as if each of the multiemployer plans had remained separate plans.

"(4) A plan may be amended to adopt rules, consistent with the interests of plan participants, beneficiaries, and contributing employers, for reducing or waiving an employer's withdrawal liability to the extent that the employer's obligation to contribute under the plan or to make withdrawal liability payments to the plan are assumed by another employer.

"(5) For purposes of this section, the term 'obligation to contribute' means an obligation to contribute arising—

"(A) under one or more collective bargaining (or related) agreements, or

"(B) as a result of a duty under applicable labor-management relations law.

Such term does not include an obligation to pay withdrawal liability under this section or to pay delinquent contributions.

"(6) Payments of liability under this section shall not be considered contributions for purposes of this section.

"(i)(1) The corporation may prescribe by regulation actuarial assumptions which may be used by a plan actuary in determining the unfunded benefit obligations of a plan for purposes of determining an employer's withdrawal liability under this section. A plan may provide that the determination of withdrawal liability under this section is to be based on the plan's actuarial assumptions or the actuarial assumptions set forth in the corporations' regulations for purposes of determining an employer's withdrawal liability.

"(2) In determining the unfunded benefit obligations of a plan for purposes of determining an employer's withdrawal liability under this section, the plan actuary may—

"(A) in the absence of complete data, rely on the data available or on data secured by a sampling which can reasonably be expected to be representative of the status of the entire plan, and

"(B) rely on a complete actuarial valuation performed every third plan year and reasonable estimates for the interim years of the unfunded benefit obligations.

"(3) The plan sponsor may initially determine the amount of the employer's liability on the basis of the latest available determination of contributions made to the plan by employers and the latest available actuarial valuation or, if later, the latest actuarial estimate.

"(j)(1) No plan rule or amendment adopted under subsection (c)(7)(A)(iii), (d), or (f) may be applied without the employer's consent with respect to liability for a withdrawal or partial withdrawal which occurred before the date on which the rule or amendment was adopted.

"(2) All plan rules and amendments authorized under this section shall operate and be applied uniformly with respect to each employer, except that special provisions may be made to take into account the creditworthiness of an employer. The plan sponsor shall give notice to all employers who have an obligation to contribute under the plan and to all employee organizations representing employees covered under the plan of any plan rules or amendments adopted pursuant to this section.

"(k) The corporation may, by regulation, require the plan sponsor of a multiemployer plan to provide notice to the corporation when the withdrawal from the plan by any employer has resulted, or will result, in a significant reduction in the amount of aggregate contributions under the plan made by employers.

"(l)(1) The corporation shall by regulations define the term 'employer' when used in connection with a West coast longshore labor plan.

"(2) For purposes of this subsection, the term 'West coast longshore labor plan' means a plan which covers longshore labor in all major ports within the western coastal area of the United States between Canada and Mexico.

"NOTICE, COLLECTION, ETC., OF WITHDRAWAL LIABILITY

"SEC. 4202. (a)(1) An employer shall, within 30 days after a written request from the plan sponsor, furnish such information as the plan sponsor reasonably determines to be necessary to enable the plan sponsor to comply with the requirements of section 4201 and this section.

"(2) Before the plan sponsor demands payment under subsection (b), the plan sponsor shall give the employer a reasonable opportunity—

"(A) to identify any inaccuracy in the determination of the employer's withdrawal liability, and

"(B) to furnish any additional relevant information.

The plan sponsor shall, upon request, make relevant plan records reasonably available to the employer for inspection and copying.

"(b)(1) As soon as practicable after an employer's complete or partial withdrawal, the plan sponsor shall—

"(A) notify the employer of—

"(i) the amount of the liability, and

"(ii) the schedule for liability payments, and

"(B) demand payment in accordance with the schedule.

"(2)(A) No later than 90 days after the employer receives the notice described in paragraph (1), the employer may request the plan sponsor to review any specific matter relating to the determination of the employer's liability and the schedule of payments.

"(B) After a reasonable review of any matter raised, the plan sponsor shall notify the employer of—

"(i) the plan sponsor's decision,

"(ii) the basis for the decision, and

"(iii) the reason for any change in the determination of the employer's liability or schedule of liability payments.

"(c)(1)(A)(i) Except as provided in subparagraphs (B) and (D) of this paragraph and in paragraphs (4) and (5), an employer shall pay the liability determined under section 4201 over the period of years necessary to amortize the liability in level annual payments determined under subparagraph (C), calculated as if the first payment were made on the first day of the plan year following the plan year in which the withdrawal occurs and as if each subsequent payment were made on the first day of each subsequent plan year. Actual payment shall commence in accordance with paragraph (2).

"(ii) The determination of the amortization period described in clause (i) shall be based on the assumptions used for the most recent actuarial valuation for the plan.

"(B) In any case in which the amortization period described in subparagraph (A) exceeds 30 years, the employer's liability shall be limited to the first 30 annual payments determined under subparagraph (C).

"(C)(i) The amount of each annual payment shall be the product of—

"(I) the average annual number of contribution base units for the period of 3 consecutive plan years, during the period of 10 consecutive plan years ending with the plan year in which the withdrawal occurs, in which the number of contribution base units for which the employer had an obligation to contribute under the plan is the highest, and

"(II) the highest contribution rate of which the employer had an obligation to contribute under the plan in effect during the 10 plan years ending with the plan year in which the withdrawal occurs.

For purposes of the preceding sentence, a partial withdrawal described in section 4201 (c)(1)(A) shall be deemed to occur on the last day of the first year of the 3-year testing period.

"(ii)(I) A plan may be amended to provide that for any plan year ending before 1986 the amount of each annual payment shall be (in lieu of the amount determined under clause (i)) the average of the required employer contributions under the plan for the period of 3 consecutive plan years (during the period of 10 consecutive plan years ending with the plan year in which the withdrawal occurs) for which such required contributions were the highest.

"(II) Subparagraph (B) shall not apply to any plan year to which this clause applies.

"(III) This clause shall not apply in the case of any withdrawal described in subparagraph (D).

"(IV) If under a plan this clause applies to any plan year but does not apply to the next plan year, this clause shall not apply to any plan year after such next plan year.

"(V) For purposes of this clause, the term 'required contributions' means, for any period, the amounts which the employer was obligated to contribute for such period (not taking into account any delinquent contribution for any other period).

"(iii) A plan may be amended to provide that for the first plan year ending on or after February 28, 1979, the number '5' shall be substituted for the number '10' each place it appears in clause (i) or clause (ii) (whichever is appropriate). If the plan is so amended, the number '5' shall be increased by one for each succeeding plan year until the number '10' is reached.

"(D) In any case in which a multiemployer plan terminates by the withdrawal of every employer from the plan, or in which substantially all the employers withdraw from a plan pursuant to an agreement or arrangement to withdraw from the plan—

"(i) the liability of each such employer who has withdrawn shall be determined under this paragraph without regard to subparagraph (B), and

"(ii) the total unfunded benefit obligations of the plan shall be allocated to all employers liable under this section pursuant to regulations which shall be prescribed by the corporation.

Withdrawal by an employer from a plan, during a period of 3 consecutive plan years within which substantially all the employers who have an obligation to contribute under the plan withdraw, shall be presumed to be a withdrawal pursuant to an agreement or arrangement, unless the employer proves otherwise by a preponderance of the evidence.

"(E) An employer shall pay the liability for partial withdrawal, determined under section 4201(c), in annual amounts equal to a pro rata share of the amounts payable under subparagraph (A) or (B), whichever applies.

"(2) Withdrawal liability shall be payable in accordance with the schedule set forth by the plan sponsor under subsection (b)(1) beginning no later than 60 days after the date of the demand.

"(3) Each annual payment determined under paragraph (1)(C) shall be payable in 4 equal installments due quarterly, or at other intervals specified by plan rules. If a payment is not made when due, interest on the payment shall accrue from the due date until the date on which the payment is made.

"(4) The employer shall be entitled to prepay the outstanding amount of the unpaid annual withdrawal liability payments determined under paragraph (1)(C), plus accrued interest, if any, in whole or in part, without penalty.

"(5) In the event of a default, a plan sponsor may require immediate payment of the outstanding amount of an employer's withdrawal liability, plus accrued interest on the total outstanding liability from the due date of the first payment which was not timely made. For purposes of this section, the term 'default' means—

"(A) the failure of an employer to make, when due, any payment under this section, if the failure is not cured within 60 days after the employer receives written notification from the plan sponsor of such failure, and

"(B) any other event defined in rules adopted by the plan which indicates a reasonable likelihood that an employer will be unable to pay its withdrawal liability.

"(6) Except as provided in paragraph (1)(A)(ii), interest under this subsection shall be charged at rates based on prevailing market rates for comparable obligations, in accordance with regulations prescribed by the corporation.

"(7) A multiemployer plan may adopt rules consistent with this Act for other terms and conditions for the satisfaction of an employer's withdrawal liability.

"(8) In the case of a terminated multiemployer plan, an employer's obligation to make payments under this section ceases at the end of the plan year in which the assets of the plan are sufficient to meet all obligations of the plan, as determined by the corporation.

"(d) The prohibitions provided in section 406(a) do not apply to any action required or permitted under this section or section 4201.

"APPROVAL OF AMENDMENTS

"SEC. 4203. (a) Except as provided in subsection (b), if an amendment to a multiemployer plan authorized by section 4201 or 4202 is adopted more than 36 months after the effective date of this section, the amendment shall be effective only if the corporation approves the amendment, or, within 90 days after the corporation receives notice of the amendment from the plan sponsor, fails to disapprove the amendment.

"(b) An amendment permitted by section 4201(f)(5) may be adopted only in accordance with that section.

"(c) The corporation shall disapprove an amendment referred to in subsection (a) or (b) only if the corporation determines that the amendment creates an unreasonable risk of loss to plan participants or beneficiaries or to the corporation.

"DETERMINATION OF WITHDRAWAL LIABILITY

"SEC. 4204. (a) For purposes of this part, a determination made with respect to a plan under section 4201 or 4202 is presumed correct unless the party contesting the determination shows by a preponderance of the evidence that the determination was unreasonable or clearly erroneous.

"(b) In the case of the determination of a plan's unfunded benefit obligations for a plan year, the determination is presumed correct unless a party contesting the determination shows by a preponderance of evidence that—

"(1) the actuarial assumptions and methods used in the determination were, in the aggregate, unreasonable (taking into account the experience of the plan and reasonable expectations), or

"(2) the plan's actuary made a significant error in applying the actuarial assumptions or methods.

"(c) If any employer requests the plan sponsor to make an estimate of such employer's potential withdrawal liability with respect to the plan, the plan sponsor may require the employer to pay the reasonable cost of making such estimate.

"REIMBURSEMENTS FOR UNCOLLECTIBLE WITHDRAWAL LIABILITY

"SEC. 4205. (a) By May 1, 1982, the corporation shall establish by regulation a supplemental program to reimburse multiemployer plans for withdrawal liability payments which are due from employers and which are determined to be uncollectible for reasons arising out of cases or proceedings involving the employers under title 11, United States Code, or similar cases or proceedings under State law. Participation in the supplemental program shall be on a voluntary basis, and a plan which elects coverage under the program shall pay premiums to the corporation in accordance with a premium schedule which shall be prescribed from time to time by the corporation. The premium schedule shall contain such rates and bases for the application of such rates as the corporation considers to be appropriate.

"(b) The Corporation may provide under the program for reimbursement of amounts of withdrawal liability determined to be uncollectible for any other reasons the corporation considers appropriate.

"(c) The cost of the program (including such administrative and legal costs as the corporation considers appropriate) may be paid only out of premiums collected under such program.

"(d) The supplemental program may be offered to eligible plans on such terms and conditions, and with such limitations with respect to the payment of reimbursements (including the exclusion of de minimis amounts of uncollectible employer liability, and the reduction or elimination of reimbursements which cannot be paid from collected premiums) and such restrictions on withdrawal from the program, as the corporation considers necessary and appropriate.

"(e) The corporation may enter into arrangements with private insurers to carry out in whole or in part the program authorized by this section and may require plans which elect coverage under the program to elect coverage by those private insurers.

"WITHDRAWAL LIABILITY PAYMENT FUND

"SEC. 4206. (a) The plan sponsors of multiemployer plans may establish or participate in a withdrawal liability payment fund.

"(b) For purposes of this section, the term 'withdrawal liability payment fund', and the term 'fund', mean a trust which—

"(1) is established and maintained under section 501(c)(22) of the Internal Revenue Code of 1954,

"(2) maintains agreements which cover a substantial portion of the participants who are in multiemployer plans which (under the rules of the trust instrument) are eligible to participate in the fund,

"(3) is funded by amounts paid by the plans which participate in the fund, and

"(4) is administered by a Board of Trustees, and in the administration of the fund there is equal representation of—

"(A) employers who are obligated to contribute to the plans participating in the fund, and

"(B) employees who are participants in plans which participate in the fund.

"(c)(1) On the withdrawal of an employer from a plan which participates in a withdrawal liability payment fund, the fund shall pay to the plan from which the employer withdrew, to the extent provided in the trust—

"(A) the share of such employer's liability for a plan's unfunded benefit obligations, determined under subsection (e), (f), or (g) of section 4201 (whichever applies), which is not attributable to plan participants' service with an employer who was obligated to contribute to the plan on or after February 28, 1979,

"(B) such employer's withdrawal liability payments which would have been due but for subsection (c)(7)(A) or (d) of section 4201 or section 4202(c)(1)(B), and

"(C) such employer's withdrawal liability payments to the extent they are uncollectible.

"(2)(A) The trust of a fund shall be maintained for the exclusive purpose of paying—

"(i) any amount described in paragraph (1), and

"(ii) administrative expenses in connection with the operation of the trust and the processing of claims against the fund.

"(B) The amounts paid by a plan to a fund shall be deemed a reasonable expense of administering the plan under sections 403(c)(1) and 404(a)(1)(A)(ii), and the payments made by a fund to a participating plan shall be deemed services necessary for the operation of the plan within the meaning of section 408(b)(2) or within the meaning of section 4975(d)(2) of the Internal Revenue Code of 1954.

"(d)(1) For purposes of this part—

"(A) amounts paid by the fund to a plan under subsection (c)(1)(A) shall be credited to withdrawal liability otherwise payable, and

"(B) any other amounts paid by the fund to a plan shall be treated as a payment of withdrawal liability to such plan.

"(2) For purposes of applying provisions relating to the funding standard accounts (and minimum contribution requirements), amounts paid from the plan to the fund shall be applied to reduce the amount treated as contributed to the plan.

"(e) Notwithstanding any other provision of this Act, a fiduciary of the fund shall discharge the fiduciary's duties with respect to the fund in accordance with the standards for fiduciaries prescribed by this Act (to the extent not inconsistent with the purposes of this section), and in accordance with the documents and instruments governing the fund insofar as such documents and instruments are consistent with the provisions of this Act (to the extent not inconsistent with the purposes of this section). The provisions of the preceding sentence shall supersede any and all State laws relating to fiduciaries insofar as they may now or hereafter relate to a fund to which this section applies.

"(f) No payments shall be made from a fund to a plan on the occasion of a withdrawal or partial withdrawal of an employer from such plan if the employees representing the withdrawn contribution base units continue, after such withdrawal, to be represented under section 9 of the National Labor Relations Act (or other applicable labor laws) in negotiations with such employer by the labor organization which represented such employees immediately preceding such withdrawal.

"(g) The corporation may provide by regulation rules not inconsistent with this section governing the establishment and maintenance of funds, but only to the extent necessary to carry out the purposes of this part (other than section 4205).

"PART 2—MERGER OR TRANSFER OF PLAN ASSETS OR LIABILITIES

"MERGERS AND TRANSFERS TO MULTIEMPLOYER PLANS

"SEC. 4221. (a) Unless otherwise provided in regulations prescribed by the corporation, a plan sponsor may not cause a multiemployer plan to merge with one or more multiemployer plans, or engage in a transfer of assets and liabilities to or from another multiemployer plan, unless—

"(1) no accrued benefit of a participant or beneficiary will be lower immediately after the effective date of the merger or transfer than the benefit immediately before that date;

"(2) the benefits of participants and beneficiaries are not reasonably expected to be subject to reduction under section 4245 or subject to suspension under section 4246 for the first 5 plan years following the plan year in which the merger or transfer is effective;

"(3) the risk of loss to the corporation with respect to any of the affected plans is not reasonably expected to increase significantly;

"(4) an actuarial valuation of the assets and liabilities of each of the affected plans has been performed for the plan year preceding the effective date of the merger or transfer, based upon data as of the end of the last plan year ending before the plan year preceding such effective date or upon more recent data, if reasonably available; and

"(5) the plan sponsors of all affected plans agree to the merger or transfer.

"(b) The prohibitions provided in section 406(a) do not apply to any action taken under this section.

"(c) A plan to which liabilities are transferred under this section is a successor plan for purposes of section 4022A(b)(2)(B).

"(d) The plan sponsor of a multiemployer plan with respect to which a merger is proposed may request an advisory opinion from the corporation with regard to whether the proposed merger complies with this section.

"TRANSFERS BETWEEN A MULTIEMPLOYER PLAN AND A SINGLE-EMPLOYER PLAN

"SEC. 4222. (a) A transfer of assets or liabilities from a multiemployer plan to a single-employer plan shall satisfy the requirements of this section.

"(b)(1) No accrued benefit of a participant or beneficiary may be lower immediately after the effective date of a transfer described in subsection (a) than the benefit immediately before that date.

"(2) No accrued benefit of a participant or beneficiary may be lower immediately after the effective date of a transfer of liabilities from a single-employer plan to a multiemployer plan, or a merger of a single-employer plan into a multiemployer plan, than the benefit immediately before that date.

"(c)(1) Except as provided in paragraphs (2) and (3), a multiemployer plan which transfers liabilities to a single-employer plan shall be liable to the corporation if the single-employer plan terminates within 60 months after the effective date of the transfer The amount of liability shall be the lesser of—

"(A) the amount of the plan asset insufficiency of the terminated single-employer plan, less 30 percent of the net worth of the employer who maintained the single-employer plan, determined in accordance with section 4062 or 4064, or

"(B) the actuarial present value, on the effective date of the transfer, of the unfunded benefits transferred to the single-employer plan which are guaranteed under section 4022.

"(2) A multiemployer plan shall be liable to the corporation as provided in paragraph (1) unless, within 120 days after the corporation receives an application from the multiemployer plan sponsor for a determination under this paragraph—

"(A) the corporation determines that the interests of the plan participants and beneficiaries and of the corporation are adequately protected, or

"(B) fails to make any determination regarding the adequacy with which such interests are protected with respect to such transfer of liabilities.

If, after the receipt of such application, the corporation requests from the plan sponsor additional information necessary for the determination, the running of the 120-day period shall be suspended from the date of such request until the receipt by the corporation of the additional information requested. The corporation may by regulation prescribe procedures and standards for the issuance of determinations under this paragraph.

"(3) A multiemployer plan shall not be liable to the corporation as provided in paragrah (1) if, in the case of a transfer of liabilities which accrued under a single-employer plan which merged with the multiemployer plan, the actuarial present value of liabilities transferred does not exceed the actuarial present value of the liabilities for benefits which accrued before the merger, and the value of the assets transferred is substantially equal to the value of the assets which would have been in the single-employer plan if the employer had maintained and funded it as a separate plan under which no benefits accrued after the date of the merger.

"(4) The corporation may make equitable arrangements with multiemployer plans which are liable under this subsection for satisfaction of their liability.

"(d)(1) Benefits under a single-employer plan to which liabilities are transferred in accordance with this section are guaranteed under section 4022 as of the effective date of the transfer.

"(2) A plan to which liabilities are transferred in accordance with this section is a successor plan for purposes of section 4022.

"(e)(1) Except as provided in paragraph (2), a multiemployer plan may not transfer liabilities to a single-employer plan unless the plan sponsor of the plan to which the liabilities would be transferred agrees to the transfer.

"(2) In the case of a transfer described in subsection (c)(3), paragraph (1) of this subsection is satisfied by the advance agreement to the transfer by the employer who will be obligated to contribute to the single-employer plan.

"PARTITION

"SEC. 4223. (a)(1) A plan sponsor may request the corporation to petition the appropriate district court for an order partitioning a plan upon a showing by the plan sponsor that—

"(A) a case or proceeding under title 11, United States Code, with respect to an employer, or a similar case or proceeding under State law with respect to an employer, has resulted or will result in a substantial reduction in the amount of aggregate contributions under the plan, and

"(B) the plan sponsor has determined that the nonforfeitable benefits of participants and beneficiaries which would be partitioned are directly attributable to service by participants with that employer.

"(2)(A) If the corporation finds that—

"(i) the plan is likely to become insolvent as a result of the reduction in contributions described in subparagraph (A), and

"(ii) partition will significantly reduce the risk that the plan will become insolvent as a result of the reduction in contributions described is paragraph (1)(A),

the corporation may, upon notice to the plan sponsor and to the participants and beneficiaries whose benefit entitlements would be partitioned, petition the appropriate district court for an order partitioning the plan.

"(B) The corporation's petition for a partition order shall propose a transfer of no more than the nonforfeitable benefits directly attributable to service with the employer referred to in paragraph (1)(A) and an equitable share of plan assets.

"(C) Subsections (c) through (h) of section 4042 shall apply to a partition under this section in the same manner and to the same extent as such subsections apply to a termination.

"(D) The partitioned plan shall be considered—

"(i) a successor plan to which section 4022A applies; and

"(ii) a terminated multiemployer plan—

"(I) to which section 4041A(d) applies,

"(II) with respect to which only the employer described in subsection (a)(1)(A) has withdrawal liability, and

"(III) to which section 4068 applies.

For purposes of this subparagraph, the plan created by, or receiving assets and liabilities pursuant to, the transfer described in subparagraph (B) shall be considered the partitioned plan.

"ASSET TRANSFER RULES

"SEC. 4224. (a) A transfer of assets from a multiemployer plan to another plan shall comply with asset-transfer rules which shall be adopted by the multiemployer plan and which—

"(1) do not unreasonably restrict the transfer of plan assets in connection with the transfer of plan liabilities, and

"(2) operate and are applied uniformly with respect to each proposed transfer, except that the rules may provide for reasonable variations taking into account the potential financial impact of a proposed transfer on the multiemployer plan.

Plan rules authorizing asset transfers consistent with the requirements of section 4222(c)(3) shall be considered to satisfy the requirements of this subsection.

"(b) The corporation shall prescribe regulations which exempt de minimis transfers of assets from the requirements of this part.

"(c) This part shall not apply to transfers of assets pursuant to written reciprocity agreements, except to the extent provided in regulations prescribed by the corporation.

"PART 3—REORGANIZATION; MINIMUM CONTRIBUTION REQUIREMENT FOR MULTIEMPLOYER PLANS

"REORGANIZATION STATUS

"SEC. 4241. (a) A multiemployer plan is in reorganization for a plan year if the plan's reorganization index for that year is greater than zero.

"(b)(1) A plan's reorganization index for any plan year is the excess of—

"(A) the benefit entitlements charge for such year, over

"(B) the net charge to the funding standard account for such year.

"(2) For purposes of this part, the net charge to the funding standard account for any plan year is the excess (if any) of—

"(A) the charges to the funding standard account for such year under section 412(b)(2) of the Internal Revenue Code of 1954, over

"(B) the credits to the funding standard account under section 412(b)(3)(B) of such Code.

"(3) For purposes of this part, the benefit entitlements charge for any plan year is the amount which would be necessary to amortize the plan's unfunded benefit obligations as of the end of the base plan year in equal annual installments—

"(A) over 10 years, to the extent such obligations are attributable to persons in pay status, and

"(B) over 25 years, to the extent such obligations are attributable to other participants.

"(4) For purposes of paragraph (3), the benefit entitlements charge shall be based on an actuarial valuation of the plan as of the end of the base plan year, adjusted to reflect—

"(A) events which would substantially increase the plan's benefit entitlements charge if the plan sponsor knew (or should have known) of such events on or before the adjustment date, and

"(B) changes in benefits under the plan pursuant to amendments adopted after the end of the base plan year.

"(5)(A) For purposes of this part, the base plan year for any plan year is—

"(i) if there is a relevant collective bargaining agreement, the last plan year ending at least 6 months before the relevant effective date, or

"(ii) if there is no relevant collective bargaining agreement, the last plan year ending at least 12 months before the beginning of the plan year.

"(B) For purposes of this part, a relevant collective bargaining agreement is a collective bargaining agreement—

"(i) which is in effect for at least 6 months during the plan year, and

"(ii) which has not been in effect for more than 3 years as of the end of the plan year.

"(C) For purposes of this part, the relevant effective date is the earliest of the effective dates for the relevant collective bargaining agreements.

"(D) For purposes of this part, the adjustment date is the date which is 90 days before the relevant effective date.

"(6) For purposes of this part, the term 'person in pay status' means—

"(A) a participant or beneficiary who, at any time during the base plan year, was paid an early, normal, or disability retirement benefit (or a death benefit related to a retirement benefit), and

"(B) to the extent provided in regulations prescribed by the Secretary of the Treasury, any person who is entitled to such a benefit under the plan.

"(7) For purposes of paragraph (3)—

"(A) in determining the plan's unfunded benefit obligations, plan assets shall first be allocated to the benefit entitlements attributable to persons in pay status, and

"(B) the benefit entitlements charge shall be determined without regard to reductions in accrued benefits under section 4245 which are first effective in the plan year.

"(c) Except as provided in regulations prescribed by the corporation, while a plan is in reorganization a nonforfeitable benefit with respect to a participant (other than a death benefit) which is attributable to employer contributions and which has an actuarial present value of more than $1,750 may not be paid in a form other than an annuity which (by itself or in combination with social security, railroad retirement, or workers' compensation benefits) provides substantially level payments over the expected life of the participant.

"(d) No terminated multiemployer plan shall be considered in reorganization or required to meet the minimum contribution requirement after the date on which the last employer withdraws from the plan in a complete withdrawal within the meaning of section 4201(b).

"NOTICE OF REORGANIZATION AND FUNDING REQUIREMENTS

"SEC. 4242. (a)(1) If—

"(A) a multiemployer plan is in reorganization for a plan year, and

"(B) sction 4243 would require an increase in contributions for such plan year,

the plan sponsor shall notify (in the first summary annual report made after the determinations in subparagraphs (A) and (B) are made) the persons described in paragraph (2) that the plan is in reorganization and that, if contributions to the plan are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both such reduction and imposition may occur).

"(2) The persons described in this paragraph are—

"(A) plan participants and beneficiaries,

"(B) each employer who has an obligation to contribute under the plan (within the meaning of section 4201(h)(5)), and

"(C) each employee organization which, for purposes of collective barganing, represents plan participants employed by such an employer.

"(3) The determination under paragraph (1)(B) shall be made without regard to the over burden credit provided by section 4244.

"(b) The corporation may prescribe additional or alternative requirements for assuring, in the case of a plan with respect to which notice is required by subsection (a)(1) that the persons described in subsection (a)(2)—

"(1) receive appropriate notice that the plan is in reorganization,

"(2) are adequately informed of the implication of reorganization status, and

"(3) have reasonable access to information relevant to the plan's reorganization status.

"(c) The plan sponsors shall include in any notice required to be sent to plan participants and beneficiaries under subsection (a) or section 4245(b)(1) information as to the rights and remedies of plan participants and beneficiaries as well as how to contact the Department of Labor for further information and assistance where appropriate.

"MINIMUM CONTRIBUTION REQUIREMENT

"SEC 4243. (a)(1) A multiemployer plan shall satisfy the minimum contribution requirement for each plan year in which the plan is in reorganization.

"(2) A plan satisfies the minimum contribution requirement for a plan year if it does not have a reorganization deficiency for the plan year.

"(3)(A) For purposes of this section, the term 'reorganization deficiency' means, for a plan year, the excess (if any) of—

"(i) the minimum contribution requirement for the plan year, over "(ii) amounts contributed by employers to or under the plan for the plan year.

"(B) For purposes of subparagraph (A), withdrawal liability payments which are due with respect to withdrawals before the end of the base plan year shall be considered amounts contributed by the employer to or under the plan if, as of the adjustment date, it was reasonable for the plan sponsor to anticipate that such payments would be made during the plan year.

"(4)(A) For any plan year for which a plan is required to satisfy the minimum contribution requirement—

"(i) the plan shall continue to maintain its funding standard account, and

"(ii) the plan's accumulated funding deficiency under section 302(a) for such plan year shall be equal to the excess (if any) of—

"(I) the sum of the minimum contribution requirement for such plan year (taking into account any overburden credit under section 4244(a)) plus the plan's accumulated funding deficiency under section 302(a) for the preceding plan year (determined with the application of this section), over

"(II) amounts contributed by employers to or under the plan for the plan year.

"(B) If a plan is not required to satisfy the minimum contribution requirement for the plan year but was required to satisfy such requirement for the immediately preceding plan year, any balance in the funding standard account at the close of such immediately preceding plan year—

"(i) shall be eliminated by an offsetting credit or charge (as the case may be), but

"(ii) shall be taken into account in subsequent plan years by being amortized in equal annual installments (until fully amortized) over 30 plan years.

"(b)(1) Except as otherwise provided in this section and in section 4243A, for purposes of this part the minimum contribution requirement for a plan year in which a plan is in reorganization is the sum of—

"(A) the plan's benefit entitlements charge for the plan year, plus

"(B) the excess (if any) of—

"(i) the increase in normal cost of the plan year which is attributable to plan amendments adopted while the plan was in reorganization and first effective in the plan year or in any of the 2 preceding plan years (if the plan was in reorganization in such preceding year), over

"(ii) 15 percent of the plan's normal cost for the plan year (determined without regard to the amendments referred to in clause (i)).

"(2) If the plan's current contribution base for the plan year is less than the plan's valuation contribution base for the plan year, the amount determined under paragraph (1) shall be reduced to the amount which is the product of the amount determined under paragraph (1) and a fraction—

"(A) the numerator of which is the plan's current contribution base for the plan year, and

"(B) the denominator of which is the plan's valuation contribution base for the plan year.

"(3)(A) If the benefit entitlements charge for a plan year of a plan or reorganization is less than the plan's cash-flow amount for the plan year, the plan's minimum contribution requirement for the plan year is the amount determined under paragraph (1) (as modified by paragraph (2)) after substituting the term 'cash-flow amount' for the term 'benefit entitlements charge' in paragraph (1)(A).

"(B) For purposes of subparagraph (A), a plan's cash-flow amount for a plan year is an amount equal to—

"(i) the amount of the benefits payable under the plan for the base plan year, plus the amount of the plan's administrative expenses for the base plan year, reduced by

"(ii) the value of the available plan assets for the base plan year determined under regulations prescribed by the Secretary of the Treasury,

adjusted in a manner consistent with section 4241(b)(4).

"(c)(1) For purposes of this part, a plan's current contribution base for a plan year is the number of contribution base units with respect to which contributions are required to be made under the plan for that plan year, determined in accordance with regulations prescribed by the Secretary of the Treasury.

"(2)(A) Except as provided in subparagraph (B), for purposes of this part a plan's valuation contribution base is the number of contribution base units for which contributions were received for the base plan year—

"(i) adjusted to reflect declines in the contribution base which have occurred (or could reasonably be anticipated) as of the adjustment date for the plan year referred to in paragraph (1), and

"(ii) adjusted upward (in acordance with regulations prescribed by the Secretary of the Treasury) for any contribution base reduction in the base plan year caused by a strike or lockout or by unusual events, such as fire, earthquake, or severe weather conditions.

"(B) For any plan year—

"(i) in which the plan is insolvent (within the meaning of section 4246(b)(1)), and

"(ii) after the first plan year beginning after the expiration of all relevant collective bargaining agreements which were in effect in the plan year in which the plan became insolvent,

the plan's valuation contribution base is the number of contribution base units for which contributions were received for the plan year preceding the first plan year in which the plan is insolvent, adjusted as provided in clause (ii) of subparagraph (A).

"(d)(1) Under regulations prescribed by the Secretary of the Treasury, the minimum contribution requirement applicable to any plan for any plan year shall not exceed an amount which would require a rate of employer contributions in excess of the rate which would be required to meet the greater of—

"(A) the funding standard requirement for such plan year, or

"(B) 107 percent of—

"(i) if the plan was not required to meet the minimum contribution requirement for the preceding plan year, the funding standard requirement for such preceding plan year, or

"(ii) if the plan was required to meet the minimum contribution requirement for the preceding plan year, the minimum contribution requirement for such preceding plan year.

"(2) For purposes of paragraph (1)—

"(A) the funding standard requirement for any plan year is an amount equal to the net charge to the funding standard account for such plan year (as defined in section 4241(b)(2)), and

"(B) the minimum contribution requirement shall be determined by taking into account the overburden credit provided by section 4244.

"(3) Paragraph (1) shall not apply with respect to a plan if a plan amendment is adopted while the plan is in this reorganization which increases benefits with respect to service performed before the date on which the amendment is adopted.

"(e) In the case of a multiemployer plan to which this section or section 4243A applies, the term 'minimum contribution requirement' shall be substituted for the terms 'minimum funding standard' and 'standard' each place such terms appear in section 303(a).

"MINIMUM CONTRIBUTION REQUIREMENT WHERE PLAN DOES NOT MEET ASSET-BENEFIT TEST

"SEC. 4243A. (a)(1) Except as otherwise provided in this subsection, this section shall apply to a plan for a plan year if the asset-benefit ratio for the base plan year is less than the applicable ratio set forth in the following table:

"Base plan year taken into account for purposes of this section:	Asset-benefit ratio
1st	1
2d	2
3d or following	3

"(2) For purposes of paragraph (1), the asset-benefit ratio is the relation of—

"(A) the value of the assets of the plan as of the end of the base plan year (as determined under regulations precsribed by the Secretary of the Treasury), to

"(B) the total amount of benefits paid during such year.

"(3) This section shall apply only to plan years beginning on or after—

"(A) January 1, 1984, or

"(B) if earlier, the expiration date of the last relevant collective bargaining agreement providing for employer contributions under the plan which is in effect on December 31, 1980.

"(4) This section shall not apply to a plan for a plan year if the minimum contribution requirement for the plan for such year is less than—

"(A) the charges to the funding standard account under section 412(b)(2) of the Internal Revenue Code of 1954, reduced by

"(B) the credits to the funding standard account under section 412(b)(3)(B) of such Code.

"(5) This section shall not apply to a plan for any plan year—

"(A) in which the plan is insolvent (within the meaning of section 4246(b)(1)), or

"(B) which is any one of the 5 plan years following a plan year in which the plan is insolvent, if the rate of employer contributions for the plan year is equal to or greater than the rate of employer contributions for the last plan year preceding the plan year in which the plan most recently became insolvent.

"(b)(1) If this section applies to a plan for the plan year, such plan shall satisfy the minimum contribution requirement for the plan year.

"(2) For purposes of this section, except as provided in subsection (c) of this section, the minimum contribution requirement shall be determined under section 4243(b) (other than paragraph (3) thereof).

"(c)(1) If the benefit entitlements charge for a plan year of a plan to which this section applies is less than the plan's replenishment contribution amount for the plan year, the plan's minimum contribution requirement for the plan year is the amount determined under section 4243(b) (other than paragraph (3) thereof) after substituting the term 'replenishment contribution amount' for the term 'benefit entitlements charge' each place that term appears in section 4243(b).

"(2) For purposes of paragraph (1), the term 'replenishment contribution amount' means 115 percent of an amount equal to—

"(A) the total amount of the benefits payable under the plan during the base plan year, plus the plan's administrative expenses for the plan year, less

"(B) the total investment income from the assets of the plan for the base plan year, as determined under regulations prescribed by the Secretary of the Treasury,

adjusted in a manner consistent with section 4241(b)(4).

"OVERBURDEN CREDIT AGAINST MINIMUM CONTRIBUTION REQUIREMENT

"SEC. 4244. (a) For purposes of sections 4243 and 4243A, the plan sponsor of a plan which is overburdened for the plan year shall apply an overburden credit against the plan's minimum contribution requirement (determined without regard to this section) for the plan year.

"(b) A plan is overburdened for a plan year if—

"(1) the average number of pay status participants under the plan in the base plan year exceeds the average of the average number of active participants in the base plan year and the 2 preceding plan years, and

"(2) the rate of employer contributions under the plan equals or exceeds the greater of—

"(A) such rate for the preceding plan year, or

"(B) such rate for the plan year preceding the first year in which the plan is in reorganization (or in which the requirements of section 4243A(a) are not met).

"(c) The amount of the overburden credit for a plan year is the product of—

"(1) one-half of the average guaranteed benefit paid in the base plan year, and

"(2) the overburden factor for the plan year.

The amount of the overburden credit for a plan year shall not exceed the amount of the mininmum contribution requirement for such year (determined without regard to this section).

"(d) For purposes of this section, the overburden factor of a plan for the plan year is an amount equal to—

"(1) the average number of pay status participants for the base plan year, reduced by

"(2) the average of the average number of active participants for the base plan year and for each of the 2 plan years preceding the base plan year.

"(e) For purposes of this section—

"(1) The term 'pay status participant' means, with respect to a plan, a retired employee receiving pension payments under the plan in the form of an annuity.

"(2) The number of active participants for a plan year shall be the sum of—

"(A) the number of active employees who are participants in the plan,

"(B) the number of active employees who are not participants in the plan but who are in an employment unit covered by a collective bargaining agreement which requires the employees' employer to contribute to the plan, and

"(C) the total number of active employees attributed to employers who made paypayments to the plan for the plan year of withdrawal liability purusuant to section 4201, determined by dividing—

"(i) the total amount of such payments, by

"(ii) the amount equal to the total contributions received by the plan during the plan year divided by the average number of active employees who were participants in the plan during the plan year.

For purposes of the preceding sentence, an employee who failed to earn any pension accrual in the plan year because of insufficient active employment shall not be treated as an active employee.

"(3) The term 'average number' means, with respect to pay status participants, active participants, or active employees (as the case may be), for a plan year, a number equal to one-half the sum of—

"(A) the number with respect to the plan as of the beginning of the plan year, and

"(B) the number with respect to the plan as of the end of the plan year.

The Secretary of the Treasury shall by regulation provide alternative methods of determining active participants and inactive participants where (by reason of irregular employment, contributions on a unit basis, or otherwise) the preceding sentence does not yield a representative basis for determining the credit.

"(4) The average guaranteed benefit paid is 12 times the average monthly pension payment guaranteed under section 4022A(c)

"(5) The first year in which the plan is in reorganization (or in which the requirements of section 4243A(a) are not met) is the first of a period of 1 or more consecutive plan years in which the plan has been in reorganization (or in which the requirements of section 4243A(a) have not been met) not taking into account breaks of 2 or less consecutive plan years in which the plan was not in reorganization and met the requirements of section 4243A(a).

"(f)(1) Notwithstanding any other provision of this section, a plan is not eligible for an overburden credit for a plan year if the Secretary of the Treasury finds that the plan's current contribution base for the plan year was reduced, without a corresponding reduction in the plan's unfunded benefit obligations attributable to pay status participants, as a result of a change in an agreement providing for employer contributions under the plan.

"(2) For purposes of paragraph (1), a complete or partial withdrawal of an employer (within the meaning of section 4201 does not impair a plan's eligibility for an overburden credit, unless the Secretary of the Treasury finds that a contribution base reduction described in paragraph (1) resulted from a transfer of liabilities to another plan in connection with the withdrawal.

"(g) Notwithstanding any other provision of this section, if 2 or more multiemployer plans merge, the amount of the overburden credit which may be applied under this section with respect to the plan resulting from the merger for any of the 3 plan years ending after the effective date of the merger shall not exceed the sum of the used overburden credit for each of the merging plans for its last plan year ending before the effective date of the merger. For purposes of the preceding sentence, the used overburden credit is that portion of the credit which does not exceed the excess of the minimum contribution requirement over the employer contributions.

"ADJUSTMENTS IN ACCRUED BENEFITS

"SEC. 4245. (a)(1) Notwithstanding sections 203 and 204, a multiemployer plan in reorganization may be amended, in accordance with this section, to reduce or eliminate accrued benefits attributable to employer contributions which, under section 4022A(b), are not eligible for the corporation's guarantee. The preceding sentence shall only apply to accrued benefits under plan amendments (or plans) adopted after March 26, 1980, or under collective bargaining agreements entered into after March 26, 1980.

"(2) In determining the minimum contribution requirement with respect to a plan for a plan year under section 4243(b), the benefit entitlements charge may be adjusted to reflect a plan amendment reducing benefits under this section or section 412(c)(8) of the Internal Revenue Code of 1954, but only if the amendment is adopted and effective no later than 2½ months after the end of the plan year, or within such extended period as the Secretary of the Treasury may prescribe by regulation under section 412(c)(10) of such Code.

"(b) Accrued benefits may not be reduced under this section unless—

"(1) notice has been given, at least 6 months before the first day of the plan year in which the amendment reducing benefits is adopted, to—

"(A) plan participants and beneficiaries,

"(B) each employer who has an obligation to contribute (within the meaning of section 4201(h)(5)) under the plan, and

"(C) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer,

that the plan is in reorganization and that, if contributions under the plan are not increased, accrued benefits under the plan will be reduced or an excise tax will be imposed on employers;

"(2) in accordance with regulations prescribed by the Secretary of the Treasury—

"(A) any category of accrued benefits is not reduced with respect to inactive participants to a greater extent proportionally than such category of accrued benefits is reduced with respect to active participants,

"(B) benefits attributable to employer contributions other than accrued benefits and the rate of future benefit accruals are reduced at least to an extent equal to the reduction in accrued benefits of inactive participants, and

"(C) in any case in which the accrued benefit of a participant or beneficiary is reduced by changing the benefit form or the requirements which the participant or beneciary must satisfy to be entitled to the benefit, such reduction is not applicable to—

"(i) any participant or beneficiary in pay status on the effective date of the amendment or the beneficiary of such a participant, or

"(ii) any participant who has attained normal retirement age, or who is within 5 years of attaining normal retirement age, on the effective date of the amendment, or the beneficiary of any such participant; and

"(3) the rate of employer contributions for the plan year in which the amendment becomes effective and for all succeeding plan years in which the plan is in reorganization equals or exceeds the greater of—

"(A) the rate of employer contributions, calculated without regard to the amendment, for the plan year in which the amendment becomes effective, or

"(B) the rate of employer contributions for the plan year preceding the plan year in which the amendment becomes effective.

"(c) A plan may not recoup a benefit payment which is in excess of the amount payable under the plan because of an amendment retroactively reducing accrued benefits under this section.

"(d)(1)(A) A plan which has been amended to reduce accrued benefits under this section may be amended to increase or restore accrued benefits, or the rate of future benefit accruals, only if the plan is amended to restore levels of previously reduced accrued benefits of inactive participants and of participants who are within 5 years of attaining normal retirement age to at least the same extent as any such increase in accrued benefits or in the rate of future benefit accruals.

"(B) For purposes of this subsection, in the case of a plan which has been amended under this section to reduce accrued benefits—

"(i) an increase in a benefit, or in the rate of future benefit accruals, shall be considered a benefit increase to the extent that the benefit, or the accrual rate, is thereby increased above the highest benefit level, or accrual rate, which was in effect under the terms of the plan before the effective date of the amendment reducing accrued benefits, and

"(ii) an increase in a benefit, or in the rate of future benefit accruals, shall be considered a benefit restoration to the extent that the benefit, or the accrual rate, is not thereby increased above the highest benefit level, or accrual rate, which was in effect under the terms of the plan immediately before the effective date of the amendment reducing accrued benefits.

"(2) If a plan is amended to partially restore previously reduced accrued benefit levels, or the rate of future benefit accruals, the benefits of inactive participants shall be restored in at least the same proportions as other accrued benefits which are restored.

"(3) No benefit increase under a plan may take effect in a plan year in which an amendment reducing accrued benefits under the plan, in accordance with this section, is adopted or first becomes effective.

"(4) A plan is not required to make retroactive benefit payments with respect to that portion of an accrued benefit which was reduced and subsequently restored under this section.

"(e) For purposes of this section, "inactive participant' means a person not in covered service under the plan who is in pay status under the plan or who has a nonforfeitable benefit under the plan.

"(f) The Secretary of the Treasury may prescribe rules under which, notwithstanding any other provision of this section, accrued benefit reductions or benefit increases for different participant groups may be varied equitably to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"INSOLVENT PLANS

"SEC. 4246. (a) Notwithstanding sections 203 and 204, in any case in which benefit payments under an insolvent multiemployer plan exceed the resource benefit level, any such payments which are not basic benefits shall be suspended, in accordance with this section, to the extent necessary to reduce the sum of such payments and such basic benefits to the greater of the resource benefit level or the level of basic benefits, unless an alternative procedure is prescribed by the corporation in connection with a supplemental guarantee program established under section 4022A(g)(2).

"(b) For purposes of this section, for a plan year—

"(1) a multiemployer plan is insolvent if—

"(A) the plan is in reorganization and has been amended to reduce accrued benefits to the level at which they are eligible for the corporation's guarantee under section 4022A(b), and

"(B) the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year, as determined under subsection (d);

"(2) 'resource benefit level' means the level of monthly benefits determined under subsections (c)(1) and (3) and (d)(3) to be the highest level which can be paid out of the plan's available resources;

"(3) 'available resources' means the plan's cash, marketable assets, contributions, withdrawal liability payments, and earnings, less reasonable administrative expenses and amounts owed the corporation under section 4261(b)(2); and

"(4) 'insolvency year' means a plan year in which a plan is insolvent.

"(c)(1) The plan sponsor of a plan in reorganization shall determine and certify the plan's resource benefit level for each insolvency year, based on the plan sponsor's reasonable projection of the plan's available resources and the benefits payable under the plan.

"(2) The suspension of benefit payments under this section shall, in accordance with regulations prescribed by the Secretary of the Treasury, apply in substantially uniform proportions to the benefits of all persons in pay status (within the meaning of section 4241(b)(6)) under the plan, except that the Secretary of the Treasury may prescribe rules under which benefit suspensions for different participant groups may be varied equitably to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"(3) Notwithstanding paragraph (2), a plan sponsor may not determine and certify a resource benefit level for a plan year which is below the level of basic benefits, unless the payment of all benefits other than basic benefits is suspended for that plan year.

"(4)(A) If by the end of an insolvency year, the plan sponsor determines that the plan's available resources in that insolvency year could have supported benefit payments above the resource benefit level for that insolvency year, the plan sponsor shall distribute the excess resources to the participants and beneficiaries who received benefit payments from the plan in that insolvency year, in accordance with regulations prescribed by the Secretary of the Treasury.

"(B) For purposes of this paragraph, the term 'excess resources' means available resources above the amount necessary to support the resource benefit level, but no greater than the amount necessary to pay benefits for the plan year at the benefit levels under the plan.

"(5) If, by the end of an insolvency year, any benefit has not been paid at the resource benefit level, amounts up to the resource benefit level which were unpaid shall be distributed to the participants and beneficiaries, in accordance with regulations prescribed by the Secretary of the Treasury, to the extent possible taking into account the plan's total available resources in that insolvency year.

"(6) Except as provided in paragraph (4), a plan is not required to make retroactive benefit payments with respect to that portion of a benefit which was suspended under this section.

"(d)(1) As of the end of the first plan year in which a plan is in reorganization, and at least every 3 years thereafter (unless the plan is no longer in reorganization), the plan sponsor shall compare the value of plan assets (determined in accordance with section 4243(b)(3)(B)(ii)) with the total amount of benefit payments made under the plan for that plan year. Unless the plan sponsor determines that the value of plan assets exceeds 3 times the total amount of benefit payments, the plan sponsor shall determine whether the plan will be insolvent in any of the next 3 plan years.

"(2) If, at any time, the plan sponsor of a plan in reorganization reasonably determines, taking into account the plan's recent and anticipated financial experience, that the plan's available resources are not sufficient to pay benefits under the plan when due for the next plan year, the plan sponsor shall certify no later than 3 months before the insolvency year that the plan will be insolvent.

"(3) The plan sponsor of a plan in reorganization shall determine and certify for each insolvency year the resource benefit level and the level of basic benefits no later than 3 months before the insolvency year.

"(e)(1) If the plan sponsor of a plan in reorganization determines, under subsection (d)(1), that the plan may become insolvent (within the meaning of subsection (b)(1)) before the end of the 3d succeeding plan year, the plan sponsor shall—

"(A) notify the Secretary of the Treasury, the corporation, and the parties described in section 4243(a)(2) of that determination, and

"(B) inform the parties described in section 4242(a)(2) that if insolvency occurs certain benefit payments will be suspended, put that basic benefits will continue to be paid.

"(2) No later than 2 months before the first day of each insolvency year, the plan sponsor of a plan in reorganization shall notify the Secretary of the Treasury, the corporation, and the parties described in section 4242(a)(2) of the resource benefit level determined and certified for that insolvency year.

"(3) In any case in which the plan sponsor anticipates that the resource benefit level for an insolvency year may not exceed the level of basic benefits, the plan sponsor shall notify the corporation at least 6 months before the first day of that insolvency year.

"(4) Notice required by this subsection shall be given in accordance with regulations prescribed by the corporation, except that notice to the Secretary of the Treasury shall be given in accordance with regulations prescribed by the Secretary of the Treasury.

"(f)(1) If the plan sponsor of an insolvent plan, for which the resource benefit level is above the level of basic benefits, anticipates that, for any month in an insolvency year, the plan will not have funds sufficient to pay basic benefits, the plan sponsor may apply for financial assistance from the corporation under section 4261.

"(2) A plan sponsor who has determined and certified a resource benefit level for an insolvency year which is below the level of basic benefits shall apply for financial assistance from the corporation under section 4261.

"PART 4—FINANCIAL ASSISTANCE

"FINANCIAL ASSISTANCE

"SEC. 4261. (a) If, upon receipt of an application for financial assistance under section 4246(f) or section 4281(d), the corporation verifies that the plan is or will be insolvent and unable to pay basic benefits when due, the corporation shall provide the plan financial assistance in an amount sufficient to enable the plan to pay basic benefits under the plan.

"(b)(1) Financial assistance shall be provided under such conditions as the corporation determines are equitable and appropriate to prevent unreasonable loss to the corporation with respect to the plan.

"(2) A plan which has received financial assistance shall repay the corporation on reasonable terms consistent with regulations prescribed by the corporation.

"(c) Pending determination of the amount described in subsection (a), the corporation may provide financial assistance in such amounts as it considers appropriate in order to avoid undue hardship to plan participants and beneficiaries.

"PART 5—BENEFITS AFTER TERMINATION

"BENEFITS UNDER CERTAIN TERMINATED PLANS

"SEC. 4281. (a) Notwithstanding sections 203 and 204, the plan sponsor of a terminated multiemployer plan to which section 4041A(d) applies shall amend the plan to reduce benefits, and shall suspend benefit payments, as required by this section.

"(b)(1) The actuarial present value of nonforfeitable benefits under a terminated plan referred to in subsection (a), and the value of the plan's assets, shall be determined and certified, in accordance with regulations prescribed by the corporation, as of the end of the plan year during which section 4041A(d) becomes applicable to the plan, and each plan year thereafter.

"(2) For purposes of this section, plan assets include outstanding claims for withdrawal liability (within the meaning of section 4001(a)(16)) and, for the plan year during which section 4041A(d) becomes applicable and the following 2 plan years, such additional assets attributable to withdrawal liability as the corporation may prescribe by regulation to avoid premature benefit reductions.

"(c)(1) If, according to the determination made under subsection (b), the actuarial present value of nonforfeitable benefits exceeds the value of the plan's assets, the plan sponsor shall amend the plan to reduce benefits under the plan to the extent necessary to ensure that the plan's assets are sufficient, as determined and certified in accordance with regulations prescribed by the corporation, to discharge when due all of the plan's obligations with respect to nonforfeitable benefits.

"(2) Any plan amendment required by this subsection shall—

"(A) reduce benefits only to the extent necessary to comply with paragraph (1);

"(B) reduce or eliminate accrued benefits only to the extent that those benefits are not eligible for the corporation's guarantee under section 4022A(b);

"(C) comply with the rules for and limitations on benefit reductions under a plan in reorganization, as prescribed in section 4245, except to the extent that the corporation prescribes other rules and limitations in regulations under this section; and

"(D) take effect no later than 6 months after the plan year for which it is determined that the actuarial present value of nonforfeitable benefits exceeds the value of the plan's assets.

"(d)(1) In any case in which benefit payments under a plan which is insolvent under paragraph (2)(A) exceed the resource benefit level, any such payments which are not basic benefits shall be suspended, in accordance with this subsection, to the extent necessary to reduce the sum of such payments and such basic benefits to the greater of the resource benefit level or the level of basic benefits, unless an alternative procedure is prescribed by the corporation in connection with a supplemental guarantee program established under section 4022A(g)(2).

"(2) For purposes of this subsection, for a plan year—

"(A) a plan is insolvent if—

"(i) the plan has been amended to reduce benefits to the extent permitted by subsection (c), and

"(ii) the plan sponsor certifies that the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year; and

"(B) 'resource benefit level' and 'available resources' have the meanings set forth in paragraphs (2) and (3), respectively, of section 4246(b).

"(3) The plan sponsor of a plan which is insolvent (within the meaning of paragraph (2)(A)) shall have the powers and duties of the plan sponsor of a plan in reorganization which is insolvent (within the meaning of section 4246(b)(1)), except that regulations governing the plan sponsor's exercise of those powers and duties under this section shall be prescribed by the corporation, and the corporation shall prescribe by regulation notice requirements which assure that plan participants and beneficiaries receive adequate notice of benefit suspensions.

"(4) A plan is not required to make retroactive benefit payments with respect to that portion of a benefit which was suspended under this subsection, except that the provisions of section 4246(c)(4) and (5) shall apply in the case of plans which are insolvent under paragraph (2)(A), in connection with the plan year during which such section 4041A(d) first became applicable to the plan and every year thereafter, in the same manner and to the same extent as such provisions apply to insolvent plans in reorganization under section 4246, in connection with insolvency years under such section 4246.

"PART 6—ENFORCEMENT

"CIVIL ACTIONS

"SEC. 4301. (a)(1) A plan fiduciary, employer, plan participant, or beneficiary, who is adversely affected by the act or omission of any party under this subtitle with respect to a multiemployer plan, or an employee organization which represents such a plan participant for purposes of collective bargaining, may bring an action for appropriate legal or equitable relief, or both.

"(2) Notwithstanding paragraph (1), this section does not authorize an action against the Secretary of the Treasury.

"(b) In any action under this section to compel an employer to pay withdrawal liability, the court may award, in addition to the unpaid liability plus interest, an equal amount as liquidated damages, payable to the plan.

"(c) The district courts of the United States shall have exclusive jurisdiction of an action under this section without regard to the amount in controversy, except that State courts of competent jurisdiction shall have concurrent jurisdiction over an action brought by a plan fiduciary to collect withdrawal liability.

"(d) An action under this section may be brought in the district where the plan is administered or where a defendant resides or does business, and process may be served in any district where a defendant resides, does business, or may be found.

"(e) In any action under this section, the court may award all or a portion of the costs and expenses incurred in connection with such action, including reasonable attorney's fees, to the prevailing party.

"(f) An action under this section must be brought within 6 years after the date on which the cause of action arose.

"(g) A copy of the complaint in any action under this section shall be served upon the corporation by certified mail. The corporation may intervene in any such action.

"PENALTY FOR FAILURE TO PROVIDE NOTICE

"SEC. 4302. Any person who fails, without reasonable cause, to provide a notice required under this subtitle or any implementing regulations shall be liable to the corporation in any amount up to $100 for each day for which such failure continues. The corporation may bring a civil action against any such person in the United States District Court for the District of Columbia or in any district court of the United States within the jurisdiction of which the plan assets are located, the plan is administered, or a defendant resides or does business, and process may be served in any district where a defendant resides, does business, or may be found.".

SEC. 105. PREMIUMS.

(a) Section 4006(a) is amended to read as follows:

"(a)(1) The corporation shall prescribe such schedules of premium rates and bases for the application of those rates as may be necessary to provide sufficient revenue to the fund for the corporation to carry out its functions under this title. The premium rates charged by the corporation for any period shall be uniform for all plans, other than multiemployer plans, insured by the corporation with respect to basic benefits guaranteed by it under section 4022, and shall be uniform for all multiemployer plans with respect to basic benefits guaranteed by it under section 4022A. In establishing annual premiums with respect to plans, other than multiemployer plans, paragraphs (5) and (6) of this subsection (as in effect before the enactment of the Multiemployer Pension Plan Amendments Act of 1980) shall continue to apply.

"(2) The corporation shall maintain separate schedules of premium rates, and bases for the application of those rates, for—

"(A) basic benefits guaranteed by it under section 4022 for single-employer plans.

"(B) basic benefits guaranteed by it under section 4022A for multiemployer plans,

"(C) nonbasic benefits guaranteed by it under section 4022 for single-employer plans,

"(D) nonbasic benefits guaranteed by it under section 4022A for multiemployer plans, and

"(E) reimbursements of uncollectible withdrawal liability under section 4205.

The corporation may revise such schedules whenever it determines that revised schedules are necessary. Except as provided in section 4022A(f), in order to place a revised schedule described in subparagraph (A) or (B) in effect, the corporation shall proceed in accordance with subsection (b)(1), and such schedule shall apply only to plan years beginning more than 30 days after the date on which the Congress approves such revised schedule by a concurrent resolution.

"(3) The annual premium rate payable to the corporation by all plans for basic benefits guaranteed under this title is—

"(A) in the case of each single-employer plan, for plan years beginning on or after January 1, 1978, an amount equal to $2.60 for each individual who is a participant in such plan during the plan year; and

"(B) in the case of each multiemployer plan, for plan years beginning on or after the effective date of this paragraph, an amount equal to—

"(i) $1.00 for each participant, for the first and second plan years,

"(ii) $1.40 for each participant, for the third and fourth plan years,

"(iii) $1.80 for each participant, for the fifth and sixth plan years,

"(iv) $2.20 for each participant, for the seventh and eighth plan years, and

"(v) $2.60 for each participant, for the ninth plan year, and for each succeeding plan year.

The corporation may prescribe by regulation the extent to which the rate described in subparagraph (A) applies more than once for any plan year to an individual participating in more than one plan maintained by the same employer, and the corporation may prescribe regulations under which the rate described in subparagraph (B) will not apply to the same participant in any multiemployer plan more than once for any plan year. The corporation may prescribe in regulations the extent to which premium increases not provided in subparagraph (B) of the first sentence of this paragraph shall not apply to a multiemployer plan which is a member of a fund under section 4206.

"(4) The corporation may prescribe, subject to approval by the Congress in accordance with this section or section 4022A(f), alternative schedules of premium rates, and bases for the application of those rates, for basic benefits guaranteed by it under sections 4022 and 4022A based, in whole or in part, on the risks insured by the corporation in each plan.

"(5)(A) In carrying out its authority under paragraph (1) to establish schedules of premium rates, and bases for the application of those rates, for nonbasic benefits guaranteed under section 4022 and 4022A, the premium rates charged by the corporation for any period for nonbasic benefits guaranteed shall—

"(i) be uniform by category of nonbasic benefits guaranteed,

"(ii) be based on the risks insured in each category, and

"(iii) reflect the experience of the corporation (including experience which may be reasonably anticipated) in guaranteeing such benefits.

"(B) Notwithstanding subparagraph (A), premium rates charged to any multiemployer plan by the corporation for any period for supplemental guarantees under section 4022A(g)(2) may reflect any reasonable considerations which the corporation determines to be appropriate.".

(b) Section 4006(b) is amended—

(1) by striking out "Committee on Labor and Public Welfare" each place it appears and inserting in lieu thereof "Committee on Labor and Human Resources";

(2) in paragraph (1)—

(A) by striking out "coverage"; and

(B) by striking out "(B) or (C)" and inserting in lieu thereof "(C), (D), or (E)"; and

(3) in paragraph (3), by striking out "coverage".

(c) Section 4006 is further amended by adding at the end thereof the following new subsection:

"(c)(1) Except as provided in subsection (a)(3), and subject to paragraph (2), the rate for all plans for basic benefits guaranteed under this title with respect to plan years ending after September 2, 1974, is—

"(A) in the case of each plan which was not a multiemployer plan in a plan year, an amount equal to $1 for each individual who was a participant in such plan during the plan year, and

"(B) in the case of each plan which was a multiemployer plan in a plan year, an amount equal to 50 cents for each individual who was a participant in such plan during the plan year.

"(2) The rate applicable under this subsection for the plan year preceding September 1, 1975, is the product of—

"(A) the rate described in the preceding sentence; and

"(B) a fraction—

"(i) the numerator of which is the number of calendar months in the plan year which ends after September 2, 1974, and before the date on which the new plan year commences, and

"(ii) the denominator of which is 12.".

SEC. 106. ANNUAL REPORT OF PLAN ADMINISTRATOR.

Section 4065 is amended—

(1) in paragraph (1), by striking out "and"; and

(2) in paragraph (2), by striking out the period and inserting in lieu thereof ", and";

(3) by adding after paragraph (2) the following new paragraph:

"(3) in the case of a multiemployer plan, information with respect to such plan which the corporation determines is necessary for the enforcement of subtitle E and requires by regulation, which may include—

"(A) a statement certified by the plan's enrolled actuary of—

"(i) the actuarial present value of all benefit entitlements under the plan as of the end of the plan year, and

"(ii) the value of the plan's assets as of the end of the plan year;

"(B) a statement certified by the plan sponsor of each claim of outstanding withdrawal liability (within the meaning of section 4001(a)(16)) and its value as of the end of that plan year and as of the end of the preceding plan year; and

"(C) the number of employers having an obligation to contribute to the plan and the number of employers required to make withdrawal liability payments.".

SEC. 107. CONTINGENT EMPLOYER LIABILITY INSURANCE.

Section 4023 (as in effect immediately before the date of the enactment of this Act) is repealed.

SEC. 108. TRANSITION RULES AND EFFECTIVE DATES.

(a) Sections 4081 and 4082 are redesignated as sections 4401 and 4402, respectively.

(b) Section 4402 (as redesignated) is amended by striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d) Notwithstanding any other provision of this title, benefits guaranteed under subsection (c) may not be reduced below the level at which those benefits would be guaranteed under section 4022A, applied as of the date of plan termination as if such section applied with respect to terminations with respect to which subsection (c) applies.".

(c) Section 4402 (as redesignated) is further amended by striking out subsection (e) and adding in lieu thereof the following new subsections:

"(e)(1) Except as provided in paragraphs (2) and (3), the amendments to this Act made by the Multiemployer Pension Plan Amendments Act of 1980 shall take effect on the date of the enactment of that Act.

"(2) Section 4201, relating to withdrawal liability, is effective as of February 27, 1979. For purposes of determining withdrawal liability under section 4201, an employer who has withdrawn from a plan shall be considered to have withdrawn from a multiemployer plan if, at the time of the withdrawal, the plan was a multiemployer plan as defined in section 4001(a)(3) as in effect at the time of the withdrawal.

"(3) Except as provided in section 4243A (a)(3), sections 4241 through 4246, relating to multiemployer plan reorganization, shall take effect, with respect to each plan, on the first day of the first plan year beginning on or after the earlier of—

"(A) the date on which the last collective bargaining agreement providing for employer contributions under the plan, which was in effect on the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, expires, without regard to extensions agreed to after the date of the enactment of that Act, or

"(B) 3 years after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980.

"(f)(1) In the event that before the date of enactment of the Multiemployer Pension Plan Amendments Act of 1980, the corporation has determined that—

"(A) an employer has withdrawn from a multiemployer plan under section 4063, and

"(B) the employer is liable to the corporation under such section,

the corporation shall retain the amount of liability paid to it or furnished in the form of a bond and shall pay such liability to the plan in the event the plan terminates in accordance with section 4041A(a)(2) before February 27, 1984.

"(2) In any case in which the plan is not so terminated within the period described in paragraph (1), the liability of the employer is abated and any payment held in escrow shall be refunded without interest to the employer or the employer's bond shall be canceled.".

(d) Title IV is amended by adding at the end thereof the following new section:

"ELECTION

"SEC. 4403. (a) After the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, and within the 1-year period prescribed in subsection (b), the plan sponsor of a multiemployer plan may irrevocably elect, pursuant to regulations prescribed by the corporation, that the plan not be considered a multiemployer plan, but shall be considered a single-employer plan, for any purpose under this Act or the Internal Revenue Code of 1954, if—

"(1) the plan was not a multiemployer plan on the day before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, and

"(2) the plan paid premiums to the corporation for the 3 plan years preceding the date of the enactment of such Act at the rate then required for a plan which was not a multiemployer plan.

"(b) Within 180 days after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, the corporation shall prescribe by regulation a procedure for making the election described in subsection (a). The corporation shall consult with the Department of the Treasury in developing such regulations. An election under subsection (a) must be made within one year after the date of the publication of the regulations prescribed by the corporation under this subsection.".

(e) For purposes of section 4201(c) of the Employee Retirement Income Security Act of 1974—

(1) paragraph (2) of such section shall not apply to any plan year beginning before February 28, 1981,

(2) no percentage shall be determined under paragraph (3) of such section with respect to any facility closing occurring before February 28, 1979,

(3) in applying paragraphs (2) and (3) of such section, the employer's contribution base units for any plan year ending before February 28, 1979, shall be deemed to be equal to the employer's contribution base units for the last plan year ending before such date, and

(4) paragraph (4) of such section shall not apply to any cessation occurring before February 28, 1979.

(f)(1) In the case of a partial withdrawal under subsection (c) of section 4201 of the Employee Retirement Income Security Act of 1974, an employer who—

(A) before December 13, 1979, had publicly announced the total cessation of covered operations at a facility in a State (and such cessation occurred within 12 months after the announcement),

(B) had not been obligated to make contributions to the plan on behalf of the employees at such facility for more than 8 years before the discontinuance of contributions, and

(C) after the discontinuance of contributions does not within 1 year of the date of the partial withdrawal perform work in the same State of the type for which contributions were previously required,

shall be liable under such subsection (c) with respect to such partial withdrawal in an amount not greater than the amount determined under paragraph (2).

(2) The amount determined under this paragraph is the excess (if any) of—

(A) the present value (on the withdrawal date) of the benefits under the plan which—

(i) were vested on the withdrawal date (or, if earlier, at the time of separation from service with the employer at the facility),

(ii) were accrued by employees who on December 13, 1979 (or, if earlier, at the time of separation from service with the employer at the facility), were employed at the facility, and

(iii) are attributable to service with the withdrawing employer, over

(B)(i) the sum of—

(I) all employer contributions to the plan on behalf of employees at the facility before the withdrawal date,

(II) interest (to the withdrawal date) on amounts described in subclause (I), and

(III) $100,000, reduced by (ii) the sum of—

(I) the benefits paid under the plan on or before the withdrawal date with respect to former employees who separated from employment at the facility, and

(II) interest (to the withdrawal date) on amounts described in subclause (I).

(3) For purposes of paragraph (2)—

(A) actuarial assumptions shall be those used in the last actuarial report completed before December 13, 1979,

(B) the term "withdrawal date" means the date on which the employer ceased work at the facility of the type for which contributions were previously required, and

(C) the term "facility" means the facility referred to in paragraph (1).

(g)(1) If—

(A) on March 23, 1979, an employer publicly announced its decision to cease covered operations at a number of facilities, the implementation of which decision resulted in liability for a complete withdrawal or a partial withdrawal under section 4201 of the Employee Retirement Income Security Act of 1974,

(B) before May 3, 1979, such decision by the employer was communicated to all labor organizations with which there was in effect a collective-bargaining agreement requiring contributions to the multiemployer plan affected by such decision, and

(C) before July 31, 1979, all covered operations by the employer at any of such facilities permanently ceased,

then such employer's liability under such section 4201 (to the extent attributable to the facilities referred to in subparagraph (C)) with respect to the complete withdrawal or partial withdrawal referred to in subparagraph (A) shall not exceed the amount determined under paragraph (2).

(2) (A) The amount determined under this paragraph is the excess of—

(i) the employer's deemed liability determined under subparagraph (B), over

(ii) the employer's deemed contributions determined under subparagraph (C).

(B) The employer's deemed liability under this subparagraph is—

(i) the present value of the vested benefits under the multiemployer plan (as shown in the latest actuarial report), multiplied by

(ii) a fraction—

(I) the numerator of which is the employer's contributions under the plan for the 3 consecutive plan years for which such contributions were the highest out of the period of 5 plan years ending with the plan year in which the cessation referred to in paragraph (1) (C) occurs, and

(II) the denominator of which is an amount equal to the aggregate contributions of all employers to the plan for the 3 plan years taken into account under subclause (I).

(C) The amount of the deemed employer contributions determined under this subparagraph is 70 percent of the amount determined by assuming—

(i) the employer made (for each plan year for which the employer made contributions to the plan) contributions equal to the average annual contribution of the employer over the 3 consecutive plan years taken into account under subparagraph (B) (ii) (I), and

(ii) interest (to July 31, 1979) on the amounts determined under clause (i) at the rate of interest used in the latest actuarial report.

(3) For purposes of this subsection—

(A) The term "covered operations" means work with respect to which contributions to the multiemployer plan are required.

(B) If subparagraph (C) of paragraph (1) is satisfied with respect to some but not all of the facilities of the employer covered by the plan, the amount determined under paragraph (2) shall be an amount equal to the product of the amount determined under paragraph (2) without regard to this subparagraph and a fraction equal to 1 minus the fraction—

(i) the numerator of which is the employer's contributions under the plan for August 1979, and

(ii) the denominator of which is the employer's contributions under the plan for February 1979.

(C) The term "latest actuarial report" means the latest actuarial report of the plan completed before July 31, 1979.

(4) For purposes of determining the amount of any credit allowed under paragraph (6) of section 4201(c) of the Employee Retirement Income Security Act of 1974, the amount of any employer's liability by reason of a partial withdrawal shall be determined without regard to this subsection.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 201. AMENDMENT OF THE INTERNAL REVENUE CODE OF 1954.

Except as otherwise expressly provided, whenever in this title an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954.

SEC. 202. MULTIEMPLOYER PLANS IN REORGANIZATION.

(a) GENERAL RULE.—Part of subchapter D of chapter 1 (relating to pension, profit sharing, stock bonus plans, etc.) is amended by inserting at the end thereof the following new subpart:

"Subpart C—Special Rules for Multiemployer Plans

"SEC. 418. Reorganization status.
"SEC. 418A. Notice of reorganization and funding requirements.
"SEC. 418B. Minimum contribution requirement.
"SEC. 418C. Minimum contribution requirement where plan does not meet asset-benefit test.
"SEC. 418D. Overburden credit against minimum contribution requirement.
"SEC. 418E. Adjustments in accrued benefits.
"SEC. 418F. Insolvent plans.

"SEC. 418. REORGANIZATION STATUS.

"(a) GENERAL RULE.—A multiemployer plan is in reorganization for a plan year if the plan's reorganization index for that year is greater than zero.

"(b) REORGANIZATION INDEX.—For purposes of this subpart—

"(1) IN GENERAL.—A plan's reorganization index for any plan year is the excess of—

"(A) the benefit entitlements charge for such year, over

"(B) the net charge to the funding standard account for such year.

"(2) NET CHARGE TO FUNDING STANDARD ACCOUNT.—The net charge to the funding standard account for any plan year is the excess (if any) of—

"(A) the charges to the funding standard account for such year under section 412(b) (2), over

"(B) the credits to the funding standard account under section 412(b) (3) (B).

"(3) BENEFIT ENTITLEMENTS CHARGE.—The benefit entitlements charge for any plan year is the amount which would be necessary to amortize the plan's unfunded benefit obligations as of the end of the base plan year in equal annual installments—

"(A) over 10 years, to the extent such obligations are attributable to persons in pay status, and

"(B) over 25 years, to the extent such obligations are attributable to other participants.

"(4) VALUATION AS OF END OF BASE PLAN YEAR.—The benefit entitlements charge shall be based on an actuarial valuation of the plan as of the end of the base plan year, adjusted to reflect—

"(A) events which would substantially increase the plan's benefit entitlements charge if the plan sponsor know (or should have known) of such events on or before the adjustment date, and

"(B) changes in benefits under the plan pursuant to amendments adopted after the end of the base plan year.

"(5) BASE PLAN YEAR.—

"(A) IN GENERAL.—The base plan year for any plan year is—

"(i) if there is a relevant collective bargaining agreement, the last plan year ending at least 6 months before the relevant effective date, or

"(ii) if there is no relevant collective bargaining agreement, the last plan year ending at least 12 months before the beginning of the plan year.

"(B) RELEVANT COLLECTIVE BARGAINING AGREEMENT.—A relevant collective bargaining agreement is a collective bargaining agreement—

"(i) which is in effect for at least 6 months during the plan year, and

"(ii) which has not been in effect for more than 3 years as of the end of the plan year.

"(C) RELEVANT EFFECTIVE DATE.—The relevant effective date is the earliest of the effective dates for the relevant collective bargaining agreements.

"(D) ADJUSTMENT DATE.—The adjustment date is the date which is 90 days before the relevant effective date.

"(6) PERSON IN PAY STATUS.—The term 'person in pay status' means—

"(A) a participant or beneficiary who, at any time during the base plan year, was paid an early, normal, or disability retirement benefit (or a death benefit related to a retirement benefit), and

"(B) to the extent provided in regulations prescribed by the Secretary, any person who is entitled to such a benefit under the plan.

"(7) OTHER DEFINITIONS AND SPECIAL RULES.—

"(A) UNFUNDED BENEFIT OBLIGATION.—The term 'unfunded benefit obligations' means, in connection with a plan, an amount equal to—

"(i) the actuarial present value of benefit entitlements under the plan, less

"(ii) the value of the assets of the plan, determined in accordance with regulations prescribed by the Secretary.

"(B) BENEFIT ENTITLEMENT.—The term 'benefit entitlement' means the benefit of a participant or beneficiary under a multiemployer plan for which the participant has satisfied the service requirements under the terms of the plan.

"(C) ALLOCATION OF ASSETS.—In determining the plan's unfunded benefit obligations, plan assets shall first be allocated to the benefit entitlements attributable to persons in pay status.

"(D) TREATMENT OF CERTAIN BENEFIT REDUCTIONS.—The benefit entitlements charge shall be determined without regard to reductions in accrued benefits under section 418E which are first effective in the plan year.

"(c) PROHIBITION OF NONANNUITY PAYMENTS.—Except as provided in regulations prescribed by the Pension Benefit Guaranty Corporation, while a plan is in reorganization a nonforfeitable benefit with respect to a participant (other than a death benefit) which is attributable to employer contributions and which has an actuarial present value of more than $1,750 may not be paid in a form other than an annuity which (by itself or in combination with social security, railroad retirement, or workers' compensation benefits) provides substantially level payments over the expected life of the participant.

"(d) TERMINATED PLANS.—No terminated multiemployer plan shall be considered in reorganization or required to meet the minimum contribution requirement after the date on which the last employer withdraws from the plan in a complete withdrawal within the meaning of section 4201(b) of the Employee Retirement Income Security Act of 1974.

"SEC. 418A. NOTICE OF REORGANIZATION AND FUNDING REQUIREMENTS.

"(a) NOTICE REQUIREMENT.—

"(1) IN GENERAL.—If—

"(A) a multiemployer plan is in reorganization for a plan year, and

"(B) section 418B would require an increase in contributions for such plan year, the plan sponsor shall notify (in the first summary annual report made after the determinations in subparagraphs (A) and (B) are made) the persons described in paragraph (2) that the plan is in reorganization and that, if contributions to the plan are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both such reduction and imposition may occur).

"(2) Persons to whom notice is to be given.—The persons described in this paragraph are—

"(A) plan participants and beneficiaries,

"(B) each employer who has an obligation to contribute under the plan (within the meaning of section 4201(h)(5) of the Employee Retirement Income Security Act of 1974), and

"(C) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer.

"(3) Overburden credit not taken into account.—The determination under paragraph (1)(B) shall be made without regard to the overburden credit provided by section 418D.

"(b) Additional Requirements.—The Pension Benefit Guaranty Corporation may prescribe additional or alternative requirements for assuring, in the case of a plan with respect to which notice is required by subsection (a)(1), that the persons described in subsection (a)(2)—

"(1) receive appropriate notice that the plan is in reorganization,

"(2) are adequately informed of the implication of reorganization status, and

"(3) have reasonable access to information relevant to the plan's reorganization status.

"(c) Information Required To Be Included in Notice.—The plan sponsors shall include in any notice required to be sent to plan participants and beneficiaries under subsection (a) or section 418E(b)(1) information as to the rights and remedies of plan participants and beneficiaries as well as how to contact the Department of Labor for further information and assistance where appropriate.

"Sec. 418B. Minimum Contribution Requirement.

"(a) Minimum Contribution Requirement.—

"(1) In general.—A multiemployer plan shall satisfy the minimum contribution requirement for each plan year in which the plan is in reorganization.

"(2) Satisfaction of requirement.—A plan satisfies the minimum contribution requirement for a plan year if it does not have a reorganization deficiency for the plan year.

"(3) Reorganization deficiency.—

"(A) In general.—For purposes of this section, the term 'reorganization deficiency' means, for a plan year, the excess (if any) of—

"(i) the minimum contribution requirement for the plan year, over

"(ii) amounts contributed by employers to or under the plan for the plan year.

"(B) Treatment of withdrawal liability payments.—For purposes of subparagraph (A), withdrawal liability payments which are due with respect to withdrawals before the end of the base plan year shall be considered amounts contributed by the employer to or under the plan if, as of the adjustment date, it was reasonable for the plan sponsor to anticipate that such payments would be made during the plan year.

"(4) Coordination with section 412.—

"(A) In general.—For any plan year for which a plan is required to satisfy the minimum contribution requirement—

"(i) the plan shall continue to maintain its funding standard account, and

"(ii) the plan's accumulated funding deficiency under section 412(a) for such plan year shall be equal to the excess (if any) of—

"(I) the sum of the minimum contribution requirement for such plan year (taking into account any overburden credit under section 418D(a)) plus the plan's accumulated funding deficiency under section 412(a) for the preceding plan year (determined with the application of this section), over

"(II) amounts contributed by employers to or under the plan for the plan year.

"(B) Rule where plan no longer required to satisfy minimum contribution requirement.—If a plan is not required to satisfy the minimum contribution requirement for the plan year but was required to satisfy such requirement for the immediately preceding plan year, any balance in the funding standard account at the close of such immediately preceding plan year—

"(i) shall be eliminated by an offsetting credit or charge (as the case may be), but

"(ii) shall be taken into account in subsequent plan years by being amortized in equal annual installments (until fully amortized) over 30 plan years.

"(b) Minimum Contribution Requirement.—

"(1) In general.—Except as otherwise provided in this section and in section 418C, for purposes of this subpart the minimum contribution requirement for a plan year in which a plan is in reorganization is the sum of—

"(A) the plan's benefit entitlements charge for the plan year, plus

"(B) the excess (if any) of—

"(i) the increase in normal cost for the plan year which is attributable to plan amendments adopted while the plan was in reorganization and first effective in the plan year or in any of the 2 preceding plan years (if the plan was in reorganization in such preceding year), over

"(ii) 15 percent of the plan's normal cost for the plan year (determined without regard to the amendments referred to in clause (i)).

"(2) Adjustment for reductions in contribution base units.—If the plan's current contribution base for the plan year is less than the plan's valuation contribution base for the plan year, the amount determined under paragraph (1) shall be reduced to the amount which is the product of the amount determined under paragraph (1) and a fraction—

"(A) the numerator of which is the plan's current contribution base for the plan year, and

"(B) the denominator of which is the plan's valuation contribution base for the plan year.

"(3) Special rule where cash-flow amount exceeds benefit entitlements charge.—

"(A) In general.—If the benefit entitlements charge for a plan year of a plan in reorganization is less than the plan's cash-flow amount for the plan year, the plan's minimum contribution requirement for the plan year is the amount determined under paragraph (1) (as modified by paragraph (2)) after substituting the term 'cash-flow amount' for the term 'benefit entitlements charge' in paragraph (1)(A).

"(B) Cash-flow amount.—For purposes of subparagraph (A), a plan's cash-flow amount for a plan year is an amount equal to—

"(i) the amount of the benefits payable under the plan for the base plan year, plus the amount of the plan's administrative expenses for the base plan year, reduced by

"(ii) the value of the available plan assets for the base plan year determined under regulations prescribed by the Secretary,

adjusted in a manner consistent with section 418(b)(4).

"(c) Current Contribution Base; Valuation Contribution Base.—

"(1) Current contribution base.—For purposes of this subpart, a plan's current contribution base for a plan year is the number of contribution base units with respect to which contributions are required to be made under the plan for that plan year, determined in accordance with regulations prescribed by the Secretary.

"(2) Valuation contribution base.—

"(A) In general.—Except as provided in subparagraph (B), for purposes of this subpart a plan's valuation contribution base is the number of contribution base units for which contribution were received for the base plan year—

"(i) adjusted to reflect declines in the contribution base which have occurred (or could reasonably be anticipated) as of the adjustment date for the plan year referred to in paragraph (1), and

"(ii) adjusted upward (in accordance with regulations prescribed by the Secretary) for any contribution base reduction in the base plan year caused by a strike or lockout or by unusual events, such as fire, earthquake, or severe weather conditions.

"(B) Insolvent plans.—For any plan year—

"(i) in which the plan is insolvent (within the meaning of section 418F(b)(1)), and

"(ii) after the first plan year beginning after the expiration of all relevant collective bargaining agreements which were in effect in the plan year in which the plan became insolvent,

the plan's valuation contribution base is the number of contribution base units for which contributions were received for the plan year preceding the first plan year in which the plan is insolvent, adjusted as provided in clause (ii) of subparagraph (A).

"(3) Contribution base unit.—For purposes of this subpart, the term 'contribution base unit' means a unit with respect to which an employer has an obligation to contribute under a multiemployer plan (as defined in regulations prescribed by the Secretary).

"(d) Limitation on Required Increases in Rate of Employer Contributions.—

"(1) In general.—Under regulations prescribed by the Secretary, the minimum contribution requirement applicable to any plan for any plan year shall not exceed an amount which would require a rate of employer contributions in excess of the rate which would be required to meet the greater of—

"(A) the funding standard requirement for such plan year, or

"(B) 107 percent of—

"(i) if the plan was not required to meet the minimum contribution requirement for the preceding plan year, the funding standard requirement for such preceding plan year, or

"(ii) if the plan was required to meet the minimum contribution requirement for the preceding plan year, the minimum contribution requirement for such preceding plan year.

"(2) Definitions.—For purposes of paragraph (1)—

"(A) the funding standard requirement for any plan year is an amount equal to the net charge to the funding standard account for such plan year (as defined in section 418(b)(2)), and

"(B) the minimum contribution requirement shall be determined by taking into account the overburden credit provided by section 418D.

"(3) Exception in case of certain benefit increases.—Paragraph (1) shall not apply with respect to a plan if a plan amendment is adopted while the plan is in this reorganization which increases benefits with respect to service performed before the date on which the amendment is adopted.

"(e) VARIANCE FROM THE MINIMUM CONTRIBUTION REQUIREMENT.—In the case of a multiemployer plan to which this section or section 418C applies, the term 'minimum contribution requirement' shall be substituted for the terms 'minimum funding standard' and 'standard' each place such terms appear in section 412(d)(1).

"SEC. 418C. MINIMUM CONTRIBUTION REQUIREMENT WHERE PLAN DOES NOT MEET ASSET-BENEFIT TEST.

"(a) GENERAL RULE.—

"(1) PLANS TO WHICH SECTION APPLIES.—Except as otherwise provided in this subsection, this section shall apply to a plan for a plan year if the asset-benefit ratio for the base plan year is less than the applicable ratio set forth in the following table:

"Base plan year taken into account for purposes of this section:	Asset-benefit ratio
1st	1
2d	2
3d or following	3

"(2) ASSET-BENEFIT RATIO.—For purposes of paragraph (1), the asset-benefit ratio is the relation of—

"(A) the value of the assets of the plan as of the end of the base plan year (as determined under regulations prescribed by the Secretary), to

"(B) the total amount of benefits paid during such year.

"(3) PLAN YEARS TO WHICH SECTION APPLIES.—This section shall apply only to plan years beginning on or after—

"(A) January 1, 1984, or

"(B) if earlier, the expiration date of the last relevant collective bargaining agreement providing for employer contributions under the plan which is in effect on December 31, 1980.

"(4) EXCEPTION WHERE MINIMUM CONTRIBUTION REQUIREMENT IS LESS THAN FUNDING STANDARD.—This section shall not apply to a plan for a plan year if the minimum contribution requirement for the plan for such year is less than—

"(A) the charges to the funding standard account under section 412(b)(2), reduced by

"(B) the credits to the funding standard account under section 412(b)(3)(B).

"(5) EXCEPTION FOR INSOLVENT PLANS.—This section shall not apply to a plan for any plan year—

"(A) in which the plan is insolvent (within the meaning of section 418F(b)(1)), or

"(B) which is any one of the 5 plan years following a plan year in which the plan is insolvent, if the rate of employer contributions for the plan year is equal to or greater than the rate of employer contributions for the last plan year preceding the plan year in which the plan most recently became insolvent.

"(b) PLAN MUST SATISFY MINIMUM CONTRIBUTION REQUIREMENT.—

"(1) IN GENERAL.—If this section applies to a plan for the plan year, such plan shall satisfy the minimum contribution requirement for the plan year.

"(2) DETERMINATION OF MINIMUM CONTRIBUTION REQUIREMENT.—For purposes of this section, except as provided in subsection (c) of this section, the minimum contribution requirement shall be determined under section 418B(b) (other than paragraph (3) thereof).

"(c) SPECIAL RULES WHERE REPLENISHMENT CONTRIBUTION AMOUNT EXCEEDS BENEFIT ENTITLEMENTS CHARGE.—

"(1) IN GENERAL.—If the benefit entitlements charge for a plan year of a plan to which this section applies is less than the plan's replenishment contribution amount for the plan year, the plan's minimum contribution requirement for the plan year is the amount determined under section 418B(b) (other than paragraph (3) thereof) after substituting the term 'replenishment contribution amount' for the term 'benefit entitlements charge' each place that term appears in section 418B(b).

"(2) REPLENISHMENT CONTRIBUTION AMOUNT.—For purposes of paragraph (1), the term 'replenishment contribution amount' means 115 percent of an amount equal to—

"(A) the total amount of the benefits payable under the plan during the base plan year, plus the plan's administrative expenses for the plan year, less

"(B) the total investment income from the assets of the plan for the base plan year, as determined under regulations prescribed by the Secretary of the Treasury,

adjusted in a manner consistent with section 418(b)(4).

"SEC. 418D. OVERBURDEN CREDIT AGAINST MINIMUM CONTRIBUTION REQUIREMENT.

"(a) GENERAL RULE.—For purposes of sections 418B and 418C, the plan sponsor of a plan which is overburdened for the plan year shall apply an overburden credit against the plan's minimum contribution requirement (determined without regard to this section) for the plan year.

"(b) DEFINITION OF OVERBURDENED PLAN.—A plan is overburdened for a plan year if—

"(1) the average number of pay status participants under the plan in the base plan year exceeds the average of the average number of active participants in the base plan year and the 2 preceding plan years, and

"(2) the rate of employer contributions under the plan equals or exceeds the greater of—

"(A) such rate for the preceding plan year, or

"(B) such rate for the plan year preceding the first year in which the plan is in reorganization (or in which the requirements of section 418C(b) are not met).

"(c) AMOUNT OF OVERBURDEN CREDIT.—The amount of the overburden credit for a plan year is the product of—

"(1) one-half of the average guaranteed benefit paid in the base plan year, and

"(2) the overburden factor for the plan year.

The amount of the overburden credit for a plan year shall not exceed the amount of the minimum contribution requirement for such year (determined without regard to this section).

"(d) OVERBURDEN FACTOR.—For purposes of this section, the overburden factor of a plan for the plan year is an amount equal to—

"(1) the average number of pay status participants for the base plan year, reduced by

"(2) the average of the average number of active participants for the base plan year and for each of the 2 plan years preceding the base plan year.

"(e) DEFINITIONS.—For purposes of this section—

"(1) PAY STATUS PARTICIPANT.—The term 'pay status participant' means, with respect to a plan, a retired employee receiving pension payments under the plan in the form of an annuity.

"(2) NUMBER OF ACTIVE PARTICIPANTS.—The number of active participants for a plan year shall be the sum of—

"(A) the number of active employees who are participants in the plan,

"(B) the number of active employees who are not participants in the plan but who are in an employment unit covered by a collective bargaining agreement which requires the employees' employer to contribute to the plan, and

"(C) the total number of active employees attributed to employers who made payments to the plan for the plan year of withdrawal liability pursuant to section 4201 of the Employee Retirement Income Security Act of 1974, determined by dividing—

"(i) the total amount of such payments, by

"(ii) the amount equal to the total contributions received by the plan during the plan year divided by the average number of active employees who were participants in the plan during the plan year.

For purposes of the preceding sentence, an employee who failed to earn any pension accrual in the plan year because of insufficient active employment shall not be treated as an active employee.

"(3) AVERAGE NUMBER.—The term 'average number' means, with respect to pay status participants, active participants, or active employees (as the case may be), for a plan year, a number equal to one-half the sum of—

"(A) the number with respect to the plan as of the beginning of the plan year, and

"(B) the number with respect to the plan as of the end of the plan year.

The Secretary shall by regulations provide alternative methods of determining active participants and inactive participants where (by reason of irregular employment, contributions on a unit basis, or otherwise) the preceding sentence does not yield a representative basis for determining the credit.

"(4) AVERAGE GUARANTEED BENEFIT.—The average guaranteed benefit paid is 12 times the average monthly pension payment guaranteed under section 4022A(c) of the Employee Retirement Income Security Act of 1974.

"(5) FIRST YEAR IN REORGANIZATION.—The first year in which the plan is in reorganization (or in which the requirements of section 418C(b) are not met) is the first of a period of 1 or more consecutive plan years in which the plan has been in reorganization (or in which the requirements of section 418C(b) have not been met) not taking into account breaks of 2 or less consecutive plan years in which the plan was not in reorganization and met the requirements of section 418C(b).

"(f) NO OVERBURDEN CREDIT IN CASE OF CERTAIN REDUCTIONS IN CONTRIBUTIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, a plan is not eligible for an overburden credit for a plan year if the Secretary finds that the plan's current contribution base for the plan year was reduced, without a corresponding reduction in the plan's unfunded benefit obligations attributable to pay status participants, as a result of a change in an agreement providing for employer contributions under the plan.

"(2) TREATMENT OF CERTAIN WITHDRAWALS.—For purposes of paragraph (1), a complete or partial withdrawal of an employer (within the meaning of section 4201 of the Employee Retirement Income Security Act of 1974) does not impair a plan's eligibility for an overburden credit, unless the Secretary finds that a contribution base reduction described in paragraph (1) resulted from a transfer of liabilities to another plan in connection with the withdrawal.

"(g) MERGERS.—Notwithstanding any other provision of this section, if 2 or more multiemployer plans merge, the amount of the overburden credit which may be applied under this section with respect to the plan resulting from the merger for any of the 3 plan years ending after the effective date of the merger shall not exceed the sum of the used overburden credit for each of the merging plans for its last plan year ending before the effective date of the merger. For purposes of the preceding sentence, the used overburden credit is that portion of the credit which does not exceed the excess of the minimum contribution requirement over the employer contributions.

"Sec. 418E. Adjustments in Accrued Benefits.

"(a) Adjustments in Accrued Benefits.—

"(1) In general.—Notwithstanding section 411, a multiemployer plan in reorganization may be amended, in accordance with this section, to reduce or eliminate accrued benefits attributable to employer contributions which, under section 4022A(b) of the Employee Retirement Income Security Act of 1974, are not eligible for the Pension Benefit Guaranty Corporation's guarantee. The preceding sentence shall only apply to accrued benefits under plan amendments (or plans) adopted after March 26, 1980, or under collective bargaining agreements entered into after March 26, 1980.

"(2) Adjustment of benefit entitlements charge.—In determining the minimum contribution requirement with respect to a plan for a plan year under section 418B (b), the benefit entitlements charge may be justed to reflect a plan amendment reducing benefits under this section or section 412(c)(8), but only if the amendment is adopted and effective no later than 2½ months after the end of the plan year, or within such extended period as the Secretary may prescribe by regulation under section 412(c)(10).

"(b) Limitation on Reduction.—Accrued benefits may not be reduced under this section unless—

"(1) notice has been given, at least 6 months before the first day of the plan year in which the amendment reducing benefits is adopted, to—

"(A) plan participants and beneficiaries,

"(B) each employer who has an obligation to contribute (within the meaning of section 4201(h)(5) of the Employee Retirement Income Security Act of 1974) under the plan, and

"(C) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an ployer,

that the plan is in reorganization and that, if contributions under the plan are not increased, accrued benefits under the plan will be reduced or an excise tax will be imposed on employers;

"(2) in accordance with regulations prescribed by the Secretary—

"(A) any category of accrued benefits is not reduced with respect to inactive participants to a greater extent proportionally than such category of accrued benefits is reduced with respect to active participants,

"(B) benefits attributable to employer contributions other than accrued benefits and the rate of future benefit accruals are reduced at least to an extent equal to the reduction in accrued benefits of inactive participants, and

"(C) in any case in which the accrued benefit of a participant or beneficiary is reduced by changing the benefit form or the requirements which the participant or beneficiary must satisfy to be entitled to the benefit, such reduction is not applicable to—

"(i) any participant or beneficiary in pay status on the effective date of the amendment, or the beneficiary of such a participant, or

"(ii) any participant who has attained normal retirement age, or who is within 5 years of attaining normal retirement age, on the effective date of the amendment, or the beneficiary of any such participant; and

"(3) the rate of employer contributions for the plan year in which the amendment becomes effective and for all succeeding plan years in which the plan is in reorganization equals or exceeds the greater of—

"(A) the rate of employer contributions, calculated without regard to the amendment, for the plan year in which the amendment becomes effective, or

"(B) the rate of employer contributions for the plan year preceding the plan year in which the amendment becomes effective.

"(c) No Recoupment.—A plan may not recoup a benefit payment which is in excess of the amount payable under the plan because of an amendment retroactively reducing accrued benefits under this section.

"(d) Benefit Increases Under Multiemployer Plan in Reorganization.—

"(1) Restoration of previously reduced benefits.—

"(A) In General.—A plan which has been amended to reduce accrued benefits under this section may be amended to increase or restore accrued benefits, or the rate of future benefit accruals, only if the plan is amended to restore levels of previously reduced accrued benefits of inactive participants and of participants who are within 5 years of attaining normal retirement age to at least the same extent as any such increase in accrued benefits or in the rate of future benefit accruals.

"(B) Benefit increases and benefit restorations.—For purposes of this subsection, in the case of a plan which has been amended under this section to reduce accrued benefits—

"(i) an increase in a benefit, or in the rate of future benefit accruals, shall be considered a benefit increase to the extent that the benefit, or the accrual rate, is thereby increased above the highest benefit level, or accrual rate, which was in effect under the terms of the plan before the effective date of the amendment reducing accrued benefits, and

"(ii) an increase in a benefit, or in the rate of future benefit accruals, shall be considered a benefit restoration to the extent that the benefit, or the accrual rate, is not thereby increased above the highest benefit level, or accrual rate, which was in effect under the terms of the plan immediately before the effective date of the amendment reducing accrued benefits.

"(2) Uniformity in benefit restoration.—If a plan is amended to partially restore previously reduced accrued benefit levels, or the rate of future benefit accruals, the benefits of inactive participants shall be restored in at least the same proportions as other accrued benefits which are restored.

"(3) No benefit increases in year of benefit reduction.—No benefit increase under a plan may take effect in a plan year in which an amendment reducing accrued benefits under the plan, in accordance with this section, is adopted or first becomes effective.

"(4) Retroactive payments.—A plan is not required to make retroactive benefit payments with respect to that portion of an accrued benefit which was reduced and subsequently restored under this section.

"(e) Inactive Participant.—For purposes of this section, the term 'inactive participant' means a person not in covered service under the plan who is in pay status under the plan or who has a nonforfeitable benefit under the plan.

"(f) Regulations.—The Secretary may prescribe rules under which, notwithstanding any other provision of this section, accrued benefit reductions or benefit increases for different participant groups may be varied equitably to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"Sec. 418F. Insolvent Plans.

"(a) Suspension of Certain Benefit Payments.—Notwithstanding section 411, in any case in which benefit payments under an insolvent multiemployer plan exceed the resource benefit level, and such payments which are not basic benefits shall be suspended, in accordance with this section, to the extent necessary to reduce the sum of such payments and such basic benefits to the greater of the resource benefit level or the level of basic benefits, unless an alternative procedure is prescribed by the Pension Benefit Guaranty Corporation in connection with a supplemental guarantee program established under section 4022A(g)(2) of the Employee Retirement Income Security Act of 1974.

"(b) Definitions.—For purposes of this section, for a plan year—

"(1) Insolvency.—A multiemployer plan is insolvent if—

"(A) the plan is in reorganization and has been amended to reduce accrued benefits to the level at which they are eligible for the Pension Benefit Guaranty Corporation's guarantee under section 4022A(b) of the Employee Retirement Income Security Act of 1974, and

(B) the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year, as determined under subsection (d).

"(2) Resource benefit level.—The term 'resource benefit level' means the level of monthly benefits determined under subsections (c)(1) and (3) (d)(3) to the highest level which can be paid out of the plan's available resources.

"(3) Available resources.—The term 'available resources' means the plan's cash, marketable assets, contributions, withdrawal liability payments, and earnings, less reasonable administrative expenses and amounts owed the Pension Benefit Guaranty Corporation under section 4261(b)(2) of the Employee Retirement Income Security Act of 1974.

"(4) Insolvency year.—The term 'insolvency year' means a plan year in which a plan is insolvent.

"(c) Benefit Payments Under Insolvent Plans.—

"(1) Determination of resource benefit level.—The plan sponsor of a plan in reorganization shall determine and certify the plan's resource benefit level for each insolvency year, based on the plan sponsor's reasonable projection of the plan's available resources and the benefits payable under the plan.

"(2) Uniformity of the benefit suspension.—The suspension of benefit payments under this section shall, in accordance with regulations prescribed by the Secretary, apply in substantially uniform proportions to the benefits of all persons in pay status (within the meaning of section 418(b)(6)) under the plan, except that the Secretary may prescribe rules under which benefit suspensions for different participant groups may be varied equitably to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"(3) Resource benefit level below level of basic benefits.—Notwithstanding paragraph (2), a plan sponsor may not determine and certify a resource benefit level for a plan year which is below the level of basic benefits, unless the payment of all benefits other than basic benefits is suspended for that plan year.

"(4) Excess resources.—

"(A) In general.—If, by the end of an insolvency year, the plan sponsor determines that the plan's available resources in that insolvency year could have supported benefit payments above the resource benefit level for that insolvency year, the plan sponsor shall distribute the excess resources to the participants and beneficiaries who received benefit payments from the plan in that insolvency year, in accordance with regulations prescribed by the Secretary.

"(B) Excess resources.—For purposes of this paragraph, the term 'excess resources' means available resources above the amount necessary to support the resource benefit level, but no greater than the amount necessary to pay benefits for the plan year at the benefit levels under the plan.

"(5) Unpaid benefits.—If, by the end of an insolvency year, any benefit has not been paid at the resource benefit level, amounts up to the resource benefit level which were unpaid shall be distributed to the participants and beneficiaries, in accordance with regulations prescribed by the Secretary, to the extent possible taking into account the plan's total available resources in that insolvency year.

"(6) Retroactive payments.—Except as provided in paragraph (4), a plan is not required to make retroactive benefit payments with respect to that portion of a benefit which was suspended under this section.

"(d) Plan Sponsor Determination and Certification.—

"(1) Triennial test.—As of the end of the first plan year in which a plan is in reorganization, and at least every 3 years thereafter (unless the plan is no longer in reorganization), the plan sponsor shall compare the value of plan assets (determined in accordance with section 418B(b)(3)(B)(ii)) with the total amount of benefit payments made under the plan for that plan year. Unless the plan sponsor determines that the value of plan assets exceeds 3 times the total amount of benefit payments, the plan sponsor shall determine whether the plan will be insolvent in any of the next 3 plan years.

"(2) Certification of insolvency.—If, at any time, the plan sponsor of a plan in reorganization reasonably determines, taking into account the plan's recent and anticipated financial experience, that the plan's available resources are not sufficient to pay benefits under the plan when due for the next plan year, the plan sponsor shall certify no later than 3 months before the insolvency year that the plan will be insolvent.

"(3) Certification of resource benefit level.—The plan sponsor of a plan in reorganization shall determine and certify for each insolvency year the resource benefit level and the level of basic benefits no later than 3 months before the insolvency year.

"(e) Notice Requirements.—

"(1) Impending insolvency.—If the plan sponsor of a plan in reorganization determines, under subsection (d)(1), that the plan may become insolvent (within the meaning of subsection (b)(1)) before the end of the 3d succeeding plan year, the plan sponsor shall—

"(A) notify the Secretary, the Pension Benefits Guaranty Corporation, and the parties described in section 318A(a)(2) of that determination, and

"(B) inform the parties described in section 418A(a)(2) that if insolvency occurs certain benefit payments will be suspended, but that basic benefits will continue to be paid.

"(2) Resource benefit level.—No later than 2 months before the first day of each insolvency year, the plan sponsor of a plan in reorganization shall notify the Secretary, the Pension Benefit Guaranty Corporation, and the parties described in section 418A(a)(2) of the resource benefit level determined and certified for that insolvency year.

"(3) Potential need for financial assistance.—In any case in which the plan sponsor anticipates that the resource benefit level for an insolvency year may not exceed the level of basic benefits, the plan sponsor shall notify the Pension Benefit Guaranty Corporation at least 6 months before the first day of that insolvency year.

"(4) Regulations.—Notice required by this subsection shall be given in accordance with regulations prescribed by the Pension Benefit Guaranty Corporation, except that notice to the Secretary shall be given in accordance with regulations prescribed by the Secretary.

"(f) Financial Assistance.—

"(1) Permissive application.—If the plan sponsor of an insolvent plan, for which the resource benefit level is above the level of basic benefits, anticipates that, for any month in an insolvency year, the plan will not have funds sufficient to pay basic benefits, the plan sponsor may apply for financial assistance from the Pension Benefit Guaranty Corporation under section 4261 of the Employee Retirement Income Security Act of 1974.

"(2) Mandatory application.—A plan sponsor who has determined and certified a resource benefit level for an insolvency year which is below the level of basic benefits shall apply for financial assistance from the Pension Benefit Guaranty Corporation under section 4261 of the Employee Retirement Income Security Act of 1974."

(b) Clerical Amendment.—The table of subparts for part I of subchapter D of chapter 1 is amended by adding at the end thereof the following new subpart:

"Subpart C. Special rules for multiemployer plans."

Sec. 203. Minimum Funding Requirements.

Section 412 (relating to minimum funding standards) is amended—

(1) in subsection (b), by striking out "(40 plan years in the case of a multiemployer plan)" and "(20 plan years in the case of a multiemployer plan)" each place they appear;

(2) by adding at the end of subsection (b) the following new paragraphs:

"(6) Certain amortization charges and credits.—In the case of a plan which, immediately before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, was a multiemployer plan (within the meaning of section 414(f) as in effect immediately before such date)—

"(A) any amount described in paragraph (2)(B)(ii), (2)(B)(iii), or (3)(B)(i) of this subsection which arose in a plan year beginning before such date shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the amount arose;

"(B) any amount described in paragraph (2)(B)(iv) or (3)(B)(ii) of this subsection which arose in a plan year beginning before such date shall be amortized in equal annual installments (until fully amortized) over 20 plan years, beginning with the plan year in which the amount arose;

"(C) any increase or decrease in past service liability which arises during the period of 3 plan years beginning on or after such date, and results from a plan amendment adopted before such date, shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the increase or decrease arises; and

"(D) any increase in past service liability which arises during the period of 2 plan years beginning on or after such date, and results from the changing of a group of participants from a lower benefit level to a higher benefit level under a schedule of plan benefits which—

"(i) was adopted before such date, and

"(ii) was effective for any plan participant before the beginning of the first plan year beginning on or after such date,

shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the increase arises.

"(7) Withdrawal liability.—For purposes of this section, any amount received by a multiemployer plan in payment of all or part of an employer's withdrawal liability under section 4201 of the Employee Retirement Income Security Act of 1974 shall be considered an amount contributed by the employer to or under the plan. The Secretary may prescribe by regulation additional charges and credits to a multiemployer plan's funding standard account to the extent necesary to prevent withdrawal liability payments from being unduly reflected as advance funding for plan liabilities."; and

(3) by adding at the end thereof the following new subsection:

"(j) Certain Terminated Multiemployer Plans.—This section applies with respect to a terminated multiemployer plan to which section 4021 of the Employee Retirement Income Security Act of 1974 applies, until the date on which the last employer withdraws from the plan within the meaning of section 4201 of that Act."

Sec. 204. Excise Taxes.

Section 4971 (relating to taxes on failure to meet minimum funding standard) is amended—

(1) by adding at the end of subsection (c)(1) the following new sentence: "For purposes of this section, for any plan year in which a multiemployer plan is required to satisfy the minimum contribution requirement under section 418B or 418C, the plan's accumulated funding deficiency under section 412(a) shall be equal to the amount determined under section 418B(a)(4)(A)(ii)."; and

(2) by adding at the end of subsection (d) the following new sentence:

"In the case of a multiemployer plan which is required to meet the minimum contribution requirement under section 418B or 418C, the same notice and opportunity shall be provided to the Pension Benefit Guaranty Corporation."

Sec. 205. Deductibility of Employer Liability Payments.

Subsection (g) of section 404 (relating to certain employer liability payments considered as contributions) is amended to read as follows:

"(g) Certain Employer Liability Payments Considered as Contributions.—

"(1) In general.—For purpose of this section, any amount paid by an employer under section 4062, 4063, 4064, or 4201 of the Employee Retirement Income Security Act of 1974 shall be treated as a contribution to which this section applies by such employer to or under a stock bonus, pension, profit-sharing, or annuity plan.

"(2) Controlled group deductions.—In the case of a payment described in paragraph (1) made by an entity which is liable because it is a member of comonly controlled group of corporations, trades, or businesses, within the meaning of subsection (b) or (c) of section 414, the fact that the entity did not directly employ participants of the plan with respect to which the liability payment was made shall not affect the deductibility of a payment which otherwise satisfies the conditions of section 162 (relating to trade or business expenses) or section 212 (relating to expenses for the production of income).

"(3) Coordination with subsection (a).—Any payment described in paragraph (1) shall (subject to the last sentence of subsection (a)(1)(A)) be deductible under this section when paid."

Sec. 206. Minimum Vesting Requirements.

Section 411 (relating to minimum vesting standards) is amended—

(1) by adding at the end of subsection (a)(3) the following new subparagraphs:

"(E) Cessation of contributions under a multiemployer plan.—A participant's right to an accrued benefit derived from employer contributions under a multiemployer plan shall not be treated as forfeitable solely because the multiemployer plan provides that benefits accrued as a result of service with the participant's employer before the employer had an obligation to contribute under the plan may not be payable if the employer ceases contributions to the multiemployer plan.

"(F) Reduction and suspension of benefits by a multiemployer plan.—A participant's right to an accrued benefit derived from employer contributions under a multiemployer plan shall not be treated as forfeitable solely because—

"(i) the plan is amended to reduce benefits under section 418E or under section 4281 of the Employee Retirement Income Security Act of 1974, or

"(ii) benefit payments under the plan may be suspended under section 418F or under section 4281 of the Employee Retirement Income Security Act of 1974.";

(2) in subsection (a)(4)(E), by striking out "and";

(3) in subsection (a)(4)(F), by striking out the period and inserting in lieu thereof "; and";

(4) by adding at the end of subsection (a)(4) the following new subparagraph:

"(G) in the case of a multiemployer plan, years of service—

"(i) with an employer after that employer has withdrawn from the plan, or, to the extent permitted by regulations prescribed by the Secretary, after a partial withdrawal (within the meaning of section 4201(c)(1) of the Employee Retirement Income Security Act of 1974), and

"(ii) with any employer under the plan after the termination date of the plan under section 4048 of such Act"; and

(5) in subsection (d)(6), by striking out "section 412(c)(8)" and inserting in lieu thereof "section 412(c)(8) or 418E, or section 4281 of the Employee Retirement Income Security Act of 1974".

SEC. 207. DEFINITION OF MULTIEMPLOYER PLAN.

Section 414 (relating to definitions and special rules) is amended by striking out subsection (f) and inserting in lieu thereof the following:

"(f) Multiemployer Plan.—

"(1) Definition.—For purposes of this part, the term 'multiemployer plan' means a plan—

"(A) to which more than one employer is required to contribute,

"(B) which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and

"(C) which satisfies such other requirements as the Secretary of Labor may prescribe by regulation.

"(2) Cases of common control.—For purposes of this subsection, all trades or businesses (whether or not incorporated) which are under common control within the meaning of subsection (c) are considered a single employer.

"(3) Continuation of status after termination.—Notwithstanding paragraph (1), a plan is a multiemployer plan on and after its termination date under title IV of the Employee Retirement Income Security Act of 1974 if the plan was a multiemployer plan under this subsection for the plan year preceding its termination date.

"(4) Transitional rule.—For any plan year which began before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, the term 'multiemployer plan' means a plan described in this subsection as in effect immediately before that date.

"(5) Special election.—After the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, and within the 1-year period prescribed in section 4403(a)(2) of the Employment Retirement Income Security Act of 1974, the plan sponsor of a multiemployer plan may irrevocably elect, pursuant to regulations prescribed by the Pension Benefit Guaranty Corporation, that the plan not be considered a multiemployer plan, but shall be considered a single-employer plan, for any purpose under the Employee Retirement Income Security Act of 1974 or this title, if—

"(A) the plan was not a multi-employer plan on the day before the date of enactment of the Multiemployer Pension Plan Amendments Act of 1980, and

"(B) the plan paid premiums to the Corporation of the 3 plan years preceding such date at the rate then required for a plan which was not a multiemployer plan."

SEC. 208. RELATED TECHNICAL AMENDMENTS.

(a) Sections 401(a)(12) and 414(l) are each amended by striking out the last sentence and inserting in lieu thereof the following: "The preceding sentence does not apply to any transaction to the extent that participants either before or after the transaction are covered under a multiemployer plan to which title IV of the Employee Retirement Income Security Act of 1974 applies."

(b) Section 4975 is amended—

(1) in subsection (d)(12), by striking out "or";

(2) in subsection (d)(13), by striking out the period and inserting in lieu thereof "; or"; and

(3) by inserting after subsection (d)(13) the following new paragraph:

"(14) any transaction under section 4201, 4202, or 4221 of the Employee Retirement Income Security Act of 1974."

SEC. 209. TAX EXEMPTION FOR WITHDRAWAL LIABILITY PAYMENT FUNDS.

(a) Subsection (c) of section 501 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraph:

"(22) A trust created or organized in the United States and established in writing by the plan sponsors of multiemployer plans if—

"(A) the purpose of such trust is exclusively—

"(i) to pay an amount described in paragraph (1) of section 4206(c) of the Employee Retirement Income Security Act of 1974, and

"(ii) to pay administrative expenses in connection with the operation of the trust and the processing of claims against the trust,

"(B) no part of the assets of the trust may be used for, or diverted to, any purpose other than—

"(i) the purposes described in subparagraph (A), or

"(ii) the investment in securities, obligations, or time or demand deposits described in clause (ii) of paragraph (21)(B), and

"(C) such trust meets the requirements of paragraphs (2), (3), and (4) of section 4206(b) of the Employee Retirement Income Security Act of 1974."

(b) Subsection (e) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end thereof the following new paragraph:

"(9) Section made applicable to withdrawal liability payment funds.—For purposes of this section—

"(A) In general.—The term 'plan' includes a trust described in section 501(c)(22).

"(B) Disqualified person.—In the case of any trust to which this section applies by reason of subparagraph (A), the term 'disqualified person' includes any person who is a disqualified person with respect to any plan which is a member of such trust."

(c) The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 210. EFFECTIVE DATE.

(a) Except as otherwise provided in this section, the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) Except as provided in section 418C(a)(3) of the Internal Revenue Code of 1954, subpart C of part I of subchapter D of chapter 1 of such Code (as added by this Act) shall take effect, with respect to each plan, on the first day of the first plan year beginning on or after the earlier of—

(1) the date on which the last collective-bargaining agreement providing for employer contributions under the plan, which was in effect on the date of the enactment of this Act, expires, without regard to extensions agreed to after such date of enactment, or

(2) 3 years after the date of the enactment of this Act.

TITLE III—AMENDMENTS TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 301. AMENDMENT OF THE EMPLOYEE RETIREMENT SECURITY ACT OF 1974.

Whenever, in this title, an amendment is expressed in terms of an amendment to a section or other provisions, the reference is to a section or other provision of the Employee Retirement Income Security Act of 1974.

SEC. 302. DEFINITION OF MULTIEMPLOYER PLAN.

(a) Section 3 is amended by striking out paragraph (37) and inserting in lieu thereof the following:

"(37)(A) The term 'multiemployer plan' means a plan—

"(i) to which more than one employer is required to contribute,

"(ii) which is maintained pursuant to one or more collective bargaining agreements between one or more employee organziations and more than one employer, and

"(iii) which satisfies such other requirements as the Secretary may prescribe by regulation.

"(B) For purposes of this paragraph, all trades or businesses (whether or not incorporated) which are under common control within the meaning of section 4001(c)(1) are considered a single employer.

"(C) Notwithstanding subparagraph (A), a plan is a multiemployer plan on and after its termination date if the plan was a multiemployer plan under this paragraph for the plan year preceding its termination date.

"(D) For purposes of this title, notwithstanding the preceding provisions of this paragraph, for any plan year which began before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, the term 'multiemployer plan' means a plan described in section 3(37) of this Act as in effect immediately before such date.

"(E) After the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, and within the 1-year period prescribed in section 4403(a)(2), the plan sponsor of a multiemployer plan may irrevocably elect, pursuant to regulations prescribed by the Pension Benefit Guaranty Corporation, that the plan not be considered a multiemployer plan, but shall be considered a single-employer plan, for any purpose under this Act or the Internal Revenue Code of 1954, if—

"(i) the plan was not a multiemployer plan on the day before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, and

"(ii) the plan paid premiums to the Corporation for the 3 plan years preceding such date at the rate then required for a plan which was not a multiemployer plan.".

Sec. 303. Minimum Vesting Requirements.

Section 203 is amended—

(1) by inserting after subsection (a)(3)-(D) the following new subparagraph:

"(E)(i) A participant's right to an accrued benefit derived from employer contributions under a multiemployer plan shall not be treated as forfeitable solely because the multiemployer plan provides that benefits accrued as a result of service with the participant's employer before the employer had an obligation to contribute under the plan may not be payable if the employer ceases contributions to the multiemployer plan.

"(ii) A participant's right to an accrued benefit derived from employer contributions under a multiemployer plan shall not be treated as forfeitable solely because—

"(I) the plan is amended to reduce benefits under section 4281 or under section 418E of the Internal Revenue Code of 1954, or

"(II) benefit payments under the plan may be suspended under section 4281 or under section 418F of such Code."

(2) in subsection (b)(1)(E), by striking out "and";

(3) in subsection (b)(1)(F), by striking out the period and inserting in lieu thereof "; and"; and

(4) by inserting after subsection (b)(1)(F) the following new subparagraph:

"(G) in the case of a multiemployer plan, years of service—

"(i) with an employer after that employer has withdrawn from the plan, or, to the extent permitted by regulations prescribed by the Secretary of the Treasury, after a partial withdrawal (as described in section 4201(c)(1)); and

"(ii) with any employer under the plan after the termination date of the plan under section 4048."

Sec. 304. Minimum Funding Requirements.

(a) Section 301 is amended by adding at the end thereof the following new subsection:

"(c) This part applies, with respect to a terminated multiemployer plan to which section 4021 applies, until the date on which the last employer withdraws from the plan, within the meaning of section 4201(b)."

(b) Section 302 is amended—

(1) in subsection (b), by striking out "(40 plan years in the case of a multiemployer plan)" and "(20 plan years in the case of a multiemployer plan)" each place they appear; and

(2) by inserting at the end of subsection (b) the following new paragraphs:

"(6) In the case of a plan which, immediately before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, was a multiemployer plan (within the meaning of section 3(37) as in effect immediately before such date)—

"(A) any amount described in paragraph (2)(B)(ii), (2)(B)(iii), or (3)(B)(i) of this subsection which arose in a plan year bebeginning before such date shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the amount arose;

"(B) any amount described in paragraph (2)(B)(iv) or (3)(B)(ii) of this subsection which arose in a plan year beginning before such date shall be amortized in equal annual installments (until fully amortized) over 20 plan years, beginning with the plan year in which the amount arose;

"(C) any increase or decrease in past service liability which arises during the period of 3 plan years beginning on or after such date, and results from a plan amendment adopted before such date, shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the increase or decrease arises; and

"(D) any increase in past service liability which arises during the period of 2 plan years beginning on or after such date, and results from the changing of a group of participants from a lower benefit level to a higher benefit level under a schedule of plan benefits which—

"(i) was adopted before such date, and

"(ii) was effective for any plan participant before the beginning of the first plan year beginning on or after such date,

shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the plan year in which the increase arises.

"(7) For purposes of this part, any amount received by a multiemployer plan in payment of all or part of an employer's withdrawal liability under section 4201 shall be considered an amount contributed by the employer to or under the plan. The Secretary of the Treasury may prescribe by regulation additional charges and credits to a multiemployer plan's funding standard account to the extent necessary to prevent withdrawal liability payments from being unduly reflected as advance funding for plan liabilities."

Sec. 305. Liquidated Damages With Respect to Delinquent Contributions.

Section 502 of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new subsection:

"(l) In any civil action against any person to collect delinquent contributions to or under a multiemployer plan, if the plan so provides the court may award the plaintiff—

"(1) a reasonable attorney's fee and cost of action, and

"(2) liquidated damages (not in excess of 20 percent of the delinquency as determined by the court).

Nothing in the preceding sentence shall be construed to limit any remedy permitted under any oher provision of Federal or State law."

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Amendment of the Employee Retirement Income Security Act of 1974.

Whenever in this title an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Employee Retirement Income Security Act of 1974.

Sec. 402. Related Technical Amendments.

(a)(1) Section 4001 is amended—

(A) in subsection (a)(2), by inserting "(other than a multiemployer plan)" after "more than one employer";

(B) by striking out subsection (a)(3) and inserting in lieu thereof the following:

"(3) 'multiemployer plan' means a plan—

"(A) to which more than one employer is required to contribute,

"(B) which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and

"(C) which satisfies such other requirements as the Secretary of Labor may prescribe by regulation,

except that, in applying this paragraph—

"(i) a plan shall be considered a multiemployer plan on and after its termination date if the plan was a multiemployer plan under this paragraph for the plan year preceding such termination, and

"(ii) for any plan year which began before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, the term 'multiemployer plan' means a plan described in section 414(f) of the Internal Revenue Code of 1954 as in effect immediately before such date;";

(C) in subsection (a)(6), by striking out "; and" and inserting in lieu thereof "or under section 4022A other than under section 4022A(g);";

(D) in subsection (a)(7), by striking out the period and inserting in lieu thereof "or 4022A(g);";

(E) by inserting at the end of subsection (a) the following new paragraphs:

"(8) 'accrued benefit' means an accrued benefit which meets the requirements of sections 204(g) and 302(c)(8) and any regulations and rulings prescribed thereunder;

"(9) 'benefit entitlement' means the benefit of a participant or beneficiary under a multiemployer plan for which the participant has satisfied the service requirements under the terms of the plan;

"(10) 'nonforfeitable benefit' means, with respect to a plan, a benefit for which a participant has satisfied the conditions for entitlement under the provisions of the plan (other than submission of a formal application, retirement, completion of a required waiting period, or death in the case of a benefit which returns all or a portion of a participant's accumulated mandatory employee contributions upon the participant's death), whether or not the benefit may subsequently be reduced by a plan amendment or an occurrence of any condition;

"(11) 'withdrawal liability' means an employers' liability to a multiemployer plan under section 4201, and 'withdrawal liability payment' means a payment under section 4202;

"(12) 'reorganization index' means the amount determined under section 4241(b);

"(13) 'plan sponsor' means, with respect to a multiemployer plan—

"(A) the plan's joint board of trustees, or

"(B) with respect to a particular function, other than a function imposed by section 4201, which the plan instruments have specifically reserved, consistent with requirements of this Act, to one or more persons who are named in such plan instruments, or who are identified pursuant to a procedure specified in such instruments, such persons,

"(14) 'contribution base unit' means a unit with respect to which an employer has an obligation to contribute under a multiemployer plan, as defined in regulations prescribed by the Secretary of the Treasury;

'(15) 'unfunded benefit obligations' means, with respect to a plan, an amount equal to—

"(A) the actuarial present value of benefit entitlements under the plan, less

"(B) the value of the assets of the plan, determined in accordance with regulations prescribed by the Secretary of the Treasury; and

"(16) 'outstanding claim for withdrawal liability' means a plan's claim for the unpaid balance of the liability determined under section 4201 for which demand has been made, valued in accordance with regulations prescribed by the corporation.";

(F) by redesignating subsection (b) as subsection (c)(1) and inserting after subsection (a) the following new subsection:

"(b) The corporation may prescribe by regulation definitions for any terms used in this title to the extent necessary to carry out the purposes of this title."; and

(G) by adding the following new paragraphs at the end of subsection (c)(1) (as redesignated):

"(2) For purposes of this title, 'single-employer plan' means, except as otherwise specifically provided in this title, any plan which is not a multiemployer plan.

"(3) For purposes of this title, except as otherwise provided in this title, contributions or other payments shall be considered made under a plan for a plan year if they are made within the period prescribed under section 412(c)(10) of the Internal Revenue Code of 1954.

"(4) purposes of subtitle E, 'Secretary of the Treasury' means the Secretary of the Treasury or such Secretary's delegate.".

(2) Section 4003 is amended—

(A) in subsection (a), by striking out "determine whether any person has violated or is about to violate" and inserting in lieu thereof "enforce"; and

(B) in subsection (e)(1), by striking out "redress violations of" and inserting in lieu thereof "enforce".

(3) Section 4007(a) is amended by inserting at the end thereof the following new sentence: "The corporation may waive or reduce permiums for a multiemployer plan for any plan year during which such plan receives financial assistance from the corporation under section 4261.".

(4) Section 4021(a) is amended by inserting in the last sentence "unless otherwise specifically indicated," before "a successor plan".

(5) Subtitle B of title IV is amended by inserting after section 4022B (as added by section 102 of this Act) the following new section:

"PLAN FIDUCIARIES

"SEC. 4023. Notwithstanding any other provision of this Act, a fiduciary of a plan to which section 4021 applies shall discharge the fiduciary's duties with respect to the plan in accordance with standards prescribed by this Act, and in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of this Act.".

(6) Section 4042 is amended—

(A) in the last sentence of subsection (a), by striking out "such small" and inserting in lieu thereof "terminated";

(B) by redesignating subsection (b) as subsection (b)(1) and inserting at the end thereof the following new paragraphs:

"(2) Notwithstanding any other provision of this title—

"(A) upon the petition of a plan administrator or the corporation, the appropriate United States district court may appoint a trustee in accordance with the provisions of this section if the interests of the plan participants would be better served by the appointments of the trustee, and

"(B) upon the petition of the corporation, the appropriate United States district court shall appoint a trustee proposed by the corporation for a multiemployer plan which is in reorganization or to which section 4041A (d) applies, unless such appointment would be adverse to the long-range interests of the plan participants generally.

"(3) The corporation and plan administrator may agree to the appointment of a trustee without proceeding in accordance with the requirements of paragraphs (1) and (2).";

(C) in the first sentence of subsection (c), by striking out "and" after "interests of the participants" and inserting in lieu thereof "or";

(D) in subsection (c), by striking out "further" each place it appears and inserting in lieu thereof "unreasonable";

(E) in subsection (d)(1)(A)—

(i) by striking out "and" in clause (iv);

(ii) by redesignating clause (v) as clause (vi) and by striking out the period at the end of such clause and inserting in lieu thereof "; and";

(iii) by inserting after clause (iv) in the following new clause:

"(v) in the case of a multiemployer plan, to reduce benefits or suspend benefit payments under the plan, give appropriate notices, amend the plan, and perform other acts required or authorized by subtitle E;"; and

(iv) inserting after clause (vi) (as redesignated) the following new clause:

"(vii) to require the plan sponsor, the plan administrator, any contributing or withdrawn employer, and any employee organization representing plan participants to furnish any information with respect to the plan which the trustee may need in order to administer the plan.";

(F) in subsection (d)(1)(B)(i), by striking out "allocation requirements of section 4044" and inserting in lieu thereof "requirements of this title";

(G) in subsection (d)(1)(B)(iv), by striking out ", except to the extent that the corporation is an adverse party in a suit or proceeding";

(H) in subsection (d)(2)(B), by striking out "and";

(I) in subsection (d)(2)(C), by striking out the period and inserting in lieu thereof a comma; and

(J) by inserting after subsection (d)(2)(C) the following new subparagraphs;

"(D) each employer who is or may be liable to the plan under section 4201,

"(E) each employer who has an obligation to contribute, within the meaning of section 4201(b)(6), under a multiemployer plan, and

"(F) each employee organization which, for purposes of collective bargaining, represents plan participants employed by an employer described in subparagraph (C), (D), or (E).".

(7) Section 4044 is amended—

(A) in subsection (a), by inserting "single-employer" before "defined benefit plan";

(B) in subsection (c), by inserting "single-employer" before "plan occurring during" and before "plan occurring after"; and

(C) in subsection (d)(1), by inserting "single-employer" before "plan may be distributed".

(8) Section 4048 is amended—

(A) by inserting "(a)" before "For";

(B) by inserting "of a single-employer plan" after "date of termination"; and

(C) by adding at the end thereof the following new subsection:

"(b) For purposes of this title, the date of termination of a multiemployer plan is—

"(1) in the case of a plan terminated in accordance with the provisions of section 4041A, the date determined under subsection (b) of that section; or

"(2) in the case of a plan terminated in accordance with the provisions of section 4042, the date agreed to between the plan administrator and the corporation (or the trustee appointed under section 4042(b)(2), if any), or, if no agreement is reached, the date established by the court.".

(b)(1) Section 208 is amended by striking out the last sentence and inserting in lieu thereof the following: "The preceding sentence shall not apply to any transaction to the extent that participants either before or after the transaction are covered under a multiemployer plan to which title IV of this Act applies.".

(2) Section 403 is amended—

(A) in subsection (a)(1), by striking out "title" and inserting in lieu thereof "Act";

(B) in subsection (c)(1), by striking out "4042 and 4044" and inserting in lieu thereof "4041A, 4042, 4044, 4201(b) (10) and (11), 4201(c), and 4261"; and

(C) in subsection (c)(2)(A), by inserting "or a payment of withdrawal liability under section 4201" after "In the case of a contribution".

(3) Section 3002 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary of the Treasury shall consult with the Pension Benefit Guaranty Corporation with respect to any proposed or final regulation authorized by subpart C of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954, or by sections 4241 through 4246 of this Act, before publishing any such proposed or final regulation."

SEC. 403. CONFORMING AMENDMENTS.

(a) Section 4005 is amended—

(1) by striking out the second sentence of subsection (a) and inserting in lieu thereof the following: "One of the funds shall be used with respect to basic benefits guaranteed under section 4022, one of the funds shall be used with respect to basic benefits guaranteed under section 4022A, one of the funds shall be used with respect to nonbasic benefits guaranteed under section 4022 (if any), and the remaining fund shall be used with respect to nonbasic benefits guaranteed under section 4022A, other than subsection (g)(2) thereof (if any).";

(2) in subsection (b)(2)(A), by inserting "or 4022A" after "4022";

(3) by striking out subparagraph (B) of subsection (b)(2) and redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively; and

(4) by adding at the end thereof the following new subsections:

"(d)(1) A fifth fund shall be established for the reimbursement of uncollectible withdrawal liability under section 4205, and shall be credited with the appropriate—

"(A) premiums, penalties, and interest charges collected under this title, and

"(B) earnings on investments of the fund or on assets credited to the fund.

The funds shall be available to make payments pursuant to the supplemental program established under section 4205, including those expenses and other charges determined to be appropriate by the corporation.

"(2) The corporation may invest amounts of the fund in such obligations as the corporation consider appropriate.

"(e)(1) A sixth fund shall be established for the supplemental benefit guarantee program provided under section 4022A(g)(2).

"(2) Such fund shall be credited with the appropriate—

"(A) premiums, penalties, and interest charges collected under section 4022(A)(g)(2), and

"(B) earnings on investments of the fund or on assets credited to the fund.

The fund shall be available for making payments pursuant to the supplemental benefit guarantee program established under section 4022A(g)(2), including those expenses and other charges determined to be appropriate by the corporation.

"(3) The corporation may invest amounts of the fund in such obligations as the corporation considers appropriate.

"(f)(1) Amounts in any fund established under this section may be used only for the purposes for which such fund was established and may not be used to make loans to (or on behalf of) any other fund or to finance any other activity of the corporation.

"(2) None of the funds borrowed under subsection (c) may be used to make loans to (or on behalf of) any fund other than a fund described in the second sentence of subsection (a)."

(b) Section 4007(a) is amended by striking out the second sentence.

(c) Section 4022 is amended—

(1) in the section heading, by inserting "—SINGLE-EMPLOYER PLANS" after "BENEFITS GUARANTEED";

(2) in subsection (a)—

(A) by inserting ", in accordance with this section," after "guarantee";

(B) by inserting "pension" after "all nonforfeitable"; and

(C) by inserting "single-employer" before "plan which terminates";

(3) in subsection (b)(1), by striking out "(8)" and inserting in lieu thereof "(7)"; and

(4) by striking out paragraph (5) of subsection (b) and redesignating paragraphs (6), (7), and (8) of such subsection as paragraphs (5), (6), and (7), respectively.

(d) Section 4041 is amended—

(1) in the section heading, by striking out "TERMINATION BY PLAN ADMINISTRATOR" and inserting in lieu thereof "TERMINATION—SINGLE-EMPLOYER PLANS";

(2) in subsection (a), by inserting "single-employer" after "termination of a"; and

(3) by striking out subsection (g).

(e) Section 4046 is amended—

(1) in paragraphs (2) and (3)—

(A) by inserting "or 4022A" after "4022"; and

(B) by inserting "basic" before "benefits"; and

(2) in paragraph (3), by striking out "4022(b)(5)" and inserting in lieu thereof "4022B".

(f) Section 4061 is amended to read as follows:

"AMOUNTS PAYABLE BY THE CORPORATION

"SEC. 4061. The corporation shall pay benefits under a single-employer plan terminated under this title subject to the limitations and requirements of subtitle B of this title. The corporation shall provide financial assistance to pay benefits under a multiemployer plan which is insolvent under section 4246(b)(1) or 4281(d)(2)(A), subject to the limitations and requirements of subtitles B, C, and E of this title. Amounts guaranteed by the corporation under sections 4022 and 4022A shall be paid by the corporation out of the appropriate fund. The corporation shall make payments under the supplemental program to reimburse multiemployer plans for uncollectible withdrawal liability out of the fund established under section 4005(d).".

(g) Section 4062(a) is amended by striking out "plan (other than a multiemployer plan)" and inserting in lieu thereof "single-employer plan".

(h) Section 4063 is amended—

(1) in the first sentence of subsection (a), by inserting "(other than a multiemployer plan)" after "makes contributions"; and

(2) in the second sentence of subsection (d), by inserting "(other than a multiemployer plan)" after "of a plan".

(i) Section 4064(a) is amended by inserting "(other than a multiemployer plan)" after "plan under which more than one employer makes contributions".

(j) Section 4066 is amended by inserting "(other than a multiemployer plan)" after "more than one employer".

SEC. 404. CLERICAL AMENDMENTS.

The table of contents in section 1 is amended—

(1) by striking out the items relating to sections 4022 and 4023 and inserting in lieu thereof the following new items:

"Sec. 4022. Benefits guaranteed—single-employer plans
"Sec. 4022A. Benefits guaranteed—multiemployer plans.
"Sec. 4022B. Aggregate limit on benefits guaranteed.
"Sec. 4023. Plan fiduciaries.";

(2) by striking out the item relating to section 4041 and inserting in lieu thereof the following new items:

"Sec. 4041. Termination—single-employer plans.
"Sec. 4041A. Termination—multiemployer plans.";

and

(3) by striking out all after the item relating to section 4068 and inserting in lieu therefore the following new item:

"Subtitle E—Special Provisions for Multiemployer Plans

"PART 1—EMPLOYER WITHDRAWALS

"Sec. 4201. Determination of whether there has been withdrawal; amount of withdrawal liability.
"Sec. 4202. Notice, collection, etc., of withdrawal liability.
"Sec. 4203. Approval of amendments.
"Sec. 4204. Determination of withdrawal liability.
"Sec. 4205. Reimbursements for uncollectible withdrawal liability.
"Sec. 4206. Withdrawal liability payment fund.

"PART 2—MERGER OR TRANSFER OF PLAN ASSETS OR LIABILITIES

"Sec. 4221. Mergers and transfers to multiemployer plans.
"Sec. 4222. Transfers between a multiemployer plan and a single-employer plan.
"Sec. 4223. Partition.
"Sec. 4224. Asset transfers rules.

"PART 3—REORGANIZATION; MINIMUM CONTRIBUTION REQUIREMENT FOR MULTIEMPLYOER PLANS

"Sec. 4241. Reorganization status.
"Sec. 4242. Notice of reorganization and funding requirements.
"Sec. 4243. Minimum contribution requirement.
"Sec. 4243A. Minimum contribution requirement where plan does not meet asset-benefit test.
"Sec. 4244. Overburden credit against minimum contribution requirement.
"Sec. 4245. Adjustments in accrued benefits.
"Sec. 4246. In solvent plans.

"PART 4—FINANCIAL ASSISTANCE

"Sec. 4261. Financial assistance.

"PART 5—BENEFITS AFTER TERMINATION

"Sec. 4281. Benefits under certain terminated plans.

"PART 6—ENFORCEMENT

"Sec. 4301. Civil Actions.
"Sec. 4302. Penalty for failure to provide notice.

"Subtitle F—Transition Rules and Effective Dates

"Sec. 4401. Amendment to Internal Revenue Code of 1954.
"Sec. 4402. Transition rules and effective dates.
"Sec. 4403. Election.".

SEC. 405 ACTION TAKEN BEFORE REGULATIONS ARE PRESCRIBED.

(a) Except as otherwise provided in the amendments made by this Act and in subsection (b), if the way in which any such amendment will apply to a particular circumstance is to be set forth in regulations, any reasonable action during the period before such regulations take effect shall be treated as complying with such regulations for such period.

(b) Subsection (a) shall not apply to any action which violates any instruction issued, or temporary rule prescribed, before such action is taken by an officer having authority to prescribe regulations relating to such action.

SEC. 406. PENSION BENEFIT GUARANTY CORPORATION PUT ON BUDGET.

(a) Paragraph (2) of section 4002(g) is amended to read as follows:

"(2) The receipts and disbursements of the corporation in the discharge of its functions shall be included in the totals of the budget of the United States Government. The United States is not liable for any obligation or liability incurred by the corporation."

(b) The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1980.

Mr. ROSTENKOWSKI. Mr. Chairman, I move to strike the last word. The Ways and Means Committee amendment reflects all of the amendments adopted by the Committee on Education and Labor. All aspects of this bill have been closely coordinated with the Committee on Education and Labor. I appreciate the cooperation that we have enjoyed throughout the consideration of H.R. 3904. The Ways and Means Committee amendments to H.R. 3904 reflect this close coordination and cooperation.

The committee amendment permits multiemployer pension plans within a particular industry to set up a tax-exempt withdrawal liability reinsurance fund. The fund would reimburse the plans for certain types of withdrawal liability, including uncollectible liability.

The committee amendment would place the Pension Benefit Guaranty Corporation on budget. It is presently an off-budget entity; the receipts and disbursements of the Corporation will be included in the budget of the United States.

Under the bill as introduced, withdrawal liability is generally effective for employer withdrawals from plans after February 27, 1979. The amendment provides that withdrawal liability would not apply to certain withdrawals announced on March 23, 1980, and completed by July 31, 1980, provided, however, that the employer contributed enough to the plan to pay for his employees' vested benefits.

The committee also approved certain minor and technical changes, that clarify the bill and relieve burdens of pension plans administration.

Mr. Chairman, I have no further request for time and yield back the balance of my time.

□ 1250

Mr. Chairman, that pretty much explains what the Committee on Ways and Means did as a substitute.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I rise in support of the amendment.

As I have stated in my opening remarks, because of the degree of complexity of this legislation, the Committee on Ways and Means worked in close consultation with us in making technical improvements we did not have time to make and in integrating their substantive amendments into our bill.

Mr. Chairman, I would like to again express my appreciation to the gentleman from Oregon (Mr. ULLMAN), the chairman of the Committee on Ways and Means; the gentleman from Illinois (Mr. ROSTENKOWSKI), and the rest of the committee on their work.

AMENDMENT OFFERED BY MR. ERLENBORN AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON WAYS AND MEANS

Mr. ERLENBORN. Mr. Chairman, I offer an amendment as a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ERLENBORN as a substitute for the amendment in the nature of a substitute offered by the Committee on Ways and Means: Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Multiemployer Pension Plan Amendments Act of 1980".

AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 2. Whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of title IV of the Employee Retirement Income Security Act of 1974.

EXCLUSION FROM COVERAGE

SEC. 3. Section 4021(b) is amended by striking out "or" at the end of paragraph (12), by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; or ", and by adding at the end thereof the following:

"(14) which is a multiemployer plan.".

PREMIUM RATES

SEC. 4. (a) The second sentence of section 4006(a)(1) is amended to read as follows: "The premium rates charged by the corporation for any period shall be uniform for all plans with respect to basic benefits guaranteed by it under section 4022.".

(b) Section 4006(a)(1) is amended by adding at the end thereof the following new sentence: "Except as provided in section 4082(f), no premium shall be charged by the corporation with respect to any multiemployer plan for any plan year of such plan ending after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980.".

(c) Subparagraph (A) of section 4006(a)(2) is amended to read as follows:

"(A) basic benefits,".

(d) Paragraph (4) of section 4006(a) is amended by striking out the last sentence thereof.

(e) Subparagraph (A) of section 4006(a)(5) is amended to read as follows:

"(A) The corporation may establish annual premiums composed of—

"(i) a rate applicable to the excess, if any, of the present value of the basic benefits of the plan which are guaranteed over the value of the assets of the plan, not in excess of 0.1 percent, and

"(ii) an additional charge based on the rate applicable to the present value of the basic benefits of the plan which are guaranteed.

The rate for the additional charge referred to in clause (ii) shall be set by the corporation for every year at a level which the corporation estimates will yield total revenue approximately equal to the total revenue to be derived by the corporation from the premiums referred to in clause (i) of this subparagraph.".

REPEAL OF CONTINGENT LIABILITY COVERAGE

SEC. 5. (a) Section 4023 is repealed.

(b) Section 4006(a)(2) is amended—

(1) in subparagraph (A)(ii), by inserting "and" after "plan,";

(2) by striking out subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) The table of sections in section 2 is amended by striking out the item relating to section 4023.

LIABILITY OF EMPLOYERS ON TERMINATION OF CERTAIN PLANS OTHER THAN MULTIEMPLOYER PLANS

SEC. 6. Subsection (a) of section 4064 is amended by inserting "to which section 4021 applies" after "employers who maintain a plan".

TRANSITIONAL RULES

SEC. 7. (a) Subsection (c) of section 4802 is amended by redesignating paragraph (4) as paragraph (2) and by striking out all that precedes such paragraph and inserting in lieu thereof the following:

"(c)(1) The corporation shall pay benefits guaranteed under this title (as in effect immediately before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980) with respect to a multiemployer plan which terminated before such date, if the corporation made a final determination before such date under this subsection (as in effect immediately before such date) to pay such benefits.".

(b) Paragraph (2) of section 4082(c) (as redesignated by subsection (a) of this section) is amended—

(1) by striking out all that precedes subparagraph (A) and inserting in lieu thereof the following:

"(2) With respect to any benefits to which paragraph (1) applies, the corporation—"; and

(2) by striking out subparagraph (D), by inserting "and" at the end of subparagraph (B), and by striking out ", and" at the end of subparagraph (C) and inserting in lieu thereof a period.

(c) Section 4082 is amended by adding at the end thereof the following new subsection:

"(f)(1) An insurance premium shall be charged by the corporation in accordance with section 4006 (as in effect immediately before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980) with respect to each multiemployer plan to which section 4021 applied immediately before such date for the plan year in which such date occurs, except that the insurance premium rate applicable to such multiemployer plan for such plan year shall be the rate described in paragraph (2).

"(2) The rate described in this paragraph shall be the product of—

"(A) the insurance premium rate applicable to such multiemployer plan immediately before such date under such section 4006, and

"(B) a fraction—

"(i) the numerator of which is the number of months of such plan year ending before such date, and

"(ii) the denominator of which is 12.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. (a) Subtitle E is amended by adding at the end thereof the following new section:

"AUTHORIZATION

"SEC. 4083. There are authorized to be appropriated to the trust funds established with respect to multiemployer plans by section 4005 for fiscal years beginning after the date of enactment of the Multiemployer Pension Plan Amendments Act of 1980 such sums as may be necessary to meet the obligations of such trust funds.".

(b) Section 4005(b)(1) is amended by striking out "and" at the end of subparagraph (E), by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph.

"(G) amounts appropriated pursuant to section 4083.".

EFFECTIVE DATE

SEC. 9. The amendments made by this Act shall take effect on the date of the enactment of this Act.

Amend the title so as to read: "A bill to amend the Employee Retirement Income Security Act of 1974 to eliminate multiemployer plans from the coverage of such Act, and for other purposes.".

Mr. THOMPSON (during the reading). Mr. Chairman, the gentleman from Illinois has circulated this amendment. We are familiar with it, and I believe it has been printed in the RECORD.

I ask unanimous consent that the amendment be considered and read as printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The gentleman from Illinois (Mr. ERLENBORN) is recognized for 5 minutes in support of his amendment.

Mr. ERLENBORN. Mr. Chairman, this amendment is an amendment in the nature of a substitute to H.R. 3904, and it strikes all after the enacting clause and provides for the exemption of multiemployer pension plans from coverage under title IV of ERISA. The amendment provides for the cessation of premiums and insurance coverage for multiemployer plans after the date of its enactment. The amendment also authorizes the continued payment of guaranteed benefits with respect to those terminated plans that PBGC elected to cover prior to the time of enactment of this proposed legislation.

As under H.R. 3904, the amendment repeals section 4023 of title IV of ERISA relating to a program of contingent employer liability insurance for both single and multiemployer plans. My opposition to termination insurance is based on the following factors:

First, plan termination insurance changes the basic legal structure of multiemployer plans, thus infringing on the freedom of the collective bargaining process to permit the full balancing of benefits and contribution income.

Second, plan termination insurance is not "insurance", but rather an income transfer scheme that soaks the well-managed, more stable and well-funded plans in order to pay for the unstable or insufficient plans.

My third point is that program costs are based on insufficient plan funding which can stem from the loss of plan assets due to market fluctuations, manipulation, and fiduciary abuse as well.

Fourth, the inestimable program costs and employer liability create inequities and fear which can only serve to undermine the necessary and continued growth and expansion of the private pension system.

As a matter of fact, since the enactment of ERISA over one-third of the plans in existence at the time of its enactment have terminated, and the rate of new plan starts has dropped precipitously. There is proof positive that ERISA has denied, contrary to the intent of everyone, the coverage they otherwise would have had.

My final point is that as premium costs go up, there will be inevitable pressure for general revenue financing, thus dooming private pension plans by transforming them into quasi-governmental entities.

The clear choice that my amendment offers to each of my colleagues today can perhaps be seen to be more appealing once we are brought to recognize the pending onslaught we will soon experience from both labor and management for general revenue financing of the multiemployer program. Employer and union groups in the coal, construction, and retail food industries have all signed joint public statements setting forth their desire to see Federal subsidies for ailing multiemployer plans.

During the hearings held by the Pension Task Force last summer on H.R. 3904, plan representatives in other industries as well made it unmistakably clear that they would press for general revenues, if the alternative was to pay substantially increased premiums.

Therefore, I now offer my colleagues the opportunity to exempt multiemployer plans from coverage under title IV of ERISA, and avoid the establishment of another Federal entitlement program creating future uncontrollable costs of an as yet unknown budget-busting magnitude. I might say, Mr. Chairman, that this is not withdrawing the benefits of ERISA from the multiemployer plans and those who participate in them. The basic ERISA structure will still be there, giving more solid foundation to these multiemployer plans, providing for funding of the plans on a better basis than pre-ERISA. We can enact legislation subsequent to this to speed up that funding and to give more flexibility to plan trustees, in order to expand on some of the suggestions in the bill before us, suggestions with which I agree. But, the necessity for the insurance is not as great today as it may have appeared in 1974.

The experience since 1974 proves that this is antiunion legislation that is now on the books. It makes it more difficult for unions to convince employers that they ought to participate in a multiemployer plan because of the liabilities brought upon them. I urge the adoption of the amendment.

Mr. THOMPSON. Mr. Chairman, I rise in opposition to the amendment. It is a pernicious amendment. It would perpetrate a cruel hoax on retired workers, active workers, and their employers. Its passage would probably necessitate that some time in the not too distant future we would indeed have to provide large sums of money from the Federal Treasury when some of these multiemployer plans become insolvent.

This substitute would strip away the protection of the guarantees from thousands of workers in those multiemployer plans which are projected to become insolvent. My colleague, the gentleman from New York, (Mr. WEISS) noted earlier that there are some 13 plans that are projected to need financial assistance from the program over the next 20 years. There are some 65,000 participants in those plans, they live in virtually every State in the Union. What about the almost 500,000 participants in the other multiemployer plans that are in financial trouble? What happens to them if we do not enact the provisions of the bill that will enable them to work their way out of financial difficulty.

What about the healthy multiemployer plans and the participants in those plans who need the provisions in this bill that will ensure that they continue to accumulate sufficient assets to pay benefits.

Finally, what about the employers who are contributing to these plans and see ever increasing contributions required of them as other employers withdraw? In many cases we are talking about small employers who are not able to get out so easily and who are left holding the bag when large employers get out.

As I made clear earlier, we have learned since 1974 that because of economic and demographic pressures, and increased funding costs and restrictions on benefit adjustments that we imposed on plans in 1974, employers and active workers are paying an intolerably high price to maintain the benefits of a growing number of retirees. Employers and workers in such plans need the relief of measures of reorganization to deal with the problems of funding a plan in an industry where retirees are growing in number and the contribution base is declining.

The guarantee must be there to assure active workers and pensioners that some portion of the benefit they paid for over their working life will be paid. I heard a lot of talk when we were debating the food stamp authorization legislation about the unfairness of the measure to the American working men and women. This bill is intended to protect working men and women, to let them know that there is a reason for them to stick with the pension plan.

The bill does not solve the problem of industry declines. We have a responsibility to understand and face the problem and we had better do it soon. But this bill does ease some of the economic pain.

I understand this is an area fraught with uncertainty. We are not talking about discrete catastrophes such as a large plant closing, highly visible and dramatic, we are talking about a slow seepage, in most casts smaller sometimes marginal businesses fading away. We are talking about solving problems in diverse industries throughout the country that are all structured quite differently. Simplicity is seductive. And so is the belief that we can return to the past. But we cannot do that unless we strip out the vesting and funding provisions. The working men and women of America are entitled to the protection the bill provides. Their employers are entitled to the relief measures in the bill. Lets face the fact that we have some very complicated economic problems in this country and get on with solving them. This bill attempts to do that. The support it has from a broad coalition of labor and management groups is evidence that this bill represents a prodigious effort to do equity.

I urge my colleagues to defeat the amendment.

□ 1300

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the amendment.

The reason we need this amendment is that this is another example of the feeling that "by gum, Congress is going to make people do something whether they can financially do it or not, and we are just going to stuff it down their throats."

Among the major mistakes made in 1974 when ERISA was passed was making termination insurance applicable to multiemployer retirement plans. I believe that my colleague, the gentleman from Illinois (Mr. ERLENBORN), amendment would correct this mistake and should be adopted.

My colleague, the gentleman from New Jersey (Mr. THOMPSON), comments that there are a lot of plans in trouble and they need to be rescued. Well, this legislation, unless we agree to the amendment offered by my colleague, the gentleman from Illinois (Mr. ERLENBORN), does not help those troubled plans.

Instead, it encourages plan terminations and places additional financial burdens on weaker plans and ultimately the PBGC. To prevent these results we should support my colleague from Illinois (Mr. ERLENBORN) amendment.

As already mentioned, the current bill would require the retroactive imposition of withdrawal liability, and this violates principles of equity and fairness. These are additional reasons to support the amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

Mr. Chairman, I encourage my colleagues to support this amendment which will undo the mistakes that we made when we originally passed ERISA and which will serve as a basis for future pension reform legislation.

Mr. PEYSER. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, this, as we know, is a very complex bill. It is a bill that, even with careful study—and many Members have studied it—is going to be difficult to understand.

There is no simplistic approach to this. To terminate the termination insurance part of ERISA, which was basically one of the major reasons we got into pension reform to start with, just does not ring very true, because one of the things that is most necessary in all of these plans—multiemployer plans and single employer plans—is the guarantee that the individuals covered are guaranteed their pension benefits. That was the whole concept when this bill was originally written.

When someone says, as my good friend, the gentleman from Illinois (Mr. ERLENBORN), said, that this is antiunion, I must point out that the unions have never been reluctant to speak out on this issue when they felt they were being abused.

I would like to say to my friend, the gentleman from Illinois, that I had 20 years of experience before coming to Congress in this particular field, the pension and insurance field, and during my brief hiatus from the Congress in 1977 and 1978 I spent a good deal of time talking with labor organizations and union funds and pension programs to see what was happening and what their thoughts were. Now, I say to my friend that a great many union members initially, when talking about termination insurance and, in fact, when talking about the entire ERISA programs, stated their opinions, and some of the reactions were: "It is tough bargaining with this, and we ought to get rid of the whole program. Everything was simpler before we had ERISA."

There is no argument that things were simpler before we had ERISA. But when we began to talk with these people about what really was involved and what they were potentially giving up if, number one, they did not have ERISA, and if, number two, they gave up termination insurance, those who thought through the idea, those who realized the full impact of what would be happening if these plans were terminated and there was no termination insurance, they came to the realization that while they did not like a lot of the things that were happening and they did not like a lot of the regulations, nevertheless this was good medicine.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I am glad to yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to make one point. First, let me ask the gentleman a question.

We are guaranteeing a level of benefits here. Who sets the level of benefits? Who has made the promises as to what the benefits would be?

Mr. PEYSER. These are negotiated benefits.

Mr. ERLENBORN. No. Mr. Chairman, will the gentleman yield further?

Mr. PEYSER. I would be glad to yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, the contributions are negotiated. In other words, the employer agrees in a collective bargaining contract to make certain contributions to the fund.

Mr. PEYSER. Which will result in benefits.

Mr. ERLENBORN. The level of benefits is established by the trustees, those who are the joint trustees for the concept.

Mr. PEYSER. Yes, they are joint trustees.

Mr. ERLENBORN. Now, who, if there is a shortfall, is going to have to pay for the promises the trustees have made?

Mr. PEYSER. Mr. Chairman, in answer to the gentleman's question as to who is going to make up the shortfall, in the first place, under ERISA these plans must be actuarially sound plans to start with, or at least there must be actuarial computations on the benefits or what is going to be derived from these plans. The trustees who would sit down and say, "We are going to establish a benefit level up here, and we are going to make contributions down here" are obviously not going to stay trustees very long.

In the first place, they themselves have an obligation under ERISA, as the gentleman knows, so I do not think what he is trying to point out is very valid.

What is valid is that if the trustees make a sound decision and then under these decisions, due to a declining industry or due to the age of the people who are involved in the plan, they cannot fulfill the obligations and can prove that to the satisfaction of the termination insurance provisions, then the termination insurance would take over.

□ 1310

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

Mr. PEYSER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. Chairman, I withdraw my reservation of objection.

Mr. PEYSER. I thank the gentleman for doing that. I am only engaging in colloquy with the gentleman from Illinois, which is also taking the time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding, and I am not going to take much of the gentleman's time.

Mr. Chairman, let me just say, in answer to my own question, since the gentleman was just a little less than direct in answering it, the employer under the current scheme and under this pending legislation is the one who is going to be the one who is stuck in the end to pay for the shortfall, whether it is caused by bad market conditions, bad industry conditions, defaultations by trustees, and bad judgment. I think the gentleman is aware and ought to be aware, coming from the New York area, how trustees can use some very bad assumptions in setting levels of benefits.

The municipal employees' unions, up until recently—maybe they have not changed yet—have been using pre-1920 mortality tables to determine how long they expect people to live, consequently making contributions look like they are actuarially sound, but everybody in the world knew that they were not.

But the employer who has agreed to pay, under this scheme is going to be made to pay again.

Mr. PEYSER. The gentleman has already stated, and he is correct, that the management or employer is represented among those trustees. It is his decision as well as the labor decision. So he is not going to make it seem as though this is something the employer is trapped into, and he is not at all. He agrees to this. And this is really what the point is.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, our colleague, the gentleman from Illinois, has asked: Who makes up the shortfall?

Shortfalls often occur as a result of employer withdrawals, which hurts the remaining employers. This bill is intended to keep the remaining employers who continue their obligations to contribute, to help them. The gentleman's amendment, which I strongly oppose, would eliminate that relief.

Mr. PEYSER. I thank the gentleman.

Mr. Chairman, there is one other comment that I would like to make. I think the gentleman from Illinois is going to raise a very interesting point because he has a series of other amendments. One of the statements I understood him to make just now was that the termination insurance, as I wrote this down, says, "denies to employees increased benefits that they might have had if it had not been for the cost of termination insurance."

Yet the gentleman, as I understand his other amendments, will have a direct effect on reducing the possibility of increasing benefits; in other words, by shortening the funding period. We will discuss that at that time; but it seems like they are totally inconsistent with each other to say that one of the reasons to do this now is to give the employees the right of increasing their benefits, and then he is going to introduce amendments which are obviously going to take away from the employees the right of getting increased benefits.

I would hope that we would defeat this amendment.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think this is by far the most important amendment that will be offered today. In fact, if the Education and Labor Committee and the Ways and Means Committee had been wise enough in the first instance, they would have brought forth this amendment and H.R. 3904 would, in effect, not have been needed.

Mr. Chairman, the multiemployer plans were getting along very nicely before ERISA came into existence. We had very few failures, mainly because plans were forced to resolve their differences and not look to the PBGC to bail them out.

On the other hand the problems we had were with the single employer plans.

What we have under this bill and the existing ERISA law is the system under which some employers are being asked to pick up the pieces of previous employers' mistakes. In my judgment, that is an unreasonable liability to lay upon employers who may still be within the system.

I would also invite the attention of the body to the statement made by the gentleman from Illinois, where he talked about the guaranteed contribution plan being defined in our law as a guaranteed benefit plan.

I had the misfortune of being a pension trustee and a chairman of the board of trustees of a multiemployer pension plan before I came to Congress, and we did not guarantee any levels of benefits. We had an agreement to contribute so many cents per hour for the employees who were members of the plan. The trustees would then vote on pension benefits consistent with the assets of the plan. If the plan had a good year in the market, the pensions were a little bit higher; and if we did not, they were not quite so high.

What this bill says is that plans for

which there was no contractual guarantee other than to contribute so many dollars now constitute a contractual guarantee for a pension benefit. They never had it before. They could not bargain for it. They did not bargain for it. Maybe they would not bargain for it. But the Congress has granted it to them.

In my judgment, this whole area of law was a mistake to begin with.

Unless this amendment is passed, we are going to have continuing troubles with multiemployer plans.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding, and I want to thank him for his statement and his support. When the gentleman was describing what ERISA has done to change the nature of multiemployer plans, I could not help but think that what we have done is to make a sow's ear out of a silk purse.

Mr. FRENZEL. A very apt description, in my judgment, Mr. Chairman.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I will ask the gentleman, as someone who has served as a trustee of these multiemployer plans, is it not true that most of this bill applies to smaller businesses, and unless we vote for the amendment of my colleague, the gentleman from Illinois, we are really hurting most of the smaller businesses?

Mr. FRENZEL. I think the gentleman makes a legitimate point. In my particular pension plan, which covered about 6,000 employees, I think there was no employer who had more than 200 employees.

Mr. ROUSSELOT. So it is the smaller employer, then, who would be forced to pick up the balance of what is left?

Mr. FRENZEL. The gentleman is correct. In the plan to which I referred, there are now many fewer employers. Some have gone out of business, but all of their responsibilities have evolved onto the current employers who are no bigger and no stronger. However, they will have larger pension liabilities because of this bill. Now, the inevitable result is going to be that those larger pension liabilities are going to break the company, the fund, or the taxpayer. In other words, the bill does not help these employers.

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have observed this legislation develop, and I recall, that when we enacted the pension reform legislation several years ago, tremendous efforts were put forth by my colleague, the gentleman from Illinois (Mr. ERLENBORN). He provided strong bipartisan support in behalf of the legislation enacted at that time. It seems to me that the contribution that the gentleman from Illinois is making right now is consistent with the original purposes of the pension reform legislation, to make employee pension plans strong, to make them actuarially sound, and to assure that the pension benefits are there when the employees apply for them.

It seems to me that the multiple employer program has been fraught with complications and with difficulties which are plaguing our society, which are threatening the viability and the liquidity of the pension programs and threatening to impose a liability on the taxpayer as a result of this program that was so well intentioned and so well designed, with few exceptions.

☐ 1320

The gentleman from Illinois is offering a series of amendments here which it seems to me are corrective and which are offered in the same spirit of nonpartisanship or bipartisanship as was his original purpose. I commended the gentleman at that time, because I think he divorced himself from any special interests related to management or employees, and it seems to me that he is doing precisely the same thing now.

I would pose a question to the gentleman from Illinois as to what serious threats are directed at the overall private pension program unless we adopt this amendment. Also, of course, I would like to ask that question with regard to the other amendments the gentleman is offering.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Illinois.

Mr. ERLENBORN. In answer to the gentleman's query, the existence of multiemployer insurance will continue the pernicious employer liability. Employer liability will discourage employers who are not now union employers and participating in a plan from becoming union, because as soon as they do and begin to contribute to a plan, they take on liabilities that existed prior to the time that they participated in the plan. They know then also that should other employers withdraw or should the industry decline, that it will just make their liability grow even ever larger, and they cannot withdraw from the plan or become nonunion without having to experience this employer liability.

If we repealed the insurance portion and continued to rely on funding and fiduciary standards and vesting standards, I think we could have a viable multiemployer system without the insurance.

Mr. McCLORY. It seems to me this Nation is getting back to the principle that it is the private economy that provides the opportunity for all Americans. It is the profit incentive. It is the opportunity for good jobs with benefits not only in the way of salaries, but also in the way of pensions and in the way of employee benefits which assure us of the good life, in our Nation. It seems to me that the existing law penalizes many employers, and, as has been brought out, especially the small business community. It is that kind of a penalty or handicap that it seems to me we want to eliminate as we provide more and more inducements to the private sector to increase productivity and to expand its operations for the benefit of us all.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I also am very grateful to the gentleman for bringing out the fact that our colleague from Illinois and our colleague from Ohio (Mr. ASHBROOK), both tried in 1974 to point this weakness out. They tried unsuccessfully to correct it at that time.

Now that we have had the experience of time to show that it has not worked and that it places an unfair burden upon employers, especially the small employer, I think the gentleman is correct in offering the amendment to improve the original legislation.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words.

The immortal bard Shakespeare said, "What webs we mortals weave!"

We wove one back in 1974 when we passed ERISA.

There are some obvious areas of concern and this bill deals with one of them. I support the bill. I am going to support the amendments proposed by the gentleman from Illinois, as well, because I feel they are constructive. I am grateful for the leadership that he has offered and the understanding that he has brought to this subject. I must say the subject, though, is considerably broader than this particular bill, and if we are not to struggle like a wayward bug in this web that we have created, we are going to have to have a much higher level of expertise and understanding than the average Member of this House has about the snags of the private pension funds this web of legislation has created.

I hope we will see in 1981 a major effort to review the overall impact of ERISA on private pension funds.

Frankly, private pension funds are a potential source of savings and capital investment for this country. I suspect that we have had a relative decline in the importance of private pension funds in this respect primarily because of the cost of social security going up so fast, but we are also constantly faced with allegations of inextricable complexity that attend the rules relative to private pensions. It seems that a major overall reform effort, not one dealing only with multiemployer plans which are a special problem, is timely at this point.

I realize we are not going to do it this year, but I hope we will find a consolidation of concern within the various committees dealing with this subject so that we can have an overall reform soon and be sure that we are on the right path. It is an important path for America, and we need the kind of leadership the gentleman from Illinois has offered in simplification and in taking out of the process the boobytraps that we all know are there.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

I want my friend to know I very much agree with part of what he has said. I think that in 1981 we should very definitely and I hope we will do a detailed study of the impact of ERISA and the many regulations that have been put forth by the Department of Labor and the Department of Treasury, many of which I take great exception to.

Mr. CONABLE. I think it is overdue as a matter of fact.

Mr. PEYSER. I agree with the gentleman, but I would like to suggest to the gentleman that to make the dramatic change in the guarantee program that the gentleman from Illinois is suggesting before we even know the full impact of this would be a tremendous mistake, because it is striking really at the heart of one of the reasons we established the ERISA program.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding.

First of all, I want to thank the gentleman for his remarks. I should point out that the gentleman is too modest in his goal. We should have those extensive hearings and overview this year and not wait until next. Fortunately, my good chairman, the gentleman from New Jersey has promised hearings on a bill that the gentleman and I have jointly sponsored, 6053, and has promised them early. I expect we will have that through this year.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

One of the reasons we cannot delay and we have to act this year is because some of the deadlines set in the original ERISA Act, one of them is the end of this month. So one of the direct actions we can take without waiting for the hearings is to vote for the amendment of the gentleman from Illinois.

Mr. CONABLE. I certainly do not quarrel with the need for haste in dealing with this. I think we have a lot of serious problems in the area. I am concerned, for instance, about the problem of LERA. There is an injustice built right into our act, which, through inadequate pension plans, denies people a benefit at least equivalent to what they could get through establishing an IRA.

Now that is just one example. There are countless other examples. Certainly, any prompt attention to this overall problem is indicated. If we can do something this year, that is fine. I would not be surprised, however, to see us dealing with it in a more comprehensive way next year and not during the remaining time before the elections.

□ 1330

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Erlenborn) as a substitute for the amendment in the nature of a substitute offered by the Committee on Ways and Means.

The question was taken; and on a division (demanded by Mr. Rousselot) there were—ayes 16, noes 17.

So the amendment offered as a substitute for the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. ERLENBORN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON WAYS AND MEANS

Mr. ERLENBORN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Erlenborn to the amendment in the nature of a substitute offered by the Commitee on Ways and Means. Page 193, line 19, strike out "paragraph (6)" and insert in lieu thereof "paragraphs (6) and (7)".

Page 198, insert after line 17 the following:

"(7) (A) In any case in which this paragraph applies to a plan—

"(i) in applying paragraph (1) to such plan the term '75 percent' shall be substituted in paragraph (1) (A) for the term '70 percent', and

"(ii) effective for the plan year following the date of the election under subparagraph (B), in applying paragraphs (2) (B) (iii) and (3) (B) (i) of section 302(b) to such plan, the term '20 plan years' shall be substituted for all that follows the term 'period of' therein.

"(B) This paragraph shall apply to a plan only if, during a year of election described in subparagraph (C), the plan sponsor elects that this paragraph apply with respect to such plan. Such election shall be irrevocable.

"(C) A year of election described in this subparagraph for a plan is—

"(i) except as provided in clause (ii), any plan year, during the period of 3 consecutive plan years beginning with the first plan year beginning after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980, which meets the assets-benefits test under subparagraph (D), or

"(ii) in any case in which there is no year of election under clause (i), the first plan year, beginning after the 3-year period described in clause (i), which meets such assets-benefits test under subparagraph (D).

"(D) A plan year meets the assets-benefits test under this subparagraph if the plan year is the third plan year of any period of 3 consecutive plan years in which the ratio of the value of the assets of the plan at the beginning of each such plan year to the benefit payments made during the plan year preceding such plan year is at least 8 to 1.

Mr. THOMPSON (during the reading). Mr. Chairman, again the gentleman has provided us with copies of these amendments. They are well known.

I ask unanimous consent, in the interest of expediting this bill and of the further studies which the gentleman from New York (Mr. Conable) was talking about, that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ERLENBORN. This amendment adds to ERISA a new paragraph which increases the level of benefit guarantees for certain plans electing a 20-year funding standard. Specifically, under section 4022(A) (c) (1) a participant's monthly benefit for each year of credited service is guaranteed up to a maximum of 100 percent of the monthly accrual rate up to $5 plus 70 percent of the lesser of $15 or the monthly accrual rate in excess of $5.

Under the amendment for plans electing 20 year funding, the 70-percent factor would be increased to 75 percent at the time of the election.

In order to avoid antiselection, plans meeting a certain asset to benefits ratio test would have 3 plan years after date of enactment in which to elect 20-year funding and the higher benefit guarantee level.

The plan meets the asset benefit test if within a period of 3 consecutive years the ratio of plan assets to plan benefit payments is at least 8 to 1. A plan meeting the 8-to-1 assets benefits test for the first time after the initial 3-year period would be able to elect the higher benefit guarantee and 20-year funding at the time it meets such test.

Under the amendment, plans making an election for the increased benefit guarantee would be required to amortize over 20 plan years any unfunded past service liabilities which arise in plan years after the date of election.

The amendment would encourage sounder plan funding among the plans eligible for the election, approximately three-fourths of all plans, thus reducing the risk, the exposure, and the long-term costs of the multiemployer plan program.

The amendment would have no immediate impact on the estimated short-term costs of the program as presented to the Congress by the PBGC.

So that it be clearly understood in simple terms, this is a carrot. There is no compulsion here at all. The bill says you can have a 60- or 70-percent level of guarantee. This gives us another level, 75 percent, a higher guarantee, if a plan elects to do certain things, that is, elect 20-year funding and meet the 8-to-1 assets to benefits ratio test which will make the plan sounder.

Nobody will be forced to do anything. Employees will be the beneficiaries, because they will have a higher guarantee level for their benefits.

The amendment would extend to the guarantee program sound principles of insurance through the establishment of underwriting standards relating to the present status and future levels of plan funding.

Under the bill, plans which did not meet normal cost plus interest funding prior to ERISA have a 60-percent guarantee level, unless they subsequently meet an assets to benefits test of 8 to 1 or more. Then the level of guarantee goes to 70 percent.

The amendment builds on these underwriting principles, already in the bill by extending the guarantee level to 75 percent, when a plan meets both the assets to benefits ratio tests, and also elects 20-year amortization for future unfunded past service liabilities.

Again, so it will be clearly understood, the bill before us would give your participant employees either a 60-percent or a 70-percent guarantee. This amendment will give you the opportunity to vote in favor of extending to employee participants a higher guarantee, 75 percent, by building on the sound underwriting principles already in the bill. No one will be forced to do it. If a plan elects to do it, the employee participants in these multiemployer plans will be the beneficiaries.

How anyone could refuse to offer this carrot and give this added benefit to your constituents who are participants in these plans is really hard for me to understand; so I expect the amendment will be adopted unanimously.

Mr. WEISS. Mr. Chairman, I rise in opposition to the amendment. If I understand it correctly it is apparently intended to encourage plans to go to faster funding by providing higher levels of guarantees.

The amendment would add unnecessary complexity to the legislation, create confusion and uncertainty for plan participants, do nothing to encourage sounder funding and finally, create an opportunity for plans to select against the system. The amendment, in my judgment has hidden minefields.

In the first place the 5-percent increase in guaranteed benefits does not give soundly funded plans very much, certainly not enough to warrant increasing the cost of new benefit increases as the provision would do, since soundly funded plans would not need the higher guarantees. What the provision does is enable a plan that just squeaks in, past the 8-to-1 test, that anticipates protracted declines in the contribution base, and does not anticipate making further increases because it is rapidly going down hill, to add a few words to the plan that says "we elect 20-year-funding" and buy a 5-percent increase in the guarantee. Even the 3 consecutive year test would be inadequate to prevent such a result. There is at least one multiemployer plan in New York in which the shutdown of major contributors in the space of a little over a year put the plan into rapid decline.

The amendment makes no distinction between a plan with an 8-to-1 ratio that is on 40-year funding and a plan with a 15-to-1 ratio that is on 30-year funding. The bill already has a provision requiring the PBGC to set up a supplemental guarantee program for a 15-to-1 plan. We allowed the PBGC 18 months to develop regulations establishing funding and other requirements because we realized it would be difficult to determine appropriate levels, in order to avoid just the opportunity to select against the system that this amendment provides.

Moreover, although this amendment provides for an election for 20-year funding, it does not prevent what is called shortfall funding, which in the event of protracted contribution base declines can result in a seriously weakened plan. Such a plan could "elect" 20-year funding, but the higher guarantee, and still use the shortfall method which results in it becoming a burden on the system. Moreover the amendment does not prevent game playing like lengthening funding for old benefits from 35 to 40 years, and adding a provision for 20-year funding of new increases just to buy a higher guarantee.

The impact of this amendment could be to add increased costs to the system, clearly the opposite effect from that intended by the gentleman from Illinois.

In conclusion, this amendment adds another layer of complexity to a bill which already has two levels of guarantees and provision for a third, the supplemental program, I mentioned before. It would make it impossible to explain to participants what their guarantee is. It is time that pension plans are understood by plan participants.

We are asked to vote for an amendment which creates uncertainty and instability, and has no positive effects which anyone can see and may cause serious mischief. To the best of my knowledge there is no support for this amendment from anyone outside this Chamber.

I ask for its rejection by the Committee.

□ 1340

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and rise in support of the amendment.

Mr. Chairman, the previous speaker indicated that this bill in its present form was supported by all management and labor groups. In fact it is supported by a few management and labor groups. I really do not know who they are, but I am conversant with literally hundreds of groups who appeared before our committee or who tried to submit information to our committee who do not support it as it is written. While there may be a coalition to which we referred yesterday, that coalition is at least somewhat limited in scope. Indeed, there are plenty of affected people who do not like this bill and do not think it does the job.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I will be delighted to yield to my distinguished colleague from New Jersey.

Mr. THOMPSON. Mr. Chairman, I do not want to delay the gentleman.

Mr. FRENZEL. The gentleman is breaking my stride.

Mr. THOMPSON. Like he, I would be constrained to object to any further extensions of time. I do not have before me a list of all of the labor and management groups supporting this bill, but I can tell the gentleman that the U.S. Chamber of Commerce, the National Association of Manufacturers and all of the contractor employee groups and the unions, construction trades, and all of the other union groups, do support this legislation.

Mr. FRENZEL. I thank the gentleman for his contribution and would only add that a number of groups who support the bill do support it without amendment, some of those named by the gentleman being included.

Mr. Chairman, this is an important amendment. It is not as important as the last amendment which the House rejected, but it will tend to improve the financial responsibility of a number of pension plans.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for yielding.

I noted in the argument made by the gentleman from New York against the amendment he said this might act to the detriment of the employees. I would only point out to the gentleman, as he argued concerning the prior amendment, the employees are represented on the board that will make this decision. It is a joint board representing the union and management.

Second, the gentleman says it would make the benefits structure too complex. Well, no one need accept this additional guarantee and, if they do, there is nothing complex about it. Any time that an employee asks, "What is the level of my gauarantee?" his trustee will know if it is 60 or 70 or 75 percent.

Now, as to the shortfall issue, the gentleman also expressed his concern that my amendment does not change the application of the so-called shortfall funding method. I can assure the gentleman that in requiring 20-year amortization of new past service liabilities under my amendment, the initial contribution rate, computed in accordance with the shortfall method, must reflect such 20-year amortization.

I am glad the gentleman has brought up the issue of shortfall funding, because, as I recall, this method is solely a creature of the ERISA conference report, and is thus little understood. I call attention to the fact that the provisions in H.R. 3904 amending ERISA section 302 and section 412 of the Internal Revenue Code require 15 years rather than the 20 years amortization of experience gains and losses under multiemployer plans. To be logical and consistent, I would think that future shortfall gains and losses would also have to be amortized over 15 years rather than 20 years.

Does the gentleman from Minnesota (Mr. FRENZEL) agree that 15-year amortization of shortfall gains and losses is the logical and consistent result intended under the new funding standards in H.R. 3904?

Mr. FRENZEL. That is my understanding. That is that section 412 of the Internal Revenue Code, as amended by the bill, requires 15 years rather than 20 years for amortizing experience gains and losses under multiemployer plans. It would seem to me to be perfectly consistent that that is what we would do with the shortfall financing.

Mr. ERLENBORN. I thank the gentleman.

Mr. FRENZEL. I thank the gentleman for his contribution.

Mr. Chairman, this is simply an incentive for plans to be better financed and financially more healthy. It simply requires more rapid funding, reducing the possibility that the plans will have financial problems or will have to eventually utilize pension benefit guarantee corporation assets, or taxpayer assets. It helps reduce the inadequate funding resulting from the shortfall method and it helps to preserve the BPGC assets and encourages plans to be more realistic in setting their benefit levels. I hope it is adopted.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, my problem with this amendment is that, if accepted, basically it would end up in pension plans that this would become part of forever practically limiting any increase in benefits to any future plans. The funding costs, using a 6-percent earning assumption, which I realize is rather strange today in the present interest market, but looking in terms of pensions and actuaries on a long-term procedure is not too unusual. Coming from the present level of past funding liability down to 20 percent would have an approximate increase in cost of nearly 31 percent. In other words, to do that, if a plan were to accept this type of suggestion as is being made in this amendment, the costs would be so substantial that every thought of being—and I am an optimist on the future and I believe we are going to come out of the problems we are facing today—that there will be chances in the future for increased pension benefits when industry again is moving and employment is rising and things are looking much better in this country. Yet if we were faced with this 20-year past funding we would never be in a position to do that.

I would like to call attention of the gentleman also that in private plans, single plans, not multiemployer plans, the average past funding right now is about 32 years. In other words, they are not down to 20 even in the best plans we can find today. I think that to offer this as though it is a solution to a problem would be a very confusing and unfair thing because one could really say, carried to the extreme, that 100-percent funding would really be the way to go because then I would agree if we could meet that we would not need a termination insurance plan because dollar for dollar would be in the program.

But that is not reality. I think the amendment should be defeated. It is certainly misleading, confusing, and does not serve the best interests of the recipients of pension plans.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN) to the amendment in the nature of a substitute offered by the Committee on Ways and Means.

The question was taken; and on a division (demanded by Mr. ERLENBORN) there were—ayes 13, noes 15.

RECORDED VOTE

Mr. ERLENBORN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 218, answered "present" 1, not voting 54, as follows:

[Roll No. 255]

AYES—160

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Broomfield
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Forsythe
Frenzel
Gingrich

Goldwater
Goodling
Gradison
Gramm
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Harsha
Hillis
Hinson
Holt
Hopkins
Huckaby
Hyde
Ireland
Jeffords
Jeffries
Kelly
Kemp
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDonald
McKay
Madigan
Maguire
Marks
Marlenee
Marriott
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nichols

O'Brien
Pashayan
Paul
Petri
Porter
Pritchard
Quayle
Railsback
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Tauke
Taylor
Thomas
Trible
Udall
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Young, Fla.

NOES—218

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Burlison
Burton, John
Burton, Phillip
Carr

Cavanaugh
Chisholm
Clay
Coelho
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Dicks
Dingell
Donnelly
Downey
Drinan
Early
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Frost

Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holland
Hollenbeck
Horton
Howard
Hubbard
Hughes
Hutto
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.

Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McDade
McHugh
Markey
Matsui
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal

Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pursell
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Schroeder
Seiberling
Shannon
Sharp
Simon

Skelton
Solarz
Spellman
Stack
Staggers
Steed
Stokes
Stratton
Studds
Swift
Synar
Tauzin
Thompson
Traxler
Ullman
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Mica

NOT VOTING—54

Anderson, Calif.
Anderson, Ill.
AuCoin
Barnard
Boggs
Bonker
Bowen
Brown, Calif.
Brown, Ohio
Carney
Collins, Ill.
Davis, S.C.
Derwinski
Diggs
Dixon
Dodd
Duncan, Oreg.
Eckhardt

Fish
Foley
Fountain
Fuqua
Giaimo
Grassley
Hansen
Heckler
Holtzman
Ichord
Kazen
Kindness
Leach, La.
McCormack
McEwen
McKinney
Martin
Mathis
Minish

Murphy, Ill.
Murphy, N.Y.
Nolan
Perkins
Quillen
Rahall
Rodino
Runnels
Scheuer
St Germain
Stark
Stewart
Symms
Van Deerlin
Whitten
Wilson, C. H.
Wilson, Tex.

☐ 1400

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. Rodino against.

Mr. Carney for, with Mr. McCormack against.

Mr. Derwinski for, with Mr. Duncan of Oregon against.

Mr. Grassley for, with Mr. Murphy of New York against.

Mr. Hansen for, with Mrs. Heckler against.

Mr. Kindness for, with Mr. Minish against.

Mr. Quillen for, with Mr. Dodd against.

Mr. Barnard for, with Mr. St Germain against.

Messrs. LLOYD, VENTO, and DAVIS of Michigan changed their votes from "aye" to "no."

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ERLENBORN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON WAYS AND MEANS

Mr. ERLENBORN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. **Erlenborn** to the amendment in the nature of a substitute offered by the Committee on Ways and Means: Page 404, line 19, strike out "and".

Page 404, insert after line 19 the following:

(2) by striking out clause (iii) of subsection (b)(2)(B) and inserting in lieu thereof the following:

"(iii) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, in the case of a single-employer plan, over a period of 30 plan years, and, in the case of a multiemployer plan, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,";

(3) by striking out clause (i) of subsection (b)(3)(B) and inserting in lieu thereof the following:

"(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, in the case of a single-employer plan, over a period of 30 plan years, and, in the case of a multiemployer plan, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,"; and

Page 404, line 20, strike out "(2)" and insert in lieu thereof "(4)".

Page 385, insert after line 23 the following:

(2) by striking out clause (iii) of subsection (b)(2)B) and inserting in lieu thereof the following:

"(iii) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, in the case of a single-employer plan, over a period of 30 plan years, and, in the case of a multiemployer plan, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986.

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,";

(3) by striking out clause (i) of subsection (b)(3)(B) and inserting in lieu thereof the following:

"(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, in the case of a single-employer plan, over a period of 30 plan years, and, in the case of a multiemployer plan, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986.

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(II) 20 plan years in any case in which such plan year begins on or after January 1, 1992,";

Page 385, line 24, strike out "(2)" and insert in lieu thereof "(4)".

Page 38, line 15, strike out "(3)" and insert in lieu thereof "(5)".

Mr. ERLENBORN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ERLENBORN. Mr. Chairman, the amendment adds new paragraphs (2) and (3) to section 304 of the bill which amends section 302(b) of ERISA relating to plan minimum funding requirements.

Under the bill future unfunded past service liabilities—for example, arising from plan amendments increasing benefits related to past service—are required to be amortized over 30 years rather than 40 years as under current law. The amendment would require such unfunded past service liabilities to be amortized over 30 years for plan years beginning before January 1, 1986, over 25 years for plan years beginning January 1, 1986 and ending before January 1, 1992, and over 20 years for plan years beginning January 1, 1992.

By requiring sounder plan funding, the amendment would significantly reduce the risk, the exposure, and the long-term costs of the multiemployer plan program.

The PBGC and the committee report state that the objective of 30-year funding is to insure that financially healthy plans remain sound in the face of: First, inflationary pressure to increase benefits, and second, unanticipated declines in the contribution base of a plan. Faster funding would better insure that this goal is actually realized.

The existence of large unfunded liabilities is clearly a major cause of plan instability. Thirty-year amortization is clearly inadequate to fund benefit improvements for a plan's retirees who as a group may have an average life expectancy of less than 10 years. In fact, the amount required under 30-year amortization will probably be less than the amount necessary to pay the actual increase in the retiree's benefits. The result of this disparity in funding against benefit outgo is the rapid buildup of unfunded liabilities.

Thirty-year funding is also inadequate to prevent catastrophic losses in the event of a steep and rapid decline in a plan's contribution base—usually hours worked. The resulting so-called shortfall losses or other experience losses resulting from a decline can be amortized over 20 years under existing law. The consequence is that the actual level of plan funding may fall below 30-year amortization or even interest only funding with respect to newly created unfunded liabilities.

The inadequacy of 30-year funding is illustrated by the $1 billion plus unfunded liability of the Chrysler Corp. plans. Even though the plans have been historically funded on a 30-year basis the plan assets still fall short of the amount needed to cover retiree benefits.

☐ 1410

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it would accomplish nothing in the way of effecting cost savings for the program in the short term while having a potentially disastrous effect on the ability of healthy multiemployer plans to provide adequate retirement income.

Mr. Chairman, we have a provision in the bill, the minimum contribution requirement, which is designed to catch plans that are not in a financially sound position. That provision goes into effect no later than 3 years from enactment date and requires faster funding than the amendment offered by my colleague because it requires generally 10-year funding of increases for retirees. It is narrowly targeted to the plans for which is inadequate.

The amendment offered by my colleague affects plans in healthy shape however, and may, have a negative impact on the ability of such plans to provide adequate retirement income. The result could be to affect the balance between the social security system and the private pension system and cause the demise of the latter. Further, the difference in funding requirements between single employer and multiemployer plans may make the former more attractive and cause more employer withdrawals from multiemployer plans. The result would be to weaken plans now in good shape and increase the cost of the system, precisely the opposite effect from that which my colleague claims he seeks to achieve.

In addition, because it would make defined benefit plans so expensive, such a provision would further drive employers to set up defined contribution plans or individual retirement accounts which, as I have stated, are not sound mechanisms for providing retirement income. Employer withdrawals would increase and multiemployer plans would be further weakened.

This amendment would create terrific instability in the multiemployer pension plan universe when what we are trying to do is stabilize the system. In the long run such a provision might make sense. But we need time to assess the impact of the significant changes we have determined to make only after 3 years of study and consultation between the private sector and Government. between labor and management groups. This amendment as every other amendment to be offered by my colleagues today, creates uncertainty and instability. Before we do such mischief to the private sector of our economy let us make sure that we achieve a certain and worthwhile gain.

Mr. Chairman, as with every other amendment offered and to be offered by the gentleman from Illinois today, there is no support for the amendment from any corner. Passage of the amendment would subject us to serious and justifiable criticism from the private sector.

I urge defeat of the amendment.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to speak in support of the Erlenborn amendment.

This amendment provides that past service liability be funded much more quickly, and thereby reduces the possibility of plans having financial problems and having to utilize the assets of the Pension Benefit Guarantee Corporation.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for yielding. If I could have the attention of our chairman, I noted that my colleague from Michigan (Mr. FORD) in opposing the amendment did say that it had a good purpose, but he thought that it might not work in practice.

Since the passage of ERISA, we have accumulated data relative to funding, and of course we imposed funding standards at that time. But, in this bill we are going to increase the funding standards, improve them for multiemployer plans, from 40 to 30 years. There is some question as to whether we should increase the funding for single employer plans when we consider future ERISA amendments.

I wonder if my chairman would agree that our pension task force should conduct a study of funding. We have the information available now through the annual reports of the funds over the past several years. I think we ought to find out what the real facts are relative to the effectiveness of the current level of funding required by ERISA, the new level of funding required by this bill, and the possibility of requiring faster funding for all plans.

Mr. FRENZEL. I yield to the distinguished gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I would agree that we could undertake a study of funding. I do not think there is any question about that. Referring back earlier to the colloquy with the distinguished gentleman from New York (Mr. CONABLE), we do intend as soon as possible to review the private pension plans.

Now, this applies only to multiemployer plans, and it does accelerate in such a way that we believe would be deleterious and would cause a problem in the employer contributions and an incentive to get out. We therefore oppose it. I doubt, incidentally, that without help, which we intend to ask for, from the PBGC and others, we can look at this whole funding process. But, I do not think that it is appropriate now to pass this amendment and I at this time, even though in concept I agree in part with it, I think that it would be damaging. I would hope that it is not agreed to.

Mr. FRENZEL. I thank the chairman for his contribution. I agree with the amendment totally and hope that it is adopted unanimously.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN) to the amendment in the nature of a substitute offered by the Committee on Ways and Means.

The amendment to the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. ERLENBORN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON WAYS AND MEANS

Mr. ERLENBORN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ERLENBORN to the amendment in the nature of a substitute offered by the Committee on Ways and Means: Page 198, insert after line 17 the following:

"(7) Notwithstanding the preceding provisions of this subsection, in the case of a plan which terminates as described in section 4041A(a)(2) before becoming insolvent (within the meaning of section 4246(b)(1)), the benefit guaranteed under this subsection of a participant who was not in pay status at the time at which the plan terminates (or of a beneficiary of such a participant) shall be 95 percent of the benefit which would be guaranteed under such provisions without regard to this paragraph.

Page 259, line 12, strike out 'and".

Page 259, insert after line 12 the following:

"(ii) in any case in which such termination, or such withdrawal by substantially all the employers, occurs before the plan becomes insolvent (within the meaning of section 4246(b)(1)), in applying subparagraph (C)(i) to such plan, the term '110 percent of' shall be inserted before the term 'the highest contribution rate' in subclause (II) of such subparagraph (C)(i), and

Page 259, line 13, strike out "(ii)" and insert in lieu thereof "(iii)".

Mr. THOMPSON (during the reading). Mr. Chairman, since we are familiar with this amendment, I ask unanimous consent that it be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1420

Mr. ERLENBORN. Mr. Chairman, this provision: First, amends section 102 of the bill by adding a new paragraph (7) to section 4022A(c) of ERISA; and second, amends section 104 of the bill by adding a new clause (ii) to section 4201 (i)(2)(C) of ERISA.

The amendment would reduce the cost of the multiemployer plan program by providing disincentives for plans to terminate prior to plan insolvency whereby employers withdraw en masse in order to avoid further obligation through changes in business structure. First, a 5-percent coinsurance factor is introduced in the level of benefit guarantees for those who are active participants at the time of the plan termination. The amendment would not affect the benefit guarantee levels of retired participants or their beneficiaries. By setting benefit guarantee levels at 95-percent of what they would otherwise be, the amendment would discourage active employees and their collective-bargaining representatives from either colluding with employers to abandon a plan or acting unilaterally to place retirees and employers in economic jeopardy.

Second, the amendment would increase by 10 percent the annual amount of the employer withdrawal liability payment for each employer participating in the mass withdrawal. However, the total amount of each employer's share of withdrawal liability would remain unchanged. By discouraging mass withdrawals, the effect of this provision would be to encourage employer plan participation and funding, thus reducing the chance that accrued vested benefits would ever have to be cut back to the guaranteed level.

This amendment would prevent abuses. Benefit guarantee cuts of another 5 percent for actives—only—would make it less likely that the active employees would prefer plan termination and the start up of a new multiemployer or single employer plan covering just themselves—leaving retiree benefits fixed under the terminated plan. The 10 percent increase in employer withdrawal liability payments would mean less employer money available for increased contributions to a new plan.

There is little reason for any mass withdrawal termination prior to plan insolvency. Under the bill a plan can always be amended to freeze benefits and vesting in which case the plan would have to continue to meet the minimum funding standards. This provides unions and employers an option to work themselves out of a bad situation without having to terminate a plan prior to insolvency (if such actually occurs).

The bill increases premiums to $2.60 from $0.50 over 9 years. The PBGC estimates the cost to require premiums in the range of $1.50 to $5 with the costs in the $4 to $5 range based on the assumption of mass withdrawal termination. In fact, under the assumption of mass withdrawal termination the number of plans projected to need assistance increases fourfold from a range of $11 to $15 to a range of $42 to $53. Clearly the amendment is needed to deal with the high risk and costs attendant with mass withdrawal plan terminations—an issue that has been overlooked in the consideration of the bill up to this point.

Mr. MILLER of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment because it is not going to save the PBGC any money, it will create incentives to mass withdrawal. It may take us back in the direction we started from by creating an incentive for employers to withdraw early to avoid higher termination costs.

Let me explain.

This amendment provides for a reduced guarantee which does not apply to retirees. The only people it would apply to are inactive participants, those workers who no longer have any connection to the union. This is supposed to prevent collusion, but where active workers still in the plan see higher and higher amounts coming out of current compensation, it may be worth it to them to take the cut of 5 percent knowing the retirees have the full statutory levels. At the same time the amendment provides that the withdrawing employers will have higher annual costs in the event of a mass termination. In a mutual decision by employers to pull out of the pension plan it is usually the small employers who have no choice, they will suffer from the higher annual withdrawal liability costs on termination. Finally if it costs more to terminate a plan than to withdraw before termination—precisely the situation under the current law which creates an incentive to withdraw early—this amendment will create an incentive to early withdrawals. Plans will be further weakened financially. The employers who will be in a stronger position to withdraw will be the large employers, leaving the small employers with increased funding obligations and ultimately the higher annual liability if they are forced to terminate the plan, as the gentleman from Illinois believes they might be.

Finally, if the amendment is passed, it will be impossible for participants to know what their guarantee is and for any one to collect withdrawal liability until litigation over whether or not there had been a mass withdrawal is ended. Mass withdrawal, under the provision of the bill defining it, may take place over a 3-year period pursuant to an agreement or arrangement to withdraw. As under this amendment it will cost employers more annually if there is a mass withdrawal, we may expect they will strenuously litigate the issue; the result will be that no withdrawal liability will be collected for quite some time, and since no one will know what the guarantee level is, participants who enter pay status while the litigation is pending will end up setting too little money, or too much money, or no money at all. Imagine if participants get too much money, with respect to one plan of which I am aware, the PBGC would have to recoup $1.25 per month from each participant who had entered pay status while the litigation was pending.

The bottom line is that this amendment may increase, not reduce, the exposure of the system to large liabilities, create higher costs for smaller businessmen, hurt inactive participants who no longer have a connection to the union, create administrative complexities and confusion for participants, and increase the potential for protracted litigation.

I urge my colleagues to vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN) to the amendment in the nature of a substitute offered by the Committee on Ways and Means.

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 21; noes 29.

So the amendment to the amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the Committee on Ways and Means.

The amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the Committee on Education and Labor, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. ROSE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3904), to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans, pursuant to House Resolution 666, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 374, nays 0, not voting 59, as follows:

[Roll No. 256]

YEAS—374

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett

Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—59

Anderson, Ill.
AuCoin
Barnard
Boggs
Bonker
Bowen
Brooks
Brown, Calif.
Butler
Collins, Ill.
Davis, S.C.
Derwinski
Diggs
Dingell
Dixon
Dodd
Duncan, Oreg.
Fary
Fish
Foley
Fuqua
Giaimo
Grassley
Hansen
Heckler
Holtzman
Huckaby
Jenrette
Johnson, Colo.
Kazen
Leach, La.
Lent
McCormack
McEwen
McKinney
Martin
Mathis
Minish
Mollohan
Murphy, Ill.
Murphy, N.Y.
Nolan
Oakar
Pepper
Perkins
Quillen
Rahall
Rodino
Runnels
Skelton
St Germain
Stewart
Symms
Van Deerlin
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wydler

☐ 1440

The Clerk announced the following pairs:

Mr. Rodino with Mr. Grassley.
Mrs. Boggs with Mr. Quillen.
Mr. Dingell with Mr. Symms.
Mr. Dodd with Mr. Bob Wilson.
Mr. Fary with Mr. Hansen.
Mr. Giaimo with Mrs. Heckler.
Mr. Murphy of New York with Mr. McKinney.
Mr. Pepper with Mr. McEwen.
Mr. St Germain with Mr. Martin.
Mr. Van Deerlin with Mr. Lent.
Mr. Charles H. Wilson of California with Mr. Anderson of Illinois.
Mr. Minish with Mr. Bonker.
Mr. McCormack with Mr. Butler.
Mr. Murphy of Illinois with Mr. Derwinski.
Mr. Kazen with Ms. Oakar.
Mr. Jenrette with Mr. Perkins.
Mr. Fuqua with Mr. Rahall.
Mr. Foley with Mr. Runnels.
Mr. AuCoin with Mr. Skelton.
Mr. Bowen with Mr. Stewart.
Mr. Brown of California with Mr. Whitley.
Mr. Nolan with Mr. Wydler.
Ms. Holtzman with Mr. Charles Wilson of Texas.
Mr. Mathis with Mr. Barnard.
Mr. Duncan of Oregon with Mrs. Collins of Illinois.
Mr. Davis of South Carolina with Mr. Dixon.
Mr. Diggs with Mr. Fish.
Mr. Mollohan with Mr. Huckaby.
Mr. Brooks with Mr. Leach of Louisiana.

Mr. KELLY and Mr. FORSYTHE changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to improve retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, to authorize plan preservation measures for financially troubled multiemployer pension plans, and to revise the manner in which the pension plan termination insurance provisions apply to multiemployer plans, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERSONAL EXPLANATION

Ms. OAKAR. Mr. Speaker, I wish to have the RECORD indicate that on rollcall 256, final passage of H.R. 3904, Multiemployer Pension Plan Amendments Act of 1979, I was present, but my vote was not recorded. I really was present, but for some reason, the machine did not work. Had my vote been recorded, I would have voted "aye."

PERSONAL EXPLANATION

Mr. JENRETTE. Mr. Speaker, on rollcall 256, final passage of H.R. 3904, Multiemployer Pension Plan Amendments Act of 1979, I missed the vote. I was away out of the Chamber on constituent services. Had I been present, I would have voted "aye."

A FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3789. An act to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program;

H.R. 4890. An act to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983;

H.D. 5036. An act to require the Secretary of the Interior to convey a parcel of land located in Colorado to the Ute Mountain Ute Tribe and to pay an amount to such tribe for economic development; and

H.R. 6727. An act to establish the Bon Secour National Wildlife Refuge.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, concurrent resolutions of the House of the following titles:

H. Con. Res. 342. Concurrent resolution providing for an adjournment of the House from May 22 to May 28, 1980, and a recess of the Senate from May 23 to May 28, 1980; and

H. Con. Res. 345. Concurrent resolution directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 2253.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 662) entitled "An act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.".

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2253) entitled "An act to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchases of portions of such railroad, and to provide arrangements for protection of the employees.".

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished gentleman from Illinois (Mr. ROSTENKOWSKI) as to the program for the balance of the day and for next week.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. I thank the gentleman for yielding.

Mr. Speaker, the program for the balance of this week, or for today, is to take the rule up on the International Security and Development Cooperation Act and the rule having been adopted, to proceed into general debate on that bill, the general debate only.

That, Mr. Speaker, will conclude the work for the balance of this week.

The intended schedule for the week of May 26 is, of course, on adjournment today we will go over until 3 p.m. on Wednesday, May 28, celebrating Memorial Day work period.

At 3 p.m., on Wednesday, May 28, 1980, the House will convene and consider:

H.R. 6942, the International Security and Development Cooperation Act of 1979, hoping that the rule will have been adopted and the general debate completed.

It is our intention to get into the 5-minute rule on Wednesday.

I point out there will be a session on Friday.

The House will meet at noon on Thursday and at 10 a.m. on Friday and consider:

House Resolution 660, in the matter of CHARLES H. WILSON;

Conference report on House Concurrent Resolution 307, the first budget resolution;

House Resolution 624, disapprove Reorganization Plan No. 1 for 1980 on NRC;

H.R. 6942, International Security and Development Cooperation Act of 1979, should we not complete that bill on Wednesday.

Then continue on:

H.R. 4046, the Antitrust Collateral Estoppel Act, under an open rule, with 1 hour of debate;

H.R. 4048, the awards of prejudgment interest in antitrust litigation, under an open rule, with 1 hour of debate;

H.R. 2255, insurance activities of bank holding companies, under an open rule, with 1 hour of debate.

Mr. Speaker, the House will adjourn at 3 p.m. on Friday and at 5:30 on Thursday.

Conference reports may be brought up at any time. Any further program is expected to be announced later.

□ 1450

Mr. RHODES. Mr. Speaker, could the gentleman from Illinois tell the Members as to how late we might possibly be in on Wednesday next?

Mr. ROSTENKOWSKI. Mr. Speaker, if the gentleman will yield, I do not expect that the leadership plans to work past 7:30.

Mr. RHODES. I thank the gentleman. Would it be accurate to state that when the conference report on House Concurrent Resolution 307 comes up, the first budget resolution, that, of course, debate would be confined to 1 hour. Will there be amendments in disagreement or will the vote occur immediately after the debate?

Mr. ROSTENKOWSKI. As far as the gentleman to whom the question is addressed, the resolution would be resolved that day, as far as the leadership is concerned.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. RHODES. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the distinguished minority leader for yielding.

I just wanted to ask the gentleman from Illinois, has there been any consideration given to postponing the general debate on the foreign assistance authorization bill from this afternoon until next week, because if we have a vote on the rule, I am quite sure that all Members will leave except the members of that committee. They have been debating this bill for 5 or 6 months. It does contain $5½ billion and I think the entire membership or part of it should be here to consider that. If we postspone it until next week, they will be here; otherwise they will leave.

Mr. ROSTENKOWSKI. Well, if the gentleman will yield further, I can only make the observation that this legislation has been on the schedule. It has been our intention to try to take up the rule and get in as much debate as possible.

I am afraid that the leadership cannot make any apologies for that, because the membership has been on notice that it was going to be taken up today and at least conclude by 5:30 as much of the general debate as we possibly could.

Mr. BAUMAN. Well, Mr. Speaker, if the gentleman would yield further, my only point is that no one will be here to hear it except the members of the committee that wrote the bill. It seems to me that it is of sufficient importance that we might try to schedule it on a day that Members will remain. Otherwise, the gentleman from Maryland certainly will discuss it during the rule and the vote will probably not come until 4 o'clock.

Mr. ROSTENKOWSKI. Well, the plan for the rule and the conclusion of debate is scheduled for today. I can only make the observation that if the Members would like, they can read it in the RECORD tomorrow. The debate will take place.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding. I would like to direct a question to my esteemed colleague and friend, the gentleman from Illinois. I notice on the whip notice for next week that there is nothing that relates to the Federal Trade Commission. It is my understanding that funding for the FTC will expire at the end of this month. Could my colleague indicate whether or not the leadership plans to bring some emergency or special legislation up?

Mr. ROSTENKOWSKI. As of this exchange, the gentleman from Illinois has no knowledge of it being scheduled. I am sure that if it is an emergency program, that we would provide for any program that needs an addendum and that would be announced later.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, NOTWITHSTANDING ADJOURNMENT

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Wednesday, May 28, 1980, the Clerk be authorized to receive messages from the Senate and that the Speaker or Speaker pro tempore be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Wednesday, May 28, 1980, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MESSAGE FROM THE SENATE

The SPEAKER pro tempore. The Chair lays before the House the following message from the Senate:

The Clerk read as follows:

Resolved, That the concurrent resolution from the House of Representatives (H. Con. Res. 342) entitled "Concurrent resolution providing for an adjournment of the House from May 22 to May 28, 1980, and a recess of the Senate from May 23 to May 28, 1980", do pass with the following amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "Friday, May 23," and insert "Thursday, May 22,".

Amend the title so as to read: "Concurrent resolution providing for an adjournment of the House from May 22 to May 28, 1980, and a recess of the Senate from May 22 to May 28, 1980.".

The SPEAKER pro tempore. The question is on the Senate amendments.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

REQUEST TO CONSIDER HOUSE CONCURRENT RESOLUTION 345, DIRECTING SECRETARY OF SENATE TO MAKE CORRECTIONS IN ENROLLMENT OF S. 2253, ROCK ISLAND TRANSITION ACT

Mr. FLORIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 345) directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 2253, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendments, as follows:

Page 4, after line 7, insert:

(24) In section 505(h)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976, as proposed to be added by section 112 of the bill, insert the following subparagraph (A) immediately after "redeemable preference shares" the first time it appears therein: ", bonds,".

Page 4, after line 7, insert:

(25) In section 505(h)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976, as proposed to be added by section 112 of the bill, insert immediately after "preference shares", ", bonds,".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain what this is?

Mr. FLORIO. Yes, if the gentleman will yield.

Mr. ROUSSELOT. I would be glad to.

Mr. FLORIO. Mr. Speaker, this is the technical amendment that is needed to conform the Senate action which was taken this afternoon with the House action which was taken this morning in approving the resolution approving the Rock Island Railroad bill.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, the gentleman can assure us that this "technical amendment" is not a substantive change from what the House did?

Mr. FLORIO. I can make that representation, yes.

Mr. ROUSSELOT. So is this a matchup on the conference or what?

Mr. FLORIO. The conference report was passed by the House this morning.

Mr. ROUSSELOT. Yes, I know that.

Mr. FLORIO. The same conference report was passed by the Senate this afternoon. The change we have made is a technical change, which is a clerical error.

Mr. ROUSSELOT. Well, Mr. Speaker, further reserving the right to object, is the minority side aware of this change? Were they consulted, does anybody know?

Mr. FLORIO. I can represent that the gentleman from Illinois (Mr. MADIGAN) is a participant in what is being done.

Mr. BAUMAN. Mr. Speaker, will the gentleman from California yield?

Mr. ROUSSELOT. Further reserving the right to object, I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I am told that it is more than a technical amendment, that by leaving out the word "bond" in the House version of the bill, the State of Louisiana is apparently ineligible to participate in the programs authorized by the bill. If this provision is granted, that one of the 50 States of the Union will become eligible. I may be incorrect on that.

Mr. FLORIO. Ineligible?

Mr. BAUMAN. Will become eligible under the terms of the bill, and that seems to be more than simply a technical matter. We were told the only business this afternoon would be the very important debate on the foreign aid bill.

Mr. ROUSSELOT. Well, Mr. Speaker, further reserving the right to object, is there some great compulsion to move this today, or could we come back and do it Wednesday?

Mr. FLORIO. The great compulsion, of course, is the Rock Island Railroad stopping operations as a result of the temporary authority expiring. The whole purpose of moving very rapidly was to insure that the ICC's authority will continue to insure the shipping services that the Rock Island provides.

I am not aware of what the gentleman is making reference to in terms of substance.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield further?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, perhaps we should all become aware of what is in the bill.

Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

□ 1500

REPORT ON ACTIONS OF CLERK OF THE HOUSE IN REGARD TO REFUSAL OF SUBPENA OF DEPARTMENT OF JUSTICE

(Mrs. FENWICK asked and was given permission to address the House for 1 minute.)

Mrs. FENWICK. Mr. Speaker, I would like to ask a question of our minority leader. If our colleague from Missouri (Mr. BOLLING) were here I would address this to him also. I was concerned about the result of the resolution introduced by Mr. BOLLING and Mr. RHODES concerning the actions of the Clerk of the House in regard to the refusal of the subpena of the Department of Justice, and I wondered if we could have a report on that.

Mr. RHODES. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I yield to the distinguished minority leader.

Mr. RHODES. I would say to the gentlewoman the matter to which she has reference was complicated somewhat by the fact that certain employees of the Clerk of the House, attorneys, went to court in response to the subpena and, in the opinion of at least this one member of the leadership, went farther than their mandate and actually contested whether or not the material should be given. It was my feeling under existing laws there was no authority on the part of the Clerk's attorneys to do anything other than to determine the relevancy of the material and the Speaker and I and other members of the leadership on both sides of the aisle have determined that that is the situation. I think everybody has been informed that that is the situation, and future subpenas will, I am sure, be handled in that way.

Mrs. FENWICK. I thank my colleague.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7262, COMMUNITY AND NEIGHBORHOOD DEVELOPMENT

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96-1047) on the resolution (H. Res. 678) providing for consideration of the bill (H.R. 7262) to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6154, MERCHANT MARINE ACT OF 1936 AMENDMENTS

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96-1048) on the resolution (H. Res. 679) providing for the consideration of the bill (H.R. 6154) to regulate commerce, promote energy self-sufficiency, and protect the environment, by establishing procedures for the location, construction, and operation of ocean thermal energy conversion facilities and plantships to produce electricity and energy-intensive products off the coasts of the United States; to amend the Merchant Marine Act, 1936, to make available certain financial assistance for construction and operation of such facilities and plantships; and for other purposes, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 6942, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1980

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 662 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 662

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6942) to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be considered for amendment under the five-minute rule by titles instead of by sections, and each title shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 662 is the rule providing for the consideration of H.R. 6942, the International Security and Development Cooperation Act of 1980. It is a completely open rule, providing 1 hour of general debate with the time to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs. The bill shall be read for amendment by titles instead of by sections and each title shall be considered as having been read.

There is a waiver of points of order against the bill for failure to comply with the provisions of clause 5 of rule XXI, which prohibits appropriations in a legislative bill. The waiver is needed because several sections of the bill specifically direct the use of funds from previous foreign assistance appropriations, change the status of funds or contain provisions which may otherwise result in an unauthorized appropriation, and in doing so could be subject to a point of order.

House Resolution 662 also provides one motion to recommit.

Mr. Speaker, H.R. 6942 authorizes appropriations of $5.5 billion for programs of security and development assistance. As in previous years, a major portion of the foreign assistance authorization is earmarked for aid to key countries in the Middle East friendly to the United States and who need this assistance to successfully pursue the Camp David Middle East Peace Agreements. Approximately $1.37 billion wil go to Israel, a major portion of which is for economic development, and $806 million to Egypt, about 90 percent of which is for economic development as well.

Mr. Speaker, this bill provides $1.8 billion for economic development assistance to 86 countries of the Third World and $147.4 million for refugees assistance. And authorizes, $118.8 million for the Peace Corps. The bill also allocates funds for foreign military sales, grants and training to 65 nations in the sum of $927 million.

The Committee on Foreign Affairs has indicated that almost 75 percent of the foreign aid would be spent in the United States for American goods and services and would provide jobs for more than 200,000 Americans.

I urge your support for House Resolution 662 so that we may proceed to the consideration of this important legislation.

Mr. BAUMAN. Mr. Speaker, I yield myself 30 minutes.

Mr. Speaker, the bill before us, H.R. 6942, authorizes appropriations totaling $5,528,418,000 for the fiscal year 1981 for certain international security and economic assistance programs. The general debate that will follow this afternoon, to an undoubtedly empty Chamber, will focus on some of the reasons for the spending involved in this bill.

I hope there will be answers given to the Members of the House of Representatives to questions such as why this bill authorizes $5.5 million in military assistance for the Communist Government of Nicaragua, military assistance that undoubtedly will be used to subject the people of that nation to further domination by a totalitarian regime supported by the Carter administration, the Soviet Union, and Cuba.

The bill also contains a number of other items of highly questionable value such as assistance for the new nation of Zimbabwe. The members of the committee, at least the majority, did not seem able to contain themselves in their haste to give millions of taxpayers' dollars to a nation which is still of questionable value as far as the quality of its government and the direction of its political persuasion.

It also authorizes for the first time economic support for such Communist-dominated and allied nations as Mozambique, and the nation of Zambia, which has recently signed a mutual agreement with the Soviet Union.

I suppose a lot of taxpayers would like to hear the answers to these questions and why, for instance, much of the money in this bill will go to international organizations to hand out under their own designs and desires rather than being given by the Government of the United States directly so that the recipients would know precisely where the money is coming from.

Where the money is coming from is the taxpayers' pockets. While there may be some good in this bill, it would be very helpful that some of the amendments that might be offered be adopted to change the direction not only of the foreign aid program, if it is to continue, but also the direction of our foreign policy. As it is now written, this is another payment on a foreign policy which is essentially bankrupt, not only in an economic sense but bankrupt in the political sense.

I do not wish to delay the proceedings of the House because I know a great many Members would like to go back to the districts rather than listen to the debate on this bill and I do not really blame them.

☐ 1510

Mr. BEILENSON. Mr. Speaker, I have no further requests for time.

Mr. BAUMAN. I have no further requests for time.

Mr. BEILENSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore, announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 343, nays 23, not voting 67, as follows:

[Roll No. 257]

YEAS—343

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, Md.
Lowry
Luken
Lungren
McClory
McCloskey
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Petri
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spellman
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Swift

Synar
Tauke
Tauzin
Thomas
Thompson
Trible
Udall
Ullman
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—23

Archer
Badham
Bafalis
Carter
Collins, Tex.
Dannemeyer
Dornan
Hammerschmidt
Hinson
Kelly
Latta
Loeffler
Lott
Lujan
McDonald
Moorhead, Calif.
Paul
Rousselot
Satterfield
Snyder
Spence
Stump
Taylor

NOT VOTING—67

Alexander
Anderson, Ill.
Annunzio
AuCoin
Barnard
Beard, Tenn.
Boggs
Bonior
Bonker
Bouquard
Bowen
Brown, Calif.
Collins, Ill.
Davis, S.C.
Derwinski
Diggs
Dingell
Dixon
Dodd
Duncan, Oreg.
Erlenborn
Fary
Fish
Foley
Ford, Mich.
Fowler
Fuqua
Giaimo
Grassley
Hansen
Heckler
Holland
Holtzman
Huckaby
Johnson, Colo.
Kazen
Leach, La.
Long, La.
Lundine
McCormack
McEwen
McKinney
Martin
Mathis
Minish
Mottl
Murphy, Ill.
Murphy, N.Y.
Pepper
Perkins
Peyser
Quillen
Rahall
Rodino
Rudd
Runnels
St Germain
Stewart
Stokes
Symms
Traxler
Van Deerlin
Vander Jagt
Waxman
Whitten
Wilson, Bob
Wilson, C. H.

□ 1520

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Bob Wilson.
Mr. Rodino with Mr. Vander Jagt.
Mr. Long of Louisiana with Mr. Erlenborn.
Mrs. Bouquard with Mr. Fish.
Mr. Giaimo with Mr. Grassley.
Mr. Fuqua with Mr. Hansen.
Mr. Foley with Mrs. Heckler.
Mr. Fary with Mr. Martin.
Mr. Dodd with Mr. McEwen.
Mr. Stokes with Mr. McKinney.
Mr. St Germain with Mr. Quillen.
Mr. Pepper with Mr. Rudd.
Mr. Peyser with Mr. Anderson of Illinois.
Mr. Murphy of New York with Mr. Beard of Tennessee.
Mr. Ford of Michigan with Mr. Derwinski.
Mr. Kazen with Mr. Bonior of Michigan.
Mr. Lundine with Mr. Bonker.
Mr. McCormack with Mr. Perkins.
Mr. Minish with Mr. Murphy of Illinois.
Mr. Mottl with Mr. Rahall.
Mr. Annunzio with Mr. Holland.
Mr. Huckaby with Mr. Dingell.
Mrs. Collins of Illinois with Mr. Diggs.
Mr. Dixon with Mr. Duncan of Oregon.
Mr. Waxman with Mr. Leach of Louisiana.
Mr. Charles H. Wilson of California with Mr. Symms.
Mr. AuCoin with Mr. Runnels.
Mr. Alexander with Mr. Stewart.
Mr. Barnard with Mr. Bowen.
Mr. Brown of California with Mr. Davis of South Carolina.
Mr. Fowler with Mr. Whitten.
Mr. Traxler with Mr. Mathis.
Mr. Van Deerlin with Ms. Holtzman.

Mr. STAGGERS and Mr. MILLER of California changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ELECTION OF THE HONORABLE JOHN BRADEMAS AS SPEAKER PRO TEMPORE DURING THE ABSENCE OF THE SPEAKER

Mr. BOLLING. Mr. Speaker, I offer a privileged resolution (H. Res. 680) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 680

Resolved, That Honorable JOHN BRADEMAS, a Representative from the State of Indiana, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Honorable JOHN BRADEMAS as Speaker pro tempore during the absence of the Speaker.

The SPEAKER pro tempore. Without objection, the resolution is agreed to.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, Mr. Speaker, does the Speaker pro tempore feel the election of a new Speaker is of such great merit or importance that a rollcall might be in order?

The SPEAKER pro tempore. It just makes allowance for enrollments to be signed over the weekend.

Mr. BAUMAN. But it makes the gentleman from Indiana the Speaker of the House, does it not?

The SPEAKER pro tempore. The Speaker pro tempore.

Mr. BAUMAN. With that assurance, I withdraw my reservation of objection.

The SPEAKER pro tempore. Without objection, the resolution is agreed to.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF THE HONORABLE JOHN BRADEMAS AS SPEAKER PRO TEMPORE DURING ABSENCE OF THE SPEAKER

The SPEAKER pro tempore. The Chair will ask the gentleman from Illinois (Mr. PRICE) to administer the oath of office to the gentleman from Indiana (Mr. BRADEMAS) as Speaker pro tempore.

Mr. BRADEMAS assumed the chair and took the oath of office administered to him by the gentleman from Illinois (Mr. PRICE).

DIRECTING SECRETARY OF THE SENATE TO MAKE CORRECTIONS IN ENROLLMENT OF S. 2253, ROCK ISLAND TRANSITION ACT

Mr. FLORIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 345) directing the Secretary of the Senate to make corrections in the enrollment of the bill S. 2253, with Senate amendments thereto, and agree to the Senate amendments.

□ 1530

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendments, as follows:

Page 4, after line 7: insert:

(24) In section 505(h)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976, as proposed to be added by section 112 of the bill, insert the following in subparagraph (A) immediately after "redeemable preference shares" the first time it appears therein: ", bonds,".

Page 4, after line 7, insert:

(25) In section 505(h)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976, as proposed to be added by section 112 of the bill, insert immediately after "preference shares": ", bonds."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. MADIGAN. Mr. Speaker, reserving the right to object, I would yield to the gentleman from New Jersey for a brief explanation of the request.

Mr. FLORIO. Mr. Speaker, I thank the gentleman for yielding. I would reiterate my previous comments, that this is a technical change to clear up an ambiguity to allow a particular State to take part in the program. The change is something, as I have indicated before, that is compatible with both Houses on action that was taken today, and I would urge support of this body.

Mr. MADIGAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the gentleman from New Jersey said that this is simply a technical change. Does it not, as he described earlier, make the State of Louisiana eligible for the benefits of the bill? Otherwise, they may not be eligible.

Mr. FLORIO. If the gentleman would yield, as the gentleman states, there is a question as to whether they will or will not be eligible. This is a change to make sure that they are eligible, as I know the gentleman feels they should be.

Mr. MADIGAN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Speaker, I would ask the gentleman to yield to the gentleman from New Jersey to answer this question: I believe it is the case that this makes all States eligible, not just the State of Louisiana. Is that not correct?

Mr. FLORIO. That is correct. The request was somewhat ambiguous for the State of Louisiana. We are resolving that ambiguity by virtue of this amendment.

Mr. BAUMAN. Mr. Speaker, in defense of my colleagues and the citizens of the State of Louisiana, I would say that is more than technical.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

A motion to reconsider was laid on the table.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1980

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6942) to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—yeas 81; nays 9.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 311, nays 24, not voting 98, as follows:

[Roll No. 258]

YEAS—311

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
Badham
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, John
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Devine
Dicks
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Fazio
Fenwick
Findley
Fisher
Fithian
Flippo
Florio
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Hawkins
Hefner
Heftel
Hightower
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long, Md.
Lott
Lowry
Luken
Lungren
McClory
McCloskey
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quayle
Railsback
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Tauke
Tauzin
Taylor
Thompson
Trible
Udall
Ullman
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NAYS—24

Bafalis
Bauman
Brodhead
Butler
Carter
Coleman
Collins, Tex.
Conable
Dornan
Early
Hammerschmidt
Kelly
Latta
Lloyd
Lujan
McDonald
Mitchell, Md.
Myers, Ind.
Paul
Rousselot
Sensenbrenner
Snyder
Solomon
Thomas

NOT VOTING—98

Alexander
Ambro
Anderson, Ill.
Annunzio
Ashbrook
AuCoin
Barnard
Boggs
Bonker
Bouquard
Bowen
Brown, Calif.
Broyhill
Burton, Phillip
Clay
Collins, Ill.
Davis, S.C.
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dixon
Dodd
Duncan, Oreg.
Erlenborn
Evans, Ind.
Fary
Fascell
Ferraro
Fish
Foley
Ford, Mich.
Fowler
Fuqua
Giaimo
Grassley
Grisham
Hansen
Harkin
Harsha
Heckler
Hillis
Hinson
Holland
Holtzman
Horton
Huckaby
Ichord
Jeffords
Jenrette
Jones, N.C.
Kazen
Kramer
Leach, La.
Lewis
Long, La.
Lundine
McCormack
McEwen
McKinney
Martin
Mathis
Minish
Mottl
Murphy, Ill.
Murphy, N.Y.
Musto
Nelson
Nowak
Pepper
Perkins
Pursell
Quillen
Rahall
Rangel
Rhodes
Roberts
Rodino
Rosenthal
Rostenkowski
Runnels
Seiberling
St Germain
Stewart
Swift
Symms
Synar
Traxler
Van Deerlin
Vander Jagt
Watkins
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wolpe
Young, Mo.

□ 1550

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6942, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 6942, the International Security and Development Cooperation Act of 1980, represents in my opinion the best investment we can make in behalf of American security and our national interest abroad, dollar for dollar, of any authorizing bill which will come before the House this year. Yesterday, the House in its wisdom authorized DOD $55 billion legislation for the military security of our Nation. This legislation authorizes $5.5 billion, and I submit equally provides funds for our country's security and national interest.

The bill provides $5.5 billion in fiscal year 1981—slightly above the $5.4 billion we approved last year—to carry forward programs which are necessary for U.S. interests and which provide assistance to friends and allies abroad. This amount includes: $902.1 mililon for foreign military sales, grants, and training which will help U.S. friends and allies abroad strengthen their armed services totaling more than 5 million men; these funds provide modest amounts of MAP grants to countries such as the Philippines, Portugal, and Spain, who give us base rights for American forces at these gateways to strategic areas; $2.2 billion is allotted for certain key countries in the Middle East peace effort:

Israel will get $1,375 million. That includes $590 million in foreign military sales authorization, which will allow aggregate arms sales to Israel totaling $1.4 billion; and $785 million in economic support fund grants.

Egypt receives $806 million, including $55 million in FMS authorization allowing $550 million in aggregate military sales, and $750 million in economic aid funds plus $1 million in military training; $1.8 billion is for economic development assistance to friendly Third World countries. This assistance to improve the economic well-being of poor countries is directly in the U.S. interest since it enhances the prospects for peace and political stability in the developing areas.

I should note also that these countries have become the biggest and fastest growing market for American exports. Our sales to them have over the past decade been growing 50 percent faster than our sales to industrialized countries. And, of course, the developing countries are our main sources of many vital raw materials such as rubber, tin, bauxite, and cobalt: $147.4 million is for special humanitarian programs in line with our tradition of helping victims of natural and manmade disasters abroad. This includes $62 million for UNRWA, the United Nations Relief and Works Agency for Palestine refugees; $27,250,-

000 for African refugees; and $15 million for the refugees in Cyprus. Also, it includes $25 million for the regular international disaster assistance account for contingencies in meeting disasters not now foreseen.

The bill also includes $118.8 million for the Peace Corps—funding some 5,700 volunteers serving the United States abroad in person-to-person assistance projects—and $38.6 million for international narcotics control.

It needs to be pointed out that this so-called foreign aid is largely for goods and services obtained right here in the United States. An estimated 70 to 75 percent of the foreign aid funds in this bill are used for domestic procurement, which means that these programs provide jobs for more than 200,000 Americans.

A provision of H.R. 6942 which received particularly careful consideration in committee is section 112, on page 17, entitled "Reports to the Congress on Intelligence Committees." This provision amends the so-called Hughes-Ryan amendment in the Foreign Assistance Act as follows:

First, it reduces from the present eight Committees of the Congress to two—the House and Senate intelligence committees—the number of committees to which the President must report any secret CIA operations;

Second, it clarifies an ambiguity in the present law by requiring that the President may temporarily defer the reporting to Congress until after the operation only when essential to meet extraordinary circumstances affecting the vital U.S. interest or when essential for the safety or security of the personnel or methods employed in the operation.

The Intelligence Committee reviewed this amendment under sequential referral, but took no action, so it would appear that H.R. 6942 presents the House with its best opportunity this year to approve this overdue reform. The amendment will help strengthen our intelligence systems, without diminishing the congressional role, by channeling the reporting to the two committees set up by Congress to handle intelligence.

May I draw the attention of the House also to section 407 of the bill, on page 32, entitled "Transfer Authority." This section amends Public Law 480—the Agricultural Trade Development and Assistance Act of 1954—to authorize the President to use up to 15 percent of the funds available in any fiscal year for any title of that act, to carry out any other title of the act. The amendment provides some needed flexibility for the executive branch in administering Public Law 480, the food-for-peace program, when unanticipated needs develop during the year which cannot be met in time by supplemental appropriations.

At the request of Chairman FOLEY, I am pleased to acknowledge the jurisdictional interest of the Committee on Agriculture in this provision and to include a letter from him as part of the legislative record. May I also take this opportunity to express the appreciation of the Foreign Affairs Committee for the cooperation and assistance rendered by the Agriculture Committee on this and many other matters of common interest to our two committees. Following is the letter from Chairman FOLEY:

COMMITTEE ON AGRICULTURE,
Washington, D.C., April 23, 1980.

Hon. CLEMENT J. ZABLOCKI,
Chairman, Committee on Foreign Affairs,
House of Representatives,
Washington, D.C.

MY DEAR MR. CHAIRMAN: H.R. 6942, a bill to authorize appropriations for fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes, as reported by the Foreign Affairs Committee, contains a section that is of interest to the Committee on Agriculture. Section 407 would amend section 403 of the Agricultural Trade Development Assistance Act of 1954 to add the following provision:

(c) Notwithstanding any other provision of this Act or any other Act, if the President determines it to be necessary for the purposes of this Act, he may direct that not to exceed 15 percent of the funds available in any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act.

The proposed amendment affects the authorization for appropriations for P.L. 480, a section as to which our respective Committees share jurisdiction. The amendment raises an issue that is of interest to the Committee on Agriculture because it affects the quantity of agricultural commodities which may be made available under the Act. To the extent funds are shifted from Title I to Title II it may have the effect of reducing the funds available for the acquisition of commodities by shifting a portion of available funds to processing expenses and ocean freight costs.

On the other hand, we understand that there may be sound reasons for providing the Administration with the flexibility authorized by section 407. We are examining this issue and if we should decide to offer an amendment I will consult with you prior to the time the matter is considered on the floor.

I do not wish to take any action which would delay consideration of the bill on the floor and thus have not sought sequential referral of this bill. I would appreciate if in your remarks on the floor you would acknowledge the jurisdictional interest of the Committee on Agriculture in this provision.

With best wishes,
Sincerely,
THOMAS S. FOLEY,
Chairman.

Mr. Chairman, it would be hard to overemphasize the value—the necessity—of this bill to U.S. security and foreign policy interests.

We are entering the decade of the 1980's facing dangers to the United States unmatched since the years just after World War II.

The Soviet Union has been building up its military strength without letup. Its arms programs have doubled over the past two decades.

The Kremlin is now showing an increasing willingness to use its military power directly and through others. The latest example is the Soviet invasion of Afghanistan and the use of Cuban surrogates in Africa and elsewhere.

We also face dangerous instabilities in key developing areas of the world: Witness the terrorist crime of seizing our hostages in Tehran.

The programs of assistance to our friends and allies under this bill in effect provide our first line of defense.

When we deploy forces in the Indian Ocean area, or transit troops through the Mediterranean, or give air logistical support for a hostage rescue operation from an airfield in the Middle East, or eavesdrop on Russian military activities from along the Soviet borders, we do so through assistance and cooperation from friends and allies. These programs help their capability to help us.

In the Middle East, a strategic crossroads and source of much of the free world's energy supplies, we have a key interest in achieving a lasting peace. That is why more than a third of this bill goes to Israel and Egypt.

In sum, the programs are essential for our national interest. I urge a strong vote for passage of the bill.

□ 1600

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to commend the gentleman particularly concerning his statement with regard to the proposed revision of the Hughes-Ryan amendment. I know that is something upon which the committee worked very hard, and I want to indicate my strong support of the action which the committee has taken with which the House Select Committee on Intelligence concurs. I hope that the committee's work can be the final text of the revision of the Hughes-Ryan amendment and that the House would give its strong support for that action.

Mr. ZABLOCKI. I thank the gentleman for his contribution. I also want to commend the gentleman for his deep interest in matters of our national security, particularly in intelligence matters. I am confident that he will persuade many of his colleagues on his side of the aisle to vote for final passage of this bill.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation we have before us today is important to our national and collective security and provides for the maintenance of our worldwide security and economic interests be they in Europe or the Persian Gulf.

While questions continue to arise in regard to the administration's confused foreign policy, this legislation provides the House with an opportunity to demonstrate our continued support for our friends and allies during a period of increased international tensions stemming mainly from Soviet and Cuban adventurism throughout the world.

With the recent Soviet invasion of Afghanistan and the ever-growing threat of the Warsaw Pact, there is a great need for the United States to join its European allies in the pursuit of military cooperation and standardization. While countering the ever-growing Soviet power in the Mediterranean area, it seems to me that the administration's policy of military aid for the region has been tilted toward Turkey without having achieved a settlement of the Cyprus issue. If the southern flank of NATO is to be strengthened, it is imperative that the administration place a higher priority on resolving the Cyprus dispute, as well as an evenhanded policy toward Greece and Turkey. With regard to NATO, I am pleased that the Prime Minister of Greece has pledged to preserve his nation's ties to Western Europe, and in particular to seek reintegration of Greece into the military wing of the North Atlantic Treaty Organization.

As my colleagues know, since 1949—when the alliance was formed—NATO has been of great value to both the United States and the European Community. The alliance has denied Moscow the opportunity to dominate Western Europe and has provided the West with a sense of security and confidence. If this sense of security is to continue in the crucial years ahead, the NATO alliance must find new and better ways to collective security, including increased defense burden sharing among the Europeans as well as the extension of alliance security into the Persian Gulf.

By now, we should all be well aware that the Soviet Union is intent upon geopolitically outflanking the Near East, jeopardizing important sea lanes throughout the world, and demonstrating that the United States cannot protect its worldwide interests. This legislation provides us with an opportunity to demonstrate our willingness to help our friends, and maintain our economic and security interests. For example, in the Persian Gulf area, nearly 73 percent of all military assistance authorized by this legislation is for Mideast countries, including $1.4 billion in foreign military sales credits for Israel. Military credit programs as well as various economic programs for Israel and Egypt help to underpin the peace process in the Middle East, where the Camp David Accords remain a bright spot in an otherwise disturbing foreign policy record.

While this legislation contains many responsible programs and provides for no new budget authority, it does exceed the President's initial budget request by nearly $200 million. As a result, I believe that there are programs in this bill which can be reduced or eliminated in order not to exceed the budget request. For example, it is my hope that the House, during its deliberations, will exclude assistance to such countries as Syria, Nicaragua, and Zambia. It is especially regrettable that this administration requested $5.5 million in military assistance and $25 million in economic support for Nicaragua—which is contained in this bill—at a time when Moscow continues to encourage an ever-growing military and economic link between Communist Cuba and the Sandinista. Moreover, growing Communist subversion in Nicaragua has confronted such effective and highly respected groups as the American Institute for Free Labor with painful problems in Central America.

This legislation also provides Zambia with economic support just when that nation has purchased Soviet combat aircraft and arms worth over $85 million. And why we should give Syria $3.5 million when that country continues to disrupt the Middle East process is beyond me. Assistance to such countries must be eliminated until we know not only where they are going, but where we are going. In this regard, I am particularly pleased that the administration has finally terminated all military assistance and training for the Nation of Iran, where the hostage crisis has raised serious questions in regard to our economic, military, and intelligence capabilities.

Finally, one important and constructive provision of the legislation before us concerns the revision of the Hughes-Ryan amendment concerning reporting requirements for covert action operations by our intelligence agencies. The modified provision contained in this legislation was sponsored by Chairman ZABLOCKI, Mr. HAMILTON, and myself. The provision changes the current reporting requirement on covert operations from eight congressional committees to the two congressional Committees on Intelligence. Moreover, it requires prenotification of all covert activities to the Intelligence Committees unless the President certifies that a deferral of the notification was essential to meet extraordinary circumstances affecting the vital interest of the United States or there was unreasonable risk to the safety or security of the personnel or methods employed.

I firmly believe that this modification is an improvement over the previous requirement of the Hughes-Ryan provision and is an important first step—but only a first step—in attempting to provide for a more effective intelligence community.

Overall, I believe that the legislation before us is important to our country's security and economic interests and should be supported.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, I wish to commend the Chairman for his outstanding stewardship of this bill and to thank my chairman for permission to speak a few words at the outset of debate on the foreign assistance bill, to indicate to the House some of my concerns as chairman of the Subcommittee on Asian and Pacific Affairs.

I am taking this liberty because I will be away on official House business for a portion of the debate, and would like to discuss one or two points in advance of their deliberation by the House.

In general, the subcommittee and the Foreign Affairs Committee approved of the administration's economic and security assistance packages for Asia. We felt that the requests, while not all we might have made in some areas, and perhaps a bit more in others, accurately reflected American interests in Asia, and will allow continuation of our policies in the region.

We have asked many items of report language, particularly on the economic assistance side, which we feel will help the House more closely monitor the performance of the AID program in Asia.

I would like to call the attention of my colleagues to the reimbursable development program, because it is a concept which can be applied throughout the globe, in my view, to the great benefit of both the AID program and to the U.S. economy.

Briefly, section 661 of the Foreign Relations Act mandates feasibility studies for development projects abroad, particularly in identifying and planning construction projects which are likely to result in the procurement of U.S. goods and services.

Frankly, AID and State have not put the emphasis on this program we feel is warranted, given its potential for increasing domestic U.S. employment. The Japanese and the Europeans do not often miss opportunities to maximize this factor in their foreign aid, and I think the time has come for us to take strong steps in this direction.

My colleagues Mr. HALL and Mr. MICA will have some words to say about U.S. assistance programs to Indonesia when the appropriate time arrives, so I will only commend the attention of the House to their words at that point. However, I should like to point out the strategic geography occupied by Indonesia and its importance to U.S. security. As well, the Straits of Malacca are a lifeline to Japan.

I would like to specifically mention a security assistance matter which you will also be asked to debate on the Philippines. I urge the House to accept the amendment approved by the Foreign Affairs Committee on the unanimous recommendation of the Subcommittee on Asian and Pacific Affairs.

As many of you know, the committee has recommended a $5 million deferral in the FMS portion of the Philippines bases compensation package.

I say "deferral," because we have not cut this money. We have simply deferred authorization of a portion of this year's request, which is itself a portion of a 5-year agreement.

The Foreign Affairs Committee approved this deferral because we are concerned that continued nationwide martial law, and continued failure to hold open congressional elections in the Philippines, is creating an increasingly difficult internal stability problem in our old friend and ally.

I know Mr. HALL will speak on this amendment at the appropriate time, but I wanted to highlight my concern, and to ask you to support the Foreign Affairs Committee deferral for the present year, because I feel that the security interests of the United States are endangered by internal instability in the Philippines.

I think we must do what we can to encourage the thought that this internal instability can be addressed by the Philippine Government in a positive fashion—ending nationwide martial law, and scheduling free, open congressional elections, and would like my views clearly reflected in the RECORD.

The second security assistance matter I would like to address involves Thailand. The Foreign Affairs Committee accepted the assessment of the Asian Affairs Subcommittee that at this critical time for the people of Thailand, and the democratic nations of Southeast Asia, the ability of Thailand to adequately defend itself against outside agression is vital to maintaining stability in the region.

Because of the threat facing Thailand from the Vietnamese occupation of Cambodia, the Foreign Affairs Committee agreed to increase the FMS authorization for Thailand by $20 million. While this money may not be spent, we felt that the situation mandated giving the Thai's and the administration the option of the extra $20 million, should the situation warrant.

I stress that this is a ceiling for Thailand, not an "earmarking."

As you know, I also wear a dual hat as chairman of the Select Committee on Narcotics. The security assistance bill covers the narcotics control area, and I would like to make three points regarding report language, and an amendment, which the Foreign Affairs Committee has ratified.

While I think we all support the supply of equipment to nations attempting to combat narcotics within their own borders, I think we also agree that the Department of State must exercise greater efforts to monitor the end use of the equipment. Each year I say this, and each year the House agrees that we need stricter end use monitoring.

Another area of vital importance to combating narcotics within a foreign nation's borders is the program of crop or income substitution. We will never be able to stop narcotics from coming across our borders unless we can control narcotics at their overseas sources of production.

One of the most promising ideas I have heard in recent years is the concept of urging the growers of opium and other crops which are turned into narcotics to substitute plants which can be used for biomass production of alternative fuels. Gasohol, it seems to me, is a more useful product for both growers and host nations than narcotics. Perhaps we can get State to agree to push this concept as part of our overall control effort.

Finally, in the bill there is a line item to fund the United Nations Fund for Drug Abuse Control.

As you have heard me say for the past few years, it is unfortunate that few nations wholeheartedly support UNFDAC's activities with financial contributions. From 1971 to 1977, the United States contributed 62 percent of the budget, some $22 million.

This year, I had hoped to limit the U.S. contribution to 25 percent, or $3 million, but I agree with my chairman and the committee that for the present, a 50-percent, $6 million limitation will best serve our dual interest—stimulating greater world contributions to UNFDAC while keeping UNFDAC's vital operations running smoothly. I urge the House to adopt the committee's recommendation.

Finally, I would like to say a few words in support of the aid package for Israel and Egypt. This legislation authorizes $785 million for Israel and $750 million for Egypt in economic aid through the Economic Support Fund and $1.4 billion for Israel and $500 million for Egypt in military sales credits.

This aid package is vital to both Israel and Egypt, for their continued security, economic viability, and especially for Egypt, political stability. Peace in the Middle East is not only vital for the nations in the region, but also to the United States, indeed the whole world.

The Soviet invasion of Afghanistan and the revolution in Iran have completely changed the face of the Middle East. These events have only intensified the importance of peace in the Middle East, and the United States' vital national interests in that peace and regional stability.

Israel is our most important and most stable ally in the Middle East. To support Israel is not only a moral imperative, it is in our national interest to do so. Some have suggested that this country should not support Israel because our support alienates the nations from which we get our oil supplies. Let me say that not to support Israel will not get us one more drop of oil. The wave of Islamic fundamentalism that is sweeping the Arab world has already brought about revolution in Iran. In a region in the throes of growth and change, Israel is an island of stability.

The economies of both Israel and Egypt are in need of help. Peace, like everything else, has been very expensive. Add the costs of implementing the peace treaty to the enormous burden of increased costs for oil and the sum equals inflation, balance of payments deficits, and all the domestic economic problems that accompany them. In Egypt's case these economic problems are augmented by a burgeoning population. This economic aid will not solve these problems, but it is important and needed assistance to help each country bear the burden of peace.

Despite our hopes for continued peace, both Israel and Egypt must look to their security and military readiness to protect against adversaries who seek to disrupt their fragile peace. In line with this, as well, I have offered an amendment which reduces the authorization of funds to the U.N. by that amount which equals our share of support to the PLO dominated Committee on Palestinian Rights. This is a repeat of the amendment which passed both houses in the last session of Congress which denied to the U.N. American taxpayers money to Palestinian PLO terror.

The nations of the region must know that Israel and Egypt are in the position to defend themselves against attack. Military strength is essential for deterrence. The cost of peace, though it may be steep, it is a bargain compared to the cost of war to us, Egypt, Israel, and the world.

I urge my colleagues to support the International Security and Development Cooperation Act.

● Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 6942, the International Security and Development Cooperation Act of 1980.

This legislation which authorizes $5.5 billion in all forms of assistance, 0.8 percent of the Federal budget, is a critical foreign policy instrument to help the United States deal with crucial foreign policy challenges we confront. The world problems we face today are formidable:

There is the massive Soviet invasion of Afghanistan and the presence of some 85,000 Soviet troops there, which threaten the peace throughout Southwest Asia;

There is the chaos in Iran, the continued illegal imprisonment of 53 American diplomats with the consent of that country's government and the uncertain course of that country's revolution;

We have seen the Soviet double its arms programs over the last decade and make substantial increases in Soviet arms transfers to the Third World;

Aggressive Soviet policies are stretching around the globe—from Angola to Ethiopia to South Yemen to Afghanistan to the Caribbean and Central America;

Added to these concerns for non-Communist societies are the rapidly escalating prices of imported oil and the political, social, and economic tensions throughout the poorer regions of the world.

Some of these problems are not new. What represents a greater challenge today is the disturbing trends in Soviet behavior and the disarray we see around the world from recent economic and social challenges.

H.R. 6942 is a modest effort, designed to help meet some of these challenges to the United States and to our friends around the world. The programs supported by this legislation are closely tied to protecting important U.S. security and economic interests.

The interrelationship between our ability to protect key American national interests and the economic and security programs contained in this bill can be dramatically illustrated by a quick perusal of how H.R. 6942 affects the Middle East and Europe.

EUROPE

In Europe, this bill is directly related to the continued vitality of NATO and the strengthening of Western security interests in the Mediterranean region. Three NATO allies—Portugal, Greece, and Turkey—are to receive some $220 million in economic support fund money and over $400 million in foreign military sales financing in addition to military training funds. Portugal will also receive grant military assistance.

Spain is another country in Europe which is key to Western defenses and Spain will receive both economic and military assistance in this legislation.

Mr. Chairman, it should be noted that our assistance programs for these countries are, to varying degrees, linked to U.S. access to military facilities in those countries. Access to these facilities is critical to protect vital American interests and support our allies.

MIDDLE EAST

The Middle East will receive over 40 percent of the funds authorized in this bill. These funds are closely related to American efforts to promote and expand the Middle East peace process and strengthen the peace bonds already created by the historic Egyptian-Israeli peace treaty of 1979.

H.R. 6942 provides for:

An authorization for Israel of $1,375 million which includes $785 million in economic support fund money to be provided this year entirely as a grant and $590 million in a foreign military sales authorization which will allow arms purchases by Israel of $1.4 billion;

An authorization for Egypt of $806 million which will include $750 million in economic support fund money provided on a two-third grant, one-third loan basis, about $1 million for military training and $55 million in FMS financing to allow aggregate arms sales of $550 million; $57.6 million for Jordan to provide economic and military assistance and support to encourage Jordan to follow moderate policies in the Middle East; $13 million for Lebanon, including $10 million in economic assistance to help that strife-torn country in the rebuilding process; and $16 million for the Middle East Special Requirements Fund to promote regional cooperative programs involving both Israelis and Arabs, participant training programs and economic development projects in the critical West Bank and Gaza areas where significant proportions of the Palestinian people live.

INCREASED AUTHORIZATION

Mr. Chairman, these are the most salient features of H.R. 6942 as it relates to the Middle East and Europe.

Many members will want to know why these funds authorized for these areas in H.R. 6942 are greater than either the President's January fiscal year 1981 budget request or his March fiscal year 1981 request. The principal reason is that the Committee on Foreign Affairs raised the new obligational authority for the FMS financing program for Israel by $20 million in order to allow for Israel to finance an extra $200 million in arms purchases during fiscal year 1981. This raised the total aggregate FMS financing for Israel to $1.4 billion, instead of the requested $1.2 billion. This additional amount is provided after careful thought and is based on particularly difficult circumstances which confront the Israelis.

Israel, in the coming year, faces a serious cash flow problem in meeting scheduled payments to procure U.S. military equipment. Israel's payments on over $2.4 billion of military equipment in the pipeline are so large that it may be impossible for any major new equipment to be ordered before fiscal year 1983, a long time in a region where Soviet military deliveries continue to increase.

It is hoped that this additional FMS financing will help Israel in a positive way to deal with its cash flow problem. During the fiscal year 1980–81 time period, Israel has requested permission to use between $600 and $900 million in FMS financing authorized pursuant to the Special International Security Assistance Act of 1979, the so-called peace package, to pay for previously contracted military purchases. Subsequently, from annual FMS financing it hopes to receive in fiscal year 1982 and fiscal year 1983, Israel intends to restore equivalent amounts to the 1979 peace package account, whose funds were intended for relocation and redeployment costs associated with the withdrawal from the Sinai.

The necessity to use future FMS financing to "replenish" the peace package account means that Israel will have to defer any major new purchases of equipment until fiscal year 1983 and cut back to a degree on spare parts purchases. The net impact of the additional $200 million provided will be to help with the cash flow problem now and provide Israel with more ability to purchase spare parts and consider some new purchases before fiscal year 1983.

Mr. Chairman, I think we all agree it is in the U.S. interest to help Israel maintain a healthy margin of military superiority over any combination of potential opponents.

SUMMARY

In conclusion, Mr. Chairman, I wish to reiterate my support for H.R. 6942. Many Members feel it is not a good time for any foreign aid bills and that the mood of the American people is against any bill. It is true that, given our domestic needs, the amount of resources being provided for assistance overseas is declining. But it is also true that we cannot confront the foreign policy challenges we face and counter Soviet aggression without the prudent use of economic and military assistance programs in H.R. 6942 which will support key national interests overseas, promote trade, and create some 200,000 jobs here since some 75 percent of the funds authorized will be spent in the United States.

I urge my colleagues to support foreign aid legislation which is consistent with the objectives of the President's revised, March fiscal year 1981 budget requests.●

□ 1610

Mr. BROOMFIELD. Mr. Chairman, I have no further requests for time. I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Chairman, I have no further requests for time. I yield back the balance of my time.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1980".

PARLIAMENTARY INQUIRY

Mr. ZABLOCKI. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ZABLOCKI. Mr. Chairman, has the first part of the bill been read?

The CHAIRMAN. Pursuant to the rule, the bill is considered as read. The first two lines have been read.

Mr. ZABLOCKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WOLFF) having assumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 6942) to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks during debate on the bill, H.R. 6942.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO HAVE UNTIL NOON TOMORROW TO FILE CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 307, FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1981

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the managers may have until noon tomorrow to file a conference report on the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REQUEST TO MAKE IN ORDER CONSIDERATION OF CONFERENCE REPORT AND AMENDMENT IN DISAGREEMENT ON HOUSE CONCURRENT RESOLUTION 307 ON THURSDAY, MAY 29, 1980

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that it may be in order to consider the conference report and amendment in disagreement on House Concurrent Resolution 307 on Thursday, May 29, 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

SALVATION ARMY

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. HANLEY. Mr. Speaker, recently I was deeply honored to receive a special humanitarian award from the Syracuse area Salvation Army. The occasion was the local participatory observance of the worldwide Army's 100th aniversary.

The Salvation Army's concern and dedication to relieving the sufferings of the world's afflicted with a "no-strings attached approach" is certainly one of the marvels of the day.

Because so many of us have such a casual appreciation of the scope and nature of its operations, I would like to place some of the Salvation Army's work in perspective to give a clearer picture of this truly humanitarian organization.

The popular image of the small street-corner band collecting for the poor at Christmas is the tip of an incredible iceberg. Numbering today about 2 million, the Salvationists are nonsectarian and nonpolitical. Their theology or religion, if it may be called that, was expressed simply by its founder, William Booth, as—

> A very simple thing. It just means loving God with all your heart and your neighbor as yourself.

Believing the Bible to be divinely inspired, the Army strives to turn men and women to seek God but do not seek to replace or be a substitute for an existing Christian faith.

Formed as the "Christian Mission" to serve the victims of extreme poverty and social disruption in the London of the 1870's, the group was founded by William Booth. A former Methodist, he was expelled by that group for his "lusty American-style revivalist preaching". Sensing that the established main line churches were losing touch with the masses, Booth recruited a group to work in the slums of east London to promote a fundamental gospel message to the despairing residents including the alcoholics and derelicts. The success of this mission led to an expansion to surrounding areas and other towns.

The military theme was added to give a spark and decisiveness to the growing organization which had been growing bureaucratically top heavy from committee rule.

Through the dynamic leadership of Booth and the totally committed regulars, the Army has today attained a respected status as one of the most efficient and reliable of the world's social service groups.

Comprised of approximately 50,000 full time officers and thousands of men and women who hold workaday jobs and contribute their time on weekends or after work, the Salvation Army now spreads the Gospel around the world in 147 languages and comforts the afflicted on a day-to-day basis from Anchorage to Zambia. Running hospitals, dispensaries and clinics, the Army has been in the forefront of war and disaster relief.

One example serves to underline their commitment. In the devastating New England flood of 1955, some units did not cease work for more than 5 minutes during a 14-day period.

That I should receive an award from such a group is an exhilarating and humbling experience. May God continue to shed his grace upon them.●

COMPARISON OF HOUSE AND SENATE BUDGET RESOLUTIONS

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDGAR. Madam Speaker, yesterday the House and Senate conferees on the budget met and resolved the differences between the House and Senate. As one Member of the House who voted with our colleague, the gentleman from Connecticut (Mr. GIAIMO), in support of the House budget, I now strongly urge my colleagues to vote "no" on the conference report.

I would like to insert in the CONGRESSIONAL RECORD today a comparison chart of that budget with the agreement that was reached yesterday. I think it will be illuminating to the Members of the House to see that defense has gone from $147.9 billion to $153.7 billion, and that if you look at some of the other programs like transportation and education and training, you will see they have severe cuts below the House position.

I hope the Members will review this comparison and vote down the conference report when it is brought to us next week.

COMPARISON BETWEEN HOUSE AND SENATE BUDGET RESOLUTIONS

Function	House	Senate	Difference Senate over/under House	Conference agreement	Difference conference over/under House	Holt amendment	Difference Holt over/under House
050 National defense:							
Budget authority	160.8	173.4	+12.6	171.3	+10.5	166.6	+5.8
Outlays	147.9	155.7	+7.8	153.7	+5.8	153.0	+5.1
150 International affairs:							
Budget authority	24.0	23.3	−.7	23.6	−.4	23.2	−.8
Outlays	9.6	9.5	−.1	9.5	−.1	9.0	−.6
250 General science, space, and technology:							
Budget authority	6.7	6.4	−.3	6.6	−.1	6.7	
Outlays	6.3	6.1	−.2	6.2	−.1	6.3	
270 Energy:							
Budget authority	7.5	3.8	−3.7	6.6	−.9	7.4	−.1
Outlays	7.1	6.8	−.3	6.8	−.3	7.0	−.1
300 Natural resources and environment:							
Budget authority	12.0	11.5	−.5	11.7	−.3	11.8	−.2
Outlays	12.4	11.9	−.5	12.1	−.3	12.2	−.2
350 Agriculture:							
Budget authority	5.4	5.6	+.2	5.5	+.1	5.4	
Outlays	2.3	2.3		2.3		2.3	
370 Commerce and housing credit:							
Budget authority	5.1	5.4	+.9	5.1		5.1	
Outlays	−.1	.5	+.6	0	+.1	−.1	
400 Transportation:							
Budget authority	22.8	19.75	−3.05	22.0	−.8	22.8	
Outlays	19.5	18.05	−2.7	18.65	−.85	19.5	
450 Community and regional development:							
Budget authority	9.0	8.8	−.2	8.9	−.1	9.0	
Outlays	9.4	9.2	−.2	9.3	−.1	9.4	
500 Education, training, employment and social services:							
Budget authority	33.3	28.9	−4.4	31.5	−1.8	31.3	−2.0
Outlays	30.7	28.0	−2.7	29.5	−1.2	29.0	−1.7
550 Health:							
Budget authority	71.5	70.7	−.8	71.1	−.4	71.3	−.2
Outlays	61.8	61.7	−.1	61.7	−.1	61.6	−.2
600 Income security:							
Budget authority	252.1	245.2	−6.9	249.3	−2.8	251.5	−.6
Outlays	220.1	218.2	−1.9	219.35	−.75	219.5	−.6
700 Veterans benefits and services:							
Budget authority	21.7	21.85	+115	21.7		21.7	
Outlays	21.2	21.25	+.05	21.2		21.2	
750 Administration of justice:							
Budget authority	4.2	4.3	+.1	4.2		4.2	
Outlays	4.6	4.6		4.6		4.6	
800 General government:							
Budget authority	4.7	4.6	−.1	4.6	−.1	4.7	
Outlays	4.8	4.3	−.5	4.3	−.5	4.6	−.2
850 General purpose fiscal assistance:							
Budget authority	6.2	7.2	+1.0	6.2		6.2	
Outlays	6.8	7.5	+.7	6.8		6.8	
900 Interest:							
Budget authority	72.2	72.2		72.2		72.2	
Outlays	72.2	72.2		72.2		72.2	

COMPARISON BETWEEN HOUSE AND SENATE BUDGET RESOLUTIONS—Continued

Function	House	Senate	Difference Senate over/under House	Conference agreement	Difference conference over/under House	Holt amendment	Difference Holt over/under House
920 Allowances:							
Budget authority	0			0		−1.7	−1.7
Outlays	0			0		−1.7	−1.7
950 Undistributed offsetting receipts:							
Budget authority	−24.6	−24.7	−.1	−24.7	−.1	−24.6	
Outlays	−24.6	−24.7	−.1	−24.7	−.1	−24.6	
Total:							
Budget authority	694.6	688.2	−6.4	692.7	−1.9	694.8	+.2
Outlays	611.8	613.1	+1.3	613.3	+1.5	611.8	
Revenues	613.8	613.2	−.6	613.8		613.8	
Surplus				.5			

BIG GOVERNMENT VERSUS PARENTAL FREEDOM

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Madam Speaker, last week Big Government ordered itself to grow even bigger. A Federal judge in Washington decreed that the Internal Revenue Service must deny tax exemption to all private schools in the State of Mississippi "which cannot demonstrate that they do not racially discriminate." Even if a private school has never once turned down a black applicant, it is automatically presumed guilty of racial discrimination if it was "established or expanded" at the time nearby public schools were "desegregating." The implicit assumption is that Mississippi's public-school system is so outstanding that nobody but racists would want to transfer to private schools.

This ruling, of course, is exactly what the IRS wanted. Last year the IRS proposed a new "revenue procedure" based on the same false assumption, which would have set up a series of arbitrary hurdles for private schools anxious to avoid IRS harassment. Congressman ROBERT DORNAN and I offered amendments to the fiscal year 1980 Treasury Department appropriations bill to prohibit the IRS from spending appropriated funds to implement this proposed revenue procedure. The House adopted our amendments—mine by a 297 to 63 rollcall vote, Mr. DORNAN's by an unrecorded division of 36 to 19. The Senate concurred. For the time being, the IRS attempt to set itself up as prosecutor, judge, and jury over these schools was thwarted.

But now Judge George Hart of the U.S. District Court for the District of Columbia has given the IRS most of what it originally sought. According to his ruling, the "interference of present discrimination against blacks" on the part of a private school may be overcome only by "evidence which clearly and convincingly reveals objective acts and declarations establishing that such is not proximately caused by such school's policies and practices." The arbiter of such "evidence" will be—you guessed it—the IRS.

Judge Hart's ruling shares at least three unacceptable elements with last year's IRS proposal:

First. The criteria of "evidence" by which a private school might establish its innocence are so vague that in effect they allow IRS bureaucrats to make up the rules as they go along. In Judge Hart's words:

> Such evidence might include, but is not limited to, proof of active and vigorous recruitment programs to secure black students or teachers, including students' grants in aid; or proof of continued, meaningful public advertisements stressing the school's open admissions policy; or proof of black groups and black leaders within the community concerning the school's nondiscrimination policies, and any other similar evidence calculated to show that the doors of the private school and all facilities and programs therein are indeed open to students and teachers of both the black and white races upon the same standard of admission or employment.

Judge Hart does not define the words "active," "vigorous," or "meaningful"; the result is that no two schools could be sure they would be treated alike.

Second. The ruling pressures private schools to take steps which cost money, such as advertising and recruitment programs. Many of these new small schools are struggling at the brink of economic survival. By making them divert their meager resources from academic instruction, Washington directly threatens their very existence.

Third. In his zeal to stamp out discrimination against racial minorities, Judge Hart completely disregards the rights of religious minorities. He explicitly enjoins the IRS to include church-related schools in its enforcement activities, and he refuses to acknowledge that many of these schools are established by church congregations as part of their religious ministries to their own communities of faith. Schools of this type do not "recruit" in the sense that secular bureaucrats understand that term. They evangelize, and evangelism is not an activity subject to judicial regulation. Like the IRS, Judge Hart is so obsessed with racial issues that he tramples on the first amendment.

Judge Hart's ruling is in direct conflict with the will of Congress, since it orders the IRS to spend money on activities which we specifically prohibited in the fiscal year 1980 appropriations bill. Even if those specific prohibitions did not exist, his order would be a classic example of judge-made law. If Congress had wanted to adopt the Hart approach to fighting discrimination, we would have amended the 1964 Civil Rights Act to require restaurants and other public accommodations to go out and recruit black customers. We did not, and I can assure you that if any Member had tried he would have been laughed off the House floor.

When the Treasury appropriations bill for fiscal year 1981 comes to the House floor next month, we will once again face the choice between protecting the first amendment rights of private-school parents and surrendering to Washington bureaucrats the power to decide which schools may survive. Last week's ruling underlines the necessity of reenacting last year's restrictions, and continuing to reenact them every year until the judicial-bureaucratic combine ends these assaults on educational freedom.

AFGHANISTAN RELIEF WEEK

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLFF. Madam Speaker, for more than a year we have been following the tragic civil war in Afghanistan with more than the usual interest. When the U.S. Ambassador to Afghanistan was assassinated last spring, the death of our dear friend, "Spike" Dubs, brought home to us the depth of sorrow and suffering even then enveloping Afghanistan.

Last winter, the Soviet Union launched its invasion of Afghanistan, unleashing a new wave of violence and death, a wave which still has not crested.

In the past 2 years, since the civil unrest began, some 1 million men, women, and children have left Afghanistan, most for camps in Pakistan, but not a few to Iran, as well.

These 1 million people, representing one of the largest refugee populations on Earth, cry out to us for help. When I was privileged to lead a group of Congressmen to visit a refugee camp in Pakistan's northwest frontier province last August, we were struck by the hardy independence of the refugees.

These people made it clear to us that they wanted to return to their homes, but that the civil war had made it impossible for them to lead their normal lives, indeed, had made their normal lives a race against death from bombs and bullets.

Following our visit, we met with representatives of the United Nations High Commissioner on Refugees to see whether or not the U.N. could help the Government of Pakistan in bearing the burden of so many mouths to feed, and so many sick to care for.

Our request was met, and the UNHCR has been actively working in the refugee camps since October, side by side with the noble efforts of the Pakistan Government and its voluntary organizations.

Now, in the wake of the Soviet invasion and in the anticipation of a continuing human wave from within Afghanistan, a group of concerned private citizens and Members of Congress have joined to establish the Afghanistan Relief Committee, Inc.

Mrs. Fenwick and I, and Senators Pell, Javits, Exon, and Percy, are privileged to serve as honorary cochairmen of the Afghanistan Relief Committee, along with Ambassador Dubs' widow, Mary Ann Dubs, former Ambassador Robert Neumann, former Secretary of the Treasury William Simon, author James Michener, and others.

Today, Mrs. Fenwick and I, and our other distinguished cosponsors are asking the House to join in a concurrent resolution which we feel will help to focus the attention of the Congress, the American people and the world on the situation of the refugees from Afghanistan, and on what Afghanistan represents to the world.

We are asking President Carter to proclaim the week of July 21–27, 1980, as Afghanistan Relief Week. We hope that the activities which would be carried out during such a week would help aid the 1 million Afghan refugees in a timely fashion.

It is our feeling that since the week of July 21–27 also coincides with the scheduled opening of the 1980 Olympic games in Moscow, such a proclamation by the President would help enhance the understanding of the American people and the world community of the issues involved in the struggle of the people of Afghanistan for their freedom.

Madam Speaker, I think that the words of the concurrent resolution adequately summarize the situation in Afghanistan, and explain why we are asking the House to join in cosponsoring this bill, which is also being introduced in the Senate today by Mr. Pell, Mr. Javits, Mr. Percy, Mr. Exon, and their colleagues. I now present for the Record the concurrent resolution calling on the President to proclaim the week of July 21–27 as "Afghanistan Relief Week":

H. Con. Res. 346

Concurrent resolution calling on the President of the United States to proclaim the week of July 21–27, 1980, as "Afghanistan Relief Week," to focus the attention and concern of the American people and the world community on the need to assist the Afghan refugees in their struggle for survival

Whereas nearly one million men, women, and children have left their native Afghanistan for refugee camps in Pakistan since the onset of civil unrest two years ago; and

Whereas the prospect for continued hostilities in Afghanistan can be expected to perpetuate a massive refugee exodus; and

Whereas the men, women, and children who have left Afghanistan have seen their homes bombed and shattered, their crops and flocks destroyed, and their ability to sustain life removed by military force; and

Whereas the social and religious life of the Afghan people has been disrupted, and the practice of the Muslim religion has been prevented by the authorities in Afghanistan, thus furthering the refugee flow; and

Whereas the Afghan refugees now constitute one of the largest ethnic groups of refugees actually concentrated in one area, without hope of resettlement in other nations; and

Whereas the week of July 21–27 coincides with the scheduled 1980 Olympic Games in Moscow; and

Whereas the withdrawal of participation from the Olympic games by athletes of the United States has been formally declared to protest the aggression of the Soviet Union against the people of Afghanistan; and

Whereas the concerns of the American people for the people of Afghanistan deserve concrete expression in the form of support and assistance to relieve the suffering of some one million refugees from Afghanistan now in Pakistan: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that the President should proclaim the week of July 21–27, 1980, as "Afghanistan Relief Week" and should encourage the American people to join with the United States Government, the Afghanistan Relief Committee, Incorporated, and all persons of good will throughout the world who desire to assist the people of Afghanistan, and particularly the one million Afghan refugees now in Pakistan in their struggle for survival.

Madam Speaker, that concludes my remarks. I welcome the comments of our fellow cosponsors, Mrs. Fenwick, Mr. Pritchard, Mr. Hall, and Mr. Solarz, and thank them for their participation.

● Mrs. FENWICK. Madam Speaker, I wish to associate myself with the moving remarks of Mr. Wolff.

Six months ago, the Soviet Union invaded Afghanistan and the world has watched while a small country, almost defenseless, has been ravaged. Whole villages are being wiped out by helicopter gunships; schoolgirls throw stones against the foreign troops and are shot; the defenders of Afghanistan, hidden among the rocks of their mountains, fight the tanks and planes with antiquated rifles.

Meanwhile, in neighboring Pakistan and Iran nearly a million refugees—women, children, old people for the most part—have gathered in make-shift camps showing so clearly, as do the refugees of Cambodia and Ethiopia and Vietnam, the tragic consequences of yet another Communist aggression.

The Afghan Relief Committee is evidence of the concern of private citizens and Members of Congress, joining in an effort to help the many private agencies that are providing relief.

We now ask the House to request the President to proclaim the week of July 21 through 27 as "Afghanistan Relief Week." This particular week is singularly apropriate since it coincides with the opening of the 1980 Moscow Olympic games. We hope to focus not only on the past and present sufferings of Afghanistan and its people but also on the future implications the Soviet invasion has for world peace.

Madam Speaker, I join Mr. Wolff, and our Senate colleagues in urging passage of this concurrent resolution.●

THE MONOPOLY COMPONENT OF INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Smith) is recognized for 60 minutes.

Mr. SMITH of Iowa. Mr. Speaker, inflation is one of America's most serious problems. There are many supposed causes often advanced for inflation—excess demand, excess growth of the money supply, excess government spending, lagging productivity, excess wage demands, the high cost of imported oil, price decontrol, and monopoly power, to name a few. I would like to focus on monopoly power, an increasingly important cause of inflation, that I do not believe has received enough attention. In particular, I am talking about the increased price spread between producers and consumers which results from the power of shared monopolies in the U.S. food manufacturing sector of our economy. Farmers are consistently getting less for the food they produce while consumers are consistently paying more. The shared monopolies are pocketing the difference.

Pure monopoly power is seldom found in the real world, just as the theoretical ideal of pure competition is seldom, if ever, found. What we do observe in reality are degrees of monopoly power or degrees of competition. There are many examples of industries which have a few large sellers handling the majority of the product—the auto industry, aircraft manufacturing, food manufacturing, et cetera. Economists call these industries oligopolies. There are also examples of industries where a few large buyers such as grain exporters and meat packers buy the majority of the raw product. Economists call these industries oligopsonies. A most descriptive term which I will use for all of these industries is "shared monopolies." With respect to the potential for economic abuse, the distinction between pure monopoly and shared monopoly is only one of degree and not one of substance.

I do not propose that shared monopoly power is the sole cause of inflation. I do not propose that eliminating shared monopoly power will completely solve the entire inflation problem overnight. However, I do propose that the observed inflation in food prices is caused, in part, by such power in the U.S. food manufacturing sector. Finally, I propose that it is the responsiblity of the Congress and the administration to face this issue directly and to take the action necessary to insure a timely and equitable solution.

Monopoly power results in increased

government regulation, but when markets are free of shared monopoly power, competition will minimize the need for the Government to intervene in private decision-making to achieve the goals of price stability, full employment, and economic growth and will insure that necessary adjustments in production and consumption are rapidly and efficiently made in response to changes in demand and supply. It is toward this goal that we must strive.

The overcharge to consumers due to monopoly power in food retailing was estimated to be $662 million in 1974.[1] Inflated by the consumer price index for food, the estimate for 1979 is $942 million lost by consumers because of monopoly overcharges at the retail level.

Estimates for the food manufacturing sector recently appeared in an article by Russell Parker of the FTC and John Connor of the USDA in the November 1979, issue of the American Journal of Agricultural Economics.[2] This article presented some truly startling research results. The average of the Parker-Connor estimates for 1 year, 1975, is $13 billion lost by consumers due to monopoly power in the U.S. food manufacturing sector of our economy.[3] This estimate does not include monopoly overcharges paid by farmers for machinery and other inputs or monopoly overcharges in food wholesaling and retailing or in any of the industries that provide inputs and supplies to food marketing firms.

How does this $13 billion annual figure compare with the amount consumers lose due to inflation in wholesale food prices? Over the years 1973 through 1978, the annual increases in wholesale food prices from all causes of inflation totaled $99.3 billion (table 1). Over the same period, consumers lost $98.5 billion due to monopoly at the food manufacturing level (table 1). In other words, the loss due to monopoly power was 99 percent as large as the increase in food costs due to all causes of inflation.

It is no wonder that Parker and Connor concluded:

> There are significant implications of our monopoly loss estimate for public policy. The annual loss to consumers in food manufacturing alone is 250 times the combined antitrust budgets of both U.S. antitrust agencies and several thousand times that part of federal antitrust expenditures.[4]

The food manufacturing sector ranked fourth among the 20 major industry groups in our economy based on 1977 value added.[5] Food manufacturing ranked first in 1977 value of shipments. Obviously we are dealing with one of the largest sectors of our economy. But in that sector, only 50 firms out of about 20,000 firms accounted for 64 percent of food manufacturers' assets in 1978, up from 42 percent in 1947.

> Concentration of profits, sales promotion activities, and the holding of leading positions by these fifty firms is substantially higher, ranging upward to 90 percent.[6]

The consumer loss due to monopoly in food manufacturing alone represents about 8 percent of the value of shipments, 26 percent of the value added, and $290 per family per year. On the average over the years 1973 through 1979, the consumer loss due to monopoly in food manufacturing represents 52 percent of the net farm income of all the farmers in the United States. The $942 million overcharge due to monopoly power in food retailing added to the loss to monopoly power in food manufacturing amounts to $307 per family per year.

It cannot be said with certainty that if the consumer loss due to monopoly were removed from the food manufacturing sector and if the monopoly overcharge were removed from retail prices then food price inflation would totally disappear. However, doing away with these losses could be considered the equivalent of a major reduction in unnecessary industry costs and such a cost reduction along with an industry restructuring approaching workable competition would result in substantially lower food costs. For example, in 1977 the cost of materials plus payroll for the food manufacturing sector totaled $155.3 billion.[7] The Parker-Connor estimated consumer loss—adjusted for inflation—for 1977 was $14.7 billion (table 1) or 9.5 percent of payroll and materials costs.

About $1 in every $5 spent by Americans is for food. Despite what we hear about the impact of increasing oil prices, interest rates, Government spending, and so forth, it is a fact that the price index of food items has risen more than the overall consumer price index since the beginning of 1973. During this period, producer's prices for raw farm products have not kept pace with cost increases or inflation so the consumer food price increases have occurred after food leaves the farm. A significant part of this food price inflation is caused by shared monopoly power at the processor, distribution, and retail levels.

SPECIAL CONCERN FOR SMALL BUSINESS

I have a special concern about the problem of shared monopolies, apart from the general concern regarding its contribution to inflation, because the economic power of shared monopolies concentrated in the hands of a few has been derived, over time, at the expense of the thousands of small businesses in this Nation. When an industry is composed of thousands of small businesses, where no one business can exercise power over buying or selling prices, we have a situation that goes a long way toward approximating the ideal of pure competition. Unfortunately, all too often what we have observed over the course of American economic history is that small businessses either grow into giants or are driven out of business by the actions of those who are large. This is the paradox of development in our free enterprise system.

While firms are fighting for territory in an industry, consumers seem to benefit, but once an industry is controlled by a few large firms, the efficiency gains from economies of size are lost to society in the form of shared monopoly costs and profits.

FOCUS ON MEATPACKING

Within the broad problem of shared monopoly power in food manufacturing, the House Committee on Small Business has focused on the problem in the meat industry. Our ongoing investigation has included two major studies of meat industry structure, an ongoing study of futures trading and computer analysis of pricing behavior. I would like to share with you some of the results of our investigation to date.

Increasing concentration: Nationally, the top four firms slaughtering steers and heifers accounted for about 32 percent of the total in 1978; not a particularly high level of concentration. So what's the problem? First, one should keep in mind that moving live animals great distances is very costly both in shrink and transportation; therefore, concentration levels in local marketing areas are of greater importance than when dealing with a nonperishable product. In a special study prepared for the Small Business Committee, the USDA reported that, in the 23 States that account for over 96 percent of the total fed cattle marketings in 1978 the top four firms in each State had over 66 percent of the steer and heifer slaughter (table 2). This 66 percent is a statistically significant increase over the 56 percent concentration level in 1969. What has happened over the last decade is that the large firms have concentrated at the source of the animals, driving out the competition. This is a classic case of oligopsony buying power.

However, we have not yet observed, in all cattle producing areas, the final result of oligopsony buying power—lower prices paid to producers for live animals. The industry is still in the final transition to shared monopoly. What has occurred is that large packers move into an area and pay higher prices for live animals than the existing competition. Thus, the large "new generation" packers are able to operate their plants at or near capacity throughout the cattle cycle while existing packers go bankrupt in the face of cost increases. During the initial stage of this type of industry structural change, cattle producers do not perceive the problem because, in the short run, they are receiving higher prices for their animals. What cattle producers do not seem to realize is that in 5 or 10 years there will be so few small- and medium-sized packers left in the business, the price of live animals will be determined totally by what the remaining oligopsonists want to pay. When the crunch comes, the produced will share in the ultimate cost.

Declining competition and employment: As concentration has increased in cattle slaughter the USDA reports a significant decline in slaughter plants.[8] From 1969 through 1977, 270 firms left the steer and heifer slaughter business. This is an average drop of about 4 percent of the firms each year, 30 percent over 8 years. During 1978, at least 22 plants discontinued steer and heifer slaughtering.

Meatpacking traditionally has been an industry where small businesses can effectively compete. For example, in 1978,

Footnotes on p. 12250.

of the 622 firms slaughtering steers and heifers, 602 slaughtered less than 300,000 head per year. However, the remaining top 20 firms slaughtered over 62 percent of the total with individual slaughter totals ranging from 300,000 to over 4,000,000 head per year.

The majority of firms which can be expected to go out of the steer and heifer slaughter business, if present trends are left unchecked, will almost certainly come from the group of 602 small and medium sized firms and/or those firms operating in only one location.

The economic vitality of an industry depends on the vigorous competition supplied by new, innovative firms. The giant packers of today were such firms 10 or 20 years ago. But when a few firms become large and industry concentration reaches high levels, barriers are placed in the path of new firms trying to enter the industry. Thus, the competition from new entrants is stifled, existing small and medium firms fail, and concentration becomes worse. As these trends grow, efficient medium-sized firms become acutely aware that they could be eliminated and become reluctant to risk further investments to update or expand their capacity.

Present economic trends—inflation, record high interest rates, the recent low point in the cattle cycle, and increasing concentration—have combined to cause a crisis situation for all but the giant firms in the meatpacking industry.

Price spreads: Other economic indicators tell the same story. For example, the USDA recently reported that the farm-to-retail price spreads for choice beef and pork were 7 and 5 cents per pound greater than justified by costs during March-April 1979.[9] Since the farm-to-retail spread measures the difference between the retail price and the payment to producers for their animals, these spreads are an indication of the excessive returns to the middle sector. The USDA recently reported that the middle spread for all food had widened nearly 12 percent in 1979, the largest increase in 5 years.

Impact on farmers: Increasing concentration in meatpacking means farmers have fewer buyers for their animals and are more and more at the mercy of the remaining large buyers. Large commercial feedlots may have 8 to 10 buyers or a financial tie or contract with a major packer, but the farmer/feeder may have as few as one or two buvers who will negotiate for delivery to a point that does not involve unbearable transportation cost and shrink.

Studies of livestock buying practices document the power to depress farm prices concentrated in the hands of a few buyers.[10] It is only a matter of time until this power is used against all farmers in cattle producing areas.

Conglomerate control: Thirteen of the twenty-five largest cattle feeders in this country are now owned or controlled by either meatpacking companies or grain companies. These 13 cattle feeders already represent a one-time capacity of 2 million head or about 20 percent of the total national feedlot capacity.

Cargill, Inc., a privately held company, is the world's largest grain merchandiser with fiscal 1979 sales estimated at $12.6 billion.[11] Cargill owns Caprock Industries, America's largest cattle feeder and MBPXL, America's second largest boxed beef producer and third largest steer and heifer slaughterer. Esmark, a conglomerate, owns Swift, America's second largest steer and heifer slaughterer. The Greyhound and LTV conglomerates own Armour and Wilson, respectively. Continental Grain, among the world's top 5 grain merchandisers is also among America's top 10 cattle feeders. The wave of conglomerate takeovers and vertical integration in the grain-livestock-meatpacking complex is a telling sign of the monopoly profits to be made by those with economic power. The medium-sized packer has little chance to survive when the vast resources of international conglomerates are brought to bear to subsidize giant meatpackers by furnishing capital and by selling grain at favorable prices to conglomerate feedlots who in turn can sell fed animals at favorable prices to the conglomerate packer.

A recent USDA study reported:

> Cattle feeding has shifted to very large commercial feedlot operations using: (1) highly specialized skills and technology and (2) industrialized approaches to management, financing, and marketing. Large commercial feedlots have developed so rapidly that: (1) more than half of all fed cattle are now fed in 422 feedlots, each of which averages over 30,000 head marketed a year, and (2) half of the cattle are fed in 131,500 smaller feedlots, each of which averages only 90 head marketed annually . . ."[12]

The three largest groups trading in live cattle futures are grain companies, meatpacking companies and commercial feedlots. These groups accounted for up to 30 percent of the total short open interest in cattle futures during the period January 1978 through April 1979, and held enough cattle to potentially control up to 100 percent of the short open interest. Control of short positions in cattle futures can have a significantly depressing effect on cattle prices throughout the country.

Future trends in meatpacking: One of the methods used by Parker and Connor to estimate the consumer loss due to monopoly relied on the observation that when a firm grows big and achieves some degree of market power it tends to spend more and more on advertising to insulate its product from the competition of other firms by creating perceived differences in the mind of the consumer. Obviously, a particular product is not better than any other product simply because of advertising. However, if the consumer thinks the advertised product is better, then the seller has power to increase the product price above the competitive level. This technique of trying to create perceived differences, which in reality do not exist, is referred to as product differentiation from advertising.

Once large scale advertising takes hold of an industry a major barrier is placed in the path of new small businesses trying to start up and in the path of existing small businesses trying to survive. Small businesses cannot afford such large-scale advertising expenditures.

> IRS data indicate that in 1975 total U.S. advertising expenditures . . . by food manufacturers were $4.1 billion . . .[13] However, . . . the bulk of promotional activities currently used for food products . . . are largely self-cancelling and simply add to distributioin costs.[14]

One of the most cutthroat battles in any retailing industry occurs over shelf space in retail food stores. Thus, the firm that spends more on advertising can demand more shelf space for its products, and more shelf space means more sales. The small- or medium-sized manufacturer faces nearly insurmountable odds in the battle for shelf space.[15]

Not since the major antitrust intervention in the 1920's have advertised manufacturers' national brands been used to sell beef in retail food stores. Until relatively recent years, beef moved from slaughterers to retailers in carcass form. Most carcasses were broken at or near the retail outlets and sold generically. Most carcasses are now broken into primals and/or subprimals and vacuum packed by the slaughterers. This boxed beef is now shipped directly to retailers, cutting out the costs associated with shipping unnecessary bone and fat and eliminating the costs of breaking near retail outlets. Retailers cut the boxed beef into individual portions. The idea of boxed beef is not new and was used to some extent in the 1950's. But during the last decade, it spread rapidly and the industry now estimates that 60 percent of all fed beef is shipped in the box. Major efficiencies have been associated with the boxed beef revolution.

However, there is also a danger. Once retailers convert to boxed beef, laying off meatcutters skilled at breaking carcasses and closing down breaking facilities, they become locked into boxed beef. Buying carcasses as an alternative to boxed beef is no longer feasible. Thus, carcass beef is no longer a substitute for boxed beef to retailers. Those who hold shared-monopoly power over boxed beef production are now the ones who can extract shared-monopoly prices.

At this point, a major move toward further product differentiation via advertising has not occurred in fresh beef. However, the producers of boxed beef are now seriously considering "portion-control." This means the meatpacker will take charge of everything from killing the animal to consumer packaging the meat for retail display. Portion-controlled meats will come to the retail store just like boxes of breakfast cereal, requiring no further processing. Dominant firms in the production and distribution of portion-controlled meat, aided by the merchandising power which enanates from a nationally advertised brand name, will then be in a position to control retailing and to force retailers to display their products or even to take control and operate retail meat shops in supermarkets.

National brand advertising is already established in poultry, pork products and processed meats and once portion-control is achieved in beef, an advertising battle among giant packers will ensue which will end the medium-sized pack-

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Footnotes on p. 12250.

er's role in steer and heifer slaughter, if we permit it.

If you doubt that nationally advertised brand name beef is a realistic possibility because of the 60-year history of unbranded fresh meat then you would probably say it could never happen in bananas. I give you Chiquita bananas. Or if you say bananas are a special case, I give you "Chiquita" lettuce—the United Brands Co. attempt to raise the price of lettuce 30 to 50 percent by creating a "Chiquita" brand lettuce through national advertising—which was forestalled at least in part by FTC action.[16]

Sixty years ago, before the famous 1920 consent decree against the, then, big five packers, fresh meat was being sold under national brand names. Nationally advertised, brand name, portion-controlled beef is on its way again. If permitted, it is only a matter of time.

DETAILED BREAKDOWN OF LOSS ESTIMATES

A detailed look at the results of the Parker-Connor estimate leaves little doubt regarding the extent of the shared monopoly problem (table 3). The percent of national sales controlled by the four largest firms—four-firm concentration ratio—for the 43 industries within the food manufacturing sector range as high as 90 percent. For the sector as a whole the—

> Food industry concentration ratio was 52 percent, indicating a significant degree of oligopoly and potential for competitive problems.[17]

In dollar terms, the largest consumer loss in 1975 occurred in areas such as: processed meats, fluid milk, canned goods—for example soups—grain milling, breakfast cereals, bread, cookies, crackers, refined cane sugar, soybean oil, shortening, margarine, beer, soft drinks, flavoring extracts, syrups, roasted coffee and other prepared foods.

The 1975 Parker-Connor estimate for meatpacking shows a monopoly overcharge from zero to $7 million (table 3). This estimate is based on minimal advertising levels and a national four firm concentration ratio of 22 percent. When the boxed beef four firm concentration ratio is used, along with advertising expenditures commensurate with manufacturer national brand names the estimate increases dramatically.

Russell Parker of the FTC was asked to make a special estimate of consumer loss due to monopoly power in the boxed beef segment of the meatpacking industry that would be comparable to the overall 1975 Parker-Connor estimates. He was asked to assume that boxed beef was an industry with the same advertising characteristics as broilers and hams. Parker used 1975 data on boxed beef production and market shares gathered by the USDA. In 1975, the top four firms had 61 percent of the boxed beef production. Poultry and ham advertising rates were used in order to explore the consequences of boxed beef producers moving to portion-control and starting advertising campaigns to differentiate their products, given the 1975 level of shared monopoly power of boxed beef producers. Parker assumed that if national advertising of brand name beef occurs, expenditures would be the same percent of value of shipments as occurred in broilers and hams during 1975.

Parker emphasizes that individual segment estimates within the food manufacturing sector are subject to greater error than the estimates for the entire sector. Given these assumptions, Parker concludes that the shared monopoly overcharge would be 4.9 percent of the value of all boxed beef shipments and 8.2 percent of the value of manufacturer brand boxed beef shipments. In dollar terms these estimates indicate in 1975 the consumer loss to shared monopoly overcharge would range from $107 million to $143 million (table 4). Inflating these estimates to 1979 dollars gives a range of $133 million to $178 million potential loss to shared monopoly overcharge in advertised, portion-controlled boxed beef.

SHARED MONOPOLY POWER IN THE U.S. FOOD SECTOR

The problem in meatpacking is part of a larger problem. The economic power of shared monopolies in both food manufacturing and food retailing has increased dramatically since World War II (table 5). In 1947, there were over 40,000 firms in food manufacturing and about 350,000 firms in food retailing. There are now less than 20,000 firms in food manufacturing and about 155,000 firms in food retailing. After World War II firms were leaving the food manufacturing sector at an annual rate of about 1 percent. That rate of exit has now tripled to 3 percent.

The average annual rate of decline in the number of food retailers from 1947 to 1958, was 2.8 percent. This time period covers the era of the "supermarket revolution" when thousands of small grocery stores went out of business. What is most frightening is that the current rate of exit from food retailing is even higher. It now stands at 3.2 percent.

Other economic indicators reflect the same trend. The percent of food manufacturing assets held by the 50 largest companies has jumped from 42 percent in 1947, to 64 percent in 1978 and the USDA estimates that it could rise to 100 percent by the year 2000.[18] This estimate implies that almost 20,000 firms could drop out of food manufacturing by the year 2000. In the same study it is reported that "wholesale prices of food products are elevated an average of 10 percent by the oligopolistic structure of food manufacturing." [19]

The percent of national sales held by the 20 largest retail chains has jumped from 27 percent in 1947, to 37 percent in 1975. Concentration of sales in individual metropolitan area grocery retailing markets has also grown from 45 percent in 1947 to 53 percent in 1972 (table 5).

Shared monopoly power comes in two forms: Oligopsonistic buying power or oligopolistic selling power. In either case the crucial economic element is that the shared monopolists via jointly beneficial mutual action have a great deal of freedom and independence over either the selling price or the buying price of the products in question. Generally, in our society we exalt freedom and independence, both personal and economic, as long as that freedom and independence does not harm others. For example, we all have the freedom and independence to pursue our chosen profession. But when someone chooses to become a thief, others are harmed and society limits an individual's freedom to pursue this "profession." Similarly, via the antitrust and restraint of trade laws, society has decided to limit the freedom and independence of monopolists because their economic actions are harmful to the rest of society.

In a nutshell, shared monopoly selling power generally results in: higher consumer prices; higher short run net revenue; higher long run net profits; consumer prices that exceed costs plus a competitive profit; a level of production that is less than would be the case in a competitive industry; production costs which are higher than necessary; and a stifling of new innovation. The case of shared monopoly buying power has similar results except the buying prices of inputs such as raw agricultural products are lower than would otherwise be the case.

Besides the direct impact of shared monopoly power on inflation, there is a potent indirect effect on inflation which comes from an upward price and wage spiral.[20] This happens because of the interaction of shared monopoly power in industries with strong labor organizations. The problem is caused when labor attempts to share in the high profits of shared monopoly industries as new wage settlements are being drawn.[21]

Collective bargaining is the process we use to divide returns between capital and labor and profit levels have a direct impact on both wage settlements and dividends. If high shared monopoly profits are partially passed on in wage settlements that are larger than justified on a comparative basis with services rendered, those increases cause further problems as they "spill over" into other industries. Wage negotiations in a monopolistic industry are not entirely independent of settlements in other industries because there is some mobility and in a time of low unemployment, the less profitable, more competitive industry must pay more wages whether it can afford it or not or lose its good employees. When spillover causes high wage increases to be achieved in more competitive industries the result is "cost-push" inflation.

In the key shared monopoly industries, the high wage settlements are often welcomed by management as excuses for raising prices not only to pass on the higher wage costs but to add more in order to boost profit rates. When this is done more fuel is added to the inflation fire and the stage is set for a new round of wage and price increases as part of a never ending spiral.

Traditional government anti-inflation policies using monetary and fiscal tools are frustrated because monopoly industries have the power to raise prices even when they face declining demand. They raise prices in order to make up for the higher unit costs associated with falling

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Footnotes on p. 12250.

rates of output. Traditional anti-inflation policy dampens demand with cuts in government spending, increased taxes, high interest rates, and tight money. Unfortunately, the battle lines of shared monopoly caused inflation can march right through all but the most severe of these government policies.

These problems of shared monopoly power create an intense squeeze on the farmers of this country. In the purchase of machinery, tractors, trucks, tires, plows, herbicides, and many other products, farmers face some of the most concentrated U.S. manufacturing industries. For the energy and petroleum based chemicals that are so vital to farm efficiency, farmers are at the mercy of the OPEC oil monopoly and the shared monopoly in U.S. petroleum product refining. When the farmer sells his products, he faces food processing industries whose degree of shared monopoly power on average, significantly exceeds that of other manufacturing industries. In such a setting the farmer loses on both sides. The exercise of oligopsony buying power over the price paid to farmers keeps commodity prices low at the farm and the exercise of oligopoly selling power by farm suppliers means that farmers must pay high prices for their supplies. If major new antitrust steps are not taken soon, the small business, family farm in this Nation is doomed for reasons unrelated to the ability to produce.

CONCLUSIONS

Parker and Connor concluded from their research that—

> Besides demonstrating that food processing ought to have a high priority for the antitrust agencies, the findings of our price-cost margin and national brand-private label price models suggested that advertising represents an important problem area for consumer products. Furthermore, the problem is most serious when TV is the primary medium and when the advertisers are large firms. This suggests that consideration be given to limiting advertising in industries where it is already intense and to formulating stricter policies that would discourage product extension mergers where differentiated consumer products are involved. This latter suggestion is further supported by evidence that food-manufacturing mergers on average exhibit a subsequent doubling of advertising outlays . . . often accompanied by a shift toward greater use of TV. An antitrust policy or a new law that reduces food company mergers, especially takeovers by leading grocery product firms and other conglomerates, would be expected to moderate the market power of sellers by its effect on both concentration and advertising.
>
> However, we recognize that neither advertising restrictions nor merger prohibitions may erode this existing market power at sufficient speed to achieve workable competition in all food-manufacturing industries. Under these circumstances, therefore, more direct restructuring may be necessary. Such restructuring could take the form of divestiture of portions of the physical assets of leading firms, compulsory licensing of major trademarks, or other affirmative programs to encourage the entry of firms into the affected markets.[22]

Those who defend the existing structure of the U.S. food manufacturing sector have attacked these estimates of consumer loss to monopoly power. This is understandable—their livelihood is at stake. I agree that one might quibble with the exact size of the estimate. For example, Parker and Connor feel their 1975 estimates, while conservative, can reasonably be expected to have a 25 percent error factor. Thus, the "* * * consumer loss due to monopoly in the U.S. food manufacturing industries in 1975 was at least $10 billion, but possibly as high as $15 billion."[23]

Such economic power not only results in an overcharge to consumers but also contributes to inflation because firms with shared-monopoly selling power can pass on cost increases on a dollar for dollar basis with little or no competitive incentive to restrain costs or to operate in the most cost-effective manner. Firms with shared-monopoly selling power in concentrated industries are more likely to pay more for inputs and to grant above average wage increases than are firms in competitive industries.

Something must be done to reverse the ever-increasing shared monopoly power in food manufacturing, to return this sector of our economy back to workable competition among efficient smaller and medium sized businesses; and to make the entire system more market sensitive so that periodic surpluses result in the kind of reduced consumer prices which move the product. Something must be done to keep the meat packing industry from turning into the biggest shared-monopoly of the 1980's.

Sixty years ago there were major monopolistic problems in the meat industry and meat was sold under manufacturer's national brand names. As part of the actions taken to reestablish competition in the industry, the 1920 consent decree was entered which prohibited the big five packers from engaging in retailing and certain nonslaughter activities. The consent decree and the widespread acceptance of Federal grade labeling, which helped insure non-brand-name, generic sales of fresh meat, were major contributors toward a return to workable competition in the meat industry. They helped to insure ease of entry into meatpacking which resulted in a dramatic decline in industry concentration.

Unfortunately, as the studies now show, the meat industry is returning to a state of concentrated shared monopoly power and once again is on the verge of highly advertised, needlessly differentiated national-brand marketing of fresh meat which has no essential characteristics which can be differentiated from the nonbranded, nonadvertised product. The names of the actors have changed but the script is the same. When this occurs, instead of the increased efficiencies from boxing and portion control being passed back to the producer or on to the consumer, they will be wasted on needless advertising and shared monopoly profits, resulting in losses for both producers and consumers.

For the benefit of both livestock producers and consumers, further concentration of shared monopoly power in meatpacking should be prohibited. It is not yet too late, but time is running out.

Toward this end I have introduced H.R. 5733, the Meat Industry Act to Preserve Competition and H.R. 7197, the Small Business Preservation and Protection Act of 1980. I urge timely consideration for the passage of these bills.

FOOTNOTES

[1] Statement of Willard F. Mueller and Bruce W. Marion, before the Joint Economic Committee, Congress of the United States, 95th Congress, 1st Session, March 30, 1977.

[2] Russell C. Parker and John M. Connor, "Estimates of Consumer Loss Due to Monopoly in the U.S. Food-Manufacturing Industries," *American Journal of Agricultural Economics*, Vol. 61, No. 4, November 1979, pp. 626–639.

[3] *Ibid.*, "Three independent methodological approaches and data sets are used to estimate the consumer loss due to monopoly in the U.S. food manufacturing industries for 1975. They include estimates (a) built up from previously estimated components of consumer loss, (b) derived from a regression analysis of the relationship of market structure to industry price-cost margins, and (c) derived from regression analysis of the market structure determinants of national brand-private label price differences. All three estimates converge to the $12 to $14 billion range. Virtually all of the consumer loss is attributed to income transfers; 3% to 6% is due to allocative inefficiency." (p. 626).

[4] *Ibid.*, p. 637.

[5] *1977 Census of Manufacturers*, U.S. Department of Commerce, Bureau of the Census, S.I.C. 20: Food and Kindred Products.

[6] Parker and Connor, *op. cit.*, p. 627.

[7] *1977 Census of Manufacturers, op. cit.*, S.I.C. 20.

[8] USDA, "Concentration in the Meat Packing Industry," P&S, AMS, USDA, September 1979, p. 6.

[9] "An Examination of Price Spreads for Beef and Pork," ESCS, USDA, June 15, 1979.

[10] USDA. "Concentration in the Meat Packing Industry," P&S, AMS, USDA, 1979, pp. 20–22.

[11] *Business Week*, April 16, 1979, p. 68.

[12] Lyle P. Schertz, *et al.*, "Another Revolution in U.S. Farming?" USDA, 1979, pp. 85–86.

[13] Parker and Connor, *op. cit.*, p. 627.

[14] *Ibid.*, p. 627.

[15] *Ibid.*, p. 634.

[16] Concurring Opinion of Commissioner Mayo J. Thompson, USA before the FTC in the Matter of United Brands Company, Docket No. 8835, appearing in *Antitrust Law and Economics*, Vol. 7, No. 2, 1974–75, pp. 23–28.

[17] Parker and Connor, *op. cit.*, p. 627.

[18] John M. Connor, "The U.S. Food and Tobacco Manufacturing Industries: Market Structure, Structural Change, and Economic Performance," *Agricultural Economic Report No. 451*, ESCS, USDA, March 1980, p. iv.

[19] *Ibid.*, p. iv.

[20] "Industrial Structure and Competition Policy," *Studies by the Staff of the Cabinet Committee on Price Stability*, Executive Office of the President, January 1969.

[21] C. J. Parsley, "Labor Union Effects on Wage Gains: A Survey of Recent Literature" *The Journal of Economic Literature*, Vol. XVIII, No. 1, March 1980, p. 1–31.

[22] Parker and Connor, *op. cit.*, pp. 637–638.

[23] *Ibid.*, p. 637.

Mr. Speaker, the tables referred to follow:

TABLE 1.—COMPARISON OF THE ANNUAL COSTS TO CONSUMERS OF MONOPOLY IN FOOD MANUFACTURING AND FOOD PRICE INFLATION, 1973–79

[Dollar amounts in billions]

Year	Value of shipments from food and kindred product manufacturing plants [1] (1)	Consumer loss due to monopoly in food manufacturing [2] (2)	Annual percent change in the average wholesale price for food products [3] (3)	Annual dollar increase in consumer's food costs due to wholesale price increases [4] (4)
1973	$135.5	$10.3	22.5	$25.9
1974	160.6	12.2	13.0	17.6
1975	171.0	13.0	5.5	8.8
1976	180.9	13.7	−2.5	−4.3
1977	193.1	14.7	6.6	11.9
1978	218.4	16.6	11.9	23.0
1979	237.4	18.0	7.5	16.4
Total		98.5		[5] 99.3

[1] Value of shipments of food and kindred products manufacturing plants, "1977 Census of Manufacturers, Industry Series (MC 77-1-20)," U.S. Department of Commerce, 1979. 1978 and 1979 amounts are estimates derived by multiplying the 1977 census total value of shipments by the average annual deflated growth rate of value of shipments between 1972 and 1977 (1.2 percent) and the percentage increase in the Bureau of Labor Statistics producer price index for finished food products (the wholesale price index.)

[2] The dollar amounts are equal to 7.6 percent of value of shipments shown in col. 1. 7.6 percent is the ratio of the dollar amount of consumer loss estimated by Parker and Connor for 1975 ($13 billion) expressed as a percent of 1975 total food industry value of shipments. This method of extending the Parker-Connor estimate to other years assumes the ratio of consumer loss to value of shipments stays constant. The 7.6 percent is not the total possible consumer loss due to monopoly included in consumer food purchases. Not included are monopoly loss amounts in wholesaling or retailing of food products or monopoly overcharges by farm input supply industries.

[3] Annual percent change (from December to December, unadjusted) in producer prices for finished goods (foods). Source: Department of Labor, Bureau of Labor Statistics. These inflation (deflation) rates apply to food and kindred product prices as charged by the manufacturer to the retailer. Since the Parker-Connor estimate does not include possible consumer loss due to monopoly at the retail level, inflation (deflation) rates for consumer food prices were not used.

[4] These values represent the dollar changes in value of shipments (col. 1) which are due to inflation (deflation). Assuming these inflation charges are passed on by retailers on a dollar for dollar basis, the total of col. 4, $99.3 billion, can be considered as an estimate of the total "consumer loss due to inflation" over the 1973 through 1979 period. Percentages were taken of the previous year's value of shipments. Value of shipments in 1972 total $115 billion.

[5] Part of the price increase represents an increase in the dollar amount of the monopoly loss between 1973 and 1979. Subtracting the increase in the annual monopoly loss (7.7 billion) leaves a total due to nonmonopoly price increase of $91.6 billion.

TABLE 2.—4-FIRM CONCENTRATION RATIOS, STEERS AND HEIFERS, BY STATE [1]

State [2]	Percent of slaughter accounted for by top 4 firms: 1969	1977	1978	1978 level of concentration [3]
Arizona	83.7	85.9	87.6	Very highly concentrated.
California	20.5	22.7	26.5	Unconcentrated.
Colorado	63.3	65.4	63.8	Moderately concentrated.
Iowa	53.4	57.2	61.9	Do.
Idaho	77.3	86.0	89.0	Very highly concentrated.
Illinois	63.1	72.0	70.2	Highly concentrated.
Indiana	64.3	78.9	82.1	Very highly concentrated.
Kansas	54.3	74.0	74.7	Highly concentrated.
Nebraska	51.1	50.2	57.8	Moderately concentrated.
Michigan	53.4	59.4	56.0	Do.
Minnesota	59.7	84.2	84.7	Very highly concentrated.
Missouri	67.9	80.5	85.9	Do.
Montana	92.9	100.0	100.0	Do.
New Mexico	95.9	95.3	96.7	Do.
North Dakota	100.0	99.0	100.0	Do.
Ohio	40.9	44.6	45.7	Low-grade concentration.
Oklahoma	72.9	86.6	89.0	Very highly concentrated.
Oregon	62.0	74.2	73.9	Highly concentrated.
Pennsylvania	73.6	73.8	79.3	Very concentrated.
South Dakota	91.3	94.4	96.6	Very highly concentrated.
Texas	43.2	64.6	65.2	Highly concentrated.
Washington	66.5	87.1	91.6	Very highly concentrated.
Wisconsin	79.6	84.7	89.3	Do.
23 State total	55.9	63.2	66.3	Highly concentrated.

[1] Source: USDA. "Concentration in the Meat Packing Industry," P & S, AMS, USDA, 1979.

[2] These 23 States accounted for over 96 percent of the total fed cattle marketings in 1977.

[3] Classification developed by Joe S. Bain and reported by USDA, ibid., p. 9.

TABLE 3.—FOOD AND KINDRED PRODUCTS INDUSTRY OVERCHARGE ESTIMATES, 1975

1972 SIC code	1967 SIC code	Industry	Percent of national sales controlled by 4 largest firms (CR_4), 1972	Percent overcharge from—: National brand-private label model [1]	Percent overcharge from—: Price-cost equation (3) [2]	Dollar overcharge (millions) from—: National brand-private label model [1]	Dollar overcharge (millions) from—: Price-cost equation (3)
2011		Meatpacking	22	0	0	$7	0
2013		Processed meats	19	1.6	5.6	162	$372
2016	2015	Poultry dressing	17	3.6	0	278	0
2017		Poultry and egg					
2021		Butter	45	7.2	3.1	52	31
2022		Cheese	42	7.5	3.5	318	184
2023		Canned milk	39	17.5	1.7	246	44
2024		Ice cream	29	6.7	4.5	138	80
2026		Fluid milk	18	7.8	5.3	666	644
2032		Canned specialities	67	18.7	17.7	383	501
2033		Canned fruits and vegetables	20	11.2	5.4	638	313
2034		Dehydrated fruits and vegetables	33	17.3	12.1	91	112
2035		Pickles, sauces, dressings	33	16.0	15.3	279	264
2037	2037	Frozen fruits and vegetables	29	13.3	10.0	291	266
2038		Frozen specials		14.2	10.0	336	266
2041		Grain mill products	33	15.7	4.4	176	189
2043		Breakfast cereals	90	29.5	29.0	485	588
2044		Rice milling	45	21.1	5.1	145	74
2045		Blended flour	68	23.6	21.9	241	249
2046		Wet corn milling	63	13.6	1.2	121	27
2047	2042	Dog, cat, pet food	23	20.0	8.6	489	825
2048		Other animal feeds					
2051		Bread, cake, etc	29	5.9	8.6	410	775
2052		Cookies, crackers	59	21.2	16.3	533	435
2061		Raw cane sugar	44	NA	0	NA	0
2062		Refined cane sugar	59	6.7	5.4	183	188
2063		Beet sugar	66	6.7	1.5	183	26
2065	2071	Candy, confections	32	18.0	14.6	538	517
2066	2072	Chocolate	74	21.3	15.0	131	175
2067	2073	Chewing gum	87	33.9	30.9	180	148
2074	2091	Cottonseed oil	43	NA	0	NA	0
2075	2092	Soybean oil	54	NA	7.9	NA	485
2077	2094	Animal fats and oils	28	NA	1.8	NA	20
2079	2096	Shortening and cooking oils	44	20.9	15.2	690	591
2082		Beer	59	12.5	18.8	718	1,079
2083		Malt	48	NA	0	NA	0
2084		Wines and brandy	53	12.2	11.3	163	155
2085		Liquor	47	13.7	24.2	292	490
2086		Soft drinks	14	14.8	19.5	969	1,658
2087		Flavoring, extracts and syrups	66	18.1	17.2	211	407

TABLE 3.—FOOD AND KINDRED PRODUCTS INDUSTRY OVERCHARGE ESTIMATES, 1975—Continued

1972 SIC code	1967 SIC code	Industry	Percent of national sales controlled by 4 largest firms (CR$_4$), 1972	Percent overcharge from— National brand-private label model [1]	Percent overcharge from— Price-cost equation (3) [2]	Dollar overcharge (millions) from— National brand-private label model [1]	Dollar overcharge (millions) from— Price-cost equation (3) [2]
2091	2031	Canned and cured fish	50	11.7	8.2	109	82
2092	2036	Fresh and frozen fish	20	2.4	.5	26	7
2095		Coffee	65	16.6	18.8	478	597
2097		Bottled water, ice	32	12.8	0	15	0
2098		Pastas	38	12.0	16.4	71	85
2099		Other prepared foods	NA	18.7	16.6	560	930
		Total				12,002	13,879

[1] Based on sales of consumer products only. Percent overcharge applies only to that amount of product shipped under national brand.

[2] Based on sales of consumer and producer goods. Percent overcharge applies to all product shipped, both national brand and private label.

NA—not available.

Source: R. C. Parker and J. M. Connor, "Estimate of Consumer Loss Due to Monopoly in the U.S. Food Manufacturing Industries," NC-117 Working Paper No. 19. Food Systems Research Group, Department of Agriculture Econ., University of Wisconsin, Madison, September 1978, pp. 59, 61.

TABLE 4.—OVERCHARGE ESTIMATES FOR BOXED BEEF, 1975

1972 SIC code	Industry	Percent of national sales controlled by 4 largest firms (CR$_4$)	Percent overcharge from— National brand-private label model [1]	Percent overcharge from— Price-cost equation (3) [2]	Dollar overcharge (millions) from— National brand-private label model	Dollar overcharge (millions) from— Price-cost equation (3)
2011	Meatpacking	22 (1972)	0	0	$7	0
	Boxed beef with advertising (special estimate) [3]	61 (1975)	8.2	4.9	143	$107

[1] Percent overcharge applies only to the value of consumer product sales shipped under manufacturer brands.

[2] Percent overcharge applies to the value of all products shipped by food manufacturers, including producer goods. The denominator includes both manufacturer brand and private label sales of consumer products.

[3] Boxed beef estimates are based on the following variable values: CR$_4$=61, ADS4=0.75 percent (same as for broilers and hams) size=$2.2 billion (derived from USDA estimates of 1975 boxed beef production) and firms=50 (estimated from USDA survey of boxed beef firms). All other variables in the equations are held constant. It is assumed that net imports of boxed beef are zero and that all boxed beef is sold for final consumption i.e., producer sales are zero.

Source: R. C. Parker and J. M. Connor, "Estimate of Consumer Loss Due to Monopoly in the U.S. Food Manufacturing Industries," NC-117 Working Paper No. 19. Food Systems Research Group Department of Agriculture Econ., University of Wisconsin, Madison September 1978 pp. 59 61.

TABLE 5.—NUMBER OF COMPANIES AND CONCENTRATION IN FOOD MANUFACTURING AND RETAILING, 1974–77

Census years	Food manufacturing: Number of companies	Food manufacturing: Average annual percentage decline of number of companies from previous census year	Food manufacturing: Percent of food manufacturine assets held by 50 largest companies	Food manufacturing: Average 4-firm share of sales in food and kindred products industries	Food retailing: Number of companies	Food retailing: Average annual percentage decline from previous census	Food retailing: Percent of national sales by 20 largest chains	Food retailing: Average 4-firm share of sales in metropolitan areas
1947	41,147	NA	(1950)41.6	NQ	[2] (1948)350,000	NA	26.9	(1954)45.4
1958	36,545	−0.9	45.8	47	[2] 238,000	−2.8	34.1	49.3
1967	27,706	−2.5	(1969)52.7	50	187,293	−1.9	34.4	50.9
1972–78 [1]	(1972)23,326	−3.0	(1978)63.7	(1972)52	(1972)155,235	−3.2	(1975)37.0	(1972)52.9

[1] Data only available for year indicated in each column.

[2] Estimate.

Source: Federal Trade Commission.

CYRUS VANCE, LIVING PROFILE IN COURAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 60 minutes.

Mr. OBERSTAR. Mr. Speaker, John F. Kennedy's "Profiles in Courage" paid tribute to public persons who stood for principle against the popular hysteria of the moment. Cyrus Vance is a living profile in courage for standing against the President, on a matter of the highest principle.

This Nation owes Cyrus Vance a tremendous debt of gratitude for his service as Secretary of State. He brought to that office his considerable integrity and competence. He demonstrated his deeply felt beliefs in the ability and the responsibility of the United States to lead the world in the search for peace and the greater enjoyment of those basic human rights guaranteed all peoples no matter under what political system they live. Those views were no less firmly believed or firmly defended because they were held in a reserved and quiet manner.

One of the strengths of our Government is its ability to attract persons of the caliber of Cyrus Vance. This country needs the services and the wisdom of its most able and decent citizens. In 1977, President Jimmy Carter made an excellent decision in naming Cyrus Vance as Secretary of State. The Vance years proved the wisdom of that decision.

The Vance resignation was characteristic of the honorable manner in which he conducted his office.

While important, the resignation on a matter of principle must not dominate discussion of the Vance years at State.

My colleagues and I would be here today to offer these words of tribute had Secertary Vance resigned for strictly personal reasons.

The Members of this House and the American people could always rely upon the truthfulness of his statements and on the integrity of his actions. At a time when this country needed thoughtful, consistent foreign policy, Cyrus Vance provided the necessary leadership and the steady hand. He did not seek confrontation, but he demonstrated the strength and the ability to respond realistically to challenges to our national interest.

Cyrus Vance did not seek status as a superstar or as a saber rattler. While such actions do gather headlines and a certain following, they are normally less useful to the conduct of a sensible foreign policy than those qualities which Cyrus Vance brought to his tenure.

The President acted responsibly in appointing a successor to Secretary Vance. Secretary Muskie has the ability, the opportunity, and the character to build upon the legacy of the Vance years.

That legacy is a remarkable one.

When I came to Congress in 1975, the recent history of U.S. foreign policy was not a glorious one. It suffered from a seeming lack of commitment by the United States to use its military, economic and moral strength as a force for peace and human rights.

As Secretary, Cyrus Vance presided over the ratification of the Panama Canal treaties, a goal sought by four American Presidents, both Democratic and Republican. The United States concluded SALT II negotiations after 7 years. We provided the appropriate support for our British allies as they established the means by which Zimbabwe-Rhodesia gained recognition by the world community. The United States introduced the first real hope for peace in the Mideast by shepherding the signing of the Israeli-Egyptian Peace Treaty.

Secretary Vance was the kind of Secretary to guide the United States from the post-Vietnam period into the 1980's. His successors will benefit from the labors of this dedicated public servant.

It is my firm belief that the people of this country and peoples who seek international stability and peace have been well served by Cyrus Vance.

☐ 1620

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Speaker, I thank the gentleman for yielding. I want to join him in his tribute to the immediate past Secretary of State.

Unlike many of the Members, I did not know Cyrus Vance well, but I was uniformly favorably impressed. I was impressed by his conduct in office; I was impressed also with his graceful exit, if you will. He stood for principle. He did not try to embarrass the President as he exited. The word "class" is overdone, but he showed class in the finest sense of that word in the way he exited.

I would like, with the Chair's permission, to insert in the record several articles that were given to me and called to my attention by the executive director of Congress for Peace Through Law, Edith Wilkie. One is an article entitled "The Vance Legacy" that appeared in The New Republic, written by Leslie Gelb, who many of us know and have worked with. One is an editorial from the New York Times entitled "Mr. Vance and His Duty." One is an editorial from the Los Angeles Times, and one is an editorial from the Boston Globe. With the permission of the chairman, I would insert those in the RECORD at this point.

THE VANCE LEGACY

(By Leslie H. Gelb)

I am strongly prejudiced in favor of Cyrus R. Vance, the more so because of my contribution toward prejudicing Washing against him. Almost four years ago, I wrote a piece for the *New York Times Magazine* about the impending secretary of state sweepstakes and used the occasion to characterize Vance as "a man who left no footprints."

This staid, super-cautious, consensus-building, quintessential Man of the Establishment—or so he seemed to me then—proceeded to shock the hell out of me after he became secretary of state. First, he asked me to be the director of the Bureau of Politico-Military Affairs. Second, week after week for the next two and a half years as I accompanied him to meetings at the White House, he was invariably decisive, usually the first to stake out a well-defined position and the least likely to back down from it. Third, he was curiously inarticulate and apolitical, much more the leader of a pioneer wagon train—always, always moving toward a few goals—than the smooth Wall Street lawyer. He is a very complicated man whom I still don't really know, which is the way he wants it. But I do know those goals and attendant strategies that he would reveal more through his actions than words.

He was determined to restore the credibility and integrity of the State Department. For the better part of the Vietnam War, through the first Nixon administration and into the stewardship of Henry Kissinger, the State Department was widely perceived to be the purveyor of baloney and worse. Peoples' political memories are unbearably stretched beyond one year, but the fact is that as Kissinger was finishing his tour of duty, most newsmen could not tell which way was up. Now it is taken for granted that if the Vance State Department answers at all, it will be the truth.

There was a similar problem with Congress, it should be remembered. It was fashionable only a few years ago to argue that Congress had some rights to know what was going on in foreign affairs. The Nixon-Kissinger team handed Congress one surprise after another until relations were at the breaking point. The extent to which Vance changed this struck home one day in a closed briefing of the Senate Foreign Relations Committee. He had just finished boring them with the details of the SALT negotiations when one senator asked about the negotiations leading up to the Camp David accords. Vance said something like, "I'm going to tell you, even though this information could not be more sensitive. And he did. And there was no special notice of the line that had been crossed. The moment went by naturally, and there were no leaks.

His policy preoccupation was with Soviet-American relations. Perhaps more than any senior official in the administration, Vance saw the downward and dangerous slope in relations. In private moments, he talked to some of us about the awkwardness, envy, and ambitions of Soviet leaders as they realized they could now exercise power on a global scale, and he foresaw the growing fear and frustrations of his fellow countrymen as they began to sense American vulnerability for the first time. His goal, his passion, was to cushion the coming competition with arms control, trade, and other agreements. And with arms. In the early days of the administration when President Carter was still talking about cutting the defense budget, Vance was arguing strongly for a three percent real increase in spending.

Vance was defeated tragically in the pursuit of this goal of cushioning the fall by the very pincer movement he was trying to outrace—Soviet thrusts into Africa and Afghanistan and increasing anti-Soviet sentiment within the administration led by Zbigniew Brzezinski and buttressed by powerful political forces on the outside. And Vance helped to defeat himself by not taking his case relentlessly to the American people, by neglecting the role of educator, by being so uncomfortable with the news media. To be sure, the speeches he gave stressed the need for a balanced view of Moscow and for a US policy of defense and diplomacy, cooperation and competition, but these words were dry and lifeless and he could not bring himself to instill those speeches with his private insights and passion. It was as if he felt that making his best case would only be misunderstood and make matters worse.

Vance never did get to spend anywhere near enough time on his other passion, doing something about the bewildering array of problems in the third world. While he wanted to get people working on preventing economic desperation in the developing countries, the debate swirling around him in Washington was whether he had become so mesmerized by the Vietnam experience that he was now afraid to exercise American power and use force. He *was* deeply skeptical of the utility of force to solve problems there. His resignation over the rescue operation in Iran with all the talk of using additional force was no accident. For what it is worth, those of us who worked most closely with him were all convinced that he was neither a pacifist nor a bluffer, that where he believed the use of force would make sense, he would be bold in recommending it. Meanwhile, the third world may be about to go up in flames, and we have neither the force nor the economic wherewithal to do anything about it.

None of this does justice to Vance's central role and concrete accomplishments in the still-valid SALT II treaty, the Camp David accords, the Panama Canal Treaty, the political settlement in Rhodesia, the almost singlehanded efforts for the Cambodian and Vietnamese refugees, and the normalization of relations with China. Nor does it explain the famous Vance "miscommunication" to Carter over the U.N. resolution on East Jerusalem.

This is the legacy Vance leaves to his successor, Edmund S. Muskie. I am not sure how much more he expected to leave when he announced a long time ago that he would serve only one term, thereby diminishing his own future bargaining power with the president.

With all of Muskie's skills as a tough experienced politician and formidable debater, he cannot be expected to do very much in the last seven months of a disintegrating administration, in a presidential election year with its manufactured problems, and with all the real problems in the world. He shouldn't try to do more than the one thing he can accomplish—calming down people here and abroad and giving them some confidence that there is still one level-headed person in the inner councils of the National Security Council.

MR. VANCE AND HIS DUTY

Cyrus Vance is not a door slammer. Nor is he the type to hit a President who's down. He must have known how much further damage his resignation would inflict and must have weighed it carefully against the personal agony of serving on dutifully, as he had planned, to the end of this year. So the Secretary of State has given us that rare event in American political history, a resignation over principle. But what is the principle?

Was it really just the hostage rescue mission? Obviously frustrated by many recent turns of policy, Mr. Vance was nonetheless holding the diplomatic fort—until last Monday, when he wrote the President these words about the forthcoming raid into Iran: "You would not be well-served in the coming weeks and months by a Secretary of State who could not offer you the public backing you need on an issue and decision of such extraordinary importance—no matter how firm I remain in my support on other issues, as I do, or how loyal I am to you as our leader."

Imagine reading that letter today if the hostages were being welcomed at the White House by a cheering country and a ten-foot-tall Commander in Chief. Could not offer you the public backing you need? It is hard to escape the conclusion that Cyrus Vance was not only sure of failure but was bitterly afraid of the consequences even if the mission succeeded. Repeatedly overruled in policy discussions, he was playing his last card, resigning not to advertise dissent from a decision but desperately trying to have it reversed.

He lost and felt a duty to go. But duty will not be done until Mr. Vance also tells the nation what he finds so reprehensible about rescuing hostages, or more likely, the drift of policy in general. Otherwise, the country suffers only the damage of his stunning departure without any redeeming instruction.

A calm and widely respected diplomat, Mr. Vance had long ago accepted competition against the noisier assertions of American power by Zbigniew Brzezinski, the President's national security adviser. The Secretary of State came to stand for negotiation and against threats of violence, trying thus to preserve an arms treaty with the Soviet Union, to muddle through in the Persian Gulf, to accommodate to black power in Africa, to moderate revolution in Central America, and to talk, talk, talk with the kidnappers in Iran. Last month, he even agreed to play the fool and fall guy for Mr. Carter's opportunistic "communications failure" about the United Nations resolution on Israel. And at his departure, it seems, he was struggling against Mr. Brzezinski for permission even to speak at length with Soviet Foreign Minister Gromyko next month.

But if these cumulative strains were the real cause of the Secretary's departure, he would not have staged it at this moment, melodramatically and at the President's expense. Something beyond one raid into Iran was decided this month that Cy Vance wanted to prevent with every ounce of power still left to him.

If Mr. Vance so feared the failure of the rescue mission—and perhaps even a success—it must be because he knows more than the rest of the country about the President's mood and the drift of his policy in these days of frustration. *What will we do if this raid fails and the power of the United States is further humiliated?* he must have asked Mr. Carter. *What do we do if we get the hostages but by this raid, and sanctions, cause Iran to collapse, driving it into Soviet arms?*

These are, indeed, the risks Mr. Carter's policy now runs. The President counts on responsible Iranians to save Iran from the dismemberment that Mr. Brezezinski openly warns about. Mr. Carter decided this month to put the stature of the United States ahead of even the safety of the hostages. And he persists in stressing his resolve. That is, in our view, a risky but defensible course and it has been managed, as during the aborted raid, with a maximum regard for human life.

But if Mr. Vance foresees, and wishes to head off, reckless adventure, it is not enough to jump ship. By doing so, he has led the country and the world to believe that the United States is committing an intolerable strategic error. A lawyer whose advice is ignored tells his client to find another attorney. A defeated statesman speaks his mind.

[From the Los Angeles Times, Apr. 29, 1980]

A Time for Patience . . .

The resignation of Cyrus R. Vance as secretary of State is a serious loss to the Carter Administration and to the country.

Vance brought to the Cabinet experience, prudence and steadiness, qualities that the Administration does not have an abundance of in foreign affairs. He is respected abroad and on Capitol Hill when respect for the Administration's foreign policy is in short supply.

His record of self-effacing service to his President underscores how deeply he must have been opposed to the attempted rescue of the hostages in Iran as too risky on several counts. Resigning for reasons of principle is not a strong tradition in recent American government.

A President is entitled to his advisers, but a wise President listens to opposing views. Pushed at home, pressed abroad, Carter needs a strong cautionary voice in the State Department as he calculates what next, if anything, to do about Iran. Perhaps Vance's effectiveness was so eroded by Carter's increasing control of foreign policy that his departure will not make as much difference as it should.

The choice of Vance's successor is important precisely because the resignation can only further unsettle perceptions here and abroad about Carter's direction. To pick Zbigniew Brzezinski, Carter's national-security adviser, whose star with Carter rose as Vance's sank, would compound those doubts: Brzezinski is a hard-liner whose emotional commitment to the threat and use of force has not been tampered by much experience with it as a national policy. Carter's new counsel, Lloyd N. Cutler, is shrewd and tough but without experience in foreign affairs. Sol M. Linowitz, Carter's special Middle East envoy who is currently handling the Egypt-Israel negotiations for the President, has been mentioned, as has the deputy, and now acting, secretary of state, Warren M. Christopher. Christopher would probably be the best. Not as well known as Vance, he has, like Vance, earned respect in Congress and among the allies, and would bring continuity and stability to the job.

Stability is what American foreign policy needs, toward Iran and elsewhere. The captivity of the hostages in Iran casts a distorting shadow over the aims of American foreign policy. The principal threat to the West in 1980 comes from a Soviet Union confident enough to invade Afghanistan; the principal challenge to the West is to present a united front against Soviet expansionism. The Soviets threaten Iran; the chief aim of American and Western policy there must be to do everything possible to keep the Soviets out, while conceding that it may not be possible in that country torn by continuing revolution and nationalist rivalries. Had the rescue mission succeeded, the thorn of the hostages would have been removed, and Western hopes raised. With the failure of the rescue, with the barbaric treatment of the corpses of the American dead, the temptation for the American public may be to demand, and for Carter to try, further military action.

We see no hope in it. It is barely credible that mining Iranian harbors of blockading Iranian ports could secure the release of the hostages; it is more credible that those acts could bring about the sympathetic cutoff of other Islamic oil or more active prowling by the Russian bear.

There are times when great nations must use force; there are times when they express their greatness by their ability to be patient. This is a time for patience, a time to face, as we said the other day, the hard and bitter truth that the United States has little influence over Iran, and especially over what happens to the hostages. The United States, keeping the diplomatic pressure on, must recognize that it may be a long time before the hostages come home. They are a subject of great humanitarian concern, but they cannot become the dominant object of American foreign policy.

That this is a time for patience and restraint makes Vance's resignation the more serious, and the choice of his successor the more important.

[From the Boston Globe, Apr. 29, 1980]

Thank You, Mr. Vance

With the resignation of Cyrus Vance, and possibly others to come, much of the world will sleep less easily. The State Department has changed drastically since the days in 1958 when Eisenhower successfully sent the marines to quell a revolution in Lebanon, or in 1965 when Lyndon Johnson landed marines in the Dominican Republic. And the world has changed too.

In the wake of Vietnam, events have clearly shown that manipulation and force are ineffective in forging stability. The hawkish notions that led to the sending of U2 spy planes over Russia on the eve of the Eisenhower-Khrushchev talks on detente; the adventurism that launched the failed attempt to dislodge Fidel Castro at the Bay of Pigs have given way to ideas that patience and persuasion are the best tools for lasting change.

Vance symbolizes that newer and more flexible approach to foreign policy. His views won him the support of many in Congress who refused to blame Vance for the President's switch on the UN vote dealing with Israeli settlements. They also won him the trust and respect of leaders abroad who worried about vacillation and militarism in the White House. Still, there are those who hanker for action, who cleave to the image of the lone cowboy, the macho power that compels submission and imposes order for the greater good of the planet. Writing in the April 26 issue of L'Express, Bernard Ullmann noted that "it is Brzezinski who goes furthest into the Apocalypse." Certainly the rescue mission and the Vance resignation suggest that those views have prevailed in Washington.

Yet no position is steadfastly held. It is important to remember that Vance left in protest over one more swing in foreign policy. His departure is a rebuke to the President who ordered a flamboyant raid on Tehran while diplomatic and economic measure were still being put into place by the United States and its allies.

Everything known about Carter suggests that he will continue to vacillate between negotiation and activism. Indeed, the raid, which required the most daring exploits of its participants, was undercut from the outset by the minimal support it received. It was scrubbed by the malfunction of three helicopters, a victim of the President's hesitation.

That vacillation confuses both friends and enemies, and it increases the risk that this country will find itself in positions of confrontation. Vance's principles reflect the realities of a changing world. And Carter will need someone like him if this country is to regain its stature in that changing world.

But so long as this Nation can produce leaders like Cyrus Vance, and let me add, I was very appreciative of the President's appointment of Senator Muskie, I thought it was a good replacement and I was sorry to see Cyrus Vance leave, but I think, having worked with Senator Muskie very closely in the budget process, that he has courage, and I know he has ability. He is serving and will serve this Nation well. But so long as we have leaders and can introduce leaders like Secretary Vance, this Nation can take a great deal of comfort from the fact we have that kind of leadership.

I commend my colleague from Minnesota (Mr. OBERSTAR), talking about leadership, who has led in a variety of ways and who has taken the initiative to have this special order here in the House.

Mr. OBERSTAR. I thank the gentleman from Illinois for his very sensitive, thoughtful, and heartfelt comments on Secretary Vance, and for his contribution to this special order.

Mr. PEASE. Mr. Speaker, I am pleased to speak in praise and admiration of former Secretary of State Cyrus Vance. He left office in the same manner in which he served our country—with dignity and principled leadership.

During my service in the Congress, it has been a great privilege to get acquainted with Cyrus Vance during my tenure on the House Foreign Affairs Committee. Only in working with Cyrus Vance on a sustained weekly basis could one come to appreciate his outstanding qualities as a dedicated public servant and a compassionate man.

As Secretary of State, Cyrus Vance did not adopt a flashy style. He did not seek the limelight. Certainly he did not seek to grapple with the controversies of our times by becoming part of them. Instead, he quietly and steadfastly plied his great skills as a diplomat and a man of reason in the most effective way he knew—through loyal and critical counsel to the President he served.

Too often in election years and otherwise, political expediency creeps into the conduct of American foreign policy. It will be to Cyrus Vance's abiding credit that he resisted this tendency and remained a voice of both dispassionate reason and firm principles.

● Mr. ROSENTHAL. Mr. Speaker, I am pleased to acknowledge today, the important contribution which our former Secretary of State, Cyrus Vance, has made to the welfare of our country. His term of office will long be remembered as a distinguished example of public service. The vision he shared with us of a peaceful world, his quiet leadership in conducting American diplomacy, and the example of his honor and integrity rank him among our finest Cabinet officers.

The central principle of American foreign policy has not varied in two centuries. Simply stated it is to ask for only what is right, and to submit to nothing that is wrong. The execution of this axiom is difficult to accomplish, and many men with superior talents and values have failed in the attempt.

Cyrus Vance grasped this essential principle, and he worked strenuously to apply it. The prudence and subtlety of his negotiations with the Soviet Union and China will be important guides for his successors, while the compassion of American foreign policy in Africa and Central America mark a great advance forward. His achievements at Camp David are an enduring testimony to the highest values of American diplomacy.

My own personal hope is that Mr. Vance will again have an opportunity to serve the American people.●

● Mr. WINN. Mr. Speaker, today I would like to commend our former Secretary of State, Cyrus R. Vance, for his leadership in international affairs.

Our country has been extremely fortunate to have a man of his caliber serve as head of our Department of State. Moreover, to our Committee on Foreign Affairs—and to the Congress—Cy Vance consistently exemplified distinguished service and a dedication to his work.

A calm and widely respected diplomat, he has always stood for integrity and reasoned judgment. Always the quintessential professional, I have long known the former Secretary as an honorable, self effacing and hard working individual who has well served this Nation and its people.

As a "man of dialog" the former Secretary was always a willing negotiator and a competent professional diplomat. He will surely be missed by us all.●

● Mrs. CHISHOLM. Mr. Speaker, I am happy to have the opportunity today to join in this special order recognizing the achievements of former Secretary of State Vance. While I in no way wish to downgrade the appointment or potential of his successor, Secretary Muskie, I do want to express my own appreciation for Mr. Vance's efforts during a tumultuous time in our Nation's foreign policy.

Secretary Vance was for 3 years a voice of reason and thoughtful moderation in the Carter administration. He encouraged the human rights and conciliatory policies that further enhanced the United States image as a peaceful nation more interested in bettering living conditions around the world than in "big-sticking" our will on other peoples. During his tenure, we increasingly separated ourselves from former policies of heavy-handed paternalism toward developing nations in Africa, Asia, and Latin America.

His steadfast negotiation for and advocacy of the SALT II treaty displayed his courage and understanding of the need to suppress a nuclear arms race that endangers our economy and worse, our very lives. His contributions were many to the Panama Canal Treaty process, returning that country's land and most valuable national asset to its people, and to the Camp David accord, making the first real progress toward a lasting peace in the Middle East.

Frankly Mr. Speaker, I worry about the deeper meaning of Cyrus Vance's retirement. The fact that his departure came at the time of a desperate military foray into Iran that, if not aborted, might well have resulted in far more American and Iranian casualties, strikes me as a possible harbinger of our leaders' frustration and impatience with the necessarily slow pace of sensible foreign policy. The talk of "rapid deployment forces", "surgical strikes", and "low-yield nuclear weapons" is now coupled with an alarming overall military buildup that is reminiscent of times preceding other armed conflicts. How often must we learn that preparing for war brings war; and that whatever is won in war is rarely worth the immense human and financial costs? Let us not be stampeded by those who, unlike Cyrus Vance, encourage a national paranoia and machoism that can only lead to tragedy.

I fervently hope, Mr. Speaker, that neither the policymakers in the administration nor we here in the Congress abandon the peace-seeking legacy of former Secretary Vance. The alternative dooms us to a bleak future, or no future at all.●

● Mr. FINDLEY. Mr. Speaker, in history a small but stellar group of individuals stand out above all others—those who have chosen to resign high public office on a question of principle.

Elliot Richardson resigned as Attorney General under President Nixon rather than act against his conscience in respect to the appointment of the Special Prosecutor of Watergate affairs. Anthony Eden resigned some years earlier from the British Government in protest over the policies appeasing Adolf Hitler. There are a few others.

To that list is now added Cyrus Vance. I will not go into the circumstances of his resignation, except to salute him for courage.

Sometimes the finest thing a person can do is resign in protest. I wish more administration leaders had done so over the years. For example, during the early part of the Vietnam war the resignation of a highly placed U.S. military leader, or two, might have forced our Government to resolve this dilemma much sooner. I opposed the extension of term for Earle Wheeler, Chairman of the Joint Chiefs, on one occasion. I felt the "measured response" doctrine he was carrying out was totally unacceptable. And I was convinced that the public silence of military leadership on that point contributed significantly to the atmosphere in which half-way measures controlled our conduct of this terrible conflict at enormous cost to our young men and our Nation.

Mr. Vance's resignation has already helped to focus public attention on the basic question of military options in Iran. So his resignation has already done some good. In my opinion, there is no way in which the United States unilaterally can wisely use military force in respect to Iran under present circumstances.

And perhaps that observation is not entirely beside the point of this special discussion of Cyrus Vance.

On a personal note, I cherish the friendship I have with Mr. Vance. I found him to be one of the most human and considerate persons I have ever found in high office. His departure is a great personal loss to me and a great loss also to the Nation. But in another sense, his resignation may well inspire a public debate of towering value.●

● Mr. BARNES. Mr. Speaker, he is the quintessential diplomat: Patient, persevering, purposeful. Above all, he is a man of sterling character.

The man is Cyrus Roberts Vance whom we honor today for his service to our Nation as Secretary of State. In that capacity he led the United States through one of its most difficult periods of international diplomacy.

I had the privilege of first making the acquaintance of Cyrus Vance during the early 1970's when we were both actively involved in the work of the Democratic Party. Throughout our mutual efforts on a number of projects during the subsequent decade, it was always a source of great honor for me to be associated with a gentleman of such remarkable character.

Cyrus Vance won some and he lost some. Yet, whether the day began with cheers or expressions of concern, he continued to work diligently and with great competence on the problems of our difficult age. Through such careful attention he was able to know the triumph of bringing two of the world's longstanding adversaries, Egypt and Israel, to an historic agreement to seek peace between their people.

It is more, though, than Cyrus Vance's precise, behind-the-scenes, labor on the Middle East, the SALT II Treaty, Rhodesia, the Panama Canal Treaty and other issues that we praise here today. It is Cyrus Vance, the man who has always given a 100-percent effort in anything he did and Cyrus Vance, the man who is dedicated to the imperative of cooperation in our world, that we honor today. Quite simply, we honor a man of excellence. As a member of the Foreign Affairs Committee, I was honored to know him, to work with him, and to be inspired by his leadership.●

● Mr. BOLAND. Mr. Speaker, I join with my colleagues in paying tribute to former Secretary of State Cyrus Vance. Secretary Vance had compiled a long and distinguished record of public service even before he became Secretary of State in 1977. After serving as a consultant to the Defense Department, Mr. Vance served as Secretary of the Army from 1962–63, and Deputy Secretary of Defense from 1964–67. He then served as a special Presidential Representative in Cyprus in 1967 and Korea in 1968. Mr. Vance was the U.S. negotiator to the Paris Peace Conference in the period 1968–69.

Secretary Vance discharged the responsibilities attached to each of these posts with competence, loyalty and dedication. He proved himself to be an effective administrator, a skillful advocate, and a statesman in every sense of that term.

Above all else, Cyrus Vance is a man of unquestionable integrity. He is a man of deeply held principles. As Secretary of State, Mr. Vance worked hard for a peaceful solution to the Iranian crisis. When a policy was formulated with which he could not agree, he resigned rather than betray his principles. That was a course of action that required courage, but that is the essence of Cyrus Vance.

Secretary Vance has reason to reflect with pride on many of the achievements which occurred during his tenure at the State Department. The Arab-Israeli peace treaty and the Panama Canal Treaty particularly served to further the cause of world peace. The commitment of Cyrus Vance to that cause is unassailable.

Cyrus Vance richly deserves the honors he has received. He deserved the Medal of Freedom in 1969, and the honorary degrees he has received from numerous universities. Cyrus Vance deserves our honor and tribute today.●

● Mr. DERWINSKI. Mr. Speaker, our times are not right for diplomats, especially if you think that a chief rule of diplomacy is never to negotiate under duress. The time Cyrus Vance served as Secretary of State was notable chiefly for the chaos and stress of international events. Given the turmoil in which he was expected to set the standard for the conduct of diplomacy, Mr. Vance displayed a skill and sensitivity in handling problems and persons without arousing hostility. His reserved but dedicated leadership has not gone unnoticed in the world. He is widely considered a principled humanitarian. Throughout the most trying circumstances, he remained unflinchingly loyal to the President and his diplomatic colleagues.

It is indeed unfortunate that the administration can no longer rely on the objectivity and patience which was Vance's style of diplomacy. The continuity lent to a foreign policy by the efforts of one man, however, are not sufficient underpinnings for credible performance in the international arena.

Nowhere is the instability of the foreign policymaking apparatus more apparent than in the recent departure of Mr. Vance, whose many fine qualities did not obscure the dismal failures of the administration. It is time that we bring high hopes down to the level of the realities unfolding around us and gear our intellectual capabilities to the problems at hand. We might not be suffering the embarrassment of Presidential decisions on unilateral disarmament. And we might not be wasting our time sifting through the bluff and bluster of Afghanistan for something with meaning to guide us through the trials ahead.●

● Mr. FOUNTAIN. Mr. Speaker, as ranking majority member of the House Foreign Affairs Committee, I am pleased to join my colleagues today in honoring the many contributions of our distinguished former Secretary of State, Cyrus Vance.

From my own dealings with Cy Vance, not only during his latest tenure but also during his service in past administrations and in a private capacity, I can say without hesitation or reservation that he is a consummate professional in the important field of foreign affairs—a diplomat's diplomat.

While Secretary Vance and I have had policy disagreements from time to time, I have never doubted his integrity, his honor, and his courage.

In particular, his vital role in shaping the Middle East peace talks, in concluding the Camp David accords, and in finalizing the Egyptian-Israeli Peace Treaty stands out in my mind as an example of reaching out and accomplishing the near impossible. We here will never forget the thrill which swept over us when President Sadat and Prime Minister Begin sat down together at the same table to affix their signatures to documents of peace.

Through the years, I have found Cy Vance to possess a special sensitivity for political realities here at home and for diplomatic realities abroad. He has been a loyal public servant of our people and for the people of all peace loving nations.

Mr. Speaker, we do not say farewell to Cy Vance today. Instead, we pay tribute to his past contributions to the life and welfare of our Nation and wish for him every success in any further endeavors. Future Presidents and future Congresses would be well admonished to seek constantly his advice and his counsel in foreign affairs.●

● Mr. DRINAN. Mr. Speaker, on April 27 we were all saddened to learn of the departure of Cyrus Vance as Secretary of State. Mr. Vance stands tall among the legions of diplomats who have served this country; a man of honor, he resigned when he felt he could no longer support the policies of the present administration.

Mr. Vance's achievements and accomplishments over the past 3½ years include the successful conclusion of the Camp David accords, helping to secure the right of Zimbabwean blacks to majority rule, and his many, many attempts to stabilize a world troubled by unrest and the fear of nuclear war. Mr. Vance served this Nation well when he pressed for the successful negotiation of the Strategic Arms Limitation Treaty with the Soviet Union. His leadership in confronting the humanitarian tragedy in Indochina underlines his commitment to a just world. We will all miss him.

I would like to share with you the comments of the Boston Globe shortly after Mr. Vance's resignation as well as an article written by one of his former senior officers at the State Department, Mr. Leslie Gelb which appeared recently in the New Republic:

[From the New Republic, May 10, 1980]

THE VANCE LEGACY

I am strongly prejudiced in favor of Cyrus R. Vance, the more so because of my contribution toward prejudicing Washington against him. Almost four years ago, I wrote a piece for the *New York Times Magazine* about the impending secretary of state sweepstakes and used the occasion to characterize Vance as "a man who left no footprints."

This staid, super-cautious, consensus-building, quintessential Man of the Establishment—or so he seemed to me then—proceeded to shock the hell out of me after he became secretary of state. First, he asked me to be the director of the Bureau of Politico-Military Affairs. Second, week after week for the next two and a half years as I accompanied him to meetings at the White House, he was invariably decisive, usually the first to stake out a well-defined position and the least likely to back down from it. Third, he was curiously inarticulate and apolitical, much more the leader of a pioneer wagon train—always, always moving toward a few goals—than the smooth Wall Street lawyer. He is a very complicated man whom I still don't really know, which is the way he wants it. But I do know those goals and attendant strategies that he would reveal more through his actions than words.

He was determined to restore the credibility and integrity of the State Department. For the better part of the Vietnam War, through the first Nixon administration and into the stewardship of Henry Kissinger, the State Department was widely perceived to be the purveyor of baloney and worse. Peoples' political memories are unbearably stretched beyond one year, but the fact is that as Kissinger was finishing his tour of duty, most newsmen could not tell which way was up. Now it is taken for granted that if the Vance State Department answers at all, it will be the truth.

There was a similar problem with Congress, it should be remembered. It was fashionable only a few years ago to argue that Congress had some rights to know what was going on in foreign affairs. The Nixon-Kissinger team handed Congress one surprise after another until relations were at the breaking point. The extent to which Vance changed this struck home one day in a closed briefing of the Senate Foreign Relations Committee. He had just finished boring them with the details of the SALT negotiations when one senator asked about the negotiations leading up to the Camp David accords. Vance said something like, "I'm going to tell you, even though this information could not be more sensitive." And he did. And there was no special notice of the line that had been crossed. The moment went by naturally, and there were no leaks.

His policy preoccupation was with Soviet-American relations. Perhaps more than any senior official in the administration, Vance saw the downward and dangerous slope in relations. In private moments, he talked to some of us about the awkwardness, envy, and ambitions of Soviet leaders as they realized they could now exercise power on a global scale, and he foresaw the growing fear and frustrations of his fellow countrymen as they began to sense American vulnerability for the first time. His goal, his passion, was to cushion the coming competition with arms control, trade, and other agreements. And with arms. In the early days of the administration when President Carter was still talking about cutting the defense budget, Vance was arguing strongly for a three percent real increase in spending.

Vance was defeated tragically in the pursuit of this goal of cushioning the fall by the very pincer movement he was trying to out-race—Soviet thrusts into Africa and Afghanistan and increasing anti-Soviet sentiment within the administration led by Zbigniew Brzezinski and buttressed by powerful political forces on the outside. And Vance helped to defeat himself by not taking his case relentlessly to the American people, by neglecting the role of educator, by being so uncomfortable with the news media. To be sure, the speeches he gave stressed the need for a balanced view of Moscow and for a U.S. policy of defense and diplomacy, cooperation and competition, but these words were dry and lifeless and he could not bring himself to instill those speeches with his private insights and passion. It was as if he felt that making his best case would only be misunderstood and make matters worse.

Vance never did get to spend anywhere near enough time on his other passion, doing something about the bewildering array of problems in the third world. While he wanted to get people working on preventing economic desperation in the developing countries, the debate swirling around him in Washington was whether he had become so mesmerized by the Vietnam experience that he was now afraid to exercise American power and use force. He *was* deeply skeptical of the utility of force to solve problems there. His resignation over the rescue operation in Iran with all the talk of using additional force was no accident. For what it is worth, those of us who worked most closely with him were all convinced that he was neither a pacifist nor a bluffer, that where he believed the use of force would make sense, he would be bold in recommending it. Meanwhile, the third world may be about to go up in flames, and we have neither the force nor the economic wherewithall to do anything about it.

None of this does justice to Vance's central role and concrete accomplishments in the still-valid SALT II treaty, the Camp David accords, the Panama Canal Treaty, the political settlement in Rhodesia, the almost singlehanded efforts for the Cambodian and Vietnamese refugees, and the normalization of relations with China. Nor does it explain the famous Vance "miscommunication" to Carter over the UN resolution on East Jerusalem.

This is the legacy Vance leaves to his successor, Edmund S. Muskie. I am not sure how much more he expected to leave when he announced a long time ago that he would serve only one term, thereby diminishing his own future bargaining power with the president

With all of Muskie's skills as a tough, experienced politician and formidable debater, he cannot be expected to do very much in the last seven months of a disintegrating administration, in a presidential election year with its manufactured problems, and with all the real problems in the world. He shouldn't try to do more than the one thing he can accomplish—calming down people here and abroad and giving them some confidence that there is still one level-headed person in the inner councils of the National Security Council.

(Leslie H. Gelb is a senior associate at the Carnegie Endowment for International Peace and a former director of Politico-Military Affairs at the State Department.)

[From the Boston Globe, Apr. 29, 1980]

Thank You, Mr. Vance

With the resignation of Cyrus Vance, and possibly others to come, much of the world will sleep less easily. The State Department has changed drastically since the days in 1958 when Eisenhower successfully sent the marines to quell a revolution in Lebanon, or in 1965 when Lyndon Johnson landed marines in the Dominican Republic. And the world has changed too.

In the wake of Vietnam, events have clearly shown that manipulation and force are ineffective in forging stability. The hawkish notions that led to the sending of U2 spy planes over Russia on the eve of Eisenhower-Khrushchev talks on detente; the adventurism that launched the failed attempt to dislodge Fidel Castro at the Bay of Pigs have given way to ideas that patience and persuasion are the best tools for lasting change.

Vance symbolizes that newer and more flexible approach to foreign policy. His views won him the support of many in Congress who refused to blame Vance for the President's switch on the U.N. vote dealing with Israeli settlements. They also won him the trust and respect of leaders abroad who worried about vacillation and militarism in the White House. Still, there are those who hanker for action, who cleave to the image of the lone cowboy, the macho power that compels submission and imposes order for the greater good of the planet. Writing in the April 26 issue of L'Express, Bernard Ullmann noted that "it is Brzezinski who goes furthest into the Apocalypse." Certainly the rescue mission and the Vance resignation suggest that those views have prevailed in Washington.

Yet no position is steadfastly held. It is important to remember that Vance left in protest over one more swing in foreign policy. His departure is a rebuke to the President who ordered a flamboyant raid on Tehran while diplomatic and economic measures were still being put into place by the United States and its allies.

Everything known about Carter suggests that he will continue to vacillate between negotiation and activism. Indeed, the raid, which required the most daring exploits of its participants, was undercut from the outset by the minimal support it received. It was scrubbed by the malfunction of three helicopters, a victim of the President's hesitation.

That vacillation confuses both friends and enemies, and it increases the risk that this country will find itself in positions of confrontation. Vance's principles reflect the realities of a changing world. And Carter will need someone like him if this country is to regain its stature in that changing world.●

● Mr. RAHALL. Mr. Speaker, I take this opportunity to pay tribute to a fellow West Virginian, who in his 3 years as this Nation's Secretary of State, realized significant advances in the area of foreign policy.

Cyrus R. Vance, was born in Clarksburg, W. Va., in 1917. From that date on, he distinguished himself and brought great pride to his home State.

In 1967, the West Virginia State Society named Vance its "Son of the Year." In 1963, Marshall University presented him an honorary degree, as did West Virginia University in 1969.

West Virginians know a good man when they see one.

Throughout his career, as a lawyer, as Secretary of the Army, as a Presidential adviser, as a peace negotiator, and then as Secretary of State, Cyrus Vance performed in a first-class manner.

All Americans thank him for his contributions to world peace and stability. The Panama Canal Treaties, SALT II, resolution of the civil war in Zimbabwe, and the framework for the Israeli-Egyptian peace settlement, are all hallmarks of his dedication and commitment.

He served his country well, and made West Virginians proud.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, it is an honor to say a few words about Cyrus Vance. Cy Vance served his country in the Defense Department and during the Vietnam peace talks. He is a man of many parts.

He is a man of judgment, intelligence, restraint, dedication, and principle. In a world of rising tension and uncertainty, it was fortunate for our Nation and the world that he was our Secretary of State, working in his quiet dignified way to quiet the stormy waters of international relations. I know that no man in this country worked harder or with more commitment to see that our foreign policy promoted the national interest and the interest of world peace. With his resignation, we have lost a man who will be deeply missed both here in Washington and the international community with whom he dealt. I wish him the very best in whatever he chooses to do next. He deserves it. He has served his Nation well.●

● Mr. DOWNEY. Mr. Speaker, I would like to join today with my colleagues in paying tribute to the former Secretary of State, Cyrus Vance. It is not often that senior public officials choose to leave office, in this case the most senior Cabinet post, because of honest disagreements over policy decisions. It is indicative of the integrity and honor of Mr. Vance that he has chosen to do so quietly and with modesty. He has much of which to be proud. His accomplishments as Secretary of State, after a long career of distinguished public service, are in keeping with his abilities.

A peacemaker, a careful and patient negotiator, a voice for moderation at a time of great pressures on this Nation, a man of principle and decency at a time when such qualities are in regrettably short supply in public life, his constructive and experienced input into the formulation of our international policies, will be missed. When we try to rank his accomplishments, there are many, some we tend to overlook—crises that did not happen, conflicts that did not escalate, disagreements between the United States and important allies that did not materialize. And yet this is the essence of diplomacy—reasoning with other nations and governments so that the ultimate human madness—resort to arms—does not happen.

We should all thank Cy Vance deeply for his service to his country, not just as Secretary of State, but over the years. I, for one, hope that this is not the last public office he will grace.●

● Mr. DELLUMS. Mr. Speaker, today we honor one of the principal victims of this administration's election-year desire to refan the dying embers of the cold war.

Cyrus Vance preferred reason and negotiation to chauvinism and confrontation. He was committed to the concept of détente with the Soviet Union and the promotion of nuclear disarmament as a means of reducing diplomatic tensions between the superpowers. He recognized that a new era had dawned in international affairs—one in which the emerging nations of the Third World must be treated with respect and a concern for what is in their best interests, as well as ours. He sought to treat all sides equally in the complex and tangled web that is the Middle East, fully recognizing that it would arouse the ire of certain groups in the domestic political arena, but knowing that, in the long term, it was the best—and most honorable—course for America to pursue.

In short, Cyrus Vance was one of the few public officials in this, or any other recent administration, who learned some of the necessary lessons from our disastrous involvement in Southeast Asia; viz., that there are limits to American power, both diplomatically and militarily. He had come to understand that brute force is not a proper solution to crisis diplomacy.

But others refused to heed his call for patience and perseverance—and a peaceful resolution to the hostage crisis in Iran—one which preserves both American and Iranian lives. So Cyrus Vance is gone—because he opposed a Pentagon-National Security Council series of actions which have compromised and confused our allies in NATO and Japan, further contributed to the increase of tensions with the Iranian revolutionary government, and which have also intensified diplomatic tensions with the Soviet Union.

Cyrus Vance will be missed, because his was a minority voice in this Administration for sanity and responsible, constructive diplomacy in the international arena. He resigned on a matter of principle. I, for one, urge him to speak out in the coming months as a private citizen of public stature committed to the cause of peace and disarmament, lest the forum be surrendered by default to those who would make the conscious commitment to violence an integral part of current American foreign policy.●

● Mr. FASCELL. Mr. Speaker, even before the inauguration of President Carter I had the pleasure of working closely with Cyrus Vance on several of the new administration's foreign policy initiatives. I am proud to be able to call him a friend. From the beginning, Cy Vance worked with high intelligence, steady purpose, determination, and decency to engage our country in resolving international conflict and creating a more just and peaceful world order.

During the first few months of the Carter administration, Secretary Vance moved quickly and decisively to establish a working partnership between the Department of State and the Commission on Security and Cooperation in Europe of which I am privileged to be the chairman. Through his efforts, a bipartisan coalition of both the House and Senate was formed which continues to strengthen the hand of the United States in the ongoing struggle for implementation of the human rights provisions of the Helsinki Accords. This unique example of cooperation between the executive and legislative branches of our Government in an important area of foreign policy has made a lasting impression on our allies and adversaries alike.

Cy Vance also brought to our foreign policy a new recognition of the importance of the Third World, including Latin America and the Caribbean. Responding to the concerns expressed in Congress and elsewhere he always recognized human rights as an important part of our foreign policy. He can be proud of what has been accomplished in our hemisphere: resolution of the very difficult Panama Canal issue; the development of a coherent policy directed toward the Caribbean; and a new emphasis on respect for human rights throughout the Americas.

Without Cy Vance's emphasis on political freedom, democratic governments might not exist today in several of the countries of the Hemisphere. In Central America, too long dominated by repressive dictatorships, we can be pleased that the United States is lending its support to the forces for change, modernization, and democracy. Under Cy Vance's leadership, the United States has also deepened and strengthened its relations with Canada.

Unlike some of his predecessors, Secretary Vance took seriously his responsibilities for strengthening the institutional effectiveness of our foreign affairs agencies. A forceful advocate for the needs of the agencies responsible for the conduct of our foreign affairs, he took the lead in working with Congress on a fundamental rewriting of the Foreign Service Act.

As one measure of the kind of man he is, Cy Vance took the time in the closing hours of his term to write me a letter expressing his appreciation to Congress for taking up the challenge of constructing a new and better charter for the men and women of our Foreign Service.

Cy Vance was a force for reason, rather than emotion; conciliation, rather than conflict; adjustment to change, rather than clinging to the status quo; and patient negotiations rather than threats of force in the conduct of our foreign relations. He served our Nation well during difficult times.

Mr. Speaker, it is a privilege for me to join the House in paying tribute to this distinguished servant of our country.●

● Mr. STARK. Mr. Speaker, many of us who have been critical of Carter administration policies have always admired Cyrus Vance. With Vance's resignation as Secretary of State, I feel as if my last connection with Carterism has been severed.

Cy Vance went out in a highly principled fashion. This does not surprise me. Cy Vance has always been known as a principled man. This is what makes him such a marvelous negotiator. To some this may seem to be a contradiction, but it is not. A skilled negotiator depends first and foremost on his reputation and his word. Vance has always been a man of his word. His reputation is spotless.

As I read the numerous tributes and comments concerning Vance's resignation and record as Secretary of State, the same words keep popping up: Thoughtful, quiet, humane, respected, wise, loyal, patient are just some of them. I really cannot do better for these are words that epitomize Cyrus Vance. And these are the characteristics that made his policies especially appealing to me. It is fair to say, I think, that the use of military force is explicit acknowledgment that negotiation has failed, as sometimes it must. But Cy Vance, skilled negotiator and wise man that he is, still saw light at the end of the tunnel and opposed the military option in Iran at this time. His advice was not heeded and he resigned. I can only hope that his resignation will serve a useful purpose—"a cautionary effect on the current administration"—as James Thomson suggested in his May 1 Washington Post article "Highly Principled * * *".

At this point, I would like to place the Thomson essay in the RECORD.

The curator of the Nieman Foundation for Journalism at Harvard, Thomson's essay is strong stuff, but he does a good job of placing Vance's resignation in historical and political perspective. It follows:

HIGHLY PRINCIPLED . . .

(By James Thomson)

Cyrus Vance has done us all a great public service.

He has given new life and spine to a somewhat rare and weak convention in our nation: resignation in protest on an issue of principle.

Our tradition over many decades—at least in foreign affairs—has been curiously different from British and continental practices.

Our dissenters have usually stayed aboard, hoping to fight from within, or have quietly slipped away, giving no hint of their dissent. In other parliamentary democracies, such people often "make waves" by resigning and then moving to the back benches where they can remain vocal and even effective.

"Effective." That must still be a key word in the calculations of appointed officials like former secretary Vance, a very intelligent, genial, seasoned and careful Wall Street lawyer. How, most such people must wonder, can I be most effective?

Well, Vance seems to have answered that question this week by separating himself from a policy he cannot support. His effectiveness within the government has thereby ended, although his effectiveness on the outside is still alive and well—if he chooses to use it. By his action, though not yet his words, he has done a thing that scores of his previous senior colleagues in foreign policy could not or would not do.

Consider, for instance, those responsible for the making of Vietnam policy. Former secretary of defense Robert McNamara has been widely known for years as a hawk-turned-dove—who allowed himself to be shunted by Lyndon Johnson (and thereby silenced and cocooned) into the World Bank presidency. His retrospective wisdom has thus been lost to us all until his files or lips are eventually unsealed.

Had McNamara resigned and gone public in 1966 or 1967, the Vietnam tragedy might well have had an earlier and more humane ending.

Similar examples can be found in the Nixon era, especially in regard to those actions in 1970 that led to the destruction of Cambodian civilization. People of conscience did then exit from the government—but not at high enough levels or with sufficient "voice." Besides allegations of loss of "effectiveness," Vance's resignation-in-protest will inevitably be met by laments from pro-Vance people that he has left the levers of power to such trigger-happy hardhats as Zbigniew Brzezinski. Time will tell; but it seems more likely that Vance's departure, and its fallout, will instead put a brake on White House adventurism and its pushers. What might now be most useful would be the resignations—and public statements—of other moderates in the foreign-policy apparatus to help reinforce the Vance decision. In a closely divided party and in a presidential election year, such moves can only have a cautionary effect on the current administration.

But what can be the grounds for such decisions by other loyal Americans to break with their beleaguered president on the apparently unresolvable issue of Iran?

The grounds are, simply—as many have put it—gross presidential inconsistency and incompetence. Both have been hovering over our national life for too long now. Both found their most vivid enactment in the hostage rescue fiasco.

Cyrus Vance—unlike the rest of us—knew the facts of that adventure, and voted no beforehand. Cyrus Vance—unlike the rest of *them*—had the courage to submit his resignation on principle even prior to the adventure's failure.

Was he a "poor loser" and a "quitter," as they will say in many of those Establishment clubs? A quitter, yes—of harebrained policies; but thereby also a winner, a person in highest public office who has reaffirmed conscience as the master of ambition.●

● Mr. SOLARZ. Mr. Speaker, I rise today, along with many of my colleagues, to pay tribute to a great American and an outstanding Secretary of State. I refer, of course, to Cyrus Vance, one of the most dedicated and distinguished diplomats in the history of the United States.

Because of the numerous international challenges confronting the United States at the time of Secretary Vance's resignation, including the Iranian hostage crisis and the Soviet invasion of Afghanistan, there has been an unfortunate tendency to minimize, or even overlook entirely, the numerous substantial foreign policy achievements realized during his too-brief tenure at the State Department. Secretary Vance's quiet but firm leadership was an essential component of each of these important successes, including the conclusion of the Panama Canal Treaty negotiations, the opening of diplomatic relations with the People's Republic of China, and the negotiation of the historic Camp David accords and the Egyptian-Israeli peace treaty.

No laundry list of achievements, however, can do full justice to the special qualities of Cy Vance. His value as Secretary of State was more than the sum of his negotiation skills, his keen intelligence, his command of a bewildering array of issues and his coolness under pressure. Equally, if not more important, was his absolute integrity and his very basic decency. It was these qualities that earned him the respect, admiration, and trust of his colleagues, not only in the State Department but throughout the administration and in the Congress as well.

In the world of diplomacy, where duplicity is often a way of life, Cy Vance stands out as one of those rare individuals who said what he believed and believed what he said. He will be sorely missed.●

● Mr. EDWARDS of California. Mr. Speaker, the departure of Cyrus Vance from the office of Secretary of State was an event I viewed with deep regret. Mr. Vance exemplified a logical and rational approach to foreign policy which was firmly directed toward conciliation and negotiation, rather than confrontation. This orientation toward peaceful resolution of world problems produced results in the Mideast, in southern Africa, in Panama, and perhaps most importantly in the negotiation of an arms limitation treaty with the Soviet Union, unfortunately now stalled.

In South Asia, which I visited last year, I personally discovered the Indians' respect for Secretary Vance, especially in comparison to his predecessor.

Cyrus Vance was a voice of moderation in an increasingly volatile world political situation. Where others urged military intervention and an aggressive defense posture, Vance called for negotiation, reason, and careful thought. It is significant that no American troops were committed to combat anywhere in the world from 1976 until the abortive attempt to rescue the hostages in Iran last month. Secretary Vance did more than any other American official to maintain such a firm but peaceful stand in the conduct of U.S. foreign policy over the last 3 years.

Among his major accomplishments must be listed the thought and respect he brought to our dealings with the Third World. He recognized the importance of establishing a good North-South dialog and he did much to improve upon the deficit position President Carter's administration inherited. There is still a great need for progress in this area, and I hope Senator Muskie will carry on the good work initiated by Mr. Vance here. For perhaps the first time, we have begun to recognize these nations as independent, sovereign neighbors and dealt with them accordingly.

I think my colleagues will agree that Cyrus Vance will be sorely missed by the foreign policy establishment, both here and abroad. I would like to share with you a perceptive editorial in the Manchester Guardian of May 11 which welcomes Secretary Vance's successor, Senator Muskie, while praising the qualities of experience and leadership Mr. Vance brought to the Department of State. I would like also to insert a thoughtful and sensitive piece, also from the Guardian, by David Owen, Britain's former Foreign Secretary, who recalls the commitment and integrity of his friend and American counterpart.

The material follows:

[From the Guardian, May 11, 1980]

A VOICE OF REASON IN A FRAGILE AND DANGEROUS WORLD

Cy Vance will, I believe, be judged by history as one of the very substantial US Secretaries of State. Like Secretary Marshall, his record will grow with time. At present in the US, only those close to the Administration's foreign policy decision-making would make that judgment: to the wider public, he has been a far less colourful and controversial figure than Henry Kissinger.

In consequence, Cy Vance tends to be greatly underestimated. In Europe, where his contribution to President Carter's foreign policy is more widely acknowledged to have been massive, his resignation will be deeply regretted. His was always a voice of reason, calm, and sensitivity. He managed, for the two-and-a-half years that I worked closely with him, to be the unifying force between personalities and viewpoints as widely differing as Zbig Brzezinski and Andy Young. He welded them into a team advising the President: at times the voices were discordant but always vibrant and refreshing in their determination to bring a new approach to US foreign policy.

In his letter to the President, Cy Vance lists the new directions in American foreign policy. It is a formidable list and may surprise many in Britain used to our rather patronising downplaying of the record: the Panama Canal treaty, normalisation of relations with the People's Republic of China, the strengthening of US military forces, and of US alliances, the Zimbabwe settlement, and the new thrust and direction given to US relations with the nations of the Third World.

The tragedy for Cy Vance is that SALT II cannot be added to that list. No one worked harder for an agreement. He recognised that all the other achievements would count for little unless US-Soviet relations also improved. It must be a real sadness to feel, as he leaves office, that this hinge relationship is now in as fragile and dangerous a state as in 1962, in the aftermath of the Cuban missile crisis.

The Congress and some advisers to President Carter should ask themselves whether, by making constant difficulties and withholding support for SALT II, they contributed to the invasion of Afghanistan, Detente, as Cy Vance well knew, is not loving each other, but living with each other. He saw SALT as an agreement of mutual advantage which was why he constantly resisted attempts to use SALT II as part of the debate about linkage. He strove to keep it apart as an area of vital policy in stabilising US-Soviet relations.

My memories are, of course, deeply, affected by friendship. He was a man of his word: clear, direct, and of total integrity. What other US Secretary of State would have travelled to Dar-es-Salaam to negotiate with Robert Mugabe and Joshua Nkomo when he knew he was alienating important Congressmen and Senators at home, that those negotiations would take time to resolve, and when there was no immediate political benefit in Washington?

I remember going down with Cy Vance twice to negotiate direct with the South African Government in Pretoria. He was always patient, always searching for a way through, yet absolutely firm on the principle of racialism and totally committed to genuine independence for Zimbabwe and Namibia.

In Europe he argued for NATO's 3 per cent defence expenditure increase but always tried to make progress in the MBFR talks in Vienna and, more than most in Washington, wanted a comprehensive test-ban agreement. He wanted Britain to play a full part in the EEC; was realistic about the British-American relationship, and yet he did have a genuine affection for Britain which he demonstrated by asking the President to appoint his close friend, Kingman Brewster, as Ambassador in London.

Cy Vance never varied from his determination to settle the Arab-Israeli dispute, as being the most likely source of future world conflict. Like Henry Kissinger, he rightly saw Egypt's military role as being the key danger factor in the short term. He worked patiently and continuously to reach agreement on the West Bank and would never have settled in the medium term for the status quo.

The hardest task for Cy Vance was to adapt US foreign policy and the perceptions of US citizens to the gradually changing position of the US in the world. He sensed that the US, while still the world's major power, would henceforth have to operate in a far closer relationship than ever before with their main allies and that the US had to take this relationship on to involve all the nations in the UN. He strove for the fullest consultation with Europe and Japan. If, at times, the process did not succeed the fault was as often with us, the Allies, as with the United States.

We want to be consulted and yet we also often shrink from sharing in the decisions. This particularly applies to questions of Defence in Europe. The neutron bomb and the modernisation of theatre weapons decisions are good examples.

Cy Vance never stood on his dignity as Secretary of State. No country was too small for him to make time to talk about their problems. Even though the administration did not increase expenditure in the Third World as much as many hoped, Cy Vance was the first Secretary of State to treat those countries with the respect and consideration that is vital if a genuine dialogue between North and South is to be established.

It may be that this will be his finest long-term achievement. It will be difficult though, I fear, not impossible, for the US to return to the attitudes which Henry Kissinger and his predecessors so frequently displayed to the Third World. President Carter will be a lonelier man in the White House without Cy Vance at his side. Perhaps the President will now take on for himself the role and attitudes of Cy Vance within his own Administration. This is the real Jimmy Carter and was the reason why he appointed Cy Vance to serve him in the first place.

On Iran, the reason for Cy Vance's principled departure, President Carter must recognise that there is no role for US military force. The distinction currently being made in Washington between mining Iranian ports and using the Sixth Fleet is not a real distinction. Both could easily trigger a major conflict involving the Soviet Union. There is no substitute over the Iranian hostages for the steady application of patience and pressure. The pressure, as Cy Vance knew well, must be economic, political, and diplomatic, not military.

[From the Manchester Guardian, May 11, 1980]

Can Ed Muskie Replace Cy Vance?

The full-blooded history of America is now being written daily, but even in the press of major events the resignation of Cyrus Vance must rank among the biggest. Vance, his confidants said and his letter to Jimmy Carter bears out, was opposed from the start to the Tabas operation. He decided to resign whether or not it was successful. The confidants also say, where the letter is diplomatically silent, that apart from the risks, at every stage of the operation and afterwards, Vance had spent a fortnight trying to rally the allies behind peaceful pressure, with the implication that force would be postponed if not renounced. He is not alone in the State Department in resenting that mishandling of the alliance. In an extreme like Iran—rather, like Iran has been allowed to become—some lack of candour, even to allies, might be brushed over. Iranians could be sensitive to inter-allied signals. But the recent drift of Carter's policy, from the day when negotiations with Sadegh Ghotbzadeh broke down, has been against all Vance's known inclinations. The long slog, which he nearly always advocated and which he practiced night after night with Ambassador Dobrynin in fashioning the SALT treaty, could not include an adventure which invited accident, humiliation, and loss of standing with the opponent. Mr. Vance thereofre leaves. Mr. Carter is a weaker man, heading a less well-advised, less professional administration.

What his departure does to Carter, and to American policy, depends very much on American mood. Seen from Europe, a forceful, patient, balanced source of authority has been removed. Seen from the desk of a strategist to whom patience can be a vice, Vance's going removes a tedious restraint on action. Is Brzezinski that strategist? Not exactly. The hawk and dove terminology is somewhat too pat. Brzezinski, too, favoured the SALT treaty, knowing its imperfections in the eyes of senators. On Palestinian questions, Brzezinski may have a clearer perception of what peace in the Middle East requires, and with it a relaxation of the acute tensions in that area. But there is some truth in the distinction. Brzezinski preferred, in this instance, the risk to the diplomacy. Vance did not. However subtle many of the distinctions between the two men may be, the total break, coming at this time, will be read as evidence that Carter was prepared to cast loose from the anchor of his foreign policy since he took office.

Dr. Kissinger, occupying Brzezinski's post as National Security Adviser, "ate live" the Secretary of State at that time, William Rogers. He, like Brzezinski, sat opposite the President while Rogers was in another part of town. But Kissinger became secretary himself, which Brzezinski does not. Instead the job goes to Edmund Muskie, an appointment that carries a long list of plus points. It bolts together the wings of the Democratic Party. It guarantees swift Senate approval. It seems to scotch fears that Mr. Brzezinski will henceforth run American policy (set a Pole to catch a Pole). It re-affirms the Vance voice as a dominant tradition.

In the face of so much that is potentially right, then, it seems churlish to worry about what may go wrong. But whilst Edmund Muskie shares all of the policy instincts of Cyrus Vance, he possesses none of the gritty experience. He has not administered anything since the State of Maine a quarter of a century ago. He has no experience of professional diplomacy. His detailed and current views of the world are a closed book to most Americans, never mind Europeans. He might have made a good President eight years ago, but he blew it emotionally a few yards down the campaign trail. If, moreover, you can judge a born organiser by the way he organises his own Presidential bid—and you can't entirely, because Jimmy Carter orchestrated his own rise superbly, until he set foot in the Oval Office—then Muskie was an irritating, petti-fogging disaster in 1972.

Such doubts need setting out at the start because they are real and because they may become insistent once the first flood of adulation has abated. Nonetheless, on the broad sweep of the gesture that has brought him to office, Edmund Muskie deserves a warm welcome.●

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. Mica). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

BALANCED BUDGET AND THE TROJAN HORSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Michel) is recognized for 10 minutes.

● Mr. MICHEL. Mr. Speaker, no matter how many times we close our eyes and make the wish, the 1981 budget is not going to be balanced. No matter how many times we wave the magic wand, or juggle the figures or adjust the forecasts, the budget will not be balanced.

The balanced budget is a fairy tale and you can repeat the fairy tale as often as you like, but it will not make the cold hard facts any less real.

The facts are indisputable. As my distinguished colleague from Michigan (Mr. Stockman) has pointd out, the 1981 budget facts reveal "a large deficit, little genuine fiscal restraint and large tax increases."

I would like to enter into the Record one of the most perceptive and complete analyses of the 1981 budget we have seen to date. It was prepared by Mr. Stockman as a rebuttale to all of those mythmakers who insist upon leaving this great Trojan horse we call a budget at the doorstep of each and every American taxpayer. Thanks to Mr. Stockman, this time the Trojan horse will bear no surprises for the public.

The Giaimo Balanced Budget: A Trojan Horse By Any Other Name

Last week's newspapers reported House passage of the first balanced budget in fourteen years. The Budget Committee proposal adopted on the floor was portrayed as a major step toward fiscal restraint, the beginning of a new era of constructive solutions to the economic problems of a nation battered by extraordinary inflation, unemployment and recession. Unfortunately, these stories do not describe real events, but a fabulous political fiction—a legislative hoax worthy of Orson Welles' 1930's radio broadcast on the landing of the Martians.

The Giaimo "balanced budget" was the proverbial house of cards, a series of constructs based on forecasts of outlays, revenues and economic conditions that had started to tumble even before it was adopted. The reality of the Giaimo budget is a large deficit, little genuine fiscal restraint and large tax increases.

A deep deficit

The Giaimo Budget will be deeply in deficit—perhaps by as much as $20 billion—within thirty days. This will be the inevitable consequence of new economic forecasts and the deteriorating pace of the economy necessitating further "reestimates" of spending and revenues.

Black ink tomorrow—A bigger deficit today

The rural purpose of the first FY 1981 resolution was to smuggle in a further increase in the FY 1980 outlays. While the FY 1981 numbers will soon vanish in a barrage of upward reestimates, the increase in the FY 1980 outlay ceiling to $571.6 billion permits a $24 billion overrun from the Second Resolution of last fall. This will lead to a $43 billion Federal deficit in the midst of the worst credit crunch in the nation's history.

The highly publicized "cuts" were largely cosmetic

Fully 41 percent of the $16.5 billion claimed as program cuts by the Budget Committee constitute deferral of proposed new initiatives or delayed spending on ongoing programs. This will force a corresponding increase in spending in future years and do absolutely nothing to reduce existing programs and commitments. Even after these "cuts", moreover, the two year growth in Federal spending between FY '79 and FY '81 will still exceed $118 billion—an increase of 24 percent.

Raid on essential defense funds

This modest restraint in overall outlay growth was achieved in large part by a serious underfunding of national defense. The Giaimo resolution omits critically-needed funds for military pay improvements, replenishment of depleted fuel funds, spare parts and maintenance, and increased readiness, deployment capacity, and weapons development programs.

Adjusted for inflation, the $147.8 billion defense outlay level called for in the Giaimo budget represents a mere 2 percent increase. This comes in the face of our commitment to an immediate 3 percent increase, and the likelihood that we need a 5 percent real increase—or $4.5 billion more—simply to meet minimal national security needs.

The two percent diversion

The high-volume official agonizing that accompanied the debate over an Administration "hit list" of $12 to $16 billion in spending cuts (two percent of the total budget) was a diversionary maneuver designed to direct public attention away from the fact that most of the budget balancing was occurring automatically, the result of previously enacted legislative policy on the tax/revenue side of the budget ledger. The Giaimo Budget includes a $93 billion (17 percent) gain in Federal revenue over last year. This represents a $273 billion, or 78 percent increase over the Ford Administration FY 1977 budget. These massive revenue gains result primarily from a substantial increase in average tax rates, expansion of the tax base, and a jump in the Federal tax share of GNP from 19 percent in 1976 to 22 percent in 1981.

In the final analysis, the Giaimo balanced budget is a legislative fiction. It rests on an illusory economic premise: namely, that if the government spends more and taxes more, the American people will respond by working harder, producing more and yielding an ever-larger share of their income to the IRS. In short, it rests on the faulty premise that public sector solvency can be achieved by private sector impoverishment. Thus the very tax and spending policies contained in the Giaimo Budget belie the balanced budget it promises.

A REESTIMATE OF THE GIAIMO RESOLUTION AGGREGATES

The real uncontrollables

The aggregate revenue and outlay totals in the budget resolution are a function of two sets of variables: program variables, which express expectations as to appropriations levels, entitlements costs, contract liquidations and tax rate policies; and economic performance variables, which measure the path of production, employment, inflation, the Gross National Product, and interest rates over the fiscal year.

The dilemma is that Congress can legislate next year's program variables with considerable precision—it can lower or raise taxes, restrict or expand entitlement eligibility, or increase or decrease appropriations accounts. But the economic performance variables for next year are largely a function of the impact of past fiscal and monetary policy. Thus, the die that will shape economic performance in the economy throughout Fiscal Year 1981 has in large part already been cut.

For this reason, accurate forecasting is essential. Even minor changes in economic indicators can produce massive shifts in Federal revenues and outlays. If market interest rates rise by 1 percent on the average over estimated levels, Treasury interest payments will rise by $5.8 billion. If inflation, as measured by the Consumer Price Index, is underestimated by 1 percent, outlays for indexed income security programs will rise by more than $11 billion over planned levels. And should the unemployment rate exceed target levels by 1 percent, increased unemployment insurance, trade readjustment, welfare and Food Stamp outlays will add another $16 billion in unexpected outlays.

Despite the rhetoric on Federal belt-tightening, the Giaimo budget contains little, if any, effort to restrain the program variables—the cost of entitlements, contract authority already in the pipeline, or appropriations levels for scores of bloated budget accounts. Instead, it relies on the assumption that the economic variables will be highly favorable, and that the budget will be balanced by continued high levels of employment, production, and federal revenue.

The following table contrasting the Committee's March prognostications and a just-issued private forecast demonstrates that this expectation is wholly unfounded:

THE ECONOMIC OUTLOOK: THE BUDGET COMMITTEE MARCH FORECAST VERSUS THE TOWNSEND-GREENSPAN & CO. MAY FORECAST

[Amounts in billions of 1980 dollars]

	1980 real GNP		1981 real GNP		Unemployment rate	
Forecast	Amount	Change from previous year (percent)	Amount	Percent	1980	1981
CBO/Budget Committee	$2,588	0	$2,614	+1.1	6.8	7.5
Townsend-Greenspan	2,557	−1.5	2,564	+.3	7.5	8.3

If the Townsend-Greenspan May forecast proves more accurate than the Committee's March estimates, outlays for social program spending (due to higher indexing and burgeoning program caseloads) could add as much as $12–14 billion in FY 1981 outlays. And should real effective interest rates remain constant, Treasury borrowing costs could rise an additional $8–10 billion. In all, it appears that the Giaimo budget has gone from "balanced" to a $20 billion deficit in just a few short weeks, due to the more realistic estimates contained in later economic forecasts.

The sorry track record of first budget resolutions

A second perspective on the likelihood that the Giaimo budget is "balanced" at the level of outlays and revenues contained in the First Resolution is to examine the track record of the Congress in estimating aggregates in the First Resolution. As the following table shows, the record under the Carter Administration has been weak, at best:

ACCURACY OF FIRST RESOLUTION FORECASTS: FISCAL YEAR 1979–80

[Dollar amounts in billions]

	Resolution				Third minus first	
Fiscal year	First	Second	Third	Fourth	Amount	Percent
1980: Outlays	$532.7	$547.6	$571.6	?	+$38.9	+9.7
1979: Outlays	489.8	487.5	494.5	-------	+4.7	+.9

When the likely outcome of the First Resolution for FY 1981 is judged in light of the dismal standard established in FY 1980—a 9.7 percent spending overrun—a more likely interpretation of the Giaimo budget emerges. A similar overrun for FY 1981 would boost federal outlays to a staggering $671 billion. Even should revenues rise by 4.1 percent, as they did in FY 1980, a deficit in the range of $32 billion would be unavoidable.

Given the unexpected severity of the current recession, however, revenues and outlays are unlikely to move in the same direction. As advancing unemployment converts revenue-producing workers into the outlay-consuming unemployed, revenues are likely to fall almost as fast as outlays increase. While accurate prediction is not possible, the Townsend-Greenspan forecast holds out the prospect of an FY 1981 deficit exceeding $50 billion.

The gestures of 1981: No penance for the sins of 1977–80

Even should the economy miraculously right itself in such a way as to balance the Federal budget in the range of $612 billion, a budget balanced at this level can hardly be viewed as progress. The Carter Administration has produced an unprecedented expansion of the size and scope of the Federal budget. In the four years since the last Ford Administration budget in fiscal year 1977, domestic spending programs have risen by 45 percent, or 13 percent faster than inflation.

Because the President and the Congress have failed to apply spending restraints for the past four years, the gap between spending and the national income has grown ever wider, necessitating ever more serious cutbacks to return federal spending to an appropriate share of national income.

For example, the last Ford budget produced revenues at $351.3 billion, or 18 percent of national income. Were the Congress to attempt holding the line at this level of taxation and still balance the budget in FY 1981, it would require cuts of $93 billion to hold outlays to the $518.6 billion in revenues that would be collected. In this light, the $16.5 billion in supposed program cuts offered by the Budget Committee in the FY 1981 First Resolution are clearly far too little—and far too late—to reverse the trend toward ever-larger Federal expropriation of national resources.

The major reason for this spending surge is not insufficient vigor of budget scrutiny, but rather a wholesale abdication of responsibility to oversee key areas of government spending. The so-called "entitlements" programs—which dominate the Income Security and Health functions—are by design exempted from meaningful annual budget review.

The outlay growth that results from this intentional neglect is astounding. Since FY 1977, for example, the overall price level has risen 42 percent, yet spending for Food Stamps and other nutrition programs has risen from $8.1 billion to $14.8 billion, an increase of 83 percent; spending on Medicaid has risen from $10.2 billion to $20.9 billion, an increase of 105 percent; and spending on housing and energy assistance has risen from $3.0 billion to $9.0 billion, an incredible 200 percent rise in just four years.

If entitlements programs are effectively exempted from spending restraint, all efforts at budget slashing must be forced onto the ever-declining portion of federal expenditures that are considered "controllable" in any given year. Yet by the Administration's own calculations, such "controllables" comprise only 25 percent of the budget. Squeezing the $83 billion needed to balance the budget at the Ford Administration's level of 19 percent of GNP out of the $150 billion in controllable expenditures is an admittedly impossible task. Predictably, the Giaimo budget doesn't even try.

The untold tax story

Absent any meaningful effort to restrain spending, the Giaimo budget is forced to reflect the largest single-year tax increase in history in order to give even the appearance of a budget in balance, as shown in the following table:

INCREASE IN TAX REVENUES BY SOU1 98RCE,0-81

[Dollar amounts in billions]

Tax source	1980	1981	Dollar increase	Percent increase
Personal income	$245.2	$284.5	$39.3	16.0
Corporate income	72.3	67.0	−5.3	−7.3
Social security	138.6	161.6	23.0	16.6
Other social insurance	23.6	27.8	4.2	17.8
Windfall profit tax	6.3	21.6	15.3	[1]
Oil import fee	3.4	12.6	9.2	[1]
Other miscellaneous taxes	39.4	49.0	9.6	24.4
Total	528.8	624.1	95.3	18.0
Average wage and salary income	14,745	15,925	....	8.0

[1] Partial year collection in 1980.

As the table indicates, the three major sources of increased revenues for FY 1981 are the personal income tax, Social Security taxes, and the spate of energy excise taxes created by new legislation—or in the case of the oil import fee, by executive order.

Personal income taxes

Higher personal income taxes are expected, of course, as inflation raises nominal incomes. But these higher nominal wages are taxed at higher rates due to the progressive nature of the Internal Revenue Code. The result, as estimated by CBO, is that roughly $10 billion of the $39 billion increase in Personal Income Tax revenues is due to "bracket creep."

Overall, bracket creep has produced a startling increase in the percentage of wage and salary income consumed by the personal income tax. In 1976, taxation consumed 18.2 percent of wage and salary income; in 1981 that percentage is anticipated to rise to 19.6 percent. By 1985, current tax laws will drive taxpayers into such high brackets that the personal income tax alone will consume an unprecedented 26.6 percent of wage and salary income.

Social security taxes

Under the 1977 Social Security Financing Amendments, FY 1981 will see an increase in the employee's (and employer's) FICA tax rate from 6.13 percent to 6.65 percent, and an expansion of the taxable wage base from a maximum of $25,900 to $29,700. Because these provisions combine to produce an individual FICA tax increase of as much as 24 percent (combined employer and employee share), CBO estimates that, of the anticipated rise of $23 billion in Social Security tax collections, $16.1 billion, or 70 percent of the increase, is due to explicit tax rate increases.

In all, effective FICA tax rates have risen from 4.9 percent of the taxable wage base under the Ford Administration to nearly 5.9 percent under Carter—an increase of more than 19 percent over the $800 per worker collected in 1976.

Energy taxes

Among the largest revenue increases in the Carter budget strategy lie in the area of new "energy taxes": the "windfall profits tax" and the oil import fee. The proposed oil import fee, estimated to generate $12.6 billion in revenues in FY 1981, is a tax of $160 dollars for the average American household. The Windfall Profits Tax is equal to an additional $270 for the average household. In all, this whopping $430 annual tax will go a long way toward unbalancing the budget of the average American family, without contributing sufficient revenues to guarantee that the Federal budget will stay balanced.

Conclusion: Forget the balanced budget

The combined effect of seriously understated expenditures and over-stated revenues absolutely guarantee that the pretense of a balanced budget for FY 1981 will disappear from the legislative scene long before the Congress begins debate on the likely Fourth Concurrent Budget Resolution for FY 1980 this fall. Given the pressing need for quick and substantial tax relief in 1981, the failure of the House to seriously come to grips with the spending explosion that is the driving engine of our budgetary crisis is doubly disappointing. The Giaimo resolution was not budgetary history after all, just more "business as usually."●

TRIBLE-BENNETT INTRODUCE MILITARY PAY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 30 minutes.

Mr. TRIBLE. Mr. Speaker, today there are many problems confronting our Armed Forces. In the face of Soviet aggression around the world, it is evident that we need to reverse 15 years of inadequate military investment and reequip our services to meet the new challenges of the 1980's and 1990's.

We need to rebuild our Navy, modernize our ground forces, upgrade our tactical aircraft, and improve our strategic capabilities. In summary, we must make a sustained and substantial long-term commitment toward strengthening our Nation's defense posture through a carefully planned program of military procurement.

However, the most significant and lasting problems we face lie in the area of military personnel. Here I specifically refer to the retention of highly-trained, middle-grade personnel who are the mainstay of our modern services.

In the past few years, the military has lost increasingly greater numbers of skilled technicians, pilots, engineers, and medical personnel who are vital to its effective operation. Fully trained personnel, often in their second or third term of service, are leaving in substantial numbers and their departure has deprived the Armed Forces of important combat capabilities and has jeopardized the overall state of our readiness.

In the Navy, for example, Admiral Hayward, Chief of Naval Operations, recently warned that shortages of skilled enlisted personnel threaten to become the "controlling factor" in the number of ships available for sea duty. That warning became prophesy when the Navy was recently forced to tie up a vital fleet oiler, the *Canisteo*, because of inadequate personnel.

In the Army, fewer than 22 percent of new recruits reenlist for a second term and the service is now short 45,000 NCO's. This figure exceeeds the total recruiting shortfall for all the services.

The Air Force, traditionally the most stable service, now has unfilled slots for 2,500 pilots, 1,000 engineers, and 500 navigators.

In all, second-term retention rates have dropped in three of the four services. In the Air Force, only 59 percent of second-term personnel now reenlist as opposed to a previous rate of 75 percent. In the Navy, second-term retention has dropped from 64 percent to 49 percent, and in the Marine Corps it is down to 45 percent from 47 percent.

Although a variety of factors no doubt contribute to this loss of trained personnel, it is clear our military compensation system is the most important reason for current manpower shortages. Our compensation system simply does not provide adequate incentives to keep people in the military. Many personnel are now leaving not because they dislike military service—but because they cannot afford to stay.

While it can surely be said of military service that "no one is in it for the money," there is no doubt that a military compensation system must provide its members with a decent standard of living. Additionally, a military compensation system should also recognize the special demands which are an inevitable part of military service—the long hours of required overtime, frequent transfers to different parts of the world, periods of separation from family, and the risk of loss of life. Our present military compensation system fails to adequate meet the needs of our personnel and fails to recognize the special nature of military service. A few individual examples vividly demonstrate this:

One need only look to an E-4 plane handler on board the *Nimitz* carrier, now returning from deployment in the Indian Ocean, to see why we have serious retention problems. This individual normally works 16 hours per day or about 100 hours a week with no overtime. In the course of his duties, he handles F-14 aircraft which cost $25 million per plane, and he helps to operate a ship which costs over $2 billion. Yet this indivdual makes less per hour than a cashier at McDonald's, lives below the poverty level, is eligible for food stamps, and has been separated from his family for over 6 months.

Similarly, if the same individual were a chief petty officer on board the *Nimitz* with 17 years of service, he would still only make the same salary as a janitor on union scale, although he works twice as many hours.

To offer yet another shocking example, it is a fact that the average foreign employee in an overseas U.S. embassy makes about 40 percent more than the marines who risk their lives to guard those embassies. Of the 13 marines taken hostage in Iran, 4 earn $7,500 a year, 8 receive $8,200, and just one makes over $12,000. Thus, if you computed their hourly earnings for a typical 60-hour week they would all make less than the $3.10 minimum wage.

Today the distinguished gentleman from Florida (Mr. BENNETT)—the ranking Democrat on the Armed Services Committee—and I have introduced the National Defense Compensation Act aimed at remedying our services' retention problem. This bill is similar to legislation introduced in the other body by the gentleman from Colorado (Mr. ARMSTRONG). We can no longer expect to maintain a first-rate defense with a thirdrate system of compensation. If, as Admiral Hayward has suggested, the loss of skilled and experienced personnel is a hemorrhage, the immediate tourniquet is a substantial increase in military pay and allowances.

The legislation we have introduced today will provide the pay incentives required for retention within the constraints imposed by our need to balance the budget.

The National Defense Compensation Act has four parts:

First, it would eliminate the authority of the President under present law to impose caps on military cost-of-living increases. Military pay has been arbitrarily capped three times in the 8-year history of the All-Volunteer Force, and the President intends to impose yet another cap in fiscal year 1981. These pay caps, far more than any other factor, are responsible for the plummeting rates of first-, second-, and third-term retention. The surest way to convince our servicemen and servicewomen that things will get better is to guarantee that things will not get worse.

Second, the legislation provides for a 9-percent pay increase over and above the cost of living for the three lowest enlisted grades, and the two lowest officer grades. These increases would be phased in at the rate of 3 percent a year.

Third, the National Defense Compensation Act provides for an 18-percent pay increase, over and above cost-of-living increases, for the career enlisted and officer grades. The pay increases would be phased in at a rate of 6 percent a year for 3 years, beginning in fiscal year 1981.

Finally, the act provides for a 100-percent increase in the following special duty pays: flight pay, parachute duty pay, submarine duty pay, demolition duty pay, sea pay, and carrier flight deck pay. Flight pay was last increased in 1974; carrier deck duty pay in 1965; parachute pay, submarine pay, and demolition pay in 1955.

The effect of the Defense Compensation Act can be illustrated in concrete terms. An Army corporal at the end of his first term of service now receives $570.60 per month in basic pay. Under current pay scales, were he to reenlist for a second term, he could look forward to making only $603.90 per month at the same pay grade, or $641.40 per month if he were promoted to sergeant.

Under the National Defense Compensation Act, however, this corporal would receive an increase in pay comparable to the pay increases granted in the private sector. His pay would not be arbitrarily cut by the President, but rather, he would receive the full amount of increases recommended by the President's pay agent. For fiscal year 1981, such pay increases are estimated to be about 11.7 percent.

Thus, next year, an Army corporal in similar circumstances would likely receive a pay increase of $67 per month, raising his monthly basic pay to $637.40. Were he to reenlist, he could expect to receive at least $674.50 per month at his same pay grade or $716.40 per month if he were promoted to sergeant.

Moreover, if this individual decided to remain in the services until 1984, he could expect to receive a further 18 percent increase in basic pay above and beyond the increases outlined above. Although inflation makes predictions of basic monthly pay difficult, it is more important to note that this corporal would be assured of staying ahead of inflation. That is, under the Compensation Act, this corporal could expect his real pay to substantially increase over the next 3 years—not decrease as it has over most of the last decade.

Similarly, if we look at a petty officer on board a Navy vessel with 8 years of service behind him, the effect of the Compensation Act is evermore dramatic.

This petty officer presently works day in and day out keeping his ship working properly. Yet, after 8 years in the Navy, this individual receives only $814.80 per month in basic pay, or less than $10,000 per year.

Under the Compensation Act, however, this petty officer's annual pay would increase by over $1,100 (assuming the same 11.7-percent comparability factor). If this petty officer reenlisted, he could expect his "real" pay to increase by another 18 percent above and beyond the comparability factor and could look forward to a 100-percent increase in his monthly sea pay of $45.

To offer yet another example of how the Compensation Act would work, take the case of a "typical" young Air Force pilot. This pilot is a captain and has been in the Air Force for 8 years.

At this state of his career, he is a highly trained individual. The investment in his training amounts to hundreds of thousands of dollars. However, like many of his colleagues, he is faced with the question of whether to remain in the services or whether to seek a less demanding, more stable and better paid job as an airline pilot.

As the law stands now, this pilot receives $18,835 in basic pay annually plus $165 per month in flight pay. However, his future is not all that bright. Were he to remain in the Air Force for another 2 years, he could only expect to receive a "real" increase of $1,000 in basic pay at the same grade level.

If the Compensation Act were adopted, though, this same pilot would receive over $21,000 in basic pay next year. More importantly, though, he would have a brighter future. If this pilot remained in the Air Force until 1984, his pay would increase 18 percent over raises given in the private sector. Furthermore, his flight pay would double to $330 per month in the same period.

Thus, while it is hard to project exact dollar amounts, it is apparent that an Air Force pilot would regard further service as more attractive under the Compensation Act. The "typical pilot" would not be faced with the prospect of receiving only marginal pay increases. Rather, he would be presented with a pay system in which his special skills were recognized and rewarded.

In conclusion, the National Defense Compensation Act squarely addresses our Nation's most critical defense need. It will provide the incentives necessary to retain our most valuable personnel. The gentleman from Florida (Mr. BENNETT) and I urge our colleagues to join us in taking the single most important step we can take to provide for our country's security.

● Mr. BENNETT. Mr. Speaker, we are experiencing today a military manpower crisis that must be addressed. Some positive action is being taken via the so-called Nunn-Warner amendment. While I believe this is a necessary first step, it is only a first step. More needs to be done to address the more tenacious problems.

One further and needed step would be along the lines of the National Defense Compensation Act. I have cosponsored this excellent bill to reflect my conviction that compensation changes in addition to those in the Nunn-Warner amendment are urgently needed if we are to solve the manpower crisis, but I do not want to rule out even further improvements for I have been, for sometime, in the process of developing an independent proposal to focus on specific areas that would add to the Nunn-Warner proposal.

We must continue to press forward to reverse the adverse trends in retention—particularly among service members in specific occupations and among mid-career noncommissioned officers and petty officers. Recruiting problems must also be solved—both from the point of view of attracting the sheer numbers required, and of insuring that those recruited possess the qualification required in today's increasingly technical Armed Forces.

The National Defense Compensation Act would go a long way toward solving many of the problems we are experiencing, and I would hope that consideration can be given to this legislation and other proposals soon after the Nunn-Warner amendment is adopted. Our service men deserve better pay and for this reason they should get better pay; but there is another reason too: without better pay, we will not be able to attract and retain the personnel needed for our national security.●

GENERAL LEAVE

Mr. TRIBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

A FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the joint resolution (S.J. Res. 119) entitled "Joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to establish a memorial," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. MELCHER, Mr. HATFIELD, and Mr. DOMENICI to be the conferees on the part of the Senate.

INTRODUCTION OF A RESOLUTION TO LIMIT THE NUMBER OF SUBCOMMITTEES AND SUBCOMMITTEE ASSIGNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 15 minutes.

● Mr. CLEVELAND. Mr. Speaker, I have been joined today by 42 of our colleagues from both sides of the aisle in introducing a House resolution to correct what we believe has become a seriously disabling condition—the continuing proliferation of subcommittees and subcommittee assignments.

With the House committee system broken up into 210 pieces—the total number of committees, subcommittees, and similar subunits on which Members serve—coherence and coordination are almost impossible to achieve.

Our resolution would amend the rules of the House to limit standing committees, except for the Appropriations Committee, to no more than six subcommittees. It would also limit Members to a maximum of five subcommittee assignments. Subcommittees would be defined to include all task forces and other subunits of standing committees which have been established for at least 6 months. Assignment to a select, joint, or ad hoc committee would count as one subcommittee assignment.

The net effect of the resolution, based on data assembled last fall, would be a reduction of 26 subcommittees and a loss of at least 1 subcommittee assignment by 91 Members.

Our resolution, Mr. Speaker, would implement what many of us believe was the single most important recommendation of the Select Committee on Committees which completed its work on April 30. The select committee, on which I served as ranking minority member, approved this recommendation—including the text of the proposed resolution—by unanimous vote.

Under the terms of the select committee's authorizing resolution, recommendations dealing with the number of subcommittees and assignments were required to be reported to the Democratic Caucus and the Republican conference. This was done in October of last year. In less than 2 weeks, the select committee's recommendation was approved unanimously by the Republican conference and the Republican policy committee.

To date—more than 7 months later—no action has been taken by the Democratic Caucus.

This failure to act should be a matter of considerable concern:

It threatens to perpetuate a condition—the swollen, uncoordinated, unmanageable committee system—which has fragmented policymaking in the House and has weakened this institution's capacity to legislate effectively and to conduct oversight systematically.

It ignores the demonstrably large and bipartisan support among our colleagues for this change, support which was expressed by more than 90 percent of Members who responded to the select committee's survey last year.

It challenges the credibility of the majority leadership of this House which actively supported the establishment of the select committee but which has so far failed to support any of the select committee's recommendations after more than a full year of study and the expenditure of nearly a million dollars.

In introducing this resolution, Mr. Speaker, it is our purpose to help keep this issue alive, to stimulate overdue action, and to provide—through referral of the resolution to the Committee on Rules—for an alternative means of obtaining such action.

The select committee's report accompanying this recommendation demonstrates convincingly the critical character of this problem. I hope our colleagues, all of whom have received a copy of the report, will read it and respond actively.

We urge our colleagues to participate actively in this effort to save the House from strangulation by proliferation and thus to demonstrate that we are still capable of organizing ourselves to function responsibly and effectively.

Mr. Speaker, I include as a part of my remarks the text of the resolution and a list of cosponsors:

H. RES. 681

Resolution amending rule X of the Rules of the House of Representatives to limit the number of subcommittees of standing committees of the House and to limit the number of subcommittees on which Members may serve

Resolved, That paragraph (c) of clause 6 of rule X of the Rules of the House of Representatives is amended to read as follows:

"(c)(1) Except as provided in subparagraph (2), each standing committee of the House of Representatives (except the Committee on the Budget) that has more than twenty members, shall establish at least four subcommittees; but in no event shall any standing committee (except the Committee on Appropriations) establish more than six subcommittees.

"(2) A standing committee of the House of Representatives that, on September 1, 1979, had established—

"(A) ten or more subcommittees, may establish up to nine subcommittees in the Ninety-seventh Congress, and eight subcommittees in the Ninety-eighth Congress;

"(B) nine subcommittees, may establish up to eight subcommittees in the Ninety-seventh Congress and seven subcommittees in the Ninety-eighth Congress; and

"(C) eight subcommittees, may establish up to seven subcommittees in the Ninety-seventh Congress.

"(3) Except as provided in subparagraph (4), no Member may serve at any one time as a member of more than five subcommittees of committees of the House of Representatives.

"(4)(A) Subparagraph (3) shall not apply to ad hoc committees established pursuant to clause 5(c) of this rule.

"(B) For purposes of subparagraph (3)—

"(i) service of a Member on a select, permanent select, joint, or special committee, regardless of the number of subcommittees of such committee on which the Member serves, shall be counted as service on one subcommittee.

"(ii) there shall not be considered as service as a member of a subcommittee of a committee the service of the chairman or ranking minority member of the committee as an ex officio member of the subcommittee.

"(C) A Member who, as of September 1, 1979, was serving as a member of more than six subcommittees of committees, may serve as a member of six subcommittees of committees during the Ninety-seventh Congress.

"(5) For purposes of this paragraph:

"(A) The term 'subcommittee' includes any panel, task force, special subcommittee, or any subunit of a standing committee which is established for a period of longer than six months.

"(B) The term 'Member' includes a Delegate, or Resident Commissioner, to the House of Representatives."

SEC. 2. The amendment made by the first section of this resolution shall take effect immediately before noon on January 3, 1981.

COSPONSORS OF THE RESOLUTION

Frank Horton, Bill Frenzel, Jim Leach, Gerald Solomon, Millicent Fenwick, Lucien Nedzi, William Clay, William Green, Edwin Forsythe, Thomas Kindness, Bob Edgar, Bill Royer, G. William Whitehurst, Edward Derwinski, Tom Corcoran, Ralph Regula, Olympia Snowe, Willis Gradison, Barber Conable, Tom Steed, Floyd Fithian, John Erlenborn, Robert Whittaker, Clair Burgener, Vic Fazio, William Hughes, James Collins, Dan Lungren, Lionel Van Deerlin, Benjamin Gilman, Bob Livingston, John Porter, Robert McEwen, Arlan Erdahl, Robert Badham, Joseph Fisher, Thomas Downey, Richard Ottinger, Paul

Findley, Thomas Tauke, John Wydler, and William Wampler.●

BEHIND THE ROSE-TINTED GLASSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I do not want to add a sour note to Mr. Carter's much lauded nomination of Edmund Muskie as Secretary of State, but I think that in this atmosphere of relief, if not euphoria, that the President has managed to hang on to the ship of State by his fingertips, we ought to recall Secretary Muskie's public record in foreign policy. After all, it would seem logical to assume that that record will have some bearing on foreign policy matters over the next 8 months, and I am afraid the record doesn't give me much confidence that Carter's foreign policy will escape from the tunnel vision it has been plagued with up to now.

George Will, in an editorial printed in the May 12 Newsweek, gives us a succinct history lesson as regards Secretary Muskie. Under unanimous consent I insert the article in the RECORD following my remarks, and I commend it to my colleagues attention.

The President's appointment may have been a master political stroke, but if the past has anything to do with the future, I am not sure it augurs so well for foreign policy. Time will tell, but I am more than a little wary.

The article follows:

MUSKIE DOVETAILS WITH VANCE

(By George F. Will)

Cyrus Vance has a dove's temperament and dovish ideas. His successor has dovish ideas but the temperament of a hand grenade. What policy change does the change of men portend? None.

Muskie's thinking is congruent with Carter's, as Vance's was. More people are eager to applaud Vance's act as an act of principle than are prepared to say what, precisely, the principle was. Carter's policies have expressed his and Vance's shared values and "lessons" of Vietnam: the futility and illegitimacy of power politics, the virtues of moralism and accommodation. Brzezinski? Either he is not the hawk he is said to be or he is not as influential as he wants to be thought to be. Certainly Muskie talks as Carter does. He felt "betrayed" by the invasion of Afghanistan.

Carter picked foreign-policy advisers without a significant representative of the Jackson-Hollings-Nunn wing of his party. From Andy Young, Paul Warnke and others, especially Vance, he got a narrow range of advice. Muskie, like Vance, has combined a reputation for moderation with membership in the McGovern-Mondale wing. Two dates illuminate Muskie's career: Jan. 20, 1969, and April 1, 1980.

On April 1, for the second time in six months, Democratic Sen. Fritz Hollings of South Carolina, a member of Muskie's Budget Committee, defeated Muskie in a clash about defense spending. Last fall, initially opposed by Carter and Muskie, Hollings won Senate support for fulfilling Carter's promise of 3 percent growth in defense. On April 1, in the Budget Committee, Muskie put all his chips as chairman on the line in an attempt to stop Hollings and others from strengthening defense. Muskie lost and flew into a towering rage. Carter's choice of Muskie is important less because of what Muskie can do for Carter as Secretary, than because of what Hollings can do for defense, against Carter's wishes, as Muskie's successor chairing the Budget Committee.

FRONT RUNNER

Muskie is one of those Democrats who seemed to turn left at noon, Jan. 20, 1969, when a Democrat vacated the White House. Five months before, at the convention that nominated him for Vice President, Muskie helped lead the platform fight against the "peace" plank. What he opposed called for an unconditional halt to all bombing of North Vietnam; negotiation of phased, mutual withdrawal of U.S. and North Vietnamese forces, and reduction of U.S. operations to enable an "early" withdrawal of a "significant number" of U.S. troops. The convention agreed with Muskie and rejected that as too dovish, calling instead for a bombing halt only when this would not endanger U.S. forces, and for internationally supervised elections. As Kissinger says, by August 1969, the Nixon Administration had "offered or undertaken unilaterally all of the terms" of the "peace" plank the Democrats rejected.

The Nixon Administration's initial Vietnam policy closely resembled that suggested by LBJ's two Vietnam negotiators. They were Averell Harriman and the man who was, three years later, the chief foreign-policy adviser to the front runner for the Democratic nomination. The adviser? Vance. The front runner? Muskie. (When Humphrey chose Muskie as a running mate, he chose him from a list of three that included Sen. Fred Harris and Vance.) But Muskie and others who had opposed the "peace" plank in 1968 were, in 1969, impatient with a Republican Administration that matched even what the Democratic Convention had rejected. In 1970, he voted for capitulation: a cutoff of funds and withdrawal by a set date.

When Clark Clifford (another Muskie adviser in 1972) was leaving office as Secretary of Defense, he said (on Dec. 10, 1968), "There is no plan for any net reduction in our troop level in Vietnam." But just six months later, he called for the Nixon Administration to commit itself to total withdrawal. By January 1972, Muskie was for cutting off all aid to South Vietnam, even after a unilateral U.S. withdrawal, unless the Saigon government negotiated a settlement with the Communists, whose demand was for what an aid cutoff would guarantee: destruction of the Saigon government.

In 1969, Muskie, who was eager for a SALT agreement, voted to kill the ABM program which, once passed (by one vote in the Senate), more than anything else got the Russians eager for an agreement. Although strategic forces then cost just one-ninth of the defense budget, Muskie assailed the ABM program with this language: "The grim chain of urban sprawl and rural decline, of individual poverty and social disorganization, of wasted resources and hostile environments will not be broken by a government which is indifferent or a private sector which is inactive—or preoccupied with hunting the next arms contract." He also favored unilateral abandonment of two other strategic programs, Poseidon and Minuteman III.

When shrill rhetoric about America being a "sick society" was in season, Muskie was in strong voice. After the Attica riot, he said: "We have reached the point where men would rather die than live another day in America." His has been among the most determined and effective voices against defense spending, and for liberalized trade with the Russians. He will be happy in the Carter Administration, which is fighting to cut its own defense requests, which has not stopped the flow of high-technology U.S. goods to Russia's war machine and which says Russia will be allowed to buy 8 million tons of grain next fall.

ROUGH JUSTICE

Muskie was nominated almost on the fifth anniversary of the day the last helicopter lifted off the Saigon embassy roof. On April 30, 1975, The Washington Post's editorial, a sigh of relief, was titled "Deliverance." Today, Hanoi's army is where supporters of the war said it would be if we lost. It is on Thailand's border.

Carter has told the Thai Prime Minister that the United States supports Thailand's integrity and security. What will Secretary Muskie advise if Hanoi's army crosses the border? The Secretary must formulate policies for the kind of world into which he and kindred spirits have helped to deliver us, policies which, thanks to him and others who think as he does, are not backed by convincing military power. There is rough justice in this. Very rough.●

WHAT WE TRULY STAND FOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, as we celebrate this Memorial Day weekend, it is a good time to reflect on the history of our great Nation and to think about what we truly stand for. Memorial Day was first celebrated in 1868 to commemorate the war dead of the American Civil War, and today, it is a time to remember all those who have died in defense of this great Nation. Our men fought for our country because they cherished the freedoms that we enjoy and did not want to see them lost.

And as we reflect on our history, we realize that those who came to our shores have come seeking a haven from persecution of one form or another and have sought out our great Nation because of the freedoms that our Nation espouses. From the earliest settlers on Plymouth Rock to those who are now landing on the beaches of southern Florida, they have all come to escape some form of persecution, whether it be religious or political.

I believe that our Nation will welcome those from the Cuban freedom flotilla as readily as we have welcomed those from Southeast Asia, and in earlier centuries those from Europe. However, I realize that because of the economic problems facing our Nation today, there are many who are expressing concern about this new influx of refugees. It has been said that we cannot afford to help these refugees or that they will take jobs away from our own citizens.

I certainly can understand the apprehension, but the facts do not necessarily bear this out. For example, the Cuban communities throughout the country, including San Antonio, have borne the major share of help to the newcomers by having a variety of fund raising efforts. Thus far, the President has ordered that $10 million be made available from the President's emergency fund, to deal with the initial processing of those fleeing Cuba, but that is the extent of the Federal funds at this time.

Also, for those who express concern about this new influx of people, it is important to keep in mind that 70 percent of the newcomers have relatives or close ties within the United States, so the volunteer agencies will only have to concentrate on locating sponsors for about one-fourth of those arriving from Cuba.

We are a nation of immigrants and we cannot forget or ignore that fact. We only have to take a few minutes and think about where we would be if our forefathers had been turned away from these shores.

People of all nations look to us as the symbol of freedom in this world. This is our image and the inscription on the Statue of Liberty in New York Harbor confirms it. The inscription begins, "Give me your tired, your poor, your huddled masses yearning to be free." I am convinced that the people across our Nation believe this, although many of our recent frustrations, both economic and diplomatic, have somewhat blurred the meaning. But we should welcome the new refugees to our Nation on this Memorial Day, and give to them the opportunity to live in a free nation and to become a part of this Nation, which stands as the symbol of a people free from tyranny and other forms of suppression that afflict so many in our world today.●

THE ANTHONY DOLLAR: IS IT THE DOLLAR OF THE FUTURE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, when the Treasury first came out with the Anthony dollar coin, it published a brochure about it entitled "The Dollar of the Future." The Treasury was right, but not in the way it thought. This coin is certainly not the dollar of the present.

It is interesting to note the contrast between the public reception given the Anthony dollar and the sale of silver dollars this February by the General Services Administration. The silver dollar sale was a tremendous success, with hundreds of thousands of people willing to pay up to $65 to get just a one-dollar coin. The Anthony coin is so unpopular that the Government cannot convince the public to use the coin.

Since last year the Bureau of the Mint struck nearly 840 million Anthony dollars. Sixty-four percent of those coins have never been released and are collecting dust in the vaults of the mint and the Federal Reserve banks. Public interest in these coins is so low that the mint stopped striking Anthony dollars in March and has no plans to resume minting them. In fact, the mint's 1981 budget contains no funds to strike any of these coins.

Dissatisfaction with this coin is widespread. The National Restaurant Association recently adopted a resolution at its annual convention calling on the Federal Government to stop minting the dollar coin. The coins are unpopular and little used in slot machines in Las Vegas and Atlantic City. Bankers report that many people are reluctant to accept them. Vending machine operators do not want to spend $100 to $200 to convert equipment to accept the dollar coin if no one uses the coin.

The mint has been conducting tests to develop a new alloy to change the color of the coin to a bronze tone. These tests continue even though a Gallup poll conducted for the mint late last year showed that a color change would not make the coin any more acceptable. As one banker said, "Changing the color won't make it feel any different. You can differentiate a nickel and quarter by their feel but not an Anthony and a quarter."

Mr. Speaker, perhaps we can learn a lesson from the Carson City silver dollar sale. Those coins are nearly 100 years old and were discovered in a long-forgotten Treasury vault. We could take the remaining Anthony coins and store them for a hundred years. Americans of the 21st century might be willing to pay $65 or more to get just one of these Anthony dollars. In this way, not only would we be able to dispose of all these unwanted Anthony coins, but we would leave our great grandchildren something to use to help raise revenue and balance their budget.

Perhaps that is what the Treasury had in mind when it called the coin "the dollar of the future."●

THE PLIGHT OF RIMMA AND JACOB SOSNA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, today I wish to bring to the attention of my colleagues the plight of Rimma and Jacob Sosna, Russian "refuseniks."

Rimma and Jacob Sosna are Soviet Jews, who have been married for 31 years. Rimma is a telephone communication engineer, while Jacob worked as a technician in a rubber shoe factory. In July of 1974, the Sosnas and their only child, Boris, a 28-year-old electric engineer, applied for emigration visas together with an 85-year-old grandmother and a disabled uncle. A visa was granted only to Boris, who was forced to go to Israel alone. The Sosnas lost their jobs, and were told they would have to wait until 1985 for their visas. The reason for refusal: Security.

The Sosnas are unfortunately typical of the manner in which Jews and dissidents are treated in the Soviet Union. Family separation, economic hardship, and social obstracization have become the trademarks of Soviet policy toward those who seek to emigrate. The Helsinki Agreement has been made a travesty of international accord. As Boris writes:

> That is the way they fulfill the agreement about uniting families—separating the only son from the family unit. They say human rights and dignity. You have not to believe the Soviet authorities. You have to check each step of the (Helsinki) Agreement. You see what awful things they do. The situation for the Soviet Jews is getting worse. I'm imploring you to do your best to help me meet my parents and relatives, and for my father to see alive his old mother (Boris located her in Israel) whom he hasn't seen in more than 30 years. My father has no other relatives at all; all of them have been killed by the Germans in 1941. You're the only and the last hope. Only you can demand to free them and to stop all the mockery at my parents.

The Soviet Union has chosen to continue its violent abuses of basic human rights in defiance of The Helsinki Agreement. Persecution on religious and moral ground persists in Russia despite the existence of a recognized multinational binding pact forbidding such conduct.

I pray for the continued strength of the Russian people in the face of this oppression, and fervently petition the Government of the Soviet Union to end their unconscionable violation of human rights.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

Mr. OTTINGER. Mr. Speaker, earlier today I missed rollcall No. 252, a vote to approve the Journal, by reason of a previous commitment to join a Federal procurement conference in my district. Had I been present I would have voted "present" in my continuing protest against meaningless and time-consuming record votes.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 7428, RELATING TO THE PUBLIC DEBT LIMITATION

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ULLMAN. Mr. Speaker, on May 22, 1980, the Committee on Ways and Means ordered favorably reported to the House H.R. 7428, a bill relating to the public debt limitation. The bill would simply extend the present public debt limitation which is due to expire on May 31, 1980, for 30 days through June 30, 1980.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for consideration of H.R. 7428 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule which would only provide for:

First. Committee amendments which would not be subject to amendment;

Second. One hour of general debate, to be equally divided; and

Third. One motion to recommit, with or without instructions.

The Committee on Ways and Means intends to officially report the bill today, May 22, 1980, and to request to be heard before the Committee on Rules as expeditiously as possible.●

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on May 22, 1980, the following conference report was filed on May 23, 1980*]

Mr. GIAIMO: Committee of conference. Conference report on H. Con. Res. 307 (Rept. No. 96–1051). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Omitted from part I of the Record of May 22, 1980*]

By Mr. PATTERSON:

H.R. 7444. A bill to amend the Federal reclamation laws to permit contracts with irrigation districts to be amended to allow persons within a district to receive deliveries of project water upon the payment of sums which vary with the amount of water delivered, to make part of such sums available to the Secretary of Agriculture to carry out certain conservation and loan programs in States to which such laws apply, and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. SYMMS (for himself, Mr. Price, Mr. Vander Jagt, Mr. Collins of Texas, Mr. Kelly, Mr. Bauman, Mr. Hansen, Mr. Lott, Mr. Hall of Texas, and Mr. Montgomery):

H.R. 7445. A bill to strengthen the American family and promote the virtues of family life through education, tax assistance, and related measures; jointly to the Committees on Education and Labor, Ways and Means, the Judiciary, Agriculture, and Armed Services.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 307

Mr. GIAIMO submitted the following conference report and statement on the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

[*Pursuant to the order of the House of Representatives on May 22, 1980, the following conference report was filed before noon May 23, 1980*]

CONFERENCE REPORT (H. REPT. No. 96–1051)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the United States Government for the fiscal year 1980, having met, after full and free conference, have been unable to agree on a conference report because the conference decisions have changed certain budget figures outside the scope of conference. As set forth in the accompanying Joint Explanatory Statement, the conferees do propose a congressional budget incorporated in a further amendment for the consideration of the two Houses.

R. N. Giaimo,
Jim Wright,
Thomas L. Ashley,
Paul Simon,
James Jones,
Bill Nelson,
Delbert Latta,
Barber B. Conable, Jr.,
Marjorie S. Holt,
Ralph S. Regula,
Eldon Rudd,
Managers on the Part of the House.

Ernest F. Hollings,
Warren G. Magnuson,
Lawton Chiles,
J. Bennett Johnston,
Gary Hart,
J. J. Exon,
Henry Bellmon,
Pete V. Domenici,
Nancy Landon Kassebaum,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurernt resolution (H. Con. Res. 307) setting forth the congressional budget for the United States Government for fiscal years 1981, 1982, and 1983 and revising the congressional budget for the United States Government for fiscal year 1980 report that the conferees have been unable to agree. This is a technical disagreement, necessitated by the fact that in some instances the conference decisions include figures which (for purely technical reasons) would fall outside the range between the corresponding House and Senate provisions.

It is the intention of the conferees that the managers on the part of the House will offer a motion in the House to recede and concur in the Senate amendment to the House-passed resolution with an amendment (in the nature of a substitute) consisting of the language agreed to in conference. Upon the adoption of such amendment in the House, the managers on the part of the Senate will offer a motion in the Senate to concur therein.

The managers on the part of the House and the Senate submit the following joint statement in explanation of the action agreed upon by the managers:

The substitute language which is to be offered as described above (and which should be considered the language of the concurrent resolution as recommended in the conference report for purposes of section 302(a) of the Congressional Budget Act of 1974)—hereinafter in this statement referred to as the "conference substitute"—is as follows:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $613,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased by bills and resolutions to be reported by the appropriate committee is $4,200,000,000;

(2) the appropriate level of total budget authority is $697,200,000,000;

(3) the appropriate level of total budget outlays is $613,300,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $500,000,000;

(5) the appropriate level of the public debt is $934,400,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $31,200,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $63,900,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $171,300,000,000;
(B) Outlays, $153,700,000,000.
(2) International Affairs (150):
(A) New budget authority, $23,600,000,000;
(B) Outlays, $9,500,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,500,000,000;
(B) Outlays, $6,100,000,000.
(4) Energy (270):
(A) New budget authority, $6,600,000,000;
(B) Outlays, $6,800,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $11,700,000,000;
(B) Outlays, $12,100,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,500,000,000;
(B) Outlays, $2,300,000,000.
(7) Commerce and Housing Credit (370);
(A) New budget authority, $5,100,000,000;
(B) Outlays, $000,000,000.
(8) Transportation (400):
(A) New budget authority, $22,000,000,000;
(B) Outlays, $18,650,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,800,000,000;
(B) Outlays, $9,200,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $31,500,000,000;
(B) Outlays, $29,500,000,000.
(11) Health (550):
(A) New budget authority, $71,100,000,000;
(B) Outlays, $61,700,000,000.
(12) Income Security (600):
(A) New budget authority, $249,300,000,000;
(B) Outlays, $219,350,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,700,000,000;
(B) Outlays, $21,200,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,600,000,000.
(15) General Government (800):
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,300,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $6.800,000,000.
(17) Interest (900):
(A) New budget authority, $72,200,000,000;
(B) Outlays, $72,200,000,000.
(18) Allowances (920):
(A) New budget authority, $000,000,000;
(B) Outlays, $000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$24,700,000,000;

(B) Outlays, −$24,700,000,000.

RECONCILIATION

SEC. 3. Pursuant to section 301(b)(2) of the Budget Act:

(a)(1) the House Committee on Armed Services shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $400,000,000 in budget authority and $400,000,000 in outlays;

(2) the House Committee on Education and Labor shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $850,000,000 in budget authority and $850,000,000 in outlays;

(3) the House Committee on Interstate and Foreign Commerce shall recommend (A) program reductions in laws within its jurisdiction to reduce spending for fiscal year 1981 by $100,000,000 in outlays; and (B) changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $200,000,000 in budget authority and $300,000,000 in outlays;

(4) the House Committee on Post Office and Civil Service shall recommend (A) program reductions in laws within its jurisdiction to reduce spending by $500,000,000 in budget authority and $500,000,000 in outlays; and (B) changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $500,000,000 in budget authority and $500,000,000 in outlays;

(5) the House Committee on Public Works and Transportation shall recommend program reduction in laws or in reported bills or resolutions within its jurisdiction to reduce spending for fiscal year 1981 by $600,000,000 in budget authority and $750,000,000 in outlays;

(6) the House Committee on Small Business shall recommend program reductions in laws within its jurisdiction to reduce spending for fiscal year 1981 by $800,000,000 in budget authority and $600,000,000 in outlays;

(7) the House Committee on Veterans' Affairs shall recommend program reductions in laws within its jurisdiction or changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $400,000,000 in budget authority and $400,000,000 in outlays;

(8) the House Committee on Ways and Means shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $700,000,000 in budget authority and $2,000,000,000 in outlays; and

(9) the House Committee on Ways and Means shall recommend changes in laws within its jurisdiction to increase revenues for fiscal year 1981 by $4,200,000,000.

(10) the Senate Committee on Appropriations shall limit appropriations for fiscal year 1981 subsidies to the U.S. Postal Service to a level not to exceed $1,140,000,000 in budget authority and $1,140,000,000 in outlays, in order to achieve savings of $500,000,000 in budget authority and $500,000,000 in outlays;

(11) the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $500,000,000 in budget authority and $500,000,000 in outlays;

(12) the Senate Committee on Armed Services shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $400,000,000 in budget authority and $400,000,000 in outlays;

(13) the Senate Committee on Commerce, Science, and Transportation shall recommend program reductions in laws or in reported bills or resolutions within its jurisdiction or changes in laws or in reported bills or resolutions within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $300,000,000 in budget authority and $150,000,000 in outlays;

(14) the Senate Committee on Environment and Public Works shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(A) of the Budget Act to reduce spending for fiscal year 1981 by $300,000,000 in budget authority;

(15) the Senate Committee on Finance shall recommend changes in laws or in reported bills or resolutions within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $900,000,000 in budget authority and $2,200,000,000 in outlays;

(16) the Senate Committee on Finance shall recommend changes in laws within its jurisdiction to increase revenues for fiscal year 1981 by $4,200,000,000;

(17) the Senate Committee on Governmental Affairs shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $500,000,000 in budget authority and $500,000,000 in outlays;

(18) the Senate Committee on Labor and Human Resources shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $350,000,000 in budget authority and $450,000,000 in outlays;

(19) the Senate Committee on Small Business shall recommend changes in laws within its jurisdiction to reduce spending for fiscal year 1981 by $800,000,000 in budget authority and $600,000,000 in outlays; and

(20) the Senate Committee on Veterans' Affairs shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act or equivalent savings legislation to reduce spending for fiscal year 1981 by $200,000,000 in budget authority and $400,000,000 in outlays.

(b) Not later than June 20, 1980, each committee specified in subsection (a) shall submit its recommendations to the Committee on the Budget of its House.

(c) Pursuant to subsection 310(c) of the Budget Act, the Committees on the Budget after receiving recommendations submitted under subsections (a) and (b) of this section, shall report to their respective Houses a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision. The provisions of subsection 310(e) of the Budget Act shall apply to consideration in the Senate of any reconciliation bill or resolution.

SEC. 4. The House sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $714,800,000,000;
Fiscal year 1983: $824,100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$200,000,000;
Fiscal year 1983: $000,000,000.

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $770,000,000,000;
Fiscal year 1983: $869,850,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $688,700,000,000;
Fiscal year 1983: $785,500,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other revelant factors is as follows:

Fiscal year 1982: $26,100,000,000;
Fiscal year 1983: $38,600,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $948,000,000,000;
Fiscal year 1983: $949,100,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $193,200,000,000;
(B) Outlays, $173,500,000,000.
Fiscal year 1983:
(A) New budget authority, $216,900,000,000;
(B) Outlays, $195,500,000,000.

(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $15,400,000,000;
(B) Outlays, $9,800,000,000.
Fiscal year 1983:
(A) New budget authority, $15,100,000,000;
(B) Outlays, $10,100,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1983:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,900,000,000.

(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $10,400,000,000.
Fiscal year 1983:
(A) New budget authority, $10,000,000,000;
(B) Outlays, $11,500,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $13,400,000,000;
(B) Outlays, $13,200,000,000.
Fiscal year 1983:
(A) New budget authority, $13,900,000,000;
(B) Outlays, $13,600,000,000.

(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $6,500,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority $4,500,000,000;
(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $2,300,000,000.
Fiscal year 1983:
(A) New budget authority, $5,700,000,000;
(B) Outlays, $2,300,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $21,500,000,000;

(B) Outlays, $19,800,000,000.

Fiscal year 1983:

(A) New budget authority, $23,000,000,000;

(B) Outlays, $21,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority $8,800,000,000;

(B) Outlays, $8,900,000,000.

Fiscal year 1983:

(A) New budget authority, $9,100,000,000;

(B) Outlays, $9,000,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $35,300,000,000;

(B) Outlays, $32,100,000,000;

Fiscal year 1983:

(A) New budget authority, $39,800,000,000;

(B) Outlays, $38,100,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $82,800,000,000;

(B) Outlays, $70,600,000,000.

Fiscal year 1983:

(A) New budget authority, $118,350,000,000;

(B) Outlays, $103,700,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $284,500,000,000;

(B) Outlays, $250,000,000,000.

Fiscal year 1983:

(A) New budget authority, $313,600,000,000;

(B) Outlays, $276,000,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $74,000,000,000;

(B) Outlays, $74,000,000,000.

Fiscal year 1983:

(A) New budget authority, $77,700,000,000;

(B) Outlays, $77,700,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $2,000,000,000;

(B) Outlays, $2,000,000,000.

Fiscal year 1983:

(A) New budget authority, $4,100,000,000;

(B) Outlays, $4,100,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$27,500,000,000;

(B) Outlays, −$27,500,000,000.

(A) New budget authority −$29,800,000,000;

(B) Outlays, −$29,800,000,000.

SEC. 5. The Senate sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $701,400,000,000;

Fiscal year 1983: $783,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: −$5,200,000,000;

Fiscal year 1983: −$27,500,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $775,000,000,000;

Fiscal year 1983: $851,600,000,000.

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $695,600,000,000;

Fiscal year 1983: $765,500,000,000;

(4) the amount of the deficit or surplus in the budget which is apppropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: +$9,400,000,000;

Fiscal year 1983: +$17,500,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $965,600,000,000;

Fiscal year 1983: $991,100,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1982: $31,200,000,000;

Fiscal year 1983: $25,500,000,000;

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $204,600,000,000;

(B) Outlays, $183,200,000,000.

Fiscal year 1983:

(A) New budget authority, $234,000,000,000;

(B) Outlays, $208,700,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $15,400,000,000;

(B) Outlays, $9,800,000,000.

Fiscal year 1983:

(A) New budget authority, $15,100,000,000;

(B) Outlays, $10,100,000,000;

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,800,000,000.

Fiscal year 1983:

(A) New budget authority, $7,100,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $7,500,000,000;

(B) Outlays, $10,100,000,000.

Fiscal year 1983:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $11,100,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $12,400,000,000;

(B) Outlays, $12,900,000,000.

Fiscal year 1983:

(A) New budget authority, $12,700,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,600,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $5,900,000,000;

(B) Outlays, $2,700,000,000.

Fiscal year 1983:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $2,900,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $21,500,000,000;

(B) Outlays, $20,300,000,000.

Fiscal year 1983:

(A) New budget authority, $22,200,000,000;

(B) Outlays, $21,600,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority $8,500,000,000;

(B) Outlays, $8,800,000,000.

Fiscal year 1983:

(A) New budget authority, $8,700,000,000;

(B) Outlays, $8,800,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $33,400,000,000;

(B) Outlays, $31,700,000,000.

Fiscal year 1983:

(A) New budget authority, $34,900,000,000;

(B) Outlays, $33,700,000,000.

(11) Health (550):

Fiscal year 1983:

(A) New budget authority, $82,800,000,000;

(B) Outlays, $70,600,000,000.

Fiscal year 1983:

(A) New budget authority, $94,300,000,000;

(B) Outlays, $79,600,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $284,200,000,000;

(B) Outlays, $249,400,000,000.

Fiscal year 1983:

(A) New budget authority, $313,400,000,000;

(B) Outlays, $275,400,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,200,000,000;

(B) Outlays, $22,700,000,000.

Fiscal year 1983:

(A) New budget authority, $24,800,000,000;

(B) Outlays, $24,200,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $5,100,000,000;

(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $74,000,000,000;

(B) Outlays, $74,000,000,000.

Fiscal year 1983:

(A) New budget authority, $77,700,000,000;

(B) Outlays, $77,700,000,000.

(18) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$27,500,000,000;

(B) Outlays, −$27,500,000,000.

Fiscal year 1983:

(A) New budget authority, −$29,800,000,000;

(B) Outlays, −$29,800,000,000.

SEC. 6. Sections 1 and 2 of Senate Concurrent Resolution 53 are revised to read as follows:

SECTION 1. That the Congress hereby determines and declares, pursuant to section 310 (a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $525,700,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $000,000,000.

(2) the appropriate level of total new budget authority is $657,450,000,000;

(3) the appropriate level of total budget outlays is $572,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $46,550,000,000; and

(5) the appropriate level of the public debt is $903,200,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $24,200,000,000.

(6) Notwithstanding any other figure in this section, for purposes of clause 2, rule XLIX of the rules of the House of Representatives, as made applicable to this section by House Resolution 642 96th Congress, the appropriate level of the public debt, for the period beginning on May 31, 1980, through February 28, 1981, is $905,000,000,000, and the amount by which the statutory limit on such debt for such period should accordingly be increased is $26,000,000,000.

SEC. 7. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979 the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $143,700,000,000;

(B) Outlays, $135,700,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,200,000,000;

(B) Outlays, $10,500,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $38,400,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,700,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $20,200,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,700,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,600,000,000;

(B) Outlays, $29,900,000,000.

(11) Health (550):

(A) New budget authority, $59,800,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,800,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,500,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,550,000,000.

(B) Outlays, $8,550,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $000;

(B) Outlays, $000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000;

(B) Outlays, −$22,300,000,000.

RECONCILIATION

SEC. 8. Pursuant to section 310 of the Budget Act: (a) Not later than June 16, 1980, the House Committee on Appropriations shall report legislation reduction spending for fiscal year 1980 contained in laws or in reported bills or resolutions within its jurisdiction by $3,000,000,000 in budget authority and $1,000,000,000 in outlays; and

(b) Not later than June 16, 1980, the Senate Committee on Appropriations shall report legislation reducing spending for fiscal year 1980 contained in laws within its jurisdiction by $3,000,000,000 in budget authority and $1,000,000,000 in outlays.

GENERAL PROVISIONS

SEC. 9. (a) No bill or resolution providing—

(1) new budget authority for fiscal year 1981, or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1981—

which exceeds the appropriate allocation or subdivision made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act, and on any reconciliation legislation required by such resolution. Action on such resolution should be completed not later than August 28, 1980.

(b) Subsection (a) shall not apply to bills and resolutions for which a conference report has been filed in either House prior to final adoption by both Houses of this resolution.

SEC. 10. (a) No bill or resolution which would reduce Federal revenues in fiscal year 1981 by more than $100,000,000 shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of the Budget Act, and on any reconciliation language required by such resolution. Action on such resolution should be completed not later than August 28, 1980.

(b) After Federal revenues for fiscal year 1981 have been reduced by enacted bills and resolutions totaling $100,000,000, no other bill or resolution which would reduce revenues in such fiscal year shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget, and on any reconciliation legislation required by such resolution. Action on such resolution should be completed not later than August 28, 1980.

(c) Notwithstanding subsection (a) of this section, a resolution adopted under section 402 of the Crude Oil Windfall Profit Tax of 1980 (26 U.S.C. 1) which has the effect of reducing revenues shall be enrolled.

SEC. 11. There is established a Congressional Federal Credit Budget for fiscal year 1981.

(a) The appropriate levels of total Federal credit activity for fiscal year 1981 are:

(1) New direct loan obligations, $63,900,000,000;

(2) New primary loan guarantee commitments, $79,600,000,000.

(b) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1981 the off-budget lending authority of the Federal Government to a level not to exceed $25,800,000,000; the on-budget lending activity to a level not to exceed $38,100,000,000; and new primary loan guarantee commitments to a level not to exceed $79,600,000,000.

SEC. 12. It is the sense of the Senate that due to the extreme rate of inflation in the U.S. economy, the possible inflationary effects of Federal regulations and legislation shall be carefully monitored as part of this program of fiscal restraint. Inflationary effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of the Senate that the President should implement a "zero net inflation impact" policy for the Federal regulations promulgated in the remainder of fiscal year 1980 and fiscal year 1981. This policy will require the President to keep an accounting for fiscal years 1980 and 1981 of all new regulations which have a significant, measurable cost to the economy. The aggregate net increase in costs or price effects of new regulations would have to be offset by modifications to existing regulations which reduce the costs or price effects by at least that amount in fiscal years 1980 and 1981, as well as subsequent fiscal years. The cost-saving modifications need not affect the same area of economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety.

It is also the sense of the Senate that the Director of the Congressional Budget Office should issue a periodic "inflation scorekeeping" report which shall contain an estimate of the positive or negative inflationary effects, wherever measurable, or legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether:

1. It is judged to have no significant positive or negative impact on inflation;

2. It is judged to have a positive or negative inflationary impact on the amount specified in terms of both dollar amounts and change in the Consumer Price Index;

3. It is judged likely to have a significant positive or negative impact on inflation, but the amount cannot be determined immediately.

SEC. 13. Congress calls upon the President to review current inflation measures used for indexing Federal programs, as well as other indexing alternatives, to report to Congress by November 30, 1980, those conclusions and recommendations resulting from this review, and to reflect those conclusions in the President's budget and legislative proposals for fiscal year 1982.

SEC. 14. It is the sense of the Congress that the President should direct agencies not to increase the rate of obligation of fiscal year 1980 budget authority in advance of anticipated rescission actions.

ECONOMIC ASSUMPTIONS

The levels of output, employment and inflation contained in the March 5 CBO forecast provide the assumptions used in the outlay and revenue estimates in the Conference substitute. These are shown in the table below.

[Calendar years; dollar amounts in billions]

	1980	1981
Gross national product:		
Current dollars	2, 590	2, 875
Constant (1972) dollars	1, 432	1, 448
Percent change	0	+1. 1
GNP deflator (percent change, year over year)	9. 3	9. 7
Consumer Price Index (percent change, year over year)	13. 0	9. 6
Unemployment rate (annual average, percent)	6. 8	7. 5
Taxable incomes:		
Wages and salaries	1, 355	1, 494
Nonwage income	442	481
Corporate profits	234	260
Interest rate, 3-mo Treasury bills, (percent, yearly average)	12. 4	9. 7

STATEMENT ON REVENUES

The managers do not prejudge the judicial or legislative outcome of the oil import fee. Thus the revenues from an oil import fee are not included in this resolution. If the oil import fee is collected, the 1980 deficit will be reduced by $3.1 billion and $10 billion will be available in 1981 for a tax reduction only.

The managers anticipate that the revenue committees of the House and Senate will proceed with hearings and markup of a tax reduction bill within the context of this balanced budget, but that tax cut will depend upon the availability of a surplus equal to the amount of the tax cut.

BUDGET AGGREGATES FOR FISCAL YEAR 1981

REVENUES

The House Resolution provided revenues of $613.8 billion in fiscal year 1981 and to achieve that level provided that legislation should increase revenues on a net basis by $4.3 billion. The projected $10.3 billion of revenues associated with the President's oil import fee was reserved to fund a tax reduction of an equivalent amount in fiscal year 1981.

The Senate Resolution included revenues of $613.2 billion in fiscal year 1981.

The Conference substitute provides revenues of $613.8 billion in fiscal year 1981. This includes a net amount of $4.2 billion of revenues from new legislation.

BUDGET AUTHORITY

The House resolution provided budget authority of $694.6 billion. The Senate amendment provided budget authority of $688.2 billion.

The conference substitute provides budget authority of $697.2 billion.

OUTLAYS

The House resolution provided outlays of $611.8 billion. The Senate amendment provided outlays of $613.1 billion.

The conference substitute provides outlays of $613.3 billion.

SURPLUS

The House resolution provided for a surplus of $2.0 billion. The Senate amendment provided for a surplus of $0.1 billion.

The conference substitute provides for a surplus of $0.5 billion.

PUBLIC DEBT

The House resolution provided for a public debt level of $926.8 billion. The Senate amendment provided for a public debt level of $927.7 billion.

The conference substitute provides for a public debt level of $934.4 billion.

CREDIT BUDGET

The House resolution provided $60.6 billion for new direct loan obligations and $79.6 billion for new commitments to guarantee loan principal. The Senate amendment provided $63.9 billion for new direct loan obligations and $77.0 billion for new primary loan guarantee commitments.

The conference substitute provides $63.9 billion for new direct loan obligations and $79.6 billion for new primary loan guarantee commitments.

The Senate Resolution contained a sense of the Congress' provision calling upon the President and the Congress to limit, through the appropriations process, the on and off budget credit activity of the Federal government in 1981 to levels specified in the Resolution. The House Resolution did not contain such a provision. The Conference substitute contains the general text of the Senate provision, with the credit totals agreed upon by the managers on the part of the two Houses.

The Senate Resolution also contained a provision requiring that the authority for direct loans or loan guarantees provided in new legislation would be effective only to such extent or in such amounts as are contained in appropriation Acts. The House Resolution did not contain such a provision. The Conference substitute does not contain the Senate provision.

The conferees strongly expressed their desire to limit total Federal credit activity. The Conference substitute includes recommendations on the appropriate level of direct loan obligations and new primary loan guarantee commitments, as well as sense of the Congress language regarding limitations on lending activity. The Budget Committees are currently working with other committees with appropriate jurisdiction of both Houses to perfect enforcement procedures for legislation which authorizes new lending activity.

FUNCTIONAL CATEGORIES

050: National Defense

The House resolution provided budget authority of $160.8 billion and outlays of $147.9 billion. The Senate amendment provided budget authority of $173.4 billion and outlays of $155.7 billion.

The conference substitute provides budget authority of $171.3 billion and outlays of $153.7 billion.

150: International Affairs

The House resolution provided budget authority of $24.0 billion and outlays of $9.6 billion. The Senate amendment provided budget authority of $23.3 billion and outlays of $9.5 billion.

The conference substitute provides budget authority of $23.6 billion and outlays of $9.5 billion.

250: General Science, Space, and Technology

The House resolution provided budget authority of $6.7 billion and outlays of $6.3 billion. The Senate amendment provided budget authority of $6.4 billion and outlays of $6.1 billion.

The conference substitute provides budget authority of $6.5 billion and outlays of $6.1 billion.

270: Energy

The House resolution provided budget authority of $7.5 billion and outlays of $7.1 billion. The Senate amendment provided budget authority of $3.8 billion and outlays of $6.8 billion.

The conference substitute provides budget authority of $6.6 billion and outlays of $6.8 billion.

300: Natural Resources and Environment

The House resolution provided budget authority of $12.0 billion and outlays of $12.4 billion. The Senate amendment provided budget authority of $11.5 billion and outlays of $11.9 billion.

The conference substitute provides budget authority of $11.7 billion and outlays of $12.1 billion.

It is the sense of the House conferees that the manner in which funds are obligated under the EPA sewage treatment construction grant program should not lead to the funding of low priority projects. A close examination of the program by the pertinent authorization and appropriations committees is recommended to assure funding for high priority projects and the avoidance of wasteful spending.

350: Agriculture

The House resolution provided budget authority of $5.4 billion and outlays of $2.3 billion. The Senate amendment provided budget authority of $5.6 billion and outlays of $2.3 billion.

The conference substitute provides budget authority of $5.5 billion and outlays of $2.3 billion.

370: Commerce and Housing Credit

The House resolution provided budget authority of $5.1 billion and outlays of −$0.1 billion. The Senate amendment provided budget authority of $5.4 billion and outlays of $0.5 billion.

The conference substitute provides budget authority of $5.1 billion and outlays of $0 billion.

400: Transportation

The House resolution provided budget authority of $22.8 billion and outlays of $19.5 billion. The Senate amendment provided budget authority of $19.75 billion and outlays of $18.05 billion.

The conference substitute provides budget authority of $22.0 billion and outlays of $18.65 billion.

The conference substitute assumes an obligational ceiling for highway spending to achieve savings of $0.7 billion in outlays in fiscal year 1981.

450: Community and Regional Development

The House resolution provided budget authority of $9.0 billion and outlays of $9.4 billion. The Senate amendment provided budget authority of $8.8 billion and outlays of $9.2 billion.

The conference substitute provides budget authority of $8.8 billion and outlays of $9.2 billion.

500: Education, Training, Employment, and Social Services

The House resolution provided budget authority of $33.3 billion and outlays of $30.7 billion. The Senate amendments provided budget authority of $28.9 billion and outlays of $28.0 billion.

The conference substitute provides budget authority of $31.5 billion and outlays of $29.5 billion.

550: Health

The House resolution provided budget authority of $71.5 billion and outlays of $61.8 billion. The Senate amendment provided budget authority of $70.7 billion and outlays of $61.7 billion.

The conference substitute provides budget authority of $71.1 billion and outlays of $61.7 billion.

600: Income Security

The House resolution provided budget authority of $252.1 billion and outlays of $220.1 billion. The Senate amendment provided budget authority of $245.2 billion and outlays of $218.2 billion.

The conference substitute provides budget authority of $249.3 billion and outlays of $219.35 billion.

700: Veterans Benefits and Services

The House resolution provided budget authority of $21.7 billion and outlays of $21.2 billion. The Senate amendment provided budget authority of $21.85 billion and outlays of $21.25 billion.

The conference substitute provides budget authority of $21.7 billion and outlays of $21.2 billion.

750: Administration of Justice

The House resolution provided budget authority of $4.2 billion and outlays of $4.6 billion. The Senate amendment provided budget authority of $4.3 billion and outlays of $4.6 billion.

The conference substitute provides budget authority of $4.2 billion and outlays of $4.6 billion.

800: General Government

The House resolution provided budget authority of $4.7 billion and outlays of $4.6 billion. The Senate amendment provided budget authority of $4.6 billion and outlays of $4.3 billion.

The conference substitute provides budget authority of $4.6 billion and outlays of $4.3 billion.

These totals include a $50 million increase above the President's request for Internal Revenue Service personnel to conduct examinations and collections. This is expected to generate an estimated additional $0.3 billion in revenues in fiscal year 1981.

850: GENERAL PURPOSE FISCAL ASSISTANCE

The House resolution provided budget authority of $6.2 billion and outlays of $6.8 billion. The Senate amendment provided budget authority of $7.2 billion and outlays of $7.5 billion.

The conference substitute provides budget authority of $6.2 billion and outlays of $6.8 billion.

900: Interest

The House resolution provided budget authority of $72.2 billion and outlays of $72.2 billion. The Senate amendment provided budget authority of $72.2 billion and outlays of $72.2 billion.

The conference substitute provides budget authority of $72.2 billion and outlays of $72.2 billion.

920: Allowances

The House resolution provided budget authority of $0.0 billion and outlays of $0.0 billion. The Senate amendment provided no budget authority or outlays in this function, but instead allocated these amounts among the appropriate functions.

The conference substitute provides budget authority of $0.0 billion and outlays of $0.0 billion.

950: Undistributed Offsetting Receipts

The House resolution provided budget authority of −$24.6 billion and outlays of −$24.6 billion. The Senate amendment provided budget authority of −$24.7 billion and outlays of −$24.7 billion.

The conference substitute provides budget authority of −$24.7 billion and outlays of −$24.7 billion.

FUTURE FISCAL YEARS

Both the Senate and House resolutions contained multi-year budgets setting forth aggregate and functional totals for fiscal years 1981, 1982, and 1983. The 1981 budget totals contained in the conference substitute have been discussed in the preceding sections. The managers did not agree on a single set of budget totals for 1982 and 1983. The conference substitute includes two sets of budget totals for fiscal years 1982 and 1983. The following tables set forth the future year budget totals of the Senate and House as included in the conference substitute.

HOUSE BUDGET PLAN

[In billions of dollars]

Function	Fiscal year 1981		Fiscal year 1982		Fiscal year 1983	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050 National defense	171.3	153.7	193.2	173.5	216.9	195.5
150 International Affairs	23.6	9.5	15.4	9.8	15.1	10.1
250 General science, space, and technology	6.5	6.1	6.9	6.7	7.0	6.9
270 Energy	6.6	6.8	8.5	10.4	10.0	11.5
300 Natural resources and environment	11.7	12.1	13.4	13.2	13.9	13.6
350 Agriculture	5.5	2.3	6.5	4.5	4.5	5.2
370 Commerce and housing credit	5.1		5.5	2.3	5.7	2.3
400 Transportation	22.0	18.65	21.5	19.8	23.0	21.2
450 Community and regional development	8.8	9.2	8.8	8.9	9.1	9.0
500 Education, training, employment, and social services	31.5	29.5	35.3	32.1	39.8	38.1
550 Health	71.1	61.7	82.8	70.6	118.35	103.7
600 Income security	249.3	219.35	284.5	250.0	313.6	276.0
700 Veterans benefits and services	21.7	21.2	23.4	22.8	25.0	24.4
750 Administration of justice	4.2	4.6	4.4	4.5	4.5	4.7
800 General government	4.6	4.3	5.0	4.7	4.9	4.8
850 General purpose fiscal assistance	6.2	6.8	6.4	6.4	6.5	6.5
900 Interest	72.2	72.2	74.0	74.0	77.7	77.7
920 Allowances			2.0	2.0	4.1	4.1
950 Undistributed offsetting receipts	−24.7	−24.7	−27.5	−27.5	−29.8	−29.8
Total	697.2	613.3	770.0	688.7	869.85	785.5
Revenues		613.8		714.8		824.1
Surplus		0.5		26.1		38.6
Public debt		934.4		948.0		949.1

The conference substitute provides aggregate and functional Senate totals for fiscal years 1982 and 1982 as follows:

SENATE AGGREGATE AND FUNCTIONAL TOTALS

[In billions of dollars]

Function	Fiscal year 1982		Fiscal year 1983	
	Budget authority	Outlays	Budget authority	Outlays
050 National defense	204.6	183.2	234.0	208.7
150 International affairs	15.4	9.8	15.1	10.1
250 General science, space, and technology	6.9	6.8	7.1	7.0
270 Energy	7.5	10.1	9.5	11.1
300 Natural resources and environment	12.4	12.9	12.7	13.2
350 Agriculture	6.6	4.5	4.5	5.2
370 Commerce and housing credit	5.9	2.7	6.3	2.9
400 Transportation	21.5	20.3	22.2	21.6
450 Community and regional development	8.5	8.8	8.7	8.8
500 Education, training, employment, and social services	33.4	31.7	34.9	33.7
550 Health	82.8	70.6	94.3	79.6
600 Income security	284.2	249.4	313.4	275.4
700 Veterans benefits and services	23.2	22.7	24.8	24.2
750 Administration of justice	4.4	4.5	4.6	4.7
800 General government	4.8	4.7	5.1	4.9
850 General purpose fiscal assistance	6.4	6.4	6.5	6.5
900 Interest	74.0	74.0	77.7	77.7
920 Allowances				
950 Undistributed offsetting receipts	−27.5	−27.5	−29.8	−29.8
Total	775.0	695.6	851.6	765.5
Revenues		701.4		783.0
Surplus (+)		+5.8		+17.5
Public debt		965.6		991.1

BUDGET AGGREGATES FOR FISCAL YEAR 1980

Revenues

The House resolution provided revenues of $528.8 billion in fiscal year 1980. The Senate Resolution provided $528.9 billion in fiscal year 1980.

The conference substitute assumes revenues of $525.7 billion in fiscal year 1980, not including any revenues from the President's oil import fee, as previously noted.

Budget authority

The House resolution provided budget authority of $660.3 billion. The Senate amendment provided budget authority of $653.7 billion.

The conference substitute provides budget authority of $657.45 billion.

Outlays

The House resolution provided outlays of $571.6 billion. The Senate amendment provided outlays of $566.4 billion.

The conference substitute provides outlays of $572.25 billion.

Deficit

The House resolution provided for a deficit of $42.8 billion. The Senate amendment provided for a deficit of $37.5 billion.

The conference substitute provides for a deficit of $46.55 billion.

The House resolution provided for a public debt level of $896.7 billion. The Senate amendment provided for a public debt level of $395.1 billion.

The conference substitute provides for a public debt level of $903.2 billion.

FUNCTIONAL CATEGORIES

050: National defense

The House resolution provided budget authority of $142.5 billion and outlays of $134.2 billion. The Senate amendment provided budget authority of $143.7 billion and outlays of $134.0 billion.

The conference substitute provides budget authority of $143.7 billion and outlays of $135.7 billion.

150: International Affairs

The House resolution provided budget authority of $15.8 billion and outlays of $10.7 billion. The Senate amendment provided budget authority of $15.2 billion and outlays of $9.9 billion.

The conference substitute provides budget authority of $15.2 billion and outlays of $10.5 billion.

250: General Science, Space, and Technology

The House resolution provided budget authority of $6.1 billion and outlays of $5.9 billion. The Senate amendment provided budget authority of $6.2 billion and outlays of $5.9 billion.

The conference substitute provides budget authority of $6.2 billion and outlays of $5.9 billion.

270: Energy

The House resolution provided budget authority of $40.3 billion and outlays of $6.4 billion. The Senate amendment provided budget authority of $37.9 billion and outlays of $6.5 billion.

The conference substitute provides budget authority of $38.4 billion and outlays of $6.4 billion.

300: Natural Resources and Environment

The House resolution provided budget authority of $12.3 billion and outlays of $13.2 billion. The Senate amendment provided budget authority of $12.2 billion and outlays of $12.9 billion.

The conference substitute provides budget authority of $12.3 billion and outlays of $13.2 billion.

350: Agriculture

The House resolution provided budget authority of $5.0 billion and outlays of $5.9 billion. The Senate amendment provided budget authority of $5.0 billion and outlays of $5.9 billion.

The conference substitute provides budget authority of $5.0 billion and outlays of $5.9 billion.

370: Commerce and Housing Credit

The House resolution provided budget authority of $11.6 billion and outlays of $6.1 billion. The Senate amendment provided budget authority of $11.7 billion and outlays of $5.5 billion.

The conference substitute provides budget authority of $11.7 billion and outlays of $6.1 billion.

400: Transportation

The House resolution provided budget authority of $21.0 billion and outlays of $20.1 billion. The Senate amendment provided budget authority of $19.7 billion and outlays of $19.5 billion.

The conference substitute provides budget authority of $20.2 billion and outlays of $20.1 billion.

450: Community and Regional Development

The House resolution provided budget authority of $8.7 billion and outlays of $9.2 billion. The Senate amendment provided budget authority of $8.6 billion and outlays of $9.1 billion.

The conference substitute provides budget authority of $9.2 billion and outlays of $9.7 billion.

The conference substitute provides an increase over amounts assumed in Senate- and House-passed resolutions of $0.5 billion in budget authority and $0.5 billion in outlays for disaster assistance. The conferees note the rapid influx of refugees into the country, the civil disturbances in Florida, the eruption of Mt. St. Helens in Washington State and flooding in Louisiana and elsewhere. At the present time it is uncertain whether these amounts are sufficient to meet the needs of these and other areas impacted by recent disasters. Should additional assistance for these and other Presidentially-declared disasters be found necessary in a manner consistent with the Congressional budget process, it is the intent of the managers that such assistance be provided.

500: Education, Training, Employment, and Social Services

The House resolution provided budget authority of $29.9 billion and outlays of $30.1 billion. The Senate amendment provided budget authority of $29.3 billion and outlays of $29.9 billion.

The conference substitute provides budget authority of $29.6 billion and outlays of $29.9 billion.

550: Health

The House resolution provided budget authority of $59.9 billion and outlays of $56.5 billion. The Senate amendment provided budget authority of $59.8 billion and outlays of $56.5 billion.

The conference substitute provides budget authority of $59.8 billion and outlays of $56.5 billion.

600: Income Security

The House resolution provided budget authority of $224.8 billion and outlays of $191.7 billion. The Senate amendment provided budget authority of $223.0 billion and outlays of $190 billion.

The conference substitute provides budget authority of $224.8 billion and outlays of $191.7 billion.

The conference substitute assumes an additional $0.1 billion of budget authority and $0.1 billion of outlays for anticipated costs related to the recent influx of refugees.

The Conferees are very concerned about the rapid growth of costs in the Trade Adjustment Assistance program. In the President's January budget, fiscal year 1980 costs of the program were estimated at $0.381 billion. The program is now projected to cost $1.44 billion—a 275 percent increase since January.

In a recent study, the General Accounting Office found serious problems in the design and effectiveness of the Trade Adjustment Assistance program. The Conferees believe that reforms to reduce costs are urgently needed in the program.

The Conferees urge the appropriate committees to evaluate program modifications and/or alternatives which will better assist displaced workers to make the transition to other employment where their skills and experience are needed.

700: Veterans Benefits and Services

The House resolution provided budget authority of $21.0 billion and outlays of $20.3 billion. The Senate amendment provided budget authority of $21.2 billion and outlays of $20.5 billion.

The conference substitute provides budget authority of $21.2 billion and outlays of $20.5 billion.

750: Administration of Justice

The House resolution provided budget authority of $4.3 billion and outlays of $4.4 billion. The Senate amendment provided budget authority of $4.2 billion and outlays of $4.4 billion.

The conference substitute provides budget authority of $4.3 billion and outlays of $4.4 billion.

800: General Government

The House resolution provided budget authority of $4.5 billion and outlays of $4.4 billion. The Senate amendment provided budget authority of $4.5 billion and outlays of $4.4 billion.

The conference substitute provides budget authority of $4.5 billion and outlays of $4.4 billion.

850: General Purpose Fiscal Assistance

The House Resolution provided budget authority of $8.8 billion and outlays of $8.8 billion. The Senate amendment provided budget authority of $8.3 billion and outlays of $8.3 billion.

The conference substitute provides budget authority of $8.55 billion and outlays of $8.55 billion.

900: Interest

The House resolution provided budget authority of $65.1 billion and outlays of $65.1 billion. The Senate amendment provided budget authority of $65.1 billion and outlays of $65.1 billion.

The conference substitute provides budget authority of $65.5 billion and outlays of $65.5 billion.

920: Allowances

The House resolution provided budget authority of $1.0 billion and outlays of $0.9 billion. The Senate amendment provided no budget authority or outlays in this function, but instead allocated these amounts among the appropriate functions.

The conference substitute provides budget authority of $0.0 billion and outlays of $0.0 billion.

950: Undistributed Offsetting Receipts

The House resolution provided budget authority of −$22.3 billion and outlays of −$22.3 billion. The Senate amendment provided budget authority of −$22.3 billion and outlays of −$22.3 billion.

The conference substitute provides budget authority of −$22.3 billion and outlays of of −$22.3 billion.

CREDIT BUDGET

For the first time, the House and Senate-passed Budget Resolutions included aggregate targets for the appropriate level of Federal credit activity. The conference substitute provides $63.9 billion for new direct loan obligations and $79.6 billion for new primary loan guarantee commitments (shown in table below.)

CREDIT BUDGET

[In billions of dollars]

Credit budget	House resolution	Senate resolution	Conference substitute
New direct loan obligations:			
On-budget agencies	35.3	38.1	38.1
Off-budget agencies	25.3	25.8	25.8
Total, new direct loan obligations	60.6	63.9	63.9
New loan guarantee commitments	79.6	77.0	79.6
Total, credit budget	140.2	140.9	143.5

The conference substitute also includes sense of the Congress language which encourages the President and the Congress, through the Appropriations process, to limit off-budget lending activity in fiscal year 1981 to $25.8 billion.

CONFERENCE AGREEMENT ON RECONCILIATION AND OTHER SAVINGS

Fiscal Year 1981

The conference substitute includes reconciliation instructions directing 8 House and 9 Senate authorizing committees to report legislation to achieve savings in fiscal year 1981. These savings are necessary for the committees to remain within their spending limits contemplated in the resolution.

The following committees are affected.

[In billions of dollars]

	Budget authority	Outlays
House committee:		
Ways and Means	−0.7	−2.0
Interstate and Foreign Commerce	−.2	−.4
Post Office and Civil Service	−1.0	−1.0
Public Works and Transportation	−.6	−.75
Education and Labor	−.85	−.85
Armed Services	−.4	−.4
Small Business	−.8	−.6
Veterans Affairs	−.4	−.4
Total	+ −4.95	−6.4
Senate committee:		
Armed Services	−.4	−.4
Finance	−.9	−2.2
Labor and Human Resources	−.35	−.45
Governmental Affairs	−.5	−.5
Veterans Affairs	−.2	−.4
Environment and Public Works	−.3	.7
Agriculture, Nutrition and Forestry	−.5	−.5
Small Business	−.8	−.6
Commerce, Science and Transportation	−.3	−.15
Corresponding savings assumed in the jurisdiction of the Appropriations or Public Works Committees	−.7	−1.2
Total	−4.95	−6.4

Fiscal Year 1980

In addition, the conference substitute includes a reconciliation directive in fiscal year 1980 to the House and Senate Appropriations Committees to report savings of $3.0 billion in budget authority and $1.0 billion in outlays.

[In billions of dollars]

	Budget authority	Outlays
House appropriations	−3	−1
Senate appropriations	−3	−1

BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES FISCAL YEAR 1981

[In billions of dollars]

	House-passed	Senate-passed	Conference substitute
Revenues	613.8	613.2	613.8
Budget authority	694.6	688.2	697.2
Outlays	611.8	613.1	613.3
Surplus	2.0	.1	.5
Debt subject to limit	926.8	927.7	934.4
050—National defense:			
Budget authority	160.8	173.4	171.3
Outlays	147.9	155.7	153.7
150—International affairs:			
Budget authority	24.0	23.3	23.6
Outlays	9.6	9.5	9.5
250—General science space and technology:			
Budget authority	6.7	6.4	6.5
Outlays	6.3	6.1	6.1
270—Energy:			
Budget authority	7.5	3.8	6.6
Outlays	7.1	6.8	6.8
300—Natural resources and environment:			
Budget authority	12.0	11.5	11.7
Outlays	12.4	11.9	12.1
350—Agriculture:			
Budget authority	5.4	5.6	5.5
Outlays	2.3	2.3	2.3
370—Commerce and housing credit:			
Budget authority	5.1	5.4	5.1
Outlays	−.1	.5	
400—Transportation:			
Budget authority	22.8	19.75	22.0
Outlays	19.5	18.05	18.65
450—Community and regional development:			
Budget authority	9.0	8.8	8.8
Outlays	9.4	9.2	9.2
500—Education, training, employment, and social services:			
Budget authority	33.3	28.9	31.5
Outlays	30.7	28.0	29.5
550—Health:			
Budget authority	71.5	70.7	71.1
Outlays	61.8	61.7	61.7
600—Income security:			
Budget authority	252.1	245.2	249.3
Outlays	220.1	218.2	219.35
700—Veterans benefits and services:			
Budget authority	21.7	21.85	21.7
Outlays	21.2	21.25	21.2
750—Administration of justice:			
Budget authority	4.2	4.3	4.2
Outlays	4.6	4.6	4.6
800—General government:			
Budget authority	4.7	4.6	4.6
Outlays	4.6	4.3	4.3
850—General purpose fiscal assistance:			
Budget authority	6.2	7.2	6.2
Outlays	6.8	7.5	6.8
900—Interest:			
Budget authority	72.2	72.2	72.2
Outlays	72.2	72.2	72.2
920—Allowances:			
Budget authority		NA	
Outlays		NA	
950—Undistributed offsetting receipts:			
Budget authority	−24.6	−24.7	−24.7
Outlays	−24.6	−24.7	−24.7

BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES, FISCAL YEAR 1980

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Revenues	528.8	528.9	525.7
Budget authority	660.3	653.7	657.45
Outlays	571.6	566.4	572.25
Surplus	42.8	37.5	46.55
Debt Subject to limit	896.7	895.1	903.2
050—National defense:			
Budget authority	142.5	143.7	143.7
Outlays	134.2	134.0	135.7
150—International affairs:			
Budget authority	15.8	15.2	15.2
Outlays	10.7	9.9	10.5
250—General science, space, and technology:			
Budget authority	6.1	6.2	6.2
Outlays	5.9	5.9	5.9
270—Energy:			
Budget authority	40.3	37.9	38.4
Outlays	6.4	6.5	6.4
300—Natural resources and environment:			
Budget authority	12.3	12.2	12.3
Outlays	13.2	12.9	13.2
350—Agriculture:			
Budget authority	5.0	5.0	5.0
Outlays	5.9	5.9	5.9
370—Commerce and housing credit:			
Budget authority	11.6	11.7	11.7
Outlays	6.1	5.5	6.1
400—Transportation:			
Budget authority	21.0	19.7	20.2
Outlays	20.1	19.5	20.1
450—Community and regional development:			
Budget authority	8.7	8.6	9.2
Outlays	9.2	9.1	9.7
500—Education, training, employment, and social services:			
Budget authority	29.9	29.3	29.6
Outlays	30.1	29.9	29.9
550—Health:			
Budget authority	59.9	59.8	59.8
Outlays	56.5	56.5	56.5
600—Income security:			
Budget authority	224.8	223.0	224.8
Outlays	191.7	190.0	191.7
700—Veterans benefits and services:			
Budget authority	21.0	21.2	21.2
Outlays	20.3	20.5	20.5
750—Administration of justice:			
Budget authority	4.3	4.2	4.3
Outlays	4.4	4.4	4.4
800—General government:			
Budget authority	4.5	4.5	4.5
Outlays	4.4	4.4	4.4
850—General purpose fiscal assistance:			
Budget authority	8.8	8.3	8.55
Outlays	8.8	8.3	8.55
900—Interest:			
Budget authority	65.1	65.5	65.1
Outlays	65.1	65.5	65.1
920—Allowances:			
Budget authority	1.0	NA	
Outlays	.9	NA	
590—Undistributed offsetting receipts:			
Budget authority	−22.3	−22.3	−22.3
Outlays	−22.3	−22.3	−22.3

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(A) OF THE CONGRESSIONAL BUDGET ACT

[In millions of dollars]

		Fiscal year 1980	
		Budget authority	Outlays
050	National defense	144, 498	136, 498
150	International affairs	10, 908	10, 942
250	General science, space, and technology	6, 197	5, 897
270	Energy	25, 253	6, 453
300	Natural resources and environment	14, 109	15, 069
350	Agriculture	4, 962	1, 595
370	Commerce and housing credit	6, 859	4, 558
400	Transportation	10, 848	20, 593
450	Community and regional development	8, 963	9, 584
500	Education, training, employment, and social services	28, 834	29, 887
550	Health	31, 747	31, 620
600	Income security	63, 797	44, 658
700	Veterans benefits and services	20, 591	20, 417
750	Administration of justice	4, 304	4, 408
800	General government	7, 426	7, 269
850	General purpose fiscal assistance	7, 406	7, 371
900	Interest	0	1
	Committee total	396, 702	356, 821

NOT ALLOCATED TO COMMITTEES

050	National defense	−659	−659
150	International affairs	−8, 678	−8, 678
250	General science, space, and technology	−3	−3
270	Energy	−1, 866	−1, 866
300	Natural resources and environment	−2, 329	−2, 329
350	Agriculture	−63	−63
370	Commerce and housing credit	−292	−292
400	Transportation	−464	−464
450	Community and regional development	−294	−294
500	Education, training, employment, and social services	−12	−12
550	Health	−7, 980	−7, 980
600	Income security	−4, 066	−4, 066
700	Veterans benefits and services	−561	−561
750	Administration of justice	−12	−12
800	General government	−11, 307	−11, 307
850	General purpose fiscal assistance	−6, 960	−6, 960
900	Interest	−11, 112	−11, 114
950	Undistributed offsetting receipts	−22, 300	−22, 300
	Committee total	−78, 959	−78, 960

HOUSE AGRICULTURE COMMITTEE

300	Natural resources and environment	260	250
350	Agriculture	101	4, 368
450	Community and regional development	52	94
850	General purpose fiscal assistance	283	283
	Committee total	697	4, 995

HOUSE ARMED SERVICES COMMITTEE

050	National defense	−140	−140
	(New entitlement authority)	(30)	
	Committee total	−139	−140

HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE

150	International affairs	1, 342	−491
370	Commerce and housing credit	5, 057	1, 763
450	Community and regional development	38	46
500	Education, training, employment, and social services	[1]0	−4
600	Income security	118	6
700	Veterans benefits and services	0	22
800	General government	3	3
900	Interest	12	13
	Committee total	6, 569	1, 358

HOUSE DISTRICT OF COLUMBIA COMMITTEE

750	Administration of justice	8	9
850	General purpose fiscal assistance	20	40
	Committee total	28	49

HOUSE EDUCATION AND LABOR COMMITTEE

		Fiscal year 1980	
		Budget authority	Outlays
500	Education, training, employment, and social services	22	20
600	Income security	10	9
	Committee total	32	29

HOUSE FOREIGN AFFAIRS COMMITTEE

150	International affairs	11, 628	8, 727
370	Commerce and housing credit	7	7
600	Income security	261	147
	Committee total	11, 896	8, 881

HOUSE GOVERNMENT OPERATIONS COMMITTEE

800	General government	1	1
850	General purpose fiscal assistance	6, 855	6, 863
	Committee total	6, 856	6, 864

HOUSE ADMINISTRATION COMMITTEE

500	Education, training, employment, and social services	6	5
800	General government	45	75
	Committee total	51	80

HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE

270	Energy	13	13
300	Natural resources and environment	61	36
450	Community and regional development	389	220
800	General government	166	165
850	General purpose fiscal assistance	627	635
900	Interest	2	2
	Committee total	1, 257	1, 070

HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE

370	Commerce and housing credit	23	23
550	Health	5	5
600	Income security	4, 632	4, 905
850	General purpose fiscal assistance	5	5
	Committee total	4, 666	4, 939

HOUSE JUDICIARY COMMITTEE

370	Commerce and housing credit	17	22
600	Income security	7	2
750	Administration of justice	0	−5
800	General government	294	321
	Committee total	319	341

HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE

300	Natural resources and environment	140	116
370	Commerce and housing credit	22	12
400	Transportation	308	−27
850	General purpose fiscal assistance	4	4
	Committee total	474	106

HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE

370	Commerce and housing credit	8	8
550	Health	0	−28
600	Income security	23, 606	14, 224
800	General government	7, 868	7, 868
	Committee total	31, 482	22, 072

HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

270	Energy	15, 000	1, 800
300	Natural resources and environment	47	45
400	Transportation	9, 507	−3
450	Community and regional development	52	50
	Committee total	24, 606	1, 892

HOUSE SCIENCE AND TECHNOLOGY COMMITTEE

		Fiscal year 1980	
		Budget authority	Outlays
250	General science, space, and technology	6	6
300	Natural resources and environment	12	12
800	General government	[1]0	[1]0
	Committee total	18	18

HOUSE SMALL BUSINESS COMMITTEE

450	Community and regional development	1	0
	Committee total	1	0

HOUSE VETERANS' AFFAIRS COMMITTEE

700	Veterans benefits and services	1, 171	
	Committee total	1, 171	622

HOUSE WAYS AND MEANS COMMITTEE

500	Education, training, employment, and social services	749	4
550	Health	36, 028	32, 883
600	Income security	136, 435	131, 813
800	General government	4	4
850	General purpose fiscal assistance	309	309
900	Interest	76, 198	76, 198
	Committee total	249, 724	241, 212

[1] Less than $500,000.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(A) OF THE CONGRESSIONAL BUDGET ACT

[In millions of dollars]

HOUSE APPROPRIATIONS COMMITTEE

		Fiscal year 1981	
		Budget authority	Outlays
050	National defense	172, 127	154, 527
150	International affairs	15, 934	10, 854
250	General science, space, and technology	6, 498	6, 098
270	Energy	8, 482	6, 682
300	Natural resources and environment	13, 733	14, 175
350	Agriculture	5, 465	1, 852
370	Commerce and housing credit	4, 387	3, 431
400	Transportation	12, 516	19, 301
450	Community and regional development	8, 646	8, 930
500	Education, training, employment and social services	30, 664	29, 482
550	Health	35, 779	35, 384
600	Income security	67, 761	46, 228
700	Veterans benefits and services	21, 049	20, 963
750	Administration of justice	4, 205	4, 610
800	General government	7, 930	7, 657
850	General purpose fiscal assistance	5, 104	3, 985
	Committee total	420, 281	374, 160

NOT ALLOCATED TO COMMITTEES

050	National defense	−634	−634
150	International affairs	−11, 128	−11, 128
250	General science, space, and technology	−3	−3
270	Energy	−1, 888	−1, 888
300	Natural resources and environment	−2, 553	−2, 553
350	Agriculture	−67	−67
370	Commerce and housing credit	−232	−232
400	Transportation	−613	−613
450	Community and regional development	−321	−321
500	Education, training, employment, and social services	−9	−9
550	Health	−10, 359	−10, 359
600	Income security	−3, 309	−3, 309
700	Veterans benefits and services	−565	−565
750	Administration of justice	−13	−13
800	General government	−12, 443	−12, 443
850	General purpose fiscal assistance	−26	−26
900	Interest	−12, 918	−12, 918
950	Undistributed offsetting receipts	−24, 700	−24, 700
	Committee total	−81, 781	−81, 781

HOUSE AGRICULTURE COMMITTEE

		Fiscal year 1981	
		Budget authority	Outlays
300	Natural resources and environment	286	268
350	Agriculture	103	512
450	Community and regional development	34	215
850	General purpose fiscal assistance	320	320
	Committee total	743	1,318

HOUSE ARMED SERVICES COMMITTEE

050	National Defense	−192	−193
	(New entitlement authority)	(−138)	
	Committee total	−192	−193

HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE

150	International affairs	6,450	−471
370	Commerce and housing credit	886	−3,262
450	Community and regional development	39	44
500	Education, training, employment, and social services	[1] 0	1
600	Income security	295	0
700	Veterans benefits and services	0	2
800	General government	3	3
900	Interest	10	10
	Committee total	7,683	−3,673

HOUSE DISTRICT OF COLUMBIA COMMITTEE

750	Administration of justice	8	8
	Committee total	8	8

HOUSE EDUCATION AND LABOR COMMITTEE

500	Education training employment and social services	24	21
	(New entitlement authority)	(−350)	
600	Income security	11	11
	(New entitlement authority)	(−334)	
	Committee total	35	32

HOUSE FOREIGN AFFAIRS COMMITTEE

150	International affairs	12,344	10,244
	(New entitlement authority)	(55)	
370	Commerce and housing credit	7	7
600	Income security	266	174
	Committee total	12,617	10,426

HOUSE GOVERNMENT OPERATIONS COMMITTEE

		Fiscal year 1981	
		Budget authority	Outlays
800	General government	1	1
850	General purpose fiscal assistance	0	1,716
	Committee total	1	1,717

HOUSE ADMINISTRATION COMMITTEE

500	Education, training, employment, and social services	5	4
800	General government	35	9
	Committee total	40	14

HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE

270	Energy	15	15
300	Natural resources and environment	22	23
450	Community and regional development	350	280
800	General government	171	171
850	General purpose fiscal assistance	472	472
	Committee total	1,031	961

HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE

270	Energy	−9	−9
370	Commerce and housing credit	23	23
550	Health	5	5
600	Income security	5,203	5,311
850	General purpose fiscal assistance	5	5
	Committee total	5,228	5,336

HOUSE JUDICIARY COMMITTEE

370	Commerce and housing credit	18	17
600	Income security	9	2
750	Administration of justice	0	−5
800	General government	152	152
	Committee total	180	167

HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE

300	Natural resources and environment	157	132
370	Commerce and housing credit	0	7
400	Transportation	349	−34
850	General purpose fiscal assistance	4	7
	Committee total	509	111

HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE

		Fiscal year 1981	
		Budget authority	Outlays
370	Commerce and housing credit	9	9
550	Health	0	−45
600	Income security	25,978	16,192
	(New entitlement authority)	(−500)	
800	General government	8,745	8,745
	Committee total	34,732	24,901

HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

270	Energy	0	2,000
300	Natural resources and environment	42	42
400	Transportation	9,748	−4
450	Community and regional development	50	52
	Committee total	9,839	2,089

HOUSE SCIENCE AND TECHNOLOGY COMMITTEE

250	General science, space, and technology	5	5
300	Natural resources and environment	13	13
	Committee total	18	18

HOUSE SMALL BUSINESS COMMITTEE

450	Community and regional development	1	0
	Committee total	1	0

HOUSE VETERANS' AFFAIRS COMMITTEE

700	Veterans benefits and services	1,216	800
	(New entitlement authority)	(1,274)	
	Committee total	1,216	800

HOUSE WAYS AND MEANS COMMITTEE

500	Education, training, employment, and social services	816	0
550	Health	45,676	36,717
600	Income security	153,087	154,740
	(New entitlement authority)	(−450)	
800	General government	5	5
850	General purpose fiscal assistance	320	320
900	Interest	85,108	85,108
	Committee total	285,011	276,890

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[1] Less than 500,000.

SENATE COMMITTEE ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT

[In billions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
FISCAL YEAR 1980				
Appropriations Committee	396.7	356.8		
Agriculture, Nutrition, and Forestry Committee	.5	4.8	4.3	4.1
Armed Services Committee	−.1	−.1	12.0	12.0
Banking, Housing, and Urban Affairs Committee	6.6	1.2		(1)
Commerce, Science, and Transportation Committee	1.2	(2)	.2	.2
Energy and Natural Resources Committee	1.1	1.1	.1	.1
Environment and Public Works Committee	23.9	2.0		
Finance Committee	256.5	248.0	39.9	39.2
Foreign Relations Committee	11.9	8.9		
Governmental Affairs Committee	31.5	22.1		
Judiciary Committee	.3	.3	(3)	(3)
Labor and Human Resources Committee	4.7	4.9	3.9	3.8
Rules and Administration Committee	.1	.1		
Veterans' Affairs Committee	1.2	.8	13.5	13.4
Select Committee on Indian Affairs	.4	.2		
Select Committee on Small Business	(1)			
Not allocated to committees	−79.0	−79.0		
Total, budget	657.45	572.25	73.9	72.7

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
FISCAL YEAR 1981				
Appropriations Committee	420.1	375.2		
Agriculture, Nutrition, and Forestry Committee	.6	1.2	3.3	3.2
Armed Services Committee	−.2	−.2	13.5	13.5
Banking, Housing, and Urban Affairs Committee	7.7	−3.8		
Commerce, Science, and Transportation Committee	1.3	(4)	.2	.2
Energy and Natural Resources Committee	.9	.9	.1	.1
Environment and Public Works Committee	9.1	2.2		
Finance Committee	289.5	281.9	39.2	38.3
Foreign Relations Committee	12.6	10.4		
Governmental Affairs Committee	34.7	24.9		
Judiciary Committee	.2	.2	.1	.1
Labor and Human Resources Committee	5.2	5.4	3.7	3.6
Rules and Administration Committee	(5)	(4)		
Veterans' Affairs Committee	1.2	1.0	13.9	14.1
Select Committee on Indian Affairs	.4	.3		
Select Committee on Small Business	(1)			
Not allocated to committees	−86.2	−86.2		
Total budget	697.2	613.3	74.0	73.0

[1] Less than $5,000,000.
[2] Less than $25,000,000
[3] Less than $50,000,000.
[4] Less than $15,000,000.
[5] Less than $45,000,000.

Note: Details may not add to totals due to rounding.

R. N. GIAIMO,
JIM WRIGHT,
THOMAS L. ASHLEY,
PAUL SIMON,
JAMES JONES,
BILL NELSON,
DELBERT LATTA,
BARBER B. CONABLE, Jr.,
MARJORIE S. HOLT,
RALPH S. REGULA,
ELDON RUDD,
Managers on the Part of the House.

ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
LAWTON CHILES,
J. BENNETT JOHNSTON,
GARY HART,
J. J. EXON,
HENRY BELLMON,
PETE V. DOMENICI,
NANCY LANDON KASSEBAUM,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of a necessary absence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. KEMP (at the request of Mr. TRIBLE), for 60 minutes, today.

(The following Members (at the request of Mr. TRIBLE) to revise and extend their remarks and include extraneous material:)

Mr. MILLER of Ohio, for 30 minutes, today.

Mr. MICHEL, for 10 minutes, today.

Mr. TRIBLE, for 30 minutes, today.

Mr. CLEVELAND, for 15 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

Mr. CONTE, for 60 minutes, on June 12, 1980.

(The following Members (at the request of Mr. MICA) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MOAKLEY, for 5 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. TRIBLE) and to include extraneous matter:)

Mr. DICKINSON.

Mr. ASHBROOK in four instances.

Mr. MILLER of Ohio in three instances.

Mr. MICHEL in two instances.

Mr. BROYHILL.

Mr. COLLINS of Texas in three instances.

Mrs. HOLT.

Mr. QUAYLE.

Mr. DERWINSKI.

Mr. ROYER.

Mr. MOORHEAD of California.

Mr. SOLOMON.

Mr. HYDE in two instances.

Mr. ROUSSELOT in two instances.

Mr. LAGOMARSINO.

Mr. BEREUTER.

Mr. BUCHANAN.

Mr. LEE.

Mr. FRENZEL in three instances.

Mr. SYMMS.

Mr. RINALDO.

(The following Members (at the request of Mr. MICA) and to include extraneous matter:)

Mr. ROBERTS.

Mr. DRINAN.

Mr. IRELAND.

Mr. YATES.

Mr. MOORHEAD of Pennsylvania in 10 instances.

Mr. WOLFF in four instances.

Mr. FOUNTAIN.

Mr. OTTINGER.

Mr. FISHER.

Mr. RICHMOND.

Mr. SHANNON.

Mr. LONG of Maryland.

Mr. MOAKLEY.

Mr. SOLARZ.

Mr. BENNETT in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2224. An act to amend the Small Business Act to increase the solar energy and energy conservation loan program authorization, and for other purposes; to the Committee on Small Business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 662. An act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H.R. 2313. An act to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes;

H.R. 3807. An act to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change; and

H.R. 4088. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co. and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on May 21, 1980, present to the President, for his approval, a bill of the House of the following title:

H.R. 6081. An act to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

ADJOURNMENT TO WEDNESDAY, MAY 28, 1980

Mr. OBERSTAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 342, the 96th Congress, the House stands adjourned until 3 p.m. on Wednesday, May 28, 1980.

Thereupon (at 4 o'clock and 36 minutes p.m.), pursuant to House Concurrent Resolution 342, the House adjourned until Wednesday, May 28, 1980, at 3 p.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the fourth quarter of calendar year 1979 and the first and second quarters of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Alexander	1/6	1/7	New Zealand		150.00						150.00
	1/7	1/12	Australia		375.00						375.00
	1/12	1/13	Singapore		150.00						150.00
							[3] 5,440.26				5,440.26
Hon. Julian Dixon	1/8	1/9	France		200.00						200.00
	1/10	1/13	Niger		300.00						300.00
	1/13	1/16	Upper Volta		300.00						300.00
	1/16	1/18	Mali		150.00						150.00
	1/18	1/19	Senegal		150.00						150.00
							1,505.00				1,505.00
Hon. Jack Hightower	2/3	2/4	United Kingdom		230.00						230.00
	2/4	2/6	Saudi Arabia		51.00						51.00
	2/6	2/7	Pakistan		152.00						152.00
	2/7	2/8	India		150.00						150.00
							[3] 4,778.00				4,778.00
Hon. William Lehman	12/22	12/23	United States		50.00						50.00
	12/24	12/28	Hong Kong		328.00						328.00
	12/28	12/31	Philippines		225.00						225.00
	12/31	1/3	Singapore		282.00						282.00
	1/3	1/6	Indonesia		225.00						225.00
	1/6	1/9	Malaysia		225.00						225.00
	1/9	1/12	Thailand		225.00						225.00
	1/12	1/15	Korea		246.00						246.00
	1/15		United States		100.00						100.00
							2,321.50				2,321.50
Hon. Clarence Long	1/11	1/16	Nicaragua		200.00		499.00				699.00
Hon. Matthew McHugh	2/3	2/4	United Kingdom		230.00						230.00
	2/4	2/6	Saudi Arabia		51.00						51.00
	2/6	2/7	Pakistan		62.00						62.00
	2/7	2/8	India		102.00						102.00
							[3] 4,778.00				4,778.00
Hon. Clarence Miller	1/13	1/16	Venezuela		297.00		219.12				516.12
	1/16	1/19	Brazil		276.00		62.36		4.81		343.17
	1/19	1/20	Costa Rica		75.00		47.67		57.80		180.47
							[3] 959.52				959.52
Hon. John Myers	1/6	1/8	Korea		164.00		95.00				259.00
	1/8	1/11	Japan		270.00		8.36		7.17		285.53
	1/11	1/14	Indonesia		225.00		79.55				304.55
	1/14	1/16	Thailand		75.00		110.74		10.11		195.85
	1/16	1/19	China (PRC)		225.00		69.70		15.55		310.25
	1/19	1/21	Philippines		150.00		237.30				387.30
	1/21	1/23	Taiwan		150.00						150.00
							[3] 8,714.21				8,714.21
Hon. David Obey	2/3	2/4	United Kingdom		230.00						230.00
	2/4	2/6	Saudi Arabia		51.00						51.00
	2/6	2/7	Pakistan		152.00						152.00
	2/7	2/8	India		150.00						150.00
							[4] 4,778.00				4,778.00
Hon. Edward J. Patten	1/13	1/16	Venezuela		297.00		219 12				516.12
	1/16	1/19	Brazil		276.00		62.36		4.81		343.17
	1/19	1/20	Costa Rica		75.00		47.67		57.80		180.47
							[3] 959.52				959.52
Barbados—rental of coach							42.85				42.85
Hon. John Slack	1/9	1/14	Bahamas		585.00		52.50				637.50
	1/14	1/15	Cuba		84.00		40.00				124.00
	1/15	1/17	Dominican Republic		225.00						225.00
							597.00				597.00
George Allen	1/2	1/3	United States		50.00						50.00
	1/3	1/6	Nicaragua		300.00						300.00
	1/6	1/9	Dominican Republic		225.00						225.00
							859.44				859.44
	3/13	3/15	Germany		150.00						150.00
	3/15	3/16	Spain		75.00						75.00
	3/16	3/20	England		300.00						300.00
	3/20	3/22	Germany		225.00		1,496.00				1,721.00
							[3] 2,341.00				2,341.00

Footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Robert V. Davis		1/4	United States		50.00						50.00
	1/5	1/9	Japan		360.00						360.00
	1/9	1/11	Korea		246.00						246.00
	1/12	1/13	Hong Kong		186.00						186.00
	1/14	1/15	Philippines		75.00						75.00
	1/15	1/16	Guam		75.00						75.00
	1/16	1/22	United States		350.00						350.00
							[3] 2,838.00				2,838.00
Jim R. Fairchild	1/2	1/3	United States		50.00						50.00
	1/3	1/6	Nicaragua		300.00						300.00
	1/6	1/9	Dominican Republic		225.00						225.00
							859.44				859.44
Mel C. Greer	1/2	1/6	Spain		231.00						231.00
	1/6	1/9	Austria		282.00						282.00
	1/9	1/13	Italy		300.00						300.00
	1/13	1/16	Israel		225.00						225.00
							2,988.31				2,988.31
Dempsey B. Mizelle	1/9	1/14	Bahamas		585.00		52.50				637.50
	1/14	1/15	Cuba		84.00		40.00				124.00
	1/15	1/17	Dominican Republic		225.00						225.00
							597.00				597.00
John G. Osthaus	12/27/79	12/28	Hong Kong		82.00						82.00
	12/28	12/31	Philippines		225.00						225.00
	12/31	1/3/80	Singapore		282.00						282.00
	1/3	1/6	Indonesia		300.00						300.00
	1/6	1/9	Malaysia		225.00						225.00
	1/9	1/12	Thailand		225.00						225.00
	1/12	1/15	Korea		246.00						246.00
							3,671.20				3,671.20
Terry R. Peel		1/6	United States		50.00						50.00
	1/7	1/9	United Kingdom		250.00						250.00
	1/9	1/12	Germany		225.00						225.00
	1/12	1/13	Italy		75.00						75.00
	1/13	1/14	Greece		75.00						75.00
	1/14	1/15	Israel		75.00						75.00
	1/15	1/16	Italy		75.00						75.00
	1/16	1/17	Spain		75.00						75.00
							1,954.00				1,954.00
							[3] 2,539.83				2,539.83
Edwin F. Powers	1/5	1/9	Nicaragua		300.00						300.00
	1/9	1/11	Honduras		225.00						225.00
	1/11	1/16	Nicaragua		325.00						325.90
	1/16	1/18	Dominican Republic		150.00						150.00
							563.76				563.76
Edwin F. Powers	2/3	2/4	United Kingdom		230.00						230.00
	2/4	2/6	Saudi Arabia		51.00						51.00
	2/6	2/7	Pakistan		152.00						152.00
	2/7	2/8	India		150.00						150.00
							[3] 4,778.00				4,778.00
Austin G. Smith		1/4	United States		50.00						50.00
	1/5	1/9	Japan		360.00						360.00
	1/9	1/11	Korea		246.00						246.00
	1/12	1/13	Hong Kong		186.00						186.00
	1/14	1|15	Philippines		75.00						75.00
	1/15	1/16	Guam		75.00						75.00
	1/16	1/21	United States		300.00						300.00
							[3] 2,838.00				2,838.00
Donald P. Smith		1/6	United States		50.00						50.00
	1/7	1/9	United Kingdom		250.00						250.00
	1/9	1/12	Germany		225.00						225.00
	1/12	1/13	Italy		75.00						75.00
	1/13	1/14	Greece		75.00						75.00
	1/14	1/15	Israel		75.00						75.00
	1/15	1/16	Italy		75.00						75.00
	1/16	1/17	Spain		75.00						75.00
							1,954.00				1,954.00
							[3] 2,539.83				2,539.83
Charles W. Snodgrass	2/3	2/4	United Kingdom		230.00						230.00
	2/4	2/6	Saudi Arabia		51.00						51.00
	2/6	2/7	Pakistan		152.00						152.00
	2/7	2/8	India		150.00						150.00
							[3] 4,778.00				4,778.00
Hunter L. Spillan	1/2	1/6	Spain		231.00						231.00
	1/6	1/9	Austria		282.00						282.00
	1/9	1/13	Italy		300.00						300.00
	1/13	1/16	Israel		225.00		2,799.31				3,024.31
George A. Urian	1/2	1/6	Spain		231.00						231.00
	1/6	1/9	Austria		282.00						282.00
	1/9	1/13	Italy		300.00						300.00
	1/13	1/16	Israel		225.00						225.00
							2,988.31				2,988.31
David D. Welch	1/5	1/9	Nicaragua		300.00						300.00
	1/9	1/11	Honduras		225.00						225.00
	1/11	1/16	Nicaragua		325.00						325.00
							499.00				499.00
Committee total					23,884.00		80,699.24		158.05		104,741.29

Footnotes at end of table.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [3]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Stuart W. Angevine	1/18	2/1	Germany		1,031.25		1,879.00				2,910.25
Martin P. Heffren	1/18	2/1	Germany		1,031.25		1,879.00				2,910.25
Raymond P. Leffler	1/12	1/16	United Kingdom		488.75						
	1/16	1/20	Spain		302.50		1,877.00				2,668.25
Joseph Malyniak, Jr.	1/12	1/21	Germany		743.25						
	1/21	1/23	Switzerland		229.50		1,986.00				2,958.75
Victor R. Schaefer	1/12	1/21	Germany		715.75						
	1/21	1/23	Switzerland		178.50		2,033.00				2,927.25
Joe C. Sparks	1/12	1/16	United Kingdom		488.75						
	1/16	1/20	Spain		302.50		1,971.00				2,762.25
Committee total					5,512.00		11,625.00				17,137.00

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation furnished by military aircraft.

May 12, 1980.

JAMIE L. WHITTEN, Chairman.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Delegation to Africa, Nov. 16–27, 1979:											
Delegation control room expenses in Italy funded by Department of State	11/25	11/27	Italy								265.65
Delegation local transportation fundedjby Department of State											1,070,44
Participation in PCost Office and Civil Service ommittee trip, Aug. 5–18, 1979 (prorated share of local transportation and control room expenses):											
Evans, Congress Melvin H.	8/5	8/7	Japan								154.26
	8/7	8/10	Korea								71.71
	8/10	8/12	Hong Kong								288.85
	8/12	8/15	Thailand								150.11
	8/15	8/18	Singapore								363.11
Committee total											2,364.13
Appropriations Committee trip, Subcommittee on Foreign Operations:											
Emery, Congressman David F.	2/4	2/6	Saudi Arabia	171.44	51.00					171.44	51.00
Committee total					51.00						51.00

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

May 7, 1980.

MELVIN PRICE, Chairman.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
1980 1st quarter amendment:											
John J. Dooling	1/12	1/19	England	251.10	575.00					251.10	575.00
Kathryn L. Erickson	1/12	1/19	England	251.10	575.00					251.10	575.00
Albert A. Sayers	2/13	2/25	England	542.94	1,265.00	11.50	26.80			554.44	1,291.80
Committee total					2,415.00		26.80				2,441.80

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

May 6, 1980.

RICHARD BOLLING, Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4444. A letter from the Secretary of Housing and Urban Development, transmitting a report comparing the rents paid by tenants in low-income housing assisted under the U.S. Housing Act of 1937 with rents paid by tenants at the same income levels who are not occupying assisted housing, pursuant to section 2129(b) of Public Law 96-153; to the Committee on Banking, Finance and Urban Affairs.

4445. A letter from the Secretary of Agriculture, transmitting a report on the child care food program, pursuant to section 17(1)(4) of the National School Lunch Act, as amended (92 Stat. 3603); to the Committee on Education and Labor.

4446. A letter from the Chairman, National Commission for Employment Policy, transmitting a statement of principles the Commission feels should guide employment and training policy in the present recession; to the Committee on Education and Labor.

4447. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 80-53), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4448. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Japan (Transmittal No. 80-65), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4449. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly reports of receipts and expenditures for the period January 1 through March 31, 1980, pursuant to section 105(a) of Public Law 88–454, as amended (H. Doc. No. 96–317); to the Committee on House Administration and ordered to be printed.

4450. A letter from the Controller, Boys' Clubs of America, transmitting the organization's audited financial report for calendar year 1979, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

4451. A letter from the Comptroller General of the United States, transmitting a report on the petrochemical industry's need for a petroleum and natural gas fedstock allocation program (EMD–80–39, May 21, 1980); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. House Resolution 678. Resolution providing for the consideration of H.R. 7262. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes (Rept. No. 96–1047). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 679. Resolution providing for the consideration of H.R. 6154. A bill to regulate commerce, promote energy self-sufficiency, and protect the environment, by establishing procedures for the location, construction, and operation of ocean thermal energy conversion facilities and plantships to produce electricity and energy-intensive products off the coasts of the United States; to amend the Merchant Marine Act, 1936, to make available certain financial assistance for construction and operation of such facilities and plantships; and for other purposes. (Rept. No. 96–1048). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. H.R. 7428. A bill to extend the present public debt limit through June 30, 1980 (Rept. No. 96–1049). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 7171. A bill to make certain miscellaneous changes in the tax laws; with amendment (Rept. No. 96–1050). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN (for himself and Mr. Conable):

H.R. 7428. A bill to extend the present public debt limit through June 30, 1980; to the Committee on Ways and Means.

By Mr. ARCHER (by request) (for himself, Mr. Conte, Mr. Mavroules, and Mr. Roe):

H.R. 7429. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to manufacturers for certain payroll costs paid or incurred during the first 3 years of the employment of an employee; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 7430. A bill to terminate all price support programs for tobacco beginning with the 1981 crop of tobacco; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. HARRIS:

H.R. 7431. A bill to direct the Administrator of the Environmental Protection Agency to make grants to the Upper Occoquan Sewage Authority to reimburse such authority for a portion of the costs incurred by such authority in constructing its advanced waste water treatment plant in the Occoquan Reservoir watershed area in Fairfax County, Va., and to pay 25 percent of the costs of operating and maintaining such plant; to the Committee on Public Works and Transportation.

By Mr. LUNDINE:

H.R. 7432. A bill to direct the Secretary of Agriculture to release the condition requiring that a parcel of land conveyed to New York State be used for public purposes and to convey U.S. mineral interests in the parcel to New York State; to the Committee on Agriculture.

By Mr. McKAY:

H.R. 7433. A bill to provide for the payment of losses incurred as a result of the boycott by the United States of the 1980 summer Olympics games, and for other purposes; to the Committee on the Judiciary.

By Mr. MOAKLEY:

H.R. 7434. A bill to provide for the establishment of the Boston African American National Historic Site in the Commonwealth of Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 7435. A bill to amend title 10, United States Code, to remove the requirement that an individual have two academic years remaining at an educational institution to be eligible for advance training in a Senior Reserve Officers' Training Corps program at such institution; to the Committee on Armed Services.

By Mr. REUSS:

H.R. 7436. A bill to encourage exports by facilitating the formation and operation of export trading companies, export trading associations, and the expansion of export trade services generally; jointly, to the Committees on Foreign Affairs, Banking, Finance, and Urban Affairs, the Judiciary, and Ways and Means.

By Mr. SEBELIUS:

H.R. 7437. A bill to require the U.S. Government and persons carrying on Federally assisted programs, projects, and activities to pay interest to business concerns for overdue sales and lease agreement payments; to the Committee on Government Operations.

H.R. 7438. A bill to establish the Mount St. Helens National Monument in the State of Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STENHOLM:

H.R. 7439. A bill to amend the Internal Revenue Code of 1954 to exempt from the crude oil windfall profit tax certain interest acquired by institutions of higher education after January 21, 1980; to the Committee on Ways and Means.

By Mr. THOMAS:

H.R. 7440. A bill to amend title I of the Elementary and Secondary Education Act of 1965 to permit the Secretary of Education to waive the requirements of subsections (c), (d), or (e) of section 126 of such act in the case of any local educational agency which is participating in an experimental State program designed to consolidate State categorical educational programs in order to reduce the amount of time expended by State educational personnel for the administration of such programs and to increase local flexibility in the use of educational funds; to the Committee on Education and Labor.

By Mr. TRIBLE (for himself and Mr. Bennett):

H.R. 7441. A bill to increase the pay and allowances and certain special and incentive pays of members of the uniformed services; to the Committee on Armed Services.

By Mr. WOLFF (for himself, Mrs. Fenwick, Mr. Hall of Ohio, Mr. Solarz, Mr. Pritchard, Mr. Dornan, and Mr. Biaggi):

H. Con. Res. 346. Concurrent resolution calling on the President of the United States to proclaim the week of July 21–27, 1980, as "Afghanistan Relief Week," to focus the attention and concern of the American people and the world community on the need to assist the Afghan refugees in their struggle for survival; to the Committee on Post Office and Civil Service.

By Mr. CLEVELAND (for himself, Mr. Horton, Mr. Frenzel, Mr. Leach of Iowa, Mr. Solomon, Mrs. Fenwick, Mr. Nedzi, Mr. Clay, Mr. Green, Mr. Forsythe, Mr. Kindness, Mr. Edgar, Mr. Royer, Mr. Whitehurst, Mr. Derwinski, Mr. Corcoran, Mr. Regula, Mrs. Snowe, Mr. Gradison, Mr. Conable, Mr. Steed, Mr. Fithian, Mr. Erlenborn, Mr. Whittaker, Mr. Burgener, Mr. Fazio, Mr. Hughes, Mr. Collins of Texas, Mr. Lungren, Mr. Van Deerlin, Mr. Gilman, Mr. Livingston, Mr. Porter, Mr. McEwen, Mr. Erdahl, Mr. Badham, Mr. Fisher, Mr. Downey, Mr. Ottinger, Mr. Findley, Mr. Tauke, Mr. Wydler, and Mr. Wampler):

H. Res. 681. Resolution amending rule X of the Rules of the House of Representatives to limit the number of subcommittees of standing committees of the House and to limit the number of subcommittees on which members may serve; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

476. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Massachusetts, relative to persecution of Christians in Turkey; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 7442. A bill for the relief of Maria de Jesus Castro; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 7443. A bill for the relief of Louie R. Lopez and Luke R. Lopez; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 204: Mr. Kramer, Mr. Daniel B. Crane, Mr. Beard of Rhode Island, Mr. Campbell, Mr. Goldwater, and Mr. Moorhead of California.

H.R. 3677: Mr. Van Deerlin, Mr. Won Pat, Mr. Archer, Mr. Downey, Mrs. Fenwick, Mr. Forsythe, Mr. Oberstar, Mr. Ottinger, Mr. Brown of Ohio, Mr. Mattox, and Mr. Weaver.

H.R. 5211: Mrs. Fenwick and Mr. Vander Jagt.

H.R. 5252: Mr. DAVIS of Michigan.

H.R. 5653: Mr. ASPIN and Mr. WAXMAN.

H.R. 5704: Mrs. BYRON, Mr. GRAY, and Mr. LEVITAS.

H.R. 5738: Mr. ERDAHL, Mr. COLLINS of Texas, Mr. LAGOMARSINO, Mr. ROUSSELOT, Mr. LOTT, and Mr. MADIGAN.

H.R. 5934: Mr. LEE and Mr. MITCHELL of Maryland.

H.R. 5965: Mr. KOGOVSEK, Mr. LOTT, Mr. HANCE, and Mr. CHENEY.

H.R. 6181: Mr. GARCIA, Mr. MURPHY of Pennsylvania, Mr. LEACH of Louisiana, Mr. WYATT, Mr. KILDEE, Mr. HARRIS, and Mr. SIMON.

H.R. 6544: Mr. DAVIS of Michigan.

H.R. 6637: Mr. WHITEHURST.

H.R. 6691: Mr. BENJAMIN, Mr. CARTER, Mr. CONTE, Mr. DOUGHERTY, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. FAUNTROY, Ms. FERRARO, Mrs. FENWICK, Mr. FINDLEY, Mr. FITHIAN, Mr. FROST, Mr. GRAY, Mr. HARKIN, Mr. HARRIS, Mr. HEFTEL, Mr. HOLLENBECK, Mr. KILDEE, Mr. LEACH of Iowa, Mr. LEDERER, Mr. LONG of Maryland, Mr. LUNDINE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. ROE, Mr. SKELTON, Mrs. SPELLMAN, Mr. TAUKE, Mr. VAN DEERLIN, Mr. WALGREN, Mr. WEAVER, Mr. WILLIAMS of Montana, Mr. WOLPE, and Mr. YATRON.

H.R. 6759: Mr. CARTER, Mr. DORNAN, Mr. ENGLISH, Mr. FAZIO, Mr. FITHIAN, Mr. MILLER of California, Mr. MOTTL, Mr. OBERSTAR, Mr. SKELTON, Mr. VAN DEERLIN, and Ms. MIKULSKI.

H.R. 7086: Mr. BARNES, Mr. PHILLIP BURTON, Mr. FAZIO, Mr. PEPPER, Mrs. SPELLMAN, and Mr. WHITEHURST.

H.R. 7211: Mr. WRIGHT, Mr. GRAMM, Mr. LEATH of Texas, and Mr. LOEFFLER.

H.R. 7248: Mr. PRITCHARD.

H.R. 7333: Mr. WHITEHURST, Mr. PORTER, and Mr. OTTINGER.

H.R. 7409: Mr. GUYER.

H.J. Res. 470: Mr. EVANS of Delaware, Mr. CARR, Mr. FOLEY, Mr. HAMMERSCHMIDT, Mr. HANCE, Mrs. HECKLER, Mr. KASTENMEIER, Mr. NATCHER, Ms. OAKAR, Mr. OTTINGER, Mr. RANGEL, Mr. WAMPLER, Mr. WOLFF, and Mr. YOUNG of Missouri.

PETITIONS, ETC.

Under clause 1 of rule XXII,

357. The SPEAKER presented a petition of the annual meeting of the Pennsylvania Credit Union League, Pittsburgh, Pa., relative to inflation, which was referred to the Committee on Banking, Finance and Urban Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7325

By Mr. FUQUA:

—On page 31, line 10, strike out ", terminating the International Solar Polar Mission." and insert in lieu thereof the following: "from non-Space Shuttle related Research and Development.".

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

> (b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the first calendar quarter 1980:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19....... ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report. ◄

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[Omitted in printing]

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A. Linda J. Freeman, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C 20006.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue, Suite 1000, Washington, D.C. 20037.

B. Daisy Schott, 1 North Ravine Road, Great Neck, N.Y. 11023; et al.

A. Charlotte Friedman, American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

B. American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

A. Margery Sinder Friedman, 1800 M Street NW., Suite 800–N, Washington, D.C. 20036.

B. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800–N, Washington, D.C. 20036.

A. Charles H. Fritts, 2009 North 14th Street, Suite 600, Arlington, Va. 22201.

B. New Bedford Seafood Council, Inc., 60 North Water Street, New Bedford, Mass. 02740.

A. Fulton Energy, 2833 Maple Lane, Fairfax, Va. 22030.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Committee on Truck Shippers, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Ginger Gardner, Charter Oil Co., 2550 M Street NW., Washington, D.C. 20037.

B. Charter Oil Co., 208 Laura Street, Jacksonville, Fla. 32202.

A. Sherwin Gardner, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue, NW., Suite 800, Washington, D.C. 20007.

A. E. June Garvin, Ohio Petroleum Council, 88 East Broad, Suite 1960, Columbus, Ohio 43215.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Washington, D.C. 20036.

B. Ak Chin Indian Community, Route 1, Box 12, Maricopa, Ariz. 85239.

A. Gerard, Byler & Associates, 1100 17th Street NW., Washington, D.C. 20036.

B. Inter-Tribal Council of Arizona, 124 West Thomas Road, Phoenix, Ariz.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Washington, D.C. 20036.

B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Papago Tribe of Arizona, Box 837, Sells, Ariz. 85634.

A. Thomas F. Gibson, Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

B. National Employment Law Project, 236 Massachusetts Avenue NE., No. 505, Washington, D.C. 20002.

A. Michael S. Gordon, Mittelman & Gordon, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Dellwood Foods, Inc., 170 Saw Mill River Road, Yonkers, N.Y. 10701.

A. Robert K. Gray, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Distilled Spirits Council of the United States, Washington D.C.).

A. Robert K. Gray, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Health Insurance Association of America, Washington, D.C.).

A. James R. Greco, Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

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A. Edward F. Greissing, Jr., The Upjohn Co., 1660 L Street NW., No. 205, Washington, D.C. 20036.

B. The Upjohn Co., 7000 Portage Road, Kalamazoo, Mich. 49001.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

B. John Hancock Mutual Life Insurance Co., P.O. Box 111, Boston, Mass. 02117

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

B. Phoenix Mutual Life Insurance Co., 1 American Row, Hartford, Conn. 06115.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

B. The Travelers, 1 Tower Square, Hartford, Conn. 06115.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

B. Western Conference of Teamsters Pension Trust Fund, P.O. 7880, San Francisco, Calif. 94102.

A. Nina G. Gross, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Jerome R. Gulan, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006

A. Jerome R. Gulan, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

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A. Donald M. Haines, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.

B. American Energy, Inc., Forman, N.D. 58032.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.

B. New England Mutual Life Insurance Co., 501 Boylston Street, Boston, Mass. 02117.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.

B. Tobacco Tax Council, P.O. Box 8269, 5407 Patterson Avenue, Richmond, Va. 23226.

A. Jerry M. Hamorit, Melrod, Redman & Gartlan, 1801 K Street NW., Suite 1100 K, Washington, D.C. 20006.

B. Melrod, Redman & Gartlan, 1801 K Street NW., Suite 1100 K, Washington, D.C. 20006 (for Georgetown Harbour Associates).

A. Shirley J. Hansen, American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

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A. Ralph R. Harding, 1475 West Hays, Boise, Idaho 83702.

B. AMPCO Foods, Inc., Box 592, Blackfoot, Idaho 83221.

A. Charles D. Hartman, Texaco, Inc., 1050 17th Street NW., Suite 500, Washington, D.C. 20036.

B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. Robert L. Healy, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Jay Hedlund, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.

B. State of Alaska, Anchorage, Alaska.

A. Lon H. Heibeck, 400 North Third Street, Harrisburg, Pa. 17101.

B. PA State Education Association, 400 North Third Street, Harrisburg, Pa. 17101.

A. Thomas R. Hendershot, Obermayer, Rebmann, Maxwell & Hippel, 2011 I Street Rebmann, Maxwell & Hippel, 2011 I Street

B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.

A. David Hessekiel, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Republic National Bank of New York, Fifth Avenue at 40th Street, New York, N.Y. 10018.

A. C. F. Hitchcock, P.O. Box 19375, 717 Dupont Circle Building, Washington, D.C. 20036.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006, and Whirlpool Corp., Benton Harbor, Mich. 49022.

A. Philip R. Hochberg, 1800 M Street NW., No. 800, S., Washington, D.C. 20036.

B. Vorys, Sater, Seymour & Pease, 1800 M Street NW., No. 800, S., Washington, D.C. 20036 (for Canadian Cablesystems, Ltd., P.O. Box 249; Toronto Dominion Center, Toronto, Canada M5K 1J5).

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Vinland National Center, 3675 Ihduhapi Trail, Loretto, Minn. 55357.

A. Richard F. Hohlt, U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

A. Holland & Knight, P.O. Box 1288, Tampa, Fla. 33601.

B. Sikes Corp., 608 Prospect, Lakeland, Fla. 33801.

A. John H. Holloman III, O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Coal Consumers Alliance, 414 Nicollet Mall, Minneapolis, Minn. 55401.

A. Houger, Garvey, Schubert, Adams & Barer, 1919 Pennsylvania Avenue NW., Suite 850, Washington, D.C. 20006.

B. Northwest Food Producers Association, c/o Rolla Halbert, P.O. Box 1976, Woodinville, Wash. 98072.

A. Houger, Garvey, Schubert, Adams & Barer, 1919 Pennsylvania Avenue NW., Suite 850, Washington, D.C. 20006.

B. TRAIN (Transportation by Rail for Agricultural & Industrial Needs), 1776 G Street NW., Washington, D.C. 20006.

A. Houger, Garvey, Schubert, Adams & Barer, 1919 Pennsylvania Avenue NW., Suite 850, Washington, D.C. 20006.

B. Washington Citizens for World Trade, Fourth and Battery Building, Suite 925, Seattle, Wash. 98121.

A. Marvin R. Hrubes, United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.

B. United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.

A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.

B. Cornell Oil Co., Suite 200, 5440 Harvest Hill Road, Dallas, Tex. 75230.

A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.

B. Sammons Enterprises, Inc., 403 South Akard, Dallas, Tex. 75202.

A. Harriet Hunt, 82 Second Street, San Francisco, Calif. 94105.

B. The Trust for Public Land, 82 Second Street, San Francisco, Calif. 94105.

A. Hunton & Williams, P.O. Box 1535, Richmond, Va. 23212.

B. The Business Roundtable, 200 Park Avenue, New York, N.Y. 10017.

A. Andrea L. Innes, Coal Building, Washington, D.C. 20036.

B. National Coal Association, Coal Building, Washington, D.C. 20036.

A. Mercer L. Jackson, National Association of Real Estate Investment Trusts, Inc., 1101 17th Street, NW., Suite 700, Washington, D.C. 20036.

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A. Margo L. James, American Gas Association, 1515 Wilson Boulevard, Arlington, Virginia. 22209.

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A. Edna Woods Jones, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. H. Daniel Jones III, 1015 15th Street NW., Washington, D.C. 20005.

B. National Clay Pipe Institute, 1015 15th Street NW., Washington, D.C. 20005.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. Archer-Daniels-Midland Co., Decatur, Ill. 62525.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. Pullman-Swindell, 441 Smithfield Street, Pittsburgh, Pa., 15222.

A. Lawrence W. Katz, 8003 Westpark Drive, McLean, Va., 22102.

B. Satellite Business Systems, 8003 Westpark Drive, McLean, Va. 22102.

A. Lina E. Katz, 1111 19th Street NW., Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

A. David L. Keating, National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Vicki R. Keenan, 5597 Seminary Road, Apt. 1907-S, Falls Church, Va. 22041.

B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Donald Kellermann, 3001 Veazey Terrace, Washington, D.C. 20008.

B. Times Mirror Co., 1 Times Mirror Square, Los Angeles, Calif. 90053.

A. William Augustus Keyes, 1017 Massachusetts Avenue NE., Washington, D.C. 20002.

B. American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Earline A. Keyser, 7352 Lee Highway, Falls Church, Va. 22046.

B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Margaret A. Kimball, Route 1, Box 118A, Bealeton, Va. 22712.

B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. King & Spalding, 2500 Trust Co. Tower, Atlanta, Ga. 30303; 1800 M Street NW., Suite 825, Washington, D.C. 20036.

B. Palm Beach Civic Association, Inc., 235 South County Road, Palm Beach Fla., 33480.

A. Michael J. Kowalsky, Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

B. Cigar Association of America, 1120 19th Street NW., Washington, D.C. 20036.

A. Krivit & Krivit, 101 Duddington Place SE., Washington, D.C. 20003.

A. Krivit & Krivit, 101 Duddington Place SE., Washington, D.C. 20003.

B. City of Compton, Calif.

A. Kysor Industrial Corp., 1 Madison Avenue, Cadillac, Mich. 49601.

A. Phillip Ray Lackey, 823 15th Street NW., Washington, D.C. 20005.

B. International Masonry Institute, 823 15th Street NW., Washington, D.C. 20005.

A. Bruce C. Ladd Jr., 4406 Franklin Street, Kensington, Md. 20705.

B. Laclede Gas Co., 720 Olive Street, St. Louis, Mo. 63101.

A. Peter M. Lafen, 530 Seventh Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 530 Seventh Street SE., Washington, D.C. 20003.

A. Lane & Edson, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.

B. Council of State Housing Agencies, 1800 M Street NW., Washington, D.C. 20036.

A. R. Josh Lanier, 400 North Capitol Street, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Shellfish Insitute of Norh America, 400 North Capitol Street, Washington, D.C. 20001).

A. Wayne R. LaPierre, Jr., 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Kenneth A. Lazarus, 1625 K Street NW., Washington, D.C. 20006.

B. Boettcher & Co., Denver, Colo.

A. Lee, Toomey & Kent, 1200 18th Street NW., No. 812, Washington, D.C. 20036.

B. Towers, Perrin, Forster & Crosby, Inc., Center Square West, 1500 Market Street, Philadelphia, Pa. 19102.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Shellfish Institute of North America, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

A. William T. Lehner, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

B. Montgomery Ward & Co., Inc., 1 Montgomery Ward Plaza, Chicago, Ill. 60671.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Greater Boston Real Estate Board, 24 School Street, Boston, Mass. 02108.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. National Association of Small Business Investment Corp., 618 Washington Building, Washington, D.C. 20035.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Savings Banks Association of Massachusetts, 50 Congress Street, Boston, Mass. 02109.

A. Daniel W. Lenehan, 15 Brook Street, Cohasset, Mass. 02025.

B. The Boston Shipping Association, Inc., 223 Lewis Wharf, Boston, Mass. 02110.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Holy Cross Hospital, 15031 Rinaldi Street, Mission Hills, Calif 91345.

A. Charles L. Lewis, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

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A. Joseph M. Lichtenberg, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.

B. Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga., 30342 (for Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500, Atlanta, Ga. 30342.

A. Long, Aldridge, Heiner, Stevens & Sumner, 134 Peachtree Street, Suite 1900, Atlanta, Ga. 30303.

B. Cable Atlanta, Inc., 34 Peachtree Street, Suite 2900, Atlanta, Ga. 30303.

A. John Lonnquist, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. National Water Well Association, 500 West Wilson Bridge Road, Worthington, Ohio 43085.

A. Mary J. Lynch, Health Industry Manufacturers Association, 1030 15th Street NW., Suite 1100, Washington, D.C. 20005.

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A. Management Improvement Corp. of America, 617 Morehead Avenue, Durham, N.C. 27707.

B. Coalition to Save Our FICA Taxes, 5001 Seminary Road, Suite 310, Alexandria, Va. 22311.

A. Mike Masaoka, Suite 520, 900 17th Street NW., Washington, D.C. 20006.

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B. Toyota Motor Sales, U.S.A., Inc., Suite 703, 1899 L Street NW., Washington, D.C. 20036.

A. Bruce A. McAllister, Lorenz, Finn, Giardino & Lambos, 25 Broadway, Suite 1755, New York, N.Y. 10004.

B. New York Shipping Association, Inc., 80 Broad Street, New York, N.Y. 10004.

A. James R. McCaul, International Maritime Associates, Inc., 1800 K Street NW., Washington, D.C. 20006.

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A. Rose McCullough, Sierra Club, 715 South 14th Street, Lincoln, Nebr. 68508.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Patrick J. McDonough, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

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A. Christopher C. McGrath, New York State Petroleum Council, 551 Fifth Avenue, New York, N.Y. 10017.

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A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20036.

B. Mintz, Levin, Cohn, Glovsky & Popeo, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20036 (for Refuse Fuels, Inc., P.O. Box 83, Bradford, Mass. 01830).

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B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Lawrence C. Merthan, Zuckert, Scoutt & Rasenberger, 888 17th Street NW., Washington, D.C. 20006.

B. 3M Co., 3M Center, St. Paul, Minn. 55101.

A. Harold E. Mesirow, Lillick, McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Distribution Systems, Inc., 2950 Merced Street, San Leandro, Calif. 94577.

A. Joseph S. Miller, District No. 1, Pacific Coast District, MEBA, 444 North Capitol Street, Suite 800, Washington, D.C. 20001.

B. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, 444 North Capitol Street, Suite 800, Washington, D.C. 20001.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.

B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.

B. Evans Products Co., 1121 Southwest Salmon Street, P.O. Box 3295, Portland, Oreg. 97208.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.

B. Knoll Fine Chemicals, Inc., 120 East 56th Street, New York, N.Y. 10022.

A. John C. Morrison, 900 17th Street NW., Washington, D.C. 20006.

B. Vietnam Veteran Memorial Fund, Inc.

A. George R. Moses, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Northern California Naval Civilian Employees Council, P.O. Box 2321, Alameda, Calif.).

A. Law Offices of Timothy D. Naegele, Suite 1280, 1850 K Street NW., Washington, D.C. 20006.

B. Republic National Bank, Fifth Avenue at 40th Street, New York, N.Y. 10018.

A. Naman, Howell, Smith, Lee & Muldrow, 700 Texas Center, 900 Washington, Waco, Tex. 76703.

B. Cotton Farmers Association, 700 Texas Center, 900 Washington, Waco, Tex. 76703.

A. Bernard Nash, Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

A. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

A. National Coal Consumers' Alliance, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.

A. National Committee on Small Issue Industrial Development Bonds, Box 1, 900 South, 1800 M Street NW., Washington, D.C. 20036.

A. National Tour Brokers Association, Inc., 120 Kentucky Avenue, Lexington, Ky. 40502.

A. Sharon L. Nelson, Consumers Union of U.S., Inc., Suite 1033, 1511 K Street NW., Washington, D.C. 20005.

B. Consumers Union of U.S., Inc., 256 Washington Street, Mount Vernon, N.Y., 10550.

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B. Bill Newbold & Associates (for National Council on Synthetic Fuels Production), 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

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B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Morgan Norval, 1202 South Washington Street, Alexandria, Va. 22314.

B. Citizens Committee for the Right to Keep and Bear Arms, 1601 14th SE., Suite 151, Bellevue, Wash., 98004.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1140 19th Street NW., Suite 600, Washington, D.C. 20036.

B. Office of the Governor, Commonwealth of the Northern Mariana Islands, Saipan, Mariana Islands 96950.

A. Richard O'Brecht, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Borden, Inc., 277 Park Avenue, New York, N.Y. 10017.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., No. 800, Washington, D.C. 20006.

B. Government of Puerto Rico, La Fortleza, San Juan, P.R.

A. O'Connor & Hannon, 1919 Pennsylvania Avenue NW., No. 800, Washington, D.C. 20006.

B. Save Loring Committee, 222 Main Street, Limestone, Mass. 04750.

A. Joseph L. Ogiony, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street N.W., Washington, D.C. 20006.

A. Robert A. Olexy, Browning-Ferris Industries, 1023 North Lobdell, Baton Rouge, La. 70806.

B. Browning-Ferris Industries, 1023 North Lobdell, Baton Rouge, La. 70806.

A. Donald K. O'Neill, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.

B. TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. California Westside Farmers, Security Bank Building, 1060 Fulton Mall, Fresno, Calif.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Council on Energy Resource Tribes, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Dorchester Gas Corp., P.O. Box 31049, Dallas, Tex.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Holly Corp., 2001 Bryan Tower, Dallas, Tex. 75201.

A. Thomas J. Owens, 207 Olympic National Building, Seattle, Wash. 98104.

B. Dollar Savings Bank, Fourth & Smithfield Street, Pa. 15230; Washington Mutual Savings Bank, P.O. Box 834, Seattle, Wash. 98111.

A. Steven Jay Parcells, 5308 Willard Avenue, Chevy Chase, Md. 20015.

B. Save the Tallgrass Prairie, 4101 West 54th Terrace, Shawnee Mission, Kans. 66205.

A. Douglas L. Parker, 600 New Jersey Avenue NW., Washington, D.C. 20001.

B. Institute for Public Representation, 600 New Jersey Avenue NW., Washington, D.C. 20001.

A. Gordon A. Parker, Jr., 3400 Latouche, No. 201, Anchorage, Alaska 99504.

B. Alaska Telephone Association, 3400 Latouche, No. 201, Anchorage, Alaska 99504.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. OSG Bulk Ships, Inc., 1114 Avenue of the Americas, New York, N.Y. 10036.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. The Council of Energy Resource Tribes, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Mass Retailing Institute, Seventh Avenue, New York, N.Y. 10011.

A. Law Offices of Jack Pearce, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. California Synfuels Research Corp., Union Bank Tower, Suite 614, 21515 Hawthorne Boulevard, Torrance, Calif. 90503.

A. Frank Pecquex, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

A. Pension Rights Center, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. Pepper, Hamilton & Scheetz, 1776 F Street, Washington, D.C. 20006.

B. Amatex Corp., 1032 Starbridge Street, Box 228, Norristown, Pa. 19404.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

A. Pepper, Hamilton & Scheetz, 1776 F. Street NW., Washington, D.C. 20006.

B. Russian Travel Bureau, 20 East 46th Street, New York, N.Y. 10017.

A. Mark W. A. Phillips, The Confederated Tribes of Warm Springs, 507 Second Street NE., Washington, D.C. 20002.

B. The Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.

A. Mark W. A. Phillips, the Navajo Nation, 507 Second Street NE., Washington, D.C. 20002.

B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Phillips, Nizer, Benjamin, Krim & Ballon, 40 West 57th Street, New York, N.Y. 10019.

B. American Bobst Holdings, Inc., Harrison Avenue, Roseland, N.J.

A. W. R. Poage, 600 Edgewood, Waco, Tex. 76708.

B. Community of Brownwood, Tex.

A. Porter, Wright, Morris & Arthur, 1776 G Street NW., Suite 501, Washington, D.C. 20006.

B. Edison Electric Institute, 1111 Nineteenth Street NW., Washington, D.C. 20006.

A. John (Jay) Power, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organization, 815 16th Street NW., Washington, D.C. 20006.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Cruise-A-Home, Inc., DBA Polaris Corp., 1028 Norton Avenue, Everett, Wash. 98201.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Dravo Corp., Neville Island, Pittsburgh, Pa.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. St. Louis Ship, 611 E. Marceau Street, St. Louis, Mo. 63111.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Seattle Trust & Savings Bank, 804 Second Avenue, Seattle, Wash. 98104.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Yardarm Knot Corp., 17221 Palatine Avenue North, Seattle, Wash. 98133.

A. Gerald H. Pugh, Combined Insurance Co. of America, 5050 Broadway, Chicago, Ill. 60640.

B. Combined Insurance Co. of America, 5050 Broadway, Chicago, Ill. 60640.

A. Robert M. Purcell, American Association of Advertising Agencies, 1899 L Street NW., Washington, D.C. 20036.

B. American Association of Advertising Agencies, 200 Park Avenue, New York, N.Y. 10017.

A. Richard W. Rahn, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.

B. Grocery Manufacturers Association, Inc., 1010 Wisconsion Avenue NW., Washington, D.C. 20007.

A. Carol Raulston, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. James R. Readle, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 505 South Flower Street, Los Angeles, Calif. 90071.

A. Reed, Smith, Shaw & McClay, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Great Atlantic & Pacific Tea Co., 2 Paragon Drive, Montvale, N.J. 07645.

A. David M. Reicher, Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.

B. Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202 (for Smith Barney, Harris Upham & Co., Inc.).

A. Marvin Resnikoff, Sierra Club, Box 64, Station G, Buffalo, N.Y. 14213.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Forrest I. Rettgers, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Quincy Rodgers, General Instrument Corp., 1220 19th Street NW., Suite 405, Washington, D.C. 20036.

B. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.

B. Merrill Lynch International, Inc., 1 Liberty Plaza, 165 Broadway, New York, N.Y. 10080.

A. Roger & Wells, 200 Park Avenue, New York, N.Y. 10017.

B. Pan American World Airways, Inc., 200 Park Avenue, New York, N.Y. 10017.

A. Mark A. Root, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.

B. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036 (for Broadcast Music, Inc (BMI), 320 West 57th Street, New York, N.Y 10019).

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 818 Connecticut Avenue NW., Suite 300, Washington, D.C. 20006.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Burt Rosen, 499 South Capitol SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

A. Herman Max Ruth No. 71990–158, Box PBM (Federal Prisoner), Atlanta, Ga. 30315.

A. Lynn Ryan, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Thomas L. Sager, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.

B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.

A. St. Louis Ship, 611 East Marceau Street, St. Louis, Mo. 63111.

A. Whitney G. Sampson, 1100 17th Street NW., Washington, D.C. 20036.

B. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.

A. William Samuel, National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

A. Donald E. Santarelli, 2033 M Street NW., Suite 700, Washington, D.C. 20036.

B. Safari Club International, 5151 East Broadway, Tucson, Ariz. 85711.

A. Lori A. Saxon, American Council for Free Asia, 418 C Street NE., Washington, D.C. 20002.

B. American Council for Free Asia, 418 C Street NE., Washington, D.C. 20002.

A. Gerard F. Schiappa, Suite 905, 1730 M Street NW., Washington, D.C. 20036.

B. Building Development Counsel International, Inc., Suite 400, 1629 K Street NW., Washington, D.C. 20036.

A. Kenneth Schlossberg, Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20036.

B. National Frozen Food Association, 1019 19th Street NW., Washington, D.C. 20036.

A. Amy Schussheim, 815 16th Street NW., Washington, D.C. 20006.

B. Food & Beverage Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

A. Bari Schwartz Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

A. Schwartz & Connolly, Inc., 1815 H Street NW., Suite 650, Washington, D.C. 20006.

B. Owens-Illinois, Toledo, Ohio.

A. David H. Schwartz, Melrod, Redman & Gartlan, 1801 K Street NW., Suite 1100K, Washington, D.C. 20006.

B. Melrod, Redman & Gartlan, 1801 K Street NW., Suite 1100K, Washington, D.C. 20006 (for Georgetown Harbour Associates).

A. Tiberio Schwartz, Phillips, Nizer, Benjamin, Krim & Ballon, 40 West 57th Street, New York, N.Y. 10019.

B. American Bobst Holdings, Inc., Harrison Avenue, Roseland, N.J.

A. Michael Sciulla, BOAT/U.S., 880 South Pickett Street, Alexandria, Va. 22304.

B. Boat Owners Association of The United States, 880 South Pickett Street, Alexandria, Va. 22304.

A. Seattle Trust & Savings Bank, 804 Second Avenue, Seattle, Wash. 98104.

A. Sadie E. Seeley, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Service Station Dealers of America, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

A. Seifman & Lechner, 1207 Potomac Street NW., Washington, D.C. 20007.

A. Russell H. Shay, Sierra Club, 1107 Ninth Street, Sacramento, Calif. 95814.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y., 10017.

B. Allied Chemical, 1250 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Shearman & Sterling, 53 Wall Street, New York, N.Y. 10005.

B. Citibank N.A., 299 Park Avenue, New York, N.Y. 10043.

A. Donald S. Shook, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Carlton R. Sickles, 1003 K Street NW., Washington, D.C. 20001.

B. United Van Bus Delivery Co., Minneapolis, Minn.

A. Mark Silbergeld, Consumers Union of the United States, Inc., 1511 K Street NW., Suite 1033, Washington, D.C. 20005.

B. Consumers Union of the United States, Inc., 256 Washington Street, Mt. Vernon, N.Y. 10550.

A. Mark Simon, 815 16th Street NW., Washington, D.C. 20006.

B. Food & Beverage Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

A. David Peter Sloane, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.

B. William M. Mercer, Inc., 1211 Avenue of the Americas, New York, N.Y., 10036.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.

B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.

B. Republic of South Africa, 3051 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Smith & Pepper, 1776 K Street NW., Washington, D.C. 20006.

B. Southern Satellite Systems, Inc., P.O. Box 45684, Tulsa, Okla. 74145.

A. Suzanne J. Smith, 1660 L Street NW., Suite 201, Washington, D.C. 20036.

B. American Can Co., American Lane, Greenwich, Conn. 06830.

A. Fred Somers, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

A. Southern Satellite Systems Inc., P.O. Box 45684, Tulsa, Okla. 74145.

A. William A. Speary, Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

B. Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.

B. J. Ray McDermott and Co., Inc., 1010 Common Street, New Orleans, La. 70160.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.

B. Ocean Minerals Co., P.O. Box 4531, Mountain View, Calif. 94040.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.

B. Fred J. Russell, P.O. Box 54228, Los Angeles, Calif. 94040.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.

B. Zapata Corp., 711 Louisiana Avenue, Houston, Tex. 77001.

A. Samuel E. Stavisky, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.

B. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036 (for Broadcast Music, Inc. (BMI), 320 West 57th Street, New York, N.Y. 10019).

A. Mary E. Stenberg, American Personnel and Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

B. American Personnel and Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

A. Vern Stephens, 31 H Street, Suite 1, Bakersfield, Calif. 93304.

B. Cal-Fuelohol, Inc., 31 H Street, Suite 1, Bakersfield, Calif. 93304.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Eastern Central Motor Carriers Association, P.O. Box 3600, Akron, Ohio 44310; 2545 Bailey Road, Cuyahoga Falls, Ohio 44221.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Forest Industries Committee on Timber Valuation and Taxation, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Rule of Law Committee, Suite 800, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.

A. Lisa Stolp, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036 (For Continental Resources Co.).

A. George W. Stone, National Farmers Union, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers Educational and Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

A. Paul Suplizio Associates, 5001 Seminary Road, Suite 310, Alexandria, Va., 22311.

B. Coalition To Save Our FICA Taxes, 5001 Seminary Road, Suite 310, Alexandria, Va. 22311.

A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. U.S. Pipe and Foundry Corp., Birmingham, Ala.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Consumer Credit Insurance Association, 307 North Michigan Avenue, Chicago, Ill. 60601.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Lifetime Communities, Inc., 3740 Beach Boulevard, Suite 202, Jacksonville, Fla. 32207.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. National Home Life Assurance Co., Liberty Park, Frazer, Pa. 19355.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Wahington, D.C. 20006.

B. Process Gas Consumers Group, 1666 K Street NW., Suite 800, Washington, D.C. 20006.

A. Suzette Tapper, Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.

A. Charles A. Taylor, III, 499 South Capitol Street SW., No. 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill.

A. Dory Teipel, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.

B. Johns-Manville Co., P.O. Box 5108, Denver, Colo. 80217.

A. E. Wayne Thevenot, Thevenot, Murray & Scheer, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

A. Lawrence L. Thomas, 1740 Franklin Street, No. 3, San Francisco, Calif. 94109.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. John Joseph Tierney, Jr., 14913 Coles Chance Road, Gaithersburg, Md. 20760.

B. American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Timmons and Co., Inc., 1850 K Street NW., No. 850, Washington, D.C. 20006.

B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.

A. Burke A. Tracey, 2111 Jefferson Davis Highway, Apt. 1009-S, Arlington, Va. 22202.

A. Peter R. Troast, 530 Seventh Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 530 Seventh Street SE., Washington, D.C. 20003.

A. Rebecca C. True, Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

B. Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

A. The Trust for Public Land, 82 Second Street, San Francisco, Calif. 94105.

A. E. Carl Uehlein, Jr., 1800 M Street NW., Suite 800-N, Washington, D.C. 20036.

B. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800-N, Washington, D.C. 20036.

A. United Nations Carcinotisicparamesbioteticantigetic Research Plantatio(s), Route Two, Box Fourteen, Verenigden Staten van Amerika. 36874.

B. UNCRP Political Action Commission.

A. Van Ness, Feidman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. American President Lines, Ltd., 1950 Franklin Street, Oakland, Calif. 94612.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20015.

B. Dual Energy, Inc., 5001 East Washington Street, Suite 116, Phoenix, Ariz. 85034.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., 110 Wall Street, New York, N.Y. 10005.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.

B. Vinson & Elkins (for First City Bancorporation), 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. Continental Insurance Co., 80 Maiden Lane, New York, N.Y. 10036.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. St. Paul Fire & Marine Insurance Co., 385 Washington Street, St. Paul, Minn. 55102.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.

B. J. Paul McNamara, 88 East Broad Street, Columbus, Ohio 43215.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., No. 800 South, Washington, D.C. 20036.

B. National Hockey League, 1221 Avenue of the Americas, 14th Floor, New York, N.Y. 10020.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.

B. Virginia State University, Petersburg, Va. 23803.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.

B. The Wagnalls Memorial, Lithopolis, Ohio 43136.

A. Catherine Waelder, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Dresser Industries, 1100 Connecticut Avenue NW., Room 310, Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. First Chicago Corp., One First National Plaza, Chicago, Ill. 60670.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pullman-Kellogg, Division of Pullman, Inc., 1300 Three Greenway Plaza East, Houston, Tex. 77046.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pullman-Swindell, Division of Pullman, Inc., 441 Smithfield Street, Pittsburgh, Pa. 15222.

A. G. Fletcher Ward, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW. No. 530, Washington, D.C. 20036.

B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.

A. Ernest R. Warner, Jr., DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc. (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France), 1225 19th Street NW., Washington, D.C. 20036.

A. Washington Department of Ecology, Olympia, Wash.

A. Washington Energy Co., 815 Mercer, Seattle, Wash.

A. Judith G. Waxman, National Health Law Program, 1424 16th Street NW., Suite 304, Washington, D.C. 20036.

B. National Health Law Program, 2401 Main Street, Santa Monica, Calif. 90405.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Charles Stewart Mott Foundation, Mott Foundation Building, Flint, Mich. 48502.

A. John F. Webster, IBM Corp., 1801 K Street NW., Washington, D.C. 20006.

B. International Business Machines Corp., Old Orchard Road, Armonk, N.Y. 10504.

A. Michael D. Welch, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001. (for Gino Morena Enterprises, P.O. Box 191, South San Francisco, Calif. 94080).

A. Michael D. Welch, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier and Associates, 400 North Capitol Street, Washington, D.C. 20001. (for Northern California Naval Civilian Employees Council, P.O. Box 2321, Alameda, Calif.)

A. Joy Cherie West, 806 15th Street NW., Washington, D.C. 20005.

B. Migrant Legal Action Program, Inc, 806 15th Street NW., Washington, D.C. 20005.

A. Western Organization of Resource Councils, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. George S. Whaley, 1899 L Street NW., Washington, D.C. 20036.

B. Carl Byoir & Associates, Inc. (for Railway Progress Institute Tank Car Safety Committee, 700 North Fairfax Street, Alexandria, Va. 22314), 1899 L Street NW., Washington, D.C. 20036.

A. Josiah Wheat, 300 West Bluff Street, Woodville, Tex. 75979.

A. Ronald L. Whillock, Evans Products Co., 1121 Southwest Salmon Street, Portland, Oreg. 97205.
B. Evans Products Co., 1121 Southwest Salmon Street, Portland, Oreg. 97205.

A. John Thomas White II, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Donald W. Whitehead, 1620 I Street NW., Washington, D.C.
B. Emergent Technologies, Inc., 1050 Duane Avenue, Suite H, Sunnuvale, Calif. 94086.

A. Widett, Slater & Goldman, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Kansas Delaware Tribe of Indians, Inc., 1909 Aladdin, Norman, Okla. 73609.

A. Widett, Slater & Goldman, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Wabanex Energy Corp., Ltd., 759 Victoria Square, Montreal, Quebec H2Y 2K4 Canada.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
B. American Quasar Petroleum Co., 2500 Fort Worth National Bank Building, Fort Worth, Tex. 76102.

A. Margie R. Williams, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.

A. John W. Wilson, Solar Lobby, 1001 Connecticut Avenue NW., Suite 510, Washington, D.C. 20036.
B. Solar Lobby, 1001 Connecticut Avenue NW., Suite 510, Washington, D.C. 20036.

A. Kathleen J. Winn, Pennzoil Co., 1155 15th Street NW., Suite 602, Washington, D.C. 20005.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex., 77001.

A. Winston & Strawn, 2550 M Street NW., Suite 500, Washington, D.C. 20037.
B. American Association of Museums, 1055 Thomas Jefferson Street NW., Suite 428, Washington, D.C. 20007.

A. Wyman, Bautzer, Rothman, Kuchel & Silbert, Suite 580, The Watergate 600, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.

A. T. Albert Yamada, Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., Inc., Suite 703, 1899 L Street NW., Washington, D.C. 20036.

A. Yardarm Knot Corp., 17221 Palatine Avenue North, Seattle, Wash. 98133.

A. Edward R. Yawn, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

A. Carmen Young, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Hugh F. Young, Jr., National Paint & Coatings Association, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
B. National Paint & Coatings Association, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the first calendar quarter 1980:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report. ◄

AFFIDAVIT

[Omitted in printing]

PAGE 1 ◄

Note on Item "D."—(*a*) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(*b*) If This Report Is for an Employer.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(*c*) If This Report Is for an Agent or Employee.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. Receipts (Including Contributions and Loans):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

***Receipts* (other than loans)**

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)

6. $--------Total for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year

8. $--------Total from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).
9. $--------Total now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	***Name and Address of Contributor***
	(*"Period"* from Jan. 1 through ------------------, 19----)
$1,500.00	**John Doe, 1621 Blank Bldg., New York, N.Y.**
$1,785.00	**The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.**
$3,285.00	**Total**

Note on Item "E".—(*a*) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(*b*) If This Report Is for an Agent or Employee. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. Expenditures (Including Loans) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

***Expenditures* (other than loans)**

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures

9. $--------Total for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year

11. $--------Total from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).
12. $--------Total now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	***Date or Dates—Name and Address of Recipient—Purpose***
$1,750.00	**7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."**
$2,400.00	**7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.**
$4,150.00	**Total**

PAGE 2

A. Robert J. Aagre, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,276. E. (9) $188.75.

A. Thomas G. Abernethy, 3973 Stuart Place, Jackson, Miss. 39211.

B. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $197.54.

A. Albert E. Abrahams, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; and 925 15th Street NW., Washington, D.C. 20005.

D. (6) $5,875. E. (9) $1,262.04.

A. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.

D. (6) $34,695.38. E. (9) $4,484.26.

A. Actors Equity Association, 165 West 46th Street, New York, N.Y. 10036.

D. (6) $2,500. E. (9) $2,500.

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $6,400.02.

A. John J. Adams, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Ethyl Corp., 330 South Fourth Street, Richmond, Va.

A. John J. Adams, 1919 Pennsylvania Avenue NW., Suite 700, Washington, D.C. 20006.

B. VEPCO, Seventh and Franklin Streets, Richmond, Va.

D. (6) $765.

A. Kenneth R. Adams, Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.

B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.

D. (6) $300.

A. Raymond T. Adams, 1725 K Street NW., Suite 909, Washington, D.C. 20006.

B. The Superior Oil Co. and Superior Farming Co., 1725 K Street NW., Washington, D.C. 20006.

A. Thomas L. Adams, Jr., Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Hobson H. Adcock, 700 Anderson Hill Road, Purchase, N.Y. 10577.

B. PepsiCo., Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577.

D. (6) $600.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

D. (6) $12,466.74. E. $12,466.74.

A. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $4,450. E. (9) $7,926.77.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street, NW., Washington, D.C. 20005).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Donald G. Agger, DGA International, Inc,. 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 Rue la Boetie, Paris 8eme, France).

A. Robert S. Agman, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $791.66. E. (9) $40.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $12,970. E. (9) $12,970.

A. Randolf H. Aires, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $1,200. E. (9) $221.01.

A. G. Colburn Aker, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Alaska Interstate Co., 2200 Post Oak Tower, 5051 Westheimer Road, Houston, Tex. 77056.

D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Alaskan Petrochemical Co., 3700 Buffalo Speedway, Houston, Tex. 77098.

D. (6) $200.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. American Petroleum Partners, 350 North St. Paul, Dallas, Tex. 75201.

D. (6) $1,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. Brooklyn Industrial Development Corp., 2 Blemont Avenue, Rye, N.Y. 10580.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. City of Houston, City Hall, Houston, Tex. 77001.

D. (6) $15,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.

D. (6) $17,500. E. (9) $20.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Contract Carrier Conference, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $250.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. E & J Gallo Winery, P.O. Box 1130, Modesto, Calif. 95353.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Energol Corp., Inc., P.O. Box 81246, Seattle, Wash. 98108.

D. (6) $250.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.

D. (6) $7,500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. General Cryogenics, Inc., 2524 Rodney Lane, Dallas, Tex. 75229.

D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Goldston Oil Corp., P.O. Box 22568, Houston, Tex. 77027.

D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. Haskins & Sells, 1114 Avenue of the Americas, New York, N.Y. 10036.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. Leaseway Transportation Corp., 21111 Chagrin Boulevard, Cleveland, Ohio 44122.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. Louisiana Alcohol Fuel Co., 1102 Sixth Street, New Orleans, La. 70115.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. New Energy Corp. of Indiana, 1333 New Hampshire Avenue, No. 400, Washington, D.C. 20036.

D. (6) $25,000. E. (9) $10.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. Northwest Alaskan Pipeline Co., 1801 K Street NW., Washington, D.C. 20006.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. Northwest Pipeline Co., 314 East Second South, Salt Lake City, Utah 84111.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Ringling Bros. Barnum & Bailey Combined Shows, Inc., 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $250.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Saber Refining Co., 1700 Houston Natural Gas Building, Houston, Tex. 77002.
D. (6) $2,500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Shearson Loeb Rhoades, 15 Wall Street, Ninth Floor, New York, N.Y. 10005.
D. (6) $1,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Sun Co., Inc., 1608 Walnut Street, Philadelphia, Pa. 19013.
D. (6) $2,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Texas Bankers Association, 203 West Tenth Street, Austin, Tex. 78701.
D. (6) $1,500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Valley View Bank, P.O. Box 30100, Dallas, Tex. 75230.
D. (6) $1,500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Vickers Petroleum Corp., P.O. Box 2240, Wichita, Kans. 67201.
D. (6) $1,500. E. (9) $10.

A. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $43,164.51. E. (9) $39,888.35.

A. David Alberswerth, 1006 Massachusetts Avenue NE., Washington, D.C. 20002.
B. Western Organization of Resource Councils, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,548.

A. Joan H. Albert, National Association of Casualty and Surety Agents, 600 Pennsylvania Avenue SE., Suite 202, Washington, D.C. 20003.
B. National Association of Casualty and Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20015.
D. (6) $1,325. E. (9) $76.10.

A. James J. Albertine, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Air Florida, A.M.F.P.O. 592337, Miami, Fla. 33159.
D. (6) $1,500.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.
D. (6) $4,500.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Associated Industries of Florida, 203 South Adams Street, Tallahassee, Fla. 23202.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Brunswick Corp., One Brunswick Plaza, Skokie, Ill. 60076.
D. (6) $500.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Computer Sciences Corp., 650 North Sepulveda Boulevard, El Segundo, Calif. 90245.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Continental Group, Inc., One Harbor Plaza, Stamford, Conn.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Newspaper-Broadcaster Committee, P.O. Box 3412, San Francisco, Calif. 94119.
D. (6) $7,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va., 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.
D. (6) $1,500.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.
D. (6) $3,600.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.
D. (6) $3,000.

A. Alderson, Ondov, Leonard & Sween, 105 East Oakland Avenue, Austin, Minn. 55912.
B. The Hormel Foundation, Austin, Minn. 55912.
D. (6) $730. E. (9) $82.41.

A. Claude D. Alexander, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $260.29.

A. Donald C. Alexander, Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800-N, Washington, D.C. 20036.
D. (6) $60.

A. Donald C. Alexander, 1800 M Street NW., Suite 800-N, Washington, D.C. 20036.
B. Morgan, Lewis & Bockius, 1800 M Street NW, Suite 800-N, Washington, D.C. 20036.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $17.39.

A. Maxton M. Allcox, Brotherhood of Maintenance of Way Employes, 400 First Street NW., Room 801, Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $11,403.24.

A. Robert D. Allen, 2845 Summit Drive, Hillsborough, Calif. 94010.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $4,014.25.

A. Jonathan Alter, The Save the Dunes Council, 308 Second Street SE., Washington, D.C. 20003.
B. The Save the Dunes Council, Box 114, Beverly Shores, Ind. 46301.
D. (6) $2,250. E. (9) $649.94.

A. Richard H. Altman, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $1,099.99.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.
B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.
D. (6) $2,400. E. (9) $2,586.11.

A. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
E. (9) $288.84.

A. Robert S. Amdursky, Willkie Farr & Gallagher, 153 East 53d Street, New York N.Y.
B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $11,689.57. E. (9) $11,689.57.

A. American Advertising Federation, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $90.73.

A. American Arts Alliance, 424 C Street NE., Washington, D.C. 20002.
D. (6) $61,407.44. E. (9) $34,764.60.

A. American Association of Foundations for Medical Care, 11325 Seven Locks Road, Potomac, Md.

A. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
D. (6) $2,822. E. (9) $2,822.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa 17022.

A. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.
E. (9) $193.87.

A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $24,303.13. E. (9) $24,303.13.

A. American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Va. 22046.
D. (6) $476.70. E. (9) $5,216.91.

A. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., No. 201, Washington, D.C. 20006.
D. (6) $10,500. E. (9) $1,515.70.

A. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
E. (9) $1,849.46.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; 425 13th Street NW., Washington, D.C. 20004.
D. (6) $77,177. E. (9) $77,177.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $120,329.03.

A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,637.15. E. (9) $2,637.15.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.
D. (6) $4,840. E. (9) $2,836.90.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $11,836.44. E. (9) $4,879.40.

A. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.

A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
E. (9) $1,274.50.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $32,318.67. E. (9) $32,318.67.

A. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $55,752. E. (9) $65,613.30.

A. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
E. (9) $3,448.

A. American League for Exports and Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $19,804. E. (9) $19,804.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $735.39. E. (9) $4,305.01.

A. American Logistics Association, 5205 Leesburg Pike, No. 1213, Falls Church, Va. 22401.
D. (6) $550. E. (9) $500.

A. American Maritime Association, 17 Battery Place, New York, N.Y. 10004; 1612 K Street NW., Washington, D.C. 20006.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.
D. (6) $4,918.08. E. (9) $4,918.08.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,265. E. (9) $26,637.42.

A. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
E. (9) $869.84.

A. American Nuclear Energy Council, 410 First Street, SE., Washington, D.C.
D. (6) $4,461.85. E. (9) $78,845.60.

A. American Nurses' Association, 2420 Pershing Road., Kansas City, Mo. 64108.
D. (6) $10,222.10. E. (9) $10,222.10.

A. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $991.22. E. (9) $991.22.

A. American Orthotic & Prosthetic Association, 1444 N Street NW., Washington, D.C. 20005.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $221,241. E. (9) $153,914.

A. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
E. (9) $13,674.14.

A. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $2,845,591.18. E. (9) $125,336.74.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $5,419.74. E. (9) $5,419.74.

A. American Society for Medical Technology, 1725 DeSales Street N.W., Washington, D.C. 20036.
D. (6) $2,300. E. (9) $2,227.

A. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $39,336.31. E. (9) $39,336.31.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $52,207.20.

A. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.
E. (9) $70.

A. The American Waterways Operators, Inc,. 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $5,884.24. E. (6) $1,209.

A. Americans for Alaska, Inc., P.O. Box 50, Riderwood, Md. 21139.
E. (9) $444.49.

A. Morris J. Amitay, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $8,124.99.

A. John G. Ams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $242.53.

A. Edward Andersen, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Anthony L. Anderson, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $4,934. (9) $159.97.

A. John A. Anderson, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $230.

A. Anderson, Pendleton, McMahon, Peet & Donovan, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.
B. Embassy of Chile, 1732 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $67.19.

A. Robert L. Anderson, Deere & Co., John Deere Road, Moline, Ill. 61265.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Wayne C. Anderson, 1629 K Street NW., Washington, D.C. 20006.
B. Nabisco, Inc., East Hanover, N.J. 07936.
D. (6) $3,000. E. (9) $2,129.

A. William C. Anderson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $19.25.

A. Emmet Andrews, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $7,689.11.

A. Laureen Andrews, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,422. E. (9) $36.

A. Robert C. Angel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. Jack R. Angell, United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.

A. J. Donald Annett, Texaco, Inc., 1050 17th Street NW., No. 500, Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $200.

A. Tobias Anthony, 1800 K Street NW., Suite 720, Washington, D.C. 20006.
B. Research-Cottrell, Inc., P.O. Box 1500, Somerville, N.J. 08876.

A. APA Co., 400 First Street NW., Washington, D.C. 20001.

B. University of Health Sciences/The Chicago Medical School, 2020 West Ogden Avenue, Chicago, Ill. 60612.
D. (6) $750.

A. John Archer, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Olin F. Armentrout, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. W. Stanley Armstrong, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $50.08. E. (9) $9.50.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Family Corp., 1902 Wynnton Road, Columbus, Ga. 31906.
D. (6) $400.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Iron and Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $550.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $9,583.33.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Realty Committee, 2033 M Street NW., Washington, D.C. 20036.
D. (6) $750.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $469.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $469.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.
D. (6) $438.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Federation of Apparel Manufacturers, 450 Seventh Avenue, New York, N.Y. 10001.
D. (6) $1,500. E. (9) $38.89.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Werner Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.
E. (9) $20.55.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The London Commodity Exchange Co., Ltd., Cereal House, 59 Mark Lane, London EC3R 7NE, England; International Commodities Clearing House Ltd., Roman Wall House, 1-2 Crutched Friars, London EC3N 2AN, England.
D. (6) $56.25.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.
D. (6) $4,500. E. (9) $57.73.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. National Coordinating Committee for Multiemployer Plans, 816 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $10,000. E. (9) $500.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. West Mexico Vegetable Distributors Association, P.O. Box 838, Nogales, Ariz.
D. (6) $59.08. E. (9) $8.30.

A. Milton F. Ashford, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $8,622. E. (9) $161.67.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston Tex. 77074.
E. (9) $238.36.

A. Associated Employers, Inc., 6009 Rittiman Plaza, San Antonio, Tex. 78218.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $600.

A. Association for the Advancement of Invention and Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $1,150. E. (9) $1,217.10.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Association of American Publishers, 1707 L Street, NW., Suite 480, Washington, D.C. 20036.
D. (6) $5,525.07. E. (9) $5,525.07.

A. Association of American Railroads, American Railroads Building, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $32,308.86. E. (9) $32,308.86.

A. Association of American Veterinary Medical Colleges, 1522 K Street, NW., No. 828, Washington, D.C. 20005.
E. (9) $40.

A. Association of Data Processing Service Organizations, Inc. (ADAPSO), 1925 North Lynn Street, No. 1100, Arlington, Virginia 22209.
E. (9) $8,444.35.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
E. (9) $508.

A. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $7,075.

A. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,625. E. (9) $3,625.

A. Assure Competitive Transportation, Inc., 10 South LaSalle Street, Suite 1600, Chicago, Illinois 60603.
D. (6) $13,850. E. (9) $1,417.

A. George J. Aste, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $500.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $120. E. (9) $12.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $2,190.

A. Deborah Marie Atwood, P.O. Box, Ferndale, Wash. 98248.
B. Intalco Aluminum Corp., P.O. Box Ferndale, Wash. 98248.

A. James A. Austin, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500.

A. John S. Autry, Johns-Manville Corp., 1025 Connecticut Avenue, No. 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.

A. Aves Advertising, Inc., Seventh Floor, Exhibitors Building, 220 Lyon NW, Grand Rapids, Mich. 49503.
B. Kysor Industrial Corp., One Madison Avenue, Cadillac, Mich. 49601.
D. (6) $60,425.66. E. (9) $60,425.66.

A. Walter C. Ayers, Virginia Petroleum Council, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Joseph Warren Ayres, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $3,446. E. (9) $95.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20037.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Dale R. Babione, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.
B. The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.
D. (6) $162.

A. Bache Halsey Stuart Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
E. (9) $700.

A. William Douglas Badger, 12695 Castile Court, Woodbridge, Va. 22192.

B. The Christian Action Council, Inc., 788 National Press Building, Washington, D.C. 20045.
D. (6) $3,750. E. (9) $2,259.75.

A. Baer Marks & Upham, 299 Park Avenue, New York, N.Y. 10017.
B. Commodity Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $2,224. E. (9) $255.65.

A. Charles M. Bailey, 8001 Braddock Road, No. 600, Springfield, Va. 22160.
B. National Right to Work Committee, 8001 Braddock Road, No. 600, Springfield, Va. 22160.

A. George F. Bailey, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. William W. Bailey, Merck & Co., Inc., 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
B. Merck & Co., Inc., Box 2000, Rahway, N.J. 07065.
D. (6) $1,000. E. (9) $383.

A. Edward R. Bajer, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
D. (6) $450.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77002.

A. Baker & Daniels, Suite 590 South, 1800 M Street NW., Washington, D.C. 20036.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $4,770. E. (9) $80.36.

A. Baker & Daniels, Suite 590 South, 1800 M Street NW, Washington, D.C. 20036.
B. Rock Island Refining Corp., P.O. Box 68007, Indianapolis, Ind. 46268.
D. (6) $600.

A. George C. Baker, 220 South Clovis Avenue, Fresno, Calif. 93727.
B. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.
D. (6) $562.50.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cambridge Research and Development Group, 21 Bridge Square, Westport, Conn. 06880.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Magnatex Industries, Inc., One Marienfeld Place, Midland, Tex. 79701.

A. Donald Baldwin, Donald Baldwin Associates, 1140 Connecticut Avenue NW., Washing, D.C. 20036.
B. National Law Enforcement Council.

A. Jacqueline Balk-Tusa, 1625 I Street NW., No. 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., No. 809, Washington, D.C. 20006.
D. (6) $10,312.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., No. 406, Washington, D.C. 20036.
B. Alaska Housing Finance Corp., Plaza 201 East Third Avenue, Anchorage, Alaska 99510.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., No. 406, Washington, D.C. 20036.
B. Idaho Housing Agency, 405 South Eighth Street, No. 395, Boise, Idaho 83701.

A. Samuel J. Baptista, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Charles D. Barbour, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.
B. Beneficial Management Corp. of America, 1300 Market Street, Wilmington, Del. 19899.
D. (6) $2,186.31. E. (9) $1,344.30.

A. Robert O. Barker, NAM, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $40.

A. Thomas H. Barksdale, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,200. E. (9) $187.67.

A. Donna R. Barnako, National Council of Health Care Services, 2600 Virginia Avenue NW., No. 915, Washington, D.C. 20037.
B. NCHCS, 2600 Virginia Avenue NW., No. 915, Washington, D.C. 20037.
D. (6) $812.50. E. (9) $43.40.

A. John H. Barnard, Jr., 803 Ironbark Place, Orinda, Calif. 94563.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Roger H. Barnard, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Washington, D.C. 20006.
B. John W. Thatcher, c/o Banana Supply Co., Inc., 3030 Northeast Second Avenue, Miami, Fla. 33137.
D. (6) $900. E. (9) $62.80.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. American School Food Service Association, 4101 East Iliff Avenue, Denver, Colo. 80222.
D. (6) $19,977.25. E. (9) $575.58.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Dairymen, Inc., 10140 Linn Stations Road, Louisville, Ky. 40223.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla. 32814.
D. (6) $2,817.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Florida Tomato Exchange, 4401 East Colonial Drive, Orlando, Fla. 32814.
D. (6) $600.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,387.50.

A. Barnett Yingling & Shay, No. 940, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Crocker National Bank, One Montgomery Street, San Francisco, Calif. 94104.
D. (6) $562.50. E. (9) $17.

A. James C. Barr, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Richard L. Barr, Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. Coffee, Sugar & Cocoa Exchange, Inc., and New York Coffee and Sugar Clearing Association, Inc., Four World Trade Center, New York, N.Y. 10048.
D. (6) $425.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. New York Cocoa Clearing Association, Inc., Four World Trade Center, New York, N.Y. 10048.
D. (6) $425.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $3,000.

A. Thea Rossi Barron, 106 Little Falls Street, Falls Church, Va. 22046.
B. Right To Life Crusade, Box 2703, Tulsa, Okla. 74101.
D (6) $4,500. E. (9) $81.84.

A. David S. Barrows, 1201 SW 12th, Suite 300, Portland, Oreg. 97205.
B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200. E. (9) $741.46.

A. Leonard Barson, 600 New Jersey Avenue NW., Washington, D.C. 20001.
B. Institute for Public Representation, 600 New Jersey Avenue NW., Washington, D.C. 20001.
D. (6) $1,530.

A. Roger V. Barth, 1828 L Street NW., Suite 1111. Washington, D.C. 20036.
B. Jackson, Campbell and Parkinson, 1828 L Street NW., Suite 1111, Washington, D.C. 20036 (for L'Enfant Plaza Properties, Inc.).

A. Linda Leigh Bartlett, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Richard A. Barton, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, Inc., 6 East 43 Street, 12th Floor, New York, N.Y. 10017.
D. (6) $1,400.

A. Lawerence R. Baskerville, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $450.

A. James P. Bass, 1101 17th Street NW., Washington, D.C. 20036.

B. American Airlines, Inc., 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $250.

A. Robert E. Bates, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,125. E. (9) $22.

A. Davis M. Batson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

D. (6) $1,200.

A. Laurie C. Battle, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $2,600.

A. Lynne D. Battle, College Placement Council, 1101 Connecticut Avenue NW., No. 705, Washington, D.C. 20036.

B. College Placement Council, 65 East Elizabeth Avenue, Bethlehem, Pa. 18018.

A. John F. Battles, Massachusetts Petroleum Council, 11 Beacon Street, Boston, Mass. 02108.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $250. E. (9) $439.50.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.

B. Emergency Small Independent Refiners Task Force, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.

D. (6) $500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Washington, D.C. 20005.

B. Independent Terminal Operators, Association, 1015 15th Street NW., Washington, D.C. 20005.

D. (6) $500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Washington, D.C. 20005.

B. Mt. Airy Refining Co., International Energy Building, 265 North Belt East, Suite 150, Houston, Tex. 77060.

D. (6) $500.

A. Gary L. Bauer, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.

B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, 12th Floor, New York, N.Y. 10017.

A. Karen J. Bauer, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Kathleen A. Bauer, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Robert J. Baughman, 1444 N Street NW., Washington. D.C. 20005.

B. American Orthotic & Prosthetic Association, 1444 N Street NW., Washington, D.C. 20005.

A. Tina Marts Beach, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $65.

A. Bruce A. Beam, American Electric Power Service Corp., 1801 K Street NW., Suite 1041, Washington, D.C.

B. American Electric Power Service Corp., 2 Broadway, New York, N.Y. 10004.

D. (6) $137. E. (9) 126.90.

A. John E. Bearer, GPU Service Corp., 1001 Broad Street, Johnstown, Pa. 15907.

B. GPU Service Corp., 100 Interpace Parkway, Parsippany, N.J., 07054.

D. (6) $1,674.26. E (9) $2,012.94.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) $2,883.94.

A. Christine T. Beatty, St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 612, Washington, D.C. 20036.

B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

D. (6) $3,600. E. (9) $73.80.

A. Robert J. Becker, Joint Council of Allergy and Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056; 229 North Hammes Avenue, Joliet, Ill. 60435.

B. Joint Council of Allergy & Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056.

A. Edwin L. Behrens, The Proctor & Gamble Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Co., 301 East Sixth Street, Cincinnati, Ohio 45201.

D. (6) $60.

A. Max J. Beilke, National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.

B. National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.

D. (6) $818.75.

A. James Beizer, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $255.20. E. (9) $194.73.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 20903.

B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) $3,750. E. (9) $330.27.

A. Howard H. Bell, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Advertising Federation, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

A. J. Raymond Bell, 2113 S Street NW., Washington, D.C. 20008.

B. National Association of Theater Owners. 500 Broadway, New York, N.Y. 10326.

D. (6) $4,000. E. (9) $65.

A. Winston Everett Bell, P.O. Box 5463, Las Vegas, Nev. 89102.

A. T. A. Bellissimo. 2100 Connecticut Avenue, NW., Washington, D.C. 20008.

B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.

D. (6) $1,248. E. (9) $90.56.

A. C. Thomas Bendorf, 3615 Overcreek Drive, Columbia, S.C. 20206.

B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

D. (6) $3,000. E. (9) $100.

A. Beneficial Management Corp. of America, 1300 Market Street, Wilmington, Del. 19899.

E. (9) $59,975.95.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.

B. TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $1,000.

A. Kenneth U. Benjamin, Jr., American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,887.50. E. (9) $185.65.

A. W. M. Benkert, American Institute of Merchant Shipping, 1625 K Street NW., No. 1000, Washington, D.C. 20006.

B. American Institute of Merchant Shipping, 1625 K Street NW., No. 1000, Washington, D.C. 20006.

D. (6) $1,250. E. (9) $24.50.

A. Dean J. Bennan, Doall Co., 254 North Laurel Avenue, Des Plaines, Ill. 60016.

B. Doall Co., 254 North Laurel Avenue, Des Plaines, Ill. 60016.

A. Douglas P. Bennett, Bennett & Taylor, 3238 Prospect Street NW., Washington, D.C. 20007.

B. Jacques Borel Enterprises, Inc., 555 Madison Avenue, New York, N.Y. 10022.

D. (6) $2,000. E. (9) $10.55.

A. Douglas P. Bennett, Bennett & Taylor, 3238 Prospect Street NW., Washington, D.C. 20007.

B. National Restaurant Association, 311 First Street NW., Washington, D.C. 20001.

D. (6) $1,500.

A. James M. Bennett, Jos. Schlitz Brewing Co., 235 W. Galena St., Milwaukee, Wis. 53212.

B. Jos. Schlitz Brewing Co., 235 W. Galena St., Milwaukee, Wis. 53212.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.

B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.

A. William C. Bennett, Jr., Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $405.

A. Walter L. Benning, 14901 Ritchie Road, Centreville, Va. 22020.

B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.

D. (6) $1,000. E. (9) $150.

A. John C. Bennison, American Society of Travel Agents, Inc., 1300 19th Street NW., Washington, D.C. 20036.

B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.

D. (6) $5,000.

A. David A. Beren, 910 17th Street NW., Washington. D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Rebecca J. Berg, 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.
B. Brown & Root, Inc., 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.
D. (6) $250.

A. Paul C. Bergson, 2550 M Street NW., Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $285.71. E. (9) $10.

A. Jane W. Bergwin, Consumers Power Co., 1333 New Hampshire Ave. NW., Suite 1120, Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $200.

A. Peggy Berk, Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.
B. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017 (for William M. Mercer, Inc., 1211 Avenue of the Americas, New York, N.Y. 10036).
D. (6) $34.50.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. CNA, CNA Plaza, Chicago, Ill. 60685.
D. (6) $500.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.
D. (6) $1,500.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
D. (6) $2,500.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.

A. Jason S. Berman, Warner Communications, Inc., 1776 K Street NW., Washington, D.C. 20006.
B. Warner Communications, 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $7,500.

A. William R. Berman, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. David C. Bernabucci, National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $50.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Centre National Interprofessionnel De L'Economic Laitiere, 8, rue Danielle Casanova, 75002 Paris, France.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cheese Importers Association, 460 Park Avenue, New York, N.Y. 10022.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., No. 670, Washington, D.C. 2006.
B. Constructora Nacional de Carros de Ferrocarril. S.A., San Lorenzo No. 925 Piso, Mexico, D.F., Mexico.
D. (6) $38,062.50.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. East-West Trades Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., No. 670, Washington, D.C. 20006.
B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.
D. (6) $3,105.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10007.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.

A. Max N. Berry, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $5,000.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports and Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza S.W., Washington, D.C. 20024.
D. (6) $7,500.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Archer-Daniels-Midland Co., Decatur, Ill. 62525.
D. (6) $2,500.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Theo. H. Davies and Co., Ltd., P.O. Box 3020, Honolulu, Hawaii 96802.
D. (6) $2,000.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Pullman Swindell, 441 Smithfield Street, Pittsburgh, Pa. 15222.
D. (6) $3,500.

A. Allene Betancourt, 1600 South Eads Street, Arlington, Va. 22202.
B. Chem-Nuclear Systems, Inc., P.O. Box 1866, Bellevue, Wash. 98009.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,050. E. (9) $280.25.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $500.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. New England Electric System, 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $1,875. E. (9) $15.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. New England Fish Co., Pier 89, Seattle, Wash. 98119.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Union Mines, 9 West 57th Street, New York, N.Y. 10019.
D. (6) $500.

A. Steven L. Biegel, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
D. (6) $575.

A. Walter J. Bierwagen, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
E. (9) $288.84.

A. Thomas E. Biery, Mid-Continent Oil & Gas Association, 1919 Pennsylvania Avenue NW., Suite 503, Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $1,015. E. (9) $8.

A. Ken Billington, Public Power Council, 6537 24th Avenue NE., Seattle, Wash.
B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
D. (6) $6,800. E. (9) $2,092.32.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C., 20015.
B. Aleutian Pribilof Island Association, Inc., 430 C Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., No. 300, Washington, D.C. 20015.
B. Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., No. 300, Washington, D.C. 20015.
B. Cook Inlet Regional Corp., 2525 C Street, Anchorage, Alaska 99509.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., No. 300, Washington, D.C. 20015.
B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., No. 300, Washington, D.C. 20015.
B. Sealaska Corp., One Sealaska Plaza, Juneau, Alaska 99801.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., No. 300, Washington, D.C. 20015.
B. Skan-Kon International, Inc., P.O. Box 57, Fort Yukon, Alaska 99740.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., No. 300, Washington, D.C. 20015.
B. Westinghouse Corp., 1801 K Street NW., Washington, D.C. 20006.

A. C. Thomason Bishop III, National Association of Manufacturers, 704 Lisburn Road, Camp Hill, Pa. 17011.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $212.50.

A. Neal R. Bjornson, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $2,300. E. (9) $20.27.

A. Donna C. Blair, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $200.

A. Richard W. Blake, 1776 K Street NW., No. 900, Washington, D.C. 20006.

B. American Sugarbeet Growers Association, 1776 K Street NW., No. 900, Washington, D.C. 20006.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C.

B. Board of Trade Clearing Corp., 141 Jackson Boulevard, Chicago, Ill.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C.

B. RCA Global Communications, Inc., 60 Broad Street, New York, N.Y.

D. (6) $1,250. E. (9) $64.69.

A. Paul M. Blanton, P.O. Box 970, Fort Worth, Tex. 76101.

B. Texas Electric Service Co., P.O. Box 970, Fort Worth, Tex. 76101.

D. (6) $112.41. E. (9) $36.50.

A. Joseph H. Blatchford, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., No. 670, Washington, D.C. 20006.

B. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.

D. (6) $12,500. E. (9) $314.59.

A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $16,380. E. (9) $2,235.88.

A. Michael K. Blevins, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

B. Society of American Florists and Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

D. (6) $6,250. E. (9) $1,495.76.

A. Richard W. Bliss, 1899 L Street NW., 12th floor, Washington, D.C. 20036.

B. New England Electric System, 25 Research Drive, Westborough, Mass. 01581.

D. (6) $541.80. E. (9) $170.60.

A. Richard W. Bliss, 1899 L Street NW., 12th floor, Washington, D.C. 20036.

B. SUNEDCO, 12700 Park Central Place, Dallas, Tex. 75251.

D. (6) $1,800. E. (9) $267.90.

A. Jerald Blizin, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. L. Thomas Block, Irving Trust Co., One Wall Street, New York, N.Y. 10015.

B. Irving Trust Co., One Wall Street, New York, N.Y. 10015.

D. (6) $500. E. (9) $170.

A. Douglas M. Bloomfield, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) $9,198.31.

A. Mark Bloomfield, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $499.95.

A. Jack A. Blum, 1015 18th Street NW., Washington, D.C. 20036.

B. Independent Gasoline Marketers Council, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $15,000. E. (9) $535.

A. Jared O. Blum, 1730 M Street NW., Washington, D.C. 20036.

B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $87.58.

A. Blum & Nash, 1015 18th Street N.W., Washington, D.C. 20036.

B. New York Mercantile Exchange, 4 World Trade Center, New York, N.Y. 10048.

A. Albert H. Blumenthal, Phillips, Nizer, Benjamin, Krim & Ballon, 40 West 57th Street, New York, N.Y. 10019.

B. American Bobst Holdings, Inc., Harrison Avenue, Roseland, N.J.

A. Wayne F. Boan, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $1,300.

A. Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.

D. (6) $5,402.65. E. (9) $7,289.52.

A. Robert Z. Bohan, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $1,210.48. E. (9) $7.

A. Christie K. Bohner, 900 17th Street NW., No. 1016, Washington, D.C. 20006.

B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.

A. Patricia M. Boinski, Atlantic Richfield Co., 1333 New Hampshire Avenue, NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $80.

A. Robert J. Bolger, National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.

B. National Association of Chain Drug Stores, Inc. (NACDS), 413 North Lee Street, Alexandria, Va. 22314.

D. (6) $1,650.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.

B. RCA Global Communications, Inc., 60 Broad Street, New York, N.Y.

A. M. Warren Bolton, 2500 DeKalb Pike, Norristown, Pa. 19404.

B. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. A. Dewey Bond, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.

D. (6) $500.

A. Edward N. Bond, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $750. E. (9) $778.17.

A. L. H. Bonin, Jr., Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., Pittsburgh, Pa. 15230.

D. (6) $2,400. E. (9) $133.50.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.

B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $190. E. (9) $22.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Boothe, Prichard & Dudley, 4103 Chain Bridge Road, Fairfax, Va. 22030.

B. Vulcan Materials Co., One Metroplex, P.O. Box 7497, Birmingham, Ala. 35209.

D. (6) $6,332. E. (9) $291.45.

A. Edward T. Borda, 1625 I Street NW., Washington, D.C. 20006.

B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.

D. (6) $4,000.

A. William H. Borghesani, Jr., 1150 17th Street NW., Washington, D.C. 20036.

B. Keller & Heckman, 1150 17th Street NW., Washington, D.C. 20036 (for Private Carrier Conference, 1616 P Street NW., Washington, D.C. 20036).

D. (6) $4,500. E. (9) $350.

A. Laurence D. Bory, 1015 15th Street NW., No. 802, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.

D. (6) $750.

A. G. Stewart Boswell, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.

D. (6) $2,250. E. (9) $137.98.

A. Charles G. Botsford, The Botsford Co., 1730 M Street NW., No. 515, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $210.

A. A. D. Bourland, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

D. (6) $3,000. E. (9) $3,853.06.

A. Frank J Bowden, Jr., Associated Petroleum Industries of Pennsylvania), P.O. Box 925, Harrisburg, Pa. 17108.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) $1,000.

A. Robert R. Bowers, West Virginia Petroleum Council, Suite 714, Atlas Building, Charleston, W. Va. 25301.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $360. E. (9) $302.90.

A. Deborah Bowker, National Association of Postal Supervisors, P.O. Box 23456, L'Enfant Plaza Station, Washington, D.C. 20024.

B. National Association of Postal Supervisors, P.O. Box 23456, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $2,884.62.

A. Edward L. Bowley, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $11,265.02. E. (9) $2,824.43.

A. Randal Ray Bowman, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $612.50. E. (9) $13.80.

A. Joan Costain Bowyer, Phelps Dodge Corp., 1015 15th Street NW., Washington, D.C. 20005.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $150.

A. John G. Boyd, IBM, 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $169.20. E. (9) $27.48.

A. Stephen S. Boynton, Room 560, 1050 17th Street NW., Washington, D.C. 20036.
B. American Fur Industry, 101 West 30th Street, New York, N.Y. 10001.
D. (6) $1,700.

A. Cynthia H. Braddon, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $800. E. (9) $18.

A. Robert E. Bradford, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. Frank W. Bradley, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Wayne W. Bradley, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $500.

A. Charles N. Brady, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $500. E. (9) $33.44.

A. Raymond F. Bragg, Jr., American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
B. American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
D. (6) $100.

A. Stuart J. Brahs, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $259.46.

A. S. Gail Bramblett, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,689.80. E. (9) $45.10.

A. David C. Branand, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $6.18. E. (9) $1.60.

A. Robert M. Brandon, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.
B. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.
D. (6) $1,850. E. (9) $60.

A. T. Edward Braswell, Jr., National Association of Service Contractors, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
B. National Association of Service Contractors, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.

A. T. Edward Braswell, Jr., Corcoran, Youngman & Rowe, 1511 K Street NW., No. 1100, Washington, D.C. 2005.
B. Newport News Shipbuilding & Drydock Co., 4101 Washington Avenue, Newport News, Va. 23607.
D. (6) $3,750.

A. Edward T. Breathitt, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.Y. 10004.
D. (6) $675. E. (9) $21.77.

A. Breed, Abbott & Morgan, 1875 I Street NW., Washington, D.C. 20006.
B. Lasker, Stone & Stern, 20 Broad Street, New York, N.Y.

A. Breed, Abbott & Morgan, 1875 I Street NW., Suite 1000, Washington, D.C. 20006.
B. The Lefrak Organization, 97-77 Queens Boulevard, Forest Hills, N.Y.
E. (9) $147.55.

A. Breed, Abbott & Morgan, 1875 I Street NW., No. 1000, Washington, D.C. 20006.
B. David H. McConnell, 375 Park Avenue, New York, N.Y.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $800.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. American Car Rental Association (ACRA), 1750 Pennsylvania Avenue NW., Suite 1303, Washington, D.C. 20006.
D. (6) $500.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,000.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Committee for Effective Tax Incentives, 1634 I Street NW., Eighth Floor, Washington, D.C. 20006.
D. (6) $3,000.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Hilton International, Inc., 301 Park Avenue, New York, N.Y. 10022.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Trans World Airlines, 1000 16th Street NW., Suite 704, Washington, D.C. 20036.
D. (6) $2,000.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Truck Renting and Leasing Association (TRALA), 1750 Pennsylvania Avenue, Suite 1303, Washington, D.C. 20006.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C.

A. Barbara Brendes, 1100 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Edward J. Brenner, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.
B. Association for the Advancement of Invention and Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.

A. Miles H. Bresee, Jr., 170 Altura Way, Greenbrae, Calif. 94904.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. John B. Brewer, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

A. Carolyn Brickey, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Bill Brier, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500.

A. Claude S. Brinegar, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $988.80.

A. Belva B. Brissett, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,406.25. E. (9) $465.20.

A. Ellen Broadman, Consumers Union, 1511 K Street NW., Suite 1033, Washington, D.C. 20005.

B. Consumers Union, 256 Washington Street, Mt. Vernon, N.Y. 10550.

D. (6) $700. E. (9) $0.90.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Anti-Defamation League of B'nai B'rith, 823 U.N. Plaza, New York, N.Y. 10017.

D. (6) $1,000.

A. Michael D. Bromberg, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.

B. Federation of American Hospitals, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.

D. (6) $4,500.

A. Henry W. Brook, Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Dale E. Brooks, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.

B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.

D. (6) $300.

A. E. R. Brooks, P.O. Box 841, Abilene, Tex. 79604.

B. West Texas Utilities Co., P.O. Box 841, Abilene, Tex. 79604.

E. (9) $838.76.

A. Phillip W. Brooks, Volunteer State Oil Committee, 18th Floor, Third National Bank Building, Nashville, Tenn. 37219.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Carol L. Bros, National Women's Political Caucus, 1411 K Street NW., Suite 1110, Washington, D.C. 20005.

B. National Women's Political Caucus, 1411 K Street NW., Suite 1110, Washington, D.C. 20005.

D. (6) $2,765.28. E. (9) $117.90.

A. Timothy G. Brosnahan. Burson-Marsteller, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.

B. Burson-Marsteller, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036 (for Gould, Inc.. 1831 Chestnut Street, St. Louis, Mo. 63166.

A. Daniel T. Bross, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C. 20036.

B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.

D. (6) $957. E. (9) $1,141.77.

A. Donald G. Brotzman, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $8,000.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

D. (6) $420. E. (9) $13.

A. Charles T. Brown, Cities Service Co., Box 100, Miami, Ariz. 85539.

B. Cities Service Co., Box 100, Miami, Ariz. 85539.

A. David S. J. Brown, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20016.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $450. E. (9) $96.61.

A. J. D. Brown, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $200.

A. Jesse B. Brown, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. Karen H. Brown, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $500.

A. Michael F. Brown, American Frozen Food Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.

A. Theoran Brown, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,140.

A. Brown, Todd & Heyburn, 1600 Citizens Plaza, Louisville, Ky. 40202.

B. Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Ky. 40232.

E. (9) $142.95.

A. Vincent D. Brown, Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $200. E. (9) $9.30.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $357. E. (9) $133.76.

A. Brownstein Zeidman and Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Foodservice Manufacturers Association, 875 North Michigan Avenue, Chicago, Ill. 60611.

A. Brownstein Zeidman and Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Franchise Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. Brownstein Zeidman and Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mortgage Guaranty Insurance Corp., MEIC Plaza, Milwaukee, Wis. 53201.

A. Brownstein Zeidman and Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. New York City Urban Development Corp., 1515 Broadway, New York, N.Y. 10036.

A. Brownstein Zeidman and Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. New York City Housing Development Corp., 42 Broadway, 10th Floor, New York, N.Y. 10004.

A. Richard L. Brubacher, Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $547.62. E. (9) $661.04.

A. Fred J. Bruner, Indiana & Michigan Electric Co. and Michigan Power Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.

B. Indiana & Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne Ind. 46801; Michigan Power Co., P.O. Box 367, Three Rivers, Mich. 49093.

A. Kathryne M. Bruner, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.

B. General Atomic Co., San Diego, Calif.

D. (6) $700. E. (9) $25.

A. Michael E. Brunner, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.

D. (6) $3,000. E. (9) $218.08.

A. Robert O. Brunner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/ American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $353.08. E. (9) $5.20.

A. Joseph A. Bruno, 5110 41st Street NW., Washington, D.C. 20016.

B. FMC Corp., 1627 K Street NW., Washington, D.C. 20006.

D. (6) $3,000. E. (9) $213.60.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Harvey F. Brush, 2006 Washington Street, San Francisco, Calif. 94109.

B. Bechtel Power, Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Margaret H. Bryant, American Natural Resources System, 1899 L Street NW., Suite 500, Washington, D.C. 20036.

B. American Natural Service Co., One Woodward Avenue, Detroit, Mich. 48226.

D. (6) $250.

A. Ronald B. Buckhalt, National Utility Contractors Association, 815 15th Street, NW., Suite 838, Washington, D.C. 20005.

B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

D. (6) $1,600. E. (9) $1,276.65.

A. Douglas W. Bulcao, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.

B. American Textile Manufacturers, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.

D. (6) $1,008. E. (9) $161.95.

A. David A. Bunn, 1211 Connecticut Avenue, NW., Washington. D.C. 20036.

B. Magazine Publisher Association, 575 Lexington Avenue, New York N.Y. 10022.

D. (6) $4,000.

A. David A. Bunn, Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington. D.C. 20036.

B. Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Lawrence E. Burch, 1735 Jefferson Davis Highway, No. 903, Arlington, Va. 22202.
B. Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, No. 903, Arlington, Va. 22202.

A. Norman D. Burch, College of American Pathologists, 1333 New Hampshire Avenue, NW., Suite 520, Washington, D.C. 20036.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60077.
D. (6) $5,220. E. (9) $60.50.

A. David G. Burden, 200 East Randolph Drive, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $1,049.40. E. (9) $1,731.93.

A. William J. Burhop, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Burke & Burke, 529 Fifth Avenue, New York, N.Y. 10017.
B. J. Reynolds Barnes (for Eleanor A. Clark), 111 American Bank Building, 621 Southwest Morrison Street, Portland, Oreg. 97205, and John Poinier, 382 Springfield Avenue, Summit, N.J. 07701.
D. (6) $11,460. E. (9) $819.20.

A. Gerard P. Burke, Suite 921, 1625 I Street NW., Washington, D.C. 20006.
B. International Air Leases, Inc., P.O. Box 480233, Miami, Fla. 33148.
D. (6) $1,080. E. (9) $15.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $83.07.

A. Bruce Burkland, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $17,099.98. E. (9) $902.52.

A. Phillip C. Burnett, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Charles S. Burns, Phelps Dodge Corp., 1015 15th Street NW., Washington, D.C. 20005.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $1,200.

A. Timothy F. Burns, Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300.

A. James L. Burridge, 13605 Glenhurst Road, Travilah, Md. 20760.
B. FMC Corp., 1627 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $177.15.

A. Theresa Ann Burt, 1010 Vermont Avenue NW., Washington, D.C. 20005.
B. OPERA America, 1010 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $750.01. E. (9) $608.23.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $136.16.

A. Demetra D. Burton, Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
D. (6) $2,500. E. (9) $363.15.

A. John M. Burzio, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Magazine Publishers Association, Inc., 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $2,280.90. E. (9) $385.23.

A. Busby, Rehm & Leonard, 1629 K Street NW., Suite 1100, Washington, D.C. 20006.
B. Ad Hoc Committee of Lead Consumers, 1629 K Street NW., Suite 1100, Washington, D.C. 2006.
E. (9) $171.06.

A. Nicholas J. Bush, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $561.21.

A. Gary Bushell, Branscomb & Miller, 1700 Bank & Trust Tower (B&T 129), Corpus Christi, Tex. 78477.
B. Atlantic Richfield Corp., 1601 Bryan Street, Dallas, Tex. 75221.
D. (6) $12,500. E. (9) $3,406.58.

A. Bushnell, Gage, Reizen & Byington, 1111 19th Street NW., Suite 301, Washington, D.C. 20036.
B. J. Reynolds Barnes (for Eleanor A. Clark), 111 American Bank Building, 621 Southwest Morrison Street, Portland, Oreg. 97205.
D. (6) $4,700. E. (9) 68.98.

A. Bushnell, Gage, Reizen & Byington, 1111 19th Street NW., No. 301, Washington, D.C. 20036.
B. Consumers Solar Electric Power Co., 5811 Uplander Way, Culver City, Calif. 90230.
D. (6) $7,500. E. (9) $1,500.

A. Christine Bushway, United Egg Producers, 499 South Capitol Street SW., No. 411, Washington, D.C. 20003.
B. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
D. (6) $3,750.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.
D. (6) $7,896.70. E. (9) $1,474.70.

A. Business Products Council Association, P.O. Box 35047, Fayetteville, N.C. 28303.

A. James J. Butera, National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,968.75. E. (9) $157.61.

A. H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.
E. (9) $3,190.

A. Helen B. Byrd, 730 24th Street NW., Apt. 403, Washington, D.C. 20037.
B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for American Family Mutual Insurance Co.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Cabot Corp.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Insurance Association of Connecticut), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Republic of the Philippines), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John F. Byset, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.
B. Crown Central Petroleum Corp., 1 North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Associated Metals & Minerals Corp., 30 Rockefeller Plaza, New York, N.Y. 10020.

A. Morrison G. Cain, 1625 Eye Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 Eye Street NW., Washington, D.C. 20006.
D. (6) $6,250.

A. Alan Caldwell, Del Monte Corp., 1825 K Street NW., Washington, D.C. 2006.
B. Del Monte Corp., 1 Market Plaza, San Francisco, Calif. 94119.
D. (6) $1,000. E. (9) $50.

A. F. Patricia Callahan, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $210. E. (9) $37.85.

A. Peter E. Callanan, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Honeywell, Inc., Honeywell Plaza, Minneapolis, Minn. 55408.
D. (6) $775. E. (9) $325.

A. Califano, Ross & Heineman, 1575 I Street NW., Suite 600, Washington, D.C. 20005.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
E. (9) $20.

A. Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.
D. (6) $33,936. E. (9) $8,967.

A. Victoria R. Calvert, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,137.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $4,000.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. LFE Corp., 1601 Trapelo Road, Waltham, Mass. 02154; Safetran Systems Corp., 7721 National Turnpike, Louisville, Ky 40214.
D. (6) $3,750.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Prismo Universal Corp., 300 Lanidex Plaza, Parsippany, N.J. 07054, et al.
D. (6) $5,499.

A. C. Russell Campbell, Jr., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. General Telephone & Electronics Corp., 1 Stamford Forum, Stamford, Conn. 06904.
D. (6) $1,000.

A. Carl C. Campbell, National Cotton Council, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $346.15.

A. Jerry L. Campbell, 831 Chestnut Street, Chattanooga, Tenn. 37402.
B. Tennessee Valley Public Power Association, 831 Chestnut Street, Chattanooga, Tenn. 37402.

A. Thomas D. Campbell, Standard Oil Co. (Indiana), 1000 16th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.
D. (6) $1,500. E. (9) $295.38.

A. Can Manufacturers Institute, 1625 Massachusetts Avenue, NW., Washington, D.C. 20036.

A. Robert P. Canavan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,592.40. E. (9) $58.

A. Sharon M. Canavan, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $3,375. E. (9) $6,652.

A. Paul W. Cane, 5 Carte Alegra, Greenbrae, Calif. 94904.
B. Bechtel Power Corp., 50 Beale St., P.O. Box 3965, San Francisco, Calif. 94119.

A. W. Dean Cannon, Jr., 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.
B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.
D. (6) $3,000. E. (9) $3,472.44.

A. David L. Cantor, 1111 19th Street NW., Ninth Floor, Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Ninth Floor, Washington, D.C. 20036.
D. (6) $162. E. (9) $53.

A. Marvin H. Caplan, Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,925. E. (9) $145.87.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Aetna Life & Casualty Co., 151 Farmington Avenue, Hartford, Conn. 06115.
D. (6) $12,125. E. (9) $344.91.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. American Family Life Assurance Co. of Georgia, P.O. Box 1459, Columbus, Ga. 31902.
D. (6) $1,797.50. E. (9) $20.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Council of European & Japanese National Shipowners' Association, 17/18 Bury Street, London, EC3A 5AH England.
D. (6) $29,800. E. (9) $851.02.

A. Charles E. Capron, 2401 Calvert Street NW., No. 905, Washington, D.C. 20008.

A. Arnold P. Caputo, 7600 Tremayne Place, No. 202, McLean, Va. 22101.
B. National Concrete Masonry Association, 2302 Horse Pen Road, Herndon, Va. 22070.
D. (6) $60. E. (9) $55.34.

A. Issac R. Caraco, 4532 Park Monaco, Calabasas Park, Calif. 91302.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Denise A. Cardman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Norval E. Carey, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $1,950. E. (9) $256.71.

A. W. H. Carey, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla.

A. LeRoy T. Carlson, Jr., Telephone & Data Systems, Inc., 79 West Monroe Street, Chicago, Ill. 60603.
B. Telephone & Data Systems, Inc., 79 West Monroe Street, Chicago, Ill. 60603.

A. Chapin Carpenter, Jr., Magazine Publishers Association, 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,500.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.80. E. (9) $152.20.

A. John R. Carson, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $8,000.

A. David C. Carter, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. U.S. Beet Sugar Association, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.

A. Harlon B. Carter, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,875.

A. Joseph L. Carter, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $769.99. E. (9) $228.80.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Donato Caruso, Lorenz, Finn, Giardino & Lambos, 25 Broadway, No. 1755, New York, N.Y. 10004.
B. New York Shipping Association, Inc., 80 Broad Street, New York, N.Y.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Amfac Nurseries, Inc., 121 South Hill Drive, Brisbane, Calif. 94005.
D. (6) $1,800. E. (9) $158.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Belle Fourche Irrigation District, Newell, S. Dak. 57760.
D. (6) $500. E. (9) $45.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Committee on Power for the Southwest, Inc., 5541 East Skelly Drive, Tulsa, Okla.
D. (6) $4,000. E. (9) $340.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Garrison Diversion Conservancy District, P.O. Box 140, Carrington, N. Dak.
D. (6) $900. E. (9) $80.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Twin Falls Canal Co., P.O. Box 326, Twin Falls, Idaho.
D. (6) $6,000. E. (9) $510.

A. John S. Casey, P.O. Box 266, Heflin, Ala. 36264.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
D. (6) $100. E. (9) $232.25.

A. Kathleen Casey, Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.
B. Citizen's Choice, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $6,250.02. E. (9) $87.61.

A. James B. Cash, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Allen R. Caskie, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $10.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement

Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.

B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $9,075.80. E. (9) $119.10.

A. Daniel J. Cassidy, 1001 Connecticut Avenue NW., No. 1120, Washington, D.C. 20036.

B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Gerald S. J. Cassidy, Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.

B. National Frozen Food Association, 1019 19th Street NW., Washington, D.C. 20036.

D. (6) $1,200. E. (9) $25.

A. John J. Castellani, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $1,125. E. (9) $42.50.

A. Joseph E. Cavanagh, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.

B. International Brotherhood of Electrical Workers, AFL-CIO-CLC, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $2,675.

A. Frank R. Cawley, Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22042.

B. Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22042.

D. (6) $100. E. (9) $12.

A. Dorothy D. Cecelski, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,250.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va., 22307.

B. Grumman Corp., 1600 Wilson Boulevard, Arlington, Va., Rockville, Md.

D. (6) $2,000.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.

B. Martin Marietta Corp., 1600 Wilson Boulevard, Arlington, Va., Rockville, Md.

D. (6) $1,667.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.

B. RCA, 1901 North Moore Street, Arlington, Va.

D. (6) $1,250.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.

B. United Technologies, 1125 15th Street NW., Washington, D.C.

D. $1,350.

A. Central Station Electrical Protection Association, 1000 Vermont Avenue NW., Washington, D.C. 20005.

E. (9) $2,000.

A. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.

E. (9) $1,000.

A. Owen R. Chaffee, 203 Yoakum Parkway, No. 1012, Alexandria, Va. 22304.

B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.

D. (6) $1,000. E. (9) $90.

A. Henry Chajet, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $21.98.

A. John A. Chambers, 1050 17th Street NW., Suite 680, Washington, D.C. 20036.

B. Satra Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.

D. (6) $3,200. E. (9) $800.

A. Ed Chandler, 7901 Westpark Drive, McLean, Va. 22102.

B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.

D. (6) $3,750. E. (9) $500.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1575 I Street NW., Washington, D.C. 20005.

B. York Division, Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.

E. (9) $5.

A. William C. Chapman, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,000. E. (9) $5,272.31.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Lone Star Steel Co., P.O. Box 35888, Dallas, Tex. 75235).

A. William A. Chatfield, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. David F. Chavkin, National Health Law Program, 1424 16th Street NW., Suite 304, Washington, D.C. 20036.

B. National Health Law Program, 2401 Main Street, Santa Monica, Calif. 90405.

D. (6) $1,952.75. E. (9) $1,956.66.

A. Leslie Cheek III, Crum & Forster Corp., 1120 Connecticut Avenue NW., Suite 1142, Washington, D.C. 20036.

B. Crum & Forster Corp., Madison Avenue at Canfield Road, P.O. Box 2387, Morristown, N.J. 07960.

D. (6) $14,500. E. (9) $734.35.

A. Jane Cheever, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Jane Cheever, First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $5,000. E. (9) $3,000.

A. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Phillip R. Chisholm, National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.

B. National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.

D. (6) $6,125. E. (9) $381.54.

A. Hal M Christensen, 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.

E. (9) $8,147.56.

A. Donald T. Chunn, Route 2, Box 89, Columbia, Tenn. 38401.

B. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

A. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

E. (9) $961.03.

A. Citizen Inflation Fighters, Inc., P.O. Box 617, Naples, Fla. 33940.

D. (6) $6,540. E. (9) $3,604.96.

A. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

D. (6) $1,910. E. (9) $1,910.

A. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.

D. (6) $206,611.77. E. (9) $16,515.53.

A. Citizens for Government Fairness, P.O. Box 1336, Brawley, Calif. 92227.

D. (6) $89,145.21. E. (9) $51,171.05.

A. Citizens for Management of Alaska Lands, Inc., 840 K Street, Suite 205, Anchorage, Alaska 99501.

D. (6) $79,037.80. E. (9) $50,540.77.

A. Norman M. Clapp, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Cooperative League of the U.S.A. 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

D. (6) $2,700. E. (9) $16.25.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.

D. (6) $153.90. E. (9) $306.82.

A. Kimball Clark, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $509.94. E. (9) $383.79.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,750.01.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Vernon A. Clark, 1899 L Street NW., Suite 403, Washington, D.C. 20036.

B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

D. (6) $750. E. (9) $205.

A. Donald M. Clarke, International Harvester Co., 1707 L Street NW., Washington, D.C. 20036.
B. International Harvester Co., 1707 L Street NW., Washington, D.C. 20036.
D. (6) $1,250. E. (9) $279.26.

A. Wade P. Clarke, Jr., Deere & Co., John Deere Road, Moline, Ill. 61265.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Clay Pipe Industry Depletion Committee, P.O. Box 6, Pittsburg, Kans. 66762.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Industrial Health Council, 1075 Central Park Avenue, Scarsdale, N.Y. 10583.
D. (6) $600. E. (9) $9.75.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10583.
D. (6) $915. E. (9) $9.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sporting Arms & Ammunition Manufacturers Institute, 420 Lexington Avenue, New York, N.Y. 10017.
E. (9) $8.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Time-Critical Shipment Committee.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. Ronald D. Clements, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $825. E. (9) $190.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.
D. (6) $1,050. E. (9) $315.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.
D. (6) $2,920. E. (9) $730.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $900. E. (9) $270.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Tour Brokers Association, Inc., 120 Kentucky Avenue, Lexington, Ky 40502.
E. (9) $1.50.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Warner-Lambert Co., 201 Tabor Road, Morris Plains, N.J. 07950.

A. Stephen J. Cloud, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
D. (6) $270.83.

A. CNA, CNA Plaza, Chicago, Ill. 60685.
E. (9) $500.

A. Thomas B. Coates, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $300. E. (9) $359.53.

A. Richard B. Cobb, Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $375. E. (9) $758.53.

A. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.
E. (9) $185.56.

A. John J. Coffey, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California) 1700 K Street NW., Washington, D.C. 20006.
D. (6) $650.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $11,749.99. E. (9) $135.90.

A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.
B. Estate of Sylvia S. Buring, 1837 Harbor Avenue, Memphis, Tenn. 38113.
D. (6) $17,746.50. E. (9) $124.33.

A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33138.
D. (6) $6,292.65. E. (9) $9.50.

A. Herbert B. Cohn, Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street N.W., Suite 800–N, Washington, D.C. 20036.
D. (6) $48.

A. Cole, Corette & Bradfield, 1200 17th Street NW., Washington, D.C.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $4,327.50. E. (9) $88.04.

A. Cole, Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. Lubar & Youngstein, 29 St. John Street, London SWIA 1HB England.
D. (6) $111.05. E. (9) $120.84.

A. E. William Cole, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $600. E. (9) $60.

A. Eleanor Cole, UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
D. (6) $1,000.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,416.66. E. (9) $10.50.

A. Robert E. Cole, General Motors Corp., 1660 L Street NW., Washington, D.C.
B. General Motors Corp., 1660 L Street NW., Washington, D.C.
D. (6) $2,500. E. (9) $1,734.22.

A. Stacey W. Cole, New Hampshire Petroleum Council, 23 School Street, Concord, N.H. 03301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Cardio Pulmonary Contractors Association, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $3,000.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. College of American Pathologist, 7400 North Skokie Boulevard, Skokie, Ill. 60076.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. National Association of Truck Stop Operators, P.O. Box 1285, Alexandria, Va. 22313.

A. William J. Colley, 2550 M. Street NW., Washington, D.C. 20037.
B. National Pharmaceutical Alliance, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $7,500.

A. Marvin K. Collie, 2201 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for University of Texas System, 201 West Seventh Street, Austin, Tex. 78701).
D. (6) $13,800. E. (9) $3.36.

A. Calvin J. Collier, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.W. 10022.

A. Calvin J. Collier, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $852.50. E. (9) $19.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $8,881.02.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Ferrous Scrap Consumers Coalition, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
D. (6) $500.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., No. 308, Washington, D.C. 20007.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

A. Collier, Shannon, Rill, Edwards & Scott 1055 Thomas Jefferson Street NW., No. 308. Washington, D.C. 20007.

B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

A. Collier, Shannon, Rill, Edwards & Scott 1055 Thomas Jefferson Street NW., No. 308, Washington, D.C. 20007.
B. Republic of China, Taipai, Taiwan.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., No. 308, Washington, D.C. 20007.
B. Tool & Stainless Steel Industry Committee, 1055 Thomas Jefferson Street NW., No. 308, Washington, D.C. 20007.
D. (6) $1,062.50. E. (9) $441.28.

A. Bruce D. Collins, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $344.

A. George R. Collins, IUE–AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
B. IUE–AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $600. E. (9) $300.

A. Mary M. Collins, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Dale S. Collinson, Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.
B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

A. Robert B. Collyer, UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
D. (6) $1,000.

A. Colorado Railroad Association, 420 Denver Club Building. Denver. Colo. 80202.
D. (6) $716.45. E. (9) $1,131.47.

A. W. Kent Combs, IBM Corp., 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines Corp., Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $372.47. E. (9) $49.08.

A. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800–N, Washington, D.C. 20036.
D. (6) $200. E. (9) $200.

A. Committee for Do-It-Yourself Household Moving, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Committee for Effective Capital Recovery, 1901 L Street NW., Suite 303, Washington, D.C. 20036.
D. (6) $4,354.46. E. (9) $4,354.46.

A. Committee for Effective Tax Incentives, One Farragut Square, Eighth Floor, Washington, D.C. 20006.
E. (9) $3,000.

A. Committee for Equality of Citizens Before the Courts, 401 West Division Street, Chicago, Ill. 60651.
D. (6) $1,000. E. (9) $208.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037; 11 West 60th Street, New York, N.Y. 10023.
D. (6) $18,429.41. E. (9) $$845,199.43.

A. Committee for Limit of Oil Import, 400 Newport Center Drive, Suite 508, Newport Beach, Calif. 92660.
E. (9) $1,000.

A. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
D. (6) $43,500. E. (9) $9,328.91.

A. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. The Committee To Safeguard Prisoners Rights, c/o William C. H. Coppola, No. 283650, Ellis Unit, Huntsville, Tex. 77340.
D. (6) $50. E. (9) $70.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,562,639.78. E. (9) $271,332.33.

A. Community Nutrition Institute, 1146 19th Street NW., Washington, D.C. 20036.
E. (9) $63.69.

A. Lance Compa, 1411 K Street NW., Suite 410, Washington, D.C. 20005.
B. United Electrical, Radio & Machine Workers of America (UE), 11 East 51st Street, New York, N.Y. 10022.
D. (6) $4,248.32. E. (9) $97.50.

A. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22031.
D. (6) $47,852.41. E. (9) $19,710.

A. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $2,801.90.

A. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $33,731.79. E. (9) $33,731.79.

A. Congressional District Action Committee, 36th Congressional District, New York State, 129 Belmont Avenue, Buffalo, N.Y. 14223.
E. (9) $113.29.

A. Raymond F. Conkling, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $200.

A. Robert J. Conner, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $500. E. (9) $1,625.46.

A. Stephen N. Conner, Route 1, Box 165, Easton, Md. 21601.
B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia, c/o Royal Embassy of Saudi Arabia, 1520 18th Street NW., Washington, D.C.
D. (6) $10,000. E. (9) $732.84.

A. Albert J. Conners, Air Force Sergeants Association, 4235 28th Avenue, Marlow Heights, Md. 20031.
B. Air Force Sergeants Association, 4235 28th Avenue, Suite 713, Washington, D.C. 20031.

A. John J. Connolly, The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $800.

A. Jerry C. Connors, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Gregory E. Conrad, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $351.60.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,500.

A. Constructora Nacional de Carros de Ferrocarril, S.A., San Lorenzo No. 925, 5° Piso, México, D.F., México.
E. (9) $39,291.87.

A. Consumers Union of United States, Inc., 256 Washington Street, Mt. Vernon, N.Y. 10550.
E. (9) $9,497.80.

A. Contract Carrier Conference of American Trucking Associations, Inc., 1730 Rhode Island Avenue NW., Suite 801, Washington, D.C. 20036.
D. (6) $500. E. (9) $2,997.83.

A. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.
E. (9) $401.60.

A. John T. Conway, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $7,875. E. (9) $786.01.

A. Alexandra W. Cook, EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. EDS Corp, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $627.75. E. (9) $375.99.

A. Charles F. Cook, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $403.83. (9) E. $28.

A. Frederick N. Cook, Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $450.

A. Harry N. Cook, 1130 17th Street NW., Washington, D.C. 20036.
B. The National Waterways Conference, Inc.

A. K. Richard Cook, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn 06431.
D. (6) $425.

A. Kenneth Cook, 300 44th Street, New York, N.Y. 10017.
B. Management Assistance, Inc.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., 11th Floor, Washington, D.C.
B. Aleutian/Pribilof Islands Association, 1689 C Street, Anchorage, Alaska 99501.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C 20036.

B. Ashland Oil, Inc, P.O. Box 391, Ashland, Ky. 41101.
D. (6) $1,860.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., 11th Floor, Washington, D.C. 20036.
B. Bank of Louisville, 500 West Broadway, Louisville, Ky. 40202.
D. (6) $950.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Citizens Deposit Bank, P.O. Box 8, Vanceburg, Ky. 41179.
D. (6) $333.33.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Co., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $1,795.

A. Cook, Purcell, Hansen & Henderson, Suite 1100, 1015 18th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. N. C. Machinery, Box 3562, Seattle, Wash., 98124.
D. (6) $500.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., 11th Floor, Washington, D.C. 20036.
B. Ohio Valley Improvements Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.
D. (6) $3,916.67.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., 11th Floor, Washington, D.C. 20036.
B. Roadway Express, Inc., P.O. Box 471, 1077 Gorge Boulevard, Akron, Ohio 44309.
D. (6) $3,300.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. St. George Tanaq Corp., c/o Aleutian/Pribilof Islands Association, Inc., 1689 C Street, Anchorage, Alaska 99501.
D. (6) $500.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $2,000.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036. ington, D.C. 20036.
B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.
D. (6) $2,000. E. (9) $56.60.

A. Cook, Purcell, Hansen & Handerson, 1015 18th Street NW., 11th Floor, Wash-
B. The Tobacco Institute, 1875 I Street NW., Eighth floor, Washington, D.C. 20006.
D. (6) $23,545.83. E. (9) $55.55.

A. Robert M. Cook, Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112.
B. Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112.
D. (6) $3,000. E. (9) $211.48.

A. Eileen D. Cooke, 110 Maryland Avenue NE., Box 54, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $1,011.

A. Benjamin Y. Cooper, Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.
B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.
D. (6) $3,500. E. (9) $865.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.
D. (6) $2,800. E. (9) $750.65.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $9,000.

A. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $14,240. E. (9) $5,725.

A. Darrell Coover, National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $214.

A. John F. Corcoran, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. Samuel C. Corey, Sr., 2500 DeKalb Pike, Norristown, Pa. 19404.
B. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. Bennett J. Corn, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. John McD. Corn, Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina Del Rey, Calif. 90291.
B. Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina Del Rey, Calif. 90291.
E. (9) $566.

A. Cornell Oil Co., Suite 200, 5440 Harvest Hill Road, Dallas, Tex. 75230.
E. (9) $616.70.

A. Donald E. Cornett, 1899 L. Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Richard L. Corrigan, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
D. (6) $875.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.
B. Penthouse International, Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $8,750. E. (9) $6,180.

A. R. H. "Dick" Cory, Central & Southwest Services, Inc., 1510 American Bank Tower, Austin, Tex. 78701.
B. Central and South West Services, Inc., One Main Place, Suite 2700, Dallas, Tex. 75250.
D. (6) $160. E. (9) $395.77.

A. John E. Cosgrove, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,928.19.

A. Cosmetic, Toiletry and Fragrance Association, Inc., 1133 15th Street NW., No. 1200, Washington, D.C. 20005.

A. Clark R. Cosse' III, 5644 Hawthorne Place, New Orleans, La. 70124.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $7,750.02.

A. James R. Costello, Jr., American Textile Manufactures Institute, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.
D. (6) $500. E. (9) $99.40.

A. Michael E. Costello, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.
E. (9) $215.62.

A. Cotton Farmers Association, 700 Texas Center, 900 Washington, Waco, Tex. 76703.
D. (6) $6,021.50 E. (9) $3,305.27.

A. Council for Rural Development, c/o Greater Boston Development, Inc. 1 Boston Place, Boston, Mass. 02108.

A. Council of Energy Resource Tribes, 1000 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
E. (9) $3,288.

A. Council of State Chambers of Commerce, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003.
D. (6) $5,352. E. (9) $1,436.

A. James H. Cousins, National Savings and Loan League, 1101 15th Street NW., Washington, D.C. 20005.
B. National Savings and Loan League, 1101 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000. E. (9) $147.

A. Douglas Couttee, United Food and Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20006.
B. United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $904.51.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Association of Oral and Maxillofacial Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $5,400. E. (9) $17.50.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. American Watch Association, 10 East 40th Street, New York, N.Y. 10016.

E. (9) $34.43.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Association of Maximum Service Telecasters, Inc. ("MST"), 1735 DeSales Street NW., Washington, D.C. 20036.

D. (6) $300.

A. Covington & Burling, 888 16th Street NW,. Washington, D.C. 20006.

B. Bristol Bay Native Corp., P.O. Box 220, Anchorage, Alaska 99510.

D. (6) $2,500. E. (9) $7.25.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Interbank Card Association, 888 Seventh Avenue, New York, N.Y. 10019.

E. (9) $24.75.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

E. (9) $45.80.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Irving Trust Co., One Wall Street, New York, N.Y. 10015.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Lydall, Inc., 615 Parker Street, Manchester, Conn. 06040.

D. (6) $125.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. National Committee for Limited Profit Housing, % HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Hugo Neu, 380 Madison Avenue, New York, N.Y. 10017; and Hugo Neu & Sons, Inc., 380 Madison Avenue, New York, N.Y. 10017.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. New York State Urban Development Corp., One Astor Plaza, New York, N.Y. 10036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Securities Industry Association, 490 L'Enfant Plaza East SE., Washington, D.C. 20024.

D. (6) $1,000. E. (9) $13.25.

A. Eugene S. Cowen, 2759 Unicorn Lane NW., Washington, D.C. 20015.

B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $87.75.

A. C. Bryant Cox, P.O. Box 139, Kansas City, Mo. 64141.

B. Kansas City Life Insurance Co., P.O. Box 139, Kansas City, Mo. 64141.

D. (6) $216.75. E. (9) $775.54.

A. David H. Cox, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.

B. Jackson, Campbell and Parkinson, 1828 L Street NW., Suite 1111, Washington, D.C. (for L'Enfant Properties, Inc.).

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.

B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $6,713. E. (9) $686.11.

A. R. LaVaun Cox, 180 East First South, Salt Lake City, Utah 84139.

B. Moutain Fuel Supply Co., 180 East First South, Salt Lake City, Utah 84139.

A. Cramer and Lipsen, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.

B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.

D. (6) $1,000.

A. Cramer and Lipsen, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.

B. U.S. & Overseas Employee Tax Fairness Committee, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo. 64112.

D. (6) $1,470.

A. Credit Union National Association, 1730 Pennsylvania Avenue NW., Washington, D.C. 20036.

E. (9) $628.88.

A. Aldene E. Creech (Dee), National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $123.57.

A. Kathryn Hilton Creech, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $125.

A. Joseph M. Cribben, United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 6900 Valley Brook Drive, Falls Church, Va. 22042.

B. United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) $1,750. E. (9) $30.

A. Richard E. Cristol, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.

B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342 (For Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342).

D. (6) $644.

A. Critical Mass Energy Project, 215 Pennsylvania Avenue SE., Washington, D.C.

D. (6) $450.63. E. (9) $237.50.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

B. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,450. E. (9) $195.76.

A. Robert W. Cromartie, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $100.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.

B. General Electric Co., 777 14th Street NW., Suite 1000, Washington, D.C. 20005.

D. (6) $1,000. E. (9) $200.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.

B. Hughes Helicopters, 1140 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20006.

D. (6) $1,000. E. (9) $200.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.

B. Motorola, Inc., 1766 K Street NW., Suite 200, Washington, D.C. 20006.

D. (6) $500. E. (9) $100.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.

B. Northrop Corp., 1701 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $1,000. E. (9) $200.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.

B. Vought Corp., 1045 Jefferson Davis Highway, No. 612, Alexandria, Va. 22202.

D. (6) $500. E. (9) $100.

A. Donald A. Crosier, Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Neb. 68509.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David T. Crow, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $5,000. E. (9) $1,716.22.

A. Jack A. Crowder, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.

B. American Textile Manufacturers, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) $2,000. E. (9) $46.05.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

D. (6) $649. E. (9) $20.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

D. (6) $110. E. (9) $10.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. David C. Crowley, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

D. (6) $450. E. (9) $25.

A. Anne M. Cullather, 1707 L Street NW., Suite 515, Washington, D.C. 20036.

B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.

D. (6) $3,000. E. (9) $150.

A. William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $588. E. (9) $196.

A. Edward M. Cummins, One United Drive, Fenton, Mo. 63026.

B. United Van Lines, Inc., One United Drive, Fenton, Mo. 63026.

D. (6) $20,000. E. (9) $3,190.68.

A. Cummins Engine Co., Inc., Columbus, Ind. 47201.

A. John T. Curran, Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

D. (6) $12,075. E. (9) 421.20.

A. Carl T. Curtis, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C.

B. Don Rich Co., 372 Franklin Avenue, Redlands, Calif. 92373.

D. (6) $1,500.

A. William K. Dabaghi, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,555.50.

A. Fred L. Dahl, 10808 South Glen Road, Potomac, Md. 20854.

B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. William Kay Daines, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

D. (6) $250. E. (9) $23.

A. Terese C. D'Alessio, Room 402, 2020 North 14th Street, Arlington, Va. 22201.

B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

D. (6) $50. E. (9) $208.37.

A. Donald W. Dalrymple, American Cyanamid Co., Lederle Laboratories & Consumer Products Division, 1575 I Street NW., Suite 220, Washington, D.C. 20005.

B. American Cyanamid Co., Wayne, N.J. 07470; Lederle Laboratories, Pearl River, N.Y. 10965.

D. (6) $3,040. E. (9) $673.96.

A. John M. Damgard, ACLI International, Inc., 1735 I Street NW., No. 716, Washington, D.C. 20006.

B. ACLI International, Inc., 717 Westchester Avenue, White Plains, N.Y. 10604.

A. Frank C. Damrell, Jr., 5900 Wilshire Boulevard, Suite 2600, Los Angeles, Calif. 90036.

B. The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.

D. (6) $1,200. E. (9) $689.17.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., No. 340, Washington, D.C. 20006.

B. American Importers Association, 11 West 42d Street, New York, N.Y. 10036.

D. (6) $3,750. E. (9) $754.84.

A. David S. Danielson, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Wendell D. Waldie, 3111 Aloma, Witchita, Kans. 67211.

D. (6) $43.24. E. (9) $151.22.

A. Dan Danner, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. ARMCO, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $300. E. (9) $195.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Railway Utilization Corp., 1100 Center Square East, 1500 Market Street, Philadelphia, Pa. 19102.

D. (6) $720.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

D. (6) $658.50.

A. William H. Darden, 1620 I Street NW., Washington, D.C. 20006.

B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

D. (6) $750. E. (9) $30.

A. Diane Davenny Darneille, Schering-Plough Corp., 2000 Galloping Hill Road, Kenilworth, N.J. 07033.

B. Schering-Plough Corp., 2000 Galloping Hill Road, Kenilworth, N.J. 07033.

D. (6) $210. E. (9) $557.50.

A. F. Gibson. Darrison, Jr., 4960 Sentinel Drive, Sumner, Md. 20016.

B. American Chiropractic Association, 2200 Grand Avenue, Des Moines, Iowa 50312.

D. (6) $435. E. (9) $114.

A. Thomas Roger Dart, Alabama Petroleum Council, P.O. Box 4220 Montgomery, Ala. 36101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $8,125.

A. Philip J. Daugherty, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $4,557.50. E. (9) $166.65.

A. Joseph Dauksys, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John B. Davenport, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $179.60.

A. Larry C. Davenport, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500–D, Atlanta, Ga. 30342.

B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500–D, Atlanta, Ga. 30342 (for Calorie Control Council).

D. (6) $1,211.

A. Daniel I. Davidson, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051, and the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, California & Associate Member, Plumas-Sierra Rural Electric Cooperative.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $3,125.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Energy Corp., 122 South Michigan Avenue, Chicago, Ill. 60603.

D. (6) $370.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis, Ind. 46204.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $437. E. (9) $553.60

A. Drew M. Davis, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $753.62. E. (9) $33.

A. Edward M. Davis, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

D. (6) $3,368.76. E. (9) $258.83.

A. Davis, Gillenwater, Lynch & Doane, 6801 Whittier Avenue, McLean, Va. 22101.

B. Industrial Consultants, Netherlands, B. V., P.O. Box 13373, 2501 EJ, The Hague, Netherlands.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202.

B. Northern Colorado Water Conservancy District, P.O. Box 679, Loveland, Colo. 80537.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202.

B. John T. Oxley, c/o R. B. Jowell, Route 2, Box 151, Owasso, Okla. 74055.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202.

B. Purgatoire River Water Conservancy District, 430 East Main Street, Trinidad, Ohio 81082.

A. Kenneth E. Davis, 1899 L Street NW., No. 807, Washington, D.C. 20036.

B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

D. (6) $500. E. (9) $281.02.

A. Ovid R. Davis, The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

D. (6) $670. E. (9) $647.80.

A. R. Hilton Davis, Chamber of Commerce of U.S.A., 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.

D. (6) $304. E. (9) $23.25.

A. Robert W. Davis, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D (6) $240. E. (9) $365.71.

A. Walter L. Davis, United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

B. United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $750.

A. William Lee Davis, 299 Park Avenue, New York, N.Y. 10017.

B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.

A. P. M. Davison, Jr., North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.

B. North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.

A. J. Edward Day, 21 Dupont Circle, NW., Washington, D.C. 20036.

B. Associated Third Class Mail Users, 1725 K Street NW., Washington, D.C. 20036.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.

B. Electronic Industries Association, 2001 I Street NW., Washington, D.C. 20006.

A. Dealer Bank Association, 1800 K Street NW., Suite 1014, Washington, D.C. 20006.

D. (6) $4,311. E. (9) $4,311.

A. John Russell Deane, III, 1825 K Street NW., No. 1103, Washington, D.C. 20006.

B. Coalition of Automotive Associations, 1825 K Street NW., No. 1103, Washington, D.C. 20006.

A. John Russell Deane, III, 1825 K Street, NW., No. 1103, Washington, D.C. 20006.

B. Specialty Equipment Market Association, 1825 K Street NW., No. 1103, Washington, D.C. 20006.

A. Mark A. de Bernardo, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,017.

A. Robert L. Debo, Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Tony T. DeChant, National Farmers Union, Denver, Colo. 80251; National Farmers Union, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational & Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $7,500. E. (9) $495.70.

A. Mark O. Decker, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $45.

A. Winston M. Decker, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.

D. (6) $60.

A. Winston M. Decker, 1522 K Street NW . No. 828, Washington, D.C. 20005.

B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. Frank R. DeGeorge, Paralyzed Veterans of America, 4350 East-West Highway, Suite 900, Washington, D.C. 20014.

B. Paralyzed Veterans of America, 4350 East-West Highway, Suite 900, Washington, D.C. 20014.

D. (6) $28,980.

A. George K. Degnon Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.

B. Association of State and Territorial Health Officials, 1015 15th Street NW., Washington, D.C. 20005.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.

B. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.

D. (6) $2,768.75. E. (9) $422.05.

A. DeKalb AgResearch c/o Margare R. Murray, Schnittker Associates, 1339 Wisconsin Avenue NW., Washington, D.C. 20007.

A. John L. Delano, Montana Railroad Association, Box 1172, Helena, Mont. 59601.

B. Montana Railroad Association, Box 1172, Helena, Mont. 59601.

E. (9) $910.14.

A. Robert B. Delano, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $1,902.

A. Myra J. DeLapp, 1901 L Street NW., No. 702, Washington, D.C. 20036.

B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.

D. (6) $1,260. E. (9) $70.

A. Cartha D. DeLoach, 700 Anderson Hill Road. Purchase, N.Y. 10577.

B. PepsiCo, Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577.

D. (6) $600. E. (9) $242.12.

A. Bradford T. Dempsey, 512 West Maple Avenue, No. 210, Vienna, Va. 22180.

A. George H. Denison, 4837 Del Ray Avenue, Washington, D.C. 20014.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Ray Denison, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $12,699. E. (9) $424.39.

A. John H. Denman, Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Daniel B. Denning, 1025 Connecticut Avenue, NW., No. 700, Washington, D.C. 20036.

B. Gulf Oil Corporation, P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Wells Denyes, Eastman Chemical Products, Inc., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.

D. (6) $180. E. (9) $11.

A. Department for Professional Employees, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $6,813.19. E. (9) $6,813.19.

A. Derrel B. DePasse, Container Corp. of America, 1100 Connecticut Avenue NW., No. 540, Washington, D.C. 20036.

B. Container Corp. of America, 1100 Connecticut Avenue NW., No. 540, Washington, D.C. 20036.

D. (6) 9,750. E. (9) $4,950.

A. Desautels Associates, Inc., 1725 K Street NW, Suite 811, Washington, D.C. 20006.

B. Flavor & Extract Manufacturers Association of the United States, 900 17th Street NW., Washington, D.C. 20006.

D. (6) $500.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Detroit Edge Tool Co., 6570 East Nevada, Detroit, Mich. 48234.

E. (9) $178.97.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.

B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

D. (6) $390.

A. Ralph B. Dewey, Pacific Gas & Electric Co., 1050 17th Street NW., No. 1180, Washington, D.C. 20036.

B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) $498. E. (9) $826.97.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France.

D. (6) $8,788. E. (9) $3,844.29.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Government of Morocco, Rabat, Morocco.

D. (6) $5,787.50. E. (9) $2,702.56.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Sofreavia, 75 rue la Boetie, Paris 8eme, France.

D. (6) $17,250.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Thomson-CSF (Division Equipements Avioniques), 178 Boulevard Gabriel Péri, 92240 Malakoff, France.

D. (6) $380. E. (9) $263.06.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $1,875.

A. John M. Dickerman, John Dickerman & Associates, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Lumber & Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $6,000. E. (9) $423.87.

A. Dickinson, Wright, McKean, Cudlip & Moon, Suite 801, 1901 L Street NW., Washington, D.C. 20036.
B. Michigan Job Development Authority, P.O. Box 30227, Lansing, Mich. 48901.
E. (9) $4,058.31.

A. Dickstein, Shapiro & Morin, 2101 L Street, NW., Washington D.C. 20037.
B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Capeway Seafoods, Inc., 16 Front Street, New Bedford, Mass. 92742.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037
B. Atlantic Fisheries Association, Inc., P.O. Box 3552, Hampton, Va. 23663.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Custom Automotive Sound Association, Inc., Suite 1000, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,000.

A. Dickstein, Shapiro & Morin, 2101 L Street, NW., Washington, D.C. 20037.
B. Fass Bros., Inc., P.O. Box 3552, Hampton, Va. 23663.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Government of Liberia, Monrovia, Liberia.

A. Dickstein, Shapiro & Morin, 2101 L Street N.W., Washington, D.C. 20037.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. L-5 Society, 160 North Park, Tucson, Ariz. 85719.
D. (6) $1,450.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Marine Engineers Beneficial Association, 444 North Capitol Street, Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. National Federation of Societies for Clinical Social Work, 167 Araca Road, Babylon, N.Y. 11702.
D. (6) $500.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.

A. J. R. Dierker, 1150 17th Street NW., Suite 500, Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Paula A. Dilley, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Timothy V. A. Dillon, 1850 K Street NW., No. 380, Washington, D.C. 20006.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $1,740.31. E. (9) $240.31.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill 60049.
D. (6) $1,800.

A. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
E. (9) $9,145.82.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $65,200.42. E. (9) $65,200.42.

A. Discover America Travel Organizations, Inc., 1899 L Street NW., Washington, D.C. 20036.
D. $2,025. E. (9) $2,025.

A. J. L. Disque, 556 Morris Avenue, Summit, N.J. 07901.
B. CIBA-GEIGY Corp., 556 Morris Avenue, Summit, N.J. 07901.
D. (6) $663. E. (9) $487.50.

A. Steven P. Doehler, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. Mortgage Insurance Cos. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
D. (6) $2,500. E. (9) $29.60.

A. H. A. Doersam, 517 Powell Drive, Annapolis, Md. 21401.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $3,017. E. (9) $1,589.32.

A. Hollis M. Dole, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $45,000. E. (9) $20,699.17.

A. Richard M. Donaldson, 1700 Guildhall Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio) Guildhall Building, Cleveland, Ohio 44115.
D. (6) $82.50. E. (9) $170.22.

A. Thomas J. Donohue, Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.
B. Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.
D. (6) $5,000.10.

A. William J. Donovan, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
D. (6) $300. E. (9) $145.20.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C. 20024.
B. American Road & Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
D. (6) $3,000. E. (9) $187.50.

A. Joseph W. Dorn, Suite 400, 2033 K Street NW., Washington, D.C. 20006.
B. Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006 (for Furniture Rental Association of America).
D. (6) $980. E. (9) $76.50.

A. James A. Dorsch, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.

A. Dean R. Dort II, Deere & Co., Suite 401, 1629 K Street NW., Washington, D.C. 20006.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Leo D. Dougherty, 18700 Walkers Choice Road, Apt. 404, Gaithersburg, Md. 20760.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $6,545.37. E. (9) $341.63.

A. H. Eugene Douglas, 1970 Chain Bridge Road, McLean, Va. 22102.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $5,000.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chicago Metropolitan Higher Education Council, et al.
D. (6) $2,700. E. (9) $814.17.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hampton Roads Energy Co., Security Marine Terminal Co.
E. (9) $6.20.

A. Jane Lind Downey, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
D. (6) $105.77 E. (9) $29.40.

A. John P. Doyle, Jr., Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $3,221.87. E. (9) $1,879.05.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
B. Water Quality Association, 477 East Butterfield Road, Lombard, Ill. 60148.
D. (6) $498.75.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
B. Water Systems Council, 221 North La Salle Street, Chicago, Ill. 60601.
D. (6) $300.

A. Nancy Drabble, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,750.

A. James E. Drake, American Medical Association, 1776 K Street, NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,726. E. (9) $174.86.

A. Andrew Drance, Room 402, 2020 North 14th Street, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.
D. (6) $61.11. E. (9) $3.

A. Anthony V. Dresden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Drinker Biddle & Reath, Suite 805, 1901 L Street NW., Washington, D.C. 20036.
B. Phoenix Steel Corp., 4001 Philadelphia Pike, Claymont, Del. 19703.

A. Kevin J. Driscoll, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036; 866 Third Avenue, New York, N.Y. 10022.
D. (6) $400. E. (9) $570.

A. Franklin B. Dryden. 1875 I Street NW., Washington, D.C. 20006
B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.

A. Evelyn Dubrow, International Ladies' Garment Workers' Union, 1710 Broadway, N.Y.C. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, N.Y.C. 10019.
D. (6) $8,125. E. (9) $3,300.02.

A. Morgan D. Dubrow, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $130.

A. Henry A. Dudley, 1737 H Street NW., Washington, D.C. 20006.
B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $6,300. E. (9) $464.

A. Francis J. Duggan, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $769.77. E. (9) $350.82.

A. Jeffrey M. Duke, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Evelyn Dukovic, Morality In Media Inc., 3 East 85th Street, New York, N.Y. 10028.
B. Morality In Media, Inc., 475 Riverside Drive 239, New York, N.Y. 10027.
D. (6) $114.06.

A. Mervin E. Dullum, 1629 K Street NW., Room No. 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $200. E. (9) $56.90.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Adolph Kizas, 2633 Fort Farnsworth Road, Alexander, Va. 22303.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. "Delaware 5"

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200 Washington, D.C. 20006.
B. East Bay Regional Park District, 11500 Skyline Boulevard, Oakland, Calif. 94169.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Huron-Clinton, 3050 Penobscot, Detroit, Mich. 48226.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Iva May Harvey, Route 7, Box 117, Blythe, Calif. 92225.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Kenai Natives Association, Inc., P.O. Box 1210 Wildwood, Kenai, Alaska 99611.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Koniag, Inc., P.O. Box 746, Kodiak, Alaska.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Mid-West Consumers, P.O. Box 5089, Evergreen, Colo.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Western Fuels Association, Inc., 1835 K Street NW., No. 412, Washington, D.C. 20006.

A. James W. Dunlop, Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.
B. Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.

A. Douglas G. Dunn, Northern Natural Gas Co., 1015 15th Street NW., Suite 900, Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $1,500.

A. Mari Lee Dunn, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., No. 201, Washington, D.C. 20006.
D. (6) $127.48.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $1,625. E. (9) $1,041.35.

A. Joseph L. Duran, First National Bank of Boston, 100 Federal Street, Boston Mass. 02110.
B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. L. L. Duxbury, Burlington Northern, Inc., 413 New Jersey Avenue SE., Washington, D.C. 20003.
B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $4,800. E. (9) $995.33.

A. Denis J. Dwyer, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $225.

A. Jean F. Dye, National Congress of Parents & Teachers, 12700 Lake Avenue, Lakewood, Ohio 44107; 700 North Rush Street, Chicago, Ill. 60611.
B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $1,113.97.

A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009.
B. Bonneville Associates, Inc., 200 East South Temple, Suite 300, Salt Lake City, Utah 84111.
D. (6) $1,131. E. (9) $50.

A. Jack D. Early, The Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.
B. National Agricultural Chemicals Association, 1155 15th Street NW., Suite 514, Washington, D.C. 20005.
D. (6) $37.50. E. (9) $4.

A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $11,525.

A. Patricia S. Ebaugh, 1730 Rhode Island Avenue NW., Suite 612, Washington, D.C 20036.
B. St. Joe Minerals Corp., 250 Park Avenue. New York, N.Y. 10017.
D. (6) $1,375. E. (9) $74.88.

A. Donald R. Ebe, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,200.

A. Robert E. Ebel, ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $1,450. E. (9) $905.

A. Harold F. Eberle, Independent Insurance Agents of America, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $12,846.18.

A. Linda B. Ebner, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $537. E. (9) $14.69.

A. N. Boyd Ecker, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $51.20.

A. Jack Eckerd Corp., P.O. Box 4689, Clearwater, Fla. 33518.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. American Seat Belt Council, P.O. Box 467, New Rochelle, N.Y. 10801.
D. (6) $9,000. E. (9) $4,092.80.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. Nestle Corp., Inc., 100 Bloomingdale Road, White Plains, N.Y. 10605.
D. (6) $6,000.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. Stepan Chemical Co., Northfield, Ill. 60093.
D. (6) $2,750. E. (9) $7,925.17.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. DGA International, 1225 19th Street NW., Washington, D.C. 20034 (for Airbus Industrie, 31700 Blagnac, Toulouse, France).
D. (6) $3,660.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.

B. DGA International, 1225 19th Street NW., Washington, D.C. 20034 (for SOFREAVIA, 75 Rue La Boetie, 75008 Paris, France).

D. (6) $10,275.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.

B. Mitsubishi Bank, 1155 La Salle Street, Chicago, Ill. 60603.

A. Edelman International Corp., 1730 Pennsylvania Avenue, NW., No. 460, Washington, D.C. 20006.

B. Republic of Haiti, Port-au-Prince, Haiti, and Embassy of Haiti, 4400 17th Street NW., Washington, D.C. 20011.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

B. General Aviation Manufacturers Association, 1025 Connecticut Avenue, NW., Suite 517, Washington, D.C. 20036.

D. (6) $3,250.

A. Helen H. Edge, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

D. (6) $302.19.

A. Arthur B. Edgeworth, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $3,562.50.

A. Edison Electric Institute, 111 19th Street NW., Ninth Floor, Washington, D.C. 20036.

D. (6) $111,574.64. E. (9) $61,962.19.

A. Stephen L. Edmiston, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.

D. (6) $7,452.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.

B. Blue Ribbon Sports, Inc., 3900 Southwest Murray Boulevard, Beaverton, Oreg. 97005.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.

B. The Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.

B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.

B. Portland General Electric Co., 121 Southwest Salmon Street, Portland, Oreg. 97204.

A. Macon T. Edwards, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O, Box 12285, Memphis, Tenn. 38112.

D. (6) $781.25. E. (9) $7.69.

A. Paul S. Egan, The American Legion, 1608 K Street NW., Washington, D.C.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.

D. (6) $4,569. E. (9) $19.75.

A. H. Brent Egbert, BankAmerica Corp., 1800 K Street NW., Suite 920, Washington, D.C. 20006.

B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.

D. (6) $319.20. E. (9) $240.61.

A. Eggers & Greene, 1407 Main Street, Suite 335, Dallas, Tex. 75202.

B. The LTV Corp., P.O. Box 225003, Dallas, Tex. 75265.

D. (6) $3,000. E. (9) $540.73.

A. Charles E. Ehrhart, 1800 K Street NW., Suite 924, Washington, D.C. 20006.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

D. (6) $400. E. (9) $134.

A. J. C. B. Ehringhaus, Jr., 1875 I Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.

A. Sara Ehrman, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) $7,875.

A. Adelaide K. Eisenmann, 607 G Street SW., Washington, D.C. 20024.

B. Panamanian Committee for Human Rights, 5700 Southwest 59th Court, Miami, Fla. 33143.

A. Richard Eisenmann, 607 G Street SW., Washington, D.C. 20024.

B. Panamanian Committee for Human Rights, 5700 Southwest 59th Court, Miami, Fla. 33143.

E. (9) $111.90.

A. Timothy L. Elder, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

D. (6) $70. E. (9) $572.

A. Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

E. (9) $3,307.34.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

D. (6) $100. E. (9) $490.

A. J. Burton Eller, Jr., National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.

D. (6) $1,000. E. (9) $23.04.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.

E. (9) $642.61.

A. Steve W. Elliott, Fidelity Union Trust Co., 765 Broad Street, Newark, N.J. 07101.

B. Fidelity Union Trust Co., 765 Broad Street, Newark, N.J. 07101.

D. (6) $25.

A. Steven G. Ellis, Burson-Marsteller, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.

B. Burson-Marsteller, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036 (for Superior Ball Division, Lydall, Inc.).

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $4,868.85. E. (9) $161.14.

A. Perry R. Ellsworth, National Council of Agricultural Employers, 435 Southern Building, 15 and H Streets NW., Washington, D.C. 20005.

B. National Council of Agricultural Employers, 435 Southern Building, 15 and H Streets NW., Washington, D.C. 20005.

D. (6) $500.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

D. (6) $4,200. E. (9) $562.50.

A. Joseph T. Elvove, P.O. Box 5039, Hilton Head Island, S.C. 29928.

B. Publicker Industries, Inc., 777 West Putnam Avenue, Greenwich, Conn. 06830.

D. (6) $26,550. E. (9) $9,712.03.

A. Law Office of Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.

B. Ocean Mining Associates, Glencenter Point, Va.

D. (6) $6,000.

A. John W. Emeigh, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue, NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue, NW., Washington, D.C.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Suite 801, Washington, D.C. 20036.

D. (6) $4,957.25. E. (9) $8,661.20.

A. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

E. (9) $2195.19.

A. Employee Relocation Council, 1627 K Street NW., Suite 600, Washington, D.C. 20006.

E. (9) $8,091.25.

A. Lowell J. Endahl, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $175.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.

B. National Health Federation, P.O. Box 688, Monrovia, Calif. 91016.

D. (6) $2,000.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.

B. York Barbell Co., York, Pa., 17405.

D. (6) $1,800.

A. Ralph Engel, 1001 Connecticut Avenue NW., No. 1200, Washington, D.C. 20036.

B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., No. 1120, Washington, D.C. 20036.

A. Lewis A. Engman, 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) $2,500.

A. Patricia Hanahan Engman, Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $760.

A. M. Dale Ensign, Husky Oil Co., 1800 M Street NW., Suite 295, Washington, D.C. 20036.

B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.

D. (6) $500. E. (9) $90.90.

A. James R. Enyart, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $500. E. (9) $299.51.

A. Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina Del Ray, Calif. 90291.

D. (6) $566. E. (9) $566.

A. Mary Ann Eriksen, 800 West First Street, Los Angeles, Calif. 90012.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) $1,500. E. (9) $500.

A. Vickie L. Erickson, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $600.

A. Jerry N. Ervin, Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

A. George T. Esherick, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) $388. E. (9 $114.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $120.05.

A. John T. Estes, Allied Chemical Corp., 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.

B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.

D. (6) $500. E. (9) $42.04.

A. Ethyl Corp., 1155 15th Street, NW., Suite 611, Washington, D.C. 20005.

E. (9) $1,200.

A. Joseph O. Evans, 4401 Lee Highway, Apartment 21, Arlington, Va., 22207.

A. Evans Products Co., 1121 Southwest Salmon Street, Portland, Oreg. 97205.

E. (9) $4,302.12.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago. Ill. 60637.

D. (6) $400. E. (9) $50.

A. Fawn K. Evenson, 1611 North Kent Street, Arlington, Va. 22209.

B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.

D. (6) $900. E. (9) $388.71.

A. Robert R. Fahs, Cargill, Inc., 1050 17th Street NW., 12th Floor, Washington, D.C. 20036.

B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn. 55440.

D. (6) $2,500.

A. Dale W. Fallat, First Federal Building, 5740 Southwyck Boulevard, Toledo, Ohio 43614.

B. The Andersons, P.O. Box 119, Maumee, Ohio 43537.

D. (6) $525.

A. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20006.

E. (9) $1,854.67.

A. Thomas B. Farley II, American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $5,450. E. (9) $168.50.

A. The Farmers' Educational & Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $109,672.50. E. (9) $53,398.29.

A. Robert S. Faron, LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Washington, D.C.

B. LeBouef, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Washington, D.C., 140 Broadway Street, New York, N.Y.

A. John W. Farquhar, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) 1,500.

A. Dolores L. Farr, American Nurses' Association, 1030 15th Street NW., No. 408, Washington, D.C. 20005.

B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.

D. (6) $2,640. E. (9) $337.43.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. R. Roy Fausset, Freeport Minerals Co., 1050 17th Street NW., No. 301, Washington, D.C. 20036.

B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.

D. (6) $200.

A. Jane Fawcett-Hoover, The Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

D. (6) $4.17.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $1,660. E. (9) $1,660.

A. Federation of American Hospitals, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.

D. (6) $9,000. E. (9) $9,000.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.

E. (9) $1,760.74.

A. John W. Feist, 300 Lakeside Drive, P.O. Box 58, Oakland, Calif. 94604.

B. Kaiser Steel Corp., 300 Lakeside Drive, P.O. Box 58, Oakland Calif. 94604.

A. Fellowship Square Foundation, Inc., 11450 North Shore Drive, Reston, Va. 22090.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $400.

A. Edward T. Fergus, c/o Bache Halsey Stuart Shields, Inc., 100 Gold Street, New York, N.Y. 10038.

B. Bache Halsey Stuart Shields, Inc., 100 Gold Street, New York, N.Y. 10038.

D. (6) $700.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. Northwest Alaska Pipeline Co., P.O. Box 1526, Salt Lake City, Utah 84810.

D. (6) $2,200. E. (9) $84.30.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. State of Alaska, Department of Revenue, Pouch S, Juneau, Alaska 99811.

D. (6) $950. E. (9) $176.48.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. U.S. Borax & Chemical Corp., 3075 Wilshire Boulevard, Los Angeles, Calif. 90010.

D. (6) $3,400. E. (9) $125.

A. James H. Ferguson, American Society for Personnel Administration, 1140 Connecticut Avenue NW., No. 926, Washington, D.C. 20036.

B. American Society for Personnel Administration, 30 Park Drive, Berea, Ohio 44017.

D. (6) $5,000. E. (9) $1,626.

A. John L. Festa, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Blaine Fielding, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $4,716. E. (9) $56.

A. Manuel D. Fierro, 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) $4,000. E. (9) $168.

A. Herbert A. Fierst, 610 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. Council of Forest Industries of British Columbia, 1500/1055 West Hastings Street, Vancouver V6E 2H1, British Columbia, Canada.

D. (6) $11,250. E. (9) $514.50.

A. Paul E. Finger III, 2027½ O Street NW., Washington, D.C. 20036.

B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.

D. (6) $500. E. (9) $62.

A. Matthew P. Fink, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C., 20006.

D. (6) $84. E. (9) $2.75.

A. Sheldon I Fink, Sonnenschein, Carlin, Nath & Rosenthal, 8000 Sears Tower, Chicago, Ill. 60606.

B. First Wisconsin Mortgage Trust, 233 South Wacker Drive, Chicago, Ill. 60606.

D. (6) $14,200. E. (9) $1,239.32.

A. Thomas D. Finnigan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

E. (9) $96.27.

A. M. J. Fiocco, 1909 K Street NW., S-410, Washington, D.C. 20006.

B. National Industrial Traffic League, 1909 K Street NW., S-410, Washington, D.C. 20006.

D. (6) $2,500. E. (9) $38.75.

A. Laurie Ann Fiori, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $370.19.

A. Firearms Lobby of America, 329 Pennsylvania Avenue SE., Washington, D.C. 20002.

A. H. Barney Firestone, 10 South LaSalle Street, Chicago, Ill. 60603.

E. (9) $867.59.

A. First Class Mailers Association, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

E. (9) $38.

A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

E. (9) $3,874.93.

A. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Michael D. Fischer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Richard L. Fischer, 1000 16th Street NW., Suite 500, Washington, D.C. 20036.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago. Ill. 60680.

D. (6) $528. E. (9) $179.21.

A. T. E. Fitzgerald, Jr., 18913 Quail Valley Boulevard, Gaithersburg, Md. 20760.

B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.

D. (6) $3,317. E. $1,267.01.

A. Five Freedoms, Inc., P.O. Box 656, Columbia, Md., 21045.

A. Hilliard J. Fjord, 602 Main Street, Room 600, Cincinnati, Ohio 45202.

B. The Ohio River Co., 580 Walnut Street, Suite 1400, Cincinnati, Ohio 45202.

D. (6) $1,500. E. (9) $616.17.

A. Susan G. Flack, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $38.70.

A. Daniel V. Flanagan, Jr., 1801 K Street NW., Suite 221, Washington, D.C. 20006.

B. Southern Pacific Co., 1 Market Plaza, San Francisco, Calif. 94105.

D. (6) $5,000. E. (9) $190.10.

A. James J. Flanagan, 25 Research Drive, Westborough, Mass. 01581.

B. New England Power Service Co., 25 Research Drive, Westborough, Mass. 01581.

D. (6) $644.91. E. (9) $142.90.

A. M. Kendall Fleeharty, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $3,000. E. (9) $102.97.

A. John J. Flynt, Jr., Smalley, Cogburn & Flynt, P.O. Drawer A, Griffin, Ga. 30224.

B. AVCO Corp., 1275 King Street, Greenwich, Conn. 06830.

D. (6) $5,000.

A. Robert P. Fogarty, 3499 Ridgewood Drive, Columbus, Ohio 43220.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $1,000. E. (9) $10.17.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Family Mutual Insurance Co., 3099 East Washington Avenue, Box 7430, Madison, Wis. 53707.

D. (6) $1,255. E. (9) $6.45.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Cabot Corp. & Subsidiaries, 125 High Street, Boston, Mass. 02110.

D. (6) $4,751.35. E. (9) $1.35.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.

D. (6) $4,500. E. (9) $2.83.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Republic of the Philippines.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Smith Barney, Harris Upham & Co., Inc., 1345 Avenue of the Americas, New York, N.Y. 10019.

D. (6) $4,005. E. (9) $3,577.20.

A. Food & Beverage Trades Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $11,147.91. E. (9) $11,147.91.

A. Food Marketing Institute, 1750 K Street NW., Washington. D.C. 20006.

E. (9) $18,783.87.

A. Foodservice & Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. E. David Foreman, Jr., Foreman & Associates, Suite 601, 1776 K Street NW., Washington, D.C. 20006.

B. Ogden Corp., 277 Park Avenue, New York N.Y. 10017.

D. (6) $15,000.

A. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

E. (9) $492.80.

A. Forest Industries Committee on Timber Valuation & Taxation, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. James W. Foristel, American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.

B. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.

D. (6) $6,250. E. (9) $50.

A. Ira N. Forman, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) $7,998.98.

A. Sallie H. Forman, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

D. (6) $985. E. (9) $215.47.

A. John S. Forsythe, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Robert U. Foster, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

D. (6) $10,000. E. (9) $298.35.

A. Ebert E. Fournace, 3706 Eaton Road NW., Canton, Ohio 44708.

A. Albert A. Fox., 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.

D. (6) $400. E. (9) $88.88.

A. Richard J. Fox, 1000 16th Street NW., No. 503, Washington, D.C. 20036.

B. Standard Oil (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $1,500. E. (9) $164.11.

A. Donald Fraher, 810 18th Street NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 29995.

D. (6) $5,219.21 E. (9) $14.90.

A. Joseph L. Fraites, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. William C. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. William H. G. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

B. National Motorsports Committee of ACCUS, 1701 K Street NW., Washington, D.C. 20006.

A. Peter Franchot, Union of Concerned Scientists, 1725 I Street NW., Suite 601, Washington, D.C. 20006.

B. Union of Concerned Scientists, 1384 Massachusetts Avenue, Cambridge, Mass. 02238.

D. (6) $1,458.34.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.

B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.

D. (6) $1,675.30. E. (9) $92.49.

A. Thomas C. Franks, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $593.17.

A. Welby M. Frantz, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

D. (6) $576.92. E. (9) $7.75.

A. Charles L. Frazier, National Farmers Organization, 475 L'Enfant Plaza SW., No. 2250, Washington, D.C. 20024.

B. National Farmers Organization, Corning, Iowa 50841.

D. (6) $2,839. E. (9) $2,608.37.

A. Donald A. Frederick, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,605.

A. Robert M. Frederick, The National Grange, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $4,212.50.

A. Leslie E. Freed, American Can Co., 1660 L Street NW., Suite 201, Washington, D.C. 20036.

B. American Can Co., American Lane, Greenwich, Conn. 06830.

E. (9) $160.49.

A. Harry L. Freeman, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. James O. Freeman, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $2,850. E. (9) $92.

A. David W. Freer, 2101 L Street NW., Washington, D.C. 20037.

B. Western Oil & Gas Association, 727 West Seventh Street, Suite 850, Los Angeles, Calif. 90017.

D. (6) $825.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.

B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y., 10019.

D. (6) $4,498. E. (9) $425.45.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. National Retail Merchant Association, 100 West 31st Street, New York, N.Y. 10001.

D. (6) $550. E. (9) $15.

A. Gregory N. Friberg, Associated Builders & Contractors, Inc., 444 North Capitol Street NW., No. 409, Washington, D.C. 20001.

B. Associated Builders & Contractors, Inc., No. 409, Washington, D.C. 20001.

A. George L. Frick, Delaware Oil Men's Association, 20 East Division Street, Dover, Del. 19901.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Susan Fridy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $1,260.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue, Suite 1000, Washington, D.C. 20037.

B. Automotive Dismantlers & Recyclers of America, 1000 Vermont Avenue, Washington, D.C. 20006.

D. (6) $350. E. $13.65.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Beth Israel Medical Center, 10 Nathan Perlman Place, New York, N.Y. 10003.

D. (6) $3,432.05. (9) $21.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue, Suite 1000, Washington, D.C. 20037.

B. Halla Brown, 2475 Virginia Avenue NW., Washington, D.C. 20037.

E. (9) $18.49.

A. Fried, Frank, Harris, Shriver, & Kampelman, 600 New Hampshire Avenue, Suite 1000, Washington, D.C. 20037.

B. Czechoslovak Claimants, c/o Daisy Schott, 1 North Ravine Road, Great Neck, N.Y. 11023.

E. (9) $30.33.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.

D. (6) $1,344. (9) $9.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Nez Perce Tribe, Lapwai, Idaho.

D. (6) $1,673. E. (9) $16.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak. 57770.

E. (9) $13.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Pueblo of Laguna, Laguna, N. Mex.

D. (6) $1,395. E. (9) $17.

A. Fried, Frank, Harris, Shriver, & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

E. (9) $10.83.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Southern Brooklyn Community Organization, Borough Park Community Development Corp., 4520 18th Avenue, Brooklyn, N.Y. 11204.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.

D. (6) $2,000. E. (9) $169.34.

A. Barry A. Friedman, Wilner & Scheiner, 2021 L Street NW,, Washington, D.C. 20036.

B. American Society of Travel Agents, 711 Fifth Avenue, New York, N.Y. 10022.

D. (6) $300. E. (9) $5.

A. Charlotte E. Friedman, American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

B. American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

E. (9) $38.40.

A. James H. Friedman, 650 Terminal Tower, Cleveland, Ohio 44113.

B. Cleveland Electric Illuminating Co., 55 Public Square, Cleveland, Ohio 44113.

A. Joseph B. Friedman, 810 18th Street NW., Washington, D.C. 20006.

B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Margery Sinder Friedman, 1800 M Street NW., Suite 800–N, Washington, D.C. 20036.

B. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800–N, Washington, D.C. 20036.

A. Gay H. Friedmann, 1150 Connecticut Avenue NW., No. 717, Washington, D.C. 20036.

B. Southern California Gas Co., 720 West 8th Street, M.L. 1208, Los Angeles, Calif. 90017.

D. (6) $5,310.

A. Friends Committee on National Legislation, 245 Second Street NW., Washington, D.C. 20002.

D. (6) $98,403.02. E. (9) $18,973.19.

A. Gary R. Frink, 2524 Virginia Avenue NW., Washington, D.C. 20037.

B. Radwaste Management Group, 1800 M Street NW., Washington, D.C. 20036.

A. Charles H. Fritts, 2009 North 14th Street Suite 600, Arlington, Va. 22201.

B. New Bedford Seafood Council, Inc., 60 North Water Street, New Bedford, Mass. 02740.

D. (6) $1,100. E. (9) $3.75.

A. Charles H. Fritzel, National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $300. E. (9) $200.

A. Jeffrey A. Fritzlen, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

D. (6) $1,000.

A. Cornelius F. Froeb, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington D.C. 20036.

D. (6) $440.

A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

D. (6) $4,653.75. E. (9) $134.55.

A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. Consolidated Capital Income Trust, 1900 Powell Street, Emeryville, Calif. 94608.

D. (6) $5,056.35. E. (9) $66.90.

A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. Consolidated Capital Realty Investors, 1900 Powell Street, Emeryville, Calif. 94608.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

D. (6) $430.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92112.

D. (6) $1,200. E. (9) $105.

A. Fulton Energy, 2833 Maple Lane, Fairfax, Va. 22030.

A. Claudia R. Fuquay, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $134.63.

A. Nancy H. Fussell, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $300. E. (9) $518.28.

A. G–4 Children's Coalition, 9309 Delfield Street, Chevy Chase, Md. 20015.

D. (6) $468.75. E. (9) $1,623.32.

A. Terry Gabrielson, 490 L'Enfant Plaza SW., No. 3202, Washington, D.C. 20024.

B. Transcontinental Gas Pipe Line Corp., 2700 South Post Oak Road, Houston, Tex. 77001.

D. (6) $450.

A. James E. Gaffigan, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Suite 1006, Washington, D.C. 20036.

B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $761.53.

A. Norman S. Gaines, 2550 M Street NW., Suite 770, Washington, D.C. 20037.

B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.

D. (6) $566.04. E. (9) $1,052.66.

A. Michael R. Gale, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) $6,624.98.

A. Mark J. Gallagher, 1707 L Street NW., No. 400, Washington, D.C. 20036.

B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.

D. (6) $3,896. E. (9) $1,605.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70002.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $1,658.49.

A. Robert M. Gants, 1101 15th Street NW., Washington, D.C. 20005.

B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.

A. M. D. Garber, Jr., Phillips Petroleum Co., 2101 L Street NW., Washington, D.C. 20037.

A. Gardner, Carton & Douglas, 1875 I Street NW., Washington, D.C. 20006.

B. Committee on Truck Shippers, 1875 I Street NW., Washington, D.C. 20006.

D. (6) $561.25. (9) $55.

A. Gardner, Carton & Douglas, 1875 I Street NW., Washington, D.C. 20006.

B. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

D. (6) $62.50. E. (9) $3.

A. Gardner, Carton & Douglas, 1875 I Street NW., Washington, D.C. 20006.

B. Heizer Corp., 20 North Wacker Drive, Chicago, Ill. 60606.

A. Gardner, Carton & Douglas, 1875 I Street NW., Washington, D.C. 20006.

B. Howard Mobil Village, 701 Cathedral Street, Baltimore, Md. 21201.

A. Gardner, Carton & Douglas, 1875 I Street NW., Washington, D.C. 20006.

B. Elmer W. Kneip, 911 W. Fulton Street, Chicago, Ill.

A. Gardner, Carton & Douglas, 1875 I Street NW., Washington, D.C. 20006.

B. Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

D. (6) $31.25. (9) $3.

A. Gardner, Carton & Douglas, 1875 I Street NW., Washington, D.C. 20006.

B. Peoples Gas Co., 1875 I Street NW., Washington, D.C. 20006.

D. (6) $31.25. (9) $3.

A. Gardner, Carton & Douglas, 1875 I Street, NW., Washington, D.C. 20006.

B. Sealed Power Corp., 2001 Sanford Street, Muskegon, Mich. 49443.

A. Gardner, Carton & Douglas, 1875 I Street NW., Washington, D.C. 20006.

B. Small Producers for Energy Independence, 1150 17th Street NW., Washington, D.C.

A. Ginger Gardner, Charter Oil Co., 2550 M Street NW., Washington, D.C. 20037.

B. Charter Oil Co., 208 Laura Street, Jacksonville, Fla. 32202.

A. Robert P. Gardner, Standard Brands Foods Co., 1899 L Street NW., Suite 505, Washington, D.C. 20036.

B. Standards Brands Foods Co., Standard Brands, Inc., 625 Madison Avenue, New York, N.Y. 10022.

D. $600.

A. Sherwin Gardner, 1010 Wisconsin Avenue, NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

D. (6) $54. E. (9) $5.40.

A. Wendell P. Gardner, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $150. E. (9) $16.14.

A. Theodore J. Garrish, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.

B. National Outdoor Coalition, 8387 Tamarind, Fontana, Calif. 92335.

D. (6) $725.84. E. (9) $384.99.

A. James J. Garry, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. W. Bradford Gary, 1211 Connecticut Avenue NW., Suite 502, Washington, D.C. 20036.

B. Anheuser-Busch Co., Inc., 721 Pestalozzi Street, St. Louis, Mo. 63118.

E. (9) $10.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street Chicago, Ill. 60637.

D. (6) $400. E. (9) $50.

A. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

E. (9) $99.75.

A. Philip Gasteyer, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $2,100.

A. James A. Gavin, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Margaret L. Gehres, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $2,580. E. (9) $184.41.

A. Robert C. Gelardi, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500–D, Atlanta, Ga. 30342.

B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500–D, Atlanta, Ga. 30342 (for Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500–D, Atlanta, Ga. 30342).

D. (6) $1,810.

A. Morton A. Geller, First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Jose A. Gemeil, 1100 17th Street, NW., Suite 302, Washington, D.C. 20036.

B. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036, (Brazilian Coffee, Institute 767 Fifth Avenue, New York, N.Y. 10022)

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

E. (9) $3,250.

A. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019.

E. (9) $620.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Ak-Chin Indian Community Council, Route 2, Box 27, Maricopa, Ariz. 85239.

E. (9) $17.90.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Colville Business Council, Box 150, Nespelem, Wash. 99155.

D. (6) $900. E. (9) $25.

A. Gerard, Byler & Associates, Inc., 1100 17th Street, NW., Suite 1100, Washington, D.C. 20036.

B. Inter-Tribal Council of Arizona, 124 West Thomas Road, Phoenix, Ariz.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Washington, D.C. 20036.

B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.

E. (9) $44.55.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. The Minnesota Chippewa Tribe, P.O. Box 217, Cass Lake, Minn. 56633.

D. (6) $320. E. (9) $5.

A. Joseph G. Gerard, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D. (6) $999. E. (9) $624.63.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.

B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

D. (6) $4,217.40. E. (9) $108.05.

A. Donald H. Gerrish, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.

E. (9) $9,725.51.

A. Dorothy F. Gevinson, The Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Proctor & Gamble Mfg. Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. William T. Gibb III, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) $100.

A. Wayne Gibbens, Mid-Continent Oil & Gas Association, 1919 Pennsylvania Avenue NW., Suite 503, Washington, D.C. 20006.

B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $3,465. E. (9) $56.25.

A. Anne Marie Gibbons, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

D. (6) $400.

A. John A. C. Gibson, Coal Building, Washington, D.C. 20036.

B. National Coal Association, Coal Building, Washington, D.C. 20036.

D. (6) $10,625. E. (9) $2,326.25.

A. Thomas F. Gibson, 1750 Old Meadow Road, McLean, Va. 22102.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. William G. Geiry, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foodservice and Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. William L. Gifford, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

A. Norma J. Gilbert, 1776 K Street NW., Suite 200, Washington, D.C. 20006.

B. Motorola, Inc., 1776 K Street NW., Suite 200, Washington, D.C. 20006.

D. (6) $1,200. E. (9) $111.18.

A. Arthur P. Gildea, 274 Glenfield Court, Cincinnati, Ohio 45238.

B. Brewery & Soft Drink Workers National Conference International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, 1400 Renaissance Drive, Park Ridge, Ill. 60068.

E. (9) $3.

A. Michael Gildea, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $10,435.50.

A. John E. Giles, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Neal P. Gillen, American Cotton Shippers Assn., 1707 L Street NW., Suite 460, Washington, D.C. 20036.

B. American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.

D. (6) $35,000. E. (9) $1,082.44.

A. Robert E. Ginther, Association of Local Transport Airlines, Suite 803, 1801 K Street NW., Washington, D.C. 20006.

B. Association of Local Transport Airlines, Suite 803, 1801 K Street NW., Washington, D.C. 20006.

D. (6) $3,500.

A. Jonah Gitlitz, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Advertising Federation, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $69.22.

A. Michael J. Giuffrida, 1019 19th Street NW., Washington, D.C.

B. National Frozen Food Association, Inc., 1 Chocolate Avenue, P.O. 398, Hershey, Pa. 17033.

D. (6) $1,127.

A. David W. Givens, Indiana National Corp., 1 Indiana Square, No. 501, Indianapolis, Ind. 46266.

B. Indiana National Corp., 1 Indiana Square, No. 501, Indianapolis, Ind. 46266.

D. (6) $400. E. (9) $330.

A. Vernie R. Glasson, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Il. 60068.

D. (6) $5,500. E. (9) $6.

A. George L. Gleason, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

D. (6) $4,487.49. E. (9) $373.60.

A. John P. Gleason, Jr., 1750 Old Meadow Road, McLean, Va. 22102.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. Law Office of Thomas W. Gleason, 1 State Street Plaza, New York, N.Y. 10004.

B. International Longshoremen's Association, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.

A. The Glenmede Trust Co., 229 South 18th Street, Philadelphia, Pa. 19103.

A. Godfrey Association, Inc., 918 16th Street NW., S–501, Washington, D.C. 20006.

E. (9) $76.85.

A. Godfrey Association, Inc., 918 16th Street NW., S–501, Washington, D.C. 20006.

B. Patton, Boggs & Blow, 2550 M Street, NW., Washington, D.C. 20037.

E. (9) $76.85.

A. Horace D. Godfrey, 918 16th Street NW., S–501, Washington, D.C. 20006.

B. Godfrey Association, Inc., 918 16th Street NW., S–501, Washington, D.C. 20006.

D. (6) $2,500. E. (9) $76.85.

A. J. F. Godfrey, P.O. Box 186, Fort Worth, Tex. 76101.

B. The Western Co. of North America, P.O. Box 186, Forth Worth, Tex. 76101.

D. (6) $16.

A. Patrick L. Godfrey, National Association of Manufacturers, 711 Court A, Tacoma, Wash. 98402.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $1,400.

A. Judith M. Goff, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $532.

A. Harvey S. Gold, Velsicol Chemical Corp., 1015 15th Street NW., Suite 909, Washington, D.C. 20005.

B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street, NW., Washington, D.C. 20036.

B. DGA International, Inc. 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France.

D. (6) $1.83.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc. 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C.)

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 8eme, France).

D. (6) $18.27.

A. Alan J. Goldenberg, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Carl Goldfield, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

D. (6) $500.

A. Alan I. Goldman, Management Assistance Inc., 300 East 44th Street, New York, N.Y. 10017.

B. Management Assistance Inc., 300 East 44th Street, New York, N.Y. 10017.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

E. (9) $1,015.49.

A. Jack Golodner, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Actors Equity Association, 165 West 46th Street, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $330.56.

A. Jack Golodner, 815 16th Street NW, Washington, D.C. 20006.
B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,625.

A. Ruth Gonze, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $2,000.

A. Don A. Goodall, 1575 I Street NW., Suite 220, Washington, D.C. 20006.
B. American Cyanamid Co, Wayne, N.J. 07470.
D. (6) $614.25. E. (9) $250.20

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C.).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $110.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 8eme, France).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF (AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
B. Crop Quality Council, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
D. (6) $9,338.25. E. (9) $816.07.

A. Robert F. Goodwin, Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.
B. Meredith Corp., 1850 K Street, NW., Suite 275, Washington, D.C. 20006.
D. (6) $40. E. (9) $26.50.

A. Sara Ann Gordon, Suite 809, 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Texas Hospital Association, Austin, Tex. American Protestant Hospital Association, Chicago, Ill.

A. Frank D. Gorham III, 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $138.26. E. (9) $22.25.

A. Peter J. Gossens, 1717 Massachusetts Avenue, NW., No. 503, Washington, D.C. 20036.
B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., No. 503, Washington D.C. 20036.
D. (6) $10,130.94. E. (9) $358.36.

A. John S. Gottschalk, 1412 16th Street NW., Washington, D.C. 20036.
B. International Association of Fish and Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $248.29.

A. Donald E. Graham, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington D.C. 20036.
D. (6) $3,850.

A. Lawrence T. Graham, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Suite 1006, Washington, D.C. 20036.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $761.53.

A. Maria Ann Graham, National Audubon Society, 1301 20th Street NW., Apartment 503, Washington, D.C. 20036.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.
D. (6) $4,779.99. E. (9) $1,327.10.

A. Allan Grant, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $845.

A. John F. Grant, Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.
B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.
D. (6) $3,800. E. (9) $4,888.97.

A. Wm. W. Grant, Utah International Inc., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Utah International Inc., 550 California Street, San Francisco, Calif. 94104.
E. (9) $440.62.

A. James L. Granum, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. Michael R. Graul, Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,000.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $807.30. (E) (9) $25.

A. Martha W. Gray, 1101 Sixteenth Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 Sixteenth Street NW., Washington, D.C. 20036.
E. (9) $35.60.

A. Robert K. Gray, Hill & Knowlton, Inc., 1425 K St., NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Ave., New York, N.Y. 10017.

A. Robert K. Gray, Hill and Knowlton, Inc., 1425 K St., NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Ave., New York, N.Y. 10017 (for Distilled Spirits Council of the U.S., Washington, D.C.).

A. Robert K. Gray, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for: Health Insurance Association of America, Washington, D.C.).
D. (6) $600.

A. Robert K. Gray, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20006.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Motorola, Washington, D.C.).

A. Samuel A. Grayson, Union Pacific Railroad Co., 611 Idaho Building, 216 North Eight, Boise, Idaho 83702.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr. 68179.

A. The Great Western Sugar Co., P.O. Box 5308 T.A., Denver, Colo. 80217.
E. (9) $3270.56.

A. The Greater Washington Board of Trade, Board of Trade Building, 1129 20th Street NW., Washington, D.C. 20036.

A. Donald R. Greeley, Celanese Corp., 1101 17th Street NW., Suite 307, Washington, D.C. 20036.
B. Celanese Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $750. E. (9) $161.79.

A. Edward M. Green, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $31.32. E. (9) $6.

A. George R. Green, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $900.

A. James W. Green, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,156.40. E. (9) $267.48.

A. Mark Green, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 10003.
D. (6) $4,615.39.

A. Michael B. Green, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.

A. Alison E. Greene, Suite 600, 1707 H Street NW., Washington, D.C. 20006.
B. March of Dimes Birth Defects Foundation, 1275 Mamaroneck Avenue, White Plains, N.Y. 10605.
D. (6) $1,500. E. (9) $186.70.

A. Robert M. Greening, Jr., Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
D. (6) $4,073. E. (9) $1,391.43.

A. Dale W. Greenwood, Washington Railroad Association, 612 Hoge Building, Seattle, Wash. 98104.

B. Washington Railroad Association, 612 Hoge Building, Seattle, Wash. 98104.

D. (6) $364.40. E. (9) $933.13.

A. Saunders Gregg, Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.

B. Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.

D. (6) $1,650. E. (9) $2,917.83.

A. William G. Greif, Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $15,000.

A. Edward F. Greissing, Jr., The Upjohn Co., 1660 L Street NW., No. 205, Washington, D.C. 20036.

B. The Upjohn Co., 7000 Portage Road, Kalamazoo, Mich., 49001.

A. Lori Gribbin, 1899 L Street NW., No. 807, Washington, D.C. 20036.

B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

D. (6) $500. E. (9) $15.

A. Edward D. Griffith, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $500.

A. A. Jack Grimes, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

A. Robert J. Grimm, 9 West 57th Street, New York, N.Y. 10019.

B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

D. (6) $100. E. (9) $5.

A. Gary Grobman, Suite 704, 1735 I Street NW., Washington, D.C. 20006.

B. Smith and Howard Associates, Inc., Suite 704, 1735 I Street NW., Washington, D.C. 20006.

D. (6) $500. (9) $45.

A. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

E. (9) $2,586.82.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.

B. Aetna Life & Casualty, 151 Farmington Road, Hartford, Conn. 06115.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.

B. Bally Manufacturing Corp., 2640 West Belmont Avenue, Chicago, Ill. 60618.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.

B. Eli Lilly & Co., 307 East McCarty Street, Indianapolis, Ind. 46206.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.

B. Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

E. (9) $300.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. John Hancock Mutual Life Insurance Co., P.O. Box 111, Boston, Mass.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C.

B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.

E. (9) $125.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.

B. Phoenix Mutual Life Insurance Co., One American Row, Hartford Conn., 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

B. The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J. 07101.

E. (9) $200.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.

B. The Travelers, One Tower Square, Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

B. Western Conference of Teamsters Pension Trust Fund, P.O. Box 7880, San Francisco, Calif. 94102.

D. (6) $990. E. (9) $35.

A. Barbara Gross, 3316 16th Street NW., Washington, D.C. 20010.

B. Consumer Action Now, 317 Pennsylvania Avenue NW., Washington, D.C. 20003.

A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) $1,000.

A. Frank N. Grossman, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.

D. (6) $1,500. E. (9) $300.

A. Gail Pardue Grubb, 1101 15th Street, Suite 205, Washington, D.C. 20005.

B. Home Health Services and Staffing Association, 1101 15th Street NW., Suite 205, Washington, D.C. 20005.

D. (6) $500.

A. Kenneth A. Guenther, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

D. (6) $15,000. E. (9) $133.86.

A. Kenneth J. Guido, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington. D.C. 20036.

D. (6) $963.

A. Jerome R. Gulan, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $2,500.

A. Jerome R. Gulan, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $4,500.

A. Gun Owners Of America, Inc., 101 S. Whiting Street, Alexandria, Va. 22301.

D. (6) $38,181.09. E. (9) $47,517.65.

A. Thomas M. Gunn, P.O. Box 516, St. Louis, Mo. 63166.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. William B. Gunter, Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006.

B. Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006 (for Furniture Rental Association of America).

D. (6) $250.

A. Susan L. Gustafson, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Richard C. Guthrie, Avondale Shipyards, Inc., 2640 Vulcan Drive, Harvey, La. 70058.

B. Avondale Shipyards, Inc., P.O. Box 50280, New Orleans, La. 70150.

D. (6) $6,422.40.

A. Robert F. Guthrie, 815 16th Street NW., Washington, D.C. 20006.

B. Department for Professional Employees, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $3,454.

A. C. James Hackett, American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

B. American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $538.46. E. (9) $151.40.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.

B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.

B. John Finlayson, 147 Cat Rock Road, Cos Cob, Conn. 06904.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.

B. National Living Centers, 777 South Post Oak Road, Suite 600, Houston, Tex. 77056.

A. Loyd Hackler, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $173.44.

A. William G. Haddeland, Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Ann Hagemann, 6503 N. Rochester Street, Falls Church, Va. 22043.

B. American Broadcasting Co., Inc., 1150 17th St., NW., No. 1102, Washington, D.C. 20036.

A. Ronald D. Hagen, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $336.54. E. (9) $8.55.

A. William D. Hager, American Academy of Actuaries, 1835 K Street NW., No. 515, Washington, D.C. 20006.

B. American Academy of Actuaries, 1835 K Street NW., No. 515, Washington, D.C. 20006.

D. (6) $300. E. (9) $6.

A. Peter H. Hahn, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

B. Chromalley American Corp., 120 South Central, St. Louis, Mo. 63105.

E. (9) $1,050.

A. Thomas F. Hairston, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

E. (9) $187.75.

A. Haley, Bader & Potts, 1730 M Street NW., Washington, D.C. 20036.

B. Pilots Rights Association, P.O. Box 7000, 367 Redondo Beach, Calif. 90277.

D. (6) $9,045. E. (9) $2,392.46.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.

B. Kansas Grain & Feed Dealers Association, 1722 North Plum, Hutchison, Kans. 67501.

E. (9) $37.80.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1750 K Street NW., Suite 350, Washington, D.C. 20006.

B. The Williams Cos., P.O. Box 2400, Tulsa, Okla. 74101.

A. Richard F. Hall, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

E. (9) $184.27.

A. Joseph Halow, 1800 M Street NW., Washington, D.C. 20036.

B. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.

D. (6) $450.

A. Jerald V. Halvorsen, Allied-General Nuclear Services, 1150 Connecticut Avenue NW., Suite 702, Washington, D.C. 20036.

B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

E. (9) $318.81.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Belize Sugar Industries, Ltd., Belize City, Belize (Central America).

E. (9) $60.81.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Beneficial Foundation, 1300 Market Street, Wilmington, Del.

A. Hamel, Park, McCabe, & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.

D. (6) $3,000. E. (9) $104.06.

A. Hamel, Park, McCabe, & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.

E. (9) $100.19.

A. Hamel, Park, McCabe, & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Pepsico., Inc., Purchase, N.Y.

D. (6) $4,462.50. E. (9) $32.72.

A. Hamel, Park, McCabe, & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. State of Alaska.

D. (6) $8,970. E. (9) $16.80.

A. Hamel, Park, McCabe, & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Sugar Association of the Caribbean, Port of Spain, Trinidad.

E. (9) $663.55.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. James L. Hamilton III, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) $288.75. E. (9) $37.68.

A. Philip W. Hamilton, 1901 L Street NW., Suite 711, Washington, D.C. 20036.

B. Hamilton & Associates, Inc., 1901 L Street NW., Washington, D.C. 20036 (for the National Labor-Management Foundation, Louisville, Ky.

A. Stanley Hamilton, Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.

B. Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.

D. (6) $500. E. (9) $50.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800 Washington, D.C. 20036 (for MBPXL Corp.).

D. (6) $375.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for National Campground Owners Association).

D. (6) $300.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800 (for SunMaid Raisin Growers of California, Washington, D.C. 20036.)

D. (6) $375.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for Western Growers Association).

D. (6) $750.

A. Robert N. Hampton, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,011.

A. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $264,457.82. E. (9) $37,532.72.

A. Donald K. Hanes, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $587.

A. George J. Hanks, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. Elisabeth Hanlin, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 215, Washington, D.C. 20036.

B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.

D. (6) $600.

A. Hansell, Post, Brandon & Dorsey, 3300 First National Bank Tower, Atlanta, Ga. 30303.

B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006; Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.

D. (6) $3,750.

A. J. E. Hansen, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.

D. (6) $350.

A. Shirley J. Hansen, American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

B. American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

E. (9) $47.90.

A. Ralph R. Harding, 1475 West Hays, Boise, Idaho 83702.

B. AMPCO Foods, Inc., Box 592, Blackfoot, Idaho 83221.

D. (6) $10,620.63. E. (9) $1,906.30.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.

B. National Tooling & Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, NAM, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $2,500.

A. Andrew E. Hare, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.

B. National Right to Work Committee, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.

D. (6) $300. E. (9) $232.

A. Charles N. Harkey, Beneficial Management Corp. of America, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.

B. Beneficial Managment Corp. of America, 1300 Market Street, Wilmington, Del. 19899.

D. (6) $3,852.07. E.(9) $3,103.72.

A. Bryce L. Harlow, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

D. (6) $165.58.

A. Donald L. Harlow, 310 Riley Street, Falls Church, Va. 22046.

B. Air Force Sergeants Association, Inc., 4235 28th Avenue, Suite 713, Marlow Heights, Md. 20031.

A. John L. Harmer, 10 East South Temple, Suite 696, Salt Lake City, Utah 84133.
D. (6) $15,000. E. (9) $5,843.

A. C. Wayne Harmon, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $250. E. (9) $31.88.

A. Wiley C. Harrell, Anheuser-Busch Co., Inc., 1211 Connecticut Avenue NW., Suite 502, Washington, D.C. 20036.
B. Anheuser-Busch Co., Inc., 721 Pestalozzi Street, St. Louis, Mo. 63118.
E. (9) $10.

A. Michael T. Harrigan, 2033 M Street NW., Washington, D.C. 20036.
B. U.S. Olympic Committee, P.O. Box 4000, Colorado Springs, Colo. 80930.

A. Toni Harrington, American Honda Motor Co., Inc., 955 L'Enfant Plaza SW., No. 905, Washington, D.C. 20024.
B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardea, Calif. 90247.
D. (6) $150. E. (9) $232.01.

A. Harris, Beach, Wilcox, Rubin & Levey, 2 State Street, Rochester, N.Y. 14614, 1730 M Street NW., Washington, D.C. 20036.
B. United Societies of Physiotherapists, Inc., 950 Franklin Avenue, Garden City, N.Y. 11530.
D. (6) $244.

A. Robert H. Harris, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $185.

A. Robert L. Harris, The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.

A. Jim Harrison, Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220 Washington D.C. 20036.
D. (6) $5,749.98. E. (9) $390.28.

A. Harshe-Rotman & Druck, Inc., 1010 Wisconsin Avenue, NW., No. 640, Washington, D.C. 20007.

A. Richard Hart, National Association of Manufacturers, 601 North Vermont Los Angeles Calif. 90004.
B. National Association of Manufacturers 1776 F Street NW. Washington D.C. 20006.
D. (6) $140. E. (9) $135.83.

A. William C. Hart, 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.
E. (9) $7,100.

A. Charles D. Hartman, Texaco, Inc., 1050 17th Street NW., Suite 500, Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $570.34.

A. Robert S. Hartmann, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Norman B. Hartnett, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $15,751. E. (9) $1,389.18.

A. Walter A. Hasty, Jr., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45201.
D. (6) $37.50.

A. Rodney E. Haugh, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $480.

A. Mary W. Haught, Sun Company, Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $700. E. (9) $48.97.

A. Charles W. Havens III, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Sidney G. Hawkes, The Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Mead Corp., Mead World Headquarters, Courthouse Plaza Northeast, Dayton, Ohio 45463.
D. (6) $475. E. (9) $94.94.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
D. (6) $8,814. E. (9) $2,285.07.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.

A. Bruce R. Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $4,500. E. (9) $39.

A. Health Insurance Association of America, Inc. 1750 K Street NW., Washington, D.C. 20006.
D. (6) $497.81. E. (9) $497.81.

A. Health Research Group, 2000 P Street NW., No. 708. Washington, D.C. 20036.
D. (6) $40.37. E. (9) $40.37.

A. Patrick B. Healy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $543.75.

A. Robert L. Healy, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $250.

A. Heavy Specialized Carriers Conference, 1155 16th Street NW., Washington, D.C. 20036.

A. William H. Hecht, 1875 I Street NW., No. 800, Washington, D.C. 20006.
B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Jay Hedlund, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,499.97. E. (9) $52.70.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Ductile Iron Pipe Research Association, Oak Brook, Ill.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. State of Alaska, Anchorage, Alaska.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $11,040. E. (9) $171.82.

A. Clyde M. Heiner, 180 East First South Street, Salt Lake City, Utah 84139.
B. Mountain Fuel Supply Co., 180 East First South, Salt Lake City, Utah.

A. Steven B. Hellem, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500.

A. Thomas R. Hendershot, Obermayer Rebmann, Maxwell & Hippel, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. Philadelphia Gas Works, 1518 Walnut Street, Philadelphia, Pa. 19105.
D. (6) $303.56.

A. Carol C. Henderson, American Library Association, 110 Maryland Avenue NE., Box 54, Washington, D.C. 20002.

B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $561.00.

A. Douglas F. Henderson, Rocky Mountain Oil and Gas Association, 1155 15th Street NW., Suite 314, Washington, D.C. 20005.
B. Rocky Mountain Oil and Gas Association, 345 Petroleum Building, Denver, Colo. 80202.
E. (9) $15.

A. John B. Henderson, Textron Inc., 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Textron Inc., 40 Westminster Street, Providence, R.I. 02903.
D. (6) $1,999.00. E. (9) $333.18.

A. Richard Dean Henderson, Private Truck Council of America, Inc., 1101 17th Street, NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW, No. 310, Washington, D.C. 20036.
E. (9) $20.

A. Henkel & Lamon, 229 Peachtree Street NE., 2500 Peachtree Center, Cain Tower, Atlanta, Ga. 30303.

B. Colonial Life & Accident Insurance Co., P.O. Box 1365, Columbia, S.C. 29201.

D. (6) $1,017.

A. Henkel & Lamon, 229 Peachtree Street NE., Suite 2500, Atlanta, Ga. 30303.

B. The National Association of Pension Consultants and Administrators, Inc., Suite 300, Three Piedmont Center, Atlanta, Ga. 30305.

A. Henkel & Lamon, 229 Peachtree Street NE., 2500 Peachtree Center Cain Tower, Atlanta, Ga. 30303.

B. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue NW., Washington, D.C. 20036.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500.

A. Thomas M. Hennessy, Getty Oil Co., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.

D. (6) $1,244. E. (9) $305.19.

A. George F. Hennrikus, Jr., The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22134.

B. The Retired Officers Association, 201 North Washington, Street, Alexandria, Va. 22314.

D. (6) $4,613.

A. Donald A. Henriksen, 515 South Flower Street, Los Angeles, Calif. 90071.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Lawrence R. Herman, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.

B.' Independent Insurance Agents of America, Inc., 85 John Street, New York, 10038.

D. (6) $6,230.82.

A. Lyla M. Hernandez, American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.

B. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.

E. (9) $39.94.

A. Herrick, Allen, & Davis, 1701 K Street NW., Suite 706, Washington, D.C. 20006.

B. Amusement and Music Operators Association, 35 East Wacker Drive, Suite 1940, Chicago, Ill. 60601.

D. (6) $183.33.

A. Heublein, Inc., Munson Road, Farmington, Conn. 06032.

E. (9) $4,078.50.

A. Ted A. Heydinger, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,958. E. (9) $318.88.

A. Andrew I. Hickey, Jr., Federal National Mortgage Association. 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

D. (6) $16,625. E. (9) $1,229.95.

A. Frederic W. Hickman, One First National Plaza. Suite 5200, Chicago, Ill. 60603.

B. Comonwealth Edison Co., One First National Plaza, Chicago, Ill. 60603.

A. Frederic W. Hickman, One First National Plaza, Suite 5200, Chicago, Ill. 60603.

B. First Chicago Corp., One First National Plaza, Chicago, Ill. 60670.

A. Frederic W. Hickman, One First National Plaza, Suite 5200, Chicago, Ill. 60603.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $3,125.

A. Frederic W. Hickman, One First National Plaza, Chicago, Ill., 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill.

A. Frederic W. Hickman, One First National Plaza, Suite 5200, Chicago, Ill. 60603.

B. Peoples Energy Corp., 122 South Michigan Avenue, Chicago, Ill. 60603.

D. (6) $370.

A. Frederic W. Hickman, One First National Plaza, Suite 5200, Chicago, Ill. 60603.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Paul T. Hicks, Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. J. Thomas Higginbotham, Mellon Bank N.A., Pittsburgh, Pa. 15230.

B. Mellon Bank N.A. and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.

D. (6) $2,000. E. (9) $1,434.59.

A. Hill, Christopher and Phillips, 1900 M Street, NW., Washington, D.C. 20036.

B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

A. Hill, Christopher and Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Michigan State Housing Development Authority, Plaza One, Fourth Floor, 401 S. Washington Square, Lansing, Mich. 48909.

A. Hill, Christopher and Phillips, 1900 M Street NW., Washington, D.C.

B. Morgan Guaranty Trust Co. of New York, 23 Wall Street, New York, N.Y. 10015.

D. (6) $250.

A. Hill, Christopher and Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Republic National Bank of New York, Fifth Avenue at 40th Street, New York, N.Y. 10018.

D. (6) $175.

A. Dave Hill, American Farm Bureau Federation. 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $3375. E. (9) $75.

A. Gerald "Jerry" Hill. Standard Oil Co. (Indiana), 6 Executive Park Drive, Atlanta, Ga. 30329.

B. Standard Oil Co. (Indiana). 200 E. Randolph Drive. Chicago, Ill. 60601.

E. (9) $100.14.

A. J. Eldred Hill, Jr., UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.

B. UBA, Inc., 1800 M Street NW., 460 South. Washington, D.C. 20036.

D. (6) $2,000.

A. Morton A. Hill, Morality in Media, 980 Park Avenue, New York, N.Y. 10028.

B. Morality in Media, Inc., 475 Riverside Drive, New York, N.Y. 10027.

D. (6) $23.37.

A. C. F. Hitchcock, P.O. Box 19375, 717 Dupont Circle Building, Washington, D.C. 20036.

A. Lawrence S. Hobart, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $1,000.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Washintgon, D.C. 20006.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $3,200. E. (9) $93.

A. Robert J. Hobbs, National Consumer Law Center, Inc., 11 Beacon Street, Boston, Mass. 02108.

B. National Consumer Law Center, 11 Beacon Street, Boston, Mass. 02108.

D. (6) $101.95. E. (9) $158.20.

A. Valery Hobbs, TRW Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio. 44117.

D. (6) $1,000.

A. Philip R. Hochberg, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.

B. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 S, Washington, D.C. 20036. (for Canadian Cablesystems, Ltd., Suite 2602; P.O. Box 249; Toronto Dominion Center; Canada M5K 1J5).

D. (6) $1895. E. (9) $215.27.

A. Charles L. Hoebel, Carrier Corp., Suite 510, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Carrier Corp., Carrier Tower Box 4800, Syracuse, N.Y. 13221.

D. (6) $3,300. E. (9) $139.

A. Howard E. Hoelter, Illinois Petroleum Council. P.O. Box 5034, Springfield, Ill. 62705.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Glen D. Hofer, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $741.

A. Irvin A. Hoff, 20 Live Oak Road, Hilton Head Island, S.C. 29928.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $375. E. (9) $174.02.

A. Ellen S. Hoffman, Children's Defense Fund of the Washington Research Project, Inc., 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund of the Washington Research Project, Inc., 1520 New Hampshire Avenue NW., Washington, D.C.

D. (6) $1,380.20. E. (9) $314.69.

A. Herbert E. Hoffman. American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street. Chicago, Ill. 60637.

D. (6) $400. E. (9) $50.

A. Hogan & Hartson. 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Council of European and Japanese National Shipowners' Association, 17/18 Bury Street, London EC3A 5AH, England.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $7,068.50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94106.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Rehabilitation Association, 1522 K Street NW., Washington, D.C.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Vinland National Center, 3675 Ihduhapi Trail, Loretto, Minn. 55357.
E. (9) $16.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Wood Energy Institute, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,545.

A. Bruce E. Holbein, Digital Equipment Corp., 111 Powdermill Road (B79), Maynard, Mass. 10754.
B. Digital Equipment Corp., 111 Powdermill Road, Maynard, Mass. 01754.
D. (6) $7,500. E. (9) $1,030.84.

A. Kelly Holley, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,680. E. (9) $693.38.

A. Lee B. Holmes, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,587.50.

A. Peter E. Holmes, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 96431.
D. (6) $525.

A. Richard C. Holmquist, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $16.49. E. (9) $4.

A. Holt Cicatiello Neiswanger, Inc., 1441 Irving Street, Rahway, N.J. 07065.
B. New York Mercantile Exchange, 4 World Trade Center, New York, N.Y. 10048.
D. (6) $6,000. E. (9) $556.79.

A. E. Y. Holt, Jr., National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Linwood Holton, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Fortescue W. Hopkins, Box 218, Daleville Va. 24083.
B. Graham-White Mfg. Co., Graham-White Sales Corp., P.O. Box 1099, Salem, Va. 24153.
D. (6) $330.

A. The Hormel Foundation, Austin, Minn. 55912.
E. (6) $812.41.

A. Robert Jack Horn, Detroit Edison Co., 1819 H Street NW., Suite 960, Washington, D.C. 20006.
B. The Detroit Edison Co., 2000 Second Avenue, Detroit, Mich. 48226.
D. (6) $358.

A. Michael E. Horrell, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $1,023.75. E. (9) $12.50.

A. Houdaille Industries, Inc., 1 Financial Plaza, Fort Lauderdale, Fla. 33394.
E. (9) $48,466.71.

A. Thomas B. House, American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.
B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
E. (9) $1,990.64.

A. C. T. Hoversten, 209 West 53rd Street, Western Springs, Ill. 60558.
B. National Advertising Co., 6850 South Harlem Avenue, Argo P.O., Bedford Park, Ill. 60501.

A. Arthur L. Howard, 1100 H Street NW., Washington, D.C. 20080.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Companies, Allstate Plaza, Northbrook, Ill. 60062.

A. Paul N. Howell, Howell Corp., 1200 Travis, Street, Suite 800, Houston, Tex. 77002.
B. Howell Corp., 1200 Travis, Street, Suite 800, Houston, Tex. 77002.

A. John B. Howerton, ASARCO Inc., 1730 Rhode Island Avenue NW., Suite 206, Washington, D.C. 20036.
B. ASARCO Inc., 120 Broadway, New York, N.Y. 10005.
D. (6) $1,500.

A. Randall A. Huffman, Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.
B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

A. David Emery Hughes, Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.
B. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.
D. (6) $350.

A. Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Pepsi Cola Bottlers Association, 3100 East Oakland Park Boulevard, Fort Lauderdale, Fla. 33308.
D. (6) $600. E. (9) $8.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $914.45. E. (9) $18.50.

A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.
B. Cornell Oil Co., Suite 200, 5440 Harvest Hill Road, Dallas, Tex. 75230.
D. (6) $500. E. (9) $110.70.

A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.
B. Sammons Enterprises, Inc., 403 South Akard, Dallas, Tex. 75202.

A. William E. Hughes, Jr., 11 Hills Avenue, East Hampton, Conn. 06424.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.

A. William G. Hughes, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $107.71.

A. Edward L. Huie, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
B. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
D. (6) $5,811.96. E. (9) $1,492.50.

A. David C. Hull, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Keith R. Hundley, Weyerhaeuser Co., 1625 I Street NW., No. 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98477.
D. (6) $500. E. (9) $108.73.

A. Burt H. Hunley, Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
B. Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $50.

A. Harriet Hunt, 82 Second Street, San Francisco, Calif. 94105.
B. The Trust for Public Land, 82 Second Street, San Francisco, Calif. 94105.
D. (6) $936. E. (9) $439.04.

A. Michael M. Hunter, International Telephone and Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone and Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $300. E. (9) $80.

A. Milton F. Huntington, Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John Edward Hurley, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.
B. National Association for Free Enterprise, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. Robert R. Hurt, 1050 17th Street NW., Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

A. Benjamin Melvin Hurwitz, The Coastal Corp., 1333 New Hampshire Avenue NW., Suite 205, Washington, D.C. 20036.
B. The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.
D. (6) $600. E. (9) $219.55.

A. John F. Hussey, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $81.42.

A. Dewey M. Hutchins, Jr., Eastman Kodak Co., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $400. E. (9) $218.

A. Philip A. Hutchinson, Jr., Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.
D. (6) $250.

A. Randy Huwa, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,399.99.

A. David C. Hyer, Ohio Petroleum Council, 88 East Broad, Suite 1960, Columbus, Ohio 43215.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Robert D. Hynes, Jr., National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $166.11.

A. John Iaccio, Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $2,125.

A. John K. Iglehart, Kaiser Foundation Health Plan, Inc., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $8,000. E. (9) $1,550.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Suite 202, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.
D. (6) $82,889. E. (9) $62,904.07.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $19,833.24. E.(9) $19,833.24.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $7,500.

A. Independent U.S. Tanker Owners' Association, 1612 K Street NW., No. 510, Washington, D.C. 20006.

A. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $24,705.58. E. (9) $24,705.58.

A. G. Conley Ingram, Citizens & Southern National Bank Building, 35 Broad Street, Atlanta, Ga. 30303.
B. Alston, Miller & Gaines.

A. Andrea L. Innes, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $7,125.

A. Deborah A. Insley, General Motors Corp., 1660 L Street NW., Washington, D.C.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $2,500. E. (9) $366.21.

A. Insurance Economics Society of America, 3000 Dundee Road, Suite 101, Northbrook, Ill. 60062.
D. (6) $58,385.20. E. (9) $1,450.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $18,793.44.

A. International Association of Refrigerated Warehouses, 7315 Wisconsin Avenue, Suite 700W, Washington, D.C. 20014.
E. (9) $200.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $28,724.36.

A. International Maritime Associates, Inc., 1800 K Street NW., Washington, D.C.
E. (9) $2.

A. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson, Detroit, Mich. 48214.
D. (6) $83,171.45. E. (9) $83,171.45.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $1,485.78.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, Saint Paul, Minn. 55101.
D. (6) $31,610.38. E. (9) $10,081.55.

A. William A. Irvine, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $600.

A. Joseph S. Ives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $125.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission, cities of Homestead, Kissimmee, Lakeland, Starke, and Tallahassee, Fla.
D. (6) $170.

A. Mercer L. Jackson, National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $66. E. (9) $42.

A. Mary R. Jacksteit, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue N.W., Washington, D.C. 20005.
D. (6) $1,899.80.

A. Mary Jo Jacobi, 3M, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
D. (6) $2,600.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $218.13. E. (9) $98.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036, (for Thomson-CSF (AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France.

A. Gary L. Jarmin, American Council For Free Asia, 418 C Street NE., Washington, D.C. 20002.
B. American Council for Free Asia, 418 C Street NE., Washington, D.C. 20002.
D. (6) $4,200.

A. Gary L. Jarmin, 418 C Street NE., Washington, D.C. 20002.
B. The Christian Voice, 418 C Street NE., Washington, D.C. 20002.
D. (6) $3,000.

A. Thomas Destry Jarvis, 529 Tennessee Avenue, Alexandria, Va. 22305.
B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $1,847.90. E. (9) $15.

A. Joseph A. Jeffrey, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $329.70.

A. Linda Jencke, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 919 Third Avenue, New York, N.Y. 332 S. Michigan Avenue, Chicago, Ill.
D. (6) $157.25. E. (9) $11.45.

A. Jenkins, Nystrom & Sterlacci, 2033 M Street NW., Suite 504, Washington, D.C. 20036.
B. Commonwealth of Puerto Rico, San Juan, Puerto Rico.

A. James C. Jennings, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Jennings, Strouss & Salmon, 111 West Monroe, Phoenix, Ariz. 85003.
B. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.
D. (6) $100.

A. Chris L. Jensen, Florida Petroleum Council, 111 North Gadsden Street, Tallahassee, Fla. 32301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,040.18. E. (9) $1,552.88.

A. Norman A. Jensvold, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $536.

A. A. W. Jessup, 1899 L Street NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $190.01.

A. Guy E. Jester, J. S. Alberici Construction Co., 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $8,190. E. (9) $30.

A. Ronald J. Johnsen, Columbia Gas System Service Corp., 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $175. E. (9) $321.83.

A. Bruce T. Johnson, Bowery Savings Bank, 110 East 42d Street, New York, N.Y. 10017.
B. Bowery Savings Bank, 110 East 42d Street, New York, N.Y. 10017.
D. (6) $12,330. E. (9) $7,876.46.

A. Calvin P. Johnson, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 S. Michigan Avenue, Chicago, Ill.
D. (6) $174.37. E. (9) $14.45.

A. David H. Johnson, Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. James E. Jones, Appalachian Power Co., 40 Franklin Road, SW., Roanoke, Va. 24022.
B. Appalachian Power Co., 40 Franklin Road, SW., Roanoke, Va. 24022.

A. Jess Johnson, Jr., Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John B. Johnson, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Martha E. Jones, 4 Loma Alta, Lakeland, Fla. 33803.
B. Florida Phosphate Council, P.O. Box 5530, Lakeland, Fla. 33803.

A. Reuben L. Johnson, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $7,661.52. E. (9) $308.90.

A. Richard W. Johnson, Jr., Non-Commissioned Officers Association of the U.S.A., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the U.S.A., P.O. Box 33610, San Antonio, Tex. 78233.
D. (6) $3,097.26. E (9) $316.97.

A. Spencer A. Johnson, Paperboard Packaging Council, 1800 K Street NW., No. 600, Washington, D.C. 20006.
B. Paperboard Packaging Council, 1800 K Street NW., No. 600, Washington, D.C. 20006.

A. Stanley L. Johnson, Texaco, Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, NY. 10650.
D. (6) $75.

A. William Johnson, Consumers Power Co., 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $600.

A. James D. Johnston, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600 E. (9) $2,674.12.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $450. E. (9) $1,170.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. S. (9) $687.34.

A. H. Daniel Jones III, 1015 15th Street NW., Washington, D.C. 20005.
B. National Clay Pipe Institute, 1015 15th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. James E. Jones, Jr., Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $575. E. (9) $45.

A. Norvill Jones, Reynolds Metals Co., 1620 I Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $250.

A. De Soto Jordan, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $396. E. (9) $18.75.

A. Donald L. Jordan, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $1,000. E. (9) $50.

A. James V. Jordan III, P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Jeffrey H. Joseph, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,365. E. (9) $50.50.

A. Ellen Josephson, National Legal Aid and Defender Association, 1625 K Street NW., 8th Floor, Washington, D.C. 20006.
B. National Legal Aid and Defender Association, 1625 K Street NW., 8th Floor, Washington, D.C. 20006.
D. (6) $7,000. E. (9) $67.75.

A. James N. Juliana, 1750 New York Avenue NW., No. 340, Washington, D.C. 20006.
B. Braniff International, Braniff Boulevard, P.O. Box 61747, Dallas-Fort Worth Airport, Tex. 75261.

A. Robert E. Juliano, Hotel & Restaurant Employees & Bartenders International Union, 1875 I Street NW., Suite 450, Washington, D.C. 20006.
B. Hotel & Restaurant Employees & Bartenders International Union, 120 East Fourth Street, 13th Floor, Cincinnati, Ohio 45202.
D. (6) $9,999.96. E. (9) $1,242.12.

A. H. Richard Kahler, 1850 K Street NW., Suite 925, Washington, D.C. 20006.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $2,315.28.

A. Ann P. Kahn, National Congress of Parents & Teachers, 9202 Ponce Place, Fairfax, Va. 22031.
B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $28.15.

A. Kaiser Steel Corp., 300 Lakeside Drive, P.O. Box 58, Oakland, Calf. 94604.

A. Donald J. Kaniewski, Laborers' International Union of North America, AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $5,224.98. E. (9) $91.

A. Richard T. Kaplar, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $168. E. (9) $11.65.

A. Charles W. Karcher, 1727 Guildhall, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Gene Karpinski, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,249.99.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports and Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $7,500.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Archer-Daniels-Midland Co., Decatur, Ill. 62525.
D. (6) $3,500.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $3,000. E. (9) $1,025.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Pullman Swindell, Division of Pullman, Inc., 441 Smithfield Street, Pittsburgh, Pa. 15222.
D. (6) $3,500.

A. Lawrence W. Katz, 8003 Westpark Drive, McLean, Va. 22102.
B. Satellite Business Systems, 8003 Westpark Drive, McLean, Va. 22102.
D. (6) $1,000. E. (9) $76.91.

A. Linda E. Katz, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,687.50. E. (9) $297.37.

A. Everett E. Kavanaugh, Cosmetic, Toiletry & Fragrance Association, Inc., 1133 15th Street, NW., No. 1200, Washington, D.C. 20005.
B. Cosmetic, Toiletry & Fragrance Association, Inc., 1133 15th Street, NW., No. 1200 Washington, D.C. 20005.

A. Kathryn Kavanagh-Baran, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,637.99.

A. Thomas O. Kay, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $736.71.

A. William J. Keating, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain and Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Howard B. Keck, The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
B. The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. Keck, Mahin & Cate, 8300 Sears Tower, 233 South Wacker Dr., Chicago, Ill. 60606.
B. Schwinn Bicycle Co., 1856 North Kostner Ave., Chicago, IL 60606.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,249.99.

A. Vicki R. Kennan, 5597 Seminary Road, Apt. 1907–S., Falls Church, VA 22041.
B. Bechtel Power Corp., 1620 Eye Street NW., Washington, D.C. 20006.

A. Jefferson D. Keith, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

A. Robert H. Kellen, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500–D, Atlanta, Ga. 30342.
B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road., Suite 500–D, Atlanta, Ga. 30342 (for Calorie Control Council 5775 Peachtree-Dunwoody Road, Suite 500–D, Atlanta, Ga 30342).
D. (6) $2,340.

A. John B. Kelley, 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Avco Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $1,500.

A. Michael T. Kelley, Houston Natural Gas Corp., 1700 North Moore Street, Suite 919, Arlington, Va. 22209.
B. Houston Natural Gas Corp., 1700 North Moore Street, Suite 919, Arlington, Va. 22209.
D. (6) $156.75. E. (9) $51.12.

A. Paul J. Kelley, 2727 North Central Avenue, Phoenix, Ariz. 85004.
B. U-Haul International, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.
D. (6) $2,500.

A. Ty Kelley, National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.
B. National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.
D. (6) $1,500.

A. Stephen S. Kellner, 1001 Connecticut Avenue NW., No. 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Carol A. Kelly, American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $156.97. E. (9) $69.40.

A. Earl Kelly, Paralyzed Veterans of America, 4350 East-West Highway, Suite 900, Washington, D.C. 20014.
B. Paralyzed Veterans of America, 4350 East-West Highway, Suite 900, Washington, D.C. 20014.
D. (6) $26,910.

A. Ernest B. Kelly, III, Communications Satellite Corporation, 950 L'Enfant Plaza, SW., Washington, D.C. 20024.
B. Communications Satellite Corporation, 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $1,000. E. (9) $367.84.

A. Harold V. Kelly, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. Peter B. Kenney, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $1,625. E. (9) $211.26.

A. Robert T. Kenney, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. Vytautas Kerbelis, 69 Cottage Street, Bar Harbor, Maine 04609.
B. Aras, 69 Cottage Street, Bar Harbor, Maine 04609.
D. (6) $600.

A. Paul A. Kerschner, National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $666.35. E. (9) $12.50.

A. Robert M. Ketchel, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Gilbert W. Keyes, P.O. Box 3999, Seattle, Wash. 98124.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $298.89. E. (9) $416.21.

A. Earline A. Kevser, 7352 Lee Highway, Falls Church, Va. 22046.
B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Richard F. Kibben, 200 Park Avenue, New York, N.Y. 10017.
B. The Business Roundtable, 200 Park Avenue, New York, N.Y. 10017.

A. William S. Kies, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Daniel L. Kiley, 8 North Jefferson Street, Roanoke, Va. 24042.
B. Norfolk and Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $899.50. E. (9) $896.29.

A. Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006.
B. Furniture Rental Association of America, 1101 Connecticut Avenue, Suite 700, Washington, D.C. 20036.
D. (6) $600. E. (9) $2,187.95.

A. Margaret A. Kimball, Route 1, Box 118A, Bealeton, Va. 22712.
B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
E. (9) $939.98.

A. Richard H. Kimberly, Kimberly-Clark Corp., 3390 Peachtree Road NE., Executive Suite, Atlanta, Ga. 30326.
B. Kimberly-Clark Corp., 401 North Lake Street, Neenah, Wis. 54956.
D. (6) $76.06. E. (9) $260.62.

A. Charles L. King, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $120.

A. Dean King, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
E. (9) $43.

A. Edward H. King, Walgreen Co., 200 Wilmont Road, Deerfield, Ill. 60015.
B. Walgreen Co., 200 Wilmot Road, Deerfield, Ill. 60015.

A. G. J. King, U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001.
B. U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $1,000.

A. King & Spaulding, 2500 Trust Company Tower, Atlanta, Ga. 30303 and 1800 M Street NW., Suite 825, Washington, D.C. 20036.
B. Branch and Associates, Inc., Suite 1630, 400 Colony Square, Atlanta, Ga. 30361.

A. King & Spaulding, 2500 Trust Company Tower, Atlanta, Ga. 30303 and 1800 M Street NW., Suite 825, Washington, D.C. 20036.
B. Palm Beach Civic Association, Inc., 235 South County Road, Palm Beach, Fla. 33480.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $245.62.

A. Francis L. Kinney, 76 Pheasant Run, Newington, Conn. 06111.

B. Northeast Utilities Service Co., Selden Street, Berling, Conn. 06037.

A. Alan G. Kirk, II, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. John R. Kirk, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Sally Ann Kirkpatrick, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415 Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $5,925 E. (9) $217.45.

A. Ralph W. Kittle, 1620 I Street NW., No. 700, Washington, D.C. 20006.

B. International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.

D. (6) $225. E. (9) $42.50.

A. Saul B. Klaman, National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $1,142.31.

A. Catherine B. Klarfeld, 1775 Pennsylvania Avenue, NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs (for: Republic of the Philippnes), 1775 Pennsylvania Avenue, N.W., Washington, D.C. 20006.

A. Terrence H. Klasky, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

D. (6) $10,000. E. (9) $1,500.

A. Richard P. Kleeman, Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

A. Jerry D. Klepner, National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

A. Joann Klimschot, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,637.99.

A. Richard A. Kline, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.

B. Council of Active Independent Oil & Gas Producers, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.

D. (6) $5,781.

A. William H. Knapp, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $525. E. (9) $68.

A. James E. Kneale, 2335 South Meade Street, Arlington, Va. 22202.

B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.

D. (6) $1,000. E. (9) $436.49.

A. Gary D. Knight, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $53.66. E. (9) $12.75.

A. Keith R. Knoblock, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $76.95. E. (9) $2.

A. John C. Knott, Burlington Northern Inc., Burlington Northern Station, Casper, Wyo. 82601.

B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101.

D. (6) $412.80. E. (9) $674.59.

A. C. Neal Knox, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $1,750.

A. Philip M. Knox, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $2,000. E. (9) $214.70.

A. John S. Knox, Jr., 166 16th Street NW., Atlanta, Ga. 30318.

B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.

D. (6) $50.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $3,946.14. E. (9) $51.31.

A. Bradley R. Koch, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $128.35.

A. George W. Koch, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

B Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

D. (6) $43.36.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Stanley E. Kolbe, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $2,749.30. E. (9) $85.59.

A. Kominers, Fort, Schlefer and Boyer, 1776 F Street NW., Washington, D.C. 20006.

B. Aeron Marine Shipping Co., Triad Office Center, 2001 Marcus Avenue, Lake Success, N.Y. 11042.

D. (6) $5,044.45.

A. Nicholas Kominus, 1001 Connecticut Avenue, Washington, D.C. 20036.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $1,125.

A. Stephen Koplan, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $11,706.50. E. (9) $42.

A. Horace R. Kornegay, Suite 800, 1875 I Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1875 I Street NW., Washington, D.C. 20006.

D. (6) $400. E. (9) $21.50.

A. Michael J. Kowalsky, Cigar Association of America, Inc, 1120 19th Street NW., Washington, D.C. 20036.

B. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

D. (6) $300. E. (9) $60.

A. Chris Koyanagi, National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., Washington, D.C. 20007.

B. National Council of Community Mental Health Centers Inc., 2233 Wisconsin Avenue NW., Washington, D.C. 20007.

D. (6) $3,344. E. (9) $90.

A. E. J. Krabacher, Cincinnati Milacron Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.

B. Cincinnati Milacron Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.

D. (6) $600. E. (9) $408.

A. Mylio S. Kraja, The American Legion, 1608 K Street NW., Washington, D.C.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.

D. (6) $8,283. E. (9) $567.09.

A. Amos Kramer, Kansas Petroleum Council, 1414 Merchants National Bank, Eighth and Jackson Streets, Topeka, Kans. 66612.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Louis C. Kramp and Associates, No. 301, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

D. (6) $300.

A. Louis C. Kramp and Associates, 1919 Pennsylvania Avenue NW., No. 301, Washington, D.C. 20006.

B. National Association of Homes for Children, 200 South Tyron Street, Suite 1500, Charlotte, N.C. 28202.

D. (6) $225.

A. Raymond R. Krause, 1700 Pennsylvania Avenue NW., No. 580, Washington, D.C. 20008.

B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

D. (6) $450. E. (9) $166.69.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Krivit & Krivit, 101 Duddington Place SE, Washington, D.C. 20003.

A. Krivit & Krivit, 101 Duddington Place SE., Washington, D.C. 20003.

B. City of Compton, Calif.

A. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio.
E. (9) $4,537.88.

A. L. Wayne Krug, 1100 Connecticut Ave., NW, No. 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. James S. Krzyminski, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,232.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street NW., Washington, D.C. 20036.
B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $11,124.

A. Thomas R. Kuhn, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

A. Daniel M. Kush, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.
D. (6) $360. E. (9) $62.65.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 20005.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $5,979. (9) $5,933.

A. Laborers' International Union, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $23,955.92.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20036.
D. (6) $250. E. (9) $5.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.
D. (6) $250. E. (9) $5.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $5.

A. Walter B. Laessig, 1115 Massachusetts Avenue NW., Washington, D.C. 20005.
B. National Association of Real Estate Investment Trusts, Inc., 1101 Seventeenth Street NW., Washington, D.C. 20036.
D. (6) $4,293.75. E. (9) $42.06.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $3,495. E. (9) $81.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. David F. Lambert III, 2001 Jefferson Davis Highway, Suite 1101, Arlington, Va. 22202.
B. Automotive Occupant Protection Association, 2001 Jefferson Davis Highway, Suite 1101, Arlington, Va. 22202.
D. (6) $10,000.

A. David M. F. Lambert, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Jewish Employment Vocational Services, 1727 Locust Street, St. Louis, Mo. 63103.

A. David R. Lambert, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,648.

A. C. Peter Lambos, Lorenz, Finn, Giardino & Lambos, 25 Broadway, Suite 1755, New York, N.Y. 10004.
B. New York Shipping Association, Inc., 80 Broad Street, New York, N.Y. 10004.
E. (9) $3,410.

A. Stephen K. Lambright, 1211 Connecticut Avenue NW., Suite 502, Washington, D.C. 20036.
B. Anheuser-Busch Companies, Inc., 721 Pestalozzi Street, St. Louis, Mo. 63118.
E. (9) $10.

A. A. M. Lampley, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

A. David W. Landsidle, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $161.85.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.
B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.
D. (6) $2,000.

A. Lane & Edson, 1800 M Street NW., Suite 400S, Washington, D.C. 20036.
B. Council for Rural Development, c/o Greater Boston Development, 1 Boston Place, Boston, Mass. 02108.

A. Lane and Edson, Suite 400 S, 1800 M Street NW., Washington, D.C. 20036.
B. Council of State Housing Agencies, Suite 514, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $450.

A. Lane & Edson, Suite 400 S, 1800 M Street NW., Washington, D.C. 20036.
B. National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450.

A. Laurence F. Lane, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
D. (6) $975. E. (9) $38.

Michael S. Lang, American Productivity Center, Inc., 1700 W. Loop South, Suite 210, Houston, Tex. 77027.
B. American Productivity Center, Inc., 1700 W. Loop South, Suite 210, Houston, Tex. 77027.
D. (6) $500.

A. Robin W. Lanier, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $100. E. (9) $5.

A. James J. LaPenta, Jr., 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $3,903.09. E. (9) $365.65.

A. J. Stephen Larkin, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500. E. (9) $113.95.

A. Reed E. Larson, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.
B. National Right to Work Committee, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.

A. Lawrence C. Laser, Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.

A. Glenn T. Lashley, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

A. Theodore A. Lattanzio, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $648.

A. Louis F. Laun, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Dennis Lavallee, National Association of Plumbing, Heating, Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
B. National Association of Plumbing, Heating, Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $700. E. (9) $120.24.

A. Charles B. Lavin, Jr., American Subcontractors Association, 815 15th Street NW., Washington, D.C. 20005.
B. American Subcontractors Association, 815 15th Street NW., No. 902, Washington, D.C. 20005.

A. Kathryn Lavriha, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2041. E. (9) $38.

A. Jane A. Lawlor, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Susannah Lawrence, Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.

B. Solar Lobby, 1001 Connecticut Avenue, NW., Suite 510, Washington, D.C. 20036.
D. (6) $562.25.

A. Ivan L. Lawyer, GCC Beverages, Inc., 7777 NW. 41st Street, Miami, Fla. 33166.
B. GCC Beverages, Inc., 7777 N.W. 41st Street, Miami, Fla. 33166.
D. (6) $2,384.62. E. (9) $1,013.70.

A. Kenneth A. Lazarus, 1625 K Street NW., Washington, D.C. 20006.
B. Boettcher & Co., Denver, Colo.
E. (9) $200.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $20,475. E. (9) $20,475.

A. Kevin R. Leary, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $4,167.

A. John I. LeBerre, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C.
D. (6) $200. E. (9) $18.

A. LeBoeuf, Lamb, Leiby & MacRae, 140 Broadway, New York, N.Y., 1333 New Hampshire Avenue, NW., Washington, D.C.
B. Underwriters of Lloyd's, London, c/o Wm. G. Hockensmith, 409 McClure Building, Frankfurt, Ky. 40601; c/o John Smith, Lord Bissel & Brook, 115 S. LaSalle Street, Chicago, Ill. 60603.

A. Alan Lee, United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $969.24.

A. Lee, Toomey & Kent, 1200 18th Street NW., Washington, D.C. 20036.
B. Tower, Perrin, Forster & Crosby, Inc., Center Square West, 1500 Market Street, Philadelphia, Pa. 19102.

A. David A. Lefeve, 1100 Connecticut Avenue NW., Suite 340, Washington, D.C. 20036.
B. Merrill Lynch & Co., Inc., One Liberty Plaza, 165 Broadway, New York, N.Y.
D. (6) $2,500.

A. Robert B. Leflar, 2000 P Street NW., No. 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.
D. (6) $4.33.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Adhesive and Sealant Council, Inc., 1500 North Wilson Boulevard, No. 1117, Arlington, Va. 22209.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Alarm Industry Telecommunications Committee of the National Burglar & Fire Alarm Association, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $10,392.33. E. (9) $6,838.90.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. American Association of Nurse Anesthetists, 619 W. Higgins Road, Park Ridge, Ill. 60068.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. American Dental Assistants Association, 666 N. Lake Shore Drive, No. 1130, Chicago, Ill. 60611.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. American Express Co., 1700 K Street NW., Suite 702, Washington, D.C. 20006.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. American Psychoanalytical Association, One East 57th Street, New York, N.Y. 10022.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. The Clorox Co., 1221 Broadway, Oakland, Calif. 94612.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Federation of Apparel Manufacturers, 450 Seventh Avenue, New York, N.Y. 10001.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Fireman's Fund American Life Insurance Co., 1600 Los Gamos Drive, San Rafael, Calif. 94911.
D. (6) $7,322.45. E. (9) $6,767.70.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.
D. (6) $1,000. E. (9) $100.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.
D. (6) $1,826.60. E. (9) $1,634.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Greater Boston Real Estate Board, 24 School Street, Boston, Mass. 02108.
D. (6) $2,000. E. (9) $100.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., No. 800, Washington, D.C. 20007.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Intraocular Lens Manufacturers Association, 1420 Crestview Avenue, Seal Beach, Calif. 90740.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $24,009.45. E. (9) $18,292.67.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. National Association of Small Business Investment Corporation, 618 Washington Building, Washington, D.C. 20035.
D. (6) $10,000. E. (9) $100.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. National Glass Dealers Association, 1000 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. National Macaroni Manufacturers Association, N.O. Box 336, Palatine, Ill. 60067.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. National Manufactured Housing Federation, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
D. (6) $900. E. (9) $794.30.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW., Washington, D.C. 20001.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Savings Banks Association of Massachusetts, 50 Congress Street, Boston, Mass. 02109.
D. (6) $2,000. E. (9) $150.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRT Telecommunications Corp., 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $7,886.27. E. (9) $4,014.87.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Turner Broadcasting System, Inc., 1018 West Peachtree Street NW., Atlanta, Ga. 30309.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Whey Products Institute, 130 North Franklin Street, Chicago, Ill. 60606.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.
B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.
D. (6) $400. E. (9) $180.85.

A. Gilbert LeKander, 1629 K Street NW., No. 801, Washington, D.C. 20006.
B. Montana Power Co., 40 E. Broadway, Butte, Mont. 59701; Washington Water Power Co., P.O. Box 3727, Spokane, Wash. 99220.
D. (6) $200.

A. Lynette B. Lenard, 1800 M Street NW., Suite 700S, Washington, D.C.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $100. E. (9) $50.

A. Barbara S. Leonard, 1725 K Street NW., Washington, D.C. 20006.
B. The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $324.76.

A. Earl T. Leonard, Jr., The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $1,528. E. (9) $3,117.65.

A. Lloyd Leonard, 1730 M Street NW., Washington, D.C. 20036.
B. League Of Women Voters Of The United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,469. E. (9) $58.

A. Rodney E. Leonard, Community Nutrition Institute, 1146 19th Street NW., Washington, D.C. 20036.
B. Community Nutrition Institute, 1146 19th Street NW., Washington, D.C. 20036.
E. (9) $3.

A. Charles Leppert, Jr., 1801 K Street NW., No. 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co,. 301 East Sixth Street, Cincinnati, Ohio 45201.
D. (6) $128.74.

A. LeSourd, Patten, Fleming, Hartung & Emory, 3900 Seattle-First National Bank Building, Seattle, Wash. 98154.
B. General Teamsters Local 959, State of Alaska, P.O. Box 2092, Anchorage, Alaska 99510.
D. (6) $20.

A. LeSourd, Patten, Fleming, Hartung & Emory, 3900 Seattle-First National Bank Building, Seattle, Wash. 98154.
B. The Housing Authority of the City of Seattle, 120 Sixth Avenue North, Seattle, Wash. 98109.
D. (6) $170.50.

A. Dale Lestina, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.80. E. (9) $108.

A. Ernest M. Le Sueur, Beneficial Management Corp. of America, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.
B. Beneficial Management Corp. of America, 1300 Market Street, Wilmington, Del. 19899.
D. (6) $709.59. E. (9) $197.87.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Bulova Watch Co., Inc.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.
D. (6) $2,935.33. E. (9) $57.73.

A. Leva, Hawes, Symington, Martin and Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Council of Community Hospitals, 1735 I Street NW., Suite 710, Washington, D.C. 20006.
D. (6) $4875.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Suite 1001, Washington, D.C. 20006.
B. National Franchise Association Coalition, P.O. Box 366, Fox Lake, Ill. 60020.

A. Morris J. Levin, 1050 Seventeenth Street NW., Washington, D.C. 20036.
B. Association of American Railroads, American Railroad Building, Washington, D.C.
D. (6) $2,000.

A. Morris J. Levin, 1050 Seventeenth Street NW., Washington, D.C. 20036.
B. Independent Local Newspaper Association, Suite 701, 1050 Seventeenth Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $135.

A. Manuel Levine, 6404 Elray Drive, Suite E, Baltimore, Md. 21209.
B. Wood, Lucksinger & Epstein, One Houston Center, Suite 1600, Houston, Tex. 77002.
D. (6) $1655. E. (9) $452.31.

A. Roger N. Levy, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $8,136.59.

A. E. David Lewis, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $130. E. (9) $95.

A. Robert G. Lewis, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $2,086.15. E. (9) $90.76.

A. Stuart A. Lewis, 1800 M Street NW., Suite 1010, Washington, D.C. 20036.
B. Association of Reserve City Bankers, 1800 M Street NW., Suite 1010, Washington, D.C. 20036.
D. (6) $200.

A. Wm. J. Lhota, 301 Cleveland Avenue SW., Canton, Ohio 44702.
B. Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.
D. (6) $458.13. E. (9) $853.66.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

A. Herbert Liebenson, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,625.

A. Robert Liebner, American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.
B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.

A. William C. Lienesch, National Parks and Conservation Association, 238 10th Street SE., Washington, D.C. 20003.
B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $1,164.24. E. (9) $48.25.

A. Russell B. Light, 1700 North Moore Street, 20th floor, Rosslyn, Va. 22209.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $2,000. E. (9) $221.68.

A. Lillick, McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Neptune Orient Lines, Inc., Neptune Building, 13 Trafalger Street, Singapore 0207.
D. (6) $11,040. E. (9) $471.89.

A. Edward J. Lincoln, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Charles W. Linderman, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $200.

A. Kathleen M. Linehan, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $140. E. (9) $36.60.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.
D. (6) $354.72.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Madison Gas and Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.
D. (6) $787.11.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. The Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill. 60611.
D. (6) $4,232.16.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Northern States Power Co., 100 North Barstow Street, Eau Claire, Wis. 54701.
D. (6) $1,063.96.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Oregon Department of Transportation, Transportation Building, Salem, Oreg.
D. (6) $3,000.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Radwaste Management Group, 1800 M Street NW., Washington, D.C. 20036.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, 2300 South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $6,169.41.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, Division of Water Resources, 2300

South Dirksen Parkway, Springfield, Ill. 62764.

D. (6) $3,274.35. E. (9) $49.34.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Superior Water, Light & Power Co., 1230 Tower Avenue, Superior, Wis. 54880.

D. (6) $213.23.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wis. 53201.

D. (6) $3,451. 35. E. (9) $13.77.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Michigan Power Co., 231 West Michigan, Milwaukee, Wis.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Power & Light Co., Madison, Wis.

D. (6) $1,297.04.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.

D. (6) $1,427.69.

A. Charles B. Lipsen, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.

B. Cramer and Lipsen, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024 (for National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005).

A. Charles B. Lipsen, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.

B. Cramer and Lipsen, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024 (for U.S. and Overseas Emoloyee Tax Fairness Committee, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005).

A. Robert G. Litschert, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $854. E. (9) 499.28.

A. Andrew Litsky, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $550.

A. William F. Little, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $362.50. E. (9) $247.25.

A. Roy Littlefield, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

D. (6) $1,670.

A. E. F. Livaudais, Jr., Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $55.

A. Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112.

E. (9) $3,211.48.

A. H. Richard Floyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co. 777 14th Street NW., Washington, D.C. 20005.

A. Robert R. Locklin, 1707 H Street NW., Washington, D.C. 20006.

B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.

D. (6) $7,500.

A. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.

E. (9) $1,500.

A. Nils A. Lofgren, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the U.S., Inc., 300 New Center Building, Detroit, Mich. 48202.

E. (9) $66.

A. Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.

B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.

D. (6) $1,500.

A. Long, Aldridge, Heiner, Stevens & Sumner, 134 Peachtree Street, Suite 1900, Atlanta, Ga. 30303.

B. Cable Atlanta, Inc., 34 Peachtree Street, Suite 2900, Atlanta, Ga. 30303.

E. (9) $125.55.

A. Robert W. Long, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $99.51. E. (9) $8.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Classroom Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Industrial Diamond Association, 59 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman, & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman, & Howe, 2020 K Street NW., Washington, D.C. 20006.

Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Textile Rental Services Association of America, 1250 E. Hallandale Beach Boulevard, Hallandale, Fla. 33009.

A. Lord, Day & Lord, 25 Broadway, New York, N.Y. 10004.

B. Phosphate Chemicals Export Association, Inc., 200 Park Avenue, New York, N.Y. 10017.

D. (6) $4,944.74. E. (9) $1,063.10.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $200. E. (9) $121.70.

A. Judith A. Lorenson, 1960 Lake Clay Drive, Chesterfield, Mo. 63017.

B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.

D. (6) $7,500.

A. Robert E. Losch, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.

B. American Dredging Co., et al.

D. (6) $17,500. E. (9) 2,578.26.

A. Robert E. Losch, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.

B. Olin Corp., (Winchester International) 707 Berkshire Avenue, East Alton, Ill. 62024.

D. (6) $13,220.32.

A. Robert E. Losch, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.

B. Pelican Terminal Corp., 500 Jefferson Building, Suite 2025, Houston, Tex. 77002.

D. (6) $10,000. E. (9) $2,003.75

A. James F. Lovett, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $500. E. (9) $200.

A. James P. Low, American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.

B. American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.

A. Robert C. Lower, Alston, Miller & Gaines, 1200 C. & S. National Bank Building, Atlanta, Ga. 30303.

B. Board of Trade Clearing Corp., 141 West Jackson Blvd., Chicago, Ill. 60604.

A. William C. Lowrey, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Gerald M. Lowrie, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $4,000.

A. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,000. E. (9) $912.65.

A. Lucas, Friedman & Mann, 810–18th Street NW., No. 202, Washington, D.C. 20006.

B. Coushatta Tribe of Louisiana, c/o Ernest Sickey, Elton, La. 70532.

A. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006.

B. Republic of the Philippines.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1101 Connecticut Avenue NW., Suite 1201, Washington, D.C. 20036.

B. Catholic Press Association, 119 North Park Avenue, Rockville Centre, N.Y. 11570.

D. (6) $350. E. (9) $25.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1101 Connecticut Avenue NW., Suite 1201, Washington, D.C. 20036.

B. National League for Nursing, 10 Columbus Circle, New York, N.Y. 10019.
D. (6) $500. E. (9) $35.

A. Barbara A. Ludden, 1435 G Street NW., Suite 935, Washington, D.C. 20005.
B. Am. Nat'l Standards Institute, Inc., 1430 Broadway, New York, N.Y. 10018.
E. (9) $169.60.

A. William F. Ludlam Sr., P.O. Box 5282, Virginia Beach, Va. 23455.
B. American Revolution Bicentennial Administration Licensees Association, P.O. Box 10, Cocoa Beach, Fla. 32931.
E. (9) $1,071.

A. Kathy K. Luhn, 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, D.C. 20036.
D. (6) $58. E. (9) $11.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $2,855.80.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund, 1125 15th Street NW., Washington, D.C. 20005.
B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $12,324. E. (9) $30.90.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $600. E. (9) $26.11.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. National Product Liability Council, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $1,100. E. (9) $134.19.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.
D. (6) $2,912. E. (9) $298.02.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $599.50. E. (9) $33.82.

A. Peter Luxemburger, 3416 Garfield Street NW., Washington, D.C. 20007.
B. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $1,126.44.

A. Timothy Lynch, American Natural Resources System, 1899 L Street NW., Suite 500, Washington, D.C. 20036.
B. American Natural Service Co., 1 Woodward Avenue, Detroit, Mich. 48226.
D. (6) $1,500.

A. Richard Lyng, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007 (1700 North Moore Street, Arlington, Va.)
D. (6) $200.

A. William T. Lyons, 1800 M Street NW., Washington, D.C. 20036.
B. Ciba-Geigy Corp., Ardsley, N.Y. 10502.
D. (6) $2,250. E. (9) $1,348.26.

A. Timothy C. MacCarthy, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $572.

A. Russell MacCleery, 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $750.

A. Jack A. MacDonald, National Council of Health Care Services, 2600 Virginia Avenue NW., Suite 915, Washington, D.C. 20037.
B. NCHCS, 2600 Virginia Avenue NW., No. 915, Washington, D.C. 20037.
D. (6) $862.50. E. (9) $91.45.

A. James E. Mack, National Confectioners Association, 5101 Wisconsin Avenue, Suite 506, Washington, D.C. 20016.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $19,875. E. (9) $1,305.84.

A. James E. Mack, Peanut Butter and Nut Processors Association, 5101 Wisconsin Avenue, Suite 504, Washington, D.C. 20016.
D. (6) $12,499.98. E. (9) $1,230.36.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $6,516.75. E. (9) $500.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 E. 35th Street, New York, N.Y. 10016.
D. (6) $7,650.72. E. (9) $4,994.06.

A. Marion M. MacRae, BankAmerica Corp., 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $59.52. E. (9) $44.62.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $850.

A. Edward C. Maeder, DGA International, Inc., 2550 M Street NW., Washington, D.C. 20037.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $2,360. E. (9) $430.75.

A. Susan G. Magaw, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.
B. Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.
D. (6) $400. E. (9) $23.

A. John F. Mahoney, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,710. E. (9) $198.21.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C.
D. (6) $120.

A. Andre Maisonpierre, Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Richard E. Mallory, 11228 Chestnut Grove Square, Apartment 232, Reston, Va. 22090.
B. California Westside Farmers, 1060 Fulton Mall, Suite 1115, Fresno, Calif. 93721.
D. (6) $4,406.25. E. (9) $1,564.16.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $650. E. (9) $12.85.

A. Carter Manasco, National Coal Association, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $6,249.99. E. (9) $89.40.

A. Forbes Mann, 1155 15th Street NW., Suite 1004, Washington, D.C. 20005.
B. LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $2,000. E. (9) $217.

A. James H. Mann, 810 18th Street NW., Washington, D.C. 20006.
B. Lucas, Friedman & Mann, for: Republic of the Philippines, 810 18th Street NW., Washington, D.C. 20006.

A. Phillip L. Mann, Fulbright & Jaworski, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Kenneth Lewis, 3300 NW. Yeon Avenue, Portland, Oreg. 97210.
D. (6) $5,376.67. E. (9) $100.33.

A. Armand G. Manson, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Bell Aerospace Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $2,345.

A. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $3,300. E. (9) $340.

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.
B. National Star Route Mail Carriers Association, 324 East Capitol Street NE., Washington, D.C. 20003.

A. March for Life, Inc., P.O. Box 2950, Washington, D.C.
D. (6) $76,288.27. E. (9) $70,518.80.

A. Thomas P. Marinis, Jr., 2228 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, (for: University of Texas System, 201 West Seventh Street, Austin, Tex. 78701), 2100 First City National Bank Building, Houston, Tex. 77002.
D. (6) $13,800. E. (9) $3.36.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $431.27.

A. Lawrence D. Markley, P.O. Box 3518, Anchorage, Alaska 99501.
B. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.
D. (6) $3,658.60. E. (9) $4,488. 96.

A. Howard Marlowe, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $6,377.

A. D. V. Maroney, Jr., Amalgamated Transit Union, AFL–CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL–CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Marshall, Bratter, Green, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Abbotts Dairies Division of Fairmont Foods Co., 333 West Loop North, Houston, Tex. 77024.

D. (6) $500.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. ADP Pension Services, Inc., 180 Newport Center Drive, Newport Beach, Calif. 92663.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $8,483.87. E. (9) $472.46.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Institute of Electrical and Electronics Engineers, Inc., 345 East 47th Street, Ney York, N.Y. 10022.

D. (6) $3,033.

A. C. Travis Marshall, 1776 K Street NW., Washington, D.C. 20006.

B. Motorola Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $1,500. E. (9) $32.

A. J. Paull Marshall, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $269.50. E. (9) $215.10.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.

B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.

D. (6) $150. E. (9) $153.30.

A. John B. Martin, Jr., National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $732.30. E. (9) $31.70.

A. Katherine E. Martin, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $207.95. E. (9) $252.62.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $225.

A. Steven A. Martindale, DGA International, Inc., 1220 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc. (for: Government of Morocco, Rabat, Morocco), 1225 19th Street, NW., Washington, D.C. 20036.

A. Joseph J. Martyak, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

E. (9) $75.92.

A. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) $33.73.

A. Mike M. Masaoka, Suite 520, 900 17th Street NW., Washington, D.C. 20006.

B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.

A. Mike M. Masaoka, Suite 520, 900 17th Street NW., Washington, D.C. 20006.

B. Japan Binocular Manufacturers Association, 45-8 Ohyama-Kanai-Cho, Itabashi-Ku, Tokyo, Japan.

D. (6) $500.

A. Mike M. Masaoka, Suite 520, 900 17th Street NW., Washington, D.C. 20006.

B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.

D. (6) $500.

A. W. A. Mason, 442 Ontario, Shreveport, La.

B. Southwestern Electric Power Co., P.O. Box 21106, Shreveport, La. 71156.

D. (6) $48.38.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $250.

A. Carolyn Massell, Colonial Penn Group, Inc., 5 Penn Center Plaza, Philadelphia, Pa, 19103.

B. Colonial Penn Group, Inc., 5 Penn Center Plaza, Philadelphia, Pa. 19103.

D. (6) $180. E. (9) $228.14.

A. William F. Massmann, Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.

B. Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.

D. (6) $140. E. (9) $211.

A. Charles D. Matthews, National Ocean Industries Association, 1100 17th Street NW., No. 410, Washington, D.C. 20036.

B. National Ocean Industries Association, 1100 17th Street NW., No. 410, Washington, D.C. 20036.

D. (6) $1,365.47.

A. Robert A. Matthews, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

D. (6) $623.80.

A. Joanne E. Mattiace, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $30. E.(9) $10.50.

A. C. V. & R. V. Maudlin, 111 E Street NW., Washington. D.C.

B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. C. V. & R. V. Maudlin, 111 E Street NW., Washington, D.C.

B. Joint Government Liaison Committee, 1111 E Street NW., Washington, D.C.

A. Anthony F. Mauriello, New York State Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $900.96. E. (9) $534.78.

A. Samuel L. Maury, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) $144.54 E. (9) $10.

A. Thomas M. Maxedon, Kentucky Petroleum Council, 4010 Dupont Circle, Louisville, Ky. 40207.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Albert E. May, Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

D. (6) $3,000. E. (9) $1.41.

A. James C. May, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Arnold Mayer, United Food and Commercial Workers International Union, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. United Food and Commercial Workers International Union.

D. (6) $11,307.60. E. (9) $153.48.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C.

B. Aerospace Industries of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. Brunswick Corp., 1 Brunswick Plaza, Skokie, Ill. 60076.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. Crane Packing Co., 6400 Oakton Street, Martin Grove, Ill. 60053.

D. (6) $1,054.25, E. (9) $2.75.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. The ERISA Industry Committee, Suite 500, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. Nokota Co., P.O. Box 1633, 316 North Fifth Street, Bismark, N. Dak. 58501.

A. Mays, Valentine, Davenport & Moore, Suite 1200, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Henry T. Gage, Suite 118, 20630 Harper Street, Harperswood, Mich. 48225.

D. $918.

A. Mays, Valentine, Davenport & Moore, Suite 1200, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Richard T. Short, P.O. Box 933, Virginia Beach, Va., 23451.

A. MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $375.

A. H. Wesley McAden, 1707 L Street NW., Suite 650, Washington, D.C. 20036.

B. J.G. Boswell Co. Inc., 833 South Hope Street, Los Angeles, Calif. 90017.

D. (6) $7,500. E. (9) $2,220.

A. Bruce A. McAllister, Lorenz, Finn, Giardino & Lambos, 25 Broadway, Suite 1755, New York, NY. 10004.

B. Lorenz, Finn, Giardino & Lambos, for: New York Shipping Association, Inc.

D. (6) $2,737.50.

A. William J. McAuliffe, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

A. Ann McBride, 2030 M Street, NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street, NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $106.50.

A. Julie P. McCahill, Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mead Corp., Mead World Headquarters, Courthouse Plaza NE., Dayton, Ohio 45463.

D. (6) $275.

A. John McCahill, 2033 M Street NW., Washington, D.C. 20036.

B. United States Olympic Committee, P.O. Box 4000, Colorado Springs, Colo. 80930.

A. William C. McCamant, 1725 K Street, NW., Washington, D.C. 20006.

D. (6) $300.

A. McCandless & Barrett, 1707 H St., NW., Washington, D.C. 20006.

B. Energy Consumers & Producers Association, Petroleum Plaza, Seminole, Okla. 74868.

D. (6) $15,559.25. E. (9) $8,479.97.

A. McCandless & Barrett, 1707 H St., NW., Washington, D.C. 20006.

B. Transamerica Insurance Corp. of California (Occidental Life), Occidental Center, Hill and Olive Streets at 12 Street, Los Angeles, Calif. 90015.

D. (6) $14,282.80.

A. John A. McCart, Public Employee Department, AFL–CIO, 815 16th Street, NW., Washington, D.C. 20006.

B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $3,044.54.

A. McCarty & Noone, 490 L'Enfant Plaza East SW., Suite 3306, Washington, D.C. 20024.

B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.

D. (6) $540. E. (9) $23.10.

A. James R. McCaul, 1800 K Street, NW., Washington, D.C.

B. International Maritime Associates, Inc., 1800 K Street NW., Washington, D.C.

E. (9) $2.

A. McClure & Trotter, 1100 Connecticut Ave. NW., Suite 600, Washington, D.C. 20036.

B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Ave. NW., Suite 600, Washington, D.C. 20036.

B. Cities Service Co., Box 300, Tulsa, Okla. 74102.

E. (9) $40.65.

A. McClure & Trotter, 1100 Connecticut Ave. NW., Suite 600, Washington, D.C. 20036.

B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.

E. (9) $66.40.

A. McClure & Trotter, 1100 Connecticut Ave. NW., Suite 600, Washington, D.C. 20036.

B. Estate of Chester H. Roth. Parker, Chapin, Flatteau, & Kimpl, 530 Fifth Avenue, New York, N.Y. 10036.

E. (9) $1.51.

A. McClure & Trotter, 1100 Connecticut Ave. NW., Suite 600, Washington, D.C. 20036.

B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

D. (6) $500. E. (9) $5.

A. McClure & Trotter, 1100 Connecticut Ave. NW., Suite 600, Washington, D.C. 20036.

B. Mobil Corp. 150 East 42d Street, New York, N.Y. 10017.

E. (9) $65.47.

A. Joel C. McConnell, Jr., Independent Bankers Assn. of America, 1625 Massachusetts Avenue NW., 202, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

D. (6) $8,000. E. (9) $1,500.

A. Richard M. M. McConnell, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Sally McCormick, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,273.74.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 400 First Street NW., Suite 819, Washington, D.C. 20001.

B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.

D. (6) $284.60. E. (9) $85.20.

A. Albert L. McDermott, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Suite 1006, Washington, D.C. 20036.

B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $1,400.

A. Marianne McDermott, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Michael D. McDonald, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.

B. Montana Power Co., Butte, Mont. 59701.

A. Darryl D. McEwen, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

B. Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

A. Paul J. McGeady, Morality in Media, Inc., 27 Hampton Place, Nutley, N.J. 07110.

B. Morality in Media, Inc., 475 Riverside Drive, No. 239, New York, N.Y. 10027.

D. (6) $329.66.

A. P. Anne McGhee, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $450.

A. Ruth G. McGill, Doctors for the Equal Rights Amendment, P.O. Box 19531, Dallas, Tex. 75219.

B. Doctors for the Equal Rights Amendment, P.O. Box 19531, Dallas, Tex. 75219.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, Federation of Trades and Labor Unions, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $12,129. E. (9) $332.

A. Margaret C. McGrail, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $3,980.

A. Christopher McGrath, N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $380.52. E. (9) $268.80.

A. Jerome J. McGrath, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) $500.

A. Peter E. McGuire, National Association of Retired and Veteran Railway Employees, Inc., 400 First Street NW., Washington, D.C. 20001.

B. National Association of Retired and Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kansas 66106; Hotel and Restaurant Employees Bartenders International Union, 1875 I Street NW., Washington, D.C. 20006; International Union of Police Association, 422 First Street SE., Washington, D.C.

D. (6) $5,999.98. E. (9) $493.45.

A. Clarence M. McIntosh, Jr., Railway Labor Executives Association, 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) $1,203.61.

A. Lyndley R. McIntosh, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

D. (6) $1,400. E. (9) $68.59.

A. Robert S. McIntyre, Public Citizen's Tax Reform Research Group, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Public Citizen's Tax Reform Research Group, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $937.50.

A. William F. McKenna, 1800 M Street NW., No. 950N, Washington, D.C. 20036.

B. Silver, Friedman, Housley, Taff & Goldberg, 1800 M Street NW., No. 950N, Washington, D.C. 20036.

A. William Colm McKeveny, Chadbourne, Parke, Whiteside & Wolff, 30 Rockefeller Plaza, New York, N.Y. 10020.

B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. C.A. "Mack" McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.

B. National Headquarters, Marine Corps League, 911 North Kenmore Street, Suite 321, Arlington, Va. 22201.

E. (9) $30.

A. C.A. "Mack" McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.

B. Non Commissioned Officers Association of the U.S.A. (NCOA), P.O. Box 33610, San Antonio, Tex. 78233.

D. (6) $6,259.29. E. (9) $9,174.98.

A. Gail H. McLarnon, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Gail H. McLarnon, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. First National Boston Corp.

A. John S. McLees, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,089.34. E. (9) $188.70.

A. William F. McManus, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co.

D. (6) $327.

A. Jane Pierson McMichael, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $9,878.40. E. (9) $17,646.35.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.

D. (6) $1,500.

A. James D. McMillan, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. James R. McMullen, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $25.26.

A. William G. McMurtrie, 8150 Leesburg Pike, Vienna, Va. 22180.

B. William H. Sullivan, Jr., 1 Federal Street, 29th Floor, Boston, Mass. 02110.

D. (6) $700.

A. L. Bradley McNally, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Blue Cross and Blue Shield Associations, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $675. E. (9) $17.50.

A. Craig L. McNeese, P.O. Box 1700, Houston, Tex. 77001.

B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.

D. (6) $987.50. E. (9) $622.30.

A. Robert B. McNeil, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.

B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.

D. (6) $200.

A. James A. McPherson, Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kanas City, Kans. 66117.

B. Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. George G. Mead, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $334.21.

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; and 1015 15th Street NW., Washington, D.C. 20005.

B. Mintz, Levin, Cohn, Glovsky & Popeo (for: The Claremont Co., Inc., 908 Purchase Street, P.O. Box E814, New Bedford, Mass. 02742); 1 Center Plaza, Boston, Mass. 02108; and 1015 15th Street NW., Washington, D.C. 20005.

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; and 1015 15th Street NW., Washington, D.C. 20005.

B. Mintz, Levin, Cohn, Glovsky & Popeo (for: Goldman, Sachs & Co., 55 Broad Street, New York, N.Y. 10004); 1 Center Plaza, Boston, Mass. 02108; and 1015 15th Street NW., Washington, D.C. 20005.

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20005.

B. Mintz, Levin, Cohn, Glovsky & Popeo (for: Refuse Fuels, Inc., P.O. Box 83, Bradford, Mass. 08130), 1 Center Plaza, Boston, Mass. 02108; and 1015 15th Street NW., Washington, D.C. 20005.

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20005.

B. Mintz, Levin, Cohn, Glovsky & Popeo (for Securities Industry Association, 20 Broad Street, New York, N.Y. 10005) 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20005.

A. Joseph J. Meder, Interlake, Inc., 1050 17th Street NW., Suite 1160, Washington, D.C. 20036.

B. Interlake, Inc., 2015 Spring Road, Commerce Plaza, Oak Brook, Ill. 60521.

D. (6) $7,380. E. (9) $260.24.

A. David O. Meeker, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,500.

A. William H. Megonnell, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $316.50. E. (9) $39.25.

A. Louis L. Meier, Jr., American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.

B. American Society of Civil Engineers, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.

D. (6) $550. E. (9) $185.

A. Kenneth A. Meiklejohn, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $12,129.

A. F. A. Meister, Jr., 1611 North Kent Street, Arlington, Va. 22209.

B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

D. (6) $350. E. (9) $15.

A. R. Otto Meletzke, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) $750.

A. Memorex Corp., 1970 Chain Bridge Road, McLean, Va. 22102.

B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.

D. (6) $9,000.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Ted H. Meredith, 6030 Warwick Court, New Orleans, La. 70114.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $3,219.39.

A. Charles L. Merin, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

D. (6) $8,412.24. E. (9) $248.50.

A. Edward A. Merlis, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. New Milwaukee Lines, 500 Maynard Building, Seattle, Wash. 98104.

D. (6) $100.

A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Distribution Systems, Inc., 2950 Merced Street, San Leandro, Calif. 94577.

E. (9) $2.

A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Foss Launch & Tug Co.; Foss Alaska Line, 660 West Ewing Street, Seattle, Wash. 98119.

D. (6) $9,873. E. (9) $805.10.

A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Pacific Cruise Conference, 311 California Street, San Francisco, Calif. 94104.

D. (6) $2,339. E. (9) $107.55.

A. Tanya K. Metaksa, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. M. Barry Meyer, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.

A. James G. Michaux, 1801 K Street NW., Suite 903, Washington, D.C. 20006.

B. Federated Department Stores, Inc., 7 West Seventh Street, Cincinnati, Ohio 45202.

D. (6) $500.

A. Ronald A. Michieli, National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.

D. (6) $1,000.

A. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.

E. (9) $251.70.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $40,195.76. E. (9) $4,815.16.

A. Joy Midman, National Association of Private Psychiatric Hospital, 1701 K Street NW., Washington, D.C. 20006.

B. National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.

D. (6) $100.

A. Roy H. Millenson, Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.

B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.

D. (6) 2,050. E. (9) $45.68.

A. A. Stanley Miller, Federation of American Controlled Shipping, 910 16th Street, Room 302, Washington, D.C. 20006.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $200.

A. Miller Associates, Inc., 2500 Q Street NW., Washington, D.C. 20007.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) $1,500. E. (9) $41.70.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. California Savings and Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.

D. (6) $2,960.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.

D. (6) $2,075.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Investors Diversified Services, Inc., IDS Tower, Minneapolis, Minn. 55402.

D. (6) $3,460.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Lincoln National Life Insurance Co., 1301 South Harrison Street, Fort Wayne, Ind. 46801.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.

D. (6) $1,092.50. E. (9) $25.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Lockheed Corp., Burbank, Calif. 91520.

D. (6) $9,810.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

D. (6) $440.

A. Clinton R. Miller, National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.

B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.

D. (6) $361. E. (9) $1,198.24.

A. Dale Miller, 1200 16th Street NW., Washington, D.C. 20036.

B. Gulf Intracoastal Canal Association, Houston.

D. (6) $262.50. E. (9) $21.83.

A. Dale Miller, 1200 16th Street NW., No. 305, Washington, D.C. 20036.

B. Texasgulf Inc., Stamford, Conn.

D. (6) $450. E. (9) $672.72.

A. Kirk Miller, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $4,375. E. (9) $31.

A. Luman G. Miller, Oregon Railroad Association, 620 SW. Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

B. Oregon Railroad Association, 620 SW. Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

D. (6) $671.65. E. (9) $671.65.

A. Robert H. Miller, Tenneco Inc., 490 L'Enfant Plaza East SW., Suite 2202, Washington, D.C. 20024.

B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

E. (9) $64.40.

A. Stella L. Miller, National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

D. (6) $250. E. (9) $28.65.

A. John F. Mills, 1875 I Street NW., Washington, D.C. 20006.

B. Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.

D. (6) $315. E. (9) $21.75.

A. Wayne L. Millsap, Suite 2300, Clayton Inn Center, 7777 Bonhomme Avenue, Clayton, Mo. 63105.

B. Seven-Up Bottling Co., of St. Louis, Mo. 555 Brown Road, St. Louis, Mo.

A. Edward J. Milne, Jr., 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $419.43. E. (9) $195.97.

A. David Miatz, 1511 Ellis Street, Bellingham, Wash. 98225.

B. Wometco Enterprises, Inc.

A. Charles W. Mitchell, 4601 Schenley Road, Baltimore, Md. 21210.

B. Wills & Associates, Inc. (for Americans for Alaska), Suite 903, 36 South Charles Street, Baltimore, Md. 21201.

A. Clarence Mitchell, Jr., Washington Bureau, NAACP, 733 15th Street NW., Suite 410, Washington, D.C. 20005.

B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D. (6) $3,125.

A. Donald Craig Mitchell, 1601 F Street, Anchorage, Alaska 99501; 510 A Street NE., Washington, D.C. 20002.

B. Alaska Federation of Natives, 1577 C Street, Suite 304, Anchorage, Alaska 99501.

D. (6) $9,000. E. (9) $836.16.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1875 I Street NW., Washington, D.C. 20006.

B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.

E. (9) $180.

A. Bruce E. Mizer, Public Power Council, 1310 Main Street, P.O. Box 1307, Vancouver, Wash. 98666.

B. Public Power Council, 1310 Main Street, P.O. Box 1307, Vancouver, Wash. 98666.

D. (6) $2,585. E. (9) $3,965.01.

A. Michael S. Moe, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Robert M. Moliter, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

A. Michael J. Molony, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $60.

A. C. Manly Molpus, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.

D. (6) $1,000.

A. John S. Monagan, 1333 New Hampshire Avenue NW., Washington, D.C. 20006.

B. Central Station Electrical Protection Association, 1000 Vermont Avenue NW., Washington, D.C. 20005.

D. (6) $2,000.

A. Elizabeth R. Monro, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $837.50.

A. Michael Monroney, TRW. Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.

E. (9) $100.

A. G. Merrill Moody, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $187.49. E. (9) $178.03.

A. Alan J. Moore, The Atchison, Topeka & Santa Fe Railway Co., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Atchison, Topeka & Santa Fe Railway, 80 East Jackson Boulevard, Chicago, Ill. 60640.

D. (6) $1,000.

A. Moore McCormack Resources, 1 Landmark Square, Stamford, Conn.

E. (9) $1,848.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Electrolert, Inc., 475 Park Avenue, New York, N.Y.

D. (6) $150.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Thomson-CSF, Division of Equipments Avioniques France, 178, bd Gabriel-Peri, 92240 Malakoff.

D. (6) $240.

A. Morality In Media, Inc., 475 Riverside Drive/Suite 239, New York, N.Y. 10027.

D. (6) $2,070.80. E. (9) $2,070.80.

A. Earl J. Morgan, 1150 17th Street NW., Suite 500, Washington, D.C. 20036.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Jo V. Morgan, Jr., American Humane Association, 1050 17th Street NW., Washington, D.C. 20036.

B. American Humane Association, P.O. Box 1266, Denver, Colo. 80201.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800 N, Washington, D.C. 20036.

D. (6) $200. E. (9) $108.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

B. Evans Products Co., 1121 SW. Salmon Street, Portland, Oreg. 97208.

A. Robert E. Morin, 2600 Virginia Avenue NW., No. 901, Washington, D.C. 20037.

B. Society of Real Estate Appraisers, 2600 Virginia Avenue NW., No. 901, Washington, D.C. 20037.

D. (6) $725. E. (9) $705.

A. James A. Morrill, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $2,500. E. (9) $877.21.

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Navajo Nation, Window Rock, Ariz. 86515).

A. William C. Morrison, 2001 North Adams Street, Arlington, Va. 22201.

B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $875.

A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.

B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Lynn E. Mote, Northern Natural Gas Co., 1015 15th Street NW., Suite 900, Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $2,000.

A. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich.

D. (6) $2,829. E. (9) $2,829.

A. Mountain Fuel Supply Co., 180 East First South Street, Salt Lake City, Utah.

A. William G. Mullen, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

D. (6) $3,000. E. (9) $25.

A. John P. Mulligan, Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.

B. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $1,375.

A. Robert M. Mulligan, International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Albert E. Mullin, Jr., Digital Equipment Corp., 111 Powdermill Road, Maynard, Maine 01754.

B. Digital Equipment Corp., 111 Powdermill Road., Maynard, Maine 01754.

D. (6) $3,750.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

D. (6) $100. E. (9) $15.

A. Robert J. Mullins, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street, N.W., Washington, D.C. 20005.

D. (6) $5,261.52.

A. Daniel J. Mundy, Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

B. Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

D. (6) $12,124.97. E. (9) $4,506.48.

A. David C. Murchison, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Selected Morticians, 1616 Central Street, Evanston, Ill. 60201.

D. (6) $700. E. (9) $106.94.

A. Brian P. Murphy, 1010 Wisconsin Avenue NW., No. 630, Washington, D.C. 20007.

B. Friends of Free China, Inc., 1629 K Street NW., Washington, D.C. 20006.

A. Richard E. Murphy, 2020 K Street NW., No. 200, Washington, D.C. 20006.

B. Service Employees International Union, AFL-CIO, CLC, 2020 K Street NW., No. 200, Washington, D.C. 20006.

A. Richard W. Murphy, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $625. E. (9) $82.89.

A. William T. Murphy, Jr., American Natural Resources System, 1899 L Street NW., Suite 500, Washington, D.C. 20036.

B. American Natural Service Co., 1 Woodward Avenue, Detroit, Mich. 48226.

D. (6) $2,500.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Chicago, Milwaukee, St. Paul & Pacific Railroad, 516 West Jackson Boulevard, Chicago, Ill. 60606.

D. (6) $500.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleveland Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.

D. (6) $150.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Freeport Minerals Co., 161 East 42nd Street, New York, N.Y. 10017.

D. (6) $400.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Iron Ore Lessors Association, 1500 First National Bank Building, St. Paul, Minn. 55101.

D. (6) $450.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. LTV Corp., P.O. Box 5003, Dallas, Tex. 75222.

D. (6) $500.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Industrial & Office Parks, 1700 North Moore Street, Suite 1010, Arlington, Va. 22209.

D. (6) $450.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Council of Coal Lessors, Inc., 1150 1 Valley Square, Charleston, W. Va. 25301.

D. (6) $400.

A. Margaret R. Murray, 1339 Wisconsin Avenue NW., Washington, D.C. 20007.

B. DeKalb AgResearch, Sycamore Road, DeKalb, Ill. 60115.

A. William E. Murray, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $179.50.

A. Harold D. Muth, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

D. (6) $300. E. (9) $10.

A. Fred J. Mutz, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,000. E. (9) $40.

A. Paul J. Myer, 2409 Red Maple Lane, Reston, Va. 22091.

B. American Broadcasting Co., Inc., 1150 17th Street NW., No. 1102, Washington, D.C. 20036.

A. Gary D. Myers, Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $2,008.22.

A. J. Walter Myers, Jr., Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

B. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

D. (6) $134. E. (9) $358.80.

A. Kenneth D. Naden, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,219.

A. Law offices of Timothy D. Naegele, 1850 K Street NW., No. 1280, Washington, D.C. 20006.

B. BayBanks, Inc., 175 Federal Street, Boston, Mass. 02110.

A. Law offices of Timothy D. Naegele, 1850 K Street NW., No. 1280, Washington, D.C. 20006.

B. Republic National Bank of New York, Fifth Avenue at 40th Street, New York, N.Y. 10018.

A. Gerald P. Nagy, National Home Furnishings Association, 900 17th Street NW., Suite 514, Washington, D.C. 20006.

B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

D. (6) $560.

A. Naman, Howell, Smith, Lee & Muldrow, 700 Texas Center, 900 Washington, Waco, Tex. 76703.

B. Cotton Farmers Association, 700 Texas Center, 900 Washington, Waco, Tex 76703.

D. (6) $1,920. E. (9) $1,842.01.

A. John J. Nangle, National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

D. (6) $1,500.

A. Hardy L. Nathan, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $1,500.

A. Raymond Nathan, 4242 East-West Highway, Chevy Chase, Md. 20015.

B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.

D. (6) $555. E. (9) $591.40.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) $41.50. E. (9) $41.50.

A. National Air Carrier Association, 1730 M Street NW., Suite 710, Washington, D.C. 20036.

A. National Association for Free Enterprise, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. National Association for Humane Legislation, Inc., P.O. Box 11675, St. Petersburg, Fla. 33733.

D. (6) $132.43.

A. National Association for Neighborhood Schools, Inc., P.O. Box 14887 Columbus, Ohio 43214.

D. (6) $6,840.53. E. (9) $2,104.43.

A. National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.

D. (6) $20,546.81. E. (9) $7,504.64.

A. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.

D. (6) $108,509.21. E. (9) $7,304.46.

A. National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.

E. (9) $3,000.

A. The National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

E. (9) $330.34.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.

D. (6) $1,750. E. (9) $1,230.

A. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.

D. (6) $29,358.61. E. (9) $124,629.25.

A. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $66,562.66. E. (9) $66,562.66.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Mutual Insurance Companies, 7931 Castleway Drive, Indianapolis, Ind. 46250.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $13,009.60. E. (9) $13,009.60.

A. National Association of Pension Consultants and Administrators, Inc., 3 Piedmont Center, Suite 300, Atlanta, Ga. 30305.

D. (6) $15,300. E. (9) $320.52.

A. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.

D. (6) $22,547.25. E. (9) $7,800.

A. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

D. (6) $5,929. E. (9) $5,429.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) $4,493.81. E. (9) $4,493.81.

A. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20007; 430 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $2,625. E. (9) $31.19.

A. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

E. (9) $2,458.94.

A. National Association of Wheat Growers, 415 Second Street NE., Suite 300, Washington, D.C. 20002.

D. (6) $10,234.13. E. (9) $45,471.91.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

D. (6) $293,413. E. (9) $4,503.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

A. National Business Aircraft Association, One Farragut Square South, Washington, D.C. 20006.

A. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $5,037.50. E. (9) $5,101.58.

A. National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $300.

A. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.

E. (9) $3,523.04.

A. National Citizens' Coalition for the Windfall Profits Tax, 444 North Capitol Street NW., Washington, D.C. 20001.

D. (6) $1,710. E. (9) $1,050.

A. National Coal Association, Coal Building, Washington. D.C. 20036.

D. (6) $1,570,680.55. E. (9) $30,827.77.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.

D. (6) $215,688.55. E. (9) $4,991.00.

A National Committee on Small Issue Industrial Development Bonds, Box 1, 900 South, 1800 M Street NW., Washington, D.C. 20036.

D. (6) 1,000. E. (9) $596.50.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $5,583.12. E. (9) $5,583.12.

A. National Council of Agricultural Employers, 435 Southern Building, 15th and H Streets NW., Washington, D.C. 20005.

D. (6) $63,474. E. (9) $1,050.

A. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $111,255. E. (9) $98,072.

A. National Council of Health Care Services, 2600 Virginia Avenue, NW., Suite 915, Washington, D.C. 20037.

D. (6) $3,192.69 E. (9) $2,404.38.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.

E. (9) $521.20.

A. National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $60,904.50. E. (9) $6,735.96.

A. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $4,625. E. (9) $544.96.

A. National Grain and Feed Association, 725 15th Street NW, Washington, D.C. 20005.

B. National Grain and Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006

D. (6) $11,250. E. (9) $6,610.50.

A. National Guard Association of the United States, One Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) $45,557. E. (9) $2,724.86.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

E. (9) $2,410.

A. National Industrial Traffic League, 1909 K Street NW., S-410, Washington, D.C. 20006.

D. (6) $3,750. E. (9) $2,998.75.

A. National Leased Housing Association, Suite 400 S, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $450. E. (9) $450.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

D. (6) $5,128.23. E. (9) $5,128.23.

A. National Maritime Council, 1742 N Street NW., Washington, D.C. 20036.

D. (6) $205,110.82. E. (9) $27,130.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $6,370.55. E. (9) $6,370.55.

A. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $10,000. E. (9) $11,506.

A. National Oil Jobbers Council, Inc., 1707 H Street NW, 11th floor, Washington, D.C. 20006.
D. (6) $187,404.12. E. (9) $22,046.36.

A. National Organization for Women, 425 13th Street NW., 1048, Washington, D.C. 20004.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $6,407.03.

A. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

A. National Potato Council, 1101 Connecticut Avenue, NW., Suite 800, Washington, D.C. 20036.

A. National Product Liability Council, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $12,625. E. (9) $16,843.14.

A. National Railway Utilization Corp., 1100 Centre Square East; 1500 Market Square, Philadelphia, Pa. 19102.

A. National Realty Committee, Inc., 2033 M Street NW., Washington, D.C. 20036.
D. (6) $1,713. E. (9) $1,713.

A. National Rehabilitation Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $4,500.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
E. (9) $3,785.

A. National Right to Life Committee, Inc., 529 14th Street NW., No. 341, Washington, D.C. 20045.
D. (6) $155,944. E. (6) $6,765.74.

A. National Right to Work Committee, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.
D. (6) $4,221. E. (9) $4,221.

A. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $3,716.79.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $4,646. E. (9) $5,692.

A. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $344,022. E. (9) $250.86.

A. National School Transportation Association, 9001 W. Braddock Road, Springfield, Va. 22151.
D. (6) $3,120. E. (9) $3,120.

A. National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.
E. (9) $2,000.

A. National Selected Morticians, 1616 Central Street, Evanston. Ill. 60201.
D. (6) $1,800. E. (9) $1,910.44.

A. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $1,669.05.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E.(9) $13,450.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $68,122.08.

A. National Solid Wastes Management Association, 1120 Connecticut Avenue NW., Suite 930, Washington, D.C. 20036.
E. (9) $50.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $5,394.34. E. (9) $5,394.34.

A. National Water Resources Association, 955 L'Enfant Plaza North S.W., Suite 1202, Washington, D.C. 20024.
D. (6) $1,465. E. (9) $7,884.

A. National Wheel & Rim Association, 4836 Victor Street, Jacksonville, Fla. 32207.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill. 60201.
D. (6) $2,424.50. E. (9) $1,357.83.

A. Native American Rights Fund, 1506 Broadway, Boulder, Colo. 80302.

A. Alexander W. Neale, Jr., Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $2,700. E. (9) $101.90.

A. Alan M. Nedry, 1111 19th Street NW., Suite 303, Washington, D.C. 20036.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $100. E. (9) $50.

A. Frances E. Neely, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $4,187.

A. Mary Elizabeth Neese, National Savings & Loan League, 1101 15th Street NW., Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $108.54.

A. Gordon E. Nelson, 12005 Millstream Drive, Bowie, Md. 20715.
B. Farm Water Alliance, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $18,000. E. (9) $2,209.53.

A. Lloyd A. Nelson, 12200 Brookhaven Drive, Silver Spring, Md. 20902.
B. Fellowship Square Foundation, Inc., 11450 North Shore Drive, Reston, Va. 22090.

A. Robert W. Nelson, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $160.

A. Sharon L. Nelson, Consumers Union of U.S. Inc., Suite 1033, 1511 K Street NW., Washington, D.C. 20005.
B. Consumers Union of United States Inc., 256 Washington Street, Mount Vernon, N.Y. 10550.
D. (6) $6,375. E. (9) $12.

A. A. S. Nemir Associates, Suite 1230 Pennsylvania Building, Washington, D.C. 20004.
B. Brazilian Sugar & Alcohol Institute, Rio de Janeiro, Brazil.
E. (9) $256.92.

A. NETWORK, 806 Rhode Island Avenue NW., Washington, D.C. 20018.
D. (6) $16,658.96. E. (9) $23,107.75.

A. Robert B. Neville, 311 First Street NW., Washington, D.C. 20001.
B. National Restaurant Association, 311 First Street NW., Washington, D.C. 20001.
D. (6) $2,500.

A. Jane Nevins, Friends of New Melones, 101 G Street SW., Apartment A508, Washington, D.C. 20024.
B. Friends of New Melones, 343 East Main Street, Suite 524; Stockton, Calif. 95202.
D. (6) $2,000. E. (9) $1,144.21.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

A. New York Shipping Association, Inc., 80 Broad Street, New York, N.Y. 10004.
D. (6) $3,000. E. (9) $410.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for American Protestant Hospital Association, One Wood field Place, Suite 311, 1701 East Woodfield Drive, Schaumburg, Ill. 60195).
D. (6) $10,000.02.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for Arkansas Hospital Association, 1501 North University, Suite 400, Little Rock, Ark. 72207).
D. (6) $1,500.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for: Texas Children's Hospital, St. Lukes Episcopal Hospital, P.O. Box 20269, Houston, Tex. 77025).
D. (6) $3,000.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for: Texas Hospital Association, P.O. Box 15587, Austin, Tex. 78761).
D. (6) $3,000.

A. E. J. Newbould, 1015 15th Street NW., Washington, D.C. 20005.
B. National Clay Pipe Institute, 1015 15th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Frank Newham, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Kathryn L. Newman, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Thomas E. Newman, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Janet G. Newport, National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.

B. National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $3,875. E. (9) $120.73.

A. M. Ray Niblack, 1101 15th Street NW., Washington, D.C. 20005.
B. American Bankers Insurance Co. of Florida, 600 Brickell Avenue, Miami, Fla. 33131.
D. (6) $1,500. E. (9) $115.76.

A. Nicholas John Nichols, American Institute of Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $4,500. E. (9) $2,525.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,450. E. (9) $643.40.

A. John B. Nicholson, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $203.95.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 North East Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 North East Adams Street, Peoria, Ill. 61629.
D. (6) $1,950. E. (9) $2,206.01.

A. Patrick J. Nilan, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $11,265.02. E. (9) $2,214.28.

A. Nan Fielding Nixon, 309 4th Street SE., No. 7, Washington, D.C. 20003.
B. Office of Government and Community Affairs, Grays Hall, 16, Harvard University, Cambridge, Mass. 92138.
D. (6) $7,395. E. (9) $962.14.

A. H. Christopher Nolde, Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300.

A. Charles M. Noone, 490 L'Enfant Plaza East SW., Suite 3306, Washington, D.C. 20024.
B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $270.15.

A. M. Kathryn Nordstrom, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $56.85.

A. Richard B. Norment IV, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F. Street NW., Washington, D.C. 20006.
D. (6) $280.

A. Julia J. Norrell, 1801 K Street NW., Suite 821, Washington, D.C. 20006.
B. The Business Roundtable, 200 Park Avenue, New York, N.Y. 10017; and 1807 K Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $40.

A. Richard G. Norris, 8826 Santa Fe Drive, Shawnee Mission, Kans. 66201.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.
D. (6) $300.

A. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.
E. (9) $12,607.45.

A. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
E. (9) $450.

A. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
E. (9) $450.

A. North American Telephone Association, 1030 15th Street NW., Suite 360, Washington, D.C. 20005.
D. (6) $36,295.69. E. (9) $36,295.69.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.
E. (9) $1,010.97.

A. Clifford R. Northup, Credit Union National Association, Inc. 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $83.95.

A. Morgan Norval, 1202 South Washington Street, No. 2, Alexandria, Va. 22914.
B. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th South East, No. 151, Bellevue, Wash. 98004.
D. (6) $200.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, California 90071; 1140 19th Street NW., Suite 600, Washington, D.C. 20006.
B. Montco, Billings, Mont. 59107; Nance Cattle Co., Birney, Mont. 59012.
D. (6) $2,654.27. E. (9) $181.28.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1140 19th Street NW., Suite 600, Washington, D.C. 20006.
B. Ocean Energy Council, Box 57198, Washington, D.C. 20037.

A. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Franklin W. Nutter, 1025 Connecticut Avenue N.W., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
E. (9) $126.48.

A. Mark J. Nuzzaco, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $3,125.01. E. (9) $250.

A. Donald A. Nyberg, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $100.

A. Seward P. Nyman, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $850.

A. George O'Bea, Jr., United Paperworkers International Union, 815 16th Street NW., No. 304, Washington, D.C. 20006.
B. United Paperworkers International Union, 815 16th Street NW., No. 304, Washington, D.C. 20006.

A. Coleman C. O'Brien, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,800. E. (9) $141.35.

A. John F. O'Brien, Connecticut Petroleum Council, 410 Asylum Street, Room 626, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Raymond O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $200. E. (9) $30.

A. Rosemary L. O'Brien, 1025 Connecticut Avenue N.W., Suite 402, Washington, D.C. 20036.
B. CF Industries, Inc., Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500.

A. G. H. Ochenrider, Grumman Aerospace Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714.
D. (6) $2,500. E. (9) $1,433.

A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $8,750. E. (9) $646.56.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Abt Associates, Inc, Cambridge, Mass. 02138.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
D. (6) $2,500.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.
D. (6) $500.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D C. 20006.
B. American Institute of Certified Public Accountants, 1620 I Street NW, Washington, D.C. 20006.
D. (6) $2,500.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., No. 800, Washington, D.C. 20006.
B. American Public Transit Association, 1225 Connecticut Avenue, NW No 200, Washington, D.C. 20036.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., No. 800, Washington, D.C. 20006.
B. Automotive Parts & Accessories Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Blyth Eastman Dillon & Co., 1221 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $13,750.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Borden, Inc., 277 Park Avenue, New York, N.Y. 10017.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Charles River Breeding Laboratories, Inc., 251 Ballardvale Street, Wilmington, Mass. 01887.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., No. 800, Washington, D.C. 20006.
B. Commonwealth of Puerto Rico, 734 Fifteenth Street NW., Washington, D.C. 20005.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. First National Monetary Corp., 4000 Town Center, 15th floor, Southfield, Mich. 48075.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., No. 800, Washington, D.C. 20006.
B. Hennepin County, 2300 Government Center, Minneapolis, Minn. 55487.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.
D. (6) $3,000.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Investors Diversified Services, Inc., Suite 2900, IDS Tower, Minneapolis, Minn. 55402.
D. (6) $150.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., 8th Floor, Washington, D.C. 20006.
D. (6) $150.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. JWK International Corp., 7617 Little River Turnpike, Annandale, Va. 22003.
D. (6) $150.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Association of Health Career Schools, 11687 Bellagio Road, Suite 16, Los Angeles, Calif. 90049.
D. (6) $105. E. (9) $40.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., No. 800, Washington, D.C. 20006.
B. National Committee for Quality Health Care, New York, N.Y.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Coal Consumers Alliance, 414 Nicollet Mall, Minneapolis, Minn. 55401.
D. (6) $3,482.80. E. (9) $1,248.96.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $17,500. E. (9) $693.52.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., No. 800, Washington, D.C. 20006.
B. Save Loring Committee, 222 Main Street, Limestone, Mass. 04750.
D. (6) $6,000.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $3,633.33.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sperry-Rand Corp., 3333 Pilot Knob Road, St. Paul, Minn.
D. (6) $1,800. E. (9) $200.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue, NW., Suite 800, Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $187.50.

A. Leonard F. O'Connor, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. John B. O'Day, 3000 Dundee Road, Suite 101, Northbrook, Ill. 60062.
B. Insurance Economics Society of America, 3000 Dundee Road, Suite 101, Northbrook, Ill. 60062.
D. (6) $600.

A. Larry A. Oday, Combined Insurance Company of America, Suite 630, 1819 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Company of America, 5050 Broadway, Chicago, Ill. 60640.
D. (6) $750.

A. Thomas A. O'Day, Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $450. E. (9) $199.25.

A. Robert C. Odle, Jr., International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $125. E. (9) $110.

A. Ashton J. O'Donnell, 89 Fair Oaks Lane, Atherton, Calif. 94025.
B. Bechtel Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Bradford C. Oelman, Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $489.74.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,375. E. (9) $155.90.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D .C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $9,874.98.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $85.

A. Matthew D. O'Hara, General Mills, Inc., 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
D. (6) $68.50.

A. Alvin E. Oliver, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain & Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Van R. Olsen, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. U.S. Beet Sugar Association, 1156 15th Street, Suite 1019, Washington, D.C. 20005.

A. Charles E. Olson, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.50. E. (9) $93.65.

A. Nancy J. Olson, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $400.

A. Roy J. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. William J. Olwell, United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW, Washington, D.C. 20006.
B. United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $4,119.85.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. AMAX, Inc., AMAX Center, Greenwich, Conn. 16830.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Bank of America, Bank Investments Securities Division, Bank of America Center, 10th Floor, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Blyth Eastman Dillon & Co., 555 California Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Citizens for Government Fairness, P.O. Box 269, El Centro, Calif. 92243.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Dean Witter Reynolds, Inc., 45 Montgomery Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Hawaiian Sugar Planters Association, 1511 K Street NW., Washington, D.C.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. INA Corp., 1850 K Street NW., Suite 840, Washington, D.C. 20006; and Hospital Affiliates International, Inc., 4525 Harding Road, Nashville, Tenn. 37205.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Smith Barney, Harris Upham & Co., 350 California Street, San Francisco, Calif. 94104.

A. R. E. Omohundro, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

D. (6) $178. E. (9) $10.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. California Westside Farmers, Security Bank Building, 1060 Fulton Mall, Fresno, Calif.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. CDECO Maritime Dredging Co., P.O. Box 1488, Mansfield, Ohio 44901.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Council on Energy Resource Tribes, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Dorchester Gas Corp., P.O. Box 31049, Dallas, Tex.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Holly Corp., 2001 Bryan Tower, Dallas, Tex. 75201.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Houston Natural Gas Corp., 1 Farragut Square NW., Suite 606, Washington, D.C. 20006.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Massachusetts General Hospital, Fruit Street, Moseley Building, Boston, Mass. 02114.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Paraho Development Corp., 300 Enterprise Building, Grand Junction, Colo. 81501.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Texas Oil & Gas Corp., Fidelity Union Tower, Dallas, Tex. 75201.

A. O'Neill Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Philip C. Onstad, Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

B. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

D. (6) $50. E. (9) $351.60.

A. Daniel P. Oppenheim, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Selected Morticians, 1616 Central Street, Evanston, Ill. 60201.

D. (6) $410.

A. Charles Orasin, 810 18th Street NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $3,929.07.

A. Kevin P. O'Rourke, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Selected Morticians, 1616 Central Street, Evanston, Ill. 60201.

D. (6) $690. E. (9) $3.50.

A. J. Denis O'Toole, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $880.

A. Roland A. Ouellette, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,600. E. (9) $3,649.13.

A. Joseph A. Overton III, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Thomas J. Owens, 207 Olympic National Building, Seattle, Wash. 98104.

B. Dollar Savings Bank, 4th and Smithfield Street, Pittsburgh, Pa. 15230; Washington Mutual Savings Bank, P.O. Box 834, Seattle, Wash. 98111.

D. (6) $7,015. E. (9) $4,781.59.

A. Thomas J. Owens, 207 Olympic National Building, Seattle, Wash. 98101.

B. Mutual Savings Banks of Washington.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.

B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. W. D. Page, American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

B. American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

A. Steven J. Paggioli, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $36. E. (9) $30.20.

A. Henry S. Palau, The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

D. (6) $640.

A. Diane M. Palmer, 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.

B. Northwest Bancorp., 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.

D. (6) $280. E. (9) $63.

A. John N. Pannullo, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

B. National Utility Contractors Association,, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

D. (6) $800. E. (9) $500.

A. Fred Panzer, The Tobacco Institute, 1875 I Street NW., Suite 800, Washington, D.C. 20006.

B. The Tobacco Institute, 1875 I Street NW., Suite 800, Washington, D.C. 20006.

D. (6) $300. E. (9) $150.

A. Paperboard Packaging Council, 1800 K Street NW., No. 600, Washington, D.C. 20006.

A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Herschell E. Parent, Arkansas Petroleum Council, 302 Commercial National Bank Building, Little Rock, Ark. 72201.

B. American Petroleum Institute, 2101 L Street, NW., Washington, D.C. 20037.

A. Ann L. Parenteau, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Carl A. Parker, 1 Plaza Square, Port Arthur, Tex. 77640.

B. Government of Republic of Liberia, Monrovia, Liberia.

D. (6) $3,000.

A. Douglas L. Parker, 600 New Jersey Avenue NW., Washington, D.C. 20001.

B. Institute for Public Representation, 600 New Jersey Avenue NW., Washington, D.C. 20001.

D. (6) $412.50.

A. Gordon Parker, Alaska Telephone Association, 3400 LaTouche, Suite 201, Anchorage, Alaska 99504.

B. Alaska Telephone Association, 3400 LaTouche, Suite 201, Anchorage, Alaska 99504.

A. Parkinson & Associates, 1640 30th Street NW., Washington, D.C. 20007.

B. Committee for Equitable Crop Insurance Legislation, 1640 30th Street NW., Washington, D.C. 20007.

D. (6) $31,296.87. E. (9) $28,928.78.

A. Tom E. Paro, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

D. (6) $208.

A. Linda K. Parson, Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.

A. Jack Partridge, Jr., 1014 Vine Street, Cincinnati, Ohio 45201.

B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.

D. (6) $1,000. E. (9) $462.10.

A. Robert D. Partridge, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $385.

A. Alan K. Parver, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
D. (6) $840. E. (9) $25.

A. Howard G. Paster, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW; 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $14,492.75. E. (9) $207.73.

A. Richard M. Patterson, Dow Chemical Co., 1800 M Street NW., Suite 700S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $500. E. (9) 239.50.

A. Thomas Patterson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $231.

A. William H. Patterson, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $95.

A. Kenton H. Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $2,656.25.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs, & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ad hoc Committee on Section 602, 1575 Eye Street NW., Washington, D.C. 20006.

A. Patton, Boggs, & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Alaska Housing Financial Corp., P.O. Box 1020, Anchorage, Alaska 99510.
D. (6) $2,170.

A. Patton, Boggs, & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.

A. Patton, Boggs, & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Maritime Association, 1612 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs, & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Society of Association Executives, 1575 Eye Street NW., Washington, D.C. 20005.
D. (6) $1,570. E. (9) $89.19.

A. Patton, Boggs, & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Armco Steel Corp., General Offices, Middletown, Ohio 45042.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bath Iron Works Corp., 700 Washington Street, Bath, Maine 04530.
D. (6) $752.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Benamy International Inc., 3937 Oakcliff Industrial Court NE., Atlanta, Ga. 30340.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bixby Ranch Co., 523 West Sixth Street, Los Angeles, Calif. 90014.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bradford National Corp., 80 Pine Street, New York, N.Y.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. California Westside Farmers, 9555 L'Enfant Plaza North SW., Room 1101, Washington, D.C. 20024.
D. (6) $8,340.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Castle and Cooke, Inc., P.O. Box 3928, San Francisco, Calif.
D. (6) $148.75.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Central American Sugar Council, 2550 M Street NW., 8th floor, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.
D. (6) $6,075. E. (9) $183.08.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Committee for Expanded Trade, 2550 M Street, NW., Eighth floor, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Committee of Railroad Shippers, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $20,485. E. (9) $1,176.60.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.
D. (6) $510. E. (9) $25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Diagnostic Imaging and Therapy Systems Division, 2101 L Street N.W., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. E.G.G. Industries, 2550 M Street NW., Washington, D.C.; and the Essex Company, Lawrence, Mass.
D. (6) $3,927.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Handicraft Designs, Inc., 87 Commerce Drive, Talford, Pa. 18969.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Hobby Industry of America, 319 East 54th Street, Elmwood, N.J. 07407.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Institute of Electrical & Electronics Engineers, 2029 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Institute of Scrap Iron & Steel, Inc., 1627 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. LOOP, Inc., 1010 Common Street, 250 Bank of New Orleans Building, New Orleans, La. 70112.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Louisiana Pacific Corp., 1300 South West Fifth Avenue, Portland, Oreg. 97201.
D. (6) $425.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mars, Inc., 1651 Old Meadow Road, McLean, Va. 22101.
D. (6) $8,475.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mocatta Metal Corp., 35 Broad Street, New York, N.Y. 10004.
D. (6) $690.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Multi Mineral Corp., 330 North Belt East, Houston, Tex. 77060.
D. (6) $2,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. National Marine Manufacturers Association, 401 North Michigan Avenue, Chicago, Ill. 60601.
D. (6) $2,207.50. E. (9) $60.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. New Process Co., 220 Hickory Street, Warren, Pa. 16366.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Northwest Energy Corp., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $13,800.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ocean Minerals Co., 465 North Bernardo, Mountain View, Calif. 94040.
D. (6) $10,100. 9. (9) $236.87.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Penn Central Corp., 1725 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pepsico, Inc., Purchase, N.Y. 10577.
D. (6) $6,630. E. (9) $50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Jack Philip & Son, Inc., 724 Dupont Plaza Center, Miami, Fla. 33131.
D. (6) $1,275.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pyrotechnic Signal Manufacturers Association, Inc., 1730 K Street NW., Suite 1300, Washington, D.C. 20006.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $2,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Retail Tax Committee, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $2,800. E. (9) $96.20.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. St. Joe Minerals Co., 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Alaska, Suite 345, 444 North Capitol Street, Washington, D.C.
D. (6) $14,700.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Tax Corporation of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. United Brands Co., 1271 Avenue of the Americas, New York, N.Y. 10020.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $85.

A. Andrew R. Paul, Suite 920, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Gulf & Western Management Co., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $400. E. (9) $29.83.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.
D. (6) $700. E. (9) $10.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Tuna Research Foundation, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $110.

A. Beth Peacock, 1707 L Street NW., Suite 950, Washington, D.C. 20036.
B. General Foods, 1707 L Street NW., Suite 950, Washington, D.C. 20036.
E. (9) $1,765.

A. Frank Pecquex, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $125.

A. Pennsylvania Power & Light Co., Two North 9th Street, Allentown, Pa. 18101.
E. (9) $3,210.02.

A. Dominic V. Pensabene, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A. Inc., a subsidiary of Standard Oil Company of California, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Gregory M. Pensabene, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
D. (6) $1,140.

A. Pension Rights Center, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $836.96.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, No. 1204, Rosslyn, Va. 22209.
D. (6) $840.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Cold Finished Steel Bar Institute, P.O. Box 5631, Chicago, Ill. 60680.
D. (6) $292.50.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. The Glenmede Trust Co. (for Pew Memorial Trust), 222 South 18th Street, Philadelphia, Pa. 19103.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Harris Corp., Melbourne, Fla. 32919.
D. (6) $3,220.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Sun Shipbuilding, Foot of Morton Avenue, Chester, Pa. 19013.
D. (6) $7,156.25.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. U.S. Cane Sugar Refiners Association, 1001 Connecticut Avenue, Washington, D.C. 20036.
D. (6) $343.75.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Western Union Corp., One Lake Street, Upper Saddle River, N.J.
D. (6) $4,522.50.

A. PepsiCo, Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577.
E. (9) $1,442.12.

A. Barbara K. Pequet, 1921 Kalorama Road NW., No. 103, Washington, D.C. 20009.
B. National Consumers League, 1522 K Street NW., Suite 406, Washington, D.C. 20005.
D. (6) $200. E. (9) $90.

A. Elinor Peretsman, 55 Tain Drive, Great Neck, N.Y. 11021.
B. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $1,110. E. (9) $859.37.

A. Perito, Duerk, Carlson and Pinco, 1140 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.
B. Foremost-McKesson, Inc., Crocker Plaza, One Post Street, San Francisco, Calif. 94100.
D. (6) $977.50. E. (9) $4.50.

A. Tony Perkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. Jeffry L. Perlman, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $700. E. (9) $244.93.

A. John P. Perrin, American Osteopathic Association, 1611 N. Kent Street, Suite 803-A, Arlington, Va. 22209.
B. American Osteopathic Association, 1611 N. Kent Street, Suite 803-A, Arlington, Va. 22209.
D. (6) $2,218.65. E. (9) $94.90.

A. Tom E. Persky, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. John Joseph Pesch, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $610. E. (9) $335.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $1,500. E. (9) $669.

A. Peterson, Engberg & Peterson, 1730 M Street NW., No. 907, Washington, D.C. 20036.
B. Communicating for Agriculture, Inc., Law Office Building, Box 677, Fergus Falls, Minn. 56537.
D. (6) $4,130. E. (9) $68.99.

A. Kenneth Peterson, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,129. E. (9) $269.31.

A. Mary B. Peterson, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $2,286.61.

A. Michael J. Petrina, Jr., 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $4,000. E. (9) $83.95.

A. Paul F. Petrus, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200.

A. Pharmaceutical Manufacturers Association, 1155 15th Street, NW., Washington, D.C. 20005.
D. (6) $14,774.90. E. (9) $14,774.90.

A. John P. Philbin, Mobil Oil Corp., 1100 Connecticut Avenue NW, Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. John D. Phillips, 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.
B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.
D. (6) $13,671.77. E. (9) $544.95.

A. Phosphate Chemicals Export Association, Inc., 200 Park Avenue, New York, N.Y. 10017.
E. (9) $5,316.96.

A. Physicians National Housestaff Association, 1029 Vermont Avenue NW., No. 308, Washington,, D.C. 20005.
E. (9) $2,400.

A. Sam Pickard, Monsanto Co., 1101 17th Street, NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $53.68.

A. Wilhelm Pickens, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $850. E. (9) $91.98.

A. Pierce, Atwood, Scribner, Allen, Smith & Lancaster, 1 Monument Square, Portland, Maine 04101.
B. Great Northern Paper Co., 75 Prospect Street, Stamford, Conn. 06901, et al.
D. (6) $696. E. (9) $12.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. Satellite Business Systems, 8003 Westpark Drive, McLean, Va. 22101.
D. (6) $2,500.

A. Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $370. E. (9) $22.97.

A. Pilots Rights Association, P.O. Box 7000-367, Redondo Beach, Calif. 90277.
D. (6) $6,832.45. E. (9) $5,942.32.

A. Linda Pinegar, Air Transport Association of America, 1709 New York Avenue NW., Washington D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $875.

A. David E. Piper, Pacific Northwest Generating Co., 8383 Northeast Sandy Boulevard, Suite 330, Portland, Oreg. 97220.
B. Pacific Northwest Generating Co., 8383 Northeast Sandy Boulevard, Suite 330, Portland, Oreg. 97220.

A. Pitney Bowes, 69 Walter H. Wheeler, Jr. Drive, Stamford, Conn. 06904.

A. Plains Cotton Growers, Inc., P.O. Box 3640, Lubbock, Tex. 79452.
D. (6) $910.86. E. (9) $910.86.

A. Robert Plett Associates, 1200 18th Street NW., No. 700, Washington, D.C. 20036.

A. W. R. Poage, 600 Edgewood, Waco, Tex. 76708.
B. Community of Brownwood, Brownwood, Tex.
E. (9) $580.

A. J. Francis Pohlhaus, NAACP, 173 15th Street N.W., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $3,150.

A. Richard J. Pollack, American Nurses' Association, 1030 15th Street NW., No. 408, Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,585. E. (9) $241.50.

A. Frances A. Pollak, The Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,000.

A. Richard P. Pollock, Critical Mass Energy Project, 215 Pennsylvania Avenue SE., Washington, D.C., 20003.
B. Critical Mass Energy Project, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $237.50.

A. Nathaniel Polster, 2128 Wyoming Avenue, Washington, D.C. 20008.
B. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017; Research to Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.
D. (6) $14,950. E. (9) $10,271.53.

A. Judith A. Pond, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $200. E. (9) $104.

A. Robert F. Pontzer, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.
E. (9) $79.40.

A. Henry E. Poole, 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
D. (6) $100. E. (9) $858.75.

A. Raymond K. Pope, 1639 K Street NW., Suite 800, Washington, D.C. 20006.
B. AMFAC, Inc., 50 O'Farrell Street, San Francisco, Calif. 94108.
D. (6) $3,145. E. (9) $65.85.

A. Joan E. Porte, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Phillip Porte, Phillip Porte & Associates, Inc., 1301 Arlington Ridge Road, Suite 208, Arlington, Va. 22202.
B. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex. 75235.
D. (6) $5,400.

A. Phillip Porte, Phillip Porte & Associates, Inc., 1301 Arlington Ridge Road, Suite 208, Arlington, Va. 22202.
B. National Association of Medical Directors of Respiratory Care, 2606 Hospital Boulevard, Box 5280, Corpus Christi, Tex. 78405.
D. (6) $3,000.

A. Porter, Wright, Morris & Arthur, 1776 G Street NW., Suite 501, Washington, D.C.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20006.
D. (6) $3,660. E. (9) $68.31.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,500. E. (9) $60.62.

A., Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Rockwell International, Inc., 600 Grant Street, Pittsburgh, Pa. 15219.
D. (6) $5,832.32. E. (9) $4,500.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.
D. (6) $3,000.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $900. E. (9) $12.10.

A. Robert D. Powell, 734 15th Street NW., No. 401, Washington, D.C. 20005.
B. National Business Aircraft Association, 1 Farragut Square South, Washington, D.C. 20005.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. John J. Power, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $6,270.44. E. (9) $1,501.51.

A. Graydon R. Powers, Jr., Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $200.

A. William D. Powers, National Housing Law Project, 1016 16th Street NW., Suite 800, Washington, D.C. 20036.
B. National Housing Law Project, 2150 Shattuck Avenue, Suite 300, Berkeley, Calif. 94704.
D. (6) $8,500. E. (9) $50.

A. William C. Prather, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $750. E. (9) $494.

A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.
B. Security New York State Corp., 1 East Avenue, Rochester, N.Y. 14638.
D. (6) $600. E. (9) $409.76.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France), 1225 19th Street, NW., Washington, D.C. 20036.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (For European Aerospace Corp., 1101 15th Street NW., Washington, D.C.) 1225 19th Street NW., Washington, D.C. 20036.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for Government of Morocco, Rabat Morocco), 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $14.43. E. (9) $63.85.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for Sofreavia, 75 rue la Boetie, Paris 8eme, France) 1225–19th Street NW., Washington, D.C. 20036.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Bonneville Power Administration, Suite 310, Lloyd Building, 700 Northeast Multromak Street, Portland, Oreg. 97232.
D. (6) $2,542.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Moore McCormack Resources, One Landmark Square, Stamford, Conn.
D. (6) $1,505.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Northern Tier Pipeline Co., 1835 K Street NW., Suite 801, Washington, D.C. 20006.
D. (6) $119.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Seatrain Lines, Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.
D. (6) $1,182.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. State of Alaska, Juneau, Alaska.
D. (6) $2,415.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $5,108.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Transportation Institute, 923 15th Street NW., Washington, D.C.
D. (6) $467.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. United States Cruises, Inc., 2200 Sixth Avenue, Seattle, Wash. 98121.
D. (6) $1,440.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Washington Department of Ecology, Olympia, Wash.
D. (6) $150.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Washington Natural Gas, 815 Mercer, Seattle, Wash.
D. (6) $240.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Western Resource Alliance, Star Route Box 98, Eastsound, Wash.
D. (6) $325.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.
D. (6) $822.50.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005.
D. (6) $756.25.

A. Patricia Pride, Financial Accounting Standards Board, 1129 20th Street NW., Washington, D.C. 20036.
B. Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.
D. (6) $33.40. E. (9) $11.53.

A. Arnold J. Prima, Jr., the American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue, NW., Washington, D.C. 20006.
D. (6) $1,200.

A. Jerry C. Pritchett, Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.
B. Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue, NW., Washington, D.C. 20015.

A. Pro Life Congressional District Action Committee, In–2, 208 Tinkler, Lafayette, Ind. 47901.

A. Pro Life Congressional District 11, P.O. Box 727, San Carlos, Calif. 94070.
D. (6) $168. E. (9) $824.98.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.
E. (9) $2,343.75.

A. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa.

A. Jerry Z. Pruzan, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $300.

A. Public Citizen's Tax Reform Research Group, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $937.50. E. (9) $6,096.74.

A. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D. C. 20006.
D. (6) $23,121.45. E. (9) $22,669.02.

A. David E. Pullen, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Mansville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $600.

A. Jack I. Pulley, Dow Corning Corp., Midland, Mich. 48640.
B. Dow Corning Corp., Midland, Mich. 48640.

A. Robert Purcell, 4A's, 1899 L Street NW., Suite 700, Washington, D.C. 20036.
B. American Association of Advertising Agencies, 200 Park Avenue, Pan Am Building, New York, N.Y. 10017.
D. (6) $2,500. E. (9) $750.

A. Howard Pyle III, 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $362.64.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. American Fur Industries, 101 West 30th Street, New York, N.Y. 10001.
D. (6) $3,000.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. Independent Bakers Association, P.O. Box 3731, Washington, D.C. 20007.
D. (6) $3,000.

A. E. R. Quesada, P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.
B. L'Enfant Plaza Properties, Inc., P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.

A. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

A. Clifford H. Raber, One McDonald's Plaza, Oak Brook, Ill. 60521.
B. McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $530.72.

A. Robert A. Ragland, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Richard W. Rahn, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.
B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $28,950. E. (9) $28,950.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Calvin Rampton, 800 Walker Bank Building, Salt Lake City, Utah 84111.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $910.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $1,060.

A. Donald A. Randall, 1625 K Street NW., Washington, D.C. 20006.
B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 112, Elmhurst, Ill. 60126.
D. (6) $1,935.

A. Donald A. Randall, 1625 K Street NW., Washington, D.C. 20006.
B. National Association for Milk Marketing Reform, 1625 K Street NW., Suite 1206, Washington, D.C. 20006.
D. (6) $4,956.84. E. (9) $536.84.

A. Gary B. Randall, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $135.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. City of Independence Mo., 103 North Main Street, Independence Mo.
D. (6) $1,500. E. (9) $1,098.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. Clifford R. Kirby, 6916 Lake Drive, Raytown, Mo. 64133; and Keith Artman, Farmer & Soil Inc., Route 1, Box 188, Excelsior Springs, Mo. 64024.
E. (9) $425.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. U.S. Railway Association, 955 L'Enfant Plaza North NW., Washington, D.C.
D. (6) $3,000. E. (9) $390.

A. R. Ray Randlett, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.
D. (6) $66.

A. Arthur G. Randol III, 1899 L Street NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $275.78.

A. Jerry F. Rapp, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $500.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $1,125. E. (9) $2,142.87.

A. Carol Raulston, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. G. David Ravencraft, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. W. Randall Rawson, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Sydney C. Reagan, No. 10 Duncannon Court, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Association, No. 10 Duncannon Court, Dallas, Tex. 75225.
D. (6) $150.

A. Susan E. Recce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $625. E. (9) $51.29.

A. Robert E. Redding, Suite 310, 910 17th Street NW., Washington, D.C. 20006.
B. Shippers National Freight Claim Council, 120 Main Street, Huntington, N.Y. 11743.
D. (6) $90. E. (9) $5.

A. Dwight C. Reed, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $1,081.80.

A. John H. Reed, 444 North Capitol Street NW., Washington, D.C. 20001.
B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $8,622. E. (9) $161.67.

A. Reed Smith Shaw & McClay, 1150 Connecticut Avenue, Washington, D.C. 20036.
B. The Great Atlantic and Pacific Tea Co., 2 Paragon Drive, Montvale, N.J. 07645.
E. (9) $165.96.

A. Jerry Rees, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.
D. (6) $1,049.40.

A. Thomas M. Rees, 1101 Connecticut Avenue, NW., Suite 403, Washington, D.C. 20036.
B. American Savings & Loan Association, 9465 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Fluor Corp., 1627 K Street NW., Washington, D.C. 20006.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Great Western Savings and Loan Association, 8484 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Home Savings and Loan Association, 3731 Wilshire Boulevard, Los Angeles, Calif. 90010.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Imperial Resources Association, P.O. Box 119, Brawley, Calif. 92227.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,317.10.

A. J. Ronald Reeves, U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001.
B. U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $2,000. E. (9) $161.78.

A. John T. Reggitts, Jr., R. D. 2, Boonton Avenue, Boonton, N.J. 07005.

A. Frank D. Register, National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
B. National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
D. (6) $50. E. (9) $17.

A. Paul Reiber, 1625 I Street NW., Suite 921, Washington, D.C. 20006.
B. International Air Leases, Inc., P.O. Box 480233, Miami, Fla. 33148.
D. (6) $1,170. E. (9) $15.

A. David M. Reicher, Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.
B. Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wis., 53202 (for Smith Barney, Harris Upham & Co., Inc.).
E. (9) $2,279.51.

A. Charlotte T. Reid, 1776 K Street NW., Washington, D.C.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. Charlotte T. Reid, 200 N. Pickett Street, Alexandria, Va.
B. Volunteer Trustees of Not-for-Profit Hospitals, 2550 M Street NW., Suite 405, Washington, D.C. 20037.
D. (6) $294.

A. Reid & Priest, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $316. E. (9) $7.

A. Jerry E. Reider, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

A. John A. Reilly, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.
B. Estate of Bert N. Adams, et al.
E. (9) $5.

A. Louis D. Reilly III, Telephone and Data Systems, Inc., 517 North Segoe Road, Madison, Wis. 53705.
B. Telephone and Data Systems, Inc., 517 North Segoe Road, Madison, Wis. 53705.

A. Harry O. Reinsch, 1310 Jones Street, Apt. 902, San Francisco, Calif. 94109.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. W. W. Renfroe, 69 Fountain Place-Wilkinson Street, Frankfort, Ky. 40601.
B. Kentucky Railroad Association, 69 Fountain Place-Wilkinson Street, Frankfort, Ky. 40601.

A. Diane Rennert, 1707 L Street NW., Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $950. E. (9) $582.47.

A. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $6,860.

A. Forrest I. Rettgers, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Allan R. Rexinger, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $2,218.75. E. (9) $125.

A. Nancy C. Reynolds, 300 Maryland Avenue NE., Washington, D.C. 20002.
B. The Bendix Corporation, 300 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $610. E. (9) $32.

A. Austin T. Rhoads, 910 17 Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Mfrs. & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $487.12.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C. 20044; and 3046 Roosevelt, Detroit, Mich. 48216.
E. (9) $117.99.

A. Grace Ellen Rice, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. $3,625. E. (9) $47.

A. M. Lee Rice, 277 Park Avenue, New York, N.Y. 10017.
B. Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.
D. (6) $595. E. (9) $595.

A. Theron J. Rice, Conoco, Inc., 1025 Connecticut Avenue, Suite 1000, Washington, D.C. 20036.
B. Conoco, Inc., High Ridge Park, Stamford, Conn. 06904.

A. Alan H. Richardson, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $1,000.

A. Bruce Rickerson, American Society of Civil Engineers, 1625 I St. NW., Suite 607, Washington, D.C. 20006.
B. American Society of Civil Engineers, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $3,000.

A. Lowell J. Ridgeway, North Dakota Petroleum Council, Box 1395, Bismarck, N. Dak. 58501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $532. E. (9) $552.85.

A. Mark J. Riedy, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $2,208. E. (9) $2,496.

A. S. F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. E. Philip Riggin, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $5,709. E. (9) $244.90.

A. Douglas V. Rigler, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington D.C. 20006 (for Republic of the Philippines).

A. Morris A. Riley, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005.
D. (6) $687.50. E. (9) $28.

A. Carol A. Risher, Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $1,200. E. (9) $66.92.

A. Nancy J. Risque, the Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $325.

A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003.
B. Gaming Industry Association of Nevada, Inc., One East First Street, No. 1007, Reno, Nev. 89501.
D. (6) $2,800. E. (9) $719.80.

A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003.
B. National Association of Off-Track Betting, Post Office Box 446, Batavia, N.Y. 14020.

A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003.
B. Nevada Resort Association, 732 East Sahara Avenue, Las Vegas, Nev. 89104.
D. (6) $4,200. E. (9) $1,079.69.

A. Stark Ritchie, American Petroleum Institute, 2101 L Street NW, Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. RJR Industries, Inc., 1100 Reynolds Boulevard, Winston-Salem, N.C. 27105.
E. (9) $4,961.26.

A. Robert L. Roach, National Audubon Society, 7426 Piney Branch Road, Takoma Park, Md. 20012.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.
D. (6) $3,750. E. (9) $1,617.33.

A. Roadside Business Association, 9001 West Braddock Road, Springfield, Va. 22151.
D. (6) $2,018.55. E. (9) $2,018.55.

A. Perry A. Roberts, 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9). $743.36.

A. William S. Roberts, National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $25.

A. Betty S. Robinson, International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $9,000.80. E. (9) $114.60.

A. Charles A. Robinson, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $230.41.

A. Jerome Robinson, Florida Restaurant Association, 1077 West 125th Street, North Miami, Fla. 33161.

A. Betty P. Rocker, Seafarers International Union of North America, 815 16th Street NW., Washington, D.C.
B. Seafarers International Union of North America, 675 Fourth Avenue, Brooklyn, N.Y. 11232.
D. (6) $2,500. E. (9) $98.70.

A. Thomas G. Roderick, 1101 16th Street, NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,500.

A. Rodey, Dickason, Sloan, Akin & Robb, P.O. Box 1888, Albuquerque, N. Mex. 87103.
B. Navajo Tribe, Window Rock, Ariz. 86515.
E. (9) $1,014.28.

A. Quincy Rodgers, General Instrument Corp., 1220 19th Street NW., Suite 405, Washington, D.C. 20036.
B. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019.
E. (9) $620.

A. Bruce N. Rogers, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,000. E. (9) $1,621.53.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Co., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500.

A. James T. Rogers, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $600.

A. Margaret Rogers, Printing Industries of America, 1730 North Lynn Street, Arlington, Va. 22209.
B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.
D. (6) $1,000. E. (9) $104.50.

A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW, Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $6,081.60. E. (9) $161.18.

A. Richard A. Robrbach, 1625 Eye Street NW., No. 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 Eye Street NW., No. 809, Washington, D.C. 20006.
D. (6) $16,050.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Pulpwood Association, 1619 Masschusetts Avenue NW., Washington, D.C. 20036.

A. Teno Roncalio, 701 Rocky Mountain Plaza, P.O. Box 1707, Cheyenne, Wyo. 82001.
B. Northwest Alaskan Pipeline Co., 1801 K Street NW., Washington, D.C. 20036; Colorado Interstate Gas, P.O. Box 1087, Colorado Springs, Colo. 80944.
D. (6) $3,000.

A. Tatiana Roodkowsky, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500.

A. James E. Rooks, Jr., 1216 16th Street NW., Washington, D.C. 20036.

B. Speiser, Krause & Madole, 1216 16th Street NW., Washington, D.C. 20036 (For: Mrs. Vera C. Clemente, No. 36, Roberto Clemente Street, Ext. San Agustin, Rio Piedras, Puerto Rico 00926; Mrs. Margarita C. Matias, Yagrumo AD–3, Valle Arriba Heights, Carolina, Puerto Rico; and Mrs. Maria Lozano, 519th Street, QC–1, Urban Country Club, Rio Piedras, Puerto Rico).

A. Nicholas Roomy, Jr., Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327.

B. Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327.

A. Kevin M. Rooney, 1111 19th Street NW., Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $1,028. E. (9) $168.91.

A. Joyce Roop, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,250.

A. John C. Roots, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $300.

A. David N. Rose, 180 East First South Street, Salt Lake City, Utah 84139.

B. Mountain Fuel Supply Co., 180 East First South Street, Salt Lake City, Utah.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

D. (6) $7,305. E. (9) $46.06.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, Suite 300, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $45.06.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Institute of Makers of Explosives, 420 Lexington Avenue, New York, N.Y. 10017.

D. (6) $42,740. E. (9) $3,199.95.

A. Walda W. Roseman, National Public Radio, 2025 M Street NW., Washington, D.C. 20036.

B. National Public Radio, 2025 M Street NW., Washington, D.C. 20036.

D. (6) $11,500. E. (9) $23.39.

A. Burt Rosen, National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $1,250. E. (9) $40.

A. Arthur F. Rosenfeld, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $612.48. E. (9) $8.00.

A. Harvey Rosenfield, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Congress Watch, 215 Pennsylvania Avenue S.E., Washington, D.C. 20003.

D. (6) $2,250.

A. Robert W. Ross, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $1,500. E. (9) $49.39.

A. Seymour N. Ross, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., (for Thomson-CSF (AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff, (France)), 1225 19th Street NW., Washington, D.C. 20036.

D. (6) $23.06. E. (9) $6.

A. William F. Ross, South Carolina Petroleum Council, 716 Keenan Building, Columbia, S.C. 29201.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Alan J. Roth, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Fort Pierce Utilities Authority of the city of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission, cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Fla.

D. (6) $2,443.75.

A. Barry N. Roth, The Williams Companies, 1750 K Street NW., Suite 350, Washington, D.C. 20006.

B. The Williams Companies, P.O. Box 2400, Tulsa, Okla. 74101.

D. (6) $100.

A. Donald D. Rounds, South Dakota Petroleum Council, P.O. Box 669, Pierre, S. Dak.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William C. Rountree, Standard Oil Company (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

B. Standard Oil Company (Ohio), Midland Building, Cleveland, Ohio 44115.

D. (6) $75.

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.

B. Union Nacional de Productores de Azucar, S.A. de C.V., Balderas 36, Mexico, D.F., Mexico.

D. (6) $2,400. E. (9) $2,258.21.

A. Eugene F. Rowan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penney Co, Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. James C. Rowland, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. John W. Rowland, Amalgamated Transit Union, AFL–CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL–CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. George S. Royal, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW, Washington, D.C. 20036.

D. (6) $625. E. (9) $45.

A. James S. Rubin, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Allied Chemical Corp., PO. Box 3000–R, Morristown, N.J. 07960.

D. (6) $1,716. E. (9) $557.09.

A. Paul M. Ruden, Wilner & Scheiner, 2021 L Street NW., Washington, D.C. 20036.

B. American Society of Travel Agents, 711 Fifth Avenue, New York, N.Y. 10022.

D. (6) $180. E. (9) $5.

A. Leonard H. Ruppert, New Jersey Petroleum Council, 170 W. State Street, Trenton, N.J. 08068.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Robert M. Russell, 2170 Piedmont Road NE., Atlanta, Ga. 30324.

B. Orkin Exterminating Co., 2170 Piedmont Road NE., Atlanta, Ga. 30324.

D. (6) $210. E. (9) $706.

A. Wally Rustad, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $75.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Suite 514, Washington, D.C. 20036.

B. American Association of Bioanalysts, International Society of Clinical Lab Tech, 614 Paul Brown Building, St. Louis, Mo.

D. (6) $200.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Suite 514, Washingtgon, D.C. 20036.

B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.

D. (6) $300.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Washington, D.C. 20036.

B. American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $1,100. E. (9) $91.20.

A. Sheryl P. Rutledge, 1100 H Street NW., Washington, D.C. 20080.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

D. (6) $15.65. E. (9) $16.

A. Ella Marice Ryan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penny Co., Inc., 1301 Avenue of Americas, New York, N.Y. 10019.

D. (6) 600. E. (9) $14.45.

A. John F. Ryan, International Telephone and Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.

B. International Telephone and Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

D. (6) $24. E. (9) $4.50.

A. Arthur B. Sackler, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

D. (6) $2,200. E. (9) $163.

A. Frank Max Salinger, Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $600. E. (9) $14.45.

A. Whitney G. Sampson, 9002 Greenwillow Drive, Houston, Tex. 77096.
B. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $11,250.

A. William Samuel, National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
D. (6) $4,250. E. (9) $250.

A. Frank P. Sanders, Signal Cos., Inc., 815 Connecticut Avenue NW, Washington, D.C.
B. The Signal Cos., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.
D. (6) $350.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,000.

A. David Sandler, 2233 Wisconsin Avenue NW., Washington, D.C. 20007.
B. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., Washington, D.C. 20007.
D. (6) $3,000. E. (9) $150.

A. Peter G. Sandlund, Room 315, 1725 I Street NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Associations, 17/18 Bury Street, London EC3A 5AH, England.
D. (6) $300.

A. Donald E. Santarelli, 2033 M Street NW., Suite 700, Washington, D.C. 20036.
B. The Kings River Water Users Committee.
D. (6) $4,000. E. (9) $885.

A. Donald E. Santarelli, 2033 M Street NW., Suite 700, Washington, D.C. 20036.
B. Safari Club International, 5151 East Broadway, Tucson, Ariz. 85711.
D. (6) $1,000. E. (9) $430.

A. Albert C. Saunders, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $4,000. E. (9) $22.95.

A. W. P. Sayles, P.O. Box 841, Abilene, Tex. 79604.
B. West Texas Utilities Co., P.O. Box 841, Abilene, Tex. 79604.

A. Henry Schacht, California Canners and Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
B. California Canners and Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
D. (6) $3,600. E. (9) $2,111.54.

A. Jerome D. Schaller, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55144.
D. (6) $10,000.

A. Herbert Y. Schandler, Suite 4400, 475 L'Enfant Plaza, SW., Washington, D.C. 20024.
B. American League for Exports & Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza, SW., Washington, D.C. 20024.
D. (6) $2,800.

A. Jay T. Scheck, Jr., Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $499.69. E. (9) $292.57.

A. Wendy W. Schiller, National Consumer Law Center, 236 Massachusetts Avenue NE., Washington, D.C. 20002.
B. National Consumer Law Center, 11 Beacon Street, Boston, Mass. 02108.
D. (6) $3,517. E. (9) $970.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland Savings Share Insurance Corp., 901 North Howard Street, Baltimore, Md., 21201.
E. (9) $33.73.

A. Kenneth Schlossberg, Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.
B. National Frozen Food Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $1,100. E. (9) $25.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $400.

A. Richard M. Schmidt, Jr., 1333 New Hampshire Avenue NW., Suite 600, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $500.

A. Mahlon C. Schneider, Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
B. Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
D. (6) $250. E. (9) $354.25.

A. Andrew A. Scholtz, Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y., 10048.

A. Michael M. Schoor, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Marsha Schramm, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.
B. Domestic Petroleum Council Trade Association, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

A. Robert I. Schramm, 1725 K Street NW., Suite 909, Washington, D.C. 20006.
B. The Superior Oil Co. and Superior Farming Co., 1725 K Street NW., Washington, D.C. 20006.

A. A. Kolbet Schrichte, 311 First Street NW., Washington, D.C. 20001.
B. National Restaurant Association, 311 First Street NW., Washington, D.C. 20001.

A. N. Donald Schroeder, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Stanley W. Schroeder, Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $99.75.

A. Mark Schultz, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500. E. (9) $87.06.

A. William B. Schultz, Public Citizen Litigation Group, Suite 700, 2000 P Street NW., Washington, D.C. 20036.
B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.
D. (6) $420. E. (9) $10.

A. Robert L. Schultz, Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa 50309.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $470. E. (9) $598.25.

A. Donald H. Schwab, National Legislative Service, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $4,250. E. (9) $211.60.

A. Schwabe, Williamson, Wyatt, Moore & Roberts, 1200 Standard Plaza, Portland, Oreg. 97204.
B. American Greyhound Track Operators Association, 139 SE 14th Lane, Miami, Fla. 33131.
E. (9) $23.79.

A. Schwabe, Williamson, Wyatt, Moore & Roberts, 1200 Stanard Plaza, Portland, Oreg. 97204.
B. Clatskanie People's Utility District, P.O. Box 216, Clatskanie, Oreg. 97016.
D. (6) $5,754. E. (9) $5,782.57.

A. Schwabe, Williamson, Wyatt, Moore & Roberts, 1200 Standard Plaza, Portland, Oreg. 97204.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $15,000. E. (9) $561.42.

A. Schwartz & Connolly, Inc., 1815 H Street NW., Suite 650, Washington, D.C. 20006.
B. Owens-Illinois, Toledo, Ohio.
D. (6) $5,240. E. (9) $45.44.

A. Richard Schwartz, BOAT/U.S., 880 South Pickett Street, Alexandria, Va. 22304.
B. Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.
D. (6) $2,500.

A. Tiberio Schwartz, Phillips, Nizer, Benjamin, Krim & Ballon, 40 West 57th Street, New York, N.Y. 10019.
B. American Bobst Holdings, Inc., Harrison Avenue, Roseland, N.J.
D. (6) $404.

A. Carl F. Schwensen, 415 Second Street, NE., Suite 300, Washington, D.C. 20002.
B. The National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.
D. (6) $3,599.34.

A. William F. Schwind, Jr., Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Scientific Apparatus Makers Association, 1101 16th Street, NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $6,798.57. E. (9) $6,798.57.

A. Michael Sciulla, BOAT/U.S., 880 South Pickett Street, Alexandria, Va. 22304.

B. Boat Owners Association of The United States, 880 S. Pickett Street, Alexandria, Va. 22304.

A. David A. Scott, Mississippi Petroleum Institute, P.O. Box 42, Jackson, Miss. 29205.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $585. E. (9) $85.99.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $562.50. E. (9) $4.80.

A. Pamela Sederholm, SMACNA, 8224, Old Courthouse Road, Vienna, Va. 22180.

B. Sheet Metal & Air Conditioning Contractors National Association (SMACNA), 8224 Old Courthouse Road, Vienna, Va. 22180.

D. (6) $800. E. (9) $50.

A. H. Richard Seibert, Jr., 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $347.60.

A. Armistead I. Selden, Post Office Box 124, Greensboro, Ala. 36744.

B. Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Ky. 40232.

D. (6) $6,250. E. (9) $602.

A. Stanton P. Sender, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $2,580. E. (9) $52.25.

A. Seven Months Session for Congress, 7201 Wood Hollow Drive, P.O. No. 337, Austin, Tex. 78731.

E. (9) $432.

A. J. Richard Sewell, 1111 19th Street NW., (Suite 1102), Washington, D.C. 20006.

B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.

D. (6) $1,750. E. (9) 226.63.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Dresser Industries, Inc., Post Office Box 718, Dallas,, Tex. 75221.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Trans-Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pfizer Inc., 235 East 42d Street, New York, N.Y. 10017.

D. (6) $100. E. (9) $38.80.

A. Barbara J. Shailor, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $4,361.69.

A. James M. Shamberger, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

E. (9) $70.40.

A. Shamrock Foods Co., 2228 N. Black Canyon Road, Phoenix, Ariz. 85009.

E. (9) $100.

A. Lloyd D. Shand, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.

B. Monsanto Co., 800 N. Lindbergh Blvd., St. Louis, Mo. 63166.

D. (6) $400. E. (9) $58.80.

A. David Lewis Shapiro, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,481. E. (9) $10.

A. Harry D. Shapiro, 1800 Mercantile Bank and Trust Building, Two Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) $33.73.

A. John J. Sharkey, Delta Air Lines, Inc., 1629 K Street NW., Room No. 204, Washington, D.C. 30320.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.

D. (6) $986.50. E. (9) $55.23.

A. Dean E. Sharp, 400 First Street NW., No. 710, Washington, D.C. 20001.

B. Independent Health Insurance Institute, Inc., 400 First Street NW., No. 710, Washington, D.C. 20001.

A. Karen Dolmatch Shaw, 1800 K Street NW., Suite 920, Washington, D.C. 20006.

B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.

D. (6) $484.22. E. (9) $696.44.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., 900–S, Washington, D.C. 20036.

B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., 900–S, Washington, D.C. 20036.

B. Atlas Minerals Division (Atlas Corp.) P.O. Box 1207, Moab, Utah 84532.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

D. (6) $750.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., 900–S, Washington, D.C. 20036.

B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

D. (6) $67.50.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Hongkong & Shanghai Banking Corp., co Regional Office Americas, New York, N.Y. 10022.

D. (6) $2,000.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Institute of Foreign Bankers, 200 Park Avenue, Suite 303—Room 23, New York, N.Y. 10017.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts,, 1800 M Street NW. (900–S), Washington, D.C. 20036.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., (900–S), Washington, D.C. 20036.

B. National Committee on Small Issue Industrial, Box 1, 1800 M Street NW. (900–S), Development Bonds, Washington, D.C. 20036.

D. (6) $592.50. E. (9) $4.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $1,878.50.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Allied Chemical, 1250 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Eleanor Clark, c/o J. Reynolds Barnes, 11 American Bank Building, 621 North West Morrison St., Portland, Oreg. 97205.

E. (9) $11.50.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. CoaLiquid, Inc., 1215 Citizens Plaza, Louisville, Ky. 40202.

E. (9) $12.06.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Consumer Solar Electric Power Corp., 5811 Uplander Way, Culver City, Calif. 90230.

E. (9) $11.50.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill.

D. (6) $30,000. E. (9) $11.65.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Guaranty Fuels, 1120 East Main Street, Independence, Kans. 67301.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Nabisco, Inc., 100 DeForest Avenue, East Hanover, N.J. 07936.

D. (6) $500.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. New Zealand Wool Board, 139–141 Featherstone Street, Wellington, New Zealand.

E. (9) $43.03.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Norfolk & Western, 8 North Jefferson Street, Roanoke, Va. 24011.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Tosco Corp., 1919 Pennsylvania Avenue, NW., Suite 706, Washington, D.C. 20006.

E. (9) $34.80.

A. Maureen Shea, 2030 M Street, NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street, N.W., Washington, D.C. 20036.

D. (6) $6,687.49. E. (9) $70.85.

A. John P. Sheffey, National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.

B. National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.

D. (6) $1,215.99.

A. Jowanda Shelton, 2101 L Street NW., Washington, D.C. 20037.

B. Committee for Humane Legislation, 11 West 60th Street, New York, N.Y. 10023.

D. (6) $6,000.

A. Dale Sherwin, 1735 I Street NW., No. 717, Washington, D.C. 20006.

B. A. E. Staley Manufacturing Co., 2200 Eldorado Street, Decature, Ill. 62525.

D. (6) $1,500. E. (9) $150.

A. Harvey A. Shipman, Penn Central Corp., 1776 G Street NW., Suite 502, Washington, D.C. 20006.

B. Penn Central Corp., 245 Park Avenue, 44th Floor, New York, N.Y. 10017.

A. Fred B. Shippee, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

A. W. Ray Shockley, American Textile Manufacturing Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) $2,550. E. (9) $18.85.

A. Debbie Leilani Shon, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $1,397.40. E. (9) $91.70.

A. Donald S. Shook, 1025 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

D. (6) $135. E. (9) $26.

A. Barbara A. Shuman, Chevron U.S.A. Inc., 1700 K Street NW., Suite 1024, Washington, D.C. 20006.

B. Chevron U.S.A. Inc., a subsidiary of the Standard Oil Co. of California, 1700 K Street NW., Suite 1204, Washington, D.C. 20006.

D. (6) $100.

A. Norman D. Shutler, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Clayton Manufacturing Co., 4213 North Temple City Boulevard, El Monte, Calif. 91731.

D. (6) $91.80. E. (9) $42.81.

A. Candice J. Shy, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.

B. Enserch Corp., 301 South Harwood Street, Dallas, Tex. 75201.

D. (6) $1,023. E. (9) $851.

A. Lawrence E. Siegel, 1101 Sixteenth Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 Sixteenth Street NW., Washington, D.C. 20036.

D. (6) $1,100.

A. Richard H. Siemsen, 8100 Florissant, St. Louis, Mo. 63136.

B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

E. (9) $1,342.38.

A. Bernard H. Sieracki, 79 West Monroe Street, Suite 514, Chicago, Ill. 60603.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $300. E. (9) $116.39.

A. Daniel W. Sigelman, 2000 P Street NW., No. 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street, NW., No. 708, Washington, D.C. 20036.

D. (6) $15.

A. Mark Silbergeld, Consumers Union, 1511 K Street NW., Suite 1033, Washington, D.C. 20005.

B. Consumers Union, 256 Washington Street, Mt. Vernon, N.Y. 10550.

D. (6) $2,000. E. (9) $0.90.

A. David Silver, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $63.

A. Silver, Freedman, Housley, Taff & Goldberg, 1800 M Street NW., No. 950N, Washington, D.C. 20036.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.

D. (6) $4,440.75. E. (9) $3,039.58.

A. Barbara A. Silverman, 2500 DeKalb Pike, Norristown, Pa. 19404.

B. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. Althea T. L. Simmons, Washington Bureau, NAACP, 733 15th Street NW., Washington, D.C. 20005.

B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D. (6) $4,000.

A. Stanley C. Simon, Simon, Twombly & Terry, 2 Turtle Creek Village, Dallas, Tex. 75219.

B. The Southland Corp., 2828 North Haskell Avenue, Dallas(Tex. 75204.

D. (6) $7,395. E. (9) $1,340.81.

A. Talmadge E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $240. E. (9) $521.92.

A. Talmadge E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $1,169.16. E. (9) $145.44.

A. Robert C. Singer, Soap & Detergent Association, 475 Park Avenue South, New York, N.Y. 10016.

B. Soap and Detergent Association, 475 Park Avenue South, New York, N.Y. 10016.

A. Thomas K. Singer, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

D. (6) $620.92.

A. Richard L. Sinnott & Co., 2021 K Street NW., Suite 306, Washington, D.C. 20006.

B. Port of Oakland, Oakland, Calif. 94607.

D. (6) $1,250.

A. Donald E. Sinville, 227 North Street, Manchester, N.H. 03104.

B. Public Service Co. of New Hampshire, Manchester, N.H. 03105.

D. (6) $250.

A. William J. Skinner, 815 15th Street NW., Washington, D.C. 20005.

B. United States Pharmacopeial Convention, Inc., 12601 Twinbrook Parkway, Rockville, Md. 20852.

D. (6) $766.55. E. (9) $72.50.

A. Barney J. Skladany, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,125.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street NW., Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. F. Slatinshek & Associates, Inc., 427 North Lee Street, Alexandria, Va. 22314.

B. Grumman Aerospace Corp., Bethpage, New York 11714; United Technologies, 1125 15th Street NW., Washington, D.C. 20005; General Dynamics Corp., Pierre Laclede Center, St. Louis, Mo. 63105.

D. (6) $550.

A. William T. Slider, 925 15th Street, NW., Washington, D.C. 20005.

B. National Association of Realtors, Government Affairs Office, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $2,500. E. (9) $780.15.

A. David Peter Sloane, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $450.

A. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $18,350. E. (9) $1,179.15.

A. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $3,000. E. (9) $2,755.74.

A. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.

B. William M. Mercer, Inc., 1211 Avenue of the Americas, New York, N.Y. 10036.

D. (6) $467. E. (9) $602.49.

A. Small Producers For Energy Independence, 1000 Sutton Place Building, Wichita, Kans. 67202.

D. (6) $99,102.33. E. (9) $5,881.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.

B. American Horse Council, 1700 K Street NW., Suite 300, Washington, D.C. 20006.

D. (6) $5,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.

B. American Inland Waterway Committee, 7733 Forsyth Boulevard, St. Louis, Mo.

D. (6) $3,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.

B. Florida East Coast Railway Co., One Malaga Street, St. Augustine, Fla. 32084.

D. (6) $5,000.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.

B. Goldman Sachs, 55 Broad Street, New York, N.Y. 10004.

D. (6) $1,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.

B. Pennzoil Co., Houston, Tex. 77001.

D. (6) $6,000.

A. Donald E. Smiley, 1899 L Street NW., Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $63.20.

A. John G. Smillie, 900 17th Street NW., Washington, D.C. 20006.

B. Permanente Medical Group.

A. Arthur J. Smith, Shell Oil Company, 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Company, P.O. Box 2436, Houston, Tex. 77001.

D. (6) $500.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.

E. (9) $8,861.

A. Carl Edward Smith, EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $906.75. E. (9) $596.10.

A. Douglas J. Smith & Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.

B. Institute of Signage Research, 4020 Fabian Way, Palo Alto, Calif. 94304.

D. (6) $5,000. E. (9) $6,817.34.

A. Douglas J. Smith & Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.

B. National Electric Sign Association, 2625 Butterfield Road, Suite 310E, Oak Brook, Ill. 60521.

D. (6) $5,000. E. (9) $6,817.34.

A. Douglas J. Smith & Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.

B. Sperry Gyroscope, Great Neck, N.Y. 11020.

A. Gordon L. Smith, Hill & Knowlton, Inc., 1425 K Street NW., No. 100, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005 (for Florists' Transworld Delivery Association).

A. Hugh H. Smith, 1700 K Street NW., No. 702, Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

D. (6) $1,000.

A. J. Kenneth Smith, Sun Company, Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.

B. Sun Company, Inc., 100 Matsonford Road, Radnor, Pa. 19087.

D. (6) $3,480. E. (9) $63.

A. Michael P. Smith, New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.

B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.

D. (6) $432. E. (9) $926.30.

A. P. Daniel Smith, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $612.50. E. (9) $103.66.

A. Smith & Pepper, 1776 K Street NW., Suite 700, Washington, D.C. 20006.

B. Southern Satellite Systems, Inc., P.O. Box 45684, Tulsa, Okla. 74145.

D. (6) $1,275. E. (9) $10.

A. Robert Bland Smith, Jr., American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) $240. E. (9) $120.

A. Talbott C. Smith, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $3,000. E. (9) $24.95.

A. William H. Smith, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.

D. (6) $1,375. E. (9) $667.15.

A. Arthur V. Smyth, 1625 I Street NW., No. 902, Washington, D.C. 20006.

B. Weyerhaeuser Co., Tacoma, Wash. 98477.

D. (6) $1,250. E. (9) $32.50.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.

B. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.

D. (6) $902.52.

A. Norman J. Snow, 1660 "L" Street NW., No. 504, Washington, D.C. 20036.

B. Rohr Industries, Inc., P.O. Box 878, Chula Vista, Calif. 92012.

A. Snyder & Ball Associates, Inc., 1700 North Moore Street, No. 1610, Arlington, Va. 22209.

B. Aerojet-General Corp., 9100 East Flair Drive, El Monte, Calif. 91734.

A. Snyder & Ball Associates, Inc., 1700 North Moore Street, No. 1610, Arlington, Va. 22209.

B. DSP, Inc., 1700 North Moore Street, Arlington, Va. 22209.

A. Snyder & Ball Associates, Inc., 1700 North Moore Street, No. 1610, Arlington, Va. 22209.

B. Gould, Inc., 10 Gould Center, Rolling Meadows, Ill. 60008.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C. 20002.

B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.

D. (6) $4,522.

A. J. R. Snyder, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street, NW., Suite 704, Washington, D.C. 20001.

E. (9) $750.

A. John M. Snyder, 600 Pennsylvania Avenue SE., Suite 205, Washington, D.C. 20003.

B. Citizens Committee for the Right To Keep and Bear Arms, Bellefield Office Park, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.

D. (6) $5,500.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.

D. (6) $30,428.57. E. (9) $43,330.59.

A. Michael L. Solomon, 5726 Thomas Edison Ct., Alexandria, Va. 22310.

B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C. 20006.

D. (6) $1,750.

A. Fred Somers, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

D. (6) $3,000. E. (9) $279.05.

A. Edmund T. Sommer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., Suite 1200, Washington, D.C. 20006.

B. Council of American-Flag Ship Operators, 1625 K Street NW., Suite 1200, Washington, D.C. 20006.

D. (6) $362.50. E. (9) $9.40.

A. S. L. Sommer & Associates, Inc., 1701 North Fort Myer Dr., Suite 1208, Arlington, Va. 22209.

B. Northrop Corp., 1701 North Fort Myer Dr., Suite 1208, Arlington, Va. 22209.

D. (6) $1,800. E. (9) $ 2,034.33.

A. Mary Sophos, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $375. E. (9) $10.30.

A. Roberta Lee Sorensen, 1611 North Kent Street, Suite 803A, Arlington, Va. 22209.

B. American Osteopathic Association, 1611 North Kent Street, Suite 803A, Arlington, Va. 22209.

D. (6) $760. E. (9) $47.50.

A. Leland R. Sorteberg, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

E. (9) $2.50.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

D. (6) $1,250. E. (9) $133.33.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $34,101.06. E. (9) $ 34,101.06.

A. Southern Satellite Systems, Inc., P.O. Box 45684, Tulsa, Okla. 74145.

E. (9) $1,285.

A. Southwest Homefurnishings Association, 4313 North Central Expressway, Dallas, Tex. 75205.

A. Larry M. Speakes, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Southwestern Peanut Shellers Association, 10 Duncannon Ct., Dallas, Tex. 75225.

D. (6) $667.06. E. (9) $ 667.06.

A. Philip J. Spear, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. John F. Speer, Jr., 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Speiser, Krause & Madole, 1216 16th Street NW., Washington, D.C. 20036.

B. (1) Mrs. Vera C. Clemente, No. 36 Roberto Clemente St., Ext. San Agustin, Rio Piedras, Puerto Rico 00926; (2) Mrs. Margarita Cardona Matias, Yagrumo AD-3, Valle Arriba Heights, Carolina, P.R.; (3) Mrs. Maria Lozano, 519th St. QC-1, Urb. Country Club, Rio Piedras, P.R.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Northern California Power Agency (770 Kiely Boulevard, Santa Clara, Calif. 95051), Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif. and Associate Member Plumas-Sierra Rural Electric Cooperative.

D. (6) $85.

A. Law Firm of Spiegel & McDiarmid, 2600 Virginia Avenue, NW., Washington, D.C. 20037.

B. Northern California Power Agency.

A. Larry N. Spiller, 1015 15th Street, NW., Suite 802, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1015 15th Street, NW., Suite 802, Washington, D.C. 20005.

D. (6) $900.

A. Joseph L. Spilman, Jr., 2101 L Street, NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street, NW., Washington, D.C. 20037.

D. (6) $200.

A. Frederick C. Spreyer, Pacific Resources, Inc., 1990 M Street NW., Suite 560, Washington, D.C. 20036.

B. Pacific Resources, Inc., 733 Bishop Street, P.O. Box 3379, Honolulu, Hawaii 96813.

D. (6) $500.

A. Earl C. Spurrier, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.

B. Monsanto Co., 800 North Linbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $100. E. (9) $39.87.

A. Squire, Sanders & Dempsey 21 Dupont Circle NW., Washington, D.C. 20036.

B. American Society of Anesthesiologists, 515 Busse Highway, Park Ridge, Ill. 60068.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.

B. National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.

D. (6) $443.50. E. (9) $1.50.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.

B. Public Securities Association, One World Trade Center, New York, N.Y. 10048.

D. (6) $250.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.

B. United States Wrestling Federation, 405 West Hall of Fame Avenue, Stillwater, Okla.

A. Robert P. St. Louis, The Boeing Co., 1700 North Moore Street, Rossyln, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $750. E. (9) $733.07.

A. Elvis J. Stahr, Martin Dale, North, Greenwich, Conn. 06830.

B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

D. (6) $13,650. E. (9) $3,461.26.

A. Lynn E. Stalbaum, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $2,093.75. E. (9) $152.78.

A. Joe A. Stamm, The Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

D. (6) $25.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

E. (9) $2,177.72.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.

B. J. Ray McDermott & Co., Inc., 1010 Common Street, New Orleans, La. 70160.

D. (6) $123.54.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.

B. Ocean Minerals Co., Post Office Box 4531, Mountain View, Calif. 94040.

D. (6) $190.58.

A. Michael J. Stanton, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the U.S., Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) $217.50.

A. Melvin L. Stark, Suite 321, 1707 L Street NW., Washington, D.C. 20036.

B. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.

D. (6) $6,000.

A. Walter M. Starke, P.O. Box 2563, Birmingham, Ala. 35202.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

D. (6) $1,149. E. (9) $1,303.10.

A. John M. Starrels, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $200.

A. Charles D. Statton, 2130 Oaks Drive, Hillsborough, Calif., 94010.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Samuel E. Stavisky, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.

B. Samuel E. Stavisky & Associates Inc., 1100 17th NW., Suite 302, Washington, D.C. 20036 (For: Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022).

A. Samuel E. Stavisky & Associates Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036.

B. Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022.

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. (For: American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001.)

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. (For: Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

A. Randoph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. (For: Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036.

A. Eugene H. Stearns, American Petroleum Institue, 1200 Hargar Road, Suite 323, Oak Brook, Ill. 60521.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John L. Steele, Time Inc., 888 16th Street NW., Washington, D.C. 20006.

B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y.

D. (6) $2,200. E. (9) $500.

A. Barbara Diane Steigler, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $2,500. E. (9) $332.77.

A. Theodore P. Stein, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,539.99.

A. Charles W. Stellar, American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.

B. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.

A. Elizabeth Bell Stengel, 9 Seventh Street SE., Washington, D.C. 20003; Action For Children's Television (ACT), Suite 402, 100 Maryland Avenue NE., Washington, D.C.

B. Action for Children's Television (ACT), 46 Austin Street, Newtonville, Mass. 02160.

D. (6) $2,874.99. E. (9) $294.96.

A. Vern Stephens, 31 H Street, Suite 1, Bakersfield, Calif. 93304.

B. CalFuelohol, Inc., 31 H Street, Suite 1, Bakersfield, Calif. 93304.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Nuclear Insurers, 270 Farmington Avenue, Farmington, Conn. 06032.

D. (6) $225. E. (9) $3.50.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Committee for Effective Capital Recovery, 1901 L Street NW., Suite 303, Washington, D.C. 20036.

E. (9) $4,354.46.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Forest Industries Committee on Timber Valuation and Taxation, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pfizer, Inc., Minerals, Pigments & Metals Division, 235 East 42d Street, New York, N.Y. 10017.

D. (6) $1,060. E. (9) $10.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Robert College of Istanbul, Turkey, 380 Madison Avenue, New York, N.Y. 10017.

D. (6) $390. E. (9) $5.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Rule of Law Committee, Suite 800, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $975. E. (9) $12.50.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Talley Industries, Inc., P.O. Box 849, Mesa, Ariz. 85201.

D. (6) $1,000. E. (9) $100.

A. Richard W. Sternberg, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $115.

A. Robert B. Stewart, Getty Oil Co., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.

D. (6) $4,365. E. (9) $52.87.

A. Michael Stientjes, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $3875. E. (9) $39.

A. John W. Stillwaggon, Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

B. Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., 517 Washington, D.C. 20036.

B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., No. 517, Washington, D.C. 20036.

A. Kenneth F. Stinger, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $363.79.

A. Stephen A. Stitle, Eli Lilly & Co., 1901 L Street NW., Suite 705, Washington, D.C. 20036.

B. Eli Lilly & Co., 307 E. McCarty Street, Indianapolis, Ind. 46285.

D. (6) $3,000. E. (9) $7.25.

A. Lisa Stolp, 1101 Connecticut Avenue NW., Washington, D.C.

B. Vinson & Elkins, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036 (for: Continental Resources Co.)

D. (6) $2,190. E. (9) $10.

A. Adam D. Stolpen, Pitney Bowes, Inc., 1101 30th Street NW., Suite 203, Washington, D.C. 20007.

B. Pitney Bowes, Inc., 69 Wheeler Drive, Stamford, Conn. 06904.

A. William M. Stover, Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $1,000.

A. David E. Strachan, National Association of Personnel Consultants, 1012 14th Street NW., 15th floor, Washington, D.C. 20005.

B. National Association of Personnel Consultants, 1012 14th Street NW., 15th floor, Washington, D.C. 20005.

D. (6) $4,200. E. (9) $59.71.

A. J. Stephen Street, 1806 Barbee Street, McLean, Va.

B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

D. (6) $10,750. E. (9) $161.31.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

D. (6) $216. E. (9) $555.02.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. J. Aron & Company, Inc., 160 Water Street, New York, N.Y. 10038.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Bank Hapoalim, B.M., 50 Rothschild Boulevard, Tel Aviv, Israel.

D. (6) $1,092.56. E. (9) $17.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C.

D. (6) $11,500.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Mrs. Patsy Perry, 70 Glen Cove Road, Roslyn Heights, N.Y.

E. (9) $2.45.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Puerto Rico Federal Affairs Administration, 734 15th Street NW., Washington, D.C. 20005.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Union Fidelity Life Insurance Co., 4850 Street Road, Trevose, Pa., 19049.

D. (6) $500. E. (9) $21.50.

A. Norman Strunk, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

D. (6) $1,312.50. E. (9) $332.80.

A. Walter B. Stults, NASBIC, 618 Washington Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.

D. (6) $1,350.

A. Eugene F. Sturgeon, 182 Crater Lane, Kensington, Conn. 06037.

B. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.

D. (6) $567.15. E. (9) $1,010.97.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004; and 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Amax Inc., Amax Center, Greenwich, Conn. 06830.

D. (6) $961.25.

A. Sullivan & Cromwell, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Goldman, Sachs & Co., 55 Broad Street, New York, N.Y. 10004.

A. Sullivan & Cromwell, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Inco Ltd., Toronto-Dominion Centre, Toronto, Ontario, Canada M5K 1E3.

A. Daniel C. Sullivan, 10 S. LaSalle Street, Chicago, Ill. 60603.

E. (9) $400.

A. Harold R. Sullivan, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $1,500.

A. Jim Sullivan, 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.

B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.

D. (6) $12,793.71. E. (9) $40.27.

A. Roger H. Sullivan, Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D.C. 20005.

B. Hawaiian Sugar Planters' Association, Alea, Hawaii 96701.

E. (9) $8.20.

A. Scott K. Sullivan, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $5,892.60.

A. Sullivan & Worcester, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.

D. (6) $9,450. E. (9) $17.01.

A. Duward F. Sumner, Jr., Professional Insurance Agents, 400 North Washington Street Alexandria, Va. 22314.

B. Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.

D. (6) $250. E. (9) $739.

A. SunMaid Raisin Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $375.

A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. Government of the Republic of Zaire, Kinshasa, Zaire.

D. (6) $6,277.50. E. (9) $94.

A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. U.S. Pipe & Foundry Co., 3300 First Avenue North, Birmingham, Ala. 35202.

E. (9) $252.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz; 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105 and 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. American Inland Waterways Committee, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105.

D. (6) $25,000.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz; 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105 and 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Midland Enterprises, Inc., 1400-580 Building, Cincinnati, Ohio 45202.

D. (6) $3,750.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz; 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105 and 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. The Valley Line, 120 South Central, Clayton, Mo. 63105.

D. (6) $3,750.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. American Industrial Clay and Georgia Kaolin Division of Yara Engineering Corp., 511 Westminister Avenue, Elizabeth, N.J. 07207.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Anglo-American Clays Corp., P.O. Box 471, Sandersville, Ga. 31082.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Connecticut Mutual Life Insurance Co., 140 Garden Street, Hartford, Conn. 06115.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Englehard Minerals & Chemicals Corp., 299 Park Avenue, New York, N.Y. 10017.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.

E. (9) $245.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Estate of T. Cartter Lupton, c/o Miller & Martin, Volunteer State Life Building, Chattanooga, Tenn. 37402.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Freeport Kaolin Division of Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. J. M. Huber Corp., Thornall Street, Edison, N.J. 08817.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

D. (6) $7,500. E. (9) $100.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kansas Farm Bureau Life Insurance Co., 2321 Anderson Avenue, Manhattan, Kans. 66502 and Farm Bureau Mutual Insurance Co., KFB Insurance Co., Manhattan, Kans. 66502.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kentucky Farm Bureau Mutual Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207, and FB Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Lawyers' Title Guaranty Fund, P.O. Box 2671, Orlando, Fla. 32802.

D. (6) $567.50. E. (9) $55.82.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Lifetime Communities, Inc., 3740 Beach Boulevard, Suite 202, Jacksonville, Fla. 32207.

E. (9) $0.90.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01111.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mullite Co. of America, Andersonville, Ga. 31711.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. The Mutual Benefit Life Insurance Co., 520 Broad Street, Newark, N.J. 07107.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mutual Life Insurance Co. of New York, 1740 Broadway, New York, N.Y. 10019.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mutual of Omaha Insurance Co., Dodge at 33d Street, Omaha, Nebr. 68131.

E. (9) $141.95.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. National Association of Life Companies, Suite 1060, Tower Place, 3340 Peachtree Road NE., Atlanta, Ga. 30326.

E. (9) $52.24.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. National Home Life Assurance Co., Liberty Park, Frazer, Pa. 19355.

E. (9) $20.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. New England Mutual Life Insurance Co., 501 Boylston Street, Boston, Mass. 02117.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Nord Resources Corp., Ole Town Park, 29 Iron Gate Drive, Dayton, Ohio 45459.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.

A. Sutherland, Asbill & Brennan, 3100 First National Bank Tower, Atlanta, Ga. 30303; 1666 K Street NW., Washington, D.C. 20006.

B. Oglethorpe Power Corp., 2888 Woodcock Boulevard, Atlanta, Ga. 30341.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Process Gas Consumers Group, 1666 K Street NW., Suite 800, Washington, D.C. 20006.

D. (6) $990.50. E. (9) $0.90.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Southern Farm Bureau Life Insurance Co., P.O. Box 78, Jackson, Miss. 39205; Southern Farm Bureau Casualty Insurance Co., P.O. Box 1985, Jackson, Miss. 39205; Mississippi Farm Bureau Mutual Insurance Co., Jackson, Miss. 39205.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Texas Scottish Rite Hospital for Crippled Children, c/o Butler, Binion, Rice, Cook & Knapp, Esperson Buildings, Houston, Tex. 77002.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Thiele Kaolin Co., Kaolin Road, Sandersville, Ga.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. The Travelers Insurance Co., One Tower Square, Hartford, Conn. 06115.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. United Farm Bureau Family Life Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204; United Farm Bureau Mutual Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204.

A. Sutin, Thayer & Browne, P.O. Box 1945, Albuquerque, N. Mex. 87103.

B. Office of the Attorney General, State of New Mexico, P.O. Drawer 1508, Santa Fe, N. Mex. 87501.

A. W. Thomas Suttle, 204 G Street SW., Washington, D.C. 20024.

B. The Institute of Electrical & Electronics Engineers, Inc., 1111 19th Street NW, Suite 608, Washington, D.C. 20036.

D. (6) $5,120. E. (9) $480.

A. Irving W. Swanson, 11212 Farmland Drive, Rockville, Md. 20852.

B. Harris Corp., 2600 Virginia Avenue NW., Suite 800, Washington, D.C. 20037.

D. (6) $19,162.50. E. (9) $256.23.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

D. (6) $12,150.

A. John R. Sweeney, 800 Solar Building, 1000 16th Street NW., Washington, D.C. 20036.

B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

A. Rosemarie Sweeney, American Academy of Family Physicians, 474 L'Enfant Plaza West, Suite 2970, Washington, D.C. 20024.

B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.

D. (6) $1,950. E. (9) $ 1,014.

A. Richard Preston Swigart, 1660 L Street NW., Suite 201, Washington, D.C. 20036.

B. American Can Co., American Lane, Greenwich, Conn. 06830.

E. (9) $381.51.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.

B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.

D. (6) $652.40. E. (9) $776.58.

A. Michael T. Swinehart, 1422 West Peachtree Street NW., No. 612, Atlanta, Ga. 30309.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Howard Symponn, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,750.01.

A. Lewis M. Taffer, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Plaza, New York, N.Y. 10004.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Cincinnati Stock Exchange, 205 Dixie Terminal Building, Cincinnati, Ohio 45202).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Family Leisure Centers, 1718 Young Street, Cincinnati, Ohio 45210).

D. (6) $800. E. (9) $5.48.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Grocery Manufacturers of America, 1010 Wisconsin Avenue NW., No. 800, Washington, D.C. 20007).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera's Marineland, Box 937, Rancho Palos Verdes, Calif. 90274).

D. (6) $150. E. (9) $9.90.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera Productions, Inc., 3400 Cahuenga Boulevard, Los Angeles, Calif. 90068.

D. (6) $450.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister (for Sisters of Charity of Cincinnati, Ohio, Mount St. Joseph, Ohio), Dixie Terminal Building, Cincinnati, Ohio 45202.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister (for Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., Washington, D.C. 20036, Suite 708), Dixie Terminal Building, Cincinnati, Ohio 45202.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister (for Taft Broadcasting Company, 1718 Young Street, Cincinnati, Ohio 45210), Dixie Terminal Building, Cincinnati, Ohio 45202.

D. (6) $1,550. E. (9) $7.86.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister (for Werner Van Clemm, 214 East 17 Street, New York, N.Y. 10003), Dixie Terminal Building, Cincinnati, Ohio 45202.

D. (6) $2,500.

A. Daniel F. Tandy, 23 Pascack Road, Woodcliff Lake, N.J. 07675.

B. Alaska Coalition, 530 7th Street SE., Washington, D.C. 20003.

D. (6) $2,250.

A. Susan Tannenbaum, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,292.40. E (9) $19.50.

A. C. Michael Tarone, 2033 M Street NW., Suite 700, Washington, D.C. 20036.

B. The Kings River Water Users Committee.

A. William M. Tartikoff, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K NW., Washington, D.C. 20006.

D. (6) $240. E. (9) $117.73.

A. Clayton C. Taylor, One McDonald's Plaza, Oak Brook, Ill. 60521.

B. McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.

A. David K. Taylor, 1100 Connecticut Avenue NW., No. 620, Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $375.

A. Taylor Group, Inc., 555 Brown Road, Hazelwood, Mo. 63042.

A. Peggy Taylor, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $10,673. E. (9) $474.85.

A. Sid Taylor, National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,800. E. (9) $382.

A. Arthur Earle Teele, Jr. P.O. Box 1877–0, 135 South Monroe Street, Suite 100C, Tallahassee. Fla. 32302.

B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. William K. Tell, Jr., Texaco, Inc., 1050 17th Street NW., Washington, D.C. 20036.

B. Texaco, Inc., 200 Westchester Avenue, White Plains, N.Y. 10650.

D. (6) $75.

A. Paul M. Tendler, 2020 K Street NW., Suite 420, Washington, D.C. 20006.

B. Paul Tendler Associates (for the National Federation of Licensed Practical Nurses, Inc.), 2020 K Street NW., Washington, D.C. 20006.

D. (6) $1,600. E. (9) $165.

A. Betty-Grace Terpstra, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $159.11.

A. Textron Inc., 40 Westminster Street, Providence, R.I. 02903.

D. (6) $7,565.87. E. (9) $3,472.83.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.

B. Casson, Calligaro & Mutryn, 2500 Virginia Avenue NW., Washington, D.C. (for Humana, Inc., 1 Riverfront Plaza, P.O. Box 1438, Louisvile, Ky. 40201).

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.

B. Oklahoma State Nursing Home Association, 200 Northeast 28th Street, Oklahoma City, Okla 71305.

D. (6) $360.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.

B. Spectrum Emergency Care, Inc., 970 Executive Parkway, St. Louis, Mo. 63141.

D. (6) $2,750.

A. E. Wayne Thevenot, Inc., Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Hallmark Cards, 25th and McGee Streets, Kansas City, Mo. 64108.

D. (6) $1,200.

A. E. Wayne Thevenot, Inc., Thevenot, Murray & Scheer, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

A. Thevenot, Murray & Scheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Swaziland Sugar Association, Mbabane, Swaziland.

A. Craig G. Thibaudeau, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. 13th Congressional District Action Committee, Pro-Life, 860 Dearborn Place, Gilroy, Calif. 95020.

D. (6) $250. E. (9) $368.43.

A. 38th Pro Life Congressional District Action Committee, 8654 Bonview Terrace, Williamsville, N.Y. 14221.

E. (9) $39.

A. 39th Congressional District Action Committee, RD 2, Allegany, N.Y. 14706.

E. (9) $80.60.

A. 36th Congressional District, New York State, 129 Belmont Avenue, Buffalo, N.Y. 14223.

E. (9) $113.29.

A. John W. Thomas, American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.

D. (6) $10.

A. John W. Thomas, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. Association of American Veterinary Medical Colleges, 1522 K Street NW, No. 828, Washington, D.C. 20005.

A. Lawrence L. Thomas, 1740 Franklin Street, No. 3, San Francisco, Calif. 94109.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Robert L. Thomas, National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.

B. National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.

D. (6) $100.

A. Susan P. Thomases, Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

A. Boyd Thompson, American Association of Foundations for Medical Care, 11325 Seven Locks Road, Potomac, Md., 20854.

B. American Association for Foundations for Medical Care, 11325 Seven Locks Road, Potomac, Md. 20854.

A. Boyd Thompson, American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.

B. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.

E. (9) $153.93.

A. Fred D. Thompson, Thompson & Crawford, 14th Floor, First American Center, Nashville, Tenn. 37238.

B. Westinghouse, 1801 K Street, Washington, D.C. 20006.

D. (6) $1,368. E. (9) $447.67.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue N.W., Washington, D.C. 20036.

D. (6) $5,355.74.

A. Kathleen O. Thompson, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $50.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) $300.

A. Roger G. Thompson, Kentucky Power Co., 1701 Central Avenue, Ashland. Ky. 41101.

B. Kentucky Power Co., 1701 Central Avenue, Ashland. Ky. 41101.

D. (6) $1,572. E. (9) $1,087.08.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.

B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

D. (6) $3,000. E. (9) $500.13.

A. James L. Thorne, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Gil Thurm, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005

D. (6) $2,500. E. (9) $81.43.

A. Cyrus C. Tichenor III, 1050 17th Street NW., No. 1104, Washington, D.C. 20036.

B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.

D. (6) $720. E. (9) $98.25.

A. Drew V. Tidwell, Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.

B. Consumer Bankers Association, 1725 K Street, NW., Suite 1410, Washington, D.C. 20006.

D. (6) $2,000. E. (9) $5,898.43.

A. Paul J. Tierney, Transportation Association of America, 1100 17th Street NW., No. 1107, Washintgon, D.C. 20036.

B. Transportation Association of America, 1100 17th Street NW., No. 1107, Washington, D.C. 20036.

A. Wallace F. Tillman, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $150.

A. Martin R. Tilson, Jr., P.O. Box 2563, Birmingham, Ala. 35202.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

D. (6) $522. E. (9) $1,750.78.

A. C. H. Timberlake, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.

D. (6) $495.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $375.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

D. (6) $200.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 28228.

D. (6) $344.44.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.

D. (6) $813.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. H. J. Heinz Co., P.O. Box 57, Pittsburgh, Pa. 15230.

D. (6) $165.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. Major League Baseball, 75 Rockefeller Plaza, New York, N.Y. 10019.

D. (6) $385.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.

D. (6) $495.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $563.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.

D. (6) $413.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. Office of the Governor of the State of Alaska, 444 North Capitol Street NW., Washington, D.C. 20001.

D. (6) $594.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.

D. (6) $110.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.

D. (6) $750.

A. Michael L. Tiner, United Food & Commercial Workers International Union, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. United Food & Commercial Workers International Union, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $7,961.60 E. (9) $188.36.

A. E. Linwood Tipton, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

E. (9) $105.82.

A. Eben S. Tisdale, Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.

B. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $1,450. E. (9) $140.22.

A. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

A. C. Richard Titus, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Tobacco Associates, Inc., 1101 17th Street NW., Suite 912, Washington, D.C. 20036.

E. (9) $1,563.50.

A. James R. Tobin, Becton Dickinson & Co., Mack Centre Drive, Paramus, N.J. 07652.

B. Becton Dickinson & Co., Mack Centre Drive, Paramus, N.J. 07652.

D. (6) $2,000.

A. Mary A. Tobin, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $78.16.

A. Warren D. Toburen, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

D. (6) $155.

A. David G. Todd, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.

B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

D. (6) $2,000.

A. M. Douglas Todd, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

D. (6) $1,500.01. E. (9) $9.95.

A. William R. Tolley, Jr., Harris Corp., Melbourne, Fla. 32919.

B. Harris Corp., Melbourne, Fla. 32919.

E. (9) $45.06.

A. Davis J. Tomasin, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $6,012.30. E. (9) $855.

A. William D. Toohey, 1899 L Street NW., Suite 600, Washington, D.C. 20036.

B. Discover America Travel Organizations, Inc., 1899 L Street NW., Washington, D.C. 20036.

D. (6) $2,000.

A Christine Y. Topping 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.

B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.

D. (6) $8,104.74. E. (9) $326.33.

A. John M. Torbet, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

B. Rockwell International, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

D. (6) $32.25. E. (9) $171.20.

A. Thomas J. Touhey, Sullivan & Beauregard, 1800 M Street NW., Suite 925, Washington, D.C. 20036.

B. A. R. F. Products, Inc., Raton, N. Mex.

A. Jay C. Townley, 715 South Harvey, Oak Park, Ill. 60304.

B. Schwinn Bicycle Co.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) $1,000.

A. Transportation Association of America, 1100 17th Street NW., No. 1107, Washington, D.C. 20036.

A. Transportation Institute, 923 15th Street NW., Washington, D.C.

E. (9) $724.64.

A. Paula C. Treat, National Home Furnishings Association, 900 17th Street NW., Suite 514, Washington, D.C. 20006.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $575.

A. Richard S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $240.

A. William C. Triplett II, 955 L'Enfant Plaza SW., Suite 905, Washington, D.C. 20024.
B. American Honda Motor Co., Inc., 100 W. Alondra Boulevard, Gardena, Calif. 90247.
D. (6) $150. E. (9) $75.80.

A. Glenwood S. Troop, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $11,000. E. (9) 165.50.

A. George G. Troutman, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
D. (6) $100.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $1,117.48.

A. The Trust for Public Land, 82 Second Street, San Francisco, Calif. 14105.
E. (9) $3,090.44.

A. Jerry R. Tucker, United Automobile, Aerospace & Agricultural Implement Workers of America, 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $9,000.80.

A. John B. Tucker, Jr., National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $125.

A. Philip J. Tulimieri, Jr., 95 West 57 Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57 Street, New York, N.Y. 10019.

A. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $2,253.60. E. (9) $3,117.27.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. W. Glenn Tussey, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $5,500.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $2,100.

A. 12th Congressional District Action Committee, 2372 Lida Drive, Mountain View, Calif. 94043.
D. (6) $132. E. (9) $151.57.

A. Edgar H. Twine, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $6,000.

A. Joseph R. Tyler, 1209 B Quarry Road, Marion, Ind. 46952.
B. U.S. Fiber Corp., 101 South Main Street, Delphos, Ohio 45833.
D. (6) 6,000.

A. G. John Tysse, Kimberly-Clark Corp., 1730 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $300. E. (9) $100.

A. Jerry G. Udell, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $100.

A. E. Carl Uehlein, Jr., 1800 M Street NW., Suite 800–N, Washington, D.C. 20036.
B. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800–N, Washington, D.C. 20036.

A. John C. Uehlinger, American Congress on Surveying and Mapping, 501 North Quaker Lane, Alexandria, Va. 22304.
B. American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Va. 22046.
D. (6) $739.06.

A. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
E. (9) $2,500.

A. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.
E. (9) $364.40.

A. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $1,942.16. E. (9) $1,942.16.

A. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
E. (9) $7,771.95.

A. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
E. (9) $14,811.

A. United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C.
D. (6) $42,080.30. E. (9) $42,080.30.

A. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
E. (9) $2,850.77.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $7,708.75. E. (9) $ 5,603.33.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $920. E. (9) $ 920.

A. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
E. (9) $124,673.75.

A. U.S. Maritime Committee, Inc., 600 New Hampshire Avenue, NW., Washington, D.C. 20037.
D. (6) $7,600. E. (9) $ 29,263.10.

A. U.S. & Overseas Tax Fairness Committee, Inc., 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $109,810.70. E. (9) $29,509.84.

A. United Van Lines, Inc., No. 1 United Drive, Fenton, Mo. 63026.
E. (9) $3,190.68.

A. Lloyd N. Unsell, 1101 Sixteenth Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $69.50.

A. Drew A. Upton, Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Nicholas L. Van Nelson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Alaska Petrochemical Co., 3700 Buffalo Speedway, Suite 806, Houston, Tex. 77098.
D. (6) $37.60.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allied General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.
D. (6) $737.50. E. (9) $8.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Institute for Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American President Lines, Ltd., 1950 Franklin Street, Oakland, Calif. 94612.
D. (6) $125.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Arctic Slope Regional Corp., Barrow, Alaska.
D. (6) $40. E. (9) $1.66.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Basin, Inc., P.O. Box 2297, Midland, Tex. 79702.
D. (6) $368.50. E. (9) $86.17.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Huntington's Disease Coalition, 250 West 57th Street, New York, N.Y. 10019.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723.
D. (6) $30.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Northern Tier Pipeline Co., 1776 Lincoln Street, P.O. Box 5568, Denver, Colo. 80217.
D. (6) $40.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Pacific Gas and Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $250.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Palm Beach-Broward Farmers Committee for Legislative Action, P.O. Box 396, Boynton, Beach, Fla. 33435.
D. (6) $210. E. (9) $27.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Suite One, Santa Fe Springs, Calif. 90670.
D. (6) $331. E. $81.17.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. South Florida Tomato & Vegetable Growers Association, P.O. Drawer B.B., Homestead, Fla. 33030.
D. (6) $210. E. (9) $27.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Southwest Winter Vegetable Growers Association, P.O. Box 1670, Immokalee, Fla. 33934.
D. (6) $210. E. (9) $27.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. 25 E Street Associates, 1220 19th Street NW., Suite 400, Washington, D.C. 20036.
D. (6) $375.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Western Crude Oil, Inc., P.O. Box 5568, Denver, Colo. 80217.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Windfarms, Ltd., 402 Jackson Street, San Francisco, Calif. 94111.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Yellowstone Park Co., Yellowstone National Park, Wyo. 82190.
D. (6) $425. E. (9) $5.

A. Gerald W. Vaughan, 1850 K Street NW., Suite 390, Washington, D.C. 20006.
B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.
E. (9) $52.90.

A. Murle L. Vaughan, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.
B. Beneficial Management Corp. of America, 1300 Market Street, Wilmington, Del. 19899.
D. (6) $7,893.08. E. (9) $3,835.21.

A. Christine L. Vaughn, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $739.10. E. (9) $118.44.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill.

A. Jerry T. Verkler, P.O. Box 2521, Houston, Tex. 77001.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.

A. C. John Vermilye, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Hellenic Republic of Greece, 2221 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Pan American World Airways, Inc., Pan American Building, New York, N.Y. 10017.
D. (6) $2,625. E. (9) $21.75.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Twin Coasts Newspaper, Inc., 110 Wall Street, New York, N.Y. 10005.
D. (6) $2,351.25.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., Washington, D.C. 20036 (for City of Houston).
D. (6) $1,068.75.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., Washington, D.C. 20036. (For: Continental Resources Co.)
D. (6) $6,900. E. (9) $288.05.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., Washington, D.C. 20036. (For: First City Bancorporation)
D. (6) $243.75.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., Washington, D.C. 20036. (For: Houston Natural Gas Corp.)
D. (6) $393.75. E. (9) $140.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Vinson & Elkins, (For: Slurry Transport Association), 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
D. (6) $3,600. E. (9) $54.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins (For: Texas Eastern Transmission Corp.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. John C. Vickerman, American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.
B. American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.

A. David Vienna & Associates, 510 C Street NE., Suite 100, Washington, D.C. 20002.
B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.
D. (6) $845.

A. David Vienna & Associates, 510 C Street NE., Suite 100, Washington, D.C. 20002.
B. Office of the Controller, Medi-Cal Audit Project, State of California, State Capitol, Sacramento, Calif. 95814.
D. (6) $475.

A. R. Eric Vige, Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.

A. Rudolph A. Vignone, 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,500.

A. Howard A. Vine, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C.
B. Continental Insurance Cos., 80 Maiden Lane, New York, N.Y. 10036.
D. (6) $350. E. (9) $5.75.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW, Suite 1000 North, Washington, D.C. 20036.
B. John Nuveen & Co., Inc., 209 S. LaSalle Street, Chicago, Ill. 60604.
D. (6) $1,210. E. (9) $10.40.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Suite 1000 North, Washington, D.C.
B. St. Paul Fire & Marine Insurance Co., 385 Washington Street, St. Paul, Minn. 55102.
D. (6) $1,750.

A. Andrew Vitali, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,000. E. (9) $91.33.

A. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.
E. (9) $729.70.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 500, 1705 De Sales Street NW., Washington, D.C. 20036.
D. (6) $2,200. E. (9) $1,575.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Washington, D.C. 20036.
B. Grocery Manufacturers of America, 1010 Wisconsin Avenue NW., Washington, D.C.
D. (6) $890. E. (9) $240.25.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Washington, D.C. 20036.
B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $8,893. E. (9) $409.09.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Washington, D.C. 20036.
B. J. Paul McNamara, 88 East Broad Street, Columbus, Ohio 43215.
E. (9) $9.25.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Washington, D.C. 20036.
B. Ohio Manufacturers Association, 100 East Broad Street, Columbus, Ohio 43215.
D. (6) $100. E. (9) $4.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Washington, D.C. 20036.
B. Virginia State University, Petersburg, Va. 23803.
D. (6) $150.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Washington, D.C. 20036.
B. Wagnalls Memorial, 150 East Columbus Street, Lithropolis, Ohio.
D. (6) $262. E. (9) $1.90.

A. Donn L. Waage, 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.
B. Northwest Bancorp., 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.
D. (6) $948. E. (9) $343.91.

A. Robert J. Wager, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,012.50. E. (9) $7.45.

A. Paul Wagner, Wagner & Baroody, Inc., 1100 17th Street NW., Washington, D.C. 20036.
B. Electrolert, Inc., 370 Lexington Avenue, New York, N.Y. 10017.
D. (6) $3,000. E. (9) $1,258.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $2,175. E. (9) $3,874.93.

A. Herbert R. Waite, First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.
B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.
D. (6) $2,175. E. (9) $3,874.93.

A. Wald, Harkrader & Ross, 1300 19th Street NW., Washington, D.C. 20036.
B. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Robert E. Waldron, Associated Petroleum Industries of Michigan, P.O. Box 10070, Lansing, Mich. 48901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $556.31.

A. E. F. Waldrop, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $1,488.64.

A. Charles W. Walker, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $8,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Agrico Chemical Co., et al.
D. (6) $2,850.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Co. of America, 1200 Ring Building, Washington, D.C. 20036.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Amax, Inc., et al.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Airlines, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $550.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Borden Chemical, 180 East Broad Street, Columbus, Ohio. 43215.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dealer Bank Association, 1800 K Street NW., Washington, D.C. 20006.
D. (6) $1,875.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.
D. (6) $600.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. First Chicago Corp., One First National Plaza, Chicago, Ill. 60670.
D. (6) $1,250.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Telephone & Electronics, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire and Rubber Co., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lone Star Steel Co., 2200 W. Mockingbird Lane, Dallas, Tex. 75215.
D. (6) $843.75.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., P.O. Box 1035, Toledo, Ohio 43666.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Procter & Gamble Co., Cincinnati, Ohio 45201.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pullman-Kellogg, 1300 Three Greenway Plaza East, Houston, Tex. 77046.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pullman-Swindell, 441 Smithfield Street, Pittsburgh, Pa. 15222.
D. (6) $4,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $750.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.

A. Linda Walker-Hill, 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Warren W. Walkley, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. R. Duffy Wall, 1050 17th Street NW., No. 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.
D. (6) $250.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, New Jersey 08854.
D. (6) $93.70.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. American Sugar Cane League of the U.S.A., Inc., 416 Whitney Building, New Orleans, La. 70130.
D. (6) $5,000. E. (9) $2,150.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. American Textile Machinery Association, 1730 M Street NW., Suite 804, Washington, D.C. 20036.
D. (6) $750.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. Applied Ceramic Technologies, Inc., 418 East Ninth Street, Rochester, Ind. 46975.
D. (6) $600. E. (9) $450.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. Cotton Warehouse Association of America, 232 East Capitol Street, Washington, D.C.
D. (6) $9,000. E. (9)($2,550.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. William J. Marcus, 343 Summit Avenue, Mill Valley, Calif. 94941.

A. Raymond C. Wallace, Amalgamated Transit Union, AFL–CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. R. Douglas Wallin, Jr., 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $41.95.

A. John F. Wanamaker, The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $1,311.

A. Alan S. Ward, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Baker & Hostetler, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for Soap & Detergent Association, 475 Park Avenue South, at 32d Street, New York, N.Y. 10016).

A. Gregg Ward, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.
B. Sheet Metal & Air Conditioning Contractors National Association, 8224 Old Courthouse Road, Vienna, Va. 22180.
D. (6) $800. E. (9) $50.

A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,200. E. (9) $207.85.

A. Michael O. Ware, Conoco Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Conoco Inc., High Ridge Park, Stamford, Conn. 06904.
D. (6) $1,000.

A. Peter F. Warker, TRW Inc. 2030 M Street NW., Washington, D.C. 20036.
B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,250.

A. Warner Communications Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
E. (9) $7,500.

A. Ernest R. Warner, Jr., DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France), 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $110.34. E. (9) $24.

A. Betsy R. Warren, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $2,571. E. (9) $69.56.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $31.65.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $5,747.74. E. (9) $5,813.09.

A. Nan Waterman, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,750.

A. Ralph J. Watson, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $495. E. (9) $280.48.

A. Carolyn Herr Watts, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $25.

A. George B. Watts, National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

A. James L. Watts, NASBIC, 618 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.
D. (6) $900. E. (9) $188.20.

A. Judith G. Waxman, National Health Law Program, 1424 16th Street NW., Suite 304 Washington, D.C. 20036.
B. National Health Law Program, 2401 Main Street, Santa Monica, Calif. 90405.
D. (6) $3,635.20. E. (9) $1,592.80.

A. William J. Way, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $843.87.

A. Raymond J. Weatherly, 2733 Carter Farm Court, Alexandria, Va. 22306.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
D. (6) $800. E. (9) $38.

A. William H. Weatherspoon, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $500. E. (9) $870.68.

A. Frederick L. Webber, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C.
D. (6) $1,125.

A. Jack Weber, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $90.25.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $1,200.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Charles Stewart Mott Foundation, Mott Foundation Building, Flint, Mich. 48502.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20006.
D. (6) $1,500.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Club Association, 1625 I Street NW., Washington, D.C. 20006.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Sporting Goods Association, 717 North Michigan, Chicago, Ill. 60611.

A. John F. Webster, International Business Machines, 1801 K Street NW., Washington, D.C. 20006.

B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.

D. (6) $66. E. (9) $13.

A. Webster & Sheffield, 1750 New York Avenue NW., Suite 830, Washington, D.C. 20006.

B. National Conference of Bankruptcy Judges, Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) $5,000. E. (9) $547.90.

A. Webster & Sheffield, One Rockefeller Plaza, New York, N.Y. 10020.

B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, ,N.Y. 10019.

D. (6) $8,830. E. (9) $2,029.

A. Fred Wegner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $498.08. E. (9) $71.87.

A. Lauren C. Weilburg, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.

B. American Osteopathic Association, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.

D. (6) $500. E. (9) $53.60.

A. Donald G. Weinert, National Society of Professional Engineers, 2029 K Street, NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $1,500.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, C/O Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.

D. (6) $108.10. E. (9) $227.94.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue, NW., Suite 317, Washington, D.C. 20036.

B. Canada-France-Hawaii Telescope Corp., P.O. Box 1597, Kamuela, Hawaii 96743.

D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue, NW., Suite 317, Washington, D.C. 20036.

B. Council of Creative Artists, Libraries & Museums, 250 West 57th Street, New York, N.Y.

D. (6) $500.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue, NW., Suite 317, Washington, D.C. 20036.

B. National Football League Players Association, 1300 Connecticut Avenue, NW., Washington, D.C. 20036.

D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue, NW., Suite 317, Washington, D.C. 20036.

B. Trans-Lux Corp., 110 Richards Avenue, Norwalk, Conn. 06854.

D. (6) $1,500.

A. Michael A. Weiss, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

E. (9) $100.

A. Morton N. Weiss, 55 Broad Street, New York, N.Y. 10004.

B. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.

D. (6) $2,000.

A. Judith H. Weitz, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) $955. E. (9) $130.

A. Paul S. Weller Jr., National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $8,819.

A. L. H. Wells, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. James F. Welsh, 4805 Edgefield Road, Bethesda, Md. 20014.

B. Alaska Coalition, 530 7th Street SE., Washington, D.C. 20003.

D. (6) $1,827.06.

A. W. R. Werner, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.

B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $10,500. E. (9) $164.

A. Joy Cherie West, 806 15th Street NW., Suite 600, Washington, D.C. 20005.

B. Migrant Legal Action Program, 806 15th Street NW., Suite 600, Washington, D.C. 20005.

D. (6) $3,750. E. (9) $5,248.73.

A. Harry H. Westbay III, 1625 Eye Street NW., Suite 805, Washington, D.C. 20006.

B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,350. E. (9) $650.

A. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.

E. (9) $29.80.

A. Western Growers Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $750.

A. Western Organization of Resource Councils, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

E. (9) $1,854.

A. Harvey J. Wexler, Continental Airlines, Inc., 1025 Connecticut Avenue NW., Suite 1017, Washington, D.C. 20036.

B. Continental Airlines, Inc., International Airport, Los Angeles, Calif. 90009.

D. (6) $2,000. E. (9) $1,000.

A. Brian B. Whalen, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $1,250. E. (9) $458.01.

A. Josiah Wheat, 300 West Bluff Street, Woodville, Tex. 75979.

B. Alabama Coushatta Indian Tribes of Texas and Coushatta Indian Tribe of Louisiana, P.O. Box 844, Temple, Tex. 76501.

D. (6) $1,500. E. (9) $659.24.

A. Clyde A. Wheeler, Jr., Sun Company, Inc., 1800 K Street NW., Suite 820, Washington D.C. 20006.

B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.

D. (6) $15,000. E. (9) $265.46.

A. Edwin M. Wheeler, Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

E. (9) $25.

A. Thomas E. Wheeler, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $1,063.

A. William Whichard, Jr., 1100 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Ronald L. Whillock, Evans Products Co., 1121 Southwest Salmon Street, Portland, Oreg. 97205.

B. Evans Products Co., 1121 Southwest Salmon Street, Portland, Oreg. 97205.

D. (6) $23. E. (9) $3,252.10.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American International Group, Inc., 70 Pine Street, New York, N.Y. 10005.

A. Donald F. White, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,000. E. (9) $40.

A. White, Fine & Verville, 1156 15th Street NW., Suite 302, Washington, D.C. 20005.

B. Turlock Irrigation District, P.O. Box 949, 333 East Canal Street, Turlock, Calif. 95380.

D. (6) $4,268.41.

A. John C. White, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.

B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 310, Washington, D.C. 20036.

E. (9) $20.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

B. Marathon Oil Co., Findlay, Ohio 45840.

A. Donald W. Whitehead, Suite 335, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Emergent Technologies, Inc., Sunnyvale, Calif.

D. (6) $250. E. (9) $128.

A. Donald W. Whitehead, Suite 335, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Thetford Corp., P.O. Box 1285, Ann Arbor, Mich. 48106.

D. (6) $1,000. E. (9) $228.67.

A. Alton W. Whitehouse, Standard Oil Co. (Ohio), 1750 Midland Building, Cleveland, Ohio 44115.

B. Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Louis M. Whitlock, P.O. Box 396, Carlsbad, N. Mex. 88220.
B. Beker Industries Corp., 124 West Putnam Avenue, Greenwich, Conn. 06830.
E. (9) $278.66.

A. Gary L. Whittle, N.C. Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $350.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.
B. Arctic Slope Regional Corp., Inupiat Community of the Arctic Slope, P.O. Box 129, Barrow, Alaska 99723.

A. Wickwire, Lewis, Goldmark, & Schorr, 500 Maynard Building, Seattle, Wash. 98104.
B. Mayor and City Council, City of Seattle, Seattle, Wash. 98104.
D. (6) $11,302.50. E. (9) $5,569.27.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.
B. Save Our Railroad Employment, c/o Fife Community Credit Union, 4410 20th Street E., Tacoma, Wash. 98424; New Milwaukee Lines, 500 Maynard Building, Seattle, Wash. 98104.

A. Richard J. Wiechmann, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Rebecca Wilcox, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $5,000.

A. Jerry C. Wilkerson, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. International Franchise Association, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
D. (6) $650. E. (9) $626.27.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $3.40.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J. 07645.
D. (6) $8,268.50. E. (9) $175.85.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Church of Jesus Christ of Latter-Day Saints, 10 East North Temple, Salt Lake City, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, 65 Elizabeth Street, Bethlehem, Pa.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $9.35.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $10,546. E. (9) $248.55.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, 85 John Street, New York, N.Y. 10038.
D. (6) $5,867.50. E. (9) $47.78.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Nana Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Shee Atika, Inc., P.O. Box 4578, Mount Edgecumbe, Alaska 99835.
E. (9) $47.41.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. State of Hawaii, Department of Regulatory Agencies, P.O. Box 531, Honolulu, Hawaii.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $4.20.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. U.S. National Bank, Medford, Oreg. (for the Remaining Members of the Klamath Indian Tribe, Oregon).

A. Sandra L. Willett, 624 C Street SE., Washington, D.C. 20003.
B. National Consumers League, 1522 K Street NW., Suite 406, Washington, D.C. 20005.
D. (6) $325. E. (9) $70.

A. Ralph Willham, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $8,550.

A. Willkie Farr & Gallagher, 1 Citicorp Center, 153 East 53d Street, New York, N.Y. 10022.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Citizens for Sensible Main Power, c/o Seth Hedgcock, Farnham Point, East Boothbay, Maine 04544.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Federal National Mortgage Association (FNMA), 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. The LTV Corp., LTV Tower, 1525 Elm Street, Dallas, Tex. 75201.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Ralph A. Pari, Rhode Island Housing & Mortgage Finance Corp., Suite 1700, 17th Floor, 40 Westminster Street, Providence, R.I. 02903.
D. (6) $1,551.50. E. (9) $12.50.

A. Williams & Connolly. 839 17th Street NW., Hill Building, Washington, D.C. 20006.
B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02122.
D. (6) $15,748.29. E. (9) $1.50.

A. Harry D. Williams, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $5,000.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $42.80. E. (9) $4.82.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Quasar Petroleum Co., 2500 Fort Worth National Bank Building, Fort Worth, Tex. 76102.
D. (6) $1,355. E. (9) $38.47.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Association for Responsible Housing Policy, Inc., 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.
D. (6) $1,025. E. (9) $43.29.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Bangor Punta Operations, Inc., 1 Greenwich Plaza, Greenwich, Conn. 06830.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Burger King Corp., 7360 North Kendall Drive, Miami, Fla. 33152.
D. (6) $865.50. E. (9) $14.43.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. C. Brewer & Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Domestic Petroleum Council, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.
D. (6) $3,360. E. (9) $38.47.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. E. F. Hutton & Co., Inc., One Battery Park Plaza, New York, N.Y. 10004.
E. (9) $43.29.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Feather & Down Association, 4441 Auburn Boulevard, Suite "O", Sacramento, Calif. 95841.
D. (6) $42.50. E. (9) $4.82.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hawaiian Sugar Planter's Association, 1511 K Street, NW., Suite 723, Washington, D.C. 20005.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Institute for Due Process for Financial Institutions, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.

D. (6) $3,510. E. (9) $149.09.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Lanham Act Preservation Association, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

D. (6) $500. E. (9) $14.43.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Louisiana Land & Exploration Co., P.O. Box 60350, New Orleans, La. 70160.

D. (6) $1,272.50. E. (9) $38.47.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Water Cos., 1019 19th Street NW., Suite 1110, Washington, D.C. 20036.

D. (6) $262.50. E. (9) $9.62.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $2,755. E. (9) $81.76.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Outdoor Advertising Association of America, 1660 L Street NW., Suite 215, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.

D. (6) $168.50. E. (9) $4.82.

A. Williams & Jensen, 1101 Connecticut Avenue N.W., Washington, D.C. 20036.

B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

D. (6) $1,275. E. (9) $14.43.

A. Williams & Jensen, 1101 Connecticut Avenue N.W., Washington, D.C. 20036.

B. Southern California Gas Co., 1150 Connecticut Avenue, NW., Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue N.W., Washington, D.C. 20036.

B. Southern Railway System, 920–15th Street, NW., Washington, D.C. 20005.

E. (9) $24.05.

A. Williams & Jensen, 1101 Connecticut Avenue N.W., Washington, D.C. 20036.

B. Southland Royalty Co., 1000 Fort Worth Club Tower, Fort Worth, Tex.

D. (6) $500. E. (9) $14.43.

A. Williams & Jensen, 1101 Connecticut Avenue N.W., Washington, D.C. 20036.

B. Southwest Airlines, P.O. Box 37611, Love Field, Dallas, Tex. 75235.

D. (6) $4,575.

A. Williams & Jensen, 1101 Connecticut Avenue N.W., Washington, D.C. 20036.

B. Student Loan Marketing Association (Sallie Mae), 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

D. (6) $1,425. E. (9) $62.52.

A. Williams & King, 1620 I Street NW., No. 800, Washington, D.C. 20006.

B. American Netting Manufacturers Organization, c/o Ralph J. Sigler, FNT Industries, 927 First Street, Menominee, Mich. 49858.

A. Lee Williams, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,600. E. (9) $3,910.

A. Lucinda L. Williams, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.

B. Federation of American Hospitals, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.

D. (6) $4,500.

A. Margie R. Williams, 415 Second Street NE., Suite 300, Washington, D.C. 20002.

B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.

D. (6) $360.68.

A. Williams, Myers & Quiggle, 888 17th NW., Washington, D.C. 20006.

B. Church Alliance for Clarification of ERISA, c/o Mr. Gary S. Nash, 511 North Akard Building, Suite 311, Dallas, Tex. 75201.

D. (6) $16,087.50. E. (9) $492.01.

A. Nathaniel Williams, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,140.

A. Robert E. Williams, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.

B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.

D. (6) $1,500.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.

B. Mortgage Insurance Cos. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.

D. (6) $2,700. E. (9) $95.90.

A. Frederick L. Williford, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.

B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.

D. (6) $500. E. (9) $30.

A. David K. Willis, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) $636.

A. Allen W. Wills, Memorex Corp., 1970 Chain Bridge Road, McLean, Va. 22102.

B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.

D. (6) $4,000.

A. George S. Wills, Wills & Associates, Inc., Suite 903, 36 South Charles Street, Baltimore, Md. 21201.

B. Wills & Associates, Inc. (for Americans for Alaska), Suite 903, 36 South Charles Street, Baltimore, Md. 21201.

A. Betsy Willson-Messer, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $298.56.

A. Charlotte Wilmer, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $50.

A. Wilmer & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Wilmer & Pickering, 1666 K Street, NW., Washington, D.C. 20006.

B. CPC International Inc., International Plaza, Englewood Cliffs, N.J. 07632.

E. (9) $20.

A. Bjorg Opdahl Wilson, 6107 Greentree Road, Bethesda, Md. 20034.

B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.

E. (9) $18.36.

A. Charles D. Wilson, 1850 K Street NW., Suite 390, Washington, D.C. 20006.

B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

E. (9) $151.

A. Dena L. Wilson, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

D. (6) $75. E. (9) $24.

A. Donnie E. Wilson, Husky Oil Co., 1800 M Street NW., Suite 295, Washington, D.C. 20036.

B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.

D. (6) $250. E. (9) $75.35.

A. James E. Wilson, Jr., 1150 17th Street NW., Suite 500, Washington, D.C. 20036.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Morris Woodrow Wilson, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $3,946.14. E. (9) $137.04.

A. Albert Winchester, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,539.99.

A. Joseph B. Winkelmann, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $2,500. E. (9) $525.68.

A. Kathleen J. Winn, Pennzoil, 1155 15th Street NW., Suite 602, Washington, D.C. 20005.

B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.

D. (6) $40.

A. James R. Winnie, Cities Service Gas Co., P.O. Box 25128, Oklahoma City, Okla. 73125.

B. Cities Service Gas Co., P.O. Box 25128, Oklahoma City, Okla. 73125.

A. Winston & Strawn, 2550 M Street NW., Suite 500, Washington, D.C. 20037.

B. Gould Inc., 8550 Bryn Mawr Avenue, Chicago, Ill. 60631.

D. (6) $42.50.

A. Winston & Strawn, 2550 M Street NW., Suite 500, Washington, D.C. 20037.

B. International Council of Shopping Centers, 665 Fifth Avenue, New York, N.Y. 10022.

D. (6) $500. E. (9) $6.25

A. Mark E. Winter, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $2,500.

A. Jane Wishner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,424.

A. Richard F. Witherall, Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.
B. Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.
D. (6) $716.45. E. (9) $1,131.47.

A. Witkowski, Weiner, McCaffrey & Brodsky, Suite 350, 1575 I Street NW., Washington, D.C. 20005.
B. Coordinating Council on Manufactured Housing Finance, Suite 350, 1575 I Street NW., Washington, D.C. 20005.
D. (6) $25,947.

A. Witkowski, Weiner, McCaffrey & Brodsky, Suite 350, 1575 I Street NW., Washington, D.C. 20005.
B. National Manufactured Housing Finance Association, Suite 350, 1575 I Street NW., Washington, D.C. 20005.
D. (6) $5,049.34.

A. Glenn P. Witte, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. H. C. Witthaus, General Motors Corp., 1660 L Street NW., Suite 800, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $2,261.37.

A. James E. Wolf, The Trane Co., 2020 14th Street, North Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
D. (6) $600.

A. Ronald Wolsey, Amoco Oil Co., 1 North Charles Street, Baltimore, Md. 21201.
B. Standard Oil Co. (Indiana), 200 E. Randolph Drive, Chicago, Ill. 60601.

A. Don Womack, 1150 Connecticut Avenue NW., Suite 1013, Washington, D.C. 20036.
B. Texas Utilities Services Inc., 2001 Bryan Tower, Dallas, Tex. 75201.
D. (6) $1,947. E. (9) $72.40.

A. Burton C. Wood, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $8,400. E. (9) $22,268.

A. Charles A. Wood, National Fuel Gas Distribution Corp., Room 900, 10 Lafayette Square, Buffalo, N.Y. 14203.
B. National Fuel Gas Distribution Corp., National Gas Storage Corp., National Fuel Gas Supply Corp., Seneca Resources Corp.
D. (6) $757.14. E. (9) $1,206.90.

A. Wilbur S. Wood, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. W. Alan Woodford, Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300.

A. Diane Woodruff, Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
D. (6) $2,136.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France), 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $72.12.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for European Aerospace Corporation, 1101 15th Street NW., Washington, D.C.), 1225 19th Street NW., Washington, D.C. 20036.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for Sofreavia, 75 rue la Boetie, Paris 8eme, France), 1225 19th Street NW., Washington, D.C. 20036.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. (for Thomson-CSF (AVS), 178 Boulevard, Gabriel Peri, 92240 Malakoff, France), 1225 19th Street NW., Washington, D.C. 20036.

A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C.
D. (6) $750. E. (9) $150.

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C.
D. (6) $9,000. (E) (9) $210.

A. Linda Anzalone Woolley, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $500.

A. Ronald L. Wooten, Consolidation Coal Co., 1025 Connecticut Avenue NW., No. 1000, Washington, D.C. 20036.
B. Consolidation Coal Co., Consol Plaza, 1800 Washington Road, Pittsburgh, Pa. 15241.
D. (6) $312.50. E. (9) $43.75.

A. George M. Worden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., (for: Distilled Spirits Council). 633 Third Avenue, New York, N.Y. 10017.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $10,209.70. E. (9) $12,854.06.

A. Steven M. Worth, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Edward E. Wright, 1819 H Street NW., Suite 1175, Washington, D.C. 20006.
B. G-4 Children's Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015.
D. (6) $1,600. E. (9) $17.32.

A. Franklin L. Wright, Jr., National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,500. E. (9) $106.25.

A. Richard E. Wyckoff, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $197.75.

A. Wyman, Bautzer, Rothman, Kuchel & Silbert, Suite 580, The Watergate 600, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.
D. (6) $1,000.

A. John Yarmola, Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.

A. D. Scott Yohe, 1629 K Street NW., Room No. 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $330. E. (9) $74.40.

A. G. Reynolds Young, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Hugh F. Young, Jr., National Paint & Coatings Association, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
B. National Paint & Coatings Association, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
D. (6) $2,000. E. (9) $24.26.

A. John Andrew Young, Suite 207, 1333 New Hampshire Avenue NW., Washington D.C. 20036.

A. Pamela K. Young, National Association of Manufacturers, 222 S. Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $175.

A. Betsy Younkins, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $4,000 E. (9) $201.61.

A. Eugene A. Yourch, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200. E. (9) $138.50.

A. Harry M. Zachem, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.

B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

D. (6) $2,000.

A. Donald M. Zahn, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.

B. National Right to Work Committee, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.

D. (6) $240. E. (9) $139.

A. Lynn Zakupowsky, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $1,250.

A. Steven S. Zaleznick, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $310.96.

A. Barry W. Zander, 6113 Amhurst Street, Metaire, La. 70003.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $5,671.02.

A. John S. Zapp, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $4,092. (9) $148.73.

A. L. Andrew Zausner, Pennzoil Co., 1155 15th Street NW., Suite 602, Washington, D.C. 20005.

B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.

D. (6) $1,000. E. (9) $70.

A. Lynn Weiss Zempel, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) $60. E. (9) $24.

A. John L. Zorack, 11th Floor, 1015 18th Street NW., Washington, D.C. 20036.

B. DHL Corp., 411 East Capitol Street, Washington, D.C. 20001.

A. John L. Zorack, 11th Floor, 1015 18th Street NW., Washington, D.C. 20036.

B. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.

D. (6) $4,500. E. (9) $28.37.

A. Charles O. Zuver, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,000.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the fourth calendar quarter of 1979 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES;

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19....... ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

NOTE ON ITEM "D."—(*a*) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(*c*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)
6. $--------TOTAL for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year
8. $--------TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $--------TOTAL now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ------------------, 19----)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(*a*) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures
9. $--------TOTAL for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year
11. $--------TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $--------TOTAL now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

PAGE 2

A. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.

D. (6) $24,428.53. E. (9) $3,842.37.

A. The Adherence Group, 21 West Street, New York, N.Y. 10006.

E. (9) $528.90.

A. Ad-Hoc Committee for Competitive Telecommunications, 415 Second Street NE., Washington, D.C. 20002.

D. (6) $37,884.62. E. (9) $37,884.62.

A. Alan P. Agle, Box 946, Buckingham, Pa. 18912.

B. Buckingham Township Supervisors.

A. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $21,000. E. (9) $4,815.

A. Robert Alvarez, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $900.

A. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex, 75235.

D. (6) $1,037. E. (9) $6,155.09.

A. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017.

E. (9) $4,212.50.

A. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C.

E. (9) $46,004.21.

A. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $26,822. E. (9) $26,822.

A. American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009.

B. American Health Planning Association, 1601 Connecticut Avenue, Washington, D.C. 20009.

D. (6) $2,406. E. (9) $359.

A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

E. (9) $1,258.75.

A. American Logistics Association, 5205 Leesburg Pike, No. 1213, Falls Church, Va. 22401.

D. (6) $7,750. E. (9) $7,700.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

E. (9) $3,874.94.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $18.50.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $10,290.06. E. (9) $54,446.30.

A. American Wind Energy Association, 1621 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $1,875. E. (9) $2,069.92.

A. Americans for Alaska, Inc., P.O. Box 50, Riderwood, Md. 21139.

A. J. L. Anderson, Time, Inc., 888 16th Street NW., Washington, D.C. 20006.

B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y.

D. (6) $2,500. E. (9) $44.24.

A Scott G. Anderson, Burlington Northern, Inc., 413 New Jersey Avenue SE., Washington, D.C. 20003.

B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.

D. (6) $1,900. E. (9) $2,584.84.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. American Association of Dealers in Ancient, Oriental, and Primitive Art, 159½ East 94th Street, New York, N.Y. 10028.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Commissioner of Baseball, 15 West 51st Street, New York, N.Y. 10019.

D. (6) $5,000. E. (9) $27.65.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.

D. (6) $935. E. (9) $9.50.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Federation of Apparel Manufacturers, 450 Seventh Avenue, New York, N.Y. 10001.

D. (6) $3,600. E. (9) $71.78.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.

D. (6) $6,227.50. E. (9) $235.63.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.

D. (6) $7,460. E. (9) $147.41.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. National Coordinating Committee for Multiemployer Plans, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

D. (6) $1,000. E. (9) $50.

A. Arnold & Porter, 1229 19th Street NW Washington, D.C. 20036.

B. Price Waterhouse & Co., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Recording Industry Association of America, Inc., One East 57th Street, New York, N.Y. 10022.

D. (6) $1,302.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Securities Industry Association, 490 L'Enfant Plaza, Suite 3212, Washington, D.C.

E. (9) $4.80.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. State Farm Mutual Automobile Insurance Co., One State Farm Plaza, Bloomington, Ill. 61701.

E. (9) $11.60.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. West Mexico Vegetable Distributors Association, P.O. Box 838, Nogales, Ariz.

D. (6) $210. E. (9) $12.40.

A. Joseph Ashooh, 1957 E Street, NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Association of Independent Corrugated Converters, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $14,000. E. (9) $2,460.

A. Frank M. Ault, Broadlawns, Box 166, South Otselic, N.Y. 13155.

B. Norwich-Eaton Pharmaceuticals, 17 Eaton Avenue, Norwich, N.Y. 13815.

D. (6) $625. E. (9) $397.28.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Westinghouse Electric Corp.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $4,000. E. (9) $1,684.50.

A. Charles W. Bailey, 8316 Arlington Boulevard, No. 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, No. 600, Fairfax, Va. 22038.

A. Dennis J. Baker, Norton Co., 1 New Bond Street, Worcester, Mass. 01606.

B. Norton Co., 1 New Bond Street, Worcester, Mass. 01606.

D. (6) $5,925.

A. Michael Baly III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $1,987. E. (9) $403.60.

A. Robert D. Bannister, 15th & M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

D. (6) $13,528.83. E. (9) $1,402.81.

A. Dennis J. Barbour, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.

B. American College of Preventive Medicine.

A. Dennis J. Barbour, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.

B. Association of Teachers of Preventive Medicine.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Washington, D.C. 20005.

B. Emergency Small Independent Refiners Task Force, 1015 15th Street NW., Washington, D.C. 20005.

D. (6) $500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Washington, D.C. 20005.

B. Independent Terminal Operators Association, 1015 15th Street NW., Washington, D.C. 20005.

D. (6) $500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Washington, D.C. 20005.

B. Mount Airy Refining Co., International Energy Building, 265 North Belt East, Suite 150, Houston, Tex. 77060.

D. (6) $500.

A. George W. Beatty, 1200 18th Street NW., Washington, D.C. 20036.

B. Asarco Inc., 120 Broadway, New York, N.Y. 10005.

D. (6) $50,000. E. (9) $25.

A. George W. Beatty, 1200 18th Street NW., Suite 812, Washington, D.C. 20036.

B. Bailard, Biehl & Kaiser, Inc., 800 Oak Grove, Menlo Park, Calif. 94025.

D. (6) $8,100. E. (9) $150.

A. Hubert Beatty, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. W. M. Benkert, American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

B. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

D. (6) $1,250. E. (9) $8.75.

A. David Berick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,800.

A. Ellen Berman, Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.

B. Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.

D. (6) $2,250. E. (9) $29.70.

A. Robert Bird, General Mills, Inc., 1629 K Street NW., Suite 300, Washington, D.C. 20006.

B. General Mills, Inc., Post Office Box 1113, Minneapolis, Minn. 55440.

D. (6) $1,600. E. (9) $375.06.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,250.

A. Helen Blank, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) $277.10.

A. Betty Blouin, American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.

B. American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $4,690. E. (9) $11,276.36.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.

B. Association of Independent Corrugated Converters, 1100 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

D. (6) $600. E. (9) $9.

A. Boasberg, Hewes, Finkelstein & Klores, 2101 L Street NW., Suite 906, Washington, D.C. 20037.

B. National Board of Young Men's Christian Associations, 291 Broadway, New York, N.Y. 10007.

D. (6) $11,030.39.

A. Mary M. Bourdette, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) $278.88. E. (9) $26.

A. Robert K. Boyd, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $3,200. E. (9) $185.05.

A. Boyden, Kennedy & Romney, 1000 Kennecott Building, Salt Lake City, Utah 84133.

B. Hopi Indian Tribe, New Oraibi, Ariz.

D. (6) $9,945.80. E. (9) $3,527.63.

A. Marguerite Bracy, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street, NW., Washington, D.C. 20036.

D. (6) $6,503.60. E. (9) $135.10.

A. Dan J. Bradley, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) $205.52.

A. Dennis M. Bradshaw, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street, NW., Washington, D.C. 20006.

A. Jerry M. Brady, 2033 M Street NW., Suite 505, Washington, D.C. 20036.

B. Stepan Chemical Co., 22 Frontage Road, Northfield, Ill. 60093.

E. (9) $16,713.60.

A. Jerry M. Brady, 2033 M Street NW., Suite 505, Washington, D.C. 20036.

B. Thermo-Electron, Inc., 101 1st Avenue, Waltham, Mass. 02154.

E. (9) $3,609.05.

A. George Lambert Bristol, 1106 West Avenue, Austin, Tex.

B. E. F. Hutton & Co., Inc., One Battery Park Plaza, New York, N.Y. 10004.

D. (6) $9,000. E. (9) $1,428.27.

A. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street, NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $59,090. E. (9) $59,090.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.

B. International Union of Operating Engineers, 1125 17th Street, NW., Washington, D.C. 20036.

D. (6) $3,500. E. (9) $275.

A. Law Firm of Jon T. Brown, 1333 New Hampshire Avenue NW., No. 1270, Washington, D.C. 20036.

B. Louisville & Nashville Railroad Co., 908 West Broadway, Louisville, Ky. 40201.

A. Law Firm of Jon T. Brown, 1333 New Hampshire Avenue NW., No. 1270, Washington, D.C. 20036.

B. Western Railroad Association, 222 South Riverside Plaza, No. 1200, Chicago, Ill. 60606.

A. Thomas H. Brownell, P.O. Box 3999, Seattle, Wash.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $95. E. (9) $467.97.

A. Joseph A. Bruno, 5110 41st Street NW., Washington, D.C. 20016.

B. FMC Corp., 1627 K Street NW., Washington, D.C.

D. (6) $3,000. E. (9) $126.26.

A. Marguerite E. Bryan, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

D. (6) $460.38.

A. Garry B. Bryant, 806 15th Street NW., Washington, D.C. 20005.

B. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.

D. (6) $5,000.01. E. (9) $6,110.28.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.

A. David A. Bunn, Parcel Shippers Association, 1211 Connecticut Avenue, NW., Washington, D.C. 20036.

B. Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

A. Quentin L. Burgess, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) $152.90. E. (9) $7.65.

A. David G. Burney, United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.

B. United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.

D. (6) $6,000. E. (9) $3,000.

A. Burns Public Relations Services, Inc., 666 Euclid Avenue, No. 516, Cleveland, Ohio 44114.

B. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington D.C. 20036.

D. (6) $6,000. E. (9) $10.70.

A. Busby, Rehm & Leonard, 1629 K Street NW., Suite 1100, Washington D.C. 20006.

B. Automobile Importers of America, Inc., 1735 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Suite 350, Washington, D.C. 20006.

B. Seatrain Lines, Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.

E. (9) $718.53.

A. Charles S. Caldwell, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

D. (6) $386.35.

A. David G. Calkins, 15 Computer Drive West, Albany, N.Y. 12205.

B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.

D. (6) $88. E. (9) $12.50.

A. James R. Calloway, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

B. Northrop Corp., 1701 North Fort Myer Drive, No. 1208, Arlington, Va. 22209.

D. (6) $500. E. (9) $150.

A. Victoria R. Calvert, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,400.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.

B. Cataphote Division, Ferro Corp., et al.

D. (6) $5,499.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.

B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.

D. (6) $4,000.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.

B. LFE Corp., 1601 Trapelo Road, Waltham, Mass. 02154; and Safetran Systems Corp., 7721 National Turnpike, Louisville, Ky. 40214.

D. (6) $3,750.

A. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. LeRoy T. Carlson, Jr., Telephone and Data Systems, Inc., 79 W. Monroe Street, Chicago, Ill. 60603.

B. Telephone and Data Systems, Inc., 79 W. Monroe Street, Chicago, Ill. 60603.

A. Peter Carlson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,875. E. (9) $574.53.

A. Anthony P. Carnevale, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $11,250. E. (9) $609.51.

A. Charles T. Carroll, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $500.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.

B. Kansas Delaware Tribe Indians, Inc., 1909 Aladdin, Norman, Okla. 73609.

D. (6) $93.75. E. (9) $.30.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.

B. Slurry Transport Association, 490 L'Enfant Plaza East Suite 320, Washington, D.C. 20024.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.

B. Wabanex Energy Corp., Ltd., 759 Victoria Square, Montreal, Quebec H2Y 2K4 Canada.

D. (6) $406.25. E. (9) $50.94.

A. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

E. (9) $3,027.50.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.

B. RCA, 1901 North Moore Street, Arlington, Va.; United Technologies, 1125 15th Street NW., Washington, D.C.; Grumman Corp., 1600 Wilson Boulevard, Arlington, Va.; and Martin Marietta Corp., Rockville, Md.

D. (6) $1,200.

A. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Central States Resource Center, P.O. Box 477, Urbana, Ill. 61801.

D. (6) $8,610. E. (9) $3,635.93.

A. Central Station Electrical Protection Association, 1000 Vermont Avenue NW., Washington, D.C. 20005.

A. Donald E. Channell, 1819 H Street NW., Suite 1050, Washington, D.C. 22044.

B. Society of Military Widows, 7484 University Avenue, La Mesa, Calif.

D. (6) $1,200.

A. Yvonne M. Chicoine, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. The American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $5,374.68. E. (9) $34.50.

A. Citizen Inflation Fighters, Inc., P.O. Box 617, Naples, Fla. 33940.

D. (6) $6,209.83. E. (9) $3,828.

A. Anne Harrison Clark, Population Resource Center, Inc., 110 Maryland Avenue NE., Washington, D.C. 20002.

B. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.

D. (6) $1,272. E. (9) $325.

A. Clean Water Action Project, 1341 G Street NW., Suite 200, Washington, D.C. 20005.

D. (6) $47,982. E. (9) $1,761.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Australian Meat & Livestock Corp., One World Trade Center, New York, N.Y. 10048.

E. (9) $83.64.

A. The Coalition for Full Nuclear Insurance, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $5,830.70. E. (9) $5,830.70.

A. Coalition of Concerned Charities, in care of Annette Gnospelius, 1776 F Street NW., Suite 200, Washington, D.C. 20006.

D. (6) $800.

A. Jerry S. Cohen, Suite 708, 1776 K Street NW., Washington, D.C. 20006.

B. National Congress of Petroleum Retailers, Suite 303, 2021 K Street NW., Washington, D.C.

D. (6) $3,000.

A. Cohen & Uretz, 1775 K Street NW., fourth floor, Washington, D.C. 20036.

B. Estate of W. R. Lovett, Post Office Box 149, Jacksonville, Fla. 32201.

D. (6) $4,291. E. (9) $50.

A. Timothy A. Colcord, Visa U.S.A., Inc., 1620 I Street NW., Washington, D.C. 20006.

B. Visa U.S.A. Inc., 300 Clearview Way, San Mateo, Calif. 94403.

D. (6) $6,875. E. (9) $1,658.52.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $8,493.70.

A. Frank Collins, Oil, Chemical & Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) $2,000.

A. William P. Collins, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $2,692.31. E. (9) $782.59.

A. Committee for Do-It-Yourself Household Moving, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Committee for 806.30 and 807, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

D. (6) $27,582.51. E. (9) $17,409.72.

A. Committee Urging Regulatory Reform for Efficient National Trucking, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

D. (6) $2,500.

A. Community Nutrition Institute, 1146 19th Street NW., Washington, D.C. 20036.

E. (9) $321.52.

A. Stephen R. Conafay, 1700 Pennsylvania Avenue NW., No. 580, Washington, D.C. 20006.

B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

D. (6) $400. E. (9) $720.19.

A. Consolidated Edison Co. of N.Y., Inc., 4 Irving Place, New York, N.Y. 10003.

E. (9) $406.26.

A. Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.

E. (9) $2,425.20.

A. Cook, Purcell, Hansen & Henderson, 1735 K Street NW., Washington, D.C. 20006.

B. CSR, Limited, Sydney, Australia.

D. (6) $1,250. E. (9) $192.33.

A. Cook, Purcell, Hansen & Henderson, 1735 K Street NW., Washington, D.C. 20006.

B. Iowa Beef Processors, Inc., Dakota City, Nebr. 68731.

D. (6) $7,500. E. (9) $764.94.

A. Edward Cooney, Food Research and Action Center, 2011 Eye Street NW., Suite 700, Washington, D.C. 20006.

B. Food Research and Action Center, 2011 Eye Street NW., Suite 700, Washington, D.C. 20006.

D.(6) $2,177.37. E. (9) $33.32.

A. John McD. Corn, Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina Del Rey, Calif. 90291.

B. Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina Del Ray, Calif. 90291.

E. (9) $566.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.

B. Penthouse International Ltd., 1707 H Street NW., Washington, D.C. 20006.

D. (6) $8,750. E. (9) $6,180.

A. Clark R. Cosse III, 5644 Hawthorne Place, New Orleans, La. 70124.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $7,050.

A. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

E. (9) $300.

A. Council For Inter-American Security, Inc., 304 4th Street NE., Washington, D.C.
D. (6) $169,965. E. (9) $2,779.38.

A. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
E. (9) $9,566.14.

A. Council for Rural Development, c/o Greater Boston Development Inc., One Boston Place, Boston, Mass. 02108.
D. (6) $3,000. E. (9) $3,000.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $4,000. E. (9) $500.

A. James H. Cromwell, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $500.

A. Douglas A. Crowley, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Barry M. Cullen, International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $125.

A. Culp, Dwyer, Guterson & Grader, 1300 Hoge Building, Seattle, Wash. 98104.
B. Pacific Northwest Utilities Conference Committee, 1151 Valley Mall Parkway, East Wenatchee, Wash. 98801.
D. (6) $8,456.89. E. (9) $15,072.28.

A. William Cunningham, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $774. E. (9) $67.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., No. 340, Washington, D.C. 20006.
B. American Importers Association, 11 West 42d Street, New York, N.Y. 10036.
D. (6) $7,500. E. (9) $415.54.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $7,708.

A. John L. Davidson, Jr., The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63101.
B. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63101.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. American Bus Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,500.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $3,125.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Hormel Foundation, Austin, Minn. 55912.

A. Dealer Bank Association, 1800 K Street NW., Suite 1014, Washington, D.C. 20006.
D. (6) $7,889.15. E. (9) $7,889.15.

A. Brian Deery, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, Inc., 1957 E Street NW., Washington, D.C. 20006.

A. Law Offices of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.
B. Cargill Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $3,715.29.

A. Law Offices of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.
B. Cargill Leasing Corp., 15407 McGinty Road, Minnetonka, Minn.
D. (6) $1,708.98.

A. Law Offices of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.
B. Guam Chamber of Commerce, 107 ADA Plaza Center, Agana, Guam, U.S.A. 96910.
D. (6) $4,607.12.

A. Law Offices of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.
B. Continental Grain Co., 277 Park Avenue, New York, N.Y. 10017.

A. Law Offices of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.
B. Dynamic Instrument Corp., 933 Long Island Parkway, Hauppauge, N.Y. 11787.

A. Law Offices of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.
B. Leslie Salt Co., P.O. Box 364, Newark, Calif. 94560.
D. (6) $7,227.37.

A. Law Offices of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.
B. Trade Adjustment Assistance Coordinating Committee.
D. (6) $250.

A. Cartha D. DeLoach, PepsiCo, Inc., 700 Anderson Hill Road, Purchase, N.Y.
B. PepsiCo, Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577.
D. (6) $215.

A. Garry DeLoss, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington D.C. 20003.
D. (6) $2,250. E. (9) $226.70.

A. Detroit Edge Tool Co., 6570 East Nevada, Detroit, Mich. 48234.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Government of Liberia, Monrovia, Liberia.
D. (6) $220.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. L–5 Society, 1620 North Park, Tucson, Ariz. 85719.
D. (6) $1,305.

A. Timothy V. A. Dillon, 1850 K Street NW., No. 380, Washington, D.C. 20006.
B Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $1,593.08. E. (9) $93.08.

A. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
E. (9) $4,341.15.

A. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association AFL–CIO, 444 North Capitol Street, Suite 800, Washington, D.C. 20001.
E. (9) $3,717.

A. John D. Doherty, Jr., 900 17th Street NW., Washington, D.C. 20006.
B. Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10081.
D. (6) $550. E. (9) $64.71.

A. Hollis M. Dole, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 525 South Flower Street, Los Angeles, Calif. 90071.

A. Julie Domenick, Municipal Labor Committee, 818 18th Street NW., Suite 750, Washington, D.C. 20006.
B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
D. (6) $9,125.09. E. (9) $1,656.19.

A. Domestic Petroleum Council, 1101 Connecticut Avenue NW., Washington, D.C.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $5,000. E. (9) $48,789.36.

A. Frank Domurad, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $600.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. CSR, Ltd., Sydney, Australia.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Iowa Beef Producers, Inc., Dakota City, Nebr. 68731.

A. Morgan Downey, American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
B. American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
D. (6) $5,888. E. (9) $35.

A. John C. Doyle, Jr., Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington D.C. 20003.
D. (6) $1,500.

A. Jeffrey M. Duke, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $250.

A. R. Ken Dyar, 1620 Southeast 127th Avenue, Vancouver, Wash. 98664.
B. Central Lincoln People's District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. George Hackney Eatman, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $6,500. E. (9) $853.19.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. Cherokee Nation, P.O. Box 119, Tahlequah, Okla. 74464.
D. (6) $950. E. (9) $520.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. Doss Aviation, Inc., P.O. Box 725, Fort Rucker, Ala. 36360.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. Oklahoma Association of Electric Co-ops, P.O. Box 11047, Oklahoma City, Okla. 73111.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. U.S. Maritime Committee, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

A. Clifford E. Edwards, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. William A. Edwards, 250 Old Country Road, Mineola, N.Y. 11501.
B. Long Island Lighting Co., 250 Old Country Road, Mineola, N.Y. 11501.
D. (6) $6,000. E. (9) $525.22.

A. Charles E. Ehrhart, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. Phyllis Eisen, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $138.

A. Adelaide K. Eisenmann, 607 G Street SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights, 5700 Southwest 59th Court, Miami, Fla. 33143.

A. Richard Eisenmann, 607 G Street SW., Washington. D.C. 20024.
B. Panamanian Committee for Human Rights, 5700 Southwest 59th Court, Miami, Fla. 33143.
E. (9) $287.82.

A. John Ellis, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,394.28. E. (9) $517.69.

A. Christopher Engquist, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
E. (9) $31,162.03.

A. Episcopal Immigration Services, 4201 Via Marina No. 167, Marina Del Rey, Calif. 90291.
D. (6) $566. E. (9) $566.

A. Herb Epstein, Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.
B. Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.
D. (6) $2,643.08.

A. Jerry N. Ervin, Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $26.35.

A. John T. Estes, Allied Chemical Corp., 1150 Conecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R Morristown, N.J. 07960.
D. (6) $500. E. (9) $673.09.

A. Fawn K. Evenson, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $3,000. E. (9) $272.46.

A. George W. Falltrick, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $840. E. (9) $1,200.

A. Michael I. Fanning, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Federal Express Corp., P.O. Box 727, Memphis, Tenn. 38194.
E. (9) $37,366.82.

A. Joseph D. Feeney, 222 South Riverside Plaza, Suite 1200, Chicago, Ill. 60606.
B. Western Railroad Association, 222 South Riverside Plaza, Suite 1200, Chicago, Ill. 60606.
D. (6) $1,255.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Northwest Alaska Pipeline Co., P.O. Box 1526, Salt Lake City, Utah 84110.
E. (9) $55.71.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. State of Alaska, Department of Revenue, Pouch S, Juneau, Alaska, 99811.
E. (9) $54.50.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. U.S. Borax & Chemical Corp., 3075 Wilshire Boulevard, Los Angeles, Calif. 90010.
E. (9) $278.56.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $4,382. E. (9) $13.

A. 5th Pro-Life Congressional District Action Committee, c/o John Kelley, 1120 Michigan Boulevard, Dunedin, Fla. 33528.
D. (6) $25.50. E. (9) $15.30.

A. Matthew H. Finucane, 1223 DuPont Circle Building, Washington, D.C. 20036.
B. Center for Auto Safety, 1223 DuPont Circle Building, Washington, D.C. 20036.
D. (6) $132. E. (9) $13.20.

A. First Pro-Life Congressional District Action Committee, 10 North 77th Avenue, Pensacola, Fla. 32506.
D. (6) $60.

A. Fisheries Development Corp., 17 Battery Place, New York, N.Y. 10004.
E. (9) $885.

A. Charles L. Fishman, 633 East Capitol Street, Washington, D.C. 20003.
B. Westinghouse Corp., 1801 K Street NW., Washington; and State of Alaska, 338 Denoli Street, Anchorage, Alaska 99501.
D. (6) $23,975. E. (9) $6,000.

A. Mark Fitzgerald, 15th & M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.
D. (6) $7,673.09. E. (9) $1,557.03.

A. T. E. Fitzgerald, Jr., HFC, 18913 Quail Valley Boulevard, Gaithersburg, Md. 20760.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $2,197. E. (9) $965.40.

A. James H. Fitzpatrick, Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
D. (6) $267. E. (9) $236.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.
B. Energy Action Educational Foundation, 1523 L Street NW., Suite 302, Washington, D.C.
D. (6) $232.60.

A. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
E. (9) $15,334.71.

A. Dave Forman, The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $879.15. E. (9) $77.

A. Robert U. Foster, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $10,000. E. (9) $284.

A. Albert A. Fox, Allied Chemical Corp., 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.

D. (6) $400. E. (9) $30.

A. J. Dee Frankfourth, P.O. Box 403, Eagle River, Alaska 99577.

B. Alaska Coalition, 530 Seventn Street SE., Washington, D.C. 20003.

D. (6) $2,250. E. (9) $230.77.

A. George Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.

B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.

A. George Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $102.50. E. (9) $5.

A. Charles L. Frazier, National Farmers Organization, 475 L'Enfant Plaza SW., No. 2250, Washington, D.C. 20024.

B. National Farmers Organization, Corning, Iowa 50841.

D. (6) $2,925. E. (9) $3,027.10.

A. Donald A. Frederick, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,200.

A. David W. Freer, Western Oil & Gas Association, 2101 L Street NW., Washington, D.C. 20037.

B. Western Oil & Gas Association, 727 West 7th Street, Suite 850, Los Angeles, Calif. 90017.

D. (6) $825.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue, Suite 1000, Washington, D.C. 20037.

B. Automotive Dismantlers & Recyclers of America, 1000 Vermont Avenue, Washington, D.C. 20006.

E. (9) $342.65.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Beth Israel Medical Center, 10 Nathan Perlman Place, New York, N.Y. 10003.

E. (9) $58.55.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Center for Research Libraries, 5721 Cottage Grove Avenue, Chicago, Ill. 60637.

E. (9) $68.40.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Dr. Halla Brown, 2475 Virginia Avenue NW., Washington, D.C. 20037.

E. (9) $231.82.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Nez Perce Tribe, Lapwai, Idaho.

D. (6) $553. E. (9) $63.95.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Southern Brooklyn Community Organization, Borough Park Community Development Corp., 4520 18th Ave., Brooklyn, N.Y. 11204.

E. (9) $9.

A. Joseph B. Friedman, 810 18th Street NW., Washington, D.C. 20006.

B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006. (For: Republic of the Philippines)

A. Owen V. Frisby, Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10081.

D. (6) $560. E. (9) $78.14.

A. Robert D. Fritz, Brotherhood of Railway, Airline & Steamship Clerks. Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $3,360. E. (9) $4,800.

A. Full Employment Action Council, 815 15th Street NW., Suite 516, Washington, D.C. 20005.

D. (6) $5,000. E. (9) $23,648.39.

A. Nancy H. Fussell, Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $290. E. (9) $854.97.

A. Gailor, Elias & Matz, 700 E Street SE., Washington, D.C. 20003.

B. National Association of State Savings & Loan Supervisors, 1001 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

D. (6) $1,389. E. (9) $88.95.

A. Patricia Gallagher, National Newspaper Association, 1627 K Street NW., No. 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., No. 400, Washington, D.C. 20006.

D. (6) $1,500. E. (9) $15.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70002.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $1,658.49.

A. Marie Gavigan, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John Gentille, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Claire M. Geoghegan, 415 Second Street NE., Washington, D.C. 20002.

B. Ad-Hoc Committee for Competitive Telecommunications, 415 Second Street NE., Washington, D.C. 20002.

D. (6) $10,615.38.

A. Llewellyn H. Gerson, North Washington at Madison, Alexandria, Va. 22314.

B. United Fresh Fruit and Vegetable Association, North Washington at Madison, Alexandria, Va. 22314.

D. (6) $92.26. E. (9) $28.53.

A. Neal P. Gillen, American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.

B. American Cotton Shippers Association, 1707 L St. NW., Suite 460, Washington, D.C. 20036.

D. (6) $15,000. E. (9) $1,197.83.

A. Vernie R. Glasson, American Farm Bureau Federation, 425-13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $5,167. E. (9) $47.

A. Claude R. Glaze, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $1,260. E. (9) $1,800.

A. The Glenmede Trust Co., 229 South 18th Street, Philadelphia, Pa. 19103.

A. Judith M. Goff, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $470.

A. Alfonso J. Gonzalez, National Association of Social Workers, 1425 H Street NW., Suite 600, Washington, D.C. 20005.

B. National Association of Social Workers, 1425 H Street NW., Suite 600, Washington, D.C. 20005.

D. (6) $9,000. E. (9) $620.

A. Brenda J. Gore, LTV Corp., 1155 15th Street NW., Washington, D.C. 20005.

B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 74222.

D. (6) $500.

A. Peter J. Gossens, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $10,130.94. E. (9) $183.63.

A. John S. Gottschalk, 1412 16th Street NW., Washington, D.C. 20036.

B. International Association of Fish and Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.

D. (6) $2,500. E. (9) $57.58.

A. Donald E. Graham, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $3,550.

A. John K. Gram, Public Timber Purchasers Group, 714 Oregon Bank Building, Portland, Oreg. 97204.

B. Public Timber Purchasers Group, 714 Oregon Bank Building, Portland, Oreg. 97204.

D. (6) $1,650. E. (9) $361.79.

A. Edward Shawn Grandis, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $900. E. (9) $128.75.

A. Gerald L. Grant, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. Keefe Co. (for: Knoxville International Energy Exposition), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $3,000. E. (9) $926.93.

A. Gerald L. Grant, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. Keefe Co. (for: Northern State Power), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $3,000. E. (9) $277.43.

A. Great Western Sugar Co., P.O. Box 5308 T.A., Denver, Colo. 80217.
E. (9) $5,708.35.

A. James R. Greco, Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.
B. Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex.
E. (9) $800.

A. Wayne Green, 73 Magazine, Peterborough, N.H. 03458.
B. 73 Inc., Peterborough, N.H. 03458.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Aetna Life & Casualty, 151 Farmington Road, Hartford, Conn. 06115.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Connecticut General Insurance Co., Hartford, Conn. 06115.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Eli Lilly & Co., 307 East McCarty Street, Indianapolis, Ind. 46206.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
E. (9) $300.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.
E. (9) $75.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J. 07101.
E. (9) $35.

A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.
B. American Academy of Dermatology, 820 Davis Street, Evanston, Ill. 60201.
D. (6) $320. E. (9) $34.77.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.
B. American Gastroenterological Association, care of Charles Slack, Inc., Thorofare, N.J. 08086.
D. (6) $520. E. (9) $50.80.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.
B. MEGO, International, 41 Madison Avenue, New York, N.Y. 10010.
D. (6) $720. E. (9) $221.70.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.
B. National Association of Hospital Development, 1700 K Street NW., Suite 605, Washington, D.C. 20006.
D. (6) $470. E. (9) $125.40.

A. Gun Owners Of America, Inc., 101 S. Whiting Street, Alexandria, Va. 22301.
D. (6) $55,471.38. E. (9) $68,676.60.

A. Charles W. Hackney, Jr., National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $7,168.25. E. (9) $446.02.

A. Charles T. Hagel, The Firestone Tire & Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.
B. The Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.
D. (6) $5,000. E. (9) $352.23.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. Kansas Grain & Feed Dealers Association, 1722 North Plum, Hutchison, Kans. 67501.
E. (9) $413.18.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. John B. Hallagan, 400 North Barton Street, Arlington, Va. 22201.
B. American Ivory Association, 400 North Barton Street, Arlington, Va. 22201.
D. (6) $3,335. E. (9) $1,881.36.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.
B. Sydney S. Baron & Co., Inc., 540 Madison Avenue, New York, N.Y. 10022 (for Coordination Council For North American Affairs, Taiwan).
D. (6) $1,000. E. (9) $370.

A. Jerald V. Halvorsen, Allied-General Nuclear Services, 1150 Connecticut Avenue NW., Suite 702, Washington, D.C. 20036.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.
E. (9) $258.

A. Martin G. Hamberger, R.D. 3, Glen Rock, Pa. 17327.
B. PEN, Inc., 5013 Central Avenue, St. Petersburg, Fla. 33710.
D. (6) $500. E. (9) $300.

A. Robert N. Hampton, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,856.

A. Nolan W. Hancock, Oil, Chemical and Atomic Workers International Union, 1126 16th Street, Washington, D.C. 20036.
B. Oil, Chemical and Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $3,875.

A. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $185,332.86. E. (9) $21,748.24.

A. Donald K. Hanes, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $540.

A. Harris, Beach, Wilcox, Rubin & Levey, Two State Street, Rochester, N.Y. 14614; 1730 M Street NW., Washington, D.C. 20036.
B. United Societies of Physiotherapists, Inc., 950 Franklin Avenue, Garden City, N.Y. 11530.
D. (6) $1,814. E. (9) $469.14.

A. Richard H. Hart, Jr., Food Research & Action Center, 2011 I Street NW., No. 700, Washington, D.C. 20006.
B. Food Research & Action Center, 2011 I Street NW., No. 700, Washington, D.C. 20006.

A. Robert T. Hayden, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $5,129.97.

A. Daniel R. Helmick, 1625 I Street NW., Room 301, Washington, D.C. 20006.
B. Columbia Gas Distribution Cos., 99 North Front Street, Columbus, Ohio 43215.
D. (6) $3,315.13. E. (9) $106.07.

A. Thomas R. Hendershot, Obermayer, Rebmann, Maxwell & Hippel, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. Petroleum Heat and Power Co., 3000 Peltz Street, Philadelphia, Pa. 19145.
D. (6) $2,712.

A. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
E. (9) $9,605.

A. Esther Herst, 1343 F Street NE., Washington, D.C. 20002.
B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $3,055. E. (9) $2,680.46.

A. William R. Hesse, American Association of Advertising Agencies, 1899 L Street NW., Suite 700, Washington, D.C. 20036.
B. American Association of Advertising Agencies, 200 Park Avenue, Pan Am Building, New York, N.Y. 10017.
D. (6) $2,500. E. (9) $750.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue, Suite 505, Washington, D.C. 20036.
B. The Keefe Co. (for American Family Life Assurance Co.), 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $3,750. E. (9) $456.70.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.
B. The Keefe Co. (for Cordage Institute), 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $3,375.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.
B. The Keefe Co. (for Northern State Power), 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $149.72.

A. Dave Hill, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,125. E. (9) $49.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.
B. Vought Corp., Dallas, Tex.
D. (6) $3,600. E. (9) $280.

A. Ralph W. Hoar, Jr., 3235 Highwood Drive SE., Washington, D.C. 20020.

B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

D. (6) $7,000. E. (9) $4, 814.49.

A. Charles L. Hoebel, Carrier Corp., Suite 510, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Carrier Corp., Carrier Tower, Box 4800, Syracuse, N.Y. 13221.

D. (6) $3,300. E. (9) $1,005.

A. Glen D. Hofer, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NE., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,044.

A. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

E. (9) $1,700.

A. D. Jeffrey Hollingsworth, American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. The American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $3,118.60.

A. John Hooper, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $2,380.88. E. (9) $39.

A. John F. Horty, 1735 I Street NW., Suite 710, Washington, D.C. 20006.

B. National Council of Community Hospitals, 1735 I Street NW., Suite 710, Washington, D.C. 20006.

A. Hospital Association of New York State, 15 Computer Drive W., Albany, N.Y. 12205.

D. (6) $1,015. E. (9) $1,015.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Clifford T. Howlett, Jr., Georgia-Pacific Corp., 1875 I Street NW., Washington, D.C. 20006.

B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.

A. Karetta B. Hubbard, National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

A. Royston C. Hughes, 1415 Sharps Point Road, Annapolis, Md. 21401.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

D. (6) $12,000. E. (9) $1,012.37.

A. Craig R. Hume, Hill & Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Richard M. Hunt, NL Industries, Inc., 1150 Connecticut Avenue NW., Suite 1009, Connecticut Building, Washington, D.C. 20036.

B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.

D. (6) $2,000.

A. Robert C. Hunt, 1750 Old Meadow Road, McLean, Va. 22102.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. Lester S. Hyman, Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Tosco Corp., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $759.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Suite 203, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

D. (6) $90,371. E. (9) $53,985.32.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $2,720.50. E. (9) $2,720.50.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $15,216.38. E. (9) $15,216.38.

A. Institute of Foreign Bankers, 200 Park Avenue, Suite 303, Room 23, New York, N.Y. 10017.

D. (6) $500. E. (9) $500.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) $17,117.70.

A. International Association of Trade Exchanges, 5001 Seminary Road, No. 310, Alexandria, Va. 22311.

A. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.

E. (9) $3,875.

A. John D. Isaacs, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.

B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.

D. (6) $4,335.34.

A. Walter K. Jaenicke, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $5,000. E. (9) $999.15.

A. Margo L. James, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $2,525. E. (9) $28.95.

A. Herbert N. Jasper, 415 Second Street NE., Washington, D.C. 20002.

B. Ad-Hoc Committee for Competitive Telecommunications, 415 Second Street NE., Washington, D.C. 20002.

D. (6) $20,249.98.

A. Philip F. Jehle, SmithKline Corp., 1150 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

B. SmithKline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.

D. (6) $100. E. (9) $100.

A. Nicholas Johnson, Box 19101, Washington, D.C. 20036.

B. National Citizens Communications Lobby, Box 19101, Washington, D.C. 20036.

A. David Johnston, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, Inc., 1957 E Street NW., Washington, D.C. 20006.

A. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

D. (6) $17,431.97. E. (9) $17,431.97.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $961.36.

A. Ernest W. Jones, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. H. Richard Kahler, 1850 K Street NW., Suite 925, Washington, D.C. 20006.

B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

D. (6) $2,500. E. (9) $2,530.71.

A. Gary Paul Kane, National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

D. (6) $8,783.67. E. (9) $484.50.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $600.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for American Family Life Assurance Co.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $3,750.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for the Cordage Institute), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $3,375. E. (9) $860.24.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Knoxville International Energy Exposition (KIEE), 1625 Massachusetts Avenue NW., No 505, Washington, D.C. 20036.

D. (6) $5,000.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for National Coal Consumers Alliance), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $4,000.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

B. The Keefe Co. (for Westinghouse Electric Corp.), 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $12,000. E. (9) $14.

A. Keiki Kehoe, 317 Pennsylvaia Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $3,000. E. (9) $15.20.

A. Candace Keller, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc. 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $237.50.

A. Paul J. Kelley, 2727 North Central Avenue, Phoenix, Ariz. 85004.

B. U-Haul International, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.

D. (6) $2,500. E. (9) $2,536.25.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $7,000. E. (9) $600.

A. William J. Kenney, 1140 Connecticut Avenue NW., No. 400, Washington, D.C. 20036.

B. American Mercantile Co., 369 Pine Street, San Francisco, Calif. 94104.

A. William J. Kenney, 1140 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. Arlington Trust Co., P.O. Box 688. Lawrence, Mass. 01842.

D. (6) $5,920. E. (9) $6,389.

A. William J. Kenney, 1140 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. Bay State Gas Co., 120 Royall Street, Canton, Mass. 02021.

D. (6) $1,940. E. (9) $4,056.

A. William J. Kenney, 1140 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. Borinquen Fisheries, Ltd., 17 Varick Street, New York, N.Y. 10013.

E. (9) $16,178.93.

A. William J. Kenney, 1140 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. Taiyo Fishery Co., Ltd., 277 Park Avenue, New York, N.Y. 10017.

A. Roberta D. Kimball, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $31.17.

A. Sally Ann Kirkpatrick, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

D. (6) $5,300. E. (9) $136.75.

A. Jeff Kirsch, Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $251.26. E. (9) $3.85.

A. Donald R. Kirtley, Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

D. (6) $400.

A. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio.

E. (9) $3,824.11.

A. James S. Krzyminski, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $560.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Hampshire Project, 3154 East Hampshire Street, Milwaukee, Wis. 53211.

E. (9) $66.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Standard Oil of California, 225 Bush Street, San Francisco, Calif. 94104.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Vail & Vickers, 123 West Padre Street, Santa Barbara, Calif. 93105.

E. (9) $5.

A. Louis F. Laun, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Dennis Lavallee, National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

B. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

D. (6) $100. E. (9) $29.25.

A. George H. Lawrence, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $200.

A. Susannah Lawrence, Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.

B. Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.

D. (6) $996.17.

A. Ivan L. Lawyer, GCC Beverages, Inc., 7777 Northwest 41st Street, Miami, Fla. 33166.

B. GCC Beverages, Inc., 7777 Northwest 41st Street, Miami, Fla. 33166.

D. (6) $14,500. E. (9) $2,634.23.

A. John Henry Leach, II, P.O. Box 11125, Santa Ana, Calif. 92711.

B. Let the People Be Heard Committee, P.O. Box 11125, Santa Ana, Calif. 92711.

A. David A. Leff, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

D. (6) $1,144.90.

A. Legislative Associates, Inc., 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

B. North American Telephone Association, 1030 15th Street NW., Suite 360, Washington, D.C. 20005.

D. (6) $24,250. E. (9) $1,106.70.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. American Psychoanalytic Association, 1 East 57th Street, New York, N.Y. 10022.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.

D. (6) $1,000. E. (9) $120.

A. Leighton, Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Savings Banks Association of Massachusetts, 50 Congress Street, Boston, Mass. 02109.

D. (6) $1,500. E. $95.

A. Kaye C. Leonard, 918 16th Street NW., Suite 402, Washington, D.C. 20006.

B. Southern Furniture Manufacturers Association, 918 16th Street NW., Suite 402, Washington, D.C. 20006.

D. (6) $5,555.

A. LeSourd, Patten, Fleming, Hartung & Emory, 3900 Seattle-First National Bank Building, Seattle, Wash. 98154.

B. General Teamsters Local 959, State of Alaska, P.O. Box 2092, Anchorage, Alaska 99510.

D. (6) $30.

A. LeSourd, Patten, Fleming, Hartung & Emory, 3900 Seattle-First National Bank Building, Seattle, Wash. 98154.

B. Housing Authority of the City of Seattle, 120 Sixth Avenue North, Seattle, Wash. 98109.

D. (6) $1,501.

A. S.R. Levering, 245 Second Street NE., Washington, D.C. 20002.

B. U.S. Committee for the Oceans, 245 Second Street NE., Washington, D.C. 20002.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street, Suite 1400, St. Louis, Mo. 63101.

B. Paine, Webber, Jackson & Curtis, 555 S. Flower Street, Los Angeles, Calif. 90071.

D. (6) $10,000. E. (9) $745.80.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street, Suite 1400, St. Louis, Mo. 63101.

B. St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63101.

D. (6) $160. E. (9) $107.94.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $2,500. E. (9) $1,200.

A. Russell B. Light, The Boeing Co., 1700 North Moore Street, 20th Floor, Rosslyn, Va. 22209.

B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $40. E. (9) $16.

A. Nira Hardon Long, 1800 M Street NW., Suite 880 South, Washington, D.C. 20036.

B. City of Los Angeles, Los Angeles, Calif. 90012.

D. (6) $5,625.

A. Suellen Lowry, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

D. (6) $2,930.47.

A. Lucas, Friedman & Mann, 810 18th Street NW., No. 202, Washington, D.C. 20006.

B. Coushatta Tribe of Louisiana, % Ernest Sickey, Elton, La. 70532.

A. Lucas, Friedman & Mann, 810 18th Street NW., No. 202, Washington, D.C. 20006.

B. Republic of the Philippines.

A. Barbara A. Ludden, 1435 G Street NW., Suite 935, Washington, D.C. 20005.

B. American National Standards Institute, Inc., 1430 Broadway, New York, N.Y. 10018.

E. (9) $232.85.

A. Samuel A. Mabry, Hercules, Inc., 1800 K Street NW., Washington, D.C. 20006

B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

D. (6) $3,600. E. (9) $739.63.

A. Management Improvement Corp. of America, 617 Morehead Avenue, Durham, N.C. 27707.

E. (9) $4,500.

A. Manatt, Phelps, Rothenberg & Tunney, 1875 I Street NW., Suite 545, Washington, D.C. 20006.

B. PennCorp Financial, Inc., 3130 Wilshire Boulevard, Santa Monica, Calif. 90406.

D. (6) $75. E. (9) $50.

A. Manatt, Phelps, Rothenberg & Tunney, 1875 I Street NW., Suite 545, Washington, D.C. 20006.

B. World Oil, 1017 North LaCienega Boulevard, Los Angeles, Calif. 90069.

D. (6) $450. E. (9) $400.

A. James H. Mann, 810 18th Street NW., Washington, D.C. 20006.

B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.

B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. Robert V. Mariani, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th St. NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Streamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $2,100. E. (9) $3,000.

A. John C. Marlin, 307 West Nevada, Urbana, Ill. 61801.

B. Central States Resource Center, P.O. Box 477, Urbana, Ill. 61801.

D. (6) $2,626.66. E. (9) $146.97.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md. 20659.

B. Jacksonville Transportation Authority, P.O. Box 5150, Jacksonville, Fla. 32207.

D. (6) $2,666.66. E. (9) $39.55.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md. 20659.

B. Martin Marietta Aerospace, 6801 Rockledge Drive, Bethesda, Md. 20034.

D. (6) $2,800. E. (9) $118.11.

A. Albert E. May, Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

D. (6) $555. E. (9) $0.97.

A. Nancy Fifield McConnell, American Parents Committee, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,732.

A. John L. McCormick, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,250.

A. James W. McDade, McDade & Lee, 1130 17th Street NW., Washington, D.C. 20036.

B. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.

E. (9) $200.

A. Edward T. McDonald, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $2,520. E. (9) $3,600.

A. Gregory E. McGowan, The Firestone Tire & Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.

B. The Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.

D. (6) $3,500. E. (9) $435.40.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $13,062. E. (9) $257.34.

A. Joseph M. McGuire, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $3,483.17. E. (9) $6.45.

A. Robert S. McIntyre, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

D. (6) $937.50.

A. John McNally, Clean Water Action Project, 1341 G Street NW., No. 200, Washington, D.C. 20005.

B. Clean Water Action Project, 1341 G Street NW., No. 200, Washington, D.C. 20005.

D. (6) $720. E. (9) $25.

A. Nanine Meiklejohn, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $166.65.

A. Ted H. Meredith, 6030 Warwick Court, New Orleans, La. 70114.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $3,219.39.

A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Foss Launch & Tug Co., Foss Alaska Line, 660 West Ewing Street, Seattle, Wash. 98119.

E. (9) $61.31.

A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Pacific Cruise Conference, 311 California Street, San Francisco, Calif. 94104.

E. (9) $42.15.

A. F. A. Meister, Jr., 1611 North Kent Street, Arlington, Va. 22209.

B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.

D. (6) $350. E. (9) $15.

A. George G. Mead, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $56.04.

A. Migrant Legal Action Program, 806 15th Street NW., Washington, D.C. 20005.

D (6) $94,605.94. E. (9) $20,328.79.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.

D. (6) $525.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

D. (6) $2,000.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Lincoln National Life Insurance Co., 1301 South Harrison Street, Fort Wayne, Ind. 46801.

D. (6) $900.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Lockheed Corp., Burbank, Calif. 91520.

D. (6) $8,805.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Outdoor Amusement Business Association, 4600 West 77th Street, Minneapolis, Minn. 55435.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Trans-Alaska Pipeline Liability Fund, 601 West Fifth Avenue, Suite 700, Anchorage, Alaska 99501.

D. (6) $1,500.

A. Deborah Imle Miller, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $2,221.15. E. (9) $302.56.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20035.

D. (6) $4,500. E. (9) $340.

A. Joseph S. Miller, District No. 1, Pacific Coast District, MEBA, 444 North Capitol Street, Suite 800, Washington, D.C. 20001.

B. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, 444 North Capitol Street, Suite 800, Washington, D.C. 20001.

D. (6) $1,750. E. (9) $908.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.

B. O. & C. Counties Association, Route 3, Box 1530, Roseburg, Oreg. 97470.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.

B. Port of Portland, Box 3529, Portland, Oreg. 97208.

D. (6) $600.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.

B. Western Forest Industries Association, 1500 Southwest Taylor, Portland, Oregon. 97205.

D. (6) $3,000. E. (9) $285.

A. Charles W. Mitchell, 4601 Schenley Road, Baltimore, Md. 21210.
B. Wills & Associates, Inc., 36 South Charles Street, No. 903, Baltimore, Md. 21201 (for Americans for Alaska).

A. Donald Craig Mitchell, 1601 F Street, Anchorage, Alaska 99501.
B. Alaska Federation of Natives, 1577 C Street, Suite 304, Anchorage, Alaska 99501.
D. (6) $9,000. E. (9) $593.22.

A. John S. Monagan, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Central Stations Electrical Protection Association, 1000 Vermont Avenue NW., Washington, D.C. 20005.

A. Christopher Monek, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.

A. Christopher M. Mould, 1725 K Street NW., Suite 408, Washington, D.C. 20006.
B. National Board of Young Men's Christian Associations, 291 Broadway, New York, N.Y. 10007.
D. (6) $500.

A. Mountain Fuel Supply Co., 180 East First South Street, Salt Lake City, Utah.
E. (9) $1,533.38.

A. James T. Mular, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,820. E. (9) $2,600.

A. Karen Mulhauser, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $251.52.

A. Daniel J. Mundy, Building and Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
B. Building and Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $22,124.86. E. (9) $3,288.25.

A. Kenneth D. Naden, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,081.

A. Bernard Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Association of Independent Corrugated Converters, 1100 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Bernard Nash, 1015 18th Street, Suite 408, Washington, D.C. 20036.
B. Merck & Co., P.O. Box 2000, Rahway, N.J. 07065.
D. (6) $600. E. (9) $9.

A. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $368,274. E. (9) $40,830.53.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $840. E. (9) $1,041.55.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $32,674. E. (9) $33,209.

A. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $188,675.21. E. (9) $140,586.25.

A. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.
E. (9) $1,010.

A. National Association of Latino Elected and Appointed Officials, Inc. (NALEO), 236 Massachusetts Avenue NE., Suite 603, Washington, D.C. 20002.
D. (6) $15,069. E. (9) $10,966.24.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $429.25. E. (9) $429.25.

A. National Association of Wheat Growers, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
D. (6) $10,365.80. E. (9) $34,602.23.

A. National Board of Young Men's Christian Associations, 291 Broadway, New York, N.Y. 10007.
D. (6) $7,591,194. E. (9) $13,830.39.

A. National Citizens Communication Lobby, Box 19101, Washington, D.C. 20036.
D. (6) $423.00. E. (9) $252.40.

A. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
E. (9) $1,650.

A. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $81,010. E. (9) $65,684.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $8,121.08. E. (9) $4,547.84.

A. National Federation of Business & Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $99,513. E. (9) $7,520.05.

A. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $24,463.51.

A. National Hairdressers & Cosmetologists Association, 3510 Olive Street, St. Louis, Mo. 63103.
D. (6) $1,305.48.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $44,630. E. (9) $86,262.53.

A. National Organization for the Reform of Marijuana Laws (NORML), 2317 M Street NW., Washington, D.C. 20037.
D. (6) $25,714.32. E. (9) $72,719.35.

A. National Rehabilitation Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $4,500.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $51,720. E. (9) $90,930.

A. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $700.24.

A. National Solid Wastes Management Association, 1120 Connecticuit Avenue NW., Suite 930, Washington, D.C. 20036.
E. (9) $1,100.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $5,752.75. E. (9) $5,910.90.

A. National Taxpayers Union, 1521 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $4,707.40. E. (9) $4,707.40.

A. NETWORK, 806 Rhode Island Avenue NE., Washington, D.C. 20018.
D. (6) $18,154.72. E. (9) $26,517.92.

A. E. John Neumann, Baltimore Gas & Electric Co., 1523 L Street NW., No. 500, Washington, D.C. 20005.
B. Baltimore Gas & Electric Co., Gas & Electric Building, P.O. Box 1475, Baltimore, Md. 21203.
D. (6) $562.97. E. (9) $234.69.

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $2,871.13.

A. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
E. (9) $2,193.13.

A. Mary E. Oakes, Hercules, Inc., 1800 K Street NW., Washington, D.C. 20006.
B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $56. E. (9) $85.40.

A. Dallin H. Oaks, Brigham Young University, Provo, Utah 84602.
B. Brigham Young University, Provo, Utah 84602.

A. George O'Bea, Jr., 815 16th Street NW., No. 304, Washington, D.C. 20006.
B. United Paperworkers International Union, 815 16th Street NW., No. 304, Washington, D.C. 20006.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $413.30.

A. Robert A. Olexy, Browning-Ferris Industries, 1023 North Lobdell, Baton Rouge, La. 70806.
B. Browning-Ferris Industries, 1023 North Lobdell, Baton Rouge, La. 70806.
E. (9) $750.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Organization for the Protection and Advancement of Small Telephone Co., 1104 Gary Court, Wheaton, Ill. 60187.
E. (9) $12,337.74.

A. J. Allen Overton, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $950.44. E. (9) $70.40.

A. Barbro Owens, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. William H. Owens, Jr., 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Pacific Northwest Utilities Conference Committee, 1151 Valley Mall Parkway, East Wenatchee, Wash. 98801.
D. (6) $37,516.13. E. (9) $21,722.28.

A. Gerard P. Panaro, Jenkins, Nystrom & Sterlacci, 2033 M Street NW., Suite 504, Washington, D.C. 20036.
B. Retail Bakers of America, Suite 250, 6525 Belcrest Road, Hyattsville, Md. 20782.
D. (6) $2,775. E. (9) $38.52.

A. Sara Lynn Parker, Food Research and Action Center, 2011 I Street NW., No. 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., No. 700, Washington, D.C. 20006.

A. Jack Partridge, Jr., 1014 Vine Street, Cincinnati, Ohio 45201.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.
D. (6) $1,000. E. (9) $599.14.

A. Steve Payne, The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $542.29. E. (9) $331.81.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. AMOCO, Inc., 16th Glenarm, Security Life Building, Denver, Colo. 80202.
D. (6) $280. E. (9) $7.

A. Jack Pearce, Pearce & Brand, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Committee Urging Regulatory Reform for Efficient National Trucking (CURRENT), 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
E. (9) $2,285.01.

A. Jack Pearce, Pearce & Brand, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. USA Petrochem, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
D. (6) $31,741.85. E. (9) $17,205.31.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Alcade, Henderson & O'Bannon, 1901 North Fort Myer Drive, No. 1204, Rosslyn, Va. 22209.
D. (6) $968.75.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Coalition of Concerned Charities, c/o Annette Gnospelius, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $800.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Cold Finished Steel Bar Institute, P.O. Box 5631, Chicago, Ill. 60680.
D. (6) $1,935.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Glenmede Trust Co. (for: Pew Memorial Trust), 1529 Walnut Street, Philadelphia, Pa. 19102.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Harris Corp., Melbourne, Fla. 32919.
D. (6) $1,407.50.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Sun Shipbuilding, Foot of Morton Avenue, Chester, Pa. 19013.
D. (6) $593.75.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. U.S. Cane Sugar Refiners Association, 1001 Connecticut Avenue, Washington, D.C. 20036.
D. (6) $1,418.75.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Western Union Corp., 1 Lake Street, Upper Saddle River, N.J.
D. (6) $9,696.75.

A. Perito, Duerk, Carlson & Pinco, 1140 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.
B. Society of Real Estate Appraisers, 645 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $3,942. E. (9) $71.70.

A. Bert E. Perrigan, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $840. E. (9) $1,200.

A. Richard W. Peterson, Independent Bankers Association of America, 1625 Massachuetts Avenue NW., Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
D. (6) $10,000.

A. Pfizer, Inc., 235 East 42 Street, New York, N.Y. 10017.

A. Henry S. Pflanz, Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.
B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.
D. (6) $1,500. E. (9) $750.

A. Henry S. Pflanz, Pflanz & Associates, 9111 Grandhaven Avenue, Upper Marlboro, Md. 20870.
B. Zantop International Airlines, Inc., Willow Run Airport, Ypsilanti, Mich. 48197.
D. (6) $12,750. E. (9) $544.48.

A. Physicians National Housestaff Association, 1029 Vermont Avenue, Suite 308, Washington, D.C. 20005.
E. (9) $1,364.20.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $3,000.

A. Ronald Pollack, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $5,072.83. E. (9) $77.61.

A. Nathaniel Polster, 2128 Wyoming Avenue, Washington, D.C.
B. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017; Research to Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.
D. (6) $14,950. E. (9) $7,621.26.

A. Judith A. Pond, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $200. E. (9) $104.

A. Robert F. Pontzer, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.
E. (9) $43.20.

A. Population Resource Center, Inc., 622 Third Avenue, New York, N.Y. 10017.
D. (6) $1,132. E. (9) $1,597.

A. Garry C. Porter, 11356 Southeast Black Road, Olalla, Wash. 98359.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

A. John Post, The Business Roundtable, 1801 K Street NW., Suite 821, Washington, D.C. 20006.
B. The Business Roundtable, 200 Park Avenue, New York, N.Y.; and 1801 K Street No. 821, Washington, D.C.
D. (6) $200. E. (9) $40.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,500.

A. John M. Powderly, United Steelworkers of America, 815 Sixteenth Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,714.89.

A. William B. Prendergast, Distilled Spirits Council of the United States. Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
D. (6) $3,000. E. (9) $338.72.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Organization for the Protection & Advancement of Small Telephone Co., 1104 Gary Court, Wheaton, Ill. 60187.
D. (6) $11,662.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. State of Washington, Department of Ecology, Olympia, Wash.
D. (6) $150.

A. Gwenyth Pritchard, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $200.

A. PROD, Inc., 2000 P Street NW., Suite 612, Washington, D.C. 20036.

A. Steven L. Pruitt, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $723.66.

A. Public Timber Purchasers Group, 714 Oregon Bank Building, 319 Southwest Washington Street, Portland, Oreg. 97204.
D. (6) $41,643.39. E. (9) $6,241.93.

A. Purcell & Nelson, 1776 F Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 200 Park Avenue, No. 2222, New York, N.Y.
D. (6) $400.

A. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

A. Clifford H. Raber, One McDonald's Plaza, Oak Brook, Ill. 60521.
B. McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.

A. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $19,055.24. E. (9) $19,055.24.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $1,125. E. (9) $3,648.70.

A. Magda Ratajski, Norfolk & Western Railway Co., P.O. Box 23652, L'Enfant Plaza Station, Washington, D.C. 20024.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $650. E. (9) $144.46.

A. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Jerry Rees, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.
D. (6) $1,049.40.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P. Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P. Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,523.41.

A. Louis D. Reilly III, Telephone and Data Systems, Inc., 517 N. Segoe Road, Madison, Wis. 53705.
B. Telephone and Data Systems, Inc., 517 N. Segoe Road, Madison, Wis. 53705.

A. J. E. Reinke, Eastern Airlines, 1030 15th Street NW., Washington, D.C. 20005.
B. Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.
E. (9) $1,095.

A. Research To Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.
E. (9) $3,838.

A. Reserve Officers Association of the United States, 1 Constitution Avenue NE., Washington, D.C. 20002.
D. (6) $1,871.23. E. (9) $6,132.73.

A. K. O. Richardson, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street, Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 3 Research Place, Rockville, Md. 20850.
D. (6) $2,100. E. (9) $3,000.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. Kellogg Co., Battle Creek, Mich. 49016.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. W. K. Kellogg Foundation, Battle Creek, Mich. 49016.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. Douglas A. Riggs, 1040 Potlatch Circle, Anchorage, Alaska 99503.
B. Citizens for the Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.

A. Selina Rissell, 415 Second Street NE., Washington, D.C. 20002.
B. Ad-Hoc Committee for Competitive Telecommunications, 415 Second Street NE., Washington, D.C. 20002.
D. (6) $7,019.26.

A. Valentin Riva, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. RJR Industries, Inc., 1100 Reynolds Boulevard, Winston-Salem, N.C. 27105.
E. (9) $3,800.43.

A. Paula Roberts, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $1,508.91. E. (9) $23.08.

A. William H. Rockwell, American National Standards Institute, 1430 Broadway, New York N.Y. 10018.
B. American National Standards Institute, 1430 Broadway, New York, N.Y. 10018.
E. (9) $1,386.70.

A. Mitchell Rofsky, 113 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Michael O. Roush, National Federation of Independent Business, 490 L'Enfant Plaza, East SW., Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $200.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Institute of Makers of Explosives, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $17,790. E. (9) $2,859.01.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Association of Bioanalysts, International Society of Clinical Lab Technicians, 614 Paul Brown Building, St. Louis, Mo.
D. (6) $500. E. (9) $175.10.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $121.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Washington, D.C. 20036.
B. American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $600. E. (9) $118.40.

A. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.
E. (9) $267.94.

A. Michael Sandifer, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $185.45. E. (9) $2.84.

A. Donald E. Santarelli, 2033 M Street NW., Suite 700, Washington, D.C. 20036.
B. Kings River Water Users Committee.
D. (6) $3,500. E. (9) $2,134.34.

A. Jennifer S. Sauve, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $3,653.25. E. (9) $111.88.

A. Mark S. Schacht, 806 15th Street NW., Washington, D.C. 20005.
B. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
D. (6) $4,750.02. E. (9) $6,623.45.

A. Harold A. Schaitberger, International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C.
B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $9,030.

A. Allan D. Schimmel, 624 Alder Street, Philadelphia, Pa. 19147.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

A. Denise Schlener, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $383.38. E. (9) $10.

A. Robert L. Schmidt, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc. 918 16th Street NW., Washington, D.C. 20006.
D. (6) $227.

A. Arthur L. Schmuhl. 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Frank Schneller, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
E. (9) $200.

A. Marsha Schramm, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

B. Domestic Petroleum Council, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

A. William B. Schultz, Public Citizen Litigation Group, Suite 700, 2000 P Street NW., Washington, D.C. 20036.

B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.

D. (6) $420. E. (9) $10.

A. James H. Schuyler, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $10,096.17. E. (9) $1,363.83.

A. Carl F. Schwensen, 415 Second Street NE., Suite 300, Washington, D.C. 20002.

B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.

D. (6) $2,706.36.

A. Donald A. Scott, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Deborah Sease, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $331.12. E. (9) $15.50.

A. Pamela Sederholm, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.

B. Sheet Metal & Air Conditioning Contractors' National Association, 8224 Old Courthouse Road, Vienna, Va. 22180.

D. (6) $800. E. (9) $300.

A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., Suite 705, Washington, D.C. 20036.

B. National Federation of Fishermen, 919 18th Street NW., No. 820, Washington, D.C. 20006.

D. (6) $1,666. E. (9) $45.05.

A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.

B. Shipbuilders Council of America, 600 New Hampshire Avenue, Washington, D.C. 20037.

D. (6) $5,616. E. (9) $205.27.

A. James E. Shaw, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 815 16th Street NW, Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 3 Research Place, Rockville, Md. 20850.

D. (6) $2,100. E. (9) $3,000.

A. Russell Shay, Sierra Club, 1107 9th Street, Sacramento, Calif. 95814.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) $672.60. E. (9) $755.

A. Jonathan R. Sheiner, 4 Irving Place, New York, N.Y. 10003.

B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

D. (6) $406.26.

A. Dale Sherwin, 1735 I Street NW., No. 717, Washington, D.C. 20006.

B. A. E. Staley Manufacturing Co., 2200 Eldorado Street, Decatur, Ill. 62525.

D. (6) $1,500. E. (9) $150.

A. Shimano American Corp., 205 Jefferson Road, Parsippany, N.J. 07054.

E. (9) $6,702.34.

A. Joan Shorey, Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.

B. Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.

D. (6) $490.05.

A. Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006; 1 1st National Plaza, Chicago, Ill. 60603.

B. Canadian Pacific Ltd., Canadian National Railway, et al.

D. (6) $11,700. E. (9) $245.96.

A. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) $97,353.43. E. (9) $97,353.43.

A. Larry Silverman, Clean Water Action Project, 1341 G Street NW., No. 200, Washington, D.C. 20005.

B. Clean Water Action Project, 1341 G Street NW., No. 200, Washington, D.C. 20005.

D. (6) $311. E. (9) $10.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. American Stock Exchange, 86 Trinity Place, New York, N.Y. 10006.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10002.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Champion International Corp., One Landmark Square, Stamford, Conn. 06921.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. General American Transportation Co., 120 South Riverside Plaza, Chicago, Ill. 60606.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Music Corporation of America, Inc., 100 Universal City Plaza, Universal City, Calif. 91608.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. National Savings and Loan League, 1200 17th Street NW., Washington, D.C. 20036.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Ogden Transportation Corp., 277 Park Avenue, New York, N.Y. 10017.

A. Richard L. Sinnott & Co., 2021 K Street NW., Suite 306, Washington, D.C. 20006.

B. Port of Oakland, Oakland, Calif. 94607.

D. (6) $1,250.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Washington, D.C. 20006.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) $5,350. E. (9) $168.45.

A. Scott L. Slesinger, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $6,461.54. E. (9) $695.95.

A. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

E. (9) $1,225.38.

A. Hugh H. Smith, 1700 K Street NW., No. 702, Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

D. (6) $73.80.

A. Susan E. Smith, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

D. (6) $500. E. (9) $54.35.

A. Randall D. Snodgrass, 3110 Maple Drive, Suite 407, Atlanta, Ga. 30305.

B. Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $207.68. E. (9) $72.23.

A. Society of Professional Benefit Administrators, 1800 M Street NW., Suite 1030N, Washington, D.C. 20036.

D. (6) $9,740.37. E. (9) $3,286.

A. Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.

D. (6) $172,755. E. (9) $20,008.

A. Michael L. Solomon, 5726 Thomas Edison Court, Alexandria, Va. 22310.

B. National Apartment Association, 1825 K Street NW., No. 604, Washington, D.C. 20006.

D. (6) $1,500.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $38,462.33. E. (9) $38,462.33.

A. Wilbur D. Sparks, Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

B. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $1,600. E. (9) $415.

A. William A. Speary, Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

B. Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

E. (9) $750.

A. James M. Sprouse, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John W. Sroka, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. David E. Stahl, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $3,432.69. E. (9) $26.10.

A. Elizabeth Bell Stengel, Suite 402, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. Action for Children's Television (ACT), 46 Austin Street, Newtonville, Mass. 02160.

D. (6) $2,874.91. E. (9) $17.05.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Nuclear Insurers, 270 Farmington Avenue, Farmington, Conn. 06032.

D. (6) $770. E. (9) $5.75.

A. Scott E. Sterling, 1800 M Street NW., Suite 1030N, Washington, D.C. 20036.

B. Hauck & Associates, 1800 M Street NW., Suite 1030N, Washington, D.C. 20036 (for Society of Professional Benefit Administrators).

D. (6) $3,000.

A. Michael Stientjes, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $3,625. E. (9) $38.

A. Kenneth F. Stinger, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $214.56.

A. George Stockton, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

E. (9) $200.

A. Andrea Strader, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $6,095. E. (9) $222.

A. Clyde W. Summerville, The Boeing Co., 1700 N. Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $1,296. E. (9) $134.30.

A. Paul Suplizio Associates, 5001 Seminary Road, Suite 310, Alexandria, Va. 22311.

B. Management Improvement Corp. of America, 617 Morehead Avenue, Durham, N.C. 27707.

D. (6) $4,500. E. (9) $4,500.

A. Paul Suplizio Associates, 5001 Seminary Road, Suite 310, Alexandria, Va. 22311.

B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

D. (6) $4,500. E. (9) $4,500.

A. Robert D. Swezey, Jr., 1150 17th Street NW., Washington, D.C. 20036.

B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.

A. C. Michael Tarone, 2033 M Street NW., Suite 700, Washington, D.C. 20036.

B. Santarelli & Gimer, 2033 M Street NW., Suite 700, Washington, D.C. 20036 (for Kings River Water Users Committee).

A. Clayton C. Taylor, One McDonald's Plaza, Oak Brook, Ill. 60521.

B. McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.

A. Thaxter Lipez Stevens Broder & Micoleau, 1825 K Street NW., Suite 503, Washington, D.C. 20006.

B. National Alliance for Hydroelectric Energy, P.O. Box 7320, Portland, Maine 04112.

E. (9) $1,234.95.

A. 37th Congressional District Action Committee, 1721 Amherst Street, Buffalo, N.Y. 14214.

E. (9) $8.13.

A. Doris I. Thomas, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $6,663.46. E. (9) $1,138.34.

A. Stephen M. Thomas, Council For A Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $5,230.80.

A. Samuel Thurm, Association of National Advertisers, 1725 K Street NW., Washington, D.C. 20006.

B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.

A. Ronald J. Tipton, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $77.50. E. (9) $75.20.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 3 Research Place, Rockville, Md. 20850.

D. (6) $5,000. E. (9) $1,800.

A. Paul E. Trimble, Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. George G. Troutman, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

D. (6) $100.

A. Rebecca C. True, Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

B. Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

E. (9) $550.

A. W. Glenn Tussey, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $5,167. E. (9) $52.

A. United Fresh Fruit & Vegetable Association, North Washington at Madison, Alexandria, Va. 22314.

D. (6) $106.09. E. (9) $28.53.

A. USA Petrochem, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

E. (9) $55,895.31.

A. U.S. Committee for Oceans, 245 Second Street NE., Washington, D.C. 20002.

D. (6) $519. E. (9) $354.02.

A. Thomas Van Arsdall, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,656.

A. Gerald W. Vaughan, 1850 K Street NW., Suite 390, Washington, D.C. 20006.

B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

E. (9) $530.20.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., No. 1100, Washington, D.C. 20036.

B. The Travelers Corp., One Tower Square, Hartford, Conn. 06115.

A. David Vienna, 510 C Street NE., Washington, D.C. 20002.

B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.

D. (6) $270.

A. David Vienna, 510 C Street NE., Washington, D.C. 20002.

B. Office of the Controller, Medi-Cal Audit Project, State of California, State Capitol, Sacramento, Calif. 95814.

A. Ingrid A. Voorhees, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) $1,500. E. (9) $500.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.

B. National Radio Broadcasters Association, Suite 500, 1705 DeSales Street NW., Washington, D.C. 20036.

D. (6) $1,200. E. (9) $1,800.

A. Joseph S. Wager, Wager & McVey, 1333 New Hampshire Avenue NW., Suite 1220, Washington, D.C. 20035.

B. Zantop International Airlines, Inc., Willow Run Airport, Ypsilanti, Mich. 48197.

D. (6) $690.

A. Wagner, D'Onofrio, Waller & Stouffer, 1000 University Building, 910 16th Street, Denver, Colo. 80202.

B. Ute Mountain Ute Tribe, Towaoc, Colo. 81334.

D. (6) $3,992.75.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Gregg Ward, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.

B. Sheet Metal & Air Conditioning Contractors' National Association, 8224 Old Courthouse Road, Vienna, Va. 22180.

D. (6) $800. E. (9) $300.

A. Wallace T. Ward III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $3,870. E. (9) $705.25.

A. Richard D. Warden, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $3,846.16. E. (9) $216.74.

A. Washington Department of Ecology, Olympia, Wash.

E. (9) $150.

A. Washington Energy Co., 815 Mercer, Seattle, Wash.

E. (9) $25.

A. Lee Weddig, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

D. (6) $500. E. (9) $15.

A. Edward L. Weidenfeld, Sellers, Conner & Cuneo, 1625 K Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. Paul S. Weller, Jr., National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $5,440.

A. Western Railroad Association, 222 South Riverside Plaza, Suite 1200, Chicago, Ill. 60606.

D. (6) $2,389.71. E. (9) $2,389.71.

A. Bryan K. Whitehead, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) $1,050. E. (9) $1,500.

A. Whitman & Ransom, 1333 New Hampshire Avenue NW., Suite 650, Washington, D.C. 20036.

B. Shimano American Corp., 205 Jefferson Road, Parsippany, N.J. 07054.

D. (6) $6,575. E. (9) $127.34.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.

B. Arctic Slope Regional Corp., Inupiat Community of the Arctic Slope, P.O. Box 129, Barrow, Alaska 99723.

D. (6) $500. E. (9) $715.58.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.

B. Mayor and City Council, City of Seattle, Seattle, Wash. 98104.

D. (6) $2,430. E. (9) $2,071.97.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.

B. Save Our Railroad Employment (S.O.R.E.) c/o Fife Community Credit Union, 4410 20th Street East, Tacoma, Wash. 98424; New Milwaukee Lines, 500 Maynard Building, Seattle, Wash. 98104.

D. (6) $2,720. E. (9) $2,261.83.

A. Robert S. Willard, 316 Pennsylvania Avenue SE., No. 502 Washington, D.C. 20003.

B. Information Industry Association, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.

D. (6) $9,258. E. (9) $1,200.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.

D. (6) $155. E. (9) $9.26.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Association for Responsible Housing Policy, Inc., 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

D. (6) $2,920. E. (9) $92.59.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Bangor Punta Operations, Inc., One Greenwich Plaza, Greenwich, Conn. 06830.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Burger King Corp., 7360 North Kendall Drive, Miami, Fla. 33152.

E. (9) $18.52.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Outdoor Advertising Association of America, 1660 L Street NW., No. 215, Washington, D.C. 20036.

E. (9) $3.70.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. C. Brewer & Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801.

D. (6) $1,085.50. E. (9) $18.52.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Domestic Petroleum Council, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

E. (9) $115.73.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Feather and Down Association, 4441 Auburn Boulevard, Suite O, Sacramento, Calif. 95841.

D. (6) $252.50. E. (9) $13.89.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Hawaiian Sugar Planter's Association, 1511 K Street NW., Suite 723, Washington, D.C. 20005.

D. (6) $1,825. E. (9) $83.33.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Institute for Due Process for Financial Institutions, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.

D. (6) $960. E. (9) $41.67.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Lanham Act Preservation Association, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

D. (6) $2,650. E. (9) $83.33.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Louisiana Land & Exploration Co., P.O. Box 60350, New Orleans, La. 70160.

D. (6) $1,815. E. (9) $74.06.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Water Companies, Suite 1110, 1019 19th Street NW., Washington, D.C. 20036.

D. (6) $525. E. (9) $27.74.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $2,350. E. (9) $124.99.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.

D. (6) $262.50. E. (9) $13.89.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

E. (9) $41.67.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Southland Royalty Co., 1000 Fort Worth Club Tower, Fort Worth, Tex.

D. (6) $1,300. E. (9) $46.29.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Southern California Gas Co., 1150 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,562.50 E. (9) $74.06.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Southern Railway System, 920 15th Street NW., Washington, D.C. 20005.

E. (9) $41.67.

A. Williams & Jensen, 1101 Connecticut Avenue, NW., Washington, D.C. 20036.

B. Southwest Airlines, P.O. Box 37611, Love Field, Dallas, Tex. 75235.

D. (6) $9,000. E. (9) $407.37.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Student Loan Marketing Association (Sallie Mae), 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

D. (6) $930. E. (9) $55.56.

A. George S. Wills, Wills & Associates, Inc., 36 South Charles Street, No. 903, Baltimore, Md. 21201.

B. Wills & Associates, Inc., 36 South Charles Street, No. 903, Baltimore, Md. 21201 (for Americans for Alaska).

A. Peters Willson, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $917.

A. Charles D. Wilson, 1850 K Street NW., Suite 390, Washington, D.C. 20006.

B. Union Camp Corp., 1850 K Street NW., Washington, D.C. 20036.

E. (9) $552.10.

A. Winner/Wagner & Associates, Inc., 6535 Wilshire Boulevard, Los Angeles, Calif. 90048.

B. Rockwell International, Space Systems Division, Downey, Calif.

A. Winston & Strawn, 2550 M Street NW., Suite 500, Washington, D.C. 20037.

B. Gould Inc., 8550 Bryn Mawr Avenue, Chicago, Ill. 60631.

D. (6) $270.

A. Steven H. Wodka, Oil, Chemical & Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) $1,965.

A. Calvin R. Wofford, 291 Broadway, New York, N.Y. 10007.

B. National Board of Young Men's Christian Associations, 291 Broadway, New York, N.Y. 10007.

D. (6) $1,400.

A. Frank R. Wolf, 1901 N. Moore Street, No. 804, Arlington, Va. 22209.

B. Gerber Products Co., 445 State Street, Fremont, Mich. 49412.

D. (6) $100. E. (9) $56.05.

A. Frank R. Wolf, 1901 North Moore Street, No. 804, Arlington, Va. 22209.

B. National Farm & Power Equipment Dealers Association, 10877 Watson Road, St. Louis, Mo. 63127.

A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $750. E. (9) $300.

A. Dee Workman, 150 East 42d Street, New York, N.Y. 10017.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $625.

A. W. Robert Worley, 730 Densley Drive, Decatur, Ga. 30033.

B. Georgia Power Co., 270 Peachtree Street NW., Atlanta, Ga. 30303.

D. (6) $3,460. E. (9) $979.14.

A. Wyman, Bautzer, Rothman & Kuchel, Suite 580, The Watergate 600, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Bristol Bay Native Corp., P.O. Box 220, Anchorage, Alaska 99501.

D. (6) $40.

A. A. Steven Young, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $250. E. (9) $200.

A. Barry W. Zander, 6113 Amhurst Street, Metairie, La. 70003.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $5,671.02.

A. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,940. E. (9) $2,977.

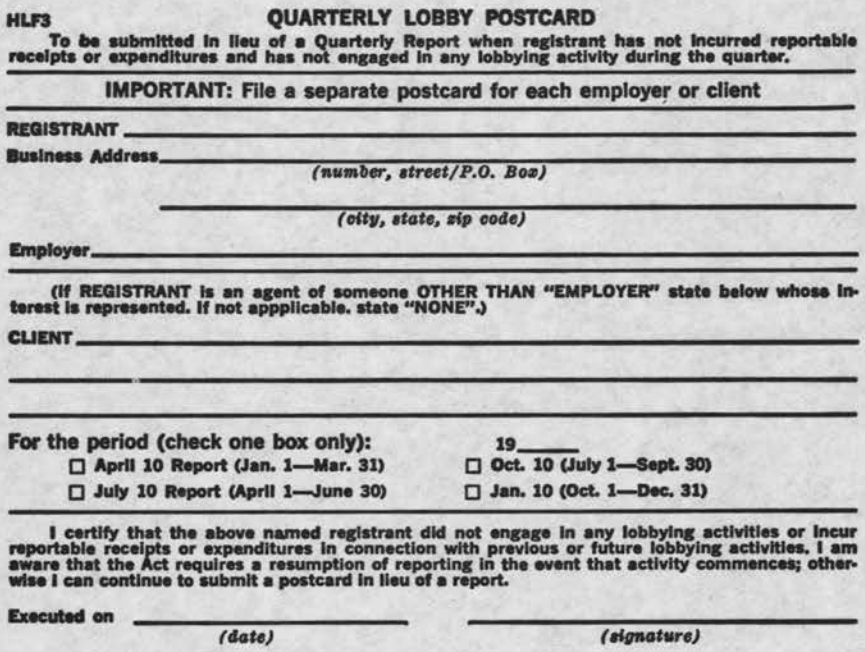
QUARTERLY LOBBY POSTCARD

The following Quarterly Lobby Postcards were filed with the Clerk of the House of Representatives for the first calendar

A POSTCARD MAY BE USED WHEN A REGISTRANT HAS NOT INCURRED REPORTABLE RECEIPTS AND EXPENDITURES AND HAS NOT ENGAGED IN ANY LOBBYING ACTIVITY DURING THE QUARTER.

NOTE: THE FOLLOWING INFORMATION IS BEING PROVIDED FOR INFORMATIONAL PURPOSES ONLY.

The Postcard has been reproduced below:



HLF3

QUARTERLY LOBBY POSTCARD

To be submitted in lieu of a Quarterly Report when registrant has not incurred reportable receipts or expenditures and has not engaged in any lobbying activity during the quarter.

IMPORTANT: File a separate postcard for each employer or client

REGISTRANT ____________________

Business Address ____________________
(number, street/P.O. Box)

____
(city, state, zip code)

Employer ____________________

(If REGISTRANT is an agent of someone OTHER THAN "EMPLOYER" state below whose interest is represented. If not appplicable. state "NONE".)

CLIENT ____________________

For the period (check one box only): **19____**

☐ April 10 Report (Jan. 1—Mar. 31)
☐ Oct. 10 (July 1—Sept. 30)
☐ July 10 Report (April 1—June 30)
☐ Jan. 10 (Oct. 1—Dec. 31)

I certify that the above named registrant did not engage in any lobbying activities or incur reportable receipts or expenditures in connection with previous or future lobbying activities. I am aware that the Act requires a resumption of reporting in the event that activity commences; otherwise I can continue to submit a postcard in lieu of a report.

Executed on ____________________ *(date)* ____________________ *(signature)*

A. John J. Adams.
B. Ethyl Corp.

A. ACLI International Corp.

A. V. J. Adduci.
B. Motor Vehicle Manufacturers Association of the United States.

A. Elizabeth C. Agle.
B. National Clean Air Coalition.

A. G. Colburn Aker.
B. Hill and Knowlton, Inc.

A. Akin, Gump, Hauer & Feld.
B. Brooklyn Industrial Development Corp.

A. Akin, Gump, Hauer & Feld.
B. E & J Gallo Winery.

A. Akin, Gump, Hauer & Feld.
B. Haskins and Sells.

A. Akin, Gump, Hauer & Feld.
B. Leaseway Transportation Corp.

A. Akin, Gump, Hauer & Feld.
B. Louisiana Alcohol Fuel Co.

A. Akin, Gump, Hauer & Feld.
B. MAPCO, Inc.

A. Akin, Gump, Hauer & Feld.
B. Northwest Alaskan Pipeline Co.

A. Akin, Gump, Hauer & Feld.
B. Northwest Pipeline Co.

A. Akin, Gump, Hauer & Feld.
B. Sun Pipeline Co.

A. Robert D. Allen.
B. Betchel Power Corp.

A. Joseph C. Allwarden.
B. Kollsman Instrument Co.

A. Amalgamated Transit Union, National Capital Local 689.

A. American Association of Blood Banks.

A. American Association of Foundations for Medical Care.

A. American Business Council.

A. American Frozen Food Institute.

A. American Hellenic Institute Public Affairs Committee, Inc.

A. American Orthotic & Prosthetic Association.

A. American Pulpwood Association.

A. American Sales Association.

A. American Seed Trade Association.

A. Mary C. Anderson.
B. ICX Aviation, Inc.

A. Jack R. Angell.
B. United Gas Pipe Line Co.

A. Robert E. Ansheles.
B. CITC Industries Inc.

A. John D. Aquilino, Jr.
B. National Rifle Association.

A. John Christian Archer.
B. Brown & Root, Inc.

A. Arent, Fox, Kintner, Plotkin & Kahn.
B. National Association of Greeting Card Publishers.

A. Rodney E. Armstrong.
B. Toyota Motor Sales, U.S.A., Inc.

A. Associated Employers, Inc.

A. Association of Government Accountants.

A. George J. Aste.
B. United Airlines.

A. Kathyrn A. Aulbach.
B. Firestone Tire & Rubber Co.

A. Frank M. Ault.
B. Norwich-Eaton Pharmaceuticals.

A. John D. Austin.
B. American Mining Congress.

A. Joan N. Baggett.
B. International Union of Bricklayers & Allied Craftsmen.

A. Charles W. Bailey.
B. National Right to Work Committee.

A. Baker & Daniels.
B. Coalition for Safe Drinking Water.

A. Baker & Daniels.
B. Indiana Toll Road Commission.

A. Ballard, Spahr, Andrews & Ingersoll.
B. Alaska Housing Finance Corp.

A. Ballard, Spahr, Andrews & Ingersoll.
B. Idaho Housing Agency.

A. John H. Barnard, Jr.
B. Bechtel Power Corp.

A. Joel T. Barnett.
B. Brookwood Health Services, Inc.

A. Richard L. Barr.
B. Iowa Railway Association.

A. Roger V. Barth.
B. L'Enfant Plaza Properties, Inc.

A. Lucius D. Battle.
B. Communications Satellite Corp.

A. Lynne D. Battle.
B. College Placement Council.

A. Karen J. Bauer.
B. American Paper Institute.

A. John E. Baughman.
B. Pennsylvania State Education Association.

A. Robert J. Baughman.
B. American Orthotic & Prosthetic Association.

A. C. Robert Benedict.
B. American Osteopathic Hospital Association.

A. Douglas P. Bennett.
B. Association of Executive Recruiting Consultants, Inc.

A. James M. Bennett.
B. Jos. Schlitz Brewing Co.

A. Paul Bennett.
B. Union of Concerned Scientists.

A. John B. Benton.
B. Howell Corp.

A. David A. Beren.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation.

A. O. M. Berge.
B. Brotherhood of Maintenance of Way Employes.

A. Richard B. Berman.
B. Steak and Ale Restaurants of America, Inc.

A. George K. Bernstein.
B. American Insurance Association.

A. George K. Bernstein.
B. Crum & Forster Insurance Cos.

A. Berry, Epstein, Sandstrom & Blatchford.
B. Orkin Exterminating.

A. Allene Betancourt.
B. Chem-Nuclear Systems, Inc.

A. Frank Bianco.
B. 10th Pro-Life Congressional District Action Committee.

A. Gerda V. Bikales.
B. National Parks and Conservation Association.

A. Robert J. Bird.
B. Occidental Life Insurance Co.

A. Robert J. Bird.
B. Zachry, Inc.

A. Bison and Wenning.
B. National Food Brokers Association.

A. Richard W. Blake.
B. American Sugarbeet Growers Association.

A. Larry H. Blanchard.
B. Credit Union Financial Services, Inc.

A. Robert W. Blanchette.
B. Board of Trade Clearing Corp.

A. Glenn E. Blitgen.
B. American Mining Congress.

A. Jerald Blizin.
B. Hill & Knowlton, Inc.

A. William J. Boardman.
B. Wheelabrator-Frye, Inc.

A. Jeffrey W. Bolotin.
B. RCA Global Communications, Inc.

A. M. Warren Bolton.
B. Provident Indemnity Life Insurance Co.

A. Charles E. Boswell.
B. Amalgamated Transit Union, National Capital Local 689.

A. Rodney A. Bower.
B. International Federation of Professional & Technical Engineers, AFL-CIO.

A. Mitchell H. Bradley.
B. American Society of Mechanical Engineers.

A. John Henry Brebbia.
B. Board of Trade Clearing Corp

A. Breed, Abbott & Morgan.
B. Lasker, Stone & Stern.

A. Breed, Abbott & Morgan.
B. McConnell-Wetenhall, Inc.

A. Barbara Brendes.
B. Union Oil Co. of California.

A. Miles H. Bresee, Jr.
B. Bechtel Power Corp.

A. John B. Brock.
B. Quintana Refinery Co.

A. Timothy G. Brosnahan.
B. Burson-Marsteller (for Gould, Inc.).

A. Michael F. Brown.
B. American Frozen Food Institute.

A. Stanley R. Browne.
B. E. I. du Pont de Nemours & Co., Inc.

A. Fred J. Bruner.
B. Indiana & Michigan Electric Co.

A. Harvey F. Brush.
B. Bechtel, Inc.

A. Lawrence E. Burch.
B. Potato Chip/Snack Food Association.

A. Francis Burkhardt.
B. International Brotherhood of Painters & Allied Trades.

A. Burr, Pease & Kurtz, Inc.
B. Eklutna, Inc.

A. Butler, Binion, Rice, Cook & Knapp.
B. City of Houston/Department of Aviation.

A. Thomas D. Byrne.
B. Stone Container Corp.

A. Cadwalader, Wickersham & Taft.
B. AMEX Commodities Exchange, Inc.

A. Cadwalader, Wickersham & Taft.
B. Mocatta Metals Corp.

A. Roy C. Cahoon.
B. National Automatic Merchandising Association.

A. Jerry L. Campbell.
B. Tennessee Valley Public Power Association.

A. Paul W. Cane.
B. Bechtel Power Corp.

A. Charles E. Capron.

A. Donald Capshaw.
B. Airline Pilots Association.

A. Isaac R. Caraco.
B. Bechtel Power Corp.

A. Carella, Bain, Gilfillian & Rhodes.
B. Wagner Electric Corp.

A. William E. Carmichael.
B. American Floral Services, Inc.

A. Jack M. Carpenter.
B. American Mining Congress.

A. John L. Casey.
B. Investment Counsel Association of America, Inc.

A. Daniel J. Cassidy.
B. Chemical Specialties Manufacturers Association.

A. Rita L. Castle.
B. Caterpillar Tractor Co.

A. John E. Chapoton.
B. Vinson & Elkins (for Belco Petroleum Corp.).

A. John E. Chapoton.
B. Vinson & Elkins (for Domestic Wildcatters Association).

A. John E. Chapoton.
B. Vinson & Elkins (for Mid-Continent Oil & Gas Association).

A. John E. Chapoton.
B. Vinson & Elkins (for Petroleum Equipment Suppliers Association).

A. John E. Chapoton.
B. Vinson & Elkins (for Quintana Petroleum Corp.).

A. Seymour M. Chase.
B. AST Cos.

A. Chemical Specialties Manufacturers Association.

A. Howard P. Chester.
B. Stone, Glass & Clay Coordinating Committee.

A. Bob Clark & Associates.
B. Ryder System, Inc.

A. Gilbert M. Clark.
B. American Association of Blood Banks.

A. Joseph J. F. Clark.
B. Eaton Associates, Inc.

A. Thomas R. Clark.
B. General Electric Co.

A. Jean Marshall Clarke.
B. National Organization for Women.

A. William F. Clarken.
B. International Council of Airshows.

A. Clay Pipe Industry Depletion Committee.

A. Cleveland Electric Illuminating Co.

A. Clifford & Warnke.
B. Warner-Lambert Co.

A. Coalition of Automotive Associations.

A. John Colbrunn.

A. Cole, Corette & Bradfield.
B. American Express Co.

A. Collier, Shannon, Rill, Edwards & Scott.
B. American Cylinder Manufacturers Commitee.

A. Collier, Shannon, Rill, Edwards & Scott.
B. American Footwear Industries Association, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Bicycle Manfacturers Association of America, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Food Marketing Institute.

A. Collier, Shannon, Rill, Edwards & Scott
B. National Broiler Council.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Republic of China.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Society of Independent Gasoline Marketers of America.

A. James T. Conner.
B. Mobay Chemical Corp.

A. John J. Contney.
B. Textile Rental Services Association of America.

A. Samuel C. Corey, Jr.
B. Provident Indemnity Life Insurance Co.

A. Samuel C. Corey, Sr.
B. Provident Indemnity Life Insurance Co.

A. Bennett J. Corn.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Cosmetic, Toiletry & Fragrance Association.

A. Daniel T. Coughlin.
B. Jos. Schlitz Brewing Co.

A. Council for Rural Development.

A. Raymond L. Courage.
B. Carl Byoir & Associates, Inc. (for Railway Progress Institute Tank Car Safety Committee).

A. Covington & Burling.
B. Penjerdel Corp.

A. Peter M. Crawford.
B. Fulton Energy.

A. Bobby E. Crow.
B. Columbia Gulf Transmission Co.

A. Crowell & Moring.
B. Commuter Airline Association of America, Inc.

A. Curtis, Mallet-Prevost, Colt & Mosle.
B. United States Trust Co. of New York.

A. Thomas B. Curtis.
B. Encyclopaedia Britannica.

A. Everett E. Cutter.
B. Oregon Railroad Association.

A. Fred L. Dahl.
B. Bechtel Power Corp.

A. John M. Damgard.
B. ACLI International, Inc.

A. Damon Corp.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Government of Antigua.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Japan Atomic Industrial Forum.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Metropolitan Washington Savings & Loan League.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Perpetual Federal Savings & Loan Association.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Population Crisis Committee.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. TVI Corp.

A. Stephen I. Danzansky.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. Joseph Dauksys.

A. Davis, Graham & Stubbs.
B. Northern Colorado Water Conservancy District.

A. Davis, Graham & Stubbs.
B. John T. Oxley.

A. Davis, Graham & Stubbs.
B. Purgatoire River Water Conservancy District.

A. William Lee Davis.
B. Westvaco Corp.

A. P. M. Davison, Jr.
B. North Dakota Railway Lines.

A. J. Edward Day
B. Associated Third-Class Mail Users.

A. J. Edward Day.
B. Electronic Industries Association.

A. John Russell Deane III.
B. Coalition of Automotive Associations.

A. John Russell Deane III.
B. Specialty Equipment Market Association.

A. Gaston de Bearn.
B. Hoffman-La Roche, Inc.

A. Francis R. deBondt.
B. Credit Union Financial Services, Inc.

A. George K. Degnon Associates.
B. Association of State & Territorial Health Officials.

A. Stephen T. Delamater.
B. Halliburton Co.

A. Dell, Craighill, Fentress & Benton.
B. Hon. Roberto de la Madrid.

A. Dell, Craighill, Fentress & Benton.
B. Sr. Jesus Almeida N.

A. Bradford T. Dempsey.

A. Daniel B. Denning.
B. Gulf Oil Corp.

A. Dewey, Ballantine, Bushby, Palmer & Wood.
B. Stewart Capital Corp.

A. Louis H. Diamond.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for TVI Corp.).

A. Dickstein, Shapiro & Morin.
B. American Fisheries Defense Committee.

A. Dickstein, Shapiro & Morin.
B. Capeway Seafoods, Inc.

A. Dickstein, Shapiro & Morin.
B. Fass Brothers, Inc.

A. Dickstein, Shapiro & Morin.
B. International Brotherhood of Teamsters.

A. Dickstein, Shapiro & Morin.
B. Tennessee Gas Transmission Co.

A. J. R. Dierker.
B. McDonnell Douglas Corp.

A. Harley M. Dirks.

A. Mortimer A. Dittenhofer.
B. Association of Government Accountants.

A. Hollis M. Dole.
B. Atlantic Richfield Co.

A. William D. D'Onofrio.
B. National Association for Neighborhood Schools, Inc.

A. William D. D'Onofrio.
B. Positive Action Committee, Inc.

A. Jack C. Donovan.
B. Cleveland Electric Illuminating Co.

A. James A. Dorsch.
B. Health Insurance Association of America.

A. Findly M. Doughty.
B. Howell Corp.

A. H. E. Douglas.
B. Memorex Corp.

A. Harry L. Downey, Jr.
B. Firestone Tire & Rubber Co.

A. Robert H. Doyle.
B. Plumbing Manufacturers Institute.

A. Anthony V. Dresden.
B. Hill & Knowlton, Inc.

A. Jerome L. Dreyer.
B. ADAPSO.

A. Deborah Drudge.
B. Healthy America.

A. W. H. Drushel, Jr.
B. Vinson & Elkins (for Quintana Petroleum Corp.)

A. W. H. Drushel, Jr.
B. Vinson & Elkins (for Quintana Refinery Co.)

A. Michael F. Duffy.
B. American Mining Congress.

A. Jeffrey M. Duke.
B. American Paper Institute, Inc.

A. Duncan, Weinberg, Palmer & Miller.
B. Adolph Kizas.

A. Duncan, Weinberg, Palmer & Miller.
B. Delaware "5".

A. Duncan, Weinberg, Palmer & Miller.
B. East Bay Regional Park District.

A. Duncan, Weinberg, Palmer & Miller.
B. Huron-Clinton.

A. Duncan, Weinberg, Palmer & Miller.
B. Iva May Harvey.

A. Duncan, Weinberg, Palmer & Miller.
B. Kenai Natives Association, Inc.

A. Duncan, Weinberg, Palmer & Miller.
B. Koniag, Inc.

A. Duncan, Weinberg, Palmer & Miller.
B. Mid-West Consumers.

A. Duncan, Weinberg, Palmer & Miller.
B. Western Fuels Association, Inc.

A. James W. Dunlop.
B. Brooklyn Union Gas Co.

A. John H. Dunne.
B. International Federation of Professional & Technical Engineers, AFL-CIO.

A. Joseph L. Duran.
B. First National Bank of Boston.

A. Henry I. Dworshak.
B. American Mining Congress.

A. Eaton Associates, Inc.

A. Robert E. L. Eaton.
B. Eaton Associates, Inc.

A. Economic Service Counsel, Inc.

A. Anne Edlund.
B. Motor Vehicle Manufacturers Association of the United States.

A. J. Rodney Edwards.
B. American Paper Institute, Inc.

A. Joseph J. Eley.
B. Squibb Corp.

A. Steven G. Ellis.
B. Burson-Marsteller (for Lydall, Inc., Superior Ball Division).

A. Ralph Engel.
B. Chemical Specialties Manufacturers Association.

A. Steven L. Engelberg.
B. American Association of Marriage & Family Therapy.

A. John R. Englehorn.
B. Texasgulf, Inc.

A. John M. Erskine.
B. Standard Oil (Indiana).

A. Jerry N. Ervin.
B. Quintana Refinery Co.

A. David C. Evans.
B. Brick Institute of America.

A. Joseph O. Evans.

A. Robert S. Faron.
B. LeBoeuf, Lamb, Leiby & MacRae.

A. Arthur S. Fefferman.
B. American Council of Life Insurance, Inc.

A. Leon Felix, Jr.
B. National Education Association.

A. Fellowship Square Foundation, Inc.

A. John L. Festa.
B. American Paper Institute, Inc.

A. Blaine Fielding.
B. American Paper Institute, Inc.

A. First National Boston Corp.

A. Fisheries Development Corp.

A. John H. Fitch, Jr.
B. National Society of Public Accountants.

A. Five Freedoms, Inc.

A. Bradford Fleetwood.
B. Fulton Energy.

A. Aaron I. Fleischman.
B. Cablecom-General, Inc.

A. Aaron I. Fleischman.
B. Warner Amex Cable Communications, Inc.

A. Raymond J. Foley.
B. National Candy Wholesalers Association, Inc.

A. Gordon Forbes.
B. Minnesota Railroads Association.

A. Richard D. Ford.
B. Port of Seattle.

A. Joseph L. Fraites.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Robert E. Freer, Jr.
B. Kimberly-Clark Corp.

A. Gregory N. Friberg.
B. Associated Builders & Contractors, Inc.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Cheyenne River Sioux Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Rosebud Sioux Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Seneca Nation of Indians.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Southern Brooklyn Community Organization; Borough Park Community Development Corp.

A. James M. Friedman.
B. Cleveland Electric Illuminating Co.

A. Gay H. Friedman.
B. Southern California Gas Co.

A. Gary R. Frink.
B. Radwaste Management Group.

A. Terry Gabrielson.
B. Transcontinental Gas Pipe Line Corp.

A. Gardner, Carton & Douglas.
B. Elmer W. Kneip.

A. Gardner, Carton & Douglas.
B. Heizer Corp.

A. Gardner, Carton & Douglas.
B. Sealed Power Corp.

A. Ginger Gardner.
B. Charter Oil Co.

A. Theodore J. Garrish.
B. American Metal Detectors Manufacturers, Inc.

A. James J. Garry.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Morton A. Geller.
B. First National Bank of Boston.

A. Thomas W. George.
B. Texas Water Conditioning Association.

A. George W. Gephart.
B. Baltimore Gas & Electric Co.

A. Thomas F. Gibson.
B. Brick Institute of America.

A. William L. Gifford.
B. General Electric Co.

A. Susan Gilbert.
B. National Federation of Federal Employees.

A. John P. Gleason, Jr.
B. Brick Institute of America.

A. Thos. G. Godfrey.
B. Kikkoman Foods, Inc.

A. Richard C. Gohla.
B. Retail Bakers of America.

A. Alan J. Goldenberg.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. William M. Goldstein.
B. Committee for Capital Formation Through Dividend Reinvestment.

A. Bruce G. Goodman.
B. Damon Corp.

A. Robert D. Gordon.
B. International Union of Police Association, AFL–CIO.

A. Irmgard Gordos.
B. American Security Council.

A. Ann M. Gosler.
B. American Mining Congress.

A. Carl F. Graham.
B. Amway Corp.

A. Robert K. Gray.
B. Hill & Knowlton, Inc.

A. Robert K. Gray.
B. Hill & Knowlton, Inc. (for Distilled Spirits Council of the United States).

A. Robert K. Gray.
B. Hill & Knowlton, Inc. (for Motorola).

A. Samuel A. Grayson.
B. Union Pacific Railroad Co.

A. Wayne Green.
B. 73, Inc.

A. Edward F. Greissing, Jr.
B. The Upjohn Co.

A. Groom & Nordberg.
B. Aetna Life & Casualty.

A. Groom & Nordberg.
B. Bally Manufacturing Corp.

A. Groom & Nordberg.
B. Connecticut General Insurance Co.

A. Groom & Nordberg.
B. Eli Lilly & Co.

A. Groom & Nordberg.
B. Equitable Life Insurance Co. of America.

A. Groom & Nordberg.
B. John Hancock Mutual Life Insurance Co.

A. Groom & Nordberg.
B. Natomas Co.

A. Groom & Nordberg.
B. Phoenix Mutual Life Insurance Co.

A. Groom & Nordberg.
B. The Travelers.

A. Chester A. Groseclose, Jr.
B. South Dakota Railroads Association.

A. John T. Grupenhoff.
B. American Academy of Dermatology.

A. John T. Grupenhoff.
B. American Gastroenterological Association.

A. John T. Grupenhoff.
B. MEGO Corp.

A. Thomas M. Gunn.
B. McDonnell Douglas Corp.

A. C. James Hackett.
B. American Plywood Association.

A. Ann Hagemann.
B. American Broadcasting Co., Inc.

A. Martin Ryan Haley & Associates, Inc.
B. Agri-Business Inc.

A. Martin Ryan Haley & Associates, Inc.
B. Grain Products International, Inc.

A. Martin Ryan Haley & Associates, Inc.
B. M&M/Mars Division of Mars, Inc.

A. Martin Ryan Haley & Associates, Inc.
B. Tobacco Tax Council.

A. Floyd D. Hall.
B. International Air Transport Association.

A. John B. Hallagan.
B. American Ivory Association.

A. Norman S. Halliday.
B. National Association of Greeting Card Publishers.

A. Seymour Halpern.
B. Sydney S. Baron & Co. (for American Can Co.).

A. Seymour Halpern.
B. Sydney S. Baron & Co. (for Republic of South Africa).

A. Halt, Inc.

A. Robert P. Hanrahan.
B. Regional Transportation Authority.

A. Erling Hansen.
B. Group Health Association of America, Inc.

A. David T. Hardy.
B. National Rifle Association.

A. Robert E. Harman.
B. National Education Association.

A. Michael T. Harrigan.
B. U.S. Olympic Committee.

A. William C. Hart.
B. Columbia Gas System Service Corp.

A. Robert S. Hartmann.
B. Hill & Knowlton, Inc.

A. Paul T. Hasse.
B. Halt, Inc.

A. Paul M. Hawkins.
B. Health Insurance Association of America.

A. Heavy Specialized Carriers Conference, Inc.

A. William H. Hecht.
B. Tobacco Institute.

A. Robert E. Heggestad.
B. Manufactured Housing Institute.

A. Heinold Commodities.

A. Richard L. Hellwege.
B. Lear Siegler, Inc.

A. Harry V. Helton.
B. Reynolds Metals Co.

A. Thomas R. Hendershot.
B. American Gas Association.

A. Thomas R. Hendershot.
B. American Society of Farm Managers & Rural Appraisers, Inc.

A. Thomas R. Hendershot.
B. National Custom Brokers & Forwarders of America, Inc.

A. Thomas R. Hendershot.
B. P. Mastrippolito & Sons, Inc.

A. Thomas R. Hendershot.
B. Partnership Placements, Inc.

A. Thomas R. Hendershot.
B. Pennsylvania Food Processors Association.

A. Thomas R. Hendershot.
B. Petroleum Heat & Power Co.

A. Thomas R. Hendershot.
B. Slurry Transport Association.

A. C. Dayle Henington.
B. Chicago Mercantile Exchange.

A. Bruce Heppen.
B. National Federation of Federal Employees.

A. Hill, Christopher & Phillips.
B. Chrysler Corp.

A. Hogan & Hartson.
B. Guam Power Authority.

A. Hogan & Hartson.
B. National Rehabilitation Association.

A. Robert L. Holding.
B. Association of Home Appliance Manufacturers.

A. Kelly Holley.
B. American Paper Institute.

A. Gary Hong.
B. Group Health Association of America, Inc.

A. Michael J. Horowitz.
B. National Association of Coin Laundry Equipment Operators, Inc.

A. Houger, Garvey, Schubert, Adams & Barer.
B. American Pyrotechnics Association.

A. Thomas B. House.
B. American Frozen Food Institute.

A. Mary Greer Houston.
B. Farm Labor Research Committee.

A. C. T. Hoversten.
B. National Advertising Co.

A. Howell Corp.

A. Hudson Leftwich & Davenport.
B. City of Detroit.

A. Gary E. Hughes.
B. American Council of Life Insurance, Inc.

A. Robert S. Hughes.
B. American Association of Foundations for Medical Care.

A. William E. Hughes, Jr.
B. Northeast Utilities Service Co.

A. Frederick D. Hunt, Jr.
B. American Academy of Actuaries.

A. Lawrence H. Hunt, Jr.
B. Heinold Commodities, Inc.

A. Peter C. Hunt.
B. Brooklyn Union Gas Co.

A. Hunton & Williams.
B. Edison Electric Institute.

A. John Edward Hurley.
B. National Association for Free Enterprise.

A. ICX Aviation, Inc.

A. Frank N. Ikard.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for TVI Corp.).

A. Independent U.S. Tanker Owners' Committee.

A. International Brotherhood of Painters & Allied Trades.

A. Robert L. James.
B. BankAmerica Corp.

A. H. Bradley Johnson.
B. American Mining Congress.

A. Rady A. Johnson.
B. Standard Oil Co. (Indiana).

A. Spencer A. Johnson.
B. Paperboard Packaging Council.

A. Donald W. Jones.
B. Harshe Rotman & Druck.

A. James E. Jones.
B. Appalachian Power Co.

A. Martha E. Jones.
B. Florida Phosphate Council.

A. James V. Jordan III.
B. Southern Natural Gas. Co.

A. Ardon B. Judd, Jr.
B. Dresser Industries, Inc.

A. James N. Juliana.
B. Braniff International.

A. Everett E. Kavanaugh.
B. The Cosmetic, Toiletry & Fragrance Association.

A. William J. Keating.
B. National Grain & Feed Association.

A. Keck, Mahin, & Cate.
B. Schwinn Bicycle Co.

A. Vicki P. Keenan.
B. Bechtel Power Corp.

A. Donald W. Keller.
B. Quintana Petroleum Corp.

A. Donald Kellerman.
B. Times Mirror Co.

A. Stephen G. Kellison.
B. American Academy of Actuaries.

A. Stephen S. Kellner.
B. Chemical Specialties Manufacturers Association.

A. Robert F. Kelly.
B. E. I. du Pont de Nemours & Co., Inc.

A. William T. Kendall.
B. Alliance for Free Enterprise.

A. Robert M. Ketchel.
B. General Electric Co.

A. Earline A. Keyser.
B. Bechtel Power Corp.

A. Richard F. Kibben.
B. The Business Roundtable.

A. Edward J. Kiernan.
B. International Union of Police Associations, AFL–CIO.

A. Kikkoman Foods, Inc.

A. Margaret A. Kimball.
B. Bechtel Power Corp.

A. Edward H. King.
B. Walgreen Co.

A. G. Jack King.
B. U.S. Air, Inc.

A. Roger P. Kingsley.
B. American Speech-Language-Hearing Association.

A. Francis L. Kinney.
B. Northeast Utilities Service Co.

A. Alan G. Kirk II.
B. Potomac Electric Power Co.

A. Allie C. Kleinpeter, Jr.
B. Louisiana Bankers Association.

A. John J. Klocko III.
B. E. I. du Pont de Nemours & Co., Inc.

A. Jeffrey W. Knight.
B. Friends of the Earth.

A. Paul E. Kohl.
B. 18th Congressional District Action Committee for Pro-Life Activities.

A. Charles B. Kornmann.
B. South Dakota Railroads Association.

A. Louis C. Kramp & Associates.
B. Servicemaster Industries, Inc.

A. Stephen W. Kraus.
B. American Council of Life Insurance, Inc.

A. L. Wayne Krug.
B. Union Oil Co. of California.

A. Anthony L. Kucera.
B. The American Waterways Operators, Inc.

A. Labor Bureau of Middle West.

A. R. D. (Ben) Laime.
B. National Education Association.

A. Thomas M. Landin.
B. SmithKline Corp.

A. Phil M. Landrum.
B. Great American Management & Investment.

A. Karl S. Landstrom.
B. Geothermal Resources International, Inc.

A. B. A. Landy.

A. Lane & Edson.
B. Council for Rural Development.

A. Reed E. Larson.
B. National Right to Work Committee.

A. Lawrence C. Laser.
B. Cities Service Co.

A. Glenn T. Lashley.
B. American Automobile Association.

A. Louis F. Laun.
B. American Paper Institute, Inc.

A. Charles B. Lavin, Jr.
B. American Subcontractors Association.

A. Richard A. Leahy.
B. Investment Counsel Association of America, Inc.

A. Richard J. (Dick) Lease.

A. LeBoeuf, Lamb, Leiby & MacRae.
B. Underwriters at Lloyds, London.

A. Robert Leibner.
B. American Frozen Food Institute.

A. Leighton, Conklin, Lemov & Jacobs.
B. Adhesive & Sealant Council, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Agri International, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. American Association of Nurse Anesthetists.

A. Leighton, Conklin, Lemov & Jacobs.
B. American Dental Assistants Association.

A. Leighton, Conklin, Lemov & Jacobs.
B. American Psychoanalytic Association.

A. Leighton, Conklin, Lemov & Jacobs.
B. City & Regional Magazine Association, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. The Clorox Co.

A. Leighton, Conklin, Lemov & Jacobs.
B. Delex International, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Development Healthcare & Wellness, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Family Practice Life & Health Action Research.

A. Leighton, Conklin, Lemov & Jacobs.
B. GEM Mailing, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Grocery Manufacturers of America, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Intraocular Lens Manufacturers Association.

A. Leighton, Conklin, Lemov & Jacobs.
B. Jet America International, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. National Cable Television Association, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. National Glass Dealers Association.

A. Leighton, Conklin, Lemov & Jacobs.
B. National Macaroni Manufacturers Association.

A. Leighton, Conklin, Lemov & Jacobs.
B. Security Associates, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Turner Broadcasting Corp.

A. Leighton, Conklin, Lemov & Jacobs.
B. Universal Medical Laboratories, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Whey Products Institute.

A. Richard L. Lesher.
B. Chamber of Commerce of the United States of America.

A. Joseph A. Letorney.
B. National Education Association.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Commerzbank AG.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Commonwealth Edison Co.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Consolidated Edison Co. of New York, Inc.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. General Electric Co.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. GK Technologies, Inc.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Glass Packaging Institute.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Holy Cross Hospital.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Pacific Gas & Electric Co.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Union Investment GMBH.

A. James B. Liberman.
B. Public Service Electric & Gas Co., et al.

A. Zel E. Lipsen.
B. Westinghouse Electric Corp.

A. Theodore M. Littman.
B. Rockwell International.

A. H. Richard Lloyd, Jr.
B. General Electric Co.

A. Harold Loden.
B. American Seed Trade Association.

A. Loomis, Owen, Fellman & Howe.
B. National Water Well Association.

A. Robert C. Lower.
B. Board of Trade Clearing Corp.

A. Douglas E. MacArthur.
B. Zantop International Airlines.

A. James E. Mack.
B. National Association of Mirror Manufacturers.

A. Curtis T. Mackey.
B. National Insulation Contractors Association.

A. Lee Magnussen.
B. Heinold Commodities, Inc.

A. Dan V. Maroney, Jr.
B. Amalgamated Transit Union, AFL–CIO.

A. Reynaldo L. Martinez.
B. National Education Association.

A. E. C. Marty.

A. Judith Marty.

A. Mike M. Masaoka.
B. American Japanese Trade Committee.

A. Mike M. Masaoka.
B. Nisei Lobby.

A. Paul J. Mason.
B. American Council of Life Insurance, Inc.

A. C. V. & R. V. Maudlin.
B. Georgia Power Co.

A. C. V. & R. V. Maudlin.
B. Joint Government Liaison Committee.

A. Douglas E. McAllister.
B. American Mining Congress.

A. William J. McAuliffe, Jr.
B. American Land Title Association.

A. Michael J. McCabe.
B. Allstate Enterprises, Inc.

A. Michael J. McCabe.
B. Allstate Insurance Co.

A. John A. McCahill.
B. U.S. Olympic Committee.

A. A. R. McCammon.
B. Tennessee Railroad Association.

A. Robert S. McConnaughey.
B. American Council of Life Insurance, Inc.

A. Marianne McDermott.
B. Hill & Knowlton, Inc.

A. Darryl D. McEwen.
B. Society of American Florists.

A. Robert H. McFadden.
B. Motor Vehicle Manufacturers Association.

A. Stanley J. McFarland.
B. National Education Association.

A. James M. Garry, Jr.
B. Eaton Associates, Inc.

A. William F. McKenna.
B. Silver, Freedman, Housley, Taff & Goldberg.

A. William Colm McKeveny.
B. American Pulpwood Association.

A. Margaret McNamara.
B. Reading Is Fundamental, Inc.

A. M. Peter McPherson,
B. Vorys, Sater, Seymour & Pease (for Canadian Cablesystems, Ltd.).

A. Robert E. McVicker.
B. Kollsman Instrument Co.

A. Ronald E. McWilliams.
B. The Boeing Co.

A. Memorex Corp.

A. Howard N. Menaker.
B. American Optometric Association.

A. Harold E. Meslrow.
B. Stencel Aero Engineering Corp.

A. Miller & Chevalier.
B. Northern Helex Co.

A. Paul J. Miller.
B. Investment Counsel Association of America, Inc.

A. Glenn W. Million.
B. Disabled Officers Association.

A. Richard V. Minck.
B. American Council of Life Insurance, Inc.

A. A. W. Mininni.
B. Stop the Sale of America.

A. R. Garrett Mitchell.
B. Colorado Ski Country U.S.A., Inc.

A. Stacey J. Mobley.
B. E. I. du Pont de Nemours & Co.

A. Mocatta Metals Corp.

A. Robert M. Moliter.
B. General Electric Co.

A. C. Austin Montgomery.
B. Credit Union Financial Services, Inc.

A. E. Joyce Morgan.
B. American Mining Congress.

A. Earl J. Morgan.
B. McDonnell Douglas Corp.

A. Victor G. Morris.
B. Montgomery Ward & Co., Inc.

A. Helen Dubino Morrison.
B. Hill & Knowlton, Inc.

A. Helen Dubino Morrison.
B. Hill & Knowlton, Inc. (for The Navajo Nation).

A. Robert M. Mulligan.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. James J. Murphy.
B. Laclede Gas Co.

A. Richard E. Murphy.
B. Service Employees International Union.

A. Margaret R. Murray.
B. Heinold Commodities.

A. Paul J. Myer.
B. American Broadcasting Co., Inc.

A. Law Office of Timothy D. Naegele.
B. BayBanks, Inc.

A. Law Office of Timothy D. Naegele.
B. Republic National Bank of New York.

A. National Association for Free Enterprise.

A. National Broiler Council.

A. National Council for a Responsible Firearms Policy, Inc.

A. National Grain & Feed Association.

A. National Organization for Women.

A. National Wheel & Rim Association.

A. Carolyn B. Nelson.
B. Brookwood Health Services, Inc.

A. Lloyd A. Nelson.
B. Fellowship Square Foundation.

A. Mark D. Nelson.
B. E. I. du Pont de Nemours & Co., Inc.

A. Milton E. Neshek.
B. Kikkoman Foods, Inc.

A. New York Committee of International Committee of Passenger Lines.

A. Melissa A. Nielson.
B. Kennecott Copper Corp.

A. James O. E. Norell.
B. NRA Institute for Legislative Action.

A. Northwest Energy Options.

A. Victor L. Nutt.
B. Gulf & Western Industries, Inc.

A. George O'Bea, Jr.
B. United Paperworkers International Union.

A. Mary Eileen O'Brien.
B. Dow Corning Corp.

A. O'Connor & Hannan.
B. American Public Transit Association.

A. O'Connor & Hannan.
B. Automotive Parts & Accessories Association.

A. O'Connor & Hannan.
B. Hennepin County.

A. O'Connor & Hannan.
B. John Nuveen & Co., Inc.

A. O'Connor & Hannan.
B. National Committee for Quality Health Care.

A. Ashton J. O'Donnell.
B. Bechtel Inc.

A. John A. O'Donnell.
B. Philippine Sugar Commission.

A. Alvin E. Oliver.
B. National Grain & Feed Association.

A. Roy E. Olson.
B. American Paper Institute, Inc.

A. Outdoor Power Equipment Institute, Inc.
B. Dennis C. Dix.

A. W. D. Page.
B. American Plywood Association.

A. Paperboard Packaging Council.

A. Linda K. Parson.
B. Cities Service Co.

A. David J. Pattison.
B. Health Insurance Association of America.

A. Larry E. Paulick.
B. National Swimming Pool Institute.

A. Richard A. Paysor.
B. Chromalloy American Corp.

A. Pendelton & McLaughlin.
B. Cooked & Canned Meat Importers Association.

A. Victor J. Perini, Jr.
B. Highway Users Federation for Safety & Mobility.

A. Richard Wayne Peterson.
B. Independent Bankers Association of America.

A. John E. Pfileger.
B. Time, Inc.

A. Ilbert Phillips.
B. American Council of Life Insurance, Inc.

A. Physicians National Housestaff Association.

A. Stuart F. Pierson.
B. Commonwealth of Puerto Rico, et al.

A. Rena S. Pies.
B. American Footwear Industries Association.

A. Peter K. Pitsch.
B. Montgomery Ward & Co., Inc.

A. Ronald L. Platt.
B. Burger King Corp.

A. Robert Plett Associates, Ltd.

A. William N. Plymat.
B. American Council on Alcohol Problems.

A. Positive Action Committee, Inc.

A. E. A. Potter.
B. National Cash Register Corp.

A. Powell, Goldstein, Frazer & Murphy.
B. Westinghouse Electric Corp.

A. Prather, Seeger, Doolittle & Farmer.
B. Boyd Lumber Corp.

A. James T. Prendergast.
B. Staff Builders, Inc.

A. Preston, Thorgrimson, Ellis & Holman.
B. Dravo Corp.

A. Preston, Thorgrimson, Ellis & Holman.
B. Fisheries Development Corp.

A. Preston, Thorgrimson, Ellis & Holman.
B. Kyukuyo Co., Inc.

A. Preston, Thorgrimson, Ellis & Holman.
B. National Education Association.

A. Preston, Thorgrimson, Ellis & Holman.
B. Organization for the Protection & Advancement of Small Telephone Cos.

A. Preston, Thorgrimson, Ellis & Holman.
B. Port of Seattle.

A. Preston, Thorgrimson, Ellis & Holman.
B. St. Louis Ship.

A. Preston, Thorgrimson, Ellis & Holman.
B. 13th Regional Corp.

A. Preston, Thorgrimson, Ellis & Holman.
B. Yardarm Knot Corp.

A. Provident Indemnity Life Insurance Co.

A. Earle W. Putnam.
B. Amalgamated Transit Union, AFL-CIO.

A. William A. Quinlan.
B. Retail Bakers of America.

A. Quintana Refinery Co.

A. Clifford H. Raber.
B. McDonald's Corp.

A. Carol Raulston.
B. American Paper Institute, Inc.

A. B. Peter Rauwerda.
B. Neratoom, B. V.

A. Julian O. Read.
B. Central & South West Corp.

A. Harry O. Reinsch.
B. Bechtel Power Corp.

A. Murray P. Reiser.
B. Edward Blankstein, Inc.

A. Reproductive Freedom League.

A. Research-Cottrell, Inc.

A. John H. Reurs.
B. New York Committee of International Committee of Passenger Lines.

A. R. Paul Richard.
B. Association of American Law Schools.

A. Lloyd C. Richardson, Jr.
B. South Dakota Railroads Association.

A. James E. Ritchie.
B. National Association of Off-Track Betting.

A. Stark Ritchie.
B. American Petroleum Institute.

A. Brinton P. Roberts.
B. New England Tank Industries of New Hampshire.

A. Robinson, Silverman, Pearce, Aronson & Berman.
B. National Realty Committee, Inc.

A. Lois M. Rodney.
B. Credit Union Financial Services, Inc.

A. Rogers & Wells.
B. F. & M. Schaefer Corp.

A. Rogers & Wells.
B. The Gregg Co., Ltd.

A. Rogers & Wells.
B. A. Johnson & Co., Inc.

A. Rogers & Wells.
B. Merrill Lynch International, Inc.

A. Rogers & Wells.
B. Overseas Shipholding Group.

A. Rogers & Wells.
B. Squibb Corp.

A. Rogers & Wells.
B. Teachers Insurance & Annuity Association/CREF.

A. Rogers & Wells.
B. Twentieth Century Fox Film Corp.

A. Kenneth S. Rolston, Jr.
B. American Pulpwood Association.

A. John W. Rowland.
B. Amalgamated Transit Union, AFL-CIO.

A. Dale E. Schell.
B. GATX Corp.

A. Gerard F. Schiappa.
B. Building Development Counsel International.

A. Andrew A. Scholtz.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Steven H. Schram.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for TVI Corp.).

A. A. Kolbet Schrichte.
B. National Restaurant Association.

A. Walter A. Schumann III.
B. Potomac Overlook Associates.

A. William E. Seale.
B. Commodity Exchange, Inc.

A. Ronald C. Seeley.
B. Claimants to the Bert N. Adams Claim.

A. Sadie E. Seeley.
B. National Federation of Federal Employees.

A. Yvonne L. Shafer.
B. National Education Association.

A. Joseph H. Sharlitt.

A. Dean E. Sharp.
B. Independent Health Insurance Institue, Inc.

A. Shaw, Pittman, Potts & Trowbridge.
B. St. Joe Minerals Corp.

A. Shea & Gould.
B. Independent Research Library Association.

A. Shea & Gould.
B. Ryder Systems, Inc.

A. Seymour Sheriff.
B. Man-Made Fiber Producers Association, Inc.

A. Russell L. Shipley, Jr.
B. National Candy Wholesalers Association, Inc.

A. Mary Frances Shlagel.
B. Union Oil Co. of California.

A. A. Z. Shows.

A. Carlton R. Sickles.
B. United Van Bus Delivery Co.

A. Silver, Freedman, Housley, Taff & Goldberg.

A. Barbara A. Silverman.
B. Provident Indemnity Life Insurance Co.

A. Robert C. Singer.
B. The Soap & Detergent Association.

A. Richard L. Sinnott.
B. Port of Oakland.

A. Stephen K. Small.
B. Securities Industry Association.

A. Gordon L. Smith.
B. Hill and Knowlton, Inc. (for Florists' Transworld Delivery Association).

A. Robert Wm. Smith.
B. Railway Progress Institute.

A. William H. Smith.
B. American Bankers Association.

A. Snyder & Ball Associates, Inc.
B. Aerojet-General Corp.

A. Snyder & Ball Associates, Inc.
B. DSP, Inc.

A. Snyder & Ball Associates, Inc.
B. Gould, Inc.

A. Christine D. Somma.
B. Flexible Packaging Association.

A. South Dakota Railroads Association.

A. Larry M. Speakes.
B. Hill & Knowlton, Inc.

A. Specialty Equipment Market Association.

A. John F. Speer, Jr.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Charles A. Speir.
B. Brookwood Health Services, Inc.

A. William C. Spence.
B. Columbia Gulf Transmission Co.

A. State & Federal Associates, Inc.
B. National Association of Convenience Stores.

A. State & Federal Associates, Inc.
B. Schering-Plough Corp.

A. Roy N. Staten.
B. Bethlehem Steel Corp.

A. Charles D. Statton.
B. Bechtel Power Corp.

A. Leon P. Stavrou.
B. American Hellenic Institute Public Affairs Committee, Inc.

A. David J. Steinberg.
B. National Council for a Responsible Firearms Policy.

A. Charles W. Stellar.
B. AAPSRO.

A. Travis B. Stewart.
B. Hoffmann-La Roche, Inc.

A. John W. Stillwaggon.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Edward W. Stimpson.
B. General Aviation Manufacturers Association, Inc.

A. O. R. Strackbein.
B. International Allied Printing Trades Association.

A. George Strumpf.
B. Group Health Association of America, Inc.

A. John R. Sweeney.
B. Bethlehem Steel Corp.

A. G. Lee Swift.

A. M. T. Swinehart.
B. National Association of Manufacturers, Southern Division.

A. Warren Tanner.
B. Organization of Independent Artists.

A. Charles A. Taylor III.
B. National Association of Independent Insurers.

A. Clayton C. Taylor.
B. McDonald's Corp.

A. Texas Students for Political Activity.

A. Thaxter, Lipez, Stevens, Broder & Micoleau.
B. The National Council of Senior Citizens, Inc.

A. Bruce D. Thevenot.
B. Humana, Inc.

A. John W. Thomas.
B. Association of American Veterinary Medical Colleges.

A. Lawrence L. Thomas.
B. Bechtel Power Corp.

A. Boyd Thompson.
B. American Association of Foundations for Medical Care.

A. Eugene M. Thore.
B. Aetna Life Insurance Co.

A. Eugene M. Thore.
B. Metropolitan Life Insurance Co.

A. Paul J. Tierney.
B. Transportation Association of America.

A. Roger Tilles.
B. Central Michigan University.

A. Roger Tilles.
B. First National Monetary Corp.

A. Roger Tilles.
B. Michigan Department of Education.

A. Roger Tilles.
B. Wayne State University.

A. C. Richard Titus.
B. American Paper Institute, Inc.

A. Jay Charles Townley.
B. Schwinn Bicycle Co.

A. Burke A. Tracey.
B. Tracey Associates, Inc.

A. Transportation Association of America.

A. Robert C. Troup.

A. Philip J. Tulimieri, Jr.
B. Avon Products, Inc.

A. David L. Turley.
B. Florida Gas Transmission Co.

A. 23d Pro-Life Congressional District Action Committee (New York).

A. 23d Congressional District Action Committee.

A. Mathew Valencic.
B. Halt, Inc.

A. Roy Thomas Van Arsdall.
B. National Council of Farmer Cooperatives.

A. Richard A. Van Deuren.
B. National Employee Benefits Institute.

A. Nicholas L. Van Nelson.
B. American Paper Institute, Inc.

A. R. Dick VanderWoude.
B. National Education Association.

A. John P. Venners.
B. Koch Industries.

A. John P. Venners.
B. Pride Refining, Inc.

A. Jerry T. Verkler.
B. Texas Eastern Transmission Corp.

A. C. John Vermilye.
B. United States Steel Corp.

A. Verner, Liipfert, Bernhard & McPherson.
B. Hellenic Republic of Greece.

A. Brenda R. Viehe-Naess.
B. American Insurance Association.

A. R. Eric Vigé.
B. Cities Service Co.

A. Voice in the Wilderness.

A. Vorys, Sater, Seymour & Pease.
B. National Hockey League.

A. Catherine Waelder.
B. National Federation of Federal Employees.

A. Wakefield Washington Associates.
B. National Distillers & Chemical Corp.

A. Wald, Harkrader & Ross.
B. Chemtex Fibers, Inc.

A. Linda Walker-Hill.
B. Bill & Knowlton, Inc.

A. Warren W. Walkley.
B. General Electric Co.

A. Raymond C. Wallace.
B. Amalgamated Transit Union, AFL–CIO.

A. Lionel L. Wallenrod.
B. American Paper Institute, Inc.

A. Bonnie B. Wan.
B. Montgomery Ward & Co., Inc.

A. Alan S. Ward.
B. The Soap & Detergent Association.

A. Robert B. Washington, Jr.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. Clarke R. Watson
B. Westland Cos., Inc.

A. George B. Watts.
B. National Broiler Council.

A. Webster & Chamberlain.
B. National Club Association.

A. Webster & Chamberlain.
B. National Sporting Goods Association.

A. Elizabeth Shirley Weltner.
B. Hill & Knowlton, Inc.

A. Thomas F. Wenning.
B. National Association of Retail Grocers of the United States.

A. George Whaley.
B. Carl Byoir & Associates, Inc. (for Railway Progress Institute Tank Car Safety Committee).

A. William Whichard, Jr.
B. Union Oil Co. of California.

A. Wickham & Craft.
B. Congaree Limited Partnership.

A. Wickham & Craft.
B. Consumers Solar Electric Power Corp.

A. Wickham & Craft.
B. Ryder System, Inc.

A. Wickham & Craft.
B. Trailer Train Co.

A. Wickwire, Lewis, Goldmark & Schorr.
B. Arctic Slope Regional Corp.

A. Wickwire, Lewis, Goldmark & Schorr.
B. New Milwaukee Lines.

A. Richard J. Wiechmann.
B. American Paper Institute, Inc.

A. Williams & King.
B. American Netting Manufacturers Organization.

A. Robert E. Williams.
B. United Airlines.

A. Allen W. Wills.
B. Memorex Corp.

A. Wilmer & Pickering.
B. Dealer Bank Association.

A. Wilmer & Pickering.
B. Morgan Guaranty Trust Co.

A. Wilmer & Pickering.
B. Motor Vehicle Manufacturing Association of the United States, Inc.

A. Wilmer & Pickering.
B. National Corporation for Housing Partnerships.

A. Dorothy R. Wilson.
B. Coalition of Concerned Charities.

A. James E. Wilson, Jr.
B. McDonnell Douglas Corp.

A. James R. Winnie.
B. Cities Service Gas Co.

A. Curtin Winsor, Jr.
B. Alliance for Free Enterprise.

A. Winston & Strawn.
B. Building Owners & Managers Association, International.

A. Ann R. Wise.
B. Hollingsworth & Vose Co.

A. Witkowski, Weiner, McCaffrey & Brodsky.
B. National Truck Equipment Association.

A. Glenn P. Witte.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Sidney M. Wolfe.
B. Health Research Group.

A. Steven M. Worth.
B. Hill & Knowlton, Inc.

A. Wyman, Bautzer, Rothman, Kuchel & Silbert.
B. Bristol Bay Native Corp.

A. Wyman, Bautzer, Rothman, Kuchel & Silbert.
B. California Canners & Growers.

A. Wyman, Bautzer, Rothman, Kuchel & Silbert.
B. Eklutna, Inc.

A. Wyman, Bautzer, Rothman, Kuchel &
B. Peterson Publishing Co.

A. Carmen Young.
B. National Federation of Federal Employees.

A. Judith Ann Young.
B. National Association of Realtors.

A. John J. Zimmerman.
B. American Mining Congress.

A. Frances A. Zwenig.
B. Center To Protect Workers' Rights.

A. Carl E. Zwisler III.
B. International Franchise Association.

EXTENSIONS OF REMARKS

A TRIBUTE TO JUDGE C. STANLEY BLAIR

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. BAUMAN. Mr. Speaker, the sudden and recent death of U.S. District Judge C. Stanley Blair stunned Marylanders in positions high and low, in Annapolis, Washington, and Baltimore.

Stan Blair was truly an outstanding American. Before receiving his law degree from the University of Maryland, he served in the U.S. Merchant Marine for 3 years. During his college years, he earned his living and his tuition by mixing mortar and carrying bricks on construction sites. His deep attachment to Harford County, Md., where he made his home in the town of Darlington, extends back to the 1950's.

Judge Blair's political ascent began in 1962 with his election to the Maryland House of Delegates, where he quickly earned a reputation on the Ways and Means Committee. Judge Blair was appointed secretary of state in 1966 by Gov. Spiro Agnew; following Governor Agnew's selection as the Vice-Presidential nominee, Judge Blair served as the de facto Lieutenant Governor for the State of Maryland.

C. Stanley Blair then came to Washington as chief of staff for the new Vice President. In 1971, President Nixon appointed Judge Blair to the Federal district court judgeship that he held at the time of his death. Judge Blair was a mere 52 when he died of a heart attack.

To those of us who knew Stan Blair personally, the warmth and wit of this very special man will be tragically missed. To the Marylanders he served selflessly for 20 years, his integrity and devotion to public service will be equally missed. It was truly an honor to know Judge C. Stanley Blair, and I share the feelings of many in grieving at his passing.

I include for the RECORD several of the many editorials on Judge Blair and his impact on Maryland. I include articles from the Bel Air (Md.) Aegis, the Aberdeen (Md.) Harford Democrat, and the Havre de Grace (Md.) Record, as well as two remembrances from the Baltimore Morning Sun.

The material follows:

[From the Aegis, Apr. 24, 1980]

C. STANLEY BLAIR

Harford County has lost one of its most distinguished citizens with the untimely death this week of Judge C. Stanley Blair.

Judge Blair had played a significant role in the affairs of Harford County and the State of Maryland in the Sixties here and had already earned an enviable reputation for his demeanor and astuteness in the U.S. District Court.

As a young practicing attorney here, Stanley Blair rose to a seat in the Maryland House of Delegates, where he developed into a leader in various causes, not the least of which was an eventually successful plan to revamp Maryland's taxing structure.

He was later to serve the State well as Secretary of State, suffering a narrow defeat once in a race for the Maryland Senate and losing in another political contest for Governor. Many have reflected as to what direction Maryland may have gone had Mr. Blair been successful in that later endeavor.

An articulate and intelligent man, Judge Blair served the people he represented most capably throughout his all too brief career in public office. He shall be missed and remembered as a fine man.

[From the Harford Democrat and Aberdeen Enterprise, Apr. 23, 1980]

JUDGE C. STANLEY BLAIR

Harford lost one of its prominent figures in the sudden death of U.S. District Judge C. Stanley Blair. His friends and acquaintances were deeply saddened by his sudden death at 52 years of age, particularly since he had been active and apparently in good physical health.

Among the many offices which he held, were the House of Delegates, the Secretary of State and Chief of Staff for a former Maryland Governor and Vice President.

He was one of the few Harford County citizens who ever aspired to become Governor, having been the Republican candidate at the time former Governor Marvin Mandel was elected.

As far as recent records can be determined, he was Harford County's only member on the federal bench of the U.S. District Court for Maryland, a position he was filling so efficiently at the time of his death.

He served with distinction in the Army; prior thereto, as a young man, he worked with his hands in the home construction business, studied law and became a member of a Harford County firm of lawyers, which has so far produced three Judges, two of them serving in the Circuit Court for Harford County.

He served as a leader in the United Appeal, the Red Cross and other civic organizations. He was a good citizen.

[From the Record, Apr. 23, 1980]

STAN BLAIR

For most of the past ten years, Harford County didn't see much of C. Stanley Blair, though he made his home here. He left his stone farmhouse near Darlington early each morning, went off to Baltimore where he served as a highly-respected federal district judge, and returned in the evening—frequently rather late. There wasn't a lot of time left over for socializing.

This isn't surprising, considering Stan Blair's hard-driving character. But in a way it's unfortunate, for it meant that a lot of Harford County's newer residents never got to meet him.

In the early 1960s, Mr. Blair was a young man with star quality. He had been to sea with the merchant marine, worked with his hands in the construction trade, and put himself through the University of Maryland as an undergraduate and law student. At law school he edited the law review.

Later he practiced law in Bel Air, becoming a partner in the firm then known as Cameron, Close, Reed and Blair. (Two other former partners, Brodnax Cameron, Jr. and Albert P. Close, now serve on the Harford County Circuit Court.)

He was a prominent and successful Republican in a Democratic county, winning election to the House of Delegates in 1962 and promptly establishing himself as an independent, able and industrious legislator. He was chosen as chairman of the county's legislative delegation.

But he had bad political luck. In 1966, Harford County's popular Democratic state senator, William S. James, announced that he was going to run for attorney general. Mr. Blair promptly filed for the Senate seat. But then, when nobody offered him a place on a statewide ticket. Mr. James changed his mind and ran for reelection. He beat Mr. Blair, though not by much.

Mr. Blair was appointed secretary of state by Spiro T. Agnew after Mr. Agnew was elected governor in 1966, and served in that office as a sort of de facto lieutenant governor, there being no such elective position in Maryland at that time.

He was a splendid right-hand man for Mr. Agnew, and when the governor was elected vice president he took Mr. Blair to Washington with him as his chief of staff.

It's now clear, of course, that Spiro Agnew was a corrupt, venal, and immoral man, who accepted payoffs even while holding the second-highest office in the land. But the scandal that brought him down in 1973 never touched Mr. Blair, who had left the vice president in 1970 in order to run for governor himself.

He lost that election to Marvin Mandel, and lost badly. It's unlikely that any Republican could have come close that year. But he waged an articulate, energetic, and straight-forward campaign on the issues.

In 1971, he was appointed by Richard Nixon to the federal bench—something about which many lawyers dream, but for Mr. Blair a distinct anti-climax to the political career he had hoped to follow. Even so, as a judge he was held in high regard for his fairness and knowledge of the law, and though he missed politics he stayed well away from it, and gave his duties on the court his full concentration.

When he was stricken at home on Sunday, he had, it was reported, been working hard all day. This was typical of Stan Blair. In all his activities, he had only one speed: full steam ahead.

It's hard to accept the sudden loss of this bright, vigorous, attractive person, one of the ablest public men to come out of Harford County in a couple of generations. To

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

his family and other friends, we extend our deepest sympathy.

[From the Baltimore Sun, Apr. 23, 1980]

Making the Best of It

C. Stanley Blair, who died suddenly on Sunday at the early age of 52, was an engaging and extremely talented politician who had bad political luck. It changed his career, and probably changed his life.

For the last nine years he was a federal judge in Baltimore, and widely regarded as an excellent one, fair and hard-working and knowledgeable in the law. But unlike many lawyers who fool with politics only in the hope that it will one day lead to a judgeship, Stan Blair, given the choice, would have preferred the hurly-burly of elective office to the isolation of the bench.

It would be an overstatement to say that he accepted his appointment to the U.S. District Court with reluctance; he knew it was a prestigious and important job that would be a challenge to any lawyer, and he welcomed challenges. But he surely put on the robes with some regrets, and wore them with a touch of very private wistfulness.

Back in the early 1960s, Mr. Blair was an ambitious young lawyer who was obviously going places. After stints in the merchant marine and the construction trade, he had put himself through college and law school, editing the university of Maryland Law Review in the process. He was practicing law in Bel Air as a partner in Harford county's best-known firm. He was bright, gregarious, a good speaker, and in a hurry.

In 1962 he was elected to the House of Delegates as one of three Republicans from normally Democratic Harford county, and served as chairman of the county delegation. Despite his minority-party affiliation, he became even in his freshman term one of the people who counted in the legislature.

Four years later came the first flash of bad luck.

William S. James, the president of the state Senate, announced in early 1966 that he intended to leave his secure Harford county seat to run for attorney general. Mr. Blair, seeing an opening, immediately filed for the Senate. But at the last minute, when he wasn't invited to join any statewide Democratic ticket, Mr. James changed his mind and ran again for his old seat. He narrowly defeated Mr. Blair, who would never win another election.

Spiro Agnew, just elected governor, then named Mr. Blair to the $10,000-a-year part-time job of secretary of state. The position had a variety of official duties, but it really meant that Mr. Blair was the governor's right-hand political man, lieutenant governor in fact if not in title. (The office of lieutenant governor wasn't re-created in Maryland until 1970.)

The Agnew administration, of course, was short-lived. While the governor was off campaigning with Richard Nixon in 1968, Mr. Blair ran the state. After the election, he went to Washington to become the new vice president's chief of staff.

I used to stop in and see him sometimes at the White House, and often came away with the sense that he was restless. He loved power and action, but he didn't like being someone else's spear-carrier, even a quite exalted one. So he left in 1970 to run for governor himself.

That, in retrospect, was fortuitous, for it kept him totally clear of the 1973 kickback scandal that brought about the vice president's resignation. He lost the election to Marvin Mandel, but was appointed to the federal bench by Richard Nixon soon after, and so was out of harm's way when hell began breaking loose in Washington.

(Mr. Mandel, who has been through a lot himself in the last decade, had nothing but respect for Mr. Blair. "We were friends before that election," said the former governor on Monday, "and we were friends after—not close, but friends. He was a fine and honorable man.")

After he became a judge, Stan Blair's old friends saw less of him. He worked long hours keeping up with the many duties of a federal judge on a busy trial court, and while he still managed to play some tennis and go goose hunting on occasion, he didn't have the contact with a wide variety of people he had enjoyed in the political days.

It isn't usual to feel vaguely sorry for federal judges, especially good ones. They're well-paid, respected, and doing useful work. But I always had the feeling, which was reinforced on our infrequent meetings in recent years, that fate had dealt rather harshly with Stan Blair.

He loved being in the thick of things, as he had been long ago in the legislature. He would have loved being governor, and would probably have been good at it. But it was a measure of his strength of character that when these other lives didn't work out, he took what was available and made the best of it. He certainly never wasted his time, which ran out on him much too soon.

C. Stanley Blair

The death of federal Judge C. Stanley Blair at the age of 52 is as dismaying as it is shocking. In his nine years as a federal trial judge here Mr. Blair had won a reputation as one of the hardest working and most respected members of the bench. His reputation rested on his unfailing courtesy in the courtroom, his attention to detail and what his colleagues described as his "solid legal mind."

It is an ironic coincidence that the news of his unexpected death had to share the headlines with sensational stories about the resignation of Vice President Spiro Agnew, based on Mr. Agnew's forthcoming book. Mr. Blair was a protege of Mr. Agnew whose star rose even as the latter's dropped below the horizon.

He served Governor Agnew as secretary of state and Vice President Agnew as chief of staff. It was Mr. Agnew's influence that won for Mr. Blair the federal judgeship, after Mr. Blair unsuccessfully sought the governorship in 1970. Before he had worked for Mr. Agnew he had been a delegate from Harford County and an unsuccessful candidate for a state Senate seat. This political background, plus the fact that his small town law practice had not involved a great deal of work in federal courts, led to criticism of the appointment, particularly in blue-stocking Baltimore legal circles. Many of those same critics became his fondest admirers after he became a judge.

Some would say Judge Blair was a good judge despite his political and parochial background. Some would say he was a good judge because of his background. It is an old argument. What is safe to say is that he had personal qualities which were more important than his background. In the search for a replacement, we urge Senator Paul Sarbanes, Attorney General Benjamin Civiletti, President Carter and the Senate Judiciary Committee to keep his example in mind.●

WEST GENESEE HIGH SCHOOL WILDCATS MARCHING BAND

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. LEE. Mr. Speaker, colleagues, I ask you to join me today in expressing the congratulation of this House to a group of the most enthusiastic, most talented constituents any Member of Congress could hope to represent: The West Genesee High School Wildcats marching band, winners of this year's St. Petersburg Festival of the States national field championship band competition.

This coming Sunday, May 25, band members will receive the St. Petersburg Mayor's Trophy in ceremonies to take place on their home field in Onondaga County, in my 33d Congressional District of central New York. They will also perform the field routines which captured for them trophies in field, parade, and concert competition while in St. Petersburg last month, the only band in the entire Nation to capture honors in all three categories.

It is a Congressman's very special honor to address this august House to congratulate any group proven to be America's best. But this group represents something more: It is the talent, the dedication, and the enthusiasm of a high school band, whose members will carry those marvelous traits into every American enterprise in a few short years.

Mr. Speaker, it is with the deepest sincerity that I congratulate members of the band who worked so hard, their directors, Bruce Burritt and Jeffrey Renshaw, and members of the community and families who supported this triumphant trip with their money, their work, and their personal dedication. They represent America at its best.●

THE VOLUNTEER MILITARY AND REENLISTMENT PROBLEM

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. HYDE. Mr. Speaker, our military services not only need to find and attract good men, but must be able to keep them. I think it is a national disgrace that so many men in the armed services now have to moonlight to pay the rent, and sign up for food stamps to feed their families.

I am told that the Navy, for example, relies on a 40-percent retention rate for sailors winding up their first tour of duty, but in recent years the number of men willing to sign on for a second or third tour has dropped significantly.

Alexander C. Field, Jr., the vice president for community relations at WGN-TV in Chicago, and the national vice president of the Air Force Association's Great Lakes Region, has been kind enough to share with me his station's editorial views on the low rate of volunteerism and reenlistment in the armed services, particularly, the U.S. Navy. I think WGN's editorial is right on target, and I am pleased to share it with my colleagues as food for thought:

VOLUNTEER MILITARY

The Navy has reported that some ships of the Atlantic fleet cannot sail due to inadequate manning. This is a symptom. As recent surveys have shown, a primary reason people cite to not enlist or continue their careers in the military is inadequate compensation.

Before the all-volunteer force began in 1973, Congress had taken steps to insure that military compensation would be comparable to that of the private sector. Since then, however, this level of comparability has not been maintained because of pay caps in 1975, 1978, 1979, and because of the effects of inflation.

Recent surveys show that 90 percent of enlisted members and 55 percent of officers moonlight or have their spouses work to make ends meet. The armed services all are suffering from an acute shortage of experienced and trained personnel.

Perhaps the Navy is in the worst shape. It has some 20,000 technicians who have signed on for one year extensions of service rather than full terms. Many are not expected to reenlist unless their military pay is sharply increased or a long, deep recession reduces employment opportunities in private industry.

Congress and the American people must recognize the importance of adequate compensation for our service men and women as they continue to meet the needs of the country they volunteered to serve. This Armed Services Week is a good time to insist that the U.S. Congress alleviate this compensation inequity.●

TRIBUTE TO VIC MANGINI

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ROYER. Mr. Speaker, I rise to honor Victor A. Mangini, who is retiring at the end of this school term as the assistant principal of Burlingame High School, Burlingame, Calif., in my congressional district. Vic, as he is known to all of us, has had a long and distinguished career in my district, not only in the field of education, but also in other fields of public service, including politics—he is currently the vice mayor of the city of Burlingame.

After a distinguished span of 19 years' service in the military, where he rose from a private to the rank of lieutenant colonel in the U.S. Air Force Reserve, Vic joined the Burlingame High School faculty in 1946 and has been so employed ever since. The list of his accomplishments at Burlingame High goes on and on, but noteworthy among them are his 12 years' experience as football and track and cross-country coach during which his teams won a total of 17 championships.

A holder of five different credentials issued by the State of California, Vic's leadership and abilities in the field of education have guided innumerable students along the straight and narrow path of life and has served as a model for his fellow educators, both teachers and administrators.

His extra curricular activities over the years leave one breathless. He is or has been a member of the governing bodies of the local Knights of Columbus, San Mateo Union High School District Teachers Association, Peninsula YMCA, San Mateo County Teachers Association, St. Catherine's Mens Club, Burlingame Recreation Commission, Peninsula Symphony Association, Manhatten College Alumni Society, and the Rotary Club of Burlingame. He has also rendered meritorious service to the community as a member of the Burlingame Progress Association, International Airport Executive Club, Presidio Officers Club, Commonwealth Club of California, National Education Association, California Teachers Association, San Mateo County Teachers Association, and Burlingame Teachers Association.

Vic has been the recipient of many honors during his distinguished career, not the least of which was his appointment to the Governor's Committee on Children and Youth in 1956 and 1958, his appointment as a section leader for the 1960 White House Conference on Children and Youth, his presentation to the Massachusetts Institute of Technology Guidance Conference for Public Educators in 1957, and his being named citizen of the year by the city of Burlingame in 1958. The list goes on and on, Mr. Speaker, and I am sure that you, and my fellow colleagues, are as overwhelmed as I am by this unique history of community service.

I therefore ask, Mr. Speaker, that you join with me and the other Members of this House of Representatives to honor Vic Mangini and congratulate him on his illustrious career and wish him the best of all good fortune during his years of retirement.●

FAMILY PROTECTION ACT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. SYMMS. Mr. Speaker, the American family has always been considered the basic unit of our society, and yet, in recent years because of the enormous expansion of the role of government in our lives, the family has been affected by the effects of growing State intervention. Families form the building blocks of our society, and it is neither the right nor the responsibility of the Federal Government to raise our children, to determine exactly what their needs are, or to shape their political and religious beliefs. The needs that children have are best met through the institution of the family.

Today, I am introducing the amended version of the Family Protection Act in the House which encourages more family responsibility and less Federal control. The Family Protection Act is designed to strengthen the American family and to remove those Federal Government policies which inhibit its strength and prosperity.

The Family Protection Act is divided into five sections: education, welfare, first amendment guarantees, taxation, and domestic relations.●

PROTECTION, NOT PROTECTIONISM

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. FRENZEL. Mr. Speaker, I would like to refer my colleagues to an editorial that appeared in the May 20 New York Times, which echoes some of my own disappointments with the trade adjustment assistance program. That program simply has not worked the way we had originally hoped it might, and I believe we are overdue for some needed changes, some of which will be addressed as we consider funding for trade adjustment assistance under the supplemental appropriation.

The article follows:

PROTECTION, NOT PROTECTIONISM

What's the difference between a recently unemployed auto worker and, say, an unemployed architect, each of whom last year earned $25,000?

The auto worker is better off. Besides regular unemployment insurance and supplementary benefits paid by the industry, he qualifies for special help from Washington worth as much as $269 a week for a year. He could collect more without a job than with one.

Such peculiar, if temporary, prosperity is accounted for by the trade adjustment program designed by Congress to win organized labor's grudging support for liberalized trade legislation in 1974. It offers special protection to the victims of import competition. The idea of such protection is sensible. But the cost of the program is becoming alarmingly high, and the funds are not being shrewdly spent.

Earlier this month, the Administration was forced by the nationwide recession and the depression in Detroit to ask Congress for an additional $1.1 billion to finance the import protection program—on top of $400 million already requested. Although auto workers are likely to get most of this money, workers laid off in the steel, rubber, textile and electronics industries have been certified for similar benefits.

We have no quarrel with the original logic of the program. But workers in dying or shrinking industries don't merely need money; they need training, help in finding new jobs and in moving their families to new job markets. The original Trade Adjustment Act tried to accomplish those goals. In practice, it has not succeeded. Laid-off workers have received money but have usually returned eventually to their old jobs. The program is now little more than a cash grant that gives some of the unemployed—those "substantially" hurt by imports—an unfair advantage over others who get only routine unemployment benefits.

Until recently, no one cared much about this inequity. The program was small and inconspicuous. But now, with the auto industry in serious trouble, requests for money, training and new jobs are suddenly on the rise. Unfortunately, the Labor Department has no funds for the larger task.

Congress should refit the program to serve its broader purpose. The nation should offer extended benefits to workers hurt by imports, but only to those who agree to enter training programs that lead to jobs elsewhere. Special benefits should be paid only after regular unemployment benefits expire—and at the same level, not higher.

Until the Government has a sound program to help the victims of import competition, Washington will be wasting funds better spent on retraining and relocation. And if it doesn't help such people, the cries for outright protectionism can only increase.●

THE SPIRIT OF HELSINKI VIGIL 1980

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. YATES. Mr. Speaker, I wish to take this opportunity to call to the attention of the House another instance of the gross and systematic violations of basic human rights that exist in Soviet Russia. Anatoli Dmitrievich Ponomariov is today under detention at the Skvortsov-Stepanov Psychiatric Hospital in Leningrad. But Mr. Ponomariov is not mentally ill and he is a patient in name only. This man, who is a trained engineer, is actually a political prisoner with an indefinite sentence to a Soviet psychiatric hospital.

His mother and colleagues have strongly protested Ponomariov's forcible hospitalization but to no avail. Instead, they have been told, by the so-called medical authorities, that his writings and protests against conditions in the U.S.S.R. are symptomatic of his progressing illness and his normal behaviour at home is not an indication of his mental health. This, of course, is utter nonsense. It is difficult to imagine a more vivid example of the criminal use of medicine to punish a dissenter. And Mr. Ponomariov has done nothing more than express his dissatisfaction with the Soviet state. In 1970 and 1971, he was arrested for writing satirical poems and for making copies of Solzhenitsyn's letters. After his release in 1975, he was rearrested and institutionalized again in late 1978 for writing a public letter of protest that was addressed to the Soviet authorities. During these various periods of confinement, witnesses, who have now escaped to the West, have stated that he has been frequently and brutally beaten. And it is entirely possible that this man may not survive and may never be freed. The authorities have officially declared that he is inclined to fall under the influence of shady characters and requires continuous psychiatric treatment for his anti-Soviet views.

No one knows how many thousands are suffering a similar fate in the Soviet Union. But we know that Mr. Ponomariov is anything but an isolated case. We also know that the denial of the basic right to hold beliefs and express opinions will continue in that country unless the world community makes a constant and concerted effort to protest those cases that come to its attention. And I submit that the tragic and cruel treatment of Anatoli Ponomariov is a vivid reminder to us all that we cannot ignore what is happening today to people in Russia.●

LATHROP K. LEISHMAN

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. MOORHEAD of California. Mr. Speaker, Lathrop K. Leishman, a prominent Pasadena citizen, has been named to receive the Salvation Army's distinguished Others Award.

This honor is presented annually to the person who has given outstanding service to the community and the Salvation Army.

For all of his adult life, "Lay" Leishman has worked constantly for those ideals his life so clearly reflects. Those concepts, fortunately for all of us, have been ideas which have benefited many of us.

It could be said that Lay was predestined to be a pillar of the community. Extensive involvement with Pasadena has been a Leishman family tradition. Lay's father, William, was the originator of the idea of a Rose Bowl for Pasadena and he was the man who headed the drive to construct the world-famous football stadium. Lay has carried on this family tradition effortlessly and with admirable results.

He began his involvement with the Tournament of Roses back in 1926. He assumed the presidency of that prestigious organization in 1938 and was the grand marshall of the Rose Parade last year.

Lay has played many positions in the Tournament of Roses Football Committee and is largely responsible for the exclusive agreement between the Pac 10 and the Big 10, the most successful and stable of postseason bowl agreements in the Nation.

Lay Leishman's involvement with the Salvation Army is simply another extension and expression of his lifetime creed of working for the betterment of others.

He is a devoted father, grandfather, and great grandfather. The community is as proud of him as he is of the community. He is the spirit of the Rose Bowl. He is the model citizen's model. His biography could easily serve as a history for a significant part of the civic and cultural life and development of Pasadena.

Lay Leishman is a man deserving of the Salvation Army's Others Award because he has spent his life pursuing and promoting honorable goals not only within the Salvation Army but within society as well.

He deserves the thanks of his benefactors because he has never sought our praise and gratitude. I am privileged to share the many contributions of this fine gentleman with my colleagues in the House.●

URBAN JOBS AND ENTERPRISE ZONE ACT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. KEMP. Mr. Speaker, while I will not, of course, claim any credit, I would like to point out that soon after I introduced my Urban Jobs and Enterprise Zone Act, the Chinese Minister of Finance instructed local governments to increase tax incentives in cities and towns with high rates of youth unemployment. This is just one of many steps the Chinese have taken to strengthen incentives for employment and productivity.

I commend the following release from the People's Republic of China to my colleagues:

Finance Ministry Gives Longer Tax Exemption to Enterprises

[Text] Beijing, May 4.—The Ministry of Finance recently notified the localities to go further in tax reduction and exemption for collective enterprises in cities and towns employing jobless educated youths.

It was originally stipulated that these newly established enterprises will be exempted from paying industrial and commercial income taxes on their profits for 1 year from the month they begin production operation. It has been changed to exempt them from paying industrial and commercial income taxes for 2 to 3 years. It was originally stipulated that collective enterprises and units engaged in labor service, repair work and other services will be exempted from paying industrial and commercial taxes for 1 year from the first day of operation. It is now also changed to extend their tax exemption period to 2 to 3 years.

The Ministry of Finance also stipulates that existing collective enterprises run by urban neighborhoods can also qualify for industrial and commercial income tax exemption for 2 to 3 years, if in a single year the jobless educated youths employed by them account for 60 percent or more of their total number of workers and staff members.●

REPRESENTATIVE IRELAND ANNOUNCES A SMALL BUSINESS HEARING

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. IRELAND. Mr. Speaker, recently, representatives of the Nation's independent office machine dealers contacted me concerning problems they are encountering in their business relationship with some foreign manufacturers. At the present time there are more than 30,000 of these businesses in the country, most of which are small businesses. For the last several years, problems with foreign manufacturers have increased to the point that the existence of many of these businesses appears threatened.

The dealers contend that in the current situation they are at the mercy of foreign manufacturers. Among the issues they want aired are better dealer protection, more good faith dealings, and the lack of product reliability.

The Small Business Committee is charged by the Congress with the protection of America's small business community. As chairman of the House Subcommittee on Special Small Business Problems, I have decided to schedule a hearing next month to allow them to air any and all grievances they believe they have. We will then decide what needs to be done next, including the possibility of legislative remedies. I will announce the exact date of the hearing to be held here in Washington later.●

AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. BEREUTER. Mr. Speaker, the following editorial from the May 9, 1980, Omaha World Herald brings to light this Nation's apparent failure to keep communication lines open to the Afghan people. These victims of Soviet aggression need to know of our support. Now more than ever the Voice of America should be heard, and understood. I strongly recommend that my colleagues take a moment and read the editorial which follows:

[Omaha World Herald, May 9, 1980]

U.S. BOTCHES MESSAGES TO PEOPLE IN AFGHANISTAN

The Russian atrocities continue in Afghanistan.

News coverage of the struggle there is muddy because the Soviets don't want the full story to get out. American journalists are barred from Afghanistan.

But some of the story leaks through. And amid the constant reports of outmanned guerrillas causing the invaders more trouble than they bargained for, of ambushes, executions and other bloody outrages, a few events stand out.

First there was the infamous Kerala massacre in which most of the men in a village were shot to death.

Now there is the slaughter of the school children. Yes, school children.

At least 65 of them, between the ages of 12 and 17, have been gunned down by Russian troops on the streets and in the school yards of Kabul.

Many were unarmed girls who were marching in demonstration against the occupation. It was the bloodest incident since 300 persons died in February in anti-Soviet protests.

The lastest episode began April 21 when high school students rioted after refusing to attend the unveiling of a new national flag, according to reports pieced together by the Associated Press. Here is a fragment of the matter-of-fact AP report:

"They (the schoolgirls) jeered at Afghan soldiers, who uniformly refused to fire despite orders from Russian officers. The Soviet troops then opened fire, Afghan sources said."

When eyewitness accounts eventually become available, as they always do, the grisly details should shock the world.

The Afghans are desperate. "Rage Seethes in Kabul After Children's Revolt," one headline said.

A foreign traveler said this is what the Afghan students are saying:

"Where is (President) Carter, the self-proclaimed guardian of human rights? Are we not human beings? Why are the United Nations and other world organizations silent about Russian massacres in Afghanistan?"

Silent? One would think that the least the United States could do would be to let the Afghans know that the outside world is horrified by what is happening to them and is trying to do what it can to help.

Olympic boycotts, grain embargoes, technology cut offs may not seem like much to people dying on the streets of Kabul. At least they demonstrate that the U.S. disapproves of what the Soviets are doing.

But a few days ago, it was disclosed—right here in Omaha—that the U.S. message is not getting through.

Why in Omaha? Because at the University of Nebraska at Omaha we have the largest center for Afghan studies in the United States.

A considerable number of Afghan educators reside here and they keep in touch with the resistance movement as best they can.

The director of the center, Thomas Gouttierre, says he has learned that the Voice of America is beaming broadcasts to Afghanistan in a language that the majority, including many resistance fighters, have great difficulty understanding. The Russians, meanwhile, are broacasting in languages spoken by the entire population.

Gouttierre has written to the State Department's International Communications Agency about this and has been interviewed on the subject by The Washington Post.

The Post says State Department officials privately concede that the ICA has lacked initiative and aggressiveness.

Gouttierre should be commended and supported for his role in calling attention to this bungling in Washington.

There is no excuse for not telling the Afghan fighters what is happening on the outside in a language that they can understand.

This failure should be corrected immediately.●

END THE BUREAUCRATIC NIGHTMARE; SAVE JOBS IN MIDWEST BY CHANGING "MOBILE HOME" DEFINITION

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. QUAYLE. Mr. Speaker, a regulatory nightmare created by the Department of Housing and Urban Development is endangering the future of the recreational vehicle (RV) industry which is so important to Indiana.

To correct these problems, I propose two legislative remedies:

First, I suggest changing the term "mobile home" to "manufactured housing" to clear up a misconception about this industry. Primarily, these are no longer mobile units, as defined as moving from place to place regularly. Today's average mobile home is 14 by 72 feet and towing costs exceed $1 per mile. Setup costs average $750 per unit. These units are delivered to a homesite equipped with wheels and brakes. At the site, those components are removed and the home is set on a foundation. Only 2 percent of all mobile homes are moved after their initial delivery. This amendment would help remove the trailer image the industry suffers under.

Second, I want to redefine the minimum size of a mobile home to remove the vague language of the Mobile Home Construction Act of 1974. That legislation defines a mobile home as greater than 8 by 32 feet unless it is a recreational vehicle.

Lack of certain size definition created confusion in the recreational vehicle industry which petitioned HUD for clarification in 1976. No clear answer was given. But in 1979, HUD asked the RV industry to stop production of park model travel trailers and listed a number of actions which must be taken to avoid prosecution.

The RV industry stated that it was impossible to build a towable park model to meet the mobile home code and retain the mobility of a light duty vehicle. Hundreds of people were threatened with loss of jobs, not only at the plants which build these units. Workers at motor home plants in Imlay City, Mich., Ellaville, Ga., Payette, Idaho, and Bremen, Ind., have already received pink slips and the plants closed indefinitely.

The serious escalation in the price of gasoline has encouraged families to stay closer to home, but visit one location for longer periods of time. For example, they may go to the lake in the summer and park the RV, then drive to a State park in the fall and leave the vehicle for weekend visits, and finally in the winter, locate the RV at a ski resort. If the vehicles were built like stationary mobile homes, the family would not be able to move to another site at the end of the season.

To assist in resolving this dispute, I joined 12 other Members of Congress in urging that the compliance date be extended and clarification be provided to avoid job losses.

After 6 months, HUD and the industry have agreed that large, park models are not mobile homes, but no final agreement was reached. As a result, HUD issued notice of proposed rulemaking to establish new standards for park models.

The proposals give HUD authority to regulate the mobile home industry only. There is no authority to regulate travel trailers, motor homes, or any similar temporary living quarters. For this reason, I believe that HUD overstepped its authority and I have introduced these remedies to overcome the questions raised.

I would urge you to give your favorable attention to this proposal to preserve this opportunity for American families.●

"THANK YOU CANADA" DAY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I would like to take this opportunity to call to your attention the efforts of the Ventura, Calif., Sunrise Optimist Club, which is constructing a three-part project to show appreciation to the people of Canada for their gallant rescue of some of our hostages from Iran.

The three parts of the project include the establishment of a "Thank You Canada" Day, the distribution of "Thank You Canada" bumper stickers, and the writing of personal letters to each of the over 500 Optimist Clubs in Canada.

Members of the Sunrise Optimist Clubs feel this project is an opportunity for people and Government to work hand in hand to salute our neighbors in Canada and to pay tribute to the strength of the American people through an expression of "Thank You Canada."●

ONE REASON THE CARTER ADMINISTRATION IS A TRAGIC FAILURE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. MICHEL. Mr. Speaker, syndicated columnist Georgie Anne Geyer has recently written a disturbing article about the political and economic disintegration of the country of Jamaica under the Socialist leadership of Prime Minister Michael Manley. Manley's Socialist experiment in Jamaica has left that country near civil war, economically crippled, and a base for Cuban secret police.

As I read this article I knew that it reminded me of something. Finally I remembered. On August 14, 1977, the Washington Post carried an article headlined "Young's Team: Former Rebels are Now U.S. Diplomats." The story told of a junket taken by former U.N. Ambassador Andrew Young to Latin America. On the tour with Young were a number of leftwing ideologists appointed by President Carter to high Government offices.

One of those ideological commandoes was Sam Brown, director of ACTION, once an antipoverty agency but, under Brown's leadership, a source of funding for any radical leftwing, antifree enterprise activist organization whose leadership can stop lobbying and confronting long enough to sign the grant forms. Brown, according to the Post article, had a great interest in "Jamaican Prime Minister Michael Manley's efforts to promote radical, social, and economic change through socialistic methods."

Yes, that is right. The head of the Federal Government's volunteer antipoverty program traveled to Jamaica to see what he could learn about radical change through socialist methods. The article went on to say that Brown was "fascinated" by Manley's mobilization of youth into a national service corps. This will give you some hint of the models Brown has used to guide ACTION.

There have been some suggestions in Congress that we have a national service corps although I am not clear if the sponsors favor the socialist experiments of Manley. Brown was so interested in these experiments, said the Post, that he stayed in Jamaica after Andrew Young's traveling leftwing circus went through Latin America, at taxpayers' expense, hobnobbing with activists.

Manley's Jamaican experiment has, predictably enough, turned out like all radical socialist experiments: the people suffer and the leaders grow more and more powerful.

If you are wondering why the Carter administration has so disgracefully failed, consider that it tolerated and encouraged fiascoes like the "Young-Brown pay-a-visit-to-a-socialist trip."

At this point I insert in the RECORD, "Jamaica Counting Down to Disaster," by Georgie Anne Geyer, from the Chicago Sun-Times, May 20, 1980, and part of an article, "Young's Team" from the Washington Post, August 14, 1977:

JAMAICA COUNTING DOWN TO DISASTER

(By Georgie Anne Geyer)

KINGSTON, JAMAICA.—Perhaps the most important untold story in the world is that of sordid, tragic and chaotic Jamaica.

The once-prospering "island in the sun" has about 30 days left of economic life. It is finished, bankrupt. "If this goes," said one wondering foreign diplomat, "Jamaica will become the English-speaking Haiti. It will be back to the old plantation."

It is economic countdown time for Marxist-controlled government of charismatic Prime Minister Michael Manley, once the toast of the Caribbean and idol to American diplomats like Andrew Young. It is, in the words of one economist, "zero-zero" hour.

In June, the country will, for starters, have no more money to buy food. Present food stocks will last 45 days, and there is nothing on order after July 1. The manufacturing sector is dying. The Bank of Jamaica does not return phone calls.

Perhaps worst of all, small but thriving industries like chicken and eggs, nurtured and built up over decades, will soon be destroyed for lack of food. The Manley "revolution" will have truly taken them back to slave times—and, indeed, many of the Marxist ideologues here speak calmly of the Jamaican people eating breadfruit and yams, the hated foods from slavery times.

Perhaps even worse, unless there is some imminent miracle, the island of two million people is probably facing civil war this summer.

Manley's P.N.P. party was taken over by its Marxist wing before a dramatic meeting March 22 when the last attempt to adhere to International Monetary Fund directives to straighten out the economy was turned down by the party's inner sanctum. But they and everyone else know that, with the moderates defecting and with the economic chaos that they themselves brought about, the party cannot win an election, probably to be called this year. So they are setting the stage for one of the most murderous confrontations of recent times.

The rehearsal came four weeks ago when masked and black-uniformed, highly trained men armed with M-16s arrived by boat, attacked a campaign party of the opposition and killed four.

This "Gold Street Massacre" is totally out of the traditional and ritual style of Jamaican violence. The M-16s, for instance, had come from American forces in Vietnam through North Vietnam to North Korea to Cuba to Jamaica, and the killers are widely assumed to be P.N.P. bullies.

This new form of ideological violence—in this case, interestingly, already being turned by the P.N.P. against its own people to intimidate them from voting—is now the wave of the future. Public opinion doesn't matter to them because they know they've already lost it.

This summer, 1,000 young Jamaicans sent to Cuba ostensibly to work in "construction" are expected to return as "brigadistas" trained in terrorism to be P.N.P. fighters. The party also has recruited 10,000 largely illiterate "home guards" to take part in the long, hot summer.

Opposition leader Edward Seaga's plan (and all the polls, including the P.N.P.'s, show he would win any election, if called) to match the violence is to "close down the country" and leave the streets empty. "The country is going to approach civil war," he told me. "If there are no elections there won't be any country, either."

Jamaica today is one of the most fascinating case studies ever seen. Average Jamaicans, who burn with anger over what has happened, can tell you everything that the approximately 450 Cubans whom Manley brought in at all levels are doing. They even perch on trees around the widely disliked Cuban Embassy and report what is going on to their friends. They know that the Cubans come in on special aircraft and do not check through customs. That they stay in all the best buildings. That they send ammunition in through Cuban boats with Panamanian registration.

What the average person does not know is that the Americas Section of Cuban Intelligence (D.G.I.) has been moved to Jamaica—an extraordinary move.

What is going to happen here? The next three months are ominous. The country has about it all the terrible hush and self-conscious civility that come with disintegration. But that hush is not going to last.

In the vacuum that the United States has left in the Caribbean, what is so interesting is the degree to which the Jamaican people are resisting. "The masses are in such a mood that if you talk to them about socialism they'll cut your head off," said Carl Stone, Jamaican pollster.

This marks a new situation in the Caribbean in which "the people" themselves are against the radicalism that is supposed to bring them heaven on Earth—and here, objectively, probably is only taking them back to breadfruit and yams.

Young's Team

(By John M. Goshko)

Caracus, Venezuela.—On the first stop of his 10-nation Caribbean tour, U.N. Ambassador Andrew Young told a group of Jamaican students: "Some of us are still kind of amazed that we're now representing the government when a few years ago we were considered anti-government."

It was a statement that applied not only to Young, the most outspoken and controversial member of President Carter's foreign-policy team, but to several of the people accompanying him on his whirlwind trip to dramatize the administration's new policy of priority attention for the Caribbean.

Most of Young's backup team are the sort of young professionals—officials of the State Department, the National Security Council and the Agency for International Development—who traditionally go along to provide a traveling bigwig with the facts and figures of foreign-policy expertise. But at least four are among the most unlikely diplomats ever to hit the road on behalf of the U.S. government.

They include Sam Brown, a leader of the 1960s antiwar movement, who now heads the Peace Corps, and Brady Tyson, who earlier this year apologized to an international human-rights conference in Geneva for past U.S. actions in Chile—a move that earned him both headlines and a hasty repudiation from Carter.

Then there's Stoney Cooks, who has moved from dodging sheriffs in the South to carrying a briefcase crammed with top-secret documents, and Sally Shelton, who looks more like a campus homecoming queen than a young woman who has just been tabbed as one of the top planners and executors of U.S. Latin American Policy . . . They are representative of the Carter administration's attempt to bring youth and the ideas forged in the civil rights and antiwar movements of the past decade into the formulation of U.S. policy toward the countries of the Third World.

Of them all, the best-known is Sam Brown, whose role in mobilizing student opinion against the Vietnam war helped produce the most turbulent chapter of recent American history. He is also the most ideological of the group—a self-professed radical who looks back nostalgically on his activist days and wonders aloud about how to best bring the same spirit to bear on what he regards as the many ills that still linger in American society.

Although he still refuses to wear a necktie, Brown has taken to working within the system in recent years. In 1974, he got elected state treasurer of Colorado, and early this year, he accepted Carter's invitation to become head of ACTION, the umbrella organization for federal volunteer groups including the Peace Corps.

Despite being a member of the team, Brown says he has reservations about "the caution and fiscal conservatism" of the Carter administration. In fact, he came along for the first leg of the trip primarily because of his interest in Jamaican Prime Minister Michael Manley's efforts to promote radical social and economic change through socialistic methods.

He is especially fascinated by Manley's program of mobilizing Jamaican youth into a national service corps that assists with literacy and agricultural development projects. When Young left Jamaica, Brown stayed behind for a closer look at whether action could make use of the Jamaican ideas and techinques.●

OHIO REALTORS CALL FOUL ON FAIR HOUSING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ASHBROOK. Mr. Speaker, the House will soon be considering the so-called fair housing bill, H.R. 5200. This legislation has been the pride of the administration and the bureaucrats in HUD. However, for those outside the circles of power in Washington this bill has little to offer. For all the rhetoric of the bill's proponents, H.R. 5200 is more or less another grab for power by the bureaucracy at the expense of the private sector. Those who know this fact better than anyone are the realtors of America who will find their businesses hampered by this legislation. In the fact of record inflation and interest rates, and now with a major recession, these small and independent businessmen and women have valiantly tried to find affordable housing for Americans. Additional regulations or the threat of lengthy legal proceedings before HUD tribunals will serve only as a disincentive for realtors to expand their businesses and for new firms to be created. Such a change in the housing market could harm the very people this bill is designed to help, through higher prices and lack of competition.

Many realtors from my State of Ohio have written to me and to other members of the Ohio delegation to tell, in their own words, what is wrong with H.R. 5200. I hope my colleagues will take some time to read the sampling of letters I am submitting to the Record. Their views on fair housing raise points we should all ponder before voting on this far-reaching and possibly damaging legislation:

Louise Bush Realty, Inc.,
Mansfield, Ohio, March 28, 1980.

Hon. John Ashbrook,
House Office Building,
Washington, D.C.

Dear Congressman Ashbrook: We wish to express our opposition to certain aspects of the Fair Housing bill, H.R. 200. Specifically, we oppose the creation of a HUD administrative law judge system because of the absolute authority this would give HUD in enforcement of discriminatory patterns and land use controls.

We, of course, would favor a program of fair enforcement but not a process awarding final authority to an appointed tribunal.

In addition, we again urge the passage of a balanced federal budget. We are aware that you have taken action in this area by questioning several scientific study programs and we want to encourage you to pursue cuts in this and other areas of wasted spending.

Your consideration is appreciated.

Yours truly,

Louise Bush; Evelyn Waldo; Virginia Andolino; Larry Fankhauser; Debbie Spriestersbach; Ellen Wright; Peg Atkinson; Debbie Berges; and Marilyn Mertler.

McElroy Realty, Inc.,
4171 Center Road,
Brunswick, Ohio, April 23, 1980.

Dear Congressman: It seems to me lately that our real estate industry is under constant pressure.

We have a small real estate business and have tried to keep our head above water, I don't know how long we can hold out, my family has had no income this year! And I guess unless you're penniless and on welfare, with our system, we don't qualify for any kind of help. Does this seem fair to you?

I'd like you to know that I oppose the creation of the "HUD Administration Law Judge" system (Sec. 811 of H.R. 5200) because it provides a biased forum when the accuser, investigator, prosecutor and the administrative law judge are all employees of HUD. Further, HUD spent 2½ million dollars last year on local community action groups to stimulate "testing of discriminatory patterns." This year HUD plans to spend an additional 3½ million dollars on State and local fair housing agencies, and to be eligible for the money, the fair housing agency must show the capacity to "generate fair housing complaints." For example test cases. How fair is it for HUD to fund those who generate the very cases to be brought before this new HUD Administrative Judge? This has to be a serious conflict of interest! Where is equal justice under that approach?

I also oppose HUD trying to get into an area that should be handled by local government—zoning!

The HUD tribunal is wrong as it would not help the true "victim" with monies going to the Government, which is not Constitutional!

I do support the following and hope, after your consideration, that you will also.

1. Retaining the conciliation procedure, and even strengthening it.
2. Adding a new arbitration procedure to be used when conciliation fails.
3. Providing easier access to the courts by allowing HUD to provide technical assistance to the complainant.
4. Allowing the Department of Justice to take civil cases to court on behalf of individuals.

Sincerely,

David McElroy.

Woodford Realty Co., Inc.,
Tallmadge, Ohio, March 28, 1980.

Re H.R. 5200.

United States Senate,
Washington, D.C.

Dear Sir: It has come to my attention that the above referred to bill is being rushed and/or pushed through the House without proper investigation. I have no axe to grind with the essence of the bill, other than, the creation of the HUD "administrative law judge" system, (sec. 811), because it provides a biased form where the accuser, investigator, prosecutor, and the administrative law judge are all wearing one hat, to wit: employees of HUD.

Because of the spending of 2½ million last year the proposed 3½ million this year to encourage and stimulate testing and discriminatory patterns, is just another example of HUD's excess spending.

I urge you to examine this portion of the bill very carefully. All we are asking for is equal justice in our industry.

Sincerely,

DWIGHT E. WOODFORD,
President.

CLINTON COUNTY BOARD OF REALTORS,
Blanchester, Ohio, March 27, 1980.

U.S. SENATE,
Washington, D.C.

DEAR SENATOR: Please accept this letter in regard to H.R. 5200, the HUD Administration law judge bill. As a Realtor and American homeowner, I feel the bill is totally biased and unfair. We as Realtors, have always supported Fair Housing practices, and feel fair housing is an important part of our industry. We do not feel that HUD judges and biased prosecutors are necessary. The more governmental controls you place on the industry, the more freedom you are taking away from Americans. Please do not place any more unneeded legal controls around our necks, we are choking now in all the unnecessary nooses of government intervention.

Yours,

GARLAND E. CRAWFORD,
President,
Clinton County Board of Realtors.

WEST SIDE REALTY CO.,
Lakewood, Ohio, March 25, 1980.

Re H.R. 5200, Section 811.
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR CONGRESSMAN: This is to express my opinion on the above section of H.R. 5200 to create a HUD administrative law judge system.

It seems to me that it provides a biased person when the accused, investigator, prosecutor and administrative law judge are all employees of HUD. Especially when HUD has provided huge funds to generate fair housing complaints and then turns around and hears its own created complaints. There can be no honest justice in such an approach.

Neither do I wish to see the administrative judge issue regulations to determine what he thinks are "discriminatory zoning and land use practices." My God, does the Federal Government think it has the right to zone the entire United States without local communities involvement. Certainly within the law no community may zone illegally.

I support a number of provisions of H.R. 5200 such as the strengthening of the conciliation procedure, adding a new arbitration procedure and things of that nature—but not the administrative law judge part. That's really a bad one.

Yours truly,

R. C. GILMAN,
Vice President, General Manager.●

REVOLT OF THE SAVERS

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. JEFFRIES. Mr. Speaker, the farmers in my district, as well as farmers throughout the country, are caught in a severe credit crunch which threatens to drive many of them right out of business.

Of course, all Americans have been shouldering the inflation burden Congress has put on them, but the recent and dramatic rise in interest rates is having an immediate impact in the rural areas.

An editorial in the Farm Journal of May 1980 puts the blame on those who deserve it, and I share the Journal's comments with my colleagues.

The editorial follows:

REVOLT OF THE SAVERS

Once more we are hearing talk that the long-heralded recession has finally arrived. If the economists hadn't been wrong so many times in the past two years, we might agree. But whether or not this *is* a recession, you've been hit by a series of blows whose effects are the same:

You began 1980 with the USDA predicting that net farm income would be down 25 percent from last year's. Then came the embargo and a precipitous drop in the hog market. Now it appears that 1980 net farm income will be in the low $20's compared with last year's $33 billion, or about a 30 percent drop.

You knew inflation was raging out of control. But while government leaders talk about wage and price guidelines of around 8 percent or 9 percent, you are paying 30 percent to 40 percent more for fertilizer, 35 percent to 50 percent more for fuel and 10 percent to 15 percent more for chemicals and machinery.

Then just as you are tuning up for the planting season, you get the biggest shock of all: Credit this spring is costing you half again as much—in some cases almost double—what it cost you a year ago. Bankers are telling some farmers they must sell corn, hogs, maybe even a piece of machinery, to raise part of the cash they need for spring planting.

On pages 12 and 13 we report what farmers are doing to cope with high prices, and on pages 19 to 21, ways you might squirm through the credit squeeze. But this crisis has come on so suddenly, we think it's worth while to review how it happened.

Successive years of a bloated federal budget is the root cause of this inflationary explosion. Even the people who caused it—President Carter and Congress—finally admitted it when they fell all over each other last month in a 13th-hour effort to balance the 1981 budget.

But the damage was already done. Incumbent presidents of both parties have long followed the brazen practice of deliberately inflating the economy in the last year of their term to get themselves and their party re-elected. Jimmy Carter didn't wait until his fourth year. He stepped up spending—and the federal deficit—in his first year, citing 7 percent unemployment as his reason. Then he kept right on inflating during his second and third years.

We couldn't believe it and called attention to it in this space. (See "Inflation: Carter's Con Game," Mid-February 1979.) If Carter and Congress couldn't or wouldn't balance the budget in nonelection years, how can we believe that they will actually do it in an election year? Already we see evidence that they are pulling some 1981 expenditures back into the 1980 fiscal year, which could double the size of this year's deficit. Even worse, between now and the November election, we'll almost certainly see some international or national "crisis" that they will say demands more money. In other words, we just don't believe them.

We are in the throes of decontrol of interest rates. The sudden explosion in interest rates is typical of what always happens in the late stages of price controls. The culprit has been Regulation Q, the law under which the Feds have been limiting the rate on savings accounts to 5.5 percent. Again the proof is that Congress has just passed a new banking act giving the regulators authority to "phase out" Regulation Q over the next six years.

While the general public, including most farmers, have been settling for that paltry 5.5 percent on their savings, Congress and a Populist President have been shoveling out 12 percent and 15 percent interest payments to big investors—the only people who can afford to buy $10,000 Treasury notes and bills.

Investors, here and abroad, finally forced decontrol. Compared with other countries, our interest rates have been so low that the Arabs, the Japanese—even many U.S. companies—were sending their extra dollars overseas to get a higher return. Also, the new "money-market funds" began to pool Treasury bills, large certificates of deposit and "commercial paper" (corporate IOUs) and sell shares to smaller investors. (See "Why Settle for 6 percent When You Can Get 12 Percent?" January 1980.) So many people were taking their money out of savings accounts that Congress had to act.

You might call it the revolt of the savers. And it's one of the things that have pushed up farm interest rates so high this spring. Interest rates have long been lower at country banks and in rural areas because most people there have kept their savings in checking and ordinary savings accounts. Farmers benefited because you could borrow this money for only a percent or two above the 5.5 percent rate.

But as we report in our article on credit, that difference may be coming to an end as banks and savers go after the higher rates in the cities. That's bad news if you're a borrower. But farmers have long been among the most prudent of savers, and at last you savers are getting a break.

In fact, the current high cost of credit says that savers have revolted mostly by not saving at all. Like everyone else, they've been sucked into the inflation psychology of "buy now because prices can only go up."

Not until savers are once more getting a return on their money that equals the rate of inflation plus 3 percent should they be expected to save. And since farm borrowers simply can't afford to pay 15 percent or 20 percent interest, we have no alternative but to control inflation.●

NATION OF TURKEY JOINS OLYMPIC BOYCOTT

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. RICHMOND. Mr. Speaker, I am sure my colleagues will be interested to learn that Turkey has joined the United States and many of our allies in boycotting the Moscow Olympics.

This commendable action by Turkey is one more in a series of actions demonstrating the continuing good will and strong mutual support that exists between our two nations.

The boycott of the Moscow Olympics will serve as a necessary punishment and as an effective protest for the Soviet aggression in Afghanistan. If we or our allies were to participate in the Moscow games after these despicable acts, we would be lending an undeserved "legitimacy" to the Soviet regime. By boycotting the games, we will embarrass and discomfort the Soviet Government.

I know my colleagues will join me in commending and congratulating Turkey on this courageous and humanitarian action.●

TRIBUTE TO EARL W. ROSE, SR.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ANDERSON of California. Mr. Speaker, on May 29, 1980, many friends and associates of a truly outstanding individual, Earl W. Rose, Sr., will gather to pay tribute to him for the contributions he has made to the entire South Bay community by his leadership in civic affairs. Today, I would like to share with my colleagues a review of his impressive and wide-ranging involvement in his community.

Earl Rose came to California from White Cloud, Kans., where he was principal of the local school system and of its high school. Prior to becoming principal, he had served in various positions in the White Cloud school system, including head coaching assignments for both the baseball and basketball teams, which he helped win many championships.

His first residence after moving to California was Richmond, where for a few years he was a draftsman at the Kaiser Shipyard. Later, he took up the teaching profession again, with the Palos Verdes school system.

Real estate became his next profession, and in this field he excelled and prospered. The Earl Rose name has now been present in the South Bay real estate business for 34 years and during these years his involvement in the profession has extended beyond his own personal concern. He has been active in the South Bay Board of Realtors, both as a member and as a past president.

His participation with fraternal organizations has been long and extensive. Currently, he is vice president of the Elks South Bay District; and is a former exalted ruler of the Redondo Beach Elks Lodge No. 1378. He is also past president of the North Redondo Beach Lions Club.

Mr. Speaker, the May 29 event being sponsored by the Redondo Beach BPO Deers in honor of Earl Rose, Sr., is bound to be an enjoyable and significant event. Most important, it will be a time to thank Earl Rose for all he has contributed of his time and talents for the benefit of others.

My wife, Lee, and I join in paying tribute to this outstanding citizen. We wish the best of happiness and prosperity in the years ahead for Earl Rose, his wife, Florence, and their four children: Earl, Jr., Nancy, David, and Nora.●

TESTIMONY OF FRAN HOSKEN

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. SHANNON. Mr. Speaker, I would like to call to the attention of my colleagues the testimony delivered by Fran Hosken, editor and publisher of Women's International Network News, before the Subcommittee on Foreign Operations of the Senate Committee on Appropriations on April 1, 1980.

Ms. Hosken, who has served as an adviser to the World Health Organization (WHO), testified on practices in developing countries which adversely affect the health of girls and women in those countries, as well as the children born to those women. You will note in reading Ms. Hosken's comments that the Agency for International Development (AID) has a role to play in fostering the integration of women in these developing nations and the improvement of their health status, as mandated by the 1973 Amendment to the Foreign Assistance Act of 1961.

I include at this point in the RECORD the enlightening testimony of Fran Hosken:

Mr. Chairman: I am grateful for this opportunity to testify as Editor and Publisher of WIN News.

WIN News is an open, participatory network by, for, and about women that speaks for women's rights and development worldwide.

The Percy Amendment of 1973 to the Foreign Assistance Act of 1961 directs the Agency for International Development to administer our foreign aid effort in such a way as to promote integration of women into national economies of recipient countries, thus improving the status of women and assisting the total development effort. In addition, in 1974, Section 305—Integration of Women—each representative of the U.S. to each international organization of which the U.S. is a member, including the World Bank and all Regional Development Banks, are requested to carry out their duties in such a manner as to encourage and promote the integration of women. Several additional measures have been enacted since then, all strengthening these provisions, which I shall not detail here for lack of time and space: they are all designed to further promote the integration of women in development.

Let me quote from a recent United Nations Statement/Division for Economic and Social Information (CPI/DESI Note IWD/22, 13 February 1980):

"In most countries the situation of women from the so-called 'backward sectors' of the population has worsened during the first five years of the United Nations Decade for Women: Equality, Development and Peace. It has worsened in particular with respect to employment and education for women in rural areas and in the so-called marginal urban sectors. This is the conclusion of the review of progress achieved in the first half of the Decade, made on the basis of information provided by 86 governments."

"Furthermore complete equality for most women in the world has yet to be achieved, and there is an urgent need to accelerate measures that have already been taken to improve the situation of women the world over and achieve the goals of the Decade * * *."

We regret to have to state to this Committee that the U.S., and in particular, AID, as well as the activities of the international organizations of which the U.S. is a member, are individually as well as collectively to blame for this situation. They should be held responsible by this Committee, and all other legislative committees, to carry out in practice the legislation cited above—to integrate women in development—which they have failed to do. This failure has not only severely damaged women (and the children who depend on women during their formative years) but it has severely damaged development efforts which have been lagging almost everywhere in the world as extensively documented, and as this Committee very well knows.

Since my time and space is limited, I can cite only a few examples. However, these can be multiplied and are recorded in WIN News, the Quarterly I publish, in which women from all parts of the world participate. I urge this Committee to use WIN News as a unique resource on women and development, and especially the columns on Women and Development, Women and the United Nations, and Women and Health. We report news about the status and progress of women in each issue from all continents.

The U.N. Mid-Decade Conference for Women is scheduled for July 14-30 in Copenhagen. The objective of this Conference is to evaluate the needs and progress of women in development, and to make plans for the rest of the Decade for Women, 1975-1985. We refer this Committee to the documents prepared for this World Meeting to which the U.S. is sending a delegation, as these documents show that women continue to be excluded in large parts of the world from the development process. Frequently, women are severely damaged by what is promoted as "development" by U.S. and Western-made plans which fail to consult women in each country and community, and fail to train, develop, or even consider women in Development Programs, planned and financed with the cooperation of the U.S.A.

Let me cite some specific examples from Africa. Health is a basic need for women, who in Africa, are engaged in continuous childbearing, and are alone responsible for the nourishment and care of their children, including the growing of food to sustain their ever-larger families. Health of the mother is the first prerequisite if you are concerned about healthy children, and without health, all development efforts might as well be abandoned, as people afflicted by ill health, no matter from what cause, cannot make the effort that is required for development.

As specific examples, I wish to cite three health programs by U.S./AID (there are many more in Africa and the world) that WIN News has analyzed and which show similar characteristics that we wish to bring to the attention of this Committee. We urge this Committee to require AID to remedy this situation outlined below:

I am citing the following specific health programs of AID:

$14,000,000 Rural Health Delivery Project in Somalia;

$4,000,000 Mali Rural Health Project; and

$8,000,000 Primary Health Care Project in Sudan.

(Documents analyzing these programs are available from WIN News).

Mother and Child Health, despite the fact that according to all statistics, the health needs of mothers and children exceed those of all other sectors of the population, especially in developing countries, are almost totally neglected in these three programs. This is typical for most health programs developed and planned with the assistance of U.S./AID.

The program in the Sudan excludes Mother and Child Health altogether because the male American designers of the program evidently were not aware of the fact that all Mother & Child Health in the Sudan, as a Moslem country, is run separately, and administered separately from primary health care. All three programs ignore the existing health conditions that affect women in these countries, because the programs are designed and developed by men, who in these predominantly Moslem societies, have no access to women. All women's health and especially reproduction-related problems are handled by midwives and women, whom the Western male health specialist and the male AID personnel failed to consult.

In Somalia, Sudan and Mali, most of the female population is subjected to genital mutilations: Excision of the clitoris and most of the external genitalia, as well as infibulation (the artificial closing of the vulva by scarification).

These operations are the cause of death and severe, life-long health problems for large numbers of women and female children: in Somalia the entire female population is infibulated; in Sudan the vast majority of the most populous areas, including Khartoum, are infibulated; in Mali, most of the population practices excision and some infibulation as well, except those living in the northern-most desert areas.

The health programs and plans of AID totally ignore this reality, and the operations, as well as their health effects are never mentioned at all. This means that the health problems which affect half the population in these countries are completely ignored. What is more, the record shows that as a result of the failure of health programs to address these problems in place, and to prevent the continuation of the mutilation of female children, the operations are spreading and also imported into the modern sector. I can document the fact that AID assistance, including antibiotics, as well as tools and training, is used to perform genital mutilation on female children, including in the modern sector and even in hospitals.

AID is ignoring all initiatives by Africans themselves to abolish these operations which exist in more than 26 countries on the African continent.

AID also so far, has completely ignored the Recommendations made at a World Health Organization Seminar in Khartoum on "Traditional Practices Affecting the Health of Women and Children". I was a member of the Secretariat of this Seminar and Temporary Advisor of WHO. I also prepared the research and delivered the introductory paper on "Female Circumcision in the World Today: A Global Review."

This groundbreaking Seminar, organized by WHO for Africa and the Middle East, was attended by delegates from Sudan (host), Egypt, Somalia, Djibouti, Ethiopia, Kenya, Oman, Southern Yemen, Nigeria and Upper Volta. Four recommendations on genital mutilation, the key topic of the meeting, were formulated:

Adoption of clear national policies for the abolishment of female circumcision.

Establishment of national commissions to coordinate and follow up the activities of the bodies involved, including where appropriate, the enactment of legislation prohibiting female circumcision.

Intensification of general education of the public, including health education at all levels, with special emphasis on the dangers and the undesirability of female circumcision.

Intensification of education programmes for traditional birth attendants, midwives, healers and other practitioners of traditional medicine, to demonstrate the harmful effects of female circumcision, with a view to enlisting their support along general efforts to abolish this practice.

These recommendations were formulated for all areas affected by these very damaging operations. In addition, in an article in "World Health", the official WHO publication, Dr. A. H. Taba, the Regional Director of the WHO office that sponsored the meeting, urged "collaborative actions at the international level." (See attached article).

Despite the fact that AID had an observer at this Seminar, and although I went to Washington in May of 1979 to give a special presentation to AID's Africa Bureau and other AID staff, these recommendations have been completely ignored by all AID health and family planning programs, which I have verified in continuous contact with AID, including a meeting with the Africa Bureau administrator, Ms. Goler Butcher, in September 1979.

Despite the wishes expressed by African/Middle Eastern Health Department experts, no efforts have been made by AID health personnel in place or in Washington, DC to recognize the severe health and psychological damage inflicted on women and children in more than 26 countries in Africa and the Middle East—despite the fact that there are many people in those countries, including in the Health Ministries (as my own field work in Africa confirms) who are actively trying to abolish these operations. For instance, in Somalia, a National Commission for Abolishment of the operations was formed in 1978, with the Ministries of Health and Education represented, and the Somalia Women's Democratic Organization as executing organization. In the Sudan, the Vth Ob-Gyn Congress of the Sudan requested to advise the government, voted unanimously for abolishment as their official position.

In the Hosken Report: Genital and Sexual Mutilation of Females, case studies of eleven countries are included and extensive documentation is provided on the spread of the operations. I have established a research file with the WHO, documenting the incidence and distribution of the operations country-by-country. All of these documents are available to this Committee and to Congress.

Attached to my written testimony is a map showing the areas afflicted by these damaging operations, which are becoming a growing drain on the health resources of each country—as more and more women seek help in hospitals. In one hospital alone in an affected area, 1,967 days of hospitalization in one year (1977/78) resulted from the complications ensuing from genital operations on female children, so WHO reports. As yet, relatively few women (in most African countries, less than 10 percent) have access to any modern health care, clinics, or hospitals.

The direct cost to health departments in terms of hospitalization, antibiotics—as infections almost invariably result from these painful and damaging operations—are increasing everywhere: but the cost to the people involved in terms of loss of life, as well as life-long health damage which is recorded in the medical literature, cannot be measured. It must be clear to this Committee that to continue to ignore the damage of these operations, including the damage to all development efforts, and in view of the WHO Seminar Recommendations that speak directly to the international community, is utterly irresponsible and contrary to all development goals.

That more and more of the countries where these operations are traditionally practiced wish to rid themselves from these damaging traditions, is also confirmed by a recent change in policy by UNICEF, the U.N. Children's Fund.

UNICEF, along with all other UN bodies to which the U.S. contributes, has, until Autumn 1979 ignored the ongoing mutilation of tens of thousands of helpless children throughout much of Africa—which is a scandal, as UNICEF is specifically charged with children's health.

The U.S. representative to UNICEF and especially the new Director of UNICEF, Mr. James Grant (formerly president of the Overseas Development Council—who is well known to this Committee) should be instructed to take note and implement the WHO Seminar Recommendations. UNICEF claims to have participated in the Seminar and therefore should be obligated to carry out the wishes of the Seminar. This Committee is urged to make U.S. contributions contingent on UNICEF's carrying out the wishes of those this agency is constituted to serve.

UNICEF, in the beginning of 1980, has developed a new policy statement: "UNICEF Cooperation in Eliminating Female Circumcision"—which is presently under discussion with the regional and local officers active in affected areas.

We urge this Committee to take the following actions:

(1) To require AID to examine all health programs in areas affected by female genital mutilations and integrate preventive health measures, and especially preventive health education, in all such programs.

To require AID to integrate preventive education in all family planning programs and especially in the health worker's training programs, who are trained in family planning in the developing countries and with the assistance of U.S. financial contributions.

Our records show that at the present time, there is no mention whatever in all Health and Family Planning Training Programs, of these damaging genital operations that, according to our documented research, affect the health of more than 74 million women and female children in Africa and the Middle East. We urge that funds be specifically earmarked to carry out the integration of preventive measures in all health and family planning programs in affected areas.

(2) To require that UNICEF, as a participating agency in the WHO Seminar, be charged with implementing its recommendations, and that specific funds be set aside for that purpose from the U.S. contributions to encourage action.

(3) To require all other UN Agencies to which the U.S. contributes (but specifically those concerned with health—that is, U.N. Fund for Population Activities and the World Health Organization) to assist in implementing the Recommendations of the WHO Seminar and develop preventive health education and training, as was specifically cited in recommendations No. 3/4, concerned with education of the general public and training of health personnel. This is especially important because UNFPA and WHO are concerned with training programs of traditional birth attendants and midwives, as well as other health personnel in many African countries affected by the operations, the very people who, in the modern sector, carry out the operations on female children.

Finally, I want to state that my research shows that genital mutilations are increasingly performed in the modern sector in Africa, including in hospitals, often on newborn babies, as sexual castration of females, stripped of all traditional rites. This is a gross abuse of modern medicine and we must advise this Committee that increasingly health equipment and training contributed to the countries where these operations are practiced, is used to mutilate female children. Speaking for American women and taxpayers, I strenuously object to the use of U.S. moneys and contributions to carry out sexual castration (clitoridectomies and infibulation) on non-consenting children in Africa and the Middle East. But unless this Committee will act to appropriate funds for preventive measures—some of them outlined above—genital mutilation will spread all over Africa and will increasingly be performed in the modern sector, including by physicians and hospitals—a trend that has already started and that I can document in Egypt, Somalia, Nigeria, Sudan, Mali and no doubt it exists elsewhere as well.

We urge this Committee to act now.

FRAN P. HOSKEN,
Editor/Publisher, WIN News.●

MIAMI: ALL LYNCH MOBS ARE CREATED EQUAL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ASHBROOK. Mr. Speaker, 15 people were murdered by a lynch mob in Miami this week. The mob acted with the same racist slogan so many mobs have acted with throughout some of the most shameful parts of our national history: Kill anybody of the color you are mad at. Mob violence gets out of hand, and half the victims of the mob were the wrong color. But a mob has no conscience, so it did not matter to them.

The first and only message that should be sent to a lynch mob is that it will be pursued and law will be restored. The Carter administration reacted by calling for a grand jury to try the policemen on Federal charges. This may be an appropriate course of action, but it should have been delayed until the first principle, law and order, was enforced. Instead, the Justice Department announced immediately that the lynch mob would be appeased.

To my knowledge, no one anywhere in the administration has shown any interest whatsoever in the 15 human beings who were murdered.●

EMERGENCY CONFERENCE ON THE CASE OF ANATOLY SHCHARANSKY—PART III

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. DRINAN. Mr. Speaker, in previous statements about last week's tribunal on the Shcharansky case in Amsterdam I have commented on the political and legal aspects of the Shcharansky trial. Clearly, the overwhelming evidence has shown that Anatoly Shcharansky was unjustly tried and convicted on charges of conspiring with an agent of the U.S. Government.

There is another dimension to the Shcharansky case: The personal tragedy that has prevented Anatoly from joining his wife Avital in Israel. While the laws of the Soviet Union are shamefully abused, and while the West is unable to apply the necessary political pressure to secure his release, Anatoly and Avital remain apart. This reality must be confronted by the two of them each day.

Her statement at the emergency conference to review the Shcharansky case is a moving testament to the gravest injustice of the sordid Soviet actions against him. An abridged transcript of Avital Shcharansky's remarks follows:

I met my husband Anatoly Shcharansky when I was 22 years old and he was 25. Since then almost seven years have passed. We have been separated from each other for six of these years.

When we met, our only desire and dream was to be together and build our life in our homeland—in Israel.

Our first clash with Soviet official bodies showed that for us the law does not exist—they refused to register our marriage. The Soviet official institutions' attitude toward us is explained by my husband's being at the time a refusenik of almost a year's standing. With great difficulty we found a rabbi who was not afraid of marrying us in a Jewish religious ceremony. After the wedding I was forced to leave the USSR, but they continued to detain my husband without offering any reasons for this refusal.

My husband continued his efforts to obtain a visa. He helped other refuseniks, who, like he himself, were outside the law. He lived without a home, continually harassed and trailed. Nevertheless, he succeeded in maintaining his optimism, humanity, and continual willingness to help others in distress. These are the very qualities which the Soviet state machine has been trying to destroy for over half a century. Humanity, a feeling of personal dignity, conscience, integrity, goodness—these are its greatest enemies. Its goal is to transform man into a slave, a soulless mechanism ready to submit to any criminal orders or directives. But man cannot be dealt with so easily. Half a century of violence, cruelty, intimidation and repressions has passed, but the voice of Sakharov and of others like him continues courageously and openly to speak the truth. My brother Jews, despite prison camps and exiles continue to struggle for the opportunity to emigrate to Israel.

After four years of an unsuccessful struggle to emigrate, my husband was seized by KGB agents, sent to prison and accused of spying for the CIA. For almost a year and a half of solitary imprisonment, he was daily threatened with capital punishment. They tempted him daily with the opportunity to save his life, emigrate to Israel, forget about everything in exchange for "almost nothing"—if he would condemn innocent people, help destroy the Jewish aliya (emigration) movement. My husband was punished for his unwillingness to collaborate by 13 years' deprivation of liberty. The 3 years which he spent in prison ruined his health. He suffers from severe headaches, his eyes refuse to serve him, he is losing weight and grows weaker from day to day.

Anatoly's father, unable to withstand the terrible strain and painful separation from his son, passed away a few months ago. The prison authorities did not permit my husband to attend his father's funeral. In these three years Anatoly's elderly mother has written 567 letters, appeals and petitions to official Soviet institutions, indicating the endless violations of Soviet law with respect to her son. She has not received a reasonable answer to any of these letters.

AVITAL SHCHARANSKY.●

H.R. 5099

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. MOAKLEY. Mr. Speaker, I would like to express my support for H.R. 5099, the Sales Representatives Protection Act, originally introduced by my colleague, Representative OTTINGER.

This legislation would expand the legal rights of commissioned sales representatives to protect against exploitation by their employing agency. By promoting an increased use of contracts to govern the relationship between sales representatives and their principals, and by establishing a system of post-termination compensation in the absence of a contract, the act will protect sales representatives from termination of accounts by their principals without penalizing fair and reasonable principals.

The Sales Representatives Protection Act will provide minimum standards for contracts between the two parties and outline the process for indemnification in the event that a sales representative is abruptly and without good cause terminated from his or her account.

I am proud to share sponsorship for this legislation, and ask that my colleagues join me in supporting the Sales Representatives Protection Act.●

CONFERENCE REPORT ON H.R. 2313

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. BROYHILL. Mr. Speaker, I wish to amplify one aspect of my statement of May 20, 1980, concerning the conference report on H.R. 2313, the Federal Trade Commission amendments. In the course of discussing several aspects of the conference report, I briefly adverted to one provision that gives the FTC authority to disclose confidential business information to State law enforcement agencies if such agencies safeguard the confidentiality of the information and if they use it in connection with proper law enforcement activities.

I stated that two Federal courts have indicated that the FTC does not have this authority but for enactment of this legislation. The cases to which I was referring are *Martin Marietta Corp.* v. *FTC,* 475 F. Supp. 338 (D.D.C. 1979), and *Interco* v. *FTC,* Civ. Action No. 79-1423 (D.C. Cir. May 17, 1979). Both of these cases dealt with the Commission's release of information to State attorneys general. In Martin Marietta the district court stated that "if the transcript contains trade secrets, its release would violate section 6(f) * * *". In that case, however, the court determined that the documents proposed to be released did not contain trade secrets. In Interco, the court of appeals remanded the matter back to the district court to determine, among other things, whether the documents proposed to be disclosed contained trade secrets. In its memorandum the court stated that—

> [w]e think the District Court erred in assuming that disclosure is authorized so long as it is not a release to the public * * *. We do not discern how the FTC can claim such an obligation, or indeed authorization, as to disclosure to state attorneys general. If there is such an authorization, the basis for it should be articulated.

On remand the district court found that the disputed matter did not contain trade secrets and therefore could be released. In dicta, the court went on to say that—

> "[a]ssuming arguendo that the documents contain "trade secrets" and "names of customers" their release to state attorneys general under commitments of confidentiality is not a "public disclosure"

and, therefore, release under section 6(f) is not prohibited. *Interco* v. *FTC,* Civ. Action No. 78-2486 (D.D.C., December 21, 1979). At best, I believe that it is fair to say that the law was not clear on the Commission's authority to release trade secrets to State attorneys general under section 6(f) and in the conference report on H.R. 2313 we undertook to clarify the point in future questions of release of confidential business information to State attorneys general.

With respect to the substance of the provision, a State attorney general who requests confidential business information ought to state the nature of the law enforcement activity being undertaken and the relevance of the information sought to the proceeding to protect providers of confidential information against wholly extraneous inquiries. Although it is appropriate for the Commission to assist a State attorney general at the investigatory stage of a State law enforcement proceeding by releasing appropriate Commission files, I want to reemphasize that we do expect the Commission to exercise some discretion here and not automatically divulge confidential information upon request.

I appreciate this opportunity to amplify upon my previous remarks on this subject.●

MEMORIAL DAY 1980

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ROBERTS. Mr. Speaker, Monday, May 26 is Memorial Day. It is a day designated by the Congress of the United States to pay tribute to those who have lost their lives in service to this Nation. The first Memorial Day, over 100 years ago honored those who fell in the War Between the States. Since that time well over 635,000 service men and women have lost their lives in battles from San Juan Hill to the A Shau Valley to the deserts of Iran.

Our losses have been great, but our freedom, which is the strength of America has never been greater. We rise on Memorial Day and stand as a Nation, united, in gratitude to all those who have laid down their lives for our country.

The Congress of the United States has carefully developed a program of benefits, services, and entitlements to help square our debt to the families of those who have died and to those who have served in our defense. Originally, the Continental Congress adopted the first veterans' program with the National Pension Law in 1776 providing compensation for service-connected disability to the veterans of the Revolutionary War. At that time, no one could have foreseen the astounding development this Nation has achieved over the past 200 years. We have attained a level of abundance and technical achievement far greater, and in a shorter period of time, than any nation in history. But also, looking back to the founding of our country, no one could imagine the sacrifice required of almost every generation of Americans to maintain that standard and our way of life.

According to time-honored tradition, it has been our custom to lay our fallen soldiers to rest with dignity. We set them apart to serve their memory. On Memorial Day we mark their graves with the flag of our Nation to honor and remember that sacrifice. But also on Memorial Day, we open our hearts and minds to the present concerns of their survivors and comrades. What better way to honor the dead than to dedicate ourselves to serving those who still live.

We will not forget the sacrifice our veterans and their families have made for our country. We will not forget our obligation to serve them with justice and equity, regardless of their age, their service, or their infirmity. This is the debt we owe to the thousands buried in cemeteries across this land and throughout the world. This is the greatest tribute we can ever pay them. Their battle is over, but ours begins every day for their wives and children, and for those in homes and hospitals across America, who are no longer threatened by death, but are instead threatened by an indifferent society no longer at war. To them, we owe the thanks of a grateful nation and our pledge of justice, equity, care, and concern for their well-being.●

PERSONAL EXPLANATION

HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. DUNCAN of Oregon. Mr. Speaker, I would like to take this opportunity to explain my absence during rollcall No. 258.

Following the vote on the rule, I hurried back to my office to complete pressing business before the House went into recess for the Memorial Day district work period.

As soon as I walked into my office, the bells rang signaling a vote on resolving into the Committee of the Whole House on the State of the Union for the consideration of H.R. 6942. I heard these bells but deliberately ignored them since I felt that this particular vote, though certainly within the rules of the House, was unnecessary to be recorded, and a waste of the time of Members of Congress, for which the people of the country are paying.●

SOVIET PROSECUTION OF LITHUANIAN NATIONALS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. DERWINSKI. Mr. Speaker, I wish to call the attention of the Members to the continued Soviet prosecution of Lithuanian nationals held captive in the Baltic State of Lithuania.

In the May 1980, edition of ELTA, the information bulletin of the Lithuanian National Foundation, special attention is directed to the case of Justas Gimbutas, who has spent almost 33 years in Soviet prison camps. The article, which follows, gives a most dramatic description of the oppression which is typical of the Soviet Government rule in Lithuania:

VETERAN OF 32.5 YEARS IN GULAG SENTENCED AGAIN

TWO PROTEST STATEMENTS BY GIMBUTAS RECEIVED

Justas Gimbutas, who spent 32.5 years in the Gulag camps, received an additional one-year sentence. Unofficial sources in Lithuania have sent word abroad that he was arrested on February 18 and ten days later was sentenced to one year in the camps for "violating passport regulations."

As we reported in the previous issue of our bulletin, Gimbutas was summoned to the court and charged with violation of article 212, part I, of the LSSR Penal Code—"for taking up residence without a passport." On his release from the camps, Gimbutas lived with his sister in Klaipėda without any documents and demanded permission to leave for America. He told the court that he considered his sentencing by an arbitrary military tribunal in 1948 as "illegal"; when the judges retired for brief consultation, Gimbutas left the courtroom. The trial was postponed.

A statement by Justas Gimbutas, addressed to the Presidium of the U.S.S.R. Supreme Soviet and to the chief of the passport section of the city of Klaipėda, dated June 29, 1979, was recently received in the West. The statement is written in broken Russian and is partly illegible.

"LET ME GO ABROAD . . ."

"Issue a passport to me without a citizenship," writes Gimbutas, "and let me go abroad—to Israel or to the United States, to my sister, who has already sent an invitation to me. Her address is: B. Vaičiulis, 85-20 88th St., Woodhaven, N.Y. 11421, U.S.A."

"Why?" asks he. Because I'm 54-years old, and I have devoted my entire life to the struggle against the occupying power. Thirty-two-and-one-half of my 54 years were spent in the so-called Corrective Labor colony and yet I did not reeducate myself; I did not accept Soviet citizenship and I even refused to take out a Soviet passport.

My term in the camps ended on April 4, 1979, and on April 3, 1979, I wrote my last statement, where I stated directly that, once released, I categorically renounce Soviet citizenship, which I do not have, and that as soon as I have finished serving time, I ask to be allowed to go abroad."

"After my conversation with the chief of solitary confinement at the Vilnius KGB building, on April 4, 1979, I was physically thrown out from my cell. Nobody reacted to my protests and appeals for help. . . . Can I dream about any human rights, the Helsinki Act, or about any rights whatsoever as a Soviet citizen? It will be three months soon since I have been living in the so-called Soviet freedom, and nowhere could I find peace for my tortured soul; even the May in bloom and nightingales have not been able to pacify it . . ."

U.S. AMBASSADOR IN MOSCOW INFORMED OF GIMBUTAS' REQUEST

"Out, out of Lithuania, occupants! Get out all of you who oppress religion, nationality, and all that gives peace to the soul . . . I gave an oath and signed it with my own blood that as long as my heart is beating, I will not change my views, I have never been and never will be a citizen of the U.S.S.R. I shall never embrace the Marxist-Leninist ideology."

"Give me a passport without a citizenship," Gimbutas concludes. "I have also written a letter to the American ambassador in Moscow, asking for an entry permit to the United States, or asylum. I have also let him know about this statement, the Presidium of the U.S.S.R. Supreme Soviet."

1974 OATH SIGNED IN BLOOD

Also received was another statement by Justas Gimbutas, written in 1974 while he was still in the camp, and addressed to the Central Committee Bureau of the Soviet Communist Party. It is his oath, mentioned in the statement of June 22, 1979, pledging never to change his views or to assume U.S.S.R. citizenship. It is signed in blood and verified with three bloody fingerprints. He swears to "God, His Son, and the Holy Ghost, to his fatherland Lithuania, his native land, and to all the fighters who fell for the national liberation of Lithuania."●

FIFTY YEARS OF MARRIAGE TO BE CELEBRATED BY GLADYS AND FRANCIS McKNIGHT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. SOLOMON. Mr. Speaker, in this day and age we have grown accustomed to hearing about increasing divorce rates, alternatives to marriage, and the decline of the American family. Today I would like to share with you and my colleagues a shining example of love and marriage which disproves all those trends our so-called pundits see developing in modern American society.

On June 4, 1980, Gladys and Francis McKnight of the town of Brunswick, Rensselaer County, N.Y., will celebrate 50 years of marriage. They will be honored by their friends and loved ones at a reception at the First Presbyterian Church of Lansingburgh on June 1, 1980.

Gladys is a native of Sycaway, Troy, N.Y., and attended school there. She worked at the Cluett-Peabody Shirt Co. and Things Shoe Store in Troy, where she met her husband, Francis. She taught Sunday school for many years, and is currently active in the Women's Guild of the First Presbyterian Church of Lansingburgh.

Frank, a native of the town of Brunswick, presently serves as a justice of the peace for the town. He is a former supervisor and a former Republican committeeman from Brunswick, where he has been active in the dairy and agriculture business all his life. Frank is a church elder and Sunday school superintendent of the First Presbyterian Church of Lansingburgh. He is a 33d degree Mason, a member of the Sons of St. Patrick, a member of the board of the Salvation Army, and a former scoutmaster with the Boy Scouts of America.

Francis McKnight and the former Gladys Fowler were married on June 4, 1930, at 5 Tree Hill, Sycaway, Troy by the Reverend Hanford Closson. I urge my colleagues in Congress in joining with me to honor Gladys and Frank for their devotion to each other, their community and their country.●

STUDENTS VISIT THE CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the students and teachers who are visiting the Capitol from Owings Mills Elementary School in Owings Mills, Md.

My constituents will tour Congress and the Supreme Court. I am sure that their day here will be a memorable and educational one.

The teachers are: Ken McKinney, Barbara Caplan, Adele Wakefield, Randy Tusing.

The students are:

Christine Ackerman, Terri Glorioso, Kim Stalnaker, Pam Weis, Victor Bond, Scott Clossick, Jerome Dow, Victor Jackson, Antonio Johnson.

Darren Reynolds, George Richardson, Timmy Shipp, Gary Sprinkel, Daniel Sutphin, Jason Thomas, Denny Turner, Maurice Williams.

Kenny Abrams, David Brodsky, Rebel Brueslaber, Carlos Castro, Matt Cole, Carolene Conner, William Conway, Debbie Crane, Andy Crusse, Danny De John.

Josha Edmonds, Stacy Edwards, Shelley Fyack, Kimberlee Goode, Andi Hargrove, Jeff Hull, Brad Kable, Paul Linthecum, Brian Love, Mark Necker.

Darnell Park, Don Paynter, Don Peoples, Lori Sears, Angela Schmidt, Russ Smith, Wade Smith, Kevin Stewart, Danny Wolf, Michael Young, Mitch Kemp, Beth Keys.

David Billinghurst, David Chang, Chris Dayton, Adam Deutsch, Bryan Echert, Timmy Flowers, Andy Greenfield, Jimmy Hearn, Randy Lazarus, Steven Moore.

Marcus Parron, Heath Paul, Ellen Berman, Kerry Cummins, Sherry Ferguson, Arrika Floyd, Veronica Fowler, Laura Goodman, Deena Jackson, Joyce James, Mary Adele Jones.

Teresa McDonald, Michele Miller, Michele Ott, Lisa Pearson, Brittany Pruso, Ginny Shipley, Julie Turk, Christy Towle, Denise Wahman, Teresa Wallett, Millie Shumaker.

Vincent Bond, Ken Brannon, Mitch Brittaim, Tim Brodsky, John Chase, Mike Derwarf, Bryon Houpt, Joseph Iman, Mike McGraw, Jarmall McKeever, Jerome Nash, Ray Robertson, Steven Shank, Ricky Snyder.

Sylvester Chestnut,, Sherrie Ashley, Melissa Calp, Dee Christopher, Sandra Di Stephano, Barbara Floyd, Antoinette Green, Janine Hinds, Tracey Skinner, Donna Walkling, Roslyn Foster, Robin Weishaar.

FAMILY-OWNED BUSINESS

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. GOLDWATER. Mr. Speaker, in this era of difficult economic outlook, a firm in my congressional district is proving that with perseverance, foresight, and quality of product, a family-owned business can survive, and survive admirably.

Raznick & Sons, with Aaron Raznick at the helm of his Woodland Hills, Calif., business, is celebrating its 50th year of business. He and his family and employees have received national awards for his construction at Harbor-Walk, the Encino Medical Towers, and the Forest Hills Building, among others. His buildings have incorporated the latest energy-saving technologies, and Mr. Raznick was a pioneer in the concept of open space and environmental beautification. He and his firm have much to be proud of, and I join all those who are happy indeed to wish Raznick & Sons a very joyous anniversary.●

KOREAN TIME BOMB

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. WOLFF. Mr. Speaker, an editorial in the Washington Post entitled "Disaster in Seoul" tragically sums up the events of recent months for our friends and allies, the Korean people.

That disaster has now reached its most critical point, with the resignation of the civilian government, and the assumption of power by the military despite months of cautious and careful diplomacy by the United States, and months of hope and work by the Korean civilian government and political leaders to keep the democracy movement alive.

Frankly, prior to the events of the past week, many of us were cautiously optimistic that the enlightened self-interest which has characterized Korean affairs in the economic sphere would successfully transfer to the political arena in the wake of the death of President Park.

During a mission there in January, a delegation from the Subcommittee on Asian and Pacific Affairs met with the top Korean civilian leadership. Indeed, we made a point of meeting with the civilians, because we wanted the Korean military to understand the commitment of the American people to democracy in Korea.

Serious questions for U.S. policy, particularly U.S. military policy vis-a-vis Korea are now raised by the events of the past week.

Among them is the principle of command control of the joint United States-Korean military forces which defend the South from renewed hostilities with the North.

The problem now facing the United States is how to respond to the crisis in South Korea on two levels: first, making it clear that despite our disappointment over the political events in Seoul, the United States will continue to stand by the people of South Korea to resist any would-be aggressor.

Second, making it clear to the South Korean military that the United States considers that the interests of the Korean people, and maintaining stability in the region, will best be served by a return to civilian rule, and continuation of the movement toward full democracy.

Thus, so long as the United States Government makes it clear that we will continue to stand shoulder to shoulder with the people of South Korea against any would-be foe, I am confident that the interests of the United States—maintenance of peace in the region, and restoration of democracy to South Korea—can both be served.

I now present for the RECORD the editorial from the Washington Post:

DISASTER IN SEOUL

The assassination of longtime dictator Park Chung Hee last October revived prospects for a staged return to democratic rule in South Korea. The effort was set back in December when a group of disloyal generals ousted the military caretaker regime presiding over the transition. Still, a civilian government was left in place to work on drafting a new constitution, and the political life of the country continued to unfold cautiously. Over the weekend, however, that fragile effort was completely wiped out. The same group of power-hungry generals, using the recent student demonstrations as a pretext, imposed martial law and went on to suppress the students, to arrest key opposition figures and, yesterday, to hustle the civilian cabinet off the stage. Except for the fact that there is no sign of an impending North Korean invasion, things could not be worse.

Naturally, the coup-makers say an "emergency situation" had been produced by North Korean "troop movements" and by civil disturbances. But of course there is no supporting evidence. The more likely explanation lies in the situation being created by South Korea's tentative movements toward a new constitution to replace the one that had been the instrument of Park Chung Hee's personal rule. The civilians were under pressure from the generals to write a restrictive draft even while they were being urged by students and others, including representatives of the country's important middle class, to open up the political system. Either the recent student demonstrations frightened some of the generals or they simply took advantage of them to make their move. In any event, they have now assured South Korea an indefinite period of instability, since the constitution they prefer is bound to reflect their own craving for dominance and not the political interests of the broader society.

For the United States, the new turn is a bitter disappointment, the more so for the common awareness that the generals obviously chose a moment of the Carter administration's acute discomfort elsewhere in order to ensure that the administration would not react strongly. If the generals think that they have pulled a fast one on Jimmy Carter, however, they will still have to deal with the fact that they have profoundly compromised their own long-haul position in the United States. No foe could have struck a harder blow at the basis of South Korea's standing and security than the generals who now monopolize power.●

IN SUPPORT OF PRAYER IN PUBLIC SCHOOLS

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. BONER of Tennessee. Mr. Speaker, this week has been designated "School Prayer Week" to dramatize our effort to return the decision of voluntary school prayer to the State and local level. That effort, embodied in S. 450, the Supreme Court Jurisdiction Act, has been momentarily stalled in the House Judiciary Committee.

I am taking this time today to ask my fellow colleagues in Congress to join this effort by signing discharge petition No. 7 to bring this bill to the House floor for a vote.

What is at stake here is whether or not an American individual, with all the rights and freedoms that are granted under the Constitution, has that one right to bow his or her head in prayer during school hours. I cannot believe that our Founding Fathers ever endorsed a concept which would so resoundingly restrict the freedom of any American.

What is at stake here is whether Congress, as a legislative body, can enact legislation that is so clearly supported by the American people. Over 76 percent of those surveyed said they favor legislation to permit prayers in public schools.

A discharge petition strips away congressional ability to hold hearings; it strips away congressional authority to amend the bill in committee; and it limits discussion among the 435 Members of the House concerning the bill. But, when the chairman of one committee can stop a bill that so many Americans so adamantly desire, then it is time for extreme action.

If this is the only way to get this bill onto the floor of the House of Representatives, then it is our duty to sign this petition. I can think of no other issue which so glaringly cries out for your support.●

SOVIET SCIENCE: CAN IT CATCH UP?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

• Mr. MICHEL. Mr. Speaker, the state of science in the Soviet Union was recently the topic of an article in the New York Times. The consensus among knowledgeable American observers of the Soviet Union is that Soviet science is flawed but powerful and that in many areas they surpass us. One of the most chilling items in the article reports that the basic mathematical skills of our children—that is, American children—declines year after year while the math skills of Soviet children are steadily improving. In 15 or 20 years that may add up to a huge advantage for them in many fields, including war. I am afraid that from the standpoint of science, we may be playing the hare to the Soviet tortoise.

At this point I wish to include in the RECORD, "Soviet Science Assessed as Flawed but Powerful" by Malcolm W. Browne in the New York Times, May 20, 1980:

SOVIET SCIENCE ASSESSED AS FLAWED BUT POWERFUL

(By Malcolm W. Browne)

Increasing strains in Soviet-American relations have prompted analysis in this country to take a hard new look at the scientific underpinnings of Soviet strength. The capabilities of Soviet science could vitally affect the future balance of world power, and Government planners need answers to hard questions: Can the Soviet Union develop strategically decisive weaponry before we do? Can the Russians immunize themselves against grain embargos by bringing their chronic crop failures under control? Will they find better answers than ours to the energy shortages beginning to affect even their oil-rich land?

In seeking responses to such questions, The New York Times consulted American and Soviet experts in many scientific fields, working for universities, research laboratories and Government agencies.

Soviet science is partly concealed from outsiders—particularly so in recent months since exchanges between the United States and the Soviet Union have been officially diminished as tensions increased—and experts disagree about some aspects of Soviet scientific potential. But some overall conclusions have emerged.

The Soviet Union is investing more human resources in science than any nation on earth. According to Government estimates, some 4 percent of the Soviet gross national product is spent on research, compared with about 3 percent in the United States.

Louvan E. Nolting and Murray Feshbach, of the United States Bureau of the Census, published a new statistical study of the subject last month in the journal Science. The authors concluded that the number of Soviet scientists has quadrupled in the past three decades. In 1978, the last year in which comparable statistics were available for the study, there were some 828,100 scientists in the Soviet Union, compared with 595,000 in this country.

SOVIET SCIENCE HAS MANY FLAWS

There is general agreement that the Soviet scientific colossus is mired in technological backwardness and inefficient political bureaucracy. Many obvious flaws tend to make Soviet science ineffective. And yet, Soviet science clearly supplies Moscow's needs in many fields, including war.

"Consider our own weaponry in this country," a Government expert who wished not to be identified said. "Most of our weapons are based on scientific research that was carried out in the 1940's and 1950's. Suppose the Soviets had no scientific research of their own but had to rely solely on Western research published openly in our professional journals. That would mean they would always lag behind us in basic science by approximately three years. But in weapons technology, a scientific lag of three years is virtually no lag at all." The Kremlin could visit destruction on any other nation with its sophisticated weapons systems, but still has problems in other areas. Its fighter planes are among the world's most formidable, and yet their electronic systems still use vacuum tubes, relics of an era long past in this country.

Paradoxes like these complicate understanding of Soviet science, but analysts agree on many of its weaknesses and strengths.

NARROW SCIENTIFIC EDUCATION

Among the problems and pressures facing Soviet science are these:

The average Soviet scientist receives an education narrowly restricted to his specialty. This frequently limits his perception of the wider implications of his work, Western counterparts believe. Most Soviet scientists who emigrate to this country have difficulty adjusting to American research jobs, which require a broader outlook.

The Soviet population is growing rapidly, especially in the regions least able to grow food. The pressure to increase food production may compel Soviet science to divert major efforts from other research needs, including military projects.

Observational astronomy in the Soviet Union is held back by the relatively poor quality of its telescopes and other instruments.

Shortcomings in every aspect of computer technology make the Soviet Union almost wholly dependent on imports for such technology. The computer shortage inhibits Soviet theoretical analysis of research in weather and climate, in the statistical aspects of economics and psychology and in most experimental sciences, including chemistry and physics.

Soviet engineers and technicians have continuing difficulty translating basic science into practical technology. In the 1970's, Moscow contracted with Western companies to build a score of chemical plants in the U.S.S.R. for making industrial chemicals, plastics, fertilizers and other materials.

Public health, medicine and evironmental protection in the Soviet Union are regarded by most experts as incomparably inferior to those of the West, although medicine in communist countries is free. Senior officials have access to the best equipment and drugs imported from the West, but most Soviet citizens must make do with fairly primitive medical treatment.

Soviet scientists are expressly protected against criticism by their colleagues, American experts believe. As a result, Soviet scientific journals frequently publish papers of doubtful value, whose results cannot be replicated. American experts believe that mediocre scientists and research projects, which would be weeded out of the American system by competitive pressures for financing, generally survive in the Soviet Union, where they are protected by the bureaucracy of their bloc-funded institutions.

STRONG IN THEORETICAL AREAS

But Western analysts agreed that Soviet science has some important strengths. Among them are these:

The "blackboard" sciences—those requiring intellectual effort but not laboratory experimentation—are as highly developed in the U.S.S.R. as any country in the world. These include the theoretical branches of mathematics, physics, astronomy, electrochemistry, fluid dynamics and other basic sciences.

Since the U.S.S.R. lacks computers, Soviet researchers are compelled to develop theoretical analyses of problems for which their American counterparts would turn to "number-crunching" computers, American experts believe this has cultivated a vital habit of thought among Soviet researchers that is becoming dormant in many American scientists.

Some analysts believe the Soviet Union is more venturesome and imaginative than Americans in fields rejected by many American scientists as inappropriate for serious research. They say the Soviet Union experiments much more extensively in behavior modification, parapsychology and the biological effects of electromagnetic fields, and that much of this research is given high government priority.

Experimental psychology is regarded by many Western experts as a Soviet strong point, partly because Soviet science is less reluctant to carry out experiments on human beings than are most Western institutions. "I would expect a major Soviet breakthrough to be in the field of neuroscience rather than, say, physics of chemistry," one expert said.

The Soviet Union has pioneered in many branches of space science ever since the 1957 launch of Sputnik I, the first man-made satellite. Soviet achievements have included the successful landing of instruments on Venus and work aboard the manned Soyuz space station that has contributed important knowledge about biological processes in space, weightless metallurgy and crystallography and practical space engineering. A permanent Soviet base on the moon is seen as a likely possibility.

Soviet scientists are believed to have the knowledge and ability to build the most powerful atomic particle accelerators in the world. The Soviets already have several high-energy accelerators likely to yield data on harnessing fusion energy and the possibility of developing a particle-beam weapon. The feasibility of particle-beam weapons is a subject of intense debate in the West, but there is no doubt that Moscow is actively investigating the problem.

The U.S.S.R. is among the world's leaders in research on fusion energy. Soviet scientists (including Nobel laureate Pyotr L. Kapitza) invented the Tokamak magnetic confinement system, which has been copied in this country by various institutions experimenting with fusion.

Soviet laboratories are also very strong in laser research and the use of lasers in fusion research, as weapons against missiles and satellites, and in many other fields.

Experiments in climate and weather modification have been much more extensive in the U.S.S.R. than here, partly because of resistance by various citizens' groups to such experiments.

Apparent paradoxes in the quality of Soviet science give rise to disagreements among experts about Soviet potential progress.

For example, the National Foreign Assessment Center, a part of the Central Intelligence Agency, recently published a report stating that "although Soviet grain yields have increased, the average quality of Soviet grain [in terms of nutrition and its ability to resist disease, as well as other factors] has declined since the mid-1960's."

The report added, "No really new wheat varieties have been developed in almost two decades."

A sharply contrasting view was expressed in an interview by Dr. Sylvan Wittwer, director of Michigan State University's Agricultural Experiment Station, based on extensive tours he has made of Soviet agricultural research facilities and evaluation of their results.

"The Soviets absolutely lead the world in the genetic engineering of hard winter wheat and sunflowers. They have developed wheat hybrids that will grow 200 miles farther north than any that had existed," he said.

Dr. Wittwer acknowledged that the Soviet Union is far from solving its crop problems, underscored by last year's huge wheat shortfall. "But remember," he said, "even we have crop failures, and we have the largest continuous growing region with a benign climate in the world—the Corn Belt. By contrast, the Soviets have staggering drought problems and an extremely unstable climate. Despite such problems, Soviet grain production is steadily rising."

A third perspective was supplied by a Soviet scientist who recently defected. Because he has family members in the U.S.S.R., he asked not to be identified. "From the Communist Party's standpoint," he said, "Soviet science still exists for only two reasons: military advantage and international prestige. Eighty percent of the research in the Soviet Union is for military-related purposes.

"Take my discipline, which is molecular biology. This is a field closely related to genetic engineering, a science that was crushed in the U.S.S.R. during the Stalin and Khrushchev periods. Science then was ruled by [Trofim D.] Lysenko, who didn't believe in genetics, and, as a result, Soviet agriculture went from bad to worse.

"But now the party recognizes that genetics has a very important military offshoot—germ warfare. One of the top-secret military facilities just outside Moscow sent me a student who was to complete his work for a doctoral degree by working on my staff. This man frankly told me the purpose of his higher education—it was to serve the biological warfare facility from which he was on leave."

Soviet scientists see their chronic shortage of equipment as one of the major handicaps.

"I would say that 100 percent of all the advanced equipment in Soviet life-sciences laboratories is imported from the West," another former Soviet scientist said, "Primitive paper chromatographs [used for chemical analysis] and comparable apparatus are made domestically. But everything else—high-speed centrifuges, mass spectrometers, X-ray diffraction equipment, microcomputers, you name it—it all comes from the West, or in a few cases, from Hungary or East Germany."

LABS GET DOLLARS AND RUBLES

This is why all major laboratories have budgets in dollars as well as rubles. An institute receiving no dollar budget is unable to buy equipment abroad, however rich in rubles it may be.

"The highest priority Soviet labs are extremely well equipped, because everything is Western," the scientist added. "The other laboratories must make do with very little. Even simple reagent chemicals for a research facility must be ordered one year in advance, and supplies of everything are spotty and uncertain."

But many American analysts share the views of Dr. Thane Gustafson of the Rand Corporation in Santa Monica, Calif., who believes the biggest problem facing Soviet science is the organization of its hierarchy.

"The Soviets have undergone some really impressive soul-searching about science during the past 10 years," Dr. Gustafson said. "But despite all, Soviet science is terribly hampered by its administration, which allows subordinate scientists virtually no initiative. Support and funds are awarded to institutions, not specific research projects, so political influence determines everything.

"The Soviet leaders plan scientific research in great detail and far into the future, while American planners recognize that science, by its nature, is unpredictable. After an American scientific breakthrough, funding and priorities can be changed swiftly to take advantage of the new development. The Soviets lack that flexibility."

How likely is the Soviet Union to spring some unpleasant scientific surprises on the West?

"American scientists are often snobbish about Soviet science," a Government official said. "It's a dangerous attitude, particularly since the Soviets seem to make public only the papers that reflect mediocre science. We have reason to believe that official secrecy and institutional policies shield their best science from public exposure.

"But do you know what scares me more than the possibility of a scientific surprise from Moscow?" he asked. "While the basic mathematical literacy of our children declines year after year, the math skills of Soviet children are steadily improving. In 15 or 20 years that may add up to a huge advantage for them in many fields, including war.

"I'm afraid that from the standpoint of science, we may be playing the hare to the Soviet tortoise."●

LATE PAYMENTS BY UNITED STATES HURT SMALL BUSINESSES

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. SEBELIUS. Mr. Speaker, after the General Accounting Office reported to Congress that 39 percent of bills owed by Federal agencies are paid late, there should have been some immediate improvements in Government bill-paying practices. But, 2 years later, small businesses still report that the U.S. Government and the recipients of its grants-in-aid are the worst bill payers in the country. One of the reasons is, unlike every taxpayer in this Nation and every Member of this House, the U.S. Government refuses to pay interest charges on overdue accounts. The Government and its grant recipients often wait 90 to 120 days after delivery of goods before paying for them.

Since 90 percent of sales to Federal agencies are made by small, local companies, the Government's slow pay practices put the biggest burden on small business. No wonder the small businesses of our Nation are unhappy these days—they are not getting a fair shake from their own Government.

Therefore, I am today introducing a bill to force the Federal agencies to pay late payment charges on overdue accounts. As soon as the Government's money managers realize that it is going to hurt and embarrass them to pay bills late, they will speed up the process. This bill will put an end to irresponsible Federal payment practices by putting all agencies on notice that Congress will not stand for shoddy financial management.●

MATERIALS POLICY, RESEARCH AND DEVELOPMENT ACT

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. FUQUA. Mr. Speaker, as I have noted various times in the past, the United States faces serious problems related to materials and natural resources. the Materials Policy, Research and Development Act, H.R. 2743, passed by the House last December and now under consideration in the Senate noted that a vigorous and comprehensive program of materials research and development was a necessary and vital link toward addressing some of those problems. Such research, properly nurtured and successfully coordinated, will not only resolve problems we face today but will open up vast new horizons for the future.

The May 23 issue of Science magazine is devoted exclusively to reviewing many of the current advances in materials and their possible future impacts. In the lead editorial, Dr. Philip H. Abelson notes:

> Major industries with total annual sales of over $500 billion are intensively engaged in the development of new and better materials. Their efforts are crucial to innovations that will render this nation more energy efficient and more capable of meeting international competition in the future.

Dr. Abelson's full statement follows. I recommend it, as well as the rest of the Science issue, for consideration by my colleagues.

ADVANCED TECHNOLOGY MATERIALS

Major industries with total annual sales of over $500 billion are intensively engaged in the development of new and better materials. Their efforts are crucial to innovations that will render this nation more energy-efficient and more capable of meeting international competition in the future. The internal atmosphere of the best R & D laboratories is favorable to the speedy translation of research results into applications. Because the companies recognize that their future depends on research, the scientists involved enjoy excellent support and are provided with abundant facilities. Some of their equipment defines the state of the art. In many areas of science pertinent to materials, industrial scientists are the pioneers. They have contributed most of the articles for this issue.

Three general groups of materials are involved: (i) polymers, (ii) metals, alloys, oxides, and silicates, and (iii) electronic materials, primarily semiconductors. New kinds of polymers continue to be discovered having special properties such as great strength, high thermal and chemical stability, or electrical conductivity. Fundamental understanding of the behavior of polymers is being obtained by use of NMR and other experimental tools, which give quantitative guidance in efforts to formulate superior products. Major activity, though, is devoted to combining already available monomers and polymers to form objects with desired properties superior to those of a pure polymer. For example, combinations of layers of polymers can lead to containers that are tough, strong, and resistant to passage of oxygen. Mechanical properties can be greatly altered by incorporation of reinforcing fibers, inert materials, or gases. The new products are finding many uses in energy-saving applications.

In their studies of materials, chemists and physicists have roamed throughout the periodic table and have made countless combinations of elements and tested them in various proportions. Such work has led to new superconductors and to improved permanent magnets that require less imported cobalt than earlier types. Major advances are being made in improving the strength of materials. One method takes advantage of the fact that some crystals have great unidirectional strength. Another development is the creation of low-alloy, high-strength steels. Even more spectacular has been the development of glassy metals. When liquid mixtures are cooled very rapidly, the resultant solids may have strengths 15 times that of products cooled more slowly. At the same time, other properties such as magnetic permeability and freedom from corrosion may also be greatly improved. A research effort of great importance is the work to develop superior specific catalysts. This involves detailed understanding of the interactions among atoms at surfaces. Improvements of as much as a factor of 10^{12} have been obtained in speeds of reaction. When combined with high specificity, such performance leads to major energy savings. The research effort on catalysts has also led to the development of zeolite cage structures capable of catalyzing the conversion of methanol to gasoline.

During the past decade the most dynamic area of technology has been in exploitation of the potential of semiconductors such as silicon. The electronics revolution continues with considerable emphasis on obtaining more transistors per chip and better, lower cost computer memories. But other frontiers are under scrutiny. Semiconductors such as GaAs (III-V compounds) may be the key to even faster, better computers. Such compounds have already proved useful for lasers and light-emitting diodes. A different approach to increasing the speed of computation is through the development of Josephson-type devices that function at cryogenic temperatures. Another activity is work to develop superior photovoltaic materials.

One of the fastest growing applications of new materials is in prosthetic devices. This year, between 2 million and 3 million such devices will be implanted in humans, creating an interesting set of interactions between living and nonliving substances.•

INEFFECTIVENESS OF OIL IMPORT FEE

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

• Mr. MOORE. Mr. Speaker, on March 6, 1980, proponents of the President's oil import fee gasoline tax claimed how effective it is relative to conserving oil, when and if this fee were imposed upon the public. I can cite at least one example of a program which is much more cost effective to the taxpaying consumer than this import fee program. In fact, this is a program that the administration has recently transmitted to us in the form of proposed legislation.

The President sent to the Congress, specification for legislation H.R. 6930 to reduce the use of oil and natural gas by utilities. This program outlines a two-phase program, with emphasis on the mandatory conversion of a number of oil burning powerplants to coal. The intent of this administration initiative is to displace 1 million barrels of oil per day by 1990 through the provision of DOE grants to assist in financing the cost of such conversion.

The President in his message emphasized the significant oil savings which can be achieved by the utility sector in the near term. Phase I of the administration's plan is designed to save as much as 400,000 barrels of oil per day by 1985.

Specifically, a number of powerplants currently using oil that are capable of converting to coal or other alternate fuels would be prohibited by statute from certified use of oil. Available for grants would be $3.6 billion to be awarded by DOE to pay for a portion of the capital cost associated with converting designated facilities to coal or an alternate fuel. If the DOE decides to spend the entire $3.6 billion, the dollars per oil savings of Treasury expenditure would be about $10,000 per barrel. The estimated total cost for utilities to convert from oil to coal, as quoted by DOE, is $7.2 billion. Therefore, the oil savings per dollar of total expenditures, both Government and private would be about $20,000 per barrel. Using the administrations own assumptions, the President's oil import fee would be expected to save 100,000 barrels per day at a consumer expenditure of $11.2 billion. The dollar of expenditure by the taxpaying public per barrel would be about $100,000 per barrel.

Therefore, enactment of the oil import fee is both wasteful and not cost effective (see table 1). The public would be paying at least a factor of 5, possibly a factor of 10 higher in expenses to save the equivalent amount of oil, when I compare the administration's two programs.

TABLE 1

Program	Expenditures [1]	Oil savings [2]	Ratio (per barrel)
1. Oil backout bill:			
Government only	3.6	4	$10,000
Government and utilities	7.2	4	20,000
2. Oil import fee	11.2	1	10,000

[1] DOE estimated expenditures in billions of dollars.

[2] In millions of dollars per barrel.•

PERSONAL EXPLANATION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

• Mr. RODINO. Mr. Speaker, I was unable to be present on May 14 when H.R. 6974, the Department of Defense Authorization Act for fiscal year 1981, was debated in the House. On rollcall Nos. 233 and 234 I was incorrectly listed as being paired against the amendments under consideration. I want to state that if present I would have cast my vote for the amendment offered by Mr. EDWARDS of Alabama to delete the $200 million Air Force procurement authorization for the strategic weapons launcher; and for the amendment offered by Mr. DELLUMS, of California, to delete the $1.55 billion research and development authorization for the MX missile program and basing system.•

NATIONAL MARITIME DAY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

• Mr. AuCOIN. Mr. Speaker, today is National Maritime Day, an occasion on which we note our maritime heritage and the importance of this industry to the commerce and defense of the United States.

This morning—as part of the official observance of National Maritime Day—I was honored to be invited to take part in the merchant marine memorial service held on the west side Capitol steps and to offer the following remarks:

> Today we meet to honor our maritime past—and to look forward to the future. This memorial service is not just to pay tribute to those seafarers who gave their lives for our country. More important, it is for us who are here today—because the value of our maritime past lies in what the future can draw from it.
>
> Our past is prologue. And our most meaningful tribute to that past and to those who died will be what we do in the future. Today then is a time for us to reflect, a time for us to seek out the direction and purpose the past holds for what can come.
>
> Many of you have been part of the United States merchant marine all your professional careers. By contrast, my own association is a recent one.

In this short time I have developed high regard and immense respect for our maritime industry and its people. I have learned a great deal about our traditions and history, our problems, and our capabilities.

The United States merchant marine is our fourth arm of defense—and our first arm of commerce—serving both the private sector and as a naval auxiliary. It is an essential part of the national and international policy of the United States.

From the earliest of days of our republic the merchant marine has played a key role—a role marked by innovation, productivity, and direction. In more recent years, however, our industry has lost momentum, so that today finds it adrift in a sea of uncertainty.

It's a time of change, a time to challenge. And we can be on the threshold of a new day. This tomorrow is uncertain, but it is a tomorrow bright with hope. This tomorrow can draw from our maritime past and unleash its creativity, its energy, its adaptability.

But the merchant marine we are paying tribute to at this service is not just an industry, not just ships, not just goods. Our merchant marine—like all industries—is fundamentally people. Its strength rests on the quality of its men and women.

As Chairman of the subcommittee responsible for maritime education, I know the people of our industry. They are dedicated. They are well-trained. They are competent. I am optimistic about the future of our merchant marine because of this underlying strength of our men and women. Our past inspires confidence in our future.

Today we are assembled to take note of the past and to honor those who have died in wartime service to country. Our merchant mariners have indeed served heroically. The statistics speak for themselves. These civilians served voluntarily, and they suffered frightening casualties.

For the most part our merchant mariners have been unsung heroes—just as our merchant marine has been unsung. Heroes like Lim Poon, a young seaman whose ship was sunk in the South Atlantic by an Italian submarine in 1942. He spent the next 133 days alone on a raft in the open seas before being rescued by a Brazilian fishing boat—a record of endurance that still stands unexcelled in the annals of human history. As a result of this feat of courage, President Truman signed a special bill to make Lim Poon a United States citizen. And perhaps of even greater significance, Lim Poon then returned to the sea, and now a man of 64 years of age still serves in our merchant marine.

People like Lim Poon have made our industry. Our past is proud, the record unmistakable. American ships and American seafarers have been there when it counted and they did the job that needed to be done.

Today we are gathered here to commemorate this past. Let us make our tribute a magnificent and living memorial, a memorial that moves beyond words. It's the dawning of a new day, a day noted by people—our men and women—who will honor this past by the maritime industry we sustain and build.

As we embark on this epic voyage, may we all enjoy Godspeed, fair winds, and following seas.●

BOYS' CLUB OF UNION, N.J., MARKS 25TH ANNIVERSARY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. RINALDO. Mr. Speaker, 25 years ago this summer a group of dedicated Cub Scout fathers from St. Michael's Church in Union, N.J., under the leadership of John S. Zimmerman, founded and organized the Boys' Club of Union, N.J.

Fashioned after the first Boys' Club of America, which was established in 1906 in Boston and chartered by the U.S. Congress, the Boys' Club of Union is dedicated to improving the lives of underprivileged children ranging in age 7 to 18 years.

During the early years when the Union Boys' Club could boast only 12 members, basketball and other activities were held in a variety of locations: the Washington School in Union, Hurden Looker School in Hillside, Littleton Avenue Boys' Club in Newark, and the Elizabeth C.Y.O. in Jersey City.

As membership in the Union Boys' Club increased, a new headquarters was provided in 1957 through the generosity of the late Charles Hampp and his widow, Rose. With the gracious help of volunteers and various trade unions, an old picnic dance pavilion at Five Points in Union was converted into a basketball court and adjoining club house.

The Union Boys' Club membership grew to over 500, and the need for expansion became evident. Recognizing the need, the late Union Mayor F. Edward Biertuempfel and the township committee dedicated a parcel of land on Jeanette Avenue, Union, as the sight for a permanent club.

This acquisition, coupled with various community fundraising efforts, brought about the construction of a gymnasium, game rooms, Olympic-style swimming pool, and a men's health section.

The Boys' Club is now in its 25th year of service to the people of Union. Various special activities have been added to the club, including senior citizen programs, swim therapy for physically and mentally handicapped children and adults, and Red Cross swim lessons for every member of the family.

Keeping pace with the times, the Boys' Club of Union recently merged with the Girls' Club of Union and has entered its 25th year as the Boys' and Girls' Club of Union, Inc.

On behalf of all citizens concerned with the moral and physical upbringing of American youth, I salute the founders of the Boys' Club of Union, John Zimmerman, George Arnold, Thomas Crimmins, James Connell, William Darrow, Arthur Eichorn, Michael Fider, Joseph Gaynor, Victor Gorman, Franklin Kunkel, William Liebiedz, Charles Lynch, James Mahon, Andrew Nazan and Alfred Sasso, and offer my best wishes for continued success to all those who are presently involved in the Boys' and Girls' Club of Union.●

THE HANDICAPPED MOVEMENT'S WRONG DEMANDS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. WALGREN. Mr. Speaker, the cost of making all public transportation accessible for the handicapped may be far too great in view of the fact that only a small percentage of those who are handicapped can get to and from the bus stop.

True sensitivity to rights of the handicapped should target our efforts on the larger barriers to full participation and not be distracted by expensive efforts reaching only a few.

The following letter from the New York Times of May 20, written by a handicapped individual involved in public policy of rights for the handicapped, deserves full consideration:

THE HANDICAPPED MOVEMENT'S WRONG DEMANDS

To the Editor:

I have lived confined to a wheelchair for 28 years. I conceived and drafted the language of the first Federal legislation concerning the elimination of architectural barriers. This measure, sponsored by the late Senator E. L. (Bob) Bartlett of Alaska, has become the very basis of the national program for the handicapped.

My efforts over a period of many years have been responsible for upgrading the accessibility of many buildings. I am a *bona fide* member of the activist handicapped movement. I have paid my dues.

And, as a member, I urge the movement to drop its demands for ever more expensive gadgets and to shift its attention to the far greater need for handicapped services.

I must strongly protest the movement's demand for several billions of dollars of public funds to be used to make existent mass-transit systems accessible to severely handicapped persons mobile only by wheelchair. This would be an unconscionable and insane waste of money.

Experience with accessible subway systems shows that only a tiny percentage of the severely handicapped—a minuscule percentage of the general population—actually make use of the facilities. This is because the handicapped are seldom able to roll their chairs the distance from their homes or offices to the accessible stations. As for "kneeling" buses, experience shows they simply do not work. Furthermore, it is not safe for a handicapped person in a wheelchair to ride in a moving bus or subway car without proper wheelchair restraining devices. Such devices are cumbersome, do not work well and often are not used at all.

There are thus compelling physical reasons why subway and bus accessibility is an impractical concept. More importantly, in terms of equity it is an unjust concept. Far better would be a system by which transportation stamps would be allocated to the handicapped and accepted as full payment by all taxicabs. Such a system could be operated in coordination with a fleet of taxi vans to handle the most severely handicapped. This system would be cheap to operate, easy to set up. Unlike accessible subways, such a system would be available to all the handicapped and not to just the athletic few. It is distressing to see the handicapped movement waste so much effort and good will attempting to muscle onto subways when there are far more important things to be done.

I suggest the following matters are vital if discrimination against the handicapped is to be ended and the handicapped are to be integrated into society:

Handicapped workers should receive, at last, the full protection of the minimum-wage laws. As it is now, many good and dependable workers make far, far less than a living wage. If it is necessary to subsidize the so-called "sheltered workshops" to bring this about, then they should be subsidized.

Independent-living houses for the severely handicapped should receive Federal assistance. These houses, successful in Britain, allow the handicapped to determine and control their own life styles rather than endure a life of dour dependency on family or society.

Funds are needed for attendant care. With such care—help with dressing, personal needs, getting in and out of the wheelchair and getting in and out of vehicles—many talented people who happen to be handicapped are able to hold good jobs, make good money and become fully productive members of society. Such care, however, is extremely difficult to find and, once found, is extremely expensive. There is a Catch-22 aspect to attendant care: once employed in a responsible position, the handicapped person is able to pay for his care; but he cannot obtain such a position without care, and he cannot pay for such care without a position. Training and placement programs for attendants are needed, as are subsidies to assist the handicapped in paying for their services.

Federal money used for the above projects would greatly improve the quality of life for the handicapped and would allow them to make full use of their talents and abilities. Such services are far more important than other things—things like kneeling buses and subway elevators.

HUGH G. GALLAGHER.●

BEOG: THE WRONG BUDGET TARGET

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. DRINAN. Mr. Speaker, it is ironic that basic educational opportunity grants (BEOG's) have been singled out among programs of financial assistance to students in order to satisfy the new mood of fiscal austerity on Capitol Hill. The Appropriations Committee has approved a cutback in the BEOG program, a program based on need, while sparing student loans, which are available to all students regardless of financial circumstances, and which in fact have been accused of being an uncontrollable item in the Federal budget. What we have is a clear example of the budget being balanced—supposedly to control inflation—at the expense of people most affected by inflation.

As currently administered, approximately 82 percent of BEOG benefits in fiscal year 1980—academic year 1980-81—would go to students from families with incomes below $15,000; 71 percent of the recipients would be from such families. BEOG's are now awarded to undergraduates in amounts ranging from $200 to $1,800.

But under the supplemental appropriations and rescission bill, $140 million would be rescinded. The basic grants of 2.7 million recipients would be reduced by $50. The minimum award would drop to $150 and the maximum to $1,750.

To trim BEOG's would not be timely. Students of higher education are now closer in age to their siblings than in the past. The resulting sibling overlap strains the resources of families trying to finance the educations of their sons and daughters. In 1969, 60 percent of American families had more than one college-age child; in 1978, the percentage was up to 65. In 1969, 20 percent of families had three or more college-age children, by 1978, it was 24 percent.

The financial stress of sibling overlap is compounded because the costs of attending private colleges and universities is increasing more rapidly than family income.

More than 4,600 students attending private institutions in my district receive BEOG awards. If cutbacks in the program force them to transfer to the University of Massachusetts in Amherst, then yes, the Federal budget may be closer to being balanced, but no, the taxpayer will not necessarily save money. Tuition for State residents at the University of Massachusetts in the next academic year will be $750, a subsidy per student of approximately $3,000.

I understand the need for fiscal responsibility. But slicing BEOG grants may simply shift responsibility to the States. This is not the time to cut this valuable program, nor are its recipients in a financial position to loose its support. The basic educational opportunity grant program is an easy target, but the wrong one.●

TRUCK COMMON CARRIERS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. COLLINS of Texas. Mr. Speaker, Congress today is moving rapidly toward legislative action on truck common carriers. Let us trust that in congressional haste, we do not deal the same blows to the trucking industry that we have to the automobile manufacturer or the consumer of oil products.

During the 1970's Congress loaded the automobile industry with regulations. Just in the past 5 years General Motors has added $759 per car in equipment costs for safety and environment to meet congressional rules.

In the oil industry Congress established regulation controls of the domestic industry and the United States has increased oil imports in 6 years from $3 billion a year to where they are $90 billion this year. And we all know about the high prices of foreign crude oil which is meaning higher gasoline prices for everyone who drives an automobile in America.

The latest move by a Federal agency was to deregulate the airlines. There was not adequate planning for the transition, so we have seen the airlines reduce service, raise prices, and the airlines in our area are now losing money.

Now Congress wants to know what they can do to the truck companies.

I was interested to see that regulated carriers suffer the same empty backhauls as nonregulated carriers because backhauls are supposed to be the cause of the problem.

I was also interested to see that many truck common carriers are losing money. I just picked up the copy of TGT Corp. report which gives their first quarter statement of 1980. It showed that the American Freight System lost $3.2 million during the first quarter which was a more severe loss than the $2 million which was the loss in the first quarter of 1979.

Here is the statement from their published report:

> TRUCKING SERVICES DIVISION
>
> American Freight System (AFS), the division's general commodities carrier and largest operating unit, continued to be adversely affected by declines in both tonnage and revenue during the first quarter, principally due to the economic recession. Less than truckload tonnage for the period was 19.2 percent below the first quarter of 1979, and truckload tonnage was down 29.5 percent. Despite substantial reductions in operating costs to offset these tonnage declines, AFS's loss of $3.2 million was greater than last year's $2.0 million first period loss. Midwest Coast Transport, a special commodities carrier, had an excellent quarter with a 28 percent revenue gain and strong first period earnings.
>
> Commercial Carriers, Inc. (CCI), the division's automobile and truck hauler, experienced a $0.3 million loss during the period compared to a profit of $0.5 million in 1979. This year's results reflect the impact of the extremely soft domestic automotive market. Although CCI improved its penetration of both domestic and import auto markets during the period, the reduced volumes and a substantially altered product mix affected operating results.●

SPEECH OF GEORGE BUSH

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mrs. HOLT. Mr. Speaker, last month George Bush delivered a speech at the Forum Club in Houston, Tex., dealing with defense and foreign policy.

In this speech, Mr. Bush clearly describes the many problems confronting us in these areas. His comments on our inattention to military personnel problems and retention difficulties are especially perceptive.

I commend this speech to all of my colleagues who are concerned with the state of our national security.

The speech follows:

SPEECH OF GEORGE BUSH, MONDAY, APRIL 28, 1980

Friends—of whom I see so many here at the Forum Club. Thank you for inviting me here today.

It has been about a year since I formally announced that I was a candidate for President of the United States, and some 248,000 miles across the nation since I left my home here in Texas on what has been the greatest privilege any American could hope to have. The issues I set out to address then have been sharpened by the events which have unfolded over this year. And, in the course of that year, I have seen men and women in every walk and station of life, black and white, poor and rich, old and young—all struggling to provide themselves and their families a decent and secure future.

A Presidential campaign is important both to a real understanding of this country and as preparation for the Presidency itself. But, Jimmy Carter has found out, as this nation has so unfortunately discovered, a successful campaign, by itself, does not necessarily mean a successful Presidency.

As Leon Jaworski said this morning, experience in foreign affairs is essential for a President in the challenging and changing environment of the 1980's.

I agree with that. But I will also say here, without hesitation, that one man or woman can be better prepared than another. Preparedness is as much a critical part of the man who would be President as it is a critical part of our defense machinery.

The tragedy, the complexity that is Iran, is a case in point. The vacillation, the weakness, the inexperience of this President have led to the crisis and managed to isolate us in our tragedy. We are hostages as much as our diplomats in that embassy in Tehran. Our energy independence, our security, our economy, all are hostage to the instabilities which have been created by events in Iran.

And all of us—Americans and Europeans, and energy producers and consumers, and people out to buy a new house, or to get a first job or hold onto the job we've got—all of us are hostage to the ineptitude, the daily failure of Jimmy Carter as President of the United States.

The ruins of our crippled economy, the tattered shreds of our self respect, the wreckage of our foreign policy, stand as stark testimony to the folly of both inexperience and of simplistic promises.

We in Texas are tragically reminded of Iran as five young men lie in the burn ward at Brooks Air Force Base to our west in San Antonio. I will state here today, as I did Friday, that their efforts were neither wrong, nor futile, nor folly, nor unjust. Their effort to save their fellow countrymen was not ill-conceived. It was just and humane. And it was in the spirit of compassion and courage that has always moved the men and women who have served this nation in its armed forces.

I will also state here today that Jimmy Carter, whatever his numerous previous and present faults, despite the outcome of this mission, has nothing whatsoever to apologize for in having undertaken it. Especially not to the Soviet Union or to the Iranian terrorists who have bludgeoned international law and human decency in these last five and a half months.

That this mission failed cannot be allowed to condemn it—or Jimmy Carter for finally acting like a President. His decision to order this action was an act of courage, and I for one applaud him for it. I believe the 53 hostages who daily live in terror of their lives somewhere in Iran would applaud it, too.

What this courageous effort—this unfortunate failure—should do is steel our resolve. And it should serve notice to the Iranian terrorists that the American people are resolute in our determination to free our countrymen. That we will not rest until we do so.

But the fact that I am not criticizing Jimmy Carter for having taken this long overdue action should not imply that there are no lessons to be drawn from it. Nor should it obscure the fundamental failures of his foreign policy.

First, there is a lesson to be applied to our alliances. That our allies have taken our requests to apply diplomatic and economic sanctions against Iran as a routine—rather than as an urgent—priority, or that a few have cried outrage over this rescue attempt, should neither be accepted nor justified by any American. But their perplexity and timidity is understandable if we remind ourselves that they have been on the receiving end of three years of the incredibly naive, incredibly inexperienced, vacillating foreign policy of the Carter administration. They are, no doubt, no more anxious to have the Persian rug pulled from under them than they have been in recent months and years to have the rug pulled on the neutron bomb, or NATO, or on economic policies. They have found, as we have, that Jimmy Carter is less than reliable.

Thus, the first foreign policy task of my administration will be to rebuild the set of working alliances—a network of "ocean alliances" among seafaring and trading nations—that have been part of our tradition of foreign policy. Our allies deserve and require consistency from American leadership.

The second critical lesson is that of preparedness, both in terms of the man who is President and in terms of the men, women and machinery on which he has to rely in defending this nation.

Jimmy Carter has gutted this Nation's defense. He ran on a ticket that promised cuts in defense spending, and he has lived up to that promise. In each of the first three years of his Presidency, his defense budget represented a real decline from each previous year. Spending has been reduced by nearly $40 billion from the modest 5-year defense plan sent to Congress by President Ford. And his 1981 budget promise of 3 percent growth has been shown to be an accountant's trick—1980 spending figures have been lowered by $165 million, according to the Wall Street Journal of April 16, 1980, to allow the fiscal year 1981 total to appear to rise by the requisite 3 percent.

Preparedness is a matter of both men and women and of equipment. We have been treated in the last several months to the spectacle of American soldiers on food stamps and holding down second jobs. We have seen the fifth leak in a year of toxic fuel from one of our aging Titan II missiles in Kansas; 54 of these Titan IIs represent one-third of the U.S. land-based missile force. We have seen a major U.S. naval vessel—the USS *Canisteo*—laid up for weeks because of a shortage of trained personnel. And we have, in the last three days, seen what appears to have been the mechanical failure of three out of eight helicopter gunships in the aborted rescue of the American hostages—due perhaps, according to recent reports, to the critical shortage of Petty Officers on the USS *Nimitz*.

None of these events had to happen. Yet they did—because of the systematic destruction of our defense capability and our preparedness.

The equipment reductions are stunning. The combat support vessels necessary to the laying of mines—in Iranian harbors, for example—have dwindled under Carter naval reductions by 10. Seventeen new combat support vessels have been cut from the Ford Navy shipbuilding plan of 1977. The Navy has a $9 billion shortfall in its munitions requirements for minimum war reserve stocks. For the fourth straight year, the Carter Administration has requested fewer new Navy aircraft than the number lost in training.

And the Iranian crisis illustrates still other weaknesses. The nearest U.S. land base to Iran is Diego Garcia, some 3,000 miles from the Kharg Island oil terminals and therefore not useful to a mining effort—an effort which is supposedly our next step. Throughout this crisis, two carriers have been stationed in the Indian Ocean and would have to have been committed for a military operation. Yet, to do this has meant that for the first time since the Korean War, for much of the time no carriers have been stationed west of Pearl Harbor. Yet Carter has bitterly opposed new carriers, even vetoing the 1979 Defense Authorization Bill to stop authorization of the single carrier needed to stay even at just 12 carriers beyond 1985.

The impact—perhaps deliberate inattention—of the Carter defense policy on our military personnel is as distressing. Today, the Armed Services lose over 75 percent of those completing their first enlistment. The retention rate of experienced men and women, in whom taxpayers have invested literally hundreds of thousands of dollars in training, is only 36 percent overall—which means there are not enough people to do the job. A recent article cites an example of manpower shortages an A-6 squadron on one of our front-line East Coast carriers which has only 7 maintenance Chief Petty Officers out of the 17 required.

Training—flying proficiency and steaming days—has steadily been reduced by budget constraints.

The problem of our personnel readiness is made worse by inflation—itself the outcome of failed Carter economic policy. The Consumer Price Index has risen 75 percent since 1972. Yet, military pay is up only 51 percent. At least 100,000, and possibly as many as 275,000, American military families qualify for welfare. And our military commissaries take in over $10 million a year in food stamps. An E-4 aircraft maintenance man, handling a $25 million F-14 on station on a nuclear carrier in the Indian Ocean, today makes less per hour than a cashier at McDonald's. His average workday is 16 hours, his family probably qualifies for—indeed, probably needs—food stamps in order to survive, and his wife and children haven't seen him for 6 to 8 months because there are not enough personnel to rotate duty. And, while on duty, he loses the income from the second job he and 80 percent of Navy enlisted men (or their wives) need to hold down to supplement their income.

The carrier *Nimitz*, from which the recent rescue mission was launched, was one of the ships suffering the impact of the personnel shortage. Two chief maintenance officers, according to reports published by the Washington Post, were doing the duty of the required four or five.

Skilled nuclear engineers are being drawn away by nuclear power plants at three times their salary, as are skilled pilots by airlines.

A military draft may be necessary at some time in the future. But it will not solve the problem of middle management because that problem has as much to do with deliberate, long-term career choices as with anything else. It is both a morale and a compensation problem, caused by the Administration itself. Carter started out by attempting to eliminate the 20-year retirement. Pay raises have been held to half the rate of inflation and training time has been cut as an outcome of reduced Carter defense budgets.

Rebuilding the morale of our military men and women through attention to their needs, and attention to their equipment and training, will pay a dividend in returning this nation and its Armed Services to the state of readiness required of a great power.

In other speeches, I have outlined required improvements to our military defense capability which I think are necessary: the MX missile, the Minuteman III, the Trident II, a new manned bomber, improvement of our strategic air defense, modernization of our theater nuclear forces, and the building of a three-ocean Navy. To that we must add deliberate attention to the state of readiness of the men and women who make up our Armed Services.

The demands placed on a great nation, the imperatives of a complex world, the duties of those of us who are free and who value freedom—none of these things can be shirked or sloughed off on others. No more Irans should be allowed to simmer six months. No more lives should be endangered because we are unprepared. I am, and this nation must be, prepared for the decisions which face us in the real world during the decade ahead.

Thank you.●

REPRESENTATIVE KEMP COSPONSORS BILL TO ASSIST VIETNAM VETERANS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. KEMP. Mr. Speaker, this week I cosponsored H.R. 7157, a long overdue measure to aid our Vietnam veterans who were exposed to the defoliant agent orange in the course of duty.

While I have been looking into this issue for some time, the tragic consequences of exposure to this dioxin chemical were brought home to me in an article in the Buffalo Courier Express about a veteran from the hamlet of Patchin in the town of Boston, N.Y., by the name of Ron Ewing.

Ron Ewing was drafted in 1967. He was sent to the two regions of Vietnam most heavily sprayed with agent orange—Cam Ranh Bay and Quang Tri. Quang Tri was the major base for American troops near the demilitarized zone, which was classified as a "free spraying area" for the herbicide. Ron Ewing spent 7 months there.

Ron finished his tour of duty in 1969 and came home to Boston. He did not notice any aftereffects of his war experience until 1973, when he went to work, started welding, and his hand swelled up "like a balloon." The next day, he was "swollen head to toe." The swelling lasted for 7 months. No doctor could tell him what was wrong with him, or how to relieve his pain.

Since that time, Ron has had repeated bouts of mysterious swelling, which last February cost him his job. There is something wrong with his 3-year-old son, Ronnie Paul, too. He was born 3 months premature with a collapsed lung. In the last year, he has grown only 1½ inches and gained just a quarter of a pound.

Only this spring did Ron begin to hear stories of other Vietnam-era veterans who were suffering from strange and unaccountable maladies. The one apparent link among all of the veterans reporting disabilities was exposure to agent orange.

Last month, Ron applied to the Veterans' Administration for help with his medical bills. He was informed that his chances of collecting compensation are slim, as the VA has granted service-connected benefits to only 2 of over 1,650 veterans who have reported ailments related to exposure to agent orange.

One major roadblock to veterans' obtaining service-connected disability benefits for agent orange exposure is existing law which provides that these benefits can only be awarded for treatment of a chronic disease which manifests itself within 1 year of a veteran's discharge. As we have seen with the case of Ron Ewing, agent orange exposure seems to have produced aftereffects which are only now beginning to be recognized as possibly connected to dioxin exposure. The spraying has long since stopped; the soldiers have long since returned home; yet now the symptoms are appearing all across the country. The VA has already denied over 1,200 claims submitted by veterans for treatment of health disabilities that appear to have been caused by exposure to the herbicide simply because of the statute of limitations on the reporting of chronic illnesses.

The Downey bill that I cosponsored yesterday addresses this problem. H.R. 7157 waives the 1-year time limitation on claims for service-connected disability benefits for diseases and conditions resulting from exposure to agent orange and other herbicides sprayed in Vietnam.

Medical science has yet to prove what effects exposure to the herbicides used in Vietnam has had on the veterans who served in the Asian war. One thing is clear—the United States has a responsibility to care for any of our fighting men whose health was impaired because of their service for their country.

This legislation is a start toward providing the kind of health care our Vietnam veterans deserve. I urge my colleagues to lend their support to this vital measure so that Vietnam veterans who have been exposed to agent orange can begin medical treatment as soon as possible for any related disease.●

TWO FORMER GOVERNMENT OFFICIALS CITE COMMUNISM IN NICARAGUA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ASHBROOK. Mr. Speaker, no matter how much the Sandinista junta attempts to gloss over its true objectives in Nicaragua, the truth is being told by those who have the courage to speak out. In the past week a former member of the junta and the former Vice President of the Council of State in Nicaragua have gone public in their belief that Soviet and Cuban intervention is destroying their nation. The Congress should take heed, as these individuals risked their lives against Somoza and are now risking their lives against the junta.

On May 11, Panama City ACAN reported that Alfonso Robelo, a former member of the Nicaraguan junta, spoke before a rally of his Democratic Movement Party—MDN. He stated that "we reject the possibility of being turned into an Afghanistan." With the crowd shouting "we do not want communism" and "Cubans out of Nicaragua" Robelo said the KBG threatens Nicaragua. He cited the planned opening of the Soviet Embassy in Managua which will be six stories high and have over 300 diplomatic personnel, warning that further Soviet interference in Nicaragua would be directed from the diplomatic mission.

As for the role of the junta, Robelo accused the Government of sowing of the hatred of classes. He also criticized the junta's foreign policies calling for enough of playing up dangerously to Communist nations which only seek to attain world power. Robelo called for free elections to avoid a sad and totalitarian regime.

Robelo's warnings were echoed by Jose Francisco Cardenal, one of the three Vice Presidents elected to oversee the 47-seat Council of State in Nicaragua. On May 5, Cardenal was elevated to this high office, but on May 15 he took himself and his family into exile. He viewed the Council as one more effort to mask the true intentions of the junta. When he realized this, and the fact that his life or his business may have been in jeopardy if he spoke out, he fled Nicaragua. In a May 15 statement made before Members of Congress in Washington, he declared, "The evident irreversible tendency of the present Nicaraguan regime toward a rigid and abusive Marxist-Leninist system is very clear."

The Congress cannot remain blind to the statements made by these former Government officials. Both are risking much to take a stand on the future of Nicaragua. Cardenal left a business, a home, and his country in order to be free to tell his story. Robelo risks his life as he tries to build an opposition party to the Sandinistas. It may be only a matter of time before domestic opposition is suppressed and the activities of those outside the country are rendered useless as the Sandinistas tighten their grip on Nicaragua. American aid can only serve to bring the day of Sandinista totalitarianism closer for Nicaragua. Cardenal pleaded with those who attended his press conference on May 15 to not allow the junta to control the American aid. At present, there is no hope for any aid going to Nicaragua to be anything but a subsidy of the junta. This Congress should continue to fight Nicaraguan aid until the junta relinquishes its hold on the country.

For my colleagues who could not hear the words of Jose Francisco Cardenal, I submit his opening remarks into the RECORD:

TO ALL NICARAGUANS AND TO THE FREE PEOPLES OF THE WORLD

I leave my country, oppressed by a situation that if it were to consolidate itself, would once again bury us under a terrible dictatorship. The evident irreversible tendency of the present Nicaraguan regime towards a rigid and abusive Marxist-Leninist system is very clear, and what is more painful yet, social segments involved in production and politics, are cooperating towards the consolidation of that deviation from the legitimate Nicaraguan revolution. Some of them acting in good faith, with a native romantic attitude caused by the word "Revolution", others thinking that they are gaining time, with the hope that unforeseeable events might right the catastrophe, lend themselves to give to the system the cooperation and help that it urgently needs, and others, with fraudulent and criminal premeditation, agree to that job, thinking that they are deceiving the government, wearing "pragmatic" clothes, to take abroad any resources that they might accumulate during that process.

And in that shameful work, those three groups do not stop at anything or anyone, reaching the extreme of using as a shield or instrument their own friends, innocent victims of underhanded maneuvers.

To explain what I have said above I want to denounce, though it be sketchy, all the framework that was set up around the installation of the new Government Council and of which the uppermost organization of private enterprise, COSEP, has been a party and sponsor.

This organization was considered a moderating force in the present revolutionary Sandinist-Communist process, and in the end it resulted into a shameful pander. A few days before, COSEP had expressed publicly that as long as basic corrections were not made in the orientation of the Government, establishing:

1. Unrestricted freedom of the press (promised by Government statute),
2. A protection law sheltering the citizen from governmental abuses,
3. Liberty for labor unions, removing the iron-fisted control of the Marxist-Leninists over the labor movement,
4. Setting of a date for holding elections (promised vaguely in the same Government Statute),
5. Clear separation of the powers of the State that now are mixed and deposited only with the FSLN (Sandinist Liberation Front),
6. Maintaining of the number and proportion in the original structure of the Council that appears in the Fundamental Statute, COSEP would abstain from forming part of the Government Council (or State Council). COSEP plainly stated this on Friday, May 2nd, in a letter addressed to the Junta. With this apparently firm attitude it drew parties of proven democratic ideology such as the Partido Conservador Demócrata (Democratic Conservative Party), Partido Socil Cristiano (Christian-Social Party) and Partido Social Demócrata (Social-Democratic Party), to abstain from participating in the Government Council as long as the conditions demanded by COSEP were not met. It did not include the Movimiento Democratico Nicaraguense (Nicaraguan Democratic Movement) because its position at the last minute, as was explained by our coordinator, in consultation with them, was that they felt that we should participate in the Council and I personally think that this maneuver was aimed at drawing political advantages from discrediting COSEP.

Great was the surprise of the citizenry when they heard of the abrupt decision of COSEP to be present at the Council, but the people did not know that this decision to go was taken without proper consultation by only part of the Presidents of COSEP in a private meeting with members of the Frente and of the Junta. They, better than anyone else, knew that the demands that had been presented were unsolved and they did not see, precisely, that the origin of the crisis was, fundamentally, the lack of credibility in their promises.

Things do not stop there. The undersigned oppressed by this strange decision and weighed down by pressure, had to accept at the last minute to represent COSEP in the Government Council. That Sunday morning, out of discipline and as not to disrupt the unity of my group, more than out of personal conviction, I went believing that this was just a protocol action that would spur the "success" of the talks that had been started. But what filled my cup was that during the preparatory meeting of the Council I was nominated as Vice President of same by the just elected President, mister Bayardo Arce, in a decision without consultation, but backed by the conspiracy of a group of COSEP members with whom they had met before, obtaining the overwhelming approval of the Assembly; thinking that with this they would bind me personally to the victorious force and would give the impression of a definitive agreement with COSEP and that they would in one blow destroy any attempt of civic resistance to the dictatorial outrages of the Government.

Caught between these unusual and abusive circumstances, I have no other way than to denounce such gross appeasing maneuvers, recover my prestige before honest public opinion that with reason enough was confused and frustrated at my supposed attitude of collaboration which I apparently displayed.

But the truth is the total opposite. I strongly reject that I had any knowledge of the criminal conspiracy that was prepared trying to use my clean name of true democrat and honest businessman and have no other option, except the only alternative left to a gentleman who is caught in a trap: "denounce it publicly to save his honor", and thus contribute to prevent that others with well-meaning feelings continue being used by the infernal machinery of international communism that stops at nothing and at no one. Knowing that my statements and resignation will cause what is usual in the communist countries, a great barrage of insults, lies, and accusations against anyone who dares to do so, and in the hope that at this time the Nicaraguan people are aware of these tactics, I want to let this heroic and suffering people know that I have been an independent businessman and that I have made an honest living with my work, that I was not like many other businessmen, indifferent to the future of my Fatherland, and I took up arms, was scourged, persecuted, and spent seven months in jail defending my country. Therefore, I have a record of active participation in the crises that freedom has had in my country. Since Olama and the Mollejones in 1959, till the great strikes led by private enterprise, I was an activist, planner and performer in all these efforts that climaxed with the toppling of Somoza. It never crossed my mind to enjoy opportunities to forget the fate of Nicaragua. Moreover, now my company had been awarded a contract to build a hospital, which meant considerable profits for me that would help me pay debts incurred due to the chaos we had been living in for the last three years. But I leave all this, I set all this aside, when at stake is the duty of sounding the alarm, of an urgent alert, in the face of the sad situation being lived by our poor Nicaragua, still recovering from a bloody war and that, unfortunately, is being led straight and rapidly towards a totalitarian dictatorship of the extreme left.

Let those who are asleep, wake up! May all the naive individuals clear their minds! May corrupt individuals stop their manipulations! Let us save Nicaragua from communism as soon as possible. I waive all the political power that has been offered to me, I waive the financial benefits that I could have obtained, I save my responsibility before God, before history and before my dear Nicaraguan nation.●

CUBAN INDEPENDENCE FROM SPAIN

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. BUCHANAN. Mr. Speaker, it is a tragedy of our times that this week, as we mark the 78th anniversary of Cuban independence from Spain, the human flood of refugees is a grim reminder that the people of Cuba still are not free.

Today, the bonds of old have been replaced by the shackles of tyranny and repression which Fidel Castro and his Soviet mentors have bound the Cuban people.

Nor can Cuba even begin to consider itself independent, for it has become a satellite of the Soviet Union, with Soviet troops and weapons on its land and Soviet rubles shoring up an economy devastated by the policies of Fidel Castro and his minions.

Rather than independence, Cuba is now totally dependent.

Despite this repression and suppression, and in the very face of it, the spirit of independence in the Cuban people continues to burn strong. Today, those who have been denied the right to vote for a government of their choosing are voting with their feet for freedom.

Over the past 20 years, the world has been subjected to the statements of Radio Havana and Granma, the official Cuban publication, extolling the virtues of the "paradise" which Castro has allegedly created 90 miles to the south of us. Yet today, the footsteps of thousands upon thousands of Cubans fleeing the repression of Cuba reverberate around the world—a sound far louder and more far reaching than Radio Havana can ever hope to achieve.

The United States must not accede to Castro's demands regarding recognition or lifting the trade embargo.

Such actions would only lend legitimacy to a Government which is foundering as a result of its own actions. For too long the spirit of freedom and independence of the Cuban people has been trampled under the boots of the Castro brothers. But we have seen in recent weeks that that spirit is alive.

It is my hope and prayer that one day the people of Cuba will truly be independent—free to live in their own land unshackled by the bonds which have held them for so long.●

YURIJ SHUKHEVYCH: UKRAINIAN FREEDOM FIGHTER

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. HYDE. Mr. Speaker, on May 18, 1980, I had the honor to speak at a gathering of Ukrainian Americans in Chicago, Ill., honoring Yurij Shukhevych, who will soon have completed 30 years in Soviet prisons. His crime? Refusal to denounce his late father Romain Shukhevych, who led the Ukrainian Insurgent Army. This heroic army fought the Nazis in World War II and continued to fight Soviet forces occupying Ukraine.

In the civilized world, love and respect are due one's parents. While opposition to Soviet occupation may not endear General Shukhevych or his son Yurij to the Communist government, the loyalty and honor displayed by Yurij Shukhevych are heroism of the highest order.

May all freedom-loving people in the world learn of and acknowledge the greatness of his sacrifice, and be encouraged to resist Communist tyranny by his brave example.

A resolution was adopted and presented to me and I take this opportunity to share it with my colleagues:

RESOLUTION

Whereas basic human rights and fundamental freedoms have long been recognized as having valid universal significance and are currently a subject of pressing international concern, and

Whereas these basic rights are spelled out in the United Nations Charter, the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights, and

Whereas the Final Act of the Conference on Security and Cooperation in Europe has given a new dimension to the humanitarian principles these covenants embody by reaffirming each state-signatory's right to be concerned with the manner in which human rights and fundamental freedoms are respected and implemented by all other signatories, and

Whereas the President of the United States has expressed his deep concern and commitment to human rights in the world, and

Whereas Yurij Shukhevych has been incarcerated in Soviet prisons for almost thirty years merely for his refusal to denounce his father who, as Commander-in-Chief of the Ukrainian Insurgent Army, fought the occupation of Ukraine, and

Whereas the harsh treatment and severe sentence of Yurij Shukhevych reaffirms that a system of repression exists in the Soviet Union and this fact greatly concerns the people of the United States; Now, therefore, be and it is hereby

Resolved, That we, Ukrainian Americans of Illinois, gathered at this meeting on May 18, 1980 to express our concern for the inhumane treatment and long sentence in Soviet prisons of Yurij Shukhevych, respectfully petition members of the United States Congress, the Department of State and the President of the United States to use every means available to obtain the release of Yurij Shukhevych from imprisonment and request that an exit visa for him and his family be granted; and be it further

Resolved, That a copy of this Resolution be transmitted to the President of the United States, the Secretary of State and Illinois members of the United States Congress.

Mr. Speaker, in addition, another resolution was adopted urging President Carter to actively seek the release of Yurij Shukhevych. This resolution, which I have sent to the President, is as follows:

RESOLUTION

Memorializing President Jimmy Carter to open negotiations with the Soviet Union for the release of Yuriy Shukhevych from imprisonment and granting him and his family political asylum within the United States

Whereas when our forefathers put themselves to the task of devising a fundamental law for the brand new nation they were creating, they displayed unity of purpose and large breadth of vision; and

Whereas the words freedom and liberty signified for them and mankind one of the most precious and desirable commodities; and

Whereas freedom and liberty always refer to interhuman relations and a man is free as far as he can live, create and get on without being at the mercy of an arbitrary government; and

Whereas the President of the United States has espoused the concepts of our founding fathers, has expressed his deep concern and commitment to human rights in the world, and has recently successfully negotiated the release of five political prisoners from the Soviet Union; and

Whereas Yuriy Shukhevych who has been incarcerated in Soviet prisons for almost thirty years is a clear example of a prisoner of conscience; and

Whereas Yuriy Shukhevych, who, as a thirteen year old lad, has not buckled under severe pressure to renounce his Ukrainian nationality and stood steadfast in his resolve not to denounce his heroic father who, as Commander-in-Chief of the Ukrainian Insurgent Army, fought the occupation of Ukraine; and

Whereas the harsh treatment of individuals such as Yuriy Shukhevych once again reaffirms that a system of repression exists in the Soviet Union and this fact greatly concerns the people of the United States of America; and

Whereas the alleged "crimes" of Yuriy Shukhevych cannot be considered as crimes in civilized society and free people must call upon world opinion to halt these flagrant abuses against political dissidents; and

Whereas experience teaches that cooperative action is more efficient and productive than isolated actions and free people must unite against Russian aggressive forces now attempting to encircle the globe reaching for the jugular vein of the free world: Now, therefore, be and it is hereby

Resolved, That the Ukrainian Americans of Illinois respectfully memorialize President Jimmy Carter to immediately open negotiations with the Soviet Union to seek the release of Yuriy Shukhevych from imprisonment by requesting that an exit visa for him and his family be granted and to extend to them political asylum in the United States; and be it further

Resolved, that a copy of this Resolution be transmitted to the President of the United States, the President of the United States Senate, and to the Secretary of State of the United States.●

SCHOOL PRAYER AND AMERICA

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. DICKINSON. Mr. Speaker, because this week has been designated School Prayer Week, I can think of no better way to commemorate this event than by signing the discharge petition No. 7, which would bring S. 450, the voluntary prayer bill, to the floor of the House for immediate consideration.

Our Nation's road to greatness and character was paved with prayer and reverence for Almighty God. Historically, America's respect for God and the spiritual richness and strength with which American children have been nurtured, was reflected in those moments of informal, but reverent public schoolroom prayer that many of us remember from our childhood—before a few judges in our Supreme

Court found school prayer un-American.

I believe the greatness and power our Nation achieved during our first 200 years was the result of prayer, national righteousness and respect for God—not in spite of it. Daily school prayer, in which millions of children voluntarily participated, symbolized a continuous national statement—"In God We Trust."

The U.S. Supreme Court ended public school prayer and Bible reading through notorious decisions rendered during 1962-63. I believe those decisions are not unrelated to our Nation's spiritual, moral, political, and economic degeneration during the period following the decisions. I can think of no better stand this Congrees can take to reverse our moral and spiritual "backsliding" than to pass legislation reinstituting voluntary prayer in our public schools. That's why I am proud to take a stand for discharge petition No. 7, and I encourage my colleagues to do the same.●

NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. FISHER. Mr. Speaker, recently I attended the annual convention of the Virginia Federation of Chapters of the National Association of Retired Federal Employees. I spoke to the convention about some of the issues which concern senior adults in general and retired Federal employees specifically. One of these issues—the cost-of-living adjustments for Federal annuities—is being hotly debated in these halls as we work for a balanced budget. I would like to share with my colleagues my thoughts on the need to retain the twice-a-year inflation adjustment and on the other retirement issues.

Text of the speech follows:

VIRGINIA FEDERATION OF CHAPTERS OF THE NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES ANNUAL CONVENTION

Franklin Roosevelt, in his second inaugural address, said that "the test of progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." Nowhere is this injunction more aptly illustrated than the condition of many of the nation's senior adults. Like you in this room, today's senior adults are the men and women who helped make this country; you are the builders of what everyone enjoys today. The abundance of this country is your legacy; but what is your security?

Today there are more than 22 million Americans over the age of 65, almost 10 percent of the population. Over 1½ million of these people are Civil Service annuitants—retired workers and survivors. While this group has contributed much to the wealth of our country, many have a difficult time making ends meet, especially in this time of high inflation. Many of these men and women are on fixed incomes and their lives in retirement too often are an existence of stretching too few dollars over the high and rising costs of food, clothing, shelter, and health care. In too many cases the life of retirement leisure and new challenge to which we all look forward has instead become a struggle for the necessities.

After a lifetime of work, a retired senior adult should be able to live in dignity with the assurance of a stable income and recognition from society of his of her contribution. I would like to discuss briefly several issues that affect the quality of life for Federal retirees. Among these are the cost-of-living adjustment or COLA, universal social security coverage, Federal income taxes, spouses and survivor benefits, health care, and quality of leisure time.

COST-OF-LIVING ADJUSTMENT

Probably the most acute problem on the minds of retired Federal employees right now is the proposal to adjust benefits to increases in the cost of living once a year instead of twice a year as is being done at the present time. The Administration has recommended this and it is widely thought to be one of the ways Federal expenditures for 1981 and following years will be reduced so as to contribute toward balancing the budget. If such a step were taken Federal retirees would definitely lose a certain amount of annuity income. For example, assuming a 10 percent rate of inflation (more precisely, increase in the Consumer Price Index), a Federal retiree receiving $10,000 in benefits a year would incur the following reduction. At the end of the first six months of the year he or she would not receive a $500 increase (assuming 10 percent CPI increase is to be spread evenly over the full year.) At the end of the full year the annuity in this case would go up by $1,000. The annuitant, therefore, would lose a little over $83 a month for each month of the second half of the year ($500 divided by 6.) He would also lose the compounding of the additional increases. The amount of the loss would grow over the years.

I shall oppose this change to once-a-year adjustments as vigorously and effectively as I can. Only four years have passed since it was generally agreed that in exchange for giving up the so-called one percent kicker, the cost-of-living adjustment would be made twice a year. This exchange resulted in some loss to Federal retirees which most retirees accepted with regret but only with the firm understanding that the cost-of-living adjustments would be made twice a year. It would be a serious breach of faith between government and its employees to set aside what amounted to a solemn compact which is what the change to once-a-year adjustment would do. Most of us want to restore and increase the level of confidence between Federal employees and the elected and appointed officials of government. Once-a-year COLA would work in exactly the opposite direction and would tend further to undermine morale and effectiveness in the Federal establishment.

Shifting to once-a-year COLA is especially damaging at a time when inflation has been running as high as 18 percent on an annual basis and shows little sign of receding more than a few percentage points in the coming months. If the inflation rate could be reduced drastically, then the importance of cost-of-lving adjustments would diminish, whether once-a-year or twice-a-year. But until the inflation is brought way down, it would be unwise and unfair to change the way inflation effects on retirement benefits are dealt with.

SOCIAL SECURITY COVERAGE

For some years there has been a move afoot to extend social security coverage to all Federal employees. In 1977 a determined legislative effort in the House of Representatives to do just this was turned aside and defeated by a motion I presented calling for a study of the whole matter. This motion carried by approximately a 10 to 1 margin. The universal coverage proposal had been approved in the Social Security Subcommittee, and the parent Ways and Means Committee, partly as a means of bringing a little more money into the Social Security Trust Fund for a few years before the payments made for social security retirement and other benefits would match taxes that such employees paid in. The matter had not been studied carefully, there had been no hearings, and those most affected had had no opportunity to register their views. The study of this subject required by my amendment was released a few months ago and set out a number of alternatives for splicing existing civil service and other government retirement plans with Social Security. The study group made no recommendations although the chairman indicated that he, personally, favored going ahead on one or another of the tracks which would lead to coverage. Subsequently, the chairman of the Social Security Subcommittee, Congressman Pickle of Texas, has announced that his subcommittee will not hold hearings or develop legislation on this subject this year. I am a member of that subcommittee and have talked many times with the chairman and others urging that the matter not be taken up. Secretary Patricia Harris, head of the Department of Health and Human Services, has indicated that she and her associates will be examining the report for some months but would not expect to be in a position to make any proposal to the Congress this year. I have talked with Secretary Harris about all this.

There is much wisdom in the addage, "If it ain't broke, don't fix it." I don't think the Civil Service, the Postal Service, the Foreign Service, and the other retirement programs for Federal employees are broke; they don't need to be fixed by somehow bringing all those employees into the social security system which has its own history, its own financing mechanism, and its own rationale. If a handful of Federal employees somehow qualify for social security benefits after retiring from Federal employment in a way that is unfair or undesirable, then those few problems should be isolated and dealt with. But these would not require extending social security coverage to all Federal employees. Nor should their situation be confused with those people who worked for a number of years in the private sector before entering government service.

It should be understood clearly that retired Federal employees would in no way be affected in any case by the extension of social security coverage. Even if coverage were legislated, retirees would not be included and would in no way be affected. It is likely that most or all of the present Federal workers would be exempted also. But I realize retired Federal employees are concerned not only for the integrity of their own retirement arrangements but also for their successors, the younger persons now working for government or who will work for government in the future. And I sympathize entirely with your desire to maintain a sound and reliable system both now and in the future.

FEDERAL INCOME TAXES FOR THE ELDERLY

Like private pensions Federal annuities are subject to income tax after the worker's contribution has been paid back. A tax credit for the elderly is provided to people who do not receive Social Security to provide some equivalence of tax treatment. However this credit is phased out so that retirees receiving over a certain amount of income do not receive the credit. I have introduced legislation, which has 80 cosponsors, to increase the maximum amount of the credit and to raise the ceiling at which the credit stops. This will put the ceiling at a more realistic level and make the credit more fair in this inflationary period. In the last Congress this proposal was approved by both the House and Senate, but dropped from the final version of the 1978 tax law. I will continue to work for this needed improvement in the tax treatment of senior adults.

Since July 1978, taxpayers over age 55 have been permitted to exclude up to $100,000 in profits from the sale of a home from their income for tax purposes. This is beneficial for people who want to sell their homes and move to a smaller one or an apartment. Previously much of their gain was subject to tax, thus hurting older citizens financially when they tried to scale down their life style after they had retired. I was a prime mover in developing this concept.

SPOUSES AND SURVIVOR BENEFITS

Congress is becoming interested in the benefits that are available to spouses, divorced spouses, and survivors of workers, in and out of government. The most recent action was taken by the House in approving legislation that would require spouses to be informed at the time of retirement if the worker chose not to provide a survivor annuity. As the law now stands, a married worker is given a reduced annuity at retirement in order to provide a survivor annuity unless the worker agrees not to take the reduction. If he passes up the reduction, no survivor annuity will be paid to his spouse when he dies. Unfortunately many spouses are not aware that no provision has been made for them and they do not learn about it until after the retiree has died. The new bill would simply require that the spouse be notified if she (or he) is not to get a survivor benefit.

Another problem that sometimes arises is that a retiree changes his mind about providing a survivor annuity. Under the present system, once he has waived the survivor benefit, no change can be made. A bill, sometimes called the "second Chance" bill, has been introduced (and I have cosponsored it) to permit retirees who do not elect the reduced annuity to make a change within one year after retiring. They would have to repay the excess annuity that they had been paid, but they would be able to provide protection for their spouses.

The issue of providing protection for a divorced spouse has received some consideration. Some people think that marriage should be considered an economic partnership, with both spouses sharing equally in earnings and benefits accrued during the marriage. On that theory, legislation has been proposed to grant divorced spouses a pro-rata share of retirement benefits earned during the time the couple was married. This proposal is controversial and is not something that Congress is about to approve. However, a more modest step has been taken. A recent law states that if a court-approved property settlement in a divorce case grants part of the retirement annuity to the spouse, then the Office of Personnel Management has to honor that order and make payments to the spouse. The usual court procedures go forward and OPM only gets involved after all the decisions have been made. This division of retirement benefits stops at the retiree's death; it does not extend to survivor benefits. A next step would be to require OPM to pay survivor benefits if they were provided in the property settlement, and of course, if the annuity were reduced accordingly.

HEALTH CARE

The need for health care and concern about its costs become increasingly important to people as they get older. Federal retirees are able to continue their group health insurance after they stop working. The government pays two-thirds of this cost. When they reach 65 many government retirees are eligible for medicare or decide to purchase medicare coverage. At that time they can switch to a lower cost Federal insurance policy. The low-option of the major plans should be an adequate supplement to medicare.

Even with insurance, the costs of health care can be a concern. Not all costs are covered. The Administration and Congress have been interested in efforts to reduce hospital costs, although they have been successful only in obtaining a voluntary effort. This has had some success in reducing the rate of increase in some health care costs, but with high inflation they remain high.

An important new thrust in health care costs is an examination of the most cost-effective ways of providing treatment and kinds of treatment to offer. Heart transplants, for example, were a big item several years ago. Now almost no hospitals have an interest in performing them because the success rate is not high enough to justify the costs. Less dramatically, efforts to encourage outpatient surgery for relatively simple procedures are less traumatic for the patient and less expensive because the patient does not have to stay in the hospital. Requirements for second medical opinions are helpful in preventing unnecessary or too expensive procedures. But much remains to be done to assure high quality health care for all Americans at a reasonable cost.

LEISURE TIME

With the major and understandable concern for taxes, cost-of-living adjustments, and other financial problems, it is easy to overlook the importance of other matters to the well-being and ultimate security and happiness of older people. My wife has made a specialty of teaching art, particularly water-color painting, to groups of senior citizens in northern Virginia. I know from her accounts and from meeting with her students how significant a part of their lives these classes are. I have also been impressed by the quality of their paintings once they have received a little instruction. The motivation of the students is high and their willingness to work is exceptional. An exhibition of their paintings is hanging at this time in the city hall of Alexandria and may be visited any day. One of her students with a painting in this show sold a flower still-life the other day, his first sale. I was able to share a little in the absolute transport of delight which followed from this event, not only for this particular painter but for the whole class. These classes are part of the County program for senior adults and are held for the convenience of the participants in church buildings, retirement homes, and elsewhere. There is no charge to the student.

I mention this only as an example of how important educational, training, cultural and recreational programs are for millions of our senior citizens who are living in the cities and towns and rural areas of our country. These opportunities can make a difference between an outgoing zest for life, a dynamic maturity if you will, and a closing-in, unexciting existence. What is needed, of course, is initiative, planning, some organization, and a general network of facilities and administration for older adults to pursue a variety of interests, some of which may have lain dormant for a long time and some of which are discovered for the first time.

In all of this, local governments have a more significant role to play than state and Federal governments, although both the states and the national government agencies can provide assistance. For example, many older people need help with transportation to and from educational and recreational centers. Also, there is a large scope for private initiatives in these programs for churches, lodges and service clubs, fraternities and sororities of many kinds, civic associations, labor and business groups, professional societies, etc. Organizations like NARFE and AARP can take the lead, and do take the lead, in keeping track of these multifarious programs by bringing together their potentialities for assisting older adults with the needs and interests of the millions of retired and older people. There is an immense amount of talent, energy, experience, time, and general all-round know-how about life that resides in our older people. Much of this is still waiting there to be put to use for the good of the whole society and for the enrichment of the lives of the growing number of older Americans, not only through the creative use of leisure, but through employment opportunities, including part-time and voluntary jobs.

The promise of a dignified and secure retirement must be honored. As I have outlined, a reliable source of income should be provided, without the threat of periodic tampering either through changes in cost-of-living adjustments or through changes in the basic structure; the tax burden on retired people should be lighter than on active workers; spouses and survivors need to have assured incomes; protection needs to be provided for the payments of health care costs and these costs must be contained; and educational, cultural, and other programs must be made available, along with employment opportunities so that the great resources of senior adults do not go unused in retirement. This list could be longer; I am sure you could all add other basic elements needed for a secure old age. But none could argue that financial security must come first. From my position as a member of the Ways and Means Committee, I have the opportunity to help fashion legislation affecting taxes, Social Security, health care financing, and other fiscal programs. Rest assured that I keep a watchful eye on the aspects of such legislation which are important to you.●

CHRISTIANS ARE NOT RACISTS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ASHBROOK. Mr. Speaker, it is now almost 2 years since the Carter administration launched its attempt to harass and manipulate private schools through the tax policies of the Internal Revenue Service. Mr. Carter lost the first round last year, when Congress added to the Treasury appropriations bill two amendments which blocked the IRS from putting its proposed new policies into effect. Next month, we will face this question once again when the Treasury appropriations bill for fiscal year 1981 comes to the floor.

If there's any doubt as to the correctness of our decision last year, that doubt should be laid to rest by an article in the February issue of Phi Delta Kappan. University of Wisconsin scholars Virginia Davis Nordin and William Lloyd Turner investigated a question which goes right to the core of this dispute: is the recent growth in independent "Christian schools" merely a racist maneuver by "diehard segregationists," or does it have more profound religious and academic motives?

The findings of Dr. Nordin and Dr. Turner are unequivocal. They report the following:

(1) Christian schools are growing not only in the South but in areas like rural Wisconsin, "where integration is not a factor";

(2) In Louisville, Kentucky, the percentage of students in the two Christian schools studied who would have been subject to forced busing was actually lower than the percentage of such students in the general population;

(3) Contrary to charges by black leaders, Louisville parents were not using fundamentalist schools as one-year "havens" to escape busing: " . . . once parents had decided to leave the public sector of education, they usually withdrew all of their school-age children simultaneously: and once they had entered the nonpublic sector they tended to remain there for the duration of their children's school career;"

(4) Despite the cultural and political differences between Kentucky and Wisconsin, Christian parents in both states gave the same reasons for transferring their children from the public to the private sector. "Most frequently they alleged poor academic quality of public education, a perceived lack of discipline in the public schools, and the fact that public schools were believed to be promulgating a philosophy of secular humanism that these parents found inimical to their religious beliefs."

Drs. Nordin and Turner conclude that earlier researchers "have failed to discover the true nature of fundamentalist education." They accuse these researchers of "focusing only on the issue of race"—which, of course, happens to be precisely the policy that is being pursued by the Carter administration.

I might note that these two scholars are not supporters of the Christian school movement. They described it as being "locked into rigid, theologically based positions while American society moves forward." I think this fact makes their research findings even more persuasive—indeed, a tribute to their professional objectivity.

In light of these findings. I think President Carter and his appointees should apologize to the Christian parents whom they have defamed, and abondon the attempt to tie an IRS noose around the necks of Christian schools. Since I do not expect that to happen, I urge my colleagues to take the necessary steps to protect religious freedom. At a minimum, this means renewing the restrictions which we inserted into the Treasury appropriations bill last year.

The full text of the Nordin-Turner article, "More Than Segregation Academies" follows:

MORE THAN SEGREGATION ACADEMIES: THE GROWING PROTESTANT FUNDAMENTALIST SCHOOLS

The most rapidly growing segment of American elementary and secondary education is that of private Protestant fundmentalist schools. The percentage of students attending nonpublic elementary and secondary schools in the U.S. declined from 13.6 percent in 1961 to 10.1 percent in 1971 (the most recent year for which figures are available).[1] This decline was due almost entirely to a decrease in the enrollment of Roman Catholic schools. Roman Catholic enrollment reached a peak of 5,600,519 in the 1964-65 academic year; it had declined to 3,364,000 by 1976-77, or 40 percent.[2]

During the same period, the enrollment in non-Catholic, nonpublic schools was increasing. Between 1965 and 1975 the number of students enrolled in such schools increased from 615,548 to 1,433,000, or 134.4 percent, according to an estimate by the Bureau of the Census.[3] Total enrollment of all nonpublic schools has declined 22.7 percent during the years 1965-1975, according to these estimates.[4] This increase has been unevenly distributed among non-Catholic populations. While Lutheran school enrollment remained relatively stable during the decade and Adventist and Christian Reformed schools experienced slight declines,[5] the so-called "Christian" or fundamentalist schools grew rapidly. Exact figures for these schools are difficult to obtain, as they do not all belong to one central organization as is the case with Catholic schools. The majority of such schools, however, belong to one of four major organizations: the National Association of Christian Schools, the American Association of Christian Schools, the Association of Christian Schools International, and Christian Schools International. Enrollment in the schools holding membership in these four organizations has increased from 159,916 in 1971 to 349,679 in 1977, or 118 percent.[6]

Although both the number of fundamentalist schools and the number of students enrolled in them appear to be increasing rapidly in virtually all sections of the U.S., few reliable figures are available, nor do we know much about their methods of operation or the quality of education they provide.[7] In several states fundamentalist schools have filed suit to prevent the collection of these data; in most states regulation of nonpublic schools is not attempted.

Many authors have charged that these "Christian" schools are only a new type of segregation academy, similar to those that sprang up in the South after passage of the 1965 Civil Rights Act. These "new segregation academies" are said to be adopting a religious guise in order to claim First Amendment guarantees of religious protection and thus escape federal desegregation regulations.[8] But research conducted in early 1979 on fundamentalist schools in Kentucky and Wisconsin disputes this claim and suggests that the factors producing this new wave of fundamentalist schools are more complex than previously supposed.[9]

This research shows that fundamentalist schools are growing rapidly in both states at present. The number of fundamentalist schools in Kentucky had increased from eight in 1969 to 33 in 1978, or 313 percent. In Wisconsin the number increased from five to 26 during the same period—420 percent. Enrollment in Kentucky fundamentalist schools increased from 787 in 1969 to 4,090 in 1978, or 420 percent. In Wisconsin fundamentalist enrollments increased from 426 in 1969 to 1,592 in 1978, or 274 percent.[10] This study also found that 72 percent of Kentucky and 50 percent of Wisconsin fundamentalist schools did not belong to any national "Christian" school organization, suggesting that the total number of students enrolled in fundamentalist schools in the U.S. is substantially larger than the totals reported by the four national organizations.

While some of the Kentucky schools appear to have profited by widespread public opposition to racial integration, the growth of fundamentalist schools in rural Wisconsin, where integration is not a factor, indicates that "Christian" education is a national, not a regional, phenomenon. Unlike the "segregation academies" that appeared in the South, these schools do not appear to attract students from a cross section of the community. Parents who enroll their children in these schools tend to come from churches of the sponsoring denomination or from churches holding similar doctrinal positions. The parents and students who patronize them are regular in church attendance and participate actively in the life of their congregations.

As part of the above research, William Turner analyzed two fundamentalist schools in Louisville, Kentucky, and one such school in Madison, Wisconsin. Approximately 20 of these schools have been founded in Louisville during the past decade, and it is frequently asserted that they are being used as one-year "havens" by parents wishing to avoid forced busing. This research does not support that assertion, as the percentage of students in the two fundamentalist schools who were subject to busing during the current school term was smaller than the percentage of such students in the general population. Furthermore, the average student in the survey was found to have been enrolled in his or her present school for a period of four years. Only one of the 68 families surveyed in the Louisville fundamentalist schools was using the nonpublic schools as a "haven" to avoid busing for one year.

While there is no question that nonpublic enrollments in Louisville have increased substantially since the implementation of forced busing in the fall of 1975, families who are entering the nonpublic sector are not doing so on a one-year basis. This research found that once parents had decided to leave the public sector of education, they usually withdrew all of their school-age children simultaneously; and once they had entered the nonpublic sector they tended to remain there for the duration of their children's school careers. There was also little tendency to move from one nonpublic school to another. The majority of persons surveyed also indicated their willingness and ability to continue bearing the cost of nonpublic tuitions for the foreseeable future.

Although the two cities surveyed are geographically distant and have differing cultural backgrounds, fundamentalist parents in both gave the same reasons for withdrawing their children from public schools. Most frequently they alleged poor academic quality of public education, a perceived lack of discipline in public schools, and the fact that public schools were believed to be promulgating a philosophy of secular human-

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Footnotes at end of article.

ism that these parents found inimical to their religious beliefs.

While both parents and administrators of "Christian" schools in both states insisted that they were not opposed to integrated education, it was found that more than 95 percent of the students enrolled in fundamentalist schools in these states are white; fewer than 2 percent are black. No black teachers were employed by fundamentalist schools in either state.

The segregated nature of these schools might merely reflect the segregated nature of the sponsoring churches, or it could be a reflection of divergent values in the black and white communities, since respondents indicated that the only blacks who would be permitted to enroll were "those who are willing to abide by our standards." A more basic issue than integrated schools, it appears, is integrated marriage. All respondents from both states strongly opposed interacial marriage, although their reasons for doing so remain unclear.

The majority of students enrolled in these schools also seem to come from relatively stable home backgrounds. Most of the families surveyed could be characterized as middle income (the average family income was $25,000); 89 of the 91 families surveyed owned their own homes. Only two of the 91 families surveyed had experienced divorce and remarriage, while the divorce rate in the general population is one in two.

While there are relatively few of these schools at present, their potential for growth is considerable, both in number and in enrollment. Baptist schools comprised the largest group of schools in both states. Baptist churches in the U.S. had a total membership in excess of 25 million in 1975, and are the largest Protestant body in this country.[11] When other fundamentalist groups that operate schools are added to the Roman Catholics, Lutherans, Adventists, and various Jewish groups engaged in nonpublic education, it is apparent that the impact on public education would be considerable should they withdraw even a slightly larger percentage of their children from the public schools. Any significant trend in this direction could make it far more difficult for public school districts to pass tax referenda and approve bond issues.[12] Furthermore, this trend would be accelerated should any of the tuition tax credit plans now before Congress be enacted.

There is little or no regulation of nonpublic schools in most states, and fundamentalist groups are resisting attempts to impose any.[13] While this resistance has been successful to date, the issue has not been finally resolved, and it seems likely to be a source of continued controversy. For related reasons, these schools will continue to resist data collection concerning their growth.

The motivation for founding and maintaining nonpublic schools appears to be more than racial prejudice. In recent decades religious influences in American public education have eroded rapidly. Many evangelical Protestants have come to believe that the public schools now espouse a philosophy that is completely secular, perhaps even antireligious. Hence many conservative Protestants have withdrawn their children from public schools and have established sectarian schools with quite different standards and curricula.

Fundamentalist educators perceive a basic philosophical difference between themselves and the leaders of public education. Like the seventeenth-century Puritans, they believe in the "innate depravity of man." Because they believe that the corrupt nature of humanity can be changed only through a supernatural infusion of Divine grace, religious "conversion" becomes the basis of all education. Furthermore, since human nature is utterly depraved, children require strict supervision and authoritarian guidance if they are not to be overcome by Satan and the evil within their own nature.

Fundamentalists see public education, by contrast, as proceeding on John Dewey's conviction that human nature is basically good, that students will naturally seek the highest and best if left to themselves, and that the adversary is therefore not Satan or an evil nature but poverty, ignorance, and prejudice. Fundamentalists try to approach the educational task from a different philosophical perspective, using different methodology and pursuing different goals.

Because they perceive that the Protestant ethic has disappeared from public education philosophy, fundamentalists have voiced an increasing nostalgia and a desire to return to the practices of former days. One hears frequent references to the "old-time religion," "old-fashioned" virtues, and the "faith of our fathers." This has produced schools that attempt to recreate the environment of past generations. "Rock" music, movies, and most television programs are forbidden; hair and clothing styles resemble those of a bygone era; textbooks stress "traditional" concepts in math, while education gets "back to the basics." Sex roles are sharply defined, and school policies are enforced through the administration of corporal punishment by an authoritarian teacher or principal.

Like the Amish, with whom they share a common origin, fundamentalists seek the security of the past and have rejected the values of modern society in favor of an earlier and simpler mode of life. This similarity was acknowledged by courts in Kentucky and Ohio, which have granted fundamentalist schools an exemption from state regulation similar to that earlier accorded the Amish.[14]

While the Amish are readily identified as a distinct cultural group by the fact that they live in separate communities, reject modern technology, and dress in a distinctive manner, the fundamentalist subculture is less readily apparent. Fundamentalists are dispersed through the larger community, accept most modern technology, and dress in a more conventional (though distinctive) manner. However, like the Amish, they comprise a distinctive cultural group based on religious beliefs. Also, like the Amish, their practice of religion extends to virtually all areas of life. The Kentucky District Court took note of this fact in a recent case involving regulation of private schools, saying:

> In the face of truancy charges leveled by the state, what is shown by these plaintiffs . . . is a sober and devout belief that their religious faith should and does pervade every aspect of their lives, their churches, and their schools.[15]

Earlier research has failed to grasp this point. Focusing only on the issue of race, researchers have confused fundamentalist religious schools with segregationist academies and have failed to discover the true nature of fundamentalist education. While fundamentalist schools deny that they discriminate on the basis of race, they admit that they discriminate on the basis of religion, and they feel that they have a constitutional right to do so. They cannot recruit mathematical quotas of students randomly from the larger community, as advocated by the Internal Revenue Service, when their institutions are based on religious adherence. In view of the predominantly religious nature of their schools, fundamentalists feel that they are entitled to the same exemption from federal regulations accorded the Amish and other religious groups.

In their 1953 study, *The Small Town in Mass Society*, Arthur Vidich and Joseph Bensman found that the only ties fundamentalists had to the larger community were political and educational.[16] In this context, the development of religious schools by fundamentalist churches may be viewed as representing a severing of the educational tie and as another step in their withdrawal from the community and from modern society. This withdrawal seems likely to continue and even accelerate, as fundamentalists remain locked into rigid, theologically based positions on many issues while American society moves forward. As this occurs, it seems likely that increasing numbers of fundamentalist parents will withdraw their children from public schools.

As this process accelerates, and we believe it will, American education must assess the impact on society of the withdrawal of large numbers of students from public education. The courts must weigh the parents' right to direct the religious upbringing of their children against the rights of the children as citizens to know, to be exposed to a wide diversity of viewpoints, and to join the mainstream of American society. As is true with all cultural minorities, the relationship of fundamentalists to the larger society presents both a problem and a challenge. At issue is the right to maintain cultural diversity in an increasingly complex and interdependent society.

In the early days of our republic, Henry David Thoreau wrote, "If a man does not keep pace with his companions, perhaps it is because he hears a different drummer. Let him step to the music which he hears, however measured or far away."[17]

Fundamentalists are listening to a different drummer, and they are marching resolutely toward the values of their past. While their right to do so is beyond dispute, one may question whether they should take a growing percentage of America's youth there with them.

FOOTNOTES

1. National Center for Education Statistics, *Statistics of Non-Public Elementary and Secondary Schools, 1971-1972* (Washington, D.C.: NCES, 1973), pp. 5, 6.

2. Department of Health, Education, and Welfare, *Statistics of Public Elementary and Secondary Day Schools*, (Washington, D.C.: National Center for Education Statistics, 1976), p. 47.

3. Ibid., p. 6

4. Ibid.

5. National Union of Christian Schools, *1977-1978 Directory* (Grand Rapids, Mich.: NUCS, 1978), p. 21.

6. Based on a telephone interview with Herman Van Schuyver, executive director of the National Association of Christian Schools, 25 September 1978.

7. While total enrollment figures for fundamentalist schools are not available, enrollment in those schools belonging to the four largest fundamentalist school organizations (American Association of Christian Schools, Association of Christian Schools International) National Association of Christian Schools, and Christian Schools, International increased by 118.7 percent from 1971 to 1977 (the most recent year for which figures are available). The number of member schools in these organizations has increased by 144.8 percent during the same period.

8. "In the past year, die-hard segregationists who are the parents of school-age children have financed the opening of almost 50 new 'Christian Academies' (in North Carolina). . . ." Harry Golden, *The Nation*, 22 December 1969, p. 697. See also David Nevin and Robert E. Bills, *The Schools That Fear Built* (Washington, D.C.: Acropolis Brooks, 1976).

9. William Lloyd Turner, "Reasons for Enrollment in Religious Schools: A Case Study of Three Recently Established Fundamentalist Schools in

FOOTNOTES

Kentucky and Wisconsin" (Doctoral dissertation, University of Wisconsin, Madison, 1979).

10. It should be noted that these data are based on a response rate of 50 percent from Kentucky schools and 35 percent from Wisconsin schools. This underscores the difficulty of collecting such data, and the reluctance of these schools to reveal any information about their educational programs.

11. Frank S. Mead, *Handbook of Denominations in the United States*, 6th ed. (Nashville, Tenn.: Abingdon Press, 1975), p. 32.

12. Albert Shanker, president of the American Federation of Teachers, stated his belief that a loss of as little as 5 to 7 percent of students of these schools would severly "cripple" public schools by depriving them of their best-motivated students and parents. *Education Daily*, 17 January 1979, p. 1.

13. Fundamentalists successful challenged the right of the State to regulate their schools in Ohio (*Ohio* v. *Whisner*, 351 N.E. 2d 750, Ohio. 1976) and Vermont [*Vermont* v. *Lebarge*, 134 Vt. 276 (1976)]. Similar challenges are underway in Kentucky (*Kentucky State Board of Education* v. *Hinton*, Franklin Circuit Court, Division 1, Civil Action No. 88314, 1978) and North Carolina (*State of North Carolina* v. *Columbus Christian Academy et al.*, 78-OVS-1678).

14. *Kentucky State Board of Education* v. *Hinton*, *supra; Ohio* v. *Whisner*, *supra.*

15. *Kentucky State Board of Education* v. *Hinton*, *Supra.*

16. Arthur J. Vidich and Joseph Bensman, *The Small Town in Mass Society* (Princeton, N.J.: Princeton University Press, 1968), p. 255.

17. Henry David Thoreau, *Walden*, XVIII (1854).●

PERSONAL FINANCIAL INFORMATION

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. LONG of Maryland. Mr. Speaker, each year at about this time I make a voluntary disclosure of income, taxes, assets, and liabilities.

For 1979 I paid a total of $24,070.03 in taxes, including $20,565.40 in income taxes, and $3,504.90 property and sales taxes.

My chief source of income was $58,027.02 salary as Congressman. Other income included: an annuity of $1,338.15 and dividends of $788.33 from the Teachers Insurance Annuity Association (TIAA); $267.62 from the College Retirement Equities Fund (CREF); gross rents of $5,700 from my farm and $600 from my townhouse, both located in Harford County; $100 from the Sunpapers for an article; $169.33 in interest from savings.

Following my long-standing policy, no gifts from constituents or interest groups, however small or in whatever form, were accepted by me or my staff—not even flowers or fruit.

As of January 1, 1980, real property consisted of my home in Ruxton purchased in 1946 for $32,000; a 112-acre farm in Harford County bought in 1965 for $118,000; and a townhouse in Harford County bought in late 1971 for $47,900. My farm was free of debt; my home mortgage will be paid off as of June 1, 1980; my mortgage debt for the townhouse—Yorkridge Federal Savings & Loan Association—is about $38,600. As of January 1, I owed a note for $5,000 to the Suburban Trust Co.

Contributions to the Federal retirement system for 1979 totaled $4,642.16. In nearly 18 years as Congressman, I have contributed a total of $52,689.92 to this fund, which cannot be withdrawn in cash. Estimated capital value of my teacher's insurance annuity—does not convert into cash—was about $21,661.85.

Other assets as of January 1, 1980, included a 1976 Buick, sold in April for $1,150, a 1977 Plymouth station wagon valued at $2,500, home furnishings, my wife's jewelry—nearly all inherited—clothing, a small savings account, and a checking account sufficient to pay current bills.●

KING HASSAN'S QUAGMIRE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. SOLARZ. Mr. Speaker, the United States has a strong interest in the continuation of a friendly government in Morocco. In this connection, I would like to call to the House's attention some excerpts from a recent article by James Markham, the Pulitzer Prize winning foreign correspondent of the New York Times, on the increasingly serious conflict in the Western Sahara.

This article portrays the poignant dilemma of King Hassan II of Morocco who is attempting to maintain his annexation of the former Spanish Sahara in the face of increasingly effective attacks from Algerian and Libyan-aided nationalist guerrillas belonging to the Polisario Front and of overwhelming international diplomatic support for self-determination in the Western Sahara. King Hassan would be taking a great political risk if he abandoned his country's claim to the Western Sahara. But he is taking at least as great a risk in persisting in what most military and political analysts regard as an unwinnable and economically debilitating war.

As Markham also suggests, the United States recent tilt toward Morocco—in changing its established policy of not selling King Hassan arms suitable for use in the Western Sahara—also contains some risks. The King's new U.S. arms will not significantly affect the balance of forces in the Western Sahara, but they may well increase U.S. identification with the King's failing policy. The change in U.S. policy has been justified on the grounds that it will encourage a compromise political solution but there is little sign thus far of any movement in that direction. The continuing challenge for policymakers is how to encourage a political solution to the conflict that will contribute to political stability in Morocco, preserve U.S. diplomatic interests in Africa and manifest our continued commitment to human rights.

The excerpts follow:

KING HASSAN'S QUAGMIRE

Until recently, the nasty war that has been raging in the Western Sahara for four years was relegated to a back burner in Washington. But the rout of the Shah of Iran last year mobilized American foreign-policy makers, who scanned the world for other might-be Shahs—strategically located friends of the West who are in trouble. Morocco, which commands the Strait of Gibraltar and entry to the Mediterranean, practically leaped out of the computer. The king is a firm anti-Communist and a staunch friend of the United States and Western Europe; he is a moderate on the Arab-Israeli confrontation and arranged, in Tangier, the initial secret contacts between Egyptians and Israelis that led to President Anwar el-Sadat's epochal Jerusalem visit; twice he has sent crack units of his army on United States transport planes to stem invasions by exiles of Zaire's copper-rich Shaba Province; and, in February, after Libya engineered a raid on a Tunisian mining town, he immediately dispatched military help to the weakened, moderate regime of President Habib Bourguiba. After the Soviet invasion of Afghanistan, Morocco, along with Saudi Arabia, spearheaded the diplomatic offensive of Moslem nations against Moscow's thrust into southwest Asia. Trouble in the kingdom of Morocco would surely upset other Arab monarchies farther east.

And trouble there certainly is. Since Hassan assumed the throne at his father's death in 1961, his regime has seemed one of the most precarious in the Arab world; the king has survived at least two attempts on his life by his own soldiery, and several minor rebellions. His rule has lurched between periods of harsh repression and, as things stand now, a domesticated form of democracy; prison and torture are reserved for the foolhardy who question the legitimacy of the Commander of the Faithful—or who suggest that perhaps the Sahara doesn't belong to Morocco.

But the war in the Sahara is straining the social fabric of Morocco, where, due partly to massive military expenditures, the cost of living has doubled in five years. It has been Hassan's conscious strategy throughout his reign to permit criticism to percolate through the fissures of Moroccan society; when it's out in the open, it can be neutralized. The king knows that politicians want, above all, a piece of the action. Over the years, wielding carrot and stick, he has persuaded a large number of them to play the game of politics according to his rules. Even the leader of Morocco's minuscule Communist party lines up to kiss the king's hand on Throne Day.

Observers are beginning to wonder, however, how long King Hassan can keep this impressive juggling act going. Can he fight a war in the Sahara, cope with restive students, unions, Islamic fundamentalists, and persuade a threatened middle class to accept lower standards of living in the name of patriotism while the very rich, including himself, continue to live very well? Will his soldiers obey him if he orders them to put down riots in the streets of Casablanca? Will units rebel or, like the Shah's Imperial Guard, collapse? Last autumn, the Central Intelligence Agency predicted that the prolonged war in the Sahara could bring an end to the king's more than 300-year-old dynasty.

* * * * *

In 1975, as Generalissimo Francisco Franco slipped into his long death agony in Madrid, King Hassan amassed 350,000 unarmed subjects on the northern frontier of the Spanish Sahara, which fervent Moroccan nationalists had claimed for years. Authorities in Madrid capitulated in confusion and turned over the vast territory to Morocco and the dirt-poor state of Mauritania, which took the southern third of the colony. The annexation of the Western Sahara raised Hassan's patriotic standing at home, but it received little international acceptance, since the Saharans had hardly been consulted, and Morocco's historical claim to the Sahara is based on hoary ties of fealty linking Moroccan sultans and Saharan tribal chieftains.

Moreover, Hassan's coup incensed neighboring Algeria, whose postrevolutionary, leftist regime has long been engaged in a struggle with monarchic Morocco for supremacy in this corner of the Middle East known as the Maghreb. Algeria threw its prestige, money and Soviet-made arms behind the Polisario, whose insistence on the right to self-determination has gained wide approval within the United Nations and the Organization of African Unity. The Moroccans blotted their copybook in early 1976 when their troops moved into the territory like an occupying army, behaving at times with a rare savagery. Thousands of Saharans fled across the Algerian border, rallying to the standard of the Polisario, which, on Feb. 27, 1976, proclaimed a Saharan Arab Democratic Republic. The phantom state, with its headquarters in Algiers, has since been recognized by 37 third-world nations, most recently Cuba, Iran and Sierra Leone.

The feeble, mining-based economy of Mauritania, a fragile creation of French colonialism, was quickly brought to its knees by Polisario raids.

* * * * *

The Carter Administration originally balked at selling Hassan arms for the desert war, since the United States, like most of the international community, does not recognize Moroccan sovereignty over the disputed wasteland. But out of the Iranian trauma, a new policy on Morocco and the Western Sahara was born. Administration analysts determined that a gesture of solidarity with the isolated monarch was needed; on Feb. 24, Washington increased its long-standing political investment in Morocco when Congress let pass unopposed a Carter proposal to sell Hassan's rapidly growing military $232.5 million worth of reconnaissance planes, F-5E fighters and helicopters. Saudi Arabia has agreed to pick up the bill for the sale, whose ostensible goal is not to help Hassan win a war that Washington deems unwinnable; rather, State Department officials say, the new weaponry will enable the Moroccan military to improve its tactical position in the elusive Sahara war—and thus permit Hassan to negotiate, from a position of strength, an end to the conflict with the Polisario and Algeria.

One flaw in this new American policy is that Hassan, and every political party—from the Soviet-subsidized Communists to the ultranationalist Istiqlal—in his proud nation of 18.6 million, maintains that the Sahara must be Moroccan forever. One sure way for Hassan to be toppled would be to negotiate away a chunk of the desert, as American policy makers seem to be suggesting.

The Moroccan political system which the new American policy is implicitly designed to strengthen is one of the most intricate and, at times, baffling in the Arab world. Four decades of French colonialism, which ended in 1956, endowed Morocco with the rudiments of a modern administration, but deliberately left untouched a traditional political world in which the sultan, now king, continually struggled to maintain his powers by securing the loyalty or neutrality of towns and tribes, which regularly slipped into dissidence—in Arabic, *siba.*

* * * * *

Hassan, whose dynasty emerged in the mid-17th century, has grafted these enduring political attitudes to a seemingly modern, multiparty system that includes a cabinet, a parliament and, by the standards of the third world, a relatively free press.

But appearances are deceptive. The king is the center of real power, disbursing patronage and opportunities for enrichment. Instead of playing one tribe against the other, as past sultans did, Hassan juggles political parties, labor unions, newspapers, radio and television, security organizations and the military. The rules of the game are simple. The whole political elite can play, and the palace strives to make sure that there are as many political parties as possible, and that no single group becomes too strong or too weak.

But the political game in Morocco is essentially stagnant, and one of its premises is social and economic immobility. Another is that the people—the mass of poor, illiterate Moroccans and, in particular, the teeming shantytowns of Casablanca and Rabat—should not be involved in or aroused by partisan struggles, which should be confined to the salons of the educated, newspaper-reading elite. By remaining at the center of this remarkable artifice of democracy-on-parole, Hassan is the only real winner—and so far has avoided the fate of the Shah.

These days, with Saharan guerrillas killing perhaps 100 or 150 Moroccan troops a month, Hassan has turned his attention to the military. At his father's orders, as Prince Moulay Hassan, he built up the Moroccan army after independence from France in 1956, and he knows it well. But plotters have twice tried to assassinate him.

The trauma of the two assassination attempts has made Hassan very wary of his officers and, instinctively, he disperses authority among them—as he does with all centers of authority. Hassan has resisted the need for a defense minister, and the absence of a clear chain of command leads to confusion and buckpassing.

Man for man, the Moroccan army is among the best in the Arab world—a Moroccan division fought well on the Golan Heights in the 1973 Middle East war—but it has not developed an institutional sense of itself, an esprit de corps. Officers are a privileged class, and corruption, particularly in the Sahara, is winked at.

In less than two years, the Moroccan military has grown from 90,000 to 120,000 men, and today almost half of them are committed to defending the Sahara—which now has a civilian population of maybe 60,000—and southern Morocco. The dangers to Hassan in this buildup are twofold. He is strengthening the military—which might one day overthrow him—and he is imposing a massive burden on a sorely impoverished country. Military expenditures consume at least a quarter of Government revenues, and millions of dollars are being poured into Aiun, Dakhla and other centers in the Sahara for make-work projects—such as sweeping sand dunes off the highway—and into tardy efforts to win the hearts and minds of Saharans living under Moroccan control.

The strategy of the Polisario is not to win a military victory over the vastly larger Moroccan army. Rather, following the example of their Algerian mentors in their war against colonialist France, the guerrillas hope to sap the Moroccan will to fight. So far, at the level of the Moroccan political elite, the Polisario has provoked just the opposite reaction. "Eh bien, no," insists Abderrahim Bouabid, leader of the Socialist Union of Popular Forces, the main opposition party. "We will not capitulate. There may be a government that would capitulate, but the Moroccan people will not capitulate." Bouabid sips on a Scotch and looks sternly at a plump Rabat businessman who happens to have dropped by the Socialist's villa in Rabat. "It is not in the slums that the people are doubting and fearful. It is above all the big bourgeoisie that has enriched itself over the years, and is now doubting and fearful. But the others—the poor—what do they have to lose?"

There is some truth in the venerable Socialist's analysis. As the economy runs down, as investments by the state fall off—investments that were traditionally funneled to the private sector—big businessmen in Casablanca are known to be quietly moving money out of the country; nothing dramatic, just a precaution.

If the social tensions stirred by the war spilled over into the streets, they could become a wave that would break through the cycles of repression and controlled democracy that have punctuated Hassan's reign—and end it. But the patriotism of the elite seems genuine. "A defeat in the Sahara," says Abdullah Rahman Radi, the thoughtful, bearded leader of the Socialists' parliamentary group, "would be a loss before history. We Moroccans would have a historical complex after such a loss, and after that we would have even worse problems. The big secret of Iran is that the people were so fed up, so ashamed of themselves, that they were ready to die. Moroccans are not humiliated at the historical or personal level—they are proud of being Moroccan."

A tiny but stubborn group of young, self-styled Marxist-Leninists, many of whom studied in France, refuses to accept Morocco's claim to the desert territory and supports the Polisario as an authentic liberation movement. Hassan began moving against these so-called *Frontistes* even before the annexation of the Western Sahara, and Amnesty International has documented cases of torture of political prisoners—hardly a novel accusation in Morocco. If this pro-Polisario heresy were to become widely accepted, it would threaten not only the whole edifice of Hassan's regime, but also the traditional opposition parties, who jumped on the Sahara bandwagon in 1975 and since then have been more hawkish on the war than the king.

* * * * *

In Aiun, the biggest town in the Sahara, a young officer confesses: "I'm not sure His Majesty knows what's going on down here." At a roadside tea shop on the fringes of Casablanca, an old man shakes his head and offers: "Ah, Monsieur, it's hard down there. The Polisario is very strong. Many Moroccans are dying." It is not that the justice of Morocco's claim is openly questioned by the populace. Rather, as the conflict drags on with no end in sight, poor and middle-class Moroccans are making a connection between the distant struggle and their own deteriorating living standards. The regime has responded to the malaise by organizing campaigns in memory of the "martyrs" in the sands. Moroccan losses, while high, do not seem to have crossed a socially explosive threshold. The military is still largely a volunteer force, and enlistment drives are discreetly conducted in rural areas, where unemployment is high and political consciousness low. More coffins come home to villages than to Morocco's potentially more restive cities.

Still, a new, vigorous labor union, the Democratic Workers Confederation, has made significant inroads in key sectors such as teaching, phosphates, petrochemicals and transportation. The union, allied with the Socialists, has struck several times. The National Union of Moroccan Students, banned in 1973 but legalized again two years ago, has also called strikes and demanded freedom for Morocco's several hundred political prisoners, including those who favor self-determination for the Western Sahara. Unrest simmers, but does not boil over.

* * * * *

Yasine, who is quite sane, is one of the leaders of Morocco's extraofficial Islamic movement; he is a defender of the Ayatollah Khomeini, and he preaches an end to the great schism in Islam between Sunnites, an overwhelming majority of Moroccans, and Shiites, who have been mobilized by the Iranian revolution. Under a less agile and sophisticated regime—and there are many in the Arab world—Abdesslam Yasine would be dead or still in jail, instead of publishing a small Arabic-language magazine containing oblique but cutting attacks on the established order.

With a merry, probing look, Yasine denounces the whole spectrum of Moroccan politics: "The political elite represents only itself. It does not represent the people. It represents the Westernized, depersonalized, de-Islamicized group. But the only healthy body that could save us is Islam. On the other side, only the Marxists are sincere." Yasine and his collaborators insist that they have no Khomeini-style organization in Morocco and are not receiving foreign help, and they emphasize their weaknesses compared to the resources of the state. But the state has become edgy enough about this new source of opposition to round up 200 of its followers last year just after the attack on the Great Mosque in Mecca; most were briefly held and then freed. "At the beginning," says Yasine, in a lilting, singsong voice, "we did not think about changing politics or the world. But now the mosques are full of young people. It is the young who are coming back to Islam, back from Marxism. They are coming back to what is more solid."

So far, opposition to Hassan's regime has not swept up Morocco, and American policy makers have come to Hassan's aid to prevent this from happening. Washington says it wants to encourage negotiations to end the war in the Sahara, but there is little common ground between the king and the hard young men who lead the Polisario. Each side claims all of the Sahara, and it is difficult to see how the king could abandon the desert territory without risking his throne—to an angry, betrayed army or to domestic foes who, however opportunistically, would blame the Sahara's "loss" on him. Hassan is clearly alert to this possibility, and he observes, "The Moroccans say now, 'We want the war.' *C'est bien.* If tomorrow they say they want peace, it is not I alone who will be more Moroccan than the Moroccans. *Bon,* if you want peace—take the road of peace. But never can anyone turn this war as a scapegoat against me—against my Government—because it was not decided unilaterally by me." The Sahara has turned into a poisoned gift—and a paradox. The patriotism it fires consolidates the regime in the short run; in the long run, its costs are undermining Hassan's dynasty.

The king and some analysts in the Carter Administration are hoping that Algeria, at some point, will eliminate the Polisario—much as Arab regimes farther east have struck against the Palestinian guerrillas when they became troublesome. But the one-year-old Algerian regime of Chadli Benjedid has shown no inclination to pressure the Saharan guerrillas to moderate their claims. There have been some quiet diplomatic contacts between Algeria and Morocco, but no substantive negotiations over the fate of the Sahara have occurred—despite Moroccan claims and Moroccan-inspired reports to the contrary. High-ranking Algerians insist that they do not want to topple Hassan; they claim to fear that a xenophobic, right-wing military junta—which they describe as his most likely successor—would be far more difficult to deal with. But the Algerians do not mind seeing Hassan weakened and drained by a war he can neither win nor lose.

The weaponry that the United States is about to sell to Hassan is not going to change things dramatically in the Western Sahara. This shifting, miragelike war of darting ambushes, engagements that rarely last for more than a few hours, and much anxious waiting will continue. Wars in this part of the world have a habit of dragging on longer than they should. It could conceivably end in the elimination of the Reguibat tribesmen and other nomadic peoples who have drifted in from the arid Sahel to the Polisario's side. The guerrillas' invisible republic could vanish one day in the sands, where it began. Cynics maintain that Algeria, worried about Libyan meddling with the tribes that run from the Sudan to the Atlantic, would not mind this sort of an ending, in a few years.

But other conclusions are also imaginable. The Polisario has raised the banner of *siba* in the desert, and it is from those wastes that political and dynastic change has come in the past. Many of the Polisario leaders studied in Rabat, and the tribal fault lines run north from the Sahara into Morocco itself. In the great covered bazaar in Marrakesh, one can find merchants who have first cousins in Dakhla, deep in the desert. In some ways, the Sahara conflict is a camouflaged civil war. "It is not that the Sahara is Moroccan," whispers a Moroccan intellectual. "It is that Morocco is Saharan." Now the destinies of both are locked in battle, and it is the Moroccan military—not the king or Rabat's salon politicians—that is absorbing the lessons of this battle.

The Portuguese army was once scattered in expeditionary forces in colonies across Africa. Having learned from its guerrilla foes, it came home and made a revolution in 1974. When diplomats get together in Morocco these days, the "Portuguese scenario" is only one of several kicked around as the remarkable Commander of the Faithful nears the end of his second decade on the throne.●

PHIL AND SUE LONG WIN ANOTHER MAJOR FREEDOM OF INFORMATION CASE AGAINST IRS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, as the former chairman of the Government Information Subcommittee of the House Government Operations Committee that produced the 1974 amendments to the Freedom of Information Act, I am pleased to call Members' attention to the most recent court decision involving that law.

The case, the most recent in a series of freedom of information suits brought by a remarkably courageous couple from Bellevue, Wash.—Phil and Susan Long—was an action by the U.S. Supreme Court in denying a petition for certiorari filed by the Internal Revenue Service and the Justice Department appealing a ninth circuit court decision providing the Longs with access to certain IRS records. This was the 12th victory for the Longs over the secrecy-minded IRS bureaucracy in as many freedom-of-information cases, which must be a new record.

An article by the well-known tax expert, Mr. E. Edward Stephens of Washington, D.C., describes the diligent and successful fight by the Longs in this most recent case. It appeared in the May 10, 1980, issue of the Washington Star and is reprinted at the conclusion of my remarks.

The American people owe a debt of gratitude to the Longs for their persistence and courage in showing that the Freedom of Information Act does, indeed, work the way in which its authors intended. Our former colleague from California, John E. Moss, who sponsored the original bill that became law in 1966, as well as the other members of our committee who have sparked oversight and strengthening amendments to the law, are aware that bureaucratic secrecy knows no political party bounds. Often the same Government officials who deny information to our citizens today are the same ones who denied the same types of data during the Ford, Nixon, or Johnson administrations. The freedom of information law requires constant congressional oversight to remind the bureaucracy that they must abide by the law. The work of the Government Information and Individual Rights Subcommittee under the leadership of our colleague from North Carolina, Mr. PREYER, is in this highest tradition. I commend Phil and Sue Long on their court victory and hope that it will serve as a warning to other executive branch personnel that they must abide by both the spirit and the letter of the freedom of information law.

The Star article follows:

[From the Washington Star, May 10, 1980]

THE COUPLE WHO TOOK ON THE IRS . . . AND WON

(By E. Edward Stephens)

Philip H. and Susan B. Long, the husband-wife team in Bellevue, Wash., now widely known as Phil and Sue, first encountered the Internal Revenue Service in 1969, when their records were examined by a revenue agent.

Amazed by the roughshod treatment they received at the hands of IRS officials, the Longs began to inquire into IRS operations. Today they're America's most formidable opponents of secrecy within the nation's tax collective system.

Undaunted by IRS's mammoth legal staff, now comprising 932 lawyers, the Longs fought their tax case without a lawyer. U.S. Tax Court Judge Cynthia H. Hall sided with IRS in 1975, but her decision was reversed in 1977 by the 9th U.S. Circuit Court of Appeals at San Francisco. The court concluded that Phil and Sue didn't owe a dime to Uncle Sam.

Meanwhile, the Longs had started to ask for IRS data, invoking the 1967 Freedom of Information Act. After getting nothing but double talk from IRS's disclosure staff in Washington, the couple filed suit after suit in the U.S. District Court at Seattle to force IRS compliance with the law.

Intelligence, persistence and hard work paid off. The score to date: Phil and Sue: 12 victories—IRS: 12 defeats. Their triumphs were so impressive that, as early as Feb. 5, 1975, the Wall Street Journal commented: "No one has done more to force public disclosure of the IRS audit policies and practices than Phil and Sue Long."

The Bellevue couple's most ambitious undertaking started in 1971, when they asked IRS to let them examine all the information IRS had compiled in Phases 2, 3 and 4 of its Taxpayer Compliance Measurement Program, launched in 1962. TCMP is a continuing series of statistical studies on a national scale designed to measure the level of compliance of American taxpayers with federal tax laws.

Last July this column carried a story about a partial victory by the Longs in the U.S. District Court at Seattle. This success didn't last long, however, for District Judge Walter T. McGovern's decision was based primarily on sworn statements of IRS officials—statements that turned out to be false. When the truth was revealed, the 9th Circuit U.S. Court of Appeals at San Francisco unanimously reversed McGovern's decision.

In February IRS asked the U.S. Supreme Court to review the 9th Circuit's decision, but on April 28 the petition was turned down. So the 9th Circuit's decision stands. Sue and Phil have won again.

This is the first case in which the Longs had the help of an attorney. Stephen K. Strong, of Seattle, contributed extensive services without charging Phil and Sue any fee. According to the Longs, his assistance was invaluable in proceedings before the 9th Circuit and the Supreme Court, where his brief carried the day for Sue and Phil.

In the Supreme Court, Strong found that he and the Longs were up against trickery very similar to that which IRS officials and their Justice Department lawyers had pulled on Phil and Sue in the District Court. Samples:

In its petition for certiorari, IRS and its Justice Department attorneys tried to raise issues that had not been raised or considered in the District Court or the Court of Appeals.

In the petition, IRS claimed that disclosure of TCMP records would cripple the audit selection process.

The record contains no evidence whatsoever in support of such a claim. In their brief, Strong and the Longs charge that such factual assertions by Justice attorneys without any evidentiary support violate the rules of professional conduct.

In its petition, IRS said: "The vast majority of all returns selected for audit are identified by means of the TCMP."

False. Returns are screened for audit by a process called Discriminate Function (DIF), not TCMP.

The Washington Post said on April 29: "The Supreme Court left intact rulings the government says will destroy one of the Internal Revenue Service's best ways of catching tax cheaters."

Wrong. The rulings will do no such thing, as explained above.●

INDUSTRY NEEDS CAPITAL FUNDS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. COLLINS of Texas. Mr. Speaker, business in America is falling behind foreign competition. American productivity is lagging. The major reason is lack of capital funds to buy new machinery and equipment.

American business has been mandated by congressional law to place most of its capital funds for equipment into safety and environment. American industry continues manufacturing with old machines that cannot meet the competition of Japan or Germany.

The amount of money required and spent to meet environment regulations is staggering. The lack of capital funds available for new plant machinery hit America with a heavy impact as we witnessed the crisis of Chrysler.

Eighteen billion dollars is the capital expenditure by General Motors during the past 5 years for environment, safety, and fuel exhaust equipment; 1975-79 drained $18 billion from General Motors just to keep up with congressional environment controls.

America gets a smaller car with a smaller motor as we pay for all the extras that Congress requires. During the past 5 years, General Motors manufactured 24.5 million cars. This is 3.6 in 1975, 4.8 in 1976, 5.2 in 1977, 5.2 in 1978, and 5.1 in 1979.

When you take the $18 billion and divide it by the 24 million cars that were manufactured, it shows that it costs $759 per car in additional costs to the automobile buyer.

Let us look at the General Motors experience, as so much capital was diverted to meet safety and environment regulations.

GENERAL MOTORS EXPENDITURES UNDER ENVIRONMENT AND SAFETY REGULATIONS

[In millions of dollars]

	1975	1976	1977	1978	1979	5-year total
Automotive emissions control	185	188	247	446	601	1,667
Industrial environment control	58	65	97	154	220	594
Automotive safety	347	354	423	466	512	2,102
Automotive fuel economy[1]						14,000
Total						18,363

[1] Cost is approximately $1 billion for each ½-mile-per-gallon improvement. Starting from fleet average in 1974 and going to 19.1 m.p.g. in 1979 (7 m.p.g. improvement) gives $14 billion cost. (From GM 10-K report to SEC for 1979.)●

EXPLANATORY STATEMENT

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. PATTERSON. Mr. Speaker, on May 7 during consideration of the first concurrent budget resolution an amendment was offered to strike the reconciliation language in section 3. I was unable to be on the floor at the time of the vote on this amendment. It was my intent, however, to vote against the amendment and to support retention of the reconciliation language.●

JOHN S. GIBSON, COUNCILMAN OF THE 15TH COUNCILMANIC DISTRICT, CITY OF LOS ANGELES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ANDERSON of California. Mr. Speaker, to the outsider, the municipal government system of the city of Los Angeles, with the vast areas which its elected officials represent, must seem an impossible effort at democratic rule. One might wonder how anyone living in a Los Angeles community like the harbor area, could have their voice effectively heard at city hall when the central seat of that city government is downtown, over 20 miles away. But one familiar with the offices of the 15th councilmanic district representative, John S. Gibson, would have a different impression. They would know by his example that city government, at least in the 15th district, can and is working. And John Gibson has kept it this way for nearly 30 years as city councilman, offering the citizens of the 15th district dedicated representation on citywide policies, and assistance in making city agencies responsive to their community needs no matter how large or small. In honor of his outstanding service as the 15th district councilman, his friends and supporters will hold an appreciation dinner on May 30, 1980. I take this occasion to give my colleagues here in the House of Representatives a brief review of his remarkable career in government service.

John Gibson was first elected to the Los Angeles City Council in 1951. Since that time he has served continuously as the 15th district representative and he was elected council president eight times, giving him the record for having served the most number of years in this position—16 years. On July 5, 1977, he was named president emeritus of the Los Angeles City Council by unanimous vote. At the community level, his efforts have on numerous occasions been instrumental in making community projects succeed. Whether it be a community park, restoration of a historical landmark or area, or the providing of social services, it has typically been his participation that has made the effort a success.

His achievements have not gone without recognition. He has received the Distinguished Service Award from the National Junior Chamber of Commerce; the Man and Boy Award from the San Pedro Boy's Club; the Distinguished Service Award from the Civitan Service Club International; and Bronze Humanitarian Award from the Watts Community Beautiful organization. John S. Gibson Boulevard in San Pedro was dedicated in his honor. Some of his other awards include the Merit Award from the Chamber of Commerce and Industry of Southern California, the City of Los Angeles Career Service Award, the Man of the Year Recognition Award presented by World Opportunities, and the Los Angeles Association of Secondary School Administrators Award.

Mr. Speaker, the night of May 30 will most definitely be a memorable occasion as John Gibson's many friends gather to pay tribute to him for all he has done for the people of the 15th councilmanic district. My Wife, Lee, joins me in offering our own words of congratulation to this man. We send our best wishes for future success and happiness to him and his two daughters, Dixie and Marlyn.●

SENATE—*Wednesday, May 28, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. LEVIN).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

You shall know the truth and the truth shall make you free.—John 8: 82.

O God, our Father, make us to know the truth that sets men free. Teach us to know ourselves, our strength and our weakness. Teach us better to understand others, that we may view their shortcomings with charity, their virtues with appreciation, and their work with thanksgiving. Teach us to know our country that we may correct its faults and be grateful for its virtues. Teach us to know the world that we may better serve our Nation in the world as it really is. And finally, make us to know the nature of Thy kingdom that we may strive for its coming.

Bless all who labor in the Government, in tasks great and small. Give us a full measure of Thy spirit to guide our thinking and our acting, that when the day's work is over we may be worthy of Thy "Well done."

Through Jesus Christ, our Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A MIDDLE EAST INITIATIVE

Mr. ROBERT C. BYRD. Mr. President, there is a pause in progress toward a comprehensive peace settlement in the Middle East. Negotiations on autonomy for the West Bank and Gaza have been suspended. Some say that the chance for peace in the Middle East has been missed.

May 26 has passed without substantial progress in the Palestinian autonomy negotiations, and this cannot be ignored: There is a danger that the momentum for peace that has been built up over the last few years could be lost. The Palestinian question is one of the central issues in the Middle East today.

On the other hand, it would be a mistake prematurely to write off the peace process. There are reasons to believe that peace is still within reach.

Both Egypt and Israel have indicated that the peace treaty between their nations will continue to be observed. The Egyptian-Israel Treaty forms the foundation on which a comprehensive peace can be built.

While Egypt and Israel have not been able to reach agreement on the Palestinian autonomy question, both nations have indicated a willingness to consider new proposals.

Other nations have demonstrated their concern about Palestinian autonomy. West European nations have discussed alternative negotiating frameworks, and authorities in Saudi Arabia have shown an interest in a negotiated settlement. Obviously, the question of Palestinian autonomy is of crucial importance to a large number of nations in the new world, both within and outside the region.

What seems to be needed at this point is a new initiative. And the situation clearly points to the need for an American initiative to get the peace process going again.

The Camp David accords are one of the most outstanding achievements of the Carter administration's foreign policy. I am confident that President Carter will do everything necessary to carry the work of Camp David forward.

If a new round of negotiations is appropriate at this time, then I am sure that the administration will not hesitate to convene talks. If American draft proposals are necessary to focus the discussions, then I am certain that these proposals will be forthcoming. If a new Camp David summit seems to be required to bring the negotiating process to fruition, then I am sure that such a meeting will be called by President Carter.

There is good reason for a sense of urgency. The world's interest in peace and stability in the Middle East is too great to allow this situation to be neglected. But there is no reason for panic or premature judgments of failure. A comprehensive peace in the Middle East requires a lasting solution, not a quick fix.

SYNTHETIC FUELS—A STEP TOWARD ENERGY INDEPENDENCE

Mr. ROBERT C. BYRD. Mr. President, when the history of the 96th Congress is written, one issue will stand out as the major focus of concern. That issue is energy. This Congress will be recognized for our declaration of energy independence as we struggle with the most difficult problem of curbing our dangerous dependence on foreign oil. The windfall profit tax, combined with the decontrol of domestic crude oil prices, the Energy Mobilization Board, and the omnibus energy production legislation are measures which will directly induce the increased production of our own plentiful energy resources. This is a record of action and accomplishment in the face of an unprecedented threat to our national and economic security.

House-Senate conferees have recently completed work on the synthetic fuels bill that will provide $20 billion in Federal subsidies for synfuels plants and other alternate fuels projects aimed at increasing domestic energy production. Conferees have been working on this complex piece of legislation since last December. Staff is working to complete this lengthy law, which should be ready for the President's signature by the Fourth of July—an appropriate date to affirm our commitment to energy independence and security.

The bill establishes an independent Synthetic Fuels Corporation to finance the development of commercial-sized synfuel plants to convert such materials as coal and oil shale to synthetic oil and gas. The initial goal is the production of at least 500,000 barrels per day equivalent by 1987 and 2 million barrels a day by 1992. Price and loan guarantees, Government-subsidized loans, joint ventures and a limited number of Government-owned synfuel plants will be available financial tools to promote the development of a viable synfuels industry. The bill authorizes $20 billion for the initial activities of the Synthetic Fuels Corporation. After 4 years, pending congressional approval of a plan to increase synthetic fuel production to 2 million barrels per day, an additional $68 billion could be requested to finance the second phase.

Initial funding for the Synthetic Fuels Corporation will be drawn from a $20 billion energy security reserve that was appropriated by Congress last year as a result of an amendment which I offered to the Interior appropriations bill. The conferees have tentatively agreed to use $2.2 billion of this reserve for existing synthetic fuels programs at the Department of Energy; $3 billion for syn-

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thetic fuels projects under the Defense Production Act; $1.45 billion for gasohol and urban waste programs; and $1 billion for solar and conservation projects financed through an energy bank. This leaves $12.3 billion in appropriated funds for the initial activities of the Synthetic Fuels Corporation.

This legislation is much more, however, than a means to finance expensive technology. Direct benefits will be provided to consumers to encourage energy conservation. To help builders and homeowners make buildings more energy efficient, the conference report creates an energy bank to extend grants and subsidized loans for solar and conservation activities. The bank, which will be part of the Department of Housing and Urban Development, will provide subsidies in the form of either below-market interest rates or direct grants. Homeowners could receive as much as $5,000 for solar projects and $1,250 for conservation measures, such as installation of storm windows and insulation.

The bill also provides a substantial program to develop commercial plants to produce alcohol fuels from agricultural crops, with a goal that such production would amount to 10 percent of U.S. gasoline consumption by 1990. DOE and the Agriculture Department will share responsibility for distributing $1.2 billion in loans, loan and price guarantees and grants toward this end. The conferees also agreed to provide $250 million for Federal loan guarantees and price supports for commercial plants that would convert municipal waste into energy.

The conferees are to be congratulated for their persistent work on this measure.

The number of issues involved necessitated an expanded conference, involving 58 Members of both Houses from six different committees of the Senate and the House. The distinguished Senator from Washington (Mr. JACKSON), and the distinguished Senator from Louisiana (Mr. JOHNSTON), the distinguished Senator from Wisconsin (Mr. PROXMIRE), and the distinguished Senator from Georgia (Mr. TALMADGE), as well as the distinguished Senator from Oregon (Mr. HATFIELD), the distinguished Senator from New Mexico (Mr. DOMENICI), the distinguished Senator from Utah (Mr. GARN), and the distinguished Senator from Indiana (Mr. LUGAR), are all to be commended for their outstanding efforts on this bill. Their cooperation and hard work greatly contributed to the successful completion of this conference.

The synthetic fuels bill is an enormous step forward toward insuring our long-range energy security. Our allies in the Western World and the oil-producing nations of OPEC should read enactment of this legislation as a signal that we are serious about ending our reliance on expensive imported oil. It is a signal involving the determined expenditure of billions of dollars. But only through these programs will we be ultimately assured of our own national destiny. The rest of the world should take note that America is declaring energy independence.

RECOGNITION OF SENATOR PROXMIRE

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 1 minute and 10 seconds remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield it to Mr. PROXMIRE.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

KATYN: THE FORGOTTEN ACT OF GENOCIDE

Mr. PROXMIRE. Mr. President, approximately 40 years ago, most of the world was engaged in war—embroiled in a conflict that eventually claimed tens of millions of lives. There took place the wholesale destruction of armies and innocent nationalities and countless personal tragedies. How many exactly perished, no one can tell with certainty. Who could keep count in a slaughter so vast and indiscriminate?

Nonetheless, we must ingrain in our conscience those isolated accounts of which we do know. In particular, I urge that we take note of the 40th anniversary of the Katyn massacre. In the spring of 1940, 14,000 Polish officers and civilian officials were murdered in the Katyn forest region of the Soviet Union. The account of this massacre is of relevance to our own day and age, particularly now, as we are asked to consider for ratification the Genocide Convention.

In September 1939, 2 weeks after Hitler's assault upon Poland, Stalin invaded the country from the east and captured 230,000 Polish soldiers, including 10,000 officers, and 5,000 civilian officials. The officers and civilians were interned in prison camps in the Smolensk area of the Soviet Union. Two years later, when the Soviets entered the war against Germany, they decided to resurrect the Polish Army to fight the Germans. As a result, the Soviets signed a general amnesty for all Poles imprisoned in the Soviet Union. Poles from 138 camps gathered at Buzul'uk but only several hundred Polish officers appeared. Thousands were missing. In 1943, the bodies of thousands of officers were found near Katyn, piled in layers in mass graves. All had been shot in the head.

In the minds of many, there is little doubt that the Soviets were responsible for the atrocity. Fourteen thousand defenseless Polish soldiers were butchered and buried in the belief that the crime would be forgotten. The Poles must not be forgotten. Mr. President, the Katyn massacre in all its horror does not constitute genocide. There is no evidence of a planned premeditated extermination of all of the Polish people. Genocide is worse than that terrible Katyn massacre. Genocide is that kind of planned extermination.

Mr. President, is it not time this body acted to ratify the Genocide Convention?

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

Mr. PROXMIRE. Mr. President, I am delighted to join with my distinguished colleagues from Massachusetts and Missouri, Senators TSONGAS and EAGLETON, in cosponsoring amendment No. 1780 to the Alaska National Interest Lands Conservation Act.

This amendment is essential for protecting Alaska's scenic beauty and resources for future generations of Americans.

Amendment No. 1780 adds segments of the Squirrel, Copper, and Yukon Rivers to the National Wild and Scenic River System and includes the Koyuk and the Kuskokwim on the list of rivers designated for study.

It allows greater freedom to the Secretary of the Interior in setting protected corridors along the banks of wild and scenic rivers and provides for a corridor of up to 2 miles, where necessary, to protect views, habitats and other natural or historic features. The committee bill, however, specifies an inadequate corridor of only one-fourth of a mile from each side of the river.

In addition, the amendment offers greater protection against the dangers of mining and mineral leasing for both already designated wild or scenic rivers and for those under study.

Amendment No. 1780 would reduce the inappropriate power given to the Secretary of Transportation by the Senate Energy Committee to set transportation corridors through Federal lands. The committee bill would give an equal role to the Secretary of Transportation and either the Secretary of Interior or Secretary of Agriculture in approving transportation and utility rights-of-way over Federal conservation system lands. The new role for DOT would add an unneeded layer of bureaucracy to the right-of-way process and involve an extraneous agency in vital land management issues.

The problem of trespassers on Federal lands is amendment 1780's last major concern. It erases the distinction found in the committee bill between trespass cabins located within National Parks and those found in other conservation units. This change represents a compromise between the virtual ban on trespass cabins found in the House bill and the liberalized treatment accorded trespassers on non-National Park Federal lands by the Senate committee.

Amendment 1780 also has minor provisions concerning small hydroelectric dams, potential agricultural uses in conservation units and an exchange of lands with the State of Alaska.

I am pleased that the Senate is finally considering this landmark piece of legislation and I urge my colleagues to join me in supporting this amendment.

ANOTHER PERSPECTIVE ON THE BUDGET

Mr. PROXMIRE. Mr. President, there are two primary ways in which the Congress looks at the Federal budget. The budget committees make their recommendations based on functions: National defense, natural resources and environment, income security, and so forth. The Appropriations Committees make their recommendations based for the most part on agencies: The Defense Department, the Interior Department, the Energy Department, and so forth. The agencies' budgets are further broken down into functions and programs. But there is a third way of looking at the Federal budget—grouped not by functions or agencies, but by what the bureaucrats call object classes or types of expenditures. Object classes include salaries, travel, grants, and similar types of expenditures.

Mr. President, I believe my colleagues will find it interesting to see a summary of the budget by object classes. I believe further that the Appropriations Committees of both the Senate and the House should look more closely at projections of expenditures by object class as they review agency reqeusts for appropriations for fiscal year 1981. Those projections are included in the agencies' budgets.

FEDERAL OBLIGATIONS BY OBJECT CLASS—A COMPARISON BETWEEN FISCAL YEAR 1978 AND 1981

[Dollar amounts in billions]

Classification	1978 actual	Percent of total	1981 estimate	Percent of total
Personal services and benefits	$84	17	$105	16
Compensation, permanent positions	(33)	(7)	(38)	(6)
Compensation, other positions	(2)	([1])	(3)	([1])
Other compensation	(2)	([1])	(2)	([1])
Military personnel	(24)	(5)	(27)	(4)
Special personal services payments	([2])	([1])	([2])	([1])
Personnel benefits, civilian	(11)	(2)	(16)	(2)
Personnel benefits, military	(2)	([1])	(2)	([1])
Benefits for former personnel	(11)	(2)	(16)	(2)
Contractual services and supplies	125	26	172	27
Travel and transportation of persons	(3)	(1)	(3)	([1])
Transportation of things	(4)	(1)	(5)	(1)
Standard level user charges	(1)	([1])	(1)	([1])
Communications, utilities, and other rent	(5)	(1)	(7)	(1)
Printing and reproduction	(1)	([1])	(1)	([1])
Contractual services and supplies—Continued				
Other contractual services	(65)	(14)	(94)	(15)
Supplies and materials	(46)	(10)	(60)	(9)
Acquisition of capital assets	68	14	85	13
Equipment	(27)	(6)	(37)	(6)
Land and structures	(7)	(1)	(10)	(2)
Investments and loans	(34)	(7)	(39)	(6)
Grants and fixed charges	200	42	272	42
Grants, subsidies, and contributions	(130)	27	(163)	(25)
Insurance claims and indemnities	(15)	(3)	(18)	(3)
Interest and dividends and refunds	(56)	(12)	(91)	(14)
Other	4	1	5	1
Total	481	100	640	100

[1] Less than 1 percent.

[2] Less than $1,000,000,000.

Note: The numbers do not add because they were rounded.

The breakdown by types of expenditure shows that about one-fourth of the Federal budget is for grants, subsidies, and contributions. Within the $163 billion to be obligated in fiscal year 1981 for these grants the following agencies will obligate the most:

Estimate of obligations for fiscal year 1981

Agency:	*Billions*
Department of Health and Human Services	$52
Department of Housing and Urban Development	40
Department of Agriculture	17
Department of Education	14
Department of Labor	13
Department of Transporation	5
Environmental Protection Agency	5

Another one-fourth of the Federal budget ($172 billion estimated for the fiscal year 1981) is spent for contractual services and supplies. In fact, more ($94 billion) will be obligated for Federal contracts in fiscal year 1981 than for the compensation and benefits for all civilian and military personnel to be on the payroll ($89 billion). The major spenders for contracts in 1981 are as follows:

Estimate of obligations for fiscal year 1981

Agency:	*Billions*
Department of Defense-Military	$53
Department of Energy	9
Department of Treasury	7
National Aeronautics and Space Administration	5
Department of Health and Human Services	3
Department of Agriculture	3
Department of Interior	2

While the information shown in the above tables does not include the changes in the 1981 budget proposed by the President in March of this year, it still indicates generally the way in which Federal spending is carried out.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

BUDGET RESOLUTION

Mr. STEVENS. Mr. President, I noted this morning the report of the White House statement concerning the budget resolution as it has been reported from the conference committee.

It saddens me to hear that there will be opposition to the conference committee report on the budget resolution. We have spent a considerable amount of time in both Houses on this process, and the Budget Act, I think, needs support.

As one who has been critical of the constraints placed by the Budget Act upon prerogatives of individual committees, I have still supported the Budget Act and I think the majority of the Senate has.

To be told now, at this time, that the budget resolution, in the opinion of the administration, will have to be sent back to conference, or sent to us in a form that will be unacceptable after the action by the House, I think is, indeed, an unfortunate turn of events.

It had been my hope we would get to the total process of reconciliation this year. We have never completed that process, and it is not possible to get to reconciliation unless we, in fact, get a conference committee report that will be acceptable to both Houses.

It is hard to envision how that is possible after reading the comments made by the White House staff as reported in the paper this morning.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, I have no further requests for time, and unless my good friend has some need for the time, I yield back the remainder of our time.

SMALL BUSINESS DEVELOPMENT ACT OF 1980

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now proceed to the consideration of S. 2698, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 2698) to provide authorizations for the Small Business Administration, and for other purposes.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. Debate on this bill is limited to 1 hour, to be equally divided and controlled by the Senator from Wisconsin (Mr. NELSON) and the Senator from Connecticut (Mr. WEICKER), with 30 minutes on any amendment in the first degree, except a Bellmon amendment relative to disaster relief on which there shall be 2 hours, and with 20 minutes on any amendment in the second degree, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is S. 2698.

Mr. NELSON. Mr. President, I strongly urge adoption of S. 2698, the Small Business Development Act of 1980, in the form approved by the committee.

This bill will give the Federal Government the tools to effectively aid in the expansion and growth of the independent entrepreneur through the technical, management, procurement, and financial aid provided in this act. Furthermore, policies, programs, and regulations of the executive branch will henceforth be required to take into account the special needs of small business before being adopted and implemented. Those that are already in effect will have to be carefully reviewed to determine if they are injurious to the small business sector.

Small business will benefit by the enactment of this legislation and the small business community strongly supports this bill. Following the recommendations of the highly successful White House Conference on Small Business, this legislation reasserts the importance of small business to our national, social, and economic structure, while addressing limitations placed in their path.

Four items contained in this bill were mentioned by the White House conference: strengthening SBA's management assistance, including SBDC's; increased funding and visibility for the Office of Advocacy, increased SBA technology assistance, and the need for small business economic research.

This bill removes all of the disaster-related provisions that were contained in the conference report on S. 918. The Senate has already passed this legislation, with only technical differences, by a rollcall vote of 80 to 0 on January 24, 1980.

This bill is very similar to S. 918, the small business authorization bill. In May, 1979, the Senate by voice vote adopted S. 918. The House of Representatives, having considered a similar version of this legislation, agreed to the Senate bill, with an amendment in the nature of a substitute. Two conference committee meetings were held in June, 1979. However, because of substantial disagreements between the House and Senate conferees on various provisions in the bill, relating exclusively to the disaster reform provisions, conferees were unable to reach agreement on a conference report until December 13, 1979. (See House Report 96-507.)

That conference version did not vastly differ from the measure enacted by the Senate on May 16, 1979. Despite the length of time required to return with this conference report, and over 134 items in disagreement, the Senate conferees receded only in those instances where it was absolutely necessary to compromise on major differences with either the House or the Administration.

The conference report was not perfect. There were items with which I disagreed, or would have approached differently. However, I believed then, and still do, that the conference report was a good one.

By voice vote, the House quickly agreed to the conference report on December 13, 1979.

Objections were raised in the Senate, on January 24, 1980, to the accounting treatment for interest payments to the Treasury for the disaster loan fund contained in the conference report, and the Senate rejected the conference report on a rollcall vote of 32 to 48. The conference report having been defeated, an amendment to the House amendment to the Senate bill, containing the exact text of the conference report minus the single interest payment to Treasury provision, was adopted by a rollcall vote of 80 to 0. This action returned the measure to the House.

On February 6, by a vote of 348 to 17, the House agreed to the Senate amendment with a further amendment relating to the funding mechanisms for the two SBA revolving funds, returning S. 918 to the Senate. The bill has been pending in the Senate since that date.

I am ready to have the Senate debate S. 918 at any time. There are disaster reforms contained in that bill which took months of negotiations with the Department of Agriculture, SBA, House and Senate Agriculture Committees, and, of course, House and Senate Small Business Committees. They are not perfect, but are far superior to the present situation. They could result in significant budgetary savings. The adoption of S. 918 would eliminate the need to proceed further with much of this legislation.

Unfortunately, we have not been able to reach agreement on S. 918, requiring us to proceed with this legislation.

SBA PROGRAM LEVELS

The bill provides authorization for SBA appropriations for 2 fiscal years—1981 and 1982. In this connection, I ask unanimous consent to have two tables printed in the Record.

There being no objection, the tables were ordered to be printed in the Record, as follows:

For fiscal year 1981:	*Millions*
7(a) Business	$4,300
Direct and immediate participation	300
Guaranteed	4,000
7(h) Handicapped	37
Direct and immediate participation	25
Guaranteed	12
7(i) EOL	166
Direct and immediate participation	76
Guaranteed	90
7(l) Solar and energy conservation	63
Direct and immediate participation	45
Guaranteed	33
Development companies	170
Direct and immediate participation	55
Guaranteed	115
Investment company assistance	270
Direct purchase of debentures and preferred securities	42
Guaranteed	228
Total BLIF	5,006
Direct and immediate participation	528
Guaranteed	4,478
Disaster:	
Physical	(1)
Nonphysical	110
Surety bond guarantees (SBA share of program levels)	2,530
Pollution control bond guarantees	250

[1] Open-ended.

There are authorized to be appropriated to the Administration for fiscal year 1981, $1,187 million. Of such sum, $865 million shall be available for the purpose of carrying out the programs referred to in subsection (h), paragraphs (1) through (6); $76 million shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; 4 million shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $242 million shall be available for salaries and expenses of the Administration.

For fiscal year 1982:	*Millions*
7(a) Business	$4,730
Direct and immediate participation	330
Guaranteed	4,400
7(h) Handicapped	42
Direct and immediate participation	28
Guaranteed	14
7(i) EOL	182

	Millions
Direct and immediate participation	83
Guaranteed	99
7(1) Solar and energy conservation	67
Direct and immediate participation	45
Guaranteed	37
Development companies	186
Direct and immediate participation	61
Guaranteed	125
Investment company assistance	298
Direct purchase of debentures and preferred securities	47
Guaranteed	251
Total BLIF	5,050
Direct and immediate participation	579
Guaranteed	4,926
Disaster:	
Physical	(1)
Nonphysical	121
Surety bond guarantees (SBA share of program level)	2,780
Pollution control bond guarantees	300

[1] Open-ended.

There are authorized to be appropriated to the Administration for fiscal year 1982, $1,375 million. Of such sum, $1,022 million shall be available for the purpose of carrying out the programs referred to in subsection (k), paragraphs (1) through (6); $83 million shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; $4 million shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $266 million shall be available for salaries and expenses of the Administration.

FISCAL YEAR 1981 SBA SALARY AND EXPENSE AUTHORIZATIONS

Mr. **NELSON**. Of the total salary and expenses for fiscal year 1981, the bill earmarks six specific functions with priorities being given within each function:

First, $13,200,000 shall be available for procurement and technical assistance, of which amount not less than $2,000,000 shall be available for technical assistance, of which amount not less than $629,000 shall be used to pay for the continued development of a procurement automated source system (PASS); and not less than $825,000 shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of 30 technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain and interpret the appropriate technology for such small business. Not more than $200,000 shall be available for a study to define and describe the forest products industry and, in particular, to define and describe that portion of the forest products industry which consists of small businesses, to identify the trends and conditions affecting the survival of small businesses as a viable portion of the forest products industry, and to propose actions and programs to assist and promote a broadly based, nonconcentrated, healthy forest products industry.

Second, $23,100,000 shall be available for management assistance, including $880,000 to sustain the small business export development program, and to employ not less than 17 additional staff people for the Office of International Trade, 10 of whom shall serve as export development specialists with each of the SBA's regional offices being assigned one such specialist.

Third, $8,800,000 shall be available for economic research and analysis and advocacy, of which amount not less than $2,200,000 shall be used to employ at least 69 staff people for the Office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94–305, not less than $1,650,000 shall be used to develop an external small business data bank and small business index, and not less than $1,650,000 shall be used for research.

Until recently, the agency has had virtually no commitment to undertake any meaningful economic research and analysis. I wish to point out at this point that this is one of the most important functions that SBA can perform. The entire small business sector benefits from the fruits of the agency's labors in this area.

Title III of this measure requires SBA to measure 12 specific economic indices and regularly publish a small business economic index. The economic research and analysis funding levels established in this title are therefore of paramount importance and should be fully expended if the mandate of title III is to be fully and effectively carried out.

Fourth, $27,500,000 shall be available for the Office of Minority Small Business and Capital Ownership Development, $11,000,000 of which shall be used to carry out those functions prescribed by section 7(j) of the Small Business Act, and $1,414,000 for section 7(j) program administration.

Fifth, $9,900,000 shall be available for program evaluation and data management with priority given to the development of an automated internal SBA management data base, to the enhancement of the SBA's document tracking system, to the installation of terminals in SBA field offices, and of such amounts $1,100,000 for the development of a small business indicative data base.

Sixth, $20,000,000 shall be available for matching grants to small business development centers, and an additional $550,000 shall be available for the administration of the small business development center program.

FISCAL YEAR 1982

Program ceilings and salary and expense line-item authorizations have also been provided for fiscal year 1982.

For fiscal year 1982, there are authorized to be appropriated to SBA, $1,375,000,000. Of such sum, $1,022,000,000 shall be available for carrying out those programs included in the business loan and investment revolving fund; $83,000,000 shall be available for carrying out the surety bond guarantees program; $4,000,000 shall be available for liquidating the lease guarantee program; and $266,000,000 shall be available for salaries and expenses of SBA.

AVAILABILITY OF UNEXPENDED FUNDS

The bill provides that for fiscal years 1981 and 1982 there are authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act other than those for which appropriations are specifically authorized. For fiscal year 1983 and every fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act other than those for which appropriations are specifically authorized. All appropriations, whether specifically or generally authorized shall remain available until expended.

INVESTMENT OF IDLE FUNDS

The bill repeals the last sentence of section 412 of the Small Business Investment Act of 1958, thus eliminating the authority of the Small Business Administration to invest temporarily idle funds in the surety bond guarantees revolving fund. There are no idle funds in this fund.

The bill also amends section 405 of the Small Business Investment Act of 1958 by adding a new sentence specifically providing authority for the investment of temporarily idle funds in the pollution control bond guarantee revolving fund.

DEVELOPMENT COMPANY DEBENTURES

The bill amends the Small Business Investment Act of 1958 by adding a new "section 503" development company loan program.

The new section provides for the formation of local development companies that have: First, full time professional staffs; second, adequate accounting, legal, and business servicing capabilities; and third, active boards of directors which meet on a regular basis and are actively involved in loan decisions and loan servicing. In addition to SBA's authority to make loans up to $500,000 to the local development companies (LDCs) for each small business being assisted by the LDCs, SBA would be authorized to guarantee debentures issued by eligible LDCs. The amount of the debentures to be guaranteed may not exceed one-half of the project cost. The remaining one-half of the project cost would be required to be supplied from non-Federal Government sources.

SBA would still have to approve each individual loan of the LDC. However, instead of making a direct loan for the approved amount, the LDC would issue a debenture for one-half the amount of the deal. SBA would provide a 100-percent guarantee, and sell the debenture to private markets through the Federal financing bank.

REGULAR BUSINESS LOAN REFORM

The bill amends section 5(b)(7) of the Small Business Act to extend the authority of the Small Business Administration in the area of loan making and administration. It authorizes the Administrator to transfer limited loan processing functions from the administration to qualified financial institutions. I am particularly pleased with the progress of the SBA bank certification program. This legislative authority should facilitate an expansion of that experimental program.

SURETY BOND GUARANTEE

The bill amends section 411(c) of the Small Business Investment Act of 1958 to clarify a drafting error in the surety bond guarantee program when the Congress approved H.R. 11318 (Public Law 95-507) in the 95th Congress.

HANDICAPPED ASSISTANCE

The bill extends the authority of nonprofit organizations of handicapped individuals to participate in small business procurement set-asides, but restricts the participation to fiscal years 1981, 1982, and 1983, and limits participation to an aggregate of not more than $100 million per year. In addition, it requires SBA to monitor and evaluate the program and directs the SBA Administrator to require every Federal agency and department having procurement authority to take such actions as the Administrator deems appropriate if he and the Executive Director of the Committee for the Purchase From the Blind and Severely Handicapped find that the participation of such organizations of handicapped individuals has or may cause severe economic injury to for-profit small businesses. It further requires that, by January, 1, 1982, SBA prepare and transmit to the Small Business Committees of both the Senate and the House a report on the impact on for-profit small businesses of contracts awarded to such organizations of handicapped.

PROCUREMENT SYSTEMS

Under conditions of the International Procurement Code, which was negotiated as part of the multilateral trade agreements, the United States would waive its "Buy American" protection for domestic suppliers for certain items purchased by the Federal Government.

The bill revises the priorities established in section 15(e) of the Small Business Act to make it possible to satisfy current terms of the International Procurement Code (a waiver of labor surplus area set-asides for firms) without waiving the small business set-aside program for firms located in these areas.

ELIGIBILITY OF ASIAN PACIFIC AMERICANS

Public Law 95-507 amended certain SBA remedial business development programs for the benefit of "socially and economically disadvantaged" business persons. These programs include specialized management and technical assistance (section 7(j)) and procurement assistance (section 8) of the Small Business Act. Present law specifies that, subject to certain specified constraints, "socially disadvantaged" persons include "Black Americans, Hispanic Americans, Native Americans and other minorities." The bill adds "Asian Pacific Americans" to that list.

SMALL BUSINESS DEVELOPMENT CENTERS

The bill establishes a legislative structure for small business development centers. It authorizes SBA to make grants to or enter into contracts or cooperative agreements with certain named entities to defray 50 percent of the cost of developing and operating a small business development center program, providing that no more than 50 percent of the non-Federal contributions can be in-kind contributions. The maximum grant to any center would be determined by a formula based on a pro-rata share (as determined by population) of $65 million, or $200,000, whichever amount is larger. Of course, the actual disbursed grant would be further limited by the amount appropriated in each fiscal year.

CONSISTENCY WITH STATE PLANS

The bill prohibits financial assistance to any applicant if such assistance would be inconsistent with a statewide plan which is required by the statute to be adopted by a recognized agency of the State government and then approved by SBA.

APPLICABLE PROCEDURE

In order to participate in the small business development center program, an applicant must submit to SBA for approval a statewide plan naming those entities authorized to participate, a budget, the area within the State to be served by each participant, the services to be rendered, the method for delivering such services, and any other assurance that SBA may, in its discretion, require.

CAPABILITIES

The bill provides that an SBDC must make its services available as close as possible to small businesses by providing extension services and utilizing satellite locations and State and Federal small business related programs whenever possible. Under certain circumstances, SBA may authorize an SBDC to serve out-of-State clients. In addition, the SBDC must have a full-time staff director, other "in-house" analysts, and access to professional people and facilities.

TYPES OF SERVICES PROVIDED

The bill requires that small business development centers must assist small businesses in solving problems concerning operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting, business strategy development, and other matters. This type of problem solving is needed by smaller concerns in order to foster growth and expansion, innovation, increased productivity, management improvement, and decreased industry concentration.

Services to be provided by an SBDC must include: one-on-one counseling; assisting in technology transfer; maintaining information pertaining to Federal, State, and local regulations and providing assistance to small concerns with regulatory compliance; conducting and coordinating research into technical and general small business problems; providing a library containing current information and data needed by local small businesses; maintaining a working relationship with the financial and investment communities and small business groups; conducting surveys for local small business groups to develop information pertaining to the local economy and the status of small business in that locality; and maintaining lists of local and regional private consultants and testing laboratories to which smaller businesses may be referred for assistance.

USE OF CONSULTANTS

The bill specifically authorizes the small business development center to utilize and compensate consultants, engineers, and testing laboratories for services provided to small businesses on behalf of the small business development center. When a small business development center utilizes consultants, engineers or testing laboratories, however, conferees expect that such consulting entities will be qualified small businesses whose services are competitively priced.

COOPERATION OF FEDERALLY FUNDED LABORATORIES

Laboratories operated and funded by the Federal Government shall provide services and make their facilities available to SBDCs on a reimbursable cost basis by those SBDCs utilizing such services and facilities.

The National Science Foundation sponsored innovation centers are authorized and directed to cooperate with small business development centers in their activities. The National Science Foundation is required to submit an annual report to Congress and SBA concerning the performance of these centers, with recommendations for their expansion and/or improvement.

The National Aeronautics and Space Administration-sponsored industrial application centers are also authorized and directed to cooperate with small business development centers in their activities. The National Aeronautics and Space Administration is required to submit an annual report to Congress and SBA concerning the performance of these centers, with recommendations for their expansion and/or improvement.

SBA DEPUTY ASSOCIATE ADMINISTRATOR

The conference report provides that the SBA Administrator shall appoint a Deputy Associate Administrator for Management Assistance whose sole responsibility will be to administer the small business development center program. That person will be responsible for setting the program budget, reviewing center budgets, selecting States to participate in the center program, establishing program policies, maintaining a clearinghouse to disseminate information generated by the program, and conducting audits of grant recipients. A National Small Business Development Center Advisory Board shall counsel the Deputy Associate Administrator in carrying out of the duties of that office.

NATIONAL ADVISORY BOARD

A National Small Business Development Center Advisory Board is established by this act. Nine members are to be appointed for staggered terms, with at least six members from small businesses or associations representing small businesses, and no more than three members from the academic community. The Board shall elect officers, meet at least quarterly, and shall advise the Deputy Associate Administrator with regard to policies and management of the program.

Each individual small business development center may establish its own advisory board to counsel the small business development center director with regard to policies and management of the particular center.

PROGRAM EVALUATION

The bill requires that SBA, either internally or through a firm retained by it, evaluate the small business development center program to measure, quantitatively and qualitatively, the impact of SBDC's on both small businesses and on the socioeconomic base of the regions served. The evaluation should also include the extent to which multidisciplinary resources were utilized by the center. Centers and recipients of research grants are required to furnish SBA such information as may be necessary to complete the required evaluations. The completed evaluation is to be submitted to the Senate and House Small Business Committees by no later than January 31, 1983.

PROGRAM REPEAL

The program is repealed on October 1, 1984. It should be a permanent part of the agency's management assistance program delivery.

SMALL BUSINESS ECONOMIC POLICY

The conference substitute creates the Small Business Economic Policy Act of 1980. Under that act, Congress establishes as a national policy the coordination of all policies, programs, and activities of each and every Federal department, agency, and instrumentality in order to provide an economic climate conducive to the development, growth and expansion of small business. There are to be established both public and private sector incentives to assure that adequate capital and other resources are available at competitive prices to small businesses. The policy of the Federal Government is to reduce the concentration of economic resources and to promote measures that will expand competition.

In my opinion, the Small Business Economic Policy Act of 1980 is one of the most important small business legislative milestones ever acted upon by the U.S. Congress.

The declaration of a small business economic policy will help assure continued economic diversity in this country. As we are all aware, small business has historically met vital national needs. Furthermore, a strong, vibrant small business community is one of the keys to resolving the most pressing items on our current national agenda. In terms of our quality of life and form of government, small business provides a measure of safety against excessive concentration of both public and private power.

The small business economic policy statement recognizes the attributes of the independent sector by making it manditory for the Federal Government to use all practical means to implement and coordinate all policies, programs, and goals of each and every Federal department, agency, and instrumentality in order to protect and promote the economic interests of small businesses.

Stated another way, this new policy declaration lays the basis for adopting a comprehensive strategy that cuts across the entire spectrum of the American economy. Enactment of this provision will require the making of a better environment for small businesses so that they can grow, thrive and finally, survive from one generation to another.

Also of paramount importance is the policy declaration which commits the Federal Government to establish incentives that will guarantee that reasonably priced private capital will be readily available to small businesses. In short, the Federal Government is to create, coordinate and sustain policies and programs that will induce investment in independently-owned firms.

PRESIDENTIAL REPORT ON SMALL BUSINESS AND COMPETITION

Not later than January 20 of each year, the President shall submit to Congress a "Report on Small Business and Competition," focusing on economic issues affecting the small business sector, the efficiency of the Nation's markets, and the state of competition in the economy. Specifically, this report would examine the current role of small business in the economy; present a current and historical perspective of the economic variables influencing small business; identify economic trends affecting small business and the state of competition; examine the effects of and problems caused by, policies, programs and activities of the Federal Government on small business and competition and recommend legislative and administrative solutions to such problems; and recommend a program for carrying out the small business economic policy enunciated in this title.

SMALL BUSINESS ECONOMIC RESEARCH AND ANALYSIS

The bill assigns to the SBA Administrator the responsibility for establishing and maintaining an economic data base on small business and for annually publishing a report (which shall include a small business index) giving a comparative analysis and interpretation of the historical trends of the small business sector as reflected by such data. The Administrator is to also publish, on a regular basis, national (and to the extent possible regional) small business economic indices which shall include, but need not be limited to data on:

First, employment, layoffs, and new hires;

Second, number of business establishments and the types of such establishments (such as sole proprietorships, corporations, and partnerships);

Third, number of business formations and failures;

Fourth, sales and new orders;

Fifth, back orders;

Sixth, investment in plant and equipment;

Seventh, changes in inventory and rate of inventory turnover;

Eighth, sources and amounts of capital investment, including debt, equity, and internally generated funds;

Ninth, debt to equity ratios;

Tenth, exports;

Eleventh, number and dollar amount of mergers and acquisitions by size of acquiring and acquired firm; and

Twelfth, concentration ratios.

OFFICE OF ADVOCACY EMPLOYEES

For additional employees employed by the Office of the Chief Counsel for Advocacy, not more than 10 employees may be paid at rates in excess of the maximum pay rate for GS-15, step 10 of the general schedule.

The Office of the Chief Counsel for advocacy is established at executive level IV. The administration expressed concern about this level because it is the same as that of the SBA Deputy Administrator and above the Associate Administrators. The committee does not intend to alter or interfere with the internal line authority of either the SBA Administrator or Deputy Administrator. The change is intended simply to give the Chief Counsel for Advocacy proper standing within the executive branch and thereby enable him to better carry out the responsibilities imposed upon him by Congress in Public Law 94-305.

STUDY OF SMALL BUSINESS CREDIT NEEDS

The bill directs the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation to work with SBA and the Bureau of the Census in undertaking studies to determine the credit needs of small business and to what extent such needs are being met. The results of these studies are to be provided to Congress by January 1, 1982.

The three banking regulators are also required to provide recommendations regarding the feasibility of conducting periodic sample surveys, by region and nationwide, in order to monitor the number and dollar volume of commercials and industrial loans being extended by banks to smaller concerns.

The purpose of this section is to accurately gauge, for the first time, whether small business credit needs are being met. If they are not, the Congress and the executive branch may need to respond by instituting appropriate private sector incentives to induce a sufficient flow of capital to this economic sector.

It is anticipated, however, that the responsible agencies in order to minimize the costs, may conduct the required studies by the use of an appropriately designed sample to collect the necessary data. However, efforts to minimize costs should not adversely affect the quality and integrity of the studies.

SMALL BUSINESS EMPLOYEE OWNERSHIP

The conference report contains a title creating the "Small Business Employee Ownership Act."

S. 388, the "Small Business Employee Ownership Act," passed the Senate unanimously on May 1, 1979. This title incorporates S. 388 with only minor changes.

The title states congressional findings that employee ownership of business helps to preserve jobs, increase worker productivity and company profits, provides for the continuity of existing small businesses, creates new enterprises from corporate divestitures and provides a means for broadening participation in the capitalist system. Furthermore, the continued closing of small businesses and the continued decline in productivity present serious problems for the economy. Loan guarantees for employee ownership from the SBA could help to keep businesses viable and save communities from the loss of jobs and business activity.

The purposes of the title are to provide that qualified employee trusts shall be eligible for SBA loan guarantees under the section 7(a) regular business loan program and to provide specific guidelines for cases in which the trust is purchasing a majority of the stock of a small business concern. Qualified employee trusts are defined as trusts which are part of small business concerns and which are either part of employee stock ownership plans (ESOPs) or are separate employee organizations with the legal authority of trusts. ESOP trusts are required to be maintained by a small business concern and to provide an opportunity for each participant to exercise voting rights for qualified employer securities with respect to corporate matters which by law or charter must be decided by a majority vote of outstanding common shares voted. The trustee must certify that the loan guarantee will be used only to purchase employer securities, that the small business concern will make such funds as are necessary available to the trust for the repayment of the loan, and that all participants in the trust will have a nonforfeitable right to the stock in the trust not later than the repayment date of the loan.

Non-ESOP trusts must be maintained by employee organizations representing at least 51 percent of the employees. These trusts must meet all other requirements specifically described in the legislation for ESOP trusts concerning voting rights, stock allocation, uses of the loan money, and repayment of the loan.

These trusts will be eligible for 7(a) loan guarantee assistance. The bill authorizes SBA to make loan guarantees to trusts in two separate cases: First, trusts which are part of ongoing small business concerns which seek to finance company growth through the use of an employee ownership trust, and second, trusts which seek to purchase at least 51 percent of the stock of a small business concern, or a concern which would be a small business once independently owned. In both cases, the SBA may issue regulations in addition to those requirements specified in the Act, including, in the first case, a requirement that the trust be issued a reasonable amount of voting stock.

The title specifies a number of guidelines for the second case in which a trust seeks to purchase a small business concern. In these cases, the trust must submit a plan which would provide that; First by the time the loan is repaid, at least 51 percent of the total stock of the concern will be owned by at least 51 percent of the employees; second there will be a periodic review of the role of employees in management; and third there will be adequate management expertise and continuity in the company. In these "buyout" cases, SBA may issue regulations requiring that employees must also be allotted 51 percent of the voting, as well as total, stock of the concern.

The bill requires SBA to report periodically to Congress on the status of employee-owned firms, and on those applications it has approved or denied. The legislation also provides that guarantees under this subsection may be made directly to the seller of a business when selling under an installment sale contract, provided that in the case of a default the seller has the option of, first, paying SBA an amount equal to 90 percent of the total amount paid on the contract at the time of default and reassuming title to the business (SBA being relieved of all further obligations), or second, assigning to SBA the option of assuming title to the business for an SBA lump-sum payment equal to 90 percent of the remaining payments due on the contract.

Finally, the legislation directs the Small Business Administration to conduct a study of the feasibility of extending the "guarantee-to-seller" concept to any purchaser of a small business concern. This study is to be completed by January 1, 1981.

Mr. **WEICKER.** Mr. President, since the beginning of 1978, the Small Business Committee has pursued and attempted to enact comprehensive legislation designed to assist the small business community and provide much needed guidance and direction to the Small Business Administration.

This legislation, which includes five titles, provides authorizations for the SBA for fiscal years 1981 and 1982, statutorily creates the small business development center program, provides for a small business economic policy, mandates the creation of a small business economic data base, and includes provisions to assist employees of small businesses in buying shares in their businesses through employee stock ownership plans.

Passage of these important provisions, included previously in S. 918, has been delayed due to the inability of major parties to agree on major disaster program reforms included in that legislation.

Because of this impasse, SBA has been operating without any statutory direction from its authorizing committees since October 1979. Mr. President if there is an agency which requires close congressional scrutiny and needs the guidance provided by statute, SBA is the one.

Let me highlight for my colleagues many of the important provisions of this legislation.

Title I of S. 2698 provides authorizations for SBA for fiscal years 1981 and 1982. Through line-item authorizations, the committee directs the SBA to place a greater emphasis on the nonleading programs. Of particular importance to the committee, and this Senator, are the advocacy, economic research, procurement assistance and management assistance programs.

Additionally, the legislation authorizes SBA to transfer a greater share of the loan processing and monitoring functions of the guaranteed loan program to private sector lenders. It is conservatively estimated that 40 to 60 percent of SBA personnel are directly involved with the agency's lending activities. Such a transfer of loan monitoring functions would allow the Administrator to further readjust the priorities of the agency.

Mr. President, I would like to draw to the attention of my colleagues one further matter in title I. Section 113 of S. 2698 authorizes SBA, under certain specified conditions, to guarantee debentures of State and local development companies. The local development company program is an extremely valuable method of assisting small business to obtain capital for "bricks and mortar" financing in urban and rural areas. The alternative method of financing authorized in this bill will allow local development companies to finance larger types of projects, thereby improving the economic base of the community.

Title II statutorily creates the small business development center program to provide much-needed management assistance to small firms. Bankruptcies in small businesses are expected to jump at an alarming rate this year. Many of these bankruptcies can be avoided through better management skills and policies. SBDC's, as created by title II, will provide, on a pilot basis, small firms with a unique network designed to aid in curbing this high rate of bankruptcies.

Titles III and IV of this legislation deal with small business economic policies. Under title III the President is required to transmit a report on small business and competition to the Congress each year. Title IV requires SBA to establish a small business economic data base. Mr. President, currently data is not available which provides a clear picture of what is happening in the small business economy. The development of a small business data base is critical if policymakers are to make informed decisions concerning tax and regulatory policy and its impact on the small business community.

Mr. President, 2 weeks ago the Commissioners of the White House Conference on Small Business presented their final report to the President and the Congress. Many of the Conference recommendations and the Commissioners' priority items are included in S. 2698.

The Commission recommended that:

A thorough data base on small business must be developed.

Channels to institutionalize small business' voice in policymaking be provided.

The Conference recommends that the Office of Advocacy must be reinforced and expanded and that SBA's management assistance programs should be strengthened.

The enactment of this legislation will codify these recommendations of the conference.

Mr. President, SBA has been without a specific authorization since October 1, 1979. This agency has lately exhibited a blatant disregard for congressional direction and intent. In the absence of authorizing legislation, the SBA has been able to circumvent congressional direction claiming Congress has not "officially" spoken with regard to their programs.

Programs of particular interest to the Congress have been placed on the back burner by the agency. It is imperative that the provisions included in S. 2698 be approved swiftly if the intent of Congress is to be reflected in SBA's operations.

Mr. President, S. 2698 was reported as an original bill from the Small Business Committee on May 14. This bill includes all of the provisions of S. 918 with the exception of those provisions designed to reform the disaster loan program.

The committee's report on S. 2698 stated:

> The Committee intends to vigorously pursue S. 918 in the Senate.
>
> However, recognizing that agreement on this pending legislation may require additional time, and in light of the May 15 deadline for reporting new spending legislation to the Senate as provided for by the Congressional Budget Act, the Committee has ordered an original bill reported.
>
> This bill removes all of the disaster-related provisions that were contained in the conference report and in the February 6 House passed amendment. The Committee intends that this bill be available as a reserve in the event that the present difficulties surrounding S. 918 cannot be quickly resolved.

Unfortunately, disagreements concerning S. 918 have not been resolved, and therefore it has become necessary to move S. 2698.

Though I agreed to report S. 2698 without the disaster reforms, I would draw the attention of my colleagues to the requirements of the first budget resolution. As reported by the committee of conference, the Small Business Committees must report legislation which realizes a savings of $600 million in outlays in fiscal 1981. These savings could be easily realized by enacting the disaster reforms included in S. 918. The Congress must act expeditiously to enact these reforms.

My colleagues in the Senate are well aware of the position of small business in this country today. Fiscal and monetary policies instituted by this administration have disproportionately impacted on the small business sector. Working capital is scarce, and for many small businesses nonexistent. Small businesses are filing for bankruptcy in record numbers. Much needed management assistance that could avert many business failures has not been enacted.

S. 2698 contains provisions and provides directions which are vitally important to our efforts to provide an economic climate conducive to small business success. I urge my colleagues to consider the plight of small businesses across this country, and to vote today to provide them with the tools necessary for success.

UP AMENDMENT NO. 1109

(Purpose: Making technical amendments to the bill, including conforming with the Congressional Budget Act)

Mr. NELSON. Mr. President, I send to the desk amendments and ask for their immediate consideration en bloc.

The ACTING PRESIDENT pro tempore. The amendments will be stated.

The legislative clerk read as follows:

> The Senator from Wisconsin (Mr. NELSON) proposes an unprinted amendment numbered 1109.

Mr. NELSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and, without objection, the amendments will be considered en bloc.

The amendment is as follows:

> On page 30, redesignate section 203 section 204 and insert before section 204 the following new section:
>
> "SEC. 203. Section 7(d)(1) of the small Business Act is amended to read as follows:
>
> "(d)(1) On or after October 1, 1980, the Administration shall not fund any small business development center or any variation thereof, except as authorized in section 21 of this Act: *Provided*. That in fiscal year 1980 nothing in this section or in section 21 shall be deemed to affect the operation of any small business development center which was funded by the Administration prior to October 1, 1979: *Provided further*, That no small business development center which was fund in fiscal year 1979 may be funded in excess of $300,000 in fiscal year 1980.".".
>
> On page 45, between lines 3 and 4, insert the following new sentence: "Nothing in this section shall be construed as authorizing the Administrator to enter into contracts or incur obligations except to such extent and in such amounts as are provided in appropriations Acts.".

Mr. NELSON. Mr. President, this amendment makes only technical corrections to the bill as reported by the Small Business Committee. In the first part of the amendment, a correction to title II of the bill restates the limitations on funding the small business development centers that has been contained in appropriations acts. This provision was inadvertently dropped when the committee ordered the bill reported.

In the second part of the amendment, an amendment is made to title V of the bill to bring it into compliance with the Congressional Budget Act.

I urge the adoption of the amendment.

I yield back the remainder of my time.

Mr. WEICKER. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Without objection, the amendments are agreed to.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 1110

Mr. SCHWEIKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an unprinted amendment numbered 1110.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

> Beginning with "A" on page 23, line 15, strike all through page 24, line 5, and insert in lieu thereof the following: "A small business development center shall have—
>
> "(A) a full-time staff director to manage the program activities;
>
> "(B) access to business analysts to counsel, assist, and inform small business clients;
>
> "(C) access to technology transfer agents to provide state of art technology to small businesses through coupling with national and regional technology data sources; and
>
> "(D) access to information specialists to assist in providing information searches and referrals to small businesses.".
>
> On page 25 between lines 20 and 21, insert the following:
>
> "(5) The assistance provided by small business development centers as described in this subsection shall, to the extent practicable and feasible, be provided by qualified small business vendors including but not limited to, private management consultants, private consulting engineers, and private testing laboratories.".

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of my amendment: the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kansas (Mr. DOLE), the Senator from Idaho (Mr. MCCLURE), and the Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, the amendment I am proposing today is similar to one accepted by the Senate last year during consideration of S. 918, the small business investment bill. My amendment would encourage the small business development centers authorized by S. 2698 to rely more heavily upon private sector small businesses rather than in-house staffs.

Small businesses are vitally important to our Nation's economy. Over the past decade, small- and medium-size businesses have accounted for virtually all of the new private sector jobs. Employment in firms with 500 employees or less increased by 7.5 million, while employment in firms with over 500 employees dropped by 1.2 million. In addition, small businesses accounted for more than half of all the inventions developed in the country and contributed over 43 percent to our gross national product.

Our troubling economic situation, however, has had a negative impact on businesses throughout the country. All businesses are facing more uncertainties in financing, legal restrictions, government regulations, consumer concerns and technological problems. Unfortunately, small businesses do not have the resources that large companies possess to deal effectively with these problems.

S. 2698, would attempt to assist small businesses by establishing throughout the country small business development centers to which small businessmen could bring their problems and obtain solutions. This program would be federally financed and administered through the university system in various States. I am concerned however, that S. 2698, as reported by the Senate Select Committee on Small Business, does not allow the private sector to have adequate input or access to the workings of these centers.

My amendment would state that, to the extent practicable and feasible, qualified small business firms would provide assistance to small business development centers. In addition, rather than a multiperson, full-time staff required by S. 2698, my amendment would require only a full-time staff director in each center. This would allow better use of resources outside the small business development centers, including assistance from small businesses which are equipped to provide these services.

In testimony before the Senate Select Committee on Small Business, small businessmen and organizations representing the small business community have repeatedly urged that the private sector involvement in small business development centers be increased. No one can empathize with a small businessman and assist him in solving his problems better than another small businessman who possesses the expertise he needs. I believe it is incongruous to limit small business participation in a program that is designed to help small businesses.

It is the concern of many small businesses that if the small business development centers are run exclusively by universities, the centers will be in direct competition with small businesses which are capable of providing identical services. When there has been action by the Small Business Administration's Office of Advocacy to reduce competition between the Federal Government and small businesses, we should not be promoting a program which could create more competition. The small business development centers program should be cooperative rather than competitive in nature.

My amendment has broad-based support from various organizations which represent small business concerns across the country. These include the U.S. Chamber of Commerce, the National Federation of Independent Businesses, the American Council of Independent Laboratories, the Small Manufacturers Council, the Council of Smaller Enterprises and the Pennsylvania Chamber of Commerce.

In addition, the delegates from the White House Conference on Small Business have supported the need for small business assistance programs which would utilize effective information systems and management assistance programs to serve the small business community. The delegates stressed that there should be a partnership among Government, educational institutions, and businesses. The Government's principle role should be to coordinate policy. It would also supply resources and incentives to businesses and universities, which in turn would develop specific approaches to entrepreneurial training and management assistance.

I believe the small business development centers program could achieve these goals set forth by the delegates only if there is greater involvement by the private sector.

We must design programs which will allow the participation of small businesses so that small businesses will continue to be a strong sector in our economy. Mr. President, I urge my colleagues to support my small business participation amendment.

I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. NELSON. Mr. President, I yield myself such time as may be needed. How much time is there on this amendment?

The ACTING PRESIDENT pro tempore. Thirty minutes evenly divided.

Mr. NELSON. I yield myself 5 minutes.

Mr. President, I rise to speak in opposition to the amendment offered by Senator SCHWEIKER.

The Small Business Development Center legislation has been under active consideration since the beginning of the 95th Congress in 1977. The first SBDC bill, S. 972, passed the Senate unanimously in August 1977. It has subsequently passed the Senate on two other occasions, once as part of H.R. 11445 in 1978, and last year as title II in S. 918.

The SBDC program as contained in title II of S. 2698 would establish a statutorily designed management and technical assistance program for small business concerns. It would function as an extension service program just as the highly successful agricultural extension service program operates today under the auspices of leading colleges and universities.

The key to the success of the program is to leverage all available resources currently available to small businesses plus additional services not now being provided by either volunteer or fee paid help. For instance, the SBDC administratively designed program which has been functioning since 1977 utilizes the volunteer services of the Service Corps of Retired Executives (SCORE). These experienced business people, who serve without compensation, provide invaluable assistance to locally based SBDC clients. Likewise other industry and business association sponsored programs are often coordinated by the SBDC's so that assistance is targeted to specific small business problem areas. Graduate students and faculty are also called upon to provide one-on-one counseling when and where appropriate.

In addition to these and other resources, highly skilled engineers and management consultants are often called upon to provide for a fee specialized services to SBDC client concerns. They are not, however, the principal suppliers of the assistance because to do so would simply prove to be too costly.

In committee hearings held in the spring of 1979, proposals that would require the SBDC's to deliver their services primarily through fee paid consultants were closely examined. After serious consideration, the committee concluded that to rely almost solely upon paid consultants would be prohibitively expensive, and not as effective as the proposed system.

Some interested parties, particularly the Federation of Independent Business, have been concerned that the SBDC program might be too costly. To guard against just such an occurrence, we have provided very modest program authorizations which are offset by expenditure reductions for other SBA management assistance programs which have proven to be less effective. In addition, the legislation requires the participating State SBDC's to match the Federal grants, which as a practical matter, requires the participating institutions to put up both matching cash contributions and in-kind services.

Furthermore, the amendment effectively eliminates any full-time staff for the SBDC, which committee hearings have shown would make the operation of the program unmanageable—there simply would not be anybody minding the store.

Before closing, I wish to point out to my colleagues that we have amended the original SBDC legislation to insure that private management consultants and engineers participate in the program to the extent practicable. I wish to quote from the bill:

> A small business development center is authorized to utilize and compensate consultants, engineers and testing laboratories for services provided to small businesses on behalf of such small business development center.

The bill also mentions private consultants in three other places to insure that they are made a vital part of the program. The issue is also addressed in the report of the bill.

In conclusion, the small business community needs a diversified development center managed and operated by a full-time staff which has had practical business experience. Small business does not need merely a referral service which pays outside consultants to provide all management and technical assistance.

Therefore, Mr. President, I oppose the amendment.

I would like to point out to my distinguished colleague——

The ACTING PRESIDENT pro tempore. The Senator has used 5 minutes.

Mr. NELSON. I yield myself 3 more minutes.

I would like to point out to my distinguished colleague that we have in Wisconsin now 11 centers on 11 campuses, I believe with 13 full-time employees.

I toured half a dozen of those campuses a month ago, and representatives of the business community were in attendance at every single conference every luncheon, every dinner that we had, announcing the Small Business Development Centers and their functions and operations, widely supported in my State by the business community. At several of those meetings the chamber of commerce itself was represented.

We have been in the business now in Wisconsin for quite some time, and I have yet to receive a single complaint that I can recall from any consulting service. As a matter of fact, what is happening is that the consultants like the system now since businessmen finally have learned they may need some consultation once they have been to the Small Business Development Center, and they start going for consultation to private consultants.

So the private consultants, so far as I know, are not objecting in any place in this country. There may be one or two or three I do not know because they have not called it to my attention.

Wisconsin is receiving at its 11 centers $300,000 this year, but the State has appropriated $1 million, so the State is supplying more than three times as much to development centers, and it would cripple the whole operation in my State, which is the only one I can speak for, if they were only able to have one full-time person when, in fact, they have 11 campuses, because the attempt here is to bring the consultation out to the business people in all parts of the State.

So I think the provision in the bill which was prompted by the Senator from Pennsylvania's raising the issue last year, the provision authorizing that private consultants be used to the extent practicable, is the best way to handle this problem. If at any time there are complaints or anybody wishes to have hearings because somehow or other this is taking over a role that would otherwise be played by private business, I would be happy to have the hearings. I do not think we have even gotten that kind of a complaint of any seriousness at the authorizing hearings that we held.

Mr. President, I withhold the remainder of my time.

Mr. SCHWEIKER. Mr. President, I yield myself 3 additional minutes. I am prepared to make it very brief.

I would like to ask for the yeas and nays at the appropriate time later on.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is not a sufficient second.

Mr. SCHWEIKER. I will suggest the absence of a quorum after I finish my remarks and after the chairman has any additional comments he may want to make.

Mr. President, I think it is interesting that we are setting up a very good program. I commend the committee, I commend the chairman, I commend the ranking member (Mr. WEICKER) as well for this bill.

I think it is a good bill. I think the real backbone, the real lifeblood, of our country has been the small business community.

I think it is important that we see small business firms and the inventions of these firms flowing into the mainstream, flowing into the medium- and large-sized companies, and refreshing and invigorating our economy.

By the same token, if we are going to help firms get started, if we are going to have them foster and grow, does it not make sense to use the very small business firms that have been successful in doing this? Is that not a logical thing to do? Are not the best salesmen for a successful small business the very people who showed that it could be done?

I think it is ironic that we start another Government program and immediately turn around and build an in-house staff which, in essence, begins to become a bureaucracy in itself as opposed to using the very private sector we are trying to stimulate, encourage, foster, and grow.

So I think it is a very logical amendment. My amendment does not prohibit the small business development centers, as my good friend indicates, from having a staff. It merely says the minimum shall be a full-time staff director, and then it says that to the extent practical and feasible small business development centers will use small business firms.

That does not put a lock on anybody. If it is not practical to do it, if it is not feasible to do it, if there are not people to do it, small business development centers do not have to use the private sector, they can get a staff to provide the services. Let us use the people who have succeeded, let us use the people who have the knowledge, let us use the people who have the expertise, to advise the people who need the help. I think it makes a lot more sense to do it this way than to build a lot of staffs that, in essence, may or may not have that knowledge and expertise.

I will be glad to suggest the absence of a quorum unless the chairman wants to respond for a minute or two.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. NELSON. Mr. President, I yield myself 3 more minutes.

As I read the amendment of the distinguished Senator it provides:

> "A small business development center shall have—
>
> "(A) a full-time staff director to manage the program activities;
>
> "(B) access to business analysts to counsel, assist, and inform small business clients;
>
> "(C) access to technology transfer agents to provide state of art technology to small businesses through coupling with national and regional technology data sources; and
>
> "(D) access to information specialists to assist in providing information searches and referrals to small businesses.".

I wonder if the Senator would yield for a question. Is it the Senator's intent that the business analysts and the other personnel mentioned in subs (b), (c), and (d) would be only from the private sector?

Mr. SCHWEIKER. Well, only from the private sector to the extent practical and feasible. In other words, on page 25, my amendment says "to the extent practical and feasible be provided."

But, if it is not practical or if there are not qualified people, or if it is not feasible, then that would not be true.

Mr. NELSON. I am not sure what kind of a legal situation that creates. If, in fact, it was adopted, and in my State they decided that the way they are supplying the information now through 13 full-time people, as well as consultants and others in the various departments of commerce and so forth and the university campus, whether there would be a legal situation in which suit could be brought saying that they are not utilizing business analysts and counsel and technology transfer agents "to the extent feasible," therefore, they are in violation of the law. I would worry about that.

I understand and I do not quarrel with the objective of using private consultants in those areas where private consultants are needed. What you are dealing with here is all kinds of people who are starting a business for the first time and others who need some kind of advice and consultation.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. NELSON. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. Three minutes and forty-eight seconds for the Senator from Wisconsin.

Mr. NELSON. Mr. President, how much time does the Senator from Pennsylvania have remaining?

The ACTING PRESIDENT pro tempore. Six minutes and twelve seconds.

Mr. NELSON. For example, of the people who have been serviced by the 11 Wisconsin centers, they did a poll and 95 percent said the service was valuable to them. I do not have all the percentages with me. A number of them acted upon the advice and increased the profitability of their business. One hundred percent of them said the service was good for small business. These were small business people who were talking.

One of them wrote a letter. One of them had intended to go into the furniture business. He went to the center. The center just raised a series of questions and sent him out to check them: "Where is the market? What does the market look like in the furniture field?" He knew the technology, because he worked in the field. It ended up that he found out the market was not there. He was very thankful and wrote a letter, which I read, to the small business development center and said that they saved him from wasting his time and capital from getting into an enterprise that he should not have gotten into.

I think the system is working in my State very, very well, without complaint from small business consultants, without complaint from the small business community, without complaint from anyplace, so far as I know, and with widespread support.

I would only say to the Senator from Pennsylvania: Why do we not just let it go? I would be prepared any time somebody says there are some problems out here that ought to be heard, I will arrange for a hearing and conduct it. But it seems to me we should not adopt an amendment which might very well be adverse to the objective we are seeking to achieve, even though that, obviously, is not the intent of the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I yield myself 2 minutes.

I would like to ask the chairman—he seems to be concerned about the legal status of the existing setup—would it be helpful, in terms of his consideration of this amendment, if we added a paragraph (e) to it, saying something to the effect: "Such additional staff as may be necessary"?

In other words, would that solve the legal problem or the thing that he sees as a factor? I do not see it as a factor in my amendment. But, in fact, if that is really his concern, we could put in a paragraph (e) "such additional staff as may be necessary," so that when you do not have the excess to the groups and you do not have the expertise that you feel is qualified, you certainly can have the staff. Obviously, it may not be available in all parts of the country.

On the other hand, this was my intent and if adding a sentence or two there would satisfy the chairman in terms of the present situation, I would certainly be willing to consider to modify my amendment.

Mr. NELSON. Well, I would be reluctant to do that. These centers, I think those of the older ones, have been functioning for 3 years. The problem the Senator from Pennsylvania is addressing has not, to my knowledge, been raised as a serious matter to me or to the committee or to the staff at any time.

I am worried, there is a built-in factor here that is important, and that is the matching funds that the States have to come up with.

As I said, the statute requires 50 percent matching, so we had a situation in my State where the legislature overwhelmingly—Republicans and Democrats—voted $1 million, even though they were last year only getting $40,000 in matching funds and this year $300,000. But, through our legislative process, with bipartisan support, the recognition of the support of these centers to the business people of the State resulted in an overwhelming vote for an appropriation of $1 million to run these centers. I am reluctant to take any move that might weaken the centers.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania's 2 minutes have expired.

Mr. NELSON. Has all the time of the Senator from Wisconsin expired?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has 1 minute and 40 seconds remaining.

Mr. NELSON. Mr. President, has the time that the Senator from Wisconsin been using been counted against the Senator from Pensylvania?

The ACTING PRESIDENT pro tempore. Yes, it was.

Mr. NELSON. Mr. President, I yield the remainder of my time to the Senator from Pennsylvania. I have a minute and something remaining and I did not realize I was taking up the Senator's time.

Mr. SCHWEIKER. Mr. President, did the Senator finish his statement?

Mr. NELSON. Mr. President, let me just say, so I do not take all of the time, I think, in the report on pages 11 and 12, from my point of view, we have adequately addressed the question of using consultants.

I yield the remainder of my time to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I will not take much longer. I just want to say that this particular word structure and format was approved by the groups that I mentioned in my opening remarks. So this is the consensus of the people who are active in the small business community, particularly the National Federation of Independent Businesses and groups such as the U.S. Chamber of Commerce, the American Council of Independent Laboratories and the Smaller Manufacturers Council. So this is their idea of what the problem is and what they see the need is.

Mr. President, I am prepared, at this point, to ask for the yeas and nays.

Mr. NELSON. Mr. President, I intend to move to table, if all time has expired. Has all time expired?

The ACTING PRESIDENT pro tempore. Time still remains on the amendment. The Senator from Pennsylvania has 3 minutes and 17 seconds remaining.

Mr. SCHWEIKER. Mr. President, if the chairman will assure me of a record vote, I am prepared to yield back the time.

The ACTING PRESIDENT pro tempore. The motion to table is in order when all time on the amendment has been used or yielded back.

Has the Senator from Pennsylvania yielded back all his remaining time on the amendment?

Mr. SCHWEIKER. Mr. President, I yield back any remaining time.

Mr. NELSON. I move that the amendment be tabled. I understand by previous agreement no rollcall vote will occur before 3:30.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. SCHWEIKER. I do ask for the yeas and nays, Mr. President.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is not a sufficient second.

Mr. SCHWEIKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Exon). Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 12:45 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Robert C. Byrd).

The PRESIDING OFFICER. Without objection, the clerk will call the roll to establish a quorum without the time being charged to either side.

The assistant legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER (Mr. Stewart). The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESS DEVELOPMENT ACT OF 1980

The Senate continued with the consideration of S. 2698.

Mr. BOSCHWITZ. Mr. President, I rise today in support of the pending measure, the Small Business Development Act of 1980. This bill is an extremely important piece of legislation for all the small businesses in America. It provides a needed authorization for appropriations for the Small Business Administration for fiscal year 1981 and fiscal year 1982. In separate titles, the bill also: contains statutory language establishing the small business development center program; stipulates a small business economic policy; contains important provisions relating to small business economic research and analysis; and, it contains the Small Business Employee Ownership Act, allowing employees to purchase their companies with Small Business Administration assistance.

Title I of S. 2698 stipulates program levels and authorizations for fiscal year 1981 and fiscal year 1982 for Small Business Administration programs. Specifically, the bill sets the following program levels for fiscal year 1981:

First, (7)(a) regular business loans—$4.3 billion, $4 billion of which, Mr. President, are for loan guarantees, and $300 million would be direct loans, which is the very basis of what the Small Business Administration is all about. It was established, as you may know, Mr. President, in 1953 and has provided an important source of capital for small business since that time. These loans are often used for construction, conversion or expansion, purchase of equipment, facilities, machinery, and working capital.

Second, handicap assistance—$37 million.

S. 2698 establishes a level of funding of $37 million for the 7(h) handicapped assistance program. Initiated in 1973, this program provides significant financial assistance to companies that are owned and operated by handicapped business persons.

Third, economic opportunity loans—$166 million, $90 million of which are guarantees, and $76 million of which are direct loans.

A total of $166 million is established for economic opportunity loans. This program provides funds to low income or disadvantaged persons who have lacked the opportunity to start or strengthen a small business and cannot obtain the necessary financing from other sources.

Fourth, solar and energy conservation assistance—$78 million.

S. 2698 establishes a top level of $78 million for solar and energy conservation loans for fiscal year 1981. In view of our dangerous dependence on foreign oil and increasing need to find alternative energy sources, this program will continue to be more significant in the years to come. As I recall, $33 million of the $78 million are loan guarantees, and $45 million are direct loans.

Fifth, development company assistance—$170 million.

A level of $170 million is established in S. 2698 for funding of State and local development companies. These are assistance funds to companies organized by State and local governments for the purpose of providing employment in areas where there is underemployment. This program helps State development companies provide equity capital in long-term loans to small businesses. It also helps a local development company acquire land and buildings, construct a new plant, and purchase necessary machinery and equipment.

Sixth, investment company assistance—$270 million.

S. 2698 sets a level of $270 million for investment company assistance, $228 million of which is for loan guarantees, and $42 million for direct loans.

This program provides funds to small business investment companies and minority enterprise small business investment companies for financing eligible small businesses for their growth, modernization, and expansion. This program is an important source of venture capital for many qualifying small businesses.

Mr. President, the total program level for the Business Loan and Investment Fund is set at $5.006 billion. I ask unanimous consent that a table from the committee report detailing fiscal year 1981 program levels be included in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The bill establishes the following program levels for fiscal year 1981:

	Million
7(a) Business	$4,300
Direct and immediate participation	300
Guaranteed	4,000
7(h) Handicapped	37
Direct and immediate participation	25
Guaranteed	12
7(i) EOL	166
Direct and immediate participation	76
Guaranteed	90
7(l) Solar and energy conservation	78
Direct and immediate participation	45
Guaranteed	33
Development companies	170
Direct and immediate participation	55
Guaranteed	115
Investment company assistance	270
Direct purchase of debentures and preferred securities	42
Guaranteed	228
Total BLIF	5,006
Direct and immediate participation	528
Guaranteed	4,478

Mr. BOSCHWITZ. It is important to note, Mr. President, that this bill actually authorizes appropriations of $1.187 billion for fiscal year 1981. Naturally, the actual funding levels will be set by the Appropriations Committee.

Title II of S. 2698, statutorily establishes the small business development center program. This title authorizes the SBA to make grants to States to defray 50 percent of the cost of developing and operating a small business development center program, providing that no more than 50 percent of non-Federal contributions can be in-kind contributions.

These centers are designed to assist small businesses in solving problems concerning manufacturing, sales, finance, and other matters needed for growth and expansion.

There are currently 15 pilot SBDC's operating across the country. Over 50,000 small business persons have been served by the centers in the past 2½ years. SBDC's perform an important management assistance service to the small business community.

Title III of S. 2698 establishes a small business economic policy. The purpose of this policy is to coordinate programs and activities of all Federal departments and instrumentalities in order to provide an economic climate conducive to development, growth, and expansion of small- and medium-sized business. This title also requires the President to submit to Congress an annual report on small business and competition.

Title IV of this legislation amends the Small Business Act to require the Administrator of the Small Business Administration to establish a data base of economic information pertaining to small business, and to regularly publish indices of that data.

In addition, it establishes the Office of the Chief Counsel for Advocacy at executive level 4. This is particularly significant, Mr. President, because the Office of Advocacy is one of the most important functions of the SBA. The Federal Government simply cannot respond to the needs of small business without an effective small business advocate and a comprehensive data base of small business economic information backing that advocate up.

Title V of this bill will allow SBA to make loan guarantees to employees stock ownership trusts. This title would assure that where an employee organization seeks to purchase a company that otherwise would be closed, moved, or sold to unrelated outside interests, that employee organization will be eligible for Small Business Administration assistance. There are many instances, Mr. President, in which employees would take appropriate action to preserve their company and their jobs if the necessary Federal assistance were available. This particular title provides the important language to authorize that assistance.

Mr. President, the Small Business Development Act of 1980 is an important piece of legislation for small business persons across America. This legislation reasserts the importance of small business to our national, social, and economic structure, while addressing institutional limitations placed in their path.

Mr. President, in addition to those items I have mentioned, this bill does many other things. The Small Business Administration is at the very heart of what America is all about. If we are going to move forward in the eighties, it has to be on the basis of small businesses which establish most of the new jobs in our country. Studies have shown that 66 percent of all new jobs in the United States during the decade of the seventies were firmed and created by companies with 20 or fewer employees, many of which were companies 5 years old or younger. Statistics also show that indeed 87 percent of new jobs formed during the seventies were formed by businesses with 500 employees or less.

Clearly, Mr. President, it is an important objective of the Senate and of our country to see to the health of small business. We must also guarantee that small business remains the integral part of the business community that it has been in generations before and in the development of our country as a whole.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? Will the Senator indicate on whose time the quorum call is being suggested?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1111

(Purpose: To modify the disaster loan program)

Mr. BELLMON. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON), for himself and Mr. HOLLINGS, proposes an unprinted amendment numbered 1111.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the bottom of page 19, add the following new sections:

DISASTER LOAN INTEREST RATES

SEC. 119. (a) Section 7(c)(3) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(C) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is able to obtain sufficient credit elsewhere, the interest rate shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest one-eighth of 1 percent, and an additional amount as determined by the Administration, but not to exceed 1 percent: *Provided*, That three years after such loan is fully disbursed and every two years thereafter for the term of the loan, if the Administration determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Administration, apply for and accept such loan in sufficient amount to repay the Administration: *Provided further*, That no loan under subsection (b)(1) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under such subsection would exceed $500,000 for each disaster, unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation.".

(b) Section 18(a) of the Small Business Act is amended by striking the comma after the phrase "agricultural related industries" and inserting the following: ":*Provided*, That prior to October 1, 1982, an agricultural enterprise shall not be eligible for loan assistance under paragraph (1) of section 7(b) to repair or replace property other than residences and/or personal property unless it is declined for, or would be declined for, emergency loan assistance at substantially similar interest rates from the Farmers Home Administration under subchapter III of the Consolidated Farm and Rural Development Act,".

(c) Section 18(b) of the Small Business Act is amended to read as follows:

"As used in this Act—

"(1) 'agricultural enterprises' means those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries; and

"(2) 'credit elsewhere' means the availability of sufficient credit from non-Federal sources at reasonable rates and terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time.".

(d) The amendments made by this section to sections 7(c)(3)(C) and 18(a) and (b) of the Small Business Act shall not apply to any disaster which commenced on or before the effective date of this Act.

AMENDMENTS TO CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 120. (a) Section 321 of the Consolidated Farm and Rural Development Act is amended by striking out in the first sentence all that follows after "with the assistance of such loan" through the end of the sentence and inserting in lieu thereof a period.

(b) Section 324(a) of the Consolidated Farm and Rural Development Act is amended by—

(1) striking out the first sentence and inserting in lieu thereof the following: "Loans made or insured under this subtitle shall be at rates of interest as follows:

"(1) with respect to loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, (A) if the applicant is unable to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, the interest rate shall be a rate prescribed by the Secretary not in excess of 5 percent per annum, and (B) if the applicant is able to obtain sufficient credit elsewhere, the interest rate shall be the rate prescribed by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 percent, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 percent: *Provided*, That the total amount outstanding and committed to the borrower under this paragraph (1) shall not exceed $500,000 for each disaster; and

"(2) with respect to loans or portions of loans exceeding the amount of actual loss caused by the disaster, the interest rate shall be that prevailing in the private market for similar loans, as determined by the Secretary."; and

(2) inserting in the second sentence after "*Provided*, That" the following: "for loans approved under subsection (a)(1)(B), three years after such loan is made or insured and every two years thereafter for the term of the loan, if the Secretary determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary: *Provided further*, That".

The PRESIDING OFFICER. The Chair will inquire of the Senator if this is the amendment on which 2 hours have been allotted?

Mr. BELLMON. This is the amendment.

Mr. President, this amendment has been thoroughly discussed over the past several hours with the floor manager and the ranking minority member of the committee. I believe it is well understood by Members of the Senate in that the matter has been before the Senate before.

Mr. President, this amendment would add important reforms in Federal disaster lending activities to this bill. These reforms are identical to those adopted by an 80 to 0 vote of the Senate earlier this year in Senate bill 918. They are intended to eliminate overlap and duplication in the disaster lending activities of the Small Business Administration and Farmers' Home Administration. Since 1977, agricultural enterprises have been eligible for assistance under both programs because of the SBA program's more liberal standards for providing disaster loan assistance. This amendment places the disaster loan programs of the two agencies on equal footing. It makes the two programs as consistent as possible and requires that farmers first seek assistance from Farmers' Home before being eligible for assistance at SBA. Thus, the amendment removes SBA from substantial involvement in agricultural disaster lending and reestablishes Farmers' Home, with the expertise in this area, as the primary agricultural disaster lender. It insures that farmers receive the same treatment under Farmers' Home that other business people receive under SBA.

These reforms are identical to those adopted overwhelmingly by the Senate earlier this year in S. 918 and in the fiscal year 1979 supplemental appropriations bill.

Mr. President, let me retrace briefly the history of the problem these reforms seek to address. In fiscal year 1978—the first year farmers became eligible for disaster loan assistance—both SBA and Farmers' Home disaster assistance loan volume increased dramatically over the previous year. SBA's disaster loan volume shot up from an annual average of $200 million to a record level of $2.5 billion for fiscal 1978. There was a similar increase in Farmers' Home disaster assistance loan volume. Farmers' Home emergency loan volume jumped from $1.2 billion in fiscal 1977 to $3.4 billion.

A General Accounting Office audit of the Small Business Administration and Farmers' Home disaster loan activities in fiscal year 1978 found three major factors combined to drive disaster loan program costs. These were the large number of disaster occurrences (especially the widespread drought conditions that prevailed), the lowering of interest rates on disaster loans, and the first-time eligibility under the Small Business Administration program of farmers experiencing farm crop production losses.

As you might remember, in 1977, Congress lowered the interest rate for SBA and Farmers' Home disaster loans to 3 percent on amounts up to $250,000 as a temporary, emergency response to major flooding. Prior to that action, the Farmers' Home rate was 5 percent and the SBA rate was set at the Governments cost of money—about 6.6 percent at the time. GAO estimates that $3 billion of the total $5.9 billion in fiscal year 1978 disaster loan assistance was loaned at 3-percent interest. As a result of this deep interest subsidy, the Federal Government incurred significant costs. According to GAO, the expense to the Federal Government of subsidizing $3 billion loaned at 3-percent interest is $159 million in the first year alone. The availability of these low interest, Government loans also provided an incentive to borrow. Many able to obtain credit from normal sources took advantage of these attractive loans for other than disaster-related purposes. To give one example, GAO found that a borrower with a $1.1 million net worth obtained an 8-year, $81,000 SBA disaster loan. The borrower had more than $93,000 cash on hand, and $50,000 worth of other current assets available. The loan file showed that of the $81,000 borrowed, $15,000 was paid to a bank to reduce debt and the remaining $66,000 was disbursed directly to the borrower to use for working capital. A bank official reported that the borrower put the SBA loan funds in a certificate of deposit.

The 1977 extension of SBA disaster loan assistance to agricultural enterprises for crop production losses also contributed to the high fiscal year 1978 loan volume.

For the first time, farmers became the principal beneficiaries of SBA's disaster loan assistance. Farmers were found to account for $5.2 billion—or 88 percent—of the total $5.9 billion fiscal 1978 SBA and Farmers' Home disaster assistance loan volume. Of the total $2.5 billion SBA disaster loan volume alone, $1.8 billion went to farmers.

The SBA program is more liberal in its standards for payment and coverage than the Farmers' Home emergency loan program. According to GAO, in fiscal year 1978, SBA gave larger loans, for longer terms, to more wealthy borrowers than Farmers' Home. Farmers' Home and SBA compute farm production losses differently. In addition, unlike SBA, Farmers' Home imposes a minimum loss requirement to recognize normal variances in crop production. GAO provides a hypothetical example where these differences result in a farmer receiving a $14,000 loan from Farmers' Home and a $20,000 loan from SBA—a $6,000 difference.

Another key difference was the fact that Farmers' Home required a test for "credit elsewhere" to screen out applicants able to receive financial assistance from private sources, whereas SBA did not.

Such program differences did not go unnoticed. GAO found some applicants even maximized on these differences to increase loan amounts. This was done by applicants estimating higher losses and/or claiming more acres of crops affected by disaster when applying for SBA loans than when they applied to Farmers' Home. Several examples were provided in the GAO study. One example is of a farmer whose loan application was rejected by Farmers' Home because he did not meet the program's 20-percent minimum loss requirement. The farmer later applied to SBA claiming a 40-percent loss and received a $55,000 SBA loan. Cases where farmers had obtained loans from both Agencies were also uncovered.

As I said, GAO found SBA gave larger loans, for longer terms, to more wealthy borrowers, than did Farmers' Home. The average size fiscal year 1978 SBA farm loan in the GAO sample was found to be $64,000 compared to $55,700 for Farmers' Home. Of the loans reviewed by GAO, the average repayment term for Farmers' Home loans was 8 years compared to 9 years for SBA. The average net worth for sampled Farmers' Home borrowers was $180,000, compared to $270,000 for sampled SBA farm borrowers. SBA agricultural borrowers were found to have higher incomes, more assets, greater net worth, and larger farms than Farmers' Home borrowers.

GAO's overall recommendation has been that SBA get out of the farm disaster loan business altogether; that Farmers' Home, not SBA, has the expertise in agricultural lending and in dealing with the needs of farmers.

Mr. President, since the fiscal 1978 experience, some of us have pressed the Senate to make needed reforms in our disaster lending policies to reduce Federal costs and cut down on such opportunities for fraud and abuse. The Senate made headway in this area in May of last year by passing S. 918, the Small Business Act amendments of 1979.

The disaster loan provisions in that bill were presented to the Senate as a carefully constructed compromise intended to deal with the problems of duplicative Farmers' Home and SBA disaster lending activities. This compromise made the Farmers' Home and SBA disaster lending programs as consistent as possible with respect to interest rates and a credit elsewhere test so as to allow a requirement that agricultural enterprises first seek Farmers' Home business disaster loan assistance before being eligible for such assistance at SBA. Similar provisions were contained in the House-passed companion bill.

After a long struggle in conference, and due in large measure to the efforts of the Senate Small Business Committee conferees, the conference committee reported S. 918 with these important disaster loan reform provisions intact. Unfortunately, however, the conference version included another undesirable provision designed to hide a portion of SBA's program costs in Treasury's accounts and to understate the true cost of the SBA disaster loan program by roughly $400 million per year.

It was the consensus of the Senate that such budget gimmickry is not proper; that SBA program costs should be accurately and honestly reflected; that it is unsound budgetary practice to pass a law which would seemingly reduce the cost of a Federal program by requiring some hidden part of the budget to bear a portion of the cost. The Senate rejected the conference report for this reason. By a vote of 80 to 0, this body adopted an amendment to the SBA bill—identical to the conference report in every way—except that it eliminated this unsound budget practice.

Unfortunately, Mr. President, the House did not accept the Senate's amendment. The House decided to "test the will" of the Senate and returned to us an amendment placing back in the bill essentially the same budget gimmick we struck from it. The bill now sits at the Senate desk with that undesirable House amendment.

The Senate Small Business Committee decided to avoid that issue by reporting the bill before us—a bill like S. 918, but without the disaster loan reform provisions.

Mr. President, the disaster loan program reforms approved overwhelmingly by the Senate, minus the provision designed to understate the true cost of the SBA disaster loan program, are important. These provisions do not increase disaster loan interest rates. They simply assure that SBA and Farmers' Home business disaster loan borrowers receive equal treatment. They are intended to make Federal disaster loan policy more rational by eliminating the program overlap and duplication which has resulted in opportunities for fraud and abuse.

Many areas of our Nation have been recently stricken by disaster. Savings to the Federal Government from these programs reforms are critical. They will enable us to curtail fraud and abuse, and to better focus our resources on those individuals experiencing true distress as a result of disaster. I urge my colleagues to support this amendment and approve once again these needed reforms of our Federal disaster loan programs.

I will be glad to yield at this time to the floor manager and the ranking minority member.

Mr. COCHRAN. Will the Senator yield?

Mr. BELLMON. I yield.

Mr. COCHRAN. I would like to make sure that the amendment being offered by the Senator from Oklahoma includes the amendment that the Senator from Mississippi was going to offer to the legislation. Is that amendment included as part of the amendment of the Senator from Oklahoma?

Mr. BELLMON. The amendment that the Senator from Mississippi proposes to offer is not presently in the amendment.

UP AMENDMENT NO. 1112

(Purpose: To provide the Small Business Administration with borrowing authority for the operation of its disaster relief and small business assistance programs)

Mr. COCHRAN. Mr. President, I have an amendment to the amendment of the Senator from Oklahoma which I send to the desk.

The PRESIDING OFFICER. This amendment is not in order until the time on the amendment of the Senator from Oklahoma has been used or has been yielded back, except by unanimous consent.

Mr. BELLMON. Mr. President, I am happy to yield back the remainder of my time.

Mr. NELSON. I yield back the remainder of my time on the amendment of the Senator from Oklahoma.

The PRESIDING OFFICER. All time has been yielded back.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Mississippi (Mr. COCHRAN) proposes an unprinted amendment numbered 1112 to the Bellmon amendment numbered 1111.

Mr. COCHRAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of UP–1111, insert:

Section 4(c) of the Small Business Act is amended by deleting subsections (2) through (5) and inserting the following:

"(2) The Administration is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under the revolving funds created by section 4(c)(1) of this Act and for authorized expenditures out of the funds. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Administration with the approval of the Secretary of the Treasury. The rate of interest on such notes shall be determined by the Secretary of the Treasury, and shall be not less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of loans made or guaranteed from the funds. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administration issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administration. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States. All borrowing authority contained herein shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(3) There are authorized to be appropriated, in any fiscal year, such sums as are necessary for losses incurred by the funds established by subsection (c)(1) during the preceding fiscal year.

"(4) Upon the enactment of the first appropriation providing borrowing authority for the funds estalished pursuant to subsection (c)(1), all unobligated amounts in the funds and those received by the funds thereafter as repayments of principal on loans then outstanding shall be deposited into the General Fund of the Treasury to be credited as miscellaneous receipts.

"(5) The Administration shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the average of cash disbursements outstanding throughout the year from amounts appropriated before the enactment of this Act and this interest shall be calculated solely on the amount of loan disbursements net of defaults. The rate of such interest shall be determined by the Secretary of the Treasury, and shall be not less than a rate determined be taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of loans made or guaranteed from the fund."

The PRESIDING OFFICER. Under the order, there will be 10 minutes on each side on this amendment.

Mr. COCHRAN. Mr. President, having discussed this amendment with the Senator from Oklahoma and with the manager and the ranking minority member, I would hope that the amendment could be accepted. It concerns the provision of borrowing authority for the Small Business Administration with respect to disaster assistance loans. It makes the borrowing authority subject to previous appropriations acts. The amendment does not provide borrowing authority for administrative costs, loan defaults or forgiveness, or for the interest differential between the Treasury's cost-of-money rate and the interest rate charged disaster victims. These costs will remain subject to the normal appropriations process.

My amendment is designed primarily to insure the availability of adequate funds for the SBA's disaster loan program. This amendment, which is supported by the administration, would provide the SBA with needed borrowing authority for its revolving disaster loan fund. It would make the administration of this fund more in accordance with accepted accounting and budgeting principles. In doing so, it would give the Congress a clearer picture of the true costs of this important service.

Presently, actual loan funds for this important program are dependent each year on supplemental appropriations. This invariably delays the delivery of SBA disaster loans to victims of natural disasters.

In my home State of Mississippi, victims of the Easter flood of April 1979 had to wait for many months for receipt of their disaster loans before the supplemental appropriations bill could be approved by Congress and moneys for the depleted disaster loan fund could be supplied.

This same situation is occurring now for victims of Hurricane Frederic, which struck the gulf coast of Mississippi and Alabama late last year. Because the disaster loan fund has been exhausted, disaster loans for these people will be delayed until supplemental appropriations are approved.

Indeed, virtually every victim of a declared disaster occurring since the depletion of the last disaster loan appropriation is still waiting for final delivery of their disaster loan. SBA's supplemental request of $427 million for disasters occurring prior to the end of February 1980 is still pending in Congress. This supplemental request does not include the approximately $500 million in loan demand that has occurred since February, nor does it include the loan demand that will result from the recent problems occurring in Florida, or from the tremendous destruction caused by the Mount St. Helens volcano in Washington State. Nor does this request include the loan demand arising from the many smaller, but equally destructive disasters which have occurred or will occur between now and the end of fiscal year 1980.

To continue to subject these present and future disaster victims to the delays involved in the supplemental appropriations process would be an injustice. Supplemental appropriations for all of these disasters may require several more separate appropriations bills, and many months of waiting and delay. We have an obligation to insure the rapid delivery of this needed assistance to American citizens who have suffered loss and destruction as a result of disasters. Taxpaying Americans should not have to wait for their Government to help them in their time of need.

Mr. President, this amendment would alter the present administration of the SBA's disaster loan fund and would make it more like the other 39 revolving loan funds of Federal Government agencies, including the Farmers Home Administration's emergency loan program. This amendment would give the SBA borrowing authority, subject to previous appropriations acts, adequate to meet the varying disaster loan demands for the fiscal year. Appropriations would be made by Congress to pay the costs of the program, which include for all outstanding disaster loan disbursements the interest differential between the Treasury's "cost-of-money" and the lower disaster loan rates, loan defaults, loan forgiveness, and administrative costs. In appropriating these funds, Congress would receive a clearer picture of the exact proportional costs of these program components, in accordance with good budgeting and accounting principles.

Mr. President, I am not quarreling with the amounts of money appropriated for this program. My interest is to insure the availability of funds for disaster victims. Natural and man-made disasters exact a high toll on American individuals and businesses nationwide, as the residents of my State and many other disaster-stricken States know so well. Furthermore, disaster loans are good investments for the Government to make. Repayment of these loans is over 98 percent on a historical basis. And the costs to society in lost taxes, productivity and morale if we failed to respond quickly and generously with assistance for rebuilding homes, businesses, and cities would be far greater than the direct costs of this program. I believe the Federal Government has a responsibility to provide sensitive generous relief to these citizens. My concern, and the purpose of this amendment, is to insure that the SBA have immediate access to funds sufficient to meet these obligations.

Mr. NELSON. Mr. President, this is the fourth or fifth occasion this issue has been before us. We have passed this bill three times. The last time was in January of this year when we passed it by a vote of 80 to zero. We are all familiar with what the difference has been between the Senate and the House on the interest provisions and the accounting procedures between the Small Business Administration and Treasury.

This precise amendment has not been before us before. I understand it to be a position supported by the Office of Budget and Management. So far as I am concerned, I am prepared to take the amendment to conference. We all know what the history is so I doubt whether this amendment will satisfy the House side but I am prepared to accept it and go to conference.

Mr. WEICKER. Mr. President, I also am prepared to accept the amendments of the distinguished Senator from Oklahoma (Mr. BELLMON) and the Senator from Mississippi (Mr. COCHRAN). I would ask, unless it is included in the remarks of the Senator from Oklahoma or the Senator from Mississippi, that a letter dated May 28, 1980, addressed to Senator ROBERT C. BYRD, from the Office of Budget and Management, signed by James McIntyre, be printed in its entirety in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., May 28, 1980.

Hon. ROBERT C. BYRD,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: As you know, the Senate plans to take up S. 2698 today, which authorizes funds for fiscal years 1981 and 1982 for programs administered by the Small Business Administration.

I understand that Senator Bellmon plans to introduce an amendment to reform the Small Business Administration's existing authorities to provide disaster loan assistance to agricultural enterprises. We have been informed that this amendment will be identical to the farm disaster reform provisions included in S. 918. While these provisions would not bring full farm disaster reform, they would represent an important step in removing the bulk of farm disaster assistance from the SBA. We believe the amendment is especially important at this time when demands on SBA's "Disaster Loan Fund" stemming from the Mt. Saint Helens eruption and other disasters are very substantial. Passage of this amendment will help assure that all disaster victims receive assistance on a more timely basis.

In addition, I have also been told that Senator Cochran intends to offer an amendment to S. 2698, which would change the structure and operation of SBA's business and disaster loan revolving funds. We understand this amendment is identical to one suggested by the Administration and that, if approved, it would put both SBA funds on a basis that is exactly consistent with accepted, government-wide budgetary guidelines and procedures.

The Administration supports both these amendments and I urge their favorable consideration by the Senate.

Sincerely,

JAMES T. MCINTYRE, Jr.,
Director.

● Mr. HOLLINGS. Mr. President, I support the amendment offered by my good friend from Oklahoma (Mr. BELLMON).

It would:

Limit most agricultural disaster lending to the Farmers Home Administration;

Impose a credit elsewhere test at SBA like the test at FmHA;

Revise the cost of money formula used to determine the interest rate paid by business that are able to obtain credit elsewhere;

Permit farmers who are able to obtain sufficient credit elsewhere to borrow from FmHA, but such borrowers would pay interest at the Government's cost of money;

Place a limit of $500,000 per disaster on both SBA and FmHA disaster loans.

The key to this amendment is the reform of agricultural disaster lending. To fully appreciate the need for this reform, it is necessary to look briefly at some of the findings of a GAO audit of the SBA and FmHA disaster loan programs. GAO found that the average size of SBA loans was almost 20 percent greater and the average length of an SBA loan was about 13 percent longer, compared to FmHA loans. This SBA leniency increases the cost of agricultural disaster lending.

GAO auditors also found evidence of fraud and abuse. Loan applicants were able to apply to both agencies and "shop" for the largest loan. Numerous cases were found in which applicants estimated higher losses and more acres planted when they applied for SBA loans than when they applied for FmHA loans. And borrowers were also discovered who had obtained loans from both SBA and FmHA for the same disaster loss.

Mr. President, the SBA program may benefit the little people, but it helps the wealthy even more. The average SBA farm borrower in 1978 had a gross income of $102,000 per year and a net worth of $272,000. I shall submit for the RECORD for a table showing the average financial profiles of disaster loan borrowers.

Many of the borrowers are individuals of great wealth. And each of them received loans subsidized by taxpayers with far less wealth. Consider these examples from the GAO report:

One businessman who operates several farms reported an annual gross income of $950,000, $42 million in total assets, and a net worth of $38 million. He received a $408,000 loan from SBA. The taxpayer subsidized this individual to the tune of $33,000 on the subsidized SBA loan.

Another agricultural borrower, with a net worth of $1.1 million, obtained an 8-year, $81,000 SBA disaster assistance loan. He paid $15,000 of the loan to a bank to reduce existing debt and invested the remainder in a certificate of deposit. The Government's subsidy of the loan amounts to $22,000.

The president and principle owner of a multimillion dollar corporation, with a personal net worth of $4.8 million, received a $500,000 SBA farm loan. This borrower made every effort to hold the low-interest money as long as possible, including a successful appeal to extend the life of the loan from 15 to 20 years, even though the SBA loan officer noted that the farming losses did not reflect the overall operations of the borrower and that a 15-year repayment should be no problem. When the first annual installment was due, the individual sent SBA a check for the interest only, and requested a 1-year deferral of the principal amount due. This time SBA ruled against him. The Government subsidy of this man's loan amounts to $247,000.

Mr. President, loans of this type represent questionable use of scarce Government dollars.

It was because of these problems that a compromise on disaster loan reform was negotiated between members of the Senate Small Business Committee, the House Small Business Committee and the administration. The Senator from Kentucky (Mr. HUDDLESTON) deserves credit for his leadership in negotiating this compromise which was passed by the Senate and House last year as part of S. 918.

That bill would have been signed into law by now if the House had not insisted upon including additional language that the Senate found objectionable. The House insisted upon language that exempts the SBA from paying the full cost of borrowing money from the Treasury. On January 24 of this year, the Senate defeated the conference report on S. 918 and adopted by a vote of 80 to 0 an amendment to require the SBA budget to continue to reflect the full costs of its loan programs.

Unfortunately, he House rejected the Senate amendment and sent the bill with the interest exemption largely restored back to the Senate. Since the Senate cannot again amend S. 918, the bill is now at the Senate desk.

The cost of the SBA disaster programs continues to mount. The recent disaster at Mount St. Helens and the cost of the Cuban refugee situation will tax our resources to the limit. Reform is essential to use those resources effectively.

Passage of this amendment would reduce the budget impact of the SBA disaster loan program by $0.8 billion in budget authority and $0.6 billion in outlays. The conference agreement on the first budget resolution assumes that these reforms will be enacted.

S. 2698 is the major SBA bill in the second session of the 96th Congress. The bill should address the major SBA issue: Disaster loan reform.

This amendment is identical to that adopted by the Senate in an 80 to 0 vote just 4 months ago. The issues remain the same. I urge the Senate to reiterate support both for reform of the disaster loan programs and for truth-in-budgeting.

The table follows:

AVERAGE FINANCIAL PROFILES OF SBA AND FmHA BORROWERS IN GAO SAMPLE

	FmHA borrowers	SBA borrowers		
		Farm	Business	Homeowner
Gross income	$100,296	$101,515	$139,786	$18,189
Current assets	34,804	62,230	95,952	14,956
Total assets	367,989	434,073	182,609	76,042
Current liabilities	49,419	82,107	22,891	5,514
Total liabilities	185,207	164,949	78,494	19,197
Net worth	184,073	271,672	104,616	57,968
Size of farm [1] (acres)	(752)	(849)		

[1] Includes rented land.

Source: General Accounting Office, "Farmers Home Administration and Small Business Administration Natural Disaster Loan Programs: Budget Implications and Beneficiaries," (CED-79-111).●

Mr. COCHRAN. I thank the Senator from Wisconsin and the Senator from Connecticut for their remarks and for including a copy of the letter to the majority leader describing the administration's support for these amendments. I am prepared to yield back the remainder of my time, Mr. President.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Mississippi to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the Senator from Oklahoma, as amended. We have not completed action on that.

The question is on agreeing to the amendment of the Senator from Oklahoma, as amended by the amendment of the Senator from Mississippi.

The amendment, as amended, was agreed to.

Mr. BELLMON. Mr. President, I ask unanimous consent that the distinguished Senator from North Carolina (Mr. HELMS) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. NELSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. NELSON. Mr. President, I do not know of any further amendments to the bill. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair inquires as to whose time to charge the quorum call.

Mr. NELSON. How much time is left, Mr. President?

Mr. WEICKER. Mr. President, I ask unanimous consent that the time be charged to neither side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business until the hour of 3:30 p.m. today, and that Senators may speak during that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a qourum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without obection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I would not take the floor at this time, were it not for the fact that the Senate will not be resuming consideration of the Small Business Administration authorization bill until 3:30 p.m. today, at which time votes are scheduled.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, I have been discussing the United States Senate for several weeks now, and today I should like to speak briefly about the Sergeant at Arms and Doorkeeper of the Senate.

THE SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

INTRODUCTION

The Sergeant at Arms is the principal executive, law enforcement and protocol officer of the United States Senate. His various powers and responsibilities are derived and have developed over time from several primary sources: from the statutes; from rules and regulations adopted by the Senate; from policies, regulations, and guidelines approved by the Committee on Rules and Administration; and from custom and precedent.

THE FIRST SERGEANT AT ARMS

On April 7, 1789, James Mathers, of New York, was elected Senate "Door-Keeper," a post similar to the one he had held for the Continental Congress of 1788.

The "Door-Keeper's" position was particularly significant because the Senate decided to bar the public and keep its proceedings secret, from 1789 until 1795.

On March 3, 1791, when the 1st Congress was preparing to adjourn, it passed the following resolution:

> "Ordered that James Mathers be & he is hereby authorized to take the care of the rooms appropriated for the use of the Senate, until the next Session of Congress, and also to make the necessary provision of fire wood for the next Session."

It was not until March 3, 1805, that the Senate adopted the official designation "Sergeant-at-Arms," following the practice of the English Parliament and the U.S. House of Representatives.

The first Sergeant at Arms held office at the pleasure of the Senate, without the necessity of reelection—biennial elections were not required until 1824—and James Mathers held the post until his death on September 2, 1811.

From the founding of the Republic under the Constitution, a total of 24 men have served in the capacity of Sergeant at Arms of the Senate. Two men, Messrs. Joseph Duke—whom many of us can remember in our own time—and Richard J. Bright, held the position each for two nonconsecutive periods of time.

The Sergeants at Arms of the United States Senate and their periods of service are as follows:

Name and dates of service:

James Mathers, April 7, 1789 to date of death on September 2, 1811.

Mountjoy Bayly, November 6, 1811 to December 9, 1833.

*John Shackford, December 9, 1833 to date of death in 1837.

Stephen Haight, September 4, 1837 to June 7, 1841.

Edward Dyer, June 7, 1841 to December 9, 1845.

Robert Beale, December 9, 1845 to March 17, 1853.

*Dunning R. McNair, March 17, 1853 to date of death in 1861.

George T. Brown, July 6, 1861 to March 22, 1869.

John R. French, March 22, 1869 to March 24, 1879.

Richard J. Bright, March 24, 1879 to December 18, 1883.

William P. Canady, December 18, 1883 to June 30, 1890.

Edward K. Valentine, June 30, 1890 to August 7, 1893.

Richard J. Bright, August 8, 1893 to February 1, 1900.

**Daniel M. Ransdell, February 1, 1900 to August 26, 1912.

E. Livingstone Cornelius, December 10, 1912 to March 4, 1913.

Charles P. Higgins, March 13, 1913 to March 3, 1919.

David S. Barry, May 19, 1919 to March 3, 1933.

Chesley W. Jurney, March 9, 1933 to January 31, 1943.

Wall Doxey, February 1, 1943 to January 4, 1947.

Edward F. McGinnis, January 4, 1947 to January 3, 1949.

Joseph C. Duke, January 3, 1949 to January 3, 1953.

Forest A. Harness, January 3, 1953 to January 5, 1955.

Joseph C. Duke, January 5, 1955 to December 30, 1965.

Robert G. Dunphy, January 14, 1966 to June 30, 1972.

William H. Wannall, July 1, 1972 to December 18, 1975.

Frank "Nordy" Hoffmann, December 18, 1975 to date.

THE SENATE CHAMBER

The Sergeant at Arms enforces all rules for the operation of the Senate Chamber, pursuant to his responsibility "for the enforcement of all rules made by the Committee on Rules and Administration for the regulation of the Senate wing of the Capitol and the Senate Office Buildings." [1]

The Senate floor is at all times under his direct supervision, and he is constantly in attendance during Senate sessions, except when discharging other duties elsewhere.

Privilege of the floor: The Sergeant at Arms enforces rule XXIII of the Standing Rules of the Senate in regard to the privilege of the Senate floor. He does not permit any person to enter upon or remain on the floor unless entitled to that privilege.

In reference to rule XXIII, other than the Vice President and Senators, no person shall be admitted to the floor of the Senate while in session except as follows.

I ask unanimous consent that rule XXIII, which states the personages who may have the privilege of the Senate floor, be printed at this point in the RECORD.

There being no objection, the list of personages was ordered to be printed in the RECORD, as follows:

The President of the United States and his private secretary.

The President elect and vice President elect of the United States.

Ex-Presidents and ex-Vice Presidents of the United States.

Judges of the Supreme Court.

Ex-Senators and Senators elect.

The officers and employees of the Senate in the discharge of their official duties.

Ex-Secretaries and ex-Sergeants at Arms of the Senate.

Members of the House of Representatives and Members elect.

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*Died in office. Unable to determine the exact date of death.

**Died in office. Date of death presumed to be August 26, 1912.

[1] From *Rules for Regulation of the Senate Wing of the United States Capitol* adopted by the Committee on Rules and Administration pursuant to Rule XXXIV as amended, of the *Standing Rules of the Senate*.

Ex-Speakers of the House of Representatives.

The Sergeant at Arms of the House and his chief deputy and the Clerk of the House and his deputy.

Heads of the Executive Departments.

Ambassadors and Ministers of the United States.

Governors of States and Territories.

Members of the Joint Chiefs of Staff.

The General Commanding the Army.

The Senior Admiral of the Navy on the active list.

Members of National Legislatures of foreign countries and Members of the European Parliament.

Judges of the Court of Claims.

The Mayor of the District of Columbia.

The Librarian of Congress and the Assistant Librarian in charge of the Law Library.

The Architect of the Capitol.

The Chaplain of the House of Representatives.

The Secretary of the Smithsonian Institution.

The Parliamentarian Emeritus of the Senate.

Members of the staffs of committees of the Senate and joint committees of the Congress when in the discharge of their official duties and employees in the office of a Senator when in the discharge of their official duties (but in each case subject to such rules or regulations as may be prescribed by the Committee on Rules and Administration). Senate committee staff members and employees in the office of a Senator must be on the payroll of the Senate and members of joint committee staffs must be on the payroll of the Senate or the House of Representatives.

(Mr. BOREN assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, Senate Rules also provide that the Sergeant at Arms sees to it that the messengers assigned to the doors upon the Senate floor are at their posts and that the floor, cloakrooms, and lobby are cleared at least five minutes before the opening of daily sessions of all persons not entitled to remain there.

The Sergeant at Arms is also charged by Senate Rules with the responsibility to maintain order on the Floor of the Senate, in the lobby and adjoining rooms, and in the Senate Galleries.

Executive Sessions: At the direction of the Presiding Officer, the Sergeant at Arms enforces Rule XXI of the *Standing Rules of the Senate* which requires the Chamber and galleries to be cleared of all persons, except Senators and a few necessary clerks, all of whom shall be sworn to secrecy, when the Senate considers secret matters involving national security and some executive business.

The Sergeant at Arms—as directed by the "Rules and Regulations of the Senate Wing of the U.S. Capitol" defined and adopted from time to time by the Committee on Rules and Administration, pursuant to the directive set forth in Rule XXXIII of the Standing Rules of the Senate—is responsible to keep order and decorum in and around the Senate wing of the Capitol. He enforces all of the regulations assigned to him by the Committee on Rules and Administration as set forth in the Senate manual and discussed in part in my remarks.

Use of the Senate Chamber: The Sergeant at Arms' responsibility for the Senate Floor, Galleries, and other apartments occupied by the Senate, granted under Rule I of the *Rules for the Regulation of the Senate Wing*, requires him to enforce the rules which bar the Chamber for purposes other than for "use of the Senate." Senate rules also require the Sergeant at Arms to prohibit the taking of pictures of any kind in the Senate Chamber and adjoining rooms.

The Sergeant at Arms enforces the provision of the Standing Orders which prohibit flowers in the Senate Chamber unless orders are given waiving the Senate's prohibition of them for such reason as may be necessary.

Galleries: The Sergeant at Arms is charged with the responsibility for controlling access to and use of the Senate Galleries. He must keep the gallery aisles clear of obstruction, including the rotation of persons into and out of the public galleries when the number of visitors exceeds the seating capacity. He administers the special galleries serving the news media in conjunction with committees of correspondents, and oversees the use of other Galleries set aside for special purposes. The Sergeant at Arms furnishes Diplomatic Gallery passes to the Secretary of State for distribution to designated members of the diplomatic corps, and issues gallery passes directly for foreign visitors.

Obtaining a quorum: Whenever a quorum of Senators is not present, a majority of those in attendance may direct the Sergeant at Arms to request, and, when necessary, to compel attendance of the absent Senators, even to their arrest under warrants issued by the Presiding Officer.

Pages: Under provisions of the Legislative Reorganization Act of 1970, and provisions of the *Standing Orders* of the Senate, the Sergeant at Arms puts Senate Pages on the payroll for the period of their appointment. He is responsible for the services provided by the Pages to the Members of the Senate.

Ceremonial Duties: As the Executive Officer of the Senate, the Sergeant at Arms performs those ceremonial functions which devolve upon him by precedent and custom as the chief of protocol of the Senate. On behalf of the Senate, the Sergeant at Arms personally greets and escorts the President of the United States as well as any other Head of State or official guest of the Senate whenever such person attends a Capitol function. The Sergeant at Arms proceeds at the head of the procession of Senators as they move from the Senate to the House Chamber for Joint Sessions of Congress, or to the Inaugural platform, or wherever the Senate may go as a body.

As Executive Officer, the Sergeant at Arms also has custody of the Senate gavel.

SERVICES TO SENATE OFFICES

The Office of the Sergeant at Arms provides a wide variety and range of support services to the Members of the Senate and their offices.

The Senate Service Department: The Service Department has its origins in the Senate Folding Room, which was established in the 19th century to assist Senators' offices in preparing printed material for mailing to constituents. In recognition of its broadening responsibilities which it had acquired over time, the Folding Room was renamed the Senate Service Department in 1954 by Public Law 83–470.

The functions of the Service Department have evolved over the years as technological progress and the increasing workload of Congress caused the Committee on Rules and Administration to assign new duties to the Sergeant at Arms in his capacity as Executive Officer of the Senate. Several of these functions can be identified as to point of origin; others, however, have developed gradually over an indefinite period of time as outgrowths of related existing functions.

The Department provides comprehensive communication support services including printing and reproduction, folding and insertion, and addressing and mailing of those official materials prepared for distribution to the public.

The Printing Section within the Department is a complete in-house operation equipped to make ready and print approved materials for official Senate use. The basic preparatory steps of type designing and lay-out of newsletters, including camera and stripping work, and the preparation of paper masters, negatives, and metal plates for use on the printing presses are performed by the Composing Room. The actual printing operation has evolved over recent decades from its humble origin of simple hand-operated mimeograph machines to modern hi-speed presses in direct relationship to the increasing workload of Congress and the public's rising expectations of the role of modern government.

The Addressing Section within the Service Department contains equipment for the mechanized addressing of newsletters, envelopes, or government publications. Equipment in the section affixes mailing labels prepared by the Senate Computer Center or other sources to envelopes or directly to those materials arranged in a self-mailing format.

The Folding Room Section physically prepares printed materials for mailing, including wrapping packages, inserting printed matter into envelopes, collating multi-page materials, and providing miscellaneous postal or printing services including drilling of binder holes in printed matter, cutting continuous roll stationery printed by automatic typing equipment, and placing mailable materials in trays and hampers for pickup by the Postal Service.

In addition to the foregoing, the Service Department provides to Senate offices numerous general office supplies needed to support office equipment and related services provided by the Sergeant at Arms.

In line with his historical responsibility for the procurement of various goods and services, the Sergeant at Arms acquires and furnishes mechanical office equipment for use in the Senate.

The Equipment Section which performs these tasks is included in the operations of the Senate Service Department.

Although a limited amount of micrographics equipment had been procured by a few Senate offices prior to September of 1975, it was at that time that the doors officially opened to the new centralized Microfilm Center, which had been authorized by the Committee on Rules and Administration. The Center, which was initially incorporated in the operations of the Service Department was transferred organizationally to the Senate Computer Center in 1979. The role of micrographic services is to assist Senate offices in converting paper filing systems to the more usable and compact micrographics medium.

Senate Computer Center: The Sergeant at Arms furnishes to the Senate a variety of authorized computer services. At first included in the operations of the Service Department, the Computer Center was subsequently designated a separate department within the Office of the Sergeant at Arms in 1972 in acknowledgement of the complex and diverse scope of its operations. Services to the Senate offices provided by the Computer Center have gradually expanded and presently include processing and handling of mailing lists for Senate offices, indexing and abstracting of office files (including those files now being placed on microfilm), and computer terminal assistance including training, systems assistance, and terminal installation and repairs. Computer terminals in Senate offices are being used to provide information about legislative business before the Congress as well as to process correspondence directed to constituents and the general public.

The Senate Computer Center performs various functions of general benefit to the Senate including: the Senate payroll and voucher system, campaign finance records, fiscal systems, vote tally system, and Senate equipment inventory.

Communications Services: The Sergeant at Arms provides telephone and other telecommunications services to the Members of the Senate and approves vouchers for their payment from each Senator's consolidated office allowance. Covered services include telephones, telecopiers, TWX (Western Union teletype), and State Department cables (for official overseas communications).

The U.S. Capitol Telephone Exchange is operated under the joint jurisdiction of the Sergeant at Arms of the Senate and the Clerk of the House of Representatives and provides an integrated system of telephone service to the Congress of the United States.

The Sergeant at Arms exerts exclusive jurisdiction over those services provided directly to the Senate complex and exercises specific authority over the Chief Operator, by virtue of the physical location of the Exchange in the Dirksen Senate Office Building. He also prepares a Senate phone directory.

The first Senate telephone operator was authorized to be employed by the general appropriations act of August 5, 1882.

Home State Offices: The Sergeant at Arms approves for payment the rental fee for office space in an amount determined by law for each Senator's official use in the State he represents. That space is secured by the Senator in Post Offices or other Federal office buildings unless suitable office space is not available, in which case commercial office space is used. Senators are also allowed a maximum of one mobile state office within their overall space allocation.

Senate Recording Studio: In 1947, a Joint Senate and House Recording Facility was established to assist Members of both Houses in preparing broadcasting materials, including disk, film, and tape recordings. In 1956, the joint facility was abolished with separate House and Senate Recording Studios being established in its place. By statute, operation of the Senate Recording Studio is supervised by the Sergeant at Arms of the Senate, under rules and regulations established by the Committee on Rules and Administration.

The statute established a revolving fund, supervised by the Sergeant at Arms, from which money for the care, maintenance, operations, and miscellaneous expenses of the Senate Recording Studio is paid. The Sergeant at Arms collects payments for use of the studio.

Senate Post Office: The responsibility of the Sergeant at Arms for the operation of the Senate Post Office is verified as far back as available Appropriations reports maintained by the Senate Disbursing Office go to the year 1922, with the implication that such jurisdiction was exercised back into the 19th Century.

The Post Office delivers regular U.S. mail as well as a variety of specialized Congressional communications (such as the Congressional Record, Senate Calendars, etc.) to the Senate offices. Pick-up service at designated points is also provided for inter-office and outgoing mail.

Senate Automobiles: In 1913 the Senate acquired its first automobile. Provided for the official use of the Vice President, the purchase, maintenance, and operation of the vehicle was supervised by the Sergeant at Arms of the Senate. In 1919, the War Department was directed by provisions of the Legislative Branch Appropriations Act of that year to deliver whatever surplus motor vehicles were in its possession to the Congress for use by the Sergeant at Arms of the Senate, the Sergeant at Arms of the House, and the Architect of the Capitol in the performance of their official duties.

In recent years, official automobiles have been provided for the Vice President, the President Pro Tempore of the Senate, and the Senate Leadership, for carrying the mails, and for official use of the offices of the Secretary and the Sergeant at Arms.

The Sergeant at Arms has authority over driver-messengers assigned to the vehicles, and over maintenance and replacement of the vehicles.

CAPITOL SERVICES

As provided in Rule I of the *Rules for the Regulation of the Senate Wing of the United States Capitol*, the Sergeant at Arms as Executive Officer of the Senate is responsible for "the enforcement of all rules made by the Committee on Rules and Administration for the regulation of the Senate wing of the Capitol and the Senate Office Buildings."

In compliance with this sweeping mandate, the Sergeant at Arms exercises jurisdiction over various activities which are of general application in the Senate complex and particular application in the Senate Wing of the Capitol.

Capitol Police Board: As the chief law enforcement official of the U.S. Senate, the Sergeant at Arms is empowered by statutory authority to enforce applicable laws, rules, and regulations within the Senate complex, and, pursuant to Senate order, may be empowered to arrest anyone, including the President of the United States, including the President of the Senate pro tempore, and including the majority leader of the United States Senate, the minority leader of the United States Senate, and any other Member of the Senate. The Sergeant at Arms also issues subpoenas at the direction of the President of the Senate or a committee chairman.

As a member of the Capitol Police Board (along with the Sergeant at Arms of the House and the Architect of the Capitol), and as its Chairman during odd-numbered years, the Sergeant at Arms oversees the policing of the U.S. Capitol Buildings and Grounds by the Capitol Police, particularly as this affects the Senate side.

In addition to police powers granted by other laws, the Sergeant at Arms has had authority since 1867 to make such regulations as may be deemed necessary for preserving the peace, preventing defacement of the Capitol and Senate Buildings, and for the protection of the public property therein. He has power to arrest and detain any person violating such regulations until such person can be brought before the proper authorities for trial.

The Sergeant at Arms has had responsibility on the Senate side since 1878 to require the police to prevent any portion of the Capitol Grounds and terraces from being used as playgrounds or otherwise, so far as may be necessary to protect the public property, turf and grass from destruction or injury.

Through the auspices of the Capitol Police Board, the Sergeants at Arms and the Architect of the Capitol share exclusive charge and control of the regulation and movement of all vehicular and other traffic, including the parking and impounding of vehicles, within the Capitol Grounds.

Capitol Guide Service: The Sergeant at Arms is one of three members, along with the Architect of the Capitol and the Sergeant at Arms of the House, of the Capitol Guide Board, which directs, supervises, and controls the Capitol Guide Service. In odd-numbered years the Sergeant at Arms of the Senate serves as Chairman of the Board.

The responsibilities of the Guide Board are mandated by the legislative Reorganization Act of 1970, which established the Guide Service as it is presently constituted.

Capitol Building Maintenance: In general terms, the Sergeant at Arms is responsible for the procurement and maintenance of all furnishings and office equipment in the Senate Wing of the Capitol.

The Sergeant at Arms exercises jurisdiction over personnel such as janitorial and housekeeping staff, restroom attendants, elevator operators, cabinet makers, upholsterers, locksmiths, etc. (By contrast, the Architect of the Capitol is responsible for the general maintenance and upkeep of the physical structure of the Capitol and oversees such services as electrical, plumbing, painting, etc.)

The Sergeant at Arms is responsible for the sale and/or disposition of surplus or worn out furnishings and equipment under his jurisdiction.

PERSONNEL ADMINISTRATION AND MISCELLANEOUS SERVICES

By statutory grant, the Sergeant at Arms of the Senate is given broad latitude in the employment, termination, and compensation of employees in his office. This authority was granted to all officers of the Congress in the Legislative Reorganization Act of 1970, and includes a grant of authority over "employees appointed upon recommendation of Members of Congress," as well as staff hired through normal personnel channels.

The Sergeant at Arms also has limited discretion in setting an employee's salary. Legislative Branch Appropriations Acts will frequently stipulate that an employee in a given position will not be paid at a rate exceeding a specified amount. Within that ceiling, the Sergeant at Arms is permitted to fix the salary at a lesser amount.

Since 1874, the Sergeant at Arms has been prohibited from receiving any additional compensation for the performance of his duty, and in recent years officers and employees of the Senate have been prohibited from engaging in outside business or professional activity which might be inconsistent or in conflict with the performance of their official duties. The Sergeant at Arms is directed by the *Standing Rules of the Senate* to assure compliance with this directive by employees under his jurisdiction, and the Sergeant at Arms is, in turn, supervised by the President Pro Tempore of the Senate.

In addition to proscribing outside employment involving a potential conflict of interest, the Sergeant at Arms and employees of his office are barred from acting as financial officers in a political campaign for Federal elective office.

Within the limits of available funding, the Sergeant at Arms is permitted to appoint special deputy Sergeants at Arms to assist in the performance of duties entrusted to his office by law, rule, or order of the Senate, or by other directive. The Standing Orders of the Senate declare that actions performed by such special employees shall have the same legal force as if they were performed by the Sergeant at Arms personally.

By regulation, the Sergeant at Arms is also permitted to assign messengers on his staff to serve on the doorkeeping force.

Miscellaneous Services: The Sergeant at Arms is directed by statute to have a monument constructed for each deceased Senator buried in the Congressional Cemetery in Washington, D.C. The authorizing statute specifies the construction materials and format to be followed in such monuments and directs that the costs of the monuments be defrayed by the contingent fund of the Senate. This authority, also held by the House Sergeant at Arms for deceased Representatives, is little used. Since 1950, no Member of Congress has been buried in the Congressional Cemetery.

By custom, the Sergeant at Arms heads the delegation representing the Senate at the funeral of a deceased Member.

As an extension of his responsibility to enforce regulations for the Senate Wing of the Capitol and for the Senate Office Buildings, the Sergeant at Arms issues identification cards for Senators, spouses of Senators, and officers and employees of the Senate.

The Sergeant at Arms oversees and directs the operations of the two Senate Barber Shops and Senate Beauty Salon. Services provided by these facilities are authorized upon recommendation of the Sergeant at Arms by the Committee on Rules and Administration.

CONCLUSION

From a rather humble beginning, the Office of the Sergeant at Arms and Doorkeeper of the United States Senate has developed over many decades into the largest single entity within the Senate—the office today comprises an administrative services organization employing some 1,200 persons and involving a dozen major departments and activities.

I will have more to say on another day about the Senate Sergeant at Arms.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESS DEVELOPMENT ACT OF 1980

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2698. The question is on agreeing to the motion to table an unprinted amendment No. 1110 offered by the Senator from Pennsylvania (Mr. SCHWEIKER). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from New York (Mr. MOYNIHAN), the Senator from Georgia (Mr. NUNN), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from California (Mr. HAYAKAWA), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators present desiring to vote?

The result was announced—yeas 22, nays 63, as follows:

[Rollcall Vote No. 157 Leg.]

YEAS—22

Baucus
Byrd, Robert C.
Culver
DeConcini
Glenn
Hollings
Huddleston
Inouye
Jackson
Johnston
Levin
McGovern
Matsunaga
Melcher
Metzenbaum
Nelson
Pell
Proxmire
Ribicoff
Stevenson
Stewart
Williams

NAYS—63

Armstrong
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Byrd, Harry F., Jr.
Cannon
Chafee
Chiles
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Lugar
McClure
Magnuson
Mitchell
Morgan
Packwood
Percy
Pressler
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Young
Zorinsky

NOT VOTING—15

Baker
Bayh
Biden
Bumpers
Burdick
Church
Cranston
Goldwater
Hayakawa
Kennedy
Long
Mathias
Moynihan
Nunn
Talmadge

So the motion to lay on the table Mr. SCHWEIKER's amendment (UP No. 1110) was rejected.

Mr. DOLE. Mr. President, I want to commend the distinguished Senator from Pennsylvania, Senator SCHWEIKER, on his amendment to the Small Business Administration authorization bill. This amendment will require specific private sector involvement in small business development center programs.

SMALL BUSINESS HELPING SMALL BUSINESS

Mr. President, S. 2698, the small business authorization bill attempts to assist small businesses by establishing throughout the country small business development centers to which small businessmen could bring their problems and obtain solutions. This program would be federally financed and administered through the university system in various States. However, I share the same concern as my colleague from Pennsylvania, in that the bill as reported by the Senate Select Committee on Small Business, does not allow the private sector to have adequate input or access to the working of these centers.

It is the understanding of this Senator from Kansas that this amendment would remove the legislative requirement for a large in-house development center staff and would require that to the extent practicable and feasible the services of these centers would be performed by the private sector. These centers could then operate more as clearinghouses for market information rather than as competitors in the marketplace.

Mr. President, this amendment is in line with one of the recommendations resulting from the White House Conference on Small Business. This recommendation promotes the establishment of "one-stop shops" under the coordination of SBA for small business assistance programs utilizing effective information systems and management assistance programs to serve the small business community on the local level, with primary implementation occurring through the private business sector, existing agencies, and existing organizations.

Acceptance of this amendment would bring this measure into concert with the recommendation of small businesses across the country. Mr. President, I urge adoption of this important amendment.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was agreed to.

Mr. SCHWEIKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, I commend the chairman of the Senate Small Business Committee for bringing this important legislation to the floor. Although this bill will benefit small business in a number of significant ways, I am particularly pleased to note that title III of the bill includes many of the concepts of S. 1540, the Competition Review Act, and provides for an annual report to Congress on small business and competition to be prepared by the President.

As the chairman of the Small Business Committee knows, this is an idea I have long been interested in. In 1979 Senator PRESSLER and I introduced legislation to provide for a study of the degree of concentration in 12 basic industries, and of the laws and policies of the United States for their effect on competition. I introduced the same bill in 1977, and the Senate Small Business Committee held hearings on it at that time. The study provided for in the pending bill is similar in many ways. I have a few questions about it, however, and would like to engage in a short colloquy with the chairman to clarify several issues.

Mr. NELSON. I appreciate the remarks of the Senator from Colorado and share his enthusiasm for the type of study of small business and competition provided for in this bill. In many ways S. 1540, the Competition Review Act which Senators HART and PRESSLER introduced last July, served as the model for the language which we have incorporated into this legislation. I would be pleased to answer any questions the Senator might have.

Mr. HART. Mr. President, the legislation states that the President's report on small business and competition shall examine the role of small business in the economy on an industry-by-industry basis. S. 1540 provided for a study of the major industries of the United States which would include but not be limited to the following specific industries:

First, chemicals, pharmaceuticals, and other ethical drugs;

Second, electrical machinery and equipment;

Third, electronic computing and communication equipment;

Fourth, energy;

Fifth, iron and steel;

Sixth, nonferrous metals;

Seventh, motor vehicles;

Eighth, transportation;

Ninth, newspaper publishing and communications;

Tenth, financial institutions;

Eleventh, the paper and corrugated container industry; and

Twelfth, the food industry.

We chose these 12 because they are the keystone industries of our economy and provide our most essential goods and services. In each there is a significant amount of Government regulation, a high degree of concentration, or both. Is it your intention that the President's report would focus on basic industries such as these, in addition to any others it might select to study?

Mr. NELSON. The Senator from Colorado raises a good point. As you suggest, it would be the hope of the Senate Small Business Committee that the report focus on our most basic industries. The industries which you mentioned are, because of their size, their nature, their services, and the products they offer, at the very heart of our economy. No report on competition and small business would be complete which did not include some analysis of competition and the role of small business in these keystone industries.

Mr. HART. Mr. President, the pending legislation also provides for the study of the effects on small business and competition of policies, programs, and activities, including, but not limited to, the Internal Revenue Code, the Employee Retirement Income Security Act, the Securities Act of 1933, and the Securities Exchange Act of 1934, and regulations promulgated thereunder.

The Competition Review Act provided for a similar study and specified as targets for study the antitrust laws and exemptions to the antitrust laws, the patent laws, the National Labor Relations Act, and Federal contracting and bidding practices. Is it the intention of the committee that the President's report include a study of the effects of important laws, policies, and practices such as these in addition to those specified in section 303(A)(4) of the bill?

Mr. NELSON. I would say definitely yes. The language of this bill providing for such a study is written in terms of "including, but not limited to" so there would be the flexibility and authority to study the antitrust laws, the patent laws, and the other items you suggested.

Mr. HART. Finally, Mr. President, one of the strengths of the Competition Review Act was that it provided for more than merely a factfinding study. It required that recommendations of legislative and executive action be forwarded to Congress. Is it your intention that the President's report to Congress include recommendations such as those contemplated by Competition Review Act which could then result in legislative action to promote competition and small business?

Mr. NELSON. Yes, this is another important point. Again, this bill incorporates the concepts of the Competition Review Act, and provides for the study to result in recommendations for legislative and administrative action.

Mr. HART. I thank the chairman for clarifying for me the various provisions of the study provided for in this bill, and I commend him once again for bringing this measure to the floor. I believe such a study is long overdue. We should not abandon the idea of an open competitive free market system because it has been given a fair chance. We must encourage the development of a healthy small business community threatened by neither monopolistic nor oligopolistic firms on the one hand, nor a mountain of Government redtape on the other. And, we owe it to small businesses in America to determine whether Government policies and procedures are responsible for small business decline. The problems facing small business today—inflation, unfair taxation, overregulation—are all due in part to an economic structure that has substituted concentration for meaningful competition. The type of study outlined in S. 1540, the Competition Review Act, and now incorporated in this bill, is an important first step in addressing this problem.

Mr. PRESSLER. I would like to join my colleague, the Senator from Colorado, in support of focusing the provisions already contained in S. 2698 toward the study of concentration in 12 key industries.

As a cosponsor of S. 1540, the Competition Review Act, I am pleased the Small Business Committee has recognized the need to study industry concentrations and their impact on our Nation's small businesses.

We need to preserve active competition and strengthen small- and medium-sized businesses. The economic uncertainties and accelerating inflation of recent years have forced many corporations to seek acquisitions rather than risking new business ventures as a means of expanding.

The present wave of corporate mergers far surpasses any of those we have experienced in the past. Oftentimes those acquisitions are small businesses. Since the vast majority of businesses in my State of South Dakota are small businesses and farms, the competitive economy of South Dakota is threatened by acquisitions by conglomerates.

In spite of the lipservice paid to small business, we are turning more and more to huge conglomerates as the base of our economy. This growth of big business has blurred our memory of the small farmer, inventor, and craftsman who made America the leader in agriculture, trade, and ingenuity.

Many economists have concluded that greater efficiency is not necessarily gained by the growth of conglomerates. Indeed, creativity and innovation are often lost as industries become more concentrated. The National Science Foundation has a study which indicates that small and medium-sized businesses have been responsible for most of the advanced research and development carried out in our country.

The twelve industries my colleague from Colorado just outlined are of tremendous importance to our Nation's economy. Many of the firms in these industries are small and medium-sized businesses. It is in our national interest to investigate the impact concentration is having, or may ultimately have, on these smaller businesses. Diversity is necessary for the future of these industries and our Nation's economy.

My State of South Dakota is made up of small businessmen and farmers. That is partially why I am so concerned with this study. In addition to safeguarding the interests of small businesses, small farms and diversity in all industries, I have a special concern for the need to encourage competition in the entire communications industries. In an effort to expand their economic bases, a few large conglomerates have assembled some of the most lucrative businesses in the Nation. Media conglomerates extend operations into every facet of communications. Big is not necessarily bad. New technologies are transforming communications. It is most important that we gage the impact of concentration in this industry before we one day find that our information and entertainment sources are largely controlled by two or three large conglomerates.

I wish to commend my colleague from Colorado on his excellent work on the Competition Review Act, and the distinguished chairman and ranking member of the Small Business Committee for their leadership.

● Mr. HATCH. Mr. President, for years the only friend of small business within the Federal Government has been the Small Business Administration. Unfortunately, the past limited authority of the SBA has not provided an adequate voice for small business. Recently, however, the Small Business Committee, of which I am a member, has witnessed the formulation of the Office of Advocacy within the SBA, which office was mandated by the Senate Small Business Committee in a past Congress. I personally have been pleased by the performance of this office, but I feel that advocacy of small business before the bureaucracy must increase and improve, or small business must suffer grave consequences. If the recent actions of the Fed are any indication of the success of SBA in advocating for small business before the Federal Government, then indeed, their advocacy leaves much to be improved upon.

Mr. President, one of the few positive results of the recent economic crunch has been a greatly increased public awareness of the role of small business in our economy. At best, however, this awareness has been distressing. Recently, it has been projected that nearly one-quarter of a million businesses will fail as a result of high interest rates and marginal credit availability. Past studies have estimated that 90 percent of business failures are attributable to managerial deficiencies. Truly, the economic conditions of today will test the talents of even the finest manager.

In addition to providing a generous authorization to the SBA, this bill provides the vehicle for greatly enhancing SBA's ability to advocate for small business before our ever-growing bureaucracy. Title III of the bill provides for a Presidential report to be transmitted annually to Congress describing the competitive position of the small business community in the economic market of America. And title IV of the bill provides for the establishment of a small business economic data base which will allow the executive and legislative branches of our Government to precisely assess the status of the small business community.

Title II of S. 2698 contains what is called the Small Business Development Center Act of 1980. The small business development center program (SBDC) is one of the innovative programs of the last decade which can provide the business community the managerial resources needed to overcome the inadequacies of any business manager. Presently the SBDC program is funded as a pilot program involving each of the 10 Federal regions. We in Utah have been most fortunate to observe the establishment of a pilot SBDC at the University of Utah. Although there are many who declare the ultimate failure of the SBDC program, the experience of the SBDC at the University of Utah under the direction of Dr. James Rand, the executive director, indicates the contrary.

The SBDC at the University of Utah has been in existence only 6 months and has participated in over 400 counseling actions. They have held seminars in every quarter of the State and have provided all services to the small business community at no cost. The center has utilized the entire resources of the graduate school of business including faculty and staff and more importantly, have used the services of private consultants and volunteers. The purpose of our Utah SBDC is to strengthen the 30,000 small business firms in Utah who lack the resources to develop effective long-term planning and business development.

I commend Senator NELSON for his ability to forge a consensus in this bill and for inclusion of the SBDC program as an integral part of the small business policy of the United States.

Hopefully, through the efforts of strong advocacy within the administration, the conscientious efforts of those who staff the SBDCs in the field, and with the continued innovative efforts of the private sector to adjust economic capabilities to unusual circumstances that small business will continue to flourish as the dominant force in American society and the free world.●

CARTER ADMINISTRATION FAILS SMALL BUSINESS COMMUNITY

Mr. SCHMITT. Mr. President, I am pleased to support S. 2698, The Small Business Development Act of 1980. This bill authorizes program levels for a variety of SBA activities, including the business loan program, handicapped loans, investment company assistance, and the disaster loan program. This legislation has been delayed for some time due to problems associated with the disaster loan program, and I am hopeful that these problems can be resolved so that this bill can be passed at the present time.

While I do support the bill, I am regretful that there is little in this legislation that addresses the real needs of the small business community. One need only examine the recommendations of the White House Conference on Small Business to see how far out of step this administration is with reality. These recommendations were developed in a comprehensive process that involved 1,682 small business delegates from every State in the Union.

These recommendations are a carefully drawn series of proposals with the objective of restoring economic health and vitality to our economy. Small business people feel threatened by current economic conditions, and increasingly they are pleading for fundamental changes in national economic policy.

Unfortunately, the Carter administration has shown itself incapable of responding to the needs of small business people. Of the top five recommendations of America's small business community, the Carter administration has rejected them all.

Recommendation No. 1 is to "replace the present corporate and individual tax schedules with more graduated rate scales, specifying the graduated corporate tax scale up to $500,000." The Carter administration has opposed tax cuts in the current year and has instead allowed taxes to increase by some $100 billion.

Recommendation No. 2 is to "adopt a simplified accelerated capital cost recovery system to replace the present complex asset depreciation range (ADR) regulations, with provisions such as immediately expensing capital costs less than a specified amount; immediately expensing Government mandated capital costs; and the creation of a maximum annual benefit that may be derived from the system." There is legislation currently pending in both the House and Senate that would permit accelerated depreciation for a variety of capital expenses, fulfilling in part the goals of this recommendation. This is the so-called 10-5-3 proposal. Unfortunately, the administration opposes this legislation.

Recommendation No. 3 is to "balance the Federal budget by statute in fiscal year 1981 by limiting total Federal spending to a percentage of GNP, commencing with 20 percent and declining to 15 percent." The Carter administration has attempted to balance the budget not by reducing spending but by raising taxes. Total Federal spending as a percentage of GNP has actually increased to a level of approximately 21.8 percent rather than declined. This is the highest percentage since World War II.

Recommendation No. 4 is to "revise estate tax laws to ease the tax burden on family owned businesses and encourage the continuity of family ownership." The Carter administration had an opportunity to take a position on this issue during the recent debate on the carryover basis proposal in the windfall profit bill. Had the "carryover basis" gone into effect, it would have raised considerably the taxes on inherited estates. The administration stenuously opposed repeal of the carryover basis and worked actively to thwart efforts to eliminate this onerous and burdensome provision.

Recommendation No. 5 reads in part, "Congress shall exercise line-item veto over regulations within a specified time through congressional oversight committees, with one-House floor vote." The Carter administration, for the past 3 years, has opposed every effort to apply a legislative veto to the regulations of Federal agencies. It has lobbied against all such proposals; and the President has, on several occasions, threatened to veto any legislation containing a legislative veto provision.

Mr. President, this is the record of the Carter administration as it pertains to the top five recommendations of the White House Conference on Small Business. In many respects it resembles the President's record in handling the economy as a whole. He is batting a thousand. A thousand percent wrong.

I supported the President's decision to follow the Senate's lead and call for a White House Conference on Small Business. Conferences with the small business community of New Mexico and delegates to the Conference were jointly sponsored by me and local chambers of commerce. As a result our delegates were well prepared. I am hopeful that the President now intends to do more than simply use the Conference as a forum for self-promotion. The recommendations of the participants must be turned into realities. It is not enough to have a conference. The plight of small business requires action. The administration, however, has shown that it is far more interested in talking about small business than in doing anything about its problems.

The PRESIDING OFFICER. Are there further amendments? If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Do the managers of the bill yield back their time?

Mr. NELSON. Mr. President, I yield back the remainder of my time.

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, and the bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH) the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from New York (Mr. MOYNIHAN), the Senator from Georgia (Mr. NUNN), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting the Senator from North Dakota (Mr. BURDICK) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from California (Mr. HAYAKAWA), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators present desiring to vote?

The result was announced—yeas 83, nays 2, as follows:

[Rollcall Vote No. 158 Leg.]

YEAS—83

Armstrong
Baucus
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Mitchell
Morgan
Nelson
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—2

Proxmire
Roth

NOT VOTING—15

Baker
Bayh
Biden
Bumpers
Burdick
Church
Cranston
Goldwater
Hayakawa
Kennedy
Long
Mathias
Moynihan
Nunn
Talmadge

So the bill (S. 2698), as amended, was passed, as follows:

S. 2698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AUTHORIZATIONS AND MISCELLANEOUS AMENDMENTS

PART A—PROGRAM LEVELS AND AUTHORIZATIONS

SEC. 101. Section 20 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(h) The following program levels are authorized for fiscal year 1981:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $300,000,000 in direct and immediate participation loans, and $4,000,000,000 in deferred participation loans.

"(2) For the programs authorized by section 7(h) of this Act, the Administration is authorized to make $25,000,000 in direct and immediate participation loans and $12,000,000 in guaranteed loans.

"(3) For the programs authorized by section 7(i) of this Act, the Administration is authorized to make $76,000,000 in direct and immediate participation loans and $90,000,000 in guaranteed loans.

"(4) For the programs authorized by section 7(l) of this Act, the Administration is authorized to make $45,000,000 in direct and immediate participation loans and $33,000,000 in guaranteed loans.

"(5) For the programs authorized by sections 501, 502, and 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $55,000,000 in direct and immediate participation loans and $115,000,000 in guaranteed loans and guarantees of debentures.

"(6) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $42,000,000 in direct purchase of debentures and preferred securities, and to make $228,000,000 in guarantees of debentures.

"(7) For the programs authorized in part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,530,000,000.

"(8) For the programs authorized by sections (7)(b)(3) through 7(b)(9) and 7(g) of this Act, the Administration is authorized to enter into $110,000,000 in loans, guarantees, and other obligations or commitments.

"(9) For the programs authorized by sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $250,000,000.

"(10) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b) and 7(g) of this Act; and there are authorized to be transferred from the disaster loan revolving fund such sums as may be necessary and appropriate for such administrative expenses.

"(i) There are authorized to be appropriated to the Administration for fiscal year 1981, $1,187,000,000. Of such sum, $865,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (h), paragraphs (1) through (6); $76,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $242,000,000 shall be available for salaries and expenses of the Administration of which amount—

"(1) $13,200,000 shall be available for procurement and technical assistance; of which amount not less than $2,000,000 shall be available for technical assistance, and of this amount not less than $629,000 shall be used to pay for the continued development of a procurement automated source system, and not less than $825,000 shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain, and interpret the appropriate technology for such small businesses and not more than $200,000 shall be available for a study the purpose of which shall be to define and describe the forest products industry and, in particular, to define and describe that portion of the forest products industry which consists of small businesses, to identify the trends and conditions affecting the survival of small businesses as a viable portion of the forest products industry, and to propose actions and programs to assist and promote a broadly based, nonconcentrated, healthy forest products industry.

"(2) $23,100,000 shall be available for management assistance, of which amount not less than $880,000 shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist.

"(3) $8,800,000 shall be available for economic research and analysis and advocacy, of which amount not less than $2,200,000 shall be used to employ at least sixty-nine staff people for the Office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94–305; not less than $1,650,000 shall be used to develop an external small business data bank and small business index; and not less than $1,650,000 shall be used for research.

"(4) $27,500,000 shall be available for the Office of Minority Small Business and Capital Ownership Development, $12,414,000 of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act.

"(5) $9,900,000 shall be available for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, to the installation of terminals in Administration field offices, and to the development of an indicative small business data base comprised of names and addresses and related information, of which amount not less than $1,100,000 shall be used to pay for development of such indicative small business data base.

"(6) $20,000,000 shall be available for matching grants to small business development centers, and an additional $550,000 shall be available for the administration of the small business development center program.

"(j) The Administrator may transfer no more than 10 percent of each of the total levels for salaries and expenses authorized in paragraphs (1) through (6) of section 20(i) of this Act: *Provided, however,* That no level authorized in such paragraphs may be increased more than 20 percent by any such transfers.

"(k) The following program levels are authorized for fiscal year 1982:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $330,000,000 in direct and immediate participation loans, and $4,400,000,000 in deferred participation loans.

"(2) For the programs authorized by section 7(h) of this Act, the Administration is authorized to make $28,000,000 in direct and immediate participation loans and $14,000,000 in guaranteed loans.

"(3) For the programs authorized by section 7(i) of this Act, the Administration is authorized to make $83,000,000 in direct and immediate participation loans and $99,000,000 in guaranteed loans.

"(4) For the programs authorized by section 7(l) of this Act, the Administration is authorized to make $45,000,000 in direct and immediate participation loans, and $37,000,000 in guaranteed loans.

"(5) For the programs authorized by sections 501, 502, and 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $61,000,000 in direct and immediate participation loans, and $125,000,000 in guaranteed loans and guarantees of debentures.

"(6) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $47,000,000 in direct purchases of debentures and preferred securities and to make $251,000,000 in guarantees of debentures.

"(7) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,780,000,000.

"(8) For the programs authorized by sections 7(b)(3) through 7(b)(9) and 7(g) of this Act, the Administration is authorized to enter into $121,000,000 in loans, guarantees, and other obligations or commitments.

"(9) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $300,000,000.

"(10) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses of sections 7(b) and 7(g), of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(l) There are authorized to be appropriated to the Administration for fiscal year 1982, $1,375,000,000. Of such sum, $1,022,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (k), paragraph (1) through (6); $83,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $266,000,000 shall be available for salaries and expenses of the Administration of which amount—

"(1) $14,520,000 shall be available for procurement and technical assistance; of which amount not less than $2,100,000 shall be available for technical assistance; and of this amount not less than $692,000 shall be used to pay for the continued development of a procurement automated source system, and not less than $907,500 shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain and interpret the appropriate technology for such small businesses.

"(2) $25,400,000 shall be available for management assistance of which amount not less than $968,000 shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist.

"(3) $9,680,000 shall be available for economic research and analysis and advocacy, of which amount not less than $2,420,000 shall be used to employ at least sixty-nine staff people for the Office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94–305; not less than $1,815,000 shall be used to develop an external small business data bank and small business index; and not less than $1,815,000 shall be used for research.

"(4) $30,250,000 shall be available for the Office of Minority Small Business and Capital Ownership Development, $13,655,000 of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act.

"(5) $10,900,000 shall be available for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, to the installation of terminals in Administration field offices, and to the development of an indicative small business data base comprised of names and addresses and related information, of which amount not less than $1,210,000 shall be used to pay for development of such indicative small business data base.

"(m) The Administrator may transfer no more than 10 percent of each of the total levels for salaries and expenses authorized in paragraphs (1) through (5) of section 20(l) of this Act: *Provided, however,* That no level authorized in such paragraphs may be increased more than 20 percent by any such transfers.".

PART B—MISCELLANEOUS AND TECHNICAL AMENDMENTS

SEC. 110. Section 20(a) of the Small Business Act is amended to read as follows: "For fiscal years 1981 and 1932 there are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act other than those for which appropriations are specifically authorized. For fiscal year 1983 and every year thereafter, there are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act other than those for which appropriations are specifically authorized. All appropriations whether specifically or generally authorized shall remain available until expended.".

INVESTMENT OF IDLE FUNDS

SEC. 111. The last sentence of section 412 of the Small Business Investment Act of 1958 is repealed.

SEC. 112. Section 405 of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.".

DEVELOPMENT COMPANY DEBENTURES

SEC. 113. (a) Title V of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

DEVELOPMENT COMPANY DEBENTURES

"SEC. 503. (a) (1) Except as provided in subsection (b), the Administration may guarantee the timely payment of all principal and interest as scheduled on any debenture issued by any qualified State or local development company.

"(2) Such guarantees may be made on such terms and conditions as the Administration may by regulation determine to be appropriate.

"(3) The full faith and credit of the United States is pledged to the payment of all amounts guaranteed under this subsection.

"(4) Any debenture issued by any State or local development company with respect to which a guarantee is made under this subsection, may be subordinated by the Administration to any other debenture, promissory note, or other debt or obligation of such company.

"(b) No guarantee may be made with respect to any debenture under subsection (a) unless—

"(1) such debenture is issued for the purpose of making one or more loans to small business concerns, the proceeds of which shall be used by such concern for the purposes set forth in section 502:

"(2) necessary funds for making such loans are not available to such company from private sources on reasonable terms;

"(3) the interest rate on such debenture is not less than the rate of interest determined by the Secretary of the Treasury for purposes of section 303(b);

"(4) the aggregate amount of such debenture does not exceed the amount of loans to be made from the proceeds of such debenture (other than any excess attributable to the administrative costs of such loans);

"(5) the amount of any loan to be made from such proceeds does not exceed an amount equal to 50 percent of the cost of the project with respect to which such loan is made; and

"(6) the Administration approves each loan to be made from such proceeds.

"(c) The Administration may impose an additional charge for administrative expenses with respect to each debenture for which payment of principal and interest is guaranteed under subsection (a).

"(d) For purposes of this section, the term 'qualified State or local development company' means any State or local development company which, as determined by the Administration, has—

"(1) a full-time professional staff;

"(2) professional management ability (including adequate accounting, legal, and business-servicing abilities); and

"(3) a board of directors, or membership, which meets on a regular basis to make management decisions for such company, including decisions relating to the making and servicing of loans by such company.".

(b) The table of contents of the Small Business Investment Act of 1958 is amended by inserting after the item relating to section 502 the following new item:

"Sec. 503. Development company debentures.".

REGULAR BUSINESS LOAN REFORM

SEC. 114. Section 5(b)(7) of the Small Business Act is amended to read as follows:

"(7) in addition to any powers, functions, privileges and immunities otherwise vested in him, take any and all actions (including the procurement of the services of attorneys by contract in any office where an attorney or attorneys are not or cannot be economically employed full time to render such services) when he determines such actions are necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans made under the provisions of this Act: *Provided*, That nothing herein shall be construed as authorizing the Administrator to contract or otherwise delegate his responsibility for loan servicing to other than Administration personnel, but with respect to deferred participation loans he may authorize participating lending institutions in his discretion pursuant to regulations promulgated by him, to take such actions on his behalf, including, but not limited to the determination of eligibility and creditworthiness, and loan monitoring, collection and liquidation;".

SURETY BOND GUARANTEE

SEC. 115. Section 411(c) of the Small Business Investment Act of 1958 is amended to read as follows:

"(c) Any guarantee or agreement to indemnify under this section shall obligate the Administration to pay to the surety a sum not to exceed (1) in the case of a breach of contract, 90 percent of the loss incurred and paid by the surety as the result of the breach; or (2) in a case in which (b) applies, the amount determined under (b).".

PROCUREMENT SYSTEMS

SEC. 116. Section 15(c) of the Small Business Act is amended to read as follows:

"(c)(1) During fiscal years 1981, 1982, and 1983, public and private not-for-profit organizations eligible for assistance under section 7(h) of this Act shall be eligible to participate in programs authorized under this section in an aggregate amount not to exceed $100,000,000 for each such year: *Provided*, That the Administrator shall monitor and evaluate such participation and in any case where the Administrator and the Executive Director of the Committee for the Purchase from the Blind and Severely Handicapped find that the participation of such organizations has or may cause severe economic injury to for-profit small businesses, the Administrator shall and is hereby authorized to direct and require every agency and department having procurement powers to take such actions as the Administrator and the Executive Direcor of the Committee for the Purchase from the Blind and Severely Handicapped may deem appropriate to alleviate the economic injury sustained or likely to be sustained by such for-profit small businesses.

"(2) The Administration shall, not later than January 1, 1982, prepare and transmit to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives, a report on the impact of contracts awarded to such organizations for-profit small businesses.".

SEC. 117. (a) The first sentence of section 15(d) of the Small Business Act is amended by inserting "small business" before "concerns";

(b) Subsections (e) and (f) of section 15 of such Act are amended to read as follows:

"(e) In carrying out small business set-aside programs, departments, agencies and instrumentalities of the executive branch shall award contracts, and encourage the placement of subcontracts for procurement to the following in the manner and in the order stated:

"(1) concerns which are small business concerns and which are located in labor surplus areas, on the basis of a total set-aside.

"(2) concerns which are small business concerns, on the basis of a total set-aside.

"(3) concerns which are small business concerns and which are located in a labor surplus area, on the basis of a partial set-aside.

"(4) concerns which are small business concerns, on the basis of a partial set-aside.

"(f) After priority is given to the small business concerns specified in subsection (e), priority shall also be given to the awarding of contracts and the placement of subcontracts, on the basis of a total set-aside, to concerns which—

"(1) are not eligible under subsection (e);

"(2) are not small business concerns; and

"(3) will perform a substantial proportion of the production on those contracts and subcontracts within areas of concentrated unemployment or underemployment or within labor surplus areas.".

ASIAN PACIFIC AMERICANS

SEC. 118 (a) Section 2(e)(1)(C) of the Small Business Act is amended by inserting "Asian Pacific Americans," after "Native Americans,".

(b) The last sentence of subparagraph (C) of the clause contained in section 8(d)(3) of the Small Business Act is amended by inserting "Asian Pacific Americans," after "Native Americans,".

(c)(1) The amendment made by subsection (a) shall apply as if included in the amendment made by section 201 of the Act entitled "An Act to amend the Small Business Act and the Small Business Investment Act of 1958", approved October 24, 1978 (Public Law 95-507); and

(2) The amendment made by subsection (b) shall apply as if included in the amendment made by section 211 of the Act so entitled.

DISASTER LOAN INTEREST RATES

SEC. 119. (a) Section 7(c)(3) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(C) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is able to obtain sufficient credit elsewhere, the interest rate shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest one-eighth of 1 percent, and an additional amount as determined by the Administration, but not to exceed 1 percent: *Provided*, That three years after such loan is fully disbursed and every two years thereafter for the term of the loan, if the Administration determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Administration, apply for and accept such loan in sufficient amount to repay the Administration: *Provided further*, That no loan under subsection (b)(1) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under such subsection would exceed $500,000 for each disaster, unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation.".

(b) Section 18(a) of the Small Business Act is amended by striking the comma after the phrase "agricultural related industries" and inserting the following: ": *Provided*, That prior to October 1, 1982, an agricultural enterprise shall not be eligible for loan assistance under paragraph (1) of section 7(b) to repair or replace property other than residences and/or personal property unless it is declined for, or would be declined for, emergency loan assistance at substantially similar interest rates from the Farmers Home Administration under subchapter III of the Consolidated Farm and Rural Development Act,".

(c) Section 18(b) of the Small Business Act is amended to read as follows:

"As used in this Act—

"(1) 'agricultural enterprises' means those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries; and

"(2) 'credit elsewhere' means the availability of sufficient credit from non-Federal sources at reasonable rates and terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time.".

(d) The amendments made by this section to sections 7(c)(3)(C) and 18 (a) and (b) of the Small Business Act shall not apply to any disaster which commenced on or before the effective date of this Act.

AMENDMENTS TO CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 120. (a) Section 321 of the Consolidated Farm and Rural Development Act is amended by striking out in the first sentence all that follows after "with the assistance of such loan" through the end of the sentence and inserting in lieu thereof a period.

(b) Section 324 (a) of the Consolidated Farm and Rural Development Act is amended by—

(1) striking out the first sentence and inserting in lieu thereof the following: "Loans made or insured under this subtitle shall be at rates of interest as follows:

"(1) with respect to loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, (A) if the applicant is unable to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, the interest rate shall be a rate prescribed by the Secretary not in excess of 5 percent per annum; and (B) if the applicant is able to obtain sufficient credit elsewhere, the interest rate shall be the rate prescribed by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 percent, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 percent: *Provided*, That the total amount outstanding and committed to the borrower under this paragraph (1) shall not exceed $500,000 for each disaster; and

"(2) with respect to loans or portions of loans exceeding the amount of actual loss caused by the disaster, the interest rate shall be that prevailing in the private market for similar loans, as determined by the Secretary."; and

(2) inserting in the second sentence after "*Provided*, That" the following: "for loans approved under subsection (a) (1) (B), three years after such loan is made or insured and every two years thereafter for the term of the loan, if the Secretary determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary: *Provided further*, That".

BORROWING AUTHORITY FOR SMALL BUSINESS ADMINISTRATION REVOLVING FUND

SEC. 121. Section 4(c) of the Small Business Act is amended by deleting subsections (2) through (5) and inserting the following:

"(2) The Administration is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under the revolving funds created by section 4(c) (1) of this Act and for authorized expenditures out of the funds. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Administration with the approval of the Secretary of the Treasury. The rate of interest on such notes shall be determined by the Secretary of the Treasury, and shall be not less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of loans made or guaranteed from the funds. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administration issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administration. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States. All borrowing authority contained herein shall be effective only to such extent or in such amounts as are provided in advance in appropriation Act.

"(3) There are authorized to be appropriated, in any fiscal year, such sums as are necessary for losses incurred by the funds established by subsection (c) (1) during the preceding fiscal year.

"(4) Upon the enactment of the first appropriation providing borrowing authority for the funds established pursuant to subsection (c) (1), all unobligated amounts in the funds and those received by the funds thereafter as repayments of principal on loans then outstanding shall be deposited into the General Fund of the Treasury to be credited as miscellaneous receipts.

"(5) The Administration shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the average of cash disbursements outstanding throughout the year from amounts appropriated before the enactment of this Act and this interest shall be calculated solely on the amount of loan disbursements net of defaults. The rate of such interest shall be determined by the Secretary of the Treasury, and shall be not less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of loans made or guaranteed from the fund.".

TITLE II—SMALL BUSINESS DEVELOPMENT CENTERS

SHORT TITLE

SEC. 201. This title may be cited as the "Small Business Development Center Act of 1980".

PROGRAM AUTHORIZATION

SEC. 202. The Small Business Act is amended by redesignating section 21 as section 30 and by inserting the following new section:

"SEC. 21. (a) (1) The Administration is authorized to make grants (including contracts and cooperative agreements) to any State government or any agency thereof, any regional entity, and State-chartered development, credit or finance corporation, any public or private institution of higher education, including but not limited to any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, community college or junior college, or to any entity formed by two or more of the above entities (herein referred to as "applicants") to assist in establishing small business development centers and to any such body for: small business oriented employment or natural resources development programs; studies, research, and counseling concerning the managing, financing, and operation of small business enterprises; delivery or distribution of such services and information; and providing access to business analysts who can refer small business concerns to available experts.

"(2) The Administration shall require, as a condition to any grant (or amendment or modification thereof) made to an applicant under this section, that an additional amount (excluding any fees collected from recipients of such assistance) equal to the amount of such grant be provided from sources other than the Federal Government: *Provided*, That the additional amount shall not include any amount of indirect costs or in-kind contributions paid for under any Federal program, nor shall such indirect costs or in-kind contributions exceed 50 percent of the non-Federal additional amount: *Provided further*, That no recipient of funds under this section shall receive a grant which would exceed its pro-rata share of a $65,000,000 program based upon the population to be served by the small business development center as compared to the total population in the United States, or $200,000, whichever is greater.

"(b) (1) During fiscal years 1981, 1982, and 1983, financial assistance shall not be made available to any applicant if approving such assistance would be inconsistent with a plan for the area involved which has been adopted by an agency recognized by the State government as authorized to do so and approved by the Administration in accordance with the standards and requirements established pursuant to this section.

"(2) An applicant may apply to participate in the program by submitting to the Administration for approval a plan naming those authorized in subsection (a) to participate in the program, the geographic area to be served, the services that it would provide, the method for delivering services, a budget, and any other information and assurances the Administration may require to insure that the applicant will carry out the activities eligible for assistance. The Administration is authorized to approve, conditionally approve or reject a plan or combination of plans submitted. In all cases, the Administration shall review plans for conformity with the plan submitted pursuant to paragraph (1) of this subsection, and with a view toward providing small business with the most comprehensive and coordinated assistance in the State or part thereof to be served.

"(3) At the discretion of the Administration, the Administration is authorized to permit a small business development center to provide advice, information and assistance, as described in subsection (c), to small businesses located outside the State, but only to the extent such businesses are located within close geographical proximity to the small business development center, as determined by the Admistration.

"(c) (1) Applicants receiving grants under this section shall assist small businesses in solving problems concerning operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting, business strategy development, and other disciplines required for small business growth and expansion, innovation, increased productivity, and management improvement, and for decreasing industry economic concentrations.

"(2) A small business development center shall provide services as close as possible to small businesses by providing extension services and utilizing satellite locations when necessary. To the extent possible, it also shall make full use of other Federal and State government programs that are concerned with aiding small businesses. A small business development center shall have—

"(A) a full-time staff director to manage the program activities;

"(B) access to business analysts to counsel, assist, and inform small business analysts clients;

"(C) access to technology transfer agents to provide state of art technology to small businesses through coupling with national and regional technology data sources; and

"(D) access to information specialists to assist in providing information searches and referrals to small businesses.

"(3) Services provided by a small business development center shall include, but shall not be limited to—

"(A) furnishing one-to-one individual counseling to small businesses;

"(B) assisting in technology transfer, research, and coupling from existing sources to small businesses;

"(C) maintaining current information concerning Federal, State, and local regulations that affect small businesses and counsel small businesses on methods of compliance. Counseling and technology development shall be provided when necessary to help small businesses find solutions for complying with environmental, energy, health, safety, and other Federal, State, and local regulations;

"(D) coordinating and conducting research into technical and general small business problems for which there are no ready solutions;

"(E) providing and maintaining a comprehensive library that contains current information and statistical data needed by small businesses;

"(F) maintaining a working relationship and open communications with the financial and investment communities, legal associations, local and regional private consultants, and local and regional small business groups and associations in order to help address the various needs of the small business community;

"(G) conducting in-depth surveys for local small business groups in order to develop general information regarding the local economy and general small business strengths and weaknesses in the locality; and

"(H) maintaining lists of local and regional private consultants to whom small businesses can be referred.

A small business development center shall continue to upgrade and modify its services, as needed, in order to meet the changing and evolving needs of the small business community.

"(4) A small business development center is authorized to utilize and compensate consultants, engineers, and testing laboratories for services provided to small businesses on behalf of such small business development center.

"(5) The assistance provided by small business development centers as described in this subsection shall, to the extent practicable and feasible, be provided by qualified small business vendors, including but not limited to, private management consultants, private consulting engineers, and private testing laboratories.

"(d) Laboratories operated and funded by the Federal Government are authorized and directed to cooperate with the Administration in developing and establishing programs to support small business development centers by making facilities and equipment available; providing experiment station capabilities in adaptive engineering; providing library and technical information processing capabilities; and providing professional staff for consulting. The Administration is authorized to reimburse the laboratories for such services.

"(e) The National Science Foundation and innovation centers supported by the National Science Foundation are authorized and directed to cooperate with small business development centers participating in this program. The National Science Foundation shall report annually on the performance of such innovation centers with recommendations to the Administration and the Congress on how such innovation centers can be strengthened and expanded. The National Science Foundation shall include in its report to Congress information on the ability of innovation centers to interact with the Nation's small business community and recommendations to the Administration on continued funding.

"(f) The National Aeronautics and Space Administration and industrial application centers supported by the National Aeronautics and Space Administration are authorized and directed to cooperate with small business development centers participating in this program. The National Aeronautics and Space Administration shall report annually on the performance of such industrial application centers with recommendations to the Administration and the Congress on how such industrial application centers can be strengthened and expanded. The National Aeronautics and Space Administration shall include in its report to Congress information on the ability of industrial application centers to interact with the Nation's small business community and recommendations to the Administration on continued funding.

"(g)(1) The Administrator shall appoint a Deputy Associate Administrator for Management Assistance who shall report to the Associate Administrator for Management Assistance and who shall serve without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at a rate not less than the rate of GS-17 of the General Schedule.

"(2) The sole responsibility of the Deputy Associate Administrator for Management Assistance shall be to administer the small business development center program. Duties of the position shall include, but are not limited to, recommending the annual program budget, reviewing the annual budgets submitted by each applicant, establishing appropriate funding levels therefore, selecting applicants to participate in this program, implementing the provisions of this section, maintaining a clearinghouse to provide for the dissemination and exchange of information between small business development centers and conducting audits of recipients of grants under this section. The Deputy Associate Administrator for Management Assistance shall confer with and seek the advice and counsel of the Board in carrying out the responsibilities described in this subsection.

"(h)(1) There is established a National Small Business Development Center Advisory Board (herein referred to as "Board") which shall consist of nine members appointed from civilian life by the Administrator and who shall be persons of outstanding qualifications known to be familiar and sympathetic with small business needs and problems. No more than three members shall be from universities or their affiliates and six shall be from small businesses or associations representing small businesses. At the time of the appointment of the Board, the Administrator shall designate one-third of the members and at least one from each category whose term shall end in two years from the date of appointment, a second third whose term shall end in three years from the date of appointment, and the final third whose term shall end in four years from the date of appointment. Succeeding Boards shall have three-year terms, with one-third of the Board changing each year.

"(2) The Board shall elect a Chairman and advise, counsel, and confer with the Deputy Associate Administrator for Management Assistance in carrying out the duties described in this section. The Board shall meet at least quarterly and at the call of the Chairman of the Board. Each member of the Board shall be entitled to be compensated at the rate not in excess of the per diem equivalent of the highest rate of pay for individuals occupying the position under GS-18 of the General Schedule for each day engaged in activities of the Board and shall be entitled to be reimbursed for expenses as a member of the Board.

"(i)(1) Each small business development center may establish an advisory board.

"(2) Each small business development center advisory board shall elect a chairman and advise, counsel, and confer with the director of the small business development center on all policy matters pertaining to the operation of the small business development center, including who may be eligible to receive assistance from, and how local and regional private consultants may participate with the small business development center.

"(j) The Administration, with the advice of the Board, shall establish a plan for evaluation of the small business development center program which may include the retaining of an independent concern to conduct such an evaluation. The evaluation shall be both quantitative and qualitative and shall determine—

"(1) the impact of the small business development center program on small businesses, including private consultants, and the socio-economic base of the area served;

"(2) the multidisciplinary resources the small business development center program was able to coordinate to assist small businesses; and

"(3) the extent to which various types of small businesses engaged in areas such as manufacturing, retailing, wholesaling and services have been assisted by the small business development center program. For the purpose of this evaluation, the Administration is authorized to require any small business development center or party receiving assistance under this section to furnish it with such information annually or otherwise as it deems appropriate. Such evaluation shall be completed and submitted to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives by January 31, 1983.

"(k) The authority to enter into contracts shall be in effect for each fiscal year only to the extent or in the amounts as are provided in advance in appropriations Acts.".

SEC. 203. Section 7(d)(1) of the Small Business Act is amended to read as follows:

"(d)(1) On or after October 1, 1980, the Administration shall not fund any small business development center or any variation thereof, except as authorized in section 21 of this Act: *Provided*, That in fiscal year 1980 nothing in this section or in section 21 shall be deemed to affect the operation of any small business development center which was funded by the Administration prior to October 1, 1979: *Provided further*, That no small business development center which was funded in fiscal year 1979 may be funded in excess of $300,000 in fiscal year 1980.".

SEC. 204. Sections 201 and 202 of this title are repealed effective October 1, 1984.

TITLE III—SMALL BUSINESS ECONOMIC POLICY

SHORT TITLE

SEC. 301. This title may be cited as the "Small Business Economic Policy Act of 1980."

DECLARATION OF SMALL BUSINESS ECONOMIC POLICY

SEC. 302. (a) For the purpose of preserving and promoting a competitive free enterprise economic system, Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practical means and to take such actions as are necessary, consistent with its needs and obligations and other essential considerations of national policy, to implement and coordinate all Federal department, agency, and instrumentality policies, programs and activities in order to: foster the economic interests of small businesses; insure a competitive economic climate conducive to the development, growth and expansion of small businesses; establish incentives to assure that adequate capital and other resources at competitive prices are available to small businesses; reduce the concentration of economic resources and expand competition; and provide an opportunity for entrepreneurship, inventiveness, and the creation and growth of small businesses.

(b) Congress further declares that the Federal Government is committed to a policy of utilizing all reasonable means, consistent with the overall economic policy goals of the Nation and the preservation of the competitive free enterprise system of the Nation, to establish private sector incentives that will help assure that adequate capital at competitive prices is available to small businesses. To fulfill this policy, departments, agencies, and instrumentalities of the Federal Government shall use all reasonable means to coordinate, create, and sustain policies and programs which promote investment in small businesses, including those investments which expand employment opportunities and which foster the effective and efficient use of human and natural resources in the economy of the Nation.

STATE OF SMALL BUSINESS

SEC. 303. (a) The President shall transmit to the Congress not later than January 20 of each year a Report on Small Business and Competition which shall—

(1) examine the current role of small business in the economy on an industry-by-industry basis;

(2) present current and historical data on production, employment, investment, and other economic variables for small business in the economy as a whole and for small business in each sector of the economy;

(3) identify economic trends which will or may affect the small business sector and the state of competition;

(4) examine the effects on small business and competition of policies, programs, and activities, including, but not limited to the Internal Revenue Code, the Employee Retirement Income Security Act, the Securities Act of 1933, and the Securities Exchange Act of 1934, and regulations promulgated thereunder: identify problems generated by such policies, programs, and activities; and recommend legislative and administrative solutions to such problems; and

(5) recommend a program for carrying out the policy declared in section 302 of this Act, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President also shall transmit simultaneously as an appendix to such annual report, a report, by agency and department, on the total dollar value of all Federal contracts exceeding $10,000 in amount and the dollar amount (including the subcontracts thereunder in excess of $10,000) awarded to small, minority-owned and female-owned businesses.

(c) The President may transmit from time to time to the Congress reports supplementary to the Report on Small Business and Competition, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 302 of this Act.

(d) The Report on Small Business and Competition and all supplementary reports transmitted under subsections (b) and (c) of this section shall, when transmitted to Congress, be referred to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives.

TITLE IV—SMALL BUSINESS ECONOMIC RESEARCH AND ANALYSIS

SEC. 401. The Small Business Act is amended by redesignating subsection 4(b) as subsection 4(b)(1) and inserting thereafter the following:

"(2) The Administrator also shall be responsible for—

"(A) establishing and maintaining an external small business economic data base for the purpose of providing the Congress and the Administration information on the economic condition and the expansion or contraction of the small business sector. To that end, the Administrator shall publish on a regular basis national small business economic indices and, to the extent feasible, regional small business economic indices, which shall include, but need not be limited to, data on—

"(i) employment, layoffs, and new hires;

"(ii) number of business establishments and the types of such establishments such as sole proprietorships, corporations, and partnerships;

"(iii) number of business formations and failures;

"(iv) sales and new orders;

"(v) back orders;

"(vi) investment in plant and equipment;

"(vii) changes in inventory and rate of inventory turnover;

"(viii) sources and amounts of capital investment, including debt, equity and internally generated funds:

"(ix) debt to equity ratios;

"(x) exports;

"(xi) number and dollar amount of mergers and acquisitions by size of acquiring and acquired firm; and

"(xii) concentration ratios; and

"(B) publishing annually a report giving a comparative analysis and interpretation of the historical trends of the small business sector as reflected by the data acquired pursuant to subparagraph (A) of this subsection.".

SEC. 402. Section 634d(1) of title 15, United States Code, is amended by striking the word "Schedule;" and inserting in lieu thereof "Schedule: *Provided, however*, That not more than ten staff personnel at any one time may be employed and compensated at a rate not in excess of GS–15, step 10, of the General Schedule;".

SEC. 403. Section 5315 of title 5 of the United States Code is amended by adding the following new paragraph:

"(128) Chief Counsel for Advocacy, Small Business Administration.".

SEC. 404. In consultation with the Administrator of the Small Business Administration and the Bureau of the Census, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation shall conduct such studies of the credit needs of small business as may be appropriate to determine the extent to which such needs are being met by commercial banks and shall report the results of such studies to the Congress by January 1, 1982, together with their views and recommendations as to the feasibility and cost of conducting periodic sample surveys, by region and nationwide, of the number and dollar amount of commercial and industrial loans extended by commercial banks to small business. Reports shall, when transmitted to the Congress, be referred to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives.

TITLE V—EMPLOYEE OWNERSHIP

SEC. 501. This title may be cited as the "Small Business Employee Ownership Act of 1980".

SEC. 502. The Congress hereby finds and declares that—

(1) employee ownership of firms provides a means for preserving jobs and business activity;

(2) employee ownership of firms provides a means for keeping a small business small when it might otherwise be sold to a conglomerate or other large enterprise;

(3) employee ownership of firms provides a means for creating a new small business from the sale of a subsidiary of a large enterprise;

(4) unemployment insurance programs, welfare payments, and job creation programs are less desirable and most costly for both the Government and program beneficiaries than loan guarantee programs to maintain employment in firms that would otherwise be closed, liquidated, or relocated; and

(5) by guaranteeing loans to qualified employee trusts and similar employee organizations, the Small Business Administration can provide feasible and desirable methods for the transfer of all or part of the ownership of a small business concern to its employees.

SEC. 503. (a) the purposes of this title are—

(1) to provide that a qualified employee trust shall be eligible for loan guarantees under section 7(a) of the Small Business Act with respect to a small business concern, regardless of the percentage of stock of the concern held by the trust, and

(2) to provide in section 605 of this Act authority to address the specific case in which the Small Business Administration guarantees loans under section 7(a) of the Small Business Act for purposes of providing funds to a qualified employee trust (and other employee organizations which are treated as qualified employee trusts) for the purchase, by at least 51 percent of the employees, of at least 51 percent of the stock of a business which is operated for profit and which is—

(A) a small business concern, or

(B) a corporation which is controlled by another person if, after the plan for the purchase of such corporation is carried out, such corporation would be a small business concern.

(b) Nothing in this title shall be construed to prohibit the Small Business Administration from making loan guarantees under section 7(a) of the Small Business Act to qualified employee trusts which own less than 51 percent of the stock of a continuing business.

SEC. 504. Section 3 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(c)(1) For purposes of this Act, a qualified employee trust shall be eligible for any loan guarantee under section 7(a) with respect to a small business concern on the same basis as if such trust were the same legal entity as such concern.

"(2) For purposes of this Act, the term 'qualified employee trust' means, with respect to a small business concern, a trust—

"(A) which forms part of an employee stock ownership plan (as defined in section 4975(e)(7) of the Internal Revenue Code of 1954)—

"(i) which is maintained by such concern, and

"(ii) which provides that each participant in the plan is entitled to direct the plan as to the manner in which voting rights under qualifying employer securities (as defined in section 4975(e)(8) of such Code) which are allocated to the account of such participant are to be exercised with respect to a corporate matter which (by law or charter) must be decided by a majority vote of outstanding common shares voted; and

"(B) in the case of any loan guarantee under section 7(a), the trustee of which enters into an agreement with the Administrator which is binding on the trust and on such small business concern and which provides that—

"(i) the loan guaranteed under section 7(a) shall be used solely for the purchase of qualifying employer securities of such concern.

"(ii) all funds acquired by the concern in such purchase shall be used by such concern solely for the purposes for which such loan was guaranteed.

"(iii) such concern will provide such funds as may be necessary for the timely repayment of such loan, and the property of such concern shall be available as security for repayment of such loan, and

"(iv) all qualifying employer securities acquired by such trust in such purchase shall be allocated to the accounts of participants in such plan who are entitled to share in such allocation, and each participant has a nonforfeitable right, not later than the date such loan is repaid, to all such qualifying employer securities which are so allocated to the participant's account.

"(3) Under regulations which may be prescribed by the Administrator, a trust may be treated as a qualified employee trust with respect to a small business concern if—

"(A) the trust is maintained by an employee organization which represents at least 51 percent of the employees of such concern, and

"(B) such concern maintains a plan—

"(i) which is an employee benefit plan

which is designed to invest primarily in qualifying employer securities (as defined in section 4975(e)(8) of the Internal Revenue Code of 1954),

"(iii) which provides that each participant in the plan is entitled to direct the plan as to the manner in which voting rights under qualifying employer securities which are allocated to the account of such participant are to be exercised with respect to a corporate matter which (by law or charter) must be decided by a majority vote of the outstanding common shares voted,

"(iii) which provides that each participant who is entitled to distribution from the plan has a right, in the case of qualifying employer securities which are not readily tradable on an established market, to require that the concern repurchase such securities under a fair valuation formula, and

"(iv) which meets such other requirements (similar to requirements applicable to employee stock ownership plans as defined in section 4975(e)(7) of the Internal Revenue Code of 1954) as the Administrator may prescribe, and

"(C) in the case of a loan guarantee under section 7(a), such organization enters into an agreement with the Administration which is described in paragraph (2)(B).".

SEC. 505. Section 7(a) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(8)(A) The Administration may guarantee under subsection (a) a loan to a qualified employee trust with respect to a small business concern for the purpose of purchasing stock of the concern under a plan approved by the Administrator which, when carried out, results in the qualified employee trust owning at least 51 percent of the stock of the concern.

"(B) The plan requiring the Administrator's approval under subparagraph (A) shall be submitted to the Administration by the trustee of such trust with its application for the guarantee. Such plan shall include an agreement with the Administrator which is binding on such trust and on the small business concern and which provides that—

"(i) not later than the date the loan guaranteed under subparagraph (A) is repaid (or as soon thereafter as is consistent with the requirements of section 401(a) of the Internal Revenue Code of 1954), at least 51 percent of the total stock of such concern shall be allocated to the accounts of at least 51 percent of the employees of such concern who are entitled to share in such allocation,

"(ii) there will be periodic reviews of the role in the management of such concern of employees to whose accounts stock is allocated, and

"(iii) there will be adequate management to assure management expertise and continuity.

"(C) In determining whether to guarantee any loan under this paragraph, the individual business experience or personal assets of employee-owners shall not be used as criteria, except inasmuch as certain employee-owners may assume managerial responsibilities, in which case business experience may be considered.

"(D) For purposes of this paragraph, a corporation which is controlled by any other person shall be treated as a small business concern if such corporation would, after the plan described in subparagraph (B) is carried out, be treated as a small business concern.

"(E) The Administrator shall compile a separate list of applications for assistance under this paragraph, indicating which applications were accepted and which were denied, and shall report periodically to the Congress on the status of employee-owned firms assisted by the Administration.".

SEC. 506. (a) The Administrator of the Small Business Administration shall enter into a contract with an independent consultant which provides for a study by such consultant of the feasibility of making loan guarantees under section 7(a) of the Small Business Act directly to the seller of a small business concern in connection with the installment sale of such concern. Such study shall include an analysis of at least the following:

(1) the extent and nature of the use of installment sales for the sale of small business concerns,

(2) the ability of the Small Business Administration to make credit judgments in connection with installment sales,

(3) the need for Small Business Administration loan guarantees to facilitate installment sales,

(4) the willingness of banks and other financial institutions to participate in the evaluation of installment sales, and

(5) the anticipated cost of such a guarantee program in comparison to other loan guarantee programs of the Small Business Administration.

Nothing in this section shall be construed as authorizing the Administrator to enter into contracts or incur obligations except to such extent and in such amounts as are provided in appropriations Acts.

(b) Not later than April 1, 1981, the Administrator of the Small Business Administration shall transmit the findings of such study, along with his recommendations, to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives.

SEC. 507. This Act shall take effect October 1, 1980.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WEICKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and conforming amendments in the engrossment of S. 2698.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that the bill be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

CANCELED CARIBBEAN NAVAL MANEUVERS

Mr. HARRY F. BYRD, JR. Mr. President, soon after the public announcement of the presence of a Russian combat brigade in Cuba, the President of the United States stated that the "status quo" with respect to the brigade was unacceptable.

Eventually, however, the President, in effect, accepted the status quo. He announced instead the creation of a new headquarters named imposingly the Caribbean Contingency Joint Task Force. In accepting the status quo, the President also announced the intention to increase intelligence surveillance of Cuba and to conduct periodic and more frequent military and naval maneuvers in the Caribbean region.

As a component part of the President's publicly announced get-tough policy toward Cuba, a major naval amphibious exercise was scheduled to begin in the Caribbean on May 8. But on May 1, the President of Panama, in a cable to President Carter, stated that—

> The Republic of Panama does not consider these maneuvers ordinary exercises, since they go against the many efforts which all the countries in the region have been making to have the area considered a zone of peace.

The Panamanian President warned the President of the United States that the Caribbean "has ceased to be the private sea of the United States."

Cuba and several other Caribbean nations also demanded that the naval exercise be called off.

President Carter, soon after the receipt of the Panamanian cable, canceled the planned naval and amphibious exercise. Instead our Navy and Marines conducted a message exercise, simulating on paper the actual amphibious assault.

The exercise was to be an amphibious assault at Guantanamo Bay, Cuba. The assault was to be conducted by a task force established last fall as part of the President's new Cuban policy.

Although the President announced the cancellation of the exercise as needed to help the Coast Guard insure maritime safety in the Cuban refugee sealift, it is clear to me that foreign opposition played a role in the decision.

These events justify the belief of many that President Carter's response to the presence of a Russian combat brigade in the Western Hemisphere is itself far tougher on paper than it is in fact.

I ask unanimous consent to have printed in the RECORD a translation of a Spanish language story which appeared in La Estrella de Panama on May 3, 1980, and related articles, and an article from the Pittsburgh Press of May 21, 1980.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Translation]

ROYO SENDS MESSAGE TO CARTER ON U.S. MANEUVERS

[Text] President Aristides Royo has expressed his concern to U.S. President Jimmy Carter over the announced U.S. maneuvers in the Caribbean, specifically at the U.S. naval base in Guantanamo, Cuba.

In a cable to President Jimmy Carter, Royo states that "the Republic of Panama does not consider these maneuvers ordinary exercises, since they go against the many efforts which all the countries in the region have been making to have the area considered a zone of peace."

President Royo's message to President Carter is dated 1 May. It is believed that it was received in Washington shortly before the U.S. President announced the suspension of the maneuvers in the Caribbean.

The text of the message is as follows:

Mr. JIMMY CARTER,
President of the United States,
White House, Washington, D.C.

DEAR MR. PRESIDENT: I wish to express to you our concern over the military maneuvers which the armed forces of your country have scheduled for next week in the Caribbean area, which has ceased to be the private sea of the United States because of the dignity of the sovereign states that exist there.

The Republic of Panama does not consider these maneuvers ordinary exercises, since they go against the many efforts which all the countries in the region have been making to have the area considered a zone of peace that is not subject to interference or disturbances by any power.

We hope that your government will reconsider the original plans in order to avoid greater tension, thereby permiting us to continue to work together to achieve greater understanding among the countries of the region.

Respectfully,

ARISTIDES ROYO,
President of the Republic of Panama.

[From Pittsburgh Press, May 21, 1980]

PROTESTS SCUTTLE CARIBBEAN NAVY MANEUVERS

(By Stewart Lytle)

WASHINGTON.—President Carter canceled U.S. Navy maneuvers in the Caribbean two weeks ago after Panama and other Caribbean nations protested, administration officials confirmed.

Panamanian President Aristides Royo warned Carter that the Caribbean "has ceased to be the private sea of the United States."

Panama and other Latin American nations, including Cuba, protested a long-planned amphibious assault exercise by the Navy and Marines at the U.S. Naval Station at Guantanamo Bay, Cuba.

When Carter announced the diversion of the ships to the Florida Straits, he said it was to help the Coast Guard "in savings lives and insuring maritime safety" during the Cuban refugee sealift.

There was no mention of a diplomatic problem brewing within the hemisphere. Royo's cable was released in Panama, but not in the United States.

A White House official said it is fair to assume the president considered the foreign opposition to the exercise in deciding to divert the ships.

"But we didn't generate this flow of refugees just to give us an out on the exercise," he said. "There was a genuine need."

Don Mathes, State Department spokesman on Latin American affairs, also said Navy ships were needed in the Florida Straits, but added that opposition to the Navy exercise in the Caribbean encouraged Carter to find "less controversial things to do with the ships."

Royo, who has written tough letters to Carter before over the joint U.S.-Panamanian management of the canal, wired:

"The Republic of Panama does not consider these maneuvers ordinary exercises, since they go against the many efforts which all the countries of the region have been making to have the area considered a zone of peace that is not subject to interference or disturbances by any power.

"We hope that your government will reconsider the original plans in order to avoid greater tension, thereby permitting us to continue to work together to achieve greater undersanding among the countries of the region."

Since the Monroe Doctrine was expounded in the early 19th century, the United States has considered the Caribbean as its home waters. The Navy has often conducted exercises there.

The proposed landing, scheduled for May 8, was the first major operation conducted by the Caribbean Contingency Joint Task Force that Carter set up last fall in Key West, Fla., as a get-tough step toward Cuba.

The task force was to step up U.S. presence in the Caribbean in response to the Soviet Union's refusal to withdraw its brigade of troops from Cuba.

The landing was part of a larger naval exercise in the South Atlantic, most of which has already been completed. The remaining portions will take place off the coast of Charleston, S.C., and in the air over Florida.

In place of the real Marine assault exercise, the Navy and Marines conducted a "message exercise," which is a simulation on paper, but involves no actual troop or ship movements.

The last Marine assault landing at Guantanamo was conducted last fall.

THE IRAN RESCUE ATTEMPT

Mr. THURMOND. Mr. President, the article in the Sunday, May 18, 1980, edition of the Washington Star has done a severe injustice to one of our finest military men, Maj. Gen. James Vaught, USA.

I personally believe General Vaught was a good choice to direct our unconventional counter-terrorism activities. General Vaught has served this country with great distinction in World War II, Korea and Vietnam. Among many decorations, he holds the Silver Star and the Legion of Merit. The Star article is indeed a shabby attack on General Vaught. There is much innuendo without evidence from anonymous sources. Let me say also that at least 40 lines in the Star article are extracted from classified material. It is disturbing not only that our Government has security leaks, but that the Star would print sensitive information without further checking.

Mr. President, our country owes a debt of gratitude to General Vaught, and those who worked with him, in his efforts in planning and attempting to execute the Iranian hostage rescue.

After listening to the House Armed Services Committee testimony on the rescue attempt, Congressman LARRY HOPKINS of Kentucky was moved to write General Vaught a letter.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 15, 1980.

Maj. Gen. JAMES B. VAUGHT,
Director, Operations and Readiness, Headquarters, Department of the Army, Washington, D.C.

DEAR GENERAL VAUGHT: As a member of the House Armed Services Committee I want you to know it was an honor to meet you and I want to enthusiastically congratulate you on your answers and straightforward testimony before this Committee.

General, I am no warmonger for in my view, war is the worst way to settle anything—but when we must be prepared is when there is no other way left. You may be assured that my vote will help us be prepared.

If there is another war, I want you to know that I would want my son to serve with people like you and as I told you, you just keep layin 'em on the landing deck and I'll do my best to take care of these turkeys I serve with in Congress.

I appreciate your invitation to visit with you and your soldiers and, if for no other reason, I want them to know that at least one Member of Congress is on their side. I look forward to hearing from you in this regard.

Yours very truly,

LARRY J. HOPKINS.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President and upon the recommendation of the majority and minority leaders, appoints the following Senators to attend the 66th Conference of the International Labor Organization (ILO), to be held in Geneva, Switzerland, June 4–25, 1980: The Senator from New Jersey (Mr. WILLIAMS), and the Senator from New York (Mr. JAVITS).

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRYOR). Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 753, 798, 799, 833, 839, and 844.

Mr. STEVENS. Mr. President, there is no objection.

INTERNATIONAL TRADE COMMISSION, CUSTOMS SERVICE AND OFFICE OF TRADE REPRESENTATIVE AUTHORIZATIONS

The bill (S. 2697) to authorize appropriations to the U.S. International Trade Commission, U.S. Customs Service, and the Office of the U.S. Trade Representative, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2697

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. UNITED STATES INTERNATIONAL TRADE COMMISSION.

Paragraph (2) of section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended to read as follows:

"(2) There are authorized to be appropriated to the Commission for necessay expenses for fiscal year 1981 not to exceed $16,981,000. No part of any sum that is appropriated under the authority of this paragraph may be used by the Commission for the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.".

SEC. 2. UNITED STATES CUSTOMS SERVICE.

(a) AUTHORIZATION.—Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended—

(1) by inserting "(a)" immediately after "Sec. 301."; and

(2) by adding at the end thereof the following:

"(b) There is authorized to be appropriated to the Department of the Treasury not to exceed $477,000,000 for the salaries and expenses of the United States Customs Service for fiscal year 1981.

"(c) No part of any sum that is appropriated under the authority of subsection (b) may be used to implement any procedure relating to the time of deposit of estimated duties that shortens the maximum ten-day deferment period for deposit under procedures in effect on January 1, 1980, relating to release of merchandise under a special permit.

"(d) For the fiscal year beginning October 1, 1980, and for each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury for the salaries of officers and employees of the United States Customs Service such additional sums as many be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970.".

(b) Preclearance Agreements.—The President shall, to the extent feasible, enter into such agreements with foreign governments as may be appropriate to provide for the establishment of United States immigration and customs facilities to process persons through United States immigration and customs requirements in airports and other transportation facilities located in foreign countries and frequently used by substantial numbers of persons entering the United States from abroad.

Sec. 3. Office of the United States Trade Representative.

(a) Basic Amendments to the Trade Act of 1974.—Section 141 of the Trade Act of 1974 (19 U.S.C. 2171) is amended—

(1) by redesignating paragraph (2) of subsection (c) as paragraph (3), and by inserting immediately after paragraph (1) the following new paragraph:

"(2) The United States Trade Representative may—

"(A) delegate any of his functions, powers, and duties to such officers and employees of the Office as he may designate; and

"(B) authorize such successive redelegations of such functions, powers, and duties to such officers and employees of the Office as he may deem appropriate.",

(2) by inserting ", powers, and duties" immediately after "functions" in subsection (d)(3),

(3) by striking out "and" after the semicolon at the end of paragraph (6) of subsection (d),

(4) by striking out the period at the end of paragraph (7) of subsection (d) and inserting in lieu thereof a semicolon, and

(5) by adding immediately after paragraph (7) of subsection (d) the following new paragraphs:

"(8) pay for expenses approved by him for official travel without regard to the Federal Travel Regulations or to the provisions of subchapter I of chapter 57 of title 5, United States Code (relating to rates of per diem allowances in lieu of subsistence expenses);

"(9) accept, hold, administer, and utilize gifts (other than gifts from foreign governments), devises, and bequests of property, both real and personal, and of money, for the purpose of aiding or facilitating the work of the Office; and

"(10) acquire, by purchase or exchange, not more than two passenger motor vehicles for use abroad, except that no vehicle may be acquired at a cost exceeding $6,500.",

(6) by adding at the end of subsection (d) the following new sentence: "Money received by way of gift, bequest, or devise, and proceeds from the sale of property so received, shall be deposited in the Treasury and shall be available for disbursement upon order of the United States Trade Representative.",

(7) by striking out subsection (f) and inserting in lieu thereof the following:

"(f)(1) There are authorized to be appropriated to the Office for the purpose of carrying out its functions such sums as may be necessary for each of the fiscal years 1981, 1982, and 1983.

"(2) For the fiscal year beginning October 1, 1980, and for each fiscal year thereafter, there are authorized to be appropriated to the Office for the salaries of its officers and employees such additional sums as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1979.",

(8) by striking out subsections (b)(3), (g), and (h),

(9) by striking out "Special Representative for Trade Negotiations" each place it appears and inserting in lieu thereof "United States Trade Representative",

(10) by striking out "Deputy Special Representatives for Trade Negotiations" in subsection (b)(2) and inserting in lieu thereof "Deputy United States Trade Representatives", and

(11) by striking out "Deputy Special Representative" and "Deputy Special Representative for Trade Negotiations" each place either appears in subsections (b)(2) and (c)(3) and inserting in lieu thereof "Deputy United States Trade Representative".

(b) Conforming Amendments to Trade Act of 1974.—

(1) The chapter heading for chapter 4 of title I of the Trade Act of 1974 is amended to read as follows:

"Chapter 4—OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE".

(2) The table of contents of such Act relating to such chapter 4 is amended to read as follows:

"Chapter 4—Office of the United States Trade Representative

"Sec. 141. Office of the United States Trade Representative.".

(c) Conforming Amendments to Title 5.—

(1) Section 5312 of title 5, United States Code, is amended by striking out—

"Special Representative for Trade Negotiations." and inserting in lieu thereof the following:

"United States Trade Representative.".

(2) Section 5314 of such title is amended by striking out—

"Deputy Special Representatives for Trade Negotiations (2)." and inserting in lieu thereof the following:

"Deputy United States Trade Representatives (2).".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–701), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The committee bill would authorize fiscal year 1981 appropriations of $16,981,000 to the U.S. International Trade Commission and $477 million to the U.S. Customs Service. The bill would also authorize appropriations to the Office of the U.S. Trade Representative of such sums as may be necessary to carry out its functions for each of the fiscal years 1981, 1982, and 1983.

II. GENERAL EXPLANATION

In order to meet the requirements of section 402(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1352), the Committee on Finance reports an orginal bill to authorize fiscal year 1981 appropriations to the U.S. International Trade Commission (ITC) and the U.S. Customs Service, as well as to authorize appropriations to the Office of the U.S. Trade Representative (USTR) for fiscal years 1981, 1982, and 1983.

AUTHORIZATION OF APPROPRIATIONS TO THE ITC (SECTION 1 OF THE BILL)

Present law.—Section 330(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(1)) requires that ITC estimated expenditures and of appropriations for the ITC. Section 175 of the Trade Act of 1974 (19 U.S.C. 2232) requries that ITC estimated expenditures and proposed appropriations be included in the President's budget without revision. The ITC appropriation for fiscal year 1980 was $15,917,000 (assuming enactment of the fiscal year 1980 pay increase supplemental appropriations).

Committee bill.—The first section of the committee bill would authorize appropriations of $16,981,000 for fiscal year 1981, the full amount requested by the ITC. This section also provides that no part of any sum that is appropriated under this authorization may be used by the ITC for the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the ITC for the costs thereof.

Reasons for committee bill.—The committee supports the ITC's budget request of $16,981,000, which is $1,064,000 more than the total appropriation for fiscal year 1980. Of the increase, the ITC attributes $946,000 to built-in costs increases and inflation. The remainder of the increase, $118,000, is for certain program increases required by the ITC's heavier workload of cases and investigations. The budget request will support a staff of 438, the same personnel level as in fiscal year 1980.

The International Trade Commission is an independent agency and performs a unique role. The independence of the ITC is ensured by a number of provisions, not the least of which is the formation and expenditure of its budget independently of the President's review or control. It was established by the Congress in 1916 in furtherance of the Congressional authority to regulate foreign commerce under article I, section 8 of the Constitution. One of the Commission's major responsibilities is to provide the Congress with independent expert advice to assist in carrying out its Constitutional authority to regulate international trade. The Commission, in addition to its duties to respond to requests from the Congress and the President on matters affecting international trade, has a number of other specific statutory duties and responsibilities ranging from research and analysis to quasi-judicial functions on trade related matters.

The Trade Agreements Act of 1979 has resulted in a substantial increase in the work of the International Trade Commission. The new provisions of law amend, among other laws, the countervailing duty and antidumping laws. The Commission is required to make at least two injury determinations in each countervailing duty and antidumping case. The impact on the Commission of the amendments will be further increased temporarily by the requirement that upon petition, the Commission make injury determinations concerning up to 68 cases carried over from prior law.

The committee believes that the additional amount requested by the ITC for fiscal year 1981 over that appropriated for fiscal year 1980 are necessary to permit the ITC to carry out its statutory responsibilities of responding to requests of the Congress and the President for information and advice, and in carrying out its investigative and fact-finding authorities under U.S. trade laws, including antidumping and countervailing duty laws.

That part of the first section of the committee bill which provides that no part of any sum that is appropriated under the authorization may be used by the ITC for making studies, investigations, or reports requested by any agency of the executive branch unless that agency reimburses the ITC for the costs thereof parallels of language which was included for many years in the appropriations language for the ITC, but which was dropped from the fiscal year 1980 appropriation bill. The committee is concerned that without such language, discipline over the budget process, particularly the ITC budget, will be loosened, as other agencies will view the ITC as a "free" consultant and it will request larger budgets to cover the costs of providing such studies, investigations, or reports. The committee has no objections to the ITC undertaking such activities for other agencies, and believes the ITC should always seek to increase its capability to analyze international trade matters; but the committee believes that the ITC should be reimbursed out of the funds appropriated to the requesting agency. This language included in the first section of the bill does not affect requests for studies properly made under section 332 of the Tariff Act of 1930 (19 U.S.C. 1332).

During committee consideration of the authorization of appropriations for the ITC for fiscal year 1981, it was brought to the committee's attention that the ITC has been criticized for proposing substantive rules in furtherance of its jurisdiction under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337). Section 337 provides that unfair methods of competition or unfair acts in the importation of articles into the United States, or in their sale, the effect or tendency of which is to destroy or substantially injure, or prevent the establishment of, an industry in the United States, or to restrain or monopolize trade and commerce in the United States, are unlawful. If the ITC finds a violation, it may, subject to Presidential disapproval, either order the exclusion of the articles involved in the violation from entering into the United States, or issue an order requiring the parties violating section 337 to cease and desist in such violation. The Commission is also authorized, under section 335 of the Tariff Act of 1930, to adopt reasonable rules it deems necessary to carry out its functions and duties.

While the committee takes no position with respect to the merits of any particular rule proposed by the ITC with respect to section 337, the committee does believe that the ITC has authority to issue rules pursuant to section 335 of the Tariff Act of 1930 of a substantive as well as a procedural nature with respect to implementing section 337. In particular, the Commission has been granted broad authority by section 337, as interpreted in many court decisions, to define what is an unfair method of competition or unfair act within the meaning of that statute and to determine when the statute has been violated. This it may do by rule as well as by decision in individual cases, so long as no person is the subject of an adverse order under section 337 without the benefit of the adjudicatory process provided for in the statute.

AUTHORIZATION OF APPROPRIATIONS TO THE U.S. CUSTOMS SERVICE (SECTION 2 OF THE BILL)

Present law.—Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) requires annual enactment of an authorization of appropriations to the U.S. Customs Service. The Customs Service's appropriations for fiscal year 1980 is $464,339,000, assuming enactment of the supplemental appropriation requested for pay increases for fiscal year 1981.

Committee bill.—Section 2 of the committee bill would authorize appropriations of $477 million to the Customs Service for fiscal year 1981. The committee bill also provides that no part of any sum appropriated under the authority of section 2 of the bill may be used to implement any procedure relating to the time of deposit of estimated duties that shortens the maximum ten-day deferment period for deposit under procedures in effect on January 1, 1980, relating to release of merchandise under a special permit. Additionally, section 2 of the bill provides that the President should enter into agreements, to the extent feasible and appropriate, with the governments of other countries to provide for the establishment of preclearance facilities in foreign countries in airports and other transportation facilities frequently used by substantial numbers of persons for the purpose of entering the United States from abroad.

Reasons for committee bill.—The $477 million authorized by the committee bill for fiscal year 1981 is an increase of $5 million over the $472 million originally requested by the Customs Service for fiscal year 1981. In the budget version submitted in March 1980, the Customs Service request was reduced by $6.3 million to $465.7 million.

The amount originally requested by the Customs Service of $472 million was $7,661,000 over the fiscal year 1980 appropriated amount, assuming enactment of the supplemental appropriation requested for pay increases. Given inflation, this fiscal year 1981 request, if adopted, would have represented a reduction in the real Customs budget, as occurred in fiscal year 1980. The reduction would be worse, of course, under a budget of $465.7 million. Under either budget, existing levels of services would have to be substantially curtailed. Against this background, and given the estimated 7- to 12-percent increase in customs workload which is expected in fiscal year 1981, which the committee believes cannot be accommodated solely through increased productivity, the committee believes the amount authorized by the bill is entirely warranted. The amount will result in only a 2.8 percent total increase over last year's budget, which still fails to keep pace with inflation. Even so, it is believed to be the minimal amount necessary to allow the Customs Service to perform its work properly. It is the intention of the committee that the $5 million increase it approved over the originally requested amount be devoted to increasing the number of inspectors and line (i.e., nonsupervisory) personnel employed by the Service for processing passengers and goods. It is estimated that the additional manpower that can be provided for by the $5 million will increase Customs revenues by approximately $25 to $40 million in fiscal year 1981.

Under the Customs Procedural Reform and Simplification Act of 1978, new procedures were authorized which permit the deferment of the deposit of estimated duties up to 30 days after release of merchandise from Customs' custody under special permit prior to completion of the formal entry process. The time period now permitted for deferral under customs procedures is up to 10 days. The Office of Management and Budget (OMB) has proposed to require deposit of estimated duties within a maximum three days after the release of merchandise, the 3-day period to be phased in over a number of years. This is similar to a proposal made by the OMB last year which was objected to by the committee in its report on the authorization of appropriations for the Customs Service for fiscal year 1980 (S. Rept. No. 96-143, p. 4). The language in section 2 of the committee bill providing that no appropriated funds may be expended to implement any procedure that reduces the 10-day period now provided for the deferral of deposit of estimated duties is specifically aimed at preventing the shortening of the maximum 10-day deferment period. The statutory language is designed to preserve the efficiency in customs administration and the more rapid merchandise clearance process which the Customs Procedural Reform and Simplification Act of 1978 aimed to achieve for the benefit of both the Customs Service and importers.

The committee has continued to receive reports of excessive delays in the clearance through U.S. customs facilities of passengers entering the United States, particularly passengers entering by airplane. The committee notes that approximately 25 percent of air passengers entering the United States are now precleared in foreign ports of embarkation, i.e., the immigration and customs clearance procedures normally performed when the passenger arrives in the United States with respect to the passenger and his baggage is performed in the port of embarkation, including collection of duties, agricultural inspection, etc. The preclearance procedure, while not problem-free, does in fact appear to have reduced delays and frustration associated with U.S. immigration and customs clearance, and increased efficiency.

In order to further reduce delays and frustration and further increase efficiency, the committee bill provides that the President should enter into agreements, to the extent feasible and appropriate, with the governments of other countries to provide for the establishment of preclearance immigration and customs facilities in other countries in airports and other transportation facilities frequently used by substantial number of persons for the purposes of entering the United States. The committee believes that such preclearance facilities are of benefit not only to U.S. citizens, residents, and other passengers, and of benefit to customs and immigration efficiency particularly by reducing congestion in U.S.-based facilities, but also are of benefit to the foreign country.

In any agreements concluded, the host country must undertake commitments to meet necessary requirements for protection of U.S. interests, including protection of the revenue. For example, suitable and secure inspectional areas which meet U.S. Customs requirements must be provided. Of course, pre-clearance facilities are not appropriate or feasible at every port of embarkation to the United States. The port of embarkation must have a substantial number of persons passing through it for entry into the United States in order to make a pre-clearance facility suitable in terms of effective use of Customs' resources and personnel. In this respect, it is noted that the excess costs which necessarily accrue by virtue of a Custom operation being outside the United States are now borne by the users of the service supplied.

AUTHORIZATION OF APPROPRIATIONS TO THE OFFICE OF THE U.S. TRADE REPRESENTATIVES (SECTION 3 OF THE BILL)

Present law.—Section 141(f) of the Trade of 1974 provides that the Office of the Special

Representative for Trade Negotiations (renamed Office of the U.S. Trade Representative by Reorganization Plan No. 3 of 1979) is authorized appropriations of such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1976 through fiscal year 1980.

Committee bill.—Section 3 of the committee bill authorizes appropriations to the Office of the U.S. Trade Representative of such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1981 through fiscal year 1983. Additionally, the committee bill authorizes the U.S. Trade Representative to expend funds for travel expenses without regard to standardized Government travel regulations and to per diem allowances; to delegate functions, powers, and duties to such officers and employees as he may designate, and to authorize redelegation; to accept, hold, administer, and utilize gifts, devices, and bequests of property, both real and personal, and of money, for the purpose of aiding in facilitating the work of the USTR; to acquire by purchase or exchange not more than two automobiles for use by the USTR delegation in Geneva and elsewhere, as required, at a cost of not more than $6,500 for each car; and to issue rules and regulations as may be necessary to carry out the functions, powers, and duties vested in him. The bill also makes a number of technical corrections to existing law to take account of the name changes associated with Reorganization Plan No. 3 and to delete obsolete provisions.

Reasons for committee bill.—The committee bill authorizes appropriations to the USTR for the purpose of carrying out its functions of such sums as may be necessary for each of fiscal years 1981, 1982, and 1983. The committee considered and specifically rejected an annual authorization of appropriations, believing an annual authorization to be unnecessary and burdensome.

The officers and employees of the USTR have frequent contacts with the committee, often on a daily basis for extended periods of time. The Trade Act of 1974 and the Trade Agreements Act of 1979 require continual consultations between the committee and the USTR on the matters which fall within the jurisdiction of the USTR. For example, five committee Senators are official advisers to U.S. trade negotiation delegations. The following excerpt from the committee's report on the Trade Agreements Act of 1979 (S. Rept. 96–249, pp. 5 and 6) illustrates the close working relationship between the committee and the USTR:

"The committee developed a consultative system in early 1975 to implement the Trade Act coordination procedures. Periodic briefings of Senators and committee staff by the Special Representative for Trade Negotiations (STR), his deputies or staff, access by the committee to position papers developed by the STR, and regular delivery to the committee on negotiating instructions, reports of negotiating developments, and GATT and MTN documents, were part of this system.

"From the beginning of the substantive negotiations in the MTN and throughout the remainder of the MTN until January 1979, committee members and staff made periodic trips to Geneva and to various capitals to monitor the negotiations. In the view of the committee, these trips were critical to the committee's oversight responsibilities under the Trade Act. Senators and staff attended multilateral and bilateral negotiating sessions, met with officials of foreign delegations and officers of the GATT, and consulted with the head of the United States delegation and key members of his staff."

In light of the above, the 3-year authorization provided in the bill will permit reauthorization at an interval more consonant with the existing level of contacts and relationship between the committee and the USTR. At the same time, the authorization period is sufficiently brief to insure that the committee maintains sufficient oversight authority in case problems develop in the existing relationship or in case problems of a substantial nature occur with respect to the activities of the USTR.

The committee bill also adds provisions to existing authorities of the USTR under section 141 of the Trade Act. These authorities were requested by the USTR with the clearance of the OMB, and are needed to restore standard administrative authorities to the USTR. Most agencies have these standard administrative authorities, but the USTR lost them when its budgetary relationship with the Department of State changed as a consequence of Reorganization Plan No. 3 of 1979. Among these authorities, the authority to pay for expenses approved by the U.S. Trade Representative for official travel without regard to the Federal travel regulations or to the provisions relating to rates of per diem allowances in lieu of subsistence expenses is necessary to allow the Trade Representative or other officers in the USTR to obtain accommodations at rates in excess of the per diem allowances under certain circumstances. These circumstances include the need to rent offices and suites necessary to conduct negotiations and other meetings when the living quarters of the Representative or officers are not suitable. The authority of the USTR to accept, hold, administer, and utilize gifts, devices, and bequests, of real or personal property and of money, is intended to facilitate the work of the USTR. Gifts, devices, and bequests from foreign governments are excluded from this authority. This authority will enable the USTR to receive gifts such as libraries of books or papers on trade willed to it by former employees, which it presently lacks authority to accept. The authority to purchase or exchange not more than two passenger vehicles for use abroad at a maximum cost of $6,500 each is necessary to allow the agency to acquire automobiles for the official use of its staff located in the newly established office in Geneva. Currently, the staff is borrowing automobiles from the U.S. Mission in Geneva, but this is not possible over an extended period, as the USTR delegation in Geneva is separate from the U.S. Mission in activities and location, as is intended by the Congress.

It is noted that the authority provided to the Trade Representative to issue rules and regulations as may be necessary to carry out the functions, powers, and duties vested in him is an amendment of section 141(d)(3) of the Trade Act of 1974. The purpose of this amendment is simply to clarify that this authority extends to the entire scope of the Representative's responsibilities, not merely to a more narrow range of functions; it in no way grants or implies any new or additional regulatory rulemaking power.

SURVIVOR BENEFIT PLAN AMENDMENTS

The Senate proceeded to consider the bill (S. 91) to amend title 10, United States Code, to remove certain inequities in the survivors benefit plan provided for under chapter 73 of such title, and for other purposes, which had been reported from the Committee on Armed Services with an amendment to strike all after the enacting clause and insert the following:

That section 1451(a) of title 10, United States Code, is amended to read as follows:

"(a) The monthly annuity payable to a widow, widower, or dependent child who is entitled under section 1450(a) of this title to an annuity shall be—

"(1) 55 percent of the base amount, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(A) of this title, or

"(2) a lesser percentage (determined by the Secretary of Defense in accordance with subsection (d)) of the base amount, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(B) of this title. However, when the widow has one dependent child, the monthly annuity shall be reduced by the lesser of (A) an amount equal to the mother's benefit, if any, to which the widow would be entitled under subchapter II of chapter 7 of title 42 based solely upon service by the person concerned as described in section 410(l)(1) of title 42 and calculated assuming that the person concerned lived to age 65, or (B) an amount equal to 40 percent of the monthly annuity. When the widow or widower reaches age 62, or there is no longer a dependent child, whichever occurs later, the monthly annuity shall be reduced by the lesser of (i) an amount equal to the amount of the survivor benefit, if any, to which the widow or widower would be entitled under subchapter II of chapter 7 of title 42 based solely upon service by the person concerned as described in section 410(l)(1) of title 42 and calculated assuming that the person concerned lives to age 65, or (ii) an amount equal to 40 percent of the monthly annuity. For the purpose of the preceding sentence, a widow or widower shall not be considered as entitled to a benefit under subchapter II of chapter 7 of title 42 to the extent that such benefit has been offset by deductions under section 403 of title 42 on account of work. No reduction shall be made under the second or third sentence of this subsection if the only service by the person concerned as described in section 410(l)(1) of title 42 involved periods of service of less than 30 continuous days for which the person concerned is entitled to receive a refund under section 6413(c) of title 26 of the social security tax which he had paid and such periods of service were performed after the effective date of this sentence.".

SEC. 2. Section 1452 of title 10, United States Code, is amended by adding at the end thereof the following new subsections:

"(g)(1) Notwithstanding any other provision of this subchapter and subject to the provisions of paragraphs (2) and (3) of this subsection, any person who has elected to participate in the Plan and who is suffering from a service-connected disability rated by the Veterans' Administration as totally disabling and has suffered from such disability while so rated for a continuous period of 10 or more years or, if so rated for a lesser period, has suffered from such disability while so rated for a continuous period of not less than 5 years from the date of such person's last discharge or release from active duty, may discontinue his or her participation in the Plan by submitting to the Secretary concerned a request in such form and containing such information as the Secretary concerned may require by regulation. Upon receipt of such request, the Secretary concerned shall, effective on the first day of the first month following the month in which such request is received, discontinue the reduction being made in such person's retired or retainer pay on account of participation in the Plan (or if such person has been required to make deposits in the Treasury on account of such participation, such member may discontinue making such deposits effective on such date).

"(2) A person described in paragraph (1) of this subsection may not discontinue his or her participation in the Plan without the written consent of the beneficiary or beneficiaries under the Plan.

"(3) The Secretary concerned shall furnish promptly to each person who files a request to discontinue participation in the Plan a written statement of the advantages of participating in the Plan and the possible disadvantages of discontinuing participation. A person may withdraw the request made under paragraph (1) of this subsection if it is withdrawn within 30 days after having been submitted to the Secretary concerned.

"(4) Any person described in paragraph (1) of this subsection who has discontinued his or her participation in the Plan may again elect to participate in the Plan if (A) at any time after having discontinued participation in the Plan the Veterans' Administration reduces such person's service-connected disability rating to less than total, and (B) such person makes application to the Secretary concerned, within such period of time after the reduction in such person's service-connected disability rating has been made as the Secretary concerned may prescribe, to again participate in the Plan and includes in such application such information as the Secretary concerned may require. The Secretary concerned shall begin making reductions in such person's retired or retainer pay, or require such person to make deposits in the Treasury under subsection (d) of this section, as appropriate, effective beginning with the month in which the Secretary concerned receives the application for resuming participation in the Plan.

"(h) The amount of the reduction required to be made by this section in the retired or retainer pay of any person shall be increased at the same time and by the same percent as retired or retainer pay is increased under section 1401a of this title.".

SEC. 3. (a) Notwithstanding any other provision of law, any individual who on or before September 20, 1972, was a widow of a person who (1) was entitled at the time of his death to retired or retainer pay because of service in the uniformed services, and (2) was serving on active duty at the time of his death and had served on active duty in the uniformed services for a period of not less than 20 years, shall be paid an annuity by the Secretary concerned in the amount prescribed in subsection (b) unless such widow is eligible to receive an annuity under subchapter II of chapter 73 of title 10, United States Code.

(b)(1) Subject to the provisions of paragraphs (2) and (3), the amount of the annuity payable to any widow under this section shall be an amount equal to 55 percent of the amount of the retired or retainer pay to which her husband would have been entitled to receive at the time of his death had he become entitled to retired pay on such date—

(A) adjusted by the same percentage increases, consecutively compounded, that were made in retired and retainer pay under section 1401a of title 10, United States Code (or under any prior provisions of law), between the date of his death and September 20, 1972; and

(B) further adjusted by the same percentage increases, consecutively compounded, that were made in survivor benefit annuities under section 1451(c) of title 10, United States Code, between October 1, 1972, and the day before the effective date of this Act.

However, when the widow has one dependent child, the monthly annuity shall be reduced by the lesser of (i) an amount equal to the mother's benefit, if any, to which the widow would be entitled under subchapter II of chapter 7 of title 42 based solely upon service by the person concerned as described in section 410(l)(1) of title 42 and calculated assuming that the person concerned lived to age 65, or (ii) an amount equal to 40 percent of the annuity. When the widow or widower reaches age 62, or there is no longer a dependent child, whichever occurs later, the monthly annuity shall be reduced by the lesser of (I) an amount equal to the amount of the survivor benefit, if any, to which the widow or widower would be entitled under subchapter II of chapter 7 of title 42 based solely upon service by the person concerned as described in section 410(l)(1) of title 42 and calculated assuming that the person concerned lives to age 65, or (II) an amount equal to 40 percent of the annuity. For the purpose of the preceding sentence, a widow or widower shall not be considered as entitled to a benefit under subchapter II of chapter 7 of title 42 to the extent that such benefit has been offset by deductions under section 403 of title 42 on account of work.

(2) Whenever there is an increase in retired and retainer pay under section 1401a of title 10, United States Code, each annuity payable under this section on the day before the effective date of that increase shall be increased by the same percentage as the percentage of that increase, effective on the effective date of the increase.

(3) The annuity paid to any widow under this section shall be reduced by any amount such widow is entitled to receive as an annuity under subchapter I of chapter 73 of title 10, United States Code, or dependency and indemnity compensation under section 411(a) of title 38, United States Code (or under any prior corresponding provision of law).

(c) In no case shall the total amount of benefits payable to any widow as a result of the enactment of this section be less than the total amount of benefits which would have been payable to such widow had this section not been enacted.

(d) As used in this section the term "uniformed services" has the same meaning ascribed to it in section 1072(1) of title 10, United States Code.

SEC. 4. The provisions of this Act and the amendments made by this Act shall be effective on the first day of the second calendar month following the month in which this Act is enacted, or on October 1, 1980, whichever is later, and shall apply to annuities payable by virtue of such amendments for months beginning on or after such date. No benefits shall accrue to any person by virtue of the enactment of this Act for any period before the date of enactment of this Act.

The amendment was agreed to.

Mr. THURMOND. Mr. President, I express my thanks to Senators NUNN, JEPSEN, WARNER and COHEN and to the Members of the Manpower and Personnel Subcommittee and my distinguished colleagues on the Senate Armed Services Committee for their consideration of my bill, S. 91, which would make many of the needed improvements to the Military Survivor Benefit Plan (SBP). I am grateful for the extensive efforts devoted to this vital and complex measure by my committee colleagues.

Most of the inequities of the current survivor benefit plan have developed subsequent to the plan's original conception in 1972. It was intended by the Congress to provide the survivors of military retirees with benefits similar to those provided to the survivors of civil service retirees. Although all the provisions in my original bill were not accepted, I can understand the dilemma caused due to fiscal restraints and budgetary problems.

Mr. President, it should be the objective of Congress to insure that the military survivor benefits are at least comparable to those provided the civilian federal work force. I am, of course, disappointed that all the provisions in the original S. 91 were not retained; however, some progress is achieved by S. 91, as reported to the Senate. I know that in our efforts to balance the fiscal year 1981 budget, our desire to remove all the inequities are not completely obtainable at this time. In this regard, I will consider additional measures in the next session of Congress.

REVISED COST CALCULATION

Mr. President, I am pleased that our committee adopted a revised cost method for participants in SBP. The premium calculation method proposed in S. 91 will adjust the cost to conform to the method of the civil service system. I strongly urge support of our committee's recommendation to make this correction.

SOCIAL SECURITY OFFSET

Mr. President, under current law the survivor benefit plan annuities at age 62 are reduced by the amount of social security a widow may receive which is attributed to the servicemember's military service. This complete offset occurs even though the servicemember separately pays social security taxes during his military years for these benefits. Today, many military retirees are contributing millions of dollars for a survivor benefit plan from which their survivors will never receive a penny.

Mr. President, it is a historical fact, that the military Survivor Benefit Plan has already collected in excess of $1 billion more than has been paid out in survivor annuities. As a matter of fact, the latest Department of Defense calculations reveal that an additional excess of $200 million each year will accrue in 1980 and 1981. The total excess in 1981 will be $1.5 billion. Consequently, it is obvious the social security offset should be modified. The provisions of my original bill would have reduced this social security offset only by the amount of the Government's share of the social security offset costs, or by 50 percent of the social security attributed to military service.

However, due to costs, our Committee adopted an alternative approach to this inequity. The bill now proposes that the SBP annuity will not be offset by more than 40 percent by social security. I accepted this alternative with reluctance.

FORGOTTEN WIDOWS

Mr. President, I was very disappointed that our committee did not adopt the provision of the original S. 91 to provide an annuity for all the "forgotten widows" whose husbands died before September 21, 1972, when we did not have a survivor benefit plan. However, I was pleased that our committee provided for some of these widows. I accepted the committee's recommendation to provide a survivor benefit plan annuity to widows or widowers whose spouses died on active duty before September 21, 1972, and who were eligible to retire at the time of their death. However, I still believe that in good conscience we cannot continue to forget the others whose husbands served 20 to 40 years and were left with no survivor benefit plan.

ELIMINATION OF SOCIAL SECURITY OFFSET FOR CERTAIN RESERVISTS

Mr. President, I was pleased that our committee adopted my original provision pertaining to certain Reservists. Those Reservists with 30 or less continuous days of active duty will not be penalized with the social security offset under the revised S. 91 before us today.

(S. 2463) TOTALED DISABLED RETIREES

Mr. President, Senator HUMPHREY brought our attention to a situation where changes in another law have an impact on the participants in the military survivor benefit plan. Public Law 95–479 provides dependency indemnity compensation (DIC) payments to surviving spouses of certain totally disabled veterans. In almost all cases, the receipt of DIC will provide a complete substitute for the survivor benefit plan. Under current law, SBP payments are returned to the surviving spouse after the retiree's death. If the totally disabled retiree survives his spouse, these payments are lost forever. It is only right to authorize a waiver of the SBP premium during a period a retiree is totally disabled from service-connected causes. I commend Senator HUMPHREY for bringing this inequity to our attention with the introduction of his bill, S. 2463. His bill was adopted by our committee as a logical provision of S. 91. I urge approval of this provision.

Mr. President, I was also disappointed that there were several other provisions in my original S. 91 which were not adopted by our committee. These pertained to: First, social security offsets for a widow with one child, since there is no offset for a widow with two children; second, the elimination of the social security offset when that benefit is based on the widow's own earnings; and third, an open participation period of 270 days to provide an opportunity for nonparticipating retirees to enroll in the survivor benefit plan. I plan to consider proposing legislation in the next session of Congress to address the remaining inequities.

In the interest of reducing the adverse impact of inequities as much as possible, and because of our budgetary problems, I urge my distinguished colleagues to support the revised version of S. 91. Again, I commend those colleagues on the Senate Armed Services Committee who have devoted so much time and effort to this vital problem.

Mr. President, I ask unanimous consent that Senator HUMPHREY be added as a cosponsor of S. 91 and I recommend that the Senate approve the recommendations of our committee, as presented in S. 91.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. HUMPHREY. Mr. President, I strongly support the provisions of S. 91 of which I am proud to be a cosponsor. These provisions go a long way in improving the survivor benefit plan of the military retiree. I heartily commend Senator THURMOND and Senator NUNN for their crucial leadership in this important area.

I would like to bring the attention of the Senate to section 2 of S. 91 as reported by the Senate Armed Services Committee. This provision allows certain totally disabled veterans to suspend participation in the survivor benefit plan when it turns out that their surviving spouses will never receive a benefit from the survivor benefit plan. I authored this provision and introduced it with Senator THURMOND as S. 2463 on March 21, 1980. Cosponsors of this survivor benefit plan improvement are Senators GLENN, JACKSON, and GOLDWATER. I am pleased that the Armed Services Committee has included this necessary provision in S. 91.

This provision affects totally disabled veterans who are currently required to pay premiums into a plan from which they can never benefit. Section 2 of this bill removes this inequity.

Changes in the law affecting veterans and military retirees have created this inequity for certain veterans. Currently, the survivor benefit plan annuity is integrated with the dependency and indemnity compensation (DIC) benefit awarded by the Veterans' Administration under the provisions of 10 U.S.C. 1450. The DIC benefit is a payment to the dependent survivor of a deceased military member whose death occurs as a result of a service-connected injury.

This benefit, for which the veteran does not pay, is intended as a partial income replacement and as reparation for the member's service-connected death. The surviving spouse is eligible for survivor benefit plan benefits only to the extent that her survivor benefit plan entitlement exceeds her DIC entitlement. In many cases, however, the surviving spouse never receives any survivor benefit plan benefit—for which the military member has been paying for years—because the DIC benefit, paid by the VA, exceeds the survivor benefit plan annuity.

The inequity became apparent 2 years ago when the Congress enacted Public Law 95–479. This law liberalized the definition of service-connected deaths, thus expanding the population of potential DIC beneficiaries to include those whose spouses had previously enrolled in the survivor benefit plan. At the present time, DIC benefits are paid to survivors of the veteran who is rated as totally disabled for a period of 10 or more years immediately preceding death, or if so rated for a lesser period, was so rated continuously for a period of not less than 5 years from the date of such veteran's discharge. Simply put, DIC payments may now be made in the case of deaths not service-connected when certain conditions are met.

The inequity affects those military retirees who, upon retirement, elect to participate in the survivor benefit plan. If the veteran becomes totally disabled subsequent to this survivor benefit plan election, he or she must continue the survivor benefit plan payments even though the surviving spouse would receive DIC benefits greater than the survivor benefit plan benefit. Therefore, the surviving spouse will never receive the survivor benefit plan annuity, even though the military retiree has been paying into the survivor benefit plan for years. Although there is a provision in the law that enables the service-connected causes. I commend refund equal to the amount of payments made into the survivor benefit plan, this provision is merely a forced savings account—without interest.

Section 2 will simply allow this category of veteran to discontinue his payments to the survivor benefit plan. In today's inflationary times, many veterans need every penny to make ends meet. For these veterans, it makes little sense to pay into a plan from which they will receive no benefit. Enactment into law of this proposal will be in the best interests of these veterans.

The Department of Defense informs me that there are at present 12,570 retirees in the category of totally disabled veterans participating in the survivor benefit plan. Many of these veterans may find it in their best interest to discontinue their participation in the survivor benefit plan because their survivors would be eligible for DIC benefits exceeding their survivor benefit plan annuity.

An additional provision in section 2 allows the totally disabled veteran who discontinues his participation in the survivor benefit plan to return to the plan if his condition improves, thus reducing his disability rating. I am informed that this is an infrequent occurrence, most often in psychological cases where the mental condition of the veteran improves. This additional provision is necessary so that this individual is not left with neither the survivor benefit plan benefit nor any DIC benefit.

Many veterans and military groups support this provision in S. 91. These include:

Air Force Sergeants Association;
American Legion;
Amvets;
Association of the United States Army;
Chief Petty Officers Association, U.S. Coast Guard;
Chief Warrant and Warrant Officers Association, U.S. Coast Guard;
Fleet Reserve Association;
Marine Corps League;
National Association for Uniformed Services;
Naval Reserve Association;
Noncommissioned Officers Association;
Reserve Officers Association;
The Retired Officers Association; and
Veterans of Foreign Wars.

Section 2 and the other worthy provisions of S. 91 must be enacted as soon as possible. I urge the Senate's support of this measure.●

● Mr. JEPSEN. Mr. President, in 1972 a survivor benefit plan was enacted to provide protection for the survivors of retired military personnel. That plan was designed to provide a guaranteed income equal to 55 percent of covered retirement pay when other payments such as social security benefits attributable to military service are included. Part of the cost of this benefit program was to be shared by the Government. A typical 60/40 burden sharing ratio was anticipated.

Because of the rapid increase in the size of social security payments and because survivor benefits payments are reduced by 100 percent of the amount of the social security payments, the burden sharing ratio related directly to the survivor benefit plan has so tilted against the individual participant that many individuals can anticipate paying more into the program than they could ever hope to receive. The Armed Services Committee has reported favorably S. 91 to correct this and other inequities associated with the survivor benefit plan.

Under S. 91 as amended by the Armed Services Committee the survivor benefit plan payment could not be reduced by more than 40 percent as a result of social security payments. This new approach to calculating the survivor benefit payment will help insure a more adequate annuity for survivors, especially the widows of enlisted personnel. The committee also recommends the provision of S. 91 which eliminates the social security offset for the survivor of a reservist who receives a refund of social security taxes because he already receives maximum social security coverage from a civilian occupation.

To me, one of the most significant corrections made to the survivor benefit plan is the provision which insures survivor benefit plan payments to survivors whose spouses died on active duty before September 21, 1972. Although no retroactive payments will be made, this will insure a survivor annuity to the widows of service members who died before they were eligible to select survivor benefit plan coverage. I believe and the committee believes that there should be no penalty to survivors of members who remained on active duty after reaching retirement eligibility. Although there are widows who remain "forgotten" I believe that this provision is the least that should be done to address the "forgotten widows" problem.

S. 91 as reported by the Senate Armed Services Committee also contains an amendment originally introduced by Senator HUMPHREY as a separate bill, S. 2463, which would allow totally disabled veterans to suspend making survivor benefit plan payments. Clearly, it makes no sense for these veterans to continue paying into a plan from which they would receive no benefit because their dependency and indemnity compensation benefits from the Veterans' Administration would cancel out their survivor benefit plan benefit. Senator HUMPHREY is to be commended for his bill.

I hope that all of my colleagues will join with me in support of S. 91 and urge that you vote in favor of passage.●

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STEVENSON TECHNOLOGY INNOVATION ACT OF 1980

The Senate proceeded to consider the bill (S. 1250) to promote U.S. technological innovation for the achievement of national economic, environmental, and social goals, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transortation with amendments as follows:

On page 1, line 3, strike "Nationa" and insert "Stevenson";

On page 1, line 4, strike "1979" and insert "1980";

On page 2, beginning with line 4, insert the following:

(4) Small businesses have performed an important role in advancing industrial and technological innovation.

On page 2, line 20, strike "(4)" and insert "(5)";

On page 2, line 20, after "Industrial" insert "and technological";

On page 2, line 23, strike "(5)" and insert "(6)";

On page 2, line 23, after "industrial" insert "and technological";

On page 3, line 1, strike "(6)" and insert "(7)"

On page 3, line 7, strike "(7)" and insert "(8)";

On page 4, line 8, strike "Panel" and insert "Board";

On page 4, line 8, after "the" insert "National";

On page 4, line 9, strike "Review Panel" and insert "Board";

On page 4, line 11, strike "TECHNOLOGY" and insert "TECHNOLOGICAL";

On page 5, beginning with line 23, insert tho following:

(6) undertake cooperative efforts to stimulate industrial innovation with other officials in the Department of Commerce responsible for trade and economic assistance.

On page 7, line 3, strike "(6)" and insert "(7)";

On page 7, line 3, strike "through" and insert "to";

On page 6, line 3, after "Secretary" insert "for transmittal";

On page 6, line 8, strike "(7)" and insert "(8)";

On page 6, line 20, after the comma, insert "or other";

On page 7, line 2, strike "technology" and insert "technological";

On page 7, line 7, after "economic" insert "or strategic";

On page 7, beginning with line 10, strike through and including line 13;

On page 7, line 14, strike "(4)" and insert "(3)";

On page 7, line 15, strike "technology" and insert "the technological";

On page 7, line 16, strike "(5)" and insert "(4)";

On page 7, line 16, strike "in" and insert "for";

On page 7, line 18, strike "from" and insert "among";

On page 7, line 18, strike "to" and insert "and";

On page 7, line 19, strike "(6)" and insert "(5)";

On page 7, line 22, strike "(7)" and insert "(6)";

On page 7, line 23, after "support" insert "from other mission agencies, from State and local government, and";

On page 8, line 5, strike "technology" and insert "technological";

On page 8, line 8, after "assistance" insert "to individuals and small businesses";

On page 8, line 9, after "in the" insert "generation";

On page 8, line 12, strike "technological" and insert "technical";

On page 8, line 13, after "industry" insert a comma and "particularly small businesses";

On page 8, line 22, after "contribution" insert "of the activities proposed under the Center";

On page 8, line 24, strike "of the activities proposed under the Center";

On page 9, line 6, beginning with "including" strike through and including line 9, and insert "including:";

On page 9, beginning with line 10, insert the following:

(A) the agreement between the parties as to the allocation of patent rights on a nonexclusive, partially exclusive, or exclusive license basis to and inventions conceived or made under the auspices of the Center; and

(B) the consideration of means to place the Center, to the maximum extent feasible, on a selfsustaining basis;

On page 9, line 19, after "or" insert "other";

On page 9, line 20, after the semicolon, insert "and";

On page 9, beginning with line 21, insert the following:

(5) consideration has been given to any effects upon competition of the activities proposed under the Center.

On page 10, line 3, after the dash insert "(1)";

On page 10, line 4, strike "technology" and insert "technological";

On page 10, beginning with line 9, insert the following:

(A) the Center reports the invention to the Director together with a list of each country in which the Center elects to file a patent application on the invention;

On page 10, line 13, strike "(1)" and insert "(B)";

On page 10, line 17, strike "(2)" and insert "(C)";

On page 10, beginning with line 20, strike through and including page 11, line 2;

On page 11, line 3, strike "(5)" and insert "(D)";

On page 11, line 5, strike "(6)" and insert "(E)";

On page 11, line 11, strike "(7)" and insert "(F)";

On page 11, beginning with line 15, strike through and including line 16, and insert in lieu thereof the following:

The Secretary shall have the right to acquire title to any patent on an invention in any country in which the Center elects not to file a patent application or fails to file within a reasonable time.

(2) Where a Center has retained title to an invention under paragraph (1) of this subsection the Secretary shall have the right to require the Center or its licensee to grant a nonexclusive, partially exclusive, or exclusive license to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, if the Secretary determines, after public notice and opportunity for hearing, that such action is necessary—

(A) because the Center or licensee has not taken and is not expected to take timely and effective action to achieve practical application of the invention;

(B) to meet health, safety, environmental, or national security needs which are not reasonably satisfied by the contractor or licensee; or

(C) because the granting of exclusive rights in the invention has tended substantially to lessen competition or to result in undue market concentration in the United States in any line of commerce to which the technology relates.

(f) ADDITIONAL CONSIDERATION.—Before substantial public and private funds are committed to a Center, the Secretary shall submit a request to the Attorney General for an opinion whether the joint research activities of the Center would be in violation of any of the antitrust laws. The Attorney General shall advise the Secretary of his determination and the reasons therefor within 120 days after receipt of such request.

On page 13, line 1, strike "established under" and insert "consistent with";

On page 13, line 2, after "Act" insert a comma and "including activities performed by individuals";

On page 13, line 5, strike "or project involved";

On page 13, line 11, strike "60 months" and insert "90 days";

On page 13, beginning with line 21, strike through and including line 24;

On page 14, line 1, strike "(3)" and insert "(2)";

On page 14, line 11, beginning with "Such" strike through and including line 20;

On page 14, line 23, strike "seek" and insert "obtain";

On page 15, line 13, beginning with "A" strike through and including line 15, and insert in lieu thereof "National Laboratories are authorized to participate in, contribute to or serve as a resource for the Centers.";

On page 15, line 18, after "9." insert "NATIONAL";

On page 15, line 18, strike "REVIEW PANEL" and insert "BOARD";

On page 15, line 20, strike "an independent" and insert "a";

On page 15, line 22, strike "Review Panel" and insert "Board";

On page 15, line 23, strike "Panel" and insert "Board";

On page 16, line 6, after "Act" insert "including assistance in establishing priorities";

On page 16, line 11, strike "Panel" and insert "Board";

On page 16, line 12, strike "Panel" and insert "Board";

On page 16, line 16, strike "Panel" and insert "Board";

On page 16, at the beginning of line 19, strike "Panel" and insert "Board";

On page 16, line 19, strike "Panel" and insert "Board";

On page 17, line 1, strike "Panel" and insert "Board";

On page 17, line 4, strike "Panel" and insert "Board";

On page 17, line 14, strike "Panel" and insert "Board";

On page 17, line 19, strike "Panel" and insert "Board";

On page 17, line 23, strike "Panel" and insert "Board";

On page 17, line 23, after "and" insert "may";

On page 18, line 4, strike "$40,000,000" and insert "$19,000,000";

On page 18, line 5, strike "1980" and insert "1981";

On page 18, line 5, strike "$50,000,000" and insert "$40,000,000";

On page 18, line 6, strike "1981" and insert "1982, $50.000.000 for the fiscal year ending September 30, 1983";

On page 18, line 8, strike "1982, 1983" and insert "1984";

On page 18, line 9, strike "1984" and insert "1985";

On page 18, line 12, after "exceed" insert "$3,000,000 for the fiscal year ending September 30, 1981, $5,000,000 for the fiscal year ending September 30, 1982, and";

On page 18, line 16, strike "1980, 1982, 1982,";

On page 18, line 16, strike "and";

On page 18, line 16, after 1984" insert a comma and "and 1985";

S. 1250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Stevenson Technology Innovation Act of 1980".

SEC. 2. FINDINGS.

The Congress finds and declares that:

(1) Technology and indusrtial innovation are central to the economic, environmental, and social well-being of citizens of the United States.

(2) Technology and industrial innovation offer an improved standard of living, increased public and private sector productivity, creation of new industries and employment opportunities, improved public services and enhanced competitiveness of United States products in world markets.

(3) Many new discoveries and advances in science occur in universities and Government laboratories, while the application of this new knowledge to commercial and useful public purposes depends largely upon actions by business and labor.

(4) Small businesses have performed an important role in advancing industrial and technological innovation.

(5) Industrial and technological innovation in the United States may be lagging when compared to historical patterns and other industrialized nations.

(6) Increased industrial and technological innovation would reduce trade deficits, stabilize the dollar, increase productivity gains, increase employment and stabilize prices.

(7) Government antitrust, economic, trade, patent, procurement, regulatory, research and development, and tax policies have significant impacts upon industrial innovation and development of technology, but there is insufficient knowledge of their effects in particular sectors of the economy.

(8) No national policy exists to enhance technological innovation for commercial and public purposes.

SEC. 3. PURPOSE.

It is the purpose of the Congress in this Act to enhance technological innovation for the improvement of the economic, environmental and social well-being of the United States.

SEC. 4. DEFINITIONS.

As used in this Act, unless the context otherwise requires, the term—

(1) "Office" means the Office of Industrial Technology established under section 5 of this Act.

(2) "Secretary" means the Secretary of Commerce.

(3) "Director" means the Director of the Office of Industrial Technology, appointed pursuant to section 5 of this Act.

(4) "Centers" means the Centers for Industrial Technology established under section 6 of this Act.

(5) "Nonprofit institution" means an organization owned and operated exclusively for scientific or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(6) "Board" means the National Industrial Technology Board established pursuant to section 9.

SEC. 5. COMMERCE AND TECHNOLOGICAL INNOVATION.

(a) IN GENERAL.—The Secretary shall establish and maintain an Office of Industrial Technology in accordance with the provisions, findings, and purposes of this Act.

(b) DIRECTOR.—The President shall appoint, by and with the advice and consent of the Senate, a Diretcor of the Office, who shall be compensated at the rate provided for level V of the Executive Schedule in section 5316 of title V, United States Code.

(c) DUTIES.—In addition to any other duty prescribed by law or assigned by the Secretary, the Director, on a continuing basis, shall—

(1) determine the relationships of technological developments and international technology transfers to the output, employment, productivity, and world trade performance of United States and foreign industrial sectors;

(2) determine the influence of economic, labor and other conditions, industrial structure and management, and government policies on technological developments in particular industrial sectors worldwide;

(3) identify technological needs, problems, and opportunities within and across industrial sectors that, if addressed, could make a significant contribution to the economy of the United States;

(4) assess whether the capital, technical and other resources being allocated to domestic industrial sectors which are likely to generate new technologies are adequate to meet private and social demands for goods and services and to promote productivity and economic growth;

(5) propose and support studies and policy experiments, in cooperation with other Federal agencies, to determine the effectiveness of measures with the potential of advancing United States technological innovation;

(6) undertake cooperative efforts to stimulate industrial innovation with other officials in the Department of Commerce responsible for trade and economic assistance.

(7) recommend to the Secretary for transmittal to the President and Congress government measures with the potential of advancing United States technological innovation and exploiting innovations of foreign origin; and

(8) assist in the preparation of the report required under section (d) and publish the results of studies and policy experiments.

(d) REPORT.—The Secretary shall prepare and submit to the President and Congress, within 3 years after the date of enactment of this Act, a report on the progress, findings, and conclusions of activities conducted pursuant to sections 5 and 6 of this Act and recommendations for possible modifications thereof.

SEC. 6. CENTERS FOR INDUSTRIAL TECHNOLOGY

(a) ESTABLISHMENT.—The Director shall provide assistance for the establishment of Centers for Industrial Technology. Such Centers shall be affiliated with any university, or other nonprofit institution, or group thereof, that applies for and is awarded a grant or enters into a cooperative agreement under this section. The objective of the Centers is to enhance technological innovation through—

(1) the participation of individuals from industry and universities in cooperative technological innovation activities;

(2) the development of the generic research base, important for technological advance and innovative activity, in which individual firms have little incentive to invest, but which may have significant economic or strategic importance, such as manufacturing technology;

(3) the education and training of individuals in the technological innovation process;

(4) the improvement of mechanisms for the dissemination of scientific, engineering, and technical information among universities and industry;

(5) the utilization of the capability and expertise, where appropriate, that exists in Federal laboratories; and

(6) the development of continuing financial support from other mission agencies, from State and local government, and from industry and universities through, among other means, fees, licenses, and royalties.

(b) ACTIVITIES.—The activities of the Centers shall include, but need not be limited to—

(1) research supportive of technological and industrial innovation including cooperative industry-university basic and applied research;

(2) assistance to individuals and small businesses in the generation, evaluation and development of technological ideas supportive of industrial innovation and new business ventures;

(3) technical assistance and advisory services to industry, particularly small businesses; and

(4) curriculum development, training and instruction in invention, entrepreneurship, and industrial innovation.

Each Center need not undertake all of the activities under this subsection.

(c) REQUIREMENTS.—Prior to establishing a Center, the Director shall find that—

(1) consideration has been given to the potential contribution of the activities proposed under the Center to productivity, employment, and economic competitiveness of the United States;

(2) a high likelihood exists of continuing participation, advice, financial support, and other contributions from the private sector;

(3) the host university or other nonprofit institution has a plan for the management and evaluation of the activities proposed within the particular Center, including:

(A) the agreement between the parties as to the allocation of patent rights on a nonexclusive, partially exclusive, or exclusive license basis to and inventions conceived or made under the auspices of the Center; and

(B) the consideration of means to place the Center, to the maximum extent feasible, on a self-sustaining basis;

(4) suitable consideration has been given to the university's or other nonprofit institution's capabilities and geographical location; and

(5) consideration has been given to any effects upon competition of the activities proposed under the Center.

(d) Planning Grants.—The Director is authorized to make available nonrenewable planning grants to universities or nonprofit institutions for the purpose of developing a plan required under subsection (c)(3).

(e) Research and Development Utilization.—(1) To promote technological innovation and commercialization of research and development efforts, each Center has the option of acquiring title to any invention conceived or made under the auspices of the Center that was supported at least in part by Federal funds: *Provided*, That—

(A) the Center reports the invention to the Director together with a list of each country in which the Center elects to file a patent application on the invention;

(B) said option shall be exercised at the time of disclosure of invention or within such time thereafter as may be provided in the grant or cooperative agreement;

(C) the Center intends to promote the commercialization of the invention and file a United States patent application;

(D) royalties be used for educational or research activities of the Center;

(E) the Center make periodic reports to the Director, and the Director may treat information contained in such reports as privileged and confidential technical, commercial, and financial information and not subject to disclosures under the Freedom of Information Act; and

(F) Any Federal department or agency shall have the royalty-free right to practice, or have practiced on its behalf, the invention for governmental purposes.

The Secretary shall have the right to acquire title to any patent on an invention in any country in which the Center elects not to file a patent application or fails to file within a reasonable time.

(2) Where a Center has retained title to an invention under paragraph (1) of this subsection the Secretary shall have the right to require the Center or its licensee to grant a nonexclusive, partially exclusive, or exclusive license to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, if the Secretary determines, after public notice and opportunity for hearing, that such action is necessary—

(A) because the Center or licensee has not taken and is not expected to take timely and effective action to achieve practical application of the invention;

(B) to meet health, safety, environmental, or national security needs which are not reasonably satisfied by the contractor or licensee; or

(C) because the granting of exclusive rights in the invention has tended substantially to lessen competition or to result in undue market concentration in the United States in any line of commerce to which the technology relates.

(f) Additional Consideration.—Before substantial public and private funds are committed to a Center, the Secretary shall submit a request to the Attorney General for an opinion whether the joint research activities of the Center would be in violation of any of the antitrust laws. The Attorney General shall advise the Secretary of his determination and the reasons therefor within 120 days after receipt of such request.

Sec. 7. Grants and Cooperative Agreements.

(a) In General.—The Director may make grants and enter into cooperative agreements according to the provisions of this section in order to assist any activity consistent with this Act, including activities performed by individuals. The total amount of any such grant or cooperative agreement may not exceed 75 percent of the total cost of the program.

(b) Eligibility and Procedure.—Any person or institution may apply to the Director for a grant or cooperative agreement available under this section. Application shall be made in such form and manner, and with such content and other submissions, as the Director shall prescribe. The Director shall act upon each such application within 90 days after the date on which all required information is received.

(c) Terms and Conditions.—

(1) Any grant made, or cooperative agreement entered into, under this section shall be subject to the limitations and provisions set forth in paragraphs (2) and (3) of this subsection, and to such other terms, conditions, and requirements as the Director deems necessary or appropriate.

(2) Any person who receives or utilizes any proceeds of any grant made or cooperative agreement entered into under this section shall keep such records as the Director shall by regulation prescribe as being necessary and appropriate to facilitate effective audit and evaluation, including records which fully disclose the amount and disposition by such recipient of such proceeds, the total cost of the program or project in connection with which such proceeds were used, and the amount, if any, of such costs which was provided through other sources.

Sec. 8. Administrative Arrangements.

(a) Coordination.—The Director shall, on a continuing basis, obtain the advice and cooperation of departments and agencies whose missions contribute to or are affected by the programs established under this Act, including the development of an agenda for research and policy experimentation. These departments and agencies shall include but not be limited to the Departments of Defense, Energy, Health, Education, and Welfare, Housing and Urban Development, the Environmental Protection Agency, National Aeronautics and Space Administration, National Science Foundation, Small Business Administration, Council of Economic Advisers, Council on Environmental Quality, and Office of Science and Technology Policy.

(b) Authorization.—The Secretary is authorized to receive moneys from other departments or agencies to support activities of the Centers established under section 6 and for the support of studies and policy experiments. National Laboratories are authorized to participate in, contribute to or serve as a resource for the Centers.

Sec. 9. National Industrial Technology Board.

(a) Establishment.—There shall be established a committee to be known as the National Industrial Technology Board.

(b) Duties.—The Board shall take such steps as may be necessary to review annually the activities of the Office and advise the Secretary and the Director with respect to—

(1) the formulation and conduct of activities under section 5 of this title;

(2) the designation and operation of Centers and their programs under section 6 of this Act including assistance in establishing priorities;

(3) the preparation of the report required under section 5(d); and

(4) such other matters as the Secretary or Director refers to the Board for review and advice. The Director shall make available to the Board such information, personnel, and administrative services and assistance as it may reasonably require to carry out its duties.

(c) Membership, Terms, and Powers.—

(1) The Board shall consist of 15 voting members who shall be appointed by the Secretary. The Director shall serve as a nonvoting member of the Board. The members of the Board shall be individuals who, by reason of knowledge, experience, or training are especially qualified in one or more of the disciplines and fields dealing with technology, labor, and industrial innovation or who are affected by technological innovation. The majority of the members of the Board shall be individuals from industry and business.

(2) The term of office of a voting member of the Board shall be 3 years, except that of the original appointees, five shall be appointed for a term of 1 year, five shall be appointed for a term of 2 years, and five shall be appointed for a term of 3 years.

(3) Any individual appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. No individual may be appointed as a voting member after serving more than two full terms as such a member.

(4) The Board shall select a voting member to serve as the Chairperson and another voting member to serve as the Vice Chairperson. The Vice Chairperson shall perform the functions of the Chairperson in the absence or incapacity of the Chairperson.

(5) Voting members of the Board may receive compensation at a daily rate for GS-18 of the General Schedule under section 5332 of title V, United States Code, when actually engaged in the performance of duties for such Board, and may be reimbursed for actual and reasonable expenses incurred in the performance of such duties.

Sec. 10. Authorization of Appropriations.

(a) There is authorized to be appropriated to the Secretary for purposes of carrying out section 6, not to exceed $19,000,000 for fiscal year ending September 30, 1981, $40,000,000 for the fiscal year ending September 30, 1982, $50,000,000 for the fiscal year ending September 30, 1983, and $60,000,000 for each of the fiscal years ending September 30, 1984 and 1985.

(b) In addition to authorizations of appropriations under subsection (a), there is authorized to be appropriated for purposes of carrying out the provisions of this Act not to exceed $3,000,000 for the fiscal year ending September 30, 1981, $5,000,000 for the fiscal year ending September 30, 1982, and $10,000,000 for each of the fiscal years ending September 30, 1983, 1984, and 1985.

(c) Such sums as may be appropriated under subsections (a) and (b) shall remain available until expended.

The amendments were agreed to.

● Mr. STEVENSON. Mr. President, today the Senate considers S. 1250, a bill to stimulate U.S. technological innovation. I am grateful to my colleagues on the Committee on Commerce, Science, and Transportation for their sentiments and disavow any responsibility for the name under which this bill labors.

The bill recognizes the responsibility of Government for new cooperative efforts to enhance the competitiveness of U.S. industry in a highly competitive, interdependent world. It is the product of a collegial effort, and represents a beginning which I am confident will continue long after I have left the Senate. I do appreciate the sentiments, but the practice of naming bills for Members is, I believe, best left to the past.

Mr. President, this bill is an essential part of a strategy to restore the United States to its former preeminance in world commerce. As we enter the decade of the 1980's, the economic signs are not encouraging. The average rate of inflation is near 18 percent, and unemployment is rising. The trade deficit for the first quarter of 1980 was $12.2 billion. Productivity in the United States is static after a decade of growth rates below our early post war performance and that of our major foreign competitors.

In technology and innovation, the challenge to the United States is clear. Since World War II other countries have recovered their economic strength, built up their industries, increased their technological and manufacturing capacity, and made impressive inroads in world markets. The United States still is the world's technological leader, but there are signs of erosion.

In space, the European Space Agency is pressing the development of the Ariane launch vehicle and plans to compete vigorously for launching communications and other satellites on a worldwide basis.

In aeronautics, the European Airbus already is flown by one U.S. airline and has been successful in achieving sales on a worldwide basis. European helicopters have achieved a significant share of worldwide markets, eroding the U.S. market share from about 84 percent of worldwide sales prior to 1976 to a projected level of 2 percent by 1983.

In electronics and semiconductors, the Japanese already have approximately 40 percent of the world market for 16K dynamic rams. The Japanese have introduced a 64K random-access-memory chip that is equivalent to the latest U.S. integrated circuits, and they recently unveiled a design for a 256K ram device.

In manufacturing, it is estimated that the Japanese have two to three times as many flexible robots in operation as there are in American factories.

In the automotive industry, overwhelmingly dominated for decades by U.S. production technology, the German and Japanese industries have now captured over 25 percent of the U.S. market by their development and introduction of fuel-efficient automotive and manufacturing technologies.

The ability to innovate and generate new technological processes and techniques is of paramount national importance. While technological innovation is inherently a private sector activity, the Government affects innovation in major ways, including patent, antitrust, trade, Federal procurement, regulatory, R. & D. and tax policies. The effect of these policies upon innovation varies among specific industrial sectors and technological arenas. What the effect is in one industrial sector or technological arena may not be the same for another, so that any effort to stimulate innovation must take into account the need for selective as well as generalized approaches.

With S. 1250, the Senate considers two important factors for industrial and technological innovation: First, the contribution of R. & D. to innovation; and second, the Government knowledge of and ability to enhance innovation.

Research and development is a critical factor in innovation. It provides the scientific and technical base from which new ideas often are generated. R. & D. is not by itself sufficient for technological innovation to proceed, but its importance to future advances in innovation should not be underestimated. There is an appropriate role for Government to help stimulate innovation through the support of selective R. & D. There are areas of research that if conducted would help advance an entire industry or technology that crosses industry lines. This "generic research," like basic research, is not likely to attract funding from individual firms, because they cannot capture the benefits directly. From the standpoint of the general public and the U.S. economy, pursuit of this research is valuable, since it allows for the advancement of technology and greater opportunities for innovation. I believe there is significant economic opportunity associated with support of generic research, and S. 1250 provides for this through cooperative industry-university centers for industrial technology.

Second, I believe there is a need to develop better information on the state of technological development and its bearing on employment, productivity and competitiveness in particular industries worldwide. Similarly, it is important to understand the influence of capital and labor conditions, Government policies and other factors on specific technological developments on an international basis. Technological needs and opportunities are specific to industries or industrial processes; and the effects on innovation of Federal R. & D., procurement, regulatory, antitrust, and technology transfer policies vary considerably among sectors of the economy. It is mainly through more detailed understanding that the Government can identify effective measures to stimulate or remove barriers to innovation. Such sectoral information could also be useful to the private sector. S. 1250 would provide for this through an Office of Industrial Technology in the Department of Commerce.

I urge my colleagues to support S. 1250. This bill will not reverse adverse industrial and economic trends. However, we must begin. The bill will encourage industrial innovation. And that is critical.●

● Mr. CANNON. Mr. President, with this bill, S. 1250, the Senate takes a modest but important step to restore America's economic vitality through technological innovation and renewed productivity growth.

For decades our economy thrived on cheap money, cheap labor, cheap land, cheap fuels and materials, and an abundance of new ideas. Much of that has changed. As many of our advantages disappeared, our vast domestic market became less self-sufficient, our economy less self-reliant. The last great economic boom, of the fifties and sixties, made us more dependent on foreign markets to buy and sell—hastening our decline as arbiter of the world's economic affairs.

In 4 of the last 9 years, the United States has registered unprecedented trade deficits in manufactured goods. Our sales of aircraft, chemicals, electronics and other sophisticated products no longer surpass our imports of automobiles, steel, and petroleum; and our dominance has been eroded even in some high technology fields and markets.

U.S. productivity gains have come to a standstill. Last year our productivity actually dropped by nearly 1 percent—only the second such decline since World War II. Other industrial countries also experienced lower growth rates in the seventies, but none as serious as ours. We trail all of our major trading partners, including Britain.

By no coincidence, our inflation rate is twice that of Japan's and West Germany's in spite of their greater dependence on foreign oil, which doubled in price again last year. Combined with high inflation, which it directly fuels, the productivity slump is gradually eroding our competitiveness, our standard of living, and our ability to generate new jobs.

Mr. President, this past year the Senate Commerce Committee has spent much of its time addressing the country's economic problems. First, we have made an agonizing analysis of all of the programs under the Committee's jurisdiction in order to do our part in balancing the Federal budget. Second, we have reduced Government interference in the affairs of businesses and individuals through trucking and railroad reform and limits on the power of the Federal Trade Commission. Third, we have examined the importance of industrial technology to the achievement of real economic growth through enhanced productivity and competitiveness.

Stimulating technological innovation depends upon encouraging investment in new plant and equipment. It requires creation of a favorable climate for entrepreneurs and small firms. It means removing disincentives to introducing new products and manufacturing processes. But it also depends on supporting targeted research and development and promoting utilization of the results.

The bill S. 1250 authorizes Government and industry funded generic technology centers at universities and non-profit institutions. Centers could be established to do research in such fields as automated manufacturing, semiconductor processing, welding, metallurgy, composite materials and corrosion prevention, where individual firms have insufficient incentive to invest in R. & D. because they cannot directly capture the results. Most centers will provide education and training, not only in research but also in later stages of innovation, as well as technical assistance, particularly to smaller businesses. The centers are expected to become financially self-supporting after a period of time. The record of similar experimental programs of the National Science Foundation suggests they will do more than that; they will provide a significant return to the Federal Treasury through taxes on the corporate activities they generate.

In creating and funding a new Office of Industrial Technology in the Department of Commerce, the bill has a second important purpose. There is an urgent need to acquire better information on the state of technological developments and their bearing on employment, productivity and competitiveness in particular industries worldwide. It is equally important to understand the influence of capital supply and labor conditions, management and Government policies on specific technological developments of economic significance. The numerous policy studies reviewed by the committee, including the President's recent domestic policy review on industrial innovation, have failed to consider innovation in its sectoral and international contexts, with the result that technological needs and opportunities have not been identified and the Federal Government has failed to take effective measures to encourage or remove barriers to innovation. We expect this new Office to develop a sound analytical capability, become a source of expertise for the public and private sectors on technical developments in key sectors of the economy, and to assume leadership within the Federal Government on policies related to innovation.

Mr. President, before reporting S. 1250, the committee amended its title to honor the contribution of its author, not only to this legislation but, more importantly, to the Senate's growing awareness of the need for a comprehensive policy of industrial development and renewal. For many years, as chairman of the International Finance Subcommittee of the Banking Committee, Senator STEVENSON has been the Senate's leading proponent of a vigorous export promotion policy. Four years ago, as chairman of the Select Committee to Study the Committee System, he had the foresight to propose that science and technology be added to the Commerce Committee's traditional jurisdiction. And now for the past 3 years, as chairman of the Subcommittee on Science, Technology, and Space, he has sought to maintain American leadership in space and other fields of science and technology. It is not only important to the Nation's economy but also a fitting recognition of personal leadership that the Senate pass the Stevenson Technology Innovation Act.●

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL CIRCLE K WEEK

The PRESIDING OFFICER. The Senate will now proceed to the consideration of Senate Resolution 422, which the clerk will report by title.

The assistant legislative clerk read as follows:

Senate Resolution 422 to proclaim "National Circle K Week."

The Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, I rise in support of Senate Resolution 422, a resolution that proclaims the week of February 15, 1981, through February 21, 1981, as National Circle K Week.

Circle K International is the largest collegiate organization in North America with nearly 700 clubs throughout the United States and Canada. Circle K is a service organization that provides college students with a means for responsible student action in their communities and a more active involvement in the life of their campus. Circle K members are involved in projects that effectively serve the people on their campuses and in their communities. Some of the service activities that have been undertaken by Circle K clubs include work with disadvantaged youth, aid to institutionalized persons, and international relations programs. Their motto is "we build" and the Senator from Kansas believes that the members of Circle K live up to their creed.

Circle K was organized in 1936 as a fraternity at Washington State University by the Kiwanis Club of Pullman, Wash. Other Kiwanis Clubs developed an interest in Circle K and by 1944, 168 Kiwanis Clubs began sponsoring Circle K Clubs in the United States and Canada. In 1955, representatives from Circle K agreed to form an international organization under the sponsorship of Kiwanis International.

Mr. President, each Circle K club is sponsored by a Kiwanis Club. Kiwanis International is a worldwide service organization for leading men involved in various fields of endeavor. Circle K clubs are self-governing and self-financing, working independently of, but in cooperation with, Kiwanis Clubs.

This outstanding organization has had a long and illustrous history that deserves the recognition that this resolution will offer. The Senator from Kansas urges his colleagues to join in this effort to proclaim the week of February 15, 1981, as "National Circle K Week."

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 422), with its preamble, reads as follows:

Whereas Circle K International is an organization of college students sponsored by Kiwanis International that provides a means for responsible student action in their communities;

Whereas Circle K International emphasizes the advantages of the democratic way of life and provides the opportunity for leadership training in service;

Whereas Circle K International encourages the adoption and the application of high social, business, and professional standards;

Whereas Circle K International promotes the creation and maintenance of righteousness, justice, patriotism, and good will;

Whereas the members of Circle K International are presently involved in service projects to help the lonely child, the abused child, and the child in crisis under the theme, "Caring is Life's Magic": Now, therefore, be it

Resolved, That the Senate of the United States show its appreciation and support by proclaiming February 15, 1981, through February 21, 1981, as "National Circle K Week."

UNIFORMED SERVICES HEALTH PROFESSIONALS SPECIAL PAY ACT OF 1980

The Senate proceeded to consider the bill (S. 2460) to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for medical officers in the Armed Forces and to extend the special pay provisions for other health professionals in the uniformed services, and for other purposes, which had been reported from the Committee on Armed Services with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Uniformed Services Health Professionals Special Pay Act of 1980".

REVISION OF SPECIAL PAY FOR MEDICAL OFFICERS OF THE ARMED FORCES

SEC. 2. (a) Section 302 of title 37, United States Code, relating to special pay for medical officers of the uniformed services, is amended to read as follows:

"§ 302. Special pay: medical officers

"(a) (1) An officer who is an officer of the Medical Corps of the Army or the Navy, an officer of the Air Force designated as a medical officer, or a medical officer of the Public Health Service, and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to special pay in accordance with this subsection.

"(2) An officer described in paragraph (1) of this subsection who is serving in a pay grade below pay grade O–7 is entitled to variable special pay at the following rates:

"(A) $1.200 per year, if the officer is undergoing medical internship training, as determined under regulations prescribed under section 303a(a) of this title.

"(B) $5,000 per year, if the officer has less than six years of creditable service and is not undergoing medical internship training, as determined under regulations prescribed under section 303a(a) of this title.

"(C) $10.000 per year, if the officer has at least six but less than eight years of creditable service.

"(D) $9.500 per year, if the officer has at least eight but less than ten years of creditable service.

"(E) $9.000 per year, if the officer has at least ten but less than twelve years of creditable service.

"(F) $8.000 per year, if the officer has at least twelve but less than fourteen years of creditable service.

"(G) $7.000 per year, if the officer has at least fourteen but less than eighteen years of creditable service.

"(H) $6,000 per year, if the officer has at least eighteen but less than twenty-two years of creditable service.

"(I) $5,000 per year, if the officer has twenty-two or more years of creditable service.

"(3) An officer described in paragraph (1) of this subsection who is serving in a pay grade above pay grade O–6 is entitled to variable special pay at the rate of $1,000 per year.

"(4)(A) Subject to subsection (c) of this section, an officer entitled to variable special pay under paragraph (2) or (3) of this subsection who has less than ten years of creditable service is entitled to additional special pay of $9,000 for any twelve-month period during which the officer is not undergoing medical internship or initial residency training, as determined under regulations prescribed under section 303a(a) of this title.

(B) Subject to subsection (c) of this section, an officer entitled to variable special pay under paragraph (2) or (3) of this subsection who has ten or more years of creditable service is entitled to additional special pay of $10,000 for any twelve-month period during which the officer is not undergoing medical internship or initial residency training, as determined under regulations prescribed under section 303a(a) of this title.

"(5) An officer who is entitled to variable special pay under paragraph (2) or (3) of this subsection who is board certified, as determined under regulations prescribed under section 303a(a) of this title, is entitled to additional special pay at the following rates:

"(A) $2,000 per year, if the officer has less than ten years of creditable service.

"(B) $2,500 per year, if the officer has at least ten but less than twelve years of creditable service.

"(C) $3,000 per year, if the officer has at least twelve but less than fourteen years of creditable service.

"(D) $4,000 per year, if the officer has at least fourteen but less than eighteen years of creditable service.

"(E) $5,000 per year, if the officer has eighteen or more years of creditable service.

"(b)(1) Subject to paragraph (2) of this subsection and under regulations prescribed under section 303a(a) of this title, an officer who is entitled to variable special pay under subsection (a)(2) of this section may be paid incentive special pay in an amount not to exceed $8,000 for any twelve-month period during which the officer is not undergoing medical internship or initial residency training, as determined under regulations prescribed under section 303a(a) of this title.

"(2) An officer shall not be eligible for incentive special pay under paragraph (1) of this subsection unless the Secretary concerned had determined that such officer is qualified in the medical profession.

"(3) The amount that may be paid for incentive special pay under this subsection in any fiscal year may not exceed an amount equal to 6 percent of the total amount paid in such year for special pay under subsection (a) of this section and paragraph (1) of this subsection.

"(c)(1) An officer may not be paid additional special pay under subsection (a)(4) of this section or incentive special pay under subsection (b) of this section for any twelve-month period unless the officer first executes a written agreement under which the officer agrees to remain on active duty for a period of not less than one year beginning on the date the officer accepts the award of such special pay.

"(2) The Secretary of the military department concerned, in accordance with regulations prescribed by the Secretary of Defense under section 303a(a) of this title, and the Secretary of Health and Human Services, in accordance with regulations prescribed by him for the Public Health Service under section 303a(a) of this title, may terminate at any time an officer's entitlement to the special pay authorized by subsection (a)(4) or (b)(1) of this section. If such entitlement is terminated, the officer concerned is entitled to be paid such special pay only for the part of the period of active duty that he served, and he may be required to refund any amount in excess of that entitlement.

"(d) The Secretary of Defense with respect to the Army, Navy, and Air Force, and the Secretary of Health and Human Services, with respect to the Public Health Service, shall prescribe regulations under section 303a(a) of this title which include standards for determining—

"(1) whether an officer is undergoing medical internship or initial residency training for purposes of subsections (a)(2)(A), (a)(2)(B), (a)(4), and (b)(1) of this section; and

"(2) whether an officer is board certified for purposes of subsection (a)(5) of this section.

"(e) Special pay payable to an officer under paragraphs (2), (3), and (5) of subsection (a) of this section shall be paid monthly. Special pay payable to an officer under subsection (a)(4) or (b)(1) of this section shall be paid annually at the beginning of the twelve-month period for which the officer is entitled to such payment.

"(f) An officer who voluntarily terminates service on active duty before the end of the period for which a payment was made to such officer under subsection (a)(4) or (b)(1) of this section shall refund to the United States an amount which bears the same ratio to the amount paid to such officer as the unserved part of such period bears to the total period for which the payment was made.

"(g) For purposes of this section, creditable service of an officer is computed by adding—

"(1) all periods which the officer spent in medical internship or residency training during which the officer was not on active duty; and

"(2) all periods of active service in the Medical Corps of the Army or Navy, as an officer of the Air Force designated as a medical officer, or as a medical officer of the Public Health Service.".

(b) The item relating to such section in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

"302. Special pay: medical officers.".

EXTENSION OF SPECIAL PAY FOR OPTOMETRISTS, DENTISTS, AND VETERINARIANS IN THE UNIFORMED SERVICES AND OF CONTINUATION PAY FOR DENTISTS IN THE ARMED FORCES AND DENTISTS IN THE PUBLIC HEALTH SERVICE

SEC. 3. (a) Section 302a of title 37, United States Code, relating to special pay for optometrists, is amended—

(1) by striking out "In addition to any other basic pay, special pay, incentive pay, or allowances to which he is entitled, each" in subsection (a) and inserting in lieu thereof "Each"; and

(2) by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) No special pay may be paid under this section for any month after September 1983.".

(b) Section 302b of such title relating to special pay for dentists, is amended—

(1) by inserting "(a)" before "An officer";

(2) by striking out ", in addition to any other pay or allowances to which he is entitled,";

(3) by striking out the last sentence of such section; and

(4) by adding at the end thereof the following new subsections:

"(b) No special pay may be paid under this section to a dental officer of the Public Health Service for any month after September 1981.

"(c) No special pay may be paid under this section to an officer of the Army or Navy in the Dental Corps or an officer of the Air Force who is designated as a dental officer after September 1983.".

(c) Section 303 of such title, relating to special pay for veterinarians, is amended—

(1) by striking out "In addition to any other basic pay, special pay, incentive pay or allowances to which he is entitled, each" in subsection (a) and inserting in lieu thereof "Each"; and

(2) by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) No special pay may be paid under this section for any month after September 1983.".

(d)(1) Subsection (a) of section 311 of such title, relating to continuation pay for physicians and dentists who extend their service on active duty, is amended by striking out "an officer of the Army" the first place it appears and all that follows in such subsection through "June 1, 1974," the third place it appears.

(2) The second sentence of subsection (c) of such section is amended by striking out "beginning with the calendar year 1968,".

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(d) No special pay may be paid under this section to any dental officer of the Public Health Service for any month after September 1981.

"(e) No special pay may be paid under this section to any officer in the Dental Corps of the Army or Navy or to any officer in the Air Force who is designated as a dental officer for any month after September 1981.".

(4) The heading of such section is amended to read as follows:

"§ 311. Special pay: continuation pay for dentists in the armed forces and dentists in the Public Health Service".

(5) The item relating to such section in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

"311. Special pay: continuation pay for dentists in the armed forces and dentists in the Public Health Service.".

GENERAL PROVISIONS RELATING TO HEALTH PROFESSIONALS

SEC. 4. (a) Chapter 5 of title 37, United States Code, is amended by inserting after section 303 the following new section:

"§ 303a. Special pay: health professionals; general provisions

"(a) The Secretary of Defense, with respect to the Army, Navy, and Air Force, and the Secretary of Health and Human Services, with respect to the Public Health Service, shall prescribe regulations for the administration of sections 302, 302a, 302b, 302c, 303, 311, and 313 of this title.

"(b) Special pay authorized under sections 302, 302a, 302b, 302c, and 303 of this title is in addition to any other pay or allowance to which an officer is entitled. The amount of special pay to which an officer is entitled under any of such sections may not be included in computing the amount of any increase in pay authorized by any other provision of this title or in computing retired pay, severance pay, or readjustment pay.

"(c) The Secretary of Defense shall conduct a review every two years of the special pay for health professionals authorized by sections 302, 302a, 302b, 303, and 311 of this title. A report shall be submitted to the Congress not later than September 30, 1982, of the results of the first such review, and a report shall be submitted to the Congress not later than September 30 of each second year thereafter on the results of the review for the preceding two-year period.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 303 the following new item:

"303a. Special pay: health professional; general provisions.".

CONFORMING AND TECHNICAL AMENDMENTS

SEC. 5. (a) Section 306(e) of title 37, United States Code, relating to exclusions from special pay for officers holding positions of unusual responsibility, is amended by striking out "302 or 303" and inserting in lieu thereof "302, 302a, 302b, or 303".

(b)(1) Section 313 of such title, relating to medical officers who execute active duty agreements, is repealed.

(2) The table of sections at the beginning of chapter 5 of such title is amended by striking out the item relating to section 313.

(c) Section 2 of the Act entitled "An Act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services", approved May 6, 1974 (37 U.S.C. 302 note), is repealed.

TRANSITION PROVISION

SEC. 6. Notwithstanding any provision of the amendments made by this Act, and in accordance with regulations to be prescribed by the Secretary of Defense, with respect to the Army, Navy, and Air Force, and the Secretary of Health and Human Services, with respect to the Public Health Service, any officer who at any time before the effective date of the amendments made by this Act was entitled to special pay under sections 302 and 313 of title 37, United States Code, and any officer who after such effective date would have become entitled to special pay under such sections (as in effect on the day before such effective date) had such sections continued in effect, shall be paid basic pay and special pay under such sections (as in effect on and after the effective date of the amendments made by this Act) in a total amount not less than the total amount of the basic pay (as in effect on the day before such date) and special pay applicable (or which would have been applicable) to such officer under sections 302, 311, and 313 of such title (as in effect on the day before such date and computed on the rates of basic pay as in effect on the day before such date).

EFFECTIVE DATE

SEC. 7. The amendments made by section 2 shall apply to special pay payable for periods beginning after the last day of the month in which this Act is enacted.

FUNDS FOR FISCAL YEAR 1980

SEC. 8. This Act, and the amendments made by this Act, do not provide new budget authority or new spending authority for fiscal year 1980. Funds previously appropriated to the Department of Defense for fiscal year 1980 and not previously obligated or expended are hereby made available to carry out the amendments made by this Act during fiscal year 1980 in the amount of $7,800,000, and funds previously appropriated to the Department of Health and Human Services (previously the Department of Health, Education, and Welfare) for fiscal year 1980 and not previously obligated or expended are hereby made available to carry out the amendments made by this Act during fiscal year 1980 in the amount of $1,000,000.

UP AMENDMENT NO. 1113

(Purpose: To correct a technical error in the termination date for special pay for dentists)

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. NUNN I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) on behalf of Mr. NUNN proposes an unprinted amendment numbered 1113.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 14, strike out "1981" and insert in lieu thereof "1983".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The committee amendment, as amended, was agreed to.

● Mr. JEPSEN. Mr. President, once again in this 2d session of this 96th Congress the Senate will vote on the Uniformed Services Health Professionals Special Pay Act of 1980. As you are aware, the President vetoed an earlier version of this legislation on the grounds that the bonuses that it provided for health professionals other than physicians were too extensive. The bill before you today contains the same special pay provisions for military physicians which were contained in the earlier legislation, and which are acceptable to the President, but does not expand the bonus programs for other health professionals such as dentists, optometrists, podiatrists, and veterinarians. For those health professionals the revised bill simply extends current law until 1983.

I need not reiterate the serious doctor shortage that the military service faces. I believe you are all aware of the impact these shortages have on both our war and mobilization capabilities and the peacetime quality of life for military personnel. Because of the doctor shortage, Americans in uniform see that they, and especially their dependents do not get adequate military care now and that they themselves may not receive proper medical attention should they become casualties in time of war. I would have preferred that the President sign into law S. 2260 as originally approved by the Senate, because of the seriousness of the military doctor shortage, however, I urge my colleagues to act favorably and expeditiously on S. 2260, the bill now before you.●

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for medical officers in the uniformed services and to extend the special pay provisions for other health professionals in the uniformed services, and for other purposes.

NATIONAL CYSTIC FIBROSIS WEEK

The PRESIDING OFFICER. The Senate will now proceed to the consideration of House Joint Resolution 445, which the clerk will report by title.

The assistant legislative clerk read as follows:

H.J. Res. 445 to provide for the designation of the week of September 21-27, 1980, as "National Cystic Fibrosis Week".

The Senate proceeded to consider the joint resolution.

● Mr. SCHWEIKER. Mr. President, I am pleased to join with Senators MATHIAS, DOLE, and the other cosponsors of this resolution to designate the week of September 21-27, 1980, as "National Cystic Fibrosis Week."

Cystic fibrosis is a hereditary metabolic disease affecting primarily the lungs and digestive system. Each day in the United States, five infants are born with CF. Each day, three Americans die of it. CF is the leading genetic killer of young Americans.

Children with cystic fibrosis require lengthy and painful treatments just to breathe. It is not unusual for those afflicted to take 60 or more pills daily, and hospitalization is frequent. Medical costs per patient are conservatively estimated at $10,500 per year, adding crushing economic burdens to families already devastated by the pressures and pain of living with a chronic, incurable disease.

There is no cure. There is no test to determine which of us carry the CF gene, although the laws of heredity tell us that 1 in 20 Americans is a carrier.

Public awareness of cystic fibrosis is critical. Observance of National Cystic Fibrosis Week will focus that awareness, and it will prolong lives. Twenty-five years ago, children with CF were not expected to reach school age. Today, half will live into their twenties, thanks to advances in diagnostic techniques and techniques for managing the day-to-day treatment of the disease. Early diagnosis can definitely prolong lives.

Supported by the National Institutes of Health and Research funds provided by the Cystic Fibrosis Foundation and its sister foundations in other countries, researchers all over the world are working toward a better understanding of how to treat, prevent, and eventually cure cystic fibrosis. As I mentioned, some life-sustaining advances have been made, but progress remains agonizingly slow for victims and their families. NIH funding totals approximately $11 million per year, primarily through the programs of the National Institute of Arthritis, Metabolism and Digestive Diseases, the National Heart, Lung and Blood Institute, and the National Institute of Allergy and Infectious Diseases. The work of the NIH has led to new hope for the development of carrier tests and the elucidation of the genetic basis of CF. Other promising research leads may one day enable doctors to find means of preventing and treating the repeated pseudomonas bacteria infections which are so deadly to CF patients, whose weakened lungs are unable to combat the bacteria. Much of the work done in the CF field will have important ramifications for those who suffer from other genetic, respiratory and metabolic diseases.

The main function of the resolution before us today will be to enhance public understanding of CF and its symptoms. It will signify Congress' recognition of CF as a serious health problem and provide new impetus for research. Most importantly in the short term, it should help insure that more cases of CF will be diagnosed and treated at an early stage, allowing patients to live longer, more productive lives. For all these reasons, I urge my colleagues to join me in adopting the resolution before us and observing the week of September 21–27 as "National Cystic Fibrosis Week."●

● Mr. DOLE. Mr. President, it is a great pleasure to speak on behalf of this resolution designating the third week of September of this year as "National Cystic Fibrosis Week." I urge my colleagues to vote in favor of this bill, which will focus much needed attention on education of the public concerning the impact of this disease—not only on victims, but on the families of those who have the disease. It is not often that we have an opportunity to help thousands of American youngsters without spending taxpayers' dollars, and today we have such an opportunity before us.

DISEASE IMPLICATIONS

Cystic fibrosis is a chronic, degenerative disease affecting the lungs, digestive system and other major organs of the body. It is characterized by a severe cough, extreme shortness of breath, growth retardation, malnutrition, and respiratory and heart failure. Treatments involve daily, time consuming, and very expensive therapy, intermittent and often lengthy hospital stays, and a variety of medications. The cost of care for many patients exceeds $20,000 per year. However, there are greater costs involved in terms of emotional stress and strain on the patients and their families. These psychological costs cannot be calculated and, for the most part, cannot be understood except by those who have suffered through the tragedy and ordeal of caring for and living with someone who is afflicted with this dreadful disease.

PURPOSE OF RESOLUTION

Because of the implications of this disease, one of the major objectives of National Cystic Fibrosis Week is to educate the public on the little known facts concerning the disease. The strain of living with CF can be greatly reduced if the public understands that the disease does not impair motor skills, learning ability, intelligence, or speech. The victims of cystic fibrosis can and want to live full and productive lives for as long as their health permits. However, once the disease becomes apparent, the CF patient is often discriminated against for having a "hidden" handicap. All that we can do to overcome such psychological barriers on the part of the public and employers is contribute to much needed progress toward integration of these disease victims within our society.

WORK OF CYSTIC FIBROSIS FOUNDATION

For the past 25 years, the Cystic Fibrosis Foundation has been working to ease the strains of living with this hidden handicap through their public education program, and their efforts have led to a better understanding of the disease. However, many people remain uninformed about the implications of cystic fibrosis and its effect on the lives of people born with it. It is my hope that Senate Joint Resolution 152 will do much to improve this situation, by increasing public awareness through the activities that will occur during this week of focused interest. The awareness that is generated during this time will help to facilitate early diagnosis and treatment for CF patients, as medical research groups search for an eventual cure.

CALL FOR SUPPORT OF RESOLUTION

While medical teams search for a cure, we, too, can help ease certain burdens on patients who suffer from cystic fibrosis by supporting this resolution today. I join Senator Mathias and our other colleagues in a firm commitment to steps that can be taken now to help prolong and enrich the lives of cystic fibrosis victims. A vote in favor of this resolution will channel interest and funds into research for treatment and potential cure for this disease, but, for once, this will not entail the expenditure of Federal dollars.

Our primary concern should be that of providing psychological support by generating awareness of the problems involved in fighting a constant battle against a killer disease. For many children and young adults, this week will hold out great hope that their voices will be heard, and that many Americans will join together in trying to provide a brighter, heathier future for those who know all too well the realities of cystic fibrosis.●

The joint resolution (H.J. Res. 445) was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar No. 843, Senate Joint Resolution 152, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 3904 HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the message from the House on H.R. 3904, ERISA, is received from the House that it be held at the desk pending further disposition.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBSTITUTION OF SENATOR MOYNIHAN FOR FORMER SENATOR MUSKIE AS A CONFEREE—S. 914

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. Randolph, that the name of the former Senator from Maine, Mr. Muskie, be deleted as a conferee and that the Senator from New York (Mr. Moynihan) be appointed conferee to succeed Mr. Muskie.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF VARIOUS SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Senators Roth, Baker, Stevens, and Tower be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIMEFRAME FOR NOMINATION OF A SELECTION POOL UNDER THE COOK INLET LAND EXCHANGE

Mr. STEVENS. Mr. President, with the consideration of my good friend from West Virginia, I send a bill to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill (S. 2769) to provide an extension of the time frame for nomination of a selection pool under the Cook Inlet land exchange, which was read the first time by title and the second time at length.

Mr. STEVENS. This bill would extend the timeframe for the Interior Department to nominate a pool of lands from which the Cook Inlet Region, Inc., can select part of its entitlement under the Alaska Native Claims Settlement Act.

I have been informed by the Interior Department that it will be unable to meet the existing deadline for nominating the land which Cook Inlet Region, Inc., will select from. The Senate has dealt with this issue in the past by passing the Cook Inlet land exchange which provided the nomination process and by extending the original deadline in legislation passed last year. This is a noncontroversial bill which has been cleared on both sides of the aisle.

As background, let me explain that last year, the Senate passed legislation which would have extended the deadline for nomination of the selection pool by 2 years. However, the Senate accepted the desire of the House of Representatives to extend the deadline only 12 months. It is now necessary to extend that time frame further and this legislation would restore the remainder of the extension originally authorized by the Senate.

Mr. President, the shareholders of Cook Inlet Region, Inc., have waited many years for their land entitlement under the Alaska Native Claims Settlement Act. I regret that it is necessary to extend this time frame, but without the extension, the natives of the Cook Inlet Region might lose their rights to valuable Federal property which the Cook Inlet land exchange approved by Congress provided for. It is my hope that the Secretary of the Interior will move swiftly to identify the selection pool, and I am informed that the administration does support the passage of this legislation.

Mr. JACKSON. Mr. President, I rise in support of the legislation introduced by the senior Senator from Alaska.

Last year the Committee on Energy and Natural Resources reported and the Senate passed S. 1479 which gave the Secretary of the Interior 2 additional years to fulfill his legal obligation to the Cook Inlet Regional Corporation. However, the House amended our bill to provide only a 1-year extension. As Senator STEVENS has indicated; the Department will be unable to meet this extended deadline.

Mr. President, the Energy Committee is familiar with several problems which have emerged during the implementation of the Alaska Native Claims Settlement Act of 1971. Many of these are addressed in the committee's version of H.R. 39, the Alaska lands bill. The Cook Inlet Region has had particular difficulty in receiving its acreage entitlement under the Claims Act. These problems are discussed in the committee report to S. 1479.

The bill introduced by my colleague from Alaska today merely effectuates the Senate's intent in passing S. 1479 last year. Under these circumstances I have no objection to the enactment of this measure today.

Mr. President, I ask that an excerpt from the committee report be printed in the RECORD at the conclusion of our discussion.

The excerpt follows:

PURPOSE OF THE MEASURE

The purpose of S. 1479 as reported by the committee is to extend for 2 years the deadline for the Secretary of the Interior to place land in a property pool for possible selection by Cook Inlet Regional Corporation.

BACKGROUND AND NEED

Cook Inlet Region, Inc (CIRI) is an Alaska Native Corporation created pursuant to the Alaska Native Claims Settlement Act of 1971 (ANCSA). That act provided 44 million acres of land in settlement of the aboriginal claims of the Alaska Natives.

In general, the land selections of each Native Corporation are to be made within its region. However, CIRI has had difficulty fulfilling its land entitlement because the Cook Inlet Region includes a substantial amount of State or Federal land which is unavailable for native selection. In 1976 CIRI entered into an agreement with the Department of the Interior and the State of Alaska to help resolve its land selection problems. This agreement, entitled the "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area," was incorporated in Public Law 94–204.

As part of the agreement, the Secretary is to place a minimum of 138.240 acres or acre-equivalents of land in a property pool for possible selection by CIRI. The types of property eligible for the pool include Federal surplus property, abandoned or unperfected public land entries, revoked Federal Reserves, canceled or revoked Power Site Reserves, public lands created by the reduction of Federal installation under 3(e) of ANCSA and other Federal lands as agreed by the State of Alaska, CIRI, and the Secretary.

A status report required by section 12 of Public Law 94–204 was submitted to the committee by the Secretary of the Interior on June 29, 1979. The report stated that the Bureau of Land Management would be unable to fill the property pool by July 15, 1979, the statutory deadline. At this time, only 6 percent of CIRI's entitlement has been conveyed or placed in the selection pool. Therefore, the Department recommended that remedial legislation be developed to extend the deadline. The status report is reproduced in the Executive Communications section of the committee report.

The committee notes that after the expiration of the deadline, Federal properties in Alaska could be disposed of under the provisions of existing statutes and these suitable properties would not be available for fulfillment of the Secretary's obligation to CIRI. Therefore, the committee agrees with the Secretary that remedial legislation is necessary.

COMMITTEE AMENDMENTS

The committee adopted an amendment to S. 1479 which incorporated certain technical and clarifying changes and increased the period of extension for the statutory deadline from 1 year to 2 years. The amendment was suggested by the Department of the Interior and agreed to by the Office of Management and Budget, the State of Alaska, and the CIRI.

In regard to substitution of a 2-year extension for the 1-year extension originally contained in S. 1479, the committee urges the Department, the General Services Administration, and other concerned agencies to work conscientiously to fulfill the Federal Government's commitment to CIRI. The committee notes that the original deadline for placing lands in a selection pool was previously extended by 18 months in Public Law 95–178. While it is apparent that appropriate lands have been difficult to identify and that the processing of land to be placed in the pool has been a lengthy and time consuming matter, the committee believes that this 2-year extension will provide sufficient time to identify a land pool and will be very reluctant to approve any additional extensions.

The committee also adopted a conforming amendment to the title of the bill.

Mr. BUMPERS. Mr. President, I concur with the statement of the distinguished chairman of the Energy and Natural Resources Committee.

The Subcommittee on Parks, Recreation, and Renewable Resources has jurisdiction over matters relating to the Alaska Native Claims Settlement Act of 1971. As subcommittee chairman I have no objection to this bill, which will provide additional time for the Secretary of the Interior to place lands in a property pool for selection by the Cook Inlet Regional Corporation. The new deadline is identical to that proposed by the Senate last year in S. 1479, but not agreed to by the House.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2769) was ordered to be engrossed for a third reading, read the third time, and passed as follows:

> That the Act of August 14, 1979 (93 Stat. 386), is hereby amended to strike "twelve" and insert in lieu thereof "twenty-four".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR BAKER'S VISIT WITH FORMER PRESIDENT FORD

Mr. BAKER. Mr. President, I am happy to report that I just returned from a visit with former President Ford, who appeared to be in good health, good spirits, and concerned, as he always is, about the issues of major importance to the country.

It is a privilege for me to have an opportunity to talk at some length with former President Ford on matters concerning the national defense of this Nation, the economic problems, and social issues that confront us.

It was necessary for me to absent myself from the Senate this afternoon for approximately 2½ hours in order to take advantage of that opportunity. I wish to express my appreciation to President Ford for receiving me this afternoon and explain to my colleagues my absence for the previous two votes.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business be extended for 45 minutes, and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT CARTER'S OPPOSITION TO PENDING CONGRESSIONAL BUDGET

Mr. BELLMON. Mr. President, the White House announcement that President Carter will seek to defeat the budget resolution now pending final approval in

Congress is both shocking and unfortunate. I am very hopeful that the Congress will approve the resolution notwithstanding the President's ill-considered opposition to it.

During the past 2 weeks, the House-Senate conference on the budget resolution has met in open session for long hours each day. Administration representatives were present at all those meetings. At no time during those discussions was there a suggestion that the President would oppose the agreements being reached by the Senate and House conferees.

The President's opposition came as a total surprise. It must be seen as an attempt to gain political advantage by making a show that the President can get Congress to kow-tow to his wishes. For Congress to acquiesce to such tactics would be folly.

The White House statement declares that the President opposes the congressional budget because it is too generous for defense and too restrictive for domestic programs. The President thus attempts to take the "high-road" of disagreeing with Congress on priority choices.

Mr. President, there is, indeed, a disagreement between the President and the Congress as to how much should be spent for defense. There is agreement, however, that a substantial increase should be made for the defense budget over the current year. The disagreement is over how much the increase should be.

It should come as no great surprise to anyone that the President has again switched signals in regard to what is necessary for the Nation's defense. After portraying the recent events in Afghanistan as the greatest postwar threat to peace, pledging to upgrade U.S. national security, and promising more benefits for military personnel, the President has turned around and now opposes a budget resolution designed to accomplish the great objectives the President has outlined.

Mr. President, I feel the President has made a serious political mistake. He has jeopardized the budget process and created serious difficulties for important supplemental items for fiscal year 1980 in addition to complicating the fiscal year 1981 appropriation process.

His actions seem to totally misinterpret the prevailing congressional stance regarding national security. He may succeed, singlehandedly, in turning what has been a successful bipartisan effort to correctly order national budget priorities into a bitter political fight—one in which the Nation as a whole will be the loser.

With respect to domestic spending, the White House statement charges that the pending congressional budget would cut nondefense spending $4.8 billion below what the President believes is needed. It is very interesting that the President found it possible to reduce his own January budget by a total of $9.8 billion in the same domestic spending areas when he submitted his revised budget in March. Thus, both Congress and the President agree that domestic spending should be cut. The argument is over how much, and Congress has cut slightly more than the President. So we are not, again, in disagreement in direction but only in the amount.

The amount in disagreement is only a little over 1 percent of total domestic spending.

The specific domestic priorities that the President expresses concern about are income security programs, education and training, and transportation. The major difference between the congressional budget and the President's proposal in the income security area is that the budget does not provide for expansion of the low-income energy assistance program as requested by the President. That program was quadrupled this past winter and the budget resolution assumes that it will not be expanded further in the coming year, while the President wanted a further increase of 38 percent. Many problems were encountered in delivering that program this past winter. Continued expansion of it will make the job of reforming our already complicated welfare system much more difficult. The position of Congress that the program should be held at the $1.6 billion funding level for another year is certainly one that is justified on the record.

With respect to education and training, the specific complaint of the White House is that Congress proposes a large reduction in public service jobs. The program that the congressional budget proposes to cut is the "temporary" jobs program which has now been operating for nearly 5 years. So the question becomes, How long is temporary? Experience has shown this program not to be an effective countercyclical job-creating tool. There have been many abuses in it and Congress is certainly justified in saying that this spending scheme has out-lived its usefulness.

With respect to transportation, the President's major complaint seems to be that Congress did not allow as much growth as he wanted. The congressional budget resolution makes room for nearly $22 billion of spending in the transportation area. This is nearly a 10 percent growth in budget authority over the prior year. Once again, the President is overstating the issue. His argument is over less than two percent of the total amount budgeted for transportation.

In summary, the President's untimely and ill-advised opposition to the budget resolution should make absolutely no difference in the Congress. Both Houses should approve the pending budget and declare both their choices of priorities and their independence of the White House.

Fortunately, the President's veto power does not extend to congressional budget resolutions. He is, of course, free to oppose appropriations and legislative actions which implement the budget resolution. He cannot, however, tell Congress that it must accept a spending plan which he prefers to the one which Congress has developed over weeks and weeks of effort aimed at giving the Nation the kind of budget that is suited to today's needs and priorities.

Mr. DOMENICI. Mr. President, will the Senator yield to the Senator from New Mexico?

Mr. BELLMON. Mr. President, I am happy to yield to my friend from New Mexico, who is such a valuable member of the Committee on the Budget.

Mr. DOMENICI. I thank the Senator from Oklahoma very much and I want to compliment him on his reasoned statement. I wish that the President, knowing of the Senator's dedication and effort to keep the budget process bipartisan, would have had the good sense to confer with people like the Senator from Oklahoma before he took his ill-advised position recently.

In my opinion, Mr. President, the President's performance this weekend of first going to the carrier *Nimitz* in full view of the American people and the thousands of military personnel there and, I am sure, millions around this globe, and honoring those serving in the Middle East, then his announcement, once he was away from that environment, that he would oppose the congressional budget resolution is, in this Senator's opinion, the most cynical sequence of actions of this 4-year term by this President.

It is clear to me that President Carter is not only exaggerating more than ever, overstating more than ever, vacillating more than ever, but obviously, in an extremely critical year, when we need a bit of harmony, he is risking the very budget process and adequate funding for the military and, I might add, adequate funding for the social programs of this Nation. For without a first concurrent resolution, as my good friend from Oklahoma alluded, the supplementals that are needed because we have not yet taken care of many of the social needs that have been driven by the pending recession for the remainder of this year are in jeopardy. I believe they would have a better chance of passing if buttressed by a budget resolution than they would standing alone, without a process at all to back them up.

Not only has the President done these things, Mr. President, but in this Senator's opinion, he is wrong in opposing the first budget in a decade that begins to address our defense needs in a hostile world. Not only that, he is dead wrong on the facts.

The congressional budget, as recommended—and that is all it is at this point, a recomendation—spends fewer dollars in outlays on military than the President's proposal reestimated by the Congressionlal Budget Office if you add to it what he promised in the *Nimitz*.

His promises there add $800 million to his own budget, which was revised in March and estimated by CBO to produce outlays of $153.1 billion, without the additional personnel costs of which the President has, all of a sudden, become aware. He promised $800 million to all of the military, in full view of the Memorial Day audience of America. If you add up the President's March defense proposals and this $800 million, the total exceeds the recommendations in outlays provided for in the budget that Senator Bellmon just spoke of.

The President is also wrong in stating that the recommended congressional budget does not take account of the deep recession that he is worried about. In fact, the congressional budget provides more funding than the President's proposal to mitigate the social consequences of the recession.

I believe that statement, in general terms, is backed by the details supplied by Senator Bellmon and by the details submitted to the Senate by the distinguished chairman of the Budget Committee (Mr. Hollings). We estimated unemployment higher than he, not lower. We put more in for food stamps than he did, and more for the other unemployment related programs than he did.

So I repeat, he is wrong on the facts.

Last, the congressional budget has been extremely generous to social programs. Of over $95 billion in new revenues, between the 1980 budget and the 1981 budget, of that $95 billion, over $75 billion is earmarked for social programs.

I have taken out of that number the interest increase, so I did not count it. I do not count it as a social program.

So $75 billion out of $95 billion of the increase from the 1980 second concurrent through this one goes to social programs for the United States. How much more is adequate?

The President, in my opinion, is jeopardizing the first balanced budget in 12 years. If we do not have a budget process—and that is what we are about to see the demise of, at least for this year—a balanced budget which is hard to come by, precarious and difficult in this Senator's opinion has little chance of ever becoming a serious recommendation, and certainly will not see the light of day between now and October when we have to do the final accounting.

We can lay that at the doorstep of the President.

So I conclude, Mr. President, that the President is misguided, misinformed, and just plain wrong. Other than that I assume his position is rather sound.

I thank the Senator from Oklahoma for yielding.

(Mr. MITCHELL assumed the chair.)

Mr. BELLMON. Mr. President, I thank my friend from New Mexico for characterizing the President's action in the very dramatic way he has.

Frankly, I am at a loss as to why, if there was this opposition from the White House, we did not know about it during our markups. We both spent many hours on this, and there were administration representatives present at all times. There were representations made. They wanted money for refugees added and some other things. But I do not ever remember any contacts from the President telling us he was going to take this position.

I wonder if my friend from New Mexico would comment.

Mr. DOMENICI. As the Senator knows, he was there all the time, I was there 98 percent of the time. There were plenty of OMB people and plenty of White House representatives all throughout this process. The Senator knows them well.

I do not recall any of them suggesting to us that the President would recommend defeat of this budget resolution if we ended up with the recommendations that we worked so hard for, that we almost lost the process.

They were right there when they saw the 24-hour situation where we had to leave and go out and try to iron things out.

So I wholeheartedly agree with the Senator. It would appear to me that after the fact certain people have talked to the President about theories. I think there is a political theory going around that somehow or other if we take $1 billion out of defense, or $.5 billion, or some amount of budget authority which would not spend out in social programs for a couple of years, that it would be the political thing to do, for certain States that are worried about recession.

I wonder if we did what he asks, and I do not know what he wants yet—that will be hard to tell on defense as we have seen five or six proposals and recommendations as the Senator well knows, in the last 4 or 5 days from the White House—but, if we did that, would the Senator from Oklahoma really believe that would have any impact on the recession? I mean, the transportation, he wants a little more budget authority that will not spend out until after the recession is gone. If it is around that long, it will have turned into a depression. The transition money for the big cities, I guess we could put it in, but neither House of Congress would pass it.

Is that not the Senator's understanding?

Mr. BELLMON. That is the understanding we had in our discussions, in addition to which the idea, the practical possibility, of getting a $500 million program through this Congress that is targeted to half a dozen big cities is ridiculous.

If we pass a bill that doles out that much money to 50 States, it will be meaningless to the cities the President seems to be concerned about. So it makes no sense on its face.

I am sure the Senator from New Mexico will agree with me that this budget resolution coming, hopefully, before this body tomorrow, is the best resolution we will get. If we do not get this one, we may have none. So there will be no restraint on spending.

I am sure the President would not like that any better than we would like it.

Mr. DOMENICI. I think the Senator is correct. In fact, I think the American people know that Congress will be on the horns of two dilemmas. It seems to me that, right now, while we might need some of these things, it may be very hard to pass some of them.

Mr. BELLMON. Right.

Mr. DOMENICI. We have supplementals that have social programs in them that many people will not vote for unless they see their impact in a scenario that includes the rest of this year's and next year's budget. That is one dilemma.

On the other hand, it seems to me, come 1981, we could completely break the budget because I could see the Congress easily voting for this much money in the authorization bill for the armed services and in appropriations, and if that is accomplished, also, because the people are speaking very loudly, and Congress, at least the Senate, is responding authentically, will not vote less than this in budget authority if they produce a bill out of armed services and not vote less than this in appropriations when we know the military has the enormous need for pay raises, and deficiencies in some basic research.

So I think we are apt to get the worst of both worlds from the standpoint of our people, the economy, and the glimmer of hope that was there that we might have a balanced budget, along with tax cuts and other economic incentives in the out years, will have faded over this misguided activity on the part of the President.

Mr. BELLMON. I thank my friend from New Mexico.

ENERGY INDEPENDENCE

Mr. RANDOLPH. Mr. President, The Washington Star in its lead editorial on May 19 spoke of the necessity for the Congress to act now, not later, on the conversion to coal from petroleum and natural gas by our electric utilities and other industrial installations throughout the country.

That legislation requires mandatory conversion. The proposal has not progressed as far as the measure I now bring to the Senate's attention.

The Star has given unqualified endorsement in its lead editorial of May 27 to the synthetic fuels program, which is also pending in the Congress. "Synfuel Independence" is the title of the editorial.

Mr. President, I have often said, and I repeat today, that not just the stability of the United States but the security—in fact, the survival—of the United States, in large part, will depend on action in the Congress and the signature of the President on the synfuel and coal conversion legislation.

Mr. President, I ask unanimous consent to have the editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Synfuel Independence

It is now hoped that omnibus energy legislation to spur production of synthetic fuels will be signed into law by July 4. The symbolism is obvious. The pity is that it has been nearly a year since President Carter asked for legislation to seek energy independence.

So agreement by House and Senate conferees on a "synfuels" package is significant. The legislation aims to have 10 plants constructed by 1987, able to produce the equivalent of 500,000 barrels a day of oil. With the support of a new government corporation, it is hoped that the U.S. will be able to produce 2 million barrels a day of oil equivalent by 1992—about a third of current imports. That is roughly the percentage of oil now imported to the U.S. from the Persian Gulf, a region whose strategic vulnerability appears to grow each day.

The bill is likely to become increasingly controversial. When the Energy Mobilization Board takes shape, with its extraordinary powers, each decision on a synthetic fuels plant will require environmental sensitivity as well as a sense of the national emergency. Yet for all the risks in a major program to extract fuels from coal, oil shale, tar sands, peat and other sources, the bill is essential to America's energy future.

The cost as well as the vulnerability of oil imports suggests why. Without additional price increases, oil imports this year will cost Americans nearly $70 billion. Deputy Energy Secretary John Sawhill has said the 1980 total may surpass $90 billion—about twice what the U.S. will spend for operations and maintenance of its armed forces. Yet at present prices, a 2 million-barrel-a-day synthetic fuels operation could reduce the annual outflow of capital by $22 billion. When that is supplemented by such measures as the 1 million barrels a day to be saved by coal conversion, the way out of the U.S. energy dilemma may be seen. Unfortunately, the way out is at least a decade away.

For the present, the bill's most important provision may be a "policy directive" to fill up the U.S. Strategic Petroleum Reserve. Like the bill itself, the policy is nothing new—it has been on the books since 1975. Now the necessity of filling the reserve appears to be gathering new support, although Saudi Arabia's oil minister has warned that filling the reserve could mean a reduction of Saudi oil output. Until the OPEC oil ministers meet in June, the "directive" will apparently remain a "statement of policy," but it appears to be the view of conferees that the greater risk is the virtual absence of a back-up oil supply in the event of an oil embargo.

In its final form, the "synfuels" bill is expected to contain hundreds, perhaps thousands of pages—an enormous bill, bespeaking an enormous program. The time it took is a reminder that urgency of spirit usually outpaces the haggling of legislators. So it was with the "windfall" profits tax, now signed into law; and the Energy Mobilization Board, which also took conferees several months to agree upon.

Beyond "synfuels," the bill will include programs for home insulation; a lending agency to support innovative projects, such as solar energy, and even such arcane matters as running underwater power lines between the islands of Hawaii. Some of these projects may prove disappointing, but a national energy plan without them is unimaginable. The legislation recognizes, finally, that energy independence is quite impossible without a program to produce energy independently. It is as basic as that.

THE ATTEMPTED RESCUE OF AMERICAN HOSTAGES IN IRAN

Mr. STEWART. Mr. President, one of the bravest acts in American history was the recent attempted rescue of the 50 Americans who are being held hostage in Iran. The men who participated in that rescue attempt have endeared themselves to all Americans for their courageous act. Those men who participated in that rescue mission did so without regard for their own lives, and they did it so that 50 Americans could once again enjoy the freedom and prosperity that we all are so fortunate to share.

Unfortunately, some of that brave rescue team will never again be able to enjoy those freedoms that they were attempting to share with the hostages. They will be enjoying a different type of freedom, one that is truly eternal.

Those who survived the ordeal in the Iranian desert will also be remembered and revered as great American heroes. One of those great Americans is a native of my home State, the great State of Alabama.

Air Force M. Sgt. Rueben Cole of Greensboro, in Hale County, Ala., is being honored by a special day in his hometown. It is a special privilege for me to honor him before the Members of the U.S. Senate. Sergeant Cole has served his country in the Air Force for over 22 years. He has been a flight engineer on a C–130 for 17 of those years. He plans to retire next year. The Air Force and the country will certainly miss his services.

It is unfortunate that his father is not alive today to share in the laurels that his son has brought to the family name. But his mother, his wife and three children, and his six brothers and sisters can be rightfully proud to be related to someone selfless enough to risk his life on hostile foreign soils so that others can be free.

I am indeed proud to honor this "Son of Alabama" for his patriotism, valor, and dedication to the United States of America.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

RECOMMENDATION FOR EXTENSION OF WAIVER AUTHORITY UNDER THE TRADE ACT—MESSAGE FROM THE PRESIDENT—PM 208

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with subsection 402(d)(5) of the Trade Act of 1974, I transmit herewith my recommendation for a further 12-month extension of the authority to waive subsections (a) and (b) of section 402 of the Act.

I include as part of my recommendation my determination that further extension of the waiver authority, and continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of section 402.

This recommendation also includes my reasons for recommending the extension of waiver authority and for my determination that continuation of the three waivers currently in effect will substantially promote the objectives of section 402.

JIMMY CARTER.

THE WHITE HOUSE, *May 28, 1980.*

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on May 27, 1980, he had approved and signed the following enrolled bills and joint resolution:

S. 668. An act to permit the Cow Creek Band of the Umpqua Tribe of Indians to file with the U.S. Court of Claims any claim such band could have filed with the Indian Claims Commission under the act of August 13, 1946 (60 Stat. 1049);

S. 1309. An act to amend the Food Stamp Act of 1977 to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to increase the specific dollar limitations on appropriations for the fiscal years 1980 and 1981 food stamp programs; and for other purposes; and

S.J. Res. 715. Joint resolution to extend the expiration date of the Defense Production Act of 1950.

MESSAGES FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED BILLS SIGNED

Under authority of the order of the Senate of May 22, 1980, the Secretary of the Senate, on May 22, 1980, during the recess, received a message from the House of Representatives, reporting that the Speaker has signed the following enrolled bills:

S. 662. An act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank;

H.R. 2313. An act to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such Act, and for other purposes;

H.R. 3807. An act to amend subtitle IV of title 39, United States Code, to codify recent law and improve the Code without substantive change; and

H.R. 4088. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co., and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. LEVIN).

Under authority of the order of the Senate of May 22, 1980, the Secretary of the Senate, on May 23, 1980, during the recess, received a message from the House of Representatives, reporting that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6974. An act to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vesels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes.

The message also reported that the House has agreed to House Resolution 680, that Hon. JOHN BRADEMAS, a Representative from the State of Indiana, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

ENROLLED BILLS SIGNED

Under authority of the order of the Senate of May 11, 1980, the Secretary of the Senate, on May 27, 1980, during the recess, received a message from the House of Representatives, reporting that the Speaker has signed the following enrolled bills:

S. 2253. An act to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes;

H.R. 3789. An act to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program;

H.R. 4890. An act to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983; and

H.R. 5036. An act to require the Secretary of the Interior to convey a parcel of land located in Colorado to the Ute Mountain Ute Tribe and to pay an amount to such tribe for economic development.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. LEVIN).

MESSAGE FROM THE HOUSE

At 5:33 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House insists upon its amendments to the joint resolution (S.J. Res. 119) to authorize the Vietnam Veterans Memorial Fund, Inc., to establish a memorial, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. NEDZI, Mr. RATCHFORD, Mr. PEYSER, Mr. FRENZEL, and Mr. GINGRICH were appointed as managers of the conference on the part of the House.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 6974. An act to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loans, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes; to the Committee on Armed Services.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on May 23, 1980, he presented to the President of the United States the following enrolled bill:

S. 662. An act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

The Secretary of the Senate also reported that on May 27, 1980, he presented to the President of the United States the following enrolled bill:

S. 2253. An act to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the order of the Senate of May 22, 1980, the following reports of committees were submitted during the recess:

Mr. HOLLINGS, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980 (Rept. No. 96-792).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. WARNER. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the following nominations: Maj. Gen. Roscoe Robinson, Jr., Army of the United States (brigadier general, U.S. Army) to be lieutenant general; Vice Adm. Robert B. Baldwin, U.S. Navy (age 57), for appointment to the grade of vice admiral on the retired list; Vice Adm. James H. Doyle, Jr., U.S. Navy (age 58), for appointment to the grade of vice admiral on the retired list; Vice Adm. Charles H. Griffiths, U.S. Navy (age 58), for appointment to the grade of vice admiral on the retired list; Vice Adm. Robert Y. Kaufman, U.S. Navy (age 56), for appointment to the grade of vice admiral on the retired list; Vice Adm. John H. Nicholson, U.S. Navy (age 55), for appointment to the grade of vice admiral on the retired list; Rear Adm. Gordon R. Nagler, U.S. Navy, to be vice admiral; Rear Adm. Steven A. White, U.S. Navy, to be vice admiral; Rear Adm. John S. Jenkins, Judge Advocate General's Corps, U.S. Navy, to be Judge Advocate General of the Navy with the rank of rear admiral, for a term of 4 years; Rear Adm. Thomas J. Hughes, Jr., U.S. Navy, to be Director of Budget and Reports in the Department of the Navy for a term of 3 years; Maj. Gen. Thomas H. McMullen, U.S. Air Force, to be lieutenant general; and, in the Reserve of the Air Force, there are 18 appointments to the grade of major general and brigadier general (list beginning with Robert J. Collins). I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

Mr. WARNER. Mr. President, I take a moment to pay special tribute to several people on this list.

During my tenure as Under Secretary and Secretary of the Navy, I worked for many years with Vice Adm. Robert B. Baldwin, who will soon retire.

His service to the Navy and to our Nation has been exemplary in all respects. In his most recent assignment as the Navy's Chief of Naval Personnel he has been instrumental in bringing to the attention of the Congress and the Department of Defense the serious manpower problems the Navy has been experiencing. He has testified forthrightly before Congress and has been helpful not only in pointing to problems but in helping to find solutions to those problems.

In particular, I would like to commend Admiral Baldwin for the assistance he has rendered in the formulation of what has now become known as the Warner-Nunn bill—a measure which passed the Senate overwhelmingly and has only this week been endorsed by the President of the United States when he visited the U.S.S. *Nimitz*, the U.S.S. *Texas*, and the U.S.S. *California* on their return from their historic deployment of the Indian Ocean.

That bill would provide substantial increases in the compensation paid to our military personnel and would go a long way toward solving our military manpower problems. More needs to be done, but with the help of Admiral Baldwin we as a nation have taken that important first step.

Mr. President, also on this list are Vice

Adm. James H. Doyle, Jr., with whom I worked for many years on international matters, principally law of the sea; Vice Adm. Charles H. Griffiths, who distinguished himself as a nuclear submariner; and Vice Adm. Robert Y. Kaufman. All these vice admirals will soon retire.

Admiral Kaufman was untiring in his efforts to see that the strategic part of our forces at sea received the proper support throughout my years in the Department of the Navy. He has clearly contributed a great deal to the continued strength of our sea-based deterrent.

Mr. President, further, the list contains the name of Rear Adm. John S. Jenkins, Judge Advocate General Corps, to be Judge Advocate General of the Navy with the rank of rear admiral, for a term of 4 years. Admiral Jenkins served in the Navy Secretariat for many years as special counsel to several Navy Secretaries and in my judgment is unquestionably an officer of integrity and an officer of wisdom and one who will serve the Navy and his country with great distinction as Judge Advocate General.

In addition, Mr. President, in the U.S. Navy, there are 775 temporary promotions to the grade of chief warrant officer W–4 and W–3 (list beginning with Daniel W. Adcock) and 2 Air Force cadets to be permanent ensign in the U.S. Navy (list beginning with Joseph M. Sample; in the Navy and Reserve of the Navy, there are 89 temporary/permanent appointments to the grade of captain and below (list beginning with David A. Goulla, Jr.); in the Reserve of the Navy, there are 4 permanent appointments to the grade of captain and below (list beginning with William R. Thornhill) and 2,104 temporary/permanent promotions to the grade of captain and below (list beginning with Edward R. Aanstoos); in the Marine Corps, there are 19 permanent appointments to the grade of second lieutenant (list beginning with Scott E. Chandler); and in the Marine Corps and Marine Corps Reserve, there are 395 temporary/permanent appointments to the grade of lieutenant colonel (list beginning with Paul R. Aadnesen). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk appeared in the RECORD on May 1, 6, 9, 13, and 16, 1980, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHAFEE:

S. 2763. A bill to amend and clarify the Foreign Corrupt Practices Act of 1977; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. NELSON (for himself, Mr. STEWART, Mr. LUGAR, and Mr. RIEGLE):

S. 2764. A bill to amend the securities laws in order to promote capital formation, particularly in order to meet the needs of new, small, medium-sized, and independent businesses; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MAGNUSON (for himself, Mr. JACKSON, and Mr. STEVENS):

S. 2765. A bill to amend the Fishery Conservation and Management Act of 1976, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRAVEL:

S. 2766. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of interest on bonds sold to finance the construction of hydroelectric facilities; to the Committee on Finance.

By Mr. HATFIELD:

S. 2767. A bill to provide that per capita payments to Indians may be made by tribal governments, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. WALLOP (for himself and Mr. DOMENICI):

S. 2768. A bill to amend chapter 45 of the Internal Revenue Code of 1954 with respect to the exemption of the State share of Federal royalties from the crude oil windfall profit tax and to insure the deductibility of certain severance taxes; to the Committee on Finance.

By Mr. STEVENS:

S. 2769. A bill to provide an extension of the time frame for nomination of a selection pool under the Cook Inlet land exchange; which was considered and passed.

By Mr. McCLURE:

S. 2770. A bill for the relief of Ashok Amarshi; to the Committee on the Judiciary.

By Mr. GLENN:

S.J. Res. 178. A joint resolution to authorize and request the President to designate the week of November 9, 1980, through November 15, 1980, as "World War I Overseas Flyers Week"; to the Committee on the Judiciary.

S.J. Res. 179. A joint resolution to authorize and request the President to issue a proclamation designating June 1 through June 17, 1980, as "National Management Week;" to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 2763. A bill to amend and clarify the Foreign Corrupt Practices Act of 1977; to the Committee on Banking, Housing, and Urban Affairs.

BUSINESS ACCOUNTING AND FOREIGN TRADE SIMPLIFICATION ACT

Mr. CHAFEE. Mr. President, today I am introducing an amendment to the Foreign Corrupt Practices Act, along with my cosponsors who are Senators GARN, HEINZ, STEVENSON, DANFORTH, HAYAKAWA, BENTSEN, and THURMOND.

Mr. President, the Foreign Corrupt Practices Act, signed into law on December 19, 1977, represents an important step toward the objective of prohibiting bribery of foreign government officials by U.S. businesses. In the wake of post-Watergate revelations of questionable corporate conduct, Congress acted quickly to make the United States the only country in the world with an extraterritorial anticorruption law.

While well intended, however, the act has given rise to interpretive problems for companies engaged in overseas transactions. It is difficult to decipher, hard to implement, and its ambiguities have bred confusion for both business people and regulators.

Walter Surrey wrote in the spring 1979 issue of the Harvard International Law Journal:

> The Foreign Corrupt Practices Act . . . represents what can result when the White House reverses signals at the last minute and when members of Congress, the Administration, and the business community are unwilling to challenge a draft law for fear of being accused of being in favor of that which the law seeks to prohibit. The Act is not polished legislation.

Certainly, we are all against bribery and condemn the misuse of an official position for personal or monetary gain. In fact, the Congressional Research Service Foreign Law Division and the United Nations Center on Transnational Corporations both indicate that, to their knowledge, there is not a country in the world that does not have an antibribery statute incorporated in its domestic laws. Many U.S. companies with whose representatives I have met, favor an antibribery law.

The problem is one of the uncertainty surrounding the application and enforcement of the Foreign Corrupt Practices Act in different countries and cultures.

As Business International editor Sandra Feustel stated:

> How much grease must cross the palm of a government official before a corporate executive is called on the carpet for offering a bribe? When the brother of a Gulf sheikh demands a large commission before he okays a contract, does that constitute extortion? Does a duck a l'orange at Maxim's tempt a government official to sign on the dotted line, and will a new gold watch at today's prices persuade a sluggish bureaucrat to cut that extra length of red tape?

It is this "grey" area that has had a chilling effect on U.S. export activity and that has caused the loss of billions of dollars of business. Mr. Frank Weil, former Assistant Commerce Secretary, asserted that the smaller companies are the most severely hampered by the act, Mr. Weil, while at the Commerce Department, was quoted as saying the "uncertainties" of the act "are frightening a lot of legitimate businessmen from doing a lot of legitimate business through commission agents."

When faced with the question of whether or not to pay commissions, which are a social and business custom and legal in many countries, U.S. firms now play it safe and do not even bother to compete.

In addition, the cost of complying with the accounting and recordkeeping requirements of the act has placed an excessive burden on all publicly held companies regardless of whether or not they make any foreign sales. To violate the statute, one need only to err in keeping company books in the detail to which the Securities Exchange Commission deems necessary. One need not be engaged in corruption or foreign sales to violate the so-called Foreign Corrupt Practices Act.

Most alarming is the fact that the American Bar Association (ABA), and the American Institute of Certified Public Accountants (AICPA) disagree with the Securities Exchange Commission (SEC) as to a firm's responsibility under the accounting provisions of the law.

Costly accounting procedures and ambiguities not only cause U.S. companies to lose foreign orders, but retard competing in the first place. The problems created by the act are especially onerous on smaller publicly-held companies, and new exporters, who are unable to obtain specialized counsel familiar with the act's intricacies.

So serious a trade disincentive is the Foreign Corrupt Practices Act that the President's Export Disincentives. Task Force, the Commerce Department, the Chamber of Commerce of the United States, the Georgetown University Center for Strategic and International Studies and numerous attorneys, accountants and legal professors have all called for changes or clarifications to be made, and guidance to be provided to American businesses.

During the coming weeks, I will introduce several studies and articles into the RECORD from these agencies, trade organizations and associations, as well as from distinguished individuals.

Mr. President, we are entering our fifth consecutive year of trade deficits and the rapidly declining competitive position of many U.S. industries in the world export market should be of great concern to our Nation.

The overwhelming U.S. industrial superiority of the early postwar years is gone. Since 1950, our share of the world's export market his dropped by half while our share of the world's imports has risen by 27 percent.

A recent construction industry study shows that U.S. firms claimed only 1.6 percent of the $21.8 billion in new overseas construction contracts let during the 13-month period ending June 1979. This compares with a 10.3 percent U.S. share from May 1975 to April 1978 of the total $86 billion market.

We are losing the battle to bring home those $60 billion a year we are paying out for foreign oil. Why is this happening?

Mr. President, there is not one simple answer to this question. But there is evidence that certain U.S. Government policies are making it difficult for American firms to compete on even ground with their increasingly sophisticated foreign counterparts. One of these policies is the unclear criminal and civil enforcement of the Foreign Corrupt Practices Act.

If we expect U.S. businesses to be aggressive and competitive abroad, we must not encumber them with unnecessary barriers or restraints.

The legislation I introduce today will provide the groundwork for a necessary and thorough review of the act, and lead to important changes without compromising the original intent of the act.

Under my proposal, bribery of foreign officials would still be illegal, and both criminal and civil penalties, as defined under current law, would be applicable.

My bill would help to eliminate many of the present ambiguities of the act, and would instruct the Justice Department to provide compliance guidance to U.S. business. It would also designate the Justice Department the sole enforcer of corrupt practices, while the Securities Exchange Commission would administer the accounting standards section of the act. Other provisions of the bill, including the inclusion of a "materiality" standard in the accounting section, and a resolution calling for an international agreement, are outlined below.

Finally, it is important to address this export disincentive and to open the public record on the act. I urge the Senate Banking Committee to schedule hearings on this legislation before the end of this session so as to provide Congress the opportunity to debate the topics I have raised.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "U.S. Programs That Impede U.S. Export Competitiveness: The Regulatory Environment," by Robert A. Flammang, published by the U.S. Export Competitiveness Project of the Center for Strategic and International Studies at Georgetown University, along with an article from the Wall Street Journal of August 3, 1979, dealing with the subject of "U.S. Firms Say '77 Ban on Foreign Payoffs Hurts Overseas Sales," and along with a copy of the bill which I am introducing today.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Business Accounting and Foreign Trade Simplification Act".

FINDINGS AND CONCLUSIONS

SEC. 2. (a) The Congress finds that—

(1) the enactment of the Foreign Corrupt Practices Act of 1977 was a positive and significant step toward the important objective of prohibiting bribery of foreign government officials by United States companies in order to obtain, retain, or direct business:

(2) the unpredictable and unclear nature of the enforcement, interpretation, and jurisdiction of the Foreign Corrupt Practices Act of 1977 by United States agencies has caused unnecessary confusion among existing and potential exporters as to the scope of legitimate overseas business activities;

(3) the Foreign Corrupt Practices Act of 1977 does not reflect important differences in competitive conditions among various cultures and country markets for different products and services;

(4) the accounting standards requirements of the Foreign Corrupt Practices Act of 1977, which apply to all issuers of securities regardless of size, market, or the presence of international transactions. are excessive and result in costly and unnecessary paperwork burdens;

(5) United States agencies responsible for enforcement of the Foreign Corrupt Practices Act of 1977 do not sufficiently coordinate interpretation and enforcement practices among themselves, or with other agencies responsible for international trade policy, export promotion, foreign policy, international monetary policy, and other related civil and criminal statutes; and

(6) it is in the best interests of all countries to maintain responsible standards of corporate conduct in foreign markets to preserve free and equitable trading practices.

(b) The Congress concludes that—

(1) the principal objectives of the Foreign Corrupt Practices Act of 1977 are desirable, beneficial, and important to our Nation as well as to our relationships with our trading partners, and these objectives should remain the central intent of the Act;

(2) exporters should not be subject to unclear, conflicting, and potentially damaging demands by diverse United States agencies responsible for enforcement of the Foreign Corrupt Practices Act of 1977;

(3) conduct and structural arrangements of United States exporters should be permitted if they do not have a negative impact on our commerce with foreign nations, restrict fair competition, or otherwise conflict with the basic principals of the Foreign Corrupt Practices Act of 1977;

(4) the accounting standards requirements of the Foreign Corrupt Practices Act of 1977 should be integrated with concepts of materiality accepted by the accounting profession, and should take into consideration the size and operations of issuers of securities;

(5) legal interpretations and general compliance and enforcement practices associated with the Foreign Corrupt Practices Act of 1977 should be developed in accordance with considerations underlying foreign policy relations, international trade, export promotion, international monetary policy, and other related civil and criminal statutes; and

(6) a solution to the problem of corrupt payments by firms to obtain or retain business demands on international approach, accordingly appropriate international agreements should be initiated and sought by the United States agencies responsible for trade agreements and by the President.

AMENDMENT OF SHORT TITLE

SEC. 3. Section 101 of the Foreign Corrupt Practices Act of 1977 is amended to read as follows:

"SHORT TITLE

"SEC. 101. This title may be cited as the 'Business Practices and Records Act'.".

ACCOUNTING STANDARDS

SEC. 4. (a) Section 13(b)(2) of the Securities Exchange Act of 1934 is amended by striking out clauses (A) and (B) and inserting in lieu thereof the following:

"(A) make and keep books, accounting records, and accounts which reflect the transactions of the issuer (including the disposition of assets, equities, and liabilities) in all material respects so as

"(i) to permit preparation of financial statements in conformity with generally accepted accounting principles or other criteria applicable to such statements, and

"(ii) to maintain accountability for such assets, equities, and liabilities; and

"(B) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that in all material respects and in accordance with generally accepted accounting principles—

"(i) transactions are executed in accordance with management's general or specific authorization;

"(ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;

"(iii) access to assets is permitted only in accordance with management's general or specific authorization; and

"(iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.".

(b) Section 13(b) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following:

"(4) An issuer shall be liable in any action or proceeding arising under paragraph (2) only for knowingly falsifying, or causing to be falsified, any book, accounting record, or account described therein or for the intentionally wrongful maintenance of a system of internal accounting controls which is not consistent with the purposes of paragraph (2), or any intentionally wrongful attempt to circumvent the internal accounting controls established pursuant to such paragraph.

"(5) Where an issuer holds 50 per centum or less of the equity capital of a domestic or foreign firm, the provisions of paragraph (2) require only that the issuer proceed in good faith to use its influence, to the extent reasonable under the issuer's circumstances, including the relative degree of its ownership or control over the domestic or foreign firm and under the laws and practices governing the business operations of the country in which such firm is located, to cause transactions and dispositions of assets having a material effect on the issuer's interest in the foreign controlled firm to be carried out consistent with the purposes of such paragraph. Such an issuer shall be presumed conclusively to have complied with the provisions of paragraph (2) by demonstrating good faith efforts to use such influence.".

REPEALER

SEC. 5. (a) Section 30A of the Securities Exchange Act of 1934 is repealed.

(b) Section 104 of the Business Practices and Records Act is amended by inserting "or any issuer" after "any domestic concern" whenever it appears except in section 104 (b) (1) (B).

(c) Section 104 (a) of such Act is amended by striking out ", other than an issuer which is subject to section 30A of the Securities Exchange Act of 1934".

(d) Section 104(b) (1) (B) of such Act is amended by inserting "or any issuer which willfully violates subsection (a)" before "shall, upon conviction".

DEFINITIONS

SEC. 6. (a) Section 13(b) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following:

"(6) For the purpose of this section, the term 'reasonable assurances' means justifiable measures, in light of the benefits to be derived from any costs incurred and appropriate in view of the objective sought to be achieved, taken to ensure that the purposes of paragraph (2) will be accomplished.

"(7) For the purpose of this section, the term 'in all material respects' means materiality as measured in the preparation and presentation of financial statements of the issuer.

(b) The Business Practices and Records Act is amended by inserting after section 104 (d) (3) the following:

"(4) The term 'issuer' means any issuer which has a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934 or which is required to file reports under section 15 (d) of the Securities Exchange Act of 1934.

"(e) For the purpose of this Act, an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value shall not include an item of value that constitutes, or is intended as no more than, an item given as a courtesy, a token of regard and esteem, or in return for hospitality, and is not meant to include marketing education, or expenses related to the demonstration or explanation of products, or operations of an issuer or a domestic concern, including travel and lodging, if such marketing activities, demonstrations, or explanations, or related expenses pertain to the business presentation associated with the selling of goods and services.

"(f) Nothing in this Act shall prohibit any offer, payment, promise to pay, or authorization of the payment or any money, or offer, gift, promise to give, or authorization of the giving of anything of value which is lawful under the laws and regulations of the country, in which the foreign official, who is the intended recipient serves or in which the foreign political party or official thereof or foreign political candidate who is the intended recipient principally operates.".

AUTHORITY TO ISSUE GUIDELINES

SEC. 7. Title I of the Business Practices and Records Act is amended by adding at the end thereof the following:

"GUIDELINES AND GENERAL PROCEDURES FOR COMPLIANCE

"SEC. 105. (a) Not later than 6 months after the date of enactment of this section, the Attorney General, after consultation with other Federal agencies and representatives of the business community, shall issue—

"(1) guidelines describing specific types of conduct and structural arrangements associated with common types of export sales arrangements and business contracts which the Attorney General determines constitute compliance with the provisions of section 104 of this Act; and

"(2) general precautionary procedures which issuers or domestic concerns may use on a voluntary basis to ensure compliance with this Act, and to create a rebuttable presumption of compliance with this Act.

The guidelines and procedures referred to in the preceding sentence shall be issued in accordance with sections 551 through 557 of title 5, United States Code.

"(b) The Attorney General, after consultation with other Federal agencies and representatives from the business community, shall establish a Business Practices and Records Act Review Procedures for the purpose of providing responses to specific inquiries concerning enforcement intentions under this Act. The Attorney General shall issue opinions, within 30 days, in response to requests from issuers and domestic concerns, regarding compliance with the requirements of the provisions of section 104 of this Act. An opinion that certain conduct does not involve a violation shall be final and binding on all parties, subject to the discovery of new evidence. When appropriate, and at reasonable intervals, the responses derived from the review procedure will be reviewed by the Attorney General to determine whether such compilation of responses should be included in a new guideline pursuant to subsection (a).

"(c) Any document or other material provided to, received by, or prepared in the Department of Justice, or any other department or agency of the United States government, in connection with a request by an issuer or domestic concern for a statement of present enforcement intentions under the Business Practices and Records Act Review Procedure shall be exempt from disclosure under section 552 of title 5, United States Code, regardless of whether the Department responds to such a request or the applicant withdraws such request prior to receiving a response. If any request is withdrawn or does not receive a response from the Justice Department, any document or other material submitted in connection with such request shall be returned to the requesting party, and any other document or other material submitted to, received by, or prepared by the Attorney General in consideration of such request shall either be returned if the document or material originated from a source outside the United States Government or shall be destroyed. Within 60 days after the withdrawal of a request or the communication of the decision not to respond to the request, the Department of Justice shall certify to the requesting party that any such document or material has been returned to the requesting party or the originating nongovernmental party or has been destroyed in accordance with this section. The Attorney General shall protect the privacy of each applicant, and all documents supplied are for use by the Justice Department and the Securities Exchange Commission only. The Review Procedure shall be developed and instituted in accordance with sections 551 through 557 and 701 through 706 of title 5, United States Code.

"(d) The Attorney General shall make a special effort to provide timely compliance guidance to potential exporters, and smaller businesses, who as a practical matter are unable to obtain specialized counsel on issues pertaining to this Act. Such assistance shall be limited to requests for enforcement intention disclosures provided for under this Act, and explanations of accounting standards requirements, and payments and practices requirements.

"(e) (1) On September 1 of each year the Attorney General shall transmit to the Congress and make public a detailed report on all actions which it and other interested public and private parties have taken pursuant to this Act, along with its views on problems associated with implementation, its plans for the next fiscal year to further implement the Act, and recommendations for amendment.

"(2) On September 1 of each year the Securities and Exchange Commission shall file with the Congress a detailed report on all actions which it has taken pursuant to section 13(b) of the Securities Exchange Act, its views on problems associated with implementation, its plans for the next fiscal year to further implement such section, and its recommendations for amendment.".

CONFORMING CHANGES IN INTERNAL REVENUE CODE

SEC. 8. Paragraph (1) of section 162(c) of the Internal Revenue Code of 1954 is amended by striking out "the laws of the United States if such laws were applicable to such payment and to such official or employee" and inserting in lieu thereof "the Business Practices and Records Act".

INTERNATIONAL AGREEMENTS

SEC. 9. (a) It is the sense of the Congress that the President should pursue the negotiation of bilateral and multilateral agreements among the largest possible number of nations which would establish standards of conduct for international business practices and which would create a process by which problems and conflicts associated with such practices could be resolved, and to explore through negotiations an international agreement for rates of commissions.

(b) It is the sense of the Congress that on September 1, 1981, the President shall report to Congress on the progress of these negotiations, and those steps which the Administration and Congress should consider taking in the event that the negotiations referred to in subsection (a) do not successfully eliminate the competitive disadvantage of United States business. Within 60 days of receipt of the President's report, Congress shall begin a full oversight review of the Business Practices and Records Act, including its effectiveness in fulfilling its goals and purposes, effects upon export promotion, United States competitiveness, foreign policy relations, small business considerations, costs of compliance, and appropriateness of penalties and those steps set out in the report to Congress as provided in the preceding sentence.

U.S. PROGRAMS THAT IMPEDE U.S. EXPORT COMPETITIVENESS: THE REGULATORY ENVIRONMENT

(By Robert A. Flammang, U.S. Export Competitiveness Project, The Center for Strategic and International Studies, Georgetown University, Washington, D.C.)

THE FOREIGN CORRUPT PRACTICES ACT

In 1977 Congress passed the Foreign Corrupt Practices Act after hearing testimony citing payoffs by American firms or their representatives to foreign political officials. President Carter signed the bill with enthusiasm, noting that such practices had disturbed and often weakened political relationships between the United States and many of its key trading partners. The law forbids any domestic firm or anyone acting in its behalf from giving anything of value to any foreign government official, political party official, or anyone who might reasonably be expected to transfer the value to them; the same prohibition applies to recipients that are units of government or political parties. Penalties are stiff: up to $10,000 and/or five years in prison for the offenders and up to $1 million for the corporation involved. Companies are expected to keep very accurate records and employ stringent internal control measures to prevent such payments.[16]

To a very large extent, the law reflects American ignorance of the very significant differences between our culture and foreign cultures. In ancient times, kings exchanged gifts to cement political or military alliances; heads of state still do so today, as President Nixon's gift of a helicopter to President Sadat of Egypt (and many other examples) can attest. In many countries, business is conducted in a highly ritualistic way that echoes the ancient patterns: business negotiators are expected to approach the nitty-gritty very slowly by first building close personal relationships, often by hosting one another and exchanging pleasantries and gifts. But times are changing. Today, an American executive can truthfully say, "the commissions we used to pay are still a social and business custom in some countries, but now they're crimes as far as we're concerned." [17]

In the United States, business or government negotiators are expected to maintain an "arms length" relationship with those with whom they are negotiating to avoid "conflicts of interest" that might permit them to profit at public expense, and properly so. But in most other parts of the world, the economic, political, and social aspects of life are not as split apart as they are here; the arms-length approach is simply not feasible. The local sales representative for a foreign company may also be an important political figure, and may feel incensed if he is asked to step aside so that the firm he heretofore represented can deal with someone else in the government. But these nuances are often not appreciated by American lawmakers. And what is a legitimate "commission" in one country is seen as a "bribe" in another.

This is clearly another case of attempting to export morality. David Ball argues pursuasively that the law strengthens the market system by giving management more control and information and by reducing the chances that U.S. companies will be approached for bribes, but this argument assumes just one type of "market system" in the world and that is the American type. In fact, market systems are often almost inseparable from political systems. While it is true that the economic side of life is becoming increasingly separated from the political as economic development occurs, in few places has it reached the stage it has in the United States. This is one reason (the dependence upon exports is another) why most other countries, including major industrial competitors of the United States, either do not consider payments to political officials a crime or do not enforce their laws with much vigor if they are on the books.

Again, the tool is fundamentally inappropriate to the task. Punishment of American firms for doing what their competitors can do with impunity does not make the world more honest, nor does it extend American moral influence abroad. Bribery can be stopped only if all countries agree on what a bribe is and agree among themselves to put an end to it. Unilateral moves can only be self-defeating. Annual American export losses attributable to U.S. anti-bribery legislation are roughly estimated by a White House task force on export disincentives at $1 billion.[18] Meanwhile, "an anti-commercial bribery treaty, proposed by the United States, is languishing in an inactive committee of the Economic and Social Council with little prospect for early agreement even on a working draft." [19]

The American exporting community, predictably, is not completely happy with U.S. antibribery legislation but is reluctant to say so for fear the public will assume they are probribery. On the whole, businessmen have confined themselves to pointing out examples of lost exports without moral gains or to asking for more explicit guidelines from the Justice Department with respect to the 1977 law. The Justice Department, however, opposes identifying behavior that it will not prosecute, but will offer advice "on the type of conduct we think is most egregious." [20]

This leaves U.S. firms in a situation where they must turn down foreign business if they even suspect they could be charged with bribery. Thus, firms experience a "chill effect." They are then forced into marketing approaches that are "unnaturally conservative" because the language of the law is "too sweeping" and "too ambiguous." As evidence, some have argued that a corporation can be held liable for violations of the act even when an employee disobeys expressed orders, or when an executive can be shown to "have reason to know" that sales agents abroad were making payoffs. Justice Department officials, however, apparently want to maintain the gray areas of uncertainty so that the chill effect can live on: "All they (businessmen) want to know is who they can bribe and who they can't. Well, we're not going to tell them—we'll go down kicking and screaming on this one." [21] So much for cultural awareness in the Department of Justice.

Since the law does not achieve its intended purpose and cannot, and since the United States is not the monopoly supplier the law assumes, it should be repealed until an international antibribery code can be agreed upon. If this proves to be impossible for political reasons, it should be interpreted so broadly as to have the same effect as similar legislation in competitor countries. When the rest of the world finally recognizes that bribery merely reshuffles business instead of increasing it, when the market system in most countries evolves further from the socio-politico-economic milieu in which it is now bound, when the world comes closer to sharing the same values, the interpretation can narrow. But for now, the law, far from being a beacon of morality guiding the saved from a corrupt world, is an instrument of self-flagellation that much of the world views with amusement.

FOOTNOTES

[16] An excellent summary of the law is David S. Ball's "Official Privacy," *Executive* (June 1979), pp. 27–28.

[17] *The Wall Street Journal*, August 2, 1979, p. 10.

[18] *Ibid.*, p. 10.

[19] *Ibid.*, p. 2.

[20] Quoted by John F. Berry in *The Washington Post*, October 10, 1978.

[21] *Ibid.*

[From the Wall Street Journal, Aug. 3, 1979]

U.S. FIRMS SAY '77 BAN ON FOREIGN PAYOFFS HURTS OVERSEAS SALES

Harvey Trilli is fuming with frustration, and he doesn't care who knows it.

Mr. Trilli is president of a large Pittsburgh-based engineering and construction firm—Swindell-Dressler Co., a subsidiary of Pullman Inc. He contends that his company recently was beaten out of a number of big overseas construction jobs because of payoffs to foreign-government officials by European competitors. One of the projects was a $40 million brick plant in Iraq.

"We thought we had the thing all wrapped up," Mr. Trilli says. "We had a team of people there for five or six weeks. All the terms were agreed to, including the pricing, and we were told the contract would be signed in a month. Then out of the clear blue sky, a German firm got the contract."

The Pittsburgh executive names the West German firm involved and says he believes it got the contract "because they made a big payment to a high official in Iraq." Mr. Trilli concedes that he wouldn't be able to prove that a payoff occurred. But even if he could, it would be of little avail. Bribery by West German companies to obtain foreign contracts isn't illegal in West Germany, and the companies may even deduct the costs as a business expense for tax purposes.

$100 MILLION IN LOST SALES

Chicago Bridge & Iron Co., an Oak Brook, Ill., fabricating and construction concern, likewise has lost "in excess of $100 million of sales over the last three years" in situations "where we think the element of bribery was at least present," according to William M. Freeman, senior vice president for finance of the company.

Increasingly, American corporate executives are complaining about what they contend is a continuation of under-the-table payoffs by foreign competitors whose governments either look the other way when overseas bribery occurs or surreptitiously encourage the practice in order to increase their exports and improve their balance of payments.

Midland-Ross Corp. of Cleveland cites two instances of suspected payoffs this year in overseas contract negotiations. Both involve paper-mill equipment for two West African nations, which the company declined to identify. In one case, although Midland-Ross was favored by the consulting engineer for the project, it lost out on a $4 million contract to an Italian company that came in "at the zero hour." In the second case, Midland-Ross dropped out of the competition on a $4 million to $6 million job when it learned that it would have to kick back 10 percent of the contract's value to the president of the country and another 3 percent to "the president's sidekick."

A SOLITARY CAMPAIGN

Paying off foreign officials to obtain lucrative contracts isn't unknown among American companies, of course. More than 300 of them have admitted to the Securities and Exchange Commission that they had made questionable payments or engaged in misleading accounting practices in their foreign operations. But since December 1977, U.S. companies have been operating under the provisions of the Foreign Corrupt Practices Act, which makes it a criminal offense to offer a payment to a foreign-government official to assist in obtaining or retaining foreign business.

The law provides for prison sentences up to five years for violators and fines of up to $1 million for their companies—the largest fines ever authorized for imposition on American business firms. Companies doing business overseas also are required to set up rigorous accounting safeguards to detect the existence of slush funds and other financial devices for making illegal payoffs.

So far, however, no other industrialized nation has seen fit to impose any such strictures on its businessmen, and an anti-commercial-bribery treaty, proposed by the United States, is languishing in an inactive committee of the United Nations Economic and Social Council with little prospect for early agreement even on a working draft.

Meanwhile, the unilateral America effort to upgrade the ethical standards of international business, critics of the 1977 law complain, is blocking off large chunks of the globe as unsafe areas for U.S. companies to solicit business. These "sensitive areas," businessmen say, include not only many developing nations in Africa, the Far East, and Central and South America but also the oil-rich kingdoms and sheikdoms of the Middle East.

PAYING AN ENTRY FEE

"The U.S. brand of morality hasn't been successfully sold to a lot of areas yet," says Robert F. Conley, vice president for international marketing of Lockheed Corp. "In many countries, rewarding the decision makers is still the way that things are done in the business community. It's pretty obvious that we now have less ability to get an audience or even the attention of the decision makers when they know we're restricted in paying fees."

How much business is being lost by American firms as a result is impossible to determine because of the private, if not clandestine, nature of most international contract arrangements. But to judge from the intensity of criticisms of the 1977 act, the hardest-hit firms are large international construction companies that deal mainly with foreign governments or with government-run industries. Some of these companies say that in certain countries, it is impossible even to get on the bidding lists without paying what amounts to an "entry fee" to a local agent who has good connections with the government in power.

Last week, the lid was lifted a little bit on how large these fees can sometimes be. A Belgian firm, Eurosystem Hospitalier, which had been working on a $1.2 billion hospital project in Saudi Arabia, was plunged into bankruptcy. The crash was attributed to "excessive" secret commissions, estimated at $282 million, paid to get the Saudi contract. The Belgian royal family is involved because Prince Albert, brother of King Baudouin, was a leading member of the Belgian business mission to Saudi Arabia that obtained the contract.

The United States, which in 1976 ranked first in its share of the overseas construction market, dropped to fifth place last year, trailing Japan, Korea, West Germany and Italy, according to the National Constructors Association, a Washington-based trade association of large construction companies.

"A good part of the reason for this," says an executive of a West Coast construction firm, "is the 1977 law." He adds: "The commissions we used to pay are still a social or business custom in some countries, but now they're crimes as far as we're concerned."

Granville Kester, an executive vice president of Michael Baker Corp., an engineering consulting firm based in Beaver, Pa., says his firm is no longer trying to do business in the Middle East because "we feel we would have to pay big commissions to agents in those countries that could be considered kickbacks by U.S. authorities."

The problem with having to rely on commission agents, he says, is that "it is difficult to determine whether their services are legitimate and yet we're criminally liable if it turns out their services aren't legitimate."

Mr. Trilli of Swindell-Dressler says his company doesn't even attempt to do work anymore in Nigeria or Lybia, partly because "we've been led to believe that in order to get business there, you have to pay off somebody." A similar problem exists in Mexico, according to several companies. Says Eugene Myers, vice president for finance of Marley Co., a manufacturer of water-cooling towers that is based in Kansas City, "We know we can't sell to certain people down there." And Joy Manufacturing Co. of Pittsburgh suspects it lost a big contract to supply pollution-control equipment to Mexico's government-owned power company because a Swedish competitor made personal payments to company officials to obtain the contract. "I couldn't prove it, but I have a strong feeling that a payment was expected" in order to get the contract, says a Joy executive.

"A ROUGH AREA"

South Korea is mentioned by one large chemical company. "It's a rough area, corrupt as hell," says a company spokesman, who adds that his company has withdrawn from the area because payoffs to government officials were required. "We decided their business just isn't worth it," he says.

Earlier this year, the State Department received a cable from the U.S. embassy in Kinshasa, Zaire, expressing concern that the U.S. might lose access to Zaire's markets and its vast natural resources because other governments aren't showing the same zeal as the U.S. in policing their businessmen's activities in Africa. "Strict federal regulations against payments to facilitate sales put U.S. salemen at a distinct disadvantage in a system which would rather not work at all than work without oil (payments)," the cable stated.

Criticism of the 1977 law in U.S. corporate circles has tended to be low key and often off-the-record for obvious public relations reasons—any company that complains too loudly inevitably raises questions in the public's mind about its own overseas sales practices. Many companies, of course, profess to have no difficulties with the legislation; Du Pont Co., for example, with $3 billion in foreign sales last year, says its own corporate code of ethics is more rigorous and predated the passage of the U.S. law. And an official of a major aircraft company says the law has been a boom because "since it was passed we have been getting about a fifth as many requests for payoffs as we used to."

Cincinnati Milacron Inc., one of the nation's largest producers of machine tools and other industrial products, has lost business because of "restrictions on where we can pay legitimate sales commissions," says James A. D. Geier, president, "but we don't know how much." Mr. Geier adds, "However, there are other boys in the world who don't play by the same rules."

THE AVIATION MARKET

One place where the game is fast and loose is the international aviation market, according to some U.S. plane builders. At one time they themselves were active participants, paying out millions of dollars in commissions and "fees" to some of the most highly placed "sales agents" in the world, including a former prime minister of Japan, the husband of the queen of the Netherlands and the commanding general of Iran's air force. Now, under the provisions of the 1977 law, they are required to sit on the sidelines. One big competitor they are watching enviously—and suspiciously—is Airbus Industrie, a European consortium owned mainly by French and West German aircraft makers, including Societe Nationale Industrielle Aerospatiale, the French state-owned aerospace company. Airbus in recent years has had phenomenal success selling an airliner called the A300 to government-owned airlines.

Comments one U.S. plane producer: "The Aerospatiale folks are completely at liberty to take on anybody they wish as a consultant for a retainer or a commission. In the last 18 months, they've had success in selling the A300 to Singapore, Indonesia, Thailand, Malaysia and the Philippines. It may be a coincidence, or it may be their day to shine, but the sales happened all at once and at a time when U.S. companies were restrained from employing their past sales practices."

AN INCIDENT IN QATAR

So far, the government hasn't brought criminal charges against any corporation for violating the law, but in April the Justice Department filed a civil suit against businessman Roy J. Carver and an associate. According to the complaint, Mr. Carver approached the American ambassador to the sheikdom of Qatar and asked, "Who do I see now?" to win approval of an oil concession for which the two men allegedly had paid $1.5 million in bribes during 1976. The two businessmen consented to a court order enjoining them from offering further payments.

Despite intermittent grumbling about the anti-bribery statute, Congress isn't likely to amend it, certainly not this year. However, a White House task force on export disincentives is considering ways to eliminate "ambiguities," especially a provision subjecting company executives to criminal prosecution for "having reason to know" that independent sales agents abroad were making payoffs. The law could be costing U.S. exporters $1 billion a year in lost business, a task force spokesman says, citing "very rough, preliminary figures."

The "sweeping language" of the law as it relates to a corporation's responsibility for the actions of its overseas agents is particularly disturbing to Dresser Industries, a spokesman says. And Westinghouse Electric Corp. concurs, declaring in a recent position paper on export policies that this provision has led some companies to adopt "an unnaturally conservative marketing approach overseas."

In Indonesia, for example, Airbus's agent used to be a high official of Pertamina, the government-owned oil company. He now is a minister in the government. Recently, Garuda, the Indonesian state airline, placed an order for six A300 jets, with an option for six more.

INDONESIAN SUGAR MILLS

Another Indonesian business opportunity currently is being watched closely by businessmen around the world. The Indonesian government has asked for bids for the construction of six sugar mills for about $40 million each. All the bidders are European except for two U.S. concerns—Arkel International Inc. and a consortium headed by Katy Industries Inc. Neither company will discuss the project, but a source involved in the competition says, "Whoever gets the contract there must pay for it, whether you call it a bribe, commission or consulting fee. That's a fact of life in Indonesia, has been and always will be." For an American company to get an Indonesian contract "without getting caught violating the U.S. law, some very sophisticated paper work has to be done," the source adds.

Businessmen and government officials abroad, meanwhile, are taking attitudes ranging from commiseration to amusement at the controls now imposed on their U.S. competitors. An informal poll of more than a dozen British and European trade officials indicated a nearly unanimous opinion that the U.S. has lost overseas business because of the restrictions of the 1977 law. But none could provide specific examples or make an overall estimate of the amount of business lost.

"The main problem," says Sir Frederick Catherwood, a former chairman of the British Overseas Trade Board, "is extortion, rather than corruption—that you can't do business (in many parts of the world) unless you pay the entry fee."

Sir Frederick says the question involves the extent to which a nation can impose its laws and regulations overseas. "Can you make illegal in your own country something which is only nominally illegal—but not enforced—in another country?" he asks. "The U.S. has said more or less, 'Yes we can,' and other countries have said, 'No, we can't.' "

FOREIGN-TRADE DEPENDENCE

Another factor, Sir Frederick says, is a nation's degree of dependence on foreign trade—exports account for only 8.5 percent of gross national product in the U.S., against 30 percent for Britain. He leaves little doubt that legislation against illegal foreign payments has minimal public support in the United Kingdom. "We, who are so much more vulnerable, would be killed," he says.

This attitude is reflected in the lack of zeal shown by the British government in following up recent payoff scandals. When a subsidiary of British Petroleum, partly state-owned, was shown (through SEC filings) to have made payoffs totaling up to five million pounds to win a Saudi computer contract, the British government refused even to discuss the situation. Similarly, there hasn't been a public investigation of state-owned British Leyland's Mideast contracts, which have been widely publicized as bribe-aided.

Business payoffs are even less of an issue in West Germany and Japan, the two nations whose companies are most often suspected by U.S. competitors of making illicit payments. Neither country has ever taken any steps to investigate the business practices of its nationals. And neither country has any permanent agency similar to the Securities and Exchange Commission, the U.S. agency charged with enforcing the corrupt practices law. Gen Douglas MacArthur, in reorganizing the Japanese government after World War II, set up a Japanese SEC, complete even to the name. But it was one of the few MacArthur innovations that didn't take: Japan disbanded the agency after a few years.

In Tokyo, in fact, the man-on-the-street reaction to questions about payoffs is that they are an established way of transacting business. Even after former Prime Minister Kakuei Tanaka was arrested and jailed on charges of receiving a $1.7 million bribe from a Japanese agent of Lockheed Aircraft Corp., he was reelected as a representative to the lower house of parliament, receiving one of the largest votes cast in the election.

By Mr. NELSON (for himself, Mr. Stewart, Mr. Lugar, and Mr. Riegle):

S. 2764. A bill to amend the Securities laws in order to promote capital formation, particularly in order to meet the needs of new, small, medium-sized, and independent businesses; to the Committee on Banking, Housing, and Urban Affairs.

OMNIBUS SMALL BUSINESS CAPITAL FORMATION ACT OF 1980

Mr. NELSON. Mr. President, on behalf of myself, Mr. Stewart, Mr. Lugar, and Mr. Riegle, and as part of the effort by the Senate Small Business Committee to assist small firms in raising capital, we are introducing today a bill entitled the "Omnibus Small Business Capital Formation Act."

I ask that the bill be referred to the Senate Committee on Banking, Housing and Urban Affairs, where hearings are presently in progress on this subject, and that a text of the bill be printed in the Record following my remarks.

In the course of 3 years of study of this area, the committee found a serious "capital gap" exists for small business, and concluded that the problem cannot be solved without close and continuous cooperation between Federal and State policymakers and regulatory bodies, and the venture capital and small business communities. We have developed this bill to provide a framework for such cooperation.

WHAT THE BILL WOULD DO

There are three themes to this bill. The first is to establish the importance of small business capital formation to our economy and society. The second is to facilitate communication and cooperation among the many elements concerned with the mobilization of capital for small business. The third is an all-out effort to reduce the costs, time, and frustration of small business capital formation.

The first objective would be achieved by congressional consideration and adoption of the policy declaration set forth in this bill which recognizes the vital contribution of new, small, and growing enterprises to the U.S. economy and society, including:

Creation of new jobs: Fifty-two percent of the new jobs generated between 1960 and 1976 were by independent businesses with less than 20 employees;[1]

Sustaining existing employment: Fifty-five percent of all existing jobs in the private sector are in small business as defined by the Small Business Administration (59 percent if farming is included);[2]

Bringing innovations to the marketplace: One-half of all innovations originate with small firms and individual inventors;[3] and

Serving as anchors of community life: Numerous studies establish that local businesses are a prime source of strength for their neighborhoods and communities and are the repository of many of the most deeply held American values.[4]

To implement this policy, we propose two yearly conferences to be sponsored by the Securities and Exchange Commission.

One of these would be a Government/industry conference. We envision that it would be in the Washington area so that it would be convenient for Federal officials from the Treasury Department, the Federal Reserve System, the Small Business Administration, and the Securities and Exchange Commission to meet with venture financers and small business representatives. This provision for ongoing conferences of this sort is meant to assure that periodic attention is given to the special, and ever-changing, capital problems of new and small enterprises.

The other conference would bring together the Federal securities and Exchange Commission with their counterparts in the offices of the State securities commissioners from the 50 States. These conferences and attendant satellite meetings would provide a mechanism for policy and staff personnel to confer on a continuing basis to make securities regulation more effective and less burdensome for investors, smaller businesses, and all of the public. The bill would encourage collaborative work on such projects as the standardization of forms and processing, the elimination of duplication in clearance procedures, and the development of a small business exemption from registration which might eventually be acceptable to the State securities authorities and to the Federal Government as well.

The bill intends no preemption of either State or Federal law. It aims only at cooperation, so that regulatory authorities can help each other. We believe that improvements can be made in the sharing of information, in technical assistance in the development of standard forms, and as to innovative regulatory techniques. We do not want to tell any regulatory authority what it must do and, we do not want any authority or agency telling another what it must do, but we do believe that increased communication and cooperative effort will benefit all concerned.

As a third objective, the bill calls for a major attack on the costs of raising capital by small companies. Our hearing[5] have established that for fledgling firms, the costs of raising equity capital are almost insurmountable. Because of the way financial markets operate, most prime sources of business capital such as the bond market, the commercial paper market, pension capital are off-limits to small business. The testimony we have heard is that the public securities market, the last resource of small enterprise, has undergone fundamental changes over the past decade that stack the odds decisively against new and small companies. Witnesses told the committee that during the 1960's, new companies could be launched with public stock issues, and many were. A total of 1,056 small companies (with assets less than $5 million) sold registered stock issues in the two years 1968–69. Now, however, a minimum requirement for capital raising is that the company show that it has earned $1 million in profits, although ocassionally a regional firm will consider a lesser amount such as $750,000 in profits.

These stringent standards, which would certainly exclude the overwhelming majority of new and emerging companies, help explain why only 79 such companies were able to "go public" in 1978 and 1979.

Business Week magazine observed in 1977 that public capital markets were open only to the 1.000 largest and best established corporations. There are twice as many listings on the New York Stock Exchange, which would mean that under current conditions half of the premier U.S. corporations cannot make the grade. Where does that leave companies on the American Stock Exchange or in the NASDAQ over-the-counter market?

Where does that leave new and small businesses and the private enterprise system?

These are disturbing questions, which our Nation better start addressing in a concerted manner.

The extraordinary companies that do have an opportunity to raise capital from the public nowadays find that costs have become nearly prohibitive. A study performed by the National Association of Securities Dealers in 1979 shows that the average cost of a first-time to market

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Footnotes at end of article.

stock issue in the 7 years between 1972 and 1978 was $189,368 and the figure soared over $200,000 for 3 out of the 4 most recent years.

EXPENSES OF FIRM-COMMITMENT UNDERWRITINGS OF REGISTERED OFFERINGS OF 1ST TIME TO MARKET COMPANIES[1]

Year	Number of offerings	Average registration expense
1972	478	$120,486
1973	89	116,817
1974	9	199,359
1975	[2] 5	[2] 253,000
1976	21	217,745
1977	19	188,368
1978	24	229,805

[1] Excludes real estate investment trusts, closed end investment companies and commodity pools.

[2] Exclude 3 initial public offerings with an average gross dollar amount of $52,000,000 and an average expense of $510,000.

Source: "Financing Small Business", report of the National Association of Securities Dealers, Inc., May 22, 1979, p. 44.

We are informed that the major elements of these costs include printing, legal and accounting fees and underwriter compensation. It would appear that the first three of these components can be examined and hopefully reduced—substantially—by means of a combination of new technology, new policy and innovative and cooperative regulation. We feel the matter is urgent and the possibilities for improvement are great.

As part of that effort, Securities and Exchange Commission Chairman Harold Williams proposed to us in testimony that there be a limitation on the liability of independent professionals—other than underwriters—who work on the small business securities issues.[6]

The theory of this recommendation is that it will enable more accountants and lawyers around the country to assist in preparing small securities issues because their liability insurance would be less costly on the basis of a limited exposure. Finding that members of the securities bar and leading academic authorities reacted favorably to this suggestion, we have also included a limited provision along these lines in the bill, so that it may be thoroughly explored by regulatory authorities, the securities industry, small business, public interest groups and all others concerned with the subject matter.

BACKGROUND

The Senate Small Business Committee has been investigating problems of small business capital formation for the past 3 years. The 8 days of public hearings referred to above and related research have been summarized in the committee's annual reports for these years.[7]

At the outset, in October 1977, we gave to the President an extensive memorandum outlining the problems of small business capital formation.[8] We emphasized that under the current conditions of capital stringency, foreign investors, with a relatively small amount of capital, were coming into the United States and gaining a great deal of leverage over future technology by purchasing small struggling U.S. businesses. That warning has been repeated on several occasions.[9] We also pointed out the multiple benefits of adequate small business capital formation, including increased employment, State and local taxes, increased competitiveness abroad and at home, and maintaining an edge in defense and disarmament. Conversely, all these advantages can be lost to this country if our capital formation and tax policies prevent or discourage entrepreneurs from business creation or expansion here in America.

To remedy this situation, Small Business Committee members have often called for a comprehensive policy on small business capital formation[10] and have introduced a series of bills during the course of these hearings to implement various aspects of such a policy.

At present, there are a dozen tax capital formation bills pending before the Senate Finance Committee.[11] On March 24 and 29, and April 1 the Tax Subcommittee chaired by the Senator from Virginia (Mr. HARRY F. BYRD, JR.,) held hearings on all of these proposals.

Similar efforts are underway in the areas of securities laws and regulations, the structure of venture capital institutions, and relieving various limitations on the availability of pension capital to smaller business financing.[12] Progress must be made in all of these areas to bring about a meaningful and lasting improvement of the environment for small business financing.

NEED FOR OVERALL APPROACH IN SECURITIES AREA

Our Securities hearings have convinced us that the complex matters of small business securities policy and regulations require the continuous attention and specialized expertise of many parties—the Federal Government, State regulatory agencies, private suppliers of venture capital, and the small business community. We believe that bringing together all of these participants on a regular basis will help all concerned.

Now there is no Federal agency which takes an overview of the process of capital formation and its impact on the economy.

We now have one system of Federal regulation, and 50 systems of State regulations. There is no uniformity as to what securities can be sold, or under what conditions, or even who can sell them.

Obtaining the approval of state securities authorities is called "Blue-Skying" a stock issue. Although small firms tend to concentrate their securities sales in a few States, we are told that to "Blue-Sky" an issue takes 2 to 3 months and can cost thousands of dollars. In the absence of systematic coordination of efforts the present regulatory situation is exorbitantly expensive, maddeningly inefficient, and utterly frustrating to small businesses and others engaged in the profession of trying to raise business capital. It is apparent that no single agency, either Federal or State, is in a position to straighten this situation out.

In my view, a framework of cooperation between all of the parties involved offers real prospects of increasing the efficiency of securities regulation. Lower cost of regulation will help small investors and taxpayers as well as businesses seeking to mobilize capital. That is exactly what this bill is intended to provide. We are suggesting that the present situation cries out for communication, a sharing of information, and collaborative effort.

EFFORT TO REDUCE COSTS OF CAPITAL FORMATION

The bill mandates an all-out attack on costs of capital raising which would be focused on companies with a value of less than $25,000,000.

Some of the possible avenues for cost reduction are as follows:

New and developing technology, which we understand can cut the costs of preparing documentation of, as well as the cost of processing and filing of, information needed by securities authorities;

Innovative regulation, such as the Federal and State cooperation which we have provided for in the bill; and

Collaborative efforts which can take a variety of forms under the conference format which the bill lays down.

For example, it has been suggested that there could be a number of working groups containing both Government and industry people to work on difficult problems. Working papers could be prepared and circulated to the other participants. The periodic nature of the conferences would assure that the difficult problems would be thoughtfully addressed over a period of time.

This process would encourage data collection and analysis.

In the Federal/State area, it is perhaps possible that the States could work toward the development of a uniform small business exemption. If such a suitable exemption were agreed upon, it could be discussed with the Securities and Exchange Commission. This might lead to the evolution of a joint Federal/State issuers exemption, which could enormously reduce the cost of "Blue-Skying" and regulatory compliance for capital raising purposes.

SUMMARY

If the cost of capital comes down, it benefits everyone. New companies are formed, existing companies expand. Employment is increased. New products and services reach the market. Expanding profits yield higher tax receipts which help balance the budget. Our economy gains competitive advantages in the world economy.

These are the kinds of things we are striving for with this legislation.

I hope that the bill will receive immediate and favorable consideration by governmental agencies, private sector organizations, and the appropriate committees in the Senate and House. Any improvements to the legislation would be most welcome. The Small Business Committee will be glad to work with all concerned toward the enactment of legislation to bring the goal of improved and less costly small business capital formation closer to realization.

FOOTNOTES

[1] "The Job Generation Process", by David L. Birch, M.I.T. Program on Neighborhood and Regional Change, Cambridge, Mass. 1979.

[2] "Small Enterprise and the Economy", study by the Small Business Administration, July, 1976.

[3] "Small Business and Innovation", report of the Senate Small Business Committee, S. Rept. 95–1413, Dec. 28, 1978.

[4] "Small Business and the Quality of American Life", Committee Print, Senate Small Business Committee, Nov. 7, 1977.

[5] "Small Business Capital Formation", Parts 1–5, Hearings before the Senate Small Business Committee, Feb., 1978–March, 1980.

[6] Testimony of Harold Williams in Small Business Capital Formation, Part 3, Hearings before the Senate Small Business Committee, Sept. 21, 1978, pages 599–601; 608.

[7] 28th Annual Report, Senate Small Business Committee, S. Rept. 95–629, 29th Annual Report, Senate Small Business Committee, S. Rept. 96–31, 30th Annual Report, Senate Small Business Committee, S. Rept. 96–707.

[8] Reprinted in 28th Annual Report of the Senate Small Business Committee, S. Rept. 95–629, pages 301–18. See also "Overhaul of Tax and Capital Formation Policies Urgently Needed for Small Business", Capital Formation, Part 1, Hearings by the Senate Small Business Committee, pages 206–218.

[9] See S. Rept. 96–707, pages 21–22.

[10] See S. Rept. 95–629, page 75; S. Rept. 96–707, pages 24–25.

[11] See "Small Business Progress Report", Report of the Senate Task Force on Small Business, Congressional Record, April 2, 1980, page S3482.

[12] *Ibid.* See also 30th Annual Report of the Senate Small Business Committee, S. Rept. 96–707, May 14, 1980.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Omnibus Small Business Capital Formation Act of 1980".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.
Sec. 2. Findings and declaration of policy.
Sec. 3. Liaison between Securities and Exchange Commission and Small Business Administration.
Sec. 4. Annual government-business forum on capital formation.
Sec. 5. Additional funds authorized for the Securities and Exchange Commission.
Sec. 6. Federal-State cooperation in securities matters for the benefit of small business.
Sec. 7. Reduction of costs of small securities issues.
Sec. 8. Limitation of liability as to small securities issues.
Sec. 9. Effective date.

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) the American system of private enterprise provides fundamental support for the nation's economic, social and political institutions;

(2) among the particularly valuable contributions of new, small, local and independent enterprise to the American system are—

(A) providing opportunity for advancement;

(B) originating half of all new products and services;

(C) employing half of the job force in the private sector;

(D) combating inflation through competition; and

(E) supplying a disproportionate share of national growth;

(3) capital is the lifeblood of business, and access to venture capital at the startup and early stages of a business is critical to the creation and growth of such smaller independent enterprise;

(4) during the past decade, a "capital gap" has developed between the opportunities for productive deployment of venture capital and the ability of financial institutions to deliver funds adequate to make the most of these opportunities;

(5) the causes of this capital gap go beyond usual economic cycles and extend to structural and institutional changes such as—

(A) the higher financial standards required for public offerings of securities;

(B) the increasing dominance of pension funds in securities markets and their disinclination to invest in venture capital;

(C) the decline of independent broker-dealers; and

(D) the withdrawal of individual investors from securities markets;

(6) this condition has impaired the operation of the free enterprise system by making it virtually impossible for new, small, medium-sized and independent firms to raise capital;

(7) problems of capital formation vary by the size, age, and technology level of businesses;

(8) a strong infrastructure of private businesses which assist in the delivery of capital to small enterprise is vital to capital formation, and their businesses, many of which are also independent firms, face fundamental problems, many of which are rooted in governmental regulatory systems; and

(9) no Federal agency is charged with the responsibility of studying the entire process of capital formation and its relationship to the proper functioning of American free enterprise and the effects of Federal and State government policies upon this process.

(b) It is declared to be the policy of the Congress that there be a medium within the Federal Government which will give sustained and expert attention to the problems involved with capital formation and to the particular difficulties of smaller businesses in this process; and this effort will include gathering information on such matters, analyzing such information and then facilitating a common understanding and resolution of these matters among Federal and State government, and private industry in order to benefit small business and the overall economy of the Nation.

LIAISON BETWEEN SECURITIES AND EXCHANGE COMMISSION AND SMALL BUSINESS ADMINISTRATION

SEC. 3. The Securities and Exchange Commission shall, in consultation with the Small Business Administration, gather, analyze, and make available to the public, information with respect to the capital formation needs, and the problems and costs involved with new, small, medium-sized, and independent businesses.

ANNUAL GOVERNMENT-BUSINESS FORUM ON CAPITAL FORMATION

SEC. 4. (a) Pursuant to the consulation called for in section 3, the Securities and Exchange Commission shall conduct an annual Government-business forum to review the current status of problems and programs relating to small business capital formation.

(b) The Commission shall invite other Federal agencies, such as the Department of the Treasury, the Board of Governors of the Federal Reserve System, the Small Business Administration, organizations representing State Securities Commissioners, and leading small business and professional organizations concerned with capital formation, to participate in the planning for such forums.

(c) The Commission may request any of the Federal departments, agencies, or organizations such as those specified in subsection (b), or other groups or individuals, to prepare statements and reports to be delivered at such forums. Such departments and agencies shall cooperate in this effort.

(d) A summary of the proceedings of such forums and any findings or recommendations thereof shall be prepared and transmitted to the participants, appropriate committees of the Congress, and others who may be interested in the subject matter.

ADDITIONAL FUNDS AUTHORIZED FOR THE SECURITIES AND EXCHANGE COMMISSION

SEC. 5. For fiscal year 1981, and for each of the four succeeding fiscal years, there are hereby authorized to be appropriated not less than $1,500,000, and such additional amounts as may be necessary and appropriate to carry out the provisions and purposes of this Act. Any sums so appropriated shall remain available until expended.

FEDERAL-STATE COOPERATION IN SECURITIES MATTERS FOR THE BENEFIT OF SMALL BUSINESS

SEC. 6. Section 19 of the Securities Act of 1933 (15 U.S.C. 77s) is amended by adding at the end thereof the following:

"(c) (1) The Commission is authorized to cooperate with any association composed of duly constituted representatives of State governments whose primary assignment is the regulation of the securities business within those States, and which, in the judgment of the Commission could assist in effectuating greater uniformity in Federal-State securities matters. The Commission shall, at its discretion, cooperate, coordinate, and share information with such an association for the purposes of carrying out the policies and projects set forth in paragraphs (2) and (3).

"(2) It is the declared policy of this subsection that there should be greater Federal and State cooperation in securities matters, including—

"(A) maximum effectiveness of regulation,

"(B) maximum uniformity in Federal and State regulatory standards,

"(C) minimum interference with the business of capital formation, and

"(D) a substantial reduction in costs and paperwork to diminish the burdens of raising investment capital (particularly by small business) and to diminish the costs of the administration of the government programs involved.

"(3) The purpose of this paragraph is to engender cooperation between the Commission any such association of State securities officials, and other duly constituted securities associations in the following areas:

"(A) the sharing of information regarding the registration or exemption of securities issues applied for in the various States;

"(B) the development and maintenance of uniform securities forms and procedures; and

"(C) the development of a uniform exemption from registration for small issuers which can be agreed upon among several States or between the States and the Federal Government. The Commission shall have the authority to adopt such an exemption as agreed upon for federal purposes. Nothing in this paragraph shall be construed as authorizing pre-emption of State law.

"(4) In order to carry out these policies and purposes, the Commission shall conduct an annual conference as well as such other meetings as are deemed necessary, to which representatives from such securities associations, securities self-regulatory organizations, agencies and private organizations involved in capital formation shall be in invited to participate.

"(5) For fiscal year 1981, and for each of the four succeeding fiscal years, there are authorized to be appropriated not less than

$500,000 for each fiscal year, and any additional amounts necessary and appropriate to carry out the policies, provisions, and purposes of this subsection. Any sums so appropriated shall remain available until expended.".

REDUCTION OF COSTS OF SMALL SECURITIES ISSUES

SEC. 7. (a) The Securities and Exchange Commission shall use its best efforts to identify and reduce the costs of raising capital in connection with the issuance of securities by firms whose aggregate outstanding securities and other indebtedness have a market value of $25,000,000 or less, through such means as studies, giving appropriate publicity to improved technology developments in fields such as printing, communications, and filing, and giving special attention to the effect of existing and proposed regulatory changes upon the small companies wishing to raise capital and independent broker-dealers which are in a key position with respect to the costs of underwriting and making markets in the securities of smaller companies.

(b) The Commission shall report on these efforts at the annual Government-business forum required by section 4.

LIMITATION OF LIABILITY AS TO SMALL SECURITIES ISSUES

SEC. 8. The Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended by inserting after section 12 the following new section:

"LIMITATION ON LIABILITY

"SEC. 12A. Notwithstanding any other provision of this Act, the liability under this Act of any attorney, accountant, or other independent professional (other than an underwriter) for an act or omission in the course of performing services in connection with the public offering of securities by an issuer whose aggregate outstanding securities and other indebtedness have a market value of $25,000,000 or less, to be determined on the date when the issue with respect to which liability would attach is first offered, shall not exceed five times the amount of the fee charged by the attorney, accountant, or other independent professional in connection with such offering unless such conduct is held to be intentional or grossly negligent.".

EFFECTIVE DATE

SEC. 9. Except as otherwise specified, the amendments made by this Act shall become effective January 1 of the year following the date of enactment of this Act.

By Mr. MAGNUSON (for himself, Mr. JACKSON, and Mr. STEVENS):

S. 2765. A bill to amend the Fishery Conservation and Management Act of 1976, and for other purposes; to the Committee on Commerce, Science, and Transportation.

FISHERY CONSERVATION AND MANAGEMENT ACT AMENDMENTS OF 1980

• Mr. MAGNUSON. Mr. President, the bill I am introducing today provides a number of amendments to the Fishery Conservation and Management Act. During the first session of this Congress, the Senate passed fishery development legislation, S. 1656—the national fishery development legislation, S. 1656—the National Fishery Development Act—which is still pending in the House. We chose at that time not to amend the FCMA. However, the House has recently begun consideration of fishery development legislation and has made it clear that they intend to use such legislation as a vehicle to amend the FCMA in several respects. I believe that it is thus appropriate for the Senate to consider these parallel amendments embodied in this bill I am introducing today.

The first substantive section of the bill amends the criteria in the FCMA governing allocations of surplus fish from our 200-mile zone. Earlier this year, the administration agreed with the points I have been making for a year now—that allocations of surplus yields should be preferentially allocated to nations who, among other things, are willing to open their markets to U.S. fish products. Imports of fish products presently constitutes roughly 10 percent of this Nation's overall balance-of-payments trade deficit.

In order for the U.S. fishing industry to take full advantage of the resources within our 200-mile zone, foreign markets, which are currently of limited access, must be opened to U.S. products. In other words, before we can mitigate this balance-of-payments deficit with greater utilization of our own resources, existing artificially restricted foreign markets should be opened for U.S. fish products. One of the most effective means to accomplish this is to tie foreign nations' allocations of surplus fish from our fisheries zone to their treatment of the importation of U.S. fish products. The amendment in this bill does precisely that. It also provides that criteria for allocations shall include whether foreign nation's fishing fleets have complied with U.S. regulations and law. Finally, the section retains existing criteria presently in the FCMA.

One proposal that has received some attention recently is to phase out foreign fishing from our fishery conservation zone by a specified date. This legislation does not include such a provision for two principal reasons. First, the FCMA already provides for a phaseout. As soon as the U.S. industry has the capability to harvest the resources within the FCZ, foreigners are precluded from that harvest. Furthermore, the FCMA's definition of optimum yield gives the Regional Fishery Management Councils great leeway in adjusting the maximum sustainable yield figure (MSY) downward on the basis of "any relevant economic, social, or ecological factor."

Thus, not only does the U.S. industry have priority rights to all the resources in our FCZ that it can utilize, but the Councils can shrink the optimum yield figure, and thus the available surplus available for allocation, on the basis of relevant economic factors.

The second reason for not including a mandated-date phaseout is that, assuming the Councils determine that fish surpluses exist, our ability to effectively allocate the surpluses on a preferential basis, as discussed earlier, will be limited. Foreign markets clearly play an important role in the U.S. industry's expansion. The intelligent, preferential allocation of TALFF can be an important tool in opening these markets, and the blanket date-certain phaseout could deny this Nation the leverage that these allocations can provide.

Section 3 of the bill calls for a 100-percent observer program for foreign vessels in the U.S. zone. These observers will be able to more effectively insure compliance with U.S. fishing regulations. During this post-fishing season, we witnessed a number of gross and flagrant violations of our regulations by Japanese vessels off Alaska, including gross underreporting and retention of prohibited species. The mandated observer coverage should stop this unlawful decimation of our fishery resources. Another feature of this section is that the foreigners will be required to pay the full costs of the observers as a rquirement for access to our zone. There is no reason for U.S. taxpayers to pick up the tab for the costs incurred as a result of monitoring the activities of foreign vessels in our waters.

This leads me to section 4 of the proposed legislation, which requires that foreign permit fees fully recover all the direct and indirect costs of conservation and management, research, enforcement, and administrative costs that result from foreign fishing in the FCZ, and the estimated lost income to U.S. fishermen and processors resulting from foreign fisheries' generation of mortalities of species fully utilized by the U.S. industry. The incidental take of such species is permitted only because it is unavoidable. Foreign fleets, incidental kill of species such as salmon, king crab, and halibut imposes a real and direct cost on U.S. fishermen, and there is little reason to allow our fishermen to be the ones to bear these costs.

The cost to the U.S. Government for managing our 200-mile zone, in terms of controlling and managing foreign fishing efforts, is far greater than the sums received as a result of the foreign permit fees. Initial data I have received indicates that those costs for the Pacific area, off the coasts of California, Oregon, Washington, and Alaska at a field level are approximately $38.8 million per year. If one adds approximately 30 percent overhead for additional (Washington) efforts on the part of the staffs of the Departments of Commerce, Transportation, and State, and other Government agencies, the cost for managing the Pacific zone would be approximately $50.4 million per year.

The breakdown for major governmental entities follows:

TABLE 1.—*Field cost by government entities*

Department of Commerce (excluding Councils)	[1] 9,845,000
Councils	[2] 552,000
Department of Transportation	[3] 28,200,000
State agencies	[4] 60,000
Universities	[5] 105,000

[1] Includes the National Marine Fisheries Service and Sea Grant field expenditures.

[2] Includes Pacific and North Pacific Councils.

[3] Includes Coast Guard activities—California, Oregon, Washington, and Alaska.

[4] Includes Washington, Oregon, and Alaska. (Alaska data not yet completed.)

[5] Includes Pacific Coast universities contributing time and effort toward Council activities.

This can be further partitioned according to the area in which expenditures have occurred:

TABLE 2.—*Field cost by activity*

Management and enforcement	$30,245,000
Research	8,520,000

It should be noted that the sums above reflect direct costs to the U.S. Government and taxpayers. In addition to this sum, there is an approximate annual loss of $15 million, or greater, which occurs to the U.S. fishing industry as a result of foreign operations in the zone. That is, each year the foreign fisheries generate mortalities on halibut, salmon, and king crab which represent direct losses in terms of income opportunity to the U.S. fishermen.

The U.S. taxpayer should not carry the burden associated with managing foreign fisheries in the FCZ. While I do not yet have an exact figure as to the total amount of moneys recovered by the NMFS from foreign fisheries in the Pacific area, it is estimated to be approximately $12 to $13 million—far short of the total of $50-plus million estimated as a result of this study for direct costs and $65 million when indirect losses to U.S. fishermen are included.

The provisions of this section are not intended to be punitive in terms of foreign fisheries in the zone, but rather suggest that the recovery of total moneys required to manage the zone is both equitable and reflects sound business judgment.

The bill also provides for amendments to address the problems that have arisen in the Northern Marianas' implementation of the FCMA. The FCMA, among other things, created eight Regional Fishery Management Councils which are responsible for the preparation of fishery management plans as well as for certain fishing activities conducted in their respective geographical areas of authority. The Fishery Management Councils are comprised of the States located in their areas of authority. The term "State" is defined in section 3(21) to mean not only the several States but other entities including any commonwealth, territory, or possession of the United States. At the time of the FCMA's enactment, the Trust Territory of the Pacific Islands was intentionally excluded from its coverage. As a result, the Western Pacific Council presently is comprised of the States of Hawaii, American Samoa, and Guam.

By Presidential proclamation of October 24, 1977, the FCMA was made applicable to the Northern Mariana Islands. This proclamation carried out the provisions of Public Law 94-241, "the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America." As a result of the foregoing, the FCMA should be amended to include formally the Northern Mariana Islands in the Western Pacific Council. In this connection it is necessary to add 2 new members to the Council, which now has 11 members, so as to give the Northern Mariana Islands representation and to keep an odd number of members as is the case in all Councils.

The Western Pacific Council does not have under its area of authority the islands of Wake, Howland, Baker, Jarvis, Johnston, Palmyra, Midway, and Kingman Reef, although under the FCMA, they are considered states to which the FCMA applies. Therefore, section 302 (a)(8) of the FCMA should be further amended to give the Western Pacific Council general jurisdiction over this area.

Finally, the bill addresses the problems that have arisen over the use of the vessel *Olwol*. The M/V *Olwol* is a vessel which was acquired from Japan for trust territory war reparation under the terms of the April 18, 1969, agreement between the U.S. Government and the Government of Japan for the settlement of Micronesian war claims. Under the terms of the agreement, the Government of Japan made available 1.8 billion yen to be used for the purchase of Japanese goods and services for the trust territory. The M/V *Olwol* was one of the items purchased with these funds. The vessel is owned by the government of the trust territory, which has given custodial responsibility to the government of the Northern Mariana Islands.

Under the FCMA, vessels engaged in fishing in the waters around the Northern Mariana Islands must be documented as U.S. vessels or must have a foreign fishing permit. U.S. vessel documentation laws, however, prohibit foreign-built vessels over 5 net tons from fishing in the territorial sea and the fishery conservation zone established by the FCMA. Thus, the M/V *Olwol*, owned by the trust territory and in the custody of the government of the Northern Mariana Islands, is prohibited from fishing in the waters around the islands as a vessel of the United States. This situation is an undesirable and inequitable one, which is corrected by provisions in section 5 of the bill that would authorize and direct the secretary of the department in which the Coast Guard is operating to cause the M/V *Olwol* to be documented as a vessel of the United States, upon compliance with the usual requirements, with the privilege of engaging in the coastwise trade and the fisheries.

Section 6 of the bill addresses a paperwork problem in the FCMA; section 305 (a) presently requires the secretary to publish in the Federal Register an entire fishery management plan or any amendment thereto prepared and approved under the provisions of the act. Printing the entire plan or amendment in the Federal Register is far more costly than merely publishing a notice of availability and separately printing copies of the document. Roughly speaking, publishing an entire plan in the Federal Register costs about $21,000, whereas publishing a notice of availability and printing 500 copies of the plan separately costs approximately $1,600 per plan.

The notice of availability must contain a detailed summary of the plan or amendment, thus, the interested public will be able to respond to the proposal and will not be deprived of any rights to participate in the rulemaking. Furthermore, the amendment does not eliminate the requirement to publish in the Federal Register the regulations proposed to implement the management plan or amendment.

Section 7 of the bill would amend section 310 of the FCMA. Section 310(d)(2) authorizes the sale of seized fish "subject to the approval and direction of the appropriate court * * *." While court-ordered sale is an appropriate disposition procedure when the fishing vessel has been seized together with its cargo of fish, or when the amount of fish seized is small enough to be stored by the Government, the Departments of Commerce and Justice have found the procedure too time consuming to be useful in cases where large amounts of perishable fish are involved. In such situations, the time required to prepare the necessary court papers, present them to an available judicial official, and return to the docks with the court order, is sufficiently great to insure that the fish by then have little or no value to a processor. The amendments follow the approach of other laws that anticipate seizures of perishable fish, including the Tuna Convention Act of 1950, 16 U.S.C. 959(e), and the Atlantic Tunas Convention Act of 1975, 16 U.S.C. 971F(a) (4).

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2765

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fishery Conservation and Management Act Amendments of 1980."

SEC. 2. FISHERY ALLOCATIONS.

Section 201(e) of the Fishery Conservation and Management Act (16 U.S.C. 1821 (e)) is amended by striking the second sentence thereof and inserting in lieu thereof the following sentence: "All such determinations shall be made by the Secretary of State and the Secretary on the basis of the following criteria:

"(1) whether, and to what extent, the fishing fleets of such nations have complied with U.S. law and foreign fishing regulations;

"(2) whether, and to what extent, such nations impose tariff or nontariff trade barriers on the importation of United States fish products;

"(3) whether, and to what extent, such nations or individuals of such nations have agreed to purchase fish or fish products from United States processors or United States fishermen;

"(4) whether, and to what extent, such nations require the fish harvested from the fishery conservation zone for their domestic consumption;

"(5) whether, and to what extent, the fishing vessels of such nations have traditionally engaged in fishing in such fishery;

"(6) whether such nations have cooperated with the United States in, and made substantial contributions to, fishery research and the identification of fishery resources;

"(7) such other matters concerning fisheries and fishery development as the Secretary of States, in cooperation with the Secretary, deems appropriate."

SEC. 3. OBSERVERS.

(a) Section 201 of the Fishery Conservationa and Management Act of 1976 (16 U.S.C. 1821) is amended by adding at the end thereof the following new subsection:

"(i) OBSERVER PROGRAM.—(1) The Secretary shall establish a program under which a United States observer shall to the extent practicable be stationed aboard each foreign fishing vessel while that vessel is within the fishery conservation zone and is—

"(A) engaging in fishing; or

"(B) accepting United States harvested fish through transfer at sea.

"(2) United States observers, while aboard foreign fishing vessels, shall carry out such scientific and other functions as the Secretary deems necessary or appropriate to carry out the purposes of this Act.

"(3) In addition to any fee imposed under section 204(b)(10) of this Act and section 10(e) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1980(e)) with respect to foreign fishing for any year after 1980, the Secretary shall impose, with respect to each foreign fishing vessel for which a permit is issued under such section 204, a surcharge in an amount sufficient to cover all the costs of providing a United States observer aboard that vessel. The failure to pay any surcharge imposed under this paragraph shall be treated by the Secretary as a failure to pay the permit fee for such vessel under section 204(b)(10). All surcharges collected by the Secretary under this paragraph shall be deposited in the Foreign Fishing Observer Fund established by paragraph (4).

"(4) There is established in the Treasury of the United States the Foreign Fishing Observer Fund. The Fund shall be available to the Secretary as a revolving fund for the purpose of carrying out this subsection. The Fund shall consist of the surcharges deposited into it as required under paragraph (3). All payments made by the Secretary to carry out this subsection shall be paid from the Fund, only to the extent and in the amounts provided for in advance in appropriation Acts. Sums in the Fund which are not currently needed for the purposes of this subsection shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.".

(b) The amendment made by this section shall take effect on October 1, 1980, and shall apply with respect to permits issued under section 204 of the Fishery Conservation and Management Act of 1976 after December 31, 1980.

SEC. 4. PERMIT FEES.

(a) Section 204(b)(10) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824(b)(10)) is amended by striking the last sentence thereof and inserting in lieu thereof the following new sentence: "In determining the level of such fees, the Secretary shall ensure that the fees, at a minimum, fully recover all the direct and indirect conservation and management, research, enforcement, and administrative costs resulting from foreign fishing in the fishery conservation zone, including but not limited to: the full costs incurred by the Department of Commerce, the Regional Fishery Management Councils, the department in which the Coast Guard is operating, State agencies, and universities as a result of foreign fishing in the fishery conservation zone; and the estimated lost income to U.S. fishermen and processors resulting from foreign fisheries' generation of mortalities of species fully utilized by vessels of the United States.".

(b) The amendment made by this section shall take effect beginning with the 1981 harvesting season, as defined by the Secretary.

SEC. 5. NORTHERN MARIANAS.

(a) Section 3(21) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1802(21)) is amended by inserting "the Northern Mariana Islands," immediately after "Guam,".

(b) Section 302(a)(8) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1952(a)(8)) is amended to read as follows:

"(8) WESTERN PACIFIC COUNCIL.—The Western Pacific Fishery Management Council shall consist of the State of Hawaii, American Samoa, Guam, and the Northern Mariana Islands and shall have authority over the fisheries in the Pacific Ocean seaward of such States and any other State that is not represented on the Pacific Fishery Management Council or the North Pacific Fishery Management Council. The Western Pacific Council shall have 13 voting members, including 8 appointed by the Secretary pursuant to subsection (b)(1)(C) (at least one of whom shall be appointed from each of the State of Hawaii, American Samoa, Guam, and the Northern Mariana Islands).".

(c)(1) Notwithstanding the provisions of section 4132 of the Revised Statutes of the United States (46 U.S.C. 11), or any other provision of law, the Secretary of the department in which the Coast Guard is operating shall cause the vessel M/V OLWOL, owned by the Government of the Trust Territory of the Pacific Islands and in the custody of the Government of the Northern Mariana Islands, to be documented as a vessel of the United States, upon compliance with the usual requirements, with the privilege of engaging in the coastwise trade and the fisheries so long as such vessel is owned by the Government of the Trust Territory of the Pacific Islands and is in the custody of the Government of the Northern Mariana Islands, owned by the Government of the Northern Mariana Islands, or owned by a citizen of the United States or a citizen of the Northern Mariana Islands.

(2) For the purpose of paragraph (1) of this subsection, a "citizen of the Northern Mariana Islands" is defined as: (1) an individual citizen of the Trust Territory of the Pacific Islands who is exclusively domiciled, within the meaning of section 1005(e) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (48 U.S.C. 1681 (note)) in the Northern Mariana Islands; (2) a partnership, unincorporated company, or association whose members are all citizens of the Northern Mariana Islands as defined above; or (3) a corporation incorporated under the laws of the Northern Mariana Islands, of which the president or other chief executive officer and the chairman of the board of directors are citizens of the Northern Mariana Islands as defined above, and no more of its directors than a minority of the number necessary to constitute a quorum are not citizens of the Northern Mariana Islands as defined above."

SEC. 6. NOTICE OF AVAILABILITY OF MANAGEMENT PLANS.

Section 305(a) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1855) is amended by inserting immediately after "Federal Register (A)" the words "a notice of availability of."

SEC. 7. SALE OF SEIZED FISH.

Section 310(d)(2) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1860(d)(2)) is amended to read as follows:

"(2) Any fish seized pursuant to this Act may be sold or otherwise disposed of pursuant to the order of a court of competent jurisdiction or, if perishable, in a manner prescribed by regulations of the Secretary of the department in which the Coast Guard is operating."

By Mr. GRAVEL:

S. 2766. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of interest on bonds sold to finance the construction of hydroelectric facilities; to the Committee on Finance.

HYDROPOWER DEVELOPMENT ACT OF 1980

● Mr. GRAVEL. Mr. President, the development of hydroelectric power in the United States in recent years has been thwarted by the inability of many sponsors to finance hydroelectric facilities at reasonable rates. The initial cost of hydroelectric generating facilities is high. Because geography, geology, hydrology, and other site specific constraints required the construction of a particular size project initially, hydro projects often have excess capacity at the time of completion.

While in some cases this excess capacity can be sold to users elsewhere, it is often impossible to make full economic use of this capacity until the market served by the facility expands. This means that during the early years a hydroelectric facility may be more expensive to finance and operate than a smaller fossil fuel generating plan. However, in the long run the hydro facility is a much more economical way of generating electricity. Power rates in the Pacific Northwest bear living testimony to the long term low cost of generating electricity with hydroelectric facilities.

Prior to the Tax Act of 1968 there were minimal limitations on the use of tax exempt financing for hydroelectric facilities. Tax exempt bonds were issued to finance the construction costs of hydroelectric generating capacity keeping the costs within manageable limits. Changes adopted in the 1968 Tax Act brought all this to an end, severely limiting the situations in which tax exempt financing could be used.

These changes were adopted at a time when the United States was awash in cheap fuel. The public policy of limiting the use of tax exempt financing at that time outweighed the need for inexpensive alternative sources of electrical energy. Hydro projects throughout the United States were being abandoned in the pursuit of fossil fuel fired plants of lower initial costs.

However, the costs and uncertain supplies of fossil fuels have caught up with us. It is time to review the policy decisions made in the 1968 Tax Act with respect to tax exempt financing for hydroelectric facilities. We can no longer afford the luxury of a tax law which thwarts the development of this proven source of low cost renewable energy. Before discussing the Hydropower Development Act of 1980 let us take a few moments to consider the implications of existing law.

Interest on State and local government bonds is exempt from Federal income tax. This means that individuals are willing to accept a lower interest rate on these bonds saving the issuing States and local governments considerable amounts on their borrowing costs. If a State or local government bond is an "industrial development bond" the interest will be taxable with certain specific exceptions written into the Internal Revenue Code. Even though a bond is an industrial development bond, the interest may be tax exempt if the bond falls within the exceptions set forth in the Code.

WHAT IS AN INDUSTRIAL DEVELOPMENT BOND?

Bonds issued by a State or local government are industrial development bonds if:

First, a major portion of the proceeds of the bond issue are used in any trade or business not carried on by a State or local government or tax exempt organization, and

Second, payment of principal or interest is secured, in whole or major part, by an interest in, or derived from payment with respect to, property used in a trade or business.

The use of more than 25 percent of the proceeds of an issue of bonds in the trade or business of a nonexempt person will constitute the use of a major portion of the proceeds in a prohibited manner and will cause an issue to be treated as an industrial development bond. In the case of electric energy facilities, the use by one or more nonexempt persons of more than 25 percent of the output of the facility will cause an issue to be treated as an industrial development bond where the payments with respect to such use exceeds 25 percent of the total debt service on the issue.

This means that if more than 25 percent of the power from a hydroelectric project is to be sold to private users, including private power distribution companies distributing power to the general public, bonds sold by a municipality or State to finance construction of the facility will be industrial development bonds. In addition, if more than 25 percent of the power from a project is sold to the general public for use in a trade or business (that is, commercial users of power from a project constitute over 25 percent of the power demand) then bonds sold by a State or municipality to finance construction of the project will be industrial development bonds.

LOCAL FURNISHING OF ELECTRIC ENERGY

The Internal Revenue Code provides that interest on an industrial development bond may be tax exempt if the proceeds of the bond are used to provide "exempt activity facilities" among which are facilities for the "local furnishing of electric energy." This "local furnishing" test holds that a facility is for the local furnishing of electric energy (and interest on industrial development bonds to finance the facility is tax exempt) only if it is part of a system which provides electric energy to the general populace in a service area comprising no more than two contiguous counties, or a city and one contiguous county.

The effect of the local furnishing rule can be illustrated by an example. Provate Power Co. wants to build a 100 megawatt hydroelectric facility to serve its customers. The company goes to the city government and asks that the city issue industrial development bonds for the financing of the facility in order to lower the cost of project financing and the resultant power costs to consumers in the area.

The city agrees, securing the bonds with a lien on the project and its revenues. If the city is capable of consuming the entire 100 megawatts within its boundaries interest on the bonds will be tax exempt (assuming the public use test is met). However, if the city is located in more than two counties, or the facility has excess capacity which is sold into a grid, then even if the facility met all the other tests it would fail the "local furnishing" test and therefore the interest on the bonds would be taxable.

PUBLIC USE

Even if a facility meets the "local furnishing" test interest on bonds used to finance construction may not be tax exempt unless the facility serves or is available on a regular basis for general public use. This test is satisfied only if the facility or the power output from it is available for use by members of the general public. "Use by members of the general public" does not refer to the ultimate user of the power, but the first purchaser of the power or, in the case of a privately owned utility, the distributor of the power.

Thus, if a project sells any significant portion of its power to a private power company for distribution to members of the general public, or if a private power company owns a generating facility the power from which is sold to the general public, tax exempt financing is precluded However, if power from the same project is sold to a publicly owned utility for distribution, or if the project is owned by a municipal or State company, tax exempt financing would be allowed under the "public use" test.

The distinctions drawn by the public use test between private and publicly owned distribution and generating systems does not serve Federal tax and energy policy well. This test discriminates in the cost of financing for hydroelectric projects based on accidents of history in the development of power systems serving communities throughout America. In some places municipal systems for generation and distribution are owned by the cities, counties or other governmental bodies. In other parts of the country power generation and distribution systems developed as privately owned systems providing power at a profit to members of the community. Under a "public use" test the former communities are entitled to finance their power supplies through the use of tax exempt bonds, but the latter communities are precluded from this low cost alternative.

Real world examples of the inequities imposed by this rule abound. The city of Los Angeles is served by the Nation's largest municipally owned public utility, the Los Angeles Department of Water and Power. The department has 1.2 million customers and 1978 sales of almost 18 billion kilowatt hours. The entire generating capacity of the department, nearly 2,000 megawatts of hydro and pump storage, were constructed through the use of tax exempt financing.

By contrast Northwestern Wisconsin Electric Co. is privately owned and provides power to 10,000 customers. This company has total capacity of 15 megawatts with 2.3 megawatts of hydroelectric generating capacity. It had 1978 sales of approximately 82 kilowatt hours. Until passage of the 1980 amendments to Internal Revenue Code section 103 in the Crude Oil Windfall Profit Tax Act of 1980, Northwestern Wisconsin Electric Co. was denied access to tax exempt financing for any expansion of its hydro capacity.

Even with the changes in the Windfall Profit Tax Act investor owned public utilities may not finance hydro facilities over 100 megawatts with tax exempt bonds while publicly owned utilities, such as the Los Angeles Department of Water and Power can continue to do so.

Mr. President, in order to correct the inequities in Internal Revenue Code section 103 with respect to the development of America's undeveloped hydroelectric resources I am introducing the Hydropower Development Act of 1980. This legislation permits the use of tax-exempt financing for any project the primary purpose of which is the generation of hydroelectric power. This change in section 103 eliminates the "public use" test and the "two county" rule.

It will place all developers of hydropower on the same footing with respect to the cost of power from similar new hydroelectric development. This change in the law will apply to all hydroelectric development regardless of size.

I am pleased to say that an amendment similar to the one included in this bill was included by the Senate Finance Committee in the windfall profit bill and was approved by the Senate in acting on that legislation. Unfortunately, the measure was deleted in conference at the insistence of the House conferees and a scaled-back provision dealing solely with small facilities was substituted.

I hope that the Senate will once again express its concern for the expeditious development of hydroelectric resources in the United States by taking speedy and affirmative action on the Hydropower Development Act of 1980. Thank you, Mr. President. I ask unanimous consent that the text of the Hydropower Development Act of 1980 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. TAX EXEMPT FINANCING FOR HYDROELECTRIC FACILITIES.

(a) SHORT TITLE.—This Act may be cited as the "Hydropower Development Act of 1980".

(b) ELIGIBILITY FOR TAX EXEMPT FINANCING.—Subsection (b) of section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended—

(1) by striking out "qualified hydroelectric generating facilities" in paragraph (4) (H) and inserting in lieu thereof "facilities the primary purpose of which is the generating of hydroelectric power"; and

(2) by striking out paragraph (9) and redesignating paragraph (9) as paragraph (8).

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to obligations issued after the date of enactment of this Act.●

By Mr. HATFIELD:

S. 2767. A bill to provide that per capita payments to Indians may be made by tribal governments, and for other purposes; to the Select Committee on Indian Affairs.

● Mr. HATFIELD. Mr. President, today I am introducing legislation that would repeal section 117 of title 25 of the United States Code which prohibits Indian tribes from issuing per capita dividend checks to their members. The situation which gave rise to the need for this bill occurred on the Warm Springs Reservation in Oregon. The tribe for 3 years used its automatic data processing system to print the checks distributed to tribal members as dividends from tribal enterprises. The BIA agency office formerly had done the task, and was glad to have the tribe relieve it of the administrative cost and burden. The circulation of the checks identifiably originating from the tribe strengthened its profile in the community as a responsible employer and industrial concern. The arrangement proved successful for all involved and the tribe's handling of its own finances was demonstration of the success and progress of Indian self-determination.

However, it was discovered that this practice was in violation of section 117 of title 25 of the United States Code. It is a short section which states that the per capita payments to Indians shall be made by an office of the U.S. Government. The practice was ordered stopped and the payments have since been issued by the BIA agency office again. I am told that the office had to drop its other business and for 3 days hand type 2,300 checks. These checks were the green Government checks and in no way indicated that the funds represented were generated by the tribe. In fact, they could be mistaken for U.S. tax dollars being given to the Indians.

This section of title 25 was enacted in 1896 when most tribes were incapable of administering and accounting for such disbursements. Although the Warm Springs Tribe is the only one to my knowledge that makes monthly payments to its members, the Colville, Yakima, Crow, Blackfeet, Flathead, and Wind River Tribes issue annual per capita payments to their members. Hopefully, other tribes will soon follow suit.

This legislation would repeal the outdated section of title 25 and allow the Secretary of the Interior or the tribe to make the funds disbursement. It provides that funds distributed will not be liable to the payment of any previously contracted obligation and its enactment would not affect the distribution of judgment funds.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2767

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds which are held in trust by the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") for an Indian tribe and which are to be distributed per capita to members of such tribe may be so distributed by either the Secretary or the governing body of such tribe. Any funds so distributed shall be paid by the Secretary or such governing body directly to the member involved, or, if such member is a minor or has been legally determined not competent to handle such member's own affairs to a parent or guardian of such member.

SEC. 2. (a) Funds distributed under this Act shall not be liable to the payment of any previously contracted obligation.

(b) Nothing in this Act shall affect the requirements of the Act of October 19, 1973 (87 Stat. 466; 25 U.S.C. 1401 et seq.), or of any plan under such Act, with respect to the use or distribution of funds subject to such Act.

SEC. 3. (a) The following provision of section 1 of the Act of June 10, 1896 (29 Stat. 336; 25 U.S.C. 117) is repealed: "That any sums of money hereafter to be paid per capita to individual Indians shall be paid to said Indians by an officer of the Government designated by the Secretary of the Interior.".

(b) Section 19 of the Act of June 28, 1898 (30 Stat. 502) is repealed.●

By Mr. WALLOP (for himself and Mr. DOMENICI):

S. 2768. A bill to amend chapter 45 of the Internal Revenue Code of 1954 with respect to the exemption of the State share of Federal royalties from the crude oil windfall profit tax and to insure the deductibility of certain severance taxes: to the Committee on Finance.

● Mr. WALLOP. Mr. President, there are many problems with the Windfall Profit Tax Act, but probably the most onerous provisions are those that create financial burdens for States, local governments, and Indian tribes. Today I am introducing legislation that addresses some of the public financing problems created by the Windfall Profit Tax Act by exempting Federal royalty oil from the tax and making local ad valorem taxes and tribal severance taxes deductible from the windfall profits tax.

I cannot believe that the American public ever desired legislation that would create burdens for State, local, or tribal governments. These Government entities do not reap "windfall" profits, and what revenue they do receive from royalties, severance taxes, or ad valorem taxes goes to fund public projects on the local level.

As we all know, the windfall profits tax will reduce the incentive for domestic oil exploration and development, but the tax will also reduce the income of many States, local governments, and Indian tribes. By reducing the funds going to the State and local governments in mineral producing regions of the Nation, the tax will limit the ability of these governments to provide basic public services desperately needed if further energy development is to go forward.

The crude oil tax took a regretful turn when the conference rejected a provision to exempt the royalty going to the Federal Government from oil production on federally owned lands. Under present law, the States receive half of the 12.5 percent Federal royalty from mineral extraction. These funds flow to the States in recognition of the costs incurred by the State and local governments as a result of mineral extraction. This recognition of a State's right to share in the Federal royalty dates back to the Mineral Leasing Act of 1920. The Mineral Leasing Act granted the States a 37.5-percent share of the royalty received by the Federal Government for mineral extraction on public lands. The State's share of the royalty was designated for such public programs as road construction, road maintenance, and funding for local schools.

The Federal Land Policy and Management Act of 1976 increased the State's share of the Federal royalty to 50 percent, in recognition of the varied burdens created by energy development. The Federal Land Policy and Management Act pointed out that when an area is newly opened for mineral extraction, local government entities must assume the responsibility of providing public services needed for new communities. Wyoming, Montana, and other Western States face an exploding population growth creating new demand for schools, roads, hospitals, sewers, police and fire protection, and other public facilities. The 1976 act broadened the allowable use of the States' share of the royalty to programs for planning, expanding public services, and funding public facilities so that the States would have more flexibility in responding to the energy boom. The report of the act states:

> The current restrictions on the manner in which monies return to the States from the sale of Federal leases within their borders are onerous. When an area is newly opened to large scale mining, local governmental entities must assume the responsibility of providing public services needed for new communities, including schools, roads, hospitals, sewers, police protection, and other public facilities, as well as adequate local planning for the development of the community. Since Section 35 of the Mineral Leasing Act of 1920 currently provides that the monies returned to the states be available only for schools and roads, it is difficult for affected areas to meet the needs of their new inhabitants. This situation exists both with respect to coal and geothermal development, as well as other mineral resources. . . .
>
> For example, the Council on Economic Priorities report states:
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> "The sudden jump in population growth, the emergence of urban centers, and the possible 'boom-bust' economic cycle will cause many social and cultural changes. The Bureau of Reclamation predicts that coal development in the Northern Great Plains could result in 'the sevenfold increase in the present population.' Because 200,000 and 400,000 people are expected to migrate into eastern Montana."
>
> An effort must be made to alleviate these problems by making funds available for the various aspects of community development. As shown below, H.R. 6721 will add 12.5 percent of the moneys received under section 35 of the Mineral Lands Leasing Act to the 37.5 percent share currently returned to the States.
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> The additional 12½ percent that will go to the states is not earmarked for schools and roads, and may be spent by the states for planning, public facilities, and public services, giving priority to those communities impacted by the mineral development. The remaining 37½ percent of the states' 50 percent share continues to be earmarked for schools and roads under existing law.

By taxing the Federal and State share of the mineral royalty and reducing the funds going to the States, Congress has turned its spiteful back on its own commitment made to assist in dealing with the problems of energy development. In many regions of the West, energy development is deterred by the fact that local governments are unable to provide the financing for basic human services. Mining or oil exploration cannot go forth when workers have no schools for their children. Adequate police protection, medical facilities, and other basic services must be provided if we want to attract workers to the energy projects of the Western States. Workers alone will produce the energy the rest of this complacent country demands.

As the demand for public programs increases, and the cost of each project rises with inflation, the States are now confronted with a reduction of their share of the Federal revenue-sharing funds. Can we advocate cutting aid to the States at the same time we reduce their ability to raise revenue? The Western States will be able to provide support to the development of domestic energy resources only if they are able to raise needed revenues to address energy impact problems. The legislation I am introducing today can help efficiently by allowing the full share of the States' royalty from Federal leases to go to the States.

The windfall profits tax has created yet another distortion in the tax treatment of State and local governments by preventing ad valorem or property taxes from being deducted from the crude oil tax. The crude oil tax allows State severance taxes to be deducted, but this treatment is reversed for property taxes imposed by the political subdivisions of the States. This decision not only causes increased financial burdens for oil producers but it also affects the ability of local governments to meet their minimal obligations.

The nondeductible status of ad valorem taxes under the windfall profits tax will create pressures for local governments to turn their ad valorem taxes into a severance tax. Any State is free to work with county or local governments to convert local ad valorem taxes to the State severance tax, but such an alternative has many problems. First, many States would have to change their constitutions in order to change the status of ad valorem and severance taxes. States would have to rearrange long-established patterns of distributing funds to local governments so that the political subdivisions can meet the demand for basic community services. Clearly, this infringes on the fiscal relationship between the States and their political subdivisions.

It should be made clear that the oil companies operating in States which impose ad valorem taxes are affected directly by their inability to deduct ad valorem taxes from the windfall profits tax. They face the burden of having to pay a double tax on their oil production—both ad valorem and windfall tax. Their additional liability can do nothing but discourage the search for and production of domestic oil. My legislation will address the problem created by the windfall profits tax by making all ad valorem taxes deductible from the windfall tax. Ironically, it would do what those who seek now to limit our severance taxes would do—treat ad valorem taxes as severance tax. The problems that this tax creates for the political subdivisions of the States is no different for Indian tribes. The windfall profit tax no longer contains the Senate language which would allow severance taxes imposed by tribal governments to be deductible from the windfall tax. To allow a deduction for State severance taxes but not tribal severance taxes puts Indian oil at a competitive disadvantage.

The unequal treatment of tribal taxes may pressure tribes to abandon consideration of severance taxes as a source of revenues. Anyone who is familiar with the economic conditions on most reservations knows that the tribe is left with a meager tax base. Many reservation populations are extremely poor, and there is little business activity to help produce revenues.

The enactment of taxes on the severing of oil from reservation land is an inherent power of tribal governments. This power has been recognized by Congress in the past under the Natural Gas Policy Act, and in the courts most recently by the 10th Circuit Court of Appeals in Merrion against Jicarilla Apache Tribe. Again, we see the windfall profit tax departing from established Federal tax policy. And again, the act impinges on the ability of a Government unit to raise funds necessary to meet basic public services.

As is the case with the tax treatment of ad valorem taxes under the windfall profit tax, denying deductibility of tribal severance taxes creates additional financial hardships for companies operating on tribal lands. Companies operating on the reservation of a tribe which imposes a severance tax would have to pay the tribal tax, and then pay a Federal tax on the tax paid to tribes. In the case of State severance taxes, Congress recognized that this double taxation would be a burden and provided a remedy by allowing companies to deduct the State tax from the Federal. For no apparent reason, Congress failed to give the same relief to companies facing a tribal tax. There exists a burdensome double taxation when operating on Indian lands.

Mr. President, the windfall profit tax was enacted in an emotion-charged environment, with a single-minded interest in raising revenues. I am introducing this legislation to give Congress the opportunity to reexamine the windfall profit tax and understand the hardships the tax creates for other Government entities. These other Government entities have a responsibility to provide basic public services to their people, and their ability to meet public needs should not be curtailed by Federal taxes.

Passage of my legislation can restore some balance to the tax status of Federal, State, local, and tribal governments under the Windfall Profit Tax Act of 1980. I urge my colleagues to work with me to pass this needed legislation.●

By Mr. GLENN:

S.J. Res. 178. Joint resolution to authorize and request the President to designate the week of November 9, 1980, through November 15, 1980, as "World War I Overseas Flyers Week"; to the Committee on the Judiciary.

WORLD WAR I OVERSEAS FLYERS WEEK

● Mr. GLENN. Mr. President, the World War I Overseas Flyers is a veteran and patriotic organization with a membership today of some 390 persons. Membership is open to any U.S. citizen who served overseas as an aviator in the naval, marine, or military service of the United States or its allies during the period April 1917 to November 1918.

The purpose of the World War I Overseas Flyers is to promote peace and good will among the peoples of the United States and all nations; to preserve the memories and incidents of the Air Service of the First World War; to cement the ties of love and comradeship born of that service; and to encourage the efforts of its members in mutual assistance and service to their country.

In recognition of the World War I Overseas Flyers and in salute to their gallantry, I wish to introduce a joint resolution and ask unanimous consent that it be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 178

Whereas the World War I Overseas Flyers is a veteran and patriotic organization of United States citizens who served overseas as flyers in the naval, marine or military service of the United States or its allies during the period April 1917 to November 1918;

Whereas its purpose is to promote peace and good will among the peoples of the United States and all nations; to preserve the memories and incidents of the Air Service of the Great War 1917–1918, to cement the ties of love and comradeship born of service, and to encourage the efforts of its members in mutual helpfulness and service to their country;

Whereas at the birth of aviation, the members of the Flyers accepted the normal perils of battle in machines which even outside warfare presented dangers unacceptable to most men;

Whereas the courage and heroism of the members of the Flyers will always remind us of our aerospace heritage and clearly point to the personal responsibility we have to build a healthy and peaceful world; and

Whereas the World War I Overseas Flyers will convene for a reunion at Wright-Patterson Air Force Base, Dayton, Ohio, during the week of November 10, 1980: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate the week of November 9 through November 15, 1980, as "World War I Overseas Flyers' Week", and to call upon Federal, State and local government agencies and the people of the United States to observe such week with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 91

At the request of Mr. Thurmond, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of S. 91, a bill to amend title 10, United States Code, to remove certain inequities in the survivors benefit plan provided for under chapter 73 of such title, and for other purposes.

S. 100

At the request of Mr. Packwood, the Senator from Maryland, (Mr. Mathias) was added as a cosponsor of S. 100, a bill to amend the Internal Revenue Code of 1954 to provide for a deduction for expenses incurred for reforestation, and for other purposes.

S. 1859

At the request of Mr. Percy, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 1859, a bill to amend the Internal Revenue Code of

1954 with respect to the special valuation of farm property for purposes of the estate tax.

S. 1867

At the request of Mr. DURENBERGER, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1867, a bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business.

S. 2064

At the request of Mr. WILLIAMS, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 2064, a bill to amend section 103 of the Internal Revenue Code of 1954 to provide the interest on certain mortgage revenue bonds will not be exempt from Federal income tax.

S. 2177

At the request of Mr. WILLIAMS, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 2177, the bill to amend the mortgage amount, sales price and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

S. 2414

At the request of Mr. DURENBERGER, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2414, a bill to extend for 4 years the general revenue sharing program under the State and Local Fiscal Assistance Act of 1972.

S. 2487

At the request of Mr. BELLMON, the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 2487, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of independent oil producers, including royalty owners, under the crude oil windfall profit tax.

S. 2560

At the request of Mr. NELSON, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 2560, a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes.

S. 2576

At the request of Mr. TSONGAS, the Senator from Maryland (Mr. SARBANES), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 2576, a bill to establish programs of financial and other assistance to States and units of local government for energy conservation and renewable resource activities, and for other purposes.

S. 2699

At the request of Mr. NELSON, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 2699, a bill to amend the Securities Act of 1933 to authorize small issuers to sell securities to accredited investors without filing a registration statement under such act, and grant an exemption from section 5 of such act for resale of these securities by accredited investors to other accredited investors.

S. 2722

At the request of Mr. WALLOP, the Senator from North Carolina (Mr. HELMS), the Senator from Nevada (Mr. LAXALT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Oklahoma, (Mr. BOREN) were added as cosponsors of S. 2722, a bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to inmates of penal institutions or facilities for the criminally insane.

SENATE JOINT RESOLUTION 168

At the request of Mr. DOLE, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of Senate Joint Resolution 168, a joint resolution designating July 18, 1980, as "National P.O.W.-M.I.A. Recognition Day."

SENATE JOINT RESOLUTION 177

At the request of Mr. MOYNIHAN, the Senator from Arizona (Mr. DECONCINI), the Senator from South Carolina (Mr. THURMOND), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of Senate Joint Resolution 177, a joint resolution designating the week beginning June 22, 1980, as "National Athletic Boosters Week."

SENATE CONCURRENT RESOLUTION 93

At the request of Mr. MOYNIHAN, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of Senate Concurrent Resolution 93, a concurrent resolution recognizing the congressional obligation to insure an adequate standard of living for the elderly.

AMENDMENTS SUBMITTED FOR PRINTING

ALASKA NATIONAL FOREST LANDS—H.R. 39

AMENDMENT NO. 1782

Mr. HART. Mr. President, Senator TSONGAS has submitted on my behalf amendment No. 1782 to H.R. 39, the Alaska national interest lands bill. This Hart-Chafee amendment is a substitute wildlife refuge title, replacing the unacceptable title III in the Energy Committee version of the Alaska lands bill.

I am grateful to the Senator from Massachusetts (Mr. TSONGAS) for his willingness to sponsor this amendment on my behalf as one of the five first-degree amendments he will offer to the bill, as provided by the unanimous consent agreement on the bill. I am also grateful that the Senators from Rhode Island (Mr. CHAFEE), West Virginia (Mr. RANDOLPH), Iowa (Mr. CULVER), and Idaho (Mr. CHURCH), are joining me in sponsoring this amendment. I am confident that when other Senators have a chance to study this amendment before the scheduled July 21 consideration of H.R. 39, many additional Senators will want to cosponsor the amendment.

I also want to express my appreciation to the administration, especially the Department of the Interior, the Alaska Coalition, and the National Wildlife Federation for their advice and assistance to me in the preparation of this amendment.

The purpose of this amendment is simple: To protect and manage correctly some of the Nation's most spectacular wildlife populations and unspoiled wildlife habitat.

Alaska's wildlife resources are of major national importance. Alaska boasts of North America's highest mountain, our largest glacial systems, spectacular fiords, vast wetlands, a lush rainforest and unique coastal environments. These diverse environments provide the habitat for an equally diverse abundance of wildlife. Only in Alaska are found this Nation's populations of polar bear, musk ox, Dall sheep, walrus, and lemming. Except for a small population in Idaho, Alaska hosts the Nation's only population of caribou.

The 130,000 member Porcupine caribou herd is one of the world's greatest remaining collections of hoofed animals. The herd, as it masses each summer on the coastal plain of the Arctic Wildlife Range, is a stirring spectacle of a kind unknown in the Lower 48 States since the buffalo herds were destroyed. Our Nation's largest free-roaming populations of grizzly bear, wolves, wolverine, and trumpeter swans are also found in Alaska. Other species such as the bald eagle and the peregrine falcon, which are threatened or endangered elsewhere, still thrive in Alaska.

Alaska's vast populations of waterfowl and migratory birds are as impressive as its mammal populations. Each fall Alaska contributes about 13 million ducks, geese and swans to the enjoyment of citizens across the country. About 6 million birds migrate down the Pacific flyway to the Western States; 4 million go along the Mississippi and Central flyways into the Midwestern and Rocky Mountain States and on to the gulf coast; and 1 million traverse the continent to the Atlantic flyway into the Eastern States. The remaining birds continue journeys into Asia, Mexico, South America, Anarctica, and the Pacific Islands. Almost incomprehensibly, upward of 400 million migratory birds, other than waterfowl, also migrate from their habitats in Alaska to every State in the Union and at least six continents around the world.

Put simply, the wildlife resources of Alaska are not only a national but also an international treasure.

The Senate faces a question critical to this wildlife—what is the best way to manage Alaska's wildlife-rich areas to assure that future generations will have an opportunity to learn from and to enjoy this unique heritage?

In 1903, President Theodore Roosevelt established, by Executive order, the Nation's first unit of the National Wildlife Refuge System. This and subsequent Executive and congressional actions established a major principle that wildlife and its habitat are deserving of priority consideration in specified areas. Today our National Wildlife Refuge System encompasses nearly the full range of this Nation's wildlife resources, and serves as an international symbol for comprehensive wildlife habitat management.

Congress decided that a particular agency should manage our country's refuges. Accordingly, we assigned that agency the special mandate to give priority to wildlife and to the protection and management of its habitat. That agency is the U.S. Fish and Wildlife Service.

The Fish and Wildlife Service should be the agency to manage our great wildlife areas in Alaska. Acting on this principle, the House of Representatives passed, and the administration endorsed, an Alaska lands bill which placed our great northern wetlands and uplands habitat into the system of national wildlife refuges.

As a member of the Environment and Public Works Committee, which holds jurisdiction over wildlife, I was dismayed to find that the Senate Energy and Natural Resources Committee did not take comparable action. Instead, that committee chose to cut 38 million acres from the national wildlife refuges designated by the House.

If the Energy Committee version becomes law, key wetlands will be under the jurisdiction of the Bureau of Land Management and the Forest Service, agencies with multiple-use charters. For these agencies, wildlife protection is just one consideration among many.

If the Energy Committee version becomes law, tracts of essential wildlife habitat will be open to activities incompatible with wildlife protection. This would lead to the loss of essential habitat, and eventually the reduction of Alaska's invaluable wildlife populations.

The Senate would be delinquent if we allow this to happen. Instead we should restore the crucial refuge acreage deleted by the committee. We should simplify and unify land management in Alaska by placing the best federally owned wildlife habitats under the U.S. Fish and Wildlife Service, and by setting some direction for the management of these areas. Toward this end, I am introducing a full substitute to title III, the National Wildlife Refuge System, of H.R. 39 as reported by the Senate Energy and Natural Resources Committee.

The substitute title restores the most important wildlife refuges which the committee deleted from the House bill. Overall, the amendment designates 55.8 million acres of Federal land as wildlife refuge, compared to 42.6 million acres in the committee bill. The amendment creates nine new refuges and enlarges seven refuges.

The amendment does not designate as new refuges two areas in the House bill: The 22.5 million acre Teshekpuk-Utukok refuge, which remains the National Petroleum Reserve-Alaska under the administration of the Bureau of Land Management; and the 1.2 million acre Copper River Delta refuge, which remains part of the Chugach National Forest.

By leaving the National Petroleum Reserve-Alaska under the jurisdiction of the BLM, the amendment guarantees that the part of Alaska's North Slope holding the greatest potential for major oil and gas reserves stays under the agency which can best allow oil and gas exploration and development as part of a multiple use management of the land.

The boundaries for each wildlife refuge proposed by the substitute title are identical to the boundaries for the comparable refuge in the House-passed bill.

The following chart compares the wildlife refuge proposals in the substitute amendment and in the Energy Committee's version of H.R. 39.

Wildlife refuge	Hart amendment (acres)	Energy Committee bill (acres)
New Refuges:		
Alaska Peninsula	3,500,000	3,500,000
Becharof	1,200,000	1,200,000
Innoko	3,850,000	3,850,000
Kanuti	1,450,000	1,420,000
Koyukuk	3,650,000	3,539,000
Nowitna	1,720,000	0
Selawik	2,390,000	2,150,000
Tetlin	770,000	765,000
Yukon Flats	10,680,000	5,710,000
Existing refuges expanded:		
Alaska Maritime	460,000	460,000
Arctic National Wildlife Refuge (William O. Douglas)	9,900,000	5,650,000
Kenai	280,000	240,000
Kodiak	57,000	50,000
Togiak	3,840,000	3,310,000
Yukon Delta	13,400,000	11,130,000
Total	57,147,000	42,970,000

Some people will argue that the residents of Alaska and the Alaska State government would be penalized by the designation of these national wildlife refuges and other conservation system units. The Federal Government has actually been abundantly generous with Alaskans and their State government. We have turned over to the Alaska State government enormous riches, including more than 100 million acres of Federal land selected by the State. With the revenues from the oil produced in Alaska the State government has amassed an annual budget surplus of more than $3 billion—more than double the amount of the State's entire operating budget. The Alaska State government has recently abolished its income tax and has begun making direct cash payments to its residents. In sum, the Alaskans and their State government are in better financial shape than other Americans—because of resources the Federal Government has generously made available to them.

In prudently setting aside in wildlife refuges and other conservation units the most important of the national interest lands in Alaska, Congress is not being unfair to Alaskans. We have already been more than fair to the Alaskans. Instead, we are being fair to all Americans.

In addition to setting out new boundaries for wildlife refuges, amendment No. 1782 includes many other important provisions.

The substitute title spells out the primary purposes of each proposed unit of the refuge system. These purposes set the standards for determining what compatible uses may be made of the refuges' resources.

For each refuge unit the most important purpose is conserving the fish, wildlife, and habitat elements of their overall ecosystems.

The amendment also establishes high standards for maintenance of water and other natural and cultural resources. And, in recognition of these lands' importance to traditional rural Alaskan lifestyles, the amendment directs that the refuges be managed to permit continued subsistence use of the refuges' resources by local rural people.

The amendment explicitly allows oil and gas exploration and development within the refuges, when the Secretary of the Interior determines that the exploration and development can be undertaken in a manner compatible with the purposes of the refuges. This is the same policy applying to all wildlife refuges. The Energy Committee version of the bill proposes to establish a separate policy on oil and gas exploration and development for the Arctic National Wildlife Range (which the President recently renamed the William O. Douglas National Wildlife Refuge). The substitute title does not affect that proposed policy, which is contained in title X of the committee bill.

The amendment also provides for two separate, special studies to be conducted by the Secretary of the Interior. One study deals with the barren ground caribou. Recognizing that special attention must be given to the management of this species, which migrates across jurisdictional lines, the title directs the Secretary of the Interior to study the needs of the great northern caribou herds and to undertake negotiations with the Government of Canada for a treaty-sharing responsibility for those herds and their habitats.

The second study is of the annual gathering of bald eagles along the Chilkat River Valley in Southeast Alaska, near Haines. Attracted by the abundant food supply of a late salmon spawning run, as many as 3,500 bald eagles gather every fall and winter along a few miles of the river, in one of America's most spectacular wildlife events.

Although this has long been recognized as the world's largest concentration of eagles, there are substantial gaps in our knowledge about the eagles. The study should let us learn such important matters as where the eagles come from, and what their habitat requirements are.

In a separate provision, the amendment authorizes a land exchange with the State government, should the State government choose to do so, permitting the return to Federal ownership of the State lands where the eagles gather. I am confident, however, that it is possible to arrange a voluntary exchange that leads to Federal ownership of this unique national resource, while preserving the economic and other interests of the State government, the city and borough of Haines, the Klukwan Native village, and other interested parties.

Other provisions include: The designation of components of the National Wild and Scenic River System within units of the refuge system; the authorization for a land exchange with the Tetlin National Wildlife Refuge; certain management directives for the Copper River area; and various conforming provisions.

The Senate faces a great opportunity, an opportunity to create wildlife refuges protecting some of this Nation's most significant wildlife populations and the habitats which sustain them. I urge my colleagues to seize this opportunity by supporting this amendment.●

MILITARY PROCUREMENT AUTHORIZATIONS, 1981—S. 2294

AMENDMENT NO. 1784

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. WALLOP submitted an amendment intended to be proposed by him to S. 2294, a bill to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and civilian personnel of the Department of Defense, to authorize military training student loads, and for other purposes.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, the hearing originally scheduled on the Federal gasoline allocation process for May 5, 1980, by the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources has been rescheduled for Monday, June 9, 1980, commencing at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. NELSON. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a markup session on S. 2294, the fiscal year 1981 Department of Defense authorization bill and to consider pending military nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. NELSON. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate today to hold a nomination hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BESSEMER IRRIGATION DITCH IN COLORADO

● Mr. JACKSON. Mr. President, on May 15, 1980, the Senate Committee on Energy and Natural Resources reported S. 2546, legislation to provide for the lining of a portion of the Bessemer irrigation ditch in Colorado. Because of the rapid action taken by the committee, it was impossible to include the comments of the Congressional Budget Office in the committee report (No. 96-750) which accompanied the measure to the floor.

I ask for the purpose of advising the Senate on the fiscal impact of S. 2546 that the Congressional Budget Office's cost estimate on the measure along with the letter of transmittal by Director Rivlin appear in the RECORD at this point.

The material follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 15, 1980.
Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 2546, a bill to authorize the Secretary of the Interior to design and construct a gunite lining on certain reaches of the Bessemer Ditch in the vicinity of Pueblo, Colorado, to prevent or reduce seepage damage on adjacent properties, and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

JAMES BLUM
(For Alice M. Rivlin, Director).

CONGRESSIONAL BUDGET OFFICE: COST ESTIMATE

1. Bill number: S. 2546.

2. Bill title: A bill to authorize the Secretary of the Interior to design and construct a gunite lining on certain reaches of the Bessemer Ditch in the vicinity of Pueblo, Colorado, to prevent or reduce seepage damage on adjacent properties, and for other purposes.

3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources, May 15, 1980.

4. Bill purpose: This bill authorizes funds for the construction of a water conservation feature on the Pueblo Dam and Reservoir.

5. Cost estimate:

[By fiscal year, in millions of dollars]

	1981	1982	1983	1984	1985
Authorization level	2				
Estimated outlays		2			

The costs of this bill fall within budget function 300.

6. Basis of estimate: This bill authorizes the Secretary of the Interior to construct a gunite lining on certain reaches of the Bessemer Ditch. The Water and Power Resources Service anticipates that all of the outlays resulting from this construction will occur in fiscal year 1982. The costs of this construction will be included as capital costs of the Pueblo Dam and Reservoir, Fryingpan-Arkansas Project, Colorado, and therefore the major portion of these funds will be reimbursed to the federal government over the next 40 years.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Debra Goldberg (225-7760).

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.●

THE COMPETITIVE APPROACH TO COMPREHENSIVE HEALTH INSURANCE

● Mr. DURENBERGER. Mr. President, I would like to recommend for my colleagues' information an article written by Stuart M. Butler, Ph. D., of the Heritage Foundation. The article, titled "The Competitive Approach to Comprehensive Health Insurance" appeared in the PIA Communicator, and is a condensation of a longer piece written by Dr. Butler for the Heritage Foundation Backgrounder, titled "The Competitive Prescription for Health Cost Inflation."

The article nicely summarizes the rationale behind the competitive approach as embodied in several pieces of national health insurance legislation submitted this year. In particular, it outlines the reasons for current inflation of health care costs and the remedies proposed by the "procompetitive" approach. I submit the article for the RECORD.

The article follows:

THE COMPETITIVE APPROACH TO COMPREHENSIVE HEALTH INSURANCE

(By Stuart M. Butler, Ph. D.)

Throughout this year Congress will be considering a number of proposals which would lead to sweeping changes in the health care plans offered by American companies. So far, most press attention has focused on the bills introduced by Senator Kennedy, and by the President; both of which would seek to expand the federal role—and in the case of the Kennedy bill create a national health service. Each of these measures is based on the premise that direct controls on hospital costs would be a key weapon in slowing down spiraling medical costs. And each would require employers to finance the bulk of the program.

Within the last year, however, several other health bills have been introduced which adopt a totally different approach to the problem of how comprehensive health care can be provided to most Americans without a continuing acceleration in health care costs. These bills are associated chiefly with Senators Schweiker and Durenberger, and with Representative Al Ullman, chairman of the powerful House Ways and Means Committee. Taken together, they have become known as the 'competitive' approach. Essentially this would involve restoring price incentives to the health care industry, and reducing unnecessary demand, rather than implementing controls and creating new federal programs. If some combination of these competition bills finally becomes law, it will have important consequences for American business.

The pro-competition school of thought argues that the enormous increase in medical costs in recent years has been due primarily to an absence of cost-saving incentives, resulting from the type of employer-sponsored health insurance encouraged by the present US tax laws. They point out that employment-based insurance has grown rapidly, and now constitutes about 5 percent of the labor costs of the average company. By 1977, General Motors was spending $1.16 billion annually on employee health plans—almost 7 times what it was spending 12 years earlier; and the Ford health plan adds about $130 to the price of every car the company makes. This expansion of company health plans is the main reason for the rapid growth of health insurance in recent years. This, in turn, has had important effects on the financing of America's health industry. In 1950 about half of all hospital income was provided by insurance, public or private. Today the figure is nearly 95 percent.

Employers are pressured to provide health insurance for their employees because of the tax treatment of such plans, compared with the tax breaks for individual plans paid for directly by the employee. If the employer sponsors a plan, his entire contribution to the premium may be deducted as a business expense. This means that the employee is, in effect, obtaining a tax-free contribution towards his medical costs. If he were instead to take the same money as extra income and use it either to pay a premium or to pay his medical costs directly, the money would be taxed, i.e. he would get less for his money. While the tax code does allow medical costs to be deducted from a family's taxable income, less than 30 percent of American taxpayers now itemize deductions—generally those in the higher income brackets. So the great majority of workers cannot obtain any tax break for medical costs and premiums they pay directly, and even for those who do itemize can only deduct expenses which exceed 3 percent of their income. Thus it makes good sense for employees to bargain for employer-paid insurance to cover all the health expenses they might expect to have, no matter how predictable or trivial they might be. This is why so many companies now provide so-called "first dollar" cover (i.e. insurance to pay all expenses up to a ceiling) and dental care plans.

On the face of it, this growth of insurance may seem to be a welcome trend (except, perhaps, from the point of view of the IRS!). But it has contributed directly to two of the most serious defects of American medical care—unbalanced insurance protection and cost inflation.

Unbalanced insurance occurs because employees tend to see employment-based coverage more as a means of obtaining tax-free installments towards everyday medical or dental costs, rather than as genuine insurance against unpredictable, catastrophic medical bills. As a recently published survey found, 85 percent of the population was covered for basic medical costs by 1977, but less than 30 percent had any protection against catastrophic illness. The generous tax relief available for company-financed medical plans has not, in other words, resulted in the kind of cover generally felt to be essential.

The inflationary effect of the present structure of employment-based insurance arises from the relative attractiveness of first dollar coverage over plans with deductibles or copayments (stated percentages of costs which must be paid by the patient). The resultant dependence of payments made by third parties—either private insurers or government programs—means that neither the patient, nor his physician, nor the hospital has any incentive whatever to economize. Since the patient does not bear the cost of the treatment he has no economic cause to question the necessity or expense of any tests or treatments, no matter how costly they may be. It is true, of course, that costly treatments will lead eventually to higher premiums, but for any individual the impact of his own treatment on his premiums will be infinitesimal; health insurance is not like auto insurance—individual premiums do not normally reflect risk and benefits received.

Physicians also have no incentive to economize, since they know that their patients will not be paying the bill. A doctor has no reason to avoid prescribing the most expensive tests and treatments available, even when these are only minimally superior to far less costly care. And if he wishes to retain his patients, he has every incentive to recommend the most luxurious and best equipped hospital he can—again, regardless of cost. Hospitals, in turn, respond to these incentives by trying to provide the latest and most sophisticated facilities. If they fail to do so, physicians will simply recommend somewhere else. Thus, throughout the entire health care industry, the tax structure has produced a system of insurance, where patients, physicians, and hospitals are virtually oblivious of cost when it comes to making decisions. The incentives at all points is to opt for expensive, often unnecessary procedures, rather than economic care.

Supporters of the competitive approach seek to alter the incentive structure within health insurance plans in order to encourage economy. They argue that if patients were to be faced with a copayment requirement—even if this was only a small proportion of the total cost—they and their physicians would have the incentive to economize. Several experiments carried out in various parts of the country do suggest that even a very modest copayment would have significant effect. In addition, the pro-competition school has pushed hard for changes in the law which would make pre-paid health plans, such as Health Maintenance Organizations (HMOs), more attractive as competitors to the normal, fee-for-service medical system. Again, the evidence does suggest that when HMOs are in competition with other types of service there is a substantial downward pressure on costs.

Several leading economists have recommended specific reforms, which have come to form the foundation of the procompetitive bills now before Congress. The law must be altered, they argue, to require employers to offer a choice of health plans, at least one of which must contain a copayment feature or be based on an HMO. This would stimulate competition and improve efficiency. Secondly, the tax code should be altered to give employees the incentive to choose low cost plans, which would lead to increased price consciousness and a more economical use of health resources. And finally, in order to make catastrophic insurance a basic element of all plans, changes should be made in the benefits which must be provided for health plans to be deducted as a business cost for tax purposes.

The three principal bills which encapsulate this approach, sponsored by Sens. Schweiker (R-PA) and Durenberger (R-MN) and Rep. Ullman (D-OR) would each require employer-sponsored plans to offer two or more alternative options to the employee. Under the Schweiker proposal at least three would have to be offered, including one with a copayment feature. Ullman's bill would require one of at least two options to be either an HMO or a low cost plan. Durenberger's measure, on the other hand, would require at least three alternatives to be offered, but he does not specify that any particular plans must be included, preferring instead to rely on tax incentives to produce a competitive atmosphere in which low-cost options would arise.

Each bill would also allow employees some benefit from choosing lower cost options. In each case an employer would have to make the same contribution towards each plan, whichever the employee selected. If the employee chose a low cost option, he would receive the difference between the premium cost to the employer and the contribution made to each option as an increase in his income. In the Schweiker plan this rebate would be tax free, thus removing the present disincentive to paying medical bills directly. In the other two bills the rebate would be taxable, but a tight limit would be placed on the tax-free contribution an employer could make. So there would be no tax advantage to the employee in pressing the company to contribute to more and more health insurance.

The three bills would change the law in another important respect. For a plan to qualify as a business tax deduction, it would have to provide protection against catastrophic care—meaning that after a certain amount or proportion of an employee's income went on out-of-pocket medical costs, insurance would have to cover 100 percent of the remaining costs. Schweiker goes even further than this, by including an additional requirement that all plans must provide periodic physical examinations and other preventive benefits.

If some combination of these bills finally becomes law, there will be important ramifications for American business. The pressure during contract bargaining to provide ever-increasing benefits should cease, given that any final bill would probably include some limit on the tax-free contribution an employer can make, or if generous tax incentives were given to employees to choose lower cost options. There should be no major administrative problems associated with a requirement to offer alternatives if the employer contribution must be the same for each.

It might be thought that if a new law were to require catastrophic cover as a basic part of all employer-sponsored plans, this would lead inevitably to an increase in premium rates. But if the bills were to work as expected, there would be a net decline in health costs and thus premium rates. Universal catastrophic protection would, of course, push up insurance costs. On the other hand the incentives for workers to choose lower cost insurance plans, with copayment and deductibles, would restore price incentives into the health care business. Doctors would be much less inclined to recommend expensive, but unnecessary, tests and treatments if the patient was paying part of the bill, and hospitals would have to give more consideration to value for money. The savings arising from this more businesslike approach would, according to Schweiker and others, far outweigh the increase in costs due to catastrophic protection. If preventive care had to be included in all plans the effect would be similar; the extra costs involved would almost certainly be offset by the savings made when illnesses were detected and treated at an early point.

The present climate in the Congress is hardly favorable to the passage of a Kennedy-style national health care system. Mandatory hospital cost controls were beaten in Congress last year, and seem unlikely to pass in 1980. The present mood of austerity and budget-trimming has also reduced enthusiasm for new and costly health programs. The competitive approach, however, would attempt to harness market pressures and incentives to solve the problem, without significant government involvement. It is an attractive approach to many in Congress, and its implications should be studied very carefully by all businessmen.●

HEADING OFF A MISSILE RACE IN EUROPE

● **Mr. PELL.** Mr. President, the Soviet Union is attempting to blame the NATO decision of last December to deploy new theater nuclear weapons in Europe and to seek limits on both sides' long-range nuclear systems for the current bad state of East-West relations. This is a blatant Soviet maneuver to divert attention from their egregious behavior in Afghanistan, and from their own unrestrained deployment of highly destructive theater nuclear systems in Europe. The Soviets hope somehow to undermine the NATO modernization program while completing their SS–20 deployments, so that they will have a nuclear preponderance in Europe that, in their view, could enable them to intimidate our allies.

It is important that the United States counter these Soviet ploys in Europe: We must provide leadership in holding fast to the TNF modernization decision. This means we must also move ahead to implement the arms control component of NATO's TNF strategy. Because of NATO's firm resolve to deploy new weapons which Moscow greatly fears, we are in a good position to press for restraint in Soviet theater deployments. Mr. Stephen Rosenfeld, in a Washington Post column of May 23, trenchantly sets out the reasons why the United States should be out in front on the arms control side of theater nuclear forces as well as the deployments side. I ask that the text of Mr. Rosenfeld's Washington Post article be printed in the RECORD.

The article follows:

HEADING OFF A MISSILE RACE IN EUROPE

There is a hollow note in the complaints Soviets are making to Americans about American foreign policy. In pointing it out I do not mean merely to be tendentious but to direct attention to an area—perhaps the only one currently in view—where diplomatic probing might produce results.

The hollow note is the Soviet emphasis on the NATO decision of last December to deploy in West Europe new medium-range missiles capable of striking targets on Soviet territory. Soviet officials decry this as an unprovoked decision taken to circumvent SALT, which limits just the home- and (sea-) based missiles that the two powers aim at each other. This was the particular step, they say, that forced them to reconsider whether the Carter administration was serious about improving relations. It has become their stock rejoinder to the American complaint that the real spanner was their invasion of Afghanistan.

Now, when the Kremlin says that new missiles in Europe circumvent the spirit of SALT, it has a certain point. It was only by a mutual readiness to postpone the matter of controlling nuclear weapons based in Europe that the SALT I and II talks proceeded. These were always meant to be taken up in SALT III, and the United States is stealing a march (though not violating any letter of SALT) by undertaking to deploy a new and hot system—involving 600 missiles that can hit Soviet territory—even before SALT II has been ratified and SALT III talks have begun.

What Moscow ignores, however, is why the new missiles are being worked up. The reason is that the Soviet Union—also within the letter but contrary to the spirit of SALT—has trained its own new missiles on West Europe. This deployment came, moreover, just as the Soviet Union's arrival at overall parity was raising the question of whether the United States would still risk nuclear war to save Europe in a crisis. The new missiles were seen as the best available way to convey the assurance that if Moscow made a nuclear threat against Europe, the United States would threaten Moscow back.

In short, the (proposed) American missiles that the Kremlin is now complaining about and endowing with detente-busting significance are a direct response to the (deployed) Soviet missiles that are a leading instrument of a Kremlin policy aimed at sneaking around SALT and intimidating Europe.

In Afghanistan there is a war on and it is clear enough that it will be settled on the battlefield. The only negotiation the Kremlin has offered is one whose purpose would be to gain foreign acceptance of its invasion. Not even our wobblier European allies seem ready for that. The world may have qualms about actively helping the Afghan resistance but it has greater qualms about actively selling it out.

With "Euromissiles," however, it's a political contest and the West, though it commonly appears too shell-shocked to recognize so, is in an advantageous position. The Europeans, in agreeing to deploy the new missiles, were creating a bargaining chip out of technological advantage and an uncommon alliance resolve. The new missiles, furthermore, apparently are dandies: they may merely duplicate coverage of targets already covered by our long-range missiles but that they do with a vengeance and they trouble the Soviets deeply.

What would Moscow pay to head off those new missiles?

They are beavering away, of course, to get off free by playing on the alliance differences made wider and rawer by recent arguments over policy outside Europe. If Moscow does succeed in suspending Europe's deployment plans without knocking down its own SS20s, then the debate over whether Europe is being "Finlandized" will be over.

If only to avoid that specter, however, I think, the United States will have to take the lead in a European-security negotiation. Mr. Carter's current political and diplomatic license for this project may be slight—unless he is reelected. If Ronald Reagan wins, he would be under the same pressure—to enter a negotiation to keep the alliance together—and under the same incentive—to negotiate in an area where the alliance has a strong hand.

There is the matter of SALT II. It was supposed to be finished before Euromissiles, among other items, were put on the table in SALT III. So finish it, for this reason and many others. But if that's not possible, proceed anyway.

We are in a vexing period in our relations with the Soviets: alert to the demands of competition, lacking the confidence to explore openings to cooperation. Under one president or another, we need to move ahead on both fronts.●

MILITARY STRENGTH IS DIRECTLY RELATED TO FOREIGN POLICY

● **Mr. HATCH.** Mr. President, with conclusion of the conference on the first budget resolution we have arrived at a budget that will include $153.7 billion for defense. While I will admit to being pleased that defense expenditures in fiscal year 1981 will be about $18 billion over those of fiscal year 1980, I remain convinced that we are still failing to provide the amounts necessary to meet the growing Soviet threat. American military strength has so dissipated over the past decade that many now question our ability to provide the defense structure needed to defend the Western alliance.

Throughout history we have many examples of nations building large military forces and then translating that force into foreign policy initiatives. The Soviet Union is a nation that learns its lessons well from the pages of history. Napoleon Bonaparte, the Emperor of France, amassed a large military force and began to systematically conquer the European Continent. Prior to Napoleon the Romans had set the example. Under the leadership of a succession of brilliant military leaders Rome was able to come as close to dominating the Western World as any civilization before or since. In more modern times we have the British as a witness to the strength of military power. The British Navy was long considered to be the master of the seas. It was this mastery that permitted the British to build a vast colonial empire, an empire that lasted until World War II, collapsing only when British military strength, weakened by the war, was no longer able to control rising nationalistic movements in the colonies far from England.

The lesson to be learned is that military strength has a direct relationship to a nation's ability to conduct an effective foreign policy. Today we have yet another example of a nation beginning to utilize its own massive military strength as an instrument of its foreign policy. During the last 20 years the Soviet Union has been engaged in a steady and convincing expansion of its military might. It has now begun to use that might in an effort to influence the decisions of other nations. Where in the past it has been through the use of military aid, later increased to the use of surrogate Cuban troops, we now have come to the realization that the Soviets will now use even their own troops, as was witnessed in Afghanistan.

In his new book, former President Richard Nixon writes:

> We are at war. We are engaged in a titanic struggle in which the fates of nations are being decided. In war the fact that a surrounded garrison surrenders without any shots being fired makes its capture no less a military victory for one side and a defeat for the other.

This is exactly the situation that the United States now finds itself faced with. As the Soviets move into new areas the United States must either recede or learn to accommodate the Soviet advances. We are witnessing a much bolder Soviet policy because they have the military strength to back up such moves. Couple this with our own declining military position and you have a serious problem. In the Washington Star of May 23, 1980, the lead editorial states:

> Already the warning signs of faltering American military power and credibility are abundant—in the Soviet incursion into Afghanistan; in the wobbly neutralism and equivocation of former U.S. clients in the Southwest Asia and Middle East regions; in

> the drift of even our stouter NATO allies into a position of detachment from U.S. policies and purposes in Iran and elsewhere. The contagion of neutralism is abroad; and its germ is the perceived decline of U.S. power and leadership.

The major point to be derived from this is that we have allowed our decline as a military power to have a direct effect on our position as the leader of the Western alliance. The point was further brought out by Michael Geller in the Washington Post:

> In previous periods of disarray, U.S. policies may have been questioned but not U.S. power or its leadership role within the West.

Mr. President, as we look around the world today we see turmoil in all of the crucial areas of the world. If we look closely we will also find that much of the turmoil is due to a serious problem of confusion. This confusion stems from one factor, a lack of strong leadership. We here in Congress can take certain steps to remedy this problem.

The $153.7 billion for defense should be increased. This proposal has been voiced by many others in the Congress that are concerned about the security of the West. There will have to be sacrifices made to accomplish this goal. It will require many of us in the Senate biting that proverbial bullet.

We often hear the term "statesmanship" used in this Chamber. More often than not it is used in reference to a vote that has provoked a great deal of controversy and debate. In many cases these debates have centered around the feasibility of actions being taken with respect to overall U.S. interests. In 1978 I heard many claim that through true statesmanship one would be able to understand why we had to ratify the Panama Canal treaties. This term arose once again during the debate over funding for the World Banks, which was a method of providing indirect U.S. aid to nations such as Cuba and North Vietnam. I only can hope that since a majority of the Senators saw fit to practice this statesmanship during these votes, that we will once again realize the urgency of strengthening our military posture. It will require statesmanship to increase the defense budget, knowing it will draw away from many social programs, but it must be done regardless of the political cost.

I yearn for the days past when the United States was able to lead the Western alliance through both action and word. Our allies knew of our commitment to their security, that we valued their soil as strongly as we valued our own. I do not suggest this increase in defense spending without careful thought. The weapons that we buy are capable of great destruction, destruction that no Senator in this Chamber wants to see occur. But we must be realistic and realize that unless we remain strong we will be unable to deter a future war.

I believe that the United States has a firm commitment to insure the way of life that we all enjoy. If we are to continue to enjoy these freedoms, now and in generations to follow, we must reassert ourselves as a military power.

Mr. President, two items from the Washington newspapers, which I have mentioned previously, highlight these points exceptionally well. I commend them to my colleagues and ask that they be printed in the RECORD.

The material follows:

[From the Washington Star, May 23, 1980]

WILL THE U.S. BE STRONG ENOUGH?

Congress, at last, is clearly in revolt against the Carter administration's skimpy defense-spending plans—in revolt, that is, against the bland reassurances with which the administration is trying to disguise a dubious flirtation with U.S. military inferiority later in this decade.

The revolt has not gone as far as it should go. But there were, this week, two encouraging signals that it has caught on. One was the vote of Senate-House conferees on the first joint 1981 budget resolution to accept a $153.7 defense spending ceiling, $18 billion above this year's expected outlays, even at the cost of deeper cuts in domestic spending. The other was a House vote, on the same day, to authorize $6.2 billion more for defense than the administration wants this year.

These events, coming in tandem, are especially encouraging, inasmuch as some Democrats who opposed the conference defense figure (still below the Senate's) were arguing that the House would refuse to swallow it. Perhaps the House's 338–62 vote speaks more clearly of dawning military realism than the warnings of their emissaries on the conference committee.

We say the revolt has not yet gone as far—nearly as far—as it needs to go, basing that assessment on the continuing discrepancy between present levels of military spending and the levels deemed by the armed services committees of both chambers to be needed over the coming decade.

The gap is huge—some $20 billion. Naturally, armed services committees seek more money than Congress is likely to give, even as welfare committees seek more for welfare. But on even the most conservative estimates of future defense needs, repeatedly documented by proponents in both parties, of all shades of domestic opinion, the nation faces a critical choice—the choice between assured military parity (at a minimum) and a gamble with possible inferiority, with all the political, military and economic dangers that would inevitably flow from it and from the perception of it.

Already the warning signs of faltering American military power and credibility are abundant—in the Soviet incursion into Afghanistan; in the wobbly neutralism and equivocation of former U.S. clients in the Southwest Asia and Middle East regions; in the drift of even our stoutest NATO allies into a position of detachment from U.S policies and purposes in Iran and elsewhere. The contagion of neutralism is abroad; and its germ is the perceived decline of U.S. power and leadership.

The underlying causes of this historic shift in the balance of power are fundamentally military. In the past decade, U.S. military investment, in terms of gross national products, has fallen some 40 per cent—from 8.5 per cent of GNP in 1970 to a bit over 5 per cent in this fiscal year. All the while, Soviet expenditure on weaponry of every sort has steadily increased—not only on those conventional forces that have long made the Soviet Union a formidable power on the Eurasian land mass but on forces—a deep-water navy, air power, the development of ever more menacing first-strike missiles—that project its political influence into quarters of the globe (e.g., the Caribbean and Mediterranean) that a few years ago lay far beyond its capacities or even aspirations.

In nearly every category of military power, saving only aircraft carriers and perhaps nuclear submarines, the Soviet Union has now matched or surpassed U.S. capability. And there is no evidence—none—that the Soviet Union can be talked into relaxing its drive for worldwide military dominance—unless the U.S. shows the determination to match or, better, outstrip it.

How, it may be asked, have we permitted this situation to arise? The beginning of the trouble, of course, was Vietnam, a seedbed not only of distorted strategic priorities but of ruinous inflation and of the curious illusion that U.S. power is to blame for political and military instability. (There were, after all, those who supported President Carter's shortsighted veto of a new nuclear aircraft carrier two years ago on grounds that if we had it we might actually use it somewhere!)

Another cause is the enormous growth of social programs, many of them indexed to the consumer price index. Those programs have demonstrated a capacity for absorbing every bit of slack in every budget, however far out of balance.

And yet responsibility is not confined to these larger trends and forces. The Carter administration has attenuated or cancelled (without reciprocity) a number of major programs, including the B–1 bomber, the Trident submarine program, and the Navy's overall shipbuilding program. Last October 11, former Defense Secretary Donald Rumsfeld put the dollar price of this and other "saving" at about $38.6 billion over the three Carter years—this figure representing the current value of programs projected by the outgoing Ford administration defense projections but stalled or deferred by Mr. Carter.

The folly of the nuclear carrier veto, which was representative, was soon apparent with the arrival of the Iranian and Afghanistan crises. It became necessary to strip carrier task forces from the Pacific to establish an appropriate U.S. naval presence in the Indian Ocean. Secretary of Defense Harold Brown has vowed that the U.S. Navy "will continue to be the most powerful on the seas," yet the Chief of Naval Operations complained a few days later that "we are trying to meet three-ocean requirements with a two-and-a-half-ocean navy." Who is right?

Perhaps both are, for the moment. Our guess is that while the U.S. Navy is now the more powerful, it is by no means as strong as it needs to be and is growing weaker relative to the Russian navy by the day and the year. One event that awakened a number of sleepers to this and other facts about declining U.S. military strength was last January's declaration by President Carter of a U.S. "vital interest" in the Persian Gulf region, to be backed if necessary by military means. The vital interest exists, all right, but by what military means, it was asked, could it be protected in an emergency? There were, in fact, no such means; neither the forces nor the sealift capacity nor the logistical support exist to reinforce this "vital interest."

This is, indeed, only part of the background of the defense spending debate that will take place next week when Congress considers this week's conference report on the first 1981 budget resolution. A budget resolution, to be sure, is but a preliminary to the eventual business of authorizing and appropriating a defense budget. Yet it is a first step that will signal whether Congress intends to accept as a fact of life the undeniable shift in the balance of military power or move to redress it while there is still time to do so.

It will not be a time for the usual banalities, debating points and excuses. Of course, the Pentagon wastes money. Of course, a battleship or an aircraft carrier brought out of mothballs cannot be operated without skilled manpower. Of course, it will do no good to channel huge catch-up appropriations to defense if these funds are dissipated on military pork-barreling of no direct relevance to national strength.

But while detailed objections, negotiations and plans must have their day, they dwindle to unimportance in the context of an American failure to provide what everyone—except for the apostles of complacency within the Carter administration and Congress—believes to be imperative.

When the later 1980s arrive, there will be only one important question: Is the U.S. still militarily strong enough to use its influence for peace and stability in a turbulent world? Or will the post-war Pax Americana have given way to a Soviet military imperium of uncertain portent, entailing fundamental shifts in the balance between freedom and unfreedom? That is the issue on which Congress should focus its budget discussion next week. The others, however important, are secondary.

[From the Washington Post, May 24, 1980]

Crises Put New Strains on Alliance

(By Michael Getler)

Thirteen years ago, a book by French author J.-J. Servan-Schreiber called "The American Challenge" started alarm bells ringing all over Western Europe. The book warned that unless Europe woke up, American technology, management and organizational skills would plunge the old continent forever into second-class status.

Today, Europe is wide awake and the challenge is to America. It comes from an increasingly independent Europe worried about the decline of U.S. leadership and power, the growth of Soviet military strength and how to protect Europe's own security and impressive prosperity in a vastly changed world.

Among specialists closest to the situation, there is a view that relations between the United States and its major allies are the worst since the end of World War II.

It is a situation that neither side wants. Yet is continues to tumble along, seemingly beyond anybody's ability to control. It is fed by mishandling in Washington, lack of fortitude in Europe, misunderstanding on both sides and legitimate differences of opinion on how best to handle a fistful of international crises.

Official spokesmen and some commentators point out, correctly, that the western alliance has had serious differences in its 31-year history about defense and nuclear policy, Vietnam, China and the Arab-Israeli wars.

But what is happening now is different, more serious; involving fundamental currents running through the alliance in different directions with no clear way to pull them together.

The differences are these:

In previous periods of disarray, U.S. policies may have been questioned but not U.S. power or its leadership role within the West.

Fairly or not, doubts about American leadership, competency and consistency are widely felt around the world. The doubts go beyond just the Carter White House to the question of whether Congress is immobilized, to the weakened U.S. economy and dollar and to a political process that makes Europeans, East and West, wonder if it still produces the best.

What may be unique and most important about these doubts is the fact that they are already several years old and could persist several more years, no matter who wins the November presidential election.

The United States has not had a full two-term president since the Eisenhower years. The last six years have seen one president resign in disgrace, another serve without being elected and a Carter administration which, despite an enviable record in helping to beef up the NATO military alliance, has had a steady stream of disputes and real or perceived foulups with Europe, Japan and the other allies.

Many years, therefore, already have passed in terms of allowing new attitudes about the United States to take root around the world.

At the same time, the Soviet Union, by virtually all accounts, has grown even to or surpassed the United States in relative military power and has achieved the dubious political benefit of being seen as more willing to use that muscle to achieve influence.

Western Europe, meanwhile, has grown stronger and wealthier, lead by the re-emergence of West Germany. Perhaps more importantly, however, there are signs that Western Europe is no longer exactly sure where it is going or what the Europe of the distant future will look like. It is a question that is being accelerated, maybe even caused, by the situation here.

West European materialism and democracy will no doubt keep the lifestyle and values tied to the western alliance and the United States for a long time. But the idea is afoot among some Europeans that on some political questions a more accommodating position toward the Soviets, one that puts them midway between Moscow and Washington, is at least worth thinking about. The idea basically seems to be that if the United States is in a prolonged decline, those who have prepared for it may be better off in the long run.

On top of this is another trend—instability in less developed countries of the Third World.

Indeed, it is the continuing dual crisis caused by the taking of U.S. hostages in Iran and the Soviet invasion of Afghanistan that captures all of the fundamental new currents, focuses them on how the West responds, and leads to the grim conclusion that the alliance is facing its worst challenge.

Both crises, however, are outside NATO's formal geographic operating region in Central Europe and the North Atlantic. Thus the key question confronting the alliance on the 1980s will be whether and how the allies respond to Soviet military moves outside NATO's borders; in other words, outside of a direct threat to their own territory and well-being.

"I don't know how that question will be answered," said one U.S. official. "But if Europe is perceived as only interested in protecting its affluence while the Soviets are on the march elsewhere, if they choose only to preserve the benefits of East-West detente through accommodation and refuse to take any bilateral measures, if that's the case, it will erode support [for the alliance] here and there will be a deep and dangerous trans-Atlantic split."

The current situation, adds another official, "is not just another crisis. It's a litmus test."

The Soviet invasion of Afghanistan last December was not only the first use of Russian troops outside of Communist East Europe in the postwar era. It also was precisely the kind of attack—one on the flanks in an area where the West is weak rather than against the hard core of NATO strength in central Europe—that specialists believe reflects a salami-slice kind of strategy Moscow is apt to use for the future. Thus, coping with it presents a severe test.

As an alliance, NATO is built upon collective security. In that role it has performed well in Europe. The politically tough decision taken by NATO countries last December to allow stationing of new U.S. atomic missiles on their soil demonstrated that resolve to protect Europe.

But oil has driven a wedge into the alliance. All of NATO's 15 member nations, plus Japan, have a huge stake in the stability of Southwest Asia and the neighboring oil-rich Persian Gulf.

The Europeans, however, live in the shadow of the Russian bear and have different and more passive ideas about how to deal with Moscow over Afghanistan. They also have lucrative commercial trade with the East and concerns that a new Cold War could shut off human contact and return tensions to the old battlefields of Europe.

Thus, with the exception of verbal condemnation—and the willingness of West Germany, Canada, Norway and Turkey among NATO members to join the Olympic boycott—the allies have taken no substantive, punitive measures against Moscow.

Furthermore, the Europeans are likely to begin pushing their own formula for a Middle East peace soon, involving recognition of Palestinian self-determination, another move contrary to U.S. efforts but which would be received well in the oil states.

Finally, there is no forum for trying to straighten out this dangerous mess outside the alliance borders.

NATO, because of its formalized boundaries and the certain objections of some member states such as France, cannot serve as the place for developing Southwest Asia strategy.

European officials of the nine-member Common Market meet regularly every two weeks. Foreign ministers from those countries meet monthly and the heads of government four times a year. In part, these frequent meetings of Europe's heirarchy reinforce many of them in a common critical view of the Carter administration.

The United States, however, only gets a high-level collective crack at them during the semi-annual NATO meetings, which are inappropriate for discussing Southwest Asia, and at annual summit meetings. But these summits thus far are meant to discuss economic issues and are limited to the seven major western industrialized powers.

Forming Persian Gulf strategy in such a forum, which excludes the smaller European countries, could weaken support of those nations for sharing the alliance burden generally.

In Washington, some officials share the European view about Iran, namely that economic sanctions at this point won't get the hostages out and will drive a country, bound at some future time to be important to the United States, further away from the West.

By and large, however, there seems to be a wider feeling that many countries have disgraced themselves on the Iran or Afghanistan questions and that the world, and its values, looks topsy-turvy.

In both situations, fundamental principles—the safety of embassies and diplomats and the inviolability of borders—have been violated.

Yet, just this past week, the following things have happened:

In Pakistan, many of the foreign ministers from 40 Moslem countries meeting there tended to equate Soviet "aggression" in Afghanistan with U.S. "aggression" in Iran. This, even though Moscow invaded a Moslem country of 15 million people, killing thousands of them, while the United States tried to rescue illegally detained hostages, killing eight people, all Americans.

In Italy, European Common Market ministers watered down economic sanctions against Iran from those previously pledged and then the British Parliament backed away even from the reduced sanctions.

Olympic committees in Belgium, Holland, Italy, Austria, Ireland, Portugal and Sweden voted not to go along with the United States on the boycott of the Moscow Games. Committees in France and England, just a few days earlier, also had decided, in opposition to their governments, to send teams to Moscow this summer.

Of the major European powers, only West Germany stuck with the United States, a move that now could isolate Germany in Europe and cause some internal problems for the Bonn government.

For the moment, the administration has succeeded in pushing the Iranian situation out of the headlines. Later this summer, the Olympics will be over. The hostages in Iran may also eventually be released. So at some point, some of the current and lingering flashpoints will pass. But, specialists say, the long-term trends remain "clearly troublesome."●

THE CONGRESSIONAL BUDGET

● Mr. HOLLINGS. Mr. President, yesterday the President of the United States and his budget director distorted the congressional budget and misrepresented its contents in an attempt to defeat it in the House of Representatives when it is voted upon tomorrow.

This morning's Washington Post headline tells the whole story—"Carter Begins Drive To Defeat Weapon-Rich Budget Proposal."

Here is the President of the United States interfering with the congressional budget process. Here is the President of the United States saying that an essential increase of $6.8 billion for defense over his $164.5 billion defense proposal makes this $613 billion total Federal budget "weapon rich."

The President is complaining about 1 percent of this entire budget. Just what is in this weapon-rich budget?

The sum of $2 billion of the amount the President is complaining about is for a long overdue pay increase for our military personnel, to attempt to preserve the Volunteer Army, and to begin to retain some of our servicemen in critically needed occupations who are leaving the Armed Forces because they cannot make a living for their families.

Last Monday, as a matter of fact, the President himself endorsed the Nunn-Warner military pay reform proposal and proposed additional changes of his own which will increase his defense budget by $700 million in budget authority and outlays in 1981, more than 10 percent of the amount he is complaining about.

And I do not think anyone doubts that Congress is going to enact a general military pay raise along the 11.7-percent level proposed in this budget, rather than the inadequate 7.4-percent level proposed in the President's budget.

Those two changes—Nunn-Warner and an 11.7-percent pay increase—will account for $2 billion of the $6.8 billion the President is complaining about.

He is complaining about the fact that we want to provide enough money in this budget to take our armed services personnel off food stamps and welfare.

He is complaining that we have included about $2.5 billion more than his budget for operations and maintenance so that the Defense Department can provide adequate training and flying time and spare parts for our military readiness.

And he is complaining that we have provided about $3.5 billion in additional procurement funds so that we can preserve a balance of military technology over the Soviet Union.

Now let us set the record straight.

I want to read into the RECORD a fact sheet on this administration's criticism of the congressional budget conference report. I want the administration's assertions to be met with the facts that tell the truth about this budget.

We all know it is election year. And I guess the President thought he could get some temporary gain by attacking and misrepresenting this congressional budget. I think he has made a tragic mistake. I do not think the American people will judge that adding $6.8 billion to a $600 billion Federal budget in order to assure the welfare of our military manpower and their families and the military security of our country is a waste of money.

The congressional budget is a balanced budget. It is balanced in dollars and cents. It is balanced in its national priorities.

And it would be a tragic setback for the Congress and the country if this wrong-headed interference by the President in the congressional budget process leads to defeat in the House tomorrow of the congressional budget.●

FINANCIAL STATEMENTS

● Mr. LUGAR. Mr. President, consistent with a practice I established during my service as mayor of Indianapolis, I am submitting personal financial statements for publication. Included are itemizations of net worth, income, and taxes paid by RICHARD G. and Charlene S. LUGAR.

I ask that my financial statements for calendar year 1979 be printed in the RECORD.

The financial statement follows:

Senator Richard G. and Charlene S. Lugar: Sources of income for year ending December 31, 1979

U.S. Senate	$58,290.62
Secretary-Treasurer, Thomas L. Green & Co., Inc	25,727.79
Lugar Farm Company, partnership distribution	4,095.94
Thomas L. Green & Company, Inc. dividends	6,771.50
Honoraria from speeches/articles	26,891.00
Interest on saving accounts	2,347.39
Total income	124,123.79
1979 Federal income taxes paid	36,872.00
1979 Indiana, Virginia and local taxes paid	6,837.00
1979 social security taxes paid	1,403.77
Total Federal, State and local taxes paid	45,112.77
Taxes paid as percent of income	36.34
Cash in savings and checking accounts	25,539.51
Cash value of life insurance	43,002.47
Less loans	−37,892.96
Total	5,109.51
Adjusted residence-land improvements costs	184,967.80
Less mortgage	−81,687.00
Total	103,280.80
Automobiles—current estimated values	5,550.00
Thomas L. Green & Company, Inc. (23½ shares of common stock at cost, December, 1962)	61,293.25
Lugar Stock Farm, Inc (168 shares owned by Richard and 60 shares owned by Charlene at cost, December, 1959)	22,800.00
Lugar Farm Company (⅛ share of partnership, book value as indicated in 1979 Federal tax return)	4,279.04
Individual Retirement Account as of December 31, 1979 ($1,500 deposited both in 1975 and 1976 at 1st Federal Savings and Loan, Indianapolis, Indiana)	3,978.80
Keogh Retirement Account as of December 31, 1979 (Templeton World Fund)	7,280.77
Civil Service Retirement Fund as of December 31, 1979	13,671.65
Total net assets	252,783.33

NOTES.—The shares of Thomas L. Green & Company, Inc., and Lugar Stock Farm, Inc., represent minority interests in closely held family businesses. The last transaction in the stock of Thomas L. Green & Company, Inc., occurred in December of 1962 when Thomas R. Lugar and Richard G. Lugar purchased an equal number of shares at the cost presented in this statement. It is probable that the shares have increased in value.

No transactions have occurred in the stock of Lugar Stock Farms, Inc., since its incorporation in December 1959. The cost of the shares was then based on an Internal Revenue Service appraisal when the estate of the late Marvin L. Lugar was settled. The 604.5 acre Lugar farm was valued at $305.00 per acre in November, 1956.●

HMONG REFUGEES IN AMERICA

● Mr. PELL. Mr. President, in spite of the fact that we are a nation of immigrants, the experiences of the new arrivals to our shores have become increasingly foreign to most Americans. The difficulties which our forefathers faced when they reached their new homeland are now only distant memories thought to be of concern only to the family historian.

Our Nation has not, however, ceased to serve as a refuge of hope for the needy and oppressed throughout the world. One such group which I would like to call to the attention of my colleagues and the public is the Hmong people of Laos.

In the course of our unfortunate involvement in Southeast Asia, the Hmong were dedicated supporters of our efforts in Laos, having actively fought the Communist Pathet Lao and North Vietnamese.

For their support, however, the Hmong were to pay a heavy price. When the Pathet Lao moved into the vacuum created by United States withdrawal in 1975, they vowed to put to death all officers of the American-backed Laotian forces. An exodus of Hmong refugees to Thailand soon followed, but was quickly set upon by the Pathet Lao. An estimated 40,000 were killed in the flight to Thailand. The survivors had to contend with the squalid and disease-ridden camps.

Many of these refugees have now been resettled in the United States. My own State of Rhode Island has served as a haven to 2,000 of them, and Providence has become host to one of the largest Hmong communities in the country. Like the Italian and Portuguese communities which preceded them, the Hmong will, I am sure, enrich the cultural and economic life of Rhode Island. With the sizable immigrant population, though, has come a magnification of the problems facing the newcomer to our land.

Mr. President, Thomas S. Mulligan recently wrote an article which very effectively illustrates the difficult adjustments the Hmong have been forced to make since settling in Rhode Island. I submit this article, which appeared in the May 11 Providence Journal, to be printed at this point in the Record.

The article is as follows:

As Strangers in a Strange State, S.E. Asians Struggle With R.I. Life

(By Thomas S. Mulligan)

Providence.—Rhode Island is a world of confusion for some of the state's 2,000 Southeast Asian refugees.

A man in Elmwood is overcome with guilt because his parents are starving in a forest in Laos, eating roots and tree bark, and he can do nothing to save them.

After more than four years in Providence, one woman is still terrified of going outside alone even in broad daylight, not for fear of attack but for fear of being lost in the tumult of the city.

Men accustomed by tradition to providing for their families now sit impotently at home waiting for the children to return from school to serve as interpreters.

The hard life of the immigrant is scarcely a new story to Rhode Island and Southeastern Massachusetts. But the case of the Indochinese is complicated by the fact that they, more than other newcomers, must cope with truly alien surroundings. Highways, hospitals, electrical appliances, even canned food are baffling at first sight, and strange customs can be still more upsetting. Some had never seen a city until they arrived in Providence.

If Southeast Asians in general have trouble adjusting, the change has been doubly difficult for one particular group These are the Hmong (pronounced "mung"), the tribal hill people of Laos. They are best known in America as the tenacious fighters of the Central Intelligence Agency's "secret army," which engaged Communist Vietnamese and Pathet Lao troops in prolonged guerrilla warfare in the 1960s.

The Hmong fled persecution in China a century ago and established farming communities in the mountainous regions of northern Laos and Thailand, where their population is estimated at 250,000. They are divided into about 20 tribes, 12 of which are now represented in Rhode Island's refugee population.

Until the mid-1960s, when Americans codified Hmong grammar rules and produced an approximate Hmong vocabulary using the Roman Alphabet, the languge had never been written. A large number of Hmong are therefore not only illiterate, but ignorant even of the concepts of reading and writing.

Providence, along with St. Paul, Philadelphia and a few other cities, now has one of the largest Hmong refugee communities in the United States. A key factor in the assignment of refugees to new homes is the presence of relatives in the host community, which means that barring a change in U.S. refugee policies, Providence will remain a major resettlement point for the Hmong.

Nearly all of the city's 1,200 to 1,400 Hmong live in Elmwood and South Providence. The choice is not accidental. Cheap housing is available in the area, and the two largest sponsoring agencies for refugees in Rhode Island, the International Institute of Rhode Island and Catholic Social Services, are located side by side on Elmwood Avenue, within walking distance of most Hmong apartments.

The presence of Providence's newest immigrant group is no secret to anyone who shops at the Star Market on Elmwood Avenue. Dozens of Hmong families, as well as ethnic Laotians and Cambodians, are there on Friday and Saturday nights. The supermarket has responded by increasing the variety and quantity of its produce and Oriental food offerings, said manager Stephen Byron.

Outside Providence, most of the sponsors are church groups. Strong church coalitions in South County, East Bay and the Lincoln-Cumberland area have had remarkable success in resettling refugees, especially Vietnames and Cambodians, who, generally, are better prepared for the adjustment to American life than the Hmong.

While the church groups sometimes lack the funds or expertise of the larger agencies, they can field scores of volunteers to share the work and thus can lavish attention on each refugee, said Gerard Noel of Catholic Social Services.

The sponsoring agencies provide the refugees with living quarters and help them to get medical attention, apply for welfare aid, get vocational or English language training and enroll their children in school.

But social service systems are straining to keep pace with the influx of Hmong and other Indochinese, who continue to arrive at an estimated rate of 100 a month. It is estimated that, in addition to the 1,200 to 1,400 Hmong, there are now roughly 300 Cambodians, 300 ethnic Laotians and perhaps 250 Vietnamese in Rhode Island.

The state's Department of Social and Rehabilitative Services reported that as of Feb. 1, there were at least 1,160 Indochinese people in Rhode Island receiving welfare assistance, including medical funds. The money the SRS distributes is 100 percent reimbursable under the federal Indochinese Refugee Assistance Program. Federal money is available to cover such initial resettlement costs as bedding and security deposits on apartments.

The caseload would be burdensome enough without an added complication: There are only a dozen clans here, which means hundreds of people share the same surname, which means headaches for clerks trying to figure out which Yang, Xiong, Khang or Kue is which.

City health clinics have been swamped. Although refugees with active cases of contagious disease are held for treatment before being allowed into their host communities, many of the Indochinese arrive malnourished or afflicted with chronic illness. Each refugee child must have a medical examination before entering school, and the volume of new arrivals has delayed the enrollment of some children for weeks or even months, officials said.

The Hmong communications network has astounded some Westerners. A refugee may arrive in America appearing befuddled by his surroundings but will still be able to rattle off the status of scores of family members, distant relatives and mere acquaintances from Burma to Bangor. In a people so deeply family-oriented, news of relatives satisfies more than just curiosity. It is crucial.

That's why a new arrival is often mobbed at the airport by countrymen. "For 10 persons, he will know seven," one Hmong man generalized.

In most matters, the Hmong are considered extremely deferential toward their hosts. Officials were therefore quite surprised when some new arrivals insisted upon telephone service for their apartments and then proceeded to run up staggering bills dialing friends and family all over the country.

By nearly unanimous consensus, the refugee's most pressing need is for English-language instruction. There, too, the available programs, both public and private, have not kept pace with demand, and long waiting lists are commonplace.

Project Persona, a private, federally-financed language program headquartered at the Providence YMCA, recently opened a new English course specifically for Indochinese refugees. But program director Bill Shuey said that when all 75 spots were filled, "we had to turn away 50."

Some of the newcomer's difficulties might appear comical were they not so dismaying to the refugees. A Vietnamese man living with a Newport couple was so frightened by their shower that he refused to use it until his host actually climbed in with him and demonstrated how it works.

A middle-aged Hmong man who lives in South Providence was given a factory job shortly after arriving in the city. Staff workers for his sponsoring agency taught him how to take the bus to and from work. But one day, he finished late and missed the bus. Weeping in despair, he wandered through downtown Providence for hours until police found him and were able to bring him home.

Doua Yang encounters such problems daily in his role as New England regional mental health coordinator for the Hmong. Doua, who estimates his age at 26 (the Hmong treat such statistics casually), is a former soldier in the CIA-backed army who arrived in Providence four years ago after a year in a Thai refugee camp.

He was trained briefly in auto mechanics at the Opportunities Industrialization Center, but his fluency in English—a desperately scarce commodity—made Doua far more valuable as a counselor.

Because the Hmong are so family-oriented, Doua said, some of their worst problems are guilt feelings that arise from knowing that while they live in relative comfort, other family members may be suffering horribly in Thai refugee camps or, worse, in the jungles on the other side of the Mekong, starving and hunted by the Pathet Lao.

"Culturally I feel that if my mother and father die in very bad situation, I am one who's responsible. My soul is getting bad sin," Doua explained.

He mentioned the case of his own cousin, whose parents have been unable to cross the river and are still living as fugitives in the forest. "Sometimes he spends time at home very depressed and crying unabated."

The Hmong tribal system has been severely shaken by culture shock, but there are signs it is beginning to reassert itself. In Laos, each tribe chose its chief, or headman, on the basis of education, experience and prestige. In America, though, where a headman's illiteracy or inability to speak English may render him ineffectual, the hierarchy sometimes goes haywire.

Sensitive to this point, officials at Project Persona invited all 12 local clan leaders to enroll in a special course offering intensive, six-hour-a-day language instruction plus a $3-per-hour stipend under the federal Comprehensive Employment and Training Act (CETA).

At first, there was pressure to get the Hmong employed in factory jobs and off the welfare rolls as soon as possible, said Noel of Catholic Social Services. However, some of them soon began "feeling the frustration of dead-end jobs," he said, and clan leaders consequently started encouraging their people to learn as much English as possible before taking jobs.

Some officials have taken such resistance as a healthy sign, proof that the Hmong have gained a measure of independence.

The community has done much to heal its own wounds, Doua said. When one person is obviously despondent, his family and friends will "try to be more available for socialization, try to include the other in activity," he said.

Eager to embrace American culture to the fullest, some of the Hmong have converted to

Catholicism or Protestantism. A Hmong couple was married yast year in the Washington Park United Methodist Church, and others are planning to join the congregation soon.

Teaching Christian precepts in a foreign language to a people whose previous exposure to Western religion is almost nil, however, is "like playing music for the cow," Doua laughed, translating a Hmong popular saying. "They don't understand."

Other observers might feel that Doua underestimated his countrymen. Their industriousness and respect for education have won the Hmong universal acclaim in Providence.

"These guys move with incredible speed," marveled an instructor at Project Persona.

James R. Blakely of Cranston, who has befriended and worked with the Hmong since they started arriving in Rhode Island four years ago, said their circumstances have improved manyfold. "In '76 and '77, it was torturous for them. They didn't know which way to go or what to do. But now that they have some roots, it's better."

He said there are plenty of success stories. One of Blakely's friends is a highly skilled and well-paid machinist, and another is a life insurance agent.

Another bright light in the Providence Indochinese community is the establishment of the Southeast Asian Cooperative at 104 Princeton St., the building that formerly housed the International Institute.

Five local women got interested in the intricate embroidery and design work of the Hmong women after seeing their craftwork in an exhibition and sale at Bristol's Haffenreffer Museum last fall.

The cooperative opened last October, and although it is still a fledgling enterprise, it now has 46 Hmong women contributing their work, said Molly Cady, one of the founders. The pieces range in size from four inches to full double-bed size and in cost from $1 to $1,000, she said.

"They are so intelligent, these people, and so flexible," said Nelly Ayvasian, the director of the International Institute. "They want to become Americans as quickly as possible, but they also want Americans to see what a good culture they have."●

THE POST REGISTER IS 100

● Mr. McCLURE. Mr. President, 1980 marks the 100th anniversary of the establishment of the Post Register, a daily independent newspaper serving eastern and central Idaho.

Newspapers have always been important to our Nation to relate daily events to the public; events which help shape our lives. The Post Register has helped fulfill an essential service to rural-minded Idaho, not only by reporting world news, but also by drawing scattered communities closer through the sharing of regional interests.

The paper, now published in Idaho Falls, has met this challenge continuously since July 10, 1880, when it was founded in Blackfoot, Idaho, by Virginia-born civil war veteran Bill Wheeler. Mr. Wheeler, one of the true pioneers of the West, settled in the Idaho Territory in the 1870's. In 1884, 4 years after establishing the paper, he moved it to Eagle Rock, or what is now Idaho Falls. Six years later, Idaho attained her statehood, with 40 newspapers in publication throughout the State. The newspaper, then known as the Idaho Register, faithfully covered events for years. The Post Register of today represents the consolidation in 1931 of the Register, the Idaho Times, and the Idaho Falls Post. The latter two newspapers were begun in 1890 and 1905.

Today, the Post Register proudly boasts of having served eastern Idaho for the last 100 years. The paper has a daily circulation of 27,100 and a Sunday readership of 26,050. The late Mr. E. F. McDermott, editor and publisher of the paper for many years, is remembered by many Idaho Falls area residents for the invaluable service he provided for a rapidly growing community. Mr. J. Robb Brady, the current editor, is also a man known for his civic involvement and leadership.

It is, therefore, with great pleasure that I today commemorate this fine newspaper, and wish the Post Register another 100 years of publication as successful and inspiring as the first.●

CAPITOL HILL: OSTRICH HABITAT

● Mr. ARMSTRONG. Mr. President, the Richmond News Leader says Capitol Hill is the world's most populous ostrich habitat. Before the Senate votes again on the 1981 budget resolution, I hope every Member of the Senate will take a look at this editorial.

The editorial reads as follows:

[From the Richmond News Leader, May 12, 1980]

OSTRICH HABITAT

Where has Congress been for the past few months? Apparently it has buried its collective head. On the international front, a mission to rescue 53 American hostages ends in humiliating failure, and the U.S. remains impotent in the face of Soviet aggression in Afghanistan. Back home, inflation roars along at an 18 percent annual clip, taxes skyrocket, and consumer purchasing power plunges. Yet when it had a chance to do something positive about defense and inflation, Congress balked.

First consider defense. During debate on the fiscal 1981 budget, the House killed an amendment to add $5.1 billion for defense. Proposed by Maryland Republican Marjorie Holt, the amendment also contained a $5.1 billion cut in non-defense spending. Mrs. Holt's cuts threatened no vital programs, for waste in the federal government far exceeds $5 billion a year. While the Holt amendment would have boosted defense spending, it would not have increased total federal spending a single cent.

But it would have injected needed blood into the military. Three-plus years of Jimmy Carter's McGovernite policies have sliced America's once muscular military to the marrow. Soldiers and sailors are underpaid. Deteriorating hardware—e.g., the helicopters that failed in the Iranian desert—is neither repaired nor replaced. Ammunition stores stand perilously low. The Navy has too few ships to counter the growing Soviet fleet; because of shortages of experienced crews, the Navy even has had to keep some ships in port.

According to the Heritage Foundation's *National Security Record,* Congress would have to add $50 billion to the fiscal 1981 defense budget merely to compensate for (1) the ravages of double digit inflation and for (2) the $38.6 billion Mr. Carter already has cut from a 1977 projection of minimum defense needs for the five-year period ending in 1982. Mrs. Holt's $5.1 billion proposal pales next to the Heritage figures, but at least her supporters recognize the dangers of an inadequate defense budget. Evidently the House as a whole does not.

Now consider inflation and taxes. Shortly after the House torpedoed the Holt amendment, the Senate rejected a $30 billion tax cut amendment proposed by Republicans William Armstrong and William Roth. Armstrong-Roth would have cut personal income tax rates during calendar year 1981. Without such a cut, taxes on individuals will continue to climb as inflation pushes wage-earners into higher tax brackets. Armstrong-Roth also would have "indexed" the tax tables to prevent bracket-creep in the future. Finally, it would have provided tax incentives for business expansion. Like the Holt amendment, Armstrong-Roth outlined spending reductions.

Inflation and declining productivity threaten to throw the economy into reverse. Business lacks the capital to modernize and expand. Confiscatory taxation discourages individual incentives. In a telling statement to *The New York Daily News,* a clerk said she and her colleagues resisted overtime because the extra cash they received invariably forced them into the higher tax brackets, thereby negating the rewards for extra effort. Unless Congress cuts taxes on a scale similar to the one in Armstrong-Roth, such disincentives to productivity will continue to plague the U.S. economy—and the U.S. will continue to lose economic ground to low-inflation countries such as Germany and Japan.

By voting against Armstrong-Roth, the Senate disregarded the taxpayer's plight. Jimmy Carter speaks glowingly of balancing the budget. But the Carter fiscal 1981 budget calls for a whopping tax increase. Thanks to inflation and various Carterite gimmicks taxes could jump *$125 billion* during the coming fiscal year. The charge that Mr. Carter seeks to balance the budget on the backs of middle-income taxpayers is not an exaggeration at all.

Regarding defense, taxes, and inflation, Congress is conducting business as usual. Given its refusal to halt the deterioration of America's military and its inability or unwillingness to tackle inflation, Capitol Hill surely ranks as the world's most populous ostrich habitat.●

ADDRESS BY SENATOR KENNEDY ON TAIWAN-AMERICAN RELATIONS

● Mr. RIBICOFF. Mr. President, the Senator from Massachusetts (Mr. KENNEDY) has recently offered some perceptive and constructive thoughts regarding recent events in Asia and especially issues of concern to Taiwanese Americans.

Taiwan has special concerns as a friend of the United States, and we must pay attention to them as we proceed to strengthen our ties with China and with other Asian nations. Senator KENNEDY has examined the issues of dissident trials and political prisoners, the need for elections and an end to martial law, and the necessity of guaranteeing the freedom of each citizen. He further discusses the issue of immigration, a subject to which he has contributed so much in recent years.

Mr. President, I commend to my colleagues this speech by Senator KENNEDY, delivered in Los Angeles on May 24, 1980, and ask that it be printed in the RECORD.

The speech follows:

STATEMENT OF SENATOR KENNEDY

I am pleased to be here with this distinguished group of Taiwanese-Americans.

You represent the best in the American dream. Many of you came to these shores in search of freedom and individual rights. You have found those rights in this land, and by your efforts you have enriched the heritage of America.

As doctors and lawyers, as scientists and educators, as business men and women, you believe in challenge and opportunity, in change and in the great principle of democracy. More than most, you understand that liberty and human rights are essential elements of our nation's domestic and foreign policy. You also know that it is only when these elements are truly reflected in America's economic and military power that we can attain our goals at home and in the larger world.

The plight of our hostages in Iran, Soviet aggression against Afghanistan, and the crisis of the Cuban refugees are of deep concern to all of us as we work to develop an American foreign policy capable of meeting the challenges of the modern era. But we cannot permit our concern over these events to blind us to other developments that demand our attention if we are to pursue a sensible policy toward Asia.

Recently, we have witnessed a new crackdown on dissidents in Taiwan, the fall of the Ohira government in Japan, the successful launching of an intercontinental ballistic missile by China, suddenly worsening repression in South Korea, ongoing repression in the Philippines and East Timor, and continuing military confrontation, food shortage, and refugee crisis in Indochina. Developments such as these are reminders that major interests of the United States are at stake in many different parts of that important continent.

In calling attention to these challenges, I put particular emphasis on the protection of fundamental human rights and political freedom. America's policy of respect for human rights is based on practical considerations as well as deep commitment to ideals. We must take individual liberty and the rule of law into account with all governments—whether allies or adversaries. In the hot pursuit of commercial profits and military installations, we cannot afford to ignore chilling practices that promote repression and contempt for human freedom. To do so, as we learned in Iran, is to build our alliances—and indeed our own security—on the quicksand of future instability and conflagration.

I share with all of you a special concern for the people of Taiwan. We know that public support has been growing for greater progress toward democracy and human rights. But that hopeful trend toward liberalization was cut short by the Kaohsiung incident last December 10th. The subsequent repressive crackdown by the government against the opposition is a serious setback to the hopes of the people of Taiwan—hopes that we in this country also share—for political freedom on the island.

It is true that the open conduct of the dissident trials was an encouraging sign. But the harsh sentences handed down proved the promise to be false. The lesson of these events is clear. Discontent in Taiwan will not disappear, until all citizens of the island are assured full protection of their basic human rights and a fair voice in their government.

Our democratic ideals and our security interests make it essential for the United States to use its influence in Taiwan to seek improvements in human rights. Indeed, our obligations under the Taiwan Relations Act require us to help preserve and enhance "the human rights of all the people in Taiwan."

Therefore, I call upon the authorities in Taiwan to release all political prisoners convicted in the Kaohsiung incident or arrested subsequently. I join with church leaders in this country and around the world in calling for the release of the courageous Presbyterian leader, Reverend C. M. Kao. I also urge that the sentences of political prisoners detained prior to December 10th be reviewed and reduced.

In addition, I call for free and fair elections and end to martial law, which has lasted more than 30 years in Taiwan.

Finally, I call for all citizens of Taiwan to be represented fully and fairly in the central government, including legislative bodies. The freedom of each citizen should be guaranteed. No political change should take place without the participation and consent of a majority of the people.

On the issue of immigration, I pledge my continuing support for long-overdue reforms. I am proud of my role as the manager of the 1965 revisions, which repealed the discriminatory "national origins quota" system and the Asia-Pacific Triangle restrictions. I know the special importance you give to family reunification. We cannot rest on the laurels of 1965. It is time now for another major step.

To lay the basis for such reforms, I worked in the Senate to establish the Select Commission on Immigration and Refugee Policy. The new Commission has a firm mandate to overhaul every aspect of our immigration and refugee laws. Their report must be issued by March of 1981. As a member of the Commission, I am convinced that it will meet its mandate and generate the sweeping reforms needed to bring our immigration laws into the modern world.

High on the agenda of the Commission is revision of the current preference system and numerical ceilings—on both a worldwide and country basis. In particular, we must correct the imbalance that distorts present immigration policies toward Mainland China, Taiwan, and Hong Kong. It is unfair and unjust that Taiwan is asked to share a limited numerical ceiling with all of Mainland China. Instead we must construct fairer ceilings that truly embrace the twin goals of family reunion and equity in the treatment of immigrants from foreign nations.

In this way we can guarantee at last that our nation's immigration laws will reflect the best in our nation's immigrant heritage, and that the example of America will continue to shine in future years as the beacon of hope and opportunity it has always been to all peoples in all lands.●

THE ENERGY DILEMMA

● Mr. JOHNSTON. Mr. President, recently Stuart Eizenstat, Assistant to the President for Domestic Affairs and Policy, made a speech on the problem of energy. This speech is one of the most comprehensive documents that I have ever seen on detailing the dimensions of the energy dilemma facing this country and of the steps the Congress and his administration have taken to address the problem.

I commend the careful reading of this speech to each of my colleagues. Mr. Eizenstat in my view is one of the most gifted persons ever to serve in this profoundly important position. The President and the country are lucky to have him on duty.

Mr. President, I ask that his remarks be included in the Record at this point.

The remarks follow:

Remarks by Stuart E. Eizenstat

THE PROBLEM OF ENERGY

Energy will be the predominant domestic issue of the 1980's. Our success in dealing with the energy crisis will test our fiber as people, will determine our ability to maintain an independent foreign policy, and will be a critical measure of our success or failure in dealing with inflation, growth and unemployment in America in the decade ahead.

For two hundred years our country was blessed with cheap and abundant energy. Early in our nation's history we relied on wood for more than 90 percent of our energy. Then, we tapped our large coal and iron resources which made our industrialization possible. For over one hundred years coal was our main energy source. During this century, however, our use of oil and natural gas began to grow. These fuels were cheaper and more convenient than coal and given their central role of our transportation system have made possible modern life as we now know it. Our crude oil era began in earnest around the first decade of the Twentieth Century, with the advent of the motor car. It is critical to recognize that we are entering the twilight of the crude oil era. Since 1970, the world is using more crude oil than it has discovered; production for current use exceeds discoveries for future use on a worldwide basis. In the United States, crude oil which now makes up almost half of the energy we use, will decline to roughly one-third of the total by the end of the century.

Prior to 1973, America's producers effectively set the price of crude oil worldwide. Import quotas were imposed in the late 1950's to limit competition from cheap foreign oil. Within our lifetime the United States was a net energy exporter—sending more energy abroad than we imported.

We built our entire culture and economic system around cheap and abundant energy. The suburbanization of America in the post-World War II years reflected this. It is not simply a coincidence that the beginning of the massive interstate highway program, which helped make suburbanization possible, occurred during the same Presidency—Eisenhower—as did import quotas to reduce the depressing impact of cheap foreign oil. Over the last thirty years we have fundamentally changed our lifestyle so that dependence on energy efficient automobiles became no longer a luxury but an ordinary practice.

No longer was it possible for many people to walk to the corner grocery to shop or to take a bus to work. Sprawl became a fact of American life and the commuter a standard word in the language. So, too, industry moved away from coal and since oil was cheaper, it was increasingly used under industrial and utility boilers for the generation of power and electricity. One of the reasons the energy issue will be such a stark challenge is precisely because we changed our lifestyles in a fundamental way before the recognition of an energy crisis struck us.

As late as 1970, we spent only $3 billion for all the energy we imported.

The decade of the 1970's changed this forever. We are the transition generation from a 200-year-era of energy abundance at bargain basement prices, relying almost solely on our domestic resources, to an era of energy supply crises at exceedingly high prices, relying (until President Carter took office) increasingly on uncertain foreign supplies.

Although OPEC was formed in 1960, it was only in the 1970's that it became effective in setting prices. As American crude oil production was peaking, the concerted action taken by OPEC to embargo its oil during the 1973 Arab-Israeli War and its ability to quadruple prices almost overnight, dramatically changed the energy world. Yet as a nation we only briefly took to heart the lessons OPEC tried to teach us in 1973-1974. We lulled ourselves into a false sense that the run-up in prices was only a one-time aberration. Congress did take some action—such as the Emergency Petroleum Allocation Act in 1974 and the Energy Policy and Conservation Act of 1975—but the nation did not really come to grips with the full gravity of the problem. While the price was high a country could purchase all the energy it desired.

Crude oil prices remained constant or declined in real terms from 1973 through 1978. And so, rather than use the shock of the 1973 embargo as an occasion to reduce our dependency on uncertain foreign oil, we permitted our dependency to grow. We imported one-third of our crude oil needs in 1973, but almost fifty percent four years later. This profoundly impacts on our national security due to the instability in the oil-producing region of the Persian Gulf. Only President Carter's energy policy began to arrest this dangerous increase.

The Iranian revolution in late 1978 and early 1979 profoundly changed the energy world. If the embargo of 1973 demonstrated to OPEC its ability to keep prices high, the willingness of consuming nations to purchase oil in a mad scramble at any price when Iranian production was shut down demonstrated to producing nations that revenues could be maintained even while reducing production. They found they could earn as much with less output as they had previously with more, by keeping the market tight. The energy lesson of the Iranian revolution for both producing and consuming nations was that less oil could mean more OPEC revenues. The Western world's actions were as much responsible for the results as were OPEC's. These changes concided with other events to present even greater energy problems for the United States in the 1980's.

First, domestic crude oil production for the lower 48 states in this country peaked in 1970 and declined steadily since then.

Second, multinational oil companies which had controlled most foreign production, and had an incentive to maximize production, gradually lost much of their control, through nationalization by foreign countries, by production limits set by producing nations, and by increasing sales of oil directly by producing governments.

In 1973, of the 30.3 million barrels of oil per day traded internationally, oil companies controlled through "preference crude oil" 27.9 million barrels or 92 percent. By the first quarter of 1979, company "preference crude oil" dropped to only 17.5 million barrels per day out of 30.3 million or 58 percent, with 44 percent sold by direct government sales—much of it at premiums. This may lead to non-commercial elements being added to more and more of the world's oil trade.

Third, the spot market expanded dramatically, decreasing the volume in oil sold through long-term contracts at stable prices. Extraordinarily high prices for oil prevailed and the prices countries were willing to pay for oil skyrocketed so high that it served to justify increasing prices in the base price for long-term contracts. The OPEC price became only the floor for leapfrogging price increases. The Western world was in a position where it had to pay.

Fourth, the moderate and friendly OPEC countries with a stake in world economic stability and growth, such as Saudi Arabia, UAE and others, while continuing to help by keeping production high, lost their ability to control events as completely as in the past when, after Iran, they lost their position as the marginal suppliers of oil.

In 1973 we imported a third of the crude oil we use in our economy—when the President took office in 1977 that figure had grown to 46 percent. Our bill in 1979 for foreign oil was over $60 billion. These are dollars from American consumers which should be invested at home to generate growth, additional productive capacity and jobs—which instead flow abroad, ballooning into a deficit what would otherwise be a balance of payments surplus, creating an excess of dollars in the world market, putting continuing pressure on our dollar. We continue to export jobs and investment and import inflation as our foreign oil bill grows.

The amount which we pay to OPEC producers acts in the same way as a giant tax on the American consumer of energy. In 1980, because of the enormous price increases in 1979, the size of that tax will likely be over $85 billion—despite the successes of the President in reducing the quantity of foreign oil we import.

The estimates of the economic impact of these price increases are staggering. From early 1979 to early 1980, world crude oil prices increased by over 120 percent. In 1979, increasing energy prices added an estimated 2½ percent directly to inflation, depressed our rate of growth by 1½ percent, and swelled unemployment by about a quarter of a million. Even assuming no further price increases, in 1980, energy prices are estimated to add 3 percent directly to our overall rate of inflation, reduce our rate of growth by about 2 percent, and add up to 1.3 million to unemployment.

We must face the fact that while decontrol of crude oil, courageously begun by President Carter, will have a significant impact on increasing domestic crude oil production—by roughly 1 million barrels per day by 1985—and hopefully will arrest the decline in production we have seen, the 1980's at best will see domestic production remaining constant at roughly today's levels with the risks all on the downside.

Crude oil dependency is not our only energy problem. A major study which President Carter directed us to undertake on non-fuels minerals, shows that we are increasingly dependent on foreign suppliers for much of our hard metals—such as cobalt from Zambia and Zaire; chromium from South Africa, Rhodesia, and the USSR; manganese from Gabon and South Africa; and platinum from South Africa and the USSR.

The 1970's made us begin to recognize that we may not be able to achieve simultaneously both our maximum energy production and our maximum environmental goals.

It is ironic that the full recognition of the severity of our energy problem came just as we were beginning to enjoy the fruits of the impressive environmental gains made during the 1970's.

The last ten years were truly this nation's Environmental Decade. We realized we were not independent from the environment and the delicate ecological balance that supports our life and the life of everything on our small planet. We began to come to terms with the actions a modern industrial culture can have on the air we breathe, the water we drink, the lakes and rivers we look to for enjoyment and nourishment, the farmland we depend on for our sustenance, the wildlife and scenic resources which were being reduced or destroyed. Earth Day 1970 was the historic awakening to the need for preserving and enhancing the quality of our environment.

An explosion of necessary legislation followed to reverse generations of neglect—the Natural Environmental Policy Act, the Clean Air Act, the Clean Water Act, the Endangered Species Act, numerous national park and wilderness acts, the Resource Conservation and Recovery Act and many others. The intelligent stewardship of the environment became a major responsibility of all levels of government. Spending on the environment began in earnest, rather than deferring to future generations the costs of environmental degradation.

President Carter has built on this record with passage of the Strip-mining Act, strengthening of the Clean Air and Clean Water bills, major expansions of our wilderness and park land, including his historic action to declare 56 million acres in Alaska protected as national monuments, and a sound water resource policy.

But like all gains, these advances during the 1970's did not come without cost. Additional regulations and restrictions imposed significant costs on the economy and certain constraints on our production of energy.

The 1980's pose the challenge President Carter has recognized of balancing the challenge of reducing inflation and the burden of regulation, together with increasing production of our fossil fuels, on the one hand, with continued protection of the environment on the other.

We cannot return to the days when the environmental impact of our actions were ignored, but neither can we ignore the tough compromises and tradeoffs which will need to be made in this new decade to meet these sometimes contradictory challenges.

Our challenge in energy in the 1980's is to move through the transition era from cheap and abundant to expensive and scarce energy sources as quickly as possible and with minimum dislocations to our domestic economy and to our hard fought environmental gains, to the time when we achieve energy security toward the beginning of the next decade.

The President's energy policy for the 1980's will help minimize these dislocations, will reduce our dependency on foreign sources of energy, and will achieve energy security for America by the beginning of the 1990's.

ENERGY SOLUTIONS

Energy is such a difficult issue for America to deal with and on which to form a national consensus for two reasons. First, unique in the free world, the United States is at the same time one of the world's largest energy producers, and the largest energy consumer. Our nation is divided into producing and consuming regions, each with their own distinct economic interests, frequently competing. Energy proposals affect each region differently. Their representatives in the Congress often cancel each other out in number and influence. Second, we have lived so long as a nation with cheap and abundant energy produced largely from domestic sources that we have had difficulty adjusting to a new era of expensive and scarce energy, much of it produced abroad.

We can solve our energy dependency during the 1980's as President Carter clearly pointed out in a prophetic policy speech to the nation in April, 1977. Actions taken by the President and the Congress since that time will themselves save 2.5 million barrels of imported oil per day by the end of this decade. The Presidential initiatives include the Natural Gas Policy Act, which provides legislative certainty for natural gas pricing, leading to deregulation in 1985; the Fuel Use Act, which begins the process of converting utilities to burning American coal rather than foreign oil; the Energy Tax Act, which penalizes gas-guzzling automobiles, and provides new tax incentives for conservation and use of solar energy; the Public Utilities Regulatory Policy Act, which provides for procedures which can fundamentally reform utility rate-making, to encourage time-of-day and life-line rates and sound conservation practices; and the Natural Energy Conservation Policy Act, which represents one of the nation's most ambitious efforts at conservation. To this President Carter has added the phased decontrol of domestic crude oil, and a major solar program, which establishes a goal of 20 percent of our energy coming from solar sources by the year 2000, and backed that goal up with substantially expanded funding and a solar bank proposal.

The President has recognized that rising energy costs hurt low income Americans the most. The new low income energy assistance program recently signed into law by the President will help needy Americans bear the burdens of energy costs. The Weatherization Assistance Program, launched in 1976 and operated since 1977 by the Department of Energy, helps low income people weatherize their homes and save energy. Since 1977, almost 300,000 homes have been weatherized. Because of labor shortages, the program has had severe operational problems. Since last fall, the Administration has taken positive steps to improve this program, and significant progress has been made. Last year, 144,000 low income homes were weatherized under the program—50% more than the two previous years combined. An additional 310,000 homes will be weatherized this year.

The President worked with Congress to set a legislated schedule to decontrol new natural gas, which provides strong incentives for its production and a national market for the product to reform utility rate-making; to provide tax incentives for conservation; and to establish procedures for converting coal capable utility plants from oil to coal-burning. These steps, together with the President's solar initiative in 1979 and his decision to decontrol crude oil, provide a foundation for a sound energy policy for the 1980's. This year, we estimate we will import only 7.6 million barrels of oil per day, compared to 8.5 million in 1977, President Carter's first year in office.

The fundamental requirement for a sound energy policy is to recognize the energy world as it is now and not as it was—to deal with realities and not with wishes. President Carter has tirelessly alerted the public to the new realities of energy which we face.

Thus, the first critical element to a sound energy policy is our willingness to have a rational pricing policy based on world prices. I believe majorities in both Houses of Congress recognize this. We cannot continue to hide behind the artificial and ineffective shield of crude oil controls. Whatever temporary sense of protection they seem to afford, maintenance of crude oil controls throughout the 1980's would be disastrous. It would continue to signal to the world that we will continue consciously to subsidize the importation of foreign oil through the entitlement system, which is an essential ingredient in the control scheme to equalize prices paid by refiners who use more expensive foreign oil and those who use cheaper domestic oil. Controls deter domestic production and signal a willingness to pay producers more for oil produced abroad than we pay those producing it within our country. Controls perpetuate a large bureaucracy required to manage a complex set of regulations. Controls are a direct disincentive to conservation, since they price energy below its true value.

We cannot seriously urge conservation on the American people as a central tenet of our energy policy while desiring to cling to a system which subsidizes consumption by pricing energy at unrealistic levels. A continuation of controls on crude oil significantly deters the development of alternatives to this dwindling resource—which are not as attractive and competitive when compared to artificially depressed prices for crude oil. Yet it is just the development of these alternatives which must be expedited. Controls signal to our own Allies (who live in a world price environment) and to OPEC our inability to come to grips with our energy problem. Their maintenance throughout the 80's would have a devastating impact on the dollar.

The President has begun the process which will reach fruition in the 1980's of ending the controls on both natural gas and crude oil. The former is on a legislated path to deregulation by 1985 and the latter will be decontrolled in October 1981, as mandated by law.

Having come this far under President Carter, it would be disastrous to attempt to turn the clock back.

The gradual but certain direction of decontrol in which the President has sent the country will provide additional incentives for production and conservation, with less bureaucracy and only minimal additional inflation. It will strengthen our economy by requiring it to conform to the real world. Decontrol provides certain windfall profits to oil producers, who get the world price for the oil they are now producing at controlled prices due to the government's action in removing controls. The President's windfall profits tax, now enacted into law, captures a portion of these windfall revenues for public purposes to which the oil companies would not put them, without significantly deterring crude oil production. The windfall tax is the link between the nation's energy past, present and future. It permits decontrol to proceed with as much equity as possible, while providing the revenues to help buffer low income Americans against rising energy prices, increase our commitment to mass transportation, and develop the alternative sources of energy and conservation which the nation needs to move into a new energy era.

A second ingredient to a sound energy policy for the 1980's is a commitment to increase production of all sources. Decontrol of crude oil will add 1 million barrels of additional domestic production by 1985 above what would be produced with continuation of controls. Yet even with this, many experts believe we would be doing well if we could keep domestic crude oil production constant over the next decade. One of the brightest hopes is in the outer continental shelf off Alaska. So too natural gas production will increase due to the certainty of its price path. Moreover, unconventional natural gas offers reason for optimism—the deregulated environment and tax credit for it proposed by the President will stimulate production of up to 1 million barrels per day oil equivalency.

But there is no one panacea to our energy production dilemma. We cannot ignore any of our resources—all will be necessary and all must be pushed. By decontrolling heavy oil last August we will increase production in 1990 by an estimated 500,000 barrels per day. To assure that incentives exist to produce all forms of energy, it is important that the major oil companies not dominate the production of other forms of energy. Passage of the President's oil company conglomerate merger legislation is an important part of insuring diversification in the production of coal, solar and synthetic energy.

We must also encourage more production by non-OPEC countries both through bilateral efforts and those of multilateral institutions like the World Bank.

We must rapidly increase coal production for direct use. We have a 200-year supply of coal at current rates and consumption and it should be the short- and primary medium-term response to our energy problems. It must be our centerpiece for conventional production.

On the supply side of coal, now that the stripmining regulations are in place, we have a stable regulatory environment for coal. I believe coal can be cleanly burned in massive quantities without the need for basic surgery in the Clean Air Act. Under Doug Costle, the EPA has made significant strides to make the energy-environment trade-off we will increasingly face in the 1980's with the least pain to each consideration. The new source performance standards issued by EPA last year are an excellent example of sensible regulation regarding coal-fired plants. EPA has granted 95 applications since 1977 to permit construction of new coal-fired plants, denied only 2, which have since been re-submitted and approved. Under existing statutory authority, 20 oil-fired plants have already or will soon be converting to coal. The Department of Energy (or its predecessor agency) has issued conversion orders to an additional 59 plants, and DOE expects to issue another 30 such orders in 1980. The Department has identified a total of 107 plants capable of converting to coal which have not yet done so.

We must create additional demand for coal in the 1980's and develop adequate means to ship it. Coal capacity now (850 million tons) outstrips demand (740 million tons).

We have forwarded to Congress the Utility Oil Reduction bill of 1980, which will shift utilities from oil to coal, saving up to 1 million barrels of imported oil per day. Coal exports will also grow to Europe, Latin America and Asia, thereby further stimulating demand.

With this legislation passed, we anticipate coal production increasing substantially during the decade of the 80's.

For all our conventional sources of energy we must continue to accelerate the development on Federal lands—where consistent with other interests—of coal and oil exploration and development—and build on the reforms in the leasing program for the Outer Continental Shelf to optimize bidding by small firms.

In our production arsenal, this country cannot afford to ignore any means at its disposal to reduce dependence on foreign oil—including nuclear energy.

The President's Commission on the Three Mile Island accident strongly indicted both the nuclear industry and the Nuclear Regulatory Commission for the deficiencies in their attitudes toward the design, construction, and operation of nuclear power plants and the consequent lack of concern for safety. The President endorsed virtually every recommendation of the Commission and has introduced several of his own to make nuclear energy safer. These measures must be expeditiously implemented. New plants should generally be located in sparsely populated areas, should have more standardized equipment and stronger safety controls. Most importantly, technically qualified individuals must be responsible and involved in all aspects of nuclear power. More efficient licensing procedures are essential.

Concerning the breeder and thermal recycle, all our analysis indicates that at least for the U.S., which is blessed with abundant uranium ore reserves, an economic case for breeder commercialization cannot be made until at least the second decade of the 21st century. Particularly given our concern about limiting the supply and dispersion of weapons-grade plutonium, we should not move in this direction now. Nevertheless we must continue to pursue breeder research and development to assure the option for commercialization and deployment, if and when it is needed.

The past few years have resulted in welcome scientific progress in the development of fusion energy. During the decade of the 80's we should continue to develop the scientific and engineering basis of this technology that promises to provide power without all the environmental problems associated with the breeder. If the technically demanding program for fusion development is successful the world will have a critical energy option available in the next century.

For too many years the nation has avoided confronting the problem of dealing with the existing nuclear wastes, e.g., defense, remedial work at mining sites, disposal of the spent fuel that will be generated by nuclear power reactors. We must spend the next decade in an intensive effort to deal with the problem of nuclear waste disposal. The President has recently proposed a comprehensive program which in the short term will encourage utilities to store their own wastes at reactor sites, and where they cannot, will provide away-from-reactor storage by the Federal government; and for the long run will lead to permanent disposal in deep-mined repositories—the first one of which we hope to have available by the early 1990's.

The 1980's will be the decade when renewable sources of energy become a significant factor in energy production—as they were during our nation's past. We will build on the President's already vastly expanded solar research and development program, in which spending has tripled and a new solar bank has been proposed and is near passage. Solar hot water heating is already competitive in many areas. We continue to strive to reach a goal of providing 20 percent of our nation's energy from the diverse forms of solar and renewable resources by 2000. But this goal is ambitious and will require progress in many areas, such as photovoltaics.

Gasohol will be an increasing contributor to our energy production during this decade. Eighteen months ago virtually none was produced; now we have the capacity to produce 80 million gallons of ethanol. That capacity will be quadrupled by the end of this year and by 1981, production capacity should reach 500 million gallons—using 5 million tons of biomass products, much of it corn. By the mid-1980's ethanol production capacity could reach 1.8 billion gallons, without a negative impact on food production or food prices.

As a result of the President's Energy Security Corporation initiative and likely Congressional action, we will make the 1980's a decade when we finally develop synthetic fuels on a significant scale—by 1 million to 2 million barrels per day by 1990.

The technology for some of the synthetic processes—particularly the coal-based technologies—have existed since World War II when Germany ran much of its Air Force on liquefied coal. Shale and coal-based gases and liquids will form the bulk of our synthetic production. We have more oil in the shale of several Western States than two Saudi Arabias.

We are asking the Congress for $20 billion of budget authority to provide incentives to the private sector to develop synthetic energy. Tax credits, loan and price guarantees, take-and-pay federal purchase contracts will all be used, under the guidance of a Congressionally-chartered Energy Security Corporation—if the President's legislation is passed—in an exciting, high-technology adventure to energy security. The Administration's approach to synthetic fuels will proceed in two phases. In the first phase we will build a capacity of approximately 500.000 barrels per day. A number of technologies will be demonstrated at 10 to 12 plants. Based on this experience we must proceed to expand a second phase of 1.5 million barrels per day capacity. I believe this can be an enterprise as rewarding in its manifold offshots as the effort to send a man to the moon.

Thus, in summary, on the production side, in the short run over the next decade, we must maximize production of our conventional sources of energy—oil, coal, natural gas, uranium—and build the capacity for substantial amounts of renewable sources of energy and synthetic fuels—recognizing they will become significant factors only toward the latter part of the decade. But when these measures are implemented we must continue to license and build nuclear plants. Each time a 1.000 megawatt nuclear plant is shut down, we must import 50,000 barrels of oil per day to generate the same amount of electricity. Nuclear plants now supply more than 50 percent of the electricity in some areas and 12 percent of our nation's total electricity. By 1990, our use of nuclear energy would triple. During this next ten years we will gradually but clearly reduce our dependence on foreign oil, with a goal of importing no more than 4½ to 5 million barrels per day by 1990.

In the intermediate range, between 1985 and 2000, as our conventional crude oil supplies rapidly decline, renewables and synthetics will start to take over along with coal.

In the long range, renewables, synthetics, coal and nuclear fusion—all of which will be produced here in the United States—will supply the bulk of our energy needs. Closer cooperation on all of these production strategies with our allies would be productive.

The third facet to America's energy policy for the 80's must be based on conservation. It is the quickest, cheapest, and most cost effective form of energy production.

It must help us get over the hump in the next decade as we pass through this difficult new era we have entered.

Energy efficiency is a clear prerequisite for a sound energy policy if we are to meet our goals for economic growth and, simultaneously reduce our dependence on imported oil, we must make sure that we avoid wasting energy. It is impossible to make this case too strongly. We must make conservation a part of our daily lives.

Conservation need not mean a radical change in America's lifestyle. It does not signify freezing in a dark room. It can be both an exciting enterprise for the nation and a profitable one personally.

True conservation cannot come solely from massive governmental subsidies—as important as they are. It can only come when consumers of energy recognize that they can save money through better conservation practices. All of the subsidies in the world, in an environment of continued controls throughout the 1980's, would miss the conservation mark.

We often fail to recognize the progress which has been made. Since 1973, industrial output has increased by 12 percent but industrial use of energy decreased 6 percent. Where ten years ago it took a 1 percent increase in energy consumption to raise the G.N.P. by 1 percent, today the ratio is half that—because industry recognized that conservation was necessary to maintain profit margins in the face of rising energy costs. But a substantial amount of energy fat remains in our economy. We can save well over 500,000 barrels per day in residential conservation alone over the next decade. We are encouraging the Congress to pass a new $6 billion program to provide consumers with low interest loans to weatherize their homes and introduce other conservation measures, in order to help bring about energy reductions in this sector.

The President's energy policies already offer incentives for conservation at every level—for state utility commissions by encouragement for rates based on use and time of day; for consumers and industry by tax credits and loan subsidies for insulation and installation of energy saving devices; and by tax penalties like the gas guzzler tax. The windfall profits tax bill contained significant additional tax credits for business and consumers to conserve. After many fits and starts, the home weatherization program is beginning to get off the ground and must be improved and strengthened. States are being provided funds to do energy conservation planning. The first major wave of grants has been made to hospitals and public buildings to encourage energy conservation.

We must build on the President's strong commitment to mass transportation, which will be reinforced by an infusion of an additional $13 billion in the next decade from the windfall tax—to give people an alternative to the automobile. This commitment means improved and expanded fixed rail systems, thousands of new energy efficient buses for small and medium size towns and counties as well as for large cities, and van pooling.

So too, every President needs to have the authority to impose rationing in the event of a severe energy supply interruption.

We will urge the Congress to approve the standby rationing plan which the President will shortly send to the Congress, so that it can be implemented if a supply interruption or severe shortage arises in the years ahead—as may well occur.

But rationing is not a good device to use as a permanent or semi-permanent conservation tool. Its express purpose is to be used in a time of supply interruptions or emergencies, not as a matter of course.

Rationing requires an army of federal, state and local employees to manage—from 35,000 to 50,000 if it is to operate over any period of time. It leads to considerable inequities among rural and urban states and within States, among people who make vastly different uses of their automobiles. It leads to widespread exemptions and efforts at avoidance. The white market sale of coupons which accompanies rationing is itself inflationary, as those who need greater allotments bid up the price of the coupons.

In 1979, gasoline consumption was more than 5 percent less than in 1978 and gasoline conservation continued even after the long lines, which limited availability, disappeared.

To further encourage conservation, the President recently imposed an energy conservation fee on imported oil, to be used against gasoline only. This will save an additional 100,000 barrels per day of imported oil by the end of 1980 and 250,000 barrels per day within three years. He is asking Congress to replace the fee with an ad valorem tax.

With this action, the President also announced a gasoline consumption goal of 7 million barrels per day for 1980—400 million barrels less than the U.S. consumed in 1979.

The President has laid down a clear benchmark. Through the use of his authority to set import ceilings he has stated that the nation should never import more foreign oil than it did in 1977—8.5 million barrels per day. In 1980 we will be importing a million barrels less per day.

We must also strengthen our Strategic Petroleum Reserve which has been beset with technical problems and a tight world oil market. Increasing the storage of oil in the reserve must remain a high priority of energy policy in the 1980's.

We are seeking major agreements with our Allies within the International Energy Agency to adjust our imports to anticipated world production on a regular basis, with an equitable sharing of any shortfall. It is imperative that the Western world recognize the seriousness of the situation facing it. No country can permanently avoid the negative effects of a lack of cooperation. None of the industrialized world can afford the mad scramble for energy which contributed to over a 100 percent increase in crude oil prices in 1979. The major Western nations have agreed to specific oil import goals. Mechanisms should be developed to effectively monitor progress in meeting these goals, while recognizing the importance of long-term market forces. This must be reinforced with a broader dialogue to include many of the oil producers in the world.

We must be prepared to enter a cooperative dialogue with those OPEC producers interested in achieving a more certain and established world oil market. This must ultimately include the non-producing developing countries who are laboring under an enormous debt load simply to pay their oil bills. This is a dialogue from which all parties can benefit. A stable, predictable oil market is in everyone's interest. Producing nations want an assured return for producing a dwindling resource, and many want the technology which will prepare their economies for the post-oil era, when their natural resource will be depleted. Developing countries need stability together with some relief from the crushing burden of their oil payments. Consuming nations want stability and predictability in world oil production and prices. Each set of nations has something it needs and that it can benefit from, while each set has something to provide. Such a dialogue could lead to mutually beneficial results in which the world gains. A stable, predictable oil environment is in the best interest of producing and consuming nations.

I believe there is good reason for hope that U.S. oil demand has peaked and will decline steadily during the 1980's. Energy experts are already pleasantly surprised by United States demand reductions. By 1990 the nation's reliance on petroleum for its energy sources could decline from 48 percent today to the low 40's, despite the fact our energy demand will increase markedly. Our level of imports should decline from 8.5 million barrels per day in 1977 to 4.5 to 5 million barrels per day in 1990—with the great bulk of the decline occurring in the second half of the decade.

The basic foundation now exists for a sound energy policy in the 1980's—realistic pricing, incentives to maximize production of all types of energy, conventional, renewable and synthetic, and conservation have been put in place in the last three years.

We can, we must and we will become energy secure by the end of this decade.●

U.S.S. "EISENHOWER"

● Mr. HARRY F. BYRD, JR. Mr. President, on May 15, I put in the CONGRESSIONAL RECORD personnel figures provided to me by the Department of the Navy for the nuclear aircraft carrier *Eisenhower* which departed Norfolk, Va., on April 15 for the Indian Ocean.

The numbers originally provided to me by the Navy showed a shortage of 1,074 personnel in the ship's company and air wing. A chart breaking down the reported shortage was printed in the RECORD of May 15, on page 11360.

On May 19, representatives of the Department of the Navy met with me to explain that the figures originally provided by the Navy were incorrect. They advised that the actual shortage on the *Eisenhower* when the vessel left Norfolk was 735 personnel rather than 1,074.

For the purpose of correcting the RECORD, I ask that a table containing corrected *Eisenhower* manning data be printed in the RECORD.

The table follows:

U.S.S. "EISENHOWER"

SHIP'S COMPANY	
Authorized billets	3,145
Actually assigned	2,827
Less unanticipated absences	138
On board ship	2,689
Total deficit	456
AIR WING	
Authorized billets	2,489
Actually assigned	2,228
Less unanticipated absences	18
On board ship	2,210
Total deficit	279
Total unfilled at sea billets	735●

STATEMENT BY SENATOR KENNEDY ON VISIT OF PRIME MINISTER OHIRA TO THE UNITED STATES

● Mr. RIBICOFF. Mr. President, in the absence of my friend the senior Senator from Massachusetts (Mr. KENNEDY), I ask that a statement he would have made before the Senate if present be printed in the RECORD.

The statement follows:

STATEMENT BY SENATOR KENNEDY ON VISIT OF PRIME MINISTER OHIRA TO THE UNITED STATES

As we await the outcome of next month's general elections in Japan, I want to take this opportunity to reflect upon the state of U.S.-Japanese relations in light of the recent visit of Prime Minister Ohira to the United States. Over the last 35 years, America's relations with Japan have been the cornerstone of peace and stability in the entire Western Pacific. Japan is one of our staunchest allies; it is also our leading trade partner outside North America. The U.S.-Japanese relationship remains of crucial importance to both countries, and the Prime Minister's visit therefore was of special significance to the future of our relations.

During his visit, Prime Minister Ohira expressed his country's views on a broad array of issues of mutual concern, making clear the underlying strength and vitality of the U.S.-Japan relationship. At a White House ceremony on May 1, the Prime Minister stated:

"Never before has such a close and strong bond existed between two countries with differences in culture, history, and language as between us. . . . We, the Japanese, may not be the most eloquent but we remain a determined and one of the most dependable friends of your country."

Prime Minister Ohira pledged Japan's readiness "to demonstrate solidarity with the United States" in the Iranian hostage situation. He also emphasized his country's determination work in concert with the United States and other allies in seeking to counter the threat posed by the Soviet invasion of Afghanistan.

Prime Minister Ohira's visit also marked the signing of a 5-year agreement providing for direct U.S.-Japanese collaboration on basic scientific research. As a complement to the energy research and development agreement signed a year ago, this latest agreement represents an important and promising step in the technological relationship between the United States and Japan. Under the agreement, American and Japanese scientists will participate in many of the same experiments, thereby eliminating needless duplication and competition. Moreover, Japan, which has benefited enormously over the years from its ability to adapt basic research for industrial purposes, will now be encouraged to expand its own contributions to the pool of basic scientific knowledge.

Japan's unique stability and constancy of purpose have raised that country to the most advanced ranks of the industrialized world. It is not surprising, however, that with Japan's remarkable economic growth have also come frictions with other industrial powers, including the United States. In recent years, Japan's large trade surpluses have been of particular concern. Furthermore, although the Japanese have rapidly reduced their barriers against foreign imports, access to the Japanese market still remains difficult for foreign exporters. All of these factors have created pressures for protectionism in both the United States and Europe.

It is clear that the close interdependence of the U.S. and Japanese economies makes certain problems inevitable. What is essential is that both countries learn to manage these problems in ways that do not damage our overall relationship. At this time of mounting international turmoil and instability, our differences on trade must not be allowed to disrupt our vital alliance.

On the question of automobile imports, which is the most serious trade issue at this time, I have been encouraged by the actions the Japanese have taken in the weeks following Prime Minister Ohira's visit. On May 15, at the conclusion of a trip by the U.S. Trade Representative to Tokyo, Japan announced a series of steps that should considerably enhance bilateral cooperation on this issue, and I shall submit the text of the Japanese statement for the RECORD. I am hopeful that we can achieve further significant progress by pursuing the following objectives:

First, we should strongly encourage Japanese automakers and auto-parts manufacturers to locate more of their plants in the United States. Japanese investment in the U.S. brings jobs to American workers and maintains competition and real choice for American consumers. I am pleased that the Japanese Government has been promoting investment in the U.S. and will dispatch a government/business mission to the United States to explore investment opportunities for the Japanese auto-parts industry.

Second, the Japanese should be willing to display greater understanding on voluntary export restraint and increased "local content." It is regrettable that an understanding on these matters has not already been reached. France and the United Kingdom have been able to work out agreements with the Japanese on automobile exports, and I believe it is time we achieved a similar understanding.

Third, we should seek the continued reduction of Japanese import barriers to American auto sales. I am encouraged by the Japanese Government's recent decisions to remove its tariffs on foreign-made chassis and other car parts; to improve and simplify its standards and inspection procedures; and to dispatch a government/business mission to the U.S. to promote Japanese purchases of American auto parts. I am heartened that Japan has indicated its willingness to make even further progress in this area.

I believe these steps are essential to preserve the American auto industry during its transition to smaller, fuel-efficient cars. Equally important, these steps will help eliminate the major sore spot in U.S.-Japan trade relations. Both of these results will be of great benefit to our overall relationship with Japan.

At a time of serious global challenges to our security, the U.S.-Japanese relationship has extremely high importance. No matter what the outcome of next month's elections, the centrality and basic strength of our alliance will continue unchanged. Prime Minister Ohira's recent visit reminded us that, despite the problems that exist, our relations remain fundamentally sound. Although our closely intertwined economies will make differences on particular issues unavoidable, determined efforts on both sides can assure that such differences do not undermine the basic relationship of friendship, close cooperation, and mutual benefit that has been so productive for both nations and for the cause of world peace.

STATEMENT OF THE JAPANESE GOVERNMENT ON THE JAPAN-UNITED STATES AUTOMOBILE ISSUE

Owing to the automobile industry's influence on a wide range of related industries both in Japan and in the United States, it is imperative that the automobile issue be resolved in a way that does not adversely affect the general economic relationship between our two countries. The Japanese Government believes that both Japan and the United States share this understanding.

The United States Government has stated its basic policy as one of achieving free trade and opposing restrictions on automobile imports. The Japanese Government strongly supports this responsible policy of the United States Government.

On the other hand, recognizing the importance of the automobile issue for Japan-

United States economic relations and considering the requests from the United States side as well as the position of the Japanese automobile industry, the Japanese Government would like to announce, on this occasion, the steps the Japanese industry concerned has decided to take thus far, and the steps the Japanese Government has already taken or will take for facilitating entry into the Japanese market of automobiles and auto parts.

The Japanese Government earnestly hopes that through the steps described in this Statement, the present automobile issue will be prevented from becoming an impediment for continuation of close Japanese-American economic relations.

The Japanese Government also hopes that further efforts will be made to increase the export competitiveness of the United States automobiles and to foster export orientation in the United States automobile industry so that the Japanese import promotion measures can be of maximum benefit.

1. Investment in the United States

Under the free enterprise system, the final decision on such entrepreneurial matters as investment is the prerogative of the private sector.

On the other hand, the Japanese Government has been encouraging the Japanese auto manufacturers to consider economically viable investment in the United States with a broad view of the long-term economic relations between the two countries. Therefore, the Japanese Government particularly welcomes decisions made by those Japanese companies concerned which have made significant contributions toward the continued development of healthy economic relations between Japan and the United States. The Japanese Government will continue the policy of encouraging economically viable investment in the United States in the passenger car, truck and components industries.

The following are the actions of Japanese manufacturers to date:

(1) Honda Motors has decided to build a passenger car assembly plant in the United States, (2) Nissan Motors has decided to build a small truck assembly plant in the United States, (3) Toyota Motors is conducting a full scale survey of possible United States investment, which will be completed by the end of this year, (4) The Japanese Government and auto parts industry have decided to dispatch, in early summer, a government/business mission to the United States to explore economically viable investment and licensed production in auto parts production.

2. Access to the Japanese market

Japan has already taken various steps to open its market to imports of automobiles and auto parts. In order to further improve access to the Japanese market, the Japanese Government will take such measures as the improvement of standards and inspection procedures, the dispatch of a government/business mission to the United States to explore increased purchase of auto parts, the elimination of tariffs on auto parts and other measures.

The Japanese Government expects that the measures outlined below to facilitate auto parts imports into Japan as well as private sector initiatives will result in a substantial increase in auto parts imports above what would otherwise occur.

a. Standards and Inspection Procedures.—In the field of automobile standards and related issues, including inspection procedures, Japan has already made significant improvements through a variety of measures, taking into account such arrangements as the Standards Code, the Ushiba-Strauss Joint Statement of June 2, 1979, and the December 7, 1979 Joint Statement on standards. Such measures include (1) sending inspectors abroad, (2) shortened inspection period, (3) allowing a lead time in the compliance with emission controls, (4) increasing of equivalent standards, (5) publishing of an English version of Japanese automobile regulations, (6) accepting of test done on representative vehicles for certification purposes, and (7) continuing review and flexible application of individual safety standards.

The Japanese Government has decided today to take additional measures for further simplification of procedures and smoother inspections. Such measures will be taken in the fields of (1) test equipment and procedures, (2) date of manufacture, (3) catalytic converter replacement, (4) heat shielding, (5) digital speedometers, (6) documentation requirement and (7) representative vehicles.

b. Dispatch of a Government/Business Mission for Increased Japanese Purchase of Auto Parts.—It has been decided that a government/business mission will be dispatched in early summer to the United States for the promotion of imports of automobile parts. It is estimated that the imports of auto parts into Japan will be more than tripled in 1980, compared to 1978. The Japanese Government will spare no efforts in facilitating the mission's objective of significant further increases of Japanese imports of auto parts from the United States.

c. Elimination of Tariffs on Auto Parts.—The Japanese Government has already taken various tariff measures including the unilateral elimination of tariffs on automobiles implemented in 1978, and substantial tariff concessions and accelerated staging of tariff reductions on auto parts in the Tokyo Round of the Multilateral Trade Negotiations.

In addition, the Japanese Government, in order to further facilitate its imports of auto parts, intends to take the necessary domestic measures to revise the relevant law for the JFY 1981 and to eliminate, in principle, tariffs on auto parts.

3. Other measures

(1) A minimum volume of export sales of each model is required to achieve economies of scale. While this is principally a private sector responsibility, the Japanese Government will encourage private initiatives to this end.

(2) The recent Japanese FTC guidelines offer the opportunity for the American companies to take advantage of distribution mechanisms in Japan.

(3) The Japanese Government will facilitate economically rational licensed production in the United States between Japanese and the United States firms and the use of the United States produced parts in Japanese cars.●

AN INTERIM REPORT BY THE PRESIDENT'S COMMISSION ON POLICY PENSION

● Mr. **WILLIAMS**. Mr. President, in the last few years I have on several occasions presented, on the floor of the Senate and elsewhere, my thoughts on the future of pension and retirement systems in this country. Demographers and statisticians tell us that we can expect a significantly slower rate of population increase during the last quarter of this century than we have had for the last 25 years, and a further decrease in that rate during the first quarter of the 21st century. Also, a modest increase in life expectancy is predicted.

These factors, plus the aging of the post-World War II "baby boom," will result in a sizable change in the ratio of active workers to retirees over the next 50 years. This change is expected to occur even if the trend of the last 30 years toward earlier retirement is modified and more workers take advantage of the opportunity to work past age 65.

At the same time, even moderate rates of inflation assure continuous pressures for increases in pension benefits. Coupled with the demographic changes, these pressures will exacerbate the strains that are already apparent on our pay-as-you-go social security system and, to only a slightly lesser extent, on our advance-funded private and public pension plans.

I believe, however, that a crisis in our retirement income programs can be averted if we begin now to cope with inflation and prepare for future demographic changes, and that there are also a number of short-term benefits to be gained from meeting these challenges sooner rather than later.

Fortunately, the President's Commission on Pension Policy, which is now at midpoint in its deliberations, has focused on these and other problems relating to our Nation's retirement systems, and has recently released an interim report. Although the Commission expresses only tentative conclusions on many of the issues addressed in the report, and in some cases only identifies and clarifies issues, it seems likely that the Commission's thinking will continue along the lines developed in this report.

The Commission's central recommendation is that serious consideration be given to establishing an advance-funded pension system to supplement our pay-as-you-go social security program. Such a system, the Commission suggests, could incorporate existing pension plans and provide a minimum pension for all workers.

In addition, the Commission believes that voluntary saving for retirement should be encouraged through new approaches to tax and other policies; that the social security earnings test should be eliminated; and that social security benefits should be taxed.

The Commission further urges the expansion of protection for surviving spouses, and expresses a "strong sentiment" in favor of extending social security coverage to all new workers who would otherwise not be covered.

The Commission also believes that, as a general principle, the time required for an employee to "vest," that is, attain a legal right to a pension benefit, should be shortened; and that the normal retirement age should be set for future generations in terms of the proportion of adult life to be spent in retirement rather than in terms of an arbitrary age.

I ask that the Commission's interim report be printed in the Record and I urge my colleagues who share my concern for the future of our Nation's retirement income systems to review this very important document. In addition, I ask to have printed in the Record several articles from the New York Times and the Washington Post on the problems that confront our pension and retirement systems now, and those they will face in the future.

The material follows:

AN INTERIM REPORT: THE PRESIDENT'S COMMISSION ON PENSION POLICY

[Charts mentioned in text not printed in RECORD.]

INTRODUCTION

The President's Commission on Pension Policy has been asked by the President and Congress to examine the nation's retirement survivor and disability systems and develop recommendations for changes that will address current problems and meet identified goals.

The need for such a comprehensive examination of programs and policies is clear when current problems are reviewed:

Lack of pension coverage for many;
Low benefits for some who are covered;
Excessive benefits for others;
Inequitable treatment of women;
Erosion of benefits due to inflation;
Abuses in disability programs;
Employment problems for older workers;
Inadequate incentives for retirement savings; and
Increasing dependency on pay-as-you-go programs.

The list of problems could be longer. However, this list is sufficient to show that thorough review and comprehensive recommendations are needed.

Although the Commission's final report will not be issued until February 1981, it is possible at this time to present some interim recommendations based on extensive hearings, discussions and research that have already taken place. After further study and discussion, final recommendations of the Commission may differ somewhat from those presented in this report.

This report establishes broad, long-range policy objectives that will define the Commission's major focus in the upcoming months. Future staff studies and working papers will indicate how these policy objectives may be achieved. Despite the interim nature of the recommendations, the Commission believes it is useful to provide an indication at this time of the progress that has been made and the direction that is developing.

In several cases, the recommendations are conditional on results of further staff studies on cost implications of such initiatives. In all cases, the recommendations reflect the consensus of the Commissioners, but questions raised by some with regard to a particular recommendation will be studied by the staff.

Chapter One of the report describes a recommendation, the thrust of which underlies more specific positions taken in later chapters. The Commission concludes that at this time top priority should be given to providing a balanced system of employee pensions, social security, and retirement savings programs for all workers. To this end, the Commission urges that serious consideration be given to the establishment of a universal minimum advance-funded pension system to supplement social security and incorporate existing employee pension plans.

Recommendations included in Chapters Two through Nine should be viewed in light of these concepts. These chapters detail recommendations on retirement income goals, tax policy, treatment of spouses, social security coverage, disability, retirement ages, employment of older workers and ownership and control of pension fund assets. These topics and issues have by no means been exhausted at this stage and further positions and recommendations in these areas, as well as others, will emerge as the Commission continue its work.

In addition to the studies that are requested in this report, a number of research projects are already underway. The following topics will be addressed by the Commission in later reports: portability and vesting; the role of savings and assets in retirement income; the state and local sector and Public Employee Retirement Income Security Act; social security financing; social security benefit structure; overlaps in pension plans; pension plans and collective bargaining; the federal employee retirement systems; actuarial and accounting standards; the effect of demographic shifts on savings; pensions and personnel management policy; the trade-off between pensions and wages; the macroeconomic effects of savings on investment, capital formation and productivity; the costs to the individual and to the nation of providing adequate retirement income; the retirement income distribution; the effect of in-kind benefits on the income of the retired; and the organization of the executive and congressional branches of government to deal with retirement systems.

THE RETIREMENT INCOME SYSTEM

Since 1940 the retirement income structure has grown from a number of individual programs to the complex system of today. Despite this remarkable growth in the retirement income system, in 1977 over 3 million people who were age 65 and over were in poverty as defined by the official Poverty Index. This represents 14 percent of our retired population. Over 80 percent of these people in poverty were receiving social security but it was insufficient to keep them from being poor. If in-kind transfer programs to the poor are taken into account, the number in poverty is reduced. However, the number of people who are termed near poor is correspondingly increased.

Although poverty among the aged has been greatly reduced in the past two decades, one of the reasons for the continued existence of a significant number of the retired in or near poverty 40 years after the beginning of social security is the lack of broad coverage of the non-retired population by retirement income programs other than social security. People who have been adequately covered by pension plans before they retire rarely experience poverty. But those who were not covered in their adult lives, or were covered but did not vest, may have had little opportunity to prepare adequately for their retirement.

Increasing participation in retirement programs is the major challenge facing policymakers seeking to improve the economic security of retirees. In reviewing the options available to policymakers, the Commission concludes that at this time top priority should be given to providing a balanced program of employee pensions, social security and retirement saving programs to all workers.

The Growth of our retirement systems

The pension system in the United States developed relatively recently. Some public employee plans were established early in the 20th century and a few private pension plans were begun before the introduction of social security in 1936. It was not until World War II, when the government imposed controls on wages, that employee pensions became a major form of compensation for many workers in the private sector.

Social security is a "pay-as-you-go" system where current contributions made by employers and/or workers are used to pay current benefits for retirees. Most public employee plans and all tax-qualified private plans are "advance-funded," where employers and/or workers set aside funds now to pay future retirement benefits for the workers.

When social security was established, it was intended to provide a minimum floor of retirement income. It was expected to be supplemented by other sources of retirement income such as private pensions and personal savings. Together those sources were to provide an adequate retirement income. These three sources of retirement income generally are referred to as the three-legged stool in the U.S. and as the three pillars of retirement income in such countries as Switzerland and West Germany.

Recently, a potential fourth leg—earned income—has been added to the discussion of how to provide an adequate income for the aged population. While not formally a part of the pension system, changes in the opportunities of older Americans to continue to earn income could influence the shape of the pension system itself.

Welfare and in-kind programs currently are a major source of income support for the aged. These programs have grown in importance in recent decades, in part due to the failure of the primary retirement income programs to provide adequate benefits for a significant portion of the aged.

Total retirement, disability and survivor benefits have grown from 2 percent of GNP in 1950 to over 8 percent in 1975. As this growth was taking place, the relative roles of the public and private sectors shifted considerably.

Social security paid 27 percent of all retirement, disability and survivor benefits in 1950 and doubled its share of benefit payments by 1976 while the share of the benefits paid by public and private employee pension plans decreased. By 1976, federal programs including social security, railroad retirement and federal employee plans, accounted for 76.2 percent of benefits paid, private plans 17.3 percent, and state and local plans 6.5 percent (see Chart 1).

TABLE I.—GROWTH IN RETIREMENT COVERAGE

[Percent of coverage for specific labor forces]

	1940	1950	1960	1970	1975	1977
Social security coverage of all paid employment	[1] 55	65	88	87	90	90
	Approximately					
Federal employee retirement coverage of all Federal employment	100	100	100	100	100	100
State and local retirement coverage of all State and local employment	NA	NA	[2] 82	[3] 83	NA	87
Private pension coverage of non-government wage and salary non-agricultural employment	14.5	25.0	40.8	45.1	48.6	NA

[1] For year 1939.
[2] For year 1962.
[3] For year 1972.

Source: Economic Report of the President, January 1980, table B, 34. Social Security Bulletin, Annual Statistical Supplement, 1976, table 7. Special Analysis of the Federal Budget 1981, table 1–4, p. 288. Statistical Abstract, 1979, table 543, p. 339, Social Security Bulletin, November 1977, p. 27.

The growth in social security benefits has been a function of both an increase in the number of people entitled to benefits as well as an increase in the basic level of benefits. The automatic adjustment for inflation of social security benefits will tend to insure the continual growth of these benefits relative to the other pension programs that do not fully index their benefits to inflation.

Retirement program coverage has grown dramatically since 1940 (see Table 1). Social security has grown from covering only about 55 percent of all paid employment in 1940 to over 90 percent today. State and local pension programs have also grown to cover 87 percent of all state and local employees. Private pension plans enjoyed a dramatic growth until 1960 when 41 percent of private sector workers were participants in plans. However, between then and 1975, coverage grew to only 49 percent of the work force. A recent survey by the Commission and a joint survey by the U.S. Department of Labor and the Social Security Administration indicate that these overall coverage rates (for both full and part-time workers) have not increased since 1975.

The two surveys do indicate, however, that some workers do very well in our pension systems. Workers who are public employees or who belong to a union and work for a company that employs 500 or more workers have a much higher probability of being a participant in a plan than other workers. Women workers do not fare as well as men in the nation's pension programs. Women are less likely to participate in a pension plan and are less likely to be entitled to benefits than are men.

The surveys showed that both pension plan participation and entitlement to benefits increase with the age of the worker. For all workers over the age of 18, the Commission survey found that 26 percent are entitled to benefits in a plan at their place of work, while 37 percent of workers over the age of 55 are vested (see Chart 2).

One of the results of the near universal coverage of social security and of the lack of broader coverage of employer pensions is the creation of a two-class retirement income system. People who receive both social security and employee pensions are more likely to have adequate retirement income. People who receive only social security, however, are much more likely to be in poverty.

As of 1977, 27 percent of the people who were recently retired (between the ages of 65–74) and receiving social security had no other source of income. Their average total income was $2,200, which is below the poverty line for both couples and individuals. If they had another source of income, their average total income more than doubled to $4,868, which is approximately the near-poor level (125 percent of the official poverty level) for a couple (see Chart 3).

An insignificant percentage of people receiving employee pensions had only one source of income. In fact, the majority of them, except for military retirees, had three sources of income. The average income for people who received employer pensions was in almost all cases well above the near-poor level. Therefore, the existence of one other pension benefit often was the difference between poverty and non-poverty.

General directions for retirement income policy

The Commission believes that public policy should be directed toward insuring that total income for the aged from all sources is sufficient to maintain their standard of living in their later years.

While retirement programs may be able to provide protection against moderate rates of inflation, they cannot be expected to adequately protect against prolonged high rates of inflation. Effective national economic policy provides the only true protection for retirees against prolonged high rates of inflation.

The Commission endorses the current role of social security in providing a minimum floor of protection for the aged. The purpose of the Old-Age, Survivors and Disability Insurance (OASDI) program is to provide income to workers and their families when a worker retires, dies or becomes disabled. The program combines the goals of individual equity and social adequacy. On one hand, there should be a relationship between the earnings on which an individual pays social security taxes and what he or she receives in cash benefits and, on the other hand, the benefits should be reasonably related to presumed need. The Supplemental Security Income (SSI) program is a means-tested program for those whose needs are not met by OASDI.

The Commission believes that other programs to supplement social security's basic floor of protection must be substantially increased. Tax incentives alone may not substantially increase the participation of low and moderate income workers and workers employed by small businesses in employee pension plans. In addition, it may not be wise for this country to rely so heavily on the pay-as-you-go social security system to provide *all* income for these workers and their families.

Therefore, the Commission concludes that serious consideration should be given to the establishment of a universal minimum advance-funded pension system. Such a program could be thought of as an advance-funded tier of social security that would permit contracting out to pension plans that wanted to meet its standards or as a universal, employee pension system with a central portability clearinghouse. Obviously, many questions need to be answered before this Commission could formally recommend such a system. Such a system's effect on workers, employers and the economy will need to be analyzed very carefully. The Commission has, therefore, directed the staff to conduct a series of cost and policy studies of how such a system would work.

The Commission also believes that voluntary saving for retirement should be encouraged through new approaches to tax and other policies. The current tax treatment of retirement contributions and benefits is needlessly complex and inconsistent. In addition, current policies do not encourage retirement savings for those in most need: low and moderate income wage-earners. Workers who are participants in plans are not encouraged by the current tax laws to lessen the impact of inflation on their retirement income by supplementing employer contributions with their own.

In addition, the Commission believes that as a general principle, vesting requirements should be shortened. The Commission staff, with the help of the U.S. Department of Labor and the Department of Health and Human Services, will begin a study to determine the cost implications of various shortened vesting and participation alternatives.

In this report, the Commission suggests a number of changes with regard to tax policy, the treatment of spouses, social security coverage and disability consistent with the intention to strengthen programs and address coverage and benefit gaps.

Along with reforms of this nation's retirement income programs, the Commission believes that the definition of "retirement" itself may need changing. Today, retirement is thought of as the process of going from a life of full-time employment to one of full-time leisure. This sudden change in lifestyle may not always be desirable for the well-being of the individual. In addition, sudden and complete removal from the labor force, particularly if it occurs below the normal retirement age, may create undesirable financial dependency on our retirement and income transfer programs. While affirming the right of every American to normal retirement at a stipulated age, the Commission also wishes to encourage work opportunities for older workers.

In this report, the Commission therefore expresses a desire to have public policy efforts encourage the greater utilization of older workers in both full- and part-time employment. A number of studies are also recommended to provide a better understanding of the special employment problems of older workers.

While means-tested and in-kind benefit programs are not central to the work of this Commission, there is an interaction between these programs and those that are normally included in the retirement income system. The Commission believes that the role of each of these programs must be taken into account simultaneously in its final recommendations.

RETIREMENT INCOME GOALS

The determination of national retirement income goals is essential to the development of a comprehensive national retirement income policy and to the assessment of how our pension systems can be expected to contribute to these goals.

The Commission, while recognizing the issue of costs, believes that the replacement of preretirement disposable income with income from all sources is a desirable retirement income goal.

Problems in measuring the adequacy of income at retirement and during retirement also need resolution. There are two principal ways to measure adequacy: through relative measures and through absolute measures.

In measuring adequacy at retirement, the most commonly used relative measure is wage replacement ratios. These ratios are used to measure how much of preretirement disposable income must be replaced by other sources of income to avert a drop in the standard of living. The answer might quickly be 100 percent if there were no changes in consumption patterns, tax liabilities or savings rates.

Most of these changes are difficult to quantify precisely. An estimate of 13.6 percent has been used by some analysts to show the drop in work-related expenses upon retirement. But that figure can only be regarded as approximate since it resulted from the comparison of goods and services needs of couples age 55–64 with those of couples age 65 or over. Other estimates are made concerning saving rates, state and local taxes and federal taxes. With all of these estimates taken into account, only approximate ranges of wage replacement ratios can be presented with confidence.

Table 2 illustrates an average range of replacement ratios from 79 percent for the minimum wage worker to 51 percent for the highest income person. However, these should be regarded as approximate averages. For a single person at the minimum wage level, replacement rates probably fall in the 75–85 percent range, for the average wage earner of $15,000 in the 60–70 percent range and for the highest earner in the 45–55 percent range. For married couples the rates at these levels would be 80–90 percent, 65–75 percent and 50–60 percent, respectively (see Table 3).

The time period used as a base for applying the replacement ratio can make a significant difference in the amount of the ultimate retirement benefit. Most analysts base the replacement ratio on final wages or average wages over a recent time period to approximate preretirement standards of living. Final wages are almost always considerably higher than wages earned earlier in a working career, particularly in periods of high inflation. On the other hand, some people experience decreased wages in the preretirement years for a number of reasons, such as poor health or downgrading of a job. For this reason, some pension systems have chosen the highest year or years' earnings as a wage base for calculating pensions since the final earnings record does not necessarily reflect the usual standard of living.

It is apparent that absolute as well as relative measures of retirement income are needed in order to measure minimum adequacy for those with no wage income or very low wage income. At lower income levels, the ratio of retirement income to preretirement income is less significant than the issue of meeting an absolute level of income needs. Such measures are also needed as standards for the years beyond the threshold of retirement when preretirement wage income is both difficult to use as a standard and less relevant.

Two widely used standards are the Bureau of Labor Statistics (BLS) three budgets for a retired couple and the Poverty Index developed originally by the Social Security Administration and adopted as a standard by the federal government. But there are conceptual problems with using these measures just as there are problems with precisely calculating wage replacement ratios. Both are based on consumption patterns and/or standards that are outdated, and some of the underlying concepts have been criticized and are currently under review. Also, neither of these measures adequately address the needs of single people. Single people are arbitrarily assigned a level of 55 percent of the BLS retired couple's budgets and 80 percent of the poverty line. The White House Conference on Aging recommended that an equivalent budget for single people would equal 75 percent of retired couple's budgets.

The Commission believes that a combination of both minimum income levels and replacement rates of preretirement earnings should be used as the standard for measuring retirement income adequacy. Use of the BLS intermediate couple's budget may be appropriate as a minimum standard. However, there is some concern that 55 percent of that budget would not be an adequate standard for single people. The staff will study the cost implications of making the single's budget equal to 75 percent of the BLS intermediate couple's budget and will study the question of what the appropriate preretirement earnings base should be for the replacement rate.

TABLE II.—RETIREMENT INCOME EQUIVALENT TO PRERETIREMENT INCOME FOR SINGLE PERSONS RETIRING IN 1980: SELECTED INCOME LEVELS, REDUCTION IN EXPENSES AT RETIREMENT

Gross preretirement income	Preretirement taxes		Disposable income	Work related expenses	Savings and investments		Net preretirement income	Post retirement taxes		Equivalent retirement income	
	Federal[1]	State and local[2]			Percent	Dollars		Federal income	State and local	Dollars	Ratio
$6, 500	$906	$97	$5, 497	$330	0	0	$5, 167	0	0	5, 167	0. 79
10, 000	1, 785	223	7, 992	480	3	240	7, 272	0	0	7, 272	. 73
15, 000	3, 259	444	11, 297	677	6	678	9, 941	0	0	9, 941	. 66
20, 000	4, 055	728	14, 217	853	9	1, 280	12, 084	$166	32	12, 282	. 61
30, 000	8, 926	1, 429	19, 645	1, 179	12	2, 357	16, 109	1, 077	205	17, 391	. 58
50, 000	18, 921	3, 328	27, 751	1, 665	15	4, 163	21, 923	3, 153	599	25, 675	. 51

[1] Federal income and social security (OASDHI) taxes.

[2] Based on State and local 1978 income tax receipts which were 19 percent of federal income tax receipt. Does not include property taxes.

Source: Preston C. Bassett, consulting actuary, President's Commission on Pension Policy, 1980.

TABLE III.— RETIREMENT INCOME EQUIVALENT TO PRERETIREMENT INCOME FOR MARRIED COUPLES RETIRING IN 1980: SELECTED INCOME LEVELS, REDUCTION IN EXPENSES AT RETIREMENT

Gross preretirement income	Preretirement taxes		Disposable income	Work related expenses	Savings and investments		Net preretirement income	Post retirement taxes		Equivalent retirement income	
	Federal[1]	State and local[2]			Percent	Dollars		Federal income	State and local	Dollars	Ratio
$6,500	$549	$29	$5, 922	$355	0	0	$5, 567	0	0	$5, 576	0. 86
10,000	1, 311	133	8, 556	513	3	251	7, 786	0	0	7, 786	. 78
15,000	2, 550	310	12, 140	728	6	278	10, 684	0	0	10, 684	. 71
20,000	3, 968	520	15, 512	931	9	1, 396	13, 185	0	0	13, 185	. 66
30,000	6, 986	1, 061	21, 950	1, 317	12	2, 634	17, 999	53	10	18, 062	. 60
50,000	15, 202	2, 622	32, 176	1, 931	15	4, 826	25, 419	1, 651	314	27, 384	. 55

[1] Federal income and social security (OASOHI) taxes.

[2] Based on State and local 1978 income tax receipts which were 19 percent of Federal income tax receipts. Does not include property tax.

Source: Preston C. Bassett, consulting actuary, President's Commission on Pension Policy, 1980

The Commission questions whether it is appropriate to replace the highest standard of living ever attained by an individual. There is an additional question as to whether preretirement income should relate to average income over a longer period of time because of inflation. Further, a shorter earnings base might not be appropriate for workers whose wages tend to decline as they near retirement age due to poor health or unemployment.

The Commission believes that if preretirement earnings are not indexed, then the base period should be short. However, if preretirement earnings are indexed, then the earnings base period could be 15 or 20 years without the replacement rate being devalued by inflation.

Changing economic conditions leave many retirees vulnerable to even moderate rates of inflation (see Table 4). Social security and federal employee and military benefits have inflation adjustments. Other retirement income is not as well protected.

TABLE IV.—REAL VALUE OF RETIREMENT INCOME BASED ON INITIAL REPLACEMENT RATE OF 100 PERCENT

Years in retirement	No inflation	Annual inflation		
		3 percent	5 percent	10 percent
0	100	100	100	100
5	100	86	78	62
10	100	74	61	39
15	100	64	48	24
20	100	55	48	15
25	100	48	34	9

Source: Robert Clark, The Role of Private Pensions in Maintaining Living Standards in Retirement, Washington, D.C. National Planning Association, Oct. 1977, p. 42.

The purpose of the adjustment should determine the kind of index used. A wage index would tend to keep the relative income position of the retired and nonretired the same. A price index adjusts only for prices and not for productivity. There are several price indexes measuring consumer prices and producer prices. The Consumer Price Index (CPI) is the most appropriate index to use to maintain the purchasing power of the original annuity.

However, the present CPI is based on the consumption patterns of the general urban population, not the retired. Therefore, there is some question about its appropriateness. Historical studies consistently show a slight difference in the price increases for older people than for the general population because of different consumption patterns. But the cost of a separate index is a factor in the decision to initiate a separate retiree index.

If the present differences in indexing among the pension systems continue and if inflation continues, state and local and private pension shares of total pension costs could decline while federal shares would increase. A number of ways have been suggested to help private and public pensions deal more adequately with inflation including cost-of-living adjustments with caps, variable annuities and indexed bonds. The latter have been utilized in several foreign countries.

The Commission believes that at this time the greatest public policy emphasis should be placed on increasing pension coverage to all people rather than providing full inflation protection only to some people. Therefore, inflation adjustments for employee pensions are encouraged but should not be required at this time. However, the Commission believes that employees should be given the opportunity of taking reduced benefits initially with subsequent cost of living increases. In addition, elsewhere in this report, the Commission recommends a series of tax measures that should encourage individuals and employers to provide for greater inflation protection on a voluntary basis.

The Commission feels that further study of indexed bonds in the U.S. would be of value. It is stressed, however, that such a study should be limited to bonds for retirement benefits.

In summary, the Commission recommends the following:

The replacement of preretirement disposable income from all sources is a desirable retirement income goal.

A combination of both minimum income levels and replacement rates of preretirement earnings should be used as the standard for measuring retirement income adequacy. The staff should study the cost implications of making the single person's budget 75% of the BLS intermediate couple's budget and what the appropriate preretirement earnings base for the replacement rate should be.

The BLS should be asked to do a sample survey to see if there is enough difference in the consumption patterns of the retired to maintain a separate index for them.

The greatest emphasis should be placed on expanding pension coverage rather than providing full inflation protection to some at this time. Therefore, automatic inflation adjustments for employee pensions are encouraged but should not be required at this time.

Further study should be given to indexed bonds, but the study should be limited to their applicability to retiree benefits.

TAX POLICY

The tax treatment of pension contributions and benefits is not uniform. Under current law, taxes are deferred on the employer contributions in almost every kind of tax qualified retirement plan, including social security, employer sponsored plans, individual Retirement Accounts (IRAs) and Keogh plans. Taxes are also deferred in general on the earnings on the contributions until withdrawn. However, the tax treatment of employee contributions and of the benefits received is not the same for the various plans. In some plans taxes on employee contributions are deferred while in other plans they are not. The contribution limits also differ for the various plans. In some plans benefits are fully taxed and in others they are partially taxed or not taxed at all.

Because all pensions are not taxed uniformly under current law, individuals have different economic incentives to contribute to a pension plan, depending upon the type of plan. As can be seen in Table 5, the monthly pension that would result from a $100 annual contribution differs considerably depending on the tax treatment of the contribution and the earnings on the contribution. Because tax treatments operate through exclusion of gross income, the incentive increases as an individual's income increases.

The lowest rate of return is from an annual contribution to a regular savings account. Employee contributions to a qualified pension plan provide a somewhat higher return on the investment. The highest monthly pension for the same $100 contribution is available to those employees who invest in an IRA or Keogh up to the limits imposed on those plans. This return on the contribution is equivalent to the return on the employer contribution to a qualified pension plan.

TABLE V.—EMPLOYEE'S MONTHLY PENSION (AFTER-TAX) PURCHASED WITH $100 OF ANNUAL PENSION FUND CONTRIBUTION OR WAGE INCREASES (30-YR WORK PERIOD—65 RETIREMENT AGE)

	After-tax employee savings invested in a regular savings account	Employee savings with interest tax deferred (employee contributions in a qualified plan	IRA, Keogh, and qualified plan of tax exempt organization	Employer contributions to a qualified pension plan
Average income of employee before and after retirement:				
$40,000/$20,000	$36	$52	$89	$89
$20,000/$10,000	58	71	96	96
$10,000/$5,000	74	92	112	112
Net income due to tax deferral relative to taxation as ordinary income:				
$40,000/$20,000		16	53	53
$20,000/$10,000		13	38	38
$10,000/$5,000		18	38	38

Source: U.S. Treasury Department, Nov. 29, 1979.

There is also a significant difference in the monthly pension from the same contribution depending on the income class of the employee before and after retirement. Table 5 assumes that the postretirement income is one-half the preretirement income. The monthly pension that results from a $100 annual contribution is consistently larger for the lower income person because the higher income retiree has to pay a higher tax on his monthly pension. But when the monthly pension is compared with what it would have been if the contributions had been invested in a savings account, the higher income person receives a higher absolute benefit because of the difference in the way the tax system treats the contribution under IRA and Keogh plans.

The major reason for providing the tax treatments described above for retirement contributions, earnings and benefits is that the federal government wants to encourage retirement savings.

Table 6 shows that, due to the graduated income tax, the current federal income tax policy approach to retirement savings provides greater incentives for higher income individuals to participate in plans. The recent experience with IRAs demonstrates that, due to income levels and the tax structure, higher income individuals are more likely to utilize a voluntary tax deferral program than are lower income people. Table 7 shows that by 1977, utilization of IRAs increased considerably with income. While only 3.3 percent of the eligible $10,000–$15,000 income class utilize IRAs, 52.4 percent of those eligible with family income above $50,000 utilized IRAs.

There is also a direct relationship between income class and participation in public and private pension plans. Approximately 70 percent of people with family-adjusted gross income of $10,000 or less are not covered by public or private pension plans. However, over 70 percent of people with family incomes above $20,000 are covered.

Both of these tables demonstrate that current tax incentives have acted to increase pension plan participation for higher income but not for lower income individuals.

While it is impossible to estimate how much of the growth in private pension coverage is due to tax treatment alone and how much to other factors, the growth since 1940 has been impressive, and the tax treatment of pension contributions and benefits was certainly a contributing factor.

However, as the proportion of the covered workforce grows it has become more difficult to maintain the former rate of growth. As coverage passed 40 percent, the rate of increase in the proportion of the labor force in plans slowed dramatically. Much of the gain in absolute numbers of people covered can be attributed to overall growth of the labor force. The low rate of increase since 1960 raises doubts about whether there will be substantial voluntary gains in the future without considerably more or different economic incentives or new retirement income policies.

TABLE VI.—DISTRIBUTION OF PARTICIPANTS AND NONPARTICIPANTS IN PUBLIC AND PRIVATE RETIREMENT SYSTEMS BY LEVEL OF INCOME 1977 (EXCLUDING SOCIAL SECURITY)

Family adjusted gross income	Number of wage earners (millions)	Percentage of distribution of wage earners by income class		
		Covered by public or private plan	IRA	Nonparticipants
0 to $5,000	20.7	15.0	0.2	84.8
$5,000 to $10,000	19.0	30.0	.9	69.1
$10,000 to $15,000	17.5	40.0	2.0	58.0
$15,000 to $20,000	16.3	54.6	2.5	42.9
$20,000 to $50,000	24.9	75.1	5.4	19.5
Over $50,000	1.4	71.4	15.0	13.6

Source: U.S. Department of Treasury, Nov. 29, 1979.

TABLE VII.—PERCENTAGE OF PEOPLE WHO ARE ELIGIBLE WHO HAVE IRA'S BY INCOME CLASS, 1977

Family adjusted gross income	Percentage of people who are eligible	Percentage of eligible people who have IRA's
0 to $5,000	85.0	0.2
$5,000 to $10,000	70.0	1.3
$10,000 to $15,000	60.0	3.3
$15,000 to $20,000	45.4	5.5
$20,000 to $50,000	24.9	21.7
Over $50,000	28.6	52.4

Source: President's Commission on Pension Policy, 1979 Household Survey.

The Commission believes generally that taxes on various types of retirement income programs should be dealt with a consistent manner, savings should be encouraged and tax credits should be investigated to encourage low and moderate income workers to save for retirement.

The Commission believes that the tax treatment of employee and employer contributions and earnings ought to be the same. Tax deferrals were allowed on wage reduction plans from 1972 to 1974 and were popular among both employers and employees. The Commission hopes that providing favorable tax treatment for employee contributions will encourage individuals and companies to voluntarily improve pension benefit levels.

Recognizing the needs of low and moderate income persons, the Commission recommends that the concept of a tax credit to encourage retirement savings and employee contributions to plans be given serious consideration and that the staff develop proposals in this area. Although no specific recommendations are made regarding the use of tax credits as opposed to tax deductions, some use of a tax credit should be examined as a means to target incentives for lower income groups. The Commission notes that more study is needed before a specific recommendation can be made.

The concept of treating savings expressly made for retirement the same as contributions to pension plans is also endorsed. In order to provide the goal of an adequate income, it is necessary to encourage saving. However, it is noted that some limitation would be needed on the total amount of income an individual could defer and that the limitation should take into account vested benefits in pension plans, IRAs, Keoghs, stock bonus plans and other forms of retirement savings.

An example of a special proposal under this option is the earned retirement income tax deferral (ERITD). Under this approach, an employer could establish a qualified plan, to which the employer might or might not contribute. Employees would be allowed to contribute as much as 20 percent of their wages on a tax deferral basis and would pay no taxes on the investment income until retirement. All benefits, however, would be taxed.

The Commission believes that social security should be treated the same as other retirement programs. This would mean that eventually taxes on contributions to social security would be deferred and benefits from social security would be counted as income subject to taxation.

The staff will conduct a study on phasing in such tax treatment of social security contributions and benefits. It is acknowledged that there would have to be a transition period to make this option feasible.

The Commission also recommends that all types of pension plans be treated more equally regarding contribution and benefit limitations. The staff will study the implications of this recommendation with regard to IRAs, Keoghs, corporate plans and other types of plans.

In summary, the Commission recommends the following:

The tax treatment of employee and employer contributions to pension plans and earnings on these contributions should be the same.

The concept of a tax credit for low and moderate income people to encourage individual retirement savings and employee contributions to plans should be given serious consideration. The staff will develop proposals.

The tax treatment of savings specifically for retirement should be the same as the tax treatment of pension plans.

Contributions to and benefits from social security should receive the same tax treatment as do those of other retirement programs. The staff will conduct a study on phasing in such treatment.

Individuals in all types of pension programs should be treated more equally regarding contributions and benefit limitations. The staff will study the implications of this recommendation.

TREATMENT OF SPOUSES

Significant gaps in coverage exist for spouses of workers who are participants in social security and employee pensions. In addition, some features of social security and employee pensions concerning the treatment of spouses and survivors have become outdated due to changing life-styles and marital patterns.

Social security was designed at a time when most American women were lifelong homemakers who depended upon their husbands for support. At that time, it seemed reasonable that retirement income payable to women through social security should be based on their status as dependents. Today, the law entitles a wife (or husband) to a spouse benefit equal to 50 percent of the husband's (or wife's) benefit. When one spouse dies, the law entitles the survivor to 100 percent of the deceased spouse's benefit. Individuals entitled to both a spouse and worker benefit receive, in effect, only the greater of the two benefits.

Today the social security system no longer serves the same society it was designed for 40 years ago. The role of women and family structures have changed dramatically since the 1930s. Now, most women work for pay, although their work patterns vary. Some women have lifelong careers in the paid labor force, others temporarily leave the labor force to raise children and others will be lifelong homemakers. While the current system is well-suited for women in this latter situation, it does not provide commensurately for paid work by both spouses. The divorce rate has dramatically increased since the 1930s. Today, the probability is about one in three that a new marriage will end in divorce. Recent changes to the system made in response to rising divorce rates still do not deal adequately with problems of divorced spouses.

Because of the change in family life-styles, the Social Security Administration recently reviewed the treatment of spouses under the social security law. They documented several problem areas. The Commission at this time has limited its focus to old age benefits for three groups: widows, divorced spouses and two-earner couples.

Widowed persons, comprising about three-fourth of the elderly poor, are the largest group for whom old age income is inadequate (see Chart 4). Survivors are entitled to receive social security benefits based on their deceased spouses' wage record in lieu of their own wage record. While in some instances this provides an adequate income, in three cases it may not.

First, if the former spouse dies several years before the survivor reaches retirement age, the survivor will receive benefits computed on an outdated earnings base. Unlike all other beneficiaries, the deceased spouse's earnings record is indexed by the inflation rate, not by increases in wages. Except for recent years, wages normally increase faster than prices. As a result, a survivor's benefit is related to the standard of living at the time of the spouse's death, rather than the standard of living at the time the survivor begins receiving benefits.

Second, a survivor's monthly benefits are lower to the extent that he or she elects to take an actuarially reduced benefit as early as age 60. It appears that most young survivors do in fact take early retirement benefits.

Third, as illustrated in Chart 5, survivors of one-earner couples receive greater benefits than survivors of two-earner couples when the average income of the two families is the same. (This relationship changes for those couples earning above the maximum wage base.) Two-thirds of the couple's social security benefits continue to the survivor of a one-earner couple, while only one-half of the couple's social security benefits continue to the survivor of a couple where each spouse earned equal benefits. This is not only inequitable, but it may create a financial hardship for the survivor of a two-earner couple because generally a surviving spouse may need more than half of a couple's income to maintain a similar standard of living.

Most divorced women receive worker, rather than spouse, benefits. Their benefits may be low, however, because of years spent out of the labor force while married. For those divorced persons who do receive a spouse benefit, the benefit is often considered inappropriate. A divorced person is entitled to a spouse benefit equal to 50 percent of the ex-spouse's primary benefit, but only after the former spouse retires, dies or reaches the age where the earnings offset no longer applies. When the former spouse dies, the dependent's benefit doubles. While these provisions may be reasonable for married couples, there is little cause to retain these rules for a divorced couple where the spouses are financially independent. For example, unless the former wife was receiving alimony or other financial support from the ex-spouse, there is little logic as to why the spouse benefit should double when the ex-spouse dies. For marriages that last only a small portion of the worker's career, there is little rationale for basing the spouse benefit on the former spouse's entire wage history.

Of greatest concern from both an adequacy and equity point of view, is the two-thirds and one-third distribution of benefits between the worker and the divorced spouse. The spouse benefit was designed as a supplement to the larger primary benefit and it may be inadequate for a person maintaining a separate household. Also, for lifelong marriages, the two-thirds and one-third distribution conflicts with the philosophy of marriage as an equal partnership.

Retired couples with the same family income may receive different total family benefits depending upon the proportion of income earned by each spouse. As shown in Chart 6, one-earner couples receive greater benefits than two-earner couples. (This relationship changes for those couples earning above the maximum wage base.) All one-earner couples receive a spouse benefit equal to 50 percent of the primary benefit based on the covered income of the worker. Two-earner couples may receive no supplemental spouse benefit or, in some cases, a spouse benefit based only on the higher earning spouse's benefit which reflects only part of the family's income. In other words, the dependent spouse receives relatively little compensation for his or her earnings, since this individual would have received a spouse benefit if the individual had not worked.

The Commission believes that family earnings should be equally shared between the spouses for the purpose of social security credits. This earnings sharing approach deals comprehensively with deficiencies under the system arising from the spouse benefit. Earnings sharing would base benefits on all work by both spouses, thereby providing equal treatment to all retired couples with the same family income. Earnings sharing would appropriately allocate benefits between divorced spouses. Viewing marriage as an equal partnership, earnings sharing would give half the couple's combined wage credits earned during marriage to each spouse.

If the widow(er)'s benefit were eliminated, then some additional protection for survivors is necessary in conjunction with earnings sharing. Earning sharing would continue only half of a couple's social security benefits to a survivor of a lifelong marriage. Generally a survivor needs more than half of a couple's income to maintain a similar standard of living. Therefore, it is suggested that the survivor inherit all or part of the deceased spouse's wage record that was acquired during marriage.

While it is agreed that the spouse benefit should be replaced by earnings sharing, the Commission recognizes that complications exist in implementing this decision, notably when only one spouse is entitled to benefits. There also is a question on the treatment of the maximum wage base. The staff will explore these problem areas in more detail.

Divorced and widowed spouses also may have difficulty receiving benefits from their ex-spouses' employee pensions that were acquired during marriage. Whether pension assets are considered in divorce settlements is largely dependent upon whether the divorce law of the state equally divides property acquired during marriage and whether the pension or future pension is considered property for purposes of division. Whether pensions are paid to survivors of retired workers depends upon whether the worker elects to reduce the initial pension in order to provide continuing benefits to the survivor. In addition, many plans do not offer the joint and survivor option for divorced spouses.

The Commission believes that pensions should be defined as property. Therefore, pensions should be taken into account when people divorce, and survivor protection should be automatic for married and divorced spouses. For divorced spouses, the survivor protection should be prorated based on years of pension service accrued during marriage. The staff will investigate the administrative difficulties of entitling divorced spouses to benefits.

While the Commission believes that survivor benefits are a necessary part of the retirement income system, it recognizes that in some instances a couple may have sufficient reason for not electing such coverage. Therefore, couples should be allowed to waive the joint and survivor annuity if both spouses are informed of the provision and recognize the implications of waiving the option. To prevent abuses, the Commission suggests that survivor protection may be waived only if both spouses sign an agreement that is witnessed by the plan administrator (or an administrator's agent) and after being informed of the provision by a representative of a plan.

The Commission believes that all survivors of employees who die before retirement with a vested benefit should receive either survivor benefits under the pension plan or an appropriate amount of life insurance. The Commission notes the inequitable treatment between similar employees where one had retired and the other was still employed. In some cases survivor benefits are much greater if the employee dies one day after retirement than if the employee dies one day prior to retirement. In order to allow flexibility within the retirement income system, survivor benefits could be in the form of life insurance. The staff will work out an appropriate relationship between the value of life insurance and the value of a vested benefit.

The staff also will study the question of whether lifetime annuities for all workers in all plans for all options should use unisex mortality tables or sex-distinct tables.

In summary, the Commission recommends the following:

After an appropriate transition period, the social security system should use an earnings sharing approach with at least some inheritance of a deceased spouse's credits by the survivor. This recommendation is contingent on further study.

Pensions should be defined as property. The staff will study ways to implement this decision, including the implications for government plans.

Survivor protection should be automatic for married and divorced spouses. To waive the benefit protection, both spouses should have to sign a waiver witnessed by the plan administrator or agent after having been informed of the provision by the administrator.

For divorced spouses, the survivor protection should be prorated based on years of pension service accrued during marriage. The staff will study the implications.

All survivors of employees who die before retirement with a vested benefit should receive either survivor benefits under the pension plan or life insurance benefits. More study should be done on the proper value of these benefits.

A study will be done on whether lifetime benefits for all workers in all plans for all options should use unisex mortality tables or sex-distinct tables.

UNIVERSAL SOCIAL SECURITY COVERAGE

Although the social security program now covers 90 percent of all workers, 10 percent remain outside the program. The vast majority of those exempted are concentrated in government and nonprofit employment.

The existing pattern of exemptions results in certain inequities and inadequacies. For example, workers moving between jobs that are covered and jobs that are not covered by social security experience gaps in survivor and disability protection. Exempted workers also experience gaps in benefit protection.

Furthermore, participation in noncovered employment exempts part of a worker's lifetime earnings from social security taxes. These workers subsequently receive a social security benefit based on short periods of covered work that is high in proportion to the payroll taxes paid. The resulting benefits, sometimes referred to as "windfall benefits," are estimated to have cost the social security trust funds approximately $1.9 billion in 1979.

Finally, noncovered workers are exempt from paying into a redistributive program that provides proportionately more generous benefits to low wage than to high wage earners.

A number of issues have been raised with regard to mandating social security coverage for currently exempted employment. These issues generally arise in the context of fiscal, legal, transitional and administrative concerns.

The costs of providing social security coverage for federal workers depend on the way in which the current pension program is coordinated with social security. By covering federal employees, the social security program would receive new funds, but it would also assume new obligations.

The effect on the social security trust funds of covering government and nonprofit employees would be positive over the next 75 years. The Department of Health, Education and Welfare study group on universal coverage estimated that the elimination of windfall benefits could result in a reduction of 0.5 percent in the combined social security payroll tax. However, while this is a positive result, it should be emphasized that this would not be of significant value in remedying any long-term financial problems of the system.

At the state and local government levels, expanded social security coverage would result in an ultimate increase in pension costs for non-covered systems, even if the present pension formulas are redesigned to take account of social security benefits. This increase occurs because current public employee plan benefits and social security benefits are not duplicative in many areas. The benefits offered by social security which are lacking in most public plans and which therefore are most responsible for the ultimate higher cost include: improved health insurance; disability and survivor benefits; more adeqaute cost-of-living protection; and a fully portable benefit (which reduces the forfeitures that occur when nonvested employees resign).

While those states with large numbers of noncovered workers in the public sector would have substantially new costs, total pension costs in the affected jurisdictions would generally not be higher than in localities already covered by social security.

While questions have been raised regarding the legality of extending social security coverage to civilian federal employees, the legal problems would not appear to be substantial as long as coverage is extended on a prospective basis. Congressional power to mandate coverage is relatively free from limitation, and successful legal challenges are unlikely.

The situation is somewhat more complex at the state and local government level. If social security coverage is extended, competing constitutional claims will be raised and would probably have to be settled in court. The outcome is difficult to predict because the implications of the most prominent Supreme Court precedents are uncertain. In some instances, the issues are further complicated by provisions of state constitutions and by conflicting court rulings.

Some religious nonprofit organiaztions might challenge coverage on First Amendment grounds and the outcome of such a challenge is difficult to predict.

Newly covered pension systems would have to meet obligations to annuitants retired under the previous noncovered retirement plan and simultaneously begin paying the social security payroll tax.

At the federal level, the transition to social security would only minimally affect pension costs, regardless of whether the transition included current workers or only future employees. The cost of the transition will depend largely on agreements reached with current employees.

Although the new social security payroll tax burden would eventually be offset somewhat by the smaller obligations under a new coordinated federal staff plan, there could be sizeable increases in costs for newly covered state and local government jurisdictions during the transition period. The dual burden of paying the payroll tax and meeting obligations to current retirees would be especially acute for plans with substantial unfunded liabilities. Those state and local systems would need new ways to finance a higher level of pension obligations.

Covering current workers would result in a faster transition to the new system than would be the case if coverage were extended to new employees only. The ability of noncovered systems to deal with the new costs of social security coverage would depend largely on the current plan's funding level. Pay-as-you-go systems would have to assume social security obligations for current workers while paying accrued obligations from operating funds. For systems with some advance-funding, coordination with social security would be less of a problem.

Because of the complexities involved in redesigning the existing plan, the likelihood of amending legislation to existing pension statutes and the need to identify sources of funds to meet higher pension costs, it is estimated that state and local plans would need at least a four-year lead time.

Currently, all private industry employees, 70 percent of state and local government employees and 90 percent of employees in private nonprofit organizations are in retirement plans covered by social security. Thus, it is reasonable to conclude that the administrative requirements of the social security program are manageable.

Some administrative problems could occur initially if coverage were extended to noncovered groups, but the extent of these problems would depend on how the existing noncovered systems were revised to coordinate with social security. If only future employees were covered, a dual system of benefits would have to be administered. If current workers were covered, benefits for each current worker would have to be determined using two calculation procedures.

In addition, newly covered systems would have to devise procedures for withholding social security taxes. This burden, even for small plans, is not serious however, because many small businesses and individuals currently comply.

While the Commission expresses strong sentiment in favor of extending social security coverage to all noncovered employees, there is a question as to whether the windfall benefit and gap problem could be better solved by targeted amendments to the social security program. The staff will present data showing the effects of alternatives to universal coverage that would remedy the windfall benefit and gap problem.

If universal coverage is to be adopted, the Commission believes the feasible way would be to extend social security to new workers. In addition certain religious individuals should be exempted from universal coverage.

The Commission believes that individuals who are already retired and workers eligible for immediate retirement should not be affected by any modification of a pension system caused by coordination with social security coverage. Social security, if extended to government and nonprofit workers, should not replace the existing pension system. Rather, the existing system should be modified to take into account benefits available under social security.

The Commission expresses strong sentiment in favor of extending social security coverage to all new workers who otherwise would not be covered, but the staff is to present data showing the effects of alternatives to universal coverage that would remedy the windfall benefit and gap problem.

DISABILITY RETIREMENT

Many issues concerning disability are related to similar, general pension issues. These include rapid growth of expenditures, appropriate income replacement ratios, taxation of benefits, universal social security coverage and, more generally, the proper role of social security disability benefits and employee plans.

However, the disability aspects of these issues have unique, distinguishing features. For example, social security disability insurance (DI) has vesting problems (arising from a requirement for recent attachment to the covered labor force) that OASI does not. Moreover, the vagueness of purpose in the disability area and multiplicity of programs are more confusing than in the area of pensions.

Disability also has its own important issues, distinct from those which are common to the pension field generally. The most important of these include: benefit structure, rules and cash payments that produce work disincentives rather than support continuation of work; vast differences among programs in how readily benefits are available; important gaps in coverage; significant overlaps in coverage; replacement ratios that vary greatly within individual programs and from one program to another from less than 33 percent to well over 100 percent; difficult administrative problems in determining disability; and differing tax treatment of benefits.

Three factors contribute to the rapid growth of disability expenditures. First, new programs were created (for example. DI in 1956 and Black Lung in 1974), and existing ones were upgraded (for example, federalization and great expansion of SSI in 1974).

Second, benefits were increased through legislation reflecting a policy view that previous benefits were too low. Third, utilization of programs has grown because of higher benefits (relative to earnings), wider awareness of programs and a greater willingness of people to regard themselves as disabled. In DI and federal civil service disability retirement, utilization rates approximately doubled between the early 1960s and the early 1970s. Recent data suggest the growth in utilization rates may be ending. Western European social insurance disability programs, however, have substantially higher utilization rates.

The latest available data on actual benefits are old (1973–74) and hence portray a period when programs were generally smaller than they are now. However, the data clearly suggest that problems of low benefits and gaps are more serious than the problem of excessive benefits due to multiple coverage. About 27 percent of those who reported themselves unable to work at all received no benefits. Some 25 percent received benefits from two sources and 4 percent received benefits from three or more sources. Approximately half of the multiple coverage involved welfare programs, indicating that total benefits from multiple sources were low.

Males reporting themselves unable to work at all had, on average, only about one-third of their earnings losses replaced by benefits.* Those with social security (two-thirds of the group) had about 40 percent of earnings losses replaced; those with veterans' benefits (20 percent of the group) had about half of losses replaced; those with pensions (about 25 percent of the group) had about two-thirds of losses replaced. This variation by source partially reflects the fact that 70 percent of disability pension recipients received social security, while only 20 percent of social security recipients also received pensions. This wide disparity in replacement rates is largely the result of the unsystematic, historic way in which the current system of disability programs developed.

Work incentives are a particularly important issue because it is difficult to identify those people able to be reemployed. Thus, it may be important to maintain work incentives when assigning benefits and developing benefit entitlement rules. Incentive problems are compounded by the tax-exempt status of most disability payments, which make them particularly attractive when compared with either continuing work or taking regular retirement.

However, for some older workers, reemployment may not be possible under any program due to serious ill health or injury. For these workers, disability programs have essentially functioned as early retirement programs.

Assessing the proper responsibilities of disability programs depends upon basic views of the appropriate role of government in general and of the federal government in particular. However, it is important to remember that disability is an infrequent, unpredictable event that will not touch most people. People are, therefore, less likely to prepare appropriately for it by themselves than they do for retirement, which is both predictable and a normal event for most workers. Because of this, some argue that the government should assume a larger role in disability protection than it does in normal retirement.

Under the current alignment of roles, the federal government operates programs (i.e., DI and SSI) that cover only permanent and total disability and provide benefits that are adequate for low wage earners but not for all wage earners. States have important areas of responsibility (e.g., workers' compensation and short-term disability) and vary in their mandates. State programs, unlike federal programs, usually are not direct government operations but rather require that employers provide a given coverage, which then is most often purchased from private insurers (or self-insured). Additional second-tier coverage and general coverage of lesser disability is left to employers and individuals. Total benefits of about $2 billion under private sector employee long-term disability programs were less than those of long-term public employee staff programs in 1975. Total benefits under individually-purchased arrangements were only about half those of private employee long-term programs.

The Commission has addressed at some length the gaps caused by the various disability systems today. Disability insurance could be made universal whether or not the rest of social security is made universal. The idea of having a single disability program for all public employees will be addressed as part of the staff study on public employee pension systems.

The Commission considered the possibility of increasing work incentives by placing a ceiling on replacement ratios for total benefits. However, the Commission is concerned over whether benefits such as food stamps, medicine and so forth should be included. Because of the uncertainty, the staff will conduct further study, including a review of the issue of improving the monitoring of earnings in public programs. The staff also will study a proposal to encourage continuation in the labor force by using vocational rehabilitation, job redesign and so forth.

Both medical recovery and earnings recovery could be used equitably as criteria for terminating or reducing benefits. However, there is a question as to whether either one is sufficient or both should be used. For example, if a person is recovered medically, then one could deem the disability gone, even if the person is not earning an income. Even if the person is earning, that may not be proof that he or she is not really disabled or has found some kind of work to do.

In summary, while the Commission does not make specific recommendations concerning disability porgrams at this time, it directs the staff to analyze the following issues:

The viability of a universal disability program for all people.

The use of a ceiling on replacement ratios for all disability benefits as a work incentive.

The use of rehabilitation, job redesign and so forth to encourage labor force participation.

The development of an occupational disability program for older workers.

RETIREMENT AGES

Normal retirement age for social security and for many private and public employee plans is now 65. This is the age when unreduced pension benefits are paid. The need for reexamining the normal retirement age revolves mainly around increased longevity, demographic projections and future financing costs of retirement income programs. Today, people are living on the average, almost three years longer after age 65 than when social security first started paying old age insurance benefits. As life expectancy increases, it would seem equitable to expect retirement ages to rise.

The age of retirement is only one factor in rising pension costs. However, it is becoming more significant because the incidence of retirement at early ages is increasing while the tendency to fund early retirement through actuarial reduction is decreasing. At the same time, people are living longer in retirement and, therefore, pension benefits are paid over lengthening periods of time. While those age 65 and over are expected to continue to increase to the end of the century, there will be extraordinary growth starting in 2010 as the post-World War II baby boom begins to retire. When this generation retires, funding problems will intensify, particularly if the birth rate remains low (see Charts 7 and 8).

The age of retirement affects the social security system, which operates on a pay-as-you-go basis, differently than those plans which are advance-funded. Although each covered wage earner has a wage record on file with the Social Security Administration, there are no acccumulated funds for beneficiaries. Old age benefits are paid out of a trust fund financed by current OASI taxes on employees and employers. Thus the ratio of those working to those retired (the age dependency ratio) is important. Should the number of the retired increase dramatically while the number of workers decrease, tax rates to support the program would need to increase, perhaps to a level unacceptable to the future working population.

Current retirement trends, the aging of the post-World War II baby boom and changing mortality and fertility rates all suggest that social security tax rates may need to increase to potentially unacceptable levels after the turn of the century, perhaps doubling by 2030. By 2010, the first of the baby boom generation will be age 65, and the following years could see a dramatic increase in the ratio of the retired to active workers.

A majority of the 1979 Advisory Council on Social Security recommended serious consideration be given to enactment now of an increase in the normal retirement age effective at the turn of the century so that workers would have ample time to adjust their plans to a later retirement. The Council suggested an increase in the normal retirement age beginning in the year 2000 by two months for each annual cohort of workers reaching age 62 in 2000 or later. Under this plan, the normal retirement age would be 68 in 2018 (see Chart 9).

The Commission believes that the normal retirement age for social security should not be raised now out of a recognition that there is a social contract with working people today who are approaching retirement age. However, there is general agreement that the normal retirement age for social security should be raised in the future.

The Commission believes that the age of normal retirement should be based on average life expectancy rather than an age chosen arbitrarily. In general it would be better to establish a principle that people can expect a constant proportion of their adult lives to be in retirement.

Some specific problems the Commission believes should be addressed in this area are chronic unemployment (before even early retirement ages) and the fact that while people live longer, it is not necessarily true that they have the ability to perform the work that they have been trained to perform. This issue, which may be beyond this Commission, includes the need for part-time work, change in careers, retraining and so forth.

In discussing normal retirement ages for employee pension plans, the Commission understands the need for flexibility.

The Commission generally agrees that the recent move by the Congress to change mandatory retirement age from 65 to 70 is a move in the right direction, but that no further change should be made at the present time without more experience under the new law.

At this time, the Commission makes no recommendations with regard to early retirement or very early retirement. The subject of very early retirement ages primarily involves hazardous duty occupations such as police, firefighters and the military. It will be further examined in a Commission staff study of a national public employee retirement system to be conducted in the upcoming months.

In summary, the Commission recommends the following:

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*Comparable data for women are not available.

Normal retirement age for social security should not be raised now out of recognition that there is a social contract with working people today who are approaching retirement age. However, the Commission has seriously considered whether the social contract with future generations of retirees should be changed and concludes that it is preferable to set the normal retirement age in terms of the proportion of adult life to be spent in retirement rather than in terms of an arbitrary age.

EMPLOYMENT OF THE OLDER WORKER

The employment of older workers, though not generally considered a pension issue, may become increasingly important in the retirement income context as the nation's population ages. Current policies do not encourage older workers to remain in the work force and, in some cases, actually discourage continued employment.

The biggest disincentive to work within the context of the social security system is the retirement or earnings test. Currently, if individuals age 65–72 have earnings over $5,000, $1 in benefits is withheld for every $2 earned above the limit. For people age 62–64, the earnings limit is $3,720 and there is no limit for persons age 72 and over.*

The 1979 Advisory Council on Social Security recommended that the earnings test remain essentially as it is but that persons under age 65 should have the same exempt amount as those over age 65.

The Congress recently amended the earnings test provision to provide periodic increases to $6,000 for those over age 65 in 1982 and adjustments according to rising wage levels thereafter. Those under age 65 now only receive the adjustments. One way to increase part-time work effort by those age 65 and over is to raise the earnings test still further until it is at about one-half the average wage for the younger population.

It is generally recognized that the earnings test acts to restrict work effort and many beneficiaries who do work restrict earnings below the level at which benefits are reduced. The earnings test does not apply to non-work income, and this has been, and is, a source of considerable criticism because it penalizes income from earnings. While some people with high earnings and incomes might benefit from the removal of the earnings test, studies have also shown that many people are working to supplement low social security benefits.

The Commission believes that if social security benefits are included in income subject to normal taxation, then the earnings test should be eliminated. Low income people would be encouraged to supplement their income through work and high income people would have all of their benefits subject to a high tax rate. The net cost of these recommendations will be studied by the staff.

A number of work disincentives also exist outside of social security. Retirees with private or public pensions sometimes are prohibited from engaging in work similar to that performed for the employer before retirement or have their pensions reduced or cancelled. In the federal government, retirees who are reemployed by the government have their pay reduced by the full amount of the annuity received.

In order to retain older people in the labor force, alternative work patterns such as part-time work, staggered work hours and sabbaticals have been suggested. Such alternatives also would benefit those who have retired from one job and desire part-time work after retirement. Some firms have tried such approaches on a limited basis. In a case study of a firm which has a program for reducing work for persons age 60–65, it was found that those who participated delayed retirement. The federal government also has a program to provide the opportunity for reduced work hours for older persons. There are problems with implementing such programs, however. Supervisors may not be able to participate without taking a non-supervisory job, for example. Other losses of status may occur. In addition, an important consideration is the effect on pension benefits. Part-time work means a reduction in pay, and pension benefits are commonly based on recent pay levels in defined benefit plans. Thus, part-time work in the years before retirement could reduce pension benefits.

Older workers can be retained in the labor force by providing them with job retraining and educational opportunities. One such approach provided by a federal program is the Senior Community Service Employment Program (SCSEP), funded under the Older Americans Act. It provides about 50,000 part-time jobs in human services for workers age 55 and over who have been chronically unemployed and are below the poverty level. One objective is to place participants in permanent, unsubsidized jobs. There are 10 applicants waiting for every opening in this program according to the Department of Labor.

The SCSEP, however, does not reach people who simply need retraining and/or job opportunities. Suggestions to stimulate employers to provide such opportunities include tax credits and reductions.

The Commission believes that information on alternative work patterns should be encouraged and developed through research and demonstration programs in existing federal employment programs. Alternative patterns would include part-time employment (including job-sharing and mini-shifts), flexible hours of work and phased retirement. The Commission also agrees that job retraining and job redesign for older workers in private industry should be encouraged through tax incentives, federal employment and training programs and/or federal contract requirements.

Older workers should be encouraged to remain in the work force to add to their retirement income, increase productivity and contribute to psychological well-being. However, extended careers may not be appropriate for certain types of work or workers.

In summary, the Commission recommends the following:

If the Commission recommendation on tax treatment of social security benefits is adopted, then the social security earnings test should be removed. The staff will study the cost implications of eliminating the earnings test.

Information on alternative work patterns should be encouraged and developed through research and demonstration programs in existing federal employment programs. Job retraining and job redesign for older workers in private industry also should be encouraged.

THE OWNERSHIP AND CONTROL OF PENSION FUND ASSETS

Questions concerning the ownership and investment of pension fund assets have become increasingly important as the assets invested by such funds have grown dramatically over the past 30 years. While such assets represented about 13 percent of GNP in 1950, the proportion more than doubled to 27 percent of GNP by 1977. It is likely that continued fund expansion will lead to further debate over the management of these funds and continued interest from the perspective of public policy and economic productivity. If policies are initiated to encourage the growth of advance-funded programs, these concerns could accelerate rapidly.

Commission discussion in the area of fund ownership and investment criteria began with hearings held on December 10 and 11, 1979 on the issues surrounding the concept of non-traditional investment of pension fund assets.

Traditionally, funds trustees control assets and investment decisions are governed by prudence standards which emphasize risk-return criteria. Advocates of a variety of alternative practices argue that participants have the right to more direct participation because fund assets are deferred wages. They also argue for the expansion of investment criteria to include considerations other than risk-return considerations. These include exclusionary criteria or targeting for regional or union purposes.

Employers and some trustees oppose such actions on a number of grounds. In particular, concern has been expressed over the additional financial risk employers would bear if non-traditional investment criteria are accepted. Such concern has been particularly strong in the case of defined benefit plans. With regard to defined contribution plans, a diminishing trustee role is viewed as a possible jeopardy to retiree benefit security.

Broader issues arise in the area of alternative investment criteria. The legal framework surrounding the determination of decision-making in this area is an issue for future debate. Specifically, it must be determined to what extent under present law the dictates of prudence allow fiduciaries to use non-traditional investment criteria. In addition, it must be determined who should have the right to determine investment decisions, or to vote the shares of corporations in which funds invest. Whether non-traditional pension fund investment behavior raises possible anti-trust questions is also of concern.

These legal and policy issues are extremely complex and involve many areas of law. The current debate over these issues is often confusing and misdirected. The Commission believes that it can perform a useful role in establishing the areas of current law in need of clarification and possible changes to the law in need of future discussion.

A number of broader economic issues have been raised regarding the allocation of pension assets among competing investment alternatives. While at least one study presented to the Commission suggested that portfolio performance is not necessarily reduced in the presence of investment targeting, little firm evidence exists to support this. Such effects could potentially influence fund performance, and possibly, under certain conditions, overall economic productivity.

Little is known about the impact current or future investment decisions may have upon the economic growth of different sectors of the economy. For instance, while Security and Exchange Commission data indicate shifts in the proportions of pension assets invested in equities (from 30 percent in 1955, to 62.5 percent in 1970 and 53 percent in 1978), such movement may merely reflect market forces. Yet, it is possible that fund growth under whatever legal conditions exist may lead to portfolio allocation that is not necessarily optimal for the economy.

Although discussion has taken place among the Commissioners on the relative importance of each of these concerns and on the ability of the Commission to deal with such complex issues in a short period of time, the area is felt to be of sufficient concern and importance to require inclusion as an item for further study and possible recommendations on certain issues.

The Commission believes that issues related to the ownership and control of pension fund assets are extremely important. Therefore, the Commission recommends that issues related to the ownership, control and investment of pension fund assets, including questions of non-traditional investment criteria, be investigated to identify and clarify areas for further study. In the course of the clarification of these issues, the Commission may feel that certain recommendations would be appropriate in the final report.

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*This requirement is scheduled to be reduced to age 70 after 1981.

Appendix A

President's Commission
on Pension Policy,
Washington, D.C., May 23, 1980.
President Jimmy Carter,
The White House
Washington, D.C.

Dear Mr. President: Each year tens of millions of older Americans depend on some type of retirement income to sustain them in retirement. The country devotes a substantial portion of its national resources to various retirement programs. Total retirement, disability and survivor benefits have grown from 2 percent of the Gross National Product (GNP) in 1950 to 8 percent of the GNP by 1975. Currently, pension benefits from all sources top $100 billion annually.

More people are expected to live longer in retirement in future years. Therefore the problems associated with our enormous pension programs in this country will increase. Steps must be taken soon to address the issues and design solutions to our difficulties in the area. We are convinced of the need for a comprehensive U.S. pension policy.

Pursuant to Executive Order 12071 and PL 96-14 the President's Commission on Pension Policy is submitting an interim report to you and the Congress.

Our report is being issued after more than a year of study and research which has involved 20 public meetings in Washington and around the country. The interim report of the Commission makes no final recommendations. We will complete our final report in February of 1981.

This report establishes broad, long-range policy objectives in a number of important areas. These include: the future of the U.S. retirement income system, retirement income goals, pensions and tax policy, the treatment of spouses, universal social security coverage, disability retirement, retirement age policy and the ownership and control of pension fund assets. In many areas, we have directed the Commission staff to begin a cost analysis before we make final recommendations.

In addition, the Commission is continuing its assessment of such important issues as the ability of present private, federal, state and local retirement income systems to meet their future obligations and the effect of pension policy on the national economy.

We are issuing this first report a number of months prior to our final consideration of many issues in order to alert policymakers and the general public to the problems we foresee. We also want the benefit of as much public comment as possible before we make final recommendations.

Sincerely,
C. Peter McColough,
Chairman.

President's Commission on
Pension Policy,
Washington, D.C., May 2, 1980.
Hon. Walter F. Mondale,
President,
U.S. Senate,
Washington, D.C.

Dear Mr. President: Each year tens of millions of older Americans depend on some type of retirement income to sustain them in retirement. The country devotes a substantial portion of its national resources to various retirement programs. Total retirement, disability and survivor benefits have grown from two percent of the Gross National Product (GNP) in 1950 to eight percent of the GNP by 1975. Currently, pension benefits from all sources top $100 billion annually.

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Sincerely,
C. Peter McColough,
Chairman.

President's Commission on
Pension Policy,
Washington, D.C., May 23, 1980.
Hon. Thomas P. O'Neill, Jr.,
Speaker of the House,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Each year tens of millions of older Americans depend on some type of retirement income to sustain them in retirement. The country devotes a substantial portion of its national resources to various retirement programs. Total retirement, disability and survivor benefits have grown from 2 percent of the Gross National Product (GNP) in 1950 to 8 percent of the GNP by 1975. Currently, pension benefits from all sources top $100 billion annually.

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Sincerely,
C. Peter McColough,
Chairman.

Appendix B

Executive Summary

In its interim report presented to the President and the Congress on May 23, 1980, the President's Commission on Pension Policy made a number of interim recommendations and comments. They are:

THE U.S. RETIREMENT INCOME SYSTEM

The Commission concludes that serious consideration should be given to the establishment of a minimum advance-funded pension system. Such a program could be thought of as an advance funded tier of social security that would permit contracting out to pension plans that wanted to meet its standards or as a universal, employee pension system with a central portability clearinghouse. Obviously, many questions need to be answered before this Commission could formally recommend such a system. Such a system's effect on workers, employers and the economy will need to be analyzed very carefully. The Commission has, therefore, directed the staff to conduct a series of cost and policy studies of how such a system would work.

RETIREMENT INCOME GOALS

The replacement of preretirement disposable income from all sources is a desirable retirement income goal.

A combination of both minimum income levels and replacement rates of preretirement earnings should be used as the standard for measuring retirement income adequacy. The staff should study the cost implications of making the single person's budget 75 percent of the BLS intermediate couple's budget and what the appropriate preretirement earnings base for the replacement rate should be.

The BLS should be asked to do a sample survey to see if there is enough difference in the consumption patterns of the retired to maintain a separate index for them.

The greatest emphasis should be placed on expanding pension coverage rather than providing full inflation protection to some at this time. Therefore, automatic inflation adjustments for employee pensions are encouraged but should not be required at this time.

Further study should be given to indexed bonds, but the study should be limited to their applicability to retiree benefits.

TAX POLICY

The tax treatment of employee and employer contributions to pension plans and earnings on these contributions should be the same.

The concept of a tax credit for low and moderate income people to encourage individual retirement savings and employee contributions to plans should be given serious consideration. The staff will develop proposals.

The tax treatment of savings specifically for retirement should be the same as the tax treatment of pension plans.

Contributions to and benefits from social security should receive the same tax treatment as do those of other retirement programs. The staff will conduct a study on phasing in such treatment.

Individuals in all types of pension programs should be treated more equally regarding contributions and benefit limitations. The staff will study the implications of this recommendation.

TREATMENT OF SPOUSES

After an appropriate transition period, the social security system should use an earnings sharing approach with at least some inheritance of a deceased spouse's credits by the survivor. This recommendation is contingent on further study.

Pensions should be defined as property. The staff will study ways to implement this decision, including the implications for government plans.

Survivor protection should be automatic for married and divorced spouses. To waive the benefit protection, both spouses should have to sign a waiver witnessed by the plan administrator or agent after having been informed of the provision by the administrator.

For divorced spouses, the survivor protection should be prorated based on years of pension service accrued during marriage. The staff will study the implications.

All survivors of employees who die before retirement with a vested benefit should receive either survivor benefits under the pension plan or life insurance benefits. More study should be done on the power value of these benefits.

A study will be done on whether lifetime benefits for all workers in all plans for all options should use unisex mortality tables or sex-distinct tables.

UNIVERSAL SOCIAL SECURITY COVERAGE

The Commission expresses strong sentiment in favor of extending social security coverage to all new workers who otherwise would not be covered, but the staff is to present data showing the effects of alternatives to universal coverage that would remedy the windfall benefit and gap problem.

DISABILITY RETIREMENT

The staff should study the viability of a universal disability program for all people.

The use of a ceiling on replacement ratios for all disability benefits as a work incentive.

The use of rehabilitation, job redesign and so forth, to encourage labor force participation.

The development of an occupational disability program for older workers.

RETIREMENT AGE

Normal retirement age for social security should not be raised now out of recognition that there is a social contract with working people today who are approaching retirement age. However, the Commission has seriously considered whether the social contract with future generations of retirees should be changed and concludes that it is preferable to set the normal retirement age in terms of the proportion of adult life to be spent in retirement rather than in terms of an arbitrary age.

EMPLOYMENT OF OLDER WORKERS

If the Commission recommendation on tax treatment of social security benefits is adopted, then the social security earnings test should be removed. The staff will study the cost implications of eliminating the earnings tests.

Information on alternative work patterns should be encouraged and developed through research and demonstration programs in existing federal employment programs. Job retraining and job redesign for older workers in private industry also should be encouraged.

OWNERSHIP AND CONTROL OF PENSION FUND ASSETS

The Commission believes that issues related to the ownership and control of pension fund assets are extremely important.

Therefore, the Commission recommends that issues related to the ownership, control and investment of pension fund assets, including questions of non-traditional investment criteria, be investigated to identify and clarify areas for further study. In the course of the clarification of these issues, the Commission may feel that certain recommendations would be appropriate in the final report.

APPENDIX C

PRESIDENT'S COMMISSION ON PENSION POLICY: FACT SHEET

BACKGROUND

The Commission's areas of study and its mandate are incorporated in Executive Order 12071 signed by President Carter. In the Fall of 1978, C. Peter McColough, the Chairman of Xerox Corporation, was appointed by the President as Commission head. On February 14, 1979 the remaining 10 members of the Commission were appointed by the President and legislation (PL 96-14) authorizing a $2 million, two-year study of the nation's retirement income policies was submited to the Congress for approval.

THE EXECUTIVE ORDER

Executive Order 12071 mandated that the Commission study the nation's retirement, survivor and disability systems seeking advice from interested individuals and groups, private and public organizations, Congress, and federal government agencies. The Commission works closely with the agencies of the federal government that are directly involved with retirement income programs and various study groups sponsored by the government which are also looking at particular aspects of the retirement income system.

Among the areas being studied as a result of the Executive Order are:

Present overlaps and gaps among the private, state and local sectors in providing income to retired, surviving, and disabled persons;

The financial ability of present private, Federal, state and local retirement, survivor, and disability systems to meet their future obligations;

Appropriate retirement ages, the relationship of the annuity levels to past earnings and contributions, and the role of current retirement, surivivor, and disability programs in private capital formation and economic growth;

The implications of the recommended national policies for the financing and benefit structures of the retirement, survivor, and disability programs in the public and private sectors; and

Specific reforms and organizational changes in the present systems that may be required to meet the goals of national pension policies.

The Executive Order requires that the Commission issue a series of interim and final reports during its lifespan.

RETIREMENT INCOME SYSTEMS IN THE UNITED STATES

About 50 percent of the American workforce is covered by a public or private retirement income plan but no comprehensive, coordinated national retirement income policy exists.

In addition to the basic Social Security program (OASDI) which covers nearly all private sector employees and most state and local government employees, there is the Civil Service Retirement System which covers the vast majority of federal employees, dozens of separate plans covering special groups of federal civilian employees, a separate pension system for military personnel, thousands of separate plans covering various groups of state and local government employees, and hundreds of thousands of separate plans established by private sector employers.

Because these thousands of separate plans developed in response to different needs and different requirements, they do not necessarily fit together in ways that provide an adequate and equitable retirement system. Some workers may qualify for pensions under several different plans during their career, while others may reach retirement with only their OASDI benefits. Consequently, some workers will enjoy a financially secure retirement while others will exist near the poverty line.

It is one of the assignments of the Commission to map out the framework for a national retirement income policy and to suggest changes in the present system.

THE DEMOGRAPHICS OF AGING

The importance of retirement income programs will increase in the coming years as the population grows older, women become even more of a factor in the workforce, people live longer, and retirement trends change.

Today, one out of nine Americans is over age 65. Older Americans totaled 23.5 million people in mid-1977, about 11 percent of the population. And, although the proportion of persons 65 and older in the population is not expected to increase dramatically through the year 2000, the so-called "baby boom" population will start to retire in 2010. By the year 2035, persons 65 or older are expected to represent 22 percent of the population.

RETIREMENT SYSTEMS AND CAPITAL FORMATION

Approximately one-half million private pension plans, 6,600 state/local government pension plans, and some of the 38 federal worker retirement plans collectively hold over $550 billion in assets. And, the two-and-a-half million Individual Retirement Accounts have accumulated another $2.5 billion in capital.

One of the most difficult issues impeding the development of a coherent national retirement income policy is the role of various retirement systems in capital formation and economic growth. Together, various pension plans hold 20 percent of all corporate securities in the United States. So, changes in different plans, or changes in the way these plans invest their capital or are funded, would have a significant impact on capital formation.

Finally, OASDI, the military retirement programs, and most federal civilian retirement plans are partially or entirely funded on a "pay-as-you-go" basis which transfers billions of dollars in capital from one generation to the next. Any changes in this system of funding could also have a profound effect on capital formation.

OTHER STUDY GROUPS

The Commission is working closely with other groups surveying particular aspects of the national retirement income system so that duplication of effort can be avoided. The data accumulated will be available to the Commission for its own uses. Some of the groups whose research will be helpful to the Commission are:

The Advisory Council on Social Security;

The National Commission on Social Security;

The Universal Social Security Coverage Group;

The President's Commission on Military Compensation;

Studies of state local government plans by H.U.D. and the House Pension Task Force;

A report on private plan investment patterns by the Department of Labor; and

Sections of the report by the U.S. Department of Justice H.E.W. study group looking into sex discrimination;

In addition, the G.A.O. and the Congressional Budget Office have issued a number of reports dealing with pension issues.

THE COMMISSION'S PROPOSED RESEARCH AGENDA

In order to conform with Executive Order 12071, the Commission decided at its first meeting to divide Commission resources into three separate study groups of its own:

Study Group 1: Present and Future Needs of Retired Population.

Study Group 2: Ability of Systems to Meet Income Needs.

Study Group 3: Tax Policy, Capital Formation and Economic Growth.

ADDITIONAL COMMISSION STUDY

In addition to the staff studies and the issues outlined in its May 23, 1980 interim report, the Commission will address the following topics in later reports: portability and vesting; the role of savings and assets in retirement income; the state and local sector and PERISA; social security financing; social security benefit structure; overlaps in pension plans; pension plans and collective bargaining; the federal employee retirement systems; actuarial and accounting standards; the effect of demographic shifts on savings; pensions and personnel management policy; the trade off between pensions and wages; the macroeconomic effects of savings on investment, capital formation and productivity; the costs to the individual and to the nation of providing adequate retirement income; the retirement income distribution; the effect of in-kind benefits on the income of the retired, and the organization of the executive and congressional branches of government to deal with retirement systems.

Most of these issues will also be included in the Commission's final report in February, 1981.

APPENDIX D

C. Peter McColough (Chairman): Mr. McColough is chairman and chief executive officer of Xerox Corporation. He is a member of the Steering Committee of the National Committee for Full Employment.

Henry L. Bowden: Mr. Bowden is a partner in the law firm of Lokey and Bowden of Atlanta, Georgia. He is the former City Attorney for Atlanta.

John Bragg: Mr. Bragg is a member of the Tennessee House of Representatives. He is a member of the Council of Pensions and Retirement. Mr. Bragg is the former chairman of the National Conference of State Legislatures' Task Force on Public Pensions.

Lisle C. Carter, Jr.: Mr. Carter is president of the University of the District of Columbia. He was previously director of the Public Policy and Administration Program in the Graduate School of Business and Public Administration at Cornell University, and has served as an assistant secretary of the Department of Health, Education and Welfare, and as assistant director of the U.S. Office of Equal Opportunity.

James Clark, Jr.: Mr. Clark is a member of the Maryland Senate where he is chairman of the Pension Study Committee, which completed a two-year study of the Maryland public pension systems in 1978. He is also a member of the National Conference of State Legislatures' Task Force on Public Pensions.

Paul R. Dean: Mr. Dean is professor of law and former dean of the Georgetown University Law School, and an expert in federal income, estate and gift taxation and estate planning. Mr. Dean also serves as neutral trustee for the Health and Retirement Funds of the United Mine Workers of America.

William C. Greenough: Mr. Greenough is trustee and chairman, CREF, Finance Committee, New York City.

Martha W. Griffiths: Ms. Griffiths practices law in Romeo, Michigan. She represented the 17th Congresional District of the State of Michigan in Congress from 1955 through 1975, and sponsored the Equal Rights Amendment to the Constitution.

Harvey Kapnick: Mr. Kapnick is the former deputy chairman of the First National Bank of Chicago. Prior to that position, he was chairman and chief executive officer of Arthur Andersen and Company of Chicago.

John H. Lyons: Mr. Lyons is the president of the International Association of Bridge, Structural and Ornamental Iron Workers. He is also vice-president of the AFL–CIO's Building and Construction Trades Department.

[From the New York Times, May 18, 1980]

INFLATION AND AGE PATTERNS IMPERILING PENSION SYSTEM

(By Karen W. Arenson)

The persistent high rate of inflation is not only eating away the income of the millions of Americans who draw pensions, it is also threatening the very underpinnings of the nation's entire retirement and pension system.

Many economists forecast a drop in the inflation rate to 7 to 10 per cent; most recently the rate as measured by the Consumer Price Index has been high enough to produce a projected annual rate of 18 per cent. But pension experts say there is no way the pension fund system can provide adequate retirement income in decades to come. Only if inflation goes away will the problem really disappear, and that is something that few, if any economists are predicting. And if it did, the system would still face a severe challenge because the nation's birthrate has dropped dramatically and in the next century there will be a declining number of workers to support a retired population swelled by the postwar baby boom.

"The pension system in this country is a phony promise," said J. Anthony Forstmann, of Forstmann-Leff Associates, a money management firm that manages about $1.2 billion in pension funds. "You can't run inflation at this order of magnitude and have the promise still survive. The standard of living of retirees has to decline rather dramatically."

Echoing that thought was Bernard F. Curry, senior vice president for pension trust administration at the Morgan Guaranty Trust Company, one of the largest managers of trust funds.

"You and I are going to live different lives in retirement than we would have five or 10 years ago," he said. "Stories on inflation all come down to one thing: sacrifice. People are going to have to set their sights on a lower retirement standard or pay very high bills to support the elderly."

The pension funds, as distinguished from pay-as-you-go Social Security, have grown to $500 billion in assets. They make up one of the largest pools of capital anywhere, and they are growing so fast that they are expected to double in five years.

In addition to their obvious impact on retired people, they are a huge force in the nation's economy that affects all segments of the population. They have become a vast presence in the stock and bond markets and are one of the nation's largest sources of investment capital. How this money is invested is a growing source of controversy because of its impact on whole industries and regions.

The future of the pension system, the subject of a two-year study by a Presidential commission that is scheduled to make public an interim report later this week, could affect the nation's tax structure, political debate, retirement age, collective bargaining and possibly even the rate of inflation that threatens it.

As the United States enters an era when a declining number of workers will be forced to support a growing population of the retired, actuaries and other pension specialists say that the demographic shift is joining with inflation to jeopardize the economic foundations of many retirement programs.

"Pension programs were not designed to provide full protection against inflation," said Thomas C. Woodruff, executive director of the President's Commission on Pension Policy. "If you look at the next century, when the baby boom people start to retire, you'll see the potential for intergenerational conflict is very high."

MOST PROGRAMS CALLED SOUND

Analysts working on the Presidential commission say they believe that most pension programs for private and public employees are sound as they now stand.

Six years ago Congress enacted comprehensive legislation that regulates private pension programs to assure workers that they will get the benefits they had been promised. The law also set up a Government agency that arranges for other companies to provide the money for pensions of workers whose employers go bankrupt.

State and local governments and taxpayers face the risk of pension plan failure directly, because the guaranteeing legislation applies only to private plans. Further, the cost of most public employee pension plans is rising rapidly because governments have tended to offer pensions far more lucrative than those given workers in the private economy. This is partly because many are indexed to increase in step with consumer prices; private plans generally are not. Also, many government employees can retire sooner than their civilian counterparts, meaning that they draw pensions longer.

The problems of the Social Security System, which collects money from more than 110 million workers and provides monthly benefits to 35 million people, nearly one out of seven Americans, have already drawn considerable attention because of the huge tax it places on workers to pay retirees. It is likely that the system, despite its $120 billion annual budget (nearly 5 percent of the gross national product), could run short of funds in the next year or two, particularly if there is a deep recession. This could result in an increase in Social Security taxes or a move to use general tax revenues to pay benefits.

LONG-TERM OUTLOOK DISMAL

In the longer term, the prognosis is also dismal. Government projections indicate that by the year 2030 the total cost of Social Security could go as high as 25 percent of total salaries. Employers' and employees' contributions together now total slightly more than 10 percent.

Outside of Social Security, the system of private and government pension funds is in virtually the same leaky boat, but few people have noticed yet that it is leaking.

The system has flaws that would cause a huge burden in additional costs if they were eliminated. For one thing, many Americans are still not eligible for pensions for a variety of reasons. For another, most pensions, unlike Social Security, do not increase in step with inflation. To remedy this would burden employers with huge additional costs, perhaps double or triple the sum they now pay into pension funds, which amounts to 8 to 10 percent of a worker's salary.

Many companies have voluntarily increased benefits to retirees in recent years to adjust for inflation, but virtually all have adamantly refused to write in automatic cost-of-living adjustments, despite building pressure from workers and retirees. Most pension experts argue that the cost of offering full inflation adjustments would be so gargantuan that it simply can not be done.

"There is no free lunch," said David Feldman, assistant treasurer at the American Telephone and Telegraph Company. "If pensions were indexed, corporate contributions would have to be increased. The extra money would have to come from the company, which will have to get it from customers."

INFLATION IS MAGNIFIED

Paul R. Dean, a member of the President's Commission on Pension Policy, has noted that keeping a retiree's pension in step with a mere 1 percent inflation rate costs a company 10 percent more over the life of the pension than if there had been no inflation. If the inflation rate runs at 5 percent, the cost increases by 54 percent.

"There is a pincers effect here," said Dave H. Williams, chairman of Alliance Capital, a large manager of pension funds. "Corporations simply have to make greater contributions, and that raises some pretty ugly questions, such as where the money is coming from. Some companies may just raise prices, but how is a company in trouble supposed to raise prices when it can barely stay alive?"

Further down the road, the eventual graying of the baby boom will also hit pension plans, much as it will hit Social Security. The pain will not be quite so sharp because, unlike the pay-as-you-go Social Security system, pension plans are financed over 30 or 40 years.

But in an inflationary economy, the money that has been set aside over 30 or 40 years to support retired workers will be worth less and less.

HOW A PENSION SHRINKS

At the same time, pensioners will be asking for more and more to support themselves in the face of rising prices. At a 5 percent annual rate of inflation, the value of a fixed pension would drop by nearly a quarter in only five years. At the 10 percent rate some economists think will not be unlikely for some time, the real value of a pension would decline by more than a third in only five years. After 10 years, the pension would have only 39 percent of its starting value. On the average, a 65-year-old man can expect to live 14 more years while a 65-year-old woman can expect to live 18 more years, according to the President's commission.

So, although most private pension plans have managed to duck inflation-indexing so far, the pressures to change that will build. The atlernative, of course, is that retirees will simply find their standard of living deteriorating.

A Louis Harris survey commissioned by the employee benefit consulting firm of Johnson & Higgins found that workers and retirees both said the highest priority for pension funds ought to be having pension benefits rise with consumer prices.

THE SYSTEM DESTRUCTS

Of course, should inflation abate, and the investment markets return to more placid patterns, then the problems for pensioners and pension funds will diminish considerably. That is what most pension industry executives are hoping for, and even counting on. They reason that a continuation of current trends will force the Government to right the economy, because the alternatives are too dangerous to be acceptable. Economists have put forth a range of proposals to deal with inflation, but despite all the prescriptions inflation remains a worse problem than ever.

"If you have financial markets where you cannot get a real rate of return, it will be the doom of far more than the private pension system," said Harrison Givens Jr. vice president and actuary at the Equitable Life Assurance Society of the United States.

"In the long run, you are guaranteed to earn a regular rate of return," said George Johnston, president of Scrudder, Stevens & Clark, a large investment management firm. "If that does not prevail, the system destructs, both the economy and pension funds."

Even without inflation, the United States faces a momumental problem in providing for its elderly once the baby boom starts reaching the age of 65 in 2010; in fact, many public employees will retire at a younger age. The real question then will be how much it will cost to support the elderly when the postwar babies start retiring and whether the rest of the population will be able and willing to support them, be it through Social Security, pensions, or any other means.

Some take the view; as expressed by Bert Seidman, director of the American Federation of Labor and Congress of Industrial Organizations' Department of Social Security, that the population's willingness to support the elderly, whatever the price, will not decline.

ISSUE DIFFICULT POLITICALLY

"Children and grandchildren don't feel their parents and grandparents should suffer huge reductions in living standards," said Mr. Seidman. "That's why the issue is so difficult politically. It isn't only the older people who are sensitive to this. Growing old is something that happens to everyone and there is a kind of intergenerational compact."

But in at least a few places, the intergenerational compact appears already to have turned into an intergenerational conflict. Sweden, for example, which has a generous program of providing for its elderly, has recently been caught in an overt generational battle between workers and retirees.

"Swedish workers are fighting for cutbacks in benefits because they see themselves as taxpayers, not as future beneficiaries," said Henry J. Aaron, who was chairman of the 1979 Advisory Council on Social Security and is a senior fellow at the Brookings Institution, a center for economic research.

Ultimately, this is a political question. And it is one that is sure to come up again and again in the next few decades, perhaps with changing answers as the elderly population increases and its political power grows.

MORE RATHER THAN LESS

Thus, while there are some moves afoot to reduce Social Security's benefit structure even now, that could change quickly. In the short term, retirement benefits may suffer. But over the longer term, the answer is likely to be that more money rather than less will be paid out.

Projections by the Federal Bureau of the Census show that 23 percent of Americans will be over the age of 65 by the year 2040, as as against only 10.8 percent in 1977. The working population is expected to increase at a lesser rate. So while there are now 3.3 workers supporting every retiree, the Census Bureau estimates that there will be only about two workers for every retiree by the year 2040.

Dealing with this problem may mean taking steps as drastic as pushing back retirement to age 68, 70 or 75, as the President's commission is expected to suggest, and perhaps throwing over the present concept of retirement altogether.

"The real solution to all of these problems" is nothing short of "strong cultural change in the way we view our jobs and ourselves," says A. Haeworth Robertson, formerly the chief actuary for the Social Security System and now a vice president at the employee benefit consulting firm of William M. Mercer.

The concept of earlier retirement, and of paid leisure, is very much a modern phenomenon, developed mainly in the last 50 years. Before that, families relied primarily on each other and on savings.

HOW SOCIAL SECURITY BEGAN

This system proved clearly inadequate in the Depression, when the market crash and bank failures depleted lifetime savings virtually overnight. So the concept of Social Security to serve as an economic floor was developed.

The private pension system got its big lift after World War II. When wage increases could not be granted under the wage control program then, unions began to bargain more actively for pensions. Since then a huge industry has grown up around them.

In 1975 private pension plans covered about 38.5 million workers and dispensed nearly $15 billion in benefits. That is up from coverage of 20.5 million workers and disbursements of $1.7 billion in 1960. But these figures do not truly represent how many Americans will receive private pensions in the future. Many employees will not stay with their jobs long enough to qualify for a pension, in most places a minimum of 10 years.

The system itself is less a system than a collage of diverse plans—more than 1.1 million in all—offered by many employers. The Department of Labor recently announced that more than 3.8 million couples and single persons 65 or older (21 percent of all elderly households) received income from private pension plans in 1978. The average income received was $3,150.

POOR INVESTMENT PERFORMANCE

No employer is required to offer a pension plan, but those who do must comply with Federal regulations governing such matters as payouts and investments. For most funds, however, the problems have not been ones of legality but of how to achieve satisfactory investment performance.

"Large pools of pension fund assets tend to do about as well as the market, because in a sense they are the market," said John English, director of treasury pension fund administration for A.T.&T. "It is not a question of astute investment management, but a question of what will happen to the whole market."

Robert DeMichele, a vice president at A. G. Becker Inc., which maintains the most complete data bank of pension fund performance, says that pension funds have not met their rate of return assumptions for a decade.

CONTRIBUTIONS FROM EARNINGS

Becker pension fund data show that only one fund in 20 has had average earnings greater than the 7.4 percent average increase in the Consumer Price Index over the last 10 years. And even these few funds did not outperform the index every year in that period. Mr. DeMichele of Becker says that not a single fund in the Becker data bank of 3,500 pension funds achieved that.

Last year, according to Becker, half of all pension funds earned 13.1 percent or less, while the price index rose by 13.3 percent.

"The median plan in our data bank has had head problems meetings actuarial assumptions," he says, "If they don't close this gap, they will have to come up with large contributions from earnings, and the issue will be how much comes out of the shareholders' pockets."

Top executives of many companies are taking a more direct interest in how their pension funds are managed and designed, and many have hired consultants to help find ways to make pension dollars go farther.

Kenneth F. Keane, a senior vice president and director in the employee benefit consulting division of John & Higgins, for example, suggests that immediately after retirement, employees should accept somewhat lower benefits than scheduled. In exchange, the corporation would promise to give them some regular pension increase because of inflation. The corporation might be faced with some additional costs, but not so much as if there were no concession from the employees.

It is generally conceded that there are fewer aged people living in poverty now than there were 10 or 20 years ago; the Census Bureau says that 15.7 percent of those 65 and over had incomes under the Federal poverty level in 1974, as against 25 percent in 1970 and 35 percent in 1959. But all of those gains could begin to erode under inflationary pressures unless further changes are made in the system. The fact that social security is indexed to consumer prices should insure that most elderly do not fall back below the poverty line.

But for the middle class in particular, without commensurate increases in private pensions, retirement will be something many of them choose to put off more and more because they will not be able to afford it.

[From the New York Times, May 19, 1980]

PUBLIC WORKERS' PENSIONS STRAIN CITIES AND INCREASE WITH INFLATION

(By Robert Lindsey)

LOS ANGELES, May 18.—The cost of financing pensions for retired and disabled employees is growing so fast for many American cities that some have been forced to curtail public services just to pay for pensions.

In San Francisco, pensions for police and firemen now consume almost 20 percent of the city budget and have forced it to defer some routine jobs such as street maintenance.

In New Orleans, a retirement program for policemen has grown, said Police Lieut. Albert Raimer, the administrator, "into a monster."

In Los Angeles, where pensions now account for more than one-sixth of the municipal budget, a citizens' committee has warned that the city faced financial disaster unless pension costs were reduced soon. "The cost of pensions is rising faster than our ability to pay for them," said City Councilman Ernani Bernardi.

According to specialists on municipal finances, employee pension plans in Boston, Philadelphia, Pittsburgh, Indianapolis, Detroit, and many other cities, as well as some statewide pension systems, are in poor financial health because they have not put away enough assets to support their retiring employees. Thanks to reforms made as a result of New York City's fiscal crisis, its pension funds are generally in good shape, city officials say, but the one covering firemen will need a cash infusion in the next few years to stay solvent.

The pension squeeze on cities is one dimension of a broad range of problems that are bedeviling the pension programs on which millions of public employees, including the military and Federal civilian workers, are basing their plans for retirement. The problems affect the public at large as well because public employees' pensions are paid with tax dollars, and many programs for public employees are far more generous than those for workers in the private sector.

BATTLE OF YOUNG AND OLD

In turn, this is part of a still larger set of problems. With the United States entering an era when fewer and fewer young workers will be forced to support a growing population of retired workers, actuaries and other pension specialists say that enormous stresses are building not only on the system of pensions for public employees, but on pay-as-you-go Social Security and pension funds for workers in the private sector as well.

Inflation and shifting demographic patterns, they say, are jeopardizing the economic foundations of many private and public retirement programs, threatening to leave many workers with smaller retirement pensions than they now expect, and setting the stage for political conflict between young and old.

"I think we'll see a growing intergenerational conflict over pensions in the years ahead," said Dr. Thomas C. Woodruff, executive director of the President's Commission on Pension Policy, which is scheduled to publish an interim report of a two-year study on pension problems later this week.

The questions of how much money workers should receive after they retire, and how these pensions should be financed, is creating a growing division not only between the young and old, pension experts say, but between taxpayers and the public employees that work for them in government.

The conflict is developing, they say, because to a large extent a double standard for retirement benefits has evolved under which many public employees will receive pensions far greater than those received by people retiring from jobs in private business, the people who pay the tab for government workers' pension.

HALF PAY AFTER 20 YEARS

Military personnel, for example, may retire after 20 years with lifetime pensions equivalent to half their base pay, plus free medical care, access to cut-rate food commissaries and military shopping centers, and other benefits not available to the general public.

Under this system, military personnel can retire in their mid-40's, take another job—perhaps another government job—and qualify for a second pension.

Another significant distinction between most private pension benefits and those granted Federal employees is that they are indexed to increase with inflation.

After intense lobbying by advocates of Federal civil service and military employees, Congress enacted legislation that elevates the pensions of retired Federal employees twice a year, on the basis of rises in the Consumer Price Index. This sort of clause is all but unheard of in private industry.

GETTING MORE AFTER RETIREMENT

The provision has been a boon for ex-military people and former civilian Federal employees and apparently has had some effects that few members of Congress anticipated.

Already, according to a recent Federal study, almost 100,000 retired Federal workers are receiving larger checks each month than they earned while working full time. Under the terms of the law, their pensions—and those of the 3 million other retired Federal workers—will continue to grow for as long as inflation continues, and they remain alive.

Only relatively few private pension programs are indexed to the Consumer Price Index, and most have a limit on the amount of increase, commonly 3 percent or 6 percent. Most other comparisons between private industry's programs and those of government are all but impossible to draw because of their number and diversity—there are 1.1 million plans in private industry alone.

Active Federal employees contribute to their own pension benefits, but for each $7 they contribute, the taxpayers pay about $30. Federal employees are not included in the Federal Social Security System, and thus are exempted from the payroll taxes assessed to support it, a maximum of $1,587 in 1980.

GETTING SOCIAL SECURITY ANYWAY

Upon retirement, workers who have spent their entire working lives for the Federal Government are ineligible to receive Social Security benefits. But as a practical matter, according to a spokesman for the Social Security system, many have managed to accrue enough credits in nongovernment jobs before joining the Government to qualify for a Social Security check as well as their Government pension.

In the last decade, expenditures for pensions to ex-military personnel have quadrupled, to $13.7 billion, while the cost of pensions for nonmilitary former civil servants has increased almost six times, to $17 billion, a figure that does not include payments to several smaller pension programs for Federal employees, such as former Foreign Service officers and retired Federal judges.

With its ability to raise taxes and spend more money than the nation takes in through deficit financing, Congress has been able to keep up with this liability for pensions.

But a different situation faces state and local governments, many of which, like Congress, have promised employees retirement benefits that are almost as generous as those granted Federal workers but without setting aside enough resources to pay for them. As a result, many of these plans, from an actuarial viewpoint, are technically bankrupt, according to some analysts.

SPENDING QUADRUPLED IN 4 YEARS

Spending by state and local governments on employee pensions has quadrupled, to $16 billion, in the last four years.

"Two things happened to send the cost of pensions soaring," according to Harold A. Conroy of the New York State Permanent Commission on Public Employee Pension and Retirement Systems. "One was that public employee unions bargained and won sizable pension increases, and the other was the big jump in the number of public employees."

Nationally, between 1965 and 1978, the number of people on the payrolls of state governments jumped to 3.5 million from 2 million, and the number of persons working for local governments increased to 9.2 million from 5.9 million.

The Government Accounting Office reviewed 72 state and municipal pension plans at random last year and found that 53 that would require cash infusions to keep from going out of business. No one is known to have calculated the total long-term, unfunded liability for these programs, but two examples illustrate the situation: a statewide system for California teachers with an unfunded liability of almost $7 billion and a statewide system in Michigan with $3 billion. An unfunded liability is the difference between how much money has been put away and the long-term commitment to present and future retired persons.

Pension specialists point out that there is a wide range among states and localities in the generosity of pension programs for retired workers and that many are far from lucrative. Generally, they say, workers in the nation's largest cities and states have been the most successful in expanding their pension benefits.

SOPHISTICATION OF WORKERS

According to persons who have studied the evolution of these programs, the increase in the fiscal load on cities and state governments to a large extent parallels the increase in political sophistication of public employees and their unions beginning early in the 1960's.

When these workers began to assert themselves and form effective unions, they started from a relatively low salary base; in many communities, teachers, policemen, firemen and other public employees were paid poorly.

But by the end of the 1960's the decade when public employees began to strike in large numbers, wages and benefits had improved significantly; for police officers in such cities as New York and Los Angeles, the Pentagon's practice of retirement at about half-pay after 20 years had become the norm.

At the bargaining table, political leaders frequently found it more expedient to approve pension increases, which did not have to be paid for out of current budgets, rather than higher wages, which did.

COSTS FOR LATER GENERATIONS

"Politicians played games with the people," said James O'Toole, an associate professor at the University of Southern California here who analyzed this city's pension system for police officers and firefighters.

"This was especially true in the East," said Dr. George Peterson of the Urban Institute, a nonprofit research organization in Washington specializing in municipal affairs. "The cities took a hard line on what they would give employees in terms of salaries, but not pensions. There was little attention paid to the burden that was being imposed on future generations."

Many cities, he said, added to the problem by projecting future pension costs on unrealistic assumptions about how long employees would live and how much their salaries would grow. "Los Angeles, for example, had assumed a zero increase in police and fire salaries, which was ridiculous," Dr. Peterson said.

"Firemen used to die earlier," said Bernard Nicolay, secretary treasurer of a troubled pension fund for New Orleans city firemen, expressing the frustration of actuaries and pension fund managers in many municipal pension programs. "Now," he said, "some are living to be 85 and 90 years old and widows even longer. Some are drawing pensions longer than they've stayed in the department."

EXEMPT FROM FEDERAL REGULATION

In part because it concluded that public employees did not have to worry that their employers would go bankrupt, Congress exempted them from coverage under the Employees Retirement Income Security Act of 1974, which was meant to protect the pensions of workers in private industry. But, complaining that governments had failed to fund their pension programs adequately, some public employee associations are beginning to press Congress for the same kind of protection that nongovernment employees have.

According to a recent study by the Urban Institute, pension benefits in most cities grew substantially higher for police officers and firemen than for other employees, apparently a reflection of the stronger unions of uniformed municipal services. According to the institute, the total compensation for policemen in Los Angeles, including wages, pension and other benefits, last year totaled $29,881 for a patrolman with five years experience, compared with $28,249 in New York City.

Los Angeles's pension program for policemen and firemen allows them to retire at 40 percent of their base pay on their final day of work after 20 years of service and up to 70 percent after 30 years.

After lobbying by police and firefighters' unions, voters approved a law in 1971 elevating pensions annually according to increases in the Consumer Price Increase—the increase has no ceiling, a factor that critics here say accounts for most of the recent problems for the pension budget.

$2.4 BILLION UNFUNDED DEFFICIT

Currently, police-fire pensions cost the city $165 million a year; according to a recent actuarial forecast, the cost is growing at a rate that will take it to $400 million by 1990. The two systems already have an unfunded deficit of $2.4 billion.

"Eventually we will just have to cut back on the number of policemen and firemen unless something's done about pension costs," said Mr. Bernardi, the City Councilman.

Local officials say that one of the problems they face in controlling pension costs is that once a benefit is granted it becomes all but impossible, legally, politically and morally, to take it back.

However, in recent years, a number of cities, including New York, have established two-tier pension programs that pay more generous benefits for employees hired in past years while trimming those for newly hired employees.

Efforts are under way here to develop a two-tier plan, but it is being resisted by the police and fire unions. Some states have also instituted such systems.

Although New York City earned a reputation for excessive wages and benefits for its municipal employees in the late 1960's and early 70's, analysts say that the reforms made as part of the city's fiscal crisis has put New York in better shape than some other cities.

"Generally speaking, pensions are in good shape in the city now," said Jonathan Schwartz, chief actuary for the city pension system. "We don't have the problems that Los Angeles is encountering because our pensions aren't indexed to the cost of living and aren't as affected by inflation." About 9 percent of the city's budget goes to pensions, he said.

Although some municipal union leaders have continued to assert that pension programs were inadequately funded, Mr. Schwartz maintained that, with the exception of the firemen's fund, enough assets would be available to meet commitments of future needs.

FIRE PENSION FUND NEEDS HELP

The fire pension fund, he said, now has accrued liability of about $1.8 billion and assets of only $500 million and without help, "I predict that it will run out of money by 1990. I don't lose any sleep worrying about what will happen to the pension fund for the policemen or the three nonuniformed services."

For their part, many employees of various governmental pension plans whose retirement checks appear to be endangered by overcommitted, underfunded pension programs, say that they have been betrayed.

Raymond Ascenzo, president of a group of public employees in Michigan that successfully brought a lawsuit aimed at making the state of Michigan make up a $3 billion unfunded deficit in a state pension program, said of the fund:

"I've been paying into it for 30 years and when I retire, I hope to God there's money there for me to retire."

[From the New York Times, May 20, 1980]

PENSION FUND'S FLOW TO SUN BELT SPURS SHIFT OF INVESTMENT CAPITAL

(By William K. Stevens)

GREEN VALLEY, ARIZ.—In a pronounced shift of wealth and capital between regions of the United States, billions of dollars in pension benefits and pension-fund investments are flowing from North to South and East to West. The transfer of money is helping to fuel the Sun Belt's growth and development, and some say that it is also helping to erode the economies of the Northeast and Middle West.

As the Sun Belt's economy takes on a healthy glow, investment managers in the North apparently are channeling more money into Southern industries, relative to Northern ones. And as a steadily increasing number of the country's over-65 population moves from North to South, proportionately more pension benefits than ever before are moving with them.

The shift can be seen with outstanding clarity in this sunny desert retirement village of 11,000 people 35 miles south of Tucson, which seemingly sprang from nowhere just yesterday.

The gray-haired émigrés from back East who flock to the Green Valley post office around the first of each month to pick up their pension and Social Security checks, and who then head next door to the tellers' windows at Valley National Bank, are only the smallest indication. Far more of the money takes place silently: Other pension checks, 2,000 of them at once, come directly to Valley National and are deposited automatically. Most are drawn on Northern banks with names like Mellon or National Bank of Detroit or Manufacturer's Hanover Trust, at the order of such organizations as the United States Steel Corporation or the General Motors Corporation or the New York State Employees Retirement System.

At the same time, a stream of electronic impulses generated in Washington flashes to Valley National's computer terminal. Converted to a paper printout, the impulses produce a single-spaced list of automatically credited, individual Social Security deposits that stretches for more than 210 feet across the bank lobby's deep pile carpeting. Other similar impulses arrive periodically, bearing deposits from Federal military and Civil Service pension funds

The "green" in Green Valley might well stand for the $165 million estimated to be on deposit in the town's four banks and three savings and loan associations, most of it said by bankers to consist of pension money in one form or another; this in a place that was little more than sagebrush and mesquite a decade ago. But today the town represents a total capital investment estimated conservatively at $200 million

Green Valley, with its adobe bungalows and villas, its red-tiled shopping centers and golf courses set among palm trees and cactuses between two ranges of hazily purple mountains, literally owes its continued existence to pensions.

MIGRATION OF ELDERLY

What is happening here is also happening across the Southern tier of states, from Florida to Southern California. The money not only enables new retirement communities like Green Valley to develop, but it also pumps new financial blood into larger, longer-established places, from Norfolk, Va., and Tampa, Fla., to San Antonio and El Paso, to Phoenix and San Diego and countless cities in between.

The permanent funds from which these pension benefits are disbursed already are a source of questions about how wisely their managers decide how much money to set aside to cover future liabilities, and how they will be able to survive persistent high rates of inflation. In recent months, concern has also been growing about the effects of funds' investment decisions and the flow of their benefits from one region to another.

The nation's pension funds are estimated at $500 billion and are growing so fast that they are expected to double in five years. They are one of the largest sources of investment capital anywhere, and as such they tend to be invested in the same direction as capital generally. Thus, some Northern-generated pension-fund assets that might have been invested in Northern industries five or 10 years ago are now being invested in Southern and Western ones.

"The investment managers have found them"—these Sun Belt opportunities—"by a natural evolutionary process," says Jerry Minton, a vice president of the First National Bank of Fort Worth and a member of the executive committee of the American Banking Association's trust division.

The magnitude of the combined shift of pension benefits and pension fund investments cannot be pinpointed. An analysis of available Government statistics, however, suggests that the South and West reaped a net gain estimated at $5 billion to $7 billion a year in pension benefit disbursements in 1979 compared with 1970.

Put another way, $5 billion to $7 billion that would have been spent in the North under the 1970 pattern of allocation was spent in the West or South under last year's pattern. Pension disbursements grew substantially in all sections of the country in the 1970's, reaching an estimated national total of $120 billion last year, but they clearly grew faster in the Sun Belt.

BILLIONS IN ASSETS

No systematic survey of the amount of pension fund assets that have flowed southward and westward as stock and bond investments is believed to exist. But in view of a general, interregional shift of economic activity and investment, those who have studied the phenomenon say, it can be reasonably inferred that billions of dollars in such assets are flowing from the North to the Sun Belt.

Critics say that such use of pension funds is systematically undercutting the economies of the Northern states where most pension money is generated. Those states still make up the nation's industrial heartland, fostering strong union pension funds and public employee retirement systems.

The transfer of pension money between regions is part of a more general shift of people and activity from the Northeast and Middle West to the South and West. An analysis of Census Bureau estimates indicates that about 6 percent of Americans aged 65 or over moved in that direction in the 1970's.

This is roughly the same percentage of the general population that shifted between the regions, and it amounts to a net gain of 1.5 million elderly persons for the South and West in the course of the decade. The census estimates suggest that about half of the nation's elderly now live in the South and West; in 1970, about 45 percent did.

They come for sun and ease, trading "green for brown and cold for warm," in the words of James W. Abel, who moved to Green Valley from New York with his wife, Mary-Elizabeth, after retiring as a professor of phonetics at Brooklyn College seven years ago. His monthly pension check from the New York City Teachers Retirement System helps sustain the Green Valley economy, as does Joseph F. Byrne's $600 a month, earned as a tool-and-die maker for General Motors in Detroit, and his wife's pension from the Detroit Board of Education; as does Albert Cowper's Ford Motor Company retirement, earned as an automotive body designer in Dearborn, Mich.; as do literally thousands of other checks from funds all over the country.

Once the elderly arrive in the Sun Belt they settle in uneven patterns, and their financial impact on a given area therefore varies. For example, California, Florida, North Carolina, Texas and Virginia have the biggest concentrations of military retirees. According to the Pentagon, 44 percent of the $9.8 billion in military pensions paid out in the fiscal year 1979 went to those five states. But the relative impact on California and Texas is far less than in Florida, because California and Texas are huge states with diversified economies that have many sources of wealth and because people of many ages are moving there in search of economic opportunity.

IMPACT OF RETIREMENT PAY

In the 1970's, the elderly population grew at a faster rate in California (29.3 percent) and Texas (31.9 percent) than in the nation as a whole (23.5 percent). This was well ahead of New York's increase of 8.4 percent. But it was far behind that of Florida, with 62.7 percent, and Arizona's 79.5 percent. It is in the latter two states, therefore, that the financial impact of retirement benefits is growing fastest and means most to the economy.

Green Valley is a case in point. Annual retirement incomes of $30,000 a year in pensions, Social Security and interest on personal investments are said to be not uncommon here. That money, in the aggregate, promotes the community's growth in several ways. Some of it is converted into about $30 million a year in retail sales in the two crowded shopping centers that have sprung up. Some of it finds its way to Tucson, as Green Valley residents drive there to take advantage of cultural offerings. Some ends up in Mexico, as Green Valley shoppers make day trips south of the border in search of bargains.

And some winds up in the accounts of the local savings and loan associations. It is almost a ritual for some residents to walk out the back door of Valley National Bank after depositing pension checks and head across the street to transfer some of that money into an account at Pima Savings and Loan. There, the money helps to finance further development in the community.

The geographical flow of investments of pension fund assets is somewhat different from that of pension benefits. This cannot be demonstrated directly, but it can be inferred if the national pattern of new capital expenditures in manufacturing, a precisely marked yardstick, is taken as an indication of the overall pattern of economic activity and investment.

RISING CAPITAL INVESTMENT

From 1972 to 1977, according to the Commerce Department, new capital investment in manufacturing increased by 295 percent in Texas and by 110 percent in California, while growing by 62 percent in Florida and 11 percent in Arizona. Texas, in fact, overtook and pulled far ahead of Michigan in that five-year period as the No. 1 state in new capital expenditures for manufacturing. Texas expenditures totaled $5.3 billion in 1977, or 11 percent of the national total of $48.4 billion. Michigan was a distant second at $3.7 billion.

Likewise, the South, including surging Texas, replaced the Middle West for the first time as the region of greatest new investment in manufacturing. In total new capital investment in private enterprise, the South and West achieved a net gain of $17 billion a year over the Northeast and Middle West in 1977 as compared with 1972.

While this pattern cannot necessarily be related directly to stock and bond investments, it is considered indicative of the general flow of capital within the country. Such capital, in the view of Mr. Minton of the First National Bank of Fort Worth, and others, has increasingly come South and West because "a lot of companies have emerged in this area that 20 years ago, the investing public didn't necessarily take notice of. Their sales, their distribution and their image just weren't large enough on the horizon for the portfolio managers of the big funds to take notice of them."

Put another way, investment money moves to where the action is. "It's impossible to say with any precision how much"—in pension fund assets—"is moving from one area to another," said Randy Barber, a Washington-based economist and co-author of a study of the matter published two years ago. But the shift is likely to be substantial, Mr. Barber said, because pension funds own 20 to 25 percent of all stocks on the New York and American exchanges, and 40 percent of the bonds issued by American corporations.

SHIFT IN EMPHASIS

"It's hard to say whether more of our assets are in the Southwest than last year, or 10 years ago, really," said John M. Morris, a spokesman for the trust and investment division of the Morgan Guaranty Trust Company of New York, which handles numerous pension fund investments.

"We just don't look at it that way," he said. "In fact, it's hard to break it out." Nevertheless, he said it was his impression, as one associated with such investments, that "there is a greater investment in the Sun Belt, but I think it's a shift in emphasis, rather than a great flood."

An informal sampling of recent holdings of some selected Northern pension funds, compiled by Corporate Data Exchange Inc. of New York, indicates that investments in companies situated in the Sun Belt, with headquarters in it, or otherwise associated with it, are common.

The Chrysler Corporation-United Automobile Workers fund, for example, holds stock in the Halliburton Company, which services oil fields, in Delta Air Lines and in Texas Instruments Inc., the electronics concern, all of them Southern or Southwestern enterprises.

The New York City Teachers Retirement System holds substantial stock not only in those three corporations but also in other Sun Belt-based concerns such as Winn-Dixie Stores Inc., the grocery chain, and Carter Hawley Hale Stores Inc., which operates department and specialty stores, including the Neiman-Marcus Company. A survey of several such listings indicates that Texas-based enterprises are particularly popular, as are the energy issues so closely related to the prosperity of Texas, Louisiana and Oklahoma.

Why shouldn't pension funds restrict their investments to home ground—Chrysler, for example, limiting investments to the ailing Industrial Crescent, or New York City teachers to their own troubled region? That question has been asked with some heat in the last 18 months, or since Mr. Barber and a colleague, Jeremy Rifkin, raised it in a book entitled "The North Will Rise Again: Pensions, Politics and Power in the 1980's."

SEEKING MAXIMUM RETURN

Mr. Barber and Mr. Rifkin argue that those who put their money into private pension funds, workers and companies, should have a greater voice in how the money is invested, and that it should be invested with social purposes in mind. A counter-argument says that the primary consideration is to secure the worker a maximum return on his money, and that Northern investments are not always the best these days.

"Investment decisions are not geographical," said Mr. Morris of Morgan Guaranty. "We don't really take that into acount. We look for financial return." Mr. Barber argues that it is not that simple; that "any investment decision involves a whole range of tradeoffs" and that "a whole range of investment options could be pursued" to improve not only the economic security of retired workers but also of the Northern regions that are "suffering from the process of disinvestment."

A number of labor unions, state-and-local government pension funds and investment managers are said to be exploring ways in which the Barber-Rifkin strategy might be worked out. "People are looking at it, and we're starting to see some progress," Mr. Barber said, "but I wouldn't want to leave the impression at all that it is widespread. Not only is there resistance to moving in new directions, but people tend to become really prudent when you're talking about such large sums of money."

[From the Washington Post, May 20, 1980]

AN AGING AMERICA FACES PENSION STRAIN

(By Robert J. Samuelson)

A recent survey from the President's Commission on Pension Policy reports that nearly two-thirds of Americans are worried that their retirement incomes won't be adequate. That's hardly the stuff of big headlines, and much of the national media ignored the survey. But if you want to understand the politics and the economy of the next half-century, it's important news. America is getting older, and much of our well-being and sense of self-respect depends on how gracefully we mature. A nation unable to care for its elderly invites upon itself a wounding sense of frustration and failure.

Nowhere will the strains of change be greater than on the public and private pension systems. Study groups are scurrying all over Washington trying to figure out how to adapt Social Security and private retirement programs. In some ways, this is another energy crisis. Decisions made today will be highly technical, not widely understood and slow in showing their effects. Yet the results will shape the public's confidence in itself and its national leadership.

The transition seems easier to some than to others. The best demographic projections—subject to considerable error, of course—indicate that by the early part of the 21st Century, the ratio of working population (17 to 65) to elderly (over 65) will diminish from today's 4 to 1 to 2.5 to 1. But the same projections also foresee a dwindling of the size of the youth population. If you consider those under 17 and over 65 as dependent on the working population, then one shift roughly offsets the others. The message, in this view, is: Don't exaggerate the burden on workers.

But the kernel of truth in this arithmetic risks dangerous oversimplification. Caring for children is old hat. The large elderly population is a relatively new phenomenon—the product of modern medicine and a prosperous economy. Families bear most of the costs of children and the responsibilities for them. But families have withdrawn heavily—though not exclusively—from total responsibility for the elderly.

Aging—and its costs—largely have become a collective matter, with vital decisions being made by political and commercial institutions. We are hacking our way into an unknown political and social jungle. The psychology of youth and old age differ so fundamentally that we repress the contrasts. We invest our hopes in our children. Whatever respect, comfort and freedom we deserve in our final years, we still are waiting for death.

All this implies profound adjustments and tensions over the next half-century, in thinking as much as anything else. Although the most dramatic population shifts are still 35 to 40 years away, when the children of the Baby Boom begin to retire, strains already have begun to surface.

Until now, the public and private pension system has depended on an unwritten contract between generations: Today's workers will supply the funds to support their elders in retirement. But the system presumed a continuing large base of workers in relation to retirees. Social Security always has been pay as you go, and most private pensions never have been funded fully (that is, contributions made on behalf of workers don't fully support promised benefits.)

As population ratios shift, tax rates and pension payments must rise or benefits must be shaved. Inflation, which erodes pension values, further inflames the conflict. Sensing that their own benefits may be in jeopardy, today's workers may resist helping today's retirees. Higher Social Security taxes already have provoked considerable unhappiness. That most contributions to private pensions are made by employers doesn't defuse the conflict. Companies usually consider labor costs, including pensions, as a lump sum. In recent contracts, both auto and steel unions have had to make slight concessions in wage gains for current workers to provide inflation adjustment for existing retirees.

The obvious way to diminish these pressures is to have people work longer. That may be in store for the Baby Boom children. A. Haeworth Robertson, former chief actuary of the Social Security Administration, says bluntly: "[People] are going to have to retire later than today's retiring generation . . . They should be told now, not later." But, if they are told now, will they still be willing to pay for today's early retirees? Nearly three-fourths of new Social Security beneficiaries are younger than 65.

Many of today's workers are bound to wonder whether they can expect to do as well as their elders. No one should deny the huge strides that have occurred. In 1976, about half of retiring couples had incomes in excess of $8,000. That's worth more than it seems, because most retirees don't incur many work-related expenses. Social Security payments aren't taxed, and the elderly enjoy a double income tax exemption. Most specialists on aging think that retirees can maintain living standards on between 60 percent and 80 percent of preretirement income.

The poverty and near-poverty that still exist among the old are concentrated heavily among blacks and single women. Their continued vulnerability compounds the general problem of maintaining public confidence in the pension system. All the groups that study this issue ultimately must answer the same question: How much responsibility should the government assume (mainly through Social Security) and how much should be assigned to private pensions and savings?

Those who urged a larger role for Social Security argue that only government can provide universal coverage, adjust adequately for inflation and provide a sense of certainty. This is overpromise. As Robertson points out, Social Security benefits are only what Congress—at any point in time—says they are. Faced with huge potential increases in tax rates (as much as between 30 percent and 50 percent) early in the next century, Congress easily could cut benefits.

The main defect of relying too heavily on Social Security's uncertain promise is that private savings, either by individuals or through pensions, may be diminished. Ultimately, the nation's ability to support a larger elderly population depends on our overall economic vitality. In a stagnant economy, tensions between workers and retirees are bound to be awesome. Private savings generally support real investment; Social Security is simply a taxing plan.

But private pensions also have the glaring defects of spotty coverage and uncertain adjustment for inflation. Trying to legislate for the next generation is a tricky business at best. At worst it could be another energy debacle.

[From the New York Times, May 23, 1980]

FEDERAL PANEL ASKS MANDATORY PENSION

(By Thomas C. Hayes)

A high-level Federal commission has given its qualified endorsement to the Government to require all private employers to provide a minimum annual retirement income for their workers.

In addition, the President's Commission on Pension Policy has recommended removing the guideline income ceiling that retired persons must meet to qualify for Social Security benefits, giving new tax breaks to workers who contribute to the Social Security fund and, in a move certain to arouse controversy, taxing all retirement income, including Social Security benefits.

REACTIONS ARE MIXED

These and other recommendations are part of a 72-page interim report scheduled for release today in Washington.

Analysts and lobbyists who have closely followed the panel's 14-month deliberations generally characterized the report as predictable and cautious.

Dallas Salisbury, executive director of the Employee Benefit Research Institute, a nonprofit group that is supported by large corporations, said that it was "effective statement of objectives, not surprising in any regard."

However, Hillel Gray, executive director of the independent Citizens' Commission on Pension Policy, an amalgam of union and consumer activists, termed it "a betrayal of the little people while protecting the interests of the private pension system."

The Federal panel also indicated that, after further study, it might support raising the eligibility age for Social Security for persons born after 1945, shortening the period required for pension vesting and extending Social Security coverage to all public and private employees not presently eligible for future benefits.

The commission said that it might draw some conclusions on whether social issues should be incorporated into the criteria for pension fund management and who should manage the funds.

Many companies have made periodic increases in the monthly payments to their retired employees in recent years, to partially offset the reduced buying power of their original pensions caused by inflation. The commission, while agreeing that such steps should be "encouraged," stopped short of recommending the increases as a matter of policy.

"The greatest emphasis should be placed on expanding pension coverage rather than providing full inflation protection to some at this time," the report said.

VESTING HELD A PROBLEM

Mr. Gray, of the pension activists' group, termed the reasoning "a smokescreen." He charged that the mandating pension coverage for all companies "was great for the pension industry, but vesting is the most obvious problem in pension programs as they are now." An employee becomes vested when he is eligible to retain all or part of his pension rights, whether or not he changes employers.

The report to Congress and the White House is the first official document to outline the major policy areas that the commission has been exploring. The panel, made up of 10 representatives from business and financial institutions, legislative bodies, labor and academia, is charged with recommending a coordinated policy of retirement incomes.

The need for a national policy is widely recognized. An estimated 50 percent of the nation's work force is covered by public or private retirement income, or pension, plans.

As the number of Americans aged 65 or more increases to an estimated 23 percent of the total population by the year 2035, compared with about 11 percent today, the way the country handles the issue of retirement income adequacy is expected to take on increasing importance.

[From the New York Times, May 23, 1980]

PENSION ASSETS TO RISE SHARPLY, U.S. STUDY FINDS

(By Philip Shabecoff)

WASHINGTON, May 22.—The value of private pension plans in the United States will reach an estimated $3,000 billion in 1995 compared with $211 billion in 1975 and more than $300 billion in 1980, according to a study released today by the Department of Labor.

The projected growth of the pension plans can be put in perspective if it is noted that the nation's total output of goods and services reached an annual rate of about $2,500 billion in the first quarter of this year.

Much of the increase in pension plan assets will come as a result of inflation, the study said. In terms of constant 1975 dollars, allowing for the erosion of the value of the dollar because of inflation, the value of pensions in 1995 would be about $900 billion.

But that is still a pool of capital large enough to have a more substantial impact on the economy than pension plans have even today, when they are one of the biggest sources of investment capital.

IMPACT ON INVESTMENT MARKETS

The growth of pension plans is also likely to intensify the scramble for their assets by investors, according to Ian D. Lanoff, administrator of pension and benefit programs for the Labor Department's Labor-Management Services Administration.

"It's already a real jungle out there in terms of access to the plans," Mr. Lanoff said, adding that the increase of pension assets would have "an incredible impact" on investment markets.

It will also provide growing regulatory problems, he said, noting that even at today's levels there was a huge workload regulating those who want to get their hands on the assets.

New decisions will have to be made, Mr. Lanoff said, on who has control of the funds and how best to use them, including consideration of the social usefulness of pension investments.

FLOW OF FUNDS TO SHIFT

The forecast, made for the Labor Department by ICF Inc. of Washington on the basis of a statistical model, also indicated that, despite the increase in the size of private pension assets, the number of workers in the private sector enrolled in these plans would remain roughly constant at about 48 percent. This is largely because the greatest growth in employment is expected to come in trade and service industries, which have the lowest rates of pension coverage.

However, the annual flow of funds in these private plans would shift dramatically, the department said. In 1975, the earnings from assets in the plans were slightly less than the contributions from workers and employers. By 1995, however, earnings on investments will be 2.5 times greater than contributions.

The department said that in addition to the forecast, the model would be a valuable tool for use in drawing up policy alternatives with regard to pension plans as well as projecting economic trends.●

THE FORT INDIANTOWN GAP REFUGEE CENTER

● Mr. HEINZ. Mr. President, yesterday, while in my home State of Pennsylvania, I visited one of this country's refugee processing centers. In the Harrisburg area, this Army base is known as Fort Indiantown Gap. But for some 15,000 who are making their temporary home there, it is something more than a row of barracks; it is "Freedom City."

The primary purpose of my inspection was to assess the measures being taken by the Federal Emergency Management Administration (FEMA) and numerous other agencies to screen and resettle those Cuban refugees who had come to Fort Indiantown Gap; and, in a larger sense, to assess overall U.S. refugee and resettlement policies. I would like to report my finding to the Senate, but before doing so, I would like to share some of my impressions of the people for whom these policies are being implemented.

My strong overall reaction to the people, the Cuban refugees who I met and talked with, is that the residents of "Freedom City" intend to be and will be very productive, hard-working members of our society. They seem to want to make the most of the opportunities they now have in this country. They are grateful for their new-found freedom, and eager to prove themselves worthy of what many of us take for granted—American citizenship.

Most of all, they have now, perhaps for the first time in their lives, a chance to realize the hopes and dreams that were suppressed under the Communist regime of Fidel Castro. For many, that means reunion with family and friends. For all, it means something they have not known in Cuba—freedom.

The Cubans I spoke with are America's newest immigrants. They come here as we move into a new decade and as we look forward to a new century. But, essentially, they remain the same in spirit as America's immigrants who came to our shores generations ago. Immigrants built America. And, since, as a nation, we must continue to rebuild and renew, these newest immigrants can be a necessary and important part of our future.

America today is different from 50 or 100 years ago. Our problems are more complex; our frontiers are different. Yet our opportunities and responsibilities remain unchanged. One of those responsibilities will be our job to assimilate these refugees into our society, not simply in a manner that cools a hot political issue. but in a way that will help make them productive, contributing people, with a sense of community and citizenship. Careful resettlement is a prerequisite both to achieve this goal, and to avoid burdening other Americans and their communities.

Resettlement should be organized to guarantee refugees are found permanent sponsors as soon as possible. Undue strain should not be placed upon those communities in which temporary retention centers are located. Refugees must be carefully screened and registered for permanent record. They must then be placed, whenever possible, with immediate relatives or reliable sponsors who will undertake both a moral and substantive commitment to see that each refugee is able to work toward productive citizenship, and not become a ward of the State or part of a welfare subculture.

Mr. President, I see it as one of my responsibilties as a U.S. Senator to insure that sound, intelligence resettlement procedures are, in fact, carried out and that the principles and objectives I have described are met.

That is why I went to Indiantown Gap yesterday to get, at first hand, a bird's-eye view of the resettlement procedures for the Cuban refugees there.

In the days to come the ranks of Cubans at Fort Indiantown Gap will swell to about 22,000.

It is my opinion, based on my visit, that FEMA is coordinating an organized and responsible program to expedite the refugees' resettlement.

From personal observation I can report that, upon arrival, each refugee is carefully identified and placed on record with the Bureau of Immigration and Naturalization.

Further, each refugee is then administered health tests and later security screening which is intended to detect those undesirables or criminals of whom Castro sought to unburden himself.

In addition, I am satisfied that, for current conditions, appropriation security precautions have been undertaken for the refugees now present at Fort Indiantown Gap. FEMA officials have guarded against creating a concentration camp-type atmosphere, while maintaining boundaries and guards that protect against unforeseen occurrences and insure that resettlement takes place only after placement in a specific home. If refugees are detained for on overly long period of time, it is possible that we would need to reevaluate these arrangements.

Resettlement is being handled primarily by volunteer agencies which are working with the State Department. Thus far, over 1,400 sponsors have come forward in a 10-State area in the northeastern part of this country. Two hundred and seventy of those are from my State of Pennsylvania.

In fact, 65 to 70 percent of all refugees have potential instant sponsors—relatives now residing in the United States. Within the first 10 days of operation, authorities at Fort Indiantown Gap have processed and already physically placed 10 refugees with their families. That small sign of progress should accelerate rapidly in the weeks to come.

But while progress is being made, a firsthand view of Fort Indiantown Gap can help us recognize the limitation of our ability to allow unlimited immigration.

We have unemployment problems in this country and we have to be sensitive to striking a balance. We need to be certain that those people who are genuine political refugees do have an opportunity here—without breaking down our borders so that anybody can come in under any circumstances.

It is not just Cubans who want to emigrate to the United States; it is not just Haitians or Mexicans. It is just about everybody in the less developed world. It would be clearly wrong to allow all of these people free entry into the United States. It would be equally wrong to deny entry to any and all. We must strive, therefore, for a rational and just policy.

I understand and share the frustrations of my constituents who are unemployed and cannot find work. It is difficult for any jobless American to understand how we can accept any additional employable people into the United States. And, because they are visible, the Cuban refugees are a particular target of such concern. While it would be wrong to admit an unlimited number of refugees, it would be equally wrong to blame them for our current unemployment problems which are a failure, not of the refugees, but of the Congress and President Carter.

Equally, it would be a mistake to ignore the 5 million—some say as high as 8 million—illegal aliens now in the United States. To focus on the currently 75,000 of 100,000 known, registered, sponsored Cuban refugees who, when employed will pay income and social security taxes, is to unfairly and wrongly ignore the millions of unknown aliens who are unidentified, working illegally and, presumably, out of fear of discovery, not paying their taxes. Truly, we should concentrate on dealing with these millions of illegal "immigrants" if we really want to be fair to our own needy, job-seeking Americans.

Mr. President, in discussing these findings and issues, I am aware that our Nation's historical commitment to freedom and democracy has given us a commitment to provide genuine political refuge to the people of oppressed countries. Indeed, we in the United States have a moral obligation to accept as many oppressed people as we can without burdening our own.

While America must remain the haven for the politically oppressed that it has always been, we must insure that it does not instead become the haven for the economic opportunist or criminal. If we allow this to occur, the rights and freedoms of our cities, States, and of all Americans will be jeopardized.

Americans can be proud of our tradition, our historical sense of decency, and fair play. In that spirit and tradition we should welcome oppressed Cubans, such as those at Fort Indiantown Gap, to the United States. We should extend to them our help and understanding. I am confident they will repay us manyfold by becoming model American citizens just like our immigrant forefathers.

But we will help neither the refugees nor ourselves if we do not thoroughly plan for resettlement, through both a balanced immigration policy and a careful reliance on both our decency and commonsense to do so.●

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the following items are candidates for action by the Senate:

Calendar Order No. 779, a bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes; the conference report on the first concurrent budget resolution if the House of Representatives adopts a conference report, which I hope it will so that the Senate will have an opportunity to adopt a conference report, which I hope it will, notwithstanding the opposition of the President, which I regret; and extension of the debt limit.

I hope that the extension of the debt limit can be for 30 days and that the Senate will not attach any amendments to that measure because any amendments will create problems of conference and could cause the Senate to have to take action on Friday or Saturday. So I alert my colleagues to the possibility of rollcall votes not only on tomorrow but also on Friday, even though I have said early on that the Senate would not be in for rollcall votes on Friday. I did say that if there were an emergency, the Senate would be in on Fridays through May, in such a situation.

I hope that can be avoided, but my statement to the effect there would be no rollcall votes on Fridays through May was conditioned on there being no matters of an emergency nature.

I will have to say to my colleagues if there are problems in connection with the debt limit legislation it could necessitate the Senate being in on Friday, having rollcalls on Friday and, if necessary, on Saturday.

I say that by way of alerting my colleagues so that no one will be caught by surprise, so that Senators may act accordingly.

Other than that, there will be other matters which, hopefully, can be cleared for action by tomorrow and, perhaps, adopted by unanimous consent.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes; I would be glad to yield to the minority leader.

Mr. BAKER. Mr. President, I thank the majority leader for that overview of the situation for this week, including the unpleasant prospect of votes on Friday or even a session on Saturday.

But in view of the exigencies of the situation—and I am speaking particularly of the debt limit—I can understand why he expresses that concern and that possibility.

I will say, Mr. President, that the majority leader and I, together with Senator STEVENS, the assistant minority leader, met to discuss the status of the calendar, and that much progress has been made in trying to arrange the must items, items that must be dealt with in the Senate, and to try to arrive at an orderly schedule.

I expect that in the course of the day or so we will be able to dispose of a great number of items beyond those we have already disposed of by unanimous consent and, with some effort, to schedule other matters as they now appear on the calendar or as they may appear on the calendar within the next few days.

I thank the majority leader for the chance to meet with him today, and I will do my best to try to clear items as they can be cleared on this side for action as promptly as possible.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

Mr. President, by way of postscripting, adding a postscript to my statement for the outlook in respect of tomorrow, there is a possibility that the Senate will be taking up the two nominations under the judiciary, Mr. Robert B. Propst of Alabama, and E. B. Haltom, Jr. of Alabama to be U.S. district judges for the northern district of Alabama.

Mr. BAKER. Mr. President, as the majority leader knows, and as we have discussed previously, I cannot give unanimous consent to proceed in executive session for the consideration of these two judges. Indeed, I expect there will be an extensive debate on this side of the aisle with respect to their confirmation if the majority leader moves to the consideration of these items on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader. I mentioned those not knowing just what the situation will be with respect to the conference report on the first concurrent budget resolution, and the debt limit situation, both of which would certainly have priority at this stage.

But in the event the situation should merit proceeding to take up the two nominations, the Senate will have been on notice. In any event, it will be on notice that at some point in the near future I would hope the Senate could proceed.

RECESS UNTIL 10 A.M. TOMORROW MORNING

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 5:35 p.m., the Senate recessed until Thursday, May 29, 1980, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 28, 1980:

DEPARTMENT OF STATE

Larry Gordon Piper, of Texas, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of The Gambia.

Allen Clayton Davis, of Tennessee, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Revolutionary Republic of Guinea.

DEPARTMENT OF DEFENSE

Gen. David C. Jones, U.S. Air Force, for reappointment as Chairman of the Joint Chiefs of Staff for an additional term of 2 years.

DEPARTMENT OF EDUCATION

Daniel B. Taylor, of Massachusetts, to be Assistant Secretary for Vocational and Adult Education, Department of Education (New position).

COMMUNITY SERVICES ADMINISTRATION

Richard John Rios, of California, to be Director of the Community Services Administration, vice Graciela (Grace) Olivarez, resigned.

Michael T. Blouin, of Iowa, to be an Assistant Director of the Community Services Administration, vice Robert Nathaniel Smith, resigned.

POSTAL RATE COMMISSION

Janet Dempsey Steiger, of Wisconsin, to be a Commissioner of the Postal Rate Commission for the term expiring October 14, 1986, vice Kieran O'Doherty, term expiring.

HOUSE OF REPRESENTATIVES—*Wednesday, May 28, 1980*

The House met at 3 p.m. and was called to order by the Speaker pro tempore (Mr. BRADEMAS).

The Reverend Dr. Edward G. Latch, former Chaplain, U.S. House of Representatives, offered the following prayer:

God is our refuge and strength, a very present help in trouble.—Psalms 46: 1.

God of grace and goodness help us to begin the work of this day conscious of Thy presence, ready to do Thy will, and willing to serve our country with all our minds and hearts. Grant unto us the spirit to meet the challenges and the problems that confront us with wisdom and courage that we may ever do our best for our beloved land. Hasten the day when all nations shall learn to live together in peace and with goodwill for all.

Strengthen those of our number who are still in captivity and grant them freedom in the near future.

This day and all days keep us conscious of Thy presence. In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BAUMAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 327, nays 14, answered "present" 2, not voting 90, as follows:

[Roll No. 259]

YEAS—327

Abdnor
Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Burgener
Burlison
Burton, John
Butler
Byron
Carr
Carter
Chappell
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Dellums
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lungren
McClory
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Quillen
Rahall
Rangel
Ratchford
Regula
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Royer
Russo
Sabo
Satterfield
Sawyer
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Symms
Synar
Tauke
Tauzin
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wirth
Wolpe
Wright
Wyatt
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—14

Edgar
Forsythe
Gingrich
Goodling
Harkin
Heckler
Jacobs
Jones, Okla.
Lloyd
Mitchell, Md.
Quayle
Schroeder
Walker
Winn

ANSWERED "PRESENT"—2

Neal
Ottinger

NOT VOTING—90

Akaka
Anderson, Ill.
Applegate
Ashley
Boggs
Bonior
Brown, Ohio
Buchanan
Burton, Phillip
Campbell
Carney
Cavanaugh
Cheney
Chisholm
Clay
Collins, Ill.
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daschle
Davis, S.C.
de la Garza
Deckard
Derrick
Diggs
Dingell
Dornan
Drinan
Edwards, Ala.
Fish
Flippo
Garcia
Giaimo
Gibbons
Gilman
Grassley
Hansen
Harsha
Hawkins
Heftel
Holtzman
Ichord
Jeffords
Jenrette
Kemp
Kostmayer
Leach, Iowa
Lujan
Lundine
McCloskey
McCormack
McDade
McDonald
McEwen
McKinney
Mathis
Michel
Myers, Pa.
Nolan
O'Brien
Patterson
Preyer
Pritchard
Pursell
Railsback
Reuss
Rhodes
Rodino
Rostenkowski
Rudd
Runnels
Santini
Scheuer
Sebelius
Simon
Stump
Thomas
Vanik
Vento
Wampler
Whittaker
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wolff
Wydler
Wylie
Yates
Young, Alaska

☐ 1510

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2102. An act pertaining to the inheritance of trust or restricted land on the Standing Rock Sioux Reservation, North Dakota and South Dakota;

H.R. 6022. An act to establish the Tensas River National Wildlife Refuge; and

H.R. 6614. An act to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1393. An act to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) to extend authorizations for appropriations, and for other purposes;

S. 1625. An act to amend the Act of December 20, 1944, as amended;

S. 1647. An act to establish a commission to review the facts and circumstances surrounding Executive Order Numbered 9066, issued February 19, 1942, and the impact of such Executive order on American citizens and permanent resident aliens, to review directives of U.S. military forces requiring internment of Aleut civilians, and to recommend appropriate remedies, and for other purposes;

S. 2043. An act to provide for research and coordination of research in the diagnosis, prevention, and control of malignant tumors in domestic animals, poultry, and wildlife;

S. 2181. An act to assist the States in developing fish and wildlife conservation plans and actions, and for other purposes;

S. 2223. An act to permit any Indian to transfer by will restricted lands of such Indian to his or her heirs or lineal descendants, and other Indian persons;

S. 2248. An act to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes;

S. 2511. An act to amend the Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for fiscal year 1981;

S. 2527. An act to provide for the submission of recommendations with respect to the future structure and activities of the Consolidated Rail Corporation, for authorization of appropriations for the U.S. Railway Association, and for other purposes;

S. 2635. An act to amend the Small Business Act and the Small Business Investment Act of 1958 to authorize guarantees with respect to energy facilities, to conform it to current needs and usage, and for other purposes;

S. 2666. An act to authorize appropriations for the International Natural Rubber Agreement for fiscal year 1981;

S. 2680. An act to improve the administration of the Historic Sites, Buildings and Antiquities Act of 1935 (49 Stat. 666);

S. 2709. An act to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes; and

S. 2726. An act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1981, and for other purposes.

☐ 1520

HOUR OF MEETING ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet at 12 o'clock noon tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7428, PUBLIC DEBT LIMIT EXTENSION

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1052) on the resolution (H. Res. 682) providing for consideration of the bill (H.R. 7428) to extend the present public debt limit through June 30, 1980, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF CONFEREES ON SENATE JOINT RESOLUTION 119, AUTHORIZING THE VIETNAM VETERANS MEMORIAL FUND, INC., TO ESTABLISH A MEMORIAL

Mr. NEDZI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 119) to authorize the Vietnam Veterans Memorial Fund, Inc., to establish a memorial, with the House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and, without objection, appoints the following conferees: Messrs. NEDZI, RATCHFORD, PEYSER, FRENZEL, and GINGRICH.

There was no objection.

MEMBER'S PARENTS HONORED

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUBBARD. Mr. Speaker, yesterday my constituents gave me a majority of more than 30,000 votes or 81 percent in the Kentucky Democratic Party primary. My Republican friends in the First Congressional District of Kentucky have been kind enough not to give me any opposition in the coming November election. Naturally, I must admit I am bubbling over, very pleased about being unopposed at this point for a chance to serve a fourth term in the House of Representatives next session.

I would like very much to pay tribute briefly to my parents, who have been very helpful to me throughout the years and who visit with my wife and me in Washington today. My father, Dr. Carroll Hubbard, a Baptist minister, and my mother, Addie Beth Shelton Hubbard, a second grade teacher, have been very significant in my being elected May 28, 1974, and again yesterday in Kentucky. Today, May 28, is my father's 69th birthday and, obviously, May 28 is a special day for me.

CUBAN REFUGEES ACCEPTED BUT VETERANS TURNED AWAY AT TAMPA VA HOSPITAL

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, on Monday of this week I told my veterans' groups that America must be compassionate and humane, but America's first priority should be to Americans.

It has happened that we have turned away Americans for non-Americans. In the Tampa VA Hospital, refugees have been admitted for treatment and care, and veterans are being turned away.

This is improper and inappropriate, and I have made this expression of concern known to the White House, to my own Committee on Veterans' Affairs, and to the Administrator of the Veterans' Administration. Florida has enough problems bearing the brunt of the refugee situation. Five thousand veterans a month are moving into Florida, and I have long lists of veterans, as does every Member of the Florida delegation, who are waiting for treatment and care. Yet we are turning them away while accepting the refugees.

Mr. Speaker, we must be humane, we must be compassionate, but our first priority should be to Americans.

☐ 1530

SALUTE TO THE NEW YORK ISLANDERS

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, over the weekend, something very special happened on Long Island. The New York Islanders hockey team did in a few moments what we Long Island elected officials have been trying to do for years—they put Long Island at the forefront of the news.

As millions of Long Islanders watched on television, listened to their radios, and were fortunate enough to be at the Nassau Coliseum, Bobby Nystrom scored the winning goal to make the New York Islanders the Stanley Cup champions. Bobby was the hero of the moment, but the entire New York Islander hockey team and organization were the heroes of the day. For they achieved a stupendous victory for Long Island. There have been moments in the past when our great Long Island community has been slighted. We live in the shadows of the greatest city in the world, New York. Yet our almost 3 million people have a unique community and we are very sensitive of our own identity.

Last Saturday, Long Islanders were not to be denied. It was our hockey team that won. It was our hockey players, who live and play on our island who shared in the thrill of victory, and in Long Island history, there has been perhaps no finer moment. I join all Long Islanders in saluting Bill Torrey, Al Arbour and the New York Islanders for giving us a very special day and for bringing the illustrious Stanley Cup to our shores.

Mr. SCHULZE. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY. I yield to my unfortunate friend from the Philadelphia area.

Mr. SCHULZE. Mr. Speaker, I just want to inform the gentleman that the people in southeastern Pennsylvania have taken up a collection to get a brandnew set of glasses for the officials who were officiating in that vital game.

Mr. DOWNEY. I expect that from my Philadelphia friend.

LACK OF LEADERSHIP AND SUPPORT FOR HIGHER PAY AND BENEFITS FOR MILITARY PERSONNEL

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. HOLT. Mr. Speaker, on Sunday, the President went to Norfolk, Va., to welcome home the valiant crew of the carrier *Nimitz* as it returned from the Indian Ocean. He took that occasion to announce his support for higher pay and benefits for military personnel.

What is notable is that he has never conveyed that message to the Congress. In fact, Congress is already far advanced toward achieving the goals he has finally decided to endorse.

His announcement comes very late. During the first 3 years of his administration, military pay and benefits have been so limited that we have lost thousands of experienced and skilled personnel. The loss of technical personnel is having a crippling impact on our Armed Forces, and that is the kind of problem that sohuld have been foreseen and prevented.

I would remind the House that the 1981 budget he proposed in January did not include the additional pay and benefits he now promises. The revised 1981 budget he proposed in March did not include the necessary funds. He opposed the Gramm-Holt budget amendment that would have provided the funds.

But Congress has been acting on legislation to improve military compensation, so here comes President Carter with an endorsement of this package in an election year, and now this week he has announced opposition to the 1981 budget conference because we cannot use the money it provides.

I invite the House and the American people to evaluate this record for any sign of leadership or sound planning. It is not there.

IRONY IN PRESIDENT CARTER'S VISIT TO CARRIER "NIMITZ"

(Mr. TRIBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRIBLE. Mr. Speaker, I take this minute to comment on the extraordinary irony in Mr. Carter's visit to the aircraft carrier *Nimitz* over the Memorial Day weekend.

There stood the President, praising the courage and dedication of those incredible Navy people and the power of their mighty ships. And, yet, this is the same President who has the most anti-Navy, antidefense record in modern history.

President Carter has fought to cut naval shipbuilding in half and has emphasized the building of smaller, less capable ships. He vigorously opposed congressional efforts to build another nuclear aircraft carrier of the *Nimitz* class—the very ships that he has called on to project American power and presence in the world. The President slowed down the Trident submarine program and has blocked pay increases desperately needed by our military personnel. And now, the President is vigorously opposing the conference report on the first budget resolution which attempts to add vitally needed funds to the defense function to begin the task of rebuilding our Nation's national defenses.

The President's rhetoric is no substitute for action and the time has come to replace Mr. Carter as the Commander in Chief. America's peace and freedom require it.

IZAAK ABRAMOVIC TSITVERBILT REFUSED EMIGRATION BY U.S.S.R.

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, In 1975, the Soviet Union signed the Helsinki accords pledging free emigration for its citizens.

How far they have gone back on that pledge is demonstrated by the mounting list of Soviet Jews, and members of other religious groups, who have been refused exit visas from the U.S.S.R.

One such case is that of Isaak Abramovic Tsitverblit, a 61-year-old electronics engineer who applied for a visa to Israel in 1970.

He was refused in 1974 and again in 1979, allegedly on grounds that his previous work was classified.

Since then, he has performed no professional work and has only been able to find work as a mechanic.

His phone was disconnected. His son was beaten at school.

Isaak went on a hunger strike to protest the government's inaction on his visa application for several years and is in failing health.

His wife suffers from an acute form of diabetes.

Yet still the Soviets refuse to let this man and his family go.

Why?

Because they would rather have him perish than permit him to emigrate and tell the world what the Soviet police state is really like.

I bring his name to the House floor today so that hopefully some word will filter back to him that the free world has not forgotten.

And to call attention to the endless Soviet violations of the Helsinki accords—which I believe they never meant to honor in the first place.

MFN—THE SIGNIFICANCE OF AN ANNUAL EMIGRATION REVIEW

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, in the next several days, the President will make his recommendation on whether to extend for an additional year most-favored-nation trade status to the Communist nations of China, Hungary, and Romania.

While I will not discuss the merits or lack of merits of such an extension, I would like to note that this annual review process as contained within the Trade Act of 1974 has proven to be a vital and valuable provision.

It is particularily pleasing to note that the chairman of the Trade Subcommittee shares this view and earlier this year commented, and I quote:

> I think it is absolutely essential that we have this review. I think it is the one safeguard that the Congress, and the American people have to assure that we are going to make progress. As far as I am concerned, the procedure is absolutely essential.

Mr. Speaker, Congress must not eliminate this annual review process which is the heart of the Jackson-Vanik amendment.

U.S. CITIZENS ANGERED BY CONDUCT OF CUBAN REFUGEES

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I have a number of angry constituents and I think a number of the Members do, too. They are angry because of the apparent open-arms and open-heart policy that the President enunciated having to do with the Cuban refugees. They are not angry because of his policy, but of the conduct of these persons after they have come into this country. I am making reference specifically to those Cubans who are rock-throwing malcontents, fence-jumping, and beefing about our policies in this country in not processing them rapidly enough.

It seems to me, Mr. Speaker, these ingrates could well be loaded on a boat, taken down to Guantanamo, that is our U.S. base, and pushed through the front gate back into Cuba where they belong.

PERSONAL EXPLANATION

(Mr. MARKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKS. Mr. Speaker, on May 21, 1980, I was in Erie, Pa., in my district an official business. I was unable to cast my vote on the Defense Authorization Act, H.R. 6974. Although I asked to be paired in favor of final passage, I was not in fact paired.

I would like to take this opportunity to state if I had been here, I would have supported final passage of H.R. 6974.

A WEDDING FOR "BABY DOC"

(Mr. ROUSSELOT asked me and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, the International Security and Development Corporation Act, which we will be considering in the House today, will authorize over $5.5 billion in assistance to several foreign countries, among them the Caribbean Island nation of Haiti—Haiti is slated to receive almost $8 million if this foreign aid bill is approved.

Therefore, I was interested to note an article in this morning's Washington Post, describing the lavish preparations underway for the wedding of the island's

President-for-life Jean-Claude Duvalier, or "Baby Doc."

No one seems to know just how much the extravagant ceremony that is planned will cost, but estimates run as high as $5 million.

Now I ask my colleagues, would it not be cheaper to just send flowers?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore. The Chair desires to announce that pursuant to the authority granted the Speaker pro tempore on Thursday, May 22, the Speaker pro tempore did on Tuesday, May 27, sign the following enrolled bills:

H.R. 4890. An act to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983;

H.R. 3789. An act to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program;

H.R. 5036. An act to require the Secretary of the Interior to convey a parcel of land located in Colorado to the Ute Monutain Ute Tribe and to pay an amount to such tribe for economic development; and

S. 2253. An act to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The **SPEAKER** pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
May 28, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 11:16 a.m. on Wednesday, May 28, 1980, and said to contain a message from the President concerning the extension of the Jackson-Vanik Waiver Authority for a further period of twelve months and the continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China, together with a copy of the President's Determination in connection therewith.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
W. RAYMOND COLLEY,
Deputy Clerk.

RECOMMENDATION FOR FURTHER 12-MONTH EXTENSION OF AUTHORITY TO WAIVE SUBSECTIONS (a) AND (b) OF SECTION 402 OF TRADE ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-318)

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on Ways and Means, and ordered to be printed:

(For message, see proceedings of the Senate of today, May 28, 1980.)

STATE DEPARTMENT KOWTOWS TO COMMUNISM

(Mr. **ASHBROOK** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **ASHBROOK**. Mr. Speaker, I must bring to my colleagues attention a despicable action that has been taken against our longtime friend and ally Taiwan. Last Friday the U.S. Customs Service issued new rules governing the importation of goods from Taiwan. The new regulations state that any goods imported from the Republic of China that is marked "Republic of China" or "Taiwan-Republic of China" will not be allowed into the United States. This action was taken because of pressure from Communist China on the State Department to further destroy the national identity of this sovereign nation.

How long is this Congress going to allow the State Department bureaucrats to implement the Communist Chinese goal of acquiring the Republic of China without firing a shot? It is unconscionable that so little is being done to stop these deceitful actions. This Congress should act expeditiously in reversing these new regulations which go into effect July 1, 1980.

The long series of insults that have been leveled on the proud nation, the Republic of China in the name of accommodation with the mainland Communists are the most dishonorable acts this administration has ever undertaken. It has demanded that the Republic of China change its name, its flag, and its national anthem all in order to avoid any discomfort on the part of the regime in Peking. There are reports that the name of the Taiwanese airline, China Airline, is also in the process of being changed.

It is incredible that a nation like the Republic of China could be so depleted by one President and his policy cliche, that it should be deprived of the prerogatives of international trade granted every other nation on Earth. No matter what crimes against humanity a nation's government has committed, what they choose to call themselves in international commerce has always been respected by other nations. What has the Republic of China done to deserve such harsh treatment? The only crime I can think of under the circumstances is it has refused to kowtow to the Communist rulers in Peking. It may seem unbelievable to those in the Oval Office and at Foggy Bottom that there are nations in the world that do not consider Communism preferable to freedom when offered the choice. The people of the Republic of China made great sacrifices in 1949 to make that choice, and it is shameful that our present administration refuses to respect it.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1980

Mr. **ZABLOCKI**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6942) to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **BEREUTER**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 336, nays 18, not voting 79, as follows:

[Roll No. 260]

YEAS—336

Abdnor
Addabbo
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Burgener
Burlison
Burton, John
Butler
Byron
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis, Mich.
Deckard
Dellums
Derwinski
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Gaydos
Gephardt
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer

LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
McClory
McHugh
McKay
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Quillen
Rahall
Rangel
Ratchford
Regula
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Symms
Synar
Tauke
Tauzin
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Winn
Wirth
Wolpe
Wright
Wyatt
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—18

Ashbrook
Atkinson
Bauman
Collins, Tex.
Dannemeyer
Devine
Hinson
Huckaby
Lloyd
Lungren
McDonald
Mitchell, Md.
Myers, Ind.
Paul
Quayle
Roth
Rousselot
Solomon

NOT VOTING—79

Akaka
Alexander
Anderson, Ill.
Boggs
Brown, Ohio
Buchanan
Burton, Phillip
Campbell
Carney
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daschle
Davis, S.C.
de la Garza
Derrick
Diggs
Dingell
Dornan
Eckhardt
Edwards, Ala.
Flippo
Frenzel
Fuqua
Garcia
Giaimo
Gibbons
Gilman
Grassley
Hansen
Hawkins
Heftel
Holtzman
Ichord
Jenrette
Kindness
Leach, Iowa
Lujan
Lundine
McCloskey
McCormack
McDade
McEwen
McKinney
Marks
Mathis
Michel
Mikulski
Murphy, Ill.
Myers, Pa.
Nolan
O'Brien
Preyer
Pursell
Railsback
Reuss
Rhodes
Rodino
Rostenkowski
Rudd
Runnels
Satterfield
Scheuer
Sebelius
Simon
Stump
Thomas
Vanik
Vento
Waxman
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wolff
Wydler
Wylie
Yates
Young, Alaska

□ 1600

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 6942, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, May 22, 1980, the Clerk had read through line 5 on page 2.

Are there any amendments to section 1?

If not, pursuant to the rule, the bill will be considered by titles and each title shall be considered as having been read.

The Clerk will designate title I.

Title I reads as follows:

TITLE I—MILITARY AND RELATED ASSISTANCE PROGRAMS

NONRECURRING RESEARCH AND DEVELOPMENT COSTS

SEC. 101. Section 21(e)(2) of the Arms Export Control Act is amended by striking out ", or foreign procurement in the United States under coproduction arrangements".

MILITARY CONSTRUCTION

SEC. 102. (a) The Arms Export Control Act is amended by inserting immediately after chapter 2 the following new chapter:

"Chapter 2A—FOREIGN MILITARY CONSTRUCTION SALES

"SEC. 29. FOREIGN MILITARY CONSTRUCTION SALES.—The President may sell design and construction services to any eligible foreign country or international organization if such country or international organization agrees to pay in United States dollars not less than the full cost to the United States Government of furnishing such services. Payment shall be made to the United States Government in advance of the performance of such services by officers or employees of the United States Government. The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of design and construction services for sale under this section if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to make funds available in such amounts and at such time as may be required to meet the payments required by the contract and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.".

(b)(1) Section 21(h) of such Act is amended by striking out "defense articles or defense services" both places it appears and inserting in lieu thereof "defense articles, defense services, or design and construction services".

(2) Section 22(c) of such Act is amended to read as follows:

"(c) The provisions of the Renegotiation Act of 1951 do not apply to procurement contracts heretofore or hereafter entered into under this section, section 29, or predecessor provisions of law.".

(3) Sections 23, 24(a), and 31(c) of such Act are each amended by striking out "defense articles and defense services" each place it appears and inserting in lieu thereof "defense articles, defense services, and design and construction services".

(c) Section 36(a) of such Act is amended—

(1) by striking out "and" immediately after the semicolon at the end of paragraph (7);

(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(9) a listing of each sale under section 29 during the quarter for which such report is made, specifying (A) the purchaser, (B) the United States Government department or agency responsible for implementing the sale, (C) an estimate of the dollar amount of the sale, and (D) a general description of the real property facilities to be constructed pursuant to such sale.".

(d)(1) Section 36(b)(1) of such Act is amended in the first sentence by inserting "any design and construction services for $200,000,000 or more," immediately after "$25,000,000 or more,".

(2) Such section is further amended—

(A) in the first sentence by inserting ", or (in the case of a sale of design and construction services) the information specified in clauses (A) through (D) of paragraph (9) of subsection (a)," immediately after "subsection (a)" the first place it appears;

(B) in the second sentence by striking out "or defense services" and inserting in lieu thereof ", defense services, or design and construction services,"; and

(C) in the third sentence—

(i) in subparagraph (A) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

(ii) in subparagraph (C) by striking out "or defense service" and inserting in lieu thereof ", defense service, or design and construction service";

(iii) in subparagraph (E) by striking out "or services" both places it appears and inserting in lieu thereof ", defense services, or design and construction services";

(iv) in subparagraph (I) by striking out "or services" both places it appears and inserting in lieu thereof ", defense services, or design and construction services";

(v) in subparagraph (J) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

(vi) in subparagraph (K) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

(vii) in subparagraph (L) by striking out "or services" and inserting in lieu thereof ", defense services, or design and construction services";

(viii) in subparagraph (M) by striking out "services, or" the first place it appears and inserting in lieu thereof "defense services, design and construction services, or defense"; and

(ix) in subparagraph (N) by inserting ", defense services, or design and construction services" immediately after "defense articles".

(e)(1) Section 37(a) of such Act is amended by striking out "sections 21 and 22" and inserting in lieu thereof "sections 21, 22, and 29".

(2) Section 39 of such Act is amended—

(A) in subsection (a) by inserting ", or of design and construction services under section 29," immediately after "section 22"; and

(B) in subsection (c) by inserting "or section 29" immediately after "section 22".

(3) Section 42 of such Act is amended—

(A) in subsection (d) by striking out "and 24" and inserting in lieu thereof "24, and 29"; and

(B) in subsection (e) by striking out "and 22" both places that it appears and inserting in lieu thereof ", 22, and 29".

(f) Section 47 of such Act is amended—

(1) in paragraph (4) by inserting ", but does not include design and construction services under section 29 of this Act" immediately after "military sales";

(2) in paragraph (6) by striking out " and" immediately after the semicolon;

(3) in paragraph (7) by striking out the period and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new paragraph:

"(8) 'design and construction services' means, with respect to sales under section 29 of this Act, the design and construction of real property facilities, including necessary construction equipment and materials, engineering services, construction contract management services relating thereto, and technical advisory assistance in the operation and maintenance of real property facilities provided or performed by any department or agency of the Department of Defense or by a contractor pursuant to a contract with such department or agency.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 103. (a) Section 31(a) of the Arms Export Control Act is amended—

(1) by striking out "$673,500,000 for the fiscal year 1980" and inserting in lieu thereof "$761,600,000 for the fiscal year 1981"; and

(2) by inserting immediately after the first sentence the following new sentence: "Credits may be extended pursuant to section 23 of this Act and the principal amount of loans may be guaranteed pursuant to section 24(a) of this Act only to the extent and in such amounts as provided in advance in appropriations Acts.".

(b) Section 31(b) of such Act is amended to read as follows:

"(b)(1) The total amount of credits, or participations in credits, extended pursuant to section 23 of this Act for the fiscal year 1981 shall not exceed $500,000,000.

"(2) The total principal amount of loans guaranteed pursuant to section 24(a) of this Act for the fiscal year 1981 shall not exceed $2,616,000,000.

"(3)(A) Of the aggregate total of such credits, or participations in credits, and of the total principal amount of such loans guaranteed, not less than $1,400,000,000 for the fiscal year 1981 shall be available only for Israel, of which $200,000,000 shall be available only for costs associated with the relocation of Israeli forces from the Sinai.

"(B) Of the total principal amount of such loans guaranteed, not more than $45,000,000 for the fiscal year 1981 may be made available for the Philippines.

"(C) Of the total principal amount of such loans guaranteed, not more than $70,000,000 for the fiscal year 1981 may be made available for Thailand.".

(c) Section 31(c) of such Act is amended—

(1) in the first sentence by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981"; and

(2) in the last sentence by striking out "one-half" and inserting in lieu thereof "$500,000,000".

(d) The principal amount of the loans guaranteed under section 24(a) of such Act for the fiscal year 1981 with respect to Egypt, the Sudan, and Turkey shall be repaid in not less than twenty years, following a grace period of ten years on repayment of principal.

REPORTS TO THE CONGRESS

SEC. 104. (a) Section 3(d) of the Arms Export Control Act is amended—

(1) in paragraph (1) by striking out all that follows "The President may not give his consent" through "Act of 1961" and inserting in lieu thereof "under paragraph (2) of subsection (a) of this section or under the third sentence of such subsection, or under sections 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961, to the transfer of any major defense equipment valued (in terms of its original acquisition cost) at $7,000,000 or more, or of any defense article or related training or other defense service valued (in terms of its original acquisition cost) at $25,000,000 or more, to any country or international organization other than the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand,"; and

(2) in paragraph (3)—

(A) by inserting "and" immediately after the semicolon at the end of subparagraph (A);

(B) by striking out "; or" at the end of subparagraph (B) and inserting in lieu thereof a period; and

(C) by striking out subparagraph (C).

(b) Section 36(b)(1) of such Act is amended in the first sentence by inserting "to any country or international organization other than the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand," immediately after "$7,000,000 or more,".

(c) Section 36(c) of such Act is amended in the first sentence by inserting "to any country or international organization other than the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand" immediately after "$25,000,000 or more".

CEILING ON COMMERCIAL ARMS SALES

SEC. 105. Section 38(b)(3) of the Arms Export Control Act is amended by striking out "$35,000,000" and inserting in lieu thereof "$75,000,000".

MILITARY ASSISTANCE

SEC. 106. (a) Section 503(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or"; and

(3) by inserting at the end thereof the following new paragraph:

"(3) transferring such of the funds appropriated or otherwise made available under this chapter as the President may determine for assistance to a recipient specified in section 504(a)(1) of this Act, within the dollar limitations of that section, to the account in which funds for the procurement of defense articles and defense services under section 21 and section 22 of the Arms Export Control Act have been deposited for such recipient, to be merged with such deposited funds, and to be used solely to meet obligations of the recipient for payment for sales under that Act.".

(b) Section 504(a)(1) of such Act is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $105,000,000 for the fiscal year 1981. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1981:

Portugal	$51,000,000
Spain	3,600,000
The Philippines	25,000,000

The amount specified in this paragraph for military assistance to any such country may be increased by not more than 10 percent of such amount if the President deems such increase necessary for the purposes of this chapter.".

(c) Section 506(a) of such Act is amended by striking out "$10,000,000" and inserting in lieu thereof "$50,000,000".

(d) Section 516(a) of such Act is amended—

(1) by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1982"; and

(2) by striking out "three" and inserting in lieu thereof "five".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 107. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$95,000,000 for the fiscal year 1980" and inserting in lieu thereof "$85,000,000 for the fiscal year 1981".

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 108. Section 515 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (b)(1)—

(A) by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981";

(B) by striking out "the countries specified in section 504(a)(1) and in" and inserting in lieu thereof "Portugal, Spain, Jordan, the Philippines,"; and

(C) by striking out "Iran, Kuwait," and inserting in lieu thereof "Egypt";

(2) in subsection (b)(3)—

(A) by striking out "Iran, Kuwait, and";

(B) by striking out "countries" and inserting in lieu thereof "country"; and

(C) by striking out "each"; and

(3) in the last sentence of subsection (f)—

(A) by inserting "six more than" immediately after "may not exceed";

(B) by striking out "December 31, 1978" and inserting in lieu thereof "December 31, 1979"; and

(C) by inserting "and countries to which military personnel have been assigned pursuant to subsection (c)" immediately after "such countries".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 109. (a) The first sentence of section 542 of the Foreign Assistance Act of 1961 is amended by striking out all that follows "the purposes of this chapter" and inserting in lieu thereof "$35,500,000 for the fiscal year 1981.".

(b)(1) Chapter 5 of part II of such Act is amended by adding at the end thereof the following new section:

"SEC. 544. PROGRAMS IN HUMAN RIGHTS.—Effective October 1, 1981, the curriculum of programs funded under this chapter shall include, as a prerequisite for completion of all other courses, a program, to be established in consultation with the Assistant Secretary of State for Human Rights and Humanitarian Affairs, which encompasses the internationally recognized principles of human rights.".

(2) The President shall submit to the Congress, not more than six months after the date of the enactment of this Act, a report setting forth specific measures which will be taken to implement the human rights program described in section 544 of the Foreign Assistance Act of 1961, as added by paragraph (1) of this subsection. Such report shall be prepared in consultation with the Assistant Secretary of State for Human Rights and Humanitarian Affairs.

(c)(1) Section 644(m) of such Act is amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(5) with respect to military education and training, the additional costs that are incurred by the United States Government in furnishing such assistance.".

(2) Section 21(a)(3) of the Arms Export Control Act is amended by inserting immediately before the period the following: ", except that in the case of training sold to a purchaser who is concurrently receiving assistance under chapter 5 of part II of the Foreign Assistance Act of 1961, only those additional costs that are incurred by the United States Government in furnishing such training".

PEACEKEEPING OPERATIONS

SEC. 110. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out "$21,100,000 for the fiscal year 1980" and inserting in lieu thereof "$25,000,000 for the fiscal year 1981".

(b) Section 553 of such Act is repealed and section 554 is redesignated as section 553.

SPECIAL AUTHORITY

SEC. 111. Section 614(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) The President may authorize the furnishing of assistance under this Act and may make sales, extend credit, and issue guaranties under the Arms Export Control Act, without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under this Act or the Arms Export Control Act, in furtherance of any of the purposes of such Act, when the President determines that to do so is important to the security of the United States.

"(2) The authority of this subsection may not be used to authorize the use of more than $250,000,000 of funds made available for use under this Act or the Arms Export Control Act, or the use of more than $100,000,000 of foreign currencies accruing under this Act or any other law, in any fiscal year. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year, unless such country is a victim of active Communist or Communist-supported aggression.

"(3) The authority of this section may not be used to waive the limitations on transfers contained in section 610(a) of this Act.".

REPORTS TO THE CONGRESS ON INTELLIGENCE ACTIVITIES

SEC. 112. Section 662(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 662. LIMITATION ON INTELLIGENCE ACTIVITIES.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, prior to the initiation of such operation, a description of such operation and its scope to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives. The President may defer, for the shortest practicable period, such prior reporting if at the time the report is given the President certifies that such deferral was essential to meet extraordinary circumstances affecting the vital interest of the United States or was essential to avoid unreasonable risk to the safety or security of the personnel or methods employed.".

TECHNICAL AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Technical amendment offered by Mr. ZABLOCKI: Page 8, strike out lines 6 through 17 and insert in lieu thereof the following:

SEC. 103. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$673,500,000 for the fiscal year 1980" and inserting in lieu thereof "$761,600,000 for the fiscal year 1981".

Mr. ZABLOCKI. Mr. Chairman, as I have stated, the amendment I offer is technical in nature. It strikes section 103; that is, lines 6 through 17, language which requires advance appropriations for foreign military sales credits and guarantees.

The provision that is now in the bill has the effect of granting to the Appropriations Committee the right to set the aggregate ceiling on the amount of credits and guaranties that can be financed under the FMS credit and guaranty program. The provision is unnecessary, Mr. Chairman, because the Committee on Appropriations already exercises control over the funding of the program through appropriations in amounts necessary for the operation of direct foreign military sales credits and foreign military sales guaranty programs.

□ 1610

The amendment offered does not affect any of the earmarkings in section 103, including the earmarking of the $1.4 billion in foreign military sales credits and guarantees for Israel. What it really does, Mr. Chairman, is to keep the authorizing jurisdiction within the authorization committee, the Committee on Foreign Affairs, which closely scrutinizes the appropriate level for the aggregate ceiling. This is a foreign policy tool, and should be within the jurisdiction of the Foreign Affairs Committee.

Mr. Chairman, I move adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to indicate at the outset of this debate my general support for H.R. 6942 because I believe the programs authorized in this legislation are important to the broad national security interests of the United States.

However, Americans are now facing steadily more serious economic conditions at home. Beset by debilitating inflation and growing unemployment, reflecting the haphazard economic policies of the current administration, Americans have the right to expect that this Congress will keep expenditures for foreign assistance to the barebones minimum necessary to maintain U.S. security, economic, and humanitarian interests abroad.

Notwithstanding our deteriorating economy and the cuts in Federal domestic programs necessitated thereby, H.R. 6942, as reported, is $99.1 million over the President's original request for fiscal year 1981, and $223.5 million above the President's revised request, belatedly submitted last March.

Therefore, in recognition of the growing economic burdens and attendant sacrifices with which Americans are daily struggling, I intend to offer an amendment, at the appropriate time, which will reduce the authorization in this bill by 10 percent after taking into account certain exemptions. Those exemptions include aid for Israel and Egypt and funds authorized for peacekeeping, American schools and hospitals abroad, International narcotics control, and migration and refugee assistance.

Based on the total authorization, as reported, of $5.5 billion, my amendment would cut, after excluding the items I mentioned, about $314.6 million. At that point, I hope Members will support my amendment to make this bill a little leaner and fairer in its demands on our hard-pressed constituents.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank my friend, the gentleman from Michigan, for yielding, and he is my friend. And I know he is sincere. But with the exemptions provided in his amendment that what would remain in the bill? The 10-percent cut would include development assistance and international organizations only; is that not true?

Mr. BROOMFIELD. Yes, it would be.

Mr. ZABLOCKI. The cut would include contributions to international organizations, where we are trying to get international cooperation; would it not?

Mr. BROOMFIELD. Yes, that is true.

Mr. ZABLOCKI. The cut would include programs that will give assistance to the poorest of poor countries; is that not true?

Mr. BROOMFIELD. I am not sure that is true.

Mr. ZABLOCKI. Is it not true that the development assistance is indeed for the poorest of the poor countries that are becoming our business partners and are buying our export products, as they improve their economic condition?

Mr. BROOMFIELD. I would respond to the gentleman by saying that the bottom line is either we reduce this bill to the bare bones or take the chance of losing the entire bill.

Mr. ZABLOCKI. Will the gentleman yield further?

Mr. BROOMFIELD. I will be glad to yield.

Mr. ZABLOCKI. I thank the gentleman. If the gentleman really wants to do a job by cutting, then cut all programs, including those that are the largest in the bill. If he really wants to cut, cut where the biggest amount of money is provided, but do not cut funds that go to the poorest of the poor countries.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding. I just want to say I do not think the gentleman from Michigan (Mr. BROOMFIELD) is irresponsible. I am surprised the gentleman from Wisconsin would say that about the ranking minority member. They have always worked together very well, and when people offer amendments here to cut, I think we have to accept them in good faith.

I applaud the gentleman's announced intention to offer this 10-percent cut, and I just want him to know, and my colleagues to know, that in the Committee of the Whole I intend to offer a 25-percent cut, because I think that while the gentleman moves in the right direction, he does not move quite far enough. There is not any program in here that cannot be reduced in some respect, and I applaud the gentleman for this move at a time when we are trying to balance the budget and reorder our spending priorities. It is an example of the usual statesmanship for which the people of the gentleman's district send him here. I applaud him and them for their good judgment.

Mr. BROOMFIELD. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the International Security and Development Cooperation Act of 1980, a rather elaborate way of saying foreign aid, contains several positive features and quite a number of negative ones.

On the positive side are funds directed to support security arrangements with our NATO allies and with Japan, New Zealand, and Australia; military assistance to Portugal, Spain, and the Philippines for U.S. military facilities in those countries; military assistance and economic support for Israel, Egypt, Greece, and Turkey; funding for international narcotics control programs and migration and refugee assistance.

Mr. Chairman, I would like to discuss the provision in the bill that concerns aid and credits to Turkey for economic and military purposes. It will result both in improving political stability and military combat readiness of the Turkish Armed Forces.

We all agree that the conventional military superiority of the Soviet Union in Europe against NATO provides a lethal danger to the Western alliance and to ourselves as well. Matching Soviet conventional capabilities with American forces is impossible, at least in the short term we will have enough problems with building up the RDF in the Persian Gulf area in the coming years. One of the largest armed forces in NATO are the Turkish forces which tie down 26 Warsaw Pact divisions and control the exit from the Black Sea to the Mediterranean. However, these forces have very obsolete equipment, dating back to 1950–55 and even spare parts are not readily available in the United States for them. Their combat readiness is hardly over 50 percent and last year, they decided on a modest modernization program which will be implemented with the advice of the Turkish-United States Military Commission established under the new DCA of 1980.

Under these circumstances, the recommendation of the committee for $250 million FMS credits for Turkey are welcome indeed, though they represent an irreducible minimum and still burden the ailing Turkish economy as the entire cost of the modernization program per year runs to $900 million with only one other NATO ally (West Germany) sending sizable contribution ($100 million).

In my opinion, we should ponder ways and means to reduce the economic burden on Turkey for the modernization if not this year, at least in fiscal year 1982 in order to enable her to shoulder her NATO responsibilities without having to choose between unbearable economic burdens and her role in NATO. The modernization program, even if implemented, is a modest one and would strengthen the armor and antiarmor and antiair defense components of the armed forces which are badly needed to repulse a Soviet attack in wartime upon Istanbul and eastern Anatolia.

Having discussed what I like about this legislation I must now describe those aspects of this bill which I consider to be ill-conceived and inappropriate.

I simply do not understand why this aid program is designed to aid our adversaries and those countries which offer no support for American interests overseas. Aid for countries like Syria and Mozambique, for example, cannot be justified when aid for Brazil and Argentina is eliminated on human rights grounds. My position on aid to Nicaragua is well-known, and I continue to deplore sending American taxpayers' dollars for that Marxist-dominated regime in Central America.

The fact that military aid is being given to Nicaragua as well as development aid, is even harder to justify. Continuing reports of subversive Sandinista support to elements in El Salvador and Guatemala make the offer of military aid to Nicaragua completely irresponsible. The Military Assistance Committee to give military training funds to Guatemala was turned down. Guatemala is suffering the same kind of violence and revolutionary turmoil that affected Nicaragua before the Marxist takeover there.

It is a mockery for the administration and this body to deny aid to some countries for reasons of their human rights record and then give aid to others like Nicaragua and Mozambique, whose records are just as bad, if not worse. The administration's application for a double standard on human rights provokes resentment from our allies and is counterproductive to our own interests. For example, Brazil and Argentina, thanks largely to their treatment by this administration, refused to support the grain embargo against the Soviet Union after the invasion of Afganistan. Frankly, I am not surprised.

I believe the overall funding level for development assistance is out of line as pointed out by the ranking Republican, Mr. BROOMFIELD, when we are trying to create a balanced budget, curb inflation, and provide relief for the overburdened American taxpayer.

Too often the administration, and this body supporting the administration, choose an international give-away program as their misguided answer to economic development for the Third World. I believe we should look instead to the U.S. experience and encourage greater private investment overseas and support measures to promote freer trade. In that way, Americans benefit as well as the foreign nations we seek to help.

Despite the positive aspects, I believe that, on balance, the negative factors in this foreign aid are too great, and I must urge my colleagues to reject or significantly cut this unwise, overinflated budget for foreign aid.

□ 1620

AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEISS: Page 17, strike all of section 112.

Mr. WEISS. Mr. Chairman, it is my belief that the amendment which is embodied in the piece of legislation before us which I seek to strike is not well conceived and is not appropriate.

Mr. Chairman, I think it is inappropriate because, after all the past number of years of discussion and, indeed, the introduction of legislation into this body for providing a charter under which the Central Intelligence Agency should perform its functions the bill removes some of the requirements in the current law for reporting to the appropriate committees or even to the specific committees on intelligence in advance as to planned covert activity.

Mr. Chairman, it has been, I think held uniformly in this body and in the other body that the approach ought to be a comprehensive one. The thing that is most disconcerting is that the very committee that has been created by this body, the Special Committee on Intelligence, to which this matter was referred, has also expressed its position on this which, if you listen to it, makes very clear that the approach they favor is not that which the Committee on Foreign Affairs seeks to have us adopt.

Mr. Chairman, I read from the language of the report submitted by the gentleman from Massachusetts (Mr. BOLAND), chairman of the Permanent Select Committee on Intelligence:

> The committee believes that important intelligence issues should be addressed in the charter bill. The committee is resolved to consider revision of Huges-Ryan in the charter bill which is the subject of ongoing consideration by the committee and which it hopes to report to the House at the earliest possible date.

Now, it seems to me that if the Permanent Select Committee on Intelligence seeks to address this matter in a comprehensive fashion, it is wrong and I think mischievous for an amendment to be placed into the foreign assistance bill to remove what protections currently exist and to deny the appropriate committees of the House of Representatives the advance information and the opportunity to consult on a proposed action.

Mr. Chairman, it should also be pointed out that in the other body a piece of legislation has been reported out of committee which provides comprehensive oversight of the Central Intelligence Agency, clarifies the requirement for advanced notification in almost all instances with only special, very, very tightly drawn exceptions.

Mr. Chairman, it seems to me that the better part of wisdom for this House is to go along with what has been the game plan and that is to have a comprehensive piece of legislation brought to this floor so that the House can consider the entire matter as an entity rather than in this kind of piecemeal fashion. After all the terrible abuses which occurred a few years ago when our intelligence agencies were not subject to effective oversight, we should not take a major step backward and remove what minor protections currently exist. I think the proposition I offer really speaks for itself. I do not want to go into the merits of intelligence gathering or intelligence activity. It just seems to me this is the wrong way to proceed and I would hope my amendment will be adopted so that the Permanent Select Committee on Intelligence can come to us with a well thought out comprehensive piece of legislation upon which this body can work its will.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. Weiss).

Mr. Chairman, section 112 of the bill before us amends section 662 of the Foreign Assistance Act which is commonly referred to as the Hughes-Ryan amendment. Perhaps, Mr. Chairman, I should give a brief history of Hughes-Ryan.

Hughes-Ryan was adopted in a period when certain emotions prevailed in our country. The CIA had become a scapegoat, I submit. Nevertheless, there were some abuses within the CIA which today no longer exist.

Mr. Chairman, under the Hughes-Ryan amendment eight committees of Congress must be informed, advised, and consulted in a timely fashion whenever a covert operation is to be undertaken. Mr. Chairman, this means approximately 200 Members of Congress or their staffs might be given prior notification of intelligence operations.

Mr. WEISS. Mr. Chairman, will the gentleman yield on that point?

Mr. ZABLOCKI. I will yield later.

Mr. WEISS. I thank the gentleman.

Mr. ZABLOCKI. Mr. Chairman, we have learned, since Hughes-Ryan has been on the books, that our Nation has had great difficulty in its intelligence operations in getting proper intelligence. It therefore behooves us to amend Hughes-Ryan in the manner proposed by the Foreign Affairs Committee. After careful consideration, not hastily drawn, the committee amendment limits reporting to two committees in the Congress, the Permanent Select Committee on Intelligence of the House and the Select Committee on Intelligence of the Senate.

This is a great improvement, I submit. The gentleman from New York has stated that the amendment to Hughes-Ryan should perhaps be in the charter bill. This can still happen if there is a charter bill. But in the meantime we should act and it is proper that we act in this bill because Hughes-Ryan was an amendment to the Foreign Assistance Act.

Mr. Chairman, the committee amendment is designed to protect legitimate intelligence operations and the personnel involved. If we are to have an effective foreign intelligence capability, able to carry out the necessary tasks that are assigned to it by the President, we must take steps to reduce the likelihood of leaks to an absolute minimum. This is what the amendment in the bill before us does. This amendment does not abdicate oversight responsibilities of the Congress. On the contrary, this amendment represents a responsible effort to balance the legitimate national interest of the United States, with Congress equally legitimate oversight prerogative.

☐ 1630

Furthermore, on the important question of the timing of reports to Congress on covert operations, the amendment eliminates ambiguities in the existing Hughes-Ryan language. What it says, simply and directly, is that Congress will receive prompt prior notification of such operations. The only exception, I repeat, to that rule is that the President may defer such reporting only in extraordinary circumstances. The bill makes clear that the delay would be an exception to the general rule, and is to be only temporary and as brief as possible.

It is the intention of the committee that the deferral of reports of intelligence operations be for hours or longer only in exceptional and rare circumstances

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. Zablocki was allowed to proceed for 3 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, what the amendment does do, however, is to recognize that there may be occasions, such as the attempt to free the hostages in Iran, when a premature leak could seriously jeopardize the operation. The President must and should have the flexibility to protect the operation and the personnel involved from premature leaks. That is all this amendment does. That is all that it is intended to do.

The gentleman from New York stated that this matter was considered by the Permanent Select Committee on Intelligence, and that is true. The majority of the members of the Intelligence Committee agreed that the action of the committee should stand and that any related provisions offered in the charter legislation would supersede what we do today. But I submit, Mr. Chairman, the amendment of the gentleman from New York strikes a provision on which the House Committee on Foreign Affairs had hearings, worked hard, and carefully devised language that is acceptable to all of us. I might say to the gentleman from New York that it would be a tremendous mistake to adopt his amendment.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I very much appreciate my distinguished friend and colleague, the chairman, yielding to me. Is it not a fact, Mr. Chairman, that in the report submitted by Mr. Boland the statement is that that committee, that is, the Permanent Select Committee on Intelligence, took no action on this particular amendment? That is what it says in the report.

Mr. ZABLOCKI. If I may respond to the gentleman, the Intelligence Committee allowed section 112 to stand as is. It did not make any recommendations. They did not say that they would go on record in opposition to the provision of the bill before us. They will defer any action to further consider a charter bill. There was no motion made in the Permanent Select Committee on Intelligence to strike this language, as the gentleman is attempting to do. There was no action, no recommendation one way or the other.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield further to a member of the Intelligence Committee, the gentleman from Ohio (Mr. Ashbrook) who can amplify on this.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for that statement. The statement of no action should not be implicit in the committee that it was not considered. My colleague and friend from Wisconsin sat in committee, and I did. I think it stretched over a couple of hours. We fully debated it. We considered the problems of charter, and it is a simple statement that we will let it stand the way it is. It was my understanding, and I certainly would not like the statement of the gentleman, as to why we did not address ourselves to this particular section, to stand.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(By unanimous consent Mr. Zablocki was allowed to proceed for 3 additional minutes.)

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to the chairman of the Select Committee on Intelligence, the gentleman from Massachusetts (Mr. Boland).

Mr. BOLAND. Mr. Chairman, the distinguished chairman of the Foreign Affairs Committee states the case as it was in the Intelligence Committee, and so does the distinguished gentleman from Ohio, a very valuable member of that committee. As its report indicates, the Permanent Select Committee on Intelligence took no action in this particular area. We discussed it at length for a period of time, but it was the consensus of all the members of the committee that we would let this particular section stand and that in the near future we would address the matter with reference to a charter bill if that were possible.

It is apparent that that is not going to be possible in this session of the Congress, either on the House or the Senate side. But, the report also indicates that we will address the Hughes-Ryan amendment in this session of the Congress, and also, if possible, improve and expand the oversight provisions which are contained in the bill that we are discussing now.

As the gentleman from New York has

indicated, the Senate Select Committee on Intelligence has reported out a bill unanimously which the Senate itself will be addressing—as I understand it, on June 3—on Tuesday next. Hopefully, we will bring a bill from the Permanent Select Committee on Intelligence to this body which will address the matter of oversight, with which we are concerned and with which the Foreign Affairs Committee of the House is also concerned.

So, it was the judgment of the members of our committee that we would support section 112 of this bill, and that we would support it because it was a giant step in the direction in which most Members of this House want to travel—that only the Permanent Select Committee on Intelligence of the House and the Intelligence Committee of the Senate would receive covert action reports. That is a giant step, and I want to commend the chairman of the Foreign Affairs Committee and all the members on his committee for supporting that position. That, I think, has probably given more problems to the Intelligence community, to the administration, and to many Members of the Congress on both the House and Senate sides than has any other matter dealing with intelligence.

I do not find it objectionable that this section is in this particular bill because, as the gentleman has stated, the amendment was offered on the floor to the foreign aid bill back, I think, in 1974. At that time, it was readily accepted by the House. But, it is a provision that from that time to this has presented some great difficulties to those who are responsible for its implementation.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(At the request of Mr. Boland and by unanimous consent, Mr. Zablocki was allowed to proceed for 2 additional minutes.)

Mr. BOLAND. Mr. Chairman, it is clear that the subject of reporting to Congress on CIA covert actions abroad is a sensitive as well as a very important one.

Such reporting has the effect of insuring, that such operations are well thought out, and adequately considered at the highest levels of the executive branch.

Because, with one exception, such reporting has always occurred prior to actual implementation, two Presidents have also had the advice—and often the support—of the congressional committees most concerned with this covert side of American foreign policy.

I believe this has been helpful and represents a much needed application of congressional oversight.

What some critics have pointed out—and rightly so—is that current reporting of covert actions operations involves too many committees.

It is in this context that the Committee on Foreign Affairs has recommended a change in the Hughes-Ryan amendment which would reduce the number of committees from eight to the two Intelligence Committees.

It also makes more explicit that reporting should be routinely made prior to implementation of the operations in question.

The Permanent Select Committee on Intelligence considered the language of the bill before us today, but recommended no change therein.

What the Intelligence Committee's report makes clear, is that it is committed to a more comprehensive bill which would, at the least, incorporate all aspects of oversight over U.S. intelligence activities.

While it is apparent that an all embracing intelligence charter bill will not be reported out during this session, the committee will take up important intelligence legislation, in the near future, which will confine itself to Hughes-Ryan language and an overall provision for all intelligence activities.

This latter provision is not a part of the bill before us today because it would exceed the scope of this bill, but it is a necessary element of a comprehensive oversight bill for intelligence activities.

If such a bill were all that was to emerge from this Congress, if it were all the intelligence legislation to emerge from the Congress for a long time, it would be important, because it would reaffirm the conclusion of all the previous investigations of intelligence activities—congressional and Executive alike—that prior to the creation of the Intelligence Committees, neither House nor Senate adequately or firmly monitored intelligence activities.

If there is one piece of legislation that will enable the Congress to do this job, it is one that will insure access to information for these committees.

That statement of principle, that affirmation of purpose, is the broader context in which section 112 should fit.

So I say to my colleagues that, although the Intelligence Committee will consider alternative versions to the Hughes-Ryan language, the language of the bill before us today is a good beginning.

Further, it is a reasonable and helpful step forward.

I would hope that the gentleman from New York would agree with me. On that basis, Mr. Chairman, I support section 112; the Permanent Select Committee on Intelligence of the House supports that particular section, and there will be no effort on the part of our committee to strike that from this bill.

Mr. ZABLOCKI. Mr. Chairman, I thank the distinguished chairman of the committee for his contribution and I agree with him. I am sure he will also agree with me that this is an interim action to deal with the problem. When he recommends charter legislation from the Permanent Select Committee on Intelligence, I hope the gentleman from New York would support this bill and the charter legislation as well.

Mr. WEISS. Mr. Chairman, would the distinguished gentleman yield?

Mr. ZABLOCKI. Very briefly.

Mr. WEISS. Is the gentleman saying that as far as he is concerned, he would want to reduce the requirement of the administration—the executive branch—to consult with this body and the other body in the event, for example, an effort were made again to destabilize some other government across the world?

Mr. ZABLOCKI. The gentleman from Wisconsin is saying no such thing at all.

Mr. WEISS. It certainly sounds like it to me.

Mr. ZABLOCKI. The gentleman has his own interpretation.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, it is vital to the effective operation of our intelligence apparatus—and therefore vital to our national security—that we reject the amendment offered by the gentleman from New York (Mr. Weiss) and approve the proposal of the Committee on Foreign Affairs.

The Perminent Select Committee on Intelligence, as well as its counterpart in the other body, is equipped to provide thorough oversight of covert actions. In 1977, the House provided the committee with a charter, rule XLVIII (48) to carry out the prerogatives of the Congress in this critical, sensitive area. Section 112 of H.R. 6942, which this amendment would strike, is certainly in keeping with rule XLVIII (48) and further expresses the House appreciation of the myriad of issues inherent in intelligence oversight.

By voting down the Weiss amendment, we make it clear that we do not want to hinder the operations of our intelligence agencies, but rather want to enhance the ability of these agencies to do a proper job of protecting our national security.

Mr. Chairman, let it be made clear that the days are over when the CIA was falsely accused of being a "rogue elephant." It always did what successive Presidents ordered. And, the days are over when CIA could whisper its reports in a few ears; now we have real oversight with the two intelligence committees created especially to watch the executive branch activities in this area.

Mr. Chairman, the question of giving prior notice to the Congress on covert actions is an extremely troublesome one. Allied foreign intelligence services have expressed reluctance—and sometimes outright unwillingness—to work with us in carrying out mutually beneficial special activities. Hopefully, by reducing reporting to two committees, their concerns will be allayed. Yet, a prior notice requirement could raise new problems.

The committees receiving covert action reports have received them prior to initiation of the activity in every instance but one. As a member of the Permanent Select Committee on Intelligence, I would have to say that the mood regarding covert action reports is generally one of satisfaction. So, I am troubled by requiring prior notice in the legislation before us because I fear that, in a sensitive matter with serious constitutional ramifications, we are making an issue out of a nonissue.

Mr. Chairman, while I do not believe that we should force the issue of prior notice, I am willing to support the position of the Committee on Foreign Affairs. I do so after full consideration of the carefully crafted compromise language agreed to in the committee. Because I find the committee's proposal to be procedurally sound, I urge a no vote on the amendment.

☐ 1640

Mr. BROOMFIELD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Wisconsin (Mr. ZABLOCKI), the chairman of the Committee on Foreign Affairs.

Mr. Chairman, at the outset, I want to emphasize that our amendment in the bill is not a surrender of Congress oversight responsibility. I am a firm believer in congressional oversight, a subject I studied extensively 5 years ago while serving on the Murphy Commission. I can, therefore, assure you that this bipartisan compromise carefully balances the national security interests of the United States with Congress oversight duties.

As we all know, one of the major shortcomings of Congress current intelligence oversight arrangements regarding covert action activities is that it is spread over seven committees. Our amendment addresses that problem by concentrating the oversight responsibility where it belongs—in the two congressional Intelligence Committees that were created after Hughes-Ryan became law 6 years ago. Among other things, this will significantly reduce the risk of leaks damaging to our Nation's security which have periodically occurred under the current arrangement.

Since the passage of the Hughes-Ryan amendment, there has been only one instance when Congress was not told beforehand about a given covert action activity. Prior notification has been given in spite of the fact that the phrase "in a timely fashion" contained in the Hughes-Ryan amendment leaves open to question whether such prior reporting is indeed required. Our amendment clarifies this ambiguity by stipulating that Congress shall receive prior notice of all CIA covert action activities, except when such advance notice would jeopardize the safety or security of the personnel or methods employed.

We included this Presidential waiver provision in recognition of the President's need for flexibility in extraordinary circumstances like those that prevailed in the one instance to date when Congress did not receive prior notice. It is worth noting in this connection that there have been occasions when the prior congressional notification requirement has inhibited and, in some cases even precluded, foreign intelligence services from cooperating with the CIA to the detriment of our national interest.

In short, Mr. Chairman, our amendment should be viewed as a perfecting amendment to the Hughes-Ryan statute. It eliminates flaws which have contributed to a serious erosion of our overall intelligence capability. Given the present world situation, it is imperative that we take steps immediately to remedy this national security problem. The committee language is one of those steps and I, therefore, urge my colleagues to oppose the amendment of the gentleman from New York.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, section 112 amends section 662 of the Foreign Assistance Act in an effort to clarify congressional intent with respect to the notification procedures on covert intelligence operations.

The reasons for this amendment are simple and understandable.

Hughes-Ryan did not serve the national interests.

Hughes-Ryan did not work.

Hughes-Ryan was confusing as far as the reporting requirement was concerned. There were varying interpretations of the meaning of "in a timely manner."

Section 112 corrects this confusion by making clear that under normal circumstances Congress has the legitimate right to receive prompt, prior notification of all covert operations.

The President may defer this notification for the shortest practicable period if he certifies that such deferral was essential to meet extraordinary circumstances affecting the vital interests of the United States or was essential to avoid unreasonable risk to the safety or security of the personnel or methods employed.

We think that the protection of the operation and the lives of the personnel, particularly the lives of the personnel, is so reasonable that it is difficult to understand why there is any objection to it.

The second purpose of the committee amendment is to reduce the number of committees to which reports must be given from eight to the two Intelligence Committees.

This is designed to protect against leaks which are too frequent and damaging to tolerate.

For example, under the existing law, as many as 200 Members can be briefed on covert activities.

During the period 1976 to 1978 under Hughes-Ryan, of six briefings given on covert activities, two were released to the press by a member or members of one of the committees within one-half hour after the briefing.

Indeed, the present situation under Hughes-Ryan has been such that countries whose support and cooperation is needed for certain intelligence activities have been more reluctant, and in some cases have declined, to give us this help because of their doubts about our ability to maintain secrecy. They have made plain that they fear disclosure here would cause damage to them.

Obviously, it is in our interest to stop leaks insofar as we are able to stop them.

Section 112 as reported by the committee will not stop the leaks entirely, but it certainly will reduce the number of people who will be given the information to leak.

Enactment of this legislation will not eliminate congressional oversight of the CIA and the intelligence community. Rather, it should strengthen that oversight by clearly placing the responsibility in the committees that were created by the Congress to oversee the intelligence community.

When Hughes-Ryan was enacted, there were no intelligence committees.

Now there are.

For these reasons, I urge my colleagues to reject the amendment offered by the gentleman from New York.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. WEISS).

Mr. Chairman, I feel that this is appropriate language that we have in this bill. Insofar as charter legislation is concerned, we may or we may not have it, and I question the wisdom of the charter legislation that has been introduced. I certainly do not want to support anything which would further hamstring the CIA and other intelligence agencies, and that may be and is the objective of some of those who would like to see charter legislation.

So, Mr. Chairman, I am hopeful that we can take this important step, and then we can consider whether or not to have charter legislation, either mini-charter or magna-charter, at some future time.

Mr. Chairman, the House must act to change the current requirement that the President report on CIA covert actions to eight full committees of Congress.

Mr. Chairman, for well over a year, I have been working for revision of this requirement embodied in section 662 of the Foreign Assistance Act—the so-called Hughes-Ryan amendment. Eight months ago, I began working with the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), on appropriate remedial legislation. The gentleman has brought such legislation to the floor, and it deserves to be supported.

Section 112 of the bill reported by the Committee on Foreign Affairs takes a reasonable approach to amending Hughes-Ryan by establishing a modified oversight mechanism. Reporting would be made to only two committees: The Permanent Select Committee on Intelligence and the Select Committee on Intelligence in the other body. Both committees by their design are best equipped to provide secure oversight of our country's most sensitive foreign intelligence activities.

I do want to note that there is one aspect of section 112 which does cause me some serious concern, but which, on the whole, I can accept: That is, When shall the reports on covert actions be made? Currently, the law requires reports to be made "in a timely fashion." This has led to all but one report being given to the appropriate committees prior to the initiation of the covert action itself. And, in that one case, the members of these committees were ultimately satisfied of the need for deferred reporting. All this has been accomplished in an atmosphere of cooperation between the Congress and the executive branch.

I believe that the "timely fashion" language, because of its flexibility, has allowed such an atmosphere to develop, and indeed, such language suggests the better view of the constitutional duties of the President and the Congress. I therefore have certain reservations over the bill's requiring prior notice of covert actions. The limited exceptions to this requirement do, however, appear to grant the President sufficient leeway in exceptional circumstances, and I will support the compromise forged by the gentleman from Wisconsin (Mr. ZABLOCKI), after lengthy discussions with the gentleman from Indiana (Mr. HAMILTON) and the ranking minority member of the committee, the gentleman from Michigan (Mr. BROOMFIELD). Section 112 embodies an enlightened compromise, and deserves support.

Mr. Chairman, as a member of the Permanent Select Committee on Intelligence and a member on the earlier temporary intelligence committee, I have taken part in the oversight process of intelligence activities for quite some time. Throughout, there have been allegations of leaks of classified information from the Congress. Unfortunately, such allegations actually gain support by reason of the mechanism which we now have in place whereby so many Members and staff have access to classified materials.

The record of the Congress is quite good—especially the record of the Permanent Select Committee on Intelligence. Yet, until we reorganize and reform the procedures for congressional access to classified information—especially information pertaining to planned and ongoing covert actions—we are allowing ourselves to remain an easy target. With the significant reduction in access suggested by the Foreign Affairs Committee, we would be taking an extremely valuable step to consolidate the handling of our most sensitive intelligence information—thereby improving actual security. At the same time, we would be altering the appearance of the Congress as an overly demanding sponge of secret information which soaks everything in and then haphazardly lets it drip away.

Mr. Chairman, I urge a no vote on the amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I have tried to listen diligently to the debate on this amendment and listen carefully to the comments made by the ranking minority member of this committee.

I think we would agree that whenever we embark upon activities that would in any way tamper with the delicate nature of our triumvirate form of government, we should do that with deliberation and cautiousness.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. BROOMFIELD) has expired.

(On request of Mr. DELLUMS, and by unanimous consent, Mr. BROOMFIELD was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield further?

Mr. BROOMFIELD. I am happy to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, my question to the gentleman is this: What is the problem to which this amendment is addressed?

As I have listened carefully to the gentleman and to several other Members, including the chairman of the committee, they mentioned leaks. I have not heard of any leaks from the House of Representatives. I have not seen any great exposé.

The question that I am raising is: What is the problem that we are attempting to resolve with section 112? What is it? Does the gentleman know something about a number of leaks that have not come to the attention of the general membership or the American people? What is the issue here?

Mr. BROOMFIELD. Frankly, Mr. Chairman, it is to tighten up on the security aspects. First of all, we are proposing adequate oversight of the intelligence community. We feel there are just too many committees that have to be informed of any action taken by, in particular, the CIA.

This language reduces the opportunity for inadvertent leaks by limiting the matter of Presidential reporting of covert actions to the two Intelligence Committees, one on the Senate side and one on the House side, and we feel that is the way we ought to go on matters of this importance.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield further?

Mr. BROOMFIELD. I am happy to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, is the gentleman suggesting that, because we have four committees on this side of the Congress and four committees on the other side, that number of committees is creating a greater number of leaks, or is it creating delays in the approval of projects?

I am having difficulty understanding what the problem is. Is the reporting to eight committees creating problems for our intelligence communities in getting their projects approved on a timely basis, or do we have an incredible amount of information that should be classified but that for some reason is not classified?

Mr. Chairman, I would just like to have the gentleman answer that question.

Mr. BROOMFIELD. Mr. Chairman, actually it is the risk involved in leaks as we extend reporting to more committees and more Members. We feel that adequate security and oversight is accomplished by just having the two Committees on Intelligence informed.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I think my colleague, the gentleman from California, has raised an intelligent and important question.

In the real world that we deal with in intelligence, as we talk to other countries and agents and people who are working in the field, we learn that their perception is as important as any consideration. The perception is that the U.S. Congress is trying to make it so difficult that we cannot engage in covert operations.

Other countries which have security operations and which do not have those reporting requirements are very reluctant to work with us, to share secrets with us, or to participate with us, knowing that under Hughes-Ryan we report to eight committees and their staffs.

So the perception, I say to my friend, is as important as anything else. In the real world, there is the perception that we have made it so difficult to carry out operations that we do not want them. As a responsible triumvirate body, as the gentleman described it, we do want to act responsibly.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. BROOMFIELD) has again expired.

(On request of Mr. ASHBROOK, and by unanimous consent, Mr. BROOMFIELD was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, if the gentleman will yield further, in response to what the gentleman from California said, I would say, yes, we want to be responsible, so what we are trying to do is to preserve the important necessity of reporting but to limit it as much as possible.

We are doing that so we can give greater security to these operations for other countries, for other peoples with whom we deal, and indeed for our own people in the field, so they will have a feeling that there is some responsibility involved. I would say that is as important as any leak and as important as any- principles against some other hypothet- in this country simply because other countries do not want to work with us. Hughes-Ryan is a part of that, whether we like it or not.

□ 1650

To the other point, the first point the gentleman made, I would say to my friend, the gentleman said, "We should think about this in a deliberate manner."

Actually, the gentleman has got it exactly opposite. The amendment was the one that came off of the wall—and I know; I have thrown a lot of those off of the wall on the floor—the amendment is the one that came off the wall. Addressing ourselves to the problem of Hughes-Ryan, it has been deliberate, it has been discussed, it has been in committee. There have been months and months of thinking. Our committee alone has considered this for weeks. So the Zablocki approach has been deliberate. And I would say the Hughes-Ryan approach was the one that was not that deliberate. So I would say to that extent my friend has them reversed.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield briefly to me?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I would like to make just two quick responses.

First of all, in defense of the gentleman, all the amendment seeks to do is to maintain the status quo until such time as the intelligence community in a more comprehensive fashion offers a measure to this body.

Second, I would simply say that the gentleman raises a very important question with respect to perception. And all this gentleman would argue is that what we have to look at is the risk of challenging the perception of our democratic principles against some other hypothetical risk.

The point is that no one said that democracy is a perfect form of government. But I would simply say that, whenever we start to tamper with those delicate rights, whenever we start to challenge the whole question of the delicate balance of our triumvirate form of government, then we do lay some perceptions out there that maybe we are prepared to by pass democratic principles——

The CHAIRMAN. The time of the gentleman from Michigan (Mr. BROOMFIELD) has expired.

(On request of Mr. WEISS and by unanimous consent, Mr. BROOMFIELD was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. If the gentleman will yield further, I think that that is an important perception. What I am concerned about here is whether or not we endanger democratic processes.

The gentleman mentioned the possibility of leaks. But each of us raised our hands here in the Congress to swear to uphold the Constitution. It would seem to me that we should not be talking about denigrating our authority, our ability to carry out our responsibility on the notion that in some way one person here may or may not leak. I know that we tend to cast aspersions upon ourselves, but I think if we respect our responsibilities and respect the Constitution, that we would not give up prerogatives that we ought to maintain.

I served on the Special Select Committee that looked at the intelligence community. The sad reality is that, even to this day, when we spent over $400,000 and several months of our lives coming up with the findings and recommendations in that report to stop any potential abuse of our intelligence community, probably less than 10 percent of the body read the report; and to this day, there has only been action in this body on one of those recommendations, and that was to establish one Select Committee on Intelligence. There were a number of other recommendations that to this day have not been dealt with.

I just feel that doing it on the floor of Congress in this fashion does not make sense to me. Let the intelligence community bring a comprehensive approach back, and we can deal with that as a serious question. That is the nature of our relationship with the intelligence community.

I thank my colleague for his generosity in yielding.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the Committee on Foreign Affairs addressed the Hughes-Ryan amendment because that amendment was originally attached to the foreign aid bill and foreign aid, quite simply, falls within the purvue of the Foreign Affairs Committee. We addressed Hughes-Ryan also because the establishment by the Congress of Select Committees on Intelligence obviated the need for Hughes-Ryan.

This nonpartisan compromise measure before us, thus perfects the Hughes-Ryan amendment by transferring an intelligence oversight responsibility from numerous committees to the two select committees established for that purpose. I believe that is what the House intended in setting up the House Permanent Select Committee on Intelligence.

Opponents of this revision of the Hughes-Ryan amendment claim, among other things, state that there have been no leaks from congressional committees. There have been leaks. Most Members know that. I could describe a serious one that occurred within the last few months but to do so would draw further attention to an unfortunate security lapse, better left officially ignored.

Opponents of this measure also claim that there is no proof that foreign intelligence services have stopped sharing information with the United States for fear of leaks. Responsible U.S. intelligence officials have testified that this has indeed happened. I am convinced that fear of leaks has inhibited both intelligence and covert action initiatives on the part of the United States and foreign participation with us. This reluctance has manifested itself on both the institutional and individual levels.

Passage of this provision in no way interferes with the prerogatives of the House Permanent Select Committee on Intelligence to develop and report out intelligence charter legislation—or a mini-charter bill—if it believes such legislation indicated. What this measure does is concentrate the intelligence oversight function in the House Intelligence Committee—and the corresponding committee in the other body—where we believe it belongs. If, as is possible, the Congress does not report out comprehensive intelligence oversight legislation this year, revision of Hughes-Ryan in the meanwhile improves some shortcomings in the present arrangement.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. WEISS. I appreciate the gentleman yielding.

Mr. Chairman, I just want to get the gentleman's reaction to some of the statements that have been made on the floor which have me somewhat confused.

There has been reference to the fact that Hughes-Ryan mandates that eight committees between the House and the Senate——

Mr. DERWINSKI. Mr. Chairman, the gentleman can direct that question to whoever allegedly made it. I will stand on my own statements.

Mr. WEISS. I appreciate that.

Mr. DERWINSKI. I cannot defend some of the others, because it is a very difficult thing for me to defend the gentleman from Wisconsin or the gentleman from Michigan. I do not want the gentleman to put me in the corner.

Mr. WEISS. I will not ask a question. I just want to make a comment, if the gentleman will yield.

Mr. DERWINSKI. Yes, of course.

Mr. WEISS. That is that Hughes-Ryan does not mandate, as I read the legislation, that the matters be referred to eight committees. It says that they be reported to the appropriate committees of the Congress, and the only committees that Hughes-Ryan mentions are the Committee on Foreign Relations of the U.S. Senate and the Committee on Foreign Affairs of the U.S. House of Representatives.

There have been some other committees which have been considered appropriate, but, to the best of my knowledge, those committees have now really disregarded that position and they do not want to be briefed.

What perturbs me is that we had an amendment offered coming out of the Committee on Foreign Affairs of the House, which in essence said that the Committee on Foreign Affairs of the House of Representatives, which is concerned with the foreign relations posture of the United States of America, no longer wants to be apprised or consulted. If in fact the CIA wants to destabilize a government friendly or otherwise, I find that incomprehensible.

Mr. DERWINSKI. Mr. Chairman, the gentleman's use of the term "destabilize" is almost poetic, but it is completely wrong. Our actions are basically in support of legitimate, friendly governments. That has been the basic history of our intelligence operations, with rare exceptions; and I would say to the gentleman that, if he would take a poll of his constituents on this question, "Do you think God should bless the CIA?" I am sure most of them would give the gentleman an overwhelming "Yes."

The facts of life are that in this modern world you need an effective intelligence apparatus, and the purpose of the language in the committee bill is to preserve that operation.

Mr. WEISS. Will the gentleman yield once more?

Mr. DERWINSKI. Fine. If I can make a convert out of the gentleman, I will use a few more minutes.

Mr. WEISS. I thank the gentleman.

I wonder if the gentleman's constituents would consider assassination attempts and overthrows of foreign governments as being blessed by God.

Mr. DERWINSKI. I am not so sure that the gentleman can provide us with any evidence that those things did occur. The gentleman has read so many allegations that he tends to believe them.

Mr. MICA. Mr. Chairman, I move to strike the requisite number of wards.

Mr. Chairman, I would like to speak in support of the committee position and just make a few brief comments. We really do get all of the information on the Foreign Affairs Committee that we need to know. In fact, we get too much information. As a new member of that committee, I was surprised to find that quite often the information that was given to us was released in greater detail the next day in the New York Times. Now, I certainly would not question any Member of this body. But to pick up to paper day after day and read in the newspaper in greater detail than what we received indicates to me that there are some leaks.

Now, what we are simply saying is not to deprive——

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. MICA. Not at this time.

Mr. WEISS. Is the gentleman saying that House Members are leaking the information? Is that the gentleman's statement?

Mr. MICA. I certainly hope not. But when you tell 200 individuals—and I know we have a great number of very honorable gentlemen here—but when you tell 200, you are opening the possibility for this being leaked.

Mr. WEISS. Will the gentleman yield further?

Mr. MICA. I will not yield at this time. If I have time when I finish I will yield to the gentleman.

Mr. WEISS. I thank the gentleman.

Mr. MICA. The question is simply this: To tell 200 or to tell 35.

We have had the CIA come before us and say on many occasions—the Cuban troop involvement for one—"We feel certain that many in Cuba would have come forward and told us about these troops if we could have secured the information," and we could not guarantee that.

I might give the Members just one final comment. There is a mechanism that the entire House of 435 can be notified, and can be notified in advance of action, if we need to take action and need information, and we used that mechanism during the debate on the Panama Canal. It was our colleagues on the other side that called us together in closed session, released information, and we made a judgment. That could be done with the Select Committee on Intelligence, and it would be done, I feel certain, if we need to know to take action. But to notify 200 Members of Congress or 200 individuals any place of classified, top secret information is not my idea of a responsible approach. Thirty-five, a limited number that can relate to us if we need to know, is a much more responsible approach. I support the committee position.

□ 1700

Mr. ASHBROOK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to make two quick points.

First of all, let me say I agree 100 percent with what the chairman of our Permanent Select Committee, the gentleman from Massachusetts (Mr. BOLAND), said. There is some talk in this Chamber, I hear now, if we just have these reports going to one or two committees, somehow or another democracy is going to suffer.

I serve on that committee. That committee is an example of democracy. It is an example of nonpartisan approach to our Nation's problems. It also is not monolithic. There is a difference of opinion. We have differences in our committee.

The gentleman from Missouri (Mr. BURLISON) and I will take different points of view often. The chairman and I will take different points of view often. We do not have a monolithic committee there.

This report, the report we made, reflected great debate and diverse opinions. We are not going to lose anything by acting now. We have the committee that will responsibly address the problems of charter and of Hughes-Ryan. I would also say, for a difference of opinion, this is a compromise.

I agree with the gentleman from Wisconsin (Mr. ZABLOCKI) and if I had written it, I would have written it much tougher. I would only have reporting to two members of each committee, the ranking member and the chairman of each committee. I am not the ranking minority member, but I would even go further.

I was one who opposed their idea of the prior notice. We will compromise on that. I just do not like to hear the idea abound in this Chamber that somehow or other on the Intelligence Committee it goes in there and there is a monolithic pot, and it comes out. We have as much diversity of opinion on that committee as any other committee of the House. I think that assures a democratic approach to the problem.

I just want to assuage the fears of my friend from New York and my friend from California that that committee does not give a good airing or does not have points of view presented. I guarantee my colleagues. I am on that committee. I present a point of view. I am often the minority; once in a while, the majority. I can always say it has always been conducted fairly and in a nonpartisan way. Why question limiting the reporting to two committees when they are constituted under the rules of this House, the appointment made by the Speaker and minority members, just like other committees. I just do not understand it.

The point I want to make and repeat is the democratic processes in no way are going to be inhibited by limiting reporting to the Select Committee on Intelligence, because I guarantee the Members there are differences of opinion in there, and there will continue to be.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the ranking minority member, the gentleman from Virginia.

Mr. ROBINSON. Mr. Chairman, as the ranking minority member on the House Permanent Select Committee on Intelligence, I rise in opposition to the amendment offered by the gentleman from New York (Mr. WEISS).

The Committee on Foreign Affairs has taken an important, and, indeed, bold step in proposing a new approach to congressional oversight of CIA covert actions. Section 662 of the Foreign Assistance Act—the so-called Hughes-Ryan amendment—is an impediment to legitimate, necessarily firm, but covert, actions which our country must take in order to protect our interests—and those of our allies—throughout the world.

The bill brought forward by the committee is a clear expression of congressional support for just one step in the revitalization of our foreign intelligence apparatus. It is a signal to both our friends and foes that the internal turmoil of reflective, and perhaps destructive, self-flagellation of years past is coming to an end. It is a signal to both our friends and foes that we are determined to put a check on world events which directly threaten this Nation's security. And, it is a signal to both our friends and foes that we will not continue to stand idly by when totalitarian foreign powers send their own forces—or proxy forces—in to destroy a legitimate government.

I commend the enlightened efforts of the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), whose willingness to work with his colleagues on both sides of the aisle—especially the distinguished ranking minority member of the committee, the gentleman from Michigan (Mr. BROOMFIELD) and the distinguished gentleman from Indiana (Mr. HAMILTON)—has led to the important compromise embodied in H.R. 6942. While I question the need for the explicit requirement of prior notice of all covert actions, I believe that the compromise language is deserving of support.

Mr. Chairman, as the ranking minority member of the Permanent Select Committee on Intelligence, and as a member of the Defense Appropriations Subcommittee, I am well aware of the scope of the sensitive and necessary intelligence activities of the Central Intelligence Agency and other components of our intelligence community. Thorough oversight of these matters will continue as it has—and rightfully so—for the

Congress which authorizes and appropriates funds must know what we are buying.

Yet, as to timely notice—or prior notice—of extremely fragile covert actions, the Congress must act to reorganize and consolidate the oversight process and this proposal of the Committee on Foreign Affairs would do just that. I support it.

Mr. Chairman, the gentleman from New York urges our delay of Hughes-Ryan revision to include it as part of a broad intelligence charter. I simply respond by saying that what the Congress created as a separate matter, it can certainly modify in a similar fashion—especially when the need is pressing, and another vehicle is perhaps but a vision in the legislative distance.

Mr. Chairman, I urge rejection of the amendment.

Mr. ASHBROOK. I thank the ranking minority member for that statement.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

The gentleman has been here for some time longer than I.

Mr. ASHBROOK. Probably too long.

Mr. WEISS. No. No. He is a learned and active Member of this body. I wonder if he could tell me if he is aware of leaks attributable to any Member of this House on information that a Member may have received as a member of the Intelligence Committee where the other committee, or, where the material was supposed to be kept secret?

Mr. ASHBROOK. I would say the gentleman would not have to go back too far in history to the predecessor committee to the Permanent Select Committee and see leaks that were quite prevalent at that time. As a matter of fact, reports were leaked. There were many charges and countercharges. That is one of the reasons why that committee did not stay in existence.

I am very proud to say, and I know our chairman is proud to say, since the inception of our committee we know of no leaks that have been attributable to the Permanent Select Committee of the House of Representatives. I am very proud of that.

Mr. WEISS. If the gentleman will yield further, was the gentleman present in March of this year when Vice Adm. B. R. Inman, who is with the National Security Agency, the Director of it, indicated that as far as he is concerned, whatever leaks come are much more likely to come from the executive branch of the Government than from the two Houses of Congress?

Mr. ASHBROOK. I do not recall the gentleman saying that, but I think it is a general perception among Members of Congress who serve on that committee, that is where most of the leaks come, regardless of administration. There is nothing partisan. I found the same thing during previous administrations of the other party.

Mr. WEISS. If the gentleman will continue to yield, I have one more question.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(By unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. WEISS. Although I am in disagreement with the gentleman often, I respect him as being one who is concerned about conserving the basic institutions of this Government. I ask him, is he not concerned about this trend toward concentration of power within the legislative bodies and the closing out of Representatives of the people at large? Does that not scare the gentleman a little bit?

Mr. ASHBROOK. When the gentleman is talking about covert actions where lives are involved, I would have to say to my friend and colleague that it sometimes bothers me to think that the people who are planning actions that might endanger the lives of 5, 10, or 20 people, even report that to Members of Congress, and I am one who believes in reporting. I am one who believes in the democratic principles, but I would say it bothers me; and it is a great burden to think I am a part of that process where they report to us, and there might be some leak that would endanger somebody's life. There has to be a balance somewhere between reporting to say 10 or 12 people as against 200 people. I do not think it is anything adverse to the democratic process that we limit in that particular area, and I am like the gentleman. The areas of limiting should be minimal. We are talking about covert operations that are important to the security of this country, and that is one of those beachheads that one might retreat to and say, "We do not go any further than that," but it makes me a little uncomfortable. I happen to believe it is necessary. I can live with it. As long as we have a committee that operates the way our committee does, I think all 435 Members are well served by having the gentleman from Massachusetts, Mr. ED BOLAND, and the gentleman from Virginia, Mr. ROBINSON, being the recipients of information that the other 433 do not necessarily need to know.

Like my friend from Florida said earlier on a need-to-know basis, I believe that we get all of the information that we need; and I think that is an area where I will concede to the gentleman's President, President Carter, not just any President.

I thank my colleague for bringing up that point.

Mr. Chairman, I rise to oppose the Weiss amendment to strike the Foreign Affairs Committee language to modify Hughes-Ryan. This language is a carefully constructed compromise with bipartisan support. The distinguished chairman of the Foreign Affairs Committee deserves great praise for his ability to organize this compromise.

As a member of the House Intelligence Committee, I have heard from both CIA officials and case officers in the field about the harmful effects of the Hughes-Ryan amendment on the ability of the CIA to engage in covert actions needed by our Government. There is a real world out there, a hostile world. The CIA has the responsibility to carry out clandestine actions in support of American policy. This amendment to Hughes-Ryan will make it possible to do their job more effectively. The amendment will reduce the number of committees entitled to briefings on covert actions from eight to two. Under Hughes-Ryan, it would be possible for hundreds of Members and staff to receive reports on these sensitive matters. This amendment reduces the reporting to the two intelligence committees.

It is important to send a message to our own intelligence officers in the field, as well as to both friends and foes, that Congress wants the CIA to do its job. We also want to make it clear that appropriate oversight will continue. That is, the bipartisan oversight that we have seen for the past 2½ years from the House Intelligence Committee. Oversight is not appropriate when it prevents the necessary work of the Federal agency it is supposed to oversee. Eight committees with the right to hear briefings on covert actions are simply too many. This situation leaves the perceptions that: First, Congress does not want any covert actions; and second, that Congress wants so many people to have access to covert actions that there is a good chance that this sensitive information will be leaked.

We do not lose anything by solving this problem now. We should not wait for charter. We need to solve this problem as soon as possible, and we do not know how soon we can write a good charter. Previous attempts at writing charters have collapsed of their own weight. In fact, the Zablocki compromise which was so carefully worked out, can set the tone for some kind of charter in the future.

The minority in both the Foreign Affairs Committee and the Intelligence Committee did not support the clause in the amendment that required prior notice on covert actions, but accepted this as part of the compromise crafted by Congressman ZABLOCKI.

In practice the committees have always been given prior notice except in one case. We all agreed after we were told about this incident that it was better that there had been no prior notice. If I had my way, I would reduce the reporting even more, to limit reporting to the chairman and ranking member of the two intelligence committees.

When the Intelligence Committee took up the Foreign Affairs amendment, in sequential referral, it took no action. The majority of our members supported the compromise crafted by our fellow member of the Intelligence Committee and chairman of the Foreign Affairs Committee, Mr. ZABLOCKI.

As long as the compromise holds, I will not attempt to amend it by removing prior notice. I urge support for the amendment and that we instruct the

House conferees to support it in the conference.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today not to support the amendment of the gentleman from New York—I basically support our committee's position—but rather to commend him for bringing to the attention of the House what is a legitimate concern. I think we are involved today in a pendulum situation. The Hughes-Ryan amendment probably did go too far. It was passed at a time when there was legitimate concern about abuses within our intelligence community. Perhaps it went too far. Now we are trying to redress that balance. The pendulum is swinging the other way. I think it is well for all of us to exercise some thought and concern to make sure that we do not swing the pendulum too far in the opposite direction.

The amendment which we have before us, the proposed language in the bill, specifies that a covert operation cannot take place unless or until the President finds and reports, prior to the initiation of such operation, a description of such operation, which does seem to me to be a good safeguard. There is congressional reporting. But I expressed concern in the Committee on Foreign Affairs, and I repeat that concern today about the exception clause, which says that—

> The President may defer such prior reporting if such deferral was essential to meet extraordinary circumstances or essential to avoid unreasonable risk to security personnel.

□ 1710

Now, that language is good language, but it is reminiscent of the national security language which was passed last year in connection with Zimbabwe-Rhodesia sanctions. The President did not have to lift the sanctions if he felt there was compelling national interest involved.

The language in this bill allows for the same kind of interpretation by the President, so that if the President chose, he could initiate a lot of covert intelligence operations without prior notification to the Congress—justifying it in the general terms of it being necessary to meet extraordinary circumstances.

What I do today then is not to urge support for the amendment of the gentleman, but just to ask the committees of the House, the intelligence committee and our own committee on foreign affairs, to monitor over the next couple years how this language is interpreted and carried out by the administration, to hold hearings and find out how often covert operations are conducted, whether Congress is notified with prior notification as we request, and if not, if the justification is there for not doing so, so that we can make a determination a couple years down the road whether we have gone too far in closing up the Hughes-Ryan amendment.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I would be happy to yield to my friend, the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it was with some reluctance that a number of us on the committee agreed to an amendment which required the Committee on Foreign Affairs in effect to relinquish its existing oversight authority with respect to the Central Intelligence Agency; but we were assured that an effort would be made to increase the representation of the Committee on Foreign Affairs on the House Intelligence Committee as a way of making sure that the members of our committee who, after all, are the ones who have the primary congressional jurisdiction over our foreign policy, have an adequate input into the process of consultation between the administration and the Congress with regard to these covert activities.

At the moment, I think there is really only one member of the Committee on Foreign Affairs, our very distinguished chairman, who also serves on the House Intelligence Committee. We did have at one time another Member who served on the Intelligence Committee, but he left the Committee on Foreign Affairs, so we were left with only one member.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. PEASE) has expired.

(At the request of Mr. SOLARZ, and by unanimous consent, Mr. PEASE was allowed to proceed for 1 additional minute.)

Mr. SOLARZ. So, Mr. Chairman, if the gentleman will yield further, we called, in the committee report, for a change in the rules, I think, of the caucus or of the House, which would provide for greater representation on the part of the Committee on Foreign Affairs on the Committee on Intelligence.

I very much hope if this amendment remains intact and the amendment of the gentleman from New York is defeated that we will not forget the language of the committee report which did call in unequivocal terms for greater representation of the members of the Committee on Foreign Affairs on the House Intelligence Committee.

I think this is a very important recommendation, because in the final analysis these covert activities really have to be related to the overall foreign policy interests of the country. If the committee system in the House makes any sense at all, it means that the members of the Committee on Foreign Affairs are the ones who are devoting the most time to considering these questions and I believe they should be on the House Intelligence Committee.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the Weiss amendment. I fully understand the difficulties all of us have in trying to deal with this issue. What distresses me is that we are relying too much on fraternal relationships; who the chairman of one committee is, or who the chairman of another committee is, the hope that these individuals, the ranking Republican, plus the chairman of the Committee on Intelligence will pursue their responsibilities with an understanding of comity toward their colleagues in the House.

What bothers one about the arrangement or the accommodation that was made to achieve the bill as it was reported to the floor is that the fact three members of the Committee on Foreign Affairs are to be assigned to the Select Committee on Intelligence. There is no doubt in my mind that those three members will serve with distinction, as they have on their primary committees; but the question arises, Are they to tell the rest of the members of their committees what transpired? I mean, what is the nature and extent of their specific responsibilities?

I think, frankly, our committee, my committee, has gone too far in excluding itself from involvement and responsibility in terms of foreign policy. The knowledge of so-called covert events or other activities that impact on foreign policy seems to me absolutely essential and useful to the members of the Committee on Foreign Affairs. I believe that committee, with other committees of relevance, have to weigh and take into account their own responsibilities.

We have to weigh on the scales of justice the risk involved that some one of us would be less than responsible in dealing with information that we obtain, as compared to the responsibility we have to assure that our committees will oversight and in a sense supervise the foreign policy responsibilities of the United States. That is the issue.

Now, it may be that two committees or three committees or eight committees is more or less one too many or one two few; but I do think that the debate has tended too much to rely on the sensitivity of individual Members other than can organizational responsibility.

Mr. BURLISON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first let me agree with my colleagues on the Intelligence Committee and the distinguished chairman of the Committee on Foreign Affairs, that the Committee on Intelligence is in agreement with section 112 of the bill, without prejudice to the action that the Committee on Intelligence may subsequently take on charter legislation.

Second, let me agree with my colleague, the gentleman from New York (Mr. WEISS), and my colleagues, the gentleman from Ohio (Mr. ASHBROOK), that the overwhelming preponderance of the evidence is, and has been for years, that virtually all governmental leaks of intelligence information emanate from one level or other of the administration rather than from the committees of this Congress.

Mr. Chairman, I commend the Committee on Foreign Affairs for its interest in redefining the Hughes-Ryan limitation on intelligence activities. Although I support this provision of the bill, I would like to express two major reservations. First, I believe that covert activities should be carefully defined and linked to a total intelligence oversight structure. The chairman of the Select Committee on Intelligence has proposed to bring such legislation to the floor this Congress. I commend this plan.

Second, I am troubled by the exception clause in the current amendment which allows the President to defer giving prior notice of covert activities to even a single member of Congress if he "* * * certifies that such deferral was essential to meet extraordinary circumstances affecting the vital interest of the United States or was essential to avoid unreasonable risk to the safety or security of the personnel or methods employed." Obviously, this notice loophole is too sweeping in its scope. If the President chose, no notice need ever be given. A provision in the other body minicharter bill is preferable. It requires, as a minimum, prior notice to the chairman and ranking minority member of the two Intelligence Committees.

Few people deny that covert activities must be undertaken from time to time to preserve our national interests. They may be ugly but usually less ugly than the alternatives. Covert action can be an effective instrument but its potential for harm is usually enormous as well. It is inherently dangerous to people, dangerous politically, dangerous to our foreign policy and national security objectives. The potential for harm to our interests, coupled with the lack of any public debate—creates the ultimate requirement for oversight. Prior reporting to Congress has generally been followed by the current administration for covert actions. However, the plan that is most risky, that was most hastily drawn, that is the least well conceived is the very plan where the President will invoke his special exemption. Congressional oversight in these circumstances is so essential that administration arguments regarding the effect of delay and threat to security by enlarging the circle of those knowledgeable, must be overruled in favor of prior notice.

In view of the demonstrated ability of the Intelligence Committees to maintain secrecy—a fact freely acknowledged by administration intelligence program managers—and this provision in the bill to limit notice of special activities to two committees versus the current eight committees, it seems reasonable to require that prior notice be given to at least the chairman and ranking minority member of the House and Senate Intelligence Committees.

The bill to be introduced by the Select Committee on Intelligence in the near future will hopefully establish this prior notice requirement and provide, in law, for strengthened congressional oversight of intelligence without endangering national security or the lives of our intelligence personnel.

□ 1720

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Weiss).

The question was taken; and on a division (demanded by Mr. Weiss) there were—ayes 6, noes 30.

RECORDED VOTE

Mr. BROOMFIELD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 50, noes 325, not voting 58, as follows:

[Roll No. 261]

AYES—50

Bonior
Brooks
Burton, John
Carr
Clay
Collins, Ill.
Conyers
Dellums
Dixon
Downey
Drinan
Edwards, Calif.
Ford, Tenn.
Gray
Harkin
Holtzman
Johnson, Colo.
Kastenmeier
Kildee
Leland
Maguire
Markey
Miller, Calif.
Mitchell, Md.
Moffett
Mottl
Murphy, Pa.
Oakar
Oberstar
Ottinger
Patterson
Paul
Price
Rangel
Ratchford
Richmond
Rosenthal
Roybal
Schroeder
Seiberling
Shannon
Stark
Stewart
Studds
Traxler
Walgren
Waxman
Weaver
Weiss
Wolpe

NOES—325

Abdnor
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Crane, Dan
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Derwinski
Devine
Dicks
Dingell
Dodd
Donnelly
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Forsythe
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McClory
McCloskey
McDonald
McHugh
McKay
Madigan
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murtha
Musto
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Obey
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Pritchard
Quayle
Quillen
Rahall
Regula
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Tauzin
Taylor
Thompson
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wright
Wyatt
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—58

Akaka
Albosta
Anderson, Ill.
Boggs
Burton, Phillip
Carney
Coughlin
Courter
Daschle
de la Garza
Derrick
Dickinson
Diggs
Dornan
Edwards, Ala.
Fenwick
Flippo
Frenzel
Garcia
Giaimo
Gibbons
Grassley
Hansen
Hawkins
Heftel
Jenrette
Leach, Iowa
Lujan
McCormack
McDade
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Myers, Pa.
Nolan
O'Brien
Pursell
Railsback
Reuss
Rhodes
Rodino
Runnels
Scheuer
Sebelius
Simon
Stokes
Thomas
Vanik
Vento
Wilson, Bob
Wilson, Tex.
Wolff
Wydler
Wylie
Yates
Young, Alaska

□ 1730

The Clerk announced the following pairs:

On this vote:

Mr. Vento for, with Mr. Rodino against.
Mr. Diggs for, with Mrs. Boggs against.
Mr. Garcia for, with Mr. Akaka against.

Mr. PRICE and Mr. OTTINGER changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1740

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the last word.

Mr. Chairman, with regard to H.R. 6942 I would like to express particular support for that portion of the 1981 foreign aid authorization which provides $113 million for the Sahel development program.

The Sahel region of Africa is comprised of eight states. Those states, Chad, Mali, Mauritania, Niger, Senegal, Upper Volta, the Gambia, and Cape Verde, rank among the poorest in the world. The region occupies an area two-thirds the size of the United States and has a population of 30 million people. Recognizing the devastating impact of continuous drought on this area, the United States has played an integral role in the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) and the Club du Sahel. Composed of six countries—Senegal, Mali, Niger, Upper Volta, Chad and Mauritania the CILSS remains dedicated to the strategic promotion of self-sufficiency in basic foods—grains and meat—and accelerated economic and social development for the Sahel region. The Club du Sahel, an outgrowth of CILSS, includes this organization plus 21 bilateral and multilateral donor agencies.

I believe that the Members of this House are aware that from the beginning, the Congress has actively encouraged the initiative of the United States that aided in the creation of the Club du Sahel. In fact, during the month of December 1973, just several months after CILSS had come into existence, Congress—while addressing short-term emergency and recovery needs with a $25 million authorization—openly expressed support toward the development and support of a comprehensive long term African Sahel development program.

The development of an infrastructure which has a substantial amount of potential for self-subsistence is certainly beneficial to our own country. Thus, while we recognize that U.S. aid to the Sahel region illustrates a keen awareness of the limited Sahelian human, physical and financial resources, we also know that with international aid, Sahelian countries are attacking all of these problems with good results. Moreover, and most importantly, is the fact that U.S. assistance is making a marked impact on the development of Sahelian resources. While significant productivity increases will have to be assessed in later years, it is well documented that the incremental advances in the number of Sahelians who are being trained, the fledging institutions that are being strengthened, the irrigation schemes which are beginning to appear along the river banks and the improved yields which farmers are beginning to enjoy, point to a level of success.

I urge the Members of this House to recognize that with a viable developmental program already in full progress, special attention will be given in fiscal year 1981 with AID participation, to specific problems and needs within the CILSS-CLUB priority sectors. For instance: First, a dependence on rainfed agriculture to produce about 75 percent of Sahelian food by the year 2000 makes the massive extension of rural development programs involving improved production technologies quite essential; second, the critical need for afforestation and experimentation on alternative energy sources will be prioritized; third, the expansion of assitance for the development of village health services and family planning will be a major focus for fiscal year 1981 U.S. efforts; and fourth, of critical importance to the Sahel's food self-sufficiency in the long run is the development of the region's five major river basins which will in turn have a multiplier effect on farmland expansion. Such development and expansion will also be included among the fiscal year 1981 priorities.

I strongly urge the rejection of all amendments which seek to destroy the efforts of U.S. assistance to such African countries as Tanzania, Mozambique, and Zambia. I express my continued support for the maintenance of the amount which H.R. 6942 designates to be used to assist the Sahel region. The development of the Sahelian economic infrastructure can certainly enhance our own trade activities and opportunities in this geographic area.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 18, after line 13, insert the following new section:

"SEC. 113. Of the amount of funds authorized to be appropriated to carry out the provisions of this title, none shall be made available for any aid or assistance to Nicaragua."

Mr. BAUMAN. Mr. Chairman, the amendment now pending goes to title I of the bill. The amendment simply cuts out the funding in that title for the Government of Nicaragua. The title provides $5 million in military assistance to the Government of Nicaragua and about $500,000 worth of military training.

We will have to offer several amendments to attack the total amount of money, some $60 million, included in this foreign aid authorization bill for Nicaragua. Title I deals with the military assistance.

Mr. Chairman, if there is any questionable type of aid that we might give to the Communist government of Nicaragua it certainly is that which would come from the United States of a military character, whether it is for sales or whether it is for training. The Government of Nicaragua, today, is controlled by Communists, working closely with the Soviet Union with whom they have signed a mutual assistance agreement. They have made a pact not only with the Soviet Union and with the Soviet Communist Party; but are also working closely with Castro's government, which has shipped thousands of Cubans to Nicaragua, to run various parts of their government. They have, in fact, used their military power in much the same way that Somoza used his and that is to control the people.

They retain in captivity many thousands of Nicaraguans, not only those who might have supported Somoza, but also those who have dared to disagree with them. We have heard reports by the Human Relations Commission of possibly as many as 1,000 people being executed by the new government, although in recent months there have not been immediate reports to that effect. We have had the Government of Nicaragua repeatedly denouncing the United States in every international forum available to them.

Mr. Chairman, for those of us who are concerned, for instance, about aid to Israel in this bill, I would just like to call attention to a dispatch dated May 21 from Radio Sandino, the official propaganda radio in Managua, in which they announced that the Government of Nicaragua now formally recognizes the Palestine Liberation Organization, the PLO, as a coequal government which will establish diplomatic representation in Nicaragua.

The fact that the Sandinistas have embraced the terrorists who have used every brutal means at their command, all across the world, does not surprise me at all, because the Government of Nicaragua is today engaged in helping to aid terrorists to overthrow other governments in Central America. No one should be surprised that they have taken assault against the nation of Israel and embraced the PLO terrorists. This is typical of the kind of stands they have taken. I can think of few other supposedly friendly governments, to which we give foreign aid, that can be quoted as saying that our rescue effort in Iran, trying to save our hostages, was in fact a violation of Iranian sovereignty and an attack on Iran, but that is what the Sandinistas characterize it as.

Mr. Chairman, they also sided with the Soviet Union on the issue of Afghanistan saying that the Soviets were justified in what they had done, and so on down the line.

Now, Mr. Chairman, we will hear arguments that there is some last shred of hope, some chance that we are going to turn around the Nicaraguan Government. Well, we are not going to turn it around by giving them military aid. They are not going to be turned around by our training of those Communist-oriented troops and Communist officials in military tactics so that they can subjugate their own people and foment revolution in other parts of Latin America and Central America.

Some of us may want to give food aid, and we may want to give humanitarian assistance, therefore the amendment pending before you does one thing and one thing only, it takes out of this bill the American taxpayers' funds in the amount of about $5.5 million for military assistance and military training. At the very least we ought to reserve judgment in this area of our aid abroad. The Government of Nicaragua is not deserving of, nor should they receive this military aid.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield to me?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the genleman for yielding.

Mr. Chairman, at some later point in the debate no doubt there will be an argument relating to economic assistance and there will be many arguments that perhaps have already been made or will be made on this amendment that will be repeated. I think a very good case can be made for knocking out the economic assistance. We will get to that later as I say.

Mr. Chairman, it is beyond my comprehension why the United States should be offering military aid to the Sandinista forces of Nicaragua. Whatever the merits of the argument for change in Nicaragua, there is no arguing with the fact that the Sandinistas directed the violent overthrow of the existing government when efforts were underway to establish a transition process to provide the people of Nicaragua with representative government.

Reports continue to come out of Central America about Sandinista forces helping revolutionary movements in El Salvador and Guatemala. How can we possibly agree to supply military aid to forces who will turn around and use that aid against its neighbors in Central America?

The Sandinistas are being advised and trained by Cuban military officers. This military aid would in effect help Cuba extend its subversive activities in Central America.

Members of this body often argue that those countries in desperate need of economic aid to help the hungry and poor in their country should not be receiving military aid for expensive equipment that does not serve the basic human needs. If that is their argument, then it certainly applies here to the case of Nicaragua. In my mind, the only legitimate argument for aid to Nicaragua is for help to the private sector. Aid to the Sandinistas will hurt the private sector, not help it.

□ 1750

Mr. BAUMAN. I appreciate the gentleman's support of the amendment, and I urge a "yes" vote on the amendment.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, when we get to the economic aid, I will not agree with the gentleman, but I just want to go on record to say that I will agree with this amendment.

Mr. BAUMAN. I think agreement between the gentleman from Alabama and I on this issue probably clinches the outcome of the vote.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment of the gentleman from Maryland would strike all of the military assistance to Nicaragua, which comprises $5 million in foreign military sales and approximately $494,000 for grant military training. I would reluctantly support the amendment if it was limited to prohibiting foreign military sales credits. But if we do want to counter the efforts that the Cubans and the Soviets are making in Nicaragua, then we should at least offer some military training so that we would have some type of relationship with the Nicaraguan military.

However, realizing that the gentleman's amendment cannot be separated, and realizing the situation at the present time in Nicaragua and the attitudes of the Congress, in trying to argue against this particular amendment, it is like throwing peas against the wall. But, I do want to underscore that when we come to the economic assistance sections of the bill, where at least 60 percent of it is for private enterprise in Nicaragua, I hope the members of the committee will not vote in favor of an amendment to eliminate economic assistance to Nicaragua.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I would be delighted to yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I would like to ask the chairman, the amendment of the gentleman from Maryland, as I understand it, strikes the military aid, including the training money.

Mr. ZABLOCKI. That is correct.

Mr. PEYSER. My understanding of this issue, at a meeting I recently had in the White House when this issue was discussed, was that this is a vitally important part as the administration saw it of the program, as well as the economic aid. I would like to follow the lead of my chairman on foreign affairs situations because he certainly is far more knowledgeable than most of the Members in this House, and I am rather distressed to see that he is, in effect, giving this away, because I think the point is, something is worth fighting for if we are right, if the issue is right; and if we were right to start with, I think the issue can still be won just by the logic and reasoning the chairman and other members of the committee have put forth before.

I would like to ask the chairman, Does he really feel the military aid and training figures are not going to be of influence on how the existing Government of Nicaragua views our attitude toward them in the areas of cooperation and trying to win them to our side?

Mr. ZABLOCKI. If I may reply to the gentleman, I firmly believe that some of the foreign military sales will have dual civilian-military purposes in Nicaragua, such as trucks, and some of the communication equipment. There are no requests for major combat equipment, and none expected. It is my understanding that none of the funds would be used for counterinsurgency weapons. Therefore, basically I must say that I would be supportive of this limited amount of foreign military sales credits program. I certainly am in favor of providing $494,000 for grant military training in order to build a foundation of professional and technical skills for the new Armed Forces.

Maintenance and engineering courses are the primary focus of IMET; none of this training would be for counterinsurgency purposes.

Therefore, I would be opposed to the amendment, but I realize the situation. I feel that at least we should have the economic assistance to Nicaragua, realizing that military assistance will probably be prohibited.

Mr. PEYSER. Will the gentleman yield further?

Mr. ZABLOCKI. I am delighted to yield.

Mr. PEYSER. In the first place, I wonder if the chairman has any assurance from the gentleman from Maryland or others on that side that they are not going to offer amendments to attack the economic aid to Nicaragua.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(At the request of Mr. PEYSER and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 4 additional minutes.)

Mr. PEYSER. If the gentleman would yield further, I do not know that there is any assurance that there are not going to be Members who offer additional amendments to strike the economic aid as well, and I would hope the chairman might reconsider this issue because I think many of us would like to vote on this issue and would like to defeat the amendment of the gentleman from Maryland because I think what we are talking about in this limited military aid and the dual purpose of it, if I were in the Nicaraguan Government now and I thought the United States was trying to offer a friendly hand, a hand to try to help in that government, and then say that we are not giving this little segment, I would take a very inverse attitude and say—

> You really have not offered the kind of commitment that is a reasonable one, that the committee certainly felt should be given.

I would hope the chairman would reconsider and defend his position. I thank the gentleman for yielding.

Mr. ZABLOCKI. The gentleman from Wisconsin desires to say that he is very realistic about the situation. Certainly, I cannot give the gentleman from New York any assurances that the gentleman from Maryland or any other Member of the House is not going to introduce amendments cutting the economic assistance, but I am one who wants to be practical and at least get half a loaf if we cannot get the whole loaf.

I must again underscore that IMET training should be the very minimum we should be giving in military assistance, but knowing the situation in the committee I am not going to fight the gentleman's amendment too severely. Nonetheless, I think he would be doing a service to our country by withdrawing it.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield.

Mr. ZABLOCKI. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Is the gentleman going to support it or is he not going to support it? What is the bottom line here? The gentleman seems to go all the way around. Does he accept the amendment of the gentleman from Maryland?

Mr. ZABLOCKI. Well, I do not basically agree with him, but I say I am realistic enough to know he probably has the votes.

Mr. BROOMFIELD. I certainly support the gentleman from Maryland without any qualifications.

Mr. Chairman, throughout the turn of events in Nicaragua, before, during and after their revolution, no one of responsibility in this country has sought to characterize the Marxist-dominated Sandinistas as moderate peace-loving Democrats. Even the administration and the congressional leadership recognize that it is this group of Cuban-backed radicals that threaten the last breath of freedom in that country. The entire defense of providing any aid to this new regime was based on the need to help foster alternative views to the current leadership. Now, however, we are being asked to provide military aid to those very totalitarian forces which seek to destroy democracy not only in Nicaragua, but around the globe.

It is an undisputed fact that the Sandinistas maintain themselves and their control over the people of Nicaragua through the Sandinista military forces. Having destroyed the national guard, they are the only armed force left in the country. Furthermore, it is this very force that is currently being trained and advised by several hundred Cubans.

If there is one thing the people of Nicaragua do not need from anybody at this point in their history, it is more military aid. It is highly debatable that even economic aid is justifiable at this point in an effort to help bring about moderate pluralistic leadership. It would be criminal to provide military aid to the Marxist forces of Nicaragua. They seek to destroy the concept of pluralism not only in their country, but throughout Central America. And they have indicated their support for the PLO, as the sole representative of the Palestinians.

I strongly support the gentleman's amendment to these funds.

Mr. ZABLOCKI. My comment, Mr. Chairman, is that this is not the first nor the last time that the gentleman from Michigan has made a mistake.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Chairman, I have a question about this characterization made by the gentleman from Maryland of the Junta, the Government of Nicaragua, as being hopelessly under Soviet Communist influence. I was able to talk with the Ambassador to Nicaragua not long ago, and he pointed out to me that two, the two new members of the five-member Junta, are very strong private sector individuals. One was head of their Central Bank, and the other was a practicing attorney.

□ 1800

In this AID package, about 60 percent of the aid goes to the private sector, and if we were to pull out, if we were to not grant this aid, our Ambassador tells me that we would be sending a signal to the entire private sector and the middle class in Nicaragua that we have given up and are leaving the country.

So I would just like some clarification of the issue. The gentleman from Maryland (Mr. BAUMAN) describes this country and this leadership as hopelessly Soviet-dominated, and our Ambassador is telling me that that is not the case at all. Other reading that I do indicates to me that that is not the case at all, and that we might have a very good opportunity to influence this government.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman from North Carolina (Mr. NEAL) for his comments.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

(On request of Mr. NEAL, and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, I would agree with the gentleman from North Carolina (Mr. NEAL).

I certainly do not subscribe to the assessment of the gentleman from Maryland that the situation is hopeless and completely gone. I believe that there is an opportunity. Assistance to Nicaragua is certainly a gamble, but it is a good gamble and we should take this gamble. I think it is particularly appropriate in the case of economic assistance aid that would be going to the private sector in Nicaragua.

Mr. NEAL. Mr. Chairman, if the gentleman will yield further, are we not talking about 30 cents per American? Is that not about the amount of money we are talking about in the $75 million we would be risking or gambling in this situation?

Mr. ZABLOCKI. Less than the price of a package of cigarettes.

Mr. NEAL. Mr. Chairman, I thank the gentleman.

Mr. ZABLOCKI. Mr. Chairman, I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think one thing that the committee should be reminded of is that although two new members described accurately or not as moderates have been added to the governing junta, the five-member junta—the fact remains that on that junta there are three radical people, three Marxist-type people, so they are outnumbered in any event.

But even more important than that, I think, is the fact that the body that actually runs the country—and the way they describe it, they are in charge of the revolution and the revolution is the government—is the Sandinista National Directorate of nine members, none of whom have been changed and all of whom, as far as I know, are of Marxist orientation and most, if not all, of whom were trained in Cuba.

I would like to say to my committee chairman that I do agree in general with one of the things he said. As I recall, what the committee chairman said was that oftentimes military training in other countries can be advantageous to us and to our own national interest.

It is very curious to me that we are offering military training to this Marxist-dominated government, but we are not offering it to other countries in the area, such as Guatemala, are seeking to protect themselves against forced Marxism—against terrorism. I think that perhaps the chairman of the committee might agree with me on that, but the bill does not contain anything for that kind of situation.

So I think it is a double standard, if you will, with regard to military training, and I think if we were to extend training to Nicaragua and not to other countries in the area, it would be not only wrong insofar as Nicaragua is concerned but it would be harmful to our interests with regard to those other countries.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I think the signals have been very clear from the governing body, the Revolutionary Council there in Nicaragua. They have pledged themselves in alliance with Mr. Castro, and I think the indications are very clear.

In answer to my colleague, the gentleman from North Carolina (Mr. NEAL), the signals have been even more clear in the last 2 weeks or the last 3 weeks. So I think the attempt by my colleague, the gentleman from Maryland (Mr. BAUMAN), is to make sure that this kind of assistance is not given to a country that is following that direction, one that alines itself so closely with Castro and with those who are trying to establish Soviet dictatorships all over Latin America. That is the plain, simple answer, and I do not think any of us want to vote to give financial support for that kind of effort.

Mr. LAGOMARSINO. Mr. Chairman, I might just repeat what my colleague, the gentleman from Maryland (Mr. BAUMAN), said earlier, because perhaps some of the Members may have missed it. Last week the National Government of Nicaragua recognized the Palestinian Liberation Organization.

Mr. Chairman, I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is obviously not the money that is involved, because in FMS one item is only $500,000, and we would procure $5 million in the United States for whatever was covered in the book, which is noncombatant equipment, as I understand it, trucks, communication equipment, and things of that nature. It certainly cannot be the money for the military training because that is only $400,000-and-some-odd. So it is just a question of how dark you look in the glass, it seems to me.

We have heard all the arguments before both ways. I simply want to get on record now, without trying to convince my colleagues one way or the other, that I do not agree with the assumptions, the presumptions, and the diagnoses of those who have spoken in favor of this amendment. It is their best judgment. That does not make it right; it is just their judgment. It does not make me right either because I am on the other side.

But I just see it this way: It is the real world I am talking about. We have some hard choices to make, and one of the choices we can make is to say, "I'll identify my enemy, and I will move on him now militarily and I will kill him."

That is one choice we have. If that is the bottom line of the logic, then I will be prepared to stay here with my colleagues to debate that bottom line whenever we get ready to do it.

In the meantime, however, there are a lot of areas that are not that absolute or that clear except to the omniscient. I make no claims of being omniscient, but I know a fight when I see one and I know when I think I have got a chance to win the fight.

That is the way I see the situation in Nicaragua. I am not ready to write it all off. Some people are, and maybe that is the way we win fights, I do not know. There is something about my nature, however, that will not allow me to make that admission or turn my back on what I perceive to be a fight, not only in Nicaragua but a lot of other places.

The decision we may have to make may not be necessarily palatable. The people are not the same color, they do not speak the same language, they do not read the same books, they do not have the same constitution, and they look at the world slightly differently. Would that it be that in some way we could wave a magic wand in this House and everybody would have the same kind of institutions that we would all recognize, that we would all love, and that we could all feel safe with. That is not the case. But I refuse to tread in fear.

The way I see these amendments on aid to Nicaragua, whether it is military, economic, or otherwise, is that we are simply treading in fear, fear of the American people that "we are helping Communists," when actually the issue should be: What are we doing, and how are we doing it, to move the best interests of the people of the U.S. forward?

The way I see that is that we have to try to maintain some balance, some perception, and some dialog in the politics that goes on every day in all these countries. It would be so easy to just turn our backs on them and walk away. I would love to do that. I would rather be doing that than anything else, but I know and you know that that is not right.

Mr. Chairman, unless we pull the trigger and kill our enemy, we have got to get to work and try to solve the problem, as I see it, and the way to do that is to grab the situation and work with and nurture and encourage those forces in the areas where we might have an opportunity to bring about a different kind of situation.

□ 1810

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I agree with the excellent point made by my colleague, the gentleman from Florida (Mr. FASCELL), that it should be what is in the interest of the United States. Excellent point. I do not believe it is the interest of the United States to continue to feed and support a government that has expressed its total and close alliance with Mr. Castro. I clearly think he is the enemy. So I will say to my colleague, who I am sorry is walking off of the floor, that I believe the answer to his question is that it is not in the interest of the United States to support the Sandinista which says, very clearly, "We are allied with Mr. Castro, we know what Mr. Castro is doing around the world, we know what kind of troop commitments he has in Africa, we know the kind of thing he is doing all over Latin America."

I believe a vote for this amendment is a vote to make it clear that the United States does not favor supporting the Sandinista, which is the controlling interest in Nicaragua.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I listened to the remarks of the gentleman from Florida (Mr. FASCELL). I have always been persuaded that military training of other countries is one of the most useful bridges we can build.

I recall well when the military of Indonesia was being trained in our country, and we questioned it when Sukarno, who was very much anti-American, was running that country. But the answer was that we were developing friendships with the people who ultimately might control the government, which is exactly what happened.

But I am not persuaded that we should accept that argument vis-a-vis Nicaragua and go 180 degrees when we are talking about Argentina. Why is not the same argument good with Argentina, to build bridges, to keep a handle in there, to open up the lines of communication? The truth is that we dump on our friends and we reward those who are most hostile to us. And until that nonsensical double standard turns around, I just cannot endorse supporting a pro-Communist government and understanding and rationalizing their motives, while we turn a cold back to Argentina and other countries that at least are anti-Communist.

Mr. ROUSSELOT. Then the gentleman is saying, on the basis of the standard set by our colleague, the gentleman from Florida, who asks, "Is it in the interest of the United States?" that it is not; so we should support the amendment offered by the gentleman from Maryland.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened carefully to this debate, and I must say that I do not understand the argument that is being made at this time, if we in this Congress and this administration are seriously interested in trying to establish a relationship that is not a negative one in Central America. And I mean in all Central America.

It seems to me, when I hear this amendment and when I hear my friend from Florida speaking, that this is like saying that Nicaragua is now written off, we are not going to establish a relationship with them, and we are going to prove it to them that we do not want a relationship with them. And not only are we going to try to take the military aid, which is minimal—and in effect is not really combat military aid, from what I heard the chairman say; it is dual-purpose types of things that can be used in rebuilding a country—that we are saying to them, "Forget it, we are not going to help you." The very same gentlemen who are offering this amendment, it is my understanding, are going to offer an amendment to strike the economic aid.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman seems to be very concerned about that. I just want to make sure that he understands that I will offer such an amendment to every section until every last dollar for Nicaragua is removed from this bill. I just want to make sure the gentleman understands that.

My amendment now pending is an example of my philosophy that we ought not to aid Communist-dominated governments nor governments that embrace the PLO.

Mr. PEYSER. I thank the gentleman, and I appreciate knowing that.

Mr. Chairman, I think that the situation is one where we have the administration, we have a Department of State and we have a Department of Defense, who, in coordination with the Foreign Affairs Committee of this House, the Foreign Relations Committee in this House, have indicated in this bill that it is in the best interest of the United States to help Nicaragua.

Now, at some point in the line, it seems to me that we have to believe that those various elements of our Government are just as interested as the gentleman is in protecting the United States and in guaranteeing the security of the United States. It is their determination, and it was obviously this committee's determination to include this help for Nicaragua or else it would not have been in the bill in the first place.

We use the word "Communist," and everybody says we have to vote against it because the Communists are involved. We have to deal with these people and work with these people or else we write them off.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. HYDE. Why does not the identical argument apply to Guatemala? Military aid in almost the identical amount was offered to Guatemala, and it was knocked out by the committee. If it is so important to stroke the fur of the Sandinistas, why do we turn our back on Guatemala? They are both down in the same area.

Mr. PEYSER. I would suggest to the gentleman to offer an amendment to accomplish that, and let us see where we go there. The gentleman's argument certainly has logic to it. Let us offer the amendment and find out. But why strike this?

I was with the Secretary of Defense this afternoon, and he stated that at times he feels the security of the United States is being increasingly endangered by our simply cutting off aid and programs to countries they still want to try to work with. Why do we not try to work with them?

Mr. HYDE. If the gentleman will yield, the trouble is that we want to work with those countries whose interests are hostile to our own and turn our back on those countries which are militantly anti-Communist, and there is a long list.

Mr. PEYSER. I hear the gentleman, and I would like to say to the gentleman that I think that this amendment, even though I am going to follow the leadership of the chairman on this, I regret that this is going to be accepted. I would much rather see a vote on this amendment. I think the gentleman would be, anyway. I think if there is going to be a vote, it simply proves the point.

How often do we see both the ranking minority member and the chairman being willing to accept an amendment, evidently, and the Member offering it is going to get a vote anyway. So I think we ought to fight this on the merits, and the merits say this amendment should be defeated and the committee should be supported on this issue.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from California.

Mr. ROUSSELOT. The gentleman realizes the Sandinista government in Nicaragua has now endorsed and embraced the PLO; it has recognized the PLO. Is that not a signal to the gentleman? The PLO is certainly not one of the more endearing organizations operating in the world today. It is a terrorist group.

Mr. PEYSER. I have no use for the PLO, as the gentleman knows. The gentleman knows that.

Mr. ROUSSELOT. Is that not a bad signal?

Mr. PEYSER. Maybe we can change that signal if we would give them some help that shows them we are truly interested in doing something. We are forcing them into that——

Mr. ROUSSELOT. Does the gentleman really believe that?

Mr. PEYSER. I believe that as much as the gentleman believes what he is now saying.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Chairman, I certainly yield to no one in this House in terms of my opposition to the PLO.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

(On request of Mr. SOLARZ and by unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. If the gentleman will yield, I think that my very good friend, the gentleman from California, has raised a total non sequitur here, because for better or for worse—I think worse—most countries in the world recognize the PLO, including many of the other countries we are helping in this bill.

If recognition of the PLO constituted a disqualification for the receipt of American foreign aid, you would have to cut Egypt out of the bill, you would have to cut Morocco out of the bill, you would have to cut several other countries in the Arab League that receive aid from the United States. You would have to cut out most of the African countries and several of the Asian countries.

I do not like the fact that most nations in the world recognize the PLO, but that is a fact of life. I do not think the PLO ought to constitute the basis for peace in the Middle East, because I do not think you can get peace in the Middle East with an organization that is clearly and unequivocally committed to the elimination of a member state of the United Nations. But if we are going to determine as a litmus test for whether or not a country can qualify for American aid, whether or not it rejects the PLO, then I am afraid that we would have to close up shop and withdraw from nations all over the world.

So let us make it clear to the Sandinista government that we do not like the fact that they have recognized the PLO. But do not stand on this floor and say that for that reason we should cut off our aid to Nicaragua when there are dozens of other countries receiving American foreign aid that have recognized the PLO for far longer than the Sandinistas.

Mr. PEYSER. I thank the gentleman for really a most meaningful comment. I say that now we are in a position, and I honestly believe that this amendment can be defeated and nothing should be given away when this kind of attempt to drag communism in is the only reason for taking this action.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. BAUMAN), there were—ayes 40, noes 33.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

Mr. BAUMAN. Mr. Chairman, in the interest of time, I withdraw my point of order that a quorum is not present.

RECORDED VOTE

A recorded vote was ordered.

The vote was taken by electronic device, and there were —ayes 267, noes 105, not voting 61, as follows:

[Roll No. 262]

AYES—267

Abdnor
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boland
Boner
Bonker
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Cotter
Coughlin
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Derwinski
Devine
Dicks
Dingell
Donnelly
Dougherty
Duncan, Tenn.
Early
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Forsythe
Fountain
Fowler
Frost
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lowry
Luken
Lungren
McClory
McCloskey
McDonald
McKay
Madigan
Maguire
Marks
Marlenee
Marriott
Martin
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, Md.
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Fanetta
Pashayan
Paul
Perkins
Petri
Pickle
Porter
Preyer
Pritchard
Quayle
Quillen
Rahall
Ratchford
Regula
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stack
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wyatt
Young, Fla.
Zeferetti

NOES—105

Addabbo
Albosta
Alexander
Aspin
Baldus
Barnes
Beilenson
Bingham
Blanchard
Bolling
Bonior
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Carr
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Danielson
Dellums
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Fascell
Fazio
Ford, Mich.
Ford, Tenn.
Gephardt
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Holtzman
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lederer
Lehman
Leland
Long, La.
Long, Md.
McHugh
Markey
Matsui
Mikulski
Miller, Calif.
Mineta
Moffett
Mollohan
Moorhead, Pa.
Musto
Nedzi
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Peyser
Price
Rangel
Richmond
Rosenthal
Rostenkowski
Roybal
Sabo
Seiberling
Shannon
Solarz
St Germain
Staggers
Stark
Stewart
Studds
Synar
Ullman
Volkmer
Waxman
Weiss
Wirth
Wolpe
Wright
Yatron
Young, Mo.
Zablocki

NOT VOTING—61

Akaka
Anderson, Ill.
Boggs
Burton, Phillip
Carney
Courter
Daschle
de la Garza
Derrick
Dickinson
Diggs
Dornan
Edwards, Ala.
Fenwick
Flippo
Frenzel
Garcia
Giaimo
Gibbons
Grassley
Hansen
Hawkins
Heftel
Jenrette
Kemp
Leach, Iowa
Lujan
Lundine
McCormack
McDade
McEwen
McKinney
Mathis
Moakley
Murphy, N.Y.
Myers, Pa.
Nolan
O'Brien
Pursell
Railsback
Reuss
Rhodes
Rodino
Rose
Runnels
Scheuer
Sebelius
Simon
Steed
Stokes
Thompson
Vanik
Vento
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wolff
Wydler
Wylie
Yates
Young, Alaska

☐ 1830

The Clerk announced the following pairs:

On this vote:

Mr. Grassley for, with Mr. Rodino against.

Mr. Murphy of New York for, with Mr. Thompson against.

Mr. Rhodes for, with Mr. Reuss against.

Mr. Frenzel for, with Mr. Vento against.

Mr. Courter for, with Mrs. Boggs against.

Mr. Lujan for, with Mr. Garcia against.

Mr. Hansen for, with Mr. Diggs against.

Mr. Dornan for, with Mr. Akaka against.

Mr. LaFALCE changed his vote from "aye" to "no."

Mr. CAVANAUGH and Mr. BEDELL changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

☐ 1840

Mr. Chairman, I did not seek recognition on the last amendment because I thought we would be considering this evening a further and more important amendment to strip Nicaragua of any form of economic assistance whatever. I want to address myself to what we have just done, and to what I hope we will not do when that amendment arises. I want to plead with my colleagues to think about something that is a lot more serious than the next election. I want to ask you to think a little bit about the next generation.

If we were to take a representative cross-section of all the people in the world between the ages of 5 and 20, the next generation, we would discover that 60-some-odd of those would be in Asia. About 16 or 17 would be in Latin America, the fastest growing area of the world. Approximately 10 or 12 might be in Africa. Six of them would be in the Soviet Union, 14 or so in Western Europe, and only 4 in the United States. In times to come, we shall need some friends in the world. The future may belong to the regions now seething in ferment, the underdeveloped and developing areas of the world. They include, notably, Latin America.

When the amendment comes to strip Nicaragua of any form of economic assistance, I hope my colleagues will stop and think of how important Latin America is to the United States. It is probably more important than any other part of the world. It has the most rapidly growing population on Earth. Latin American countries buy more American goods than any other segment of nations, and they sell more of their produce to us.

I hope my colleagues will stop and think of the days of San Martin, Bolivar, and O'Higgins when the developing world, wanting to throw off the shackles of bondage, looked to the United States for political inspiration and spiritual example. They tried to pattern their infant republics after our own, and some of that is still going on in the world.

Along with some of our colleagues, I had the privilege to be in Nigeria in January of this year. There they have created a constitution written almost in an exact carbon copy of the Constitution of the United States. They are proud of it. I think back to the days when Sun Yat-sen was trying to create a spiritual and political revolution that would bring freedom to China, and what a different world it would have been had we been in a position to offer help to that kind of a movement.

Times come along in history when we make a sudden Jingoistic decision and later regret it. Think what a different world it might have been if after the Russian Revolution, Alexander Kerenski had been able to prevail and develop strength and stability for a free government in the Soviet Union. What a wonderfully different world it might have been for all of us. We did not give him help or encouragement then because we did not understand nor really trust what was going on. Kerensky lost out to the Bolsheviks. They took over, and the future was changed.

It is just altogether possible that an entirely different world might have existed if there had been some way we could have helped the Weimar Republic in Germany after World War I. It fell to economic panic and the demagoguery of Adolph Hitler, who blamed all of the country's ills on the Communists. Hitler's agents set fire to the Reichstag, we know now, in order that he could blame the Communists, inflame people's fears and get their support for himself. Finally he ran with an iron boot over the freedoms of all of the little countries and touched off a generation of anguish.

I do not know whether there is a chance at all that we can salvage Nicaragua. I do not know. I have to say to my colleagues in all candor that I had more friendship for President Somoza than most of the people in our State Department had. At least he had been our friend. I thought we ought to be reasonably tolerant of a person whose government had voted with us consistently in the United Nations and supported our position consistently in the counsels of the world. But that is past. Maybe some of you thought the Shah should have been more vigorously supported, that he was our friend. But that is past.

What we have to do now is look to the present and to the future. There is a chance, maybe an outside chance, but a chance that we can win Nicaragua. There are many fine people there who do not want to be enslaved by communism nor consigned to share their country's fate with Castro as their only friend. For heaven's sake, they are asking us. They are looking to us. At least some in the government profess the desire to work with us, to know us better. They have left the door open. There are two of the junta who are considered to be moderates. One of them is coming to Washington next week. His name is Arturo Cruz. I want to invite my colleagues to come and meet him. I do not know him. But I talked with our U.S. Ambassador to Nicaragua today. He tells me it is not at all a foregone conclusion that we have lost the game in Nicaragua.

We have lost it if we give up. We have lost that country's future if we forfeit the game. If we kick it over to the Communists, if we call them all Communists, whether they are Communists or not. We can force that country into the lap of Castro. That is exactly what is happening when Congress takes delight in publicly expressing the conclusion that Castro and the Marxists have won and that Nicaragua is worth no further effort on our part.

The people who will rejoice in Latin America tomorrow morning when they read that we publicly kicked Nicaragua in the face again are the enemies of the United States. Those are the ones who will rejoice, those who have been preaching all along that the United States cares nothing about Latin America and its future. "This proves it," they will say.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. So I plead with you, my colleagues, let us not indulge a revisitation of McCarthyism. Let us not engage in a game of guilt by association.

The gentleman who raised the point about the PLO knows full well that he would not for a moment entertain the idea of severing relations with every country that recognizes the PLO. I do not like the PLO. I do not like what they stand for. I do not like their tactics. Certainly, I would not want to recognize them.

But I do know, and so does the gentleman from Maryland, that we have to continue to deal with many countries which recognize the PLO. Surely we must deal with Egypt, which has demonstrated that it is our friend. We have little choice but to deal with Saudi Arabia, which has dealt honorably and responsibly with us for the most part. Panama, whom these gentlemen were scourging a few months back, demonstrated friendship that some other countries have not demonstrated to us when it allowed the Shah to enter there.

It is altogether possible that Mexico is as friendly as it is today because Woodrow Wilson was wise enough, when the revolution came and Francisco Madero sought to overthrow the tyrannical forces of Porfirio Diaz, to work with them and not against them. There were many in this country who have said, "Oh, they are Communists, they are socialists, they are hedonists, they are rabble; you cannot work with those people in Mexico." They have pointed to the fact that the Mexicans call their dominant political party the Partido Revolucionario Institucional.

the Party of the Institutional Revolution. Yes, well, that does not make any difference. We have to work with them, our neighbors, just as we shall have to deal one way or another, either as friends or foes, with the Nicaraguans, whatever they choose to call themselves. I am not yet prepared to brand them irrevocably as our foes. We have the opportunity to help them have a chance to live in freedom, and to see that democracy can work and better solve the problems of their economic situation than can a socialist society.

Now, if my colleagues are willing to lock horns with socialism and communism in Latin America, if they are willing to engage in the struggle, then let us try. Maybe it is like rolling dice, I do not know. Maybe we waste whatever money we send. That is possible. But I think we must be caught trying. I do not think it behooves us at all to find some little convenient, jingoistically popular way to kick them in the teeth and say "I voted against the Communists," when we know in our hearts that there is a titanic struggle going on for the minds of the men and women all over the developing world, and so close to our doorstep in Central America. We dare not withdraw from the battle.

☐ 1850

So I beg you to think seriously on those things. And when the vote comes on the effort to kick Nicaragua in the face again, deny them individually and by name, and announce to the world that we already have forfeited the struggle and willingly consigned their future to the Communists—when that time comes, think not just of the election coming up here, think of elections coming up in future years throughout Latin America, and think of our continuing stake in the struggle for freedom on Earth.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the last word.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I did not expect that the majority leader would honor my small amendment cutting $5.5 million in military aid by such an eloquent address. We all know of his eloquence, and it has been used many times to good effect—and on occasion the gentleman from Maryland would have to judge ill effect, from my viewpoint—on the floor. But it was no accident that a great and overwhelming majority of the House voted against his position and for the position embodied in the amendment. It was no accident that 17 Members from Texas voted for the amendment and 5 voted against it.

I am sure that all of us would like to ignore the insulting implications in what the gentleman said about the motives behind the offering of this amendment, but I would like to tell him quite sincerely and publicly, since he has chosen to make this an issue, that the gentleman from Maryland does not wish to kick Nicaragua in the teeth. The gentleman from Maryland has had the luxury of visiting there only 2 days this year, and I must say that I had a genuine affection for many of the people that I met there. They are interested, very sincerely interested in bringing freedom to their country. They have labored for many years under a dictatorship which the gentleman described and which did a great many things to those people, and they seek change.

Last week the gentleman was privileged to hear the remarks of Jose Francesco Cardinale who came here to speak to a group of Members from both sides of the aisle. He was chosen as the Vice President of the new Council of State, which has been overwhelmingly packed with Sandinista members so that it would be a very one-sided parliamentary body. But Senor Cardinale is a businessman there who had just been given a rather large contract by the Sandinistas and, surprisingly to him, was named Vice President of their new Council. He decided that it was a crossroads in his life and he left—some said ran away from the fight; others said not—and came here to tell us in his own words that the Sandinistas, since last July, have done more to wreck the future of Nicaragua than the Somozas and their fathers in all the years, nearly 40 years, that they controlled it.

Why did he make that judgment? Why would a man who served 7 months in prison under Somoza—why would a man who was exiled to other countries, who was chased away and came back only after the revolution, supporting the Sandinistas—why would be change his view? It was because he hates communism. He hates it as I hate it. Everywhere that it has spread in this world, it has destroyed the freedom that the gentleman from Texas said he wants to support. It is now destroying freedom in Nicaragua.

I will grant you that our State Department—and the gentleman is supporting that State Department—thinks they can deal with those people. They think the fact that the Sandinista Directorate which is running the country is very well controlled, by Marxists trained in Cuba, is incidental. They grasp at any straw, and I will grant them their motives, as the gentleman did not. Perhaps some of us thought that they could change the direction. But I did not sign a pact with the Soviet Union; the Sandinistas did. I did not sign a pact with the Communist Party of the Soviet Union, a very political arrangement; the Sandinistas did. I did not sign a mutual aid agreement with the Cubans in the last few weeks; the Sandinistas did that.

It was not because we did not try. We have given them more than $60 million in the last 15 months. All we have gotten back, in every international forum, including the United Nations and the Nonalined Conference of last September, was vile, consummate attacks on the people who have paid the bill for them, and who have made their existence today possible. And the gentleman asks us to give more. I hope in the heart of hearts of the gentleman, whose intellect is considerable and great, that he might consider that maybe he is wrong, that maybe all the years of communism in the world have not brought great freedom and peace to other nations, certainly not to 2½ million people in Nicaragua. I hope he will consider that the potential exists that he might be wrong and those of us might be right, and that we voted on this issue not because we were afraid of our hides in the election but because we would like to see freedom, too. I extend that courtesy to the gentleman; I hope he will do that to us.

I would ask the Members of this House, on both sides, who listened to that impassioned plea, to examine the record of what the Government of Nicaragua has done since it has taken over, since last July. I have confidence that when an amendment is offered dealing with economic aid that you will again support that and reject this government.

We are going to work with Nicaragua—the people of Nicaragua, not the Communists of Cuba or in the Kremlin. We are going to work with the people of Nicaragua until they have true freedom, freedom from Somoza and freedom from communism. I think the gentleman will be able to support that argument. I am privileged that he designed to answer my small amendment, and I thank him for his consideration.

AMENDMENT OFFERED BY MR. LLOYD

Mr. LLOYD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LLOYD: Page 11, after line 14, insert the following new section 106 and redesignate the succeeding sections accordingly:

Section 38, Arms Export Control Act (ACEA) is amended to add the following paragraph:

(f) The export to a country other than a country referred to in section 620 (f) of the Foreign Assistance Act of 1961 of: (1) communication and electronics equipment with a direct civilian application; (2) transport, utility, or training helicopters with direct civilian application; (3) propeller-driven transport, utility, or training aircraft; (4) trucks and vehicles with a direct civilian application; and (5) technical data relating to these items, shall not be subject to the controls under section 38(b) (2), Arms Export Control Act. These items may be controlled under appropriate provisions of the Export Administration Act of 1979.

Mr. LLOYD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from New York.

Mr. RICHMOND. I thank the gentleman for yielding and I would like only to take a few moments of the time of the House to commend the Committee on Foreign Affairs and its distinguished chairman for fashioning this excellent legislative package, particularly the provisions relating to peace and stability in the Middle East and Mediterranean regions.

Among the many provisions to support and strengthen U.S. security, the legislation before us contains a provision for foreign military sales credits to four nations so very important to world peace and U.S. security—Israel, Egypt, Sudan, and Turkey. The FMS credits will be available to these nations with favorable repayment terms: a 30-year repayment period with an initial 10-year grace period during which interest only will be paid.

The importance of FMS credits with favorable repayment terms for the three nations of the volatile Middle East is obvious. Perhaps not so obvious to many of my colleagues is the crucial importance of the provisions and concessions reflected in this legislation for Turkey.

The provision for foreign military credits is a recognition of Turkey's longstanding role as a cornerstone of the NATO Alliance and as a staunch ally of the United States. Turkey's unique geographical importance to East-West relations stems from its position as a bridge between Europe and Asia and between the Black Sea and the Mediterranean. Turkey forms a geographic, political, and religious barrier to Soviet expansionism. Turkey's commitment to and support of NATO is out of proportion to its economic position. And, despite aging and outmoded equipment and a growing need for spare parts, Turkey stands ready to fulfill its roles in NATO and as a U.S. ally.

In extending the favorable repayment terms, the Committee on Foreign Affairs has arrived at a thoughtful and hard-won compromise, taking into account Turkey's increased importance to U.S. security, especially in light of the continuing crisis in Iran and the Soviet Union's aggression in Afghanistan.

During my recent trip through the Middle East and Asia, I had the opportunity to meet and talk with Turkish Government officials and to assess Turkeys' military and economic situation. At that time, Turkey was in the throes of a long economic crisis that threatened to erode the social fabric of the nation.

The Turkish Government, under the leadership of Prime Minister Suleyman Demirel, has introduced an economic stability package that has already begun to show positive impacts on the economy. In addition, a much-needed infusion of funds from Western nations, coupled with a rescheduling of Turkey's debts, have served to avoid further erosion while aiding in the recovery.

Through my continuing contacts with Turkish Government and business leaders, I am most impressed by their feeling that with determination and consistency, the goals of economic recovery will, indeed, be gradually attained. However, there is a great concern among Turkish officials that even the favorable terms for repayment of the FMS credits could cause a severe burden for Turkey.

As I am sure my colleagues are aware, FMS credits are extended at the same cost as borrowing by the U.S. Treasury itself. Thus, if interest rates are high (as they have been recently, in the 11–13 percent range), the interest to be paid by Turkey for $250 million in FMS assistance could easily exceed $300 million during the initial 10-year grace period alone. Of course, if interest rates stay relatively "low" (around 10 percent, as they were last week), the burden on Turkey will not be quite so great.

The Ambassador of Turkey to the United States, His Excellency Sukru Elekdag, has expressed to me the appreciation of his government for the favorable FMS repayment terms. However, he has also expressed his concern about the long-term debt burden on the Turkish economy of these additional credits. He has expressed the hope—in view of the possible severe financial difficulties Turkey will be experiencing during the period of economic recovery—that the committee give some future consideration to feasible alternative repayment formulas that will alleviate the burden. I urge my colleagues to seek such alternatives in the years ahead.

Mr. LLOYD. Mr. Chairman, this amendment really is a very simple amendment which attempts to modify certain administrative restrictions on the export of certain items. Those items have already been mentioned in the bill, but I will review them:

First, communication electronics equipment with direct civilian application;

Second, transport utility or training helicopters with direct civilian application;

Third, propeller-driven transport utility or training aircraft;

Fourth, trucks and vehicles with direct civilian application; and

Fifth, the technical data relating to these items.

It is really very simple. What am I trying to do here? What I am trying to do is to open up and aid the sale of aircraft and civilian vehicles to the rest of the world, which will allow us somewhat of a competitive edge, if it will, or if nothing else lessen hampering of our competitive capabilities as we try to sell our products in the world. We have had a tough time. Our aircraft manufacturers and general aviation have had a very tough time in trying to compete with the Japanese in the area of electronics, certainly to compete with the French in areas of aviation, and there are other areas around the world that are licking their chops at the present moment to steal our markets.

I realize that my words are not as impassioned, perhaps, as the previous speakers, and that probably what I am trying to say, which is trying to help business in the United States, is not as important an item, but rest assured that we will not be dealing with just $5 million; we will be dealing with literally the markets of the world. If the Members will just give me their attention for a minute, I promise I will quit early and I will not hold them. I know the hour is late, and I would appreciate the attention of everybody here just for a very short period of time. This is an important amendment because what we are saying in this amendment to our business people is, We, the Congress, are willing now to say we are going to try to help you just a little bit—not very much, but just a little bit—and help you compete against other countries, other countries such as France who came out with their government to support their commercial enterprise and aircraft. We do it with private enterprise. It is a tough, competitive world. So I would appreciate it if I could have your attention on that basis. I promise to be brief, and I will try to get to the point.

The point I would like to make is that the U.S. munitions list controls other items other than just the implements of war. It controls trucks, training aircraft, helicopters, electronics material, all of which is really never intended to be a military function but I would admit that any one of these things can be turned into a "weapon of war."

□ 1900

I recall reading in history that the Israelis were able to take trucks, hang chunks of metal on them and make them armored vehicles. It can be done. But they were not built originally as weapons of war.

Mr. Chairman, I also know that for instance the PLO has used bicycles to ride into Israel to attack the Israelis. The makers of the bicycles never intended them to be used that way. It occurs. I know. I guess that is just the way of the world but right at the present moment, for goodness' sake, let us not handicap our own commercial enterprise. In this case I am trying very hard for the general aviation manufacturers. They are good and decent people. They build a good product. But I would also remind you of what has happened to us in the automobile world. What has happened to us in the automobile world is this: In California this year you will see 60 percent of the vehicles purchased will be foreign imports. This exact same thing is going to occur, because around this world, let me tell you, around this world, there is no state of the art in the building of general aviation aircraft or the building of the electronics or the building of any of the accessories that go along with those products, there is nothing significant about it whatsoever. Anybody can do it. Not only can they do it, but they are doing it.

At the present moment, Mr. Chairman, there are countries out there who currently are licking their chops looking at us throwing away the market. For goodness' sake, folks, let us address the problems that are important to us. We have been the leading manufacturers of general aviation since the start of aviation. We have been the leaders in aviation. I mean, let us not give it away. There is nothing significant about the aerodynamics of a Cessna 150 or a Piper or whatever it may be, nothing at all.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LLOYD was allowed to proceed for 3 additional minutes.)

Mr. LLOYD. What I really tried to say is that this is a very, very important situation.

Mr. Chairman, the President has allowed these same items to be sold to the

Chinese. There are no complaints about that. I frankly think we should go ahead and take a good look at what we are doing for other nations including the United States of America.

I would also like to say that these items can be controlled and they will be controlled. Let us stop hampering our own American manufacturers.

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Washington.

Mr. PRITCHARD. Mr. Chairman, are any of the items with which the gentleman's amendment deals exclusively sold by America or can these articles also be bought from France and other countries, in all cases?

Mr. LLOYD. The basic concept of the item can be purchased through several different countries.

Mr. PRITCHARD. Mr. Chairman, I want to compliment the gentleman on his amendment. I think it is time that we became realistic about the need to sell American products overseas. When they can buy an identical item from France, Germany, or Japan, we are just cutting off our nose to spite our face if we think we are helping to cut down on military supplies and items that can be used for military purposes.

Mr. Chairman, I think it is essential we allow ourselves to compete in the world market when the buyers can buy from other countries.

Mr. Chairman, I want to compliment the gentleman from California. I think this is a realistic amendment, one long overdue.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Pennsylvania.

Mr. BAILEY. I also would like to associate myself with the remarks of the gentleman. I hope the Members will see fit to support the gentleman. I would also like to call the attention of the Members to the work that the gentleman from Pennsylvania (Mr. EDGAR) did in support of this amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Washington.

Mr. DICKS. Could the gentleman clarify just exactly what would be added by the gentleman's amendment? As I understand it, civil aviation, general aviation planes would be taken off the munitions list. What else besides general aviation planes?

Mr. LLOYD. Trucks would be. The accessories that go into it, the radios, the generators, et cetera.

Mr. DICKS. Helicopters, trucks, general aviation aircraft?

Mr. LLOYD. The gentleman is correct. They are propeller aircraft, not jet aircraft. This pertains to the lighter types of aircraft.

Mr. DICKS. I would say to the gentleman, it would appear the amendment is one which should be supported, Mr. Chairman.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GLICKMAN, Mr. LLOYD was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I want to compliment the gentleman on his amendment. I may offer an amendment to the gentleman's amendment which would require a country to which we would export these goods to certify the purposes for which the goods were set. I want to make it absolutely clear that even if these go off the munitions list, the provisions of the Export Administration Act are still applicable, are they not?

Mr. LLOYD. Yes; they are.

Mr. GLICKMAN. And, therefore, for foreign policy reasons or whatever, internal reasons of this country, we could still prohibit exports to certain nations if it were so determined under the provisions of that act?

Mr. LLOYD. The gentleman is correct. We can stop the sale at the discretion of the President at any time.

Mr. GLICKMAN. I thank the gentleman.

Mr. LLOYD. Mr. Chairman, I yield back the balance of my time.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment with some dissidence because I have such respect and affection for its author who is trying to do a job for companies in his area. I sympathize with that. I am as much in favor of increasing exports and facilitating exports as is any Member. I am a member of the Exports Task Force, and an active member of it. As the prime sponsor and manager of the Export Administration Act, I did what I could, as the gentleman knows, to facilitate exports by businesses.

This amendment, Mr. Chairman, is one that should have been carefully considered and crafted by the committee—but it was not. No hearings were held on this amendment. The amendment has ramifications far beyond what our good friend from California has indicated to us.

First, Mr. Chairman, let us be clear about one thing. The fact an item is on the munitions list does not mean it does not get exported. It only means that as an item designed to military specifications or modified for military purposes it goes through a different licensing procedure than do normal civilian type exports. The procedure, administered by the State Department in consultation with DOD and ACDA, is somewhat more careful perhaps than the procedure followed by the Department of Commerce in the Export Administration Act.

Incidentally, the Department of Commerce has not asked for the additional authority it would be given under this amendment and the administration is opposed to it.

Mr. Chairman, the effect of this amendment is to take certain very broad categories of items off the munitions list by legislation, certain categories that are very loosely and very badly defined. The wording of the amendment is such that the categories are very loose.

Let us look at just what this munitions list is. Under the Arms Export Control Act, which this amendment would in effect waive for a whole series of categories, what presently is the situation? The Congress decreed in the Arms Export Control Act that the President is authorized to control the import and export of defense articles and defense services to prevent damage to the national security, foreign policy, or arms control interests of the United States. To that end, the President is authorized to designate those items which shall be considered as defense articles and defense services for the purposes of this section and to promulgate regulations for the import and export of such articles and services

Now, under that language, Mr. Chairman, the President has listed a whole series of categories to be controlled and subject to the munitions list license review procedures. The International Traffic in Arms Regulations issued under the President's authority go into further detail in defining those categories so as to be precise as to what is to be on the munitions list and controlled under its procedures, and what is not.

The gentleman is not fair in suggesting that an ordinary Cessna general aviation plane is on the munitions list. It is not. I repeat, only those aircraft which are designed to military specifications or modified for military purposes are on the munitions list. As a matter of fact, even the civilian version of the C–130, which is designated the L–100, is not on the munitions list. It is handled under the Export Administration Act.

In the letter the gentleman sent to us, the gentleman suggested that the purpose of this amendment was to facilitate export to our allies, to NATO countries and so on. There is no problem with exports of these items to our allies. They go through like grease lightning, they go through automatically.

Mr. Chairman, the principal application of this amendment is to circumvent, without repealing, the provisions that were adopted by the Congress, itself, in prohibiting the sale of munitions list items to Argentina and Chile.

Now, we the Congress adopted those provisions, Mr. Chairman, the administration did not do that. If we want to repeal those provisions let us do so, but let us not do it by taking a whole list of items very broadly defined and say, "We are not going to consider those as munitions list items anymore."

□ 1910

I suggest to the gentleman that this will lead to serious confusion and problems of definition. Are we taking these items off the list or not? As a matter of fact, the gentleman's amendment does not take them off the list because it says that exception is only for non-Communist countries. So, they stay on the list for one purpose, but not for another purpose. That does not make legislative sense. That is going to lead to all kinds of confusion and argument about what is covered and what is not.

Let us consider the definitions used in his amendment and which hinge so fundamentally on the phrase "with a direct civilian application." Let us take the item of trucks and vehicles with a direct civilian application.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. Lloyd and by unanimous consent, Mr. Bingham was allowed to proceed for 3 additional minutes.)

Mr. BINGHAM. Mr. Chairman, trucks and vehicles with a direct civilian application would be taken off the list by statute if this amendment is adopted. But, those same trucks may have a more important military application. Have we forgotten all the debate about the Kama River plant so soon? It was ordinary civilian trucks that went into Afghanistan which we provided assistance, on a mistaken decision a few years ago, to the Soviet Union to manufacture. And again I remind you, the only trucks and vehicles presently on the munitions list which this amendment would remove are those designed to meet military specifications or modified to meet military requirements.

So, every one of these items would not be on the munitions list if the departments concerned (principally DOD, State and ACDA) and the President were not convinced that they were primarily of military in character as reflected in their miltary specifications or specific modifications for military purposes. The pure and simple civilian items are not on the munitions list. So that every one of these definitions is going to cause endless trouble except for the ones that have to do with propeller-driven transport, utility or training aircraft, which are completely eliminated from the munitions list, whether or not they are exclusively for military purposes.

So that, let us say a C–130, which has a rear opening intended for a parachute drop in combat support operations, would be no longer considered a military item. The agencies concerned have declared that that is a military item. This amendment, without considering the merits of that proposition, would decree that it is not.

Finally, with respect to the Chinese, there has been comment on what is being done for China. All that is being done for China is to say that on a case-by-case basis some of these items will be considered for export to China, but still under the positive export control licensing procedures of the munitions list. That is all that is being done for China. That is all that is being done with respect to these items for the rest of the world except in the case of those countries where the Congress itself has expressly prohibited the export of any munitions list items.

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from California.

Mr. LLOYD. Mr. Chairman, I thank the gentleman for yielding. I would point out to the gentleman that we have taken items off, as he has indicated, for China; as a result of that, what I am trying to do is to achieve a fairness all across the line. The restrictions that have been imposed have clearly acted as a bar to our manufacturers of these aircraft, manufacturers of these parts, to sell their products in competition with the Japanese.

For instance, we have talked about sales to Argentina. Interestingly enough, the Israelis are currently selling aviation equipment to the Argentinians, so if they can do it, and we say we are in support of Israel—and I happen to be—then let us do the same.

Mr. BINGHAM. It is only in the case of Argentina and Chile that we cannot sell these items, because Congress declared we should not. In the case of sales to all other countries, it is up to the licensing authority as to whether the sale is consistent with the expressed objectives of the Arms Export Control Act in not damaging the national security, foreign policy and arms control objectives of the United States. China is being treated the same way on a case-by-case basis and still under the positive controls of the munitions list licensing procedures. Therefore, it is inaccurate to say that these items have been taken off the munitions list for China; they have not. But they would be expressly removed by law from the munitions list for the entire non-communist world by the gentleman's amendment. And that, I would suggest, is not at all equal treatment.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(At the request of Mr. Seiberling and by unanimous consent, Mr. Bingham was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I recall only a year or so ago when there was a case involving trucks that Libya wanted to buy, which were ordinary commercial trucks. The only problem was that they were sufficiently large so that they could carry heavy tanks and act as tank transporters; and they were quite properly, it seems to me, put on the list of proscribed items. I also recall that Libya wanted to buy 747 aircraft, and they were also proscribed by the State Department. If they had not been, Libya could then have transported large numbers of troops to Uganda to help prevent Idi Amin from being overthrown. So, the mere fact that they are commercial, off-the-shelf items, does not mean that they do not have a definite military purpose.

Mr. BINGHAM. I thank the gentleman for his contribution. There is a more recent case where engines are being sold to Italy for use in constructing four modern missile carrying Iraqi frigates, because they were not designated on the munitions list. They should have been on the munitions list.

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Washington.

Mr. PRITCHARD. Mr. Chairman, I think the 747's going to Libya is a perfect example. We had that same situation where they were willing to buy from us, and it is to our advantage to have the Libyan National Air Transport System use our planes so that we have got control of the parts. Now, they stopped that sale. I asked the administration, "What happens next?"

They said, "What do you mean?"

I said, "What is going to happen?"

They said, "What do you mean?"

I said, "Are they going to buy some other planes?"

They said, "I suppose so."

I said, "Are they going to buy the Airbus?"

They said, "I don't know."

I said, "What kind of navigational aid * * *" it was a navigational aid that stopped the sale—"* * * what kind of navigational aid do they have on the Airbus?"

It was identical to what we had on the 747, and that is a perfect example of why we have to change this law.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield further, the fact is that they did not have the planes when they could have used them to help Idi Amin. That is the fact.

AMENDMENT OFFERED BY MR. GLICKMAN TO THE AMENDMENT OFFERED BY MR. LLOYD

Mr. GLICKMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Glickman to the amendment offered by Mr. Lloyd: Add the following at the end of the proposed subsection (f): "Any country to which any item referred to in clauses (1) through (5) is proposed to be exported may be required to certify to the President the specific purpose or purposes for which the item will be used.".

Mr. GLICKMAN. Mr. Chairman, briefly, while I am supportive of the gentleman's amendment, my amendment would say that with respect to any of these five items that the Defense Department could require the country to whom these items are exported certify to the President the purposes for which they are to be used. In four of the five items, the item is referred to as for direct civilian application, and in order to keep some sort of oversight or monitoring control, my amendment would just give the Defense Department the authority to require that country to certify to us what purpose the item is to be exported for.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I will be glad to yield.

Mr. ANNUNZIO. Mr. Chairman, I appreciate the gentleman from Kansas yielding to me. I rise in strong support of the amendment of the gentleman from California and the amendment of the gentleman from Kansas.

I think it is about time that we take an inventory of what is going on in this country. We in this country have a steel industry that is going broke. We have an automobile industry that is practically bankrupt. We have a housing industry that is bankrupt. So, I want to compliment these two gentlemen for introducing an amendment that will create jobs.

I have listened to the people who are talking against this amendment, I have received their letters, and I have heard them talk about the social programs that were destroyed in the budget.

□ 1920

They talk about unemployment. We have created that unemployment. We have created a situation where we have in this country today vast major industries that are not functioning.

Mr. Chairman, I want to urge the Members of this House to help the industries of this country; otherwise, we are going to wind up a country without industries and without jobs.

Mr. GLICKMAN. Mr. Chairman, along with the eloquent remarks of the gentleman, I would just remind the House that the purpose of my amendment is to try to bring some semblance of control on these exports.

Mr. BONKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Lloyd amendment. I share with the gentleman from New York his recognition and support of the gentleman from California (Mr. LLOYD) in his efforts on the floor, for I have been in the forefront, along with others, to promote export activity.

However, I think what we should recognize in this act, in the Export Administration Act, is the desire by the Congress in the policy that has been formulated to try to apply some criteria for the export of items to other countries that involve our national security or that are consistent with our foreign policy objectives. As the issue relates to Argentina and Chile, we do have human rights considerations that have been inherent in our foreign policy.

The passage of this amendment would remove from the munitions list those items which are considered to be dual use, which means that the aircraft involved, which I understand is the Beechcraft, would be eligible now for an export license, and that equipment can be used for internal repression.

So if we are going to have consistency in the Congress in terms of foreign policy and in terms of our human rights commitments to these various countries, if we are going to allow the State and Defense Departments to maintain a munitions list, then I think we have got to avoid the temptation of tampering from time to time with the munitions list through legislation, because what it is going to do is open up the potential for every company that wants to apply for an export license, and that can be contrary to either our national security or foreign policy objectives if that item is removed from the munitions list.

If the munitions list is to have any value, if it is going to be applied consistently for either foreign policy or national security purposes, then we have got to quit interfering legislatively in these matters.

I think the chairman of the Subcommittee on International Trade and Economic Policy, more than any other Member in this Congress, has attempted to find a balance in the Export Administration Act so that we are allowing as much export activity as possible, but if we are not careful, we are going to see an erosion of those national security objectives, those foreign policy objectives, and those human rights objectives that we have labored so hard to develop in our foreign policy program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN) to the amendment offered by the gentleman from California (Mr. LLOYD).

The amendment to the amendment was agreed to.

AMENDMENT OFFERED BY MR. HARKIN TO THE AMENDMENT OFFERED BY MR. LLOYD, AS AMENDED

Mr. HARKIN. Mr. Chairman, I offer an amendment to the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. HARKIN to the amendment offered by Mr. LLOYD, as amended: Add at the end of the first sentence after "Arms Export Control Act": "if the President determines that such an exemption from Section 38(b)(2) of the Arms Export Control Act for a specific country is not inconsistent with U.S. policy in such areas as international terrorism, nuclear proliferation, environmental protection, and human rights.".

The CHAIRMAN. The Chair will inquire, is the gentleman from Iowa (Mr. HARKIN) offering this amendment as an amendment to the Lloyd amendment?

Mr. HARKIN. Yes, Mr. Chairman, to the amendment, as amended.

The CHAIRMAN. The amendment is offered to the amendment offered by the gentleman from California (Mr. LLOYD), as amended by the amendment offered by the gentleman from Kansas (Mr. GLICKMAN)?

Mr. HARKIN. That is correct, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa (Mr. HARKIN) is recognized for 5 minutes in support of his amendment.

Mr. HARKIN. Mr. Chairman, I offer this amendment in good faith.

I am basically supportive of the amendment offered by the gentleman from California (Mr. LLOYD). I think it is a good amendment. I think that too often we have stopped the sale of items in a very inconsistent manner.

I listened to the speech just given by my colleague, the gentleman from Washington (Mr. BONKER), and I am also concerned that again we may be inconsistent in applying these kinds of standards.

All this amendment says is that basically the President will determine whether such an exemption of one of these articles will be inconsistent with our policy on international terrorism, nuclear proliferation, environmental protection, and human rights.

Again, Mr. Chairman, this is just an attempt to keep these matters consistent, and I offer the amendment to the amendment, as amended, for that purpose.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think this is a well-intentioned amendment, but what I want to know is whether it totally destroys and blankets the Lloyd amendment in this regard:

In the gentleman's amendment, he says: "If the President determines that such an exemption * * * is not inconsistent with U.S. policy in such areas as international terrorism, nuclear proliferation, environmental protection, and human rights." Now, does that give the President more authority than he currently has under existing law?

Mr. HARKIN. No, it does not.

Mr. Chairman, if the gentleman will yield, what the amendment does basically is to say, "Look, you have all these exemptions which the gentleman from California has," and which I support. The problem we may run into is that some exemption is maybe inconsistent with stated U.S. policy on international terrorism, for example, in a certain country. In that case the President can say that in that country it is inconsistent with our policy on international terrorism and he would not go along with that exemption.

Mr. GLICKMAN. Therefore, what the gentleman is saying is that we will be presumed capable of selling the particular item, and the presumption is there unless the President makes the determination?

Mr. HARKIN. Yes, absolutely.

Mr. GLICKMAN. On that basis, then, Mr. Chairman, I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN) to the amendment offered by the gentleman from California (Mr. LLOYD), as amended.

The amendment to the amendment, as amended, was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California, as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: Page 8, in line 10, strike "$761,600,000" and in lieu thereof insert "$768,600,000"; and

In line 25, strike "$2,616,000,000" and in lieu thereof insert "$2,686,000,000."

The CHAIRMAN. The gentleman from Michigan (Mr. BROOMFIELD) is recognized for 5 minutes in support of his amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am glad to yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, I note that the hour of 7:30 has arrived.

I have advised all of the members of the committee who have inquired that we would rise at 7:30. I am sure the gentleman from Michigan (Mr. BROOMFIELD) will not be offended if he will be the first Member recognized when the committee reconvenes for the purpose of considering his amendment.

Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The Chair will state that the gentleman is out of order until the gentleman from Michigan yields back his time or the amendment is withdrawn.

Does the gentleman from Michigan (Mr. BROOMFIELD) ask unanimous consent to withdraw his amendment, without prejudice, and with the right to offer it again?

Mr. BROOMFIELD. Yes, Mr. Chairman. I ask unanimous consent, with that understanding, to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

PARLIAMENTARY INQUIRY

Mr. ROUSSELOT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ROUSSELOT. Mr. Chairman, why does the gentleman have to withdraw his amendment? It can be before us for consideration tomorrow.

The CHAIRMAN. The Chair had already recognized the gentleman from Michigan (Mr. BROOMFIELD) for 5 minutes and the motion to rise could not take him from the floor.

Mr. ROUSSELOT. Mr. Chairman, then the amendment offered by the gentleman from Michigan (Mr. BROOMFIELD) will be first in order tomorrow, is that right?

The CHAIRMAN. The Chair will rule that the amendment is still pending. The gentleman's amendment will be pending tomorrow; if the gentleman now yields back his time and the motion to rise is then offered.

Mr. ROUSSELOT. I thank the Chair. So the gentleman does not have to withdraw his amendment.

The CHAIRMAN. That is correct. The gentleman from Michigan has yielded back his time. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

□ 1930

Mr. ZABLOCKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6942) to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes, had come to no resolution thereon.

ANNIVERSARY OF LYNDON B. JOHNSON'S "GETTYSBURG ADDRESS" OF 17 YEARS AGO

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, on May 30 in 1963, Lyndon B. Johnson spoke on the hallowed ground of Gettysburg, Pa. He spoke of the men who died there, of the freeing of the slaves, of the necessity of achieving racial justice. It was 100 years after the Battle of Gettysburg.

That was 17 years ago. Sometimes we forget how far this Nation has come in those years since 1963. We forget the terrible atmosphere of hatred and bitterness of some of those years.

We still have not come far enough, of course. Blacks still suffer far more of the burden of economic failure through unemployment and underemployment, particularly among the young. It would be best for us all to remember these words spoken by then Vice President Lyndon Johnson, who on that day in May of 1963 did not know the great burdens he would soon carry.

He said:

> Until justice is blind to color, until education is unaware of race, until opportunity is unconcerned with the color of men's skins, emancipation will be a proclamation but not a fact.

I want to express my thanks to the man who brought these words to my attention, my friend, Charles N. Boatner, Texas State director for the National Park Service and a former staff assistant to President Johnson.

Mr. Speaker, I ask unanimous consent that the text of the remarks of Lyndon B. Johnson on that day 17 years ago may be included in the RECORD.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Texas?

There was no objection.

The remarks are as follows:

REMARKS OF VICE PRESIDENT LYNDON B. JOHNSON, MEMORIAL DAY, GETTYSBURG, PA., MAY 30, 1963

> On this hallowed ground, heroic deeds were performed and eloquent words were spoken a century ago.
>
> We, the living, have not forgotten—and the world will never forget—the deeds or the words of Gettysburg. We honor them now as we join on this Memorial Day of 1963 in a prayer for permanent peace of the world and fulfillment of our hopes for universal freedom and justice.
>
> We are called to honor our own words of reverent prayer with resolution in the deeds we must perform to preserve peace and the hope of freedom.
>
> We keep a vigil of peace around the world.
>
> Until the world knows no aggressors, until the arms of tyranny have been laid down, until freedom has risen up in every land, we shall maintain our vigil to make sure our sons who died on foreign fields shall not have died in vain.
>
> As we maintain the vigil of peace, we must remember that justice is a vigil, too—a vigil we must keep in our own streets and schools and among the lives of all our people—so that those who died here on their native soil shall not have died in vain.
>
> One hundred years ago, the slave was freed.
>
> One hundred years later, the Negro remains in bondage to the color of his skin.
>
> The Negro today asks justice.
>
> We do not answer him—we do not answer those who lie beneath this soil—when we reply to the Negro by asking, "Patience."
>
> It is empty to plead that the solution to the dilemmas of the present rests on the hands of the clock. The solution is in our hands. Unless we are willing to yield up our destiny of greatness among the civilizations of history, Americans—white and Negro together—must be about the business of resolving the challenge which confronts us now.
>
> Our nation found its soul in honor on these fields of Gettysburg one hundred years ago. We must not lose that soul in dishonor now on the fields of hate.
>
> To ask for patience from the Negro is to ask him to give more of what he has already given enough. But to fail to ask of him—and of all Americans—perseverance within processes of a free and responsible society would be to fail to ask what the national interest requires of all its citizens.
>
> The law cannot save those who deny it but neither can the law serve any who do not use it. The history of injustice and inequality is a history of disuse of the law. Law has not failed—and is not failing. We as a nation have failed ourselves by not trusting the law and by not using the law to gain sooner the ends of justice which law alone serves.
>
> If the white over-estimates what he has done for the Negro without the law, the Negro may under-estimate what he is doing and can do for himself with the law.
>
> If it is empty to ask Negro or white for patience, it is not empty—it is merely honest—to ask perseverance. Men may build barricades—and others may hurl themselves against those barricades—but what would happen at the barricades would yield no answers. The answers will only be wrought by our perseverance together. It is deceit to promise more as it would be cowardice to demand less.
>
> In this hour, it is not our respective races which are at stake—it is our nation. Let those who care for their country come forward, North and South, white and Negro, to lead the way through this moment of challenge and decision.
>
> The Negro says, "Now." Others say, "Never." The voice of responsible Americans—the voice of those who died here and the great man who spoke here—their voices say, "Together." There is no other way.
>
> Until justice is blind to color, until education is unaware of race, until opportunity is unconcerned with the color of men's skins, emancipation will be a proclamation but not a fact. To the extent that the proclamation of emancipation is not fulfilled in fact, to that extent we shall have fallen short of assuring freedom to the free.

CUBAN REFUGEES GIVEN PRECEDENCE OVER VETERANS IN FLORIDA VA FACILITIES

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS. Mr. Speaker, it has come to my attention that on Sunday, May 25, Veterans' Administration officials placed 13 seriously mentally disturbed Cuban refugees in the Veterans' Administration Medical Center in Tampa, Fla. I also understand that VA hospital directors in the State of Florida have been asked to identify additional beds that could be made available for other refugee admissions. The authority cited for this policy decision was the

President's declaration of a state of emergency in south Florida. (FEMA-3 079-EM, dated May 6, 1980.)

Mr. Speaker, on the day the Cubans were admitted I understand at least two eligible veterans were turned away from that very same hospital in Tampa because of lack of bed space. They were told to go to the VA hospital in Bay Pines, Fla., to seek the medical treatment granted to them by law because there was no room at Tampa.

Mr. Speaker, as chairman of the House Committee on Veterans' Affairs, I am highly disturbed by this situation. As the entire Florida delegation will testify, VA hospitals in that State usually operate at maximum capacity in handling the record patient demand. This situation is closely mirrored by every VA hospital across the country that has suffered from budget cuts and across-the-board personnel and hospital bed losses.

Mr. Speaker, my committee has recently received a copy of a memorandum from the Secretary of the Department of Health and Human Resources, the Director of the Office of Management and Budget, and other high level White House advisers, addressed to the President which states that there are 130,000 "un-needed" private sector hospital beds in the United States. Because of this fact, these advisers have recommended to the President that he exercise strict budget control limiting the growth of the VA and the development of other U.S. Health Care Systems.

The President accepted this proposal and agreed to require State and local health planning agencies to review all planned Federal health care construction.

Mr. Speaker, if the President's figures are correct, and if this plan as designed by the Department of Health and Human Resources is sound, then, just where are those 130,000 "un-needed" hospital beds?

Why were not those 13 Cubans put in 13 empty beds in the private sector? Instead of reimbursing the VA for their care, and denying medical treatment to eligible veterans, why was not the decision made to pay a private hospital in Florida or elsewhere to treat these patients?

If the administration is intent on making south Florida repository for Castro's jails, prisons, and mental institutions, then I believe they should have the foresight, the ability, and the proper direction to care for those refugees in what should be considered an appropriate manner, but, I do believe, just using commonsense, that we should take care of our own veterans first.

FLORIDA'S DADE COUNTY CALLED "LAND OF THE FREE AND HOME OF THE SCARED"

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, Americans are compassionate people and if, one day, we were to open our front door and find an abandoned child we probably would not hesitate to take it in—perhaps even including it a part of our own family.

If on the second day, we found a troubled family at our doors, we would certainly offer to help in any reasonable manner.

If, however, on the third day, we opened our doors to find hundreds of impoverished, downtrodden people speaking a strange language, crowding our front yard, we would probably be immobilized by fear and uncertainty. The Miami Herald summed up the national mood when it said—"Dade County is the land of the free and home of the scared."

This is the situation the American people face today as we ponder the implications of the 84,000 Cuban refugees who have come to our shores seeking sanctuary from Fidel's failures.

We are on the horns of a dilemma. Our tradition is to reach out and embrace the oppressed peoples of the world and invite them to share our liberties. But we are terrified by what we see. The reports of Castro emptying his prisons, mental hospitals and bordellos have created national uncertainty as to the wisdom of opening our doors to this most recent influx of Cubans fleeing Castro's repression.

The net result of the Cuban refugee situation has been to focus national and world attention on the problems associated with unrestricted immigration.

One of the problems for the United States is the cost. It has been estimated that it will cost us $9 million for every 1,000 unsponsored refugees. The best estimate of the cost of the current resettlement will be around $100 million, for welfare payments, unemployment benefits and the myriad of other expenses associated with transporting, housing, feeding, clothing and providing medical assistance to the thousands of new Cuban refugees now in this country.

The problem is compounded by our immigration laws which have a multiplier effect. For example, although our limitation on legal entrants is 280,000 per year, in 1978 we admitted 601,042 immigrants which included 147,000 family members of Indochinese and Cuban legal residents and about 200,000 new refugees from Southeast Asia and elsewhere.

However, the problems associated with legal immigration are dwarfed by those connected with illegal entrants. Last year alone, the INS arrested 1,069,000 illegal aliens. About two-thirds of that number were employed when apprehended.

During that same period, about 7 million youth, minorities and Vietnam veterans were unemployed. One INS study assesses the welfare costs of illegal immigration at $13 billion per year. Another report assesses the adverse impact on our balance of trade payments at $3 billion per year.

Mr. Speaker, the tide of immigrants, legal and illegal, is a very real social and economic threat to many Americans. We can no longer afford to remain immobilized in the face of the economic threat to our heavily burdened taxpayers. We need to swiftly move toward a conscious immigration policy which reflects both our national traditions and our economic realities.

NEW SUPPORT FOR SOCIAL SECURITY SYSTEM

(Mr. FISHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FISHER. Mr. Speaker, yesterday the National Commission on social security released a study showing that a majority of the American people still see more advantages than disadvantages to the social security system and that a strong majority want to support the system through the payroll tax rather than reduce benefits or use other tax mechanisms.

Given the onslaught of problems, real or perceived, which have resulted in a heated debate on the social security system over the past several years, this finding is both astounding and reassuring. It is easy in the rough and tumble of political and public debate to lose sight of the basic stability which has always characterized the American people.

I take particular pride as a member of the House Subcommittee on Social Security that we as a committee, as a Congress, and as a nation have shunned precipitious and hasty actions on this vital program.

We must continue to take that route.

The Social Security Subcommittee has within its membership representatives of every political persuasion. For the past year and a half, the subcommittee has carefully examined the condition of the social security program and the alternatives available for changes the Congress may want or need to make. But under the strong and decisive leadership of our esteemed colleague from Texas, the Honorable JAKE PICKLE, the subcommittee has avoided fractious debate and deceptive solutions.

The National Commission study showed that the public has a far greater knowledge of the workings of the social security program than is often perceived. This fact underscores the importance of social security. Clearly, the public cares about this program and about what happens to it.

One aspect of the study was troubling—and that was the fear of the young that the system will not have enough money to pay benefits when they reach retirement age. The Congress has a responsibility to spread the word that the full force of the U.S. Government stands behind commitments made in the social security program—and that the benefits will be paid.

I include here a summary of the survey, prepared for the National Commission by Peter D. Hart Research Associates, Inc.:

SUMMARY

RETIREMENT ATTITUDES

Although more Americans look forward to retirement than do not, they tend to have some reservations about the quality of retirement life. Most people are more concerned about not having enough money than about having enough to do in retirement.

Most Americans retire involuntarily. About two out of three of the retirees surveyed say they retired because of poor health or because of a mandatory retirement age or because they lost their jobs.

About one out of two Americans say they find early retirement (at about age 60) appealing. Early retirement is particularly appealing to blue collar workers, to people covered by pension plans, to people between the ages of 35 and 54, and to people with high family incomes (over $17,500).

Early retirement seems less appealing after retirement to people who are retired than to those who have yet to retire.

Only one-third of Americans find the idea of postponing retirement until age 70 appealing. Four in ten people say they would consider late retirement if they could receive significantly higher benefits as a result. In general, there is a close relationship between income and attitudes toward retirement; those who have or expect greater financial resources are generally more positive about retirement.

RETIREMENT INCOME

Nine out of ten non-retired Americans expect to receive Social Security in retirement, and 60 percent expect it to be a major source of retirement income. Among those already retired, 75 percent find it to be a major source of income. Only among non-retirees with family incomes over $25,000 is Social Security overshadowed by other sources of expected retirement income. About one-third of retired Americans say their income allows them to live comfortably, about one-third say it is only enough to pay monthly bills and obligations, and a slightly smaller number, 25 percent, say it is not enough to pay their monthly bills and obligations.

KNOWLEDGE OF SOCIAL SECURITY

Most Americans have a good working knowledge of the Social Security system. Most understand the main features of the system and its underlying philosophy, although some do not know about specific details.

Most people know that there is a relationship between the amount of Social Security benefits and the amounts of previous wages and salaries.

Most realize that Social Security is intended to supplement other retirement income rather than to serve as the sole source of income.

Most are able to volunteer that funds for Social Security come from taxes paid by employees, and when asked directly, about two out of three know that such taxes are paid by employers as well.

About three out of four know that there is no needs-test to qualify for benefits.

Most Americans know there have been increases in both Social Security benefits and taxes over the past ten years. They tend to say that benefits have increased "somewhat" and that taxes have increased greatly during that period. They tend to anticipate similar increases in both taxes and benefits over the next ten years.

Many are aware of non-retirement benefits provided by Social Security, such as disability and survivors' benefits and Medicare.

About two out of three know that Social Security taxes are not set aside in individual accounts for future retirees, but are used to pay benefits to current retirees.

In two areas, however, substantial number of Americans are misinformed.

Most do not know that federal employees are not covered by Social Security.

Most are not aware that Social Security benefits increase automatically with the cost of living.

SATISFACTION WITH SOCIAL SECURITY

Most Americans are neither extremely satisfied nor totally dissatisfied with Social Security. Respondents' overall impressions, however, are favorable. They are able to volunteer more advantages than disadvantages of Social Security and they tend to express a low level of objection to Social Security taxes in comparison with other taxes.

The most frequent complaints are about benefit levels. Although most Americans recognize that benefits are intended to supplement other sources of retirement income, most feel that Social Security alone should provide enough income to meet retirees' basic needs and obligations. Also, many Americans believe that Social Security disability and survivors' benefits are inadequate; this belief is particularly prevalent among those with low incomes, who are unlikely to have other protection against those eventualities. On the other hand, there is no great dissatisfaction with the fact that the system pays higher benefits to those who have earned more and paid more in taxes. About two-thirds of Americans recognize that the system works this way, and they believe that it should.

CONFIDENCE IN THE FUTURE OF SOCIAL SECURITY

Many Americans are concerned about the ability of the program to deliver future benefits at the levels now authorized. Sixty-one percent of the non-retired have little confidence that funds will be available to pay their retirement benefits. These doubts were expressed by almost three-quarters of those between ages 25 and 44. On the other hand, most Americans indicate that they expect Social Security to provide a significant part of their retirement income.

The large majority of people express basic support for Social Security. Only 19 percent say that, given the choice, they would leave the Social Security program, and full 76 percent oppose ending the program altogether; 67 percent strongly oppose doing so.

LEVEL OF SOCIAL SECURITY TAXES

In general, only about one in four Americans say that current Social Security taxes are too high, given the retirement, disability, survivors', and Medicare benefits provided by the program. Given the choice of higher Social Security taxes or lower future retirement benefits, higher taxes are selected by 63%. If the choice were between higher taxes and raising the retirement age, only 36% would favor raising the age for full retirement benefits from 65 to 68. A narrow plurality (43 to 35 percent) would favor financing Medicare from income taxes and other federal tax sources rather than raising Social Security taxes. When the choice is between two revenue sources to pay for benefits, pluralities favor the payroll tax over the federal income tax (49 to 26 percent) and over a national sales tax (45 to 31 percent).

OPINION OF SOCIAL SECURITY ADMINISTRATION

Almost half of all adult Americans have had some contact with the Social Security Administration, and the agency receives high marks from these people in terms of efficiency, service, and courtesy. Respondents tend to rate the Social Security system the same as or better than the other government agencies with which they have had contact.

ASYLUM SEEKERS GET BEDS IN VETERANS' HOSPITALS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I was surprised and distressed to hear the comments of my chairman, the gentleman from Texas (Mr. Roberts), a few minutes ago about the admission of aliens, so-called refugees, into the veterans' hospital in Florida and also the comments of the gentleman from Florida (Mr. Mica) and the gentleman from Arkansas (Mr. Alexander). I did not realize they were going to comment on the current refugee situation, but it was my intention to do so.

Mr. Speaker, I have just come back from a few days in southern California. The people in my area are very much distressed by the influx of refugees and asylum seekers into the United States. It is not that we are people without a feeling of pity for those who are distressed. We have absorbed illegal aliens from Latin America for many years. We now have, in California, the lion's share of those who come in from Southeast Asia, we have more than one-half of them. Our people are concerned because their jobs, their economy, and society are threatened, and they want some kind of orderly solution to this problem. I call upon the President and his administration to act decisively on this matter. And I am most distressed to hear my chairman, the gentleman from Texas (Mr. Roberts), tell us of American veterans being turned away from American veterans' hospitals while the beds are given to these asylum seekers.

BRIEF IN RESPONSE TO CHARGES AGAINST CHARLES H. WILSON OF CALIFORNIA

(Mr. FORD of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FORD of Michigan. Mr. Speaker, tomorrow the House will take under its consideration House Resolution 660, in the matter of Charles H. Wilson. It is vitally important that each Member give careful consideration to this resolution.

So that each Member will have every opportunity to become familiar with many of the arguments and debate that will take place tomorrow, I am enclosing in the Record a copy of a "Brief in Opposition to House Ethics Committee Disciplinary Resolution." I am also enclosing a letter sent to Mr. Wilson by Mr. Bolling, chairman of the Rules Committee, which explains the background for the insertion in the Record of this brief.

This brief outlines the basic arguments on behalf of Congressman Wilson. The brief highlights the committee process and the problems associated with that process, the nature and age of the violations and the difficulties the committee and Mr. Wilson had in defining the violations, and the lack of clear and convincing evidence to support alleged violations with specific detail to the facts of each alleged violation.

This is an easily read document and provides Members with specific pages to refer to in the committee report so that the nature, circumstances, and evidence surrounding this case can be fully understood.

Committee on Rules,
Washington, D.C., May 15, 1980.

Hon. Charles H. Wilson,
House of Representatives,
Washington, D.C.

Dear Charlie: I have carefully considered your letter of May 5, 1980, requesting the Committee on Rules to recommend to the

House a waiver of rule XXXII to permit your attorneys to be present during the debate and vote on House Resolution 660 and to make a presentation in your defense to the House.

After extended consultation with the Speaker and discussions with other Members, a decision has been reached that the action you request of the Committee on Rules would not be advisable.

As you know, clause 1, rule XXXII enumerates those persons and officials admitted to the Hall of the House or rooms leading thereto during sessions of the House and expressly prohibits all others. The intent of the rule is specific and states that "it shall not be in order for the Speaker to entertain a request for the suspension of this rule or to present from the chair the request of any Member for unanimous consent." Clause 4 further expressly prohibits clerks of committees or other persons admitted under clause 1 to engage in efforts to influence Members with regard to legislation and states that "such persons and clerks shall remain at the desk and are admitted only to advise the member or committee responsible for their admission."

A review of the precedents indicates that in the early years of the Congress, the House permitted counsel in election cases, and at least in one other instance, to be heard at the bar at the discretion of the House. In 1836, after full discussion, the practice was abandoned, and with one exception in 1841, has not been revived, even for the case of a contestant who could not speak the English language.

It is obvious, in view of the latter case mentioned, that prior Congresses have tenaciously adhered to the rule of allowing only elected Representatives to participate in legislative matters even in the most extenuating of circumstances. Reversing this procedure which has served the House well for the past 139 years could have very serious long term consequences for the institution and even for the democratic process, the full implications of which, I am sure, neither you nor I could completely or accurately predict.

Although I do not believe it advisable for the Committee on Rules to recommend a waiver of rule XXXII, I would like to assure you that every effort will be made to protect your rights as a Member of the House.

It is my understanding that your attorneys may submit a written presentation in your defense to a Member of the House who will in turn assure the statement is printed in full in the Congressional Record on the day prior to consideration of House Resolution 660. Chairman Bennett has also indicated that by agreement with you the privileged resolution will be called up Wednesday, May 21, 1980, which should allow your attorneys sufficient time to fully brief Members of the House who plan to speak on your behalf in the matter.

In a statement before the Committee on Standards of Official Conduct on May 14, 1980, Chairman Bennett further stated that when the resolution is called up for consideration by the House he will ask for additional debate time. Of the two hours which he plans to request, you or those Members representing you will be allotted half rather than the customary one-third.

As I am sure you are aware, Chairman Bennett also plans to yield to another Member at the close of debate so that an amendment may be offered which deals with the matter of depriving you of your subcommittee chairmanship, a subject more appropriately addressed by the Democratic Caucus.

This compromise, I believe, serves both your best interests as an individual Member of the House of Representatives and the institution itself.

Sincerely,

RICHARD BOLLING,
Chairman.

Brief in Opposition to House Ethics Committee Disciplinary Resolution—No. 660

INTRODUCTION AND SUMMARY OF PROCEEDINGS

In 1978, while supposedly conducting the "Korean Influence Investigation",[1] the Committee on Standards of Official Conduct began a separate inquiry into the financial affairs of Congressman Charles H. Wilson of California.[2] This investigation was not generated by a Complaint filed with the Committee, but was begun on the Committee's own initiative.[3]

After more than a year of *ex parte* investigation, including testimony at hearings held in executive session before Members who were later to sit in judgment on Mr. Wilson,[4] the Committee voted a Preliminary Inquiry Resolution against Mr. Wilson on November 28, 1979.[5]

Although proceedings up through this stage were held in executive session, and no information concerning them was to be disclosed,[6] immediately prior to Mr. Wilson's appearance in executive session, where he was to present his response to the preliminary inquiry allegations,[7] inflated versions of the allegations mysteriously appeared on the front page of the *Washington Post*.[8] The next day, the Committee heard from Mr. Wilson, but nevertheless voted a Statement of Alleged Violations, consisting of Fifteen Counts, against him.[9]

Pursuant to Comm. R.P. 12(a)(2), three Motions were filed on behalf of Mr. Wilson: (1) a Motion for Disclosure of Evidence and Exculpatory Information which was granted; [10] (2) a Motion for a Bill of Particulars, which was granted; and (3) a Motion to Dismiss, based chiefly on the length of time which had passed since the transactions alleged in the statement. The Motion was denied.[11]

On March 21, 1980, Mr. Wilson filed a Motion to Stay the Disciplinary Hearing, arguing that the Committee's procedures violated fundamental fairness as required by the Constitution, because these procedures permit *the same members to sit as accusors, investigators, prosecutors, grand jurors, judges and petit jurors*. The Committee was requested to defer further proceedings pending action by the full House of Representatives on H.R. Resolution No. 136, 96th Cong., 1st Sess. (1979), which proposes a remedy to many of these defects. After argument, the Committee denied this Motion.[12]

The first phase of the Disciplinary Hearing, the reception of evidence,[13] began on March 31 and continued through April 1, 1980. Final argument was deferred until April 16, 1980, to permit those members of the Committee who had missed portions of the testimony to read the transcript and the exhibits.[14] After hearing oral argument from counsel for the staff and counsel for Mr. Wilson, the Committee voted to dismiss seven counts against Mr. Wilson, while sustaining five counts, and portions of three others.[15]

Counsel for Mr. Wilson filed a Submission on Recommended Sanction, pursuant to *Comm. R.P.* 16(f), which urged the Committee to recommend the imposition of no sanction due to the age and relatively minor nature of the counts which had been sustained. The Committee met in executive session on April 24, 1980, for the second phase of the Disciplinary Hearing,[16] and following deliberations, it voted to recommend to the House of Representatives that Mr. Wilson be censured, and that he be denied the Chair on any Committee or Subcommittee of the House of Representatives for the remainder of the 96th Congress. These recommendations are now embodied in H.R. Resolution No. 660. For the reasons that follow, Mr. Wilson urges his fellow Members of the House of Representatives to reject these recommendations and to defeat H.R. Resolution No. 660.

ARGUMENT

The nature and age of the violations

In considering whether to accept the Committee's recommendation, it is of primary importance to recognize exactly what substantive misconduct Mr. Wilson has been found to have committed and of what charges he has been exonerated. Counts One through Three state that on three occasions in *1971 and 1972*, Mr. Wilson accepted "gifts" from Lee Rogers, a person having "a direct interest in legislation before the Congress", in violation of Clause 4 of the Code of Official Conduct.[17] Counts Seven through Eleven state that on five occasions, *all in 1971*, Mr. Wilson "converted" campaign funds to his personal use and failed to keep campaign funds separate from personal funds in violation of Clause 6 of the Code of Official Conduct. On the other hand, the Committee *overwhelmingly rejected allegations* that *Mr. Wilson was corruptly influenced in the performance of his official duty*,[18] that he "*kicked back*" money to Lee Rogers by paying him at a rate not commensurate with his duties,[19] and that he *perjured himself* in a deposition before the Committee on Standards of Official Conduct.[20] The *Committee also rejected* all *campaign fund conversion counts* which were *reported* to state or federal authorities.[21] *Thus, not only were the most serious allegations dismissed, but not one count remains alleging facts more recent than December 11, 1972, a full seven years before the Statement of Alleged Violations was voted.*

The pattern of these conclusions by the Committee is extremely relevant to evaluating the extreme sanctions recommended by the Committee for two reasons. First, those allegations which were rejected were *far* more serious than those sustained. If proved, they would have called for a sanction of the nature now recommended by the Committee.[22] Second, the *age* of those allegations deemed "proved" is critical to this body's decision on whether or not to accept the Committee's recommendation.

Throughout the proceedings before the Committee on Standards of Official Conduct, counsel for Mr. Wilson sought, and the Committee rejected, dismissal of the oldest charges against Mr. Wilson. *Yet these were the only allegations eventually sustained against him.*

This House, together with the Senate, have seen fit to enact into law a general *five year* period of limitations, after the expiration of which a person may *not be prosecuted* for felonies against the United States, which are not subject to the death penalty.[23] In rejecting Mr. Wilson's position, the Committee has repeatedly relied on the *technically* correct position that this statute does not apply to Disciplinary Proceedings. This reasoning demonstrates the Committee's insensitivity to the central rationale for the existence of statutes of limitations: the recognition that it is *fundamentally unfair and prejudicial* to call upon a person to defend his conduct after the passage of time has stripped that person of his means of defense. *United States* v. *Marion*, 404 U.S. 307, 323 (1971).

The Supreme Court has recognized that the Congressional purpose in enacting periods of limitations for criminal offenses is "to protect individuals from having to defend themselves against charges when the basic facts have become obscured by the passage of time and to minimize the danger of official punishment because of acts in the far-distant past." *Toussie* v. *United States*, 397 U.S. 112, 114–115 (1970).

Similar limitations have been enacted to govern civil suits, where the consequences are far less drastic than those presently contemplated. Limitations of actions in a civil context are intended to "promote justice by preventing surprise through the revival of claims that have been allowed to slumber until evidence has been lost, memories have faded, and witnesses have disappeared."

Footnotes at end of article.

Order of Railroad Telegraphers v. *REA*, 321 U.S. 342, 348–349 (1944).

The case presented against Mr. Wilson by the Committee on Standards of Official Conduct is a textbook example of these dangers and the basic impossibility of defending against overly stale claims. A prime illustration of Mr. Wilson's inability to properly defend himself can be seen in Counts Seven through Fourteen, the "campaign conversion" counts.

The Code of Official Conduct permits the conversion of campaign funds to personal use as "reimbursement for legitimate and verifiable prior campaign expenditures." [24] At the hearing, the central issue on these counts was whether or not the conversions constituted reimbursement for campaign expenditures.

Prior to April 5, 1972, there were virtually no reporting requirements for the expenditure of campaign funds. Subsequently, these matters were required to be reported in detail to state and federal authorities. Mr. Wilson *did* report the transfers which were the subject of Counts Twelve, Thirteen and Fourteen, the most recent of these counts, and documentation to that effect was introduced into evidence (Comm. Ex. No. 12(g); Respondent's Ex. A). The Committee voted to acquit Mr. Wilson on these Counts.

By comparison, Mr. Wilson did not have hard documentation for the transfers which took place in *1971*. There is a document, however, a copy of which was submitted to the Committee during the second phase of the Disciplinary Hearing, which certainly *suggests* that the $10,000 loan paid off by campaign funds, which was the subject of Count Seven, *was a loan made for campaign expenses*. Pursuant to discovery, this document was obtained from the Committee's files of subpoenaed bank records. The date of the postmark, July 13, 1970, and the Committee stamp number "038717" further suggest that it relates to the loan which was the subject of Count Seven. In addition, there is handwritten on the document the following:

$10m 120 day
campaign and operating expenses.

Since the term of the loan in Count Seven was 120 days for $10,000, this document suggests that some, if not all, of the proceeds of that loan were to be used for campaign expenses. If that is the case, then under the House Rules, Mr. Wilson would have been entitled to pay off the loan from campaign funds.

Due to the passage of time, however, counsel for Mr. Wilson were *unable to verify or authenticate* this document and, therefore, they were *unable to offer it into evidence.* It may be considered, however, as a striking example of the prejudice to Mr. Wilson's defense caused by the lack of *any* time limitation on Committee investigations.

Similar examples can be found throughout the testimony presented at the hearing. One illustration is provided by the absence of Mr. O. Robert Fordiani. He has been seriously ill since *October 1978*. Yet it was Mr. Fordiani who negotiated the transactions which were the subject of Counts Seven through Eleven.

Perhaps even more significant is the difficulty in recollection experienced by Mr. Lee Rogers, a Committee Witness, testifying under a grant of immunity which protects him from prosecution for any criminal offenses revealed by his testimony, unless he testified falsely.[25] Thus, Mr. Rogers had every reason to tell the truth and no reason to lie. Yet, Mr. Rogers was able to recall but little about Counts One, Two and Three, all of which dealt with events taking place in *1971* and *1972*.

When asked about the purpose of the loan in Count One, he answered "I can't remember. This was back in 1971." [26] Nor could he recall any discussion about a maturity date or interest on the loan.[27] Similarly, Mr. Rogers could recall none of the circumstances surrounding the loan which was the subject of Count Two.[28] When asked about the purpose of a five hundred dollar check, the subject of Count Three, Mr. Rogers stated flatly ". . . I can't tell you what it was because I don't remember." [29] Mr. Rogers did recall details concerning the transaction allegal in Count Four, the *most recent* of these counts, and the Committee voted to acquit Mr. Wilson of this allegation.

The prejudice to Mr. Wilson's defense is obvious. Memories have lapsed, witnesses have become unavailable, and documentation has disappeared. In the spirit of *fundamental fairness,* this House should reject the Committee's recommendation for these reasons.

The nature and age of the Counts sustained against Mr. Wilson require rejection of the Committee's recommendation for another reason. Mr. Wilson was found to have transgressed two substantive provisions of the Code of Official Conduct, Clause 6, in 1971 and Clause 4, in *1971* and *1972*.[30] Yet, *neither* of these provisions was authoritatively and specifically construed until the issuance of the Advisory Opinions of the Select Committee on Ethics *in 1977*.[31]

For instance, in *1971* and *1972*, Clause 4 of the Code of Official Conduct prohibited the acceptance of "gifts of substantial value from a person with a direct interest in legislation." However, until the issuance of Advisory Opinions in *1977*, neither the term "gift" nor the term "direct interest in legislation" was defined. It is simply unfair to punish Mr. Wilson in *1980* for his failure *to predict* in *1971* and *1972* that what he considered loans from a friend would later be considered "gifts of substantial value from a person with direct interest in legislation before the Congress". The Select Committee on Ethics recognized this very problem, stating in 1977, as follows:

"However, the term 'direct interest in legislation' was neither defined nor discussed in the legislative history surrounding Rule XLIII, and Clause 4, itself was essentially unenforceable because of the totally subjective nature of the term "substantial value." *Advisory Opinion No. 10,* 95th Cong. (May 11, 1977).[32]

Considerations of this nature led the House to enact a limitation of the Committee's investigative power, in the nature of an *ex post facto* clause. Thus, H.R. Rule X, Clause 4(e)(2)(C) provides in pertinent part:

> No investigation shall be undertaken by the committee of any alleged violation of a law, rule, regulation, or standard of conduct not in effect at the time of the alleged violation. H.R. Rule X, Cl. 4(e)(2)(C).

This Rule is similar to the Constitutional prohibition against *ex post factor* laws, *U.S. Const., art.* 1, § 9, cl. 3, and both are based upon the same fundamental principle—"the notion that persons have a right to *fair warning* of that conduct which will give rise to . . . penalties." *Marks* v. *United States*, 430 U.S. 188, 192 (1977). (Emphasis added.) "Fair warning" does *not* consist of the bringing of charges against Mr. Wilson after a lapse of *at least seven years.* While both the House Rule and the Constitutional prohibition speak only to the enactment of legislation, the Courts have held that the *same principle* (of "fair warning") prohibits punishment under a law whose scope is enlarged by *subsequent* interpretation, *Rabe* v. *Washington*, 405 U.S. 313 (1972).[33] Since Clause 2 of the Code of Official Conduct enjoins Members of this House to adhere to both the "spirit and the letter" of House Rules,[34] the Committee's recommendation must be rejected as violative of the "spirit" of H.R. Rule X, Clause 4(e)(2)(C).

The insufficiency of the evidence

An independent reason for rejecting House Resolution No. is the insufficiency of the evidence to sustain those counts which the Committee found to have been "proved". In order to uphold any of the allegations against Mr. Wilson, the House of Representatives must conclude that the Committee staff established the facts alleged in the Statement of Alleged Violations "clearly and convincingly", by *evidence* introduced at the Disciplinary Hearing. *Comm. R.P.* 16(e).

"Clear and convincing evidence" is a standard of proof required by the Courts "to protect particularly important individual interests", *Addington* v. *Texas*, 99 S.Ct. 1804, 1808 (1979). It calls for proof more stringent than "a bare preponderance of the evidence which leaves the issue in doubt", *Schneiderman* v. *United States*, 320 U.S. 118, 125 (1943). In other words, the evidence must be such that it demonstates that the truth of the allegations is highly probable, not simply more likely than not.

The charges sustained against Mr. Wilson fall into two categories, those where the Committee found that Mr. Wilson had received "gifts" from Mr. Rogers, "a person with a direct interest in legislation", (Counts 1–3) and those arising out of Mr. Wilson's conversion of campaign funds for personal use (Counts 7–11). Each category is discussed herein.

The "Lee Rogers Counts"

On each of these Counts, the Committee found proved the allegation that Mr. Wilson had received a "gift" from Lee Rogers. Yet, the *only* evidence at the Disciplinary Hearing was that the transactions set forth in Counts One and Two were *loans*. *No evidence* at all was presented as to the nature of the payment alleged in Count Three.

Committee Exhibits Nos. 1 and 2, checks evidencing the payments alleged, were both clearly marked "LOAN". Mr. Levy, a Committee witness, and former staff member, testified that these notations were on the checks when he reviewed them in 1978 [35] and Mr. Rogers, testifying on his oath and with a grant of immunity, affirmed that the purpose of these checks was to loan money to Congressman Wilson.[36] Under cross-examination by counsel for Mr. Wilson, Mr. Rogers admited to being a "man of considerable means", who has made similar loans to others.[37] When examined by Mr. Thomas of California, he named the borrowers and acknowledged having made a similar loan only three weeks before the hearing.[38]

Staff Counsel sought to impeach this characterization of the payments by noting the lack of a maturity date for the loans. However, it is universally recognized that loan instruments which bear no term are payable on demand. *See* UNIFORM COMMERCIAL CODE § 3–108 (1962). Similarly, Staff Counsel pointed to the lack of terms for interest as discrediting these payments as valid loans. What Mr. Rogers actually testified was that he could not recall "any conversation about interest".[39] This does *not* mean that the loans did not bear interest, for, under California law: "Whenever a loan of money is made, it is presumed to be made upon interest, unless it is otherwise expressly stipulated at the time in writing." CAL. CIVIL CODE § 1914 (Deering 1972).[40]

Thus, there was *no* evidence introduced at the hearing to support any conclusion but that the payments alleged in Counts One and Two were bona fide loans, and no evidence at all to support any conclusion concerning the nature of the payment alleged in Count Three. *The Committee's findings* on these Counts is therefore *based upon pure speculation* and should be rejected.

Alleged conversions of campaign funds

The Staff presented long testimony and elaborate exhibits in an attempt to prove

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Footnotes at end of article.

that Mr. Wilson converted campaign funds to his personal use. Despite these efforts the evidence fell far short of being clear and convincing and, indeed, missed the central point: *Clause 6 of the Code of Official Conduct has always permitted the transfer of campaign funds as reimbursement for legitimate and verifiable campaign expenditures.*[41]

Mr. Wilson has previously testified that *reimbursement for campaign expenditures* was *exactly* the purpose of these transfers.[42] Moreover, this testimony was given during the Korean Influence Investigation, when Mr. Wilson had no reason at all to be concerned about the source of these funds.

Mr. Wilson admitted that as of April 17, 1978, he had no records *at that time*, to verify these expenditures.[43] However, he did *not* state that he *never* possessed such records, and it is hardly surprising that he would not retain them for transactions occurring *more than six years before he was first asked about them.* It is only fair to presume that, had anyone asked Mr. Wilson about these transactions in a timely fashion, he *could* have produced the records to verify his expenditures.

There are numerous other deficiencies in the staff's evidence on these counts. As Mr. Chlan admitted, if the transfers were reimbursement, then, once Mr. Wilson received the money back, he was entitled to spend it as he wished.[44] Thus, the evidence concerning to what use the money was put by Mr. Wilson is of no probative value.

It is equally significant that the evidence on Counts Seven, Eight, Nine and Ten failed to demonstrate that Mr. Wilson *ever* signed or endorsed a single check drawn on his *Campaign Account.*[45] Indeed, the Staff failed to offer *any* evidence to support a theory that Mr. Wilson even knew that these payments were eventually made from his *Office Account.*[46]

Similarly, the Staff did not introduce *any* statements signed or acknowledged by Mr. Wilson, which support its contention that the loans retired by the transactions set forth in Counts Eight and Nine, were loans for personal expenses.[47] As Mr. Thomas' examination brought out, the documents introduced were secondary and internal bank documents,[48] and no witnesses were produced to testify as to the sources of the information or the meaning of the term "personal expenses". Indeed, page 2 of the Committee Exhibit No. 7(c) indicates that this is a *commercial* loan.

Since the Committee has the burden of proving its allegations by clear and convincing evidence, and it has failed to do so, the findings on these counts should also be rejected.

Committee procedures and fundamental fairness

Both prior to the Disciplinary Hearing, and during the Hearing itself, Counsel for Mr. Wilson have raised objections to the procedure by which this House disciplines its Members. The Committee on Standards of Official Conduct rejected these Motions, presumably believing them to be more appropriately addressed to the House of Representatives as a body. Mr. Wilson's case is now before the entire House which has the authority to act upon these objections on the merits, by rejecting the Recommendations of the Committee on Standards of Official Conduct.

The gravaman of Mr. Wilson's position may be stated rather simply. *A fundamental requirement of due process of laws,* basic to all American notions of fairness *is the concept of a fair hearing before an impartial tribunal.* The procedures for disciplining its own Members prescribed by the present Rules of the House of Representatives, and the Rules of the Committee on Standards of Official Conduct, do not meet this test. House of Representatives Rule X, clause 4(e) (1)[49] and the Rules of the Committee permit the same twelve Members of the House, in conjunction with the Committee staff:

(a) to initiate investigations, *See Comm. R.P.* 13;

(b) to make a finding that the investigation "merits further inquiry," *Comm. R.P.* 11(a);

(c) to make a finding that "there is reason to believe that [a] violation occurred," *Comm. R.P.* 11(b);

(d) to decide motions to dismiss and other procedural matters, *Comm. R.P.* 12(b);

(e) to determine the sufficiency of the proof as to each allegation, *Comm. R.P.* 17(a);

(f) and to make recommendations on the appropriate sanction, *Comm. R.P.* 17(b).

Thus, the Committee, unlike *any* other body in the United States, *sits as accusors, investigators, prosecutors, grand jurors, petit jurors and judges.*

As the Chief Justice of the United States has pointed out, this type of procedure places an accused Member:

". . . at the mercy of an almost unbridled discretion of the charging body that functions at once as accuser, prosecutor, judge, and jury from whose decision there is no established right of review. In short, a Member would be compelled to defend in what would be comparable to a criminal prosecution without the safeguards provided by the Constitution. Moreover, it would be somewhat naive to assume that the triers would be wholly objective and free from considerations of party and politics and the passions of the moment." *United States* v. *Brewster*, 408 U.S. 501, 520–21 (1972). (citation omitted).

The Supreme Court of the United States has rejected a strikingly similar process arising out of the Michigan judge-grand jury procedure in the case of *In Re Murchison*, 349 U.S. 133 (1955). In holding that the procedure violated due process, the Court articulated the basis for its decision in language equally applicable to the instant case:

A fair trial in a fair tribunal is a basic requirement of due process. Fairness of course requires an absence of actual bias in the trial of cases. But our system of law has always endeavored to prevent even the probability of unfairness. To this end no man can be a judge in his own case and no man is permitted to try cases where he has an interest in the outcome. That interest cannot be defined with precision. Circumstances and relationships must be considered. This Court has said, however, that, "Every procedure which would offer a possible temptation to the average man as a judge . . . not to hold the balance nice, clear and true between the State and the accused denies the latter due process of law." Tumey v. State of Ohio, 273 U.S. 510. Such a stringent rule may sometimes bar trial by judges who have no actual bias and who would do their very best to weigh the scales of justice equally between contending parties. But *to perform its high function in the best way "justice must satisfy the appearance of justice."* Offutt v. United States, 348 U.S. 11, 14.

It would be very strange if our system of law permitted a judge to act as a grand jury and then try the very persons accused as a result of his investigations. Perhaps no State has ever forced a defendant to accept grand jurors as proper trial jurors to pass on charges growing out of their hearings. A single "judge-grand jury" is even more a part of the accusatory process than an ordinary lay grand juror. Having been a part of that process a judge cannot be, in the very nature of things, wholly disinterested in the conviction or acquittal of those accused. While he would not likely have all the zeal of a prosecutor, it can certainly not be said that he would have none of that zeal. *Fair trials are too important a part of our free society to let prosecuting judges be trial judges of the charges they prefer. In Re Murchison,* 349 U.S. at 136–37 (footnotes omitted, emphasis added).

There is presently pending before the Rules Committee of this House a proposal which would eliminate many of these defects, *H.R. Resolution No. 136,* 96th Cong., 1st Sess. (1979). If enacted, this Resolution would amend clause 4(e) of Rule X of the Rules of the House of Representatives so that the responsibility for making findings respecting allegations of misconduct by Members of the House would be transferred from the Committee on Standards of Official Conduct to panels of Members of the House selected by lot. These panels would consist of four Members and one alternate Member from each party who are to be selected by lot. Limited peremptory challenges and challenges for cause would be permitted. Finally, neither Members of the Committee on Standards of Official Conduct nor the accused Member would be permitted to serve.

This Resolution is sponsored by nine present or former Members, of both parties, of the twelve member Committee on Standards of official Conduct.[50] It would go a long way toward eliminating any appearance of injustice inherent in the present system of adjudicating alleged misconduct by Members of the House of Representatives.

While Mr. Wilson does not claim that those Members of the Committee who participated in all stages of the proceedings [51] were biased against him, he does note, as did the Supreme Court in both *Brewster* and *Murchison,* the virtually impossible burden which present procedures place upon Members of the Committee, who, after all, are human beings. *Surely, a Member of this body is entitled to the same fundamental protections which are accorded to any other American citizen.* Since the present Rules of this House and of the Committee on Standards of Official Conduct deprived Mr. Wilson of one of the most basic of those protections, the right to be judged by a tribunal free of even unwilling predisposition, the Committee's recommendation should be rejected and H.R. Resolution No. 660 defeated.

Respectfully submitted on behalf of the Hon. Charles H. Wilson.

Walter J. Bonner,
Thomas A. Guidoboni,
Bonner, Thompson, O'Connell, Gaynes & Middlekauee, *Counsel for Charles H. Wilson.*

FOOTNOTES

[1] H.R. Res. 252, 95th Cong., 1st Sess. (1977); See House Comm. on Standards of Official Conduct, *Korean Influence Investigation,* H.R. Rep. No. 1817, 95th Cong., 2nd Sess. (1978).

[2] *See* Testimony of Marvin M. Levy, Committee Witness, that he investigated Mr. Wilson's finances sometime prior to October 31, 1978. H.R. Rep. No. 930, 96th Cong., 2nd Sess. at 131 (1980). (Tr. 32). (At this writing neither the House Resolution of censure nor the Committee's Report have been printed. The references are therefore left blank.)

[3] *Compare* Committee Rule of Procedure (hereinafter Comm. R.P.) 10 *with* Comm. R.P. 13.

[4] *See* Testimony of Committee Witness Lee Rogers at H.R. Rep. No. 930, page 180 that he appeared before the Committee a number of times. (Tr. 154). It should be noted that most of this testimony was taken prior to the Committee's vote on the Preliminary Inquiry Resolutions although the Committee's Rules of Procedure would appear to permit the issuance of subpoenas and taking of testimony only *after* the vote for a preliminary inquiry. *Compare* Comm. R.P. 11(a) (2) (c) *with* Comm. R.P. 13.

[5] Comm. R.P. 11(a); Although H.R. Rule X, Caluse 4(e) (2) (A) provides that "no investigation of such conduct shall be undertaken by [the Committee on Standards of Official Conduct] unless approved by the affirmative vote of a majority of the members

of the Committee," there is no record of such a vote taking place prior to November 28, 1979, although the investigation had already been in progress more than a year.

[6] Comm. R.P. 6(b); H.R. Rule X, Clause 4(e)(2)(F); H.R. Rule XI, Clause 2(k)(7).

[7] Comm. R.P. 11(a)(2).

[8] Babcock, "Kickback Case Against Wilson Nearing Ethics Committee Vote", *The Washington Post* A1 (December 11, 1979) Mr. Babcock attributed his story to "sources familiar with the investigation", and "one *Ethics Committee source*".

[9] Comm. R.P. 11(b).

[10] Among other things, the Committee ordered that transcripts of *ex parte* testimony be turned over to Mr. Wilson for preparation of his defense. Immediately, thereafter, the Committee ceased taking *ex parte* testimony under oath.

[11] This Motion is discussed in detail at pp. 6–12, *infra*.

[12] The substance of this Motion is discussed at pp. 16–20, *infra*.

[13] *See* Comm. R.P. 16.

[14] While this procedure is preferable to having Members who missed part of the evidence vote immediately, as a member of the Committee has pointed out, the procedure is "unsatisfactory because it's not the same as being here. You don't get to observe the demeanor of the witnesses." Honorable Richardson Preyer, *The Washington Post*, A4. (April 2, 1980). Mr. Preyer is a former judge of the United States District Court.

[15] The Committee rejected as not proved, allegations in Counts One, Two and Three, which stated that Mr. Wilson received payments "under circumstances which might be construed by reasonable persons as influencing the performance of his official duties."

[16] Comm. R.P. 17; *See also* H.R. Rule X, Clause 4(e)(1).

[17] *See* Comm. Ex. No. 5, H.R. Rule XLIII, Clause 4, H.R. Doc. No. 439, 91st Cong., 2nd Sess. (1971); This is the Code of Official Conduct in effect in 1971 and 1972.

[18] Portions of Counts One, Two, Three. Count Four which contained similar allegations was rejected in its entirety.

[19] Counts Five and Six.

[20] Count Fifteen.

[21] Counts Twelve, Thirteen, Fourteen. These were the only transfers from campaign funds which were recent enough to require reporting under the Federal Elections Campaign Act of 1971, Pub. L. No. 92–225, (February 7, 1972) which became effective on April 5, 1972. *See* Testimony of Witness Frank Chlan at 156 (Tr. 96), and Michael Leo Murray at 211 (Tr. 231).

[22] *See* Comm. R.P. 17(c); 125 Cong. Rec. 6900 (daily ed., July 31, 1979) (debate on H.R. Res. 378).

[23] 18 U.S.C. § 3282.

[24] H.R. Rule XLIII, Clause 6, H.R. Doc. 403, 95th Cong. 2nd Sess. 1979). A similar provision existed in 1971. *See* Comm. Exhibit No. 5.

[25] *See* 18 U.S.C. §§ 6002, 6005; Testimony of Lee Rogers H.R. Rep. No. 930 at 183 (Tr. 161).

[26] H.R. Rep. No. 930 at 174 (Tr. 140).

[27] *Id.* at 175 (Tr. 140–41).

[28] *Id.* at 175 (Tr. 142–43).

[29] *Id.* at 176 (Tr. 144).

[30] *See* n. 17, *supra.*

[31] H.R. Select Comm. on Ethics, Advisory Opinions, 95th Cong., 1st Sess. (May 11, 1977), reprinted in H.R. Comm. on Standards of Official Conduct, *Ethics Manual for Members and Employees of the U.S. House of Representatives*, H.R. Doc. No. 134, 96th Cong., 1st Sess. (1979).

[32] *Id.*

[33] *Accord Bouie* v. *Columbia*, 378 U.S. 347 (1964).

[34] H.R. Rule XLIII, Clause 2, n. 24, *supra.*

[35] H.R. Rep. No. 930, at 129-130 (Tr. 27-29).

[36] *Id.* at 174, 175 (Tr. 139, 142).

[37] *Id.* at 182 (Tr. 160).

[38] *Id.* at 191 (Tr. 183).

[39] *Id.* at 174, 175, (Tr. 140, 143).

[40] The same provision has been law in California for more than one hundred years. *See* California Code Amendments of 1873-74, ch. 201 at 245.

[41] H.R. Rep. No. 930 at 157–58 (Testimony of Mr. Chlan, Tr. 99-101); Committee Exhibit No. 5.

[42] *Id.* at 342-44, (Committee Exhibit No. 17).

[43] *Id.*

[44] Id. at 158 (Tr. 101).

[45] *Id.* at 152, 154, 155 (Tr. 88, 92, 94).

[46] At the time of these transactions, House Rules did not prohibit unofficial office accounts, *See* H.R. Rule XLV, and these accounts could be used to defray operating expenses, *Advisory Opinion* No. 5, n. 31, *supra.*

[47] H.R. Rep. No. 930 at 153, 154, 155. (Testimony of Mr. Chlan, Tr. 90, 91, 93).

[48] *Id.* at 162, 163 (Tr. 111–112).

[49] *See* n. 24, *supra.*

[50] The Resolution was introduced by Mr. Murtha, for himself, Mr. Slack, Mr. Preyer, Mr. Spence, Mr. Hollenbeck, Mr. Livingston, Mr. Thomas, Mr. Sensenbrenner and Mr. Murphy of Illinois.

[51] Mr. Stokes, Mr. Fowler and Mr. Rahall were not on the Committee during any of the *ex parte* investigations.

☐ 1540

NO SENSE OF SHAME

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, today's Wall Street Journal carries an editorial entitled "No Sense of Shame." I commend it to your attention.

It describes how President Carter went out to the aircraft carrier *Nimitz* and promised the brave crew that he is raising their pay. Or, as the Journal notes:

> He will not veto the Nunn-Warner bill for higher reenlistment pay and other bonuses, which overwhelmingly passed the Senate, but which Mr. Carter adamantly opposed until he landed on the *Nimitz* flight deck Monday.

Welcome aboard, Mr. President.

The article follows:

NO SENSE OF SHAME

So Jimmy Carter goes out to greet the men of the Nimitz task force, nine months at sea, and announces that he is raising their pay. That is, he will not veto the Nunn-Warner bill for higher reenlistment pay and other bonuses, which overwhelmingly passed the Senate, but which Mr. Carter had adamantly opposed until he landed on the Nimitz flight deck Monday.

On days when he is not posing as the best friend of 6,500 sailors, Mr. Carter is doing everything he can to resist rearmament measures nearly everyone else recognizes as necessary. Consider, the President on May 15 sent an extraordinary letter to Chairman John C. Stennis of the Senate Armed Services Committee warning that the extra $6.2 billion the House approved for weapons procurement would hurt rather than help national defense.

The $6.2 billion addition, Mr. Carter wrote, "could adversely affect today's military readiness by forcing offsetting reductions in operations and personnel accounts."

In a follow-up to Mr. Carter's letter, Defense Secretary Harold Brown last week wrote to Senator Stennis saying that "the House bill would result in a serious misallocation of defense budgetary resources within the total, especially between the operating and investment accounts." He continued that the increased funding "creates a serious imbalance in the President's defense program, places undue stress on our scarce economic resources, and ironically jeopardizes the added military capability we all seek."

In short, Mr. Carter and his defense secretary are using the fictitious balanced 1981 budget as a club with which to beat back military preparedness. They blandly assume that nothing can be cut anywhere else in the budget to spend more on defense, so that if Congress decides to spend more on weapons it must spend less on military personnel. Of course, when proposals were made to finance more military spending by reducing social programs, Mr. Carter and Mr. Brown lobbied against those too. And Mr. Brown's Pentagon and Mr. Carter's budget office conspired to meet the President's pledge of a 3 percent real budget increase by holding down spending in the base year rather than increasing it in the future.

The fact is that Mr. Carter's revised budget plans for fiscal 1981 are not significantly different from his "pre-Afghanistan" proposals announced in January. The defense budget does not provide for sufficient purchase of spare parts, fuel or ammunition; spending on research and development in new weapons systems is less than requisite; and the procurement budget is not even adequate to replace the number of planes taken out of service or wrecked each year, and the services are losing qualified personnel at an alarming rate.

An increase in defense spending would not place "undue stress" on our economic resources; military outlays as a percentage of gross national product remain well below the historical levels that have prevailed in peacetime since World War II. Budget deficits are due not to the Pentagon but to the meteoric rise in transfer payments to individuals over the last decade.

Congress is recognizing these imperatives, in both Senate passage of the Nunn-Warner bill on personnel and House passage of the larger procurement budget. The various maneuvers of Mr. Carter and Mr. Brown, including tasteless trips to the Nimitz, can only be understood as a rear guard action intended to hold back the public and congressional pressure for more military preparedness, and keep defense spending as low as politically possible.

PRESERVE VA HOSPITALS FOR VETERANS

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAMMERSCHMIDT. Mr. Speaker, I was shocked to learn that the Carter administration is now placing Cuban refugees in Veterans' Administration hospitals.

It is my understanding that White House officials last weekend asked the Veterans' Administration officials if they could admit some of the Cuban refugees into VA facilities in the State of Florida. The Veterans' Administration officials readily agreed and 13 Cuban refugees, all psychiatric patients, were promptly admitted to the Veterans' Administration medical center in Tampa, Fla. This action was taken, Mr. Speaker, despite the shortage of VA hospital beds in Florida created by inadequate funding and the unprecedented influx of veterans into the State.

Coincidentally, Mr. Speaker, a memorandum dated April 24 from administration officials to the President calls attention to a national total of 130,000 unneeded beds costing the country $4 billion and the Federal Government $1.1 billion annually. The memorandum then suggests that construction of Federal hospitals be sharply curtailed and unused beds in the private sector be used for veterans hospitalization under a contract agreement.

Mr. Speaker, if this administration sees 130,000 unused beds in the Nation, why cannot some of these beds be used for the hospitalization of Cuban refugees.

It is unconscionable, Mr. Speaker, to open Veterans' Administration hospitals to persons who are not even citizens of the United States, while in some areas, veterans are denied admission to VA facilities because of the unavailability of a bed.

The Veterans' Administration hospital system was created as an independent system to provide medical care and treatment to the Nation's veterans. Meeting the medical needs of veterans has always been one of our Nation's highest priorities.

I trust the President will discontinue this action, and preserve VA hospitals for veterans rather than nonveterans who seek to enjoy the freedom those veterans fought for.

U.S. COMMITMENT TO THE AZORES

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

● Mrs. HECKLER. Mr. Speaker, when the House continues consideration of H.R. 6942 I intend to offer an amendment to title II which would increase the economic support fund moneys by $5 million and earmark the increase for Portugal for disaster relief and reconstruction in the Azores to assist in alleviating the human suffering caused by the earthquake that struck the islands on January 1, 1980. The text reads:

AMENDMENT TO H.R. 6942, AS REPORTED, OFFERED BY MRS. HECKLER

Page 18, line 19, strike out "$2,105,500,000" and insert in lieu thereof "$2,110,500,000"; on page 22, line 9, strike out the closing quotation marks and the second period; and after line 9, insert the following new subsection:

"(h) Of the amount authorized to be appropriated for the fiscal year 1981 to carry out this chapter, $5,000,000 shall be available only for Portugal for disaster relief and reconstruction in the Azores to assist in alleviating the human suffering caused by the earthquake that occurred in those islands on January 1, 1980.".

Days after the earthquake hit I visited the Azores to inspect the damage and evaluate U.S. relief efforts. The extent of the devastation was dramatic evidence of the challenge that faced the Azorean people. Fifty were killed, 500 injured, and 20,000 left homeless. Even now thousands remain in temporary quarters, some of them tents supplied by the United States, or living with relatives in crowded conditions. The devastation to this island nation and the economic impact on the Azorean economy will be felt for years to come. It is incumbent upon this Congress to provide direct economic support to the Azores to expedite the islands' return to some semblance of economic and social order.

The current world situation, marred by uncertainty and dotted with a series of potential crises, prompts me to urge that the Congress make a statement to U.S. allies through legislative vehicles like H.R. 6942. The island of Terceira is the home of the U.S. forces Lajes Field, a major refueling stop for U.S. military planes and the principal launching point for U.S. assistance to Israel during the 1973 Middle East war.

Portugal has stood by the United States in times of crises when her soil and her strategic location were critical to U.S. interests. The ongoing support of all the Portuguese people, especially the residents of the Azores, should be acknowledged by a vote of confidence in the Azorean efforts to rebuild and reconstruct that island nation whose geographic importance to the United States increases with each passing day.

In my meetings with Moto Amaral, the President of the Azores, I learned that reconstruction costs were estimated to be $70 to $100 million and the work would span 3 to 5 years. This economic blow is being absorbed by an economy where the per capita income is $600 annually.

Mr. Speaker, the time has come for the United States to take note of the steady support we receive from friends who stand by us in times when it takes courage, stamina, and selflessness to be our ally.

There is no question that the Azores can put the $5 million to good use in the urgently needed rebuilding of homes and schools damaged or destroyed by the earthquake. In fact, this amount is not adequate to address the total magnitude of the rebuilding of roads, places of business, homes, and the replacement of goods destroyed by this tragic earthquake.

The Portuguese American community in the United States has given generously to assist in the relief effort. This amendment calls for a meaningful congressional commitment for some of the most strategically located islands in the world, and one of our most faithful allies.

I have seen the devastation; I believe the current $5 million in reprogramed funds earmarked from aid to Portugal in fiscal year 1980 will be clearly insufficient because the rebuilding effort will go far beyond September 30, 1980. This amendment will assure continuity of our commitment to an ally and friend as her massive rebuilding effort proceeds.●

LET US HALT THE WASTE OF TAXPAYER'S MONEY

The SPEAKER. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, I am pleased to add the support of my colleague, Congressman WILLIAM GRAY, to my bill, H.R. 4717, which would halt year-end spending and wasteful Federal contracting. Since H.R. 4717 has been reported out of both the Post Office and Civil Service Committee and the Government Operations Committee, I am unable to add Congressman GRAY as an official cosponsor. But I would certainly like to add his support to the 63 cosponsors already on H.R. 4717.

I think it is time for the Government to be a smart manager by enforcing its avowed policy of cost-effective contracting and by establishing firm controls over year-end spending sprees. I believe it is our responsibility to institute controls which eliminate this waste. I urge the other Members of this body to join with me in bringing to a halt this waste of taxpayer's money by supporting my bill, H.R. 4717.●

VA HOSPITALS CREATED FOR VETERANS

The SPEAKER. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, as the chairman of the House Committee on Veterans' Affairs (Mr. ROBERTS) stated in the Chamber earlier today, we are advised that the Administrator of Veterans' Affairs has authorized the placement of 13 Cuban refugees in the VA Medical Center in Tampa, Fla. These refugees, I am told are psychiatric patients. We have not been advised as to the length of stay of these individuals.

Mr. Speaker, VA hospitals were created for American veterans—those individuals who served our country in time of war. They were established for a special class of U.S. citizens. I am, therefore, disappointed with the Administrator's decision. I recognize that pressure probably was applied by the White House individuals who carry out the duties and responsibilities of the Federal Emergency Management Agency. That notwithstanding however, I think the Administrator's decision to allow the Cuban refugees to be admitted is wrong.

As Mr. ROBERTS has stated, most VA hospitals in Florida are operating with an average daily patient census higher than the national average. In addition, as has already been pointed out, thousands of veterans are establishing residences in the State of Florida every month. Given the patient demand, the admission of the Cuban refugees will adversely impact on some veterans seeking treatment at the Tampa facility.

This, in my opinion, should never happen. I hope no veteran in need of treatment in the Tampa area will be denied such treatment because 13 beds are being occupied by Cuban refugees.

VA officials in briefing us on the disposition of the Cuban patients yesterday were not prepared to tell us the length of their stay. We have been informed that there are no plans, as of now, to admit further patients. I hope that decision remains firm, Mr. Speaker, and I would urge the Administrator to move with dispatch in placing these refugees in non-VA facilities. There is no reason why this cannot be done since officials at HEW have led us to believe that we have an excess number of unneeded beds in the private sector.

As a member of the Committee on Veterans' Affairs, I concur with the remarks made by my chairman, and I hope the committee will be advised shortly that only American veterans are being treated in VA hospitals and outpatient clinics. If we need to change the law to make sure that happens, then I am prepared to make that recommendation to the members of our committee.●

"VICTIMLESS CRIMES"—ONE VICTIM IS THE FAMILY

The SPEAKER. Under a previous order of the House, the gentleman from Utah (Mr. McKay) is recognized for 5 minutes.

● Mr. McKAY. Mr. Speaker, this year the Nation has been attempting some soul searching to examine the state of the American family. In conferences held in towns, cities, regions, and later at the White House, Americans will be discussing the questions which have to be asked and answered about this, the most basic of American institutions.

As this inventory goes forward, I would like to contribute to this process through a regular presentation of issues I would like to see addressed by these conferences. This series will build upon past discussions I have initiated in this forum on this very important matter.

The problems which afflict the modern American family generally are the result of massive social changes which go beyond the scope of one piece of Federal legislation or another. We as a nation are not going to restore the American family to health and strength by merely repealing Federal laws or passing new ones. We must look for real solutions to the problems facing the American family, and not for scapegoats.

However, at the same time we must clearly recognize that governments at all levels sometimes are the instruments by which unfortunate social trends are able to speed the disintegration of the family.

One collection of policy decisions of this kind comes under the heading of "victimless crimes."

Of course, the so-called victimless crimes are nothing of the sort. Individuals are victims. The family is a victim. Society is a victim.

Columnist Joseph Sobran has written insightfully about what he calls our age of "moral special interests." He says our public laws and the official actions of our governments are prone to manipulation by these special interests. For instance, he says that in some places today abortion has become the sacred topic that motherhood once was.

How have these traditional values become reversed? Sobran says the process has three phases: First, the reformers demand exceptions to the old rule; second, they attack the old itself, and third, they demand the substitution of their own rule.

The first phase, he says, is one in which the application of the rule is said to be too rigid. The second phase is one of aggressive skepticism. Once we are used to making exceptions, we are told not to pass judgment at all. The "hard-case criteria" fade away.

According to Sobran the last phase is the phase in which the original value is inverted. Homosexuality and abortion become absolute rights, for instance. What began as an exception emerges as a desirable entity in itself.

When the institutions of church and the family become weaker in a society, more and more of its individuals are raised without being grounded in any knowledge of ethical or moral correctness. Individuals raised in such an environment will tend to look to the state for cues about moral principles. And it is for this reason that decriminalization of something which once was outlawed by a society's legal system has severe and damaging effects. Children raised without benefit of moral and ethnical guidance have a tendency to use the logic of, "what is legal, is what is moral." They therefore are cast to fend pitifully for themselves amid the buffeting currents of social change. Many will grow into adulthood having been exposed convincingly to no other ethical base than that which sometimes today is called "situation ethics."

Columnist George Will has written pointedly and instructively about the situation ethics promoted by several researchers who seem determined to break down social strictures against what one of them calls "the last taboo," incest. These advocates, says Will, frequently write that "it is time" for society to make this change, for the sake of change.

Let me quote Will directly on this point.

> "It is time . . . ." This incantation moves the modern mind: change is natural, therefore change is progressive, "emancipation" from "taboos" and other "hangups" that inhibit "self-fulfillment." The non sequiturs clang together like empty freight cars on a railroad to barbarism.

Incest is not a "victimless crime," and any society which permissively moves to normalize its practice is tragically mistaken if it presumes that this signifies "progress."

Nothing can substitute for the role which the family plays as a socializing institution within our society. The family is the only institution common to all of the earth's cultures in which membership itself conveys supreme worth. No institution within our society can do this job better.

During the past year I have been honored to represent in the Congress Mrs. Frances Davis Burtenshaw of Logan, Utah, who was selected a year ago by the American Mothers Committee as American Mother of the Year. She epitomizes all of the selfless attributes of motherhood, which serve as the glue that holds the modern American family together in spite of persistent social pressures which threaten to undermine the integrity of the family unit. Homes which are blessed with parents like Frances Burtenshaw have a gift beyond compare.

This is the kind of legacy which every child in our society deserves, and the kind of legacy which it is possible for every child to have.●

BRIEF STATEMENT OF EVIDENCE IN THE MATTER OF REPRESENTATIVE CHARLES H. WILSON.

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. Bennett) is recognized for 5 minutes.

● Mr. BENNETT. Mr. Speaker, in order to provide an easy understanding of the issues raised in the matter of Representative Charles H. Wilson, I include at this point in the Record remarks prepared for delivery in this matter when it comes up on tomorrow for action.

Mr. Speaker, in view of the complexities of these proceedings and the need for ample time for all parties, I ask unanimous consent that the ordinary hour that is alloted in these matters be extended for another hour.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the Extension of Remarks section of the Record, but this consent request does not apply to revisions of remarks to be delivered in the House today.

At the conclusion of the entire debate, I will yield, upon request, to amend the resolution so that the matter of the subcommittee chairmanship can be separately addressed and divided from the rest of the penalties sought by the committee. The committee feels that the penalties suggested are appropriate but believes that an opportunity should be afforded to vote on this matter separately.

Mr. Speaker, for the purpose of debate only I yield half an hour to the gentleman from South Carolina (Mr. Spence) the ranking minority member of the committee and—for the purposes of debate only—I yield 1 hour to the gentleman from California (Mr. Charles Wilson) pending which I yield myself such time as I may consume.

Mr. Speaker, during the course of the "Korean influence investigation" conducted pursuant to House Resolution 252, during the 95th Congress, the special staff conducting the inquiry under the direction of Leon Jaworski, became aware of possible violations of House rules by Representative Charles H. Wilson of California. When that investigation terminated with the close of the 95th Congress some matters not directly related to the Korean matter were left unresolved and were referred to the permanent staff of the Committee on Standards of Official Conduct.

So on February 7, 1979, at the organizational meeting of the Committee on Standards of Official Conduct for the 96th Congress, as chairman of the committee, I appointed a two member subcommittee—of the late Representative Slack and Representative Sensenbrenner—to conduct a study of possible violations of House rules by Representative Wilson.

On November 28, 1979, after lengthy informal inquiry into these matters, the full committee adopted a formal "motion to conduct an inquiry."

A copy of the motion to conduct an inquiry outlining the various possible violations, was made available to representative Wilson on the same day.

Prior to adopting the motion to conduct an inquiry, the committee offered Representative Wilson an opportunity to appear in executive session to testify about the various possible violations. Representative Wilson, through counsel, declined that opportunity. On December 12, 1979, the committee, in executive session, was read an unsworn statement from Representative Wilson and heard argument from his counsel respecting the motion to conduct an inquiry. At the conclusion of the meeting the committee served a statement of alleged violations upon Representative Wilson.

Representative Wilson requested full discovery of the committee's evidence; and all documentary evidence in the possession of the committee was made available to him.

Representative Wilson filed various motions, including a motion to dismiss the statement of alleged violations based upon the argument, among others, that the charges were barred by a statute of limitations and laches.

The committee unanimously denied Representative Wilson's motion to dismiss, following which Representative Wilson filed a denial to all counts of the statement of alleged violations.

The committee then ordered that a disciplinary hearing be held, but before the date of commencment, Representative Wilson filed a motion to stay the disciplinary hearing on the basis that the combination of investigative and disciplinary functions in the committee violated his constitutional rights to due process. The committee denied the motion because among other reasons, the committee itself is not the final jury or judge in disciplinary matters, but merely recommends action to the full House.

The disciplinary hearing in the matter of Representative Charles H. Wilson commenced on March 31, 1980.

The full record of the testimony and exhibits received in evidence at the disciplinary hearing are attached to the report at page 119.

On April 16, 1980, the committee finished deliberations and released its findings and votes thereon.

The findings are at page 4 of the report, the committee finding that the testimony and evidence introduced at the disciplinary hearing proved, by at least a clear and convincing standard of proof, that Representative Wilson had committed the violations charged in eight counts of the statement of alleged violations.

After careful consideration of the full range of sanctions available, the committee determined by a vote of 10 ayes and 2 nays that in light of the nature and severity of the offenses proven, the appropriate sanction would be censure and a denial of the chairmanship on any committee or subcommittee for the remainder of the 96th Congress.

At this point, I insert in the Record each of the eight counts before the House and the appropriate rules of the House involved in the counts.

I would now like to address each of the counts:

Count 1

On or about June 1, 1971, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $5,000.00 from a person, Lee Rogers, having a direct interest in legislation before the Congress.

Rule 43, clause 1: "A Member, officer, or employee of the House of Representatives shall conduct himself in a manner which shall reflect creditably on the House of Representatives."

Rule 43, clause 4: "A Member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization, or corporation having a direct interest in legislation before the Congress."

The facts from the hearing are that Lee Rogers wrote a check on his personal account for $5,000 on June 1, 1971, and gave it to Representative Wilson. The check is exhibit 1 on page 224 of House report 96–930.

Although the check was marked "loan," Mr. Rogers testified on page 174 that there was no note, no interest, no demand for repayment, and in fact, no repayment at any time. The 1977 financial disclosure statement filed by Representative Wilson is exhibit 6 on page 240. The statement requires that liabilities over $2,500 be disclosed, but there is no entry for any debt owed Lee Rogers. This was clear and convincing evidence for the committee's conclusion that the payment was a gift.

Mr. Rogers was and is in the mail order business. On page 191, Mr. Rogers testified that he had a vital interest in the Postal Reform Act as a citizen and as a person in the mail order business, and that he was concerned about the impact of postage rates on his business.

On page 205, Mr. George Gould, who was then a staff director of Mr. Wilson's subcommittee of the Post Office and Civil Service Committee, recalls meeting Lee Rogers as a director of the Association of Third Class Mail Users, a group which Mr. Gould characterized as involving itself in legislative matters relating to the mails. Mr. Gould on that same page testified that he had discussed legislative matters with Mr. Rogers.

Exhibit 15(a) on page 329 is a letter to Rogers from his attorney urging him to oppose the Sales Promotion Games Act (H.R. 5837). Exhibit 15(c) on page 334 shows that the letter was forwarded to Representative Wilson, who responded in a letter included as exhibit 15(d). In that letter, on page 335, Representative Wilson assures Lee Rogers that he considered himself personally responsible for stopping hearings on the bill, and further assured Rogers that he will assist him in keeping the bill buried in the subcommittee.

The committee concluded that this was clear and convincing evidence that Lee Rogers had a direct interest in legislation.

Count 2

On or about June 20, 1972, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $5,000.00, from a person, Lee Rogers, having a direct interest in legislation before the Congress. (The text of House Rule 43, clauses 1 and 4 is quoted under Count 1.)

The committee concluded from the evidence noted in count 1 that Lee Rogers had a direct interest in legislation.

Exhibit 2 on page 225 shows the $5,000 check that Lee Rogers wrote on his personal account to Representative Wilson on June 20, 1972. Again, the check had the "loan" notation, but again Lee Rogers testified, on page 175, that there was no note, no interest, no maturity date, no demand for repayment and no repayment. And the Member's financial disclosure statement I referred to in count 1 does not disclose a debt to Lee Rogers.

The committee concluded that this was clear and convincing evidence that the payment was a gift.

Count 3

On or about December 11, 1972, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $500.00, from a person, Lee Rogers, having a direct interest in legislation before the Congress. (The text of House Rule 43, clauses 1 and 4 is quoted under Count 1.)

Exhibit 3 on page 226 is a check for $500 that Lee Rogers wrote on his personal account to the order of Representative Wilson on December 11, 1972. Representative Wilson endorsed the check over to his son. This check does not mention "loan," and on page 176, Lee Rogers testified that he did not remember the purpose of the check. The committee concluded that this was clear and convincing evidence that the payment was a gift, and the committee further concluded from evidence noted in count 1 that Lee Rogers had a direct interest in legislation.

Count 7

Commencing on or about March 3, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $10,283.35 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

House Rule 43, clause 6 states:

> A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

The evidence supporting count 7 is as follows:

On March 9, 1971, a check for $10,283.35 was drawn on the Charles H. Wilson campaign fund account at the Security Pacific National Bank. This check was deposited in the Charles H. Wilson—office account of the Bank of America on March 9, 1971. On the same day, a check in the amount of $10,283.35 was drawn on the Bank of America, Charles H. Wilson—office account and paid to the Imperial Bank in Los Angeles, Calif., for repayment of a $10,000 personal loan Mr. Wilson had at that bank. With interest, the balance on the loan when paid was $10,283.35.

This flow of these funds was documented by copies of the bank ledger sheets and by copies of the loan application and approval forms of the banks involved. Copies of these documents are reprinted in the report at pages 243 through 251. A chart on page 7 of the report shows the flow of these funds from the campaign fund account to the office account and from the office account to the Imperial Bank for the loan repayment. The committee was offered no evidence that this loan was for prior campaign expenses. The committee concluded that the flow of these funds was clear and convincing proof that Representative Wilson had converted campaign funds to his personal use in violation of rule 43, clause 6.

Count 8

Commencing on or about March 15, 1971, the Respondent Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $5,129.85 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds. (The text of House Rule 43, clause 6 is quoted under Count 7.)

The evidence supporting count 8 is as follows:

A check drawn on the Charles H. Wilson campaign fund account at the Security Pacific National Bank on March 15, 1971, was deposited into the Charles H. Wilson office account at the Bank of America Western on March 16, 1971. The amount of the check and the deposit was $5,200. A check was drawn on the Charles H. Wilson office account at the Bank of America Western on March 16, 1971, in the amount of $5,129.85 and paid to the Security Pacific National Bank for repayment of a personal loan plus interest Mr. Wilson had at that bank. Evidence was introduced before the committee by way of a copy of the Security Pacific National Bank report of a loan made. This was exhibit 8(d) reprinted on pages 255 through 256 of the report. The stated purpose of the $5,000 loan was personal expenses.

The flow of these funds was documented by copies of bank ledger sheets and bank reports of the loan from the banks involved. These are reprinted in the report at pages 252 through 257.

A chart on page 8 of the report shows the flow of these funds from the campaign fund account to the office account and from the office account to the Security Pacific National Bank for the loan repayment. Again, the committee was offered no evidence that this loan was for prior campaign expenses. The committee concluded that the flow of these funds in this manner was clear and convincing proof that Representative Wilson had converted campaign funds to his personal use in violation of rule 43, clause 6.

Count 9

Commencing on or about November 23, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,047.91 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds. (The text of House Rule 43, clause 6 is quoted under Count 7.)

The evidence supporting count 9 and showing the flow of funds is similar to that in count 8. Copies of bank ledgers and bank reports were introduced to the committee, which are reproduced in the report at pages 258 through 264. These show the flow of the funds. A check for $3,400 was drawn on the Charles H. Wilson campaign fund account at the Security Pacific National Bank on November 23, 1971, and deposited in the Charles H. Wilson office account of the Bank of America Western on the same day. On November 26, 1971, a debit in the amount of $3,047.91 is shown to the office account, which represents repayment of a $3,000 personal loan Representative Wilson had at the Security Pacific National Bank. The amount of the loan plus interest was $3,047.91 (page 140). The purpose of the loan as stated on the bank report was for personal expenses. (Exhibit 9(e), (page 262)).

The flow of these funds is shown clearly on a chart at page 9 of the report: Money out of the campaign account into the office account and then going to the repayment of a personal loan. The committee was offered no evidence that this loan was for legitimate campaign expenses. Again, the committee concluded that the flow of these funds in this manner was clear and convincing proof that Representative Wilson had converted campaign funds to his personal use in violation of rule 43, clause 6.

Count 10

Commencing on or about November 29, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,500.00 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds. (The text of House Rule 43, clause 6 is quoted under Count 7.)

This violates rule 43, clause 6. The evidence consists of copies of bank ledger sheets, checks, deposit tickets, and statements of account, which are reprinted in the report at pages 265 through 275.

The evidence traces the flow of funds from the Charles H. Wilson campaign fund at the Security Pacific National Bank on November 29, 1971, into the Charles H. Wilson—office account at the Bank of America, where a $3,500 check was drawn on the same day and deposited into the sergeant-at-arms account of Representative Charles H. Wilson on December 3, 1971. This was Representative Wilson's personal checking account. According to the bank records and described in the testimony before this committee at page 141, the balance prior to the deposit of the $3,500 was $886.64 with $3,045.00 in checks outstanding at the time. These outstanding checks, which the $3,500 deposit was to cover were for the most part drawn to "cash" with no endorsement that would indicate a reimbursement, page 141 of the report. The committee concluded that this flow of funds from the campaign account into the personal account proved clearly and convincingly that Representative Wilson converted campaign funds to personal use in violation of rule 43, clause 6.

Count 11

Commencing on or about November 1, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,000.00 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds. (The text of House Rule 43, clause 6 is quoted under Count 7.)

The evidence consists of copies of bank ledger sheets, checks, deposit tickets, and statements of account. These are reproduced in the report at pages 276 through 292. These documents show that a check was drawn on November 1, 1971 on the Charles H. Wilson campaign fund account at the Security Pacific National Bank. This check was deposited in Representative Wilson's sergeant-at-arms account on November 4, 1971. At that time Representative Wilson's balance in the account was $461.14 with outstanding checks amounting to $2,004.25. These checks, as shown in the report at page 282, were personal expenses. No evidence was offered to the contrary. And the committee concluded that this flow and use of funds proved clearly and convincingly that Representative Wilson converted campaign funds to his personal use in violation of rule 43, clause 6.

The rules of procedure for the Committee on Standards of Official Conduct provide for wide discretion in a disciplinary recommendation. Specifically mentioned are expulsion, censure, reprimand, fine, and denial or limitation of any right, power, privilege or immunity of the member. And the rules permit a recommendation of "any other sanction determined by the committee to be appropriate."

There is, therefore, an array of possibilities in putting together a disciplinary recommendation. The committee recommendation has two elements: First, that Representative WILSON be censured and, second, that he be denied committee and subcommittee chairmanships for the remainder of the 96th Congress.

Both elements of the recommendation were the result of careful deliberation by the committee. I support the resolution in its entirety.●

PEACEKEEPING CAPABILITIES OF UNITED NATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

● Mr. BONKER. Mr. Speaker, today I am introducing a House concurrent resolution relating to improving and strengthening the peacekeeping capabilities of the United Nations.

Article 1 of the United Nations Charter declares that one of the primary purposes of the U.N. is to "maintain international peace and security."

We have witnessed on numerous occasions the U.N.'s effectiveness in preventing the renewal of armed hostilities. Member states have called upon the world body 15 times since 1945 to provide peacekeeping forces in various parts of the Middle East, in Kashmir, in Zaire (then, the Congo), in West Irian (now part of Indonesia), and in the Dominican Republic. The North Korean invasion of South Korea proved a unique opportunity for the United Nations actually to fight aggression. Three U.N. peacekeeping operations are still in place at this very moment: on the Golan Heights between Israel and Syria; in Cyprus between the Greek and Turkish communities; and in Southern Lebanon between Palestinian guerrillas and Israel.

Despite the success of these operations, there have been occasions when the U.N. has been unable to prevent military conflict. The U.N. has been least effective in disputes involving any one of the five permanent members of the Security Council. The Security Council must initiate peacekeeping operations, and each of the five permanent members has a veto. The most recent example of this occurred with the Soviet invasion of Afghanistan. The Soviet Union's veto power prohibited the Security Council from taking any effective action.

In an effort to enhance the U.N.'s capability in peacekeeping and in other areas, the Congress adopted an amendment to the fiscal year 1978 Foreign Relations Authorization Act calling on the President to study methods for reforming and restructuring the United Nations system and to report his findings to Congress. This report, submitted to Congress on March 2, 1978, recommended specific steps for improving the U.N.'s ability to resolve armed conflicts as well as other global problems.

The President's proposals with respect to peacekeeping include: The creation of a U.N. Peacekeeping Reserve composed of national contingents trained in peacekeeping functions; an offer to assist the Secretary-General with airlifts of troops and equipment required for establishing a peacekeeping force; and the possibility of U.N. member countries working with the United States to train earmarked contingents and personnel of U.N. observer missions.

The House Foreign Affairs Subcommittee on International Organizations, which I chair, reviewed the President's recommendations in a series of hearings over the past year. The subcommittee determined that the President's proposals relating to strengthening the U.N.'s peacekeeping capabilities offer the greatest promise for implementation.

The House concurrent resolution I am submitting today expresses the support of the Congress for the President's initiatives in improving the peacekeeping capabilities of the United Nations, urges the President to reaffirm his commitment to these proposals, and encourages the President to seek the expeditious implementation of these proposals by the appropriate U.N. bodies.

Mr. Speaker, as chairman of the House Subcommittee which oversees U.S. participation in the United Nations, I firmly believe the Congress should demonstrate its commitment to the President's proposals for enhancing the U.N.'s capacity to resolve armed conflict. I urge my colleagues to support this House concurrent resolution.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF TITLE II OF H.R. 6721, THE AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ULLMAN. Mr. Speaker, on May 28, 1980, the Committee on Ways and Means approved a committee amendment to be offered as a separate title to H.R. 6721, the Airport and Airway Improvement Act of 1980. This legislation has been favorably reported to the House by the Committee on Public Works and Transportation and the Committee on Science and Technology. In general, the Ways and Means Committee amendment would extend the airport and airway trust fund and related excise taxes through September 30, 1985. In addition, the amendment would reduce the present 8-percent air passenger ticket tax to 5 percent beginning October 1, 1982.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for consideration of the Ways and Means Committee amendment on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule which would only provide for:

First. Committee amendments, which would not be subject to amendment;

Second. One hour of general debate, to be equally divided; and

Third. Waiving all necessary points of order.

We will officially request to be heard before the Committee on Rules concurrently with the other committees involved in this legislation.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. AKAKA (at the request of Mr. WRIGHT), for this week, on account of official business.

Mr. PHILLIP BURTON (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. MCEWEN (at the request of Mr. MICHEL) for today and the balance of the week, on account of illness in the family.

Mr. REUSS (at the request of Mr. WRIGHT), for this week, on account of medical reasons.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of a necessary absence.

Mr. THOMPSON, for May 29 through June 12, on account of appointment by the Speaker to represent the House at the International Labor Organization and for committee business.

Mr. WOLFF (at the request of Mr. WRIGHT), for this week, on account of official business.

Mr. YOUNG of Alaska (at the request of Mr. MICHEL), for May 28 through June 10, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mrs. HECKLER, for 5 minutes, today.

(The following Members (at the request of Mr. GRAY) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HARRIS, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. MCKAY, for 5 minutes, today.

Mr. BENNETT, for 5 minutes, today.

Mr. BONKER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:)

Mr. WYDLER.
Mr. DORNAN.
Mr. WILLIAMS of Ohio.
Mr. KEMP in five instances.
Mr. ROUSSELOT.
Mr. DERWINSKI in three instances.
Mr. LUNGREN.
Mr. BEREUTER.
Mr. COLLINS of Texas in three instances.
Mr. MCCLORY.
Mr. CORCORAN.
Mr. ROTH.
Mr. LAGOMARSINO.
Mr. PAUL.
Mr. DANNEMEYER.
Mr. SHUMWAY.
Mr. RINALDO.
Mr. MCCLOSKEY in two instances.
Mr. GILMAN.
Mr. THOMAS.

(The following Members (at the request of Mr. GRAY) and to include extraneous matter:)

Mr. BLANCHARD.
Mr. ASPIN.
Mr. MCKAY.
Mr. MAZZOLI.
Mr. GUARINI in five instances.
Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. HAMILTON in two instances.
Mr. ROSENTHAL.
Mr. ERTEL.
Mr. RODINO.
Mr. ROE in two instances.
Mr. CHARLES H. WILSON of California.
Mr. COELHO.
Mr. JONES of Oklahoma.
Mr. MUSTO.
Mr. RAHALL.
Mr. HARRIS in four instances.
Mr. UDALL in two instances.
Mr. MURTHA.
Mr. BRODHEAD.
Mr. CAVANAUGH.
Mr. BENNETT in two instances.
Mr. MONTGOMERY.
Mr. FORD of Michigan.
Mr. BOLLING in two instances.
Mr. PEPPER.
Mr. AUCOIN.
Mr. MCDONALD in five instances.
Mr. SATTERFIELD.
Mr. AMBRO.
Mr. PEYSER.
Mr. ULLMAN.
Mr. SKELTON in two instances.
Mr. DRINAN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1625. An act to amend the act of December 20, 1944, as amended; to the Committee on Agriculture;

S. 1647. An act to establish a commission to review the facts and circumstances surrounding Executive Order Numbered 9066, issued February 19, 1942, and the impact of such Executive order on American citizens and permanent resident aliens, to review directives of U.S. military forces requiring internment of Aleut civilians, and to recommend appropriate remedies, and for other purposes; to the Committee on the Judiciary;

S. 2043. An act to provide for research and coordination of research in the diagnosis, prevention, and control of malignant tumors in domestic animals, poultry, and wildlife; to the Committee on Agriculture;

S. 2223. An act to permit any Indian to transfer by will restricted lands of such Indian to his or her heirs or lineal descendants, and other Indian persons; to the Committee on Interior and Insular Affairs;

S. 2635. An act to amend the Small Business Act and the Small Business Investment Act of 1958 to authorize guarantees with respect to energy facilities, to conform it to current needs and usage, and for other purposes; to the Committee on Small Business; and

S. 2680. An act to improve the administration of the Historic Sites, Buildings and Antiquities Act of 1935 (49 Stat. 666); to the Committee on Interior and Insular Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER pro tempore announced his signature to an enrolled bill of the Senate of the following title:

S. 2253. An act to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H.R. 3789. An act to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program;

H.R. 4890. An act to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983;

H.R. 5036. An act to require the Secretary of the Interior to convey a parcel of land located in Colorado to the Ute Mountain Ute Tribe and to pay an amount to such tribe for economic development; and

H.R. 6727. An act to establish the Bon Secour National Wildlife Refuge.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on the following days present to the President, for his approval, bills of the House of the following title:

On May 23, 1980:

H.R. 2313. An act to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes;

H.R. 4088. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co. and for other purposes; and

H.R. 3807. An act to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change.

On May 27, 1980:

H.R. 3789. An act to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program;

H.R. 4890. An act to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983; and

H.R. 5036. An act to require the Secretary of the Interior to convey a parcel of land located in Colorado to the Ute Mountain Ute Tribe and to pay an amount to such tribe for economic development.

ADJOURNMENT

Mr. GRAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 29, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4452. A letter from the Secretary of Agriculture, transmitting the annual report of the Rural Electrification Administration for fiscal year 1979, pursuant to section 10 of the Rural Electrification Act of 1936, as amended; to the Committee on Agriculture.

4453. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Defense Appropriation Act, 1980, and the Military Construction Appropriation Act, 1980, during the period October 1, 1979–March 31, 1980, to make payments under contracts in foreign countries except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 735 and 109 of the respective acts; to the Committee on Appropriations.

4454. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period May 15 to August 15, 1980, pursuant to 10 U.S.C. 129(b); to the Committee on Armed Services.

4455. A letter from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting a report on Army research and development contracts for $50,000 or more which were awarded during the period October 1, 1979, through March 31, 1980, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

4456. A letter from the Deputy Director of Legislative Liaison, Department of the Air Force, transmitting the annual report for calendar year 1979 on the progress of the Air Force Reserve Officer's Training Corps flight training program, pursuant to 10 U.S.C. 2110(b); to the Committee on Armed Services.

4457. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Egypt (Transmittal No. 80–53), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

4458. A letter from the Secretary of the Treasury, transmitting the annual report on the development and utilization of capital saving technology in the activities of the multilateral development banks, pursuant to section 801(b) of Public Law 95–118; to the Committee on Banking, Finance and Urban Affairs.

4459. A letter from the Secretary of Education, transmitting proposed final regulations to govern the graduate and professional opportunities program, the public service education program, and the domestic mining and mineral fuel conservation fellowships program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4460. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development, and project performance or completion reports prepared by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4461. A letter from the Secretary, Commission of Fine Arts, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4462. A letter from the Acting Executive Director, National Capital Planning Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4463. A letter from the Assistant Secretary of Agriculture for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4464. A letter from the Secretary, Consumer Product Safety Commission, transmitting notice of various revisions to an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4465. A letter from the Associate Administrator for Administration, National Highway Traffic Safety Administration, Department of Transportation, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4466. A letter from the Comptroller General of the United States, transmitting a report on Federal internal audit organizations (FGMSD–80–39, May 27, 1980); to the Committee on Government Operations.

4467. A letter from the Chairman, Federal Election Commission, transmitting the Commission's annual report for calendar year 1979, pursuant to section 311(a)(9) of the Federal Election Campaign Act, as amended; to the Committee on House Administration.

4468. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting a draft of proposed legislation to amend the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701) to permit temporary use by Federal departments and agencies of public lands controlled by the Bureau of Land Management, Department of the Interior; to the Committee on Interior and Insular Affairs.

4469. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $230,432 to the Murphy Oil Corp. and Ocean Production Co. in connection with an oil and gas lease held to be null and void by a ruling of the U.S. District Court for the Southern District of New York, pursuant to section 10(b) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

4470. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a report on the impact of title II of the Psychotropic Substances Act of 1978, requiring the reporting of sales, importation, and thefts of piperdine, pursuant to section 203(c) of Public Law 95–633; to the Committee on Interstate and Foreign Commerce.

4471. A letter from the Secretary of Health and Human Services, transmitting the third annual report on the National Health Service Corps scholarship program, pursuant to section 751(i) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

4472. A letter from the Director, Office of Hearings and Appeals, Department of Energy, transmitting a report on private grievances and redress, covering the quarter ended March 31, 1980, pursuant to section 21(c) of the Federal Energy Administration Act, as amended; to the Committee on Interstate and Foreign Commerce.

4473. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

4474. A letter from the Secretary of Transportation, transmitting a report on the study of the administrative effectiveness of the Department of Transportation ridesharing programs, pursuant to section 126(h) of Public Law 95–599; to the Committee on Public Works and Transportation.

4475. A letter from the Secretary of Transportation, transmitting a quarterly report on Urban Mass Transportation Administration obligations by State and activity as of September 30, 1979, pursuant to section 4(h)(1) of the Urban Mass Transportation Act, as amended (92 Stat. 2738); to the Committee on Public Works and Transportation.

4476. A letter from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting the semiannual report on the effectiveness of the civil aviation security program, covering the period July 1 to December 31, 1979, pursuant to section 315(a) of the Federal Aviation Act, as amended; to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. Supplemental report on H.R. 6386 (Rept. No. 96–996, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 682. Resolution providing for consideration of H.R. 7428. A bill to extend the present public debt limit through June 30, 1980 (Rept. No. 96–1052). Referred to the House Calendar.

Mr. FOLEY: Committee on Agriculture. H.R. 118. A bill to amend the Agriculture Act of 1949 to require that the proclamation made by the Secretary of Agriculture with respect to the national program acreage for feed grains to be made no later than October 15 of each year for crops harvested in the next succeeding calendar year; with amendments (Rept. No. 96–1053). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolution were introduced and severally referred as follows:

By Mr. BEARD of Rhode Island:

H.R. 7446. A bill to amend title XIX of the Social Security Act to increase the personal needs allowance for institutionalized recipients to $30 per individual and $60 per couple; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMAN:

H.R. 7447. A bill to amend sections 3307(d) and 8335(b) of title 5, United States Code, with respect to age limits for appointment and mandatory retirement of law enforcement officers engaged in detention activities; to the Committee on Post Office and Civil Service.

By Mr. CONABLE:

H.R. 7448. A bill to amend title 17 of the United States Code to allow nonprofit educational institutions to pay fees for certain performances without the actions of the institutions constituting infringements of copyright; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 7449. A bill to authorize appropriations to the Department of Energy for civilian research and development programs for fiscal year 1981; to the Committee on Science and Technology.

By Mr. JOHNSON of California (for himself, Mr. GIAIMO, Mr. MCKINNEY, Mr. COTTER, Mr. DODD, Mr. MOFFETT, and Mr. RATCHFORD):

H.R. 7450. A bill to designate the U.S. Court House and the U.S. Post Office Federal Building in Waterbury, Conn., as the "John S. Monagan Federal Building"; to the Committee on Public Works and Transportation.

By Mr. ROE:

H.R. 7451. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption where a taxpayer, his spouse, or any dependent of the taxpayer is handicapped; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska:

H.R. 7452. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household a member of which is an individual who has attained the age of 65; to the Committee on Ways and Means.

By Mr. TRIBLE:

H.R. 7453. A bill for the relief of certain employees of the National Aeronautics and Space Administration; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 7454. A bill: The Mount Saint Helens Timber Salvage and Market Stability Act of 1980; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. WHITTEN:

H.J. Res. 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980; to the Committee on Appropriations.

By Mr. PEPPER (for himself and Mr. ZABLOCKI):

H.J. Res. 555. Joint resolution to authorize the President to issue a proclamation designating the week beginning on July 4, 1981, as "National Unity Week"; to the Committee on Post Office and Civil Service.

By Mr. QUILLEN:

H.J. Res. 556. Joint resolution authorizing the President of the United States to present, on behalf of the Congress, medals designated "The Conscience of the Nation Award" to the families of the eight Americans who died in the course of the hostage rescue mission in Iran; to the Committee on Armed Services.

By Mr. SOLOMON:

H.J. Res. 557. Joint resolution proposing an amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

By Mr. THOMPSON (for himself, Mr. Mineta, and Mr. Conte):

H.J. Res. 558. Joint resolution providing for the reappointment of William A. M. Burden as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

H.J. Res. 559. Joint resolution providing for the reappointment of Murray Gel-Mann as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. BONKER:

H. Con. Res. 347. Concurrent resolution relating to improving and strengthening the peacekeeping capabilities of the United Nations; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

477. By the SPEAKER: Memorial of the House of Representatives of the State of Illinois, relative to forest management; to the Committee on Agriculture.

478. Also, memorial of the Legislature of the State of Louisiana, relative to the food stamp program; to the Committee on Agriculture.

479. Also, memorial of the Senate of the State of Illinois, relative to relations with Taiwan; to the Committee on Foreign Affairs.

480. Also, memorial of the Legislature of the State of Delaware, relative to Haitian refugees; to the Committee on the Judiciary.

481. Also, memorial of the Legislature of the State of Hawaii, relative to Federal income tax exemptions for mortgage subsidy bonds; to the Committee on Ways and Means.

482. Also, memorial of the Legislature of the State of Iowa, relative to Federal income tax exemptions for industrial revenue bonds; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DAN DANIEL presented a bill (H.R. 7455) for the relief of Deborah Lynn Miller, which was referred to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Chappell and Mr. Lee.

H.R. 1297: Mr. Dixon.

H.R. 3486: Mr. Hughes, Mr. Fazio, and Mr. Lloyd.

H.R. 4796: Mr. Simon.

H.R. 5858: Ms. Ferraro, Mr. Charles Wilson of Texas, and Mr. Roth.

H.R. 6300: Mr. Goldwater, Mr. Snyder, Mr. Sawyer, Mr. Daniel B. Crane, Mr. Myers of Indiana, Mr. Shumway, Mr. Rhodes, Mr. Horton, Mrs. Holt, Mr. Burgener, Mr. Porter, Mrs. Bouquard, and Mr. Railsback.

H.R. 7049: Mr. Downey.

H.R. 7142: Mr. Hagedorn, Mr. Jones of North Carolina, Mr. Corcoran, Mr. Anthony, Mr. Railsback, and Mr. Carter.

H.R. 7183: Mr. Kogovsek.

H.R. 7309: Mr. Brown of California, Mr. AuCoin, Mr. Fuqua, Mr. Roe, Mr. Conte, Mr. Traxler, Mr. Green, and Mrs. Chisholm.

H.R. 7329: Mr. Won Pat, Mr. Green, Mr. Beilenson, Mr. Kramer, Mr. Murphy of Pennsylvania, Mr. Winn, Mr. Scheuer, Mr. Wolpe, Mr. Garcia, Mr. Van Deerlin, Mr. Stark, Mr. Kindness, Mr. Carney, Mr. Coelho, Mr. Bereuter, Mr. Lagomarsino, Mr. Horton, Mr. Carr, Mr. Simon, Mr. Frenzel, Mr. Ottinger, Mr. Pepper, Mr. Lott, Mr. Railsback, Mr. Panetta, and Mr. Tauke.

H.R. 7337: Mr. Hubbard.

H.R. 7381: Mr. Archer.

H.R. 7391: Mr. Burgener, Mr. Mitchell of Maryland, Mr. Coelho, Mr. Spence, and Mr. Pursell.

H.R. 7394: Mr. Nichols.

H. Con. Res. 344: Mr. Leach of Louisiana, Mr. Broomfield, Mr. Rousselot, Mr. Bonker, Mr. Lagomarsino, Mr. Bereuter, Mr. Kogovsek, Mr. Won Pat, Mr. Collins of Texas, Mr. Williams of Ohio, Mr. O'Brien, Mr. Shumway, Mr. Hopkins, Mr. McClory, Mr. Hagedorn, Mr. Lott, Mr. Petri, Mr. Paul, Mr. Derwinski, Mr. Whitehurst, Mr. Walker, Mr. Young of Alaska, and Mr. Sebelius.

H.J. Res. 530: Mr. Fisher and Mr. Derwinski.

PETITIONS, ETC.

Under clause 1 of rule XXII,

358. The SPEAKER presented a petition of the Western Association of the New York Conference, United Church of Christ, Buffalo, N.Y., relative to torture, which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXII, proposed amendments were submitted as follows:

H.R. 6942

By Mr. McCLOSKEY:

—Page 19, line 11, insert "(1)" immediately after "(a)".

Page 19, insert the following after the matter following line 14:

"(2) Funds appropriated to carry out this chapter for the fiscal year 1981 may be made available to Israel only if the President determines and certifies to the Congress that such funds will not be used for the construction of new settlements, or the construction of additional facilities at existing settlements, on the West Bank."

By Mr. PEASE:

—Page 52, after line 10, insert the following new section 713 and redesignate existing section 713 as section 714:

ELECTIONS IN UGANDA

Sec. 713. The President shall encourage the holding of free, open elections in Uganda and shall, in considering assistance for Uganda and Tanzania with funds authorized to be appropriated by this Act, take into account whether such elections were held as planned in September 1980.

EXTENSIONS OF REMARKS

CONGRESSMAN MURTHA SPEAKS ON DEFENSE POLICY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. MURTHA. Mr. Speaker, I insert into the CONGRESSIONAL RECORD the following excerpts from a speech I prepared for a Memorial Day presentation in Somerset. These remarks outline many of my concerns about the present and future trends of American defense policy.

The excerpts follow:

Usual Greetings.

In the rush of national and world events, sometimes in Washington we lose track of what is important and essential. During many debates in Congress I remind my colleagues of one simple fact: the primary responsibility of the Federal Government is to insure America's defense, to make certain our military strength is sufficient.

Memorial Day has become a time for looking back at the brave men and women who have served our country, and looking ahead to America's role in the world. Our concern this year is heightened, because we realize that as we gather here today 53 Americans are still being held captive in Iran. In the rush and pressures of our daily lives, we sometimes lose track of the anguish being experienced by these American citizens. Memorial Day is a time to remember that kind of situation and contemplate what it means for America, and our role in the world.

Quite frankly, ladies and gentlemen, as I look at the state of America's defense on this Memorial Day, 1980, I am concerned. As many of you know, I have been active in the U.S. Marines since the time of the Korean War. I served in Vietnam. I now serve on the Defense Appropriations Subcommittee in Congress which oversees virtually all the spending on defense in our country. And I am concerned about much of what I see.

Basically, I think that America has gone through several stages since the second World War. Certainly, we came out of that war the dominant country in the world with both psychological and actual military dominance. During the Cold War period—which was phase two—the world began to settle into the communist and free world ranks with the free world holding a cumulative though shrinking edge that was best dramatized when President Kennedy backed down the Russians during the Cuban Missile Crisis. But Phase Three started shortly after that crisis—the Russians began a massive build-up designed to escalate them to equality and beyond with the United States; meanwhile the United States became bogged down in Vietnam, eventually tearing the country apart and starting an anti-military feeling. Support for defense spending dropped dramatically, we ended the military draft, and Americans no longer wanted to take a forceful world role. With this U.S. attitude, the Soviets pulled up to us in defense capability. I now think we are on the edge of the next development—Phase Four—and I want to talk about a few specific military problems to illustrate the situation as we begin this new period.

The first question involves the performance of the all-volunteer army. The United States has troop strength problems. The Army is about 50,000 short of its peacetime manpower strength. In worse shape are the back-up forces, reserve strength is only at about 75 percent of its peacetime strength.

Moreover, we have to look at the type of recruits we are getting. In many recruiting groups less than half of the volunteers have graduated from high school. One colonel reports that about 300 of his 2,500 soldiers go to class during the year because they can't read above a fifth grade level or can't speak English. And this at a time when our weapons are becoming increasingly sophisticated and technical.

A third manpower problem is that we would have trouble mobilizing quickly in case of war. In our present situation, it would take us over 100 days just to find out who we could draft, much less begin to train them.

That's a key reason why I recently voted for a return to registration, because it would cut 115 days from the time it would take our country to mobilize. And I will say very frankly to you that if the present trends continue in manpower as I have outlined here, we may have to return to an actual draft.

The second major problem we have is in the coordination of the free-world military alliance against the Soviets. The fact is that the Communists are better organized. Even though our NATO troops in Europe represent our front line combat defense units in case the Soviet Union started a march into Europe, we recently had to take equipment from U.S. troops and National Guard units just to supply these troops with basic weapons. Much of the present National Guard equipment is outdated.

One of the major tasks we face is rebuilding the free-world alliance so that we bring together the allies into a cohesive unit, and make the necessary military preparations to insure their readiness in case of conflict. And let me say quite frankly, one thing we must demand is more cooperation from our allies, more willingness to join us in the battle against Communism, more willingness to stand up with us in the world debate. I don't see that kind of cooperation.

The third major problem is in defense spending. The Soviet Union has simply outspent us for the last decade. The Soviets have been spending two and three times as much per year on defense as the United States, and they have been doing it for several years.

I serve on the Defense Appropriations Subcommittee. Last year we approved the largest defense spending bill in history; this year I predict we will approve an even larger one. This type of spending is essential. Let me make a few comparisons as to how the U.S. and the Soviet Union compare against one another after the tremendous spending of recent years by the Soviet Union.

COMPARISONS BETWEEN U.S. AND U.S.S.R. MILITARY STRENGTH

	U.S.	U.S.S.R.
Active armed services personnel	2,100,000	4,300,000
Military reserve strength	870,000	6,800,000
Nuclear warheads	9,500	4,000
Strategic missiles	1,700	2,415
Warplanes	5,800	8,100
Tanks	11,100	50,000
Submarines:		
Nuclear	70	85
Diesel	5	158
Aircraft carriers	13	3
Major surface warships	172	240
Military spending as a percent of gross national product	6	12

What those figures show, ladies and gentlemen, is that we will have to undertake a major commitment in this country to upgrade our military defenses. You know, I often say there's no first, second, and third in defense; there are no medals for coming in second, the only thing that counts is who's number one because that country can control world policy. For the past few years I have been saying the Soviet Union and United States are roughly equivalent in strength. Now, I am changing my position. I no longer believe the United States is even equal, and I think it will take 4 to 5 years of concentrated effort and spending to return our superiority.

And that superiority is essential. Our entire economy is now dependent on a thin line of oil tankers making their way from the Middle East. If we cannot defend that route and insure our tankers' safety, then we can be thrown into a massive depression at any time by the Soviets interrupting that oil flow. And meanwhile, the Soviet Union has invaded Afghanistan in a blatant power move. They are now poised on the edge of the Middle East countries. For our own safety and for the safety of the free world, we must make it clear to the Soviet Union that we will not tolerate their aggression, and that we will take whatever military steps are necessary to defend our interests and the cause of freedom. That is why we need military registration and may need the draft. That is why we must continue to spend as much as is necessary to insure our defense strength (Congress is committing the Nation to a five-year, $1 trillion spending plan). That is why we must be firmer with our allies and demand their cooperation in battling communism. Through all this we can send a clear message to the Soviet Union, that message: we will never cease in our efforts to offset communism, we will never weaken in our resolve to spread freedom throughout the world, we will take whatever steps we must to preserve freedom and liberty.

Now, ladies and gentlemen, this report today has been pessimistic, it has pointed out serious problems, but in conclusion I want to tell you a little story. Last year as part of my concern about NATO, I took a short tour of military facilities in Europe. And while I was in Germany I was taken to the Berlin Wall, and I went up in the towers around that wall, and I looked out at the wall separating Communist Berlin from Free Berlin. And I saw the U.S. and communist soldiers watching each other through binoculars with the dogs patrolling on the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

communist side of the barrier and the weapons at hand. And I was very moved by that experience, because I thought to myself: look at that wall—the communists have to erect that wall to keep their people in their country; if that wall didn't exist those individuals would leave communist East Germany in a minute. On this Memorial Day we remember the brave men and women who served and the thousands who also gave their lives so that barriers to freedom are never erected in the United States and so that the cause of freedom can spread.

We have a difficult task ahead of us. The Soviet Union has made tremendous gains. But I feel the spirit of the American people reawakening, I feel a rededication of the American spirit throughout the land, and I am confident that as we have done in the past, we will prevail and insure that America remains the greatest, freest, strongest country in the world.●

COFFINS FROM AFGHANISTAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. DERWINSKI. Mr. Speaker, it is well known that censorship and deviation of information to the people in the Soviet Union is a standard procedure of the Communist regime in Moscow. However, a great deal of information concerning the Soviet coverup of casualties in Afghanistan has been leaked to Western sources, as evidenced by a recent report in the May 1980 edition of ELTA, the information bulletin of the Lithuanian National Foundation, Inc., located in Washington, D.C. I insert the article at this point:

Coffins From Afghanistan: Food Shortages Reported in Baltic Countries

The impact of Moscow's invasion of Afghanistan is already felt in the Baltic countries. There are many reports of food shortages since the Soviet aggression last December. Balts maintain that greater quantities of food products are now sent to the Soviet Union. Some of them speak their minds quite openly, as the woman quoted in Chicago's Lithuanian-language daily, Draugas, who said in a letter that, "our country is preparing for war, and so we are short of meat . . ."

Lithuania, Latvia and Estonia are forced to contribute more than goods to the Soviet war effort. Some 30,000 Lithuanian men are constantly serving in the Red Army. Obligatory military service is two years long. Young Lithuanians are not allowed to serve in the Red Army units that are stationed in Lithuania and are usually scattered so as to avoid a greater concentration. According to the Latvian exile press, a draftee cannot be stationed closer than 800 kilometers from his native land or residence. The reason for all these reasons is the deepseated mistrust of the Balts by the Soviet government.

Are there any Lithuanian soldiers in Afghanistan? Many of them are stationed near the Chinese border, in Caucasus, or in Kazakhstan, from where the Red Army units were sent to Afghanistan. A large number of Lithuanian reservists have been called to active duty. Evening Outlook (Feb. 29, 1980), a newspaper published in California, has reported that 300 coffins with soldiers killed in Afghanistan were unloaded in the Vilnius railway station. This report has not yet been verified.

The Latvian-language newspaper, Latvija (March 1, 1980), published in Germany, informs that coffins from Afghanistan containing Baltic casualties do regularly arrive at the customs office in Riga, Latvia. The coffins are then whisked away by security agents in closed cars. The guess is that the fallen soldiers are returned to their parents for burial. There are no obituaries in the Latvian press, but military funerals in Latvia's cemeteries have become more frequent.

The first list of eleven Estonian soldiers who have perished in Afghanistan has been published in the Estonian exile press.●

WHY BALANCE THE BUDGET NOW

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. ROSENTHAL. Mr. Speaker, with the conference report on the fiscal year 1981 budget pending before the House, I feel it is important for us to reflect on the necessity of crippling domestic programs as we head into an increasingly severe recession. The New York Times in its May 27 editorial places this budget balancing fever in perspective. I encourage my colleagues to read it:

Which Budget War?

There is something comic, or even pathetic, about the desperate drive in Congress to balance the Federal budget for the fiscal year that starts in October. Members of the budget committees in the House and Senate are running about frantically trying to win support from their colleagues for a compromise budget resolution that would supposedly bring about a budget balanced at $613.3 billion. The trouble is that, even if it is achieved now, by the time October rolls around, it will be impossible to maintain a balanced budget. It will also be undesirable.

Congress, in other words, is still fighting the last fiscal war. So is the President. They have all pledged to give the nation a balanced budget and no one wants to be the first to call off the charade in an election year.

The drive for balance made some sense two months ago when the recession was playing hide and seek with economists, and prices and interest rates were rising shockingly fast. That's when the President launched the credit control program, tossed out his first 1981 budget, only seven weeks old and involving a deficit, and pledged instead to come up with a budget in balance for the year. Congress followed his lead. And suddenly the special interest lobbyists began to worry that maybe Congress was serious. For the first time in decades Washington seemed ready to kill, or at least cut, some of their favorite programs.

That was the mood, too, at last week's conference to iron out the differences between the House and Senate versions of the budget. The legislators acted as though nothing has been happening to the economy. They had promised to balance the budget next year and nothing was going to stop them from doing so, at least on paper, at least for the moment.

The budget is balanced on the assumption of a relatively mild recession. But much in the economy has changed. Every day, the long-awaited recession is more evident. And it does not look mild; on the contrary, it may well be long and deep. And that means two good reasons for deliberately throwing the 1981 budget out of balance: to help the private economy recover and to cushion the effects on the victims of recession.

Meanwhile, Congressional conservatives have fought for—and won—a large boost in defense spending. Liberals have tried to protect the poor and the cities from further cuts—and lost. The House this week may even reject the budget because of objections to the cuts in domestic programs wrought in the compromise. This supposed compromise would take unduly from the sectors of society that have least to give. But it is hard to become aroused about a budget plan that is obsolete before it's even printed.

The drive to cut a few billion dollars here and there out of a $600-billion budget has lost even its symbolic value. The election-year charade should end.●

THANKS TO THE ILLINOIS COMBINED FEDERAL CAMPAIGN CHAIRMEN

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. CORCORAN. Mr. Speaker, the Illinois State chairmen for the Combined Federal Campaign worked very hard and did a superb job in the most recent Combined Federal Campaign. All too often, we are quick to criticize and slow to extend appreciation and thanks, which is why I take great pride and pleasure in recognizing 22 Federal employees in Illinois. These 22 individuals recently headed up Combined Federal Campaigns in my State, which resulted in our most successful fundraising drive yet. Federal military and civilian employees pledged more than $3.4 million. These generous contributions will be donated to a wide range of health and social welfare agencies which participate in the National Health Agencies, the local United Ways, and the International Service Agencies.

Richard Lockhart, who serves as the coordinator for the 17 health agencies in Illinois further informs me that the health group will receive $896,979. This money will be used primarily for patient services, research, and public and professional education.

All of these worthwhile results, however, are only possible with the extra hard work and effort by those who head up this fundraising campaign. Their work on the CFC is in addition to their regular duties in government. Therefore, I am very pleased to commend each of them at this time.

Ernest Bickhaus, Adams County CFC—Quincy Post Office.

Don Markwell, Aurora CFC—Federal Aviation Administration.

Arnold Dahlman, Carroll County CFC—Savanna Army Depot Activity.

John Comerer, Elgin CFC—Elgin Post Office.

Huber Goforth, Carbondale CFC—Carbondale Post Office.

Boyd Holmes, Jefferson County CFC—Social Security Administration.

Clark McKenna, Kankakee County CFC—U.S. Post Office.

Ms. Fran Ryan, Cook-DuPage Counties CFC—Department of Labor.

Bill Tipsword, Knox County CFC—Social Security Administration, Galesburg.

Stephen O. Young, McLean County CFC—Social Security Administration, Bloomington.

Henry Pauls, Macon County CFC—Decatur Post Office.

Charles Caton, Will County CFC—Joliet Post Office.

Captain Robert Beskind, Lake County CFC—Great Lakes Naval Reserve.

Fred Halbig, Sangamon County CFC—Department of Health, Education, and Welfare, Springfield.

Gerald Hartwig, Peoria County CFC—Social Security Administration, Peoria.

John Fritsch, Vermilion County CFC—Danville Post Office.

B. J. Tolson, Williamson County CFC—Marion, U.S. Penitentiary.

Thomas Kelly, Winnebago County CFC—Rockford Post Office.

Colonel Dick Dorsey, Champaign County CFC—Chanute Air Force Base.

Peter Copeland, Rock Island County CFC—U.S. Army Armament Material Readiness Command.

Clarence Squellati, St. Louis CFC—USDA, Farmer's Home Administration.

Joseph Zandecki, LaSalle CFC—U.S. Post Office, LaSalle.●

JACK KRAIZMAN NAMED "MAN OF THE YEAR"

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BRODHEAD. Mr. Speaker, on June 4, 1980, Jack Kraizman will be named "Man of the Year" by Congregation B'nai David in Southfield, Mich. Jack is an extraordinary man, whom I have known for years, and he richly deserves the honor he will receive.

Jack has been extremely active in community, religious, and professional organizations. I have been most closely associated with him as a result of his work with the Jewish War Veterans, of which he is a past commander of the Michigan chapter. It was Jack who called my attention to the fact that decisions of the Board of Veterans Appeals may not be subject to review in court, and I have subsequently introduced legislation to remedy this inequity. Jack's interest in this issue reflects his overriding concern for justice and the welfare of all citizens.

Jack emigrated to the United States from Russia as a child, and attended elementary through law school in Michigan. His life has been a testament to the opportunities that America has traditionally made available to all people; his many successes have resulted from his dedication to making the most of these opportunities and taking initiatives to help his country and fellow citizens at every turn. I feel very fortunate to have Jack Kraizman as one of my constituents.

I know that my colleagues will join me in congratulating Jack on the honor he is about to receive and warm wishes for success in his future endeavors.●

TROUBLE FOR AMERICA'S AUTOMAKERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. HAMILTON. Mr. Speaker, I insert my Washington report for Wednesday, May 28, 1980, into the CONGRESSIONAL RECORD:

TROUBLE FOR AMERICA'S AUTOMAKERS

The Indiana Congressional Delegation recently met with representatives of the Hoosier State's automobile industry. Those representatives impressed upon us the seriousness of the economic slump which has struck their industry with devastating force. They point out that the slump may well inflict lasting damage on their companies.

The American automobile industry is plagued by several problems. In today's stagnant economy, sales are off about 43 percent from this time last year. The sharp decline in business has sent profits tumbling. The regulatory policies of the federal government bear some responsibility for the losses since regulations have added to the cost of cars and contributed to the shortage of gasoline. Potential purchasers of automobiles, hit hard by inflation and high interest rates, are simply postponing their decisions. The United Automobile Workers (UAW) is faced with growing numbers of pensioners as the people who joined the union during the years of expansion reach retirement age. With their profits dropping precipitously, the automakers are cutting their capital spending and introducing expensive rebate plans to stimulate sales. General Motors has reduced its dividends. It is questionable whether Ford, which has suffered setbacks in its North American operations, will be able to sustain its position as a worldwide competitor. Chrysler is scrambling just to keep its head above water.

Even these grim facts do not give the whole picture. At a time of sagging sales and profits, Detroit is struggling to adapt to a changing market. The industry is doing away with the big cars that were its mainstay during the past two decades, and it is tooling up to manufacture the small models demanded by law and consumer preference. The process of conversion is costly: production of the 1980-85 lines may require $70 billion in capital outlays. A further complication is the increasing share of the market being taken by importers who have small cars to sell. Imports may soon account for 30 percent of all sales. The impact on autoworkers is yet another concern. Thirteen of 40 assembly plants have been shut down, about 300,000 people have lost their jobs, and many more fear that they will be next to join the ranks of the unemployed. To make things worse, some experts are asking whether the automobile has a future in a world of shrinking petroleum reserves.

Washington is alarmed by the deterioration of the American automobile industry. It recognizes that the industry needs some kind of help. Among the initiatives being weighed are the easing of fuel-efficiency regulations, the use of tax credits and generous depreciation allowances to assist the industry in paying its higher costs, the relaxation of antitrust laws to permit car companies to cooperate on safety and research projects, the imposition of barriers to imports, and legislation to require that a certain percentage of each imported car be made of American parts. Support in the form of small business loans is being considered for car dealers, 1,000 of whom have closed their doors since last summer. The list of possible remedies is so long that it has become necessary to identify priorities and pin down the best steps.

Imports are a special problem. Ford and the UAW want Congress to restrict Japanese imports which now account for 20 per cent of all cars sold here. The restrictions would force the major Japanese automakers to build plants in the United States, thus driving Japanese car prices up. More and more, American automakers are competing directly with Japanese counterparts whose workers are very productive. In the body assembly shop of a plant in Japan, for example, an amazing 96 percent of all welds are made by robots, enabling the plant to manufacture 67 cars per man-year. The Japanese industry as a whole averages 45 cars per man-year. Our industry, in contrast, averages only 25. Labor costs are another factor favoring the Japanese. Wages at American plants may reach $20 per hour in 1982, substantially above the expected wages in Japan.

It is clear that worldwide competition among automakers has generated intense protectionist feeling in Detroit. Although protection may boost profits and employment in the short term, it may mean higher prices to consumers and fewer total sales later on. Also, it raises the very real threat of retaliation: if Japan cannot export its cars to America, the Japanese may choose to cut back on their purchases of our food, thus harming the American farmer. Perhaps the best approach to the problem is one that proceeds in steps. First we seek voluntary controls on the part of the Japanese, then we price their cars here as our cars are priced in Japan, then we force them to assemble their cars here, and finally, if all else fails, we curb imports.

Despite the gloom, there are hopeful signs. The government and the automakers are beginning to put away their quarrels. They understand that the industry is so important to the nation's well-being that cooperation must replace confrontation. A basic question of the 1980s—a genuinely difficult one to answer—is the extent to which the government should become involved in the coming worldwide commercial struggle for a bigger share of the car market. Also, the introduction of small models should revive sales and recapture some of the market now going to imports. Finally, Japanese plants are already being established in this country.

A leaner and more competitive American automobile industry must, and in my view will, emerge from the current trouble. For the companies that adapt to changing demands, most experts see a bright future.●

THE DARK SIDE OF THE TITO LEGACY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. DERWINSKI. Mr. Speaker, it is not unusual for eulogies for the deceased to ring mellifluously if not always quite true. When Mao Tse-tung died a few years ago, some American papers were hard put to even call him a Communist, as if in fear of a libel suit. We see a somewhat similar situation in the case of Marshal Tito's death earlier this month. To provide a little balance to the generally highly favorable press comment, Cord Meyer's recent column on Tito is of interest. The cult of personality that the Yugoslav dictator fostered and foisted on his country provides a dark side to the Tito legacy. The Meyer column appeared in the Richmond Times-Dispatch on May 16, 1980, and is reprinted below:

THE DARK SIDE OF THE TITO LEGACY

(By Cord Meyer)

"The evil that men do lives after them, the good is oft interred with their bones." So wrote Shakespeare and so it may be for Tito, whose funeral inspired such indiscriminate praise that it obscures the dark side of his legacy.

For all his achievements, Tito leaves behind him a cult of personality that cannot long survive his death and a swollen one-party bureaucracy that cannot function effectively under the annually rotating leadership that he bequeathed to his successors.

Leonid Brezhnev's benign presence and soft words at Tito's funeral should not for a moment mislead the Carter administration as to Soviet intentions toward the first communist state that asserted its independence of Moscow's rule.

Accumulating over the years, there is a body of hard evidence available to President Carter that the Kremlin has assigned the highest priority to winning back, after Tito's death, the loyalty and obedience of the Yugoslav Communist Party. The Russians view their Yugoslav comrades as lost sheep who have strayed only temporarily from the fold.

The Soviets are not likely to risk anything so destructive of their hopes of selective détente in Western Europe as an armed invasion on the Afghan model. Rather the real threat is a relentless carrot-and-stick strategy designed to exploit every conceivable Yugoslav vulnerability by overt and covert means.

Economic pressures, diplomatic blandishments, secret penetration agents and nationality divisions, all will be orchestrated in the effort to restore the Soviet hegemony that Tito escaped.

The stakes in this cat-and-mouse game are very high. The Yugoslav heresy sticks like a bone in the Kremlin's throat, and Tito's condemnation of the Soviet invasions of Czechoslovakia and Afghanistan encouraged disobedience in Rumania and among Western communist parties. If the Yugoslavs can be brought back into line, only the ruling communist parties in tiny Albania and in huge China would remain outside the Soviet orbit.

The strategic advantages of reintegrating Yugoslavia into the Warsaw Pact are almost as compelling for the Soviets as the benefits of ideological conformity. Soviet access to air and naval bases on the Adriatic would transform the eastern Mediterranean into a Russian lake. Soviet troops on the borders of Greece and Italy would destabilize the precarious political balance in those two countries and undermine the whole southern flank of NATO.

In Moscow, Konstantin Rusakov, as head of the Bloc Department of the Soviet Communist Party's Secretariat, has the main responsibility for proposing a coordinated operational plan to the Politburo for the winning back of Yugoslavia. Drawing on inputs from the KGB and from the defense, economic and foreign ministries, Rusakov must already be far advanced in his preparation of an assessment of Russian resources and a phased strategy for their deployment.

As the famous Yugoslav dissident, Milovan Djilas, tried to warn a year ago, the greatest danger does not lie in the small underground group of active pro-Soviet Yugoslavs but rather in the possibility that elements in the existing Yugoslav communist bureaucracy and police apparatus may decide that a rapprochement with the Soviet Union is the only way to preserve their monopoly on power in the wake of Tito's death. There are already disturbing signs of cooperation between intelligence services.

Despite his daring innovations, Tito never changed the basic structure of communist rule. When party supremacy was threatened by Croatian separatism in the early '70s, he re-established the authority of the Central Presidium. In his old age, he strengthened the secret police, the dreaded UDBA, under its present chief, Gen. Franjo Herljevich, a tough Leninist. Tito even ordered the assassination abroad of his opponents and sentenced his domestic critics to long prison terms.

On the other side of the ledger stand the deep national antipathy toward Russian hegemony and the profound changes in Yugoslav society brought about by the open borders, higher living standards and access to the West that Tito's policy permitted. There is a new generation of Yugoslavs, 70 per cent of the population, for whom the partisan battles of World War II and the nationality funds are a vague historical memory. For them, Tito in his last years was a respected but much too repressive father figure, and their sympathies lie with the West.

In a recent interview with this reporter, the noted Yugoslav emigre author, Mihailo Mihailov, who spent seven years in Tito's jails for his outspoken opinions, warned that Tito's personality cult will fade more quickly than Mao's. Both Mihailov and Djilas see the best hope in an alliance between the more liberal communists and the general population that can lead by gradual steps toward a more open and pluralistic society.

Whether American foreign policy-makers have the subtle skill required to encourage and protect this evolution will determine not only the future of Yugoslavia but of the NATO alliance as well.●

HONORING MR. RON FRANK

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. LUNGREN. Mr. Speaker, for more than 200 years, small business has provided the backbone of the American economy, and has exemplified the American spirit and character through the traits of individual initiative, self-reliance and creativity.

For the fifth consecutive year, the Long Beach Area Chamber of Commerce is making an extra effort to recognize the importance and contributions of small business to the economy and the free enterprise system. One of the chamber's efforts is the presentation of the annual "Small Business Award" during May—Small Business Month in Long Beach.

The 1980 award was presented Tuesday, May 13, to Mr. Ron Frank, president of Frank Bros., a retail furniture and home furnishings business located in Long Beach.

Frank Bros. was established in 1930. Ron began at the bottom of this family-owned business, earning 10 cents a day. He worked his way up from janitor to stockboy, to salesman, to assistant manager, and became president in 1961.

Frank Bros. enjoys an admirable reputation in the Long Beach retail community. The establishment has long been known for its exceptional line of quality and unique merchandise.

In addition to being a successful and respected businessman, Ron Frank is also very active in community, civic, and charitable affairs. He is on the board of the Long Beach Heart Association, a member of the Industry-Education Council of Long Beach, a Grey-Y leader for 3 years for the Long Beach YMCA, a Rotarian, secretary-treasurer of the Queen Mary Tour, a board member of the Long Beach Boulevard Improvement Association, has served two terms on the chamber's board of directors, and is a founding member of the committee of 300, the support group for the annual running of the Long Beach Grand Prix.

Ron Frank exemplifies the men and women in small business, who, through their tremendous drive to succeed, characterize our free and dynamic people, and thus guarantee the future of our society.●

BUREAUCRATIC QUAGMIRES OF REDTAPE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. COELHO. Mr. Speaker, I thought my colleagues would be comforted to know that we are not the only ones in the world who must hassle labyrinthian bureaucratic quagmires of redtape and rules and regulations.

Indeed, the Imperial Clinical Industries of Australia might even rival our own Occupational Safety and Health Administration and Environmental Protection Agency in regulatory zeal. While I was in England recently to help kick off National Epilepsy Week in that country, a friend of mine gave me the following announcement:

> Imperial Clinical Industries of Australia has announced the discovery of a new fire-fighting agent known as WATER (Wonderful And Total Extinguishing Resource). It is particularly suitable for dealing with fires in buildings, timber yards and warehouses, and is cheap to produce. It is intended that quantities of about one-and-a-half million gallons should be stored in open ponds or reservoirs near urban areas and installations of high fire risk.
>
> WATER is already encountering opposition from safety and environmental groups. One group has pointed out that if anyone immersed his head in a bucket of WATER, it would prove fatal in as little as three minutes. Each of the proposed reservoirs will contain enough WATER to fill half a million three-gallon buckets. Each bucketful could be used a hundred or more times, so there is enough WATER in one reservoir to kill the entire population of the United Kingdom.
>
> It has been reported that WATER is a constituent of beer. Does this mean that firemen could become intoxicated from the fumes when they use it to put out a fire?
>
> The "Friends of the World" said they obtained a sample of WATER and found it made clothes shrink. It shrank cotton, so what would it do to people? In the House of Commons, the Home Secretary was asked if he would prohibit the manufacture and storage of this lethal new material. A full investigation was needed, he said. A group was formed to file an environmental report.●

BALANCE THE BUDGET: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BEREUTER. Mr. Speaker, this week the House of Representatives is expected to consider the conference report on the congressional budget resolution. Once again we will be confronted with the task of whether to approve a real balanced Federal budget or one that "works out temporarily on paper."

I read a recent editorial in the Omaha World Herald that addresses this subject. I think it is appropriate for Members to review the contents of the editorial as they consider the votes on the conference report. I insert it in the RECORD as follows:

[From the Omaha World Herald, May 18, 1980]

A TRUE BALANCED BUDGET NEEDED

The Conference Board has issued a new set of inflation statistics which put into figures something we already knew—inflation is eroding purchasing power drastically.

The business-funded research unit said that in 1970, a family of four with an income of $10,000 a year had $8,640 left to spend after payment of federal income and Social Security taxes.

This year, that same family would need $20,187 just to stay even. Taxes would take $3,408 of the gross and an additional $8,139 would be needed to make up for price increases.

Four-person families with salaries of $15,000 to $20,000 in 1970 require incomes today of $30,722 to $52,495 to equal purchasing power.

The answer, though, isn't to keep increasing the flow of "cheap" dollars. The permanent remedy is to strenghten the dollar by slowing the federal money printing presses. A true balanced federal budget, not just one that works out temporarily on paper in an election year, would be a firm step forward in restoring the buying power of the nation's hard-pressed families.●

YOUTH OPINION SURVEY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. ROTH. Mr. Speaker, during a recent visit to the Eighth Congressional District I had the opportunity to review current events in foreign affairs with students from Southern Door High School, Brussels, Wis. I was very impressed with the maturity and insight these students demonstrated by their knowledge and wisdom of these important matters.

During that visit I also conducted a brief survey of students, and the following are the results:

RESULTS OF YOUTH OPINION SURVEY

	Percent	
	Yes	No
1. Do you support President Carter's boycott of the summer Olympics in Moscow?	68	32
2. Do you agree with the manner in which the American hostage situation in Iran has been handled?	38	62
3. Do you believe that the United States must take a stronger stand against further Soviet aggression?	90	10
4. Do you favor a return to the selective service system beginning with the registration of all males 18 to 20 years of age?	45	55
5. Do you favor the registration of women?	45	55
6. Do you think that a person should have a choice between serving in the military or volunteering for an alternative such as the Peace Corps of community service?	86	14

●

A MONUMENT TO HONOR GENERAL MIHAILOVICH

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. UDALL. Mr. Speaker, along with my good friend from Illinois (Mr. DERWINSKI) and numerous other Members of Congress, I have sponsored H.R. 262, a bill which would authorize the construction of a monument to Gen. Draza Mihailovich. General Mihailovich was a Yugoslav patriot who saved the lives of several hundred American airmen during World War II. Those airmen have formed themselves into an organization, the National Committee of American Airmen Saved by General Mihailovich, whose only goal is to honor this man to whom they owe so much. H.R. 262 authorizes the private construction and maintenance of this monument somewhere in Washington; no public moneys would be required.

Tom Tiede of the Newspaper Enterprise Association recently wrote an article on the Mihailovich issue which gives a good outline of the situation. I encourage my colleagues to read this article, and to become cosponsors of H.R. 262.

The article follows:

YUGOSLAV WAR HERO WAS TITO'S ENEMY—U.S. WON'T LET PILOTS THANK MIHAILOVICH

(By Tom Tiede)

WASHINGTON—In the early 1940s, during World War II, a Yugoslavian resistance fighter became something of a legend and Godsend to a good number of American servicemen.

Gen. Draza Mihailovich organized rescue efforts to keep ditched bomber pilots out of the hands of the German forces.

After the war the pilots decided to repay the general with national gratitude. They formed an organization to propose the building of a small monument to the guerrilla leader. They came to Washington to get governmental sanction, and a piece of property, and were promptly and sharply turned down.

Federal officers said the memorial would be inappropriate. They explained that the United States was supporting Marshall Tito in Yugoslavia, and Tito did not want any honors for Mihailovich. No one denied that Mihailovich was a hero, and a wartime friend, but there were political realities to consider.

Undeterred, the pilots did not give up their idea. Nor did the government withdraw its steadfast opposition. Today, 35 years later, the standoff continues. The pilots, now aging, are still trying to construct a monument to Gen. Mihailovich. The U.S. administration still opposes the notion.

"It's a very sad story," says Maj. Gen. Donald Smith, retired. He was one of the downed airmen rescued by Mihailovich, and is now honorary chairman of the memorial organization.

Smith says the pilots want to build a simple granite obelisk in Washington. They would raise money through donations (perhaps $40,000), then maintain the monument themselves.

The plan has wide support, he adds. Parks officials have accepted it, a memorial bill in the House has attracted 70 cosponsors, and the U.S. Senate has voted its approval on two occasions. But without full governmental blessing, Smith says the memorial can't be built in the capital.

Ironically, there was a time when the government would have welcomed a plan to honor Mihailovich. In the middle years of the war, the general's mountain troops were the best friends the Allies had in Yugoslavia. Tito also had a resistance command, but historians say he was not so helpful as Mihailovich.

The general's primary assistance was to pilots based in Italy. They flew over Yugoslavia to bomb Hitler's oil fields in Rumania, and when they were crippled they turned to Mihailovich for help. The guerrilla rescued 520 U.S. airmen, many of whom would otherwise have been killed or captured by the Nazis.

But if Mihailovich was America's staunch friend, he was also Tito's sworn enemy. The general was a royalist, the marshal a communist. They fought each other as much or more than they did the Germans. The feud led to a discrediting of Mihailovich in the view of Allied authorities.

Gen. Smith believes the communists engineered the discrediting. They are said to have planted a spy in British intelligence who embellished Tito's reputation at Mihailovich's expense. From then on the Allies turned their attention to Tito, and largely severed relationships with the general.

When the war ended, Tito took over the Yugoslav government, arrested Mihailovich and put him on trial. Smith says a number of U.S. pilots offered to testify on behalf of the guerrilla hero, but U.S. authorities denied them permission. The general was found guilty and swiftly executed.

Meantime, the Truman administration had awarded Mihailovich a medal for his wartime help: the Legion of Merit. But in deference to Tito, it was decided not to make it public. The award was classified for 20 years before Rep. Edward Derwinski, R-Ill., dragged the secret from government archives.

Derwinski has been a Mihailovich champion since. Partly because his Congressional district contains thousands of Serbian-Americans who, like the pilots, believe the general has been poorly served by the United States, Derwinski has been the chief sponsor of a number of memorial bills introduced in the House.

Derwinski has also been the target of some scathing communist anger. And so have a few of the airmen who continue to promote Mihailovich. Each time word reaches Yugoslavia of the memorial legislation, it's featured in Tito's newspapers. Gen. Smith says some of the memorial proponents have received death threats.

Tito has never had to fret. The U.S. State Department has stated repeatedly that it considers its fragile association with the marshal more important than a debt of honor. As far as federal officialdom has been concerned, Derwinski says, Draza Mihailovich has been a nonperson.

Some believe that when Tito is gone the United States will at last give Gen. Mihailovich his due. But then again perhaps not. After all these years the government may be too embarrassed to admit how it's treated an old friend.●

CONGRESSIONAL SALUTE TO MAN OF THE YEAR ALBERT U. KOCH

HON. RAPHAEL MUSTO

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. MUSTO. Mr. Speaker, the Lehighton Area Chamber of Commerce has seen fit to honor Albert U. "Brady" Koch as the "Man of the Year," and it is my great pleasure to call your attention to this distinguished gentleman and seek this national recognition of his dedicated service, outstanding community leadership, and contributions to our area during the past 20 some years.

All of us who have had the good fortune to know Brady Koch are especially proud of his many accomplishments as a Carbon County commissioner in his fourth term and presently serving as chairman. His personal commitment to the community and his outstanding public service as mayor of Lehighton for two terms are applauded by all of our people. Particularly noteworthy are his many years of service to the Gnaden Huetten Memorial Hospital on the board of directors and presently as its first vice president. We also recognize that he served as director of the First Federal Savings & Loan Association and is a past president of the Rotary Club of Lehighton. In addition, he has served as chairman of the economic council fund drive for the last 2 years. Of even greater significance is the heart-warming knowledge of the magnitude of the unselfish efforts that he has extended to his fellow man in many other capacities.

Mr. Speaker, I know you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to Albert U. "Brady" Koch and share the great pride of his family and friends in honoring an outstanding citizen and great American. We do indeed salute Lehighton's man of the year, Albert U. Koch.●

HEAD START IS A SUCCESS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. RAHALL. Mr. Speaker, it is with great pleasure that I rise today to congratulate and commend the thousands of dedicated Americans who serve their communities through the Head Start program.

It is also with great pride that I join my State's Governor, John D. Rockefeller IV, in celebrating the month of May in West Virginia, as "Head Start Month."

For over 15 years now, individuals from all over this great land of our's have been brought together in their support of Head Start by a common bond: love for children.

Day in and day out, these people volunteer to help, guide, and love millions of children aged 3 and 4. Their work is remarkable. Their success is even more astonishing.

In particular, I think of the Head Start program in Mingo County, W. Va., 16 centers, under the direction of Ida Mae Copley, work with over 400 children. At these Head Start centers, the staff believes that our Nation's children is our future, and they work with the interests of the children and the United States in mind.

But the children are not the only beneficiaries of Head Start. Parents of preschool children are made aware of the needs of their youngsters. Medical concerns, psychological needs, physical development among others, all play a part in the formation of a well-rounded young person. In Mingo County, as well in all eight of the counties in the Fourth District, Head Start is working, and it must continue. With the support of all of us, it will.●

INTERNATIONAL PEACE ACADEMY'S THIRD MIDDLE EAST TASK FORCE REPORT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. HAMILTON. Mr. Speaker, the International Peace Academy in New York is a small organization devoted to furthering the skills of conflict resolution. It is involved in scrutinizing and promoting peacekeeping, mediation, and negotiations efforts.

The report of the Academy's Third Middle East Task Force to the Middle East was recently brought to my attention and I would like to share its conclusions with my colleagues. The task force consisted of John Edwin Mroz, Executive Vice President of the Academy and author of "Beyond Security: Private Perceptions Among Arabs and Israelis" and Ira D. Wallach, a member of the academy's board of directors and chairman of the Gottesman Corp.

The summary of the task force's visit to the Middle East offers useful insights into the situation in that crucial area and is helpful background for understanding current diplomatic efforts to try to promote a comprehensive peace settlement of the Arab-Israeli conflict and some of the problems these negotiations are encountering.

The summary follows:

SUMMARY VIEWS OF THE THIRD MIDDLE EAST TASK FORCE OF THE INTERNATIONAL PEACE ACADEMY

I. BACKGROUND NOTE

The International Peace Academy is a professional teaching institute which provides training programs for diplomats and military officials from 114 nations (including the USA) in the skills and procedures of negotiation, mediation, and peacekeeping. The Academy is headed by Major General Indar Jit Rikhye, former Commander of UNEF in Gaza and Military Adviser to UN Secretaries-General Hammarskjold and Thant. The Academy had conducted numerous professional training programs around the world, including the Foreign Service Institute's seminar in Multilateral Diplomacy in 1979 and 1980. In addition to its training activities, the Academy produces and publishes practitioner-oriented publications in the conflict resolution field, such as the "Peacekeeper's Handbook." Former Secretary of State, Vance, who continues to serve as a member of the Academy's International Advisory Board, said of this publication: "This handbook will unquestionably help to strengthen the UN's peacekeeping capabilities. It would be of particular use in training of the sort we have recently proposed." (1978).

The "Third Middle East Task Force" was authorized by the Academy's governing Board to spend 6 weeks in Israel, the West Bank, Jordan, Syria, Lebanon, Egypt, Oman, and the United Arab Emirates. In addition, lengthy meetings were held with Arab League officials in Tunis and a wide spectrum of the PLO leadership. The Task Force consisted of John Edwin Mroz, Academy Executive Vice President and author of "Beyond Security: Private Perceptions Among Arabs and Israelis;" and Ira D. Wallach, a member of the Academy's Board of Directors and New York industrialist. The book "Beyond Security" is a product of three years' work of the Academy's Middle East Task Force.

II. SUMMARY OF VIEWS

The following views were among those which emerged during private discussions with 124 governmental and non-governmental leaders in the Mideast, March 9-April 21, 1980.

1. It was generally believed by the Arabs and Israelis with whom the Task Force talked that the vast majority of the people of the other group favors an end to the Arab-Israeli conflict. Likewise they doubt that the leadership of their adversary equally seeks an immediate end to the conflict. Many feel that the major initiative for peace will come from the youth of the countries and from the military, the latter because of a deep-seated frustration over their inability to achieve a decisive military victory as a result of great power interference (examples given include 1956, 1967, and 1973).

2. A clear majority of the Israeli people with whom the Task Force spoke support an end to the current military occupation of most of the West Bank and Gaza (however, this often excludes Jerusalem). The crucial question is clearly how one reconciles the security needs of Israel and its neighbors with the exercise of Palestinian self-determination.

3. There is full agreement by all Arabs and Israelis with whom the Task Force spoke that the Middle East will know no peace until the Palestinian problem is solved in all its aspects. The Palestinian problem is seen as inextricably linked to dozens of other current or potential conflicts from the north of Africa to the Gulf. It is felt by many that settlement of this problem will tend to facilitate resolution of other regional problems.

4. There is full agreement among Arab policy and opinion leaders with whom the Task Force spoke, including the mainstream PLO leadership, that Israel is a permanent factor in the region and there is a noticeable absence of talk of militarily defeating Israel. The Task Force encountered persistent discussion in all quarters about the mechanics and specific benefits of a comprehensive settlement. The Arab view is that delay of a settlement for a period of years could again negatively change the Arab position on acceptance of Israel (the favorable change appears to have taken place between 1973 and 1976). Meanwhile strong private pressure upon the PLO to publicly recognize Israel's right to exist is coming from both West and East.

5. Most Israelis with whom the Task Force spoke believe that Israel is finding the military occupation of the West Bank and Gaza increasingly difficult to maintain. The Palestinians, including small children, are becoming openly rebellious and antagonistic. Incidents of mass civil disobedience and acts of violence are becoming more common and difficult to control. Fears of wider violence by extremist Arab (Moslem and Christian) and Jewish fringe groups is growing.

6. There is unanimous agreement by Arabs and Israelis alike that some third parties will play a major role in carrying out the transitional phases of a settlement. This could include monitoring buffer zones, inspection of demilitarized and limited armament areas, providing early warning information, plebiscite supervision, and the like.

7. The desire was generally expressed by most Arabs and Israelis of the need to limit Soviet military influence in the region, in which case it often followed that the United States military presence likewise should be restricted. The growing military presence of the Soviets and the Americans is a cause of private concern to most Arabs with whom the Task Force spoke; Israelis are likewise concerned about the Soviet presence. The confidence in the intentions and capabilities of both great powers has seriously eroded during the past year.

8. It is evident to the Task Force that security fears are deeply held by all of the parties (including the Palestinians for the security of a Palestinian state). All parties agree that a period of confidence-building will be necessary to allay these fears. There was some feeling that outside guarantees might be helpful, as part of a comprehensive settlement, possibly under Security Council auspices. Some Arab leaders, including the PLO, also hoped that a final settlement would include an agreement by the signateurs to limit great power military presence in the region.

9. It was explained to the Task Force by many Arab leaders that communist parties in the region are considerably weaker today than in the 1940s.

10. Most Palestinians and other Arabs with whom the Task Force spoke (except in Egypt and Oman) do not see where the Camp David process is going. They fear that acceptance of Mr. Begin's "full autonomy" (which they claim is actually a limited autonomy designed to continue Israeli control over the military, water, and other critical areas) would amount to an acceptance of the perpetuation of the occupation. Based on extensive conversations with Jordanian officials, it appears unlikely that Jordan will participate in the autonomy talks under present circumstances.

The PLO, Syrian and other Arab leaders do not privately call for the renunciation of the Egyptian-Israeli Peace Treaty but for a freeze of the normalization process and pressure on Mr. Begin to change his policy on the occupied territories and self-determination. Most Israelis with whom the Task Force spoke agreed that some change of the status of the occupied territories would come with a change of government in Israel. However, many Arabs doubted whether a change of Israel's government would make a major difference in its policy.

BIO SKETCH OF JOHN EDWIN MROZ, EXECUTIVE VICE PRESIDENT, INTERNATIONAL PEACE ACADEMY, NEW YORK, N.Y.

Mroz has served since 1977 as Executive Vice President of the International Peace Academy, a professional educational institute that provides training to government officials from 114 nations in the skills of peacekeeping, mediation, and negotiation. He previously served as Director of Development of the Academy.

Mroz completed his doctoral work at the Fletcher School of Law and Diplomacy. He has served as a National Science Foundation Teaching Fellow in Boston and has earned three master's degrees in areas of international politics, international law and organization, communist studies and public diplomacy.

His first book "Beyond Security: Private Perceptions Among Arabs and Israelis" is being published in the Spring of 1980. It systematically explores the perceived threats and security requirements of the Palestinians, Israelis, Jordanians, Egyptians, Syrians, and Lebanese in the 1980's and includes several compromise options mentioned privately by Arabs and Israelis to resolve the critical security issue. He is completing a more detailed study of the impact of third parties in the Arab Israeli conflict and is writing several articles for professional journals and newspapers.

Mroz is married and lives in Fairfield, Connecticut. He travels extensively, particularly in the Middle East. He is a member of the Pi Sigma Alpha (Political Science Honor Fraternity), the University Club, the English Speaking Union, the Middle East Institute, the American Society of International Law, the International Studies Association, and other professional associations. He is a frequent lecturer in the United States, Europe and the Third World on subjects of conflict resolution skills and techniques, international political and security matters, and the Middle East. Additional information is available upon request.●

CYRUS VANCE

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. HARRIS. Mr. Speaker, many thoughts come to mind as we reflect on the career of Cyrus Vance. During the past 3½ years he worked to build the central elements of a foreign policy which have served our Nation's interests. Secretary Vance believed and worked for strong alliances and strong American defenses. During his tenure he worked diligently for balanced arms control agreements like SALT II which would help to fortify our security. He firmly believed that it was in the interest of the United States to work for peace in troubled areas, especially the Middle East. It was Cyrus Vance who made great strides in building our new relationship with the People's Republic of China, while emphasizing the importance of broadening our ties to many of the nations of the Third World and of Eastern Europe.

Although the past few months have been filled with a great deal of trial, the past few years have been filled with accomplishment. Through his strong leadership we can note the modernization of conventional and theater nuclear forces in NATO, Camp

David, SALT II, China normalization, the Panama Canal Treaty, peace in Zimbabwe, regular economic summits, successful multilateral trade negotiations, and human rights advances in many countries.

Cyrus Vance has made a fine record for himself both at home and around the world. His distinguished work will not be forgotten.●

TRIBUTE TO JOHN STEPHEN MONAGAN

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. JOHNSON of California. Mr. Speaker, it is most appropriate that the Federal building in Waterbury, Conn., should be named to honor one of that city's most distinguished public men, former Congressman John Stephen Monagan, and I am today introducing legislation to accomplish this objective.

A native of Waterbury, John Monagan's entire career of public service is inextricably linked with Waterbury. As a young lawyer, he began his legal career there; he served his fellow townsmen as president of the board of aldermen, then as their mayor, and finally, as their voice in the U.S. House of Representatives from 1959 until his retirement from public life in 1973.

In his seven terms as a Member of Congress, Representative Monagan served with distinction on the committees on Foreign Affairs and Government Operations. He held the post of chairman of the Legal and Monetary Subcommittee. Congressman Monagan represented the United States on numerous commissions established by the President to advance the cause of world peace.

John Monagan served in this body with integrity of purpose and deep devotion to the cause of improving the lives of his constituents and all citizens of our Nation and the world. He was not afraid of hard decisions, and he always carried the heavy responsibilities of his job gracefully and effectively.

I urge all Members of the House to consider and support the bill which I and the entire Connecticut delegation are introducing today to pay proper tribute to this great citizen and public servant.●

U.S. AID TO NICARAGUA

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. UDALL. Mr. Speaker, Robert Muth, vice president of the American Smelting & Refining Co., recently sent me a copy of a letter written to Senator EDWARD ZORINSKY by Asarco's chairman, Charles F. Barber. Mr. Barber has some interesting insights into the question of U.S. aid to Nicaragua and on the attitudes of that nation's leaders toward private investment. The House will be considering this question as part of the International Security and Development Act and during the appropriations process, and I wanted to share the letter with my colleagues:

ASARCO, *March 11, 1980.*

Hon. EDWARD ZORINSKY,
Chairman, Subcommittee on Western Hemisphere Affairs, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SENATOR ZORINSKY: I am writing to express our hope that Congress will approve the pending legislation to provide aid for Nicaragua. The needs are great. The confidence of the Nicaraguan people in their institutions and their country is evident in that the majority of the private-sector farmers and businessmen have remained in Nicaragua and are doing their part to restore the Nicaraguan economy.

In the debate over this legislation in the Congress, much has been made of the Marxist declarations of certain of the Nicaraguan officials. In our day-to-day contacts with these same officials, we have found them pragmatic in economic matters and correct in meeting commitments which they have made. They appear to be developing their political directions as they go along; the issue is by no means determined at this time.

ASARCO Incorporated has operated in Nicaragua since the middle 1930's as manager of Neptune Mining Company, 53% owned by Asarco. Neptune has gold-mining properties in the eastern part of Nicaragua. The mines were expropriated on November 2, 1979. We have since been in continual contact with members of the Junta and the Minister of Mines on matters of personal security, supplies, transportation, and the like. At the present time, the Government is auditing Neptune's books and making an inventory of its fixed assets in company with a representative of Neptune. This is in preparation for discussions as to compensation to be paid. This is not a pleasant matter, but is going forward in an orderly way.

I think it is in the interest of the United States to encourage the new government and the Nicaraguan private sector to work together to rebuild the country and its institutions. Approval of aid for Nicaragua would, I believe, encourage the private-sector people to believe that a sound future for their country exists.

Yours sincerely,

CHARLES F. BARBER,
Chairman.●

TRIBUTE TO CYRUS VANCE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

● Mr. ROE. Mr. Speaker, I rise today to salute our former Secretary of State Cyrus Vance. Cy Vance left office recently with the same dignity and grace that he brought to his job.

He will be well remembered as a voice of moderation at a period in history filled with escalating international tension and saber rattling.

As we well know by the headlines in our daily newspapers, this is a tough time to be a diplomat. And this is especially true for a man with the sensitivity of Cy Vance.

Unlike some past officials in his position, Cyrus Vance did not seek celebrity status. His tact was to work diligently behind the scenes, with as little hoopla as possible, to achieve his objectives. And once they were accomplished, he appeared embarrassed to hear words of praise for his often impossible tasks.

There is no question that Cy Vance will be remembered as a man dedicated to achieving a lasting peace in the world. And it was with honor, dignity, and courage that he sought that goal. His successful efforts to bring Egypt and Israel to a peace settlement via the Camp David accords capped a long career of dedicated public service.

Cyrus Vance will be rightfully sought after in the years to come for his expert advice in the field of foreign affairs.●

CONSIDERATIONS IN THE CASE OF CHARLES H. WILSON OF CALIFORNIA

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. FORD of Michigan. Mr. Speaker, on May 21, 1980, Mr. HAMILTON inserted in the RECORD his "Considerations in the Case of Charles H. Wilson of California." For those Members who wish to refer to his remarks, they appear on page E2535 of the CONGRESSIONAL RECORD.

Careful reading of the remarks by Mr. HAMILTON, and the subsequent summary "Dear Colleague" signed by Mr. HAMILTON, Mr. PREYER, and Mr. FOWLER received by each Member on May 21, last Wednesday, indicates that even a careful and conscientious Member such as Mr. HAMILTON can be led to reach conclusions contrary to the House precedents involved in the consideration of the matter of CHARLES H. WILSON of California.

I insert in the RECORD at this point a summary of the precedents which clearly indicate that Mr. HAMILTON has unwittingly pursued an examination of the law and legal principles and standards of due process and fundamental fairness that conflict with established precedents and fundamental requirements of the Constitution.

The summary follows:

I. HOUSE ETHICS PROCEEDINGS MUST BE FUNDAMENTALLY FAIR

A. Mr. Wilson has never asserted that House Disciplinary procedures must conform "perfectly" to the judicial mode, however, he does insist that the procedures enforced by the House in exercising its disciplinary function, must comport with due process of law as guaranteed by the Fifth Amendment to the Constitution. In short, the procedures must be "fundamentally fair." As the Supreme Court itself recognized long ago, there is no definitive test for the absence of due process, rather, it is lacking if a practice or procedure "offends some principle of justice so rooted in the traditions and conscience of our people so to be ranked fundamental." *Snyder* v. *Massachusetts,* 291 U.S. 97, 105 (1934). Moreover, Mr. Hamilton's arguments to the contrary notwithstanding, this guarantee of "fundamental fairness" applies to the legislature as well as the other branches of government. *Murray's Lesee* v. *Hoboken Laird and Improvement Co.,* 18 How. (59 U.S.) 272, 276 (1856).

B. Mr. Hamilton places primary reliance on the case of Representative Powell for the proposition that House disciplinary proceedings are non-judicial in nature. However, this precedent is of questionable value since the House action in the Powell case was reversed by the Supreme Court of the United States on the ground that in excluding Mr. Powell from the legislature, the House had exceeded its constitutional authority. *Powell* v. *McCormack,* 395 U.S. 486 (1969). Significantly, the Court noted in *Powell,* quoting from another case cited by Mr. Hamilton, that the Congressional power under Article I, § 5 of the Constitution is subject "to the restraints imposed by or found in the implications of the Constitution." *Barry* v. *United States ex rel. Cunningham,* 279 U.S. 597, 614 (1929). The *Barry* case further states that the Constitution confers upon the House "certain powers which are not legislative, but judicial in character." 279 U.S. at 613. Among these powers "judicial in character" is the power of the House to discipline its own members. *See* Potts, "Power of Legislative Bodies to Punish for Contempt," 74 U. Pa. L. Rev. 691 (1926)

C. Finally, as to the argument that disciplinary proceedings are not adversary in nature, the best answer can be found in the Rules of Procedure for the Committee on Standards of Official Conduct, which establish nearly all of the traditional procedures of an adversary hearing including the rights to counsel, cross examination, and the presentation of evidence in a respondent's behalf. These Rules, adopted by the Committee on which Mr. Hamilton serves, provide the very procedures requested by Representative Powell, and denied by Representative Celler. They therefore belie Mr. Hamilton's claim that disciplinary proceedings are investigatory and non-adversary in nature.

II. MR. WILSON'S OBJECTIONS TO THE COMMITTEE'S RECOMMENDATION

A. SEVERITY OF THE CHARGES

1. There is no pattern or practice of misconduct. The Committee charged in its statement of Alleged Violations that the misconduct occurred between 1971 and 1978. It sustained only charges alleged to have occurred in 1971 and 1972, more than seven years ago. There is no claim or evidence that these transactions continued past 1972.

2. The charges are less severe then those in the cases relied upon by Mr. Hamilton. Each of the three cases cited by Mr. Hamilton involves a Congressman who profited directly from his official status. In short, each member received a "quid pro quo" for an official action. Such is not the case here. The Committee admits that the evidence failed to show that the receipt of money by Mr. Wilson occurred under circumstances which might be construed as influencing the performance of Mr. Wilson's governmental duties, H.R. Rep. 96-930. In short, there was no evidence that Mr. Wilson was corrupt.

B. COUNTS 1-3

This portion of Mr. Hamilton's remarks demonstrates the Committee's lack of care and understanding in evaluating the evidence. It suggests that Mr. Wilson's Subcommittee acted upon legislation of direct interest to Mr. Rogers. In 1971 and 1972 when the loans were made Mr. Wilson chaired the Subcommittee on Census and Statistics, an area where Mr. Rogers had no "direct interest". Indeed, the testimony at the Disciplinary Hearing was that Mr. Wilson never introduced or sponsored any legislation which would benefit Lee Rogers. See H.R. Rep. 96-930 at 208-209, 215-216. Moreover, the letter quoted by Mr. Hamilton, Exhibit 15(d), does not relate to postal or other matters before Mr. Wilson's subcommittees, it relates to an F.T.C. bill, which the F.T.C. itself opposed.

Finally, Mr. Hamilton's remarks on the question of loans are simply incorrect. The Committee's own witness, testifying with a grant of immunity from any crime except lying to the Committee stated the payments were loans (H.R. Rep. 96-630 at 183, 174, 175). The checks were clearly marked by the word "LOAN". The absence of a maturity date simply makes them loans payable on demand of the lender, and a California statute supplies the interest as a matter of law. Mr. Wilson was not required to report these loans in 1977 because the four year statute of limitations in California had run, and the loans were no longer legally enforceable.

C. COUNTS 7-11

Mr. Hamilton asserts that there was no evidence that these transfers alleged in these counts were reimbursement for campaign expenses. He has obviously overlooked Mr. Wilson's prior testimony to that effect, which was introduced as Exhibit 17 by the Committee. The Committee acknowledges that it has the burden to prove by clear and convincing evidence that the expenditures were not reimbursement, H.R. Rep. 96-930 at 6. Mr. Hamilton, instead, relies upon mere "suggestion" from the evidence. He claims the timing of the transfers "suggests" they were not campaign related. However, the largest of the transfers, that in Count 7, was made to pay off a loan obtained in 1970, an election year. Mr. Hamilton also chooses to ignore the testimony of Committee witness Chlan, an accountant of many years experience, that when a person is reimbursed, he is entitled to spend that reimbursement money as he sees fit. H.R. Rep. 96-930 at 157-58. The evidence concerning the status of Mr. Wilson's personal account simply begs the question of whether the transfers were reimbursement. Mr. Hamilton further suggests that the transfers were "laundered" through an office account.

There was no evidence that Mr. Wilson signed any of the checks to the Office Account or even knew about the transfers. H.R. Rep. 96-930 at 152, 154, 155. A finding of guilt based on reasoning of this sort recalls the King's reply to the Knave in "Wonderland." The Knave, in denying that he had written a certain document, pointed out the absence of a signature. To which the King replied: "If you didn't sign it, that only makes matters worse. You must have meant some mischief, or else you'd have signed your name like an honest man." L. Carroll, "Alice's Adventures in Wonderland." 182(1866).

D. AGE OF THE CHARGES

Mr. Hamilton conveniently ignores the lynchpin of Mr. Wilson's argument; it is fundamentally unfair to prosecute a person for offenses, whether criminal or ethical, after the passage of time has stripped that person of his means of defense. It is equally unfair to apply the ethical conventions of today to matters more than seven years old. Mr. Hamilton attempts no rebuttal of these principles. Instead he suggests despite their age, the facts "have just been revealed". However, Mr. Levy, a Committee Witness testified that he uncovered these facts between 1½ and 2 years ago. H.R. Rep. 96-930 at 129. Moreover, it is specious to argue that this revelation caused recent damage to the integrity of the House, since the damage was either done when the transactions took place, or was due solely to the Committee's revelation, not to the acts themselves.

E. ROLE OF THE STANDARDS COMMITTEE

Mr. Hamilton states that the Committee functions only as a grand jury since the full House acts as judge and jury. This assertion demonstrates a complete misunderstanding of the function of a trial jury. A trial jury hears evidence, decides facts and judges the credibility of witnesses, functions performed here by the Standards Committee, not the full House. The proper analogy is that the full House, at least since the creation of the Standards Committee, acts as an appellate body, reviewing the case for legal error and sufficiency of the evidence. This is consistent with its decision in the matter of Representative Roybal; a case cited by Mr. Hamilton.

Since the Standards Committee finds facts and judges credibility, its multiple role as accusor, prosecutor, grand jury, judge and trial jury destroys its impartiality and renders its decision virtually a self-fulfilling prophesy.

III. THE APPROPRIATENESS OF THE SANCTION

Mr. Hamilton argues that it is appropriate to strip Mr. Wilson of his Chairmanship because he used this position to influence legislation. The Committee squarely rejected this charge. H.R. Rep. 96-930 at 5. Moreover, as previously pointed out, the bill which Mr. Hamilton claims was stopped by Mr. Wilson, had nothing whatsoever to do with his Committee assignments. Therefore, there is no support for Mr. Hamilton's assertion that this punishment is especially fitting given the particular facts of Mr. Wilson's case.

Lastly, Mr. Hamilton urges the House to uphold the Committees' Report in order to satisfy public opinion. It is a sufficient answer to state that where fundamentally fair procedures and sufficient evidence are lacking, as they are here, the House of Representatives, as an institution, earns no public respect by sacrificing one of its Members.●

ANNIVERSARY OF ARMENIAN INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. DERWINSKI. Mr. Speaker, today, May 28, commemorates the 62d anniversary of the proclamation of independence by the Armenian people from Russian and Ottoman Turkish domination. On this day in 1918, the Armenians united their forces in an attempt to establish a free Armenia. However, they were prevented from achieving this goal by the fortunes of war, the indifference of the World War I allied powers, and the statesmen of that period who unfortunately ignored the justice of the Armenian cause.

The Armenian people have suffered centuries of persecution but steadfastly maintained their unique cultural, artistic, and linguistic identity. However, one of the most remarkable things in this long and excruciating visitation of persecution, injustice, and extreme suffering is that the Armenian people retained their faith, their courage, their beliefs, and their hopes and survived as a Christian nation. I salute the brave Armenian people on this anniversary of their independence and encourage them to continue to persevere in their hope for legitimate restoration of independence and freedom to Armenia.

Armenian-Americans have made tremendous contributions to our national, political, economic, educational, and artistic success. As loyal Americans, they have maintained a very proper interest in the restoration of freedom to the brave Armenian people still held in bondage in the historic land that is their birthright. On this anniversary of Armenian independence, let us remember Armenia and all other people who are still deprived the right of self-determination and who are held captive by Soviet tyranny.●

GUN CONTROL DOES NOT MEAN GUN CONFISCATION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. McCLORY. Mr. Speaker, it is quite apparent that the expression "gun control" has a variety of meanings—which tend to excite the emotions of many Americans. This is particularly so among those who are apprehensive that the expression means the confiscation of all firearms of every description—leaving the American people potentially at the mercy of some Communist dictator from abroad or even emerging from within our country.

My own thoughtful study of our Federal laws relating to firearms convinces me that we in the Congress have been dreadfully deficient in providing for controlling the interstate trafficking in firearms—particularly the illegal trafficking in handguns.

Mr. Speaker, political officeholders and candidates are vulnerable to the attacks of the emotionally motivated persons who misinterpret or misunderstand the intentions of those of us who feel that some improvements in our firearms laws could assist local law enforcement personnel in reducing gun-related crimes in the areas which they serve.

Mr. Speaker, a thoughtful article along this line, relating essentially to the recent primary elections in Maryland, has been composed by a Washington Post columnist, Bill Gold. His column, entitled "What Does 'Gun Control' Mean to You?" is attached for the purpose of further clarifying this subject. Indeed, he has articulated my views far more eloquently than these introductory paragraphs.

The article follows:

WHAT DOES "GUN CONTROL" MEAN TO YOU?

"Gun control" has been injected into today's Maryland Primary races for United States senator. Background information may therefore be useful.

To those who become emotional about their right to own handguns, any "gun control law," however mild, is regarded as a prelude to the confiscation of all guns. Red-blooded Americans would be left without weapons with which to foil a would-be dictator.

At the other extreme are those who become emotional about the danger of guns and want to make it illegal for anybody to own any weapon for any reason—presumably not even a steak knife, a hammer, a cane or a woman's high-heeled slipper.

To those of us who understand what makes supporters of both these extreme positions so emotional, the term "gun control laws" means many things. To me, it means laws that protect a qualified citizen's right to own a weapon, but only under specifically described terms.

My kind of law would require that all guns be registered to their owners, just as automobiles are. It would demand that a prospective owner demonstrate that he can operate his gun safely, just as he must now demonstrate that he can drive safely before he obtains a driver's license.

My law would spell out specific criteria for determining who is qualified and who is not. Convicted criminals would be barred from gun permits. So would persons with a record of mental or emotional instability. Minors would be ineligible. So would aliens, transients and others who do not have "community roots."

My law would, of course, also deal with a gun owner's responsibilities. It would prohibit guns from being carried about, much as our present "concealed weapons" laws specify. It would restrict guns to safe storage in homes and businesses for protective purposes. It would make the prompt reporting of gun thefts mandatory.

It would not, repeat not, ban all handguns willy-nilly. Such a law would be obeyed only by honest citizens, who would then become easy prey to criminals who ignored the law. The argument that we could "stop the gun traffic" by prohibiting all gun sales is pure nonsense. There are already between 50 million and 100 million guns in private hands, and it might take 100 years or more for existing guns to become inoperative with age. For 100 years, a man would not even be able to defend his home against a midnight break-in.

During the recently concluded session of the Maryland legislature, Sen. J. Joseph Curran introduced a bill to require a 21-day waiting period for anybody who wants to buy a handgun. The bill would have permitted the Maryland State Police to check the purchaser's record.

Curran's mild and reasonable "gun control" bill was defeated!

Three of the men who voted on it in the state legislature are now running for the Democratic nomination for the United States Senate.

Let the record show that Edward T. Conroy and Victor L. Crawford voted against this "gun control" law. Robert L. Douglas voted for it.

In the Republican race, Dr. Roscoe G. Bartlett is attacking Sen. Charles M. Mathias's position on gun controls. Bartlett is against controls, He says, "One of the first things Hitler did was to pick up (citizens') guns." He concedes that gun control is not a major issue in this race, but some people are single-issue voters, and politicians must therefore "campaign on issues that help you win."

The implication is that Mathias favors gun controls, but Mathias's voting record does not bear this out.

Mathias is aware that Maryland's Joe Tydings was blasted out of the Senate by the gun lobby. Mac is a smart enough politician to avoid the error made by the turkey that decided to attend a turkey shoot because he was curious to find out what takes place at such events.

Mathias says he recalls only two or three occasions in the past decade in which he has had an opportunity to vote on gun laws of any kind. He voted against registration of guns and against licensing of owners. The only gun law he supported was the one to ban manufacture of "Saturday night specials." Dr. Bartlett's attack is therefore highly suspect.

I am not impressed by support for a law aimed at low-priced handguns. Such a law merely makes guns a bit more expensive. It does little to keep guns out of criminal hands.

I think those who vote in Maryland today have a legitimate interest in knowing where the candidates stand on gun controls of various kinds, especially the innocuous controls that merely give local policemen a chance to take a look at who it is that wants to buy a gun, and for what purpose.

However, I do not believe in single-issue voting. I think our gun policy is important, but I would not vote for or against anybody on that single issue. In fact, I don't even know what "gun control" means to each candidate or each voter.●

FOREIGN POLICY SURVEY IN THE 18TH CONGRESSIONAL DISTRICT

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BLANCHARD. Mr. Speaker, recently I mailed out a foreign policy questionnaire to the residents of the 18th Congressional District of Michigan. I think it is useful for my colleagues to be apprised of the feelings of those people who were kind enough to respond to the questionnaire. There were approximately 25,000 respondents. The results are as follows:

1. Do you support registration?
For men only 28 percent.
For men and women 58 percent.
Not at all 12 percent.
Not sure 2 percent.

2. Should we restore some version of the draft?
Yes 71 percent.
No 22 percent.
Not sure 7 percent.

3. Should the U.S. boycott the 1980 Summer Olympics if they are held in Moscow?

Yes 80 percent.
No 17 percent.
Not sure 3 percent.

4. How would you rate the Carter Administration's handling of the hostage crisis?

Excellent 5 percent.
Good 22 percent.
Fair 28 percent.
Poor 42 percent.
Not sure 3 percent.

5. Do you think that the Soviet invasion of Afghanistan requires that we provide aid to Pakistan?

Yes 43 percent.
No 40 percent.
Not sure 17 percent.

6. Should the U.S. increase the level of military aid to Egypt?

Yes 45 percent.
No 39 percent.
Not sure 16 percent.

7. Would you support an American military intervention to defend oil-producing countries from a Soviet invasion?

Yes 67 percent.
No 21 percent.
Not sure 12 percent.

8. Which statement do you think should guide our foreign policy?

Let every nation know whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty—44 percent.

I'm interested in the rights and responsibilities of the United States. We are not the policemen of the world, and we shouldn't pretend that we can be. Let us tend to our own business, which is great enough as it is. We have neglected our own affairs—51 percent. In between—5 percent.●

H.R. 4717

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. HARRIS. Mr. Speaker, today I would like to comment on H.R. 4717, my bill to eliminate waste and promote economy in the operation of the Federal Government. This bill which enjoys the cosponsorship of 63 of my colleagues has been favorably reported by the Committee on Post Office and Civil Service and more recently by the Government Operations Committee.

A large number of Members have approached me to discuss the volume of correspondence which they have received on the issues addressed by the proposal. A great deal of the correspondence supports the cost-effective requirements of the bill. However, I am becoming increasingly concerned with inquiries which contain distortions of the intent of the legislation.

Simply stated, the bill would require agencies to accomplish their missions through the most economical means available while recognizing that certain functions are inherently governmental in nature and must be performed in-house. H.R. 4717 implements this current Government policy. It will also require that certain functions such as those essential to maintaining a strong defense posture remain in-house due to the paramount public interest.

Several pieces of correspondence which I have viewed have purposely distorted the intent of the legislation in an attempt to confuse Members of this House. Although I am shocked by the tactics employed, I am not surprised that the vested interests which benefit from deficiencies in the Federal Government's procurement practices are opposing this legislation. Attempts to eliminate Government waste are always opposed by groups and individuals who are riding the gravy train. However, I feel that this Congress has demonstrated its desire to exercise fiscal restraint and I would caution my colleagues to carefully scrutinize the vague generalities which are being employed by opponents of H.R. 4717.

A number of my colleagues who are thoroughly familiar with the issues addressed in the legislation and who are also closely identified with fiscal conservation have congratulated me on clearly identifying a wasteful practice and introducing a legislative remedy. They have urged me to vigorously pursue this matter and I want to state flatly that I intend to do just that.

I have recently received a letter of support on H.R. 4717 from my good friend and colleague from Virginia, Mr. WHITEHURST. Portions of the correspondence follow this statement. I would like to commend Mr. WHITEHURST for his solid, straightforward support, and I would urge all of my colleagues to consider the points contained in the letter from my distinguished colleague.

TEXT OF LETTER FROM CONGRESSMAN WHITEHURST

DEAR HERB: Through my service on the Armed Services Committee, I have found that the current personnel ceilings have severely hampered the ability of many of our military industrial facilities to perform efficiently and to maintain our armed forces in an adequate state of preparedness. As a result of artificially low personnel ceilings, work has been contracted out from the military industrial activities solely because the federal government has insufficient personnel. Inevitably, when a federal agency contracts out work purely as a result of an artificially imposed personnel ceiling, the government and the taxpayers end up paying a much higher price. Opponents of the bill who state that this proposal would substantially reduce contracting by the federal government obviously believe that the private sector cannot provide goods and services as economically as government in-house sources. I believe in the competitive free enterprise system and do not feel that this would be the case.

A second major drawback, I believe, to excessive contracting out from military industrial activities such as my own Norfolk Naval Air Rework Facility is that it can weaken our defense capability. A decision to contract out work from a facility like the NARF must be taken with far greater care than the contracting out of relatively nonsensitive activities such as janitorial or laundry services. Traditionally, the Navy has held the view that no more than 30 percent of the NARF's workload could be contracted out to private firms if these facilities were to maintain full mobilization capability in the event of a national emergency. Yet the current Navy policy will very shortly force the NARF's to contract out fully 45 percent of the Navy aircraft maintenance work. This poses a serious potential threat to our national defense effort.

It is appalling to me that no one in the government even knows how much money is actually being spent on the contracting, although the estimates range as high as $150 billion annually. Certainly efforts to control federal spending by limiting the number of federal employees have not worked. When faced with personnel ceilings, agencies simply hire contract employees, often at a higher cost than doing the job in-house. And when contractors begin to hire contractors to do some of their work, it seems to me we have reached the pinnacle of waste.

The final benefit which would result from enactment of H.R. 4717, of course, is the limitation on the year-end spending spree in which many federal agencies are engaging at the present time. When HUD obligates 49 percent and HEW 20 percent of their expenditures and grants and contracts in the last month of the fiscal year, I agree with you that the taxpayer's money is slipping down a bottomless hole, further fueling the rampant inflation we are currently experiencing.

Please do not hesitate to call on me if there is any way in which I can give H.R. 4717 a boost.

With all best wishes, I remain

Cordially,

G. WILLIAM WHITEHURST.●

MSGR. THADDEUS A. HERUDAY

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. WILLIAMS of Ohio. Mr. Speaker, I would like to call your attention and the attention of my colleagues in the U.S. House of Representatives to the humanitarian accomplishments of a resident of my district. The man is Msgr. Thaddeus A. Heruday, pastor of St. Stanislaus Church in Youngstown, Ohio.

Monsignor Heruday was born May 5, 1905, in Cleveland, Ohio, and was ordained May 30, 1931. During his lifetime he has served many people and made many contributions to the spiritual and physical well-being of literally thousands of people.

Monsignor Heruday first came to my district in 1940 when he was appointed pastor of St. John the Baptist Church in Campbell, Ohio. There, he helped start a kindergarten and first grade that eventually developed into a school for students in grades K through 8. He also helped establish a Puerto Rican mission at that church.

In recognition of Monsignor Heruday's work, the Holy Father Pope John the 23d named him a domestic prelate. However, Monsignor Heruday did not rest on his laurels. He planned the purchase of land and the erection of a new church in Campbell, St. Joseph the Provider.

In 1964, he was transferred to St. Stanislaus Church, where there was a need for a pastor who spoke Polish. At St. Stanislaus, he was instrumental in the building of a gymnasium, teacher's lounge, and school offices.

Throughout his career of helping others, Monsignor Heruday has been a symbol of dedication and hard work to all those who knew him. On June 8 of this year, Monsignor Heruday will retire from St. Stanislaus, but he will not retire from his labors of love on behalf of God and the people around him. I wish Monsignor Heruday good luck and God speed in whatever the future may bring.●

MAN AS NATURE'S STEWARD—CAN HE DO THE JOB?

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. ROUSSELOT. Mr. Speaker, Dr. Roderick Nash, a veteran outdoorsman and professor of history and environmental studies at the University of California at Santa Barbara, recently published an insightful article entitled "Next and Last—Let's Save the Wilderness From Its Friends" in the exciting new magazine Next. As Dr. Nash so aptly points out, our primary environmental problem is "numbers." The population of the Earth has expanded far beyond the point where all lifestyle and technological options are open to us—especially if we are to maintain even a portion of our planet's original wilderness. If we are to maintain a desirable balance between wilderness and civilization, we must recognize that there are choices to be made. Dr. Nash further emphasizes the importance of basing those choices on reason and logic, rather than emotion and irrational surmise. I concur with Dr. Nash's comments and commend his article, which follows, to my colleagues attention:

NEXT AND LAST—LET'S SAVE THE WILDERNESS FROM ITS FRIENDS

(By Roderick Nash)

"Soft technology" has a nice ring to it. There is the suggestion of a compromise—between past and future, between beauty and business, between men and machines. Soft (sometimes "appropriate" or "alternate") technologists profess respect, even love, for the land. They sketch an appealing future of happy families spread out over a carefully cultivated landscape. There are woodlots for fuel and windmills for energy. Solar collectors gather energy quietly and safely. The dream is of man the good steward, the gentle master of the environment. Big cities, agribusiness, and especially "hard" nuclear technologies are decidedly not part of this paradise. Return to nature, environmentalists insist, and all parties will benefit—nature included.

But will they really? Consider the true wilderness, which one dictionary defines as an "unsettled, uncultivated region left in its natural condition." Now consider the "wilderness" beloved by the soft technologists. Can grizzly bears and alligators find a place in this fake wilderness, one settled and cultivated by man? And what of visitors who value the solitude and the freedom and the challenge of unmodified nature? Does the true wilderness have much of a future in the soft technologists' utopia?

The answers are already apparent in places where large numbers of people now attempt to follow a close-to-the-earth way of life. Even in these locales, the true wilderness is gone or going fast. There may be woodsmen in Europe, but no *back*woodsmen. The woodcutters and the shepherds of neighboring villages meet at the top of the ridge. The Alps today are a large garden—pastoral, but not wild. . . . In Peru, hikers—even at 14,000 feet—find that their campsites are somebody's potato fields. Llamas and small children stare curiously at the hikers' strange packs and tents. . . . In East Africa, a burgeoning population is pressing against the borders of national parks and game reserves. Many observers think that the end of the game is only a matter of a few decades. . . . Yet the people in these areas are living the decentralized, low-energy lifestyle that *Mother Earth News* and the *Co-Evolution Quarterly* idealize.

The problem, obviously, is numbers. We have bred ourselves beyond the point where all lifestyle and technological options are open. This is especially true if we want to maintain a fragment of the planet's original wilderness.

Consider the effect of scattering the Boston/Washington megalopolis throughout the Appalachian Mountains on 160-acre family farms—something that Wendell Berry seriously advocates in *The Unsettling of America* (1977). It would be like distributing all the residents of Los Angeles and San Francisco into the Sierras. Of course this is extreme. But there are also advocates of a future in which large cities are replaced by a series of small towns. The University of Wisconsin's plan (John Steinhart et al., *A Low Energy Scenario for the United States, 1975-2050*) argues that a community of 35,000 could exist splendidly on five square miles of carefully tended fields, pastures, and wood-producing forests. The only joker is alluded to near the end of the report: "The five square miles should, of course, link up with the open spaces of neighboring villages in a linear fashion." Thus we would have Europe again; the New World become old. We must face the fact that the wilderness that was the crucible of American character and culture is long gone.

But wouldn't the wilderness survive on land that is too high or dry or cold for human settlement? Forget the deserts and the poles. There are proposals to blanket them with solar-energy devices. Forget the mountains. The forests will be needed for wood, their ridges as locations for windmills. Swamps, jungles, and so-called marginal lands are already coveted as sources of biomass farming for fuel-alcohol production. Hydropower developments would take care of the remaining canyons and wild rivers.

Granted, all these alternative energy possibilities avoid the problems of nuclear power. But they also constitute much more of a threat to open space, wilderness, and wildlife than a *safe* nuclear facility would. One relatively tiny nuclear plant is the energy equivalent of a 200-mile hydropower reservoir, or several thousand ridge-top windmills, or many square miles of solar collectors. Damming Arizona's Grand Canyon or the last extensive wild river in the East (St. Johns in Maine) is, for some people, too high a price to pay even for avoiding the possibility of a nuclear accident.

Isn't it logical for wilderness lovers at least to investigate safer nuclear technologies, rather than turn their backs on "hard" technology, which promises the greatest protection of the real wilderness? For the same reason, big cities and mechanized farming will prove better friends of the real wilderness than a society of small farmers.

Environmentalists who have an ingrained distaste for bigness, for concentrated populations, and for sophisticated technology might well reexamine their prejudices in the interest of environmental diversity. If we really want the true wilderness to share the earth's future with civilization, we would do well to make big cities livable, food production increasingly mechanized, and nuclear energy as safe as possible.●

THE REVEREND DR. GEORGE JOHNSON HALL RETIRES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. LAGOMARSINO. Mr. Speaker, one of man's greatest satisfactions is in knowing his efforts and career have been of service to his fellowmen. Dr. George Hall, rector, All Saints by the Sea Episcopal Church, can be secure in this knowledge as he retires after 32 years of devotion to his church in Santa Barbara, Calif.

Dr. Hall held his first service at All Saints on Sunday, July 18, 1948. He had been ordained deacon priest on July 5, 1936, in Greenville, Miss. Following ordination, between 1937 and 1940, he served as assistant to the rector at St. Thomas's Church, New York City. In 1940 he was called to his alma mater at Sewanee and for 5 years combined the duties or professor of English Bible, chaplain, and assistant football coach. During 1945 and 1946 he served as chaplain in the U.S. Navy, and observed the atomic bomb tests at Bikini.

Between the end of the war and his call to All Saints by the Sea, he served as chaplain at Stanford University, director of college work for the diocese of California, and as canon of Grace Cathedral in San Francisco.

Dr. Hall was born September 2, 1911, in Greenville, Miss. After graduating from local schools in 1929, he entered the University of Virginia. In 1931 he entered the University of the South at Sewanee, Tenn., graduating in 1936. He received his bachelor of arts degree and was elected to Phi Beta Kappa in 1934. In 1936 he became a bachelor of divinity and won the Greek medal. In 1936 he entered the General Theological Seminary in New York City for graduate study and while there served as chaplain of Trinity Preparatory School and curate of St. Thomas' Church.

Dr. Hall's eminent success in both church and community affairs during the past many years is a matter of record. He was a founding board member of many organizations including the Volunteer Bureau, Childrens Home Society, Santa Barbara Scholarship Society, Alcoholic Information Service, University Religious Conference, Cachuma Camp, and Casa Nuestra.

He also helped to found the General Hospital Volunteer Service. He has served on the board of the Crane Country Day School, Santa Barbara YMCA, Channel City Club, and on the Santa Barbara County Juvenile Justice Commission. Dr. Hall has served on many committees in the diocese of Los Angeles and has been dean of the Santa Barbara Convocation and twice president of the Standing Committee for the Diocese of Los Angeles. The Church Divinity School of the Pacific awarded the doctor of humane letters to Dr. Hall in 1958.

In 1960 Dr. Hall was in charge of St. Bartholomew Church in Dinnard, France, for 2 months. In 1964 he was granted a sabbatical leave for further study in theology and Christian ministry at Cambridge University in England.

Because of this long and distinguished career, because of his dedication and devotion to mankind, his church and community, I ask the Members of the House to join with me, his wife, Sally, his children and the thousands of persons whose lives have been enriched by this man of the cloth, in extending best wishes for a happy retirement to Dr. George Hall.●

NORTHERN IRELAND POLICE STILL ENGAGING IN INHUMANE PRACTICES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BIAGGI. Mr. Speaker, in the May 17 edition of the Irish Echo there appears an article discussing the ongoing issue of brutality complaints being lodged against the Royal Ulster Constabulary, the main police force in Northern Ireland. According to one of Ireland's leading legal experts—Mr. Rory O'Hanlon, S.C., these complaints remain at "an alarmingly high level."

The significance of this article rests with the fact that since August of 1979, the U.S. Department of State has suspended all sales, and exports of our weapons to the Royal Ulster Constabulary pending a full review of U.S. policy. This action followed an amendment I offered to last year's State Department appropriations bill which would have denied any U.S. weaponry to Great Britain for use in Northern Ireland. In January of 1979, the U.S. Department of State approved the sale of 3,500 weapons to the RUC despite the fact that this organization had been cited by leading international organizations including Amnesty International for inhumane treatment of prisoners and prison suspects. Section 502(b) of the Foreign Assistance Act bars U.S. weapons to any nation or organization which engages in a persistent pattern of human rights violations.

In recent weeks published reports in Irish and Irish American newspapers have suggested that the State Department may be reconsidering the suspension. I and 17 of my colleagues wrote to Secretary of State Muskie to express our continued support for the suspension on the grounds that the human rights problems which prompted the imposition of the suspension had not changed.

The Irish Echo article confirms our position and if anything lends credence to our initial argument. As chairman of the Ad Hoc Congressional Committee for Irish Affairs I reaffirm my support for the suspension of U.S. arms to the RUC until substantial improvement in their human rights practices are employed.

The Irish Echo article follows:

BRUTALITY COMPLAINTS AT 'ALARMING LEVEL' IN N.I.

DUBLIN.—Complaints of brutality made against British troops and the RUC (police) in Northern Ireland remained at an "alarmingly high level," said one of the most distinguished legal experts in Ireland last week.

"The very fact that such allegations continued to be made at all times down to the present day, highlights the need for pressing Ireland's case in the European Court of Human Rights against England to its final conclusion," said Rory O'Hanlon, S.C., addressing a seminar on the Commission of Human Rights held by the Incorporated Law Society, in Dublin.

However, there had been a marked falling off of complaints of brutality, since Ireland's case in Strasbourg.

But up to the present, the number of allegations of torture, inhuman and degrading treatment made against the British Army, the RUC are numbered in thousands rather than in hundreds.

The army and the police in Northern Ireland had to tighten up their complaints procedure very considerably since the action started, Mr. O'Hanlon said.

However, the Irish Government could feel a legitimate sense of grievance when only 16 of about 200 cases were examined in depth and when findings were made that no case had been made out in respect of all the other charges, although the State against which the charges were brought had never been called upon to deal in any detail with the remaining charges.

It had taken from 1971 to 1978 to get a decision in Strasbourg because of deliberate obstruction by Britain.

"When the Commission decided to examine in depth 16 of the allegations of breaches of Articles 3 of the Convention, nothing was admitted and strict proof of every allegation was demanded by the U.K." said Mr. O'Hanlon.

"This involved examining over 100 witnesses, although in a number of these cases, the UK threw in their hand once they came on for hearing to and admitted that they had no defense whatever to the complaints made.

"Had they been frank with the Commission and given them all the information in their possession about the cases which Ireland had presented in a fully documented form, then the whole enquiry could have been conducted in much greater detail and with much greater speed." ●

COMMUTER SERVICE BACK TO RACINE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. ASPIN. Mr. Speaker, I am happy to report that significant progress has been made toward returning passenger rail service to the city of Racine, Wis., after years of having no luck with Amtrak.

With the help of the Urban Mass Transit Administration—the Federal agency that oversees mass transit—and the Regional Transit Authority in Chicago, another alternative opened up. We have reached an agreement, now approved by the local, State, and Federal governments, that will soon bring commuter service back to Racine and, I hope, full service through to Milwaukee soon thereafter.

The funding plan is as follows:

Track rehabilitation costs: $1.2 million from UMTA; $200,000 from the State; and $100,000 from other sources.

Operating costs for 2 years: $750,000 from UMTA; $300,000 from Racine; and $150,000 from Kenosha.

The total cost of this project is $2.7 million.●

TRIBUTE TO JO PADDOCK

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I ask my colleagues to join with me today in paying tribute to Jo Paddock of Paramount, Calif. Jo Paddock's friends in the Soroptimist International of Paramount gathered on May 21, 1980, to honor her for her lifelong service to her community.

Humanitarians in this world are few and far between. Jo's accomplishments can fill a book. Every place this woman has been, she has left a trail of pure happiness for all of her "do-good deeds."

Jo joined the Salvation Army in 1940 and since then she has contributed countless hours to the welfare of mankind. During the floods in the early 1950's, Jo took charge of the relief operations for the Salvation Army in Nuevo Laredo, Mexico. She made arrangements for food, shelter, and supplies for the victims.

In 1975 she teamed up with the Flying Samaritans. To date, she has made over 25 trips into the back country of Mexico where the need is great and help nonexistent. Jo seeks out special cases of burn and cleft palate victims. She then makes all the arrangements with the Immigration and Naturalization Service, proceeds to seek out doctors, hospitals, and housing at no cost to the victims. Jo is known among the Border Patrol as the "Tijuana Taxi."

The list of credits are so numerous that I cannot even begin to touch the surface of the accomplishments of this marvelous lady.

In 1976 and 1978, Ms. Paddock was given the Salvation Army "Volunteer of the Year" award.

With 40 years of humanitarian effort behind her, you can bet that if and when a need arises, Jo Paddock will be there.●

CONGRATULATIONS TO CALIFORNIA'S GIRL SCOUT COUNCIL DISTRICT VII

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. DORNAN. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues a very special event which will take place on June 5, 1980.

I am happy to announce that the Angeles Girl Scout Council will be honoring the outstanding achievement of 60 young women from the South Bay Girl Scouts. These fine girls have reached the highest level of Cadette Girl Scouting, Cadette First Class, which is equivalent to the Eagle Scout in the Boy Scouting organization.

The Cadettes First Class deserve special recognition for their diligent work over the past 3 years, earning enough badges from six different categories, and for completing four rigorous challenges to qualify for this outstanding honor.

I would also like to take this time to recognize the efforts of these Cadettes' dedicated leaders, who have given so much of their time and talent to make Scouting such a tremendous national endeavor.

It is with privilege to list the honorees, as follows, in the RECORD.

PALOS VERDES ESTATES

Natalie Baszile, April Beagle, Cathy Crandall, Holly Knight, Katy Kronenberg, Christine Olson, Caitlin Rodgers, Anne Williams, Janet Busso, Michele Duclos, Madelon Mackey, Sheri Range, Nancy Gorrell, Kristine Popovich, Laura Wilcox, Christine Hagan, Amy Carolyn Barkley, Nanci Ann Browning, Elizabeth Ann Cartwright, Kathering Dian Gaffney, Kristin Joy Ward, Kelly Ann Jackson, and Jill Ann La Marca.

TORRANCE

Jeanette McPartland, Natalie Cauble, Janet C. Cocke, Joyce C. Cocke, Marie Helene Huggett, Renee Nash, Lisa Marie Peek, and Amanda Susette Wilcox.

ROLLING HILLS

Karen Trujillo and Linda Zimmerman.

RANCHO PALOS VERDES

Julia S. Gardner, Cheryl Renee Arico, Gail Louise Bedrosian, Kimberly Rochat, Cheryl Waterman, Noreen Cash, Barbara Huffman, Laura Hundt, Jessica Lynch, Heidi Traxler, Annabelle Abba, Linda Donaldson, Cindy Lynn Grant, Janice Phelps, Noelle Waeschle, Julie Connor, Katrina Fleming, Holly Marie DiMuccio, Kathleen Claire Guthrie, Alesia Marie McManus, Karen Elizabeth Smith, Stephanie Ann Zamzow, and Danya Irene Schmid.

REDONDO BEACH

Ann Crase, Beth Essmeier, Catherine Johnson, Catherine Denise Large, and Kristina Ann Burns.

ROLLING HILLS ESTATES

Diane Baker, Molly Markert, and Jeannette Patricia Tom.●

MEMORIAL DAY POETIC TRIBUTE

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, during the Memorial Day recess, I returned to Oklahoma to visit with the citizens of my State, and like most people I participated in services to honor the veterans of our military conflicts. The services in Tulsa and at Fort Gibson National Cemetery were inspirational, and it was heartwarming to see the sense of patriotism and devotion to our Nation on this historic day when we pay tribute to those who gave their time and their lives in defense of America.

Before I returned home, I received a letter from a man whom I had come to admire as a youngster growing up in Muskogee, Okla. His name is Cy Tuma, and he was for many years the premier television newscaster in Tulsa, Okla. Cy was truly a pioneer in broadcast journalism, and to a young man in rural Oklahoma, his sense of professionalism and dedication made a deep imprint on me.

Cy's letter enclosed a poem which was written by his wife, Monty. The verse was a moving tribute to those Americans who gave their lives in the Iranian desert in an attempt to rescue our hostages in Teheran. I shared this poem with my friends in Oklahoma, but on reflection, it is clear that Monty's poem goes beyond the immediate tragedy of our loss in Iran. It actually speaks to the pain and sorrow we feel as a nation for the loss of all those who have sacrificed for our freedom and our way of life.

I wanted to share Monty's poem with my colleagues in hopes that our memorial observance is not a once-a-year break in our routine, but rather something that we keep foremost in our minds as we go about the business of governing our Nation. The poem follows:

IN REMEMBRANCE

Our Lord can speak in a silken whisper
Or with the mighty ocean's roar,
When He summons us,
From our earthly tasks.
And we are heard no more.

We pay homage here today
To those we learned to love
Who did their work
And did it well
They have nothing else to prove.

They glowed like signal candles
That cast their radiance about
And still have power
To warm our hearts
Long after their flame is out.

The sweet remembrance of this day
Tho' the sadness of our loss be keen,
Is the sacred trust
That is given to us
To keep their memory green.

If they lingered in the silent shallows
It was only a pause to rest
For when the Angelus rang
At eventide
They had given their very best.

Solemn purpose and deep concern
Take their toll in grief
But kneeling sorrow
With her healing tears
Brings a respite of sweet relief.

They have followed their secret star
Fulfilling their destiny
And tho' their season
In the sun be brief
Their mark is for all to see.

And with our master at the helm
Our hopes and dreams securing
May he guide our crafts
Into quieter waters
When we have slipped our mooring
Tread softly here
Lest ye walk on Hallowed ground!

MONTY TUMA.●

SOUND ADVICE ON NUCLEAR EXPORTS TO INDIA

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BROWN of California. Mr. Speaker, the Congress may shortly be confronted with reviewing a Presidential recommendation to override the Nuclear Regulatory Commission on the matter of exporting nuclear fuel to India. While I sincerely hope the President ultimately decides to concur with the NRC, the Congress should be aware of the importance of this issue and be prepared to exercise its independent judgment, in accordance with the Nuclear Nonproliferation Act.

A recent editorial in the Los Angeles Times addressed this topic. I commend it to my colleagues.

The editorial follows:

FOR CARTER, A NUCLEAR HEADACHE

The U.S. Nuclear Regulatory Commission, by voting unanimously against granting two licenses for export of nuclear fuel to India, has created a king-sized headache for President Carter—and an opportunity for Congress.

The Nuclear Nonproliferation Act of 1978 bars the shipment of nuclear materials to any country refusing to accept the application of international safeguards to prevent the covert development or manufacture of atomic weapons.

India consistently refuses to make such a commitment. Prime Minister Indira Gandhi also won't promise that her government will not set off more "peaceful" nuclear explosions—the term that was used to describe the 1974 test blast that is widely regarded as having been military in purpose.

The State Department nonetheless urged the commission to approve the nuclear-fuel shipments, and warned the President would use his authority to override any contrary decision.

Since then, however, Edmund S. Muskie has taken over as secretary of state, and has decided to involve himself personally in the issue. It's conceivable, therefore, that the Administration will change its mind and accept the NRC decision. But, in the end, Carter, who has become persuaded that the United States cannot risk a serious quarrel with India in the wake of the Soviet drive into Afghanistan, probably will use his authority to go ahead with the transaction.

Under terms of the 1978 law, his decision in that event will be final unless Congress votes within 60 days to overturn it. Normally Congress would be disposed to accept the President's judgment in such a case. However, Senate Democratic leader Byrd has made it plain that the Indian transaction will receive unusually close scrutiny. Certainly it should.

The proposed sale to India is a perfect example of what the 1978 antiproliferation law was designed to prevent. If the United States chooses to look the other way in the case of India—which has already tested a nuclear device and refuses to accept international safeguards—how can it enforce the nonproliferation act against anybody else?

It's probably true that enforcing the law against India might have adverse effects on U.S.-Indian relations, and on the American position in South Asia. But the virtual destruction of the U.S. nonproliferation program should not be taken lightly, either.

As Commissioner Victor Gilinsky said in his written opinion, a decision to exempt India from the central provision of the Nuclear Nonproliferation Act should not be made "without a full understanding of the price we may be forced to pay."

That price could be a world in which every confrontation of regional powers carries the danger of nuclear catastrophe for everybody.

Congress owes it to the American people—and to future generations everywhere—to make sure that the dangers that would be posed by withholding the nuclear fuel from India are really greater than the dangers of neutering the nonproliferation act.●

THE COUNTS IN THE MATTER OF REPRESENTATIVE CHARLES H. WILSON OF CALIFORNIA

HON. CHARLES E. BENNETT

OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 28, 1980

● Mr. BENNETT. Mr. Speaker, I include at this point in the Record the eight counts and the applicable rules of the House in the matter of Representative Charles H. Wilson:

Count 1

On or about June 1, 1971, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause I of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $5,000.00 from a person, Lee Rogers, having a direct interest in legislation before the Congress.

HOUSE RULE XLIII, CLAUSE 1

A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

HOUSE RULE XLIII, CLAUSE 4 (AS IN EFFECT AT THE RELEVANT TIMES)

A Member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization, or corporation having a direct interest in legislation before the Congress.

Count 2

On or about June 20, 1972, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $5,000.00, from a person, Lee Rogers, having a direct interest in legislation before the Congress.

(The text of House Rule XLIII, clauses 1 and 4 are quoted in Count 1.)

Count 3

On or about December 11, 1972, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $500.00, from a person, Lee Rogers, having a direct interest in legislation before the Congress.

(The text of House Rule XLIII, clauses 1 and 4 are quoted in Count 1.)

Count 7

Commencing on or about March 3, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $10,283.35 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

HOUSE RULE XLIII, CLAUSE 6 (AS IN EFFECT AT THE RELEVANT TIMES)

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

Count 8

Commencing on or about March 15, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $5,129.85 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted in Count 7.)

Count 9

Commencing on or about November 23, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,047.91 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted in Count 7.)

Count 10

Commencing on or about November 29, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the rules of the House of Representatives, in that the Respondent did convert $3,500.00 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted in Count 7.)

Count 11

Commencing on or about November 1, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,000.00 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted in Count 7.)●

A DEDICATED POSTAL EMPLOYEE

HON. JOHN W. WYDLER

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 28, 1980

● Mr. WYDLER. Mr. Speaker, I would today like to recognize a gentleman from Uniondale, N.Y., whose work with the U.S. Postal Service has been and continues to be noteworthy and deserving of our thanks.

Just appointed postmaster of Woodbury, N.Y., Mr. Jack H. Chan has already served the Postal Service for 23 years, earning commendations throughout for his dedication and initiative. Mr. Chan's accomplishments have been numerous, and were recently summarized in an article in the Syosset Tribune, which I offer for your consideration:

Jack H. Chan, 49, of Uniondale, was selected as Postmaster of Woodbury. Mr.

Chan, we believe is the first Chinese-American from the east coast appointed to the position of postmaster. Also, he will be the second one from the mainland of the United States.

Mr. Chan, an Air Force disabled veteran, has 23 years of postal service. He began his career as a sub-clerk in Hempstead and worked his way up the ladder through mail expeditor, scheme technician, EEO investigator, officer-in-charge of Franklin Square and Lawrence, director of mail transportation, and most recently served as a specialist for the Transportation Management Office, Northeast Regional Office.

While Mr. Chan was with the Military Mail Term., he wrote and edited a book which is called "Military Mailer's Guide." This book was approved by the USPS Headquarters and published for distribution. Mr. Chan also planned and developed a "Military Mail Improvement" program and served as an instructor. The first seminar was given to all sale and retail managers in the Northeast region. The booklet and the program have already demonstrated their efficiency—a saving of millions of dollars.

During his 23 years of postal service, Mr. Chan has received 18 beneficial suggestion awards, letter of commendation from the Postmaster General, letter of commendation from the Regional Postmaster General, letter of commendation from the U.S. Navy (Postal Unit), and the commemoration of the United States Bicentennial.

Some of Mr. Chan's other activities have included 21 years of volunteer service as a Nassau County Aux. Police Officer. He serves as the Chief of the Uniondale Aux. Police, Liaison Officer of the First Precinct, Nassau County Police Dept., and Liaison Officer of the Town of Hempstead. Under his direction, the Uniondale Aux. Police Unit is the first and only Aux. Police unit in the State of New York to receive a Proclamation from the Governor. Mr. Chan was awarded by the Memorial Service Ass'n, Nassau County Republican Committee, Presiding Supervisor of the Town of Hempstead, Nassau County Executive Officer and most recent one is the John Peter Zenger Award from the Nassau County Press Ass'n.

Mr. Chan and his wife, Margie, and five of their children, Vickie, Victor, Rosemarie, Robert and Ramon have lived in Uniondale for 22 years.●

WEEQUAHIC HIGH SCHOOL COMMENCEMENT

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. RODINO. Mr. Speaker, on the evening of June 11, approximately 250 young men and women will be graduated from Weequahic High School in Newark, N.J.

The community is proud of this fine school, and particularly of the senior class being graduated next month. That pride, which I share, is fully justified by the distinctions of Weequahic High School and the achievements of its graduates.

The school has made great progress and has overcome some difficult problems, thanks to an excellent staff headed by Principal Claude Scott Bey, a Weequahic alumnus.

The record of Weequahic High School in the field of sports is outstanding. The great athletes who came out of Weequahic include Dennis Layton, former player with the New York Knicks; Albert Baker, who was chosen 1979 Rookie of the Year in the National Football League for his play with the Detroit Lions; and Alvin Attles, coach of the Golden State Warriors.

This past year, Weequahic's football team, coached by Burney Adams, recorded one of its best seasons ever, eight wins and two losses.

The school's basketball team, coached by Artie Johnson, had a 27-4 record this past season and was cochampion of the city league.

Weequahic's sports program is not only victorious; it is also enlightened. Assistant Coach Lorraine White was the first black woman to become a high school football coach in the United States.

This year's senior class is impressive in many ways, including its determination to maintain high academic standards. That determination was backed up by an unusual action. Earlier in the year, the members of the class voted approval for a measure stating that any senior not passing a required course could not participate in class activities, including the prom.

The class members adopted the motto "Always and Forever," with the purpose of seeking to remain in contact with one another always and of maintaining high standards forever.

An estimated 70 percent of the class members intend to continue their education after graduation from Weequahic High School. It is a pleasure to note that Kassandra Smith—president of the class, captain of the girl's basketball team and president of the honor society—plans to attend Howard University in Washington.

I congratulate each of the young men and women who will be graduated at the commencement ceremony on June 11. they have added a new dimension to the community's pride in Weequahic High School.●

CONGRESSIONAL SALUTE TO HON. MANUEL FRANCISCO LAGOS OF NEW JERSEY, DISTINGUISHED BUSINESS EXECUTIVE AND COMMUNITY LEADER, UPON THE ESTABLISHMENT OF THE MANUEL F. LAGOS SCHOLARSHIP FUND

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. ROE. Mr. Speaker, on Saturday, May 31, residents of my congressional district and State of New Jersey will assemble at the Passaic County Community College, Paterson, N.J., in testimony to the lifetime of outstanding public service that our people have received from a distinguished business executive, exemplary community leader, and good friend, Hon. Manuel Francisco Lagos, whose contributions to our youth, the Diocese of Paterson and community service have truly enriched our community, State, and Nation. A gala evening is planned to honor "Manny" Lagos and to formally establish the Manuel F. Lagos Scholarship Fund. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to him, his good wife Eileen and their four sons, Anthony, Manuel, Gerard, and John upon this most memorable event culminating a milestone of achievement in life's purpose and fulfillment.

Mr. Speaker, Manuel Francisco Lagos was born in Valdemoro, Madrid, Spain, on August 13, 1911, the second child and first son of Antonio Lagos and Josefa Besteiro. When he was but an infant, the family journeyed to Cuba where they resided for 2 years before coming to the United States. New York City was home to the Lagos family until 1921 when they moved to Paterson where Antonio Lagos taught languages at the Paterson High School.

In 1936 Manuel Lagos joined the employees of Bright Star Battery Co. as a clerk in the export department. Through his diligence and expertise he worked his way up to assistant office manager, office manager, and comptroller of this most prestigious manufacturing plant.

It is important to note that Manny Lagos has always been keenly interested and actively involved in community affairs. Since his retirement from his daily career pursuits in the battery industry, his community commitments have become even more extensive. At various times over the years he has served as athletic director, Saint Mary's High School; treasurer, the Paterson Catholic Conference; president, Clifton Chamber of Commerce; treasurer, Paterson-Hawthorne CYO; President, Totowa Borough PAL. He is a member of the Bergen-Passaic Health Services Agency, and served as chairman of the board of trustees of the Passaic County Community College. He currently serves as a member of that board as well as president of the Passaic County Community College Foundation and trustee of Saint Joseph's Hospital and Medical Center, Saint John's Cathedral and Holy Sepulcher Cemetery. He is on the board of the Boys' Club of Paterson, the Liceo Cubano, and the New Jersey State Organization of Cystic Fibrosis. He is also a Knight of Columbus. Other projects on which he is presently working include the Hispanic Commission of the Diocese of Paterson and a committee of the Paterson Community Support Fund.

Mr. Speaker, there is so much that can be said of Manny's lifetime of good works but the designation of a scholarship fund in his name voted by the esteemed executive committee of the Passaic County Community College Foundation is indeed the finest evidence of expression of merit and distinction that one could achieve.

The Manuel F. Lagos Scholarship Fund will provide awards to deserving students for their pursuit of higher education at Passaic County Community College. It is significant to note that this commemorative tribute to Manny Lagos was unanimously approved by distinguished leaders of our community and State who comprise the board of trustees of the Passaic County Community College Foundation, as follows:

HONORARY COMMITTEE

Gustavo A. Mellander, president, Passaic County Community College; Rev. Jose A. Alonzo; Sister Jane Frances; John A. Girgenti, State assemblyman; Frank X. Graves, State senator; Mrs. Colt Hendley; Joseph Hirkala, State senator.

Lawrence F. (Pat) Kramer, mayor of Paterson; Rabbi David H. Panitz; Vincent O. Pellechia, State assemblyman; Rev. Msgr. Vincent E. Puma, S.T.M.; Most Rev. Frank J. Rodimer, D.D., J.C.D.; Robert A. Roe, Congressman; Cyril Y. Yannarelli, Freeholder.

EXECUTIVE COMMITTEE

Barbara Corcoran, Guido R. Rocco, Ronald J. Frederick, Robert J. Jablonski, Alexander J. Krenicki, Marion Mitchell, Frank A. Pecci, Gustave F. Perna, Joseph A. Russo, Arthur M. Zuckerman, Richard P. Kamenitzer, Kenneth E. Wright, Joseph Barcelona, Iris Barriera, Charles Bishop.

Margaret Borowski, Elliott Collins, James Comerford, John Cross, Jesse M. Gist, James Gleeson, Ida Greidanus, George Homcy, Richard Hornbeck, Charles Lagos, Thomas Martorana, Edward G. O'Byrne, William Pascrell, Jr., Ansel Payne, Herman Schmidt, Albert Tallia, Joseph Williams.

Mr. Speaker, Manny has served our people and our country with honor and distinction. He is an outstanding administrator and good friend whose richness of wisdom and expertise in his daily pursuits have touched the lives of many, many people in my congressional district. I appreciate the opportunity to publicly acclaim all of his good works and share the pride of his family in his accomplishments. We do indeed salute an esteemed community leader—Hon. Manuel Francisco Lagos with our compliments upon the establishment of the Manuel F. Lagos Scholarship Fund.●

ANTHRACITE: MAKING A RECOVERY

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. ERTEL. Mr. Speaker, in recent months increased attention has been directed to the potential that coal offers as an alternative to oil as a source of energy for the United States. I support the increased utilization of coal both for direct burning and for synthetic fuels. There is one important type of coal which has not received the attention that it deserves: anthracite.

Anthracite coal offers a number of attractions. It is high in Btu rating and it burns cleanly. Anthracite is very low in sulfur content and is the most environmentally attractive type of coal. This is particularly important because the Northeast, where anthracite is found, is the part of the country which has the greatest problem with acid rains. Acid rains are related to sulfur emissions from the burning of fossil fuels, particularly coal. In addition, most of the powerplants covered by coal conversion legislation are located in the Northeast. Anthracite offers the region a clean and available domestic energy source.

Unfortunately, production has been declining from its high in the early part of the century. There are, however, preliminary indications that this trend may be reversed. We must work to insure that anthracite's potential market is not lost because of low levels of production.

An article appeared in this morning's Washington Star discussing the possibility of an anthracite comeback. I commend this article to my colleagues' attention:

ANTHRACITE: MAKING A RECOVERY

SCRANTON, PA.—In 1917, 200,000 miners, using mules and crawling through dark subterranean passages, removed more than 100 million tons of American hard coal from the earth.

Anthracite production has experienced a steady decline ever since—until now.

Only 4.76 million tons was mined last year. But, in the face of supply shortages and soaring prices for other sources of energy, especially oil, the shiny, rock-like fuel appears to have begun a slow but certain recovery.

Most government and industry officials contend the nation's future energy needs will depend, at least partially, upon its 7 billion to 8 billion tons of recoverable anthracite reserves, more than 96 percent of which lies in Northeast Pennsylvania.

Anthracite production for the first three months of 1980 topped 1.2 million tons, something short of a boom, but 200,000 more tons than the same quarter a year ago.

According to the Pennsylvania Department of Environmental Resources, this represented the first significant increase in production since World War II.

Leonard Westerstrom, an industry economist with the U.S. Department of Energy, feels the increase was merely a start. He predicts production will rise by 1 million tons this year.

Charles Zink, vice president of sales for Jeddo-Highland Coal Co., Hazleton, Pa., the nation's largest producers, says the anthracite recovery is "not as fast as the politicians are tooting their horns" about. But he estimates a 10 percent annual output increase through 1985 and perhaps more if transportation problems can be alleviated.

The Pennsylvania Governor's Energy Council takes a positive but more conservative line, with consultants estimating production increases to 3 percent per year for the next 10 years.

But, said Roger Tellefsen, council senior policy analyst, "Everything's in motion now and it's all being driven by the high price of oil. There is a large amount of initiative and ingenuity being focused on coal and anthracite is getting its share."

A spokesman for Bethlehem Mines Corp. described the industry's recovery as "slow but steady." The 8,000-acre Schuylkill County tract purchased by the company five years ago exemplifies change in the industry.

At the same site in the 1840s, deep mining was the main anthracite-producing method and by 1919 there were 11,000 men working underground in the mine. Today, deep mining is used in less than one-eighth of all removal operations.

Because of its own benefits and the improbability of an oil price reduction, the anthracite turnaround has the ingredients for permanence. It is making headway in a series of crucial areas—as a fuel for power plants, industry, export and domestic heating.

The tiny home coal furnace industry is reporting a landslide business as homeowners realize the average house can save $600 yearly in fuel bills.

Despite its high cost compared to bituminous, or soft coal, anthracite is low in sulfur content, making it an attractive fuel for commercial use.

Under a recent U.S. Environmental Protection Agency ruling, new utility generating plants that burn anthracite are not required to install scrubbers, expensive devices that remove sulfur from emissions.

The Philadelphia Electric Co., Pennsylvania Power & Light Co. and Allegheny Electric Cooperative, Inc. recently announced they will develop a large-scale generating station fired by anthracite in coal-rich Schuylkill County. The plant is expected to employ 2,000 people.

The EPA also will decide whether industrial plants using anthracite can do without scrubbers.

Tellefsen, who notes scrubbers sometimes make up one-third of a plant's cost, speculates the decision will be a favorable one. That could mean even greater demand for hard coal.

Anthracite also does not produce the tars and oils that come from soft coal when it is converted into a substitute for natural gas. Gasification, receiving more attention and experimentation as of late, thus is a less costly process using hard coal.●

SCIENTISTS STEP UP EFFORTS TO PROMOTE NUCLEAR ARMS CONTROL

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BROWN of California. Mr. Speaker, the events which resulted in the delay in considering the SALT II Treaty, and which postponed the beginning of the SALT III negotiating process have sparked increased interest by scientists in promoting nuclear arms control. Scientists, as a group, appear to have a better understanding of the enormous devastation which would be caused by nuclear war, and appear to be much less likely to glibly discuss the use of nuclear weapons.

I want to commend the admirable efforts by the National Academy of Sciences, the American Physical Society, the American Association for the Advancement of Science, and the Physicians for Social Responsibility to educate their members and the public to the dangers of nuclear war and the need for meaningful arms control.

I commend a recent article on this subject to my colleagues.

The article follows:

[From the Chemical & Engineering News, May 19, 1980]

NAS, OTHERS TAKE ON ARMS CONTROL ISSUES

(By Michael Heylin)

Nuclear arms control is quite suddenly again becoming a topic of increasingly widespread debate and consideration by the U.S. scientific establishment. The prestigious National Academy of Sciences is the latest of the institutions of science to formalize its participation in the intensifying public discussion of the role of weapons of mass destruction in national and world security.

In his recent annual report, NAS president Philip Handler reveals that the academy has taken the first steps to set up what will be called a Board on International Security & Arms Control. This follows establishment earlier this year of a working group by the American Association for the Advancement of Science to organize AAAS resources toward nuclear arms control—a group that recently held its first meeting. In other related activities, the American Physical Society presented a symposium on arms control and weapons technology at its recent annual meeting in Washington, D.C., and earlier this year the Physicians for Social Responsibility (PSR) group kicked off an active campaign to bring to public attention the medical aspects of nuclear war by holding a two-day symposium at Harvard University.

At least some of the issues behind these moves are not hard to trace. A rapid weapons buildup by the Soviet Union has brought its strategic nuclear capability to rough equivalence with that of the U.S. This has caused major concern about the vulnerability of U.S. land-based intercontinental missiles to a first strike by the Soviets. This, in turn, is presented as the reason for an extensive program to modernize all branches of the U.S. nuclear triad—land-based missiles, submarine-launched missiles, and air-launched weapons. Included in these plans is the multiple-warhead M-X missile with its complicated and controversial basing system. The present uncertainty over ratification of the second treaty to evolve from 10 years of strategic arms limitations talks (SALT II) is also causing alarm within arms control circles.

California Institute of Technology president Marvin L. Goldberger has agreed to chair the new NAS board. A physicist by profession, he has been a Presidential science adviser and was 1972-73 chairman of the Federation of American Scientists.

In announcing formation of the board, Handler points out that NAS has a long tradition of assistance to the military. But he adds, "I have been frustrated by our lack of meaningful contribution to the search for a path that combines military security with meaningful arms control and, one day, effective nuclear disarmament." This is the 117-year-old academy's first involvement with arms control.

Goldberger says it is too early to spell out in detail the program for the new board, as its full membership has not yet been named. He says that formation of such a group has been discussed within NAS for some years. And he points out that the Soviet scientific establishment last year set up a council to research the problems of peace and disarmament and that Soviet Academy of Sciences president Anatoly P. Alexandrov last fall suggested interaction between it and any parallel group established by NAS.

The new 13-person Nuclear Arms Control Group of AAAS was authorized by the AAAS council at its meeting in San Francisco in January. Chairman is political scientist George Rathjens of Massachusetts Institute of Technology. The group's first order of business, tackled at its first meeting late last month, has been to set up a series of five or six half-day symposia for the next AAAS meeting, in Toronto in January 1981.

The symposium on arms control and new weapons technology at the APS national meeting in Washington, D.C., last month was organized by the society's forum on physics and society. Among the speakers was Massachusetts Institute of Technology physicist Bernard T. Feld.

Feld, who is editor of the Bulletin of the Atomic Scientists, stated that "numbers of nuclear weapons continue to grow, far beyond any levels defensible from the point of view of deterence." The only hope he sees for eventual arms reductions is through a mutual agreement for the no-first-use of nuclear weapons.

Physicians for Social Responsibility was formed in the early 1960's and was active in supporting the nuclear test ban treaty. It then became involved in Vietnam war issues and was largely inactive for some years. In recent years it has been revived, sensing that nuclear war is again being spoken of as a national policy option. For instance, one still active condidate for President of the U.S. has said recently that a nuclear war is winnable. The group is planning a series of roughly monthly symposia in various cities this fall on its perception of the extreme destructiveness of nuclear conflict, even on a limited scale. These will follow the well-attended meeting at Harvard and another in Washington, D.C.●

POSTAL SERVICE DOES MORE THAN OTHERS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. PICKLE. Mr. Speaker, no one says anything nice about the Postal Service—most of the time. We ought to say a lot of nice things.

But the other day, while reading the Brenham Banner Press in Brenham, Tex., I came across a column on the Postal Service. It made several noteworthy points. The column was written by Robert Walters, and I commend it to all members of the House.

The column follows:

STAMP OF APPROVAL

WASHINGTON.—Few institutions surpass the U.S. Postal Service among organizations Americans love to hate—and nothing produces a universal display of that hostility faster than an announced increase in the price of a first-class letter.

Thus, it was hardly surprising that the Postal Service's recent proposal to begin charging 20 cents for a typical letter next year (an increase of 5 cents over the current rate) was received with something less than popular acclaim.

But here's an irreverent and unpopular—if not downright heretical—view of the situation that suggests the Postal Service is, on balance, doing an exemplary job and its requested rate hike is entirely justified.

The operator of the nation's most elaborate, complex and sophisticated system of transmitting written communication, the Postal Service—and only the Postal Service—is committed to serving every business and household in the country.

The United Parcel Service, for example, has been widely acclaimed in recent years for its aggressive expansion program that now offers a purportedly quicker and cheaper alternative to parcel post for delivery of packages.

But UPS maintains only about 1,000 receiving stations scattered around the country where senders must bring their parcels for shipment. Only if an additional fee is paid (and an elaborate description of the package provided) will UPS provide pickup service from the shipper's home or office the following day.

The Postal Service, however, provides free daily pickup not only from 40,000 post offices but also from 298,000 street mailboxes and office building chutes and racks. In the downtown areas of major cities, those pickup points are serviced five times or more every day.

Federal Express, Purolator Courier, Emery Air Freight and other air couriers boast of large fleets of jet planes that guarantee overnight delivery to dozens of cities—but the cost of that service ranges from $25 to $100 per item.

The delivery field is indeed overcrowded with Postal Service competitors anxious to provide yet costly service from Boston to Washington, New York to Chicago and Los Angeles to San Francisco.

But only the Postal Service accepts as part of its basic mission providing regular service connecting French Creek, Idaho; Clayton Lake, Maine; Kayenta, Ariz., and Duck Hill, Miss.

That means daily delivery to 76 million different locations in this country—71.5 million households and 4.5 million businesses that comprise almost 5.8 billion different combinations of senders and receivers.

During the 1979 fiscal year, the Postal Service handled 99,828,900,000 pieces of mail and completed delivery of virtually every letter and package—a record few other enterprises, public or private, can match.

There are, of course, the occasional horror stories about somebody receiving a Christmas card mailed by a neighbor in 1914. But far less attention is paid to the Postal Service's reliable and timely delivery every month of millions of dollars worth of bank-by-mail deposits.

Notwithstanding its inflated claims, the Postal Service isn't especially speedy. What's touted as overnight delivery too often involves a two- or three-day process.

But most mail really doesn't suffer from those relatively minor delays. Those who do require guaranteed speed now have a wide array of alternatives, including the Postal Service's own Express Mail, available at a premium price.

Finally, there's the cost. Critics are fond of recalling that as recently as the mid-

1960s only 5 cents in postage was required to mail a 1-ounce first-class letter.

Candy bars that cost a nickel or a dime in those less inflationary times now sell for a quarter or more—but the makers of Hershey bars, Milky Ways and Almond Joys aren't subjected to the abuse regularly heaped upon the Postal Service.

The Postal Service may not be perfect, but it surely deserves better treatment than it has received in recent years.●

IN HONOR OF WALTER TICE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. PEYSER. Mr. Speaker, I rise today to pay tribute to one of Westchester County's outstanding teachers, Mr. Walter Tice.

Walter was recently honored by the B'nai B'rith in Yonkers, N.Y., for his dedicated service to education and educators. In fact, I recently received a petition signed by over 70 students praising his work and teaching abilities. In addition, he has served with distinction as president of the Yonkers Federation of Teachers.

Mr. Speaker, on behalf of the students of Roosevelt High School in Yonkers, N.Y., I salute Walter Tice for his many accomplishments.●

REDUCING UOSA COSTS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. HARRIS. Mr. Speaker, on Thursday, May 22, 1980, I introduced legislation of vital importance to residents of Fairfax County, Prince William County, and the cities of Manassas and Manassas Park who are presently served by the Upper Occoquan Sewage Authority (UOSA) regional advanced wastewater treatment plant. Ratepayers in these localities are currently experiencing record sewage charges as a result of high capital cost overruns and excessive operation costs. As outlined below, this project was undertaken during the 1970's as a joint venture by the local, State, and Federal governments to correct serious pollution of the local drinking water supply. The end result was a technological wonder which left the local jurisdictions with an unmanageable share of the costs.

BACKGROUND—THE DECISION TO CONSTRUCT UOSA

Studies by the Virginia State Water Control Board (SWCB) in the late 1960's suggested that northern Virginia's main water supply, the Occoquan Reservoir, was being threatened by the pollution of inadequately treated sewage. A final study report issued by the SWCB in 1970 concluded that sewage effluent discharged from the 11 low-performance secondary sewage treatment plants in the Occoquan watershed was causing significant deterioration of the water quality in the Occoquan Reservoir.

The Virginia State Water Control Board (SWCB) adopted the Occoquan policy in July 1971. This policy required the consolidation of facilities upstream from the reservoir into one regional sewage treatment system. The State water control board called for treatment standards on the new regional plant to be the highest in the United States since it was located upstream from a water supply.

The four jurisdictions affected by the Occoquan policy—Fairfax County, Prince William County, and the cities of Manassas and Manassas Park—created the Upper Occoquan Sewage Authority (UOSA) to construct and operate the facilities. A UOSA service agreement was signed by the four jurisdictions involved in May 1972. The UOSA advanced wastewater treatment plant began operations in June 1978.

THE OPERABLE UNIT REQUIREMENT

Seventy-five percent of the allowable capital costs of the project were to be funded by Federal EPA grants. In order to permit the State of Virginia to start other projects necessary in the State, EPA required that the UOSA project be constructed in operable units. The project had to be separated into a number of discrete construction contracts designed to fit the amount of grant assistance available to Virginia at the time. Funds at that time were limited as a result of an impoundment by President Nixon of $3 billion of the $5 billion appropriated by Congress for the funding of construction grant programs in fiscal year 1973. Finally, each contract had to result in operable facilities which would provide better treatment than already existed.

The operable unit requirement together with President Nixon's impoundments is estimated to have caused construction delays of 2 to 3 years. Inflation took its toll on the project, increasing the final costs from a projected $49.4 million in 1973, to $82 million upon completion.

EPA provided $54 million for the project. The Virginia State government provided $4 million or 5.5 percent of the final costs, even though Virginia had committed to 10 percent originally. The localities were left with a $24 million capital cost contribution, double their original projection.

Subsequent to the start of the UOSA project, the Congress enacted legislation abolishing the operable unit requirement in Public Law 93-243. However, the enactment of that legislation came too late to prevent the significant delays and inefficiencies affecting the UOSA construction.

EXCESSIVE OPERATION AND MAINTENANCE COSTS

The UOSA plant has particularly high treatment standards which required the development of innovative and sophisticated technology. With a 100-percent redundancy factor and these high quality of treatment standards, the operation and maintenance costs of the facility are 40 to 50 percent higher than a typical AWT plant and over 100 percent higher than the typical secondary treatment plant. The UOSA system serves as a full-scale demonstration project of wastewater reclamation for the world by providing an example of the effectiveness of the new technological advances used in its operation.

EFFORTS TO FIND A PRACTICAL SOLUTION

As a result of the high construction and operational costs I have outlined, the jurisdictions served by UOSA are facing rapidly increasing charges. Just this past January, one sanitary district in Prince William County increased quarterly rates by 100 percent to cover the debt service and rising treatment costs.

In an effort to bring about the needed cooperation at the State, local, and Federal levels of government to effectively relieve individual ratepayers of this excessive burden, I called a meeting on May 9, 1980, to discuss a specific legislative solution.

All the jurisdictions involved were represented except Manassas Park, which declined the invitation because of a pending lawsuit against EPA concerning the construction cost overruns incurred. Since presenting my proposal, the jurisdictions of Prince William County, Fairfax County, and the city of Manassas have endorsed this legislative proposal.

MAJOR ELEMENTS OF THE LEGISLATION

I think that it is important to view this proposal as a way of providing an equitable solution to individual ratepayers caught in a very unfair situation.

I propose to reduce the current debt service being paid by UOSA customers by providing a 75-percent Federal/25-percent State contribution toward the $24 million local share of the UOSA capital costs. However, the Federal portion would only be provided on a matching basis when the State commits it share of funds. This will insure the proper Federal/State cooperation to achieve the needed reduction in rates.

Also, because of the increasing operation and maintenance costs incurred as a result of the high treatment quality and redundancy factor provided by the plant, I feel that there should be an annual Federal grant allocated toward a portion of the treatment costs.

Finally, the most important provision of this legislation requires that all Federal assistance to UOSA be passed on through direct reductions for the ratepayers in the four jurisdictions of Fairfax and Prince William Counties, and the cities of Manassas and Manassas Park. Families in those areas are currently in a desperate position—they are actually having to cut back on essentials such as food and clothing to make payments on the water and sewer bills they have received this year. I can site the example of one family of four in Manassas, Va., whose bill just for sewer service had increased from $15 a quarter in April 1977, to $109 this past March—an increase of 627 percent. This increase was not related to additional water use, which averaged 30,000 gallons a quarter and was never higher than 35,000 gallons. The major single increase came in the first quarter of 1980 when their bill went up 100 percent from the last quarter of 1979. One woman who wrote me noted that she was alone and living on a fixed income. Her bill had gone from $11 for 7,000 gallons of water in the last quarter of 1979 to $65 for 7,000 gallons in 1980. How can we expect people on fixed incomes to keep up with 490 percent increases in water bills, when they can't keep up with the current 18 percent inflation rate?

Without a cooperative effort, ratepayers will have no relief. Under this legislation, the Commonwealth of Virginia must bear a share of the responsibility to reduce water-sewer rates. It requires Virginia to assume 25 percent—$6 million—of the $24 million local costs. But the Federal Government could not—and should not—come forth with the remaining 75 percent until the State money is in hand. The State is clearly responsible for developing the Occoquan policy and the UOSA advanced water treatment system and must accept some of the financial obligation presently straining local budgets to their limits. At the same time, Virginia will be meeting its original commitment to fund a major portion of the costs of this project for the localities. My legislation will provide the necessary incentives to bring about a joint Federal/State effort to enable both to meet their responsibilities and resolve this problem in an equitable manner for the local jurisdictions.

Inflation is already too great a burden without adding excessive charges for water and sewer services. Such services are not a luxury—these are services that should be provided to the public at reasonable rates that they can afford. The Federal Government has mandated a number of measures to clean up our rivers and protect our water supplies from further degradation over the past decade. We have a responsibility to see that these measures and standards are met in ways that fairly distribute the costs when benefits go beyond jurisdictional boundaries. I urge your support of this legislation.

The following is the text of my bill, H.R. 7431:

H.R. 7431

A bill to direct the Administrator of the Environmental Protection Agency to make grants to the Upper Occoquan Sewage Authority to reimburse such authority for a portion of the costs incurred by such Authority in constructing its advanced waste water treatment plant in the Occoquan Reservoir watershed area in Fairfax County, Virginia, and to pay 25 percent of the costs of operating and maintaining such plant

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Administrator of the Environmental Protection Agency (hereinafter in this Act referred to as the "Administrator") shall make grants to the Upper Occoquan Sewage Authority (hereinafter in this Act referred to as the "Authority") to reimburse the Authority for 75 percent of the costs incurred by the Authority in constructing the advanced waste water treatment plant in the Occoquan Reservoir watershed area in Fairfax County, Virginia, and not otherwise reimbursed or paid by the United States or the State of Virginia.

(b) Grants made under this subsection may only be made to match on a three-to-one basis money paid to the Authority by the State of Virginia after the date of enactment of this Act for constructing the advanced waste water treatment plant described in subsection (a) of this section.

(c) The total amount of Federal assistance provided to the Authority under this section may not exceed $18,000,000.

SEC. 2. In addition to grants made under the first section of this Act, the Administrator shall make grants to the Authority to pay 25 percent of the costs of operating and maintaining the advance waste water treatment plant described in subsection (a) of such section.

SEC. 3. No grant may be made under this Act unless the Administrator receives such reasonable assurances as the Administrator may require to ensure that the Authority will use all Federal assistance provided under such grant to reduce the sewer rates charged by the Authority to its customers in Fairfax and Prince William Counties, Virginia, and the cities of Manassas and Manassas Park, Virginia.

SEC. 4. Grants made under this Act may be subject to such terms and conditions as the Administrator may require to carry out the provisions of this Act.

SEC. 5. There is hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act.●

ED MUSKIE REFLECTS ON THE CLEAN AIR ACT 10 YEARS LATER

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BROWN of California. Mr. Speaker, in one of his last interviews as a U.S. Senator, Secretary of State Edmund S. Muskie, the father of the Clean Air Act, discussed his views on this essential and important Federal law. For those, like myself, who were in Congress 10 years ago, it is sometimes difficult to remember that there are few Members of Congress here today who were here 10 years ago when the modern version of the Clean Air Act was originally enacted. Some of the comments by those special interests who have consistently opposed the implementation of effective clean air laws and regulations have convinced me that they believe the present Congress does not care about air pollution. I think this Congress is being underestimated as to its commitment to the public interest, although I must confess that the departures of Paul Rogers and Ed Muskie have left a gap in the institutional memory of the Congress.

Perhaps the most important air pollution control measure presently being debated in several State legislatures, including, I regret to say, California, is the debate over inspection and maintenance programs for automobiles. This is one of the most cost-effective means available to improve air quality, and its full implementation in nonattainment areas nationwide is long overdue.

Mr. Speaker, because of the knowledge and experience of Ed Muskie with the Clean Air Act, I recommend that each Member take the time to read the interview which appeared in Automotive News on February 25, 1980.

The interview follows:

TOUGH EMISSION TESTS CALLED FOR BY MUSKIE

(By Helen Kahn)

The Clean Air Act will not be completely effective until inuse and assembly line testing are in place, according to Senator Edmund S. Muskie, Democrat, Maine.

Ten years after he introduced the Clean Air Bill, Muskie has not relaxed his efforts to achieve the statutory auto emissions standards and says the government must "hold the auto companies' feet to the fire" until the standards are met.

Following are Senator Muskie's answers to queries from Automotive News concerning his view on progress of the emissions standards.

Automotive News. Are you in general satisfied with the progress made under the Clean Air Act? Has the progress been greater in stationary sources or mobile sources?

Muskie. Progress has been made, and I am proud of that progress. However, the date by which all areas of the country were to achieve healthful air was 1975, as mandated in the 1970 Clean Air Act. It is now five years later, and many areas are not even close. The majority of these problems are due to mobile source pollution. There is a recognition now that the air pollution problem in dirty air areas was more severe and complex than we initially understood when we wrote the 1970 Act.

We have revised our expectations as to the amount of time and effort required to achieve our goals. But the goals remain the same.

Greater progress has been made in developing the automobile pollution control technology than in stationary source cleanup. We are close to achieving the statutory auto emission standards. Stationary sources include many more industries and technological cleanup processes than do mobile sources.

In autos we are talking about one industry and a limited number of technologies. The complication comes in urban areas where simply substituting clean cars for dirty ones will not be adequate.

The most widely exceeded ambient standard continues to be photochemical oxidant, the two components of which, hydrocarbons and nitrogen oxide, are emitted by the automobile. In 1978, of 105 urban areas in the country with populations of at least 200,000, virtually all exceeded the primary, health protective standard.

In contrast, violations of the sulfur dioxide standard are limited to a few parts of the country—approximately 100 counties or parts of counties in Arizona, Nevada, Utah and the north-central regions.

It is clear that attainment of the oxidant standard is our most ubiquitous cleanup problem. Additional measures beyond auto emission control are required. That is where the mobile source problem becomes more difficult than cleaning up stationary sources. Local and state governments are being asked to modify habits of their populations which have been many years in development. These are difficult to change.

Q: Section 109(a)(2) of the Act told EPA to set ambient air quality standards that are "requisite to protect public health" plus "an adequate margin of safety." Other laws—like the 1976 vehicle safety law—allow an administrator to consider "technological feasibility" and "economic practicability" in setting standards. If you had it to do over again, would you have changed the reliance on public health and given more consideration to costs?

A: Absolutely not. First, prior to 1970 the law only permitted auto emission controls which were technically and economically feasible. Because the auto industry had complete control over the decision on what was "feasible," absolutely no progress was made. In fact, the "feasible" emission controls adopted caused an increase in NOx emissions. More importantly the question poses a non sequitur. Health standards are based on scientific information on the levels of pollution which affect health. To suggest that scientific data on health effects should be compromised because that level of clean air is difficult or expensive to achieve is absurd.

Q: In retrospect was it a good idea in view of the costs and disruptions to both government and industry to set auto emission standards in the Clean Air Act itself rather than allowing them to be set by an administrative agency?

A: I challenge the assumption that there has been any disruption. If there has, it has been the result of industry failure to take the mandate of Congress seriously and act in a timely way.

Q: In early 1970s your view was that in order to get the auto companies to clean up emissions, it was necessary to hold their feet to the fire. Do you now detect a better climate? Or is the situation unchanged for items like safety and emissions control for which there is not a ready market such as exists for fuel economy?

A: I still believe we cannot relax our efforts to achieve the statutory auto emissions standards, and that we must still "hold the auto companies' feet to the fire." I'll be beter able to answer the question after the statutory standards have been achieved and if we don't have another lobbying barrage to delay those standards again.

Q: In terms of emission control how would you compare the attitude, response, and progress made by the Detroit companies vs. the import companies?

A: I feel generally that some foreign manufacturers have been more forthcoming. They seem to have a less defensive attitude toward public policy than their U.S. counterparts.

Q: Recently regulatory reform has become a buzz word. The Joint Economic Committee is looking at the feasiblity of a regulatory budget; Senator Lloyd M. Bentsen, Democrat, Texas, has introduced legislation to mandate a regulatory budget; the Wall Street Journal in an editorial called on Congress to establish a regulatory budget to set limits on compliance costs that agencies may impose. As chairman of the Senate Budget Committee, how do you feel about these proposals?

A: As a general proposition I oppose arbitrary limits which bear no relation to statutory requirements. The Congress enacts specific requirements such as auto emission standards for reasons which include considerations other than costs. It is the prerogative of the Congress to change those requirements in each statute if it feels that its judgement on a specific issue has changed. I have very real reservations about generic regulatory reform legislation which seeks to amend specific statutes by imposing limits and requirements which either have been specifically rejected or bear no relationship to the problem to which a specific standard is directed.

Q: The Clean Air Act requires that EPA determine before allowing a vehicle to be sold that it meets emission standards over its useful life. This has resulted in a costly certification of prototypes. Eric Stork (no longer at EPA, but the man almost solely responsible for creating and defending certification) now says the program is nearly useless as an indicator of actual on-the-road emission performance. As an alternative would you now favor assembly line testing on a random basis? Or would you—as Stork recently recommended to the Swedish EPA-equivalent—favor a system of emission fees based on performance of in use cars?

A: First, for the program to be credible each consumer should be guaranteed that the car he buys meets the standard when he buys it and for its useful life. Second, certification testing is primarily a convenience for auto companies so they will not begin producing models which don't meet standards. Third, every car which comes off the assembly line should be tested and inspection tests should be provided in those areas with serious air quality problems to ensure in use compliance. Motorists should have warranty coverage for non-complying vehicles.

None of these programs standing alone can give us a meaningful auto emission control program over the useful life of vehicles. So I would not favor dependence on any component by itself, but I would not recommend abandoning the certification process at this point either. I am not ready to endorse a system of emission fees. The result would be to permit non-complying cars to continue to operate in violation of the law. This is counter to the philosophy of the Clean Air Act that cars must be built to comply with given emission standards over their useful life, and if they do not comply they must be brought into compliance. This is a critical part of the strategy to achieve ambient air quality standards to protect public health.

Q: The question of averaging vehicle emissions or requiring each and every vehicle to meet the standards has raged for years. The law itself is not entirely clear. Did you intend averaging? If you oppose averaging, why?

A: In my view the law is clear now and has been clear since 1970. We intend that each and every new vehicle meet applicable emission standards. We never intended averaging. The concept of averaging is inconsistent with the requirement of the act that each and every vehicle achieve a certain level of emission reduction which then reduces the ambient concentrations of auto-related pollutants. Averaging is not an agreeable concept. How can you implement an assembly line test and an inspection and maintenance program using the concept of averaging?

Q: The 1977 amendments to the Clean Air Act mandate inspection and maintenance programs which will soon affect some 100 major urban areas. The general public has long opposed inspection for safety and is believed to oppose emission inspections as well. In view of the costs and inconveniences of these programs do you support EPA's thrust in this direction? Would you support a cutoff or reduction in highway money for communities resisting inspection and maintenance?

A: First of all I don't necessarily agree with your characterization of public opinion of safety inspections and the assumption that emission inspection will also run into opposition. However, I do support the implementation of an inspection and maintenance program.

EPA must require this under the 1977 amendments to the Clean Air Act. Inspection and maintenance programs must be implemented in areas which will not achieve auto-related ambient standards by 1982, as a condition for receiving an additional five-year extension to 1987 of the deadline for achieving those ambient standards.

Inspection and maintenance programs have been shown to be one of the most cost-effective ways of achieving incremental pollution cleanup. In areas where automotive pollution is and has been an intractable problem, it seemed reasonable to the Congress in 1977 to require, as a condition for receiving extra time for cleanup, that areas with such difficulty implement this reasonable measure. The sanction of reduction in highway money puts teeth into this requirement. So I do support this mechanism which is tied to the failure of communities to do the minimum necessary to receive an extension under the Clean Air Act.

Q: In view of the energy crunch and with the domestic auto industry severely strained for capital to down-size cars would you favor a bending of the law to allow more diesel engines?

A: No. I do not favor a bending of the law to permit the marketing of more diesel engines. At this point there is no evidence that diesel technology needs more favorable treatment than the gasoline engine. And it would be unwise in my view to permit diesel technology to compete on anything other than an equal basis with gasoline engines. It would not be beneficial to the auto industry to ignore pollution control requirements associated with diesel technology in the short-run because they will have to deal with it at some point. It makes sense from a business point of view to deal with those problems at the outset to determine if diesel technology can compete favorably with gasoline engines in all aspects, including their effect on the environment and the extent to which those effects can be minimized.

In addition, I am confident that the auto industry can solve the technological challenge presented by diesel technology just as they eventually met the challenges associated with pollution control technology in the early 1970s. By bending the law we would remove any impetus for forcing the development of diesel technology further. This remains one of the most significant handles we have in achieving the maximum cleanup and fuel economy possible in auto technology.

Q: In your view, did emission requirements significantly add to Chrysler's financial plight? Or were they even a factor?

A: No. Emission requirements were not a factor in Chrysler's financial plight. Chrysler's financial problems appear to have been related to its inability to compete and to management problems unrelated to federal standards.

Q: From what you have learned over the last 10 years, what would you have done differently? What the same? Has EPA enforced the law as you wished? Has the waiver authority been abused? Does the law need changing?

A: I think the structure of the auto emission program which we created in 1970 remains sound. I cannot think of anything major I would have done differently. On the other hand, the enforcement of the act has produced slower progress than I hoped for. For example, I do not believe we can have an effective program until two major components of the program are put in place—in use testing and assembly line testing. The performance of cars on the road has been neglected by EPA, and this is the major weakness in the program thus far. As for recalls, I believe EPA is doing a good job in finding problems and attempting to correct them with the auto companies.

With regard to the waiver authority, I do not feel it has been abused since the enactment of the 1977 amendments. Each company has the right statutorily to apply for a waiver. It is EPA's prerogative to grant or deny those waivers.

Recently the EPA has examined the applications for both the CO waiver and the NOx waiver on an engine family by engine family basis and has arduously applied the law's criteria to each application. The result has been at least as many denials as approvals of waiver applications. I feel that EPA is now complying with the mandate of the law in this area.

At this point, I do not believe that the law needs changing. We are less than one year away from the implementation of the statutory auto emission standards. I consider this significant. The basic thrust of the program is sound and has provided us with a means to achieve the goals we set in 1970.●

FOREIGN TECHNOLOGY BEATS AMERICAN COMPETITION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. AuCOIN. Mr. Speaker, maintaining our competitive edge in high technology products is one of the best ways to compete with foreign products—both at home and abroad. But we can't be too sanguine about our ability to maintain that edge.

The Task Force on Industrial Innovation, which I chair, has been looking into the reasons why innovation is lagging and productivity is on the decline. There is no simple explanation, but the danger signals are clear. Other nations have been increasing their commitment to research and development while ours is declining. An increasingly large proportion of American patents are held by foreigners. Our savings rate—and therefore our capacity to invest in new plants and machinery—is the lowest of any industrial country. Last year the personal rate of saving in America was barely 3 percent. Japan has a 20-percent rate; Germany, a 15-percent rate.

Recently, the Washington Post carried an article describing how Federal contractors have been forced to buy major high technology components from foreign suppliers for the first time in decades. That news is just one more indicator of what will happen if we don't move quickly to stimulate innovation and increase productivity.

Mr. Speaker, I include the article in the RECORD at this point.

[From the Washington Post, Apr. 14, 1980]

INFLATION, PRODUCTION PROBLEMS ERODE "BUY AMERICA" RULE

(By Thomas O'Toole)

Inflation and production problems have hit U.S. high technology so hard in the last two years that federal contractors have been forced to buy major components from foreign suppliers for the first time in decades.

In each case, the purchase was made at the end of a process that began with requests for bids from suppliers and ended with the selection of a foreign supplier whose bid was so far below the lowest U.S. proposal that the "buy America" rule on federal projects was waived. The "buy America" policy states that a foreign bid must be at least 6 percent below the U.S. bid to be considered.

Among the high-technology components bought abroad were $470,000 worth of quick-acting Swiss vacuum valves for the Positron-Electron colliding beam project near completion at the Stanford Linear Accelerator Center; $100,000 worth of special Japanese steel for the Nova laser project at Lawrence Livermore Laboratory outside San Francisco; and $3.9 million worth of pumps, seals and low-temperature controls from the Swiss, West Germans and French for the Tokomak Fusion Test Reactor being built at Princeton, N.J.

"These are the sort of things we've never had to buy outside the U.S.," said one official of the Department of Energy, which is financing all three projects. "Times have changed in the last few years."

The foreign purchases that have raised the most concern are a pair of orders placed with West Germany and Japan for the fusion project at Princeton. One is a $1.5 million order for special steel from Japan, the other a $1.6 million order for long billets of specially extruded copper from West Germany.

Both will be used in fabricating the largest magnets ever built. No fewer than 20 of these magnets will be placed in the doughnut-shaped Tokomak being built at Princeton to confine the deuterium plasma expected to reach heats of 100 million degrees and demonstrate the scientific feasibility of fusion.

The order placed to a West German firm called Kabbie Metal is for 500,000 pounds of cooper extruded into shapes 50 feet long, 6.5 inches wide and five-eighths of an inch thick. Each 50-foot extrusion has an eliptical hole through its center.

Many of these copper strips already have been shipped to Westinghouse Electric Corp. in the United States, where 44 are welded together and wound to form the coil that will generate the magnetic field in the fusion machine. There will be 20 coils in the machine, each weighing 25,000 pounds.

The thing that most concerned Princeton project officials when bids came in for this job is that the two lowest bids were from West Germany and Finland. Only Phelps-Dodge and Anaconda in this country bid on the job. Neither one was close to the German and Finnish bids, according to DOE officials.

At each end of each of the 20 magnetic coils in the Princeton Tokomak, enormous steel rings will hold the copper coils rigidly in place. Each ring weighs 15,000 pounds and is being forged out of a supertough and superhard steel called "nitronic" steel. All the rings are being forged by the Japan Steel Co.

"These rings have a six-foot radius and they're six inches thick," one Energy Department official said. "The Japanese were not only the lowest bidder, they were the only suppliers who could deliver these very special rings on the schedule at which we needed them."

Carter administration officials point out that the orders to West Germany and Japan represent only 25 percent of the $12 million in orders placed for the 20 magnets that will be the heart of the Princeton fusion machine.

"I do not see this as a worrisome trend," said R. Robert Russell, director of the Council on Wage and Price Stability. "The whole idea of international trading is that trading countries are better off by trading. High technology should be no exception to this."

One Energy Department official said that West Germany and Japan are the only countries with extrusion presses and forging furnaces large enough to make major magnet components. At least two U.S. suppliers said they could have developed such a capability if they'd been given time enough to do so.

There is no question that U.S. suppliers see it differently. One suggested that the Germans and Japanese deliberately may have shaved their bid price to get in on the ground floor of fusion development, which promises to take off in the next 20 years.

"One objective of this program was to train U.S. industry in the fabrication of major components," one potential supplier complained. "But when you go out of the country for these components, you defeat that objective. All you're really doing is exporting the know-how.

Dr. Melvin B. Gottlieb, director of Princeton University's Plasma Physics Laboratory and builder of the Princeton fusion machine, summed up this viewpoint:

"It raises my hackles to find out we have to go abroad for these things. It's all American money in this project, but it's sure not all American suppliers."●

TWIN MILESTONES CELEBRATED BY TEMPLE BETH ELOHIM

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. AMBRO. Mr. Speaker, on Friday, May 30, 1980, the congregants of Temple Beth Elohim in Old Bethpage, N.Y., will come together to celebrate twin milestones: the 25th anniversary of the founding of the temple and silver anniversary of the ordination of their spiritual leader, Rabbi Louis Stein. Both occasions will be commemorated at a special sabbath service on Friday evening.

In most families, a 25th anniversary is a very special one, to be marked with joyous festivities. It is equally special in the synagogue family, but, as is befitting a religious institution, it will be marked not only with celebration, but also with solemnity and a renewal of the sacred commitment to religious faith and ritual. For Rabbi Louis Stein, who has been the guiding force in the spiritual development of the temple since its inception in 1955 and since his own ordination the same year, this occasion will have even more special meaning. To him, and to all the members of the congregation of Temple Beth Elohim, I wish a very hearty mazel tov.

As it has been written:

"We perceive a community great in numbers, mighty in power,
Enjoying life, liberty and the pursuit of happiness;
True life, not mere breathing space;
Full liberty, not mere elbow room;
Real happiness, not that of pasture beasts;
Actively participating in the civic, social and economic progress of the country,
Fully sharing and increasing its spiritual possessions and acquisitions,
Doubling its joys, halving its sorrows,
Yet deeply rooted in the soil of Judaism;
Clinging to its past, working for its future . . ."●

THE GUINEA PIGS

HON. DAVID E. SATTERFIELD III

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. SATTERFIELD. Mr. Speaker, I commend to the attention of my colleagues an editorial entitled "The Guinea Pigs" which appeared in the Wall Street Journal of May 27, 1980. The editorial addresses what the Journal refers to as "a regulatory struggle going on now in the * * * obscure realm of the Nation's social science research." The regulatory struggle is over proposed regulations, published last summer by the Department of HUD, requiring institutional review, board review, and approval of biomedical and behavioral research involving human subjects.

The editorial correctly points out that the proposed regulations are a grossly inappropriate way to regulate the ethical problems of social sciences research, but it fails to note that the problem in large part stems from the absence of clear congressional guidance in this area. This issue was recently addressed by the Committee on Interstate and Foreign Commerce during consideration of H.R. 7036 (Rept. No. 96-977), which consequently contains an amendment which goes far to narrow and clarify the statutory language under which the proposed regulations were issued, although it is still not completely adequate. In the "Additional Views" which I submitted with the committee report this matter is discussed in greater detail.

The editorial follows:

THE GUINEA PIGS

In the middle of the fierce turf-ripping wars over deregulation in places from trucking to children's TV ads, there's also a regulatory struggle going on now in the more obscure realm of the nation's social science research. HEW is in the process of putting out new rules to govern the social scientists' treatment of their human research subjects. A good number of the social scientists are furious. And the whole thing is shaping up as a classic lesson in what happens when you combine benign intentions, government power, and an added intellectual basis of operations.

In the mid-1960s, responding in part to several truly scandalous cases in which medical researchers misused their human subjects, the Public Health Service ruled that institutions applying for its medical research grants would have to set up peer review boards to insure that no more such abuses occurred. This was inconvenient but, given the special kind of power a medical researcher holds over his subjects, certainly not inappropriate.

Before long, though, the jurisdiction of these peer review boards began to expand. Within five years HEW was applying their human protection requirements not only to biomedical but to all "behavioral" research. Within eight, the rules were being slapped not only on proposals for new grants but on all research going on in places receiving HEW money.

Soon stories of the review boards and their grossly inappropriate behavior towards the social sciences began to come out. The written release forms that some boards required from interview subjects were lousing up studies. The boards held a power over research projects in some places that made researchers reluctant to criticize them. Attempts were sometimes made to stop the most respectable of inquiries. In part to clear up some of these messes, HEW has now published and begun to consider some new rules.

The new rules are billed as a "deregulation" of the social sciences because they list certain exemptions from the full review procedure for various kinds of research. But the exemptions are just making the critics madder, because they serve mainly to remind the reader of how much is still covered by the rules. For instance, the regulations exempt the study of public documents—but only if the research information is recorded in a way that doesn't permit subjects to be identified. This formulation would seem to limit the research conducted out of the daily newspapers. Furthermore, the rules keep their requirement that the review boards decide not only about a project's safety but about the "appropriateness" of its methods, a kind of censorship that maddens scholars.

HEW regulators have been heard to say that all this fuss by the social scientists is only to be expected; the medical researchers used to make the same kind of noise, but have now gotten used to the necessary governmental regulation. This kind of breezy philosophizing misses the point. Biomedical research, because of factors from its setting to the kind of control a doctor exercises over the human guinea pig, raises ethical issues that make public regulation reasonable, if problematic. The nonexperimental research that social scientists do does not raise the same issues of power and harm; certainly HEW does not have the empirical data marking the social scientists as public dangers who should have to prove each of their projects harmless. Much less can HEW justify the new ethical problem it is creating here, the problem of the massive lying that comes in the wake of a bureaucratic system of prior restraint.

This does not mean that the social sciences are without ethical problems in their research; there are many, ranging from hubris to manipulation and deceit. But the government has chosen a grossly inappropriate way to regulate these problems, and it would be a refreshing thing for once to see some regulators realize it and turning back.●

GEORGE MASON STAMPS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. HARRIS. Mr. Speaker, I am extremely pleased to announce that the Postmaster General has recently responded favorably to my suggestion that George Mason be featured on the stamp used to implement the next first-class postage rate. Inasmuch as the Postal Service was seeking a rate increase, I had recommended that the new first-class stamp issued honor this great Virginia statesman.

I feel that George Mason's patriotic service and contributions to the critical documents on which our democracy is based have not received commensurate national recognition. George Mason was instrumental in the drafting of our Declaration of Independence; he was the author of the Virginia Bill of Rights; and he spelled out the doctrine of separation of powers. He was also a drafter of our Constitution, but refused to sign it because it initially did not contain the protection of a Bill of Rights. His opposition to ratification produced the "gentlemen's agreement" under which the first 10 amendments were introduced and adopted.

June 12, 1976 to December 1991 marks the dates of our American Constitutional Bicentennial Era, being the 200th anniversaries, respectively, of the adoption of the Virginia Declaration of Rights and the first 10 amendments of our Constitution. Millions of Americans have never heard of George Mason, yet we owe him a tremendous debt of gratitude. This is a fitting way to honor the father of our Bill of Rights during our Constitutional Bicentennial years. The stamp will be issued after the proposed new postage rates go into effect in 1981 and its denomination will be at the first-class postage rate.●

THE BEGINNING OF A U.S. INDUSTRIAL POLICY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BROWN of California. Mr. Speaker, during the Presidential campaign, several candidates have discussed the need for a U.S. "industrial policy," or for a "reindustrialization of America." Less discussed is what the present administration is doing along these lines. A recent article in the New York Times demonstrates that while a full-fledged policy is not yet in place, the beginnings of a U.S. industrial policy are appearing.

The main issue at hand is the present and future health of the U.S. automobile industry, which is a key component of the U.S. economy. I commend this article to my colleagues, and urge widespread and careful review of this subject by all the committees of the Congress:

[From the New York Times, May 20, 1980]

AUTO AID STUDY AND "INDUSTRIAL POLICY"

(By Edward Cowan)

WASHINGTON, MAY 19.—In an exercise that has large implications for the American economy in the 1980's, the Carter Administration has been appraising the vitality of the entire American automobile industry and whether it can prosper without Government assistance.

Initiated by the Secretary of Transportation, Neil E. Goldschmidt, last winter, the appraisal is described by officials as a first, cautious exploration by Washington into what looms as the dominant economic policy issue of the 1980's for the advanced countries—"industrial policy."

Precisely what that phrase means is open to interpretation and is likely to become a subject of national discussion. In general, industrial policy means a deliberate, comprehensive effort by government to assist and to subsidize some industries.

LIMITED STEEL POLICY IN 1978

The Carter Administration delineated a limited steel policy in 1978 when it pledged to guarantee up to $550 million of private loans for steel plant modernization and also gave the industry protection from imports with the so-called trigger-price mechanism, intended to keep imported steel from being sold below cost.

This month it authorized $1.5 billion in Federal loan guarantees to keep the Chrysler Corporation afloat and received pleas from industry executives and union leaders for a variety of aids to an industry whose sales have been declining sharply for months.

These stopgap measures might eventually lead to an industrial policy for the auto industry that could include import protection, relief from complying with clean air and safety regulations and tax advantages. Thus far, President Carter has opposed import protection, sentiment is mixed on regulatory relief and the Treasury Department and Congress would prefer to give tax incentives for all types of investment, not just for autos.

Whatever the final shape of automobile policy, it is likely to serve as a point of departure for possible help for other industries.

American executives have said for years that Japan's economic success was due partly to government support for business, such as the official funneling of investment funds to export industries on favorable terms. Less successful, say American officials, has been another type of industrial policy, the European Economic Community's effort to develop the economy of southern Italy in the 1960's and 1970's.

Curtis A. Hessler, the Treasury's Assistant Secretary for Economic Policy, notes that industrial policy is often used to mean "the reindustrialization of America," and in particular the rehabilitation of automobiles and steel, once the kingpins of a manufacturing sector that dominated world trade.

Most economists say industrial policy implies a deliberate Government process of choosing which industries should get help. "Picking winners" is the way Arnold H. Packer, an Assistant Secretary of Labor, and other economists summarize the process. They mean identifying industries that, with some Government help, will do well in world competition.

The steel industry might qualify under this definition, or the electronics and data processing industries.

TURNED TO A "PLANNED STRATEGY"

"Some people, including me, are skeptical that's something government can do well," says George C. Eads, a member of the Council of Economic Advisers. William B. Johnston, the chief policy planner at the Transportation Department, summarizes the challenge of shaping industrial policy this way: "Is there any way to get turned from market solutions to a jointly planned strategy?"

"Even the most enlightened macroeconomic policies"—those that deal with the entire economy—may need to be supplemented by policies that focus on particular sectors, Stuart E. Eizenstat, the White House domestic policy chief, told a University of North Carolina audience on May 10.

Mr. Eizenstat said it was President Carter's view that "we must strengthen the basic industries in our country—modernize them, increase their productivity and their competitiveness in world markets; we cannot let them deteriorate one by one."

Industrial policy recently has been a major research topic of the Council on Foreign Relations and the Trilateral Commission, private study groups.

In the United States, industrial policy has an unfamiliar ring, as "energy policy" did 10 years ago. In Europe and in Japan, industrial policy is better understood and accepted. "From an ideological point of view, we in this country are much less interventionist," says Nancy S. Barrett, a Deputy Assistant Secretary of Labor, who attended an industrial policy conference in Madrid earlier this month.

"The overwhelming view was that it's a way to make the free enterprise system work better," Miss Barrett said. "It's not socialism. Everybody said we need to make an environment in which private enterprise can thrive."

The American view that the Government should not be "interventionist" is reflected in the comments of the policy planners examining the needs of the auto industry. Without exception, they voiced doubt in interviews that the Government could do as good a job as Detroit in deciding on investments, products and prices.

"For the Government to come in and say 'you ought to do this or that and we'll stake you to it' would be a disaster," said the Treasury's Mr. Hessler.

APPROACHING NEED FOR FUNDS

The question arises because the auto companies—even the General Motors Corporation, once the bluest of the blue chips—are approaching a tremendous need for investment funds, to tool up for the more gasoline-efficient models of the mid-1980's, just as an auto-centered economic recession is cutting deeply into car sales.

What worries several of the policy planners is that industrial policy in the United States will turn out to be highly political and undiscriminating, rather than selective and efficiency oriented. Jerry L. Jasinowski, an Assistant Secretary of Commerce who headed the American delegation, told the Madrid conference of "a history of ad hoc, reactive responses" by Washington.

Mr. Hessler posed the problem with this rhetorical question: "Could you have an industrial policy that is more than the push and pull of people with political power?"●

MEMORIAL DAY ADDRESS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. SKELTON. Mr. Speaker, this past Monday, Memorial Day, the Secretary of the Army, Clifford L. Alexander, Jr., delivered the principal address at the Arlington National Cemetery. My family and I were in attendance and I feel that his speech should be shared with the other Members of the body.

It is set forth herewith:

ADDRESS OF HON. CLIFFORD L. ALEXANDER, JR.

I am honored to personally represent President Carter this Memorial Day at Arlington National Cemetery.

Memorial Day is not simply a holiday, or a three day weekend for some, but it is set aside as a special time to remember. What is it that we remember on this day? We remember our soldiers—all those men and women, of all races and creeds, who have served in and with the armed forces of the United States in times of war and in times of crisis. We remember, and are grateful to those who lost their lives in our defense. We remember, and are grateful to our veterans—those who served their country as a part of the armed forces, and who themselves remember on this day the hardships, the battles, the friends and comrades at arms no longer with us. Finally, we remember today that as a nation we have been fortunate.

We have faced many dangers; we—and our form of government—have survived in part because of the sacrifices our soldiers have been prepared to make. The remembrance of so many who have served, and who have died in our defense, must strengthen our resolve to keep this country a bastion of freedom of which we can all be proud.

Today we pause to thank those men and women who served and died in our defense, who are buried in this magnificent national cemetery, and in cemeteries large and small around the world. The fact that we are free to sit here today is ample proof of the debt of gratitude we owe our armed forces. How best do we repay it? The obvious answer is a simple one. We keep this country strong enough to remain free; we use that freedom wisely, in the knowledge that freedom without compassion and honor and equality is not freedom at all; we strive to make this country better, in the knowledge that no matter how far we have gone on the road to equality and justice for all our citizens we have much farther to go before we rest.

There are other fitting ways to remember our fallen soldiers on this Memorial Day. Perhaps the best thing we can do—the most appropriate gesture we can make—is to thank those who serve today in the armed forces. Our gratitude for their service, their professionalism, their dedication, is the best living memorial for our honored dead.

This country is defended today by armed forces made up entirely by volunteers. That means that all of our soldiers, our sailors, our men and women of the Air Force and Marines are very special people. They have volunteered to serve, and to defend, all of us. They are dedicated to their country; to their jobs as members of the uniformed services; to the future of our country.

Our men and women in uniform are today on duty in many parts of the world. In some places they are in danger. In others, they are ready to be called on if extraordinary service is required of them. They are worthy of our respect, and our confidence and we as a nation need to show particularly our enlisted force that we are proud of them. I have seen them at the DMZ, in the Panama Jungle Training Center, as part of the crack Berlin Brigade, as weary but willing trainees at Fort Dix. Our sailors serve often for months at a time and around the clock at sea. Our airmen and marines show equal dedication carrying out their missions. They speak their minds and have the inner strengths this nation of individuals is known for.

Some of our soldiers in uniform who are working today have been summoned to answer emergency calls here at home. Some are serving at the refugee centers which have been set up on various military installations to house and process the Cubans who have arrived so precipitously in our country during the last few weeks. Our young Americans in uniform are getting a first-hand lesson in what this country is all about, and they are themselves examples of the best that this country has to offer, with their warmth and humanity and efficiency.

This past Thursday I was with President Carter as he inspected the devastation rendered on many hundreds of square miles by Mount Saint Helens. Our people in uniform are quietly but bravely searching for survivors near the mountain and recovering the remains of the dead.

President Carter described an appropriate vision of America in his State of the Union Address.

"An America strong and free.

"An America at peace.

"An America with equal rights for women—and for all citizens.

"An America with jobs and good health care and education for every citizen.

"* * * An America of justice, tolerance and compassion."

This vision of America is not beyond the reach of a united people who have the will and determination to succeed. There will be challenges. We will meet them with the best that is in us * * * so that those who lie here indeed will not have died in vain.

Thank you.●

STATEMENT BY G. WILLIAM MILLER, SECRETARY OF THE TREASURY, ON OIL IMPORT FEE

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BOLLING. Mr. Speaker, the following statement of the Secretary of the Treasury, G. William Miller, made to the Subcommittee on Trade of the House Ways and Means Committee, deserves the attention of every Member:

STATEMENT OF HON. G. WILLIAM MILLER, SECRETARY OF THE TREASURY

Mr. Chairman, I appreciate the courtesy that you and the subcommittee have shown in agreeing to hear my testimony at this point in your deliberations.

You have before you the question of whether to block implementation of the ten cent gasoline conservation fee imposed by the President in March.

As you know, the implementation of the fee was enjoined yesterday by the U.S. District Court for the District of Columbia. The government is appealing this decision. While the matter is thus before the courts, I strongly recommend that the sub-committee defer its own review of the issue. The Congress need not deal with the questions of substantive policy raised by the fee until its legal status is clarified.

However, with your permission, I will take this opportunity to deal with the major substantive issues.

Let me be blunt: For far too long, it has been assumed that the United States lacks the basic political discipline to recognize and act on its own clear self-interest in limiting its consumption and importation of foreign oil. Without this discipline, our prospects for economic security, and for a vigorous and independent foreign policy, would be very poor. Our prospects for exercising world leadership in any area of policy would be compromised. Leaving aside the legal question for the moment, for the Congress to reject this measure to reduce our oil import dependence could only be interpreted as a flight from the hard economic realities faced by the nation. The fee raises the price of gasoline by a mere 10 cents. Backing away from such a moderate and sensible step would send a very troubling signal to the American people, to the world financial markets, and to the governments of OPEC.

This gasoline conservation fee will have direct and important benefits: after approximately 12 months, it will cut our oil imports by about 100,000 barrels per day, and the savings will increase to about 250,000 barrels after 3 years. But the fee's importance transcends these direct benefits. The fee constitutes a clear test of our national will: Are we going to squeeze the fat out of our oil consumption and proceed in an orderly manner toward energy security over the new decade? Or are we going to leave our future prosperity and national security hostage to foreign events? The fee alone will not decide this watershed question—but it is rightly perceived as an important part of the answer.

THE OIL IMPORT PROBLEM

There can be no serious question that this nation's security is threatened by excessive oil imports. Formal findings to precisely this effect, pursuant to Section 232 of the Trade Expansion Act of 1962, were made in 1975 by Treasury Secretary Simon and in 1979 by Treasury Secretary Blumenthal. In both cases, virtually every agency of the government certified in detail the acute dangers posed to our international military, political, and economic interests by excessive oil imports. During all this time, our oil import bill has steadily escalated. The dangers have multiplied.

The threat posed to our economic interest by oil import dependence was vividly dramatized by the explosion in world oil prices in 1979, triggered by the turmoil in world oil markets during and after the Iranian revolution. From December 1978 to April 1980, the average OPEC official price of crude oil on the world markets rose by 125 percent, from just under $13.00 to over $29.00 per barrel.

As in 1973, the impact of this price explosion on our economy was direct and momentous. The U.S. inflation rate last year soared to 13.3 percent as the higher world oil prices coursed rapidly through our economy. More than 3 percentage points of that increase can be traced directly to the oil price explosion. This trend intensified in early 1980. During the first three months of this year, inflation rose to an annual rate of 18 percent, with higher energy prices directly accounting for roughly one-third of the increases.

The 1979 oil price explosion was the single most important factor pushing our economy into recession this year: It was the primary cause of the acceleration in inflation, the consequent swift escalation in interest rates, and the massive drain of purchasing power which have combined to throw the U.S. economy into reverse gear.

The world's dependence on imported oil poses potentially serious problems for the international financial system. The oil exporting nations this year are likely to earn current account surpluses totalling $100-120 billion—larger than the GNP of most of the world's countries. The oil importing nations of course face an equivalent deficit. While the international financing requirements posed by these imbalances are huge, we believe the system can handle the recycling of these funds in an immediate sense. But it would be highly imprudent simply to stand by and watch the world's oil bill and financing swell year after year.

A failure to stem oil imports would have serious consequences for our own efforts to achieve lasting improvement in the U.S. dollar balance of payments and to maintain a stable dollar. In 1978, our oil bill was $42 billion. Last year it was $60 billion. In 1980, we project it to rise to between $85 and $90 billion, in spite of an expected reduction in oil import volume. This mushrooming deficit is by far the largest single negative element in our balance of payments, threatening the stability of the dollar and thus our efforts to solve our domestic inflation problems.

The stability and strength of the dollar in the foreign exchange markets in recent months has a number of sound bases. But one of the major reasons is the growing perception around the world that the U.S. is at last moving aggresively to solve its energy problems. The President's decision to phase out oil price controls was a major step in building confidence in the dollar's long term prospects. This gasoline conservation fee is another such step. In both instances the world saw our system of government produce decisions in which long run economic good sense prevailed over well-entrenched political considerations. This was long-awaited good news that we had at last generated positive momentum in the energy area.

A decision by the Congress to shift now to a more passive course would be extremely short-sighted. We would be mortgaging our hopes for more fundamental improvement in our economic prospects, replacing forward momentum once again with confusion and stalemate.

QUESTIONS RAISED ABOUT THE FEE

In this subcommittee and elsewhere, a number of questions have been raised about the fee. With your permission, Mr. Chairman, I would like to address the major ones.

1. Why impose a fee when oil imports are already falling and world oil markets seem to be well supplied?

U.S. oil imports have indeed declined in volume terms, to an average rate of 7.4 mmb/d so far this year compared to 8.4 for the equivalent period last year. This is largely the result of the increase in world oil prices in 1979, which have encouraged conservation through greater energy-efficiency and, less pleasantly, through a retardation of economic growth. World oil markets have eased, and spot prices have actually declined, as world consumption has fallen temporarily below the rate of oil production.

But it is sheer folly to assume that this will last or that the energy problem is somehow "solved." As we should have learned, world oil markets do not long remain in surplus. The medium term trends for the world oil supply are not propitious; our economic growth will resume; markets will likely be tight again well before the mid-1980s. It is precisely at times of market slack that the consuming nations face the danger of misreading a temporary quiescence of oil prices and of giving up on their conservation efforts. This is what we did for nearly five years after the 1973 oil shock. That is why we suffered so greatly when the next shock arrived, in 1979.

We must not repeat this error. This fee is needed to communicate the inevitable to American consumers—that gasoline prices, over the long term, are going up and that oil conserving improvements must continue and accelerate, not be put in mothballs. To reverse this message would invite the same reversion to business as usual that paralyzed our energy policy through the last half of the 1970's.

2. Isn't the fee inflationary?

As a technical matter, the gasoline fee will add about .5 percentage points to the 1980 inflation rate in direct terms, and perhaps another .3 percentage points indirectly over the longer run. However, without the fee, and the conservation psychology it will help sustain, we face the near certainty of even greater inflationary pressure over the longer term from a renewed surge in U.S. gasoline consumption and oil imports. The oil price increases that would result from such an increase in imports would not only add to inflation but also to our import bill. The fee revenues, by contrast, would stay at home.

3. With gasoline markets relatively soft, won't the fee in fact be passed on to other oil products, such as heating oil?

This question has been of particular concern to the sub-committee. I believe this concern to be misplaced, for several reasons:

First, the markets for heating oil and other oil products are if anything "softer" than the gasoline market. Refiners are now pricing heating oil and other uncontrolled products according to their own best economic advantage. We do not believe the fee will change their calculations. The heating oil market is exceptionally soft, with stocks at very high levels for this time of year. Thus, there will be little opportunity for refiners to pass through any of the fee to heating oil. The same is true for residual oil and other distillate products.

Second, the fee applies to imported gasoline, but not to imports of other refined products. Thus, competition from imported distillate products will tend to prevent refiners from being able to pass the fee through to products other than gasoline.

Third, the refining companies have notified the Department of Energy that the fee will be passed through to gasoline, not to other products. DOE has established a system to monitor the pass through effects of the conservation fee. Secretary Duncan would be happy to appear before you to discuss this monitoring effort and to report the results to you on an on-going basis.

It is understandable, but short-sighted, for those who are concerned with heating oil prices to oppose the gasoline conservation fee. The conservation fee will help instill discipline in world oil markets and dampen further OPEC price increases. This will help moderate heating oil prices.

In summary, Mr. Chairman, I cannot stress too strongly my belief that it would be unwise for Congress to disapprove the President's decision to impose the gasoline conservation fee. Low gasoline prices are a major cause of our over-consumption of imported oil. By way of comparison, the tax on gasoline is $1.14 a gallon in Germany, $1.62 in France, and $1.83 in Italy, the conservation fee will increase gasoline prices in U.S. by a dime. If we cannot do this, one can fairly ask: What precisely are we willing to do to meet the energy challenge?●

TRIBUTE TO DEBORAH DUNSTEN

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. SHUMWAY. Mr. Speaker, I am privileged to count among my constituents a young woman who recently demonstrated remarkable courage and compassion. Miss Deborah Dunsten, of Angels Camp, Calif., undertook a rescue effort of such awesome proportions that she was called to Washington by the President to receive the Presidential Humanitarian Medal of Honor. As the father of six children, I personally find it difficult to adequately express my appreciation, admiration or regard for Miss Dunsten. At this time, I would like to share her act of bravery with my colleagues, as I believe that a description of that act will move others in this Chamber as it has moved me.

On March 23, Miss Dunsten was riding her bicycle home from a shopping errand while visiting relatives in Huntington Beach. As she crossed the Santos Arched Bridge above the Coy Sea-Water Canal, she was alarmed to hear high pitched screaming coming from the water below. Looking down, she saw five elementary school-age children and a capsized rowboat being swept toward the open sea. At great risk to her own life and limb, Miss Dunsten jumped from the 65-foot-high bridge to rescue the children. Not only was she successfully able to guide five hysterical children to shore without assistance—she also administered cardiopulmonary resuscitation to an 11-year-old boy who might otherwise have died.

Miss Dunsten's courage and compassion are further enhanced by her modesty: She alleges that, having grown up on the water and being accustomed to swimming and diving, her feat was not so great. I must respectfully disagree. Her heroic act is deserving of full and appropriate recognition, and she herself is more than deserving of the gratitude of this Chamber. Individuals such as Miss Dunsten are more than assets to humanity—they are shining examples to be admired and emulated, at least emulated to the extent that it is possible.

I know that my colleagues will join me in expressing thanks to Miss Dunsten, and in according to her the recognition which she has earned.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 29, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 30

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on the following miscellaneous tax legislation, S. 2484, 2486, 2500, 2503, 2548, and H.R. 5043.
221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 2704, authorizing the Federal Reserve Board to regulate transactions in certain financial instruments.
5302 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 2665, to provide for the development of an adequate national coal distribution system by acquiring the necessary rights-of-way to grant access for coal slurry pipelines across railroad property, and to expedite the construction of such pipelines.

3110 Dirksen Building

JUNE 2

10:00 a.m.

Energy and Natural Resources
Energy Regulation Subcommittee

To hold hearings to examine certain energy policy issues dealing with episodic, severe shortages in transportation fuel.

3110 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee

Business meeting, to consider S. 794, to create an arbitration board to settle disputes between organizations of supervisors and managerial personnel and the U.S. Postal Service, and S. 1938, to increase government efficiency and to provide a mechanism for raising the level of protection of workers, the general public, and the environment against unnecessary radiation exposure.

3302 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of Federal recognition procedures, relating to the acknowledgement of nonrecognized Indian tribes.

5110 Dirksen Building

JUNE 3

9:30 a.m.

Appropriations
Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey, Department of the Interior.

1223 Dirksen Building

Environment and Public Works

To hold hearings on the nomination of John S. Hassel, Jr., of Georgia, to be Administrator of the Federal Highway Administration.

4200 Dirksen Building

10:00 a.m.

Energy and Natural Resources

To hold oversight hearings to review the progress of the negotiations on the future political status of the Trust Territory of the Pacific Islands.

S-407, Capitol

JUNE 4

10:00 a.m.

Governmental Affairs

Business meeting, to consider S. 333, to strengthen Federal programs and policies for combating international and domestic terrorism; S. 2160, to require public disclosure of certain lobbying activities to influence issues before the Congress; and S. 2, to provide for a review of Government programs every ten years.

3302 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of the Judgment Fund Distribution Act.

5110 Dirksen Building

Select on Small Business

To hold oversight hearings on the implementation of the Small Business Administration's loan assistance programs as they apply to veterans of the Armed Forces (Public Law 93-237).

424 Russell Building

2:00 p.m.

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee

To hold hearings on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.

235 Russell Building

JUNE 5

10:00 a.m.

Energy and Natural Resources
Energy Regulation Subcommittee

To hold oversight hearings on the implementation of the Department of Energy's Building Energy Performance Standards (BEPS) program.

3110 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee

To resume oversight hearings on alleged fraud and mismanagement practices in Federal agencies performing community services, including the Departments of Health and Human Services, Labor, and Agriculture.

3302 Dirksen Building

JUNE 6

10:00 a.m.

Labor and Human Resources
Health and Scientific Research Subcommittee

To hold hearings on the possible health effects caused by inadequate disposal of toxic waste.

4232 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment situation for May.

2128 Rayburn Building

JUNE 10

9:30 a.m.

Judiciary

To hold joint hearings with the Labor and Human Resources' Subcommittee on Health and Scientific Research on S. 1865, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee

To hold joint hearings with the Committee on the Judiciary on S. 1865, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

10:00 a.m.

Select on Indian Affairs

To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.

5110 Dirksen Building

JUNE 11

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Office of the Inspector General of the Veterans' Administration.

412 Russell Building

JUNE 12

9:30 a.m.

Labor and Human Resources
Health and Scientific Research Subcommittee

To hold hearings on S. 2490, proposed Infant Formula Act.

4232 Dirksen Building

JUNE 17

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

10:00 a.m.

Labor and Human Resources

Business meeting, to mark up S. 2375, authorizing funds for fiscal years 1982, 1983, and 1984 to provide support for the training of professionals in health service needs.

4232 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Railway Association and the Washington Metropolitan Area Transportation Authority.

1224 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee

To resume hearings on Title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building

JUNE 18

10:00 a.m.

Labor and Human Resources
Education, Arts, and Humanities Subcommittee

To continue hearings on Title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building

JUNE 19

9:30 a.m.

*Labor and Human Resources
Health and Scientific Research Subcommittee

To hold hearings on S. 1424, authorizing funds for fiscal years 1981-84 for the advancement of international cooperation and assistance in health matters.

4232 Dirksen Building

Veterans' Affairs

To hold hearings on S. 2020 and 2596, bills to provide educational assistance programs for those individuals who enlist in the Armed Forces, and to hold oversight hearings on the implementation of current educational incentive programs to promote an All Volunteer Force.

412 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 1957 and H.R. 4310, bills to promote increased use of U.S. waterways and provide for continued recreational boat safety programs.

235 Russell Building

JUNE 26

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on the administration's transition plans to develop an operational land remote sensing satellite system.

235 Russell Building

JUNE 24

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Transportation.

1224 Dirksen Building

JULY 1

10:00 a.m.

Veterans' Affairs

To hold oversight hearings on the implementation of small business loan programs for veterans recommended by the White House Conference on Small Business.

412 Russell Building

JULY 24

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on the administration's transition plans to develop an operational land remote sensing satellite system.

235 Russell Building

JULY 29

10:00 a.m.

Select Committee on Indian Affairs

To hold hearings on S. 2166, to establish a National Institute of Native American Culture and Arts Development.

6226 Dirksen Building

SENATE—*Thursday, May 29, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Apostle Paul in First Corinthians, the second chapter, 15th verse:

The spiritual man is alive to all true values.

Let us pray.

Eternal Father, whose mercies are new every morning, make us alive to the beauty and wonder of the world about us. Awaken us to the beauty of sight and sound and sacred silences. Keep us alive to the values of human character—of bravery and brotherhood, of lofty thought and wide horizons. Keep us from being little souls wrapped in the narrow confinement of selfish pursuits. Spare us from moral softness and spiritual flabbiness. As we undertake our work put within us sinews of the spirit, moral ruggedness, and an unvarying sense of righteousness. So may our service be pleasing in Thy sight; for Thine is the kingdom and the power and the glory forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 29, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

MILITARY REGISTRATION

Mr. ROBERT C. BYRD. Mr. President, the Senate will soon turn to debate on House Joint Resolution 521, which transfers to the Selective Service System $13.295 million in currently uncommitted funds. This money would be used to revitalize the Selective Service System and to register young men between the ages of 19 and 20 for military service.

The registration plan calls for the U.S. Postal Service to undertake registration. Young men born in 1960 and 1961 would be required to go to their local post office to register, where they would fill out a simple form with their name, address, date of birth, and social security number. The forms would be checked at the postal windows to insure that they are legible and complete, and then sent to the Selective Service System where the information would be computerized. Subsequently, the registrant would receive a short letter from the Selective Service System, indicating that he had been registered, and asking that the System be kept informed of any change of address.

The proposal for military registration should be examined in the light of history and in the light of present circumstances.

Through most of our history, the United States has maintained relatively small standing armed forces in peacetime, composed of volunteers. In the 20th century, during times of war, those trained forces have been augmented by large numbers of draftees, with the force levels shrinking back to peacetime numbers after the war.

Shortly after World War II, the world situation underwent noticeable changes, with free nations becoming increasingly interdependent, for both economy and security reasons. Circumstances required the United States to maintain a large standing armed force. It was assumed that the only way a high force level could be maintained was through an ongoing draft, and such was the case for almost 25 years.

From 1948 to 1973, a peacetime draft was in effect. Young men were required to register for the draft upon reaching their 18th birthday, and upon registering, they were subject to up to 2 years of active duty in the military, depending on the manpower requirements of the armed services.

Under the provisions of Public Law 92–129—enacted in September 1971—the authority to draft young men for service in the military expired on June 30, 1973. However, 18-year-olds were still required to register. This requirement remained effective until 1975, when in March of that year, President Ford temporarily suspended registration—effective April 1, 1975—to allow for a study of the registration system. But when the study was completed, President Ford did not reinstitute registration. Thus, the authority to require military registration has been dormant for 5 years.

Now the administration has asked Congress to appropriate the funds necessary to revitalize the Selective Service System and reinstitute military registration. Let me point out that military registration is separate from the draft. The President does not now have the authority to reinstitute the draft; that authority must be mandated by Congress. The President is not asking for authority to reinstitute the draft, and that is not the issue we are addressing at this time.

I support peacetime registration. It would enhance our general military preparedness. It is an appropriate action to take, given changing global realities and recent events in the Persian Gulf area and in Southwest Asia. It is important for our Nation to express its resolve through military preparedness.

The Selective Service is presently in "deep standby." DOD mobilization plans call for delivering the first contingent of draftees within 30 days after a mobilization, and for having at least 100,000 in training within 60 days. Under present circumstances, it would take 110 to 120 days for the first inductee to set foot on a training base.

Registration is intended to build a pool of names and addresses so that a draft—if enacted—could begin with little delay. It is a move to improve the overall readiness of the United States in the event of mobilization.

It has been argued that advanced registration would save us only 7 days in the event of a crisis. Another argument supports the view that premobilization registration could save us up to 15 weeks. Often cited by critics of premobilization is a draft working-document circulated by the Selective Service which noted that only 7 days would be saved if we chose a premobilization plan over a postmobilization plan. This assumption has been shown to be incorrect in light of more detailed analysis conducted by the Selective Service since the report first attracted attention in January. The later analysis found that the schedule does not allow sufficient time to take such necessary steps as activating the Postal Service and distributing registration materials, getting legislation and an appropriation through Congress, or transporting registration data. Even if our preparedness response can be improved by only 7 days under a pre- versus a post-mobilization strategy, those 7 days can be critical in the event of a crisis, particularly if troops are on a beachhead waiting for replacements.

What we are asking ourselves is: Do we as a nation want to have advanced registration which, in the event of a crisis, assures that there will be sufficient manpower on line to support our Armed Forces in a timely manner? Or do we

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

risk the uncertainties of a postmobilization effort?

The ready manpower support which advanced registration could provide to the Armed Forces is an important pool from which we could fill our preparedness needs in the event of a crisis. Military registration has traditionally been used to augment the armed services, which were never intended to stand alone. Both the All-Volunteer Forces and our Reserves must be able to count on the availability of additional manpower when necessary.

Our Reserves—which constitute our current second line of defense—are operating well below strength. The Army Reserve units, which supply the bulk of our backup manpower, are particularly low in numbers. The individual Ready Reserves, those who are still serving out a commitment and thus are eligible to be mobilized even though they do not train with a unit, are at 45 percent of strength. The Army Selective Reserve is at 80 percent of its strength.

The All-Volunteer Forces have problems as well. There are problems with recruiting and retention.

While I have no illusions that military registration will solve the low manpower strength of the Reserves and the retention and recruitment problems of the All-Volunteer Forces, I do believe that it will provide a necessary and important source of manpower in the event of a crisis.

In addition to strengthening our preparedness needs, reinstitution of military registration will send a clear message to our allies—and to our adversaries—that we are prepared to backup our resolve by strengthening our defense preparedness. A display of American resolve in having our young men register with the Selective Service is not "empty symbolism," as some critics have argued. The steps we take to upgrade our military preparedness will be perceived as a real and substantive response to potential and unpredictable international crises.

At a time when we are asking our NATO allies to increase their defense effort to deter an attack which would threaten both their and our security, we cannot send a message—which defeat of this proposal would do—that we are not prepared to do the same.

Our NATO allies are watching this debate over military registration, to see how determined we are to back this policy of preparedness and prevention. West German Chancellor Helmut Schmidt reportedly told an audience during his visit to Washington earlier this year that he views the fate of this military registration measure as a crucial sign of our determination. I hope—and believe—that our determination will not flag.

When the Senate votes on this measure, it will send forth a signal; the signal we send will either be one of strength and determination or of indecision and drift. I urge the Members of this body to support this measure that helps chart a clear course for greater preparedness.

Mr. President, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

MILITARY REGISTRATION

Mr. BAKER. Mr. President, I commend the majority leader on his statement with respect to registration. I agree with him. I agreed with President Carter when he proposed that we resume registration. I agree that this is not the resumption of the peacetime draft, nor would I support the resumption of the peacetime draft at this time. But I believe this step, this simple step, is a prudent caution in a time of international stress and tension, and in anticipation of even worse times which might disintegrate into a time of peril.

BUDGET CONFERENCE REPORT

Mr. BAKER. Mr. President, I am disappointed in President Carter's avowed opposition to the Budget Committees' conference report. I hope I am not unduly political, and I certainly do not intend to be cynical when I say it, but I have the impression the President is trying to have it both ways. On the one hand, he is trying to opt for and give the impression that he is creating a strong military force in this country; and, on the other hand, he is reserving unto himself the political right to criticize the alleged lack of adequate funding for domestic programs.

I, for one, Mr. President, do not intend for President Carter to have it both ways. I intend to proceed as my conscience dictates, as my best judgment permits, in deciding what levels of defense spending we should provide for in this first budget resolution. I intend to proceed as humanely and in as sensitive a way as possible in determining the funding for social programs.

Mr. President, I do not believe it is appropriate for the President of the United States to propose the very increases in military spending which he now condemns, and, at the next opportunity, to call for a reduction in programs. I think such actions are unfortunately typical of a Presidential election year. Believe me, I recognize the symptoms. But I am saying now, as free of politics as I know how to say it, that nothing—nothing—will be left undone, as far as I am concerned, in the preparations for the defense of this country; that nothing will be left undone, as far as I am concerned, in the preparation of the social welfare and the economic well-being of every citizen in this country. And while those two considerations are often in conflict, they need not, they must not, be a political football. The President made a grave mistake in withdrawing his support for this report. I will await with great interest the action to be taken by the other body. I hope that the House will adopt the conference report. If they do not, of course, the issue will be disposed of for the time being. If they do, it will come here and I am sure there will be a lively debate. I do not intend for the President to have it both ways in this matter.

VERNON E. JORDAN

Mr. BAKER. Mr. President, I wish to add my voice to those of all responsible Americans in deploring the senseless and tragic shooting of Vernon E. Jordan this morning in Indiana. It has been my privilege to work with Mr. Jordan from time to time, and I have come to know firsthand the competence of his leadership, his devotion to the cause of social justice, and his effectiveness as a force of progress and moderation in our national life. Our hope now must be for his speedy and full recovery and for his return to an active role in public affairs.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no need for the remainder of my time under the standing order, unless my friend from Delaware needs additional time. I understand he has a special order for this morning.

Mr. President, does the majority leader need additional time?

Mr. ROBERT C. BYRD. Will the Senator yield for a unanimous-consent request?

Mr. BAKER. I do.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately following the remarks by Mr. ROTH—I understand he will ask unanimous consent to utilize the time under the orders set for the other Senators—there be a period for the transaction of routine morning business not to exceed 30 minutes and that Senators may speak therein up to 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, might I inquire at this point, in light of the remark made by the majority leader, do I have a special order for this morning?

The ACTING PRESIDENT pro tempore. Yes, the Senator from Tennessee does have a special order for 15 minutes.

Mr. BAKER. What other special orders are there?

The ACTING PRESIDENT pro tempore. A special order for the Senator from Alaska (Mr. STEVENS), and a special order for the Senator from Texas (Mr. TOWER).

Mr. BAKER. Mr. President, I ask unanimous consent that the time allocated under those three special orders be transferred to the control of the distinguished Senator from Delaware.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield back any time that I may have remaining under the standing order.

Mr. ROBERT C. BYRD. Mr. President, if I have any time remaining, I yield it back.

RECOGNITION OF SENATOR ROTH

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Delaware (Mr. ROTH) is recognized for not to exceed 15 minutes, and he has also been granted, by unanimous consent, control of the time under the other special orders.

The Senator from Delaware is recognized.

S. 2773—NATIONAL EXPORT POLICY ACT

Mr. ROTH. Mr. President, on behalf of myself and Senator STEVENSON I am introducing the National Export Policy Act of 1980 to establish export expansion as a national priority and to create an environment that will encourage exports of U.S. goods and services. This bill is a major step toward creating a strong, cohesive export policy that deals with all aspects of exporting and achieves maximum cooperation among Government, industry, labor and many other sectors for a common national economic objective.

This bill represents a unique bipartisan group effort on the part of the members of the Senate Export Caucus and I would like to express my deepest appreciation to all those Senators and their staffs who contributed to the content of the bill.

In addition to Senator STEVENSON, who has been playing such a significant leadership role in trade matters, I would like to acknowledge the outstanding contributions of Mr. BAYH, Mr. BENTSEN, Mr. CHAFEE, Mr. DANFORTH, Mr. GOLDWATER, Mr. HEINZ, Mr. HELMS, Mr. INOUYE, Mr. JAVITS, Mr. JEPSEN, Mr. MATHIAS, Mr. MELCHER, Mr. MORGAN, Mr. NELSON, Mr. STAFFORD, Mr. WEICKER, and their staffs.

Right now the United States is faced with one of the biggest economic challenges of our history. Our domestic economy is in a state of crisis with inflation rampant, productivity declining and general recession. Our performance in the international sector is deteriorating with astronomical trade deficits and no substantial improvement likely in the near future. American prestige and influence in the world appears lower than it has ever been in this century as a direct result of these economic problems.

The time has come to take a new look at the role of our international economic policy, and in particular, our export policy, if we are to regain our economic strength and reinstate the United States as a world economic leader.

For a long time now, the United States has continued to apply national goals and foreign policy instruments appropriate for the world scene of the immediate post-World War II years that are no longer applicable for current economic conditions.

Strategic planners continue to define national security only in terms of military might rather than recognizing that American national security requires an economic offensive as well.

U.S. international economic policy, such as exists at all, has been used primarily as a tool of national political and security goals rather than an end in itself. And despite the emergence of strong European and Japanese economies and rapidly growing Third World economies that are leading forces in the expansion of world trade, U.S. international economic policy continues to be geared toward achieving economic growth elsewhere rather than at home.

It has been very convenient for successive administrations to ignore the economic consequences of their actions, but we can no longer afford such a luxury. By failing to recognize the new realities of the world economy and adjusting foreign policy accordingly, we have seriously weakened the competitive position of the U.S. economy with an accompanying abrupt and pronounced dimunition of American influence in the world.

The time has come to stop thinking only of our world responsibilities and start demanding our rights as a member of the international economic community. We need to put U.S. economic considerations at the top—and I emphasize, Mr. President, at the top—of our list of national goals recognizing the essential role exports play in developing a strong economy.

When our international economic policies were devised after World War II, it was possible almost to ignore international trade. Our domestic market was vast and growing fairly rapidly; U.S. food, raw materials, and technology were sought after by most of the world without our even trying; imports were encouraged as a way of helping other countries recover from World War II; and the U.S. dollar was so strong that few other currencies were used for international transactions and we had a great degree of control over the world economy as a result.

Today, all this has changed. We are no longer the independent economic leaders we used to be and must rely on outside markets to achieve an adequate level of economic growth as well as obtain necessary supplies such as oil. The U.S. economy has matured to the point of much slower growth; whereas much of the rest of the world, particularly the Pacific basin area, is developing at a faster rate, offering vast new sales opportunities.

U.S. goods, particularly manufactured goods—goods manufactured by American workers—are no longer so sought after in the face of rising, effective competition from a long list of competitor nations, notably Japan. The U.S. share of world exports has fallen from 50 percent in 1947 to 19 percent in 1970 and 13 percent in 1979 and we are continuing to lose market shares in many of our key markets around the world. U.S. manufactured goods exports, which used to lead the world, now rank well after West Germany and are no longer the major contributor to our balance of payments they used to be.

We have fallen behind in new technology; the world no longer looks automatically to the United States for the lead in new technology and innovation, but instead to Japan and Europe as well. Perhaps even more importantly, the United States has gained a reputation for lack of interest and unreliability in supplying world markets causing buyers to turn elsewhere. Recent embargoes on exports of soybeans and wheat do little to help our export image.

Just when our export competitiveness is declining, our need for and desire for imports has climbed in leaps and bounds. Oil is the most obvious example, but many other products are seen as essential imports or are imported because they are more competitive here than domestic products. As a result, our trade imbalance has grown out of hand with little hope of substantial improvement unless drastic action is taken to improve our export performance.

The U.S. dollar is not the only key currency any longer. The yen, the mark, and others are viewed as stronger. We have lost an element of control in international affairs as a result.

These developments in the international trade area are completely interwoven with domestic economic problems and solutions. Until we solve the problems of inflation, lower productivity, lagging investment in research and development, and, therefore, less innovation, we will continue to be less competitive in world markets and will continue to have growing trade deficits. Exports are not a complete cure for the economy, but are one of the most positive steps we can take to improve the situation.

Not only will exports provide the most constructive way of paying for our imports, they will help curb inflation by reducing unit production costs, create jobs, and help to restore the relative value of the dollar in world markets.

A recent study by the Georgetown Center for Strategic and International Studies on exports estimates that a $15 billion growth in manufactured exports can be expected to increase U.S. consumption by over $20 billion per year and employment by 1 million; U.S. output (GNP) should increase by about $37 billion per year and private investment will be boosted by about $4 billion per year. The higher level of economic activity due to the export increases would boost Federal Government receipts by about $9.5 billion per year and State and local government receipts might be about $2.7 billion per year.

Yet, rather than taking all steps necessary to achieve these desirable benefits for the U.S. economy, we have chosen to "give away" our potential exports to the other trading nations of the world. The Government is giving it away by failing to take a proper guidance role; by failing to develop comprehensive policies that give top priority to exports and to organize accordingly; by failing to provide adequate incentive to exports as other trading nations do; by failing to adjust laws and regulations that serve as barriers to export; by failing to achieve adequate removal of foreign barriers to trade in our main markets.

The private sector is giving it away by not putting its full resources into the export effort; by ignoring requests for goods; by refusing to adjust products to foreign market demands; by refusing to follow up after initial sales are made; and by refusing to take risks.

The United States will never regain a position of leadership in international trade if we do not act immediately to make export expansion a true national priority. It is time to put exports along with national security at the top of our list of national goals.

One of the common solutions offered to our trade imbalance is to curb imports, particularly of oil, but also of a whole list of other items considered to hurt U.S. industry. Still others believe that we can solve our trade problems by sitting back and relying on the vagaries of exchange rate fluctuations to dictate what we sell and buy abroad. Perhaps these actions will help in the short run, but they do not address the basic problems of our economic well-being. We need to build up our export offensive, not to undermine other foreign policy interests by adopting zap-the-Japanese policies or by seeking permanent extraordinary protection for our own noncompetitive industries.

We must effect a change in the basic attitudes of Government, business, and labor regarding the necessity for exports. It is not possible to do by just reworking existing programs, or by addressing bits and pieces of the problem at a time. We need a fresh, comprehensive approach that signals to the world that we have a true national commitment to export growth. Export policies must be consistent with domestic policies with the objective of strengthening the U.S. economy generally, increasing the financial and competitive capabilities of U.S. industry and contributing to an improvement in the income and working conditions of U.S. workers. To make such an export policy work, all sectors of the economy, particularly the President, must play an active role.

The National Export Policy Act of 1980 has pulled together all of our concerns and recommendations regarding exports into one place so that for the first time we may see the whole picture at one time, identify potential conflicts in our policies and practices and arrive at a comprehensive package that successfully works to improve our export performance. I believe the time is ripe for the Congress to lead the country in the right direction on exports.

Mr. President, again, I congratulate ership, the policymaking, which I think the 65 members of the Export Caucus, all of whom have contributed to the preparation of this omnibus bill. I think it is a unique experience in the sense that the Congress is providing the lead-is so important to turn this country around.

Mr. President, I ask unanimous consent that a summary of the National Export Policy Act of 1980 be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE NATIONAL EXPORT POLICY ACT OF 1980

TITLE I—GENERAL FINDINGS AND PURPOSES

This title presents the importance of exports to the U.S. economy and the need for aggressive action to be taken to improve U.S. export performance; and calls for export expansion to be a principal national goal.

TITLE II—EXPORT FINANCING

This title recognizes the importance of adequate, competitive export financing to U.S. exports; provides authority for the U.S. Export-Import Bank to provide additional funds on a competitive basis; adjusts the terms of the directors of the Export-Import Bank; and removes Export-Import Bank appropriations from consideration with the foreign aid program. (Incorporates proposals of Senators Stevenson and Danforth).

TITLE III—EXPORT-RELATED TAX POLICY

This title concludes that the Tax Code should work to encourage rather than discourage exports; provides for certain tax exemptions for American nationals living abroad and engaged in export activities; adjusts provisions of the Tax Code on bad debts resulting from exports, research and experimental expenditures and foreign currency losses on export receivables; removes unfair penalties on U.S. exporters whose business is adversely affected by war and civil unrest in foreign nations; and allows duty-free entry of machinery, materials and fuels for use in export manufacture in foreign trade zones. (Incorporates proposals of Senators Chafee, Bentsen and Inouye).

TITLE IV—ANTITRUST REGULATIONS

This title finds that current application of U.S. antitrust laws to international trade laws is complex and ambiguous, resulting in restraints on exports rather than encouragement of competition overseas; amends Webb-Pomerene law to allow business associations engaged in export to obtain preclearance that will grant antitrust immunity for certified activities; and simplifies antitrust procedures to avoid conflicting demands by the several U.S. agencies applying antitrust laws and to clarify application of the laws to extraterritorial activities. (Incorporates proposals of Senators Danforth and Bayh).

TITLE V—ADJUSTMENT OF LAWS AND GOVERNMENT REGULATIONS THAT HINDER EXPORTS

This title finds that a number of U.S. laws, regulations, controls and policies that have been instituted to serve legitimate domestic economic, political and ethical needs have inadvertently acted as restraints on exports because of the unpredictable and unclear nature of their enforcement, interpretation and jurisdiction; amends the Foreign Corrupt Practices Act of 1977 and the Securities Exchange Act to remove these restraints; calls for an international agreement on foreign business practices and a full review of the Foreign Corrupt Practices Act; and calls for a reduction in the amount of export paperwork. (Incorporates proposals of Senators Chafee, Bentsen and Inouye).

TITLE VI—EXPORT AWARENESS AND EXPORT PROMOTION PROGRAMS

This title provides for the formation of export trading companies; creates special grant and loan programs to help small businesses enter the export market; creates the Joint Export Marketing Assistance Program; establishes international education programs for exporters; and calls for special assistance for exporters of services. (Incorporates proposals of Senators Stevenson, Nelson, Weicker, Jepsen, Stafford and Inouye).

TITLE VII—AGRICULTURAL EXPORT PROGRAMS

This title amends the Commodity Credit Corporation Charter Act to create an Agricultural Export Credit Revolving Fund; amends the Farm Credit Act of 1971 to authorize banks for cooperatives to engage in export financing; calls for adequate financing of agricultural commodity exports through the U.S. Export-Import Bank; and establishes an International Wheat Exporting Commission. (Incorporates proposals of Senators Morgan, Talmadge, Tower, Bellmon, Melcher and Goldwater).

TITLE VIII—INTERNATIONAL AGREEMENTS

This title finds that multilateral negotiations and agreements are a preferable solution to many U.S. trade problems but multinational trade agreements and codes reached so far have not achieved adequate removal of artificial barriers to U.S. products abroad; calls for strong implementation of the Multilateral Trade Agreements and continued stronger efforts to remove foreign tariff and non-tariff barriers; encourages implementation of the Subsidies Codes on agricultural products by creating a standby export subsidy program for agricultural commodities that neutralizes the effects of other countries' export subsidy programs if they fail to follow the Code; calls for international codes on financing, business conduct, reciprocity on enforcement of antitrust laws and services and investment. (Incorporates proposals of Senators Helms, Stevenson, Bentsen and Inouye).

TITLE IX—GOVERNMENT SUPPORT OF EXPORT GOALS

This title concludes that all the available resources of the U.S. Government must be used to assist and promote the export of U.S. goods and services, except where contrary to the national security or national economic interests; calls upon all govern-

ment departments, agencies and organizations not directly involved in export policy, in particular the Office of Management and Budget, the Department of Justice, the Overseas Private Investment Corporation, the International Development Cooperation Agency, the Department of Energy, the Small Business Administration and the Congress, to consider the impact of their policies, decisions and programs on exports and, where possible and appropriate, to take steps to help export expansion goals. (Incorporates proposal by Senator Javits).

Mr. ROTH. Mr. President, I yield such time as he needs to my distinguished coauthor of this legislation, the senior Senator from Illinois.

I again reiterate what I said earlier: Senator STEVENSON has been a strong, effective voice for a new trade policy. It has been a pleasure to join him in this effort. I yield to the Senator.

Mr. STEVENSON. I believe the Senator from Minnesota wishes to speak.

Mr. DURENBERGER. Will the Senator yield 15 seconds?

Mr. STEVENSON. I am happy to yield to the Senator for that purpose.

Mr. DURENBERGER. Mr. President, I congratulate Senator ROTH and Senator STEVENSON for their leadership in this area.

Mr. President, the Export Expansion Act of 1980 is a significant step toward the development of an export policy for the United States. The bill proposes to deal with six major subjects including improvements in export-import financing and related financing policies, U.S. export competitiveness, and export related tax policies. It also proposes to deal with policy changes to reduce current disincentives to export performance, policies designed to build export awareness and develop U.S. potential, and finally, new policies for the formation of export trading companies.

A Government policy that is limited to reducing imports to the United States or urging other governments to reduce their exports is mistaken. It will not lead the Nation away from unemployment, trade deficits, and a declining dollar. Instead, such a policy will aggravate inflation by depriving U.S. consumers of the ability to choose among a wide variety of competitive goods and services.

In addition, markets for U.S.-made products and services must be created or expanded. The world market for goods and services is growing faster than our own domestic market. Rather than withdrawing from this blossoming market we must expand our involvement. A strong export program contributes to a strong economy:

One out of every eight manufacturing jobs in the United States depends on exports. For every one of those jobs, another one—in a supporting industry—is created.

The products of every third acre of U.S. farmland are exported. Each dollar of those agricultural exports stimulates more than a dollar's worth of output in food related industry.

Today, $1 out of every $3 of U.S. corporate profits is derived from international activities.

It is obvious that the U.S. Government must develop a comprehensive and coordinated policy to stimulate U.S. exports. Our current foreign economic policy is shaped not systematically, but almost by accident.

A characteristic of current U.S. policy is inconsistency. Since the early 1970's, traditional export programs have suffered. For example, the Export-Import Bank's policies on export financing and maintaining export credit competitiveness have varied widely over recent years. Previous Bank managers emphasized maximum private financing, resulting in low loan coverage and less than competitive loan and guarantee rates. While current Bank management has expressed its desire to make the Bank more competitive, this turnaround in policy must be viewed against a background of years of shifting priorities and facilities, making exporters skeptical of how long these new policies will persist.

Department of Commerce export marketing and information assistance programs have also been inconsistent. Over the past 5 years, the funding of these programs has declined in real terms. Some programs have, from time to time, been threatened with discontinuance, shifting priorities and budgetary constraints.

Similarly, the DISC program, which is the only export tax incentive and the only direct export assistance program, has continually been under attack.

The effect of this inconsistency has been twofold. First, the Government has not sold industry on the viability and usefulness of Government programs to facilitate exports and the programs have, as a result, been underutilized. This is particularly true of the DISC provision and Webb-Pomorene Act relating to antitrust laws.

Second, these stop-and-go policies have acted as a clear signal to U.S. companies that the Government is not really serious—or does not really know if it wants to be serious—about exports. A clear export policy would eliminate these problems. Moreover, it would permit the development of programs which would be truly supportive of U.S. industry and the competitiveness of U.S. products.

On top of the lack of emphasis on export assistance programs and incentives and the availability of very few positive incentives to exporting, a number of regulatory restraints and impediments have developed which have negative effects on the willingness and ability of U.S. companies to export.

The list of export disincentives is well known and include the large increase in tax liabilities brought about by the 40-percent reduction in DISC in 1976 and the reduction in tax incentives for Americans working abroad; the proposals to require environmental impact statements on major export projects; and various laws which burden commercial activities with various foreign policy goals.

While each of these disincentives may be justified on its own merits, taken together they further complicate and confuse our export policy and make exporting more expensive. They make exporting less profitable, more costly, and they lock U.S. products out of a number of markets. If the U.S. Government is to pursue these policies, then it must, if it wants to stimulate exports, compensate for their effects by commensurate increases in the positive aspects of the export policy.

The unilateral adoption by the United States of these policies, without similar actions on the part of our trading partners, confer substantial competitive advantages on foreign companies. The proposed environmental restrictions provide a clear example of this problem. If U.S. companies are required to undertake costly environmental impact studies—and projects are delayed as long as some have been in the United States—foreign buyers will simply choose to buy from other sources more ready to sell at a lower cost.

Mr. President, the inconsistencies and lack of emphasis on export assistance must be reversed. The administration has refused to assume a leadership role. Thus it is up to the Congress to devise an export policy.

This bill includes the components of an effective trade policy. First, it is the intent of the bill to increase the willingness of companies to export. The current export base will be expanded by bringing more companies into the export market. It will also prevent the erosion of the base by encouraging companies, whenever possible, to serve international markets through exports rather than from facilities abroad.

Second, the bill will increase the ability of companies to export, by providing the financial and marketing tools necessary to export and to overcome the impediments to exports; and

Finally, the policy will increase and maintain the competitiveness of U.S. exports. It will counter the many export incentives and subsidies other governments provide for their exports.

Mr. President, the Export Expansion Act of 1980 represents a positive and coordinated Government policy toward exports. It includes the components of a sound policy, and I am proud to be a cosponsor of the bill.

Mr. STEVENSON. Mr. President, this effort to develop an export strategy for the United States began several years ago. As the Senator from Delaware indicated, it began in the Senate.

I thank the Senator and commend him, in particular, for all his efforts to bring the Senate to this point. I also commend Senator BENTSEN, Senator HEINZ, and all our colleagues, for their part in the ongoing effort to develop an export strategy for our country.

I am greatly encouraged by the support for this measure. As Senator ROTH indicated, some 65 Members of the Senate now belong to the Senate Export Caucus. They support this bill. The preoccupation with a balanced budget might have became an excuse for doing nothing to cope with the underlying causes of inflation and recession. My colleagues recognize that more is necessary.

Other nations do not accept our conventional economic wisdom. Last year, Japan ran a budget deficit of $62 billion. In West Germany, government spending was some 42 percent of GNP. Those nations experienced low rates of inflation and high rates of employment and growth.

Like Austria, they recognize that how a government spends its money is as important as how much it spends. They invest in their economy, less so than the United States in their military, and they tend to intervene in the economy, not by bailing out the Chryslers, but by developing aerospace and electronics industries—the industries of the future.

There is little left that is produced in the United States which is unique or of superior quality in this interdependent and competitive world, except, of course, for weapons.

American companies which cannot compete abroad are beginning to discover that they cannot compete at home.

The United States will enter the 1980's with a nominally balanced budget. Japan enters the 1980's with an industrial strategy.

The industrialized nations which enjoy the highest rates of growth, and also relatively stable prices, are not impressed by our conventional wisdom. They produce efficiently, they export, and they pay the oil bill.

The United States plays out the conventional wisdom, as it did in the 1920's. But now the hour is late. The futility of economic orthodoxy is becoming apparent, like the futility of achieving national security in an interdependent and unstable world with indiscriminate and inflationary expenditures for evermore expensive and unusable weapons.

Mr. President, if the latest figures indicate some improvement in the U.S. merchandise trade deficit, it is only because imports declined less than exports. Both declined. Both declined because the world is sliding into recession.

As the U.S. economy declines, less is imported into the United States, including oil. But the recession and a weak dollar are not sensible means of reducing the trade deficit. They are more of the conventional wisdom.

For the United States to survive in this world, it must compete, and for the world to prosper, the United States must prosper for its economy is still the great locomotive force of the world economy. The levels of world trade and investment should be going up, not down. If the world is to prosper and be at peace, the United States, instead of protecting itself from foreign competition as it did in the 1920's, should go all out to meet the competition.

Such an effort requires an industrial strategy for the United States. It requires an economic stategy for the world. As the United States recognized in the late 1940's, no nation will prosper in a world lacking such fundamentals as a reliable unit of value and adequate facilities for the financing of payment deficits and development.

Finally, Mr. President, that effort requires an export strategy for the United States.

Today, as Senator ROTH indicated, he and I, and numerous colleagues, are introducing an omnibus bill to, at last, establish a comprehensive export strategy for the United States.

It knocks down the disincentives to exports. It creates new opportunities for United States exporters. It would facilitate export trading companies to represent American business, small and large, in all parts of the world. It would amend U.S. antitrust law to provide export trading companies and trade associations with a limited immunity from the application of U.S. antitrust laws to specified activities. It would make the U.S. Export-Import Bank and the Commodity Credit Corporation more effective instruments of U.S. trade policy. It would modify current law to remove some of the more serious disincentives to export activities.

As my good friend, the Senator from Delaware, indicated, this bill is a cooperative effort by members of the Senate Export Caucus to establish an export policy.

To say the least for this measure, its enactment would give U.S. industry and agriculture a chance to compete on equal terms in foreign markets.

I commend Senator ROTH and my colleagues and I urge the Members of the Senate to support the many parts of this bill to give the United States a comprehensive export policy.

I thank the Senator again for yielding.

Mr. President, I ask unanimous consent to have printed in the RECORD a report on U.S. export policy of the Subcommittee on International Finance, starting at page 1.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. Export Policy

INTRODUCTION

Senator Adlai E. Stevenson, Chairman of the Subcommittee on International Finance, announced on January 10, 1978, a study of U.S. export policy to be conducted by the Subcommittee. The study was prompted by the rapidly mounting trade deficit and evidence that the competitiveness of United States industry in international trade and domestic markets was declining. The Subcommittee held 11 days of hearings on export policy between February and May and received testimony from witnesses from the Executive branch, industry, agriculture, labor and academic and research institutions. This report summarizes the Subcommittee's findings and makes recommendations for insuring the competitiveness of U.S. agriculture and industry in world markets.

The mammoth trade deficit has hurt the U.S. economy in many ways. It has exerted downward pressure on the exchange rate, which in turn has eroded the role of the dollar as an international unit of value, undermined the confidence of dollar holders, and prompted flight from the dollar.

Second, the deficit has had a significant inflationary impact on the U.S. economy. The increasing prices of imports as the dollar depreciates—and corresponding price increases by domestic producers of import-competing goods—spur inflation. The Treasury Department estimated in February 1978 that the first-round direct effect on the Consumer Price Index of a one percent depreciation of the dollar was only about 2½ hundredths of one percent (.025 percent).[1] But in testimony before the Senate Banking Committee in November, Charles Schultze, Chairman of the Council of Economic Advisors, estimated that the CPI goes up one to one and one-half percent for every ten percent devaluation of the dollar.[2] Schultze's estimate, which includes effects on wholesale prices and oil and raw materials imports, as well as the tendency for U.S. producers to match import price increases, is more accurate.

Third, the trade deficit is associated with job loss in import-competing industries and a slow rate of job increase in the export sector of the economy. A continuing trade deficit represents a substantial job short-fall on the export side. An estimated 40,000 jobs are created by a billion dollars of additional exports; if the United States were to eliminate its trade deficit by increasing its exports by $30 billion to match its imports, 1.2 million new American jobs could be formed.

Fourth, the slack in the economy created by a serious trade deficit and lagging export performance requires increased fiscal stimulus in order to keep the economy growing, in other words, a larger Federal budget deficit. Each $1 billion in exports foregone represents a loss of $2 billion in GNP and $400 million in Federal tax revenue. Reducing the trade deficit reduces the need for deficit spending by the Federal Government.

Unfortunately, the deficit may not be a temporary aberration. The "J-Curve" effect predicts that exchange rate adjustment ensures trade adjustment within one or two years. However, delayed appreciation of surplus country currencies, relatively slow growth rates in Europe and Japan and high U.S. oil imports have exacerbated the U.S. deficit and slowed adjustment.

A more fundamental problem is the extent to which the trade deficit reflects underlying changes in the U.S. competitive position which are not self-correcting. The rate in productivity has been declining in the United States and is now much lower than in most other developed countries. Capital formation in the U.S. has also fallen below that of our competitors. Innovation is more difficult to measure, but many indicators suggest the United States is losing ground here as well. Trade statistics reveal that the U.S. is now facing increased international competition in high technology fields where U.S. products have been dominant for decades. A trade deficit resulting from such long-term changes in U.S. competitiveness is not susceptible to classical trade adjustment mechanisms.

The Subcommittee hearings were organized into eight parts:

1. The effect of floating exchange rates on U.S. exports and the trade balance;
2. Trends in the competitiveness of U.S. exports in specific product and market sectors;
3. Foreign government policies and programs to support exports;
4. The Export-Import Bank and the financing of U.S. exports;
5. U.S. agricultural export policies;
6. U.S. Government programs and facilities designed to support exports;
7. U.S. high technology exports; and
8. Foreign barriers to U.S. exports.

All the hearings have been printed. The chapters of this report correspond to the subjects covered in the hearings.

CHAPTER 1. THE EFFECT OF FLOATING EXCHANGE RATES ON U.S. EXPORTS

Exchange rate depreciation of the U.S. dollar has failed to yield an improved trade

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balance. The explanations are many. First, depreciation of the dollar relative to the currencies of major trading partners of the United States has been modest until recently. Morgan Guaranty Trust calculates the overall change in the real exchange rate of the dollar from March, 1973 to September, 1977 to be negligible. The dollar remained at its March, 1973 level until mid-1975, then appreciated through late 1977. Thus, for a two-year period the dollar was actually about 5 percent above its trade-weighted level of March, 1973. Dollar depreciation relative to 1973 levels is a recent phenomenon.[3]

The worsening of the trade balance which accompanied the dollar depreciation is partially accounted for by the "J-Curve" effect. Currency depreciation raises the price of imported goods and services already ordered, thereby increasing the value of imports. Exports are concomitantly reduced in value until increases in quantities exported can be realized. Thus, during the first six to nine months following depreciation of the dollar the U.S. trade deficit can be expected to worsen.

The Treasury Department estimated the lag between movement in the exchange rate and adjustment in the trade balance to be about eighteen months. The Federal Reserve estimated the full impact of exchange rate depreciation on exports occurs over a period of two years. Thus, the depreciation which occurred in late 1977 and early 1978 cannot be expected to result in a dramatically improved U.S. trade balance until late 1979.

However, the dollar has been subject to additional and accelerated depreciation in late 1978. The initial negative "J-Curve" effects of "new" depreciation may overwhelm the positive effects of the "old" depreciation. Continuous currency depreciation may create effects not accounted for by the "J-Curve" theory.[4]

Additionally, the failure of the U.S. trade balance to adjust rapidly to exchange rate depreciation could be due to adverse movements in relative inflation rates between the United States and its principal competitors in export markets. Most studies agree, however, that U.S. price competitiveness has improved recently. An index of relative export prices developed by Chase Econometrics shows that U.S. export prices reached a relative low point of 92.6 in 1973, rose through 1976 (when they exceeded 100 on the index), and declined to a level of 98.4 in 1977. Prices are expected to decrease further to about 91.7 by 1979, putting U.S. producers in their most competitive price position since 1973.[5]

The recent improvement in the price competitiveness of U.S. exports is due to the combined effects of dollar depreciation and relatively lower inflation than in most major foreign countries. However, some trade surplus countries, Germany and Switzerland in particular, have had lower inflation than what the appreciation of their currencies relative to the dollar. If inflation accelerates in the United States, much of the gain in international price competitiveness would be wiped out.

U.S. trade performance over the past few years seems broadly related to change in price competitiveness arising from relative inflation and movements in exchange rates. Improved U.S. price competitiveness in the period 1971 through 1973, attributable primarily to the devaluation of the dollar, contributed to the substantial export surplus in 1974 and 1975. Correspondingly, deteriorating U.S. price competitiveness during 1975 and 1976 was a factor in the massive trade deficits of 1977 and 1978.

The U.S. lost competitiveness in relative export prices during the period 1975 through early 1977 as the exchange rate remained at an artificially high level while U.S. inflation was in the middle range for industrial countries. Once J-Curve effects are absorbed, increased price competitiveness can be expected to improve trade and current account balances. The Treasury Department estimates a one percent improvement in international price competitiveness produces an increase of ½ to 1 billion dollars in U.S. exports when the improvement becomes fully effective.

Another factor in the trade deficit is the difference in growth rates between the United States and the principal foreign industrial countries. Anthony M. Solomon, Under Secretary of the Treasury for Monetary Affairs testified before the Subcommittee that differences in growth rates have tended to swamp the effects of exchange rates and relative price competitiveness. The U.S. trade surplus in 1975 can be largely accounted for by the relatively low growth rate in the United States compared to that in Europe. The relatively high rate of growth in the United States in 1977 and 1978 relative to that abroad may be the principal factor accounting for the large trade deficit. Convergence in relative growth rates will be necessary in order for improved price competitiveness to have its full effect on the trade balance.

Economist Rudiger Dornbusch of the Massachusetts Institute of Technology cautioned, however, that the difference in income elasticities of exports between the U.S. and its principal competitors is so great and so unfavorable to the U.S. that foreign economies would have to grow much faster than the U.S. economy in order for the U.S. trade deficit to be reduced. Dornbusch noted that foreign growth rates are not likely to exceed the U.S. rate substantially, and concluded an improvement in U.S. trade competitiveness is required "not only to close the present trade gap but in fact to prevent it from widening."[6]

Improvement in price competitiveness and convergence in relative growth rates may reduce the trade deficit, but export levels may be determined more by government policies and non-price considerations than market-determined export prices. The principal trade competitors of the United States—Germany and Japan—pursue policies which systematically counteract improvements in price competitiveness by U.S. suppliers. Furthermore, the structure of U.S. trade, especially on the export side, may minimize sensitivity to price considerations.

The contention that the Germans and the Japanese, as well as the Swiss, the Dutch and others pursue policies designed to maintain their trade surpluses, is a familiar one. The export orientation of their economies makes exchange rate stabilization and policies to preserve comparative advantage in export markets mandatory. Thus, if the exchange rate begins to move upward, monetary authorities in these countries are likely to intervene in the markets to discourage further currency appreciation. At the same time, monetary and fiscal policy instruments are utilized to suppress the rate of inflation, thereby offsetting movements in the exchange rate to the largest possible degree.

Japan, Germany and a number of other countries place such emphasis upon export performance that they are willing to subsidize exports at the expense of their domestic economies. An apparent improvement in price competitiveness can be offset by indirect subsidies (for example, tax incentives), special loan facilities, or other measures. Other non-tariff barriers to U.S. exports, such as government purchases reserved for domestic firms, design specifications which favor domestic producers, and government-to-government trade arrangements are used extensively by Japan and the European Community. It remains to be seen whether Japan and the European Community will tolerate the trade implications of a significant improvement in U.S. export price competitiveness.

The composition of U.S. exports and the nature of export markets abroad according to Lawrence Fox of the National Association of Manufacturers, combine to make U.S. export performance relatively insensitive to price movements. The volume of agricultural exports, which account for roughly 20% of U.S. exports, does not automatically reflect relative price competitiveness. U.S. agricultural exports to the European Community, for example, benefit little from relative price improvements because the Community's Common Agricultural Policy is specifically designed to offset such movements.

Manufactured goods exports are presumably more sensitive to changes in price competitiveness, but the disappointing performance of the United States in manufacturing exports compared to Germany and Japan, whose currencies have been appreciating and whose price competitiveness vis-a-vis the United States has deteriorated, implies that trade in manufactured goods may be less price sensitive than is commonly assumed. Relative growth rates may explain somewhat the continuing high level of exports by Japan and Germany compared to the United States, but do not account for the entire phenomenon. Fox suggested international trade is increasingly characterized by marketing strategies and pricing policies which focus on market penetration or market share, and denigrate price considerations. Marginal pricing, and even dumping, may explain some of the relatively strong Japanese and German export performance. Fox cited data which indicated Japan and Germany emphasize export pricing strategies which cause export prices to rise more slowly than domestic prices, whereas in the case of United States exports the reverse appears to be true.

In the case of large capital items where the United States generally has a comparative price advantage, sales often hinge upon such variables as credit terms, offset purchases and non-monetary factors including government decisions to favor specific foreign enterprises or investors as trading partners. Much international trade also occurs within multinational corporations, and is less sensitive to price considerations than to corporate strategies.

The lack of improvement in the U.S. trade balance may also be partially accounted for by the foreign market composition of U.S. trade. The United States' principal foreign market is Canada, and there has been no relative price improvement for the United States in the Canadian market. In the case of most non-oil-producing developing countries, exchange rates have not changed relative to the dollar and improvement in U.S. price competitiveness relative to domestically produced goods in such countries has been minimal. U.S. export performance in third world markets relative to Japanese and German suppliers should improve with increased U.S. price competitiveness, but there is little evidence of trade gains to date. Existing trade relationships, perceptions of quality, and assurances of timely delivery account for export success in many markets. Germany, Japan and Switzerland have reputations as dependable suppliers and have continued to export successfully despite deterioration in the price competitiveness of their products.

U.S. producers tend to be much less aggressive in exporting than are the Japanese and Europeans, in part because U.S. producers have fewer incentives to export. A large domestic economy and relatively good growth rates at home enable U.S. producers to expand production and enjoy profits through domestic consumption rather than relying upon exports. U.S. exporters also face more government-imposed disincentives, such as

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anti-trust, anti-bribery, anti-boycott and human rights restrictions and tighter controls on exports to communist countries.

In conclusion, it is unrealistic to expect rapid and significant improvement in the U.S. trade balance due to exchange rate depreciation, because: (1) dollar depreciation will improve U.S. price competitiveness only if reinforced by relatively low U.S. inflation rates; (2) trade flows will respond to relative price changes only belatedly; (3) the U.S. deficit will decline only if growth rates are higher abroad than in the U.S.; and (4) U.S. trade performance is not closely related to relative price considerations for structural reasons.

CHAPTER 2.—TRENDS IN U.S. EXPORT COMPETITIVENESS IN SPECIFIC PRODUCT AND MARKET SECTORS

United States' export growth has been negligible since 1974. Export growth in nominal terms has been 7 percent per annum compared to a 13½ percent rate of increase for imports during the same period. Not only has U.S. export growth been slowing but what growth has occurred has been due entirely to price increases rather than greater sales volume. In real terms U.S. exports in 1977 were only one percent greater than in 1974. The Subcommittee's second hearing addressed the question whether the lack of real U.S. export growth reflected declining competitiveness of U.S. non-agricultural products in international markets.

Slow growth in U.S. exports is attributable in part to slow economic growth rates in traditional markets for U.S. exports. The Canadian market, the largest single market for U.S. exports, has expanded very slowly. Japan, also a large market, has grown slowly in the last two years, as have some of the major non-oil producing LDC markets—Brazil, Mexico and India—which would normally account for about 30 percent of U.S. shipments to non-oil-exporting LDCs. Thus, the U.S. share of world exports is growing more slowly than that of other industrial countries in part because the countries to which we traditionally sell have had slower growth rates than countries to which our competitors traditionally sell.

At the same time, however, the United States has failed to expand its exports in the faster-growing markets at the same pace competitors have. The United States experienced declining market shares in 1977 in exports to Japan, Italy, the Netherlands, several Latin American countries, India and Korea, as well as the important OPEC markets.

An analysis of market shares conducted by C. Michael Aho and Richard Carney indicates a disturbing pattern. Aho and Carney measured competitiveness by comparing U.S. exports to the exports of other countries in overseas markets. They examined the exports of nine OECD countries in fourteen different regions for three periods, 1965 to 1970, 1970 to 1973, and 1973 to 1976. During each of the time periods analyzed the United States lost market shares relative to Japan. The depreciation of the dollar relative to the Japanese yen did not enable the United States to recover its earlier market share of total manufactured exports. U.S. losses were particularly large in exports to the European Common Market countries.

The fastest growing importing region in the world in the last few years has been the Middle East. OECD countries' exports to the Middle East increased by more than six-fold during the period from 1970 through 1976. The U.S., Japan and Germany all increased their shares of total manufactured exports during that period, but the largest gains were made by Japan.

Relative differences in growth rates cannot explain the superior Japanese market performance in either the European Community countries or the Middle East; in both cases Japan and the United States were on the same relative competitive basis. The difference in exchange rates and price movements between the Japanese exports and U.S. exports should have led to superior U.S. export performance, but it did not.

As U.S. price competitiveness improves there is some hope for an increased U.S. market share in major markets, but non-price factors could be critical. Salesmanship, market familiarity, reliable delivery schedules, after-sales-service, product-quality and credit terms can determine the success of efforts to exploit a relative price advantage. The United States is facing increasing competition across a broader range of products, including capital goods and high technology products where the U.S. has traditionally been dominant, and must make new efforts to see that U.S. products are competitive and that U.S. Government policies do not reduce export competitiveness.

A deteriorating trend in U.S. exports is evident from an analysis of exports of research intensive products. Historically, the United States and the United Kingdom have exported products intensive in capital and research-and-development expenditures. However, in recent years both countries have allocated a smaller proportion of their gross national product to investment than have Germany and Japan. They have also had lower growth rates of real investment. Aho and Carney examined trade patterns for research-and-development-intensive commodities such as chemicals, machinery and transport equipment, scientific instruments, and miscellaneous manufactures. They found between 1962 and 1970 the U.S. share of total OECD exports of these commodities declined from 27.6 percent to 21.7 percent. By 1976 it was down to 20.5 percent. The U.K.'s share decreased between 1962 and 1970 from 15.2 percent to 10.0 percent and has continued to decline to a low of 8.3 percent in 1976. The German share has remained stable, but the Japanese share has grown steadily since 1962. In 1970 the Japanese share was 9.9 percent; in 1976 it was 13.2 percent. The U.S. decline seems likely to continue unless research and development expenditures and capital investment increase.

In the past the United States has placed a low priority on export promotion, but this priority must change if the United States is to profit from new markets. The OPEC countries, some of the non-oil-producing developing countries and Japan, where major efforts are underway to remove trade barriers, offer market opportunities which the United States should exploit. Whether U.S. business responds will depend in part upon government efforts to involve additional U.S. firms in exporting, as well as to familiarize existing exporting firms with new export opportunities and to support all U.S. exporters strongly and consistently.

Structural factors rather than price or business cycle factors explain recent changes in the pattern of U.S. exports. In addition to the fact that the United States is less export-oriented and makes less effort to expand its exports than do foreign competitors, the United States' traditional leads in productivity and technological innovation have been lost. Investment is lower in the U.S. than in a number of other countries, and there is evidence U.S. industry is shifting investment from basic research to comparatively minor product and process development in the expectation of short-term returns. These trends suggest U.S. exports will lag even further in the future.

Improvements in U.S. price competitiveness via depreciation of the dollar and lower inflation can lead to improved export performance in a number of categories—especially consumer goods—but where exports depend on reliability, quality and servicing, and for products with high technology and capital inputs, greater price competitiveness alone is unlikely to lead to major increases in U.S. exports.

CHAPTER 3.—FOREIGN GOVERNMENT POLICIES AND PROGRAMS TO SUPPORT EXPORTS

Foreign government support for exports has contributed to the U.S. trade deficit. Mr. George Stathakis of the General Electric Company testified before the Subcommittee that the biggest obstacle to expanded U.S. exports is the help foreign trade competitors get from their governments.

Although fiscal and monetary policies are not generally regarded as efforts to support or subsidize exports; the restrained growth policies of Germany and Japan have been conducive to export growth, and these countries' sluggish domestic expansion has conversely blocked imports. Because the export sector is such a large part of these economies, adequate total growth can be maintained while pursuing policies to restrain inflation.

Industrial policies are an important element in export expansion for many countries. The industrial policies vary: Japan, France, and Italy rely extensively on planning mechanisms, but a number of other countries, including Germany, Sweden and Denmark, place far more emphasis on a favorable investment climate than on targeted industrial policies. Regional development schemes are also used to channel resources into industries with strong export potential.

The effectiveness of cooperation between government and industry in selecting target industries and developing them is best exemplified by Japan. The post World War II rise of the Japanese steel and shipbuilding industries to positions of word market prominence was the result of carefully planned investment and export promotion strategies. Since 1972, a government coordinated effort to boost the Japanese computer industry has been similarly successful. Another impressive aspect of Japanese industrial planning is the ability to react to overcapacity in certain industries.

A number of other countries have attempted to "target" industries with export potential. Taiwan, Hong Kong and South Korea have developed their textile and footwear industries, and in the process have supplanted their model, Japan, as a world supplier of these commodities.

Research and development in Japan and Europe is often directed toward products with export possibilities. The Europeans have worked cooperatively to increase their share of the international commercial aircraft market, at the expense of the U.S. The Japanese government has coordinated research in computers and semiconductor technology with an eye toward developing a major new export industry.

Although studies conducted to date do not seem to indicate significant trade differences arising from different applications of environmental standards or anti-trust laws, a recent study conducted for the Department of Commerce suggests that the more vigorous environmental standards in the United States may have an adverse effect on productivity in this country relative to other OECD countries which, of course, could have consequences for export growth in the future. The United States also has the most stringent anti-trust legislation; Japan's large trading companies face no anti-trust problems.[7]

Many countries use remission on indirect taxes to stimulate exports. The recent Supreme Court decision in the Zenith case confirms that such rebates do not violate U.S. countervailing duty statutes. A number of countries also have a very low rate of taxation on the income of foreign subsidiaries of domestic companies, which enables a company to establish a sales subsidiary overseas and avoid practically all taxation on export sales. The United States does not permit such differential tax treatment.

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Japan, additionally, has a tax incentive system for exporters which was modified recently to emphasize incentives for smaller and medium-sized exporters. Many developing countries rely on tax incentives to stimulate exports to an even larger degree than do the developed countries.

The most important non-tax incentives are in the area of financing for exports. Most countries provide some form of official export financing, and the French, Japanese and British use supplemental non-tax incentives as well. Particularly noteworthy are the export financing incentives designed for small exporting firms in Germany, Japan, Italy and France.

Foreign governments often finance prefeasibility studies. In some cases this is complemented by government-to-government contact by top level government officials well versed in the project who assure the purchasing government that the bidding firm has full official support.

Japanese companies bidding on major construction projects can present a single, combined price offer. U.S. antitrust statutes preclude such cooperation by U.S. firms. Cheaper export shipping is another factor in the superior export performance of our competitors. Freight rates for ocean shipping average 32% higher for U.S. exports than for U.S. imports. Even worse, rates on shipments to developing countries paid by U.S. exporters average 100% more than rates paid by major developed country competitors. Japan has a 300% freight rate advantage over the United States on shipments to third countries. Organized foreign exporter representatives in Europe and the Far East use cartel-like power to keep rates down. Another "home-grown" problem is that official U.S. Government cargo often crowds out non-Government cargo on outbound U.S. Flag carriers, allowing carriers to exact premium rates for the scarce remaining space.

The United States Government spends less each year to promote manufactured exports than do the governments of Japan, the United Kingdom, Italy and France, but more than Canada and Germany. Comparisons for fiscal year 1976 can be made on the basis of amounts spent on export promotion for each million dollars of manufactured exports. On that basis, the United States spends $340; Canada and Germany, $140; France and Japan spend about $600; Italy spends $1,400 and the United Kingdom $2,500. The German figures are understated because German exports are promoted by trade associations and overseas German Chambers of Commerce which exporters are required to join and financially support. In the United States, about 1/100th of 1 percent of the federal budget is spent for export promotion. Other countries average about six times that amount.

In conclusion, foreign governments show great scope and flexibility in their policies and programs to support exports. The use of export expansion as a tool of domestic economic management is not only well understood and widely employed but shows impressive resilience in the face of economic changes which would otherwise lead to deteriorating trade balances.

CHAPTER 4.—THE EXPORT-IMPORT BANK AND U.S. EXPORT FINANCING

The Subcommittee held four days of hearings in March and April, 1978 on financing of non-agricultural exports and legislation to extend and enlarge the authority of the Export-Import Bank. The Subcommittee examined the deficiencies of private export financing, the growing foreign competition in official export financing, and proposals to strengthen both private and official U.S. export financing and to limit international credit competition.

The private sector finances most U.S. non-agricultural exports. The Export-Import Bank finances on the average only about 18 percent of manufactured goods exports and 21 percent of capital goods exports. But private financing is seldom available on fixed interest rate terms, or for periods longer than five years, and thus is often insufficient to support capital exports for large development projects abroad. Commercial export financing sources do not accept political risks and sometimes shy away from economic risks as well in developing countries.

Private export financing through smaller commercial banks and outside the major financial centers has been limited despite the intent of Congress to facilitate such financing when it passed the Edge Act in 1919 (Section 25a of the Federal Reserve Act). The Edge Act provided for Federal chartering of corporations "organized for the purpose of engaging in international or foreign banking." The Federal Reserve Board issued Regulation K (12 C.F.R. Part 211) the following year, giving Edge Act corporations "powers sufficiently broad to enable them to compete effectively with similar foreign-owned institutions and to afford to the United States exporter and importer . . . at all times a means of financing international trade" (211.1(b)(1)).

By early 1978 there were 115 Edge Act corporations in the United States, but statutory and regulatory limitations on Edge corporations retarded their role in financing U.S. exports. Chief among the legal restrictions on Edge Corporations were the following: (1) liabilities could not exceed 10 times capital; (2) a minimum 10 percent reserve was required even when not required of commercial banks; (3) Edges were not eligible for Federal Reserve membership; and (4) the conduct of any business in the U.S. except that "clearly related to international or foreign business" was prohibited (12 C.F.R. 211.1 (b)(2)). Testimony received by the Subcommittee suggested modification of Edge Act provisions could facilitate the formation of Edge corporations by smaller and regional banks as well as enlarging the role of Edges in promoting U.S. exports.[8]

When the Banking Committee met to mark up the International Banking Act of 1978 Senator Adlai E. Stevenson proposed a series of amendments to the Edge Act. The amendments approved by the Committee and included in the Act adopted September 18, 1978, lifted the statutory restriction on the ratio of liabilities to capital and reserves; removed the discriminatory minimum reserve requirements; required the Federal Reserve Board to make recommendations which would permit Edges to become member banks; and expanded the permissible banking activities of Edges. Also, for the first time, non-banking corporations and foreign banks are permitted to form Edge Act corporations. Once the Stevenson amendments have been fully implemented by federal regulation, the use of Edge corporations to finance U.S. trade is expected to grow significantly.

The need to supplement private export financing with Eximbank programs will continue to grow as well, however. As researchers for the Congressional Research Service have noted:

"The growing commercial rivalry among the developed countries and the increasing similarities in the price, quality and availability of their goods has meant that, in many cases, government financing arrangements have become a determining factor in some trade transactions. In the capital goods sector and the market for "big ticket" items in particular, it now often appears that contracts may go to the exporter who is able to arrange the most attractive financing for his sale."[9]

The Export-Import Bank is a U.S. Government agency originally created in 1934 to aid in financing and to facilitate U.S. exports. The Bank is directed to provide loans, guarantees and insurance for U.S. exports of goods and related services on terms and conditions competitive with those available to foreign competitors. The Bank in providing such export assistance is also directed to seek to minimize international competition in Government-supported export financing, to judge whether there is a reasonable assurance the assistance will be repaid, to take into consideration the average cost of money to the Bank, and to supplement and encourage, but not compete with, private capital. The Bank must also take into account any serious adverse effect of its transactions on: (1) the competitive position of U.S. industry, (2) materials in short supply and (3) employment in the United States.

The Bank's programs include: (1) direct credits and financial guarantees for major capital goods exports requiring repayment periods of 5 years or more; (2) medium-term guarantees and discount loans to U.S. commercial banks and Cooperative Financing Facility loans to foreign financial institutions to finance capital goods exports; and (3) in conjunction with the Foreign Credit Insurance Association (FCIA), a group of private insurance companies, short-term and medium-term export insurance political and commercial risks. The Private Export Funding Corporation (PEFCO), owned by U.S. banks and corporations, often participates in medium-term export financing together with Eximbank and commercial banks. Although the programs supported directly and indirectly by the Export-Import Bank are extensive, they frequently do not match those offered by foreign governments.

Foreign competitors support a greater percentage of their exports through official financing, and often provide more attractive terms and programs. For calendar years 1975 and 1976, Japan and France provided official export credit support for one-half their manufactured exports; the United Kingdom for one-fourth of its manufactured exports; Italy for one-eighth, and Canada, Germany and the United States for slightly over one-tenth of their manufactured exports.[10] The United States Eximbank offers a smaller percentage of official credit (averaging 42 percent) for long-term export credits than do the official export credit agencies of the other six nations. Japan also provides local cost financing, which is not available from the U.S. Export-Import Bank.

Japan, Germany, France and Italy offer insurance against exchange rate fluctuations; the U.S. does not. The United Kingdom and France offer inflation indemnity insurance; the U.S. does not. In order to encourage exports of complete manufacturing plants, Japan is now offering performance bond insurance covering 70–90 percent of possible losses. The United Kingdom also provides performance bond insurance, which is said to benefit British contractors competing for Middle East construction projects.

Several foreign countries combine foreign aid programs and official export credit programs in order to provide low-interest long-term credits to developing countries. France, for example, offers "mixed credits" for as little as 3 percent interest and as long as 25 years. The United States not only does not offer mixed credits, but its bilateral assistance program has shrunk relative to other countries and been redirected toward projects which provide fewer opportunities for U.S. capital goods exports.

The Eximbank has managed to keep its long term credits competitive with those offered by foreign governments, but as interest rates rise in the U.S., the Eximbank will become less competitive. Eximbank programs will also be hampered in fiscal year 1980 by budget limitations imposed by the Presi-

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dent's Office of Management and Budget. Eximbank is the only official export credit agency, besides Canada's, which receives no annual appropriations, and is the only such agency subjected to annual legislated budget ceilings on its credit programs. Eximbank will exhaust its direct lending authority of $3.6 billion before the end of fiscal year 1979. Authority for fiscal year 1980 has been set at $4.1 billion by OMB, about one-third the anticipated demand for Eximbank credit.

Eximbank is also subject to political restrictions not imposed on the programs of foreign governments. Exports to communist countries are ineligible for Eximbank support unless the President has determined that support for exports to the country in question is in the national interest and, since 1974, that the country meets the stringent criteria for freedom of emigration set forth in the Jackson-Vanik Amendment to the Trade Act. Only Poland, Rumania, Yugoslavia and Hungry are currently eligible for Eximbank credits. Eximbank reviews export credits for human rights considerations as well, and upon the advice of the Department of State frequently holds up or denies credits for exports to countries with poor human rights records. In the case of South Africa, Congress adopted legislation in 1978 to deny Eximbank support for any export to the South African government and to any other purchaser, unless the Secretary of State certifies that such purchaser is observing the "Sullivan principles" on fair racial employment practices.

The Eximbank legislation reported by the Banking Committee in 1978 and subsequently incorporated in H.R. 14279 represents a significant step forward in official U.S. export financing. The Bank's authority was extended five years and its aggregate commitment authority was increased to $40 billion, against which up to $25 billion in guarantees and insurance may be charged at 25 percent of face value. The prenotification requirement was modified to increase the threshold from $60 to $100 million for credits to be submitted to Congress before final approval, and the review period during Congressional recesses was reduced to 35 calendar days.

Other important amendments to the Bank's charter included: the Chafee amendment providing that the Bank should not deny credit applications for non-financial or non-commercial considerations except where the President determines that such denial would be in the national interest and where such action would clearly and importantly advance U.S. policy in such areas as international terrorism, nuclear proliferation, environmental protection and human rights; the Stevenson amendment providing that the Secretary of the Treasury may authorize the Bank to assist U.S. producers to match official foreign credit support for exports to the United States when such foreign support exceeds international standards, and the Heinz amendment authorizing the Bank to provide financing competitive with that provided by foreign government agencies and authorizing the President to begin ministerial level negotiations to end foreign predatory export financing practices. The Bank's authority to finance agricultural and solar energy equipment exports was also expanded.

The advances achieved in the 1978 legislation are not sufficient to put U.S. exporters on an equal financing basis with foreign competitors. Political restrictions on Eximbank credit continue both with respect to communist countries and human rights violators. The Bank cannot match the mixed credit offers of foreign governments; new authority would be required to launch such financing. Finally, the effort to restrain international credit competition is foundering. Negotiations in 1978 to strengthen the International Arrangement on Guidelines for Officially Supported Export Credits collapsed because foreign governments refused U.S. proposals to place tighter limits on such support. The Export-Import Bank is not adequately equipped to meet the growing foreign competition in official export credits.

CHAPTER 5.—U.S. AGRICULTURAL EXPORT POLICIES [11]

Agricultural exports are the mainstay of U.S. export performance, accounting for approximately 20 percent of total exports each year. Farm exports of $24.4 billion in 1977 exceeded agricultural imports by $10.8 billion. Without the net positive contribution of the agricultural sector, the total U.S. trade deficit in 1977 would have been $41.8 billion instead of $31 billion.

The agricultural trade surplus is important for the domestic economy. An estimated 1.2 million jobs in the farm sector result from exports. Moreover, every dollar earned through agricultural exports directly stimulates another dollar in domestic output.

The United States is the world's largest exporter of grains, wheat, rice, feed grains, soybeans, cotton and tobacco, and has expanded exports of livestock products and poultry in recent years. The U.S. share of the world grain market has increased in part as a result of greater exports to the Soviet Union and Eastern Europe.

But U.S. agricultural exports could be much greater than they are. Vast opportunities exist for expanded production at very nearly constant costs. Even without expanded production, surpluses are generally available for export in any given year. U.S. agricultural products remain highly competitive in terms of price and quality, but such considerations do not always determine success in agricultural trade. Treasury studies indicate ". . . the price elasticity of demand for U.S. goods varies considerably and a relatively large share of U.S. exports is accounted for by products with relatively low price elasticities of demand—agricultural products, raw materials and highly specialized capital equipment." [12]

A labyrinth of subsidies and protective devices for the agricultural sector throughout the world insulate real world agricultural export prices from movements in exchange rates. Devaluation of the dollar not only fails to increase the volume of U.S. agricultural exports, but may hurt U.S. farmers by reducing returns on foreign agricultural sales.

The United States cannot assume the continuation of its predominant position in world agricultural markets. U.S. soybean growers face growing foreign competition in soybeans, palm oil and related oil seed products. Expansion of Brazilian soybean production has enabled Brazil to capture a large share of the world market for soybeans and soybean meal. Expansion of Malaysian palm oil exports has cut into the U.S. export market for vegetable oil.

The United States is also facing increased competition in the areas of cotton and tobacco exports. The Soviet Union has taken a substantial share of the U.S. cotton market in Europe, and a number of developing countries are becoming important suppliers of cotton, including the Ivory Coast, Chad, Colombia, Turkey, Iran and Afghanistan. Korea, Brazil and Malawi have increased their tobacco exports.

The United States faces increasing competition in fresh and processed fruits and vegetable exports from Morocco and Israel. Taiwan has emerged as a major exporter of a number of horticultural products. Brazil has replaced the United States as the world's leading exporter of concentrated orange juice, and almost every Mediterranean country is now actively involved in exports of tomato products.

United States exports of livestock products such as hides and skins, tallow, greases and variety meats, are encountering strong competition from Australia, Canada and Southeast Asia.

The Department of Agriculture testified before the International Finance Subcommittee on February 23, 1978, that the principal factor affecting U.S. agricultural export sales is foreign tariff and nontariff barriers to U.S. products. The European Community's Common Agricultural Policy, for example, provides for heavy subsidization of high-priced EEC wheat and flour to make them competitive in the world market. Even where subsidization is not formal, arrangements for grain marketing provide opportunities for monopoly pricing. Australia and Canada have wheat boards which control most aspects of wheat trading, including the pricing, financing and marketing terms for their exports.

The wheat boards in Canada and Australia are in a position to enter into long-term supply arrangements, and have done so with the People's Republic of China and the Soviet Union. Such arrangements presumably have included favorable pricing and financing for the buyers, but detailed information on the arrangements is not available in the United States.

The Canadian wheat board has a monopoly over Canadian wheat marketing, including transportation and exports. The Board finances its operations with bank credits guaranteed by the government. The Australian wheat board receives credit through the reserve bank of Australia. The wheat boards have full authority to set prices on all sales. By following the markets, they can determine what U.S. prices are likely to be, and offer their wheat at a lower price. There have been a number of examples of wheat board sales on concessional terms and with repayment periods of more than three years.

Canadian grain is also subsidized by favorable rail transportation rates for movement to export ports. The Australian wheat board charters its own bulk carriers, thereby enjoying lower freight costs, and the board follows a destination pricing scheme which enables Australian wheat to be competitive in any overseas market.

The European Community uses export subsidies to reduce its surpluses and strengthen prices, particularly in the Community's soft wheat market. Individual member countries of the European Community offer long-term credit and low interest rates to make grain prices even more attractive; financing is supplied through private banks operating under a government subsidy scheme.

Brazil has used an indirect export subsidy for soybean products. Brazil provides funds at preferential interest rates to exporters in proportion to their exports of soybean products. Exporters can relend the funds on the domestic Brazilian market at substantially higher interest rates and use the differential as a bonus with which they can reduce their prices to foreign buyers of soybean products. Exporters also received a government subsidy on domestic sales of soy products, which helps them to make a profit on overall operations. Brazil also provides a tax subsidy for all exports. Brazil has made various changes in its subsidy programs recently, but the system remains intact.

Rice exports have been subsidized by Japan, Thailand, Taiwan and the People's Republic of China. Information on export subsidies is limited, though, and the exact terms of various sales are difficult to confirm.

The efforts of many countries to preserve inefficient domestic production and the efforts of devolping countries in particular to expand agricultural exports hamper U.S. export growth. Reductions in foreign import barriers and export subsidies is the major avenue through which U.S. agricultural ex-

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ports could be increased. Dr. William R. Cline of the Brookings Institution testified before the Subcommittee that: ". . . foreign protection is much more severe than U.S. protection. Agricultural quotas in Japan and variable levies in Europe limit our exports . . . If the tariff equivalent of agricultural non-tariff barriers were cut by approximately 40 perecnt, U.S. agricultural exports would rise approximately $500 million per year."[13]

Improved financing programs could also help boost U.S. agricultural exports. Other countries have greater flexibility in the kinds of credit they are able to offer in order to obtain foreign sales. The Department of Agriculture's Commodity Credit Corporation and concessional food aid under P.L. 480 Title I financed about 5.6 percent of U.S. agricultural exports in 1976.

Witnesses appearing before the Subcommittee supported extension of the maximum period for repayment of Commodity Credit Corporation (CCC) financing of U.S. agricultural exports from three years to ten years. They also recommended making presently ineligible non-market economy countries eligble for CCC credits. John W. Curry, President of the National Corn Growers Association, estimated corn exports alone would expand by 53 percent to approximately 2.9 billion bushels by 1981 if CCC credit were provided to all non-market economies.[14] Curry and other witnesses recommended CCC financing of infra-structure projects to handle U.S. agricultural commodity imports in less developed countries. Witnesses agreed that expanded CCC credits should not be subjected to U.S. cargo preference requirements which would increase costs, induce delays and add to administrative complexity.

The Agricultural Export Trade Expansion Act passed by the 95th Congress should yield significant improvement in financing of U.S. agricultural exports. CCC suport will be available on ten-year terms for limited purposes. Short-term credit will be available for the first time for exports to the People's Republic of China. The Department of Agriculture's Foreign Agricultural Service will be expanded and overseas representation upgraded. The Act closely parallels S. 3011, introduced by Senator Adlai E. Stevenson on April 27, 1978.

Expanding exports from the world's most efficient producer, rather than forcing U.S. taxpayers to subsidize decreased production and suffer inflated prices, makes sense in a world plagued by food shortages. The U.S. Government should strive to obtain greater and more stable access to world markets, and to provide U.S. agricultural producers with export support equal to that provided by other governments. By negotiating elimination of foreign tariff and non-tariff barriers the United States could increase beef exports to the EEC and Japan for example, by as much as 1,000 percent (current U.S. per capita beef consumption is nearly 18 times greater than beef consumption in Japan).

The United States faces increased competition in most foreign markets and products in the next decade, and should give increasing attention to measures which could reduce the production costs of U.S. agricultural products. The United States should also remove self-imposed export barriers, and may need to establish trading companies in the agricultural area which can compete with the wheat boards and grain boards of foreign competitors or empower the CCC to negotiate with nonmarket countries. Larger grain reserves may also be needed to enhance U.S. reliability as a supplier. But the principal necessity is a reduction of foreign barriers to U.S. agricultural exports.

CHAPTER 6.—U.S. GOVERNMENT PROGRAMS AND FACILITIES TO SUPPORT EXPORTS

A variety of U.S. Government programs and institutions are designed to help U.S. producers compete more effectively in world markets. However, the programs are uncoordinated, the institutions underutilized, and the overall effort insufficiently directed toward the exporters in greatest need of assistance.

The agency primarily responsible for trade promotion is the Industry and Trade Administration of the Department of Commerce. ITA attempts to educate potential exporters via media campaigns, regular publications, and extensive contracts with private export promotion institutions. It offers counseling services on exporting in general and advice on specific countries. In-depth reports on exporting techniques, prospects for particular industries and business conditions throughout the world are published regularly. Special reports on U.S. products with sales potential in key overseas markets are also distributed. Contact with foreign importers is encouraged through the distribution of lists of overseas buyers and recruitment of foreign buyers for trips to the United States.

Overseas product promotion is attempted via exhibitions at U.S. Trade Centers and international trade fairs. Counseling assistance and contact lists are provided to U.S. businessmen abroad, and market opportunities for new U.S. products are negotiated with major foreign department stores.

Despite the range of ITA activities, the programs are not so successful as they could be. Experienced firms are often the main beneficiaries of Commerce Department efforts, seeking assistance not because they need incentives to export, but to lower costs. Small firms and inexperienced exporters are often unaware of existing programs, or require specially tailored services the Department cannot provide. The export promotion programs have suffered a 14 percent reduction in real outlays over the past 7 years.

Overseas market information and direct assistance abroad (with languages, customs, etc.) are regarded by exporters as two of the most valuable services provided by the government, yet for these ITA must rely heavily on cooperation from State Department Commercial Officers stationed abroad. Despite the important role commercial sections play in the administration of Commerce Department programs abroad, Commerce has no control over the selection, assignment, promotion and support of Commercial Officers. Within the Foreign Service hierarchy commercial posts have little prestige, and morale problems have repeatedly been reported.

More serious than the inability of the Commerce Department to supervise administration of its overseas programs is the Department's lack of control over export policy. Export activities are subject to uncoordinated and sometimes conflicting demands from different government agencies. In the fact of competition from countries like Japan and Germany which achieve considerable coordination in these matters, the inability of the U.S. to promote cooperative export expansion efforts and synchronize export policies is a serious disadvantage.

Legislative efforts to enable U.S. exporters to compete with foreign banks and cartels in overseas markets date back over sixty years. The Webb Pomerene Act (1918) exempts the formation and operation of Export Trade Associations from some prohibitions of the Sherman and Clayton Acts, but its provisions have been singularly under-utilized. Only 28 such Associations exist today, accounting for less than 3% of U.S. exports.

The principal reason for the Act's failure is its vagueness. Because no definitive standards are prescribed for permissible activities. Webb associations have repeatedly been challenged by the Justice Department. Facing the likelihood of an antitrust investigation and with no clear idea of permissible activities and possible benefits under the Act, firms have been reluctant to form Export Trade Associations.

The 1919 amendments to the Federal Reserve Act known as the Edge Act sought to involve small and regional banks in the financing of exports, thereby stimulating export opportunities throughout the country. It allows banks to combine to form Edge corporations for the purpose of engaging in international banking and export financing.

Although the number of Edge corporations has increased steadily since the Act was "rediscovered" in the late 1950s, it has not been exploited by the small and regional banks it was intended to serve. The prime beneficiaries of the Edge Act have become the largest banks, which have increasingly made sophisticated use of the statute as a vehicle for foreign equity financing related to lending or investment policies of the parent bank, or for the acquisition of overseas banks and financial institutions.

Limitations on aggregate liabilities, the types of business open to Edge Corporations and tight reserve requirements have been among the factors constraining widespread use of the Act in support of foreign trade. However, significant changes in these provisions were made in the International Banking Act of 1978.[15]

The Export-Import Bank, established in 1934, and its programs—direct loans, financial guarantees, insurance and discount loans—are discussed in detail in Chapter 4 of this report.

Although the clear intent of the majority of U.S. export promotion programs and institutions is to provide assistance to small and inexperienced exporters, they have persistently failed to do so. Among the 25,000–30,000 existing exporters, the 95 percent who are small and medium sized still account for only 15 percent of total exports. The Department of Commerce estimates an additional 20,000–30,000 small companies could export successfully, but have not done so, hampered by inexperience or unawareness of available opportunities.

In many respects, one of the most important impediments to the active involvement of smaller companies in exporting is the inconsistency and confusion surrounding the few assistance programs offered by the government to help exporters. One clear example of this is the Domestic International Sales Corporation (DISC) Program, establish in the Revenue Act of 1971, which offers exporters deferred taxes on export income.

Although there is evidence small company exporters have increasingly made use of DISC provisions since 1971, over 60 percent of total DISC benefits have gone to parent corporations with more that 250 million in assets. A Treasury Department analysis of the program concluded the legal and accounting costs of complying with the complex DISC legislation inhibited small company participation in the tax benefits. Subsequent reductions in the program, and the possibility of its recission have further hindered potential small firm users.

Small firms are similarly ill-equipped to deal with the bureaucratic requirements of the export license application process or to whether attendant uncertainties and delays. They require special guidance in coping with other legislative and administrative problems, as well. Corporations with vast experience abroad and large legal staffs may successfully avoid entanglement with anti-boycott, corrupt practices, human rights and environmental protection regulations which intimidate or ensnare smaller firms. Inex-

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perienced firms, whether large or small, often perceive these barriers as insurmountable.

Despite recent efforts of the Department of Commerce to focus its support activities on small and inexperienced exporters, foreign trade remains the province of the largest U.S. corporations. Significant export expansion requires involving a much broader segment of the American business community in exporting, and will depend upon a more consistent and supportive U.S. Government export policy.

CHAPTER 7.—U.S. HIGH TECHNOLOGY EXPORTS [16]

Technology is a key factor in U.S. exports and has contributed strongly to U.S. export growth. Technology-intensive products, as measured by R&D input, account for approximately 40 percent of U.S. exports. By contrast, R&D-intensive exports comprise only 28 percent of the total exports of Germany, Japan, France and the U.K. Our continued export competitiveness is clearly tied to our comparative advantage in technological innovation and the production of high technology goods.

The development of advanced technology is dependent upon high levels of government and private R&D investment. However, government support has dropped over the past 15 years, and private sector expenditure has not increased sufficiently to offset this decline. Moreover, because the orientation of private sector R&D often differs from that of government funded research, these cannot be viewed as interchangeable sources of support. Whereas private R&D tends to be market-oriented with a short to medium-term payoff in view, only the government is a significant investor in long term, basic research.

Spending by both the Federal government and business on R&D performed within industry is most closely related to export competitiveness. Although industry funding of this "industrial" R&D has averaged a 3.8 percent annual gain in real terms since 1966, the government's share has declined an average 5.5 percent per year, and overall levels have barely kept up with inflation. Research performed by industry for government agencies such as NASA and DoD has traditionally been more "basic", yet it has led to some spectacular commercial applications—the wide-bodied jet and integrated circuit technology are just two such spinoffs.

U.S. investment in R&D as a percentage of GNP has declined 25 percent over the last 15 years,[17] while foreign competitors have steadily increased their R&D levels. The U.S. still leads, of course, in total R&D outlays, but Japanese and German support for R&D as a percentage of GNP has equalled that of the U.S. Moreover, foreign R&D tends to be strongly oriented towards the development of commercially marketable, and particularly exportable, products. Our high-technology exports are still a strong factor in our overall export performance, but our positive balance in such goods is diminishing. Statistical studies which show a significant correlation between R&D spending and export levels portend poorly for future U.S. exports if R&D spending in this country continues its relative decline.

There is evidence that private sector R&D is inhibited by unfavorable tax provisions and government regulatory actions. R&D investment—especially in basic research—is a high risk venture and a function of anticipated returns balanced against costs. If various legislative constraints (pollution controls, etc.) reduce the likelihood of payoff and if tax incentives are as good or better for other investments (such as advertising) businessmen will invest less in R&D because there are more attractive alternatives.

Foreign governments, recognizing the importance of basic research, seek to minimize disincentives. Not only do they provide substantial direct funding for commercially oriented R&D, they allow firms to pool resources in cooperative research efforts. U.S. anti-trust laws, which by and large prohibit such activity, may adversely affect our international competitive position. Collaborative efforts by U.S. firms may be more than a good idea; they may be indispensable in order to reverse declining U.S. export competitiveness.

Export of high technology final products should be encouraged because of the immediate and long-term positive impacts on employment and the balance of payments. Exports of R&D-intensive equipment used in the production of final products, when the manufacturing know-how already exists in other countries, should also be encouraged.

A central U.S. Government department responsible for export expansion, domestic industrial growth and maintenance of our long-term innovative advantage might provide the mix of expertise, flexibility, control and perspective necessary to move exports rapidly when desirable and restrain them sensibly when it is in our long-term interest to do so. The United States Government should at minimum seek to establish a basic framework within which business can move quickly and confidently. Firms must be able to plan over the long-term, knowing that those elements of the cost picture determined by government will not increase during the development stages of projects. As the situation now stands, we are losing our competitive position in high technology trade, and uncoordinated Federal Government policies make it difficult to remedy the situation.

CHAPTER 8.—FOREIGN BARRIERS TO U.S. EXPORTS

Rising protectionism has over the last three years alone caused an estimated $50 billion decline from world trade potential.[18] The United States' share of this loss has been disproportionately high; according to a recent Department of Labor study over 424,000 jobs and $7.5 billion in export sales have been blocked by foreign tariff barriers on non-agricultural products.[19] Put another way, elimination of these tariffs could reduce unemployment by 12.5 percent and increase exports to our major trading partners by 21 percent. In Ambassador Wolff's words, ". . . codes of behavior that will accord to the U.S. the same degree of openness in foreign markets that we provide in the U.S. markets would clearly yield major benefits for U.S. exports." [20]

Tariff barriers appear to be used strategically by foreign competitors to develop desired new industries rather than to protect inefficient old industries. For example, Japan has high tariffs on color film and computers. In the case of color film—years of protection have enabled Japan to grow into Kodak's strongest competitor. In the computer field, high tariff walls have been combined with large-scale government funding for R&D and "buy national" procurement to foster the development of an indigenous Japanese computer industry, now ready to penetrate and perhaps ultimately sweep world markets as the Japanese consumer electronics industry already has.

Despite progress in "tariff liberalization" during the Kennedy Round, the problem of non-tariff barriers, which is now perceived as more serious than tariff barriers for many U.S. exports, did not receive sufficient attention. An extraordinary variety of non-tariff barriers exist. Some are intentional, some unintentional and many impossible to definitively categorize. Bourbon (from grain) is considered injurious to health in France and therefore cannot be advertised, while Cognac (from grapes) is healthy and can be. The most common nontariff barriers include government procurement policies, regulations, standards, customs procedures, border tax adjustments, quantitative restrictions and direct or indirect export subsidies.

Government procurement is relatively open in Germany and the U.S., but in most foreign countries domestic suppliers are given significant preferences. In many nations government procurement practices are more a matter of tradition than policy—buying foreign made goods is viewed as disloyal.

Japan concentrates most trade in the hands of a few trading companies. Intimate business/government relations allow for unwritten import-reducing policy actions. In the developing countries "discretionary" import licensing is widely used and abused. In the non-market economies, state trading companies select imports as well as exports without necessarily basing their actions on relative prices.

The trade barriers presented by product standards and regulations are similarly difficult to deal with. Inspection for health certificates, for example, may be required according to a given country's laws during the production process—amounting to a total barrier to trade.

Border tax adjustments are considered by our electronics industry to be "the most pervasive and strongest of trade barriers erected against (its) products.[21] According to testimony, the problem is not being addressed in the current MTN negotiations.

It will take vigilance and strong bargaining just to maintain our world export potential in the face of these subtle and sophisticated barriers. Remedies outside of the MTN are difficult to perceive. One witness could only suggest that [22] Congressmen individually be firmer in talking to foreign visitors. The U.S. must not lose sight of the basic strength of its competitors—a more cohesive attitude towards exports with close government/business cooperation. Ambassador Wolff suggested should the negotiations fail, "we as negotiators have no reason to oppose retaliatory procurement policies, an expansion of Buy America domestically." [23]

Protectionist measures tie resources to less productive uses, restrict growth of productive sectors, and entail high costs for the consumer in the form of reduced choices and increased prices. They additionally tend to transmit recession, divide the word politically and contribute to general stagnation. The potential gains from freer world trade are immense, and far outweigh the hardship and dislocation caused by particular domestic industries and geographic areas. However, unless adequate adjustment assistance is provided, formidable domestic political pressures can block trade liberalization efforts.

The success of the MTN package may depend upon a stronger U.S. bargaining position when faced with foreign violations of the new rules of conduct. A vast array of U.S. export support measures, either in effect or available if needed, would strengthen the U.S. negotiating position. Instead of retaliating with trade restrictions which raise import costs and hurt American consumers, the U.S. could be in a position to respond with export incentives which expand trade and create U.S. jobs without inflation.

CHAPTER 9.—RECOMMENDATIONS

The United States is awakening slowly to the fact that U.S. competitiveness in world markets is slipping. Not only Japan and the Western European countries, but also the developing countries of Latin America, Asia and Africa, are becoming strong competitors for U.S. producers across the full range of industrial and agricultural products and services.

Floating exchange rates alone cannot restore U.S. trade competitiveness. Nor can the United States afford to permit the international value of the dollar to erode indefinitely; the cost in domestic inflation, capital outflow, OPEC oil price increases and declining international confidence in the

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United States would be intolerable. As long as the dollar is the sole reserve currency and its value is uncertain, levels of international trade will be diminished. A strong national export policy is needed to strengthen the dollar as well as reduce the trade deficit.

The Subcommittee recommends the following actions: (1) organize the Executive branch to conduct a co-ordinated, forceful U.S. export policy; (2) facilitate organization by U.S. industry and agriculture to expand exports; (3) redirect and expand existing export promotion programs; (4) provide efficient tax and non-tax incentives for research and development and innovation, as well as exports, by U.S. industry and agriculture; (5) expand export financing to meet foreign competition; (6) negotiate reductions in foreign barriers to U.S. exports; and (7) reduce U.S. Government restrictions and disincentives imposed on U.S. exports.

Executive branch organization to support exports

The United States alone among the major trading countries has no single government agency with authority and responsibility to advance its trading interests. Other countries rely upon trade ministries to help their exporters investigate markets abroad, develop new export products, coordinate export bidding, arrange subsidized financing, insurance and shipping and bargain with foreign governments to assure market access.

Two approaches are possible to organizing the Federal Government to support exports. A new Department of Trade incorporating most trade-related government activities could be established, or an Office of International Trade could be established in the White House with authority to orchestrate the trade-related actions of all government agencies.

Creation of a Department of Trade need not entail additional Cabinet posts nor additional expenditures. The Office of Special Trade Representative, a Cabinet office, could be merged with the trade functions of the Departments of Agriculture, Commerce, State and Treasury to create a new department which could absorb the International Trade Commission and Export-Import Bank as well.

An alternative would be to expand upon the STR's Office, giving it authority not only over trade negotiations, but also to coordinate export promotion and trade disputes. The unhappy experience of the Council on International Economic Policy may have unduly discouraged consideration of this alternative. What CIEP lacked in statutory authority and support from the President are not defects inherent in the concept of a White House office to manage international trade policy.

The International Finance Subcommittee has not held hearings on possible reform of executive branch organization to support exports, but its export policy hearings do point clearly to the need for U.S. exporters to receive more centrally co-ordinated U.S. Government support. It would appear particularly useful to merge the system of commercial officers provided by the Department of State with the system of export promotion operated by the Department of Commerce. A career service in international trade should be established even if no other reorganization steps are taken. International trade specialists of the highest caliber are more likely to be attracted and retained by a career service which offers rotating assignments abroad, in Washington, and in U.S. field offices.

Organizing U.S. industry and agriculture to export

United States policy has long been inconsistent toward organizing U.S. industry and agriculture to meet competition in foreign markets. U.S. antitrust law applies beyond U.S. borders to prevent combinations which could restrain trade within the United States. The Webb-Pomerene Act of 1918. authorized the formation of export trade associations so long as they did not reduce competition within the United States. The purpose of Webb-Pomerene was to enable U.S. exporters to compete more effectively against foreign cartels. However, the vague wording of the Act and narrow interpretations by the Justice Department, the Federal Trade Commission, and U.S. Courts have discouraged formation of export trade associations.

The Webb-Pomerene Act could be revised to expand the scope of permissible activities by export trade associations; services such as engineering, construction, insurance and finance, could be included. The Justice Department could be required to issue clear guidelines and offer advisory opinions on interpretation of the Act. The Commerce Department could be directed to assist and encourage the formation of export trade associations. U.S. exporters could be explicitly permitted to form consortia to bid on major foreign projects abroad, as their foreign competitors are permitted to do.

But Webb-Pomerene may be too weak a reed on which to rely reliance for organizing U.S. exporters. The United States needs trading companies able to organize the exporting efforts of small and inexperienced U.S. firms, to conduct marketing on a global basis and absorb exchange rate fluctuations, just as Japanese and Korean trading companies do. Anti-trust law should be modified as necessary to permit formation of such trading companies. Informed interpretation of antitrust law will not suffice—most firms will not take even a small risk of incurring criminal penalties, nor should they. Grey areas in anti-trust law are minefields for the unwary; clearly demarcated boundaries are needed.

Export trading companies should be free to market goods and services around the globe and their profits should be eligible for tax deferral, that is, not be taxed until distributed in the United States. Only with such freedom of maneuver can U.S. producers take on the Japanese trading companies and bidding consortia organized by European governments. The United States should continue international efforts to reach agreements restricting export cartels, but U.S. exporters and the U.S. economy can no longer afford to bear the full cost of foreign recalcitrance on anti-trust practice.

Redirecting and expanding U.S. export promotion programs

The Commerce Department has recognized that its export promotion efforts need to be targeted more toward new-to-export and new-to-market firms.[24] Smaller, less experienced firms would be major beneficiaries of improved export promotion services because such firms have less access to private sector exporting information services and less opportunity to travel abroad and to meet potential foreign buyers. Commerce has developed a strategy for redirecting its services to better meet such objectives, but funding levels are inadequate at present to permit significant improvement in export promotion activities. Congress should appropriate sufficient funds to the Commerce Department for fiscal year 1980 to enable the Department to carry out an expanded and reoriented export promotion program. Commerce should give greater attention to exports of services, which promise to be a growing portion of U.S. exports. U.S. service industries have special needs by way of exports support, and Commerce should be organized to meet those needs. Commerce should provide loans to small firms and export associations to cover initial marketing costs in new export markets and for new-to-export companies. Repayment would be based upon export sales. The Commerce Department should work more effectively within the United States through its District Offices and State and local trade and economic development offices to reach companies with export potential but lacking export experience. Both at home and overseas Commerce should concentrate its efforts on new exporters and new, rapidly growing markets.

Business has a responsibility to provide for self-education, as well. The professional business associates have given little attention to export education for their members. Experienced industrial firms and banks should conduct programs through their subsidiaries and correspondent banks to deliver exporting assistance to firms outside the major cities. If relations between Government and business were more cooperative, instead of adversarial, the Commerce Department, Export-Import Bank, Treasury Department and Federal Reserve Board would join with the business associations in fostering and conducting an export expansion drive.

Providing efficient incentives for R. & D. innovation, and exports

Tax incentives should be used to stimulate higher levels of research and development than would otherwise occur in our "maturing" economy, and to encourage producers to make the extra effort required to enter foreign markets. Tax incentives may also be justifiable to enable U.S. producers to match European and Japanese competition in third country markets as long as competing countries continue to provide significant tax incentives to their exporters.

The United States has three tax policies which encourage exports: DISC, deferral on foreign corporate earnings, and Section 911 tax relief for certain personal income earned abroad. DISC may not be a particularly efficient incentive but exporters believe DISC is essential to profitable exporting. Removal of DISC without providing a superior tax alternative could lead to a large reduction in U.S. exports. Accordingly, DISC should be retained until another, more efficient tax incentive can be put into effect.

The export benefits of DISC could be expanded in two ways. Smaller companies not directly involved in exporting but supplying parts and components used in exports can set up DISCs to sell to the exporting firms. In this way the benefits can trickle down to smaller businesses. Use of DISC in this way is permissible at present, but has received little encouragement from the Government. Small firms may be unaware of this opportunity and may also be discouraged by the requirement that DISCs be formally incorporated. The incorporation requirement seems a needless expense for firms to incur.

Second, the money flowing into DISCs could be recycled to finance additional exports if it could be re-lent to other firms or foreign purchasers. The Export-Import Bank could use its resources in parallel with DISC funds to multiply the export punch of the DISC incentive.

DISC violates GATT rules and may come under further pressure as a result of the subsidies code being drafted in the Tokyo Round. If DISC is barred, Congress should study alternatives, including a value-added tax with rebates for exports. The VAT system is widely used abroad, is consistent with GATT rules and could be used to fund a portion of social security benefits. VAT is often criticized as being inflationary as well as regressive in impact; however, these effects could be mitigated if VAT were adopted in conjunction with other tax changes. Many foreign countries have adopted VAT systems within the past two decades and their experience should help Congress determine what costs and benefits VAT would entail for the United States.

Another alternative to DISC would be to defer taxation of export sales abroad attributed to an export sales subsidiary. At present the United States attempts to restrict use of

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Footnotes at end of article.

such "tax haven" arrangements by requiring such income to be reported as current earnings. The U.S. practice reduces the export incentive effect of the general deferral of taxation on income earned abroad, contrary to the practice of other governments. To be most effective, U.S. policy should encourage the formation and use of export sales subsidiaries by consortia of U.S. firms.

Section 911 of the Internal Revenue Act provides exemption for some forms of personal income and expenses by U.S. citizens working abroad. Favorable tax treatment is an important export incentive in the engineering and construction industries, which in turn stimulate additional U.S. goods exports. The effect of Section 911 on U.S. exports requires careful examination and the tax incentive should not be reduced prematurely.

Over the long term, the most significant way to promote exports is to improve U.S. industrial competitiveness by encouraging innovation and productivity growth. The important circularity of causation between trade and domestic industrial growth should be more widely recognized, and U.S. industrial and export policies should be correspondingly integrated. The President's annual Economic Report should contain a section specifically reviewing developments in capital formation and research and development, with evaluation of the export implication of such developments.

In particular, the pivotal importance of innovative small businesses and research-intensive industries should be acknowledged. Tax policies and securities regulations which have seriously affected the rate of formation of new ventures need reconsideration, and incentives used in a number of foreign countries to stimulate R. & D. should be investigated.

For example, several Western countries, including Canada and West Germany, allow immediate write-off of research-related capital investments. The West Germans also permit R. & D. venture companies to depreciate up to three times the original investment in the venture before being subject to corporate income taxation.

An investment tax credit for research and development expenditures on "intangibles" could stimulate higher levels of R. & D. Another possibility would be to increase the existing investment tax credit for capital expenditures that are research-related. Alternative incentives could involve accelerated depreciation for capital equipment embodying new technology or capital with research and development uses.

Industrial innovation is hampered by barriers to cooperative research imposed by the government in the name of competition. The extent to which current antitrust restrictions and Justice Department policies inhibit industry from collaborating to make optimal use of R. & D. resources should be reassessed. Indeed, it is time to move beyond the traditional adversarial government/industry relationship and examine the possible gains from cooperative research institutes, funded by business and government, with university participation. Such three-way cooperation has been successful in basic research efforts in the past; work in a broader range of areas, including the development of commercial technologies, should be explored.

More effective commercialization of existing federal research would also be beneficial for exports. Greater industry involvement in the selection and management of government funded projects could help insure that the results are commercially viable. Restrictive agency patent policies, conflict of interest rules and other impediments to innovators working on federal contracts demand reconsideration.

Finally, the United States must awaken to the fact that technology transfer is no longer a one-way street. In an age where two-thirds of all research and development takes place outside the United States, our channels for acquiring foreign technologies and scientific information are woefully inadequate. The United States has, relatively, far fewer science attachés abroad than do European countries, Japan and the U.S.S.R. Moreover, the activities of U.S. science attachés are largely oriented to the administration of science agreements rather than the search for foreign-developed advanced technologies. The links between science attachés and U.S. firms operating abroad are weak, where they could be immensely valuable. There is little sense of the potential commercial gains from encouraging and assisting U.S. firms to obtain foreign technologies. Bolstering the commercial awareness of science attachés and strengthening the technological awareness of commercial attachés in order to improve the two-way flow of technology are far more promising strategies than trying to limit the outflow of American technology.

Expanding export financing

The Export-Import Bank and the Commodity Credit Corporation are the primary U.S. government institutions providing financing for U.S. manufactured and agricultural commodity exports respectively. Both face political as well as economic constraints on funds and the markets in which they can operate—constraints not faced by corresponding institutions in competing countries.

Eximbank is required to obtain approval in an appropriations Act each year for its level of direct lending. The Office of Management and Budget has tended to regard Eximbank as a drain on the Federal budget despite the Bank's essential role in expanding U.S. exports, and thereby, profits, employment and Federal tax revenue. The budget proposed for fiscal year 1980 would permit the Bank to provide only one-third of the direct loans for U.S. exports expected to be requested from the Bank. Because Bank support is the determining factor in two-thirds of the export sales it supports, and because the value of the exports supported averages twice the value of the Bank's direct loans, as much as 10 to 15 billion dollars in U.S. exports may be foregone due to the ceiling imposed on Eximbank activity in fiscal year 1980 by OMB.[25] Congress should increase Eximbank's direct loan authority for fiscal year 1980 to 12 billion dollars from the 4 billion level approved by OMB. Congress should also review the budgetary treatment of the Bank to determine whether such treatment accurately reflects the fiscal impact of Bank activities.

Eximbank policies should also be changed to increase the support it can provide for U.S. exports. The Bank should end its practice of returning an annual "dividend" to the U.S. Treasury. No public purpose is served by shuffling U.S. Government funds from one account to the other. Eximbank need not perpetuate a fictional financial independence. All the Bank "profits" should be added to Bank reserves available to meet possible default by foreign purchasers.

Eximbank should also consider adopting some of the export-supporting programs offered by foreign official credit agencies: performance bond guarantees, financing for pre-feasibility studies and increased local and foreign content financing. The Bank should abandon its 5 million dollar threshold for direct credits and financial guarantees, because the threshold limits access to the Bank by small exporters. The Bank should consider joint export financing activities together with counterpart institutions in other exporting countries.

Congress should make Eximbank and CCC support available, subject to periodic review, to all countries with which it is U.S. policy to encourage trade. Large potential markets for U.S. goods and services are being conceded to foreign competitors because Eximbank and CCC cannot assist U.S. exports to certain countries.

Another area of growing competitiveness is the provision of low-interest, long-term loans to poorer developing countries for capital goods imports. Except in rare instances, Eximbank cannot afford to match foreign credits to developing countries which combine concessional development support with export financing, so-called "mixed credits." In addition, many developing countries would like to purchase goods and services from the U.S., but cannot meet the Bank's normal credit standards.

To meet this dual challenge, Congress should authorize a new Bank program to provide export financing for sales to countries with per capita income below $1,000. Financing could be provided on normal Bank terms; however, the Bank could offer such terms as necessary to match foreign competition. An initial authorization and appropriation of $500 million in capital should be provided for the program.

Private financing of U.S. exports will be assisted by changes incorporated in the International Banking Act of 1978 which liberalize usage of Edge Act Corporations for export financing. The Federal Reserve Board should promptly issue revised regulations putting the new Edge provisions into effect, and the Commerce Department together with the Treasury Department and the Federal Reserve Board should launch a program to educate U.S. businesses in the formation and use of Edge corporations to finance exports.

Negotiating reductions in foreign barriers to U.S. exports

The export implications of the trade agreements negotiated at Geneva should be reviewed thoroughly by the Congress. The Subcommittee on International Finance will hold hearings on the agreements later this year.

Many of the non-tariff barriers which thwart U.S. exports will not be removed automatically by adoption of the trade agreements and the accompanying codes of behavior. A continuing effort to compel implementation of the codes will be required, and many disputes will arise which can only be resolved through bilateral negotiation. Congress should give particular attention to the mechanisms for implementing the trade agreements and insuring compliance with the codes.

Agriculture is the sector which suffers most from foreign non-tariff barriers and has the greatest long-term promise for U.S. export growth. The United States Government should increase its pressure on foreign governments to admit U.S. agricultural products, if necessary, by linking U.S. action on manufactured goods imports to foreign actions affecting U.S. agricultural exports.

Congress should re-examine agricultural policy to consider replacing a system of price supports and set-asides which pays farmers not to produce with a system of target prices and cash payments which encourages food production, holds down food prices, and stimulates agricultural exports. Meat is the most efficient means for the United States to provide protein to the rest of the world. Grain-fed meat exports would benefit from lower feed costs under a target-price system, and so would U.S. consumers.

The Commodity Credit Corporation should be authorized and directed to serve as U.S. agent in grain sales to non-market economies. CCC could match the deals arranged by the Canadian and Australian wheat boards.

Footnotes at end of article.

When the Tokyo Round of trade negotiations is finally concluded it will be time for another. The Tokyo Round negotiations open the doors to a series of new negotiations. Non-GATT members have trade barriers, too, which should be tackled in multilateral negotiations. Special trade facilitation committees may be needed to clear trade complaints arising under the proposed GATT codes. U.S. export incentives have a vital role both in helping U.S. industry and agriculture to fulfill the promise of the MTN package, and in insuring that other countries keep their part of the promise.

Congress should adopt a package of export-stimulating measures to accompany the trade agreements. United States producers should be given maximum encouragement to exploit the export opportunities expected to result from the reduction of tariff and nontariff barriers.

Reducing U.S. Government disincentives to exports

Exporters assert that the biggest incentive the United States Government could provide to exports would be to reduce the many export restrictions and disincentives it imposes. U.S. exporters face export controls, anti-trust, anti-bribery, human rights, environmental review and other restrictions not faced by their competitors. Congress should resist the impulse to restrict exports to countries whose internal or external policies do not meet U.S. standards and objectives, when restrictions would prove ineffective.

Testimony received by the Banking Committee suggested that unilateral efforts by the United States to exert economic leverage on foreign governments through export restrictions have generally been unsuccessful.[26] In many cases other countries have captured the export business and it is questionable whether U.S. foreign policy objectives have been advanced.

Congress should review the statutory and regulatory restrictions on U.S. exports to determine whether such restrictions accomplish purposes outweighing their economic cost. In many cases it may prove possible to design alternative approaches which serve U.S. moral and foreign policy concerns without sacrificing market opportunities. A place to begin is with revision in 1979 of the Export Administration Act.

Delays in export licensing decisions pursuant to the Act are a significant cause of U.S. export loss. Exporters should be informed of the specific reasons for license delays or rejections. Because U.S. licensing policy is often unclear, foreign purchasers come to regard the U.S. as an unreliable supplier. In areas of rapidly expanding technology, the control levels should be revised more frequently. Too often the Commerce Department responds to a rapidly evolving state of the art around the world only when deluged by license applications which should not have been required in the first place. If the Executive departments will not devise a more efficient way to provide essential monitoring and control without excessive disruption of U.S. exports, Congress must.

The restrictions in the Trade Act of 1974 and the Export-Import Bank Act on granting nondiscriminatory trade treatment and credits to communist countries should be amended to permit expanded trade and credits subject to periodic review by Congress and the President of relations with such countries.

The President's Executive Order requiring environmental reviews of many U.S. exports threatens to discourage exports without encouraging environmental protection. Regulations to be issued pursuant to the executive order should be subject to careful public scrutiny as provided in the Administrative Procedure Act. Agencies should pursue international efforts to encourage environmental protection to the maximum extent feasible rather than imposing unilateral environmental reviews. The President should revise his order to authorize U.S. Government review of the environmental effect in a foreign country of U.S. exports only upon the request of the foreign government, and to require consideration of foreign availability and the reputation of the U.S. as a supplier before proceeding with any environmental review pursuant to the order.

International finance and U.S. exports

Competitiveness will avail the United States little if the world is insolvent. The problem of financing economic growth throughout the world is beyond the scope of this study, but not beyond the scope of this subcommittee's interest. Global institutions of finance and trade are needed as urgently as a U.S. export policy. The Bretton Woods system has been seriously undermined, but the world awaits U.S. leadership to develop a replacement. The world monetary order should be expanded, as well as stabilized. In addition, the United States should lead in the creation of new global institutions to deal with the resource problems of an interdependent world and the economic development of the poorest countries.

These objectives intertwine. Developing countries today purchase more of the U.S. capital goods than do Europe, Japan and the East Bloc combined. These countries also represent our fastest growing export markets. An increased commitment to development assistance and international scientific and technological cooperation should be made, not out of a sense of short-term political expediency, but with the conviction that these directions unchallengeably advance the long-term economic and political interests of the United States. The potential is clear, but the U.S. response is not. We must act before these goals are preempted by policies too narrowly conceived to serve an interdependent world.

FOOTNOTES

[1] See *Export Policy* hearings, Part 1, p. 15.

[2] Senate Banking, Housing and Urban Affairs Committee hearing "The President's New Anti-Inflation Program, November 3, 1978, p. 42.

[3] The Federal Reserve estimated that the dollar's exchange value on a trade-weighted basis was slightly above the level of March, 1973 in early 1978. The dollar reached its peak value in June, 1976, 10% above its level in March, 1973, declining slightly from June, 1976 to September, 1977 and then experienced a rather sharp 7% decrease from September, 1977 through January, 1978.

[4] Economists disagree on the effectiveness of the "J-Curve" phenomenon. Dr. Lawrence B. Krause of the Brookings Institution in testimony before the Subcommittee on February 6, 1978 contended current dollar depreciation would lead in time to improved U.S. trade perormance, but Tilford C. Gaines of Manufacturers Hanover Trust Company questioned the effects of exchange rate depreciation when rates tend to cycle or move up and down episodically. Gaines suggested only stable depreciation over a finite period of time affected trade balances. See Part 1 of the hearings on Export Policy held by the Subcommittee on International Finance, pp. 91–109.

[6] See testimony of John F. Norris, Chase Econometrics Association, Inc. *Export Policy* hearings, Part 1, pp. 124–126.

[6] Rudiger Dornbusch, "Flexible Exchange Rates and Macro-economic Performance: The U.S. Since 1973" paper prepared for the Tripartite meeting, Tokyo, November 14–16, 1978, p. 23.

[7] The incentives offered by foreign governments to their exporters are cataloged by the Special Committee on U.S. Exports in Part III of the *Export Policy* hearings, pp. 107–243.

[8] See *Export Policy* hearings, Part 6, pp. 140–187.

[9] *Export Stimulation Programs in the Major Industrial Countries*, p. 40.

[10] See *Export Policy* hearings, Part 4, p. 75. Table submitted by the Department of the Treasury.

[11] Part 5 of the Subcommittee's *Export Policy* hearings contains the record of a hearing on "Agricultural Export Policies" held on March 30, 1978 in Chicago, Illinois. Additional testimony and statements on agricultural exports are contained in: pt. 2, pp. 3–38, 193–216; pt. 3, pp. 244–250; pt. 8, pp. 1–28, 42–43, 150–175.

[12] See *Export Policy* hearings, Part 1, p. 6.

[13] See *Export Policy* hearings, pt. 8, p. 26.

[14] See *Export Policy* hearings, pt. 5, pp. 24–25.

[15] See Chapter 4 of this report.

[16] Testimony on this subject is contained in part 7 of the Subcommittee's hearings and pp. 45–150 of part 8.

[17] It should be pointed out that this statistic distorts the case slightly, because GNP is growing faster in the service sectors, which are less R&D intensive.

[18] See *Export Policy* hearings. Part 8, p. 2, Testimony of Alan W. Wolff, Deputy Special Representative for Trade Negotiations.

[19] See *Export Policy* hearings, Part 8, pp. 18–19.

[20] *Op. cit.*, p. 19.

[21] *Op. cit.*, p. 32.

[22] *Op. cit.*, p. 12.

[23] *Op. cit.*, p. 13.

[24] See "Export Promotion Strategy and Programs", pp. 198–429 of *Export Policy* hearings, Pt. 6.

[25] Ten billion dollars in lost exports would represent 20 billion dollars in lost GNP, 4 billion dollars in lost tax revenue, and 400,000 lost jobs.

[26] See hearings on the *Use of Export Credits and Controls for Foreign Policy Purposes*, Committee on Banking, Housing and Urban Affairs, October 10 and 11, 1978.

ADDITIONAL VIEWS OF SENATORS WILLIAMS, CRANSTON, AND TSONGAS

We want to commend Senator Stevenson, chairman of the Subcommittee on International Finance, for the thorough and probing hearings he held last year on U.S. export policy. The subcommittee's report on these hearings will provide invaluable guidelines as the Congress explores ways to improve U.S. export performance.

While we generally concur with the findings detailed in the report, we cannot endorse all of the recommendations contained therein.

In particular, we do not agree with the recommendation that the provisions of the Trade Act of 1974 applicable to the granting of nondiscriminatory trade treatment to communist countries be amended. We believe that sufficient authority to expand trade and credits with nonmarket economy countries exists under the terms of section 402, also known as the Jackson-Vanik amendment. The President can, by exercising his waiver authority when necessary and advisable, achieve those objectives in accordance with the provisions of current law and with the concurrence of Congress. In our judgment, it would be both unwise and unnecessary to recommend at this time that the law be altered.

ADDITIONAL VIEWS OF SENATOR HEINZ

This report represents the substance of 11 days of hearings and submissions from both the Government and the private sector on export policy problems. As such it is both comprehensive and definitive on a subject which has increasingly become a focus of policy debate since the hearings were held last spring. As the monthly trade deficit figures were announced last year, each grimmer than the last, and as the dollar continued its dramatic decline, the Nation as a whole began to realize what members of this subcommittee have been saying for some time—that these events have had a serious adverse impact on our economy, most notably contributing significantly to inflation, and that one sensible means of dealing with the deficit is to increase our exports.

With some notable exceptions, the value and potential of exports have been unappreciated by many American businessmen historically used to relying solely on domestic sales. Exports represent a smaller proportion of our total economic activity than other industrialized countries, but an improvement in that performance inevitably rests upon convincing businessmen that the export market is lucrative from an economic point of view and viable from a practical point of view. That is, we must convince our businessmen that they can make money exporting and that the costs—both economic and bureaucratic—will not outweigh the benefits.

Realizing this change will depend on direct contact with individual entrepreneurs in order to make a persuasive case. Such persuasion, however, will be helped immeasurably by the substantive recommendations in this report. While I cannot endorse all the recommendations at this time, on the whole I believe they will do much to improve the exporting climate in the United States and put exports in their rightful place in our economy.

Of particular importance among the report's recommendations are the reorganization of the executive branch into a Department of Trade (whether it would be a Department of International Trade and Investment as Senator Roth conceived in his legislation, which I am cosponsoring, or some other approach is a question for separate study) and the streamlining of the bureaucracy, particularly our export licensing procedures, so that our own controls serve real policy purposes rather than simply tie our hands with red tape.

Interesting businessmen in exporting means both making it easy for them to get involved—as reorganization and streamlining could do—but also making it profitable for them. This means more effective incentives, through the Export-Import Bank so we can compete financially with other nations, and through tax incentives. Though a case can be made that DISC has been of only marginal help to smaller businesses and that most of the benefits have gone to larger established firms, it nonetheless is the best thing we have at the present time and thus has both a symbolic and substantive significance. Eliminating DISC would be a clear signal to our exporting community that their activities really do not have a high priority in our economy. We can ill afford to send that signal at this time, although I am told that administration dislike of DISC has already created uncertainties about its future and therefore some reluctance to begin to use it. I do, however, agree with this report's conclusion that we can do better, and I urge prompt study both of proposals for a value added tax and the use of tax deferral by export sales sudsidiaries.

The recommendations in this report add up to substantially more than the President's proposals, which have been accurately described as "modest." The Carter administration is clearly committed in principle to expanded export activity, but the limited nature of the President's recommendations show his reluctance to take the necessary practical steps, and pay the necessary costs, to achieve the objectives. It is a fact that incentives are going to cost money, that reorganization will intrude on bureaucratic fiefdoms, that streamlining our export licensing procedures will impinge upon other policy objectives, that more aggressive competition for export sales through more extensive Export-Import Bank activity may irritate our trading partners (largely the same ones, incidentally, that are dumping subsidized products in this country).

An effective export promotion policy necessitates a recognition of these facts and a commitment to bear their costs. Senator Stevenson and I, among others, are prepared for that and believe the overall benefits will outweigh these costs. I am concerned that the administration may believe it can accomplish the same thing on the cheap—through half steps that don't significantly change existing policies and relationships. This report should make clear both the importance to our economy of achieving the goals we have all agreed on and the possibility of meeting them through half measures.

ADDITIONAL VIEW OF SENATOR KASSEBAUM

As I did not participate in the hearings or study leading to the preparation of this report, I feel it would be inappropriate for me to either endorse its recommendations or refrain from endorsement. However, I do note that the report contains suggestions which will require committee action and I certainly look forward to the challenge of finding ways to improve American trade policy, particularly as it relates to the export of agricultural products.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. STEVENSON. The time is controlled by the Senator from Delaware, but I will yield to the Senator from Iowa such time as he needs, until the Senator from Delaware returns to the Chamber.

Mr. JEPSEN. I thank the Senator.

Mr. President, I, too, wish to echo the sentiments and feelings expressed by the Senator from Minnesota (Mr. DURENBERGER), the Senator from Delaware (Mr. ROTH), and the Senator from Illinois (Mr. STEVENSON).

I assure Senators that no one welcomes this National Export Policy Act more than the businessmen and farmers of Iowa. Our twin empire State of agriculture and industry exports 3 billion dollars' worth of goods each year, and 20 percent of Iowa's manufacturers export more than twice the national average.

Cedar Rapids, Iowa, has the greatest export volume per capita of any city in this Nation. Iowa is a key contributor to this country's agricultural trade which provides the only "positive" figures in our balance-of-payments deficit.

I am especially grateful to the committee for including in this act a bill which I introduced earlier this year, encouraging small- and medium-sized businesses to launch export ventures.

Encouragement, not discouragement, is what our exporters need to fight our balance-of-payments deficit and create much-needed employment. Acts of interference in trading—such as the grain embargo—plus burdensome regulation from multiple agencies have not created the healthiest climate for risking one's well-earned money on exporting.

But parts of this new act will help take some of the risk out of export marketing for small- or medium-sized businesses who do not have $100,000 to spare for startup costs, which are usually not recoverable for several years.

Under the act, businessmen and the Commerce Department will share the costs of marketing research and analysis which is mandatory before beginning an export venture. This is not a Government giveaway—this is a loan program which must be repaid over a designated period of years, based on total sales during that period.

Firms seeking financial assistance will be required to submit comprehensive marketing plans in advance, plans which offer a reasonable prospect of success. Only firms with a proven track record and viable financial assets will be allowed to participate.

Mr. President, Iowa is a State that thrives on its ability to export. In our State, as in the State of Illinois, the State of Delaware, the State of Minnesota, and all the other States, the more exports, the more jobs, and more jobs result in more money in people's pockets and bank accounts.

This Export Act is a signal not only to our economy and our industrial people and the agricultural segment of our economy in this country but also to our trading partners around the world—a signal that the U.S. Congress has made a commitment to be helpful, to provide encouragement, not discouragement, to facilitate trade for all segments of our economy in this country.

I commend this committee for this National Export Policy Act, which helps bring a closer partnership between the export-minded businessmen of this Nation and Government.

Mr. PERCY. Mr. President, I strongly support the intent of the National Export Policy Act. By combining a number of bills now being considered by various Senate committees into an omnibus trade bill it will focus Congress and the Nation's attention on the importance of international trade to our economy. The need for this action, for which I commend Senators ROTH and STEVENSON for their leadership, is becoming increasingly important particularly with the deepening recession and the strident cries for protectionist actions. Whenever world economies fall under difficult times, we tend to forget how dependent our economy is on others to remain strong and vibrant. Threats of trade wars through quotas and high tariffs simply worsens fears of economic uncertainty and catastrophe.

Over the years I have strongly supported efforts to reduce barriers to international trade and worked on legislation to remove disincentives to export. This bill, which I am cosponsoring, is a good first step in addressing many of the problems facing our exporters in dealing with the tough competition within the world market today.

As with most omnibus bills, there are a few provisions of the bill on which I intend to reserve judgment until I and the committees of substantive jurisdiction have a chance to study the proposals in depth. Such reservations in no way reduce my enthusiasm for the intent of the bill to place emphasis on international trade and to spur American exports.

I urge the responsible committees working on the bill to follow the Export Caucus' lead on establishing a comprehensive national export policy and to take action in addressing the needs of our trading community.

Mr. BENTSEN. Mr. President, I am pleased to join Senator STEVENSON and members of the Senate Export Caucus in cosponsoring the National Export Policy Act of 1980.

Mr. President, in the first quarter of this year our merchandise trade deficit, on a CIF basis, exceeded $13.5 billion. That is an astounding figure; it is equivalent to our accumulated trade deficit during the 56-year period 1920–76. There is an excellent chance that our trade deficit this year will be the highest in our history and will exceed $40 billion.

One does not have to be a trained economist or an expert in fiscal policy to appreciate that this hemorrhage of dollars abroad debases the value of the dollar, fans the fires of domestic inflation, and raises grave doubts about our future ability to compete in the international marketplace.

Once the overwhelming, dominant economic force in the world, the United States today is in danger of becoming the sick man of the trading community. We can no longer afford to look upon international trade as a luxury for those few, select firms inclined and able to compete. If we are to meet the terms of trade and pay our way in the future, American exports—and a comprehensive policy to sustain them—must become an urgent national priority.

In a very significant sense, our problems in trade are a reflection of problems in our domestic economy. In the tough, competitive world of trade market opportunities are the rewards for efficiency, investment, innovation and aggressive marketing.

The United States of America, historically the most productive economy in the world, today has the lowest rate of productivity growth of any major trading nation. We are rapidly losing our competitive advantage. We have the lowest rate of savings of any industrialized democracy. Our investment in new plant and equipment is lagging; we turn over our industrial base once every 30 years, while the Japanese do it every 10 years. If that trend is projected into the future, it is not difficult to see which economy will be more efficient and successful.

And finally, Mr. President, despite our obvious and compelling problems with trade, the United States is the only trading nation I know of that clings stubbornly to the counterproductive, adversary relationship between business, government, and labor.

Look around the world, look in East Asia, look to the Common Market and you will see the private and public sectors working hand in hand to increase exports, make financing available, and seize trade opportunities. In most of these nations, the minister of trade stands at the right hand of the president or prime minister, because our trading partners have learned that a successful performance in international trade is a vital component of domestic prosperity.

The National Export Policy Act is a product of the Senate Export Caucus; it is evidence of the caucus' determination to create a new export awareness in America and establish an atmosphere in which American business, labor, and government can cooperate in the cause of American competitiveness.

No one would pretend that the various proposals contained in this legislation provide some magic key to successful export performance in the future. This country must obviously set its own economic house in order before we can hope to meet and beat the competition abroad.

The National Export Policy Act of 1980 does, however, identify and target some of the most significant impediments to American exports, the sort of disincentives that are calculated to make a difficult economic situation even worse. I sincerely believe that as we move to realize basic, structural reforms in our economy that will produce higher rates of productivity, higher rates of savings and investment, and lower rates of inflation, we must also follow the outline offered by this legislation. We must eliminate the disincentives that place our exports at a unique disadvantage, take a close look at export financing, and move promptly on important initiatives such as export trading companies.

During my trip to east Asia with the Joint Economic Committee earlier this year I saw first hand, in the environment of the world's fastest growing market, the extent to which our export effort suffers from self-inflicted wounds. I returned from that trip determined to play an active role in building a new trade policy for America, one that emphasizes incentives for exports and demands equal access for American goods.

The National Export Policy Act is an important step in that direction. In the months to come it will help focus attention and discussion on the impediments to American exports; it will contribute to a greater export awareness in the American business community and in Congress. I want to commend the leaders of the export caucus, Senators STEVENSON and ROTH, for their efforts on behalf of this legislation. I also want to assure my colleagues that I am fully prepared to work with them in the cause of a trade policy that makes sense for America.

Mr. HEINZ. Mr. President, I am pleased to be a sponsor of this bill, the National Export Policy Act of 1980, which represents a comprehensive effort by many Senators to take a stand in support of a more aggressive export policy that goes beyond rhetoric.

We should not misunderstand the significance of this step. Our merchandise trade deficit for the first quarter of 1980 was $13.5 billion, which represents an annual rate more than 40 percent ahead of last year. We are now in our 49th consecutive months of deficits, and ever since that string began various segments of our society—Congress, the administration, business—have all been talking about more exports. Unfortunately, until recently there has been too much talking and too little doing.

The administration, while giving lip service to the need for more exports has all too often at critical moments fallen back on the shortsighted analysis of the accountants at the Office of Management and Budget who see only short-term outlays and ignore the subsequent benefits to the economy.

The Congress, more strongly export-oriented than the administration, has nonetheless been tempted, at a time of fiscal restraint, to create an export policy on the cheap, without giving adequate consideration to the economic benefits of stimulating exports in terms of increased income, jobs, and tax revenue.

The private sector, seeing the problems most clearly because of their daily exposure to them, has been aggressively in favor of a stronger export policy, but has focused on disincentives in current law, some of which exist to meet more important objectives, such as national security, and all of which have firm bases of support in other segments of the society.

In the past year, however, thanks to the sustained efforts of a number of us in the Senate who share in the sponsorship of this bill, some major initiatives have been taken which show great promise.

TRADING COMPANIES

The Senate Banking Committee has just reported the export trading companies bill, a truly innovative approach designed to increase our expertise, influence and leverage in making export sales abroad. The bill is a response to four conclusions developed during extensive hearings in 1978 and 1979 before the International Finance Subcommittee.

First, the continuing bad news about our trade balance, which has gotten worse throughout the life of these hearings, dramatizes the importance of exports to our economy.

Second, the progress we make in closing this trade gap will depend on our ability both to increase current exports and also to reach beyond traditional American exporters to those other businesses which have products and services that are competitive internationally.

The recent completion of the Multilateral Trade Negotiations which will result in some lowering of both tariff and nontariff barriers on the part of many countries provides us with an important opportunity for just such expansion. Indeed, if we do not act, the major effect of the MTN could well be to open up other nations' markets to our competitors rather than to our own manufacturers.

Third, thousands of potential entrants into export markets, largely small- or medium-sized businesses, face serious barriers to competing successfully in the international marketplace.

They often lack interest and motivation because of the historic insularity and prosperity of the domestic market. Until recently there has not been much need to seek sales elsewhere.

The complexities of language, law, and practice associated with doing business abroad present major barriers to American businesses, most of which lack the resources to overcome these obstacles. Successful exporting often necessitates a foreign presence familiar with local law and custom, as well as skill in dealing with the multiplicity of international service providers—freight forwarders, brokers, insurance companies, purchasing agents, and so on. Dealing successfully with this array of forces demands making informed choices and having the necessary capital and "know-how" to implement those choices.

Finally, our own laws provide obstacles in the form of exports disincentives generally and restrictions on banks' ability to provide needed capital to trading companies and uncertainties about antitrust enforcement.

The trading company concept is intended to attack these barriers. By creating organizations whose major business is foreign trade, particularly exporting, we can put into one place the variety of services needed by would-be exporters, and we can create a cadre of knowledgeable, experienced professional traders who can seek out market opportunities and successfully close deals.

The bill approved by the Senate Banking Committee and included in the National Export Policy Act, would provide loans and loan guarantees as well as tax incentives to set up and operate trading companies. It would permit bank involvement in and, under limited circumstances, control of such companies, which will help provide necessary capital. And, thanks to the long and detailed work of Senator DANFORTH, it would amend the Webb-Pomerene Act to clarify the antitrust immunity provided trading companies and Webb-Pomerene associations.

EXPORT-IMPORT BANK

A major effort has been underway—with only partial success—to significantly increase funding for the Export-Import Bank. Despite opposition from the administration we succeeded in obtaining a fiscal year 1980 level of $5 billion for direct loans, an increase of $1.25 billion over fiscal year 1979, only to have the appropriations bill run afoul of the budget process. Having been derailed, it now appears the final amount will be somewhat less than the $5 billion, but still more than fiscal year 1979. Still it is unlikely to be enough to prevent the Bank from shutting its doors before the end of the current fiscal year. This funding battle is not over yet.

The Bank's legitimate business far exceeds its supply of funds and, over time, I am confident that those of us who understand the real economic benefits the Bank provides will prevail. In an effort to increase awareness of the Bank, its problems, and its importance to exporting, a number of us have introduced legislation (S. 2339, 2340) which will give the Bank additional resources to compete with predatory export credit practices of other nations and to move more aggressively into markets where we have thus far not been that active a presence.

FOREIGN CORRUPT PRACTICES ACT

In the area of disincentives, Senator CHAFEE, myself and others have just introduced amendments to the Foreign Corrupt Practices Act designed to bring that statute into the real world of international business and provide the private sector with greater clarity and certainty in meeting its terms.

In addition to pending separately, all these proposals, as well as many others, are included in the National Export Policy Act of 1980, a bill intended to be a comprehensive statement of what those of us who are concerned about exports believe to be the proper course for the Nation.

Obviously not all of the cosponsors of this bill view every part of it with equal enthusiasm. I have some particular concerns about the scope of the agriculture provisions in title VII as well as some other sections which I believe deserve further review. It is also clear that this bill is unlikely to be enacted in its present, complete form. Some parts, such as the trading companies section, should see action this year. Others, regrettably, may take longer.

Nevertheless, as introduced today the bill serves an invaluable purpose: It represents a statement of commitment and policy by its sponsors. Commitment to make the development of comprehensive export legislation a top priority for this and succeeding Congresses. A policy which is both broad and deep in terms of the actions necessary to remove the obstacles to exporting we have erected.

For this reason the National Export Policy Act is a symbol that transcends the substance it contains—a symbol of our dedication and commitment. A symbol to rally the private sector's support to turn that commitment into law.

Mr. President, these changes are not particularly radical; in fact, compared to the Japanese model they are exceedingly modest and certainly in keeping with our historic emphasis on competition in a free market. They are, however, necessary to putting the United States in a competitive international position.

We are well aware that some controversy continues over parts of the trading company proposal. Our purpose today is to express our support for the idea, to detail the progress being made on the Senate side, and to encourage your committee to grab hold of the concept, shape it in the way you want and bring it to the House floor for debate. We are enthusiastic about the opportunities this proposal provides for American business and labor, and we hope you share that enthusiasm.

● Mr. LUGAR. Mr. President, I am pleased to add my name to the list of original sponsors of the National Export Policy Act of 1980. Senators ROTH and STEVENSON deserve our praise and admiration for spearheading this effort to make export expansion a top national priority.

The United States has experienced a serious and persistent decline in its international balance of payments position over the past decade, culminating last year in an overall trade deficit in excess of $27 billion. Such an enfeebled performance should awaken us to the fact that a firm, resolute, and comprehensive program is needed now to restore the economic viability and vitality this Nation once enjoyed. The American people look to Congress to foster an economic environment conducive to the long-term maintenance and creation of jobs. Our Nation's businesses—both large and small—have a right to expect an economic environment in this country which fosters vigorous competition on a global scale.

It is in this spirit that the Senate should begin debate on the National Export Policy Act of 1980. Many Members of the Senate have involved themselves in legislative efforts to improve our export situation through committee work or individual initiative. I have cosponsored legislative initiatives and have supported bills both in the Banking Committee and on the Senate floor to foster exports. Most of these legislative efforts, however, have addressed problems on a piecemeal basis; the National Export Policy Act of 1980 recognizes the multifaceted scope and diverse nature of the problems associated with increasing exports.

Not all of my fellow Senators will find themselves in full agreement with all provisions of this bill. But this omnibus export bill provides the basis for an expansive debate on all topics relevant to our Nation's export problems so that we may begin to direct and focus our attention on those areas where consensus demands that immediate action be taken.

Although I am in full support of any effort which responsibly addresses the legal, bureaucratic, psychological, social, and economic impediments which currently inhibit the expansion of our exports, I would be remiss if I failed to qualify my enthusiasm of this legislation somewhat by at least mentioning some of the areas of this bill which I believe deserve an especially critical examination before any favorable legislative action is taken.

In title III, for instance, the bill provides for reimbursing firms for foreign currency losses. While the intent of such language may be just and quite understandable given the difficulties encountered in foreign markets, especially over the last two decades, I am skeptical about subsidizing these normal and expected risks of private corporations through the use of taxpayers' money.

In title V, I believe that the Congress should proceed cautiously on the proposed amendments to the Federal Corrupt Practices Act of 1977. While some difficulties have been experienced in complying with this act, I would be reluctant to make any substantial changes to this measure which have not been exhaustively examined.

Finally, title VII refers to the establishment of an International Wheat Exporting Commission. While the theory behind such a commission may be endearing to a nation which has felt the pains of the OPEC cartel over the past several years, I would caution my colleagues that before we embark on such a course, we should carefully evaluate the realistic expectations such an endeavor might have. The so-called bushel-for-barrel philosophy carries more fiction than fact in its arguments, and I feel confident that a reasoned debate on the matter will so conclude.

Notwithstanding these and some other smaller areas of disagreement, I affirm my strong support for the National Export Policy Act of 1980. Such a comprehensive approach is long overdue and carries with it the expectation that from it will evolve a coherent and consistent national export policy that brings to bear on this problem, the full and considerable level of human and natural resources available to this Nation.●

Mr. JAVITS. Mr. President, the National Export Policy Act of 1980 represents an effort of unparalleled cooperation in this body. The Senate Export Caucus, which is comprised of 65 Senators representing diverse industrial, agricultural, and regional interests, has pooled its energies to bring together under the umbrella of the National Export Policy Act numerous pieces of legislation which, taken in the aggregate, represent the first complete export expansion proposal ever placed before the Senate. By introducing this composite legislation, we hope not only to advance any or all of the individual proposals contained in this bill; but more importantly, we hope to provide a degree of synthesis to what has heretofore been a rather fragmented export expansion effort.

This, after all, is what export expansion is all about, Mr. President. One of the great impediments to this country realizing its full export potential has been its inability to develop a consciousness or an orientation toward developing markets and selling overseas. And one of the Congress main obstacles to legislating trade expansion has been our inability to link up the trade-related issues, tax, antitrust, and finance, in support of a general policy goal of export expansion. Too often the trade promotion aspects of specific bills are overlooked because individually the export, employment, and productivity gains inherent in these bills are not large. But the truth is that no one export proposal is going to pull us out of this slack trade posture. It is only through a process of reorienting business, labor, and Government to the necessity of exporting that we will begin to renew our international trade competitiveness.

There are no quick-fix solutions to the harmful situation that years of neglect and complacency have brought on. Yet a major step in recognizing the breadth of the problem facing us is this National Export Policy Act, which is really a statement of fact more than anything else. It says that, like it or not, the key to export expansion is a multifaceted one and in many cases, an untraditional one.

For example, title IX of this bill contains legislation that Senator Ribicoff and I introduced in order to tap the trade promotion potential of the Overseas Private Investment Corporation (OPIC). This bill, S. 2186, among other things seeks to rejuvenate the trade development function of OPIC so that it may at one and the same time strive to fulfill both trade and development goals.

In the field of antitrust, title IV, this bill includes pieces of legislation which seek to rationalize the twin, but not incompatible, interests of antitrust enforcement and trade promotion. In this area particularly it is somewhat ironic that our national policy of broadening competitiveness in the marketplace has had the unintended effect of limiting U.S. competition in the international marketplace.

Mr. President, there may be some who would say that this bill is ill timed, given the apparent resurgence in U.S. exports, particularly manufactured exports, since the beginning of this year. The export community is to be recognized, indeed, for its export efforts in these past months; yet the fact which we must not lose sight of is the continuing disequilibrium in our balance of trade, the account in our balance of payments that still has the most tangible effect on the value of the dollar overseas and inflation here at home. Until we can get oil imports under control in conjunction with a vigorous export expansion program, our trade account will continue to be in deficit in historic proportions, and the dollar will continue to be buffered in exchange markets by uncertainty and confusion.

Mr. President, I hope that this bill will signal to the administration and to U.S. business and to our major foreign competitors that the Congress is serious about enhancing our international competitiveness, encouraging U.S. enterprises to sell overseas, and equally important, is serious about bringing home to the United States the economic benefits of a strong export base, so important to jobs and growth that we have permitted, indeed encouraged, our competitors to weaken in recent years.

● Mr. CHAFEE. Mr. President, I am pleased to join Senators Roth and Stevenson as a sponsor of the Senate Export Caucus' National Export Policy Act of 1980.

This legislation is truly the product of a collaborative effort, and I am especially proud to have been able to contribute to it.

The National Export Policy Act of 1980 represents a unique and important leadership role on the part of the U.S. Senate to help expand exports.

For the first time, numerous and varied export-related proposals have been grouped together to be studied and considered in a complete and comprehensive manner. Now, we will be better able to discuss export financing policy and tax policy, foreign trade zones and export promotion programs, or antitrust regulations and Government trade disincentives—and how they all relate to each other.

In addition, this bill breaks new ground by addressing some difficult and new issues. With the inclusion of my proposal to amend the Foreign Corrupt Practices Act, or new small business export assistance programs, trading companies, antitrust clarifications, and increased export financing, we are providing the groundwork for a necessary review of these incentives and disincentives.

Finally, and perhaps most importantly, the introduction of this legislation is in itself an accomplishment. It is an accomplishment of perspective because it provides the proper framework by which these many export-related issues should be addressed. To view taxation of Americans working overseas as a simple question of tax equity, or to debate the Foreign Corrupt Practices Act as a topic in securities law or international corruption is to look at these issues through the wrong end of the telescope. If we expect our businesses to be aggressive and competitive abroad, we must begin to think about the effects of legislation and regulation and policy on U.S. exports. In every area, in every committee of Congress, in every agency, export promotion and increased competitiveness must become a priority.

The National Export Policy Act of 1980 may not be complete, but it is a first step toward a unified national policy on trade. The issue here is one of a stronger U.S. economy, and of more jobs for Americans. Since every $1 billion in export sales result in a minimum of 40,000 jobs here at home, our current trade deficit means we are losing well over a million job each year.

I am pleased that I have been able to contribute to this bill on the subject of taxation of Americans overseas, and on the subject of the Foreign Corrupt Practices Act, two major export impediments. I will continue to push these proposals both as separate legislation and as significant parts of the National Export Policy Act.

I strongly urge all of my colleagues as well as the administration, and all those who are interested in expanding our exports to carefully review this bill, and to join us in plotting a national policy, a single direction, and a clear course of action.●

(The following proceedings occurred later:)

Mr. ROTH. Mr. President, I send to the desk the bill entitled the National Export Policy Act, and I ask unanimous consent that it be held at the desk until an appropriate referral agreement can be worked out.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Will the Senator yield?

Mr. ROTH. Yes.

Mr. JAVITS. Mr. President, I am a cosponsor of this bill. I commend it very highly for the consideration of the Senate. It can be a tremendous spur to the export business of the United States, which is very essential.

I congratulate Senator Roth and Senator Stevenson for their proposal of this omnibus measure.

Mr. ROTH. Mr. President, I express my appreciation to the senior Senator from New York for the leadership role he has been playing in this trade area.

I know of no activity which is more important to turning this country around than making it a real export nation.

Senator Javits has been playing a key role in this effort, not only this year, but for many years in the past.

Mr. JAVITS. I thank my colleague.

(Conclusion of later proceedings.)

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Stevenson). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair advises the Senator that if he wishes to speak on the time of the Senator from Delaware, he must ask unanimous consent.

Mr. HEFLIN. Mr. President, I ask unanimous consent to speak on the time of the Senator from Delaware.

The PRESIDING OFFICER. Without objection, it is so ordered.

PLIGHT OF FARMING AND THE FARMER IN ALABAMA

Mr. HEFLIN. Mr. President, today I want to address an issue of immediate concern to me. The story I want to tell is about productive people operating a productive enterprise on productive land. This is a story that merits our individual concentration and concern.

I am referring to the plight of farming and the farmer in Alabama. I know all my colleagues are aware of how few farmers we have remaining in our country. I know that all Senators are aware of how our original agrarian economy has been transferred into the economic wonder of the world. I say this because every distinguished Member of this body has a distinct interest in agriculture. Every State of our Union produces agricultural products in one form or another. No single segment of our society is more productive. Farmers as a group are the single most productive element in our land today.

Mr. President, ordinarily I would warm to the subject which I must address today. I would warm to it because to me it is a story of incredible accomplishment and unprecedented achievement; a seemingly perfect meld of people and productivity. I warm to the subject because the people are my friends and neighbors. The productivity I mention is from the soils of my native Alabama. The story is of honest, hard-working people engaged in the art of farming. The story applies to every State in the Nation.

However, today my story is not warm and it causes me a great deal of concern. The very existence of many farms is threatened. Many who have labored their entire lives producing the food and fiber and timber for this Nation will soon be forced from their land.

If I were speaking of an inefficient resource or a wasteful industry, the story would not be so sad. I am not. I am speaking of the largest, most productive industry in our Nation—agriculture. Alabama cannot claim to be the No. 1 agricultural State; we fall right in the middle. Nor are we the most prosperous. In 1978, net farm income after inventory adjustment was $7,636, nearly 27 percent below the national average. We did contribute $580.3 million to the economy.

Over the past 3 years, every county in my State of Alabama has been plagued by some manner of natural disaster—drought, flood, insects, and last, but by no means least—Government policies. Farmers are familiar with these potential dangers and I mention them only to illustrate that they are not now crying, "The sky is falling." The calm of our farmers under normal disasters is predictable.

Their alarm and frustration under the current political and economic crisis is real and more painful.

Agriculture is a business. Agriculture is a very capital intensive business. It is in serious trouble today and I should like to examine some of the major causes. Investment in agriculture on a per capita basis is higher than any other American industry. Perhaps that is why in 1968 one farmworker supplied 43.4 people, and in 1978 the number had grown to 68 people, or a 36-percent increase. Even the tremendously capital intensive petroleum industry, which has had astronomical price increases, falls far behind agriculture in per capita capital investment.

Agriculture in Alabama is a very competitive business. It is a hazardous business; Alabama farmers from the gulf coast, around Mobile, can attest to the hazards inherent in farming. Their recent suffering from the ravages of Hurricance Frederick represent a stern and unforgettable lesson which will not be soon forgotten.

Agriculture in Alabama is in very serious trouble. Unless some positive action is taken, we stand to lose many of our most successful agricultural producers. We must take warning in time to preserve our small farmers from extinction.

To me it makes as much sense to protect our small farms and farmers as it does to protect fish, plants, and animals. Agriculture and our farmers represent our Nation's greatest natural resources. Recent international events have shown the importance the administration places on agriculture. When the Red Army rolled into Afghanistan, the President responded by imposing a grain embargo. In doing so, he showed the world where the first lines of our national defense lay. It was American agricultural power that was called upon, not American military power. We have heard it described that we operated a "mixed" economy in America. My farmer constituents tell me "mixed-up" would be a far better term to use in describing the current agricultural economy.

High interest rates, unchecked inflation, and periodic market disruptions, have brought on a deterioration in the farmers' ability to maintain high levels of capital investment.

Every day that we fail to act to correct our current inflationary spiral and high interest rates hurts our farmers. Farmers cannot obtain capital at reasonable rates of interest. Government inaction regarding inflation has reduced our economy to a shambles. The failure of Government to recognize the effect of these actions could result in agriculture falling to the same deplorable conditions currently existing in many of our other industries. This is alarming because our agricultural export program is the greatest major contributor to offset the effects of imported oil.

Mr. President, let me turn to the energy mess for just a moment. I am convinced that the Nation's farmers stand ready to pull America out of this foreign dependence on oil by developing alternative sources of fuels produced from grain, wood, and other renewable resources. I believe that the true spirit of our mighty land is reflected in our great natural resources, our people.

I believe the time has come to return greater agricultural control to the individual farmer. We need to begin to remove the bureaucracy from the agricultural process and find ways to promote even greater farm productivity than we now enjoy. I am concerned that the current thrust of policy coming out of the U.S. Department of Agriculture is to remove the economic decisions relating to the production and marketing of commodities from the farmers and give this role to Federal bureaucrats.

Mr. President, I see this as a very real and present danger. I see this as one of the greatest challenges our farmers have ever faced.

We need to examine the tax laws of this country to insure that we are promoting free farm enterprise; farmers in Alabama told me they are overregulated, overtaxed, and over the barrel. It is time to worry about the people who produce.

We need to examine whether or not the executive branch and USDA are helping or hindering the agricultural economy of the Nation. Farmers in Alabama tell me that recent Government policies have had a bigger negative impact on farming than the weather and its effect on production.

What Alabama farmers are really saying is this: Stop your meddling and let us do the job. Mr. President, I hear them. I trust the rest of us do, too.

I ask unanimous consent that an article from the Birmingham News entitled, "Farmers Facing Worst Prospects Since Depression," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMERS FACING WORST PROSPECTS SINCE DEPRESSION

(By Stan Bailey)

MONTGOMERY.—Alabama farmers are saying 1980 may be their bleakest year since the Depression.

With heavy mortgages hanging over their heads, many of them are borrowing money at the highest rate in history to plant another crop, making their annual spring trip to the bank an unhappy experience.

Runaway inflation has pushed the cost of equipment, seeds, fertilizers, herbicides, insecticides and especially fuels high above last year's level. Meanwhile, the Russian grain embargo ordered by President Carter and other factors are pushing down the prices many farmers expect to get for their crops.

To make matters worse, heavy March and April rains have delayed spring plowing and planting as much as a month in some areas, which could slice already thin profit margins thinner.

"Economists are telling the farmer, don't plant his crops," says Goodwin Myrick, president of the Alabama Farm Bureau Federation.

"The numbers just don't come out. The futures market on soybeans and corn is depressed. But we're planting this crop in hopes of beating the averages. We're hoping for a high yield."

That reflects the basic instinct for gambling against the weather and market conditions which farmers have always had. But of the overall assessment at this point in 1980, Myrick says, "It's just bleak."

Fred Lovvorn of the Montgomery Production Credit Association (PCA), whose business is to lend money to farmers, says there is a supply of money available for this year's crops but at rates 4 to 5 percent or more above last year's average.

"We have funds available for production purposes, but under voluntary credit restraints, we are analyzing marginal loans much more carefully," Lovvorn says.

Last month, farm credit bonds were selling at rates in excess of 15 percent, tracking closely the record high prime rates of close to 20 percent from top U.S. banks.

"We have money for the necessities—planting, seed, fertilizers, cattle feed and that sort of thing," Lovvorn said. "But it's just not a very bright picture right now."

A spokesman for a Montgomery area bank which lends money to many local farmers agreed that farmers are able to get credit but at record high rates.

"We're charging 17.5 percent, just under the 1.5 percent a month maximum, which compares with 10 and 11 percent on the same kind of loans a year ago," he said.

"It's almost impossible for me to make it," confirms Percy Roy, one of Autauga County's biggest cotton farmers.

His fields stretch for hundreds of acres in what once was an airstrip. Usually at this time of year the land is almost mirror-smooth, ready for planting.

This year, skeletal cotton stalks from last year's crop still mark the thick mud, here and there bleaching bone-grey in the April sun. It will be days before the land is ready to plant. "It looks mighty bad," he says with a resigned air.

With declining profits, Roy is not sure how much longer his cotton operation can continue. As to what can be done to brighten the picture, Roy says cryptically, "I just don't see it."

E. H. Hunt, whose truck farm is about 20 miles from Montgomery, says the weather may have added a fatal punch to his growing efforts this year.

He and a partner sold many tons of corn, squash, turnips, collards and other vegetable crops last year, but not at what another businessman would consider much profit for the time and effort invested.

"We didn't come out but with about $5,000 to divide up between us at the end of the year," says Hunt. "We're just not getting anything for our labor."

"Last year, we paid 85 cents a pound for turnip seed. This year, we're paying $2.45. We paid $29.50 per bushel for seed corn. This year it has been anywhere from $37.50 to as much as $45," said Hunt, ticking off the upward figures like an accountant.

"Last year we paid $27.50 for a 55-gallon drum of diesel fuel. This year, it costs us $47," he said. "Fertilizer last year was $120 a ton. This year, it's $140."

The cost of oil, imported or otherwise, to most Americans registers as a fact of life at the gasoline pump. Yet farmers like Hunt see motor fuel as an essential part of the cost of doing their business, and it hurts. So, too, for fertilizer, much of which is derived as a by-product from natural gas, or, is expensive to transport from factory to farm.

After the weather put him a month late, Hunt says he may have missed 25 percent of his usual year's production, a major setback before he even gets started.

Like other Alabama farmers who've put a pencil to the numbers, Hunt sees a bleak outlook for profits this year and maybe a permanent end to his operation.

"I just don't think you're going to be able to make anything out of it," he said.

Hunt says he knows two neighbors who have quit truck farming after years in the business.

Myrick said many other Alabama farmers may have to go out of business this year.

Many farmers in past years have switched to soybeans. But this year the soybean market is down, too.

Last spring, Myrick said he sold his soybeans for $8 a bushel. In February, he contracted this year's crop for $6.97 a bushel, which was about as low as he could go and still cover his costs. The other day, soybeans dropped to about $6 a bushel.

Although the Carter administration has taken some steps to ease the impact of the Russian grain embargo—with the federal government stepping in and purchasing much of the grain intended for Russia—it may be some time before the market recovers.

Since livestock producers must look several years ahead in planning their herds, fattened on grain, low grain prices aren't necessarily good news.

Grain farmers could cut back plantings because of dwindling profits with livestock growers feeling the pinch of high prices down the road—just when its time to think about readying livestock for market.

Grain market uncertainties already are spilling over into other markets.

"Hog production costs, for example, are about 36 cents a pound now," said Myrick. "But top hogs are selling for 28.9 cents."

Beef cattle markets also are down because of the high cost of borrowed money, Myrick said. "The big feeders operate on borrowed money, and it's killing them right now," he said.

Myrick said the American Farm Bureau and its affiliate in Alabama have dropped support of Carter's grain embargo.

Russia, he said, already has replaced the lost American grain with purchases from Argentina and Brazil, thus he sees the embargo as a meaningless symbol.

He said farmers traditionally have been good Americans first and farmers second, but they feel now that they have been singled out to bear the full brunt of Carter's foreign policy.

"If, there is a national emergency, let's let two-thirds of the Congress ratify it and let's everybody pitch in to meet it, instead of asking farmers to go it alone," Myrick said.

Alabama and the nation will vote Republican this fall unless Carter "makes some drastic changes" in the economy to restore public confidence, Myrick predicts.

But if price increases are tied to productivity increases . . . if the federal government starts "living within its means" and the farm products are turned into gasohol and ethanol fuels, "there may be a bright future for agriculture."

Otherwise, he says, "it's hard to fight the government and the weather too."

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with Senators allowed to speak therein up to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUDICIARY NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, last evening, I indicated, in response to an inquiry from the minority leader, that, depending upon what the situation would be today with respect to the conference report on the first concurrent budget resolution and the debt limit extension, the Senate might proceed to take up the nomination of the two judges on the Executive Calendar.

At the moment, the Senate is marking time, waiting for the House to act on the conference report on the first concurrent budget resolution and the debt limit extension; and it appears that it probably will be a couple of hours or longer before the House gets a message over to the Senate on either of these measures.

Therefore, it is hoped that the Senate can proceed about 12:15 p.m. today to take up the two judgeships. For the purpose of alerting our colleagues, I make that statement.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I thank the majority leader for that information.

We have attempted to reach those Senators on this side of the aisle who have expressed an interest in these nominees, and we expect that they will be here and available at about 12:15.

As the majority leader knows, as I indicated yesterday, I am not in a position to agree to a unanimous-consent request to proceed to the consideration of these nominations. It is not my expectation, however, that there will be a rollcall vote on that issue.

So far as I know, Members on this side of the aisle, including the distinguished Senator from Kansas (Mr. DOLE) and the distinguished Senator from South Carolina (Mr. THURMOND) are on notice that this matter may be brought up by the majority leader about 12:15. I will make additional effort to make sure that all Senators who are interested in the two nominations are aware of the situation and will be on the floor.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

I believe that, in the interest of utilizing the time of the Senate to the best advantage, I should state that at 12:15 I will have to move, with reluctance, to proceed into executive session to take up the nomination of Mr. Propst.

I appreciate the situation which directs the minority leader to make the statement he has made.

RECESS UNTIL 12:15 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:15 p.m. today.

There being no objection, the Senate, at 11:53 a.m., recessed until 12:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STEWART).

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I have been discussing with the distinguished minority leader the calling up of Senate Resolution 431, which is a Budget Act waiver, and getting it adopted, and then proceeding to the conference report on Social Security Disability Amendments of 1980.

The minority leader is here. I, therefore, ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 431, which is at the desk.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—the majority leader was kind enough to confer with me on this subject. I was able to inform him we have cleared for action on our calendar the Budget Act waiver which will support consideration of the conference report which, of course, is privileged matter in any event, so there is no objection to that procedure on this side.

There being no objection, the Senate proceeded to consider the resolution (S. Res. 431) waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3236 and the conference report thereon.

The resolution was agreed to, as follows:

Resolved, That (a) pursuant to section 303(c) of the Congressional Budget Act of 1974, section 303(a) of such Act shall not apply with respect to the consideration in the Senate of the bill H.R. 3236 to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, or with respect to the consideration of the conference report on such bill.

(b) Waiver of such section 303(a) is necessary in order to enable the Senate to consider this legislation the prompt enactment of which is important to the achievement of the budgetary goals for fiscal year 1981 included in the first concurrent budget resolution for that year as passed by the Senate.

(c) The waiver is required because completion of congressional action on the first budget resolution is expected to be delayed beyond the May 15 date provided for in the Congressional Budget Act of 1974 and because the conference committee on H.R. 3236 found it necessary to modify certain effective dates in the bill because of the passage of time and because of the need to assure that the bill is consistent with the budgetary objectives of the Congress.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BRADLEY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I submit a report of the committee of conference on H.R. 3236 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 13, 1980.)

● Mr. LONG. Mr. President, the conference report on H.R. 3236, the social security disability bill, represents a good compromise between the Senate and House versions of the legislation.

Both the Senate and House bills had the same overall objective: To improve the operations of the disability program by tightening up in those areas where inappropriate levels of benefits were payable under prior law or where administrative improvements were needed and by relaxing some of those provisions which unduly limited the incentives for rehabilitation. The conference agreement also includes important demonstration projects to examine the need and feasibility for providing certain benefits and services for severely handicapped persons who do not qualify for existing disability programs because their handicap does not prevent them from continuing to engage in substantial gainful work activity.

The demonstration program in the bill for persons who have not initially qualified for the social security or SSI disability programs would be administered by the States since it deals with individuals who have no eligibility under the Federal programs. As indicated in the more detailed summary of the agreement, the Secretary of Health and Human Services would also not be expected to authorize the States to utilize the State disability determination services in operating this pilot program.

The conference agreement also includes a number of important improvements in the welfare and child support programs and a modified version of the Senate provision for voluntary certification of certain health insurance policies which are sold as supplements to medicare coverage.

In addition, the agreement includes a provision which will carry out the intent of the Senate amendment related to the SSI eligibility of aliens by providing, in effect, that aliens who are sponsored into the country will have to look to their sponsors rather than to the welfare system for their support. This provision operates by treating the income of the sponsor as though it were the income of the alien during the period of 3 years after the alien enters the country.

In the House debate on the conference agreement last week, a summary of the bill which was inserted in the RECORD incorrectly states that the sponsor's own SSI income would be exempt from this provision. That statement is not consistent with the conference report which provides that all income of the sponsor will be counted. This would include both Federal and State supplementary payments under the SSI program. This is explained in more detail in the attached summary of the bill.

This conference agreement represents the type of careful review of existing programs which is needed and demanded today. It will result in a substantial reduction in program costs. But it will also substantially improve the program. Over the next 5 years, H.R. 3236 is estimated by the Congressional Budget Office to reduce Federal expenditures by some $2.6 billion. At the same time, however, it will correct a number of aspects of existing law which disabled individuals have seen as barriers to their attempts at rehabilitation.

There follows a more detailed summary of the provisions of the conference agreement on H.R. 3236:

MAJOR PROVISIONS OF H.R. 3236—SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980

Limit on family disability insurance benefits.—H.R. 3236 will establish a maximum limitation on benefits payable to a disabled worker and his family. Under this limitation, the family benefits may not exceed the lesser of 85 percent of the average indexed monthly earnings (AIME) on which the worker's disability benefit is based or 150 percent of the disability benefit payable to the worker alone. This provision will not operate to reduce any family's benefit below 100 percent of the benefit which would be payable to the worker alone and it will apply only to workers who first become entitled to disability benefits after June 30, 1980.

Reduction in dropout years.—H.R. 3236 will limit the number of years of low earnings (or no earnings) which a disabled worker may drop out from his wage history so as to increase the average wage level which forms the basis for determining the benefit amount. Under prior law, all workers were permitted to drop out five years provided that at least two years remained to be averaged. This resulted in quite high benefits for some younger workers. Under H.R. 3236, the number of dropout years allowed to a worker will be scaled according to his age under the following schedule:

Worker's age at disability:	*Number of dropout years*
Under 27	0
27 through 31	1
32 through 36	2
37 through 41	3
42 through 46	4
47 and over	5

Workers who would otherwise be eligible for less than 3 dropout years under the above schedule will be permitted under H.R. 3236 to drop out additional years in which they had no earnings, if in those years they were living with a child under age 3. These child-care years will not increase the total number of dropout years to more than 3.

The limitation on the number of dropout years will apply only to workers who first become entitled to disability insurance benefits after June 30, 1980. The provision allowing additional child-care dropout years will apply only for benefits payable after June 1981.

Elimination of second Medicare waiting period.—Health insurance coverage under the social security Medicare program is available to individuals who receive disability insurance benefits but only after they have received those benefits for at least 24 months. An individual who ceases to be a beneficiary because he returns to work loses both cash benefits and Medicare entitlement. If he subsequently finds it necessary to reapply for disability insurance benefits, he must again wait 24 months before his Medicare coverage is resumed. H.R. 3236 will eliminate this second 24-month period for persons who become reentitled to disability benefits within 5 years after the end of a previous period of entitlement (within 7 years in the case of disabled widows or widowers and disabled children). This change will become effective 6 months after the date of enactment.

Extension of Medicare for additional 36 months.—In addition to eliminating the requirement for a second waiting period, H.R. 3236 will allow Medicare coverage to continue for a total of 36 months after an individual ceases to receive cash benefits because he has returned to work. This change will be effective for disabled workers whose disabilities have not been determined to have ceased prior to the sixth month after enactment.

Benefits for individuals who engage in employment activity.—H.R. 3236 will establish a three-year work incentive demonstration program to examine the desirability and feasibility of providing certain benefits and services to persons with severe handicaps who would not be considered disabled under existing programs because they are able to engage in substantial work activity despite their medical impairments. Under present law an individual is ineligible for disability benefits if he has the capacity to perform any substantial gainful activity (SGA). Regulations establish a dollar amount of earnings to define the SGA limit. Currently this is $300 a month.

One part of the demonstration approach in H.R. 3236 would apply to individuals who initially have qualified for Supplemental Security Income (SSI) disability benefits under existing law, but who regain the ability to engage in employment to the extent that they would no longer be eligible for benefits. H.R. 3236 will allow such individuals to continue in a special benefit status as though they were still disabled until their income rises to the point at which benefits would be reduced to zero. An individual who initially qualified for SSI disability benefits under existing-law rules will also retain eligibility for medicaid and social services even after his earnings raise his income above this benefit breakeven point so long as he has not medically recovered and so long as the Secretary of Health and Human Services determines (1) that loss of medicaid or social services would seriously inhibit his ability to continue in employment and (2) that his earnings have not reached a level equivalent to the cash and other benefits which would be available in the absence of those earnings. This program will be in effect for a three-year period starting January 1, 1981. The Secretary of Health and Human Services is required to provide for separate accounts of benefits provided under this program in order to evaluate its effects on programs established by titles II, XVI, XIX, and XX of the Social Security Act.

A separate, though related, pilot program will be established by H.R. 3236 to enable States to provide medical and social services to severely handicapped individuals who have not established eligibility under existing law programs and who are working at wage levels which indicate that they would not be considered disabled for purposes of those programs. Medical and social services are to be provided on the basis of a State determination that the absence of the services would significantly inhibit continued employment and that the individual has not achieved a level of earnings representing a reasonable equivalent of the SSI, Medicaid, and social services benefits which might be available to him if he were not working.

Under this program, a total of $18 million in Federal funds will be available over the period from September 1, 1981 through September 30, 1984 to provide 75 percent Federal matching for expenditures related to providing medical and social services under approved State plans to qualified individuals. Funding will be provided at a rate of $6 million per year for each of the three years, allocated among the States in proportion to their adult SSI disability populations. Unused funds will be carried forward from year to year and provision is made for reallocating funds to the extent that some States decide not to participate in the program.

States will have great flexibility under this pilot program to establish the criteria for determining which individuals fall within the scope of eligibility and for establishing the procedures for determining eligibility and providing services. Inasmuch as the eligible population consists of individuals who clearly would not meet the basic definition of disability for existing-law programs, that is, inability to engage in substantial gainful activity, it would be inappropriate to involve the State disability determination services which make the disability findings for the DI and SSI programs. Accordingly, H.R. 3236 prohibits the use of those agencies unless there is no other way in which the program can be operated. Inasmuch as all States have agencies, such as the State Departments of Vocational Rehabilitation, which are designed to deal with the needs of handicapped individuals, there do not now appear to be any circumstances in which the Secretary of Health and Human Services would find it necessary to authorize the use of the State disability determination services for this program. The provisions of H.R. 3236, moreover, do not envision that participants would be referred for hypothetical benefit determinations under existing law programs for which they appear clearly ineligible because of their level of earnings. The Secretary of Health and Human Services is directed by H.R. 3236 to provide a report on the operations and results of this pilot program by October 1, 1983.

Employment in sheltered workshops.—H.R. 3236 modifies the treatment of remuneration paid to individuals who work in sheltered workshops so as to make it eligible for the earned income disregard provisions of the SSI program. This change will be effective as of October 1980.

Deeming of parents' income to disabled or blind children.—H.R. 3236 will modify the SSI rules related to the deeming of parents' income to eligible children so that deeming will cease when the child reaches age 18, so that deeming will not apply in the case of children age 18–21 who are in school. The provision will be effective as of October 1980 (but will not apply to children who are then age 18 or over if they would be adversely affected).

Termination of benefits for persons undergoing vocational rehabilitation.—H.R. 3236 will allow for continued payment of SSI or DI benefits to enable an individual to complete a program of vocational rehabilitation even though he has medically recovered from his disability. This provision will apply only if the Commissioner of Social Security determines that completion of the program will make it more likely that the individual will be permanently removed from the disability rolls. This generally would be limited to instances in which the medical recovery could not have been anticipated. The provision will become effective six months after enactment.

Treatment of extraordinary work expenses.—H.R. 3236 will permit SSI and DI beneficiaries to deduct from their earnings an amount equal to what they pay for extraordinary work expenses which are necessitated by their disability (including attendant care costs and the cost of medical devices, equipment, drugs, and services). The Secretary of Health and Human Services is to prescribe regulations to limit allowable deductions to those which are necessary for employment and to establish reasonable limits on the amounts deductible. The deduction will be allowed in determining whether the individual is able to engage in substantial gainful activity for purposes of the DI and SSI programs and in determining the benefit amount for an SSI recipient (but not in determining whether an SSI *applicant* meets the income eligibility requirements of that program). The provision is effective six months after enactment.

Trial work period and reentitlement to benefits.—Under both the SSI and DI programs, an individual who continues to suffer from a severe medical disability and to meet other eligibility requirements is allowed to engage in employment for up to 9 months without losing eligibility because of the fact that he has regained the ability to work. At the end of this 9-month trial work period, if an individual is continuing to engage in substantial gainful activity, benefits are paid for three additional months and then are terminated. H.R. 3236 will provide for continuing technical eligibility for benefits for 15 months after the end of the 9-month trial work period. Except for the three-months allowed under present law, no benefits will be paid during that additional 15 month period, if the individual in fact has earnings above substantial gainful activity limits. However, if the individual ceases to work during that period, he will again start receiving benefits without having to reapply. The provision is effective six months after enactment.

Administration by State agencies.—H.R. 3236 will revise the statutory basis for the arrangements by which State disability determination services undertake to make findings of disability for purposes of the Federal programs of SSI and DI. Under the bill, these findings will be made by such State agencies in accord with regulations or other written guidelines issued by the Secretary of Health and Human Services pursuant to law. Agreements may be terminated upon written notice by the State or upon a finding by the Secretary that the State is failing to make disability determinations in accordance with the regulations. In either case, the change from State to Federal administration would take place only after a period of at least 180 days. The provision is effective twelve months after enactment.

Protection of State employees.—In the event it becomes necessary for the Federal government to assume the disability determination function from a State, H.R. 3236 will require that preference in employment be given to qualified State agency employees (other than the administrator or deputy or assistant administrator of the agency) and that the Secretary of Health and Human Services defer assumption of the State agency functions until the Secretary of Labor determines that fair and equitable arrangements have been provided by the State in accord with State and Federal laws for those employees who are not hired by the Federal government. H.R. 3236 also requires the Secretary of Health and Human Services to submit a detailed report by July 1, 1980 as to how Federal assumption of State function would be carried out in the event it should become necessary.

Federal review of State agency decisions.—H.R. 3236 will require the Department of Health and Human Services to reinstitute its former practice of reviewing determinations made by State agencies to the effect that individuals are or continue to be disabled for purposes of SSI and DI benefit payments. These reviews will be made prior to awarding benefits in the case of initial claims and reconsiderations and the Department will be required to review at least 15 percent of such determinations made in fiscal 1981, 35 percent of the determinations made in fiscal 1982, and 65 percent of the determinations made in subsequent years. H.R. 3236 also will broaden the authority of the Secretary so as to permit Federal reversal of State agency decisions that are unfavorable to the claimant; however, the required review relates only to decisions which are initially favorable.

Own-motion review of decisions by Administrative Law Judges.—H.R. 3236 requires the Department of Health and Human Services to reinstitute its former practice of conducting a program of review on the Secretary's own motion of decisions rendered by Administrative Law Judges (ALJs) as a result of hearings related to the disability determination process.

Information to accompany Secretary's decision.—H.R. 3236 will require that SSI and DI notices of denial to claimants include an understandable explanation of the Secretary's decision and the basis for that decision. This provision is effective 13 months following enactment.

Limitation on prospective effect of an application.—Under existing law and regulations, applications for DI and SSI benefits remain effective until a final decision is made on a claim. Under H.R. 3236 applications filed after the date of enactment will be effective only to the extent that the claimant can establish that he meets the eligibility requirements as of a date no later than the month in which a hearing decision is made by an Administrative Law Judge. Under this change, for example, evidence as to a change in the claimant's medical condition which takes place after the hearing will no longer be relevant to that claim (although the individual is not precluded from filing a new initial claim on the basis of such evidence).

Limitation on court remands.—H.R. 3236 provides that courts may remand social security cases for further administrative consideration only if the Secretary makes a request for such a remand for good cause or if there is a showing that there is new and material evidence and good cause existed for the failure to incorporate it into the record in a prior proceeding. This change will be effective upon enactment.

Report on time limits for decisions on benefit claims.—H.R. 3236 requires the Secretary of Health and Human Services to submit a report to Congress by July 1, 1980 recommending time limits for various levels of adjudication of title II benefit claims. The report is to give adequate consideration to both speed and quality of adjudication.

Payment for existing medical evidence.—H.R. 3236 will allow the Secretary of Health and Human Services to pay non-Federal medical providers and physicians for the reasonable cost of furnishing information which they have which is requested and required by the Secretary for purposes of DI claims.

Payment for certain travel expenses.—H.R. 3236 provides explicit authority to reimburse claimants for travel expenses incident to medical examinations and for purposes of attending hearings and reconsideration interviews related to their claims under the DI, SSI, and medicare programs (including travel expenses for their representatives and witnesses). In reconsideration cases, this provision would not apply to routine visits to the local Social Security office to file for reconsideration but only to cases where the claimant is requested to appear for a more formal interview with the disability decisionmaker in the case.

Periodic review of disability determination.—Effective January 1982, H.R. 3236 requires, in addition to other reviews, that the status of all disability beneficiaries be reviewed periodically and that this periodic review be not less frequent than every three years except where the initial prognosis shows a probability that the condition will be permanent. Review of these latter cases will be conducted at such times as the Secretary determines appropriate.

Report by Secretary.—H.R. 3236 requires the Secretary of Health and Human Services to report to Congress by January 1985 concerning the results of implementing the provisions of this bill which relate to the Social Security Act disability programs.

AFDC work requirement.—Under present law, individuals who are not specifically exempt are required to register for manpower services, training and employment as a condition of eligibility for Aid to Families with Dependent Children. H.R. 3236 will add employment search to the types of activities for which these individuals are required to register under the work incentive (WIN) program. The bill requires that necessary social and supportive services be provided to persons who are engaged in employment search activities. Authority is added to provide these services to persons who are registered for WIN, but who have not yet been certified for participation. The criteria for appropriate work and training to which an individual may be assigned under the WIN program will apply in the case of work to which an individual may be referred as part of WIN employment search. This means that, although present regulations may be changed, whichever regulations are in effect at any time will apply to these jobs referrals as well as to required participation in other WIN components. An individual may not be required to participate in job search for more than 8 weeks in any year. (However, an individual will always be eligible for job referral.) Necessary expenses paid for by an individual who is participating in employment search must be reimbursed on a timely basis.

The bill authorizes the Secretaries of Labor and Health and Human Services to establish, by regulation, the period of time during which an individual is not eligible for assistance because of refusal without good cause to participate in the WIN program. It also eliminates the present law provision for a 60-day counseling period for persons who refuse to participate.

Other related provisions in the bill require that State supportive service units be colocated with manpower units to the maximum extent feasible; allow State matching for supportive services to be in cash or in kind; clarify that income from WIN public service employment is not fully excluded in determining benefits (there is no disregard of the first $30 a month plus one-third of additional earnings); and add to the individuals who are exempt from registration for WIN, individuals who are working at least 30 hours a week.

The provisions for employment search are effective July 1, 1980. Provisions relating to termination of assistance and treatment of WIN PSE earnings are effective upon enactment.

Use of IRS to collect child support for non-AFDC families.—The bill authorizes States to use the Federal income tax mechanism for collecting support payments for families who are not receiving AFDC, if the States have made diligent and reasonable efforts to collect the payments without success and the amount sought is based on noncompliance with a court order for support. States will have access to IRS collection procedures only after certification of the amount of the child support obligation by the Secretary of Health and Human Services. The State must agree to reimburse the U.S. for any costs involved in making the collection. This authority, subject to the same requirements, is now available to the States with respect to families who are receiving AFDC. The provision is effective July 1, 1980.

Safeguards restricting disclosure of certain information under AFDC and Social Services.—The bill modifies AFDC and social services laws to allow the disclosure of information regarding individuals assisted under these programs for purposes of any authorized audit conducted in connection with the administration of the programs, including an audit performed by a legislative audit body. The provision is effective September 1, 1980.

Federal matching for child support activities performed by court personnel.—The bill authorizes Federal matching for expenditures of courts for functions specifically identifiable as child support (title IV-D) functions. Allowable expenditures would exclude compensation for judges or other persons making judicial determinations, but would include expenditures for their administrative or support personnel, such as the bailiff, stenographer, and court reporter. The provision is effective July 1, 1980.

Child support management information system.—H.R. 3236 will increase Federal matching from 75 percent to 90 percent for the costs of developing and implementing State child support management information systems. These systems must have specified features in order to be eligible for this increased matching, including the ability to control and monitor all the factors of the support collection and paternity determination process, capacity for interface with the AFDC program, security against access to data, and the ability to provide management information on all cases from application through collection and referral. The Secretary will be required to provide technical assistance. The increased matching is authorized beginning July 1, 1981.

AFDC management information system.—Effective July 1, 1981, H.R. 3236 will increase Federal matching from 50 percent to 90 percent for the costs of developing and implementing AFDC management information systems. In order to qualify for this increased matching rate, a State system will have to include the ability to provide data on AFDC eligibility factors, capacity for verification of factors with other agencies, capability for notifying other welfare programs of changes in AFDC eligibility and benefit amount, compatibility with systems in other jurisdictions, and security against unauthorized access to or use of data in the system. The Secretary will be required to provide technical assistance.

Child support reporting and matching procedures.—In order to improve State reporting practices, the bill will prohibit advance payment of the Federal share of State child support administrative expenses for a calendar quarter unless the State has submitted a complete report of the amount of child support collected and disbursed for the calendar quarter which ended 6 months earlier. It will also require the Secretary to reduce the amount of the payments to the State by the Federal share of child support collections made but not reported by the State. This provision has an effective date of January 1, 1981.

Access to wage information for child support program.—H.R. 3236 amends the Internal Revenue Code to provide that, upon written request, the Commissioner of Social Security shall directly disclose return information with respect to net earnings from self-employment, wages, and payments of retirement income to officers and employees of a State or local child support enforcement agency. Disclosure will be allowable only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing child support obligations. Any agency receiving information must comply with conditions specified in current law for safeguarding information. This provision for disclosure is effective on enactment.

In addition, the bill amends title III of the Social Security Act to require the State agency administering the unemployment compensation program to disclose directly, upon request and on a reimbursable basis, to officers or employees of any State or local child support agency any wage information contained in the records of the State agency. The agency will be required to establish safeguards necessary (as determined by the Secretary of Labor in regulations) to insure that information is used only for purposes of the child support program. If the Secretary finds that the State agency has failed to comply with requirements of this provision, he must notify the agency that further payments of administrative costs will not be made to the State until he is satisfied that there is no longer any such failure. The provision is effective July 1, 1980.

Relationship between social security and SSI benefits.—Under existing law, an individual eligible under both the OASDI and SSI programs, whose determination of eligibility for OASDI is delayed, can in some cases receive full payment under both programs for the same months. H.R. 3236 will require the Secretary to offset, against retroactive benefits under OASDI, amounts of SSI benefits paid for the same period. The amount of the offset will equal the amount of SSI that would not have been paid had OASDI benefits been paid on time. From the amount of social security benefits offset under the provision, States will be reimbursed for any amounts of State supplementary payments that would not have been paid; the remainder will be credited to general revenues. The provision is effective the 13th month after the month of enactment.

Extension of the term of the National Commission on Social Security.—The bill extends for 3 months the expiration date of the National Commission on Social Security and the terms of its members. The Commission's work and the terms of the members will end April 1, 1981, and the final report will be due January 11, 1981.

Depositing of social security contributions with respect to State and local covered employment.—Effective July 1, 1980, States will be required to make deposits of social security contributions related to the wages of State and local government employees within 30 days after the end of each month.

Aliens receiving SSI.—For purposes of eligibility for Supplemental Security Income (SSI) benefits, legally admitted aliens who apply for SSI benefits after September 30, 1980 will, under the provisions of H.R. 3236, be deemed to have the income and resources of their immigration sponsors available for their support for a period of 3 years after their entry into the United States. The eligibility of these aliens for SSI will be contingent upon their obtaining the cooperation of their sponsors in providing the necessary information and evidence to enable the Social Security Administration to carry out this provision.

The provision will not apply to an alien who becomes blind or disabled after entry into the United States. It also will not apply to aliens admitted as refugees or granted political asylum by the Attorney General.

Under this provision, the alien's SSI benefit will be reduced by the amount of any income deemed to him. Income deemed to the alien will be considered unearned income and will thus result in a dollar-for-dollar reduction in benefits (after the application of the existing-law provision allowing a $20 monthly deduction of earned or unearned income). The amount to be deemed will be equal to the gross income of the sponsor and his spouse reduced by an amount equal to a full Federal SSI benefit for the sponsor and an amount equal to one-half of a full Federal SSI benefit for each other person for whom the sponsor is legally responsible. Gross income is defined by H.R. 3236 in the broad terms applicable to the SSI program to encompass all earned and unearned income from whatever source (including any Federal or State payments under title XVI) and without the application of the exclusions which apply under the SSI program. (In determining eligibility for SSI benefits, the SSI benefits themselves are not counted inasmuch as SSI entitlement does not logically arise until after the determination is made. For purposes of this provision, however, any SSI entitlement on the part of a sponsor would be determined first and any such SSI or State supplemental benefit entitlement would be included in the sponsor's income.)

The bill provides also that the assets of the sponsor and his spouse which are above the SSI allowable limits ($1500 if the sponsor is single, $2250 for a couple) will be considered to be resources of the alien, in addition to whatever resources the alien has in his own right.

The alien and sponsor shall be jointly and severably liable to repay any SSI benefits which are incorrectly paid because of the sponsor's providing of misinformation or because of his failure to report, and any incorrect payments which are not repaid will be withheld from any subsequent payments for which the alien or sponsor are otherwise eligible under the Social Security Act.

The bill requires that an alien applying for SSI must make available to the Social Security Administration any documentation concerning his income or resources or those of his sponsor (if he has one) which he provided in support of his immigration application. The Secretary of Health and Human Services will be authorized to obtain copies of any such documentation from other agencies. The Secretary will also be required to enter into cooperative arrangements with the State Department and the Justice Department to assure that persons sponsoring the immigration of aliens are informed at the time of sponsorship that, if the alien applies for public assistance, the sponsorship affidavit will be made available to the public assistance agency and the sponsor may be required to provide further information concerning his income and assets in connection with the alien's application for assistance.

Work incentive and other demonstration projects under the Disability Insurance and Supplemental Security Income programs.—H.R. 3236 includes provisions to waive benefit requirements of the DI and medicare programs to allow demonstration projects by the Social Security Administration to test ways in which to stimulate a return to work by disability beneficiaries. Benefit requirements may also be waived in the case of other DI demonstration projects which SSA may wish to undertake, such a study of the effects of lengthening the trial work period, altering the 24-month waiting period for medicare benefits, altering the way the disability program is administered, earlier referral of beneficiaries for rehabilitation, and greater use of private contractors, employers and others to develop, perform, or otherwise stimulate new forms of rehabilitation. An interim report on the demonstrations is due January 1, 1983, and a final report by 5 years after the date of enactment.

The bill also authorizes experiments and demonstration projects which are likely to promote the objectives or improve the administration of the SSI program. The Secretary is not authorized to carry out any project that would result in a substantial reduction in any individual's total income and resources as a result of his participation in the project. Participation must be voluntary.

Provisions relating to the terminally ill.—The bill authorizes $2 million a year to be used by SSA to participate in a demonstration project relating to the terminally ill which is currently being conducted by the Department of Health and Human Services. The purpose of participation is to study the impact on the terminally ill of provisions of the disability programs administered by the Social Security Administration and to determine how best to provide services needed by individuals who are suffering from terminal illnesses.

Voluntary certification of Medicare supplemental health insurance.—H.R. 3236 will establish, effective July 1, 1982, a voluntary certification program for Medicare supplemental policies in States that fail to establish equivalent or more stringent programs. To be certified under the program, a Medicare supplemental policy would have to meet or exceed the standards for such policies as adopted by the National Association of Insurance Commissioners on June 6, 1979, including the standards relating to minimum benefit provisions, preexisting condition limitations, full disclosure, and requiring a no loss cancellation clause, and be expected to pay benefits to subscribers equal to 75 percent of premiums in the case of group policies and 60 percent in the case of individual policies. H.R. 3236 will also establish criminal penalties of up to $25,000 and imprisonment for up to five years which could be assessed for: (a) furnishing false information to obtain the Secretary's certification; (b) posing as a Federal agent to sell Medicare supplemental policies; (c) knowingly selling duplicative policies: and (d) selling supplemental policies by mail in States which have not approved, or are deemed not to have approved their sale.

The Secretary, in consultation with regulatory agencies, insurers and consumers, will be required to study and report to the Congress by January 1, 1982 on State approaches to the regulation of supplementary policies. Periodic reports on the effectiveness of the voluntary certification, and the criminal penalties, are also required with the first of such reports due July 1, 1982.●

● Mr. DOLE. Mr. President, I am particularly pleased that the Senate has before it the conference report on H.R. 3236, the Social Security Disability Amendments of 1980. As I stated at the time the Senate first considered this measure, it is one of the most important pieces of legislation the Congress will take up, and it will have as profound an effect on the lives of disabled Americans as any bill we will consider.

The leadership of our distinguished chairman during the deliberations of the conference committee was crucial in our negotiations with the House conferees, and I commend his efforts. I believe the result of the conference action is worthy of the support of all Senators, and I urge my colleagues to join me in voting for the conference report.

The chairman has already enumerated the provisions in the conference report, but I would like to comment on a few aspects of the bill. In particular, I believe the work incentive measures are the most important part of the legislation and I am extremely pleased that many of the incentives which I have supported for several years are included in the bill. These provisions will allow individuals with severe disabilities to continue to receive cash, health benefits, and social services while working at low wages and make it easier for them to return to the disability rolls if a work attempt fails. The provisions are more than incentives, they are the safety net that the handicapped need to give them the courage and the ability to try to work.

The bill makes improvements in the disability insurance program which will save the DI trust fund over $3.5 billion over the next 5 years. That is an extremely important accomplishment in the light of social security financing problems and the overwhelming public sentiment favoring lower payroll taxes. The bill also represents an important first step toward balancing the Federal budget since overall the provisions save $6 million in fiscal year 1980 and $78 million in fiscal year 1981 going up to $1.2 billion in fiscal year 1985.

Besides the reforms in the social security and supplemental security income disability programs, the bill makes needed improvements in the AFDC, child support, SSI, and medicare programs. These amendments will allow us to maintain better control over these programs so we can better serve recipients and taxpayers.

All in all, I believe the conference report offers a balanced package of improved protections and opportunities for those entitled to disability benefits while strengthening the insurance principles of the disability insurance program. I am happy to be able to support it and I urge adoption of the conference report.●

● Mr. BELLMON. Mr. President, I want to express my strong support of the conference report on H.R. 3236, the Social Security Disability Amendments of 1980. The conferees have done an admirable job in shaping these reforms of the disability portions of the social security and supplemental security income programs. Due to the diligent work of the conferees, the savings that will accrue from H.R. 3236 over the next 5 years will total almost $2.6 billion, alleviating some of the financial pressures that the social security system faces due to growing benefit costs.

In addition to saving substantial sums of money the reforms that are contained in this bill also provide greater equity in our social security system by eliminating windfall benefits for some recipients. For recipients becoming eligible for benefits from now on, the total family benefit may be no greater than 85 percent of a worker's averaged indexed monthly earnings or 150 percent of his/her primary insurance amount. This will insure that no one can receive benefits greater than their predisability earnings. It will also help assure that incentives exist for recipients to seek employment as soon as they are able to do so.

I want to especially commend the conferees for retaining in the conference agreement the key provisions of an amendment I offered in the Senate. This amendment requires the Secretary of the Department of Health and Human Services to set up a procedure for reviewing decisions made by Federal administrative law judges (ALJ) on disability claims. The appeals process in the disability program is costly, time consuming, and one of the weakest components of the disability adjudication system.

The number of cases that are appealed to the ALJ level and reversed has been steadily increasing over the last 10 years to the point where now over 50 percent of the cases heard by administrative law judges are reversed in favor of the claimants. There is evidence of wide disparities in the quality of decisions made by different judges. The conference agreement requires the Secretary to report to the Congress by January 1, 1982, on the procedures being used in the review program, the criteria for selecting cases for review and the results of reviews conducted thus far. This report will enable the Congress to further evaluate the administrative law judge system and make other changes if needed.

The conference report is a positive step in addressing some of the problems in one of our country's most important social programs. The conference report not only corrects some of the inequities in the disability program by instituting meaningful reforms, but will also save almost $2.6 billion over the next 5 years. The conference report deserves prompt approval by the full Senate.●

Mr. BAUCUS. Mr. President, I rise in support of the conference report to H.R. 3236, the Social Security Disability Amendments of 1980. I was privileged to be a conferee considering this legislation which improves our social security disability programs, and makes changes in AFDC and child support programs along with increased protection to the elderly who purchase medicare supplemental health insurance coverage.

I want to commend the distinguished chairman of the Finance Committee for his able management in reaching an agreement on the conference report.

The Social Security Disability Amendments of 1980 substantially modifies and reforms the disability programs. I want to highlight several provisions which represent significant improvements in our social security programs.

H.R. 3236 contains several provisions providing increased incentives for disabled individuals to return to work. The work incentive features of the bill are true reforms which will enable more disabled beneficiaries to return to work despite their impairments. I am referring especially to those provisions which extend medicare coverage for those disabled and handicapped workers who return to employment and eliminate the second medicare waiting period.

While the House conferees rejected the Senate provision eliminating the waiting period for persons with a terminal illness, the conference agreement does recognize that changes may have to be made in this area. Under the agreement, the Social Security Administration will participate in a demonstration project to examine how the disability programs affect the terminally ill.

Mr. President, I am especially pleased that an agreement was reached on legislation I introduced last year to protect the elderly from unscrupulous health insurance agents selling worthless and often duplicative health insurance coverage in supplementation of medicare. This was a difficult matter to resolve, but I am grateful for the cooperation and patience displayed by the conferees.

The Medi-Gap provision represents a positive beginning to combat the abuses in the medicare supplemental health insurance area. The agreement reached in conference does not depart substantially from the provisions adopted by this body last January.

The Medi-Gap provision establishes a voluntary certification of medicare supplemental health insurance policies in States that do not adopt equal or more stringent programs of their own. The conference agreement encourages and stimulates States to take care of the problems in their own backyards. The Federal certification program would become effective for those States that by July 1, 1982, do not adopt standards meeting or exceeding the Medi-Gap standards adopted by the National Association of Insurance Commissioners in the Model Regulation to Implement the Individual Accident and Sickness Minimum Standards Act. States would also be required to establish minimum loss ratio standards of at least 60 percent in the case of individual policies and 75 percent in the case of group.

The legislation also establishes stringent penalties for engaging in fraudulent activities in the Medi-Gap area.

The Medi-Gap program will provide important protection to our elderly Americans who have been subjected to widespread abuse and high-pressure sales tactics in the Medi-Gap area. Enactment of this program will combat and reduce the abuses in Medi-Gap practices. It will provide assurance to older Americans that the insurance policy they purchase meets basic standards for coverage and benefits.

Mr. President, I urge the adoption of the conference report so that senior citizens are not forced to wait any longer for these minimum assurances.

● Mr. DURENBERGER. Mr. President, I rise in support of the conference report to accompany H.R. 3236. The bill makes immediate improvements in the social security disability program. It also makes changes in the SSI, the AFDC, and child support programs and provides for increased supervision of medicare supplemental insurance.

Mr. President, I support this bill as a member of the Committee on Finance and as a conferee. But additionally, the bill contains the provisions of S. 1643, that I introduced on August 2, 1979.

S. 1643 was introduced to correct a serious drawback in our assistance to the disabled person. The bill was intended to remove the provisions under social security law that discourage the severely disabled person from seeking employment. The bill also was intended to make it possible for both the public and private sectors to develop and implement innovative programs to help engage in meaningful long-term employment.

Experts in the field of rehabilitation know the value of employment for the disabled person. They also know the difficult problems that exist for the disabled person who seeks a job and, in so doing, jeopardizes the necessary health and financial benefits he or she receives under the various public and private programs.

Widely recognized and most important is the fact that social security programs, which provide monthly payments and medical protection, include highly restrictive provisions that discourage and often prevent people from attempting gainful work. Examples of these inhibitive provisions are:

The low earning level constituting substantial gainful activity;

Two consecutive years of receiving social security disability benefits required for medicare eligibility;

One trial work period lasting 9 months, and applicable once in a person's lifetime; and

Reentitlement to financial and medical benefits necessitates a second waiting period similar to the initial entitlement of benefits.

Mr. President, S. 1643 corrected the inhibitive provisions cited above and encouraged beneficiaries to attempt to return to work and leave the disability rolls. These provisions which are a part of H.R. 3236 include the following:

The allowable job trial period is extended from 9 to 24 months. During the last 12 months of the trial period the disabled person would not be eligible for cash assistance if his or her monthly salary was more than $300, but could receive medical and other benefits.

Extraordinary expenses necessary to allow a severely handicapped person to return to work will not be counted as part of the person's earnings if the expenses would cause the person to lose benefits.

Beneficiaries who have returned to work, but have not been declared medically recovered, can receive medicare coverage for an additional 36 months. Under the old law, medicare coverage ends when disability insurance stops.

Disabled persons who are forced by their disability to quit a trial work program can immediately regain medicare coverage, rather than waiting 24 months as the old law required.

The Secretary of the Department of Health and Human Services can establish demonstration projects to test alternative incentives to help the disabled return to work.

Mr. President, we must do more for people who are disabled. We must change the restrictive provisions and promote improvements in the law to encourage employers to provide employment alternatives to severely disabled persons. S. 1643 and this bill are positive steps in that direction. As a result of this legislation, we can create successful ventures for both employers and employees, as one example demonstrates.

In January 1978, Control Data Corp., headquartered in Minneapolis, developed project "Homework." Homework is a homebound employment program made possible through Control Data's computer-based education system called Plato. Through "Homework," a select group of Control Data's permanently and totally disabled employees have reentered the world of work.

Due to the encouraging results of the homework experiment within Control Data, other major corporations within the United States have expressed an interest in having Control Data help them establish a homework program for their company's disabled employees.

The most significant obstacle homework has encountered since its inception is the disincentives currently contained in the social security regulations and law. Even though each homeworker has been declared permanently and totally disabled by social security, the mere fact that each person attempts to work potentially leads to a discrimination of all financial and medicare benefits. I am proud to state that certain of these disincentives have been eliminated by this legislation.

Mr. President, S. 1643 and H.R. 3236 are positive steps toward saving taxpayers money in two respects:

They will produce general tax revenues from earnings realized by disabled persons; and

They will reduce the payout of benefits made by social security.

Even more important, making it possible for disabled persons to work means increased self-esteem, greater independence and a feeling of self-worth for disabled persons.●

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar beginning with the Judiciary, Robert B. Propst, of Alabama, to be a U.S. district judge for the northern district of Alabama.

Mr. BAKER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session to consider the nominations in the Judiciary beginning with the nomination of Robert B. Propst, of Alabama, to be a U.S. district judge for the northern district of Alabama.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

THE JUDICIARY

NOMINATION OF ROBERT B. PROPST, OF ALABAMA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ALABAMA

The PRESIDING OFFICER. The nomination will be stated.

The assistant legislative clerk read the nomination of Robert B. Propst, of Alabama, to be a U.S. district judge for the northern district of Alabama.

The Senate proceeded to consider the nomination.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. STEWART. Mr. President, I wish to make a very brief statement. This particular nominee is an outstanding lawyer of the northern part of the State of Alabama. He is recognized as an outstanding lawyer by both the bar association in our State and the national bar association. He has been cleared by the Judiciary Committee, by both Republicans and Democrats.

I think he is a fit and proper person to serve as a member of the district court and will serve with an outstanding record, I am quite sure, in that capacity.

I also want to thank the majority leader for coordinating and assisting us in getting consideration of this nomination.

Mr. HEFLIN. Mr. President, Robert Propst is an old friend of mine. He was born in the rural community of Ohatchee, Ala., was valedictorian of his high school class, and received his B.S. in accounting from the University of Alabama, where he was elected to membership in Beta Gamma Sigma and was a distinguished military graduate.

He served in the U.S. Army, rising to the rank of first lieutenant in the Finance Corps, and later, to captain in the Army Reserve.

He received his law degree from the University of Alabama, where he graduated with honors, was a member of the Alabama Law Review, was chosen as the outstanding freshman law student, and was elected to Omicron Delta Kappa leadership honorary.

Bob Propst served briefly as city judge in recorder's court in Anniston, Ala., and later as a member of Anniston's Civil Service Board.

A senior partner in the Anniston firm of Wilson, Propst, Isom, Jackson, Bailey & Balt, he is a member of the Alabama Bar Association, the ABA, and was elected by his fellow lawyers as president of the Calhoun County Bar Association.

He has published a scholarly note on the criminal insanity defense in the Alabama Law Review, and has been active in numerous civic, professional, and religious organizations.

Bob Propst is admitted to practice in all courts in Alabama, the northern district of the U.S. district court for Alabama, the fifth U.S. circuit court of appeals, and the U.S. Supreme Court.

Judge to be Propst has tried over 80 cases to verdict, both civil and criminal, jury and nonjury. He has carried cases on appeal to the Alabama Supreme Court, the fifth circuit court of appeals, and the U.S. Supreme Court. His vast, predominantly civil practice spans the areas of personal injury, real estate, contracts, probate, corporate and municipal law, banking, child welfare, unfair competition, and public utilities.

I have known Bob Propst for 25 years, and he practiced before me when I was a judge. I can tell you he is a fine legal scholar, a capable attorney, and he will make a fine Federal district judge.

In conclusion, Mr. President, I think that the Senate is confirming today, if it does so confirm, an outstanding Alabama lawyer who will carry on the tradition of scholarly and outstanding jurists from that great State. I commend him to you highly and I ask for his speedy confirmation.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, on May 21, I asked, on behalf of myself and all minority Senators on the Senate Judiciary Committee, that floor action in the Senate be delayed on the white Alabama judges being considered now until such time as hearings are completed and a vote has been taken in the Judiciary Committee on the two remaining Alabama nominees, U. W. Clemon and Fred D. Gray, both of whom are black.

Robert B. Propst and E. B. Haltom, Jr., are good men, and I intend to vote for them today since the matter is now before us.

However, as a matter of fairness, we Republican Senators felt that it was not appropriate to leave the nominations of U. W. Clemon and Fred D. Gray, both black nominees, unresolved in the committee. Hearings on all nominees were begun in the committee at the same time.

Mr. President, I ask unanimous consent that three letters, one to Senator Howard Baker, dated May 21, 1980; one to Senator Heflin, and one to Senator Stewart, which state the position of the minority Senators on the Judiciary Committee, be printed in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on the Judiciary,
Washington, D.C., May 21, 1980.

Hon. Howard Baker,
Minority Leader, U.S. Senate,
Washington, D.C.

Dear Howard: Please place a hold in the name of all Republican Senators on the Committee on the Judiciary on the nominations of E. B. Haltom, Jr., to be U.S. District Judge, Northern District of Alabama; and Robert B. Propst, to be U.S. District Judge, Northern District of Alabama; until such time as hearings are completed on U. W. Clemon, to be U.S. District Judge, Northern District of Alabama; and Fred D. Gray, to be U.S. District Judge, Middle District of Alabama. We believe it appropriate for the Judiciary Committee to vote up or down on all Alabama judges in this instance before the Senate as a whole votes on any of them.

With kindest regards and best wishes,

Sincerely,

Strom Thurmond,
Ranking Minority Member,
on behalf of all Republican Members.

U.S. Senate,
Committee on the Judiciary,
Washington, D.C., May 21, 1980.

Hon. Howell Heflin,
U.S. Senate,
Washington, D.C.

Dear Howell: There is no intention of unduly holding up the confirmation in the Senate of Alabama judges. It is, however, our belief that since all were considered in the same hearings, those who receive a favorable vote in the Committee should be considered at the same time by the Senate as a whole.

With kindest regards and best wishes,

Sincerely,

Strom Thurmond.

U.S. Senate,
Committee on the Judiciary,
Washington, D.C., May 21, 1980.

Hon. Donald W. Stewart,
U.S. Senate,
Washington, D.C.

Dear Don: There is no intention of unduly holding up the confirmation in the Senate of Alabama judges. It is, however, our belief that since all were considered in the same hearings, those who receive a favorable vote in the Committee should be considered at the same time by the Senate as a whole.

With kindest regards and best wishes,

Sincerely,

Strom Thurmond.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. THURMOND. Will the Senator yield?

Mr. DOLE. I yield.

Mr. THURMOND. Mr. President, the distinguished Senator from Virginia (Mr. Warner) had to leave the Chamber. He requested me to announce to the Senate that he wanted to be associated with the remarks I have presented on this occasion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I think the distinguished Senator from South Carolina has properly stated the case as far as the Republican members of the Judiciary Committee are concerned. I suggest that my views reflect the views of my distinguished colleague from Maryland (Mr. Mathias).

The Senators from Alabama are totally accurate. The two men we will confirm here in a few moments are extremely well qualified. I was present at their confirmation hearings. There is no question about their qualifications. Perhaps our fears are not well founded, but it was our opinion that there might be some feeling that the Senate was applying a double standard when all four Alabama nominees were at the table at the same time, two nominees were black and two nominees were white, and the Senate reports out the white nominees and not the two black lawyers. It seemed to us that there could be at least the suggestion that we were applying a double standard.

I told the distinguished Senator from Alabama (Mr. Heflin) personally that these two gentlemen are highly qualified and I support them. I just hope that in separating the four nominations, and taking action on only two nominations without knowing when action will be taken on the other two, is not perceived as establishing a precedent, or is not perceived as applying a double standard. I know that this is not the intention of either of the Alabama Senators, the distinguished majority leader, or anyone else who may be urging the consideration of these nominations today.

Mr. President, the Republican members of the Senate Judiciary Committee requested that a hold be placed on the nominations of E. B. Haltom, Jr., to be U.S. district judge for the northern district of Alabama and Robert B. Propst to be U.S. district judge for the northern district of Alabama, until such time as hearings are completed on U. W. Clemon, to be U.S. district judge, northern district of Alabama; and Fred D. Gray, to be U.S. district judge, middle district of Alabama.

Mr. President, in placing this hold on these nominations it was not our intention to delay their confirmation; rather, it is our concern that all nominees to be Federal judges for the State of Alabama should be considered at one time. Presently, the Judiciary Committee is in the process of concluding hearings on one of the nominees, Mr. Fred Gray.

The two nominations that are still pending before the Judiciary Committee are for two black lawyers who would be the first black Federal judges in the State of Alabama. The Senator from Kansas believes that by separating these two nominations, it gives the appearance that the committee may be using a double standard in considering the four Alabama nominations.

Mr. President, it is my sincere hope that the Senate in considering the nominations of Mr. Haltom and Mr. Propst before hearings are completed on Mr. Clemon and Mr. Gray is not setting a precedent which will be misinterpreted by the public.

I am prepared to make the same argument with reference to the next nomination. As far as the Senator from Kansas is concerned, they should be confirmed.

Mr. HEFLIN. Mr. President, I would like to respond to the remarks of the distinguished Senator from South Carolina and the distinguished Senator from Kansas, both of whom I have great respect for, for their abilities and for their thoughts in regard to this matter.

I know Senator Stewart will join me in not wanting to do anything that would create a double standard or to show that we are in any way, or the Judiciary Committee, or the Senate, showing a preference in regards to white nominees as opposed to black nominees.

I think we have to look at each nominee who comes up in a manner which would be an individual listing manner. I think each nominee must stand on his own record.

This has been the history of the Senate in the past. We have looked to see some of the judicial nominees where there were multiple nominees that had hearings on the same day in the Judiciary Committee. We find that regarding California, on September 28, 1979, one nominee was voted out of the Judiciary Committee and confirmed a short time later, and then another nominee was voted out about a month later and was confirmed by the Senate about a month later. Both nominees had been presented for confirmation hearings before the Judiciary Committee at the same time.

The same is true in regards to Michigan. There were three nominees who were presented to the Judiciary Committee on the same day. Two were voted out on September 25, 1979, and another one, who was a black nominee, was voted out of the Judiciary Committee on October

31, 1979, and they were confirmed at separate times.

So this has been going on in the past, and I think there is no intention here to try to create any separate standard.

Senator STEWART and I recommended to the President two nominees from Alabama who were black. It is our hope and intention that black judges be confirmed in the Senate. However, since we made our recommendations, a number of charges have surfaced against the black nominees. These charges, in my judgment, have to be carefully considered.

We have now had 5 days of hearings in the Judiciary Committee pertaining to these two black nominees. In my judgment, we have conducted a fair, unbiased hearing in regards to each of them. The initial hearings on one of the nominees is not yet completed. It may well be that there will be additional hearings in regards to both black nominees.

I certainly want to see that they are given a fair, unbiased, and thorough hearing.

Frankly, the charges that have arisen have created in my mind a lot of questions. I do not intend to make up my mind as to whether I will support both or either one of these nominees until I have had an opportunity to thoroughly listen to all of the evidence and to thoroughly review all exhibits in evidence.

I think it is fair to say that the hearings in regard to the black nominees will continue for several more weeks. For example, we requested only yesterday that the FBI make a thorough examination of certain letters and written instruments in order to verify the date when they were written.

I anticipate that these hearings will take a considerable period of time. In the meantime, in the northern district of Alabama, of which Birmingham is the center of the court activity, there are three vacancies. These vacancies have been there for over a year. There is a great need for new judges to come aboard and to help with the workload.

There is also another matter that I consider important. That is that at the Federal Judicial Center on June 8 will begin a new district judge orientation training program. These training programs occur quarterly. It is my understanding it will be 3 months before another new district court judge orientation training program will take place.

By confirming these nominees who are on the calendar today, they will have the opportunity and the advantage of having this training program which is important for them to receive immediately upon going on the bench.

It is called an orientation program and that means they are to be oriented to their new task.

Under those circumstances, Mr. President—I think there are peculiar circumstances; there are precedents in the past—I think there is a need and a reason for the confirmation of the white nominees separate from the black nominees. In doing this, Mr. President, I do not feel that, in any way, we are establishing any double standard.

Mr. STEWART. Mr. President, I associate myself with the remarks that have been made by my colleague, who serves on the Committee on the Judiciary. I also want, with all due respect to the Senator from South Carolina and the Senator from Kansas and the Senator from Virginia, who associated himself with the remarks of the distinguished Senator from South Carolina, to state for the record that thee conduct of my colleague on the Judiciary Committee should not be viewed, and I am quite sure they do not view it, as setting any double standard. He has conducted himself in a very admirable way to make sure that all the five nominees who have been submitted by my colleague and myself receive fair and proper treatment.

I am deeply moved by the concern that has been expressed today by the Senator from Kansas and by the Senator from South Carolina, and I am sure that indicates that, after proper attention has been focused on the problems that are faced by these two nominees, they will work with both the Senators from Alabama to see that these nominees or others, if, in fact, other nominees are needed, receive proper attention and get before the Senate in the proper amount of time.

As I say, I am deeply moved by their concern expressed here today. I am sure that that reflects that we shall receive their cooperation in the future in order to get the five nominees on the bench that Alabama is entitled to.

I thank my colleague and thank the majority leader again for his assistance in this regard.

Mr. THURMOND. Mr. President, I want the record to show that I am voting for both of these distinguished lawyers from Alabama who, I think, will make excellent judges.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Robert B. Propst, of Alabama, to be U.S. district judge for the northern district Alabama?

The nomination was confirmed.

Mr. HEFLIN. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEWART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEWART. Mr. President, I ask that the President be notified of the nomination of Robert B. Propst as district court judge for the northern district of Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF E. B. HALTOM, JR.

The PRESIDING OFFICER. The next nomination will be stated.

The assistant legislative clerk read the nomination of E. B. Haltom, Jr., to be U.S. district judge for the northern district of Alabama.

Mr. STEWART. Mr. President, I congratulate the two gentlemen from the State of Alabama who have been confirmed today as Federal district judges. Robert Bruce Propst of Anniston and E. B. "Bert" Haltom of Florence are both outstanding lawyers and have built an impressive record of service to their communities. I am deeply pleased that this body has confirmed their nominations today. They are both products of an independent Judicial Selection Panel set up by Senator HEFLIN and myself. Their confirmation proves that the process does work.

I want to offer my special congratulations to Judge Propst. I have known him for many years, and know him to be both a fine legal practitioner as well as a person who is deeply committed to the ideals of equal justice under the law and fair play. I know that as a Federal judge he will bring great honor to the Federal judiciary and to my own hometown of Anniston.

Bert Haltom has a reputation throughout our great State as one of the best trial lawyers who has ever practiced there. He brings to the bench a tremendous wealth of experience as an attorney. More significantly, Bert has served in both the Alabama Senate and House of Representatives, and, therefore, has had a unique insight into the sensitive constitutional relationship between our States and the Federal Government.

Again, I want to offer my sincere congratulations to the families of our newest Federal judges and to the judges themselves. In many ways these confirmations are the climaxes of two fine legal careers, but it is also the beginning of what I know will be two equally outstanding careers as members of the Federal judiciary.

Mr. HEFLIN. Mr. President, Bert Haltom is a close, personal friend, whose outstanding legal abilities are matched by a warm, friendly, compassionate personality. We were classmates in law school at the University of Alabama School of Law. His lovely wife, Nonnie, and my wife are the closest of friends.

Mr. Haltom attended undergraduate school at Florence State College, now the University of North Alabama, received his law degree from the University of Alabama School of Law.

Judge-to-be Haltom saw active duty during World War II as a staff sergeant with the U.S. Army Air Force. He was a gunner onboard our B–24 bombers in 35 combat missions in the Italian theater.

Bert Haltom is a member of the Alabama Bar Association, is a member of its board of bar commissioners, and is chairman of its committee on judicial reform. He is listed in Who's Who in America and Who's Who in American Law, and he also holds membership in the ABA, the Association of Trial Lawyers of America, the Alabama Trial Lawyers Association, the American Judicature Society, and the Alabama Law Institute. A past president of the Lauderdale County, Ala., Bar Association, he is a fellow of the American College of Trial Lawyers and a fellow of the International Society of Barristers. On numerous occasions, many lawyers of Alabama have urged him to offer himself for the position of president of the Alabama State Bar Association. He declined because of reasons personal to himself. He is, in my judgment, one of Alabama's finest lawyers.

A member of numerous civic, professional and fraternal organizations, Bert Haltom served in the Alabama House of Representatives from 1954–58, and the

Alabama State Senate from 1958-62. In 1962, he was defeated in a primary runoff in the race for lieutenant governor by the late Jim Allen, who went on to serve with great distinction in this body.

Mr. Haltom is admitted to practice in all courts of Alabama, the northern district of the U.S. district court for Alabama, and the fifth circuit court of appeals.

His extensive practice as an attorney for more than 30 years has covered areas as diverse as personal injury, labor law, civil rights, probate, banking, domestic relations, real estate, bond law, and general corporate and business law. He has tried over 100 cases to verdict, both jury and nonjury, both civil and criminal, and in the latter area, both capital and noncapital offenses. He has practiced extensively in Federal court, and has carried appeals to the Alabama Supreme Court, the fifth circuit courts of appeals, and the U.S. Supreme Court.

Senator Haltom has represented numerous indigent defendants as appointed counsel and has a demonstrated commitment to equal justice. In fact, Mr. President, his representation of a black defendant in a controversial civil rights case in 1954 may have cost him the lieutenant governor's election 8 years later.

It is a pleasure for me to endorse Bert Haltom as a nominee to the Federal bench in the northern district of Alabama. I have known him for 34 years. I have tried cases with him and against him, and he practiced before me while I was chief justice of the Alabama Supreme Court. He is a great lawyer. If I had to choose a lawyer to represent me in court, my first choice would be Bert Haltom. In my judgment, he is exceptionally well qualified to be a Federal judge, and I recommend him to all of my colleagues.

Mr. DOLE. Mr. President, the Senator from Kansas wants to note that he agrees with Senator HEFLIN that Mr. Haltom is well qualified. The Senator from Kansas will only make the point he made prior to voting for Mr. Propst, which I think has been properly responded to by the distinguished Senator from Alabama—the so-called double standard. This is not a precedent for that. The Senator from Kansas supports the nominee with that one reservation.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Bert Haltom to be U.S. district judge for the northern district of Alabama?

The nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. HEFLIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination of Elbert Bertram Haltom, Jr., as district court judge for the northern district of Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a further period for the transaction of routine morning business not to extend beyond 30 minutes and that the Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO ANGELO ALI

Mr. HEINZ. Mr. President, tonight the community of Sharpsburg, Pa., will pay memorial homage to one of its great and respected civic leaders, Mr. Angelo Ali. For that reason, I rise today to give public recognition to this man I knew so well.

Angelo personified the American spirit. His deep sense of pride and loyalty as an American showed in every endeavor he undertook during his 50 years of civic service. He loved this country—and the Commonwealth of Pennsylvania—with a depth and an enthusiasm that inspired everyone who knew him.

Angelo took advantage of every opportunity to involve himself in community work. In 1952, he formed the Sharpsburg Little League which has since been renamed the Sharpsburg Baseball Association. That same year he was elected to the Sharpsburg School Board and served 22 consecutive years in that capacity. He was also vice president of the Sharpsburg Historical Society, the organization that had primary responsibility for planning the Bicentennial celebration in that community in 1976.

Angelo felt a great need to provide service to the people of his community who could not help themselves—the elderly, the mentally retarded, the low income, and the young. The establishment of the Sharpsburg area community center, which he fondly called "The Center," was the realization of that dream. The center began in a storefront in 1968 with only three staff members. But that did not matter to Angelo. What did matter was that he could devote himself—indeed his life—to helping others. Under his direction the center flourished and now serves 23 northern Pennsylvania counties. The center became a large part of Angelo, and he gave of himself totally and unselfishly until his death—12 years later. Today the center stands as a tribute to his efforts.

Angelo Ali died March 21, 1980. He was a good and respected man. His soft, gentle manner and warm personality were greatly admired by all who knew him. He was the type of person who was there when you needed him—the kind of person I was proud to call my friend.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to executive session to consider the nominations on the Executive Calendar beginning with new reports on pages 2, 3, 4, 5, and through the nominations on page 6.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations aforementioned be considered en bloc, confirmed en bloc, and that the motions to reconsider en bloc be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

Maj. Gen. Thomas H. McMullen to be lieutenant general.

Brig. Gen. Robert J. Collins, to be major general.

Brig. Gen. Grady L. Patterson, Jr., to be major general.

Col. Justin L. Berger, 503-18-4717FG, to be brigadier general.

Col. George J. Dowd, 438-42-2639FG, to be brigadier general.

Col. Ralph E. Leonard, 005-28-1834FG, to be brigadier general.

Col. Dan C. Mills, to be brigadier general.

Col. Robert H. Neitz, to be brigadier general.

Col. William H. Neuens, to be brigadier general.

Col. Glenn W. Osgood, Jr., to be brigadier general.

Col. Raymond V. Palmer, to be brigadier general.

Col. Henry C. Smyth, Jr., to be brigadier general.

Col. John H. Stennis, to be brigadier general.

Col. Paul M. Thompson, to be brigadier general.

Col. Donald J. Tressler, to be brigadier general.

Col. Thomas J. Turnbull, to be brigadier general.

Col. Herbert L. Wassell, Jr., to be brigadier general.

Col. John A. Wilson, III, to be brigadier general.

Col. Russell A. Witt, to be brigadier general.

IN THE ARMY

Maj. Gen. Roscoe Robinson, Jr., to be lieutenant general.

IN THE NAVY

Vice Adm. Robert B. Baldwin, to be vice admiral.

Vice Adm. James H. Doyle, to be vice admiral.

Vice Adm. Charles H. Griffiths, to be vice admiral.

Vice Adm. Robert Y. Kaufman, to be vice admiral.

Vice Adm. John H. Nicholson, to be vice admiral.

Rear Adm. Gordon R. Nagler, to be vice admiral.

Rear Adm. Steven A. White, to be vice admiral.

Rear Adm. John S. Jenkins, to be Judge Advocate General of the Navy with the rank of rear admiral.

Rear Adm. Thomas J. Hughes, Jr., to be Director of Budget and Reports in the Department of the Navy.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE NAVY AND MARINE CORPS

Navy nominations beginning David A. Goulla, Jr., to be ensign, and ending Kurt A. Driscoll, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 1, 1980.

Navy nominations beginning William R. Thornhill, to be captain, and ending Malcolm M. Sayre, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 6, 1980.

Navy nominations beginning Edward R. Aanstoos, to be captain, and ending Evelyn M. Ross, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 9, 1980.

Navy nominations beginning Daniel W. Adcock, to be chief warrant officer, and ending Franklin E. Zurschmit, to be chief warrant officer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 6, 1980.

Navy nominations of Joseph M. Sample and Alvin D. Sears, to be ensigns, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 16, 1980.

Marine Corps nominations beginning Scott E. Chandler, to be second lieutenant, and ending Mathew D. Mulhern, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 6, 1980.

Marine Corps nominations beginning Paul R. Aadnesen, to be lieutenant colonel, and ending Ruth D. Woidyla, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 6, 1980.

Mr. THURMOND. Mr. President, I rise to call to the attention of the Senate the promotion of Grady Leslie Patterson, Jr., to the rank of major general in the Air National Guard.

General Patterson is a distinguished citizen of my State and has served as State treasurer since 1966. His current military assignment is special assistant to the commander of the South Carolina Air National Guard.

A native of Abbeville he attended Clemson University and later received his B.S. degree and law degree from the University of South Carolina. He has been active in the Presbyterian Church and served as president of the National Association of State Auditors, Comptrollers and Treasurers, the South Carolina National Guard Association and the Columbia Chapter of the Air Force Association.

He has an equally distinguished military career having served as a pilot in World War II, the Korean war and the Berlin crisis. He holds a number of military awards and decorations to include the Air Medal with two Oak Leaf Clusters and the Distinguished Unit Citation.

Mr. President, prior to his election as State treasurer General Patterson was the assistant attorney general of South Carolina, this office being held from 1959 to 1966.

Mr. President, I am pleased to recommend General Patterson to the Senate for promotion as he represents a citizen/soldier in the finest sense of the term and is a credit to his State and Nation.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President of the United States be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair until such time as the majority leader calls up a measure today, that the Senate remain in morning business so that any Senator, who wishes to be recognized to speak, be recognized in morning business, and that he be allowed to speak during morning business in between the times the Senate is in and out of session under the order, and that on the completion of such Senator's statement from time to time, the Senate again go into recess awaiting the call of the Chair.

There being no objection, the Senate, at 12:56 p.m., recessed subject to the call of the Chair.

The Senate reassembled at 2:43 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

RECESS UNTIL 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand recessed until 5 p.m. today.

There being no objection, the Senate, at 2:44 p.m., recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PROXMIRE).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Wisconsin, suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MITCHELL). Without objection it is so ordered.

CONFRONTING GENOCIDE

Mr. PROXMIRE. Mr. President, Seymour Cain wrote a moving analysis of the holocaust entitled "Commemorating the Holocaust." The paper, appropriately enough, was delivered on the eve of Holocaust Day in 1977.

In the paper, Cain traces the historical roots of Jewish persecution. Persecution that led to the holocaust. He sums up the culmination of Nazi attitudes quite succinctly:

> The problem about the Jews was that they existed. The solution was to have them not exist.

This intellectual summary poses a simple problem and a tidy solution. Intellectual games such as this one are interesting, but oftentimes deadly.

By distancing themselves this way, Nazi leaders allowed the unthinkable to become thinkable. The problem was solved; it was no longer a philosophical question but rather a simple question of logistics. How do we make the Jews not exist? How do we exterminate European Jewry?

This warped, simplistic reasoning led to the destruction of 6 million Jews. It allowed an attempt to exterminate a whole people.

It should never have happened. But it did.

What is frightening to me is that much of the world fell prey to that same reasoning after the war was over. Cain recounts the various methods that have been used in the community of nations in coping with the actuality of the holocaust.

The first is to grant that the holocaust occurred, and then to forget it. The glaring fault of this is that we risk never learning from this terrible lesson.

A second method Cain suggests has been used is to consider the holocaust a part of ancient history. But how ancient are the years 1939 to 1945? I remember them, so do many others.

The only rational way to confront the holocaust is to see it for what it was: Unprecedented contempt for the sanctity of human life; unrestrained horror; the stark face of utter irrationality.

The confrontation is painful, sobering, and totally chilling. But the consciousness of humanity and of human frailty can come from this encounter. We can and must grow from knowing what really happened.

A sign of that growth would be that we had transcended Auschwitz and Treblinka. That we had acknowledged that man is indeed capable of such a deed. And finally that we had found a way to prevent further occurrences of this heinous spectacle.

Mr. President, there is a document before the Senate to show that we have grown, that we have learned. A document to prevent further occurrences of genocide.

Sadly, all I can say is that we have acknowledged the document. We have discussed and dissected the document. But we have not approved it. To our shame, we have not approved it.

For over 30 years this chance to affirm our belief that human life, all human life, is sacred has lain before the Senate. Lain before us without our action, although every single President since Harry Truman has urged our ratification of the Genocide Convention.

Mr. President, 30 years is long enough. We have a duty to America and to the world to ratify the Genocide Convention. Eighty-four nations have already ratified it. I urge my colleagues to ratify the Genocide Convention now.

Mr. President, I yield the floor.

MESSAGES FROM THE HOUSE

At 2:43 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 3904) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to improve retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, to authorize plan preservation measures for financially troubled multiemployer pension plans, and to revise the manner in which the pension plan termination insurance provisions applied to multiemployer plans and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 6727. An Act to establish the Bon Secour National Wildlife Refuge.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

HOUSE BILL HELD AT DESK

The following bill was read by title and held at the desk, by previous order:

H.R. 3904. An Act to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to improve retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, to authorize plan preservation measures for financially troubled multiemployer pension plans, and to revise the manner in which the pension plan termination insurance provisions apply to multiemployer plans, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3874. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the report on the Child Care Food Program evaluation, May 10, 1980; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3875. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on the activities of the Rural Electrification Administration for fiscal year 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3876. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to improve the management of the National Forests through amendment of certain public laws affecting public land exchange and withdrawals, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3877. A communication from the Principal Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the use of certain funds appropriated under the Department of Defense Appropriation Act, 1980 and the Military Construction Appropriation Act, 1980; to the Committee on Appropriations.

EC-3878. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, 46 selected acquisition reports and summary tables for the quarter ended March 31, 1980; to the Committee on Armed Services.

EC-3879. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a listing of contract award dates for the period May 15 to August 15, 1980; to the Committee on Armed Services.

EC-3880. A communication from the Deputy Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, the Air Force report on the progress of the Reserve Officers' Training Corps Flight Training Program for the Calendar Year 1979; to the Committee on Armed Services.

EC-3881. A communication from the Assistant Secretary of the Army (Research, Development, and Acquisition), transmitting pursuant to law, a report on Department of the Army research and development contracts of $50,000 or more awarded during the period October 1, 1979 through March 31, 1980; to the Committee on Armed Services.

EC-3882. A communication from the Secretary of Transportation, transmitting, pursuant to law, the final Urban Mass Transportation Administration quarterly report for fiscal year 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3883. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the semiannual report on the effectiveness of the Civil Aviation Security Program for the period July 1 to December 31, 1979; to the Committee on Commerce, Science, and Transportation.

EC-3884. A communication from the Acting Secretary of Transportation, transmitting, pursuant to law, a report on contracts negotiated under 10 U.S.C. 2304(a)(11) during the period October 1, 1979 through March 31, 1980; to the Committee on Commerce, Science, and Transportation.

EC-3885. A communication from the Secretary of Transportation, transmitting, pursuant to law, the first annual report on the administration of the Offshore Oil Pollution Compensation Fund covering fiscal year 1979; to the Committee on Energy and Natural Resources.

EC-3886. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on a request by the Secretary of the Interior to the Secretary of the Treasury to refund all monies paid to the United States in connection with regard to a certain oil and gas lease; to the Committee on Energy and Natural Resources.

EC-3887. A communication from the Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting a draft of proposed legislation to amend the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701) to permit temporary use by Federal departments and agencies of public lands controlled by the Bureau of Land Management, Department of the Interior; to the Committee on Energy and Natural Resources.

EC-3888. A communication from the Chairman of the Council on Environmental Quality, Executive Office of the President, transmitting a draft of proposed legislation to authorized appropriations for the Council on Environmental Quality under the Environmental Quality Improvement Act of 1970 for the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984; to the Committee on Environment and Public Works.

EC-3889. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance or completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

EC-3890. A communication from the Acting Assistant Secretary of State for International Organization Affairs, transmitting, pursuant to law, copies of reports issued by the United Nations Joint Inspection Unit during the first four months of 1980; to the Committee on Foreign Relations.

EC-3891. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements Of The Federal Prison Industries Inc., For The Fiscal Year 1979"; to the Committee on Governmental Affairs.

EC-3892. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "GAO Findings On Federal Internal Audit—A Summary"; to the Committee on Governmental Affairs.

EC-3893. A communication from the Chairman of the President's Commission on Pension Policy; transmitting, pursuant to law, an interim report of the Commission dated May 23, 1980; to the Committee on Governmental Affairs.

EC-3894. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a proposed new system of records in the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-3895. A communication from the Assistant Comptroller General for Administration, transmitting, pursuant to law, a report on the financial condition of the Comptrollers General Retirement System for the plan year ending September 30, 1980; to the Committee on Governmental Affairs.

EC-3896. A communication from the Controller of the Boys' Clubs of America, transmitting, pursuant to law, the financial report of the Boys' Clubs of America for calendar year 1979; to the Committee on the Judiciary.

EC-3897. A communication from the Secretary of the Commission of Fine Arts, transmitting, pursuant to law, a report with respect to requests made to the Commission under the Freedom of Information Act; to the Committee on the Judiciary.

EC-3898. A communication from the Assistant Attorney General for Legislative Affairs, transmitting, pursuant to law, a report on the impact of title II of the Psychotropic Substances Act of 1978; to the Committee on the Judiciary.

EC-3899. A communication from the Acting Executive Director of the National Capital Planning Commission, transmitting, pursuant to law, the annual report of the Commission on the administration of the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3900. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on certain visa petitions that have been accorded third and sixth preference classification under section 204(d) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3901. A communication from the Chairman of the National Advisory Council on the Education of Disadvantaged Children, transmitting, pursuant to law, a report entitled "The Office of Education Administers Changes in a Law; Agency Response to Title I, ESEA Amendments of 1978"; to the Committee on Labor and Human Resources.

EC-3902. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Graduate and Professional Opportunities Program; Public Service Education Program; and Domestic Mining and Mineral and Mineral Fuel Conservation Fellowships Program; to the Committee on Labor and Human Resources.

EC-3903. A communication from the Secretary of Health and Human Resources, transmitting, for the information of the Senate, comments on the bill S. 1843; to the Committee on Labor and Human Resources.

EC-3904. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, the annual report on the activities of the Commission for calendar year 1979; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on the Budget, without amendment:

S. Res. 426. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2238.

S. Res. 431. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3236 and the conference report thereon.

S. Res. 436. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2352.

By Mr. RIBICOFF, from the Committee on Governmental Affairs, and the Committee on the Judiciary, jointly, with amendments:

S. 262. A bill to provide for the regulatory analysis of proposed rules and the review of existing rules by the agencies, to make other improvements in regulatory procedures, to establish the Administrative Conference of the United States, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

George Herbert Patrick Bursley, of Maryland, to be a member of the National Transportation Safety Board.

(The nomination from the Committee on Commerce, Science, and Transportation, was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—AMENDMENT NO. 1778 TO S. 2352

Mr. HEINZ. Mr. President, I ask unanimous consent that a star print be made of amendment No. 1778 to S. 2352, and that the text of amendment No. 1778 as star printed be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1778

At the end of the bill add the following:

Sec. 6. Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(d) In calculating allowable price increases for the remainder of the current program year and for the next succeeding program year, the Council shall use, as the adjustment for productivity changes to the midpoint of the second year pay standard (8.5 per centum), the average growth in nonfarm output per man hour in the private sector from 1973 through 1979 (0.5 per centum), as measured by the Bureau of Labor Statistics.".

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HOLLINGS:

S. 2771. A bill for the relief of Joseph E. Saleeby; to the Committee on the Judiciary.

By Mr. BAYH:

S. 2772. A bill to amend the Internal Revenue Code of 1954 to clarify the tax exemption for interest on obligations of volunteer fire departments; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. Stevenson, Mr. Chafee, Mr. Bentsen, Mr. Heinz, Mr. Goldwater, Mr. Morgan, Mr. Danforth, Mr. Inouye, Mr. Tower, Mr. Jepsen, Mr. Cranston, Mr. Cohen, Mr. Durenberger, Mr. Javits, Mr. Hayakawa, Mr. Mathias, Mr. Percy, Mr. Lugar, Mr. Bayh, Mr. Tsongas, Mr. Riegle, Mr. Garn, Mr. Cochran, Mr. Melcher, and Mr. McGovern):

S. 2773. A bill to establish a national export policy for the United States; ordered held at the desk.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAYH:

S. 2772. A bill to amend the Internal Revenue Code of 1954 to clarify the tax exemption for interest on obligations of volunteer fire departments; to the Committee on Finance.

TAX EXEMPTIONS FOR VOLUNTEER FIRE DEPARTMENTS

● Mr. BAYH. Mr. President, today I am introducing a bill to amend the Internal Revenue Code to clarify the tax exemption for interest on obligations of volunteer fire departments.

Volunteer fire departments perform a vital role in protecting the lives and property of their communities. They are an essential part of local government in many urban as well as rural areas of this country. Therefore it disturbed me to learn that the IRS had recently decided to tax the interest paid by the Wayne Township Volunteer Fire Department of Marion County, Ind., on funds they had borrowed to pay for firefighting equipment.

The Wayne Township Volunteer Fire Department is the sole firefighting and emergency force in the area by agreement with Wayne Township. It receives substantial funds by contract with the Township trustee in compliance with Indiana law. It makes no charge for its firefighting services.

The IRS relied on a court decision involving a fire department which was totally independent of any control by local or State government and operated without a contract or public funds. In effect, the court held the organization to be a social club, not a political subdivision of a State.

What this bill attempts to do is to overturn the IRS ruling with respect to volunteer fire departments when these departments are the sole organization providing firefighting services in the area, when they are required by the political subdivision to provide firefighting services by agreement or otherwise, when they receive over half their funds from the political subdivision, and when they make no charge for firefighting services.

The bill then specifically provides that no inference is to be made about other cases in which fire departments might not meet the specific standards set up in this bill. This bill simply clarifies what had been the practice with respect to the Wayne Township Fire Department and similar fire departments before the IRS made its ruling.

Wayne Township Volunteer Fire Department needs this legislation to help replace their 1949 firetruck. The interest differential between exempt status and being taxed on the interest is nearly $100,000. That is a heavy burden for many local communities to bear. However, even more important is the principle involved. Such volunteer organizations provide many communities with low-cost government services. As such they ought to be rewarded rather than penalized.

This bill is basically the same as H.R. 7319 introduced by Congressman David Evans of Indiana in the House of Representatives. I urge that this legislation be enacted without delay.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Obligations of Certain Volunteer Fire Departments.—

"(1) In general.—An obligation of a volunteer fire department shall be treated as an obligation of a political subdivision of a State if—

"(A) such department is a qualified volunteer fire department with respect to an area within the jurisdiction of such political subdivision, and

"(B) such obligation is issued as part of an issue substantially all of the proceeds of which are to be used for the acquisition, construction, reconstruction, or improvement of qualified firefighting property.

"(2) Qualified volunteer fire department.—For purposes of this subsection, the term 'qualified volunteer fire department' means, with respect to a political subdivision of a State, any organization—

"(A) which is organized and operated to provide firefighting services for persons in an area (within the jurisdiction of such political subdivision which is not provided with any other firefighting services,

"(B) which is required (by agreement or otherwise) by the political subdivision to furnish firefighting services in such area,

"(C) which receives over half of the funds for outfitting its members and providing and maintaining its qualified firefighting property from the political subdivision, and

"(D) which makes no charge for its firefighting services.

"(3) Qualified firefighting property.—For purposes of this subsection, the term 'qualified firefighting property' means property—

"(A) which is of a character subject to the allowance for depreciation, and

"(B)(i) which is used in the training for the performance of, or the performance of, firefighting or ambulance services, or

"(ii) which is used to house the property described in clause (i).

"(4) No inference where standards are not met.—In the case of an obligation which does not meet all of the requirements of this subsection, nothing in this subsection shall be construed to infer that interest on such obligation is not exempt from tax under this section."

(b) The amendments made by subsection (a) shall apply to obligations issued after December 31, 1968.●

By Mr. ROTH (for himself, Mr. Stevenson, Mr. Chafee, Mr. Bentsen, Mr. Heinz, Mr. Goldwater, Mr. Morgan, Mr. Danforth, Mr. Inouye, Mr. Tower, Mr. Jepsen, Mr. Cranston, Mr. Cohen, Mr. Durenberger, Mr. Javits, Mr. Hayakawa, Mr. Mathias, Mr. Percy, Mr. Lugar, Mr. Bayh, Mr. Tsongas, Mr. Riegle, Mr. Garn, Mr. Cochran, Mr. Melcher, and Mr. McGovern):

S. 2773. A bill to establish a national export policy for the United States; ordered held at the desk.

(The remarks of Mr. Roth when he introduced the bill appear earlier in today's proceedings.)

ADDITIONAL COSPONSORS

S. 262

At the request of Mr. Ribicoff, the Senator from Nevada (Mr. Laxalt), the Senator from Michigan (Mr. Riegle), the Senator from Kentucky (Mr. Huddleston), the Senator from Texas (Mr. Tower), the Senator from South Carolina (Mr. Thurmond), and the Senator from Iowa (Mr. Culver) were added as cosponsors of S. 262, a bill to provide for the regulatory analysis of proposed rules and the review of existing rules by the agencies, to make other improvements in regulatory procedures, to establish the Administrative Conference of the United States, and for other purposes.

S. 1862

At the request of Mr. McClure, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of S. 1862, a bill to improve the administration of Federal firearms laws, and for other purposes.

S. 2166

At the request of Mr. Melcher, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 2166, a bill to promote the development of Native American culture and art.

S. 2195

At the request of Mr. Tower, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 2195, a bill to require the Secretary of the Interior, in cooperation with the Secretary of Agriculture, to implement certain requirements relating to animal damage control, and for other purposes.

S. 2596

At the request of Mr. Armstrong, the Senator from Vermont (Mr. Leahy), the Senator from South Dakota (Mr. McGovern), and the Senator from Arizona (Mr. Goldwater) were added as cosponsors of S. 2596, a bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1980, to provide for the cancellation of certain education loans in the case of individuals who perform service in the Selected Reserve of the Ready Reserve of an armed force, and for other purposes.

S. 2629

At the request of Mr. Armstrong, the Senator from New Mexico (Mr. Schmitt), the Senator from Utah (Mr. Garn), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 2629, a bill to increase the pay, allowances, and special and incentive pays of members of the uniformed services.

S. 2661

At the request of Mr. Tower, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 2661, a bill for the relief of Martin Alfredo P. Marasigan, M.D., also known as Freddie del Prado Marasisan, M.D.

S. 2763

At the request of Mr. Chafee, the Senator from New York (Mr. Javits), and the Senator from Kansas (Mr. Dole) were added as cosponsors of S. 2763, a bill to amend and clarify the Foreign Corrupt Practices Act of 1977.

SENATE CONCURRENT RESOLUTION 92

At the request of Mr. Chafee, the Senator from Florida (Mr. Stone), the Senator from Illinois (Mr. Percy), the Senator from Ohio (Mr. Glenn), the Senator from Vermont (Mr. Leahy), the Senator from North Carolina (Mr. Morgan), the Senator from Georgia (Mr. Nunn), the Senator from Arkansas (Mr. Bumpers), the Senator from South Dakota (Mr. McGovern), the Senator from Massachusetts (Mr. Tsongas), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Colorado (Mr. Hart), the Senator from Missouri (Mr. Eagleton), the Senator from Oklahoma (Mr. Boren), and the Senator from Colorado (Mr. Armstrong) were added as cosponsors of Senate Concurrent Resolution 92, a concurrent resolution declaring that the Congress does not favor the withholding of income tax on interest and dividend payments.

AMENDMENT NO. 1777

At the request of Mr. Heinz, the Senator from Kansas (Mr. Dole) was added as a cosponsor of amendment No. 1777 intended to be proposed to S. 2352, a bill to increase the authorization for the Council on Wages and Price Stability, to extend the duration of such Council, and for other purposes.

SENATE RESOLUTION 449—SUBMISSION OF A RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY RELATING TO YOUTH ADULT CONSERVATION CORPS

Mr. MAGNUSON (for himself, Mr. Jackson, Mr. Baucus, Mr. Randolph, Mr. Stevens, Mr. Melcher, Mr. Sarbanes, Mr. Burdick, Mr. Javits, and Mr. Packwood) submitted the following resolution which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Labor and Human Resources, jointly, pursuant to the order of August 4, 1977.

S. Res. 449

Resolved, That the Senate disapproves $27,500,000 of the proposed deferral, D80-57, of budget authority relating to the Young Adult Conservation Corps, as set forth in the message transmitted by the President to the Congress on April 16, 1980, under section 1013 of the Impoundment Control Act of 1974.

AMENDMENTS SUBMITTED FOR PRINTING

AGRICULTURAL TRADE SUSPENSION ADJUSTMENT ACT OF 1980—S. 2639

AMENDMENT NO. 1785

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON submitted an amendment intended to be proposed by him to the bill (S. 2639) to mitigate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on U.S. agricultural producers, and for other purposes.

COUNCIL ON WAGE AND PRICE STABILITY AMENDMENTS OF 1980—S. 2352

AMENDMENT NO. 1786

(Ordered to be printed and to lie on the table.)

Mr. DOLE (for himself and Mr. Armstrong) submitted an amendment intended to be proposed by them to the bill (S. 2352) to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Parks, Recreation, and Renewable Resources of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today, beginning at 2 p.m., to hold a hearing on the national wilderness preservation system.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today, beginning at 10 a.m., to mark up the oil backup bill and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, June 4, beginning at 1 p.m., to hold a nomination hearing on judicial nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a markup session on S. 2294, the Department of Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NEW GOVERNMENT PLAN FOR JOBLESS YOUTH

● Mr. TOWER. Mr. President, in the list of suggested budget savings prepared under my direction which appeared in the RECORD of May 6, the recommendation was made to eliminate from the President's fiscal year 1981 budget the new youth initiative program.

I am inserting into the RECORD today an article by Mr. Edwin G. West as it appeared in a recent issue of Policy Report, published by the CATO Institute. The article, entitled "New Government Plan for Jobless Youth," addresses the issue of President Carter's new youth initiative program and the minimum wage laws of this Nation.

The article is required reading for anyone who believes that these types of programs and the minimum wage law are beneficial in correcting or mitigating the tragically high unemployment rates of minority teenagers.

Speaking to the minimum wage, Mr. West observes that "minimum wage leads to maximum government." The new youth initiative program proposed in the President's budget is the latest in a long list of programs designed to maximize government while doing precious little for unemployment and disadvantaged youth.

Mr. President, I ask that the article appear in the RECORD.

The article follows:

NEW GOVERNMENT PLANS FOR JOBLESS YOUTH

(By Edwin G. West)

Judging from presidential announcements earlier this year, unprecedented attacks will at last be made on the problem of teenage unemployment and poverty. One official has indicated that the administration is to ask Congress to authorize $1.2 billion for the new youth program for the fiscal year beginning October 1, 1980, with actual spending in that year estimated at $150 million. In the following fiscal year, the administration is seeking $2 billion in budget authority, with outlays estimated at $1.3 billion. By fiscal 1983 the government plans to spend $2 billion a year on the program, one-half to be spent by the Department of Labor (DOL) and the other by the recently created Department of Education (DOE).

The new proposal to help youth is an enormously costly compensation for the damage done by other government policies, such as the minimum wage. Economist Walter Williams has calculated what the latest increase in the minimum wage (from $2.90 to $3.10 per hour) will cause unemployment among low-skilled black teenagers to rise from 35 percent to at least 40 percent. ("Time," 21 January 1980).

He argues that the way to help minorities on to "the crucial first rung" of the career ladder would be to ease or eliminate state licensing laws that now keep about 600 occupations in the United States tight and closed. In some states one needs a license to be a cosmetologist or a landscaper.

Minimum wages cause not just unemployment but also disemployment, a term that refers to the total loss of jobs caused by (a) workers going on the officially recognized unemployment list and (b) "discouraged" workers dropping out of the labor market altogether. This second component is attracting the most attention in recent research. In an article in "The Journal of Political Economy" in 1976, Jacob Mincer reports that no more than a third of the employment loss in the sector covered by minimum wages appeared as unemployment, "while the bulk withdraws from the labor force."

One important limitation of the new youth policies therefore quickly becomes clear. Although the DOL's newly proposed program will concentrate on the unemployed 16 to 21 year olds, many in this age group who are not in the labor force will not be reached. Presumably the department will rely on its contact with officially unemployed individuals when they register and collect unemployment benefits; its ability to reach the others is severely restricted.

The new proposals are the result of a growing conviction that existing programs have inherent problems. When the earliest federally funded programs were initiated under the Area Redevelopment Act in the late 1950s, the focus was on "institutional" (i.e., formal classroom) rather than on-the-job training. In 1962, however, the Manpower Development and Training Act introduced the broader objectives of training to fill the skill shortages that developed in periods of prosperity and also on-the-job training. During the prosperous sixties, the programs focused more on the problems of hardcore disadvantaged groups, such as out-of-school and out-of-work youth. The Job Corps Program (now administered by the DOL), which first appeared in 1964 under the Economic Opportunity Act, was originally designed to serve the "most disadvantaged of the disadvantaged." One analyst has since described it as a residential program "aimed at removing youth from the damaging effects of deprived family and neighborhood environments while administering basic educational and vocational-technical training services."[1]

The Neighborhood Youth Corps and Operation Mainstream were two Job Creation Programs established during and since the late 1960s. Pressure for larger government employment programs resulted in the Emergency Employment Act of 1971, which budgeted $2 billion over two years. When this act expired in 1973, Congress passed the Comprehensive Employment and Training Act.

The sequence of events, therefore, is as follows: minimum wages are periodically increased, causing disemployment. The government "rescues" the jobless by creating jobs mainly in the government sector. In short, minimum wages lead to maximum government.

DOL officials no longer deny the statistical testimony of disemployment because they cannot deny the obvious. Instead, they contend that disemployment leads to a greater good. Secretary of Labor Ray Marshall argued in 1978 that it makes sense to raise the minimum so that, say, 30,000 people lose their jobs because then the government can induce these young people into the formal education of government training programs.[2]

Empirical evidence does indicate that minimum wages increase school enrollment, but supporters of the official position have not shown that formal schooling is preferable to informal, on-the-job experience.[3] In fact, the DOL has discovered that government incentives to employers to hire young people do not work well because "so many young people can't read or write and thus aren't able to do many jobs."[4] One official observed that the literacy gap identified was "absolutely shattering. Of recently surveyed black 17 year olds, for example, 42 percent were functionally illiterate.[5]

Before putting more money into an inefficient system it would be more appropriate to diagnose and remedy the present defects. Yet the new and enlarged DOE has simply been given additional funds to provide what are euphemistically called "basic skills" in education or, in other words, lessons in literacy. If a person is not literate after ten years of government schooling, the prescription for more of the same seems odd.

Economists Martin Feldstein and David Ellwood recently cast doubt on the seriousness of teenage unemployment. On the basis of 1976 data compiled in "*Current Population Surveys*," they concluded that less than 5 percent of teenage boys were out of school, unemployed, and looking for full-time work and that many out-of-school teenagers were neither working nor looking for work, and most of these reported no desire to work.[6]

But because teenagers are in school and not listed as unemployed, it does not follow that there is no problem. Minimum wage laws tend to increase school enrollment while they reduce the number of jobs. Also, some of the schooling in the new training establishments includes generous training allowances, so a teenager has some incentive to enroll even if he expects no effect on his future earnings.

Feldstein and Ellwood also play down the significance of the people driven out of the work force because, according to their survey, only 3.5 percent of the out-of-the-labor-force group *said* they wanted a job but believed they could not get one.

The conflict between Feldstein/Ellwood and Mincer stems from different methodologies used. Mincer employed *econometric* research, which looks at a given state of the world after the minimum wage is increased. This method simply records what people do rather than what they say. The evidence is

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Footnotes at end of article.

that they drop out of the labor force in significant numbers. In contrast, Feldstein and Ellwood used personal interviews to conclude that such workers are *not* really discouraged. And the evidence is simply that they say so.

The Departments of Education and Labor presumably act on the assumption that most of these people do not really mean what they have told Feldstein and Ellwood. This assumption, the departments believe, will be demonstrated once the out-of-the-labor-force group has been coaxed into the new educational programs. For the DOL, we are told, is about to try to convince them to return to school or enroll in "alternate education" programs while they work part-time jobs aimed at giving them training and instilling good work habits.

The econometric evidence says that new groups of workers will be discouraged from the labor market by minimum wage revisions in the next few years. But then they will also be encouraged by officials to say that they really do want jobs and to come back to school in order to qualify for them.

All this discouragement and encouragement will cost money, some of it paid with taxes on the beneficiaries. Devotees of George Orwell who detect centralized manipulation of individuals in all this will be intrigued by the year in which the new government youth plans are to come to fruition: 1984.

FOOTNOTES

[1] Dave M. O'Neill, *The Federal Government and Manpower*, A. E. I. Evaluation Studies, August 1973, p. 7.

[2] Edwin G. West, "The Unsinkable Minimum Wage," *Policy Review*, vol. II, Winter 1980.

[3] Peter J. Matila, "Youth Labor Markets, Enrollments and Minimum Wages," *I.R.R.A. Proceedings*, August 1978.

[4] "President Seeks to Provide Jobless Youth with Work Experience and Basic Skills," *Wall Street Journal*, 11 January 1980.

[5] Ibid.

[6] Martin Feldstein and David Ellwood, "Teenage Unemployment: What is the Problem?" *Discussion Paper No. 730*, December 1979, Harvard Institute of Economic Research, Harvard University.●

STORING SPENT NUCLEAR FUEL

● Mr. HOLLINGS. Mr. President, as the Congress and the administration move forward on nuclear waste policy matters, it is imperative to have the close involvement of the States that will be impacted by this policy. The Federal Government must carry out in good faith a process of cooperation and consultation with the Governors and State legislators as potential sites are explored both for storing spent nuclear fuel on an interim, regional basis and for storing high-level wastes on a long-term basis.

The South Carolina legislature passed a resolution calling for State involvement in the siting of a regional spent fuel storage facility in Barnwell. On behalf of Senator THURMOND and myself, I ask that the resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

Whereas, the federal government is considering Allied General Nuclear Services in Barnwell for an away from reactor (AFR) storage facility to be owned and operated by the federal government; and

Whereas, such consideration is based solely on economic considerations; and

Whereas, the question of site location for the storage or disposal of radioactive waste should be decided on technical considerations; and

Whereas, interim water pool storage has not been demonstrated to be a reliable process for the storage of spent fuel for more than a few decades; and

Whereas, no decisions have yet been made by the federal government regarding the permanent disposal of spent fuel or high-level radioactive waste; and

Whereas, there is no permanent federal repository for safe disposal of high-level radioactive waste; and

Whereas, there are many technical, legal, environmental and political issues that must be resolved before such a permanent repository can be established; and

Whereas, neither the federal government nor the nuclear industry has prepared reliable cost estimates for the ultimate disposal and perpetual care of high-level radioactive waste and spent fuel; and

Whereas, the establishment of a permanent federal nuclear waste repository raises vital questions of policy of such importance to present and future generations as to preclude the establishment of such a repository well after the year two thousand; and

Whereas, twenty-five million gallons or one-third of the nation's high-level defense waste is stored at the Savannah River Plant in Aiken, South Carolina; and

Whereas, the State of South Carolina currently stores eighty-five percent of the nation's low-level radioactive waste; and

Whereas, a lack of policy and action by the federal government to designate other low-level nuclear waste sites in the United States has placed an inequitable burden upon our citizens and future generations; and

Whereas, experience has indicated that long-term guarantees from the federal government on radiological matters may not be possible because of the current and probably the future emotional environment surrounding nuclear power.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly by this resolution hereby memorializes the President of the United States and the United States Congress to abstain from considering the State of South Carolina as a site for the establishment of an interim storage facility for commercial spent nuclear fuel and other high-level radioactive waste produced outside the State until official consultation has taken place between the federal government and the State, such consultation to be conducted by an appropriate committee designated by the members of the General Assembly and the Governor and that the establishment of such an interim storage facility must obtain prior approval by Joint Resolution of the majority of the membership of the General Assembly and also approved by the Governor.

Be it further resolved that copies of this resolution be forwarded to the President, Vice President, Speaker of the House of Representatives of the South Carolina Congressional Delegation in Washington, D.C.

ADMINISTRATION TAX POLICIES UNDERMINE AMERICA'S FUTURE

● Mr. DOLE. Mr. President, if anyone still doubts that the economic policies of the Carter administration have cut severely into the purchasing power of Americans, they should doubt no longer. The combination of automatic tax increases from inflation, record-high interest rates, and unprecedented rates of inflation have put the squeeze on our taxpayers. Yesterday the Bureau of Labor Statistics released a report showing that wages—average hourly compensation—declined 5.6 percent in real terms in the first 3 months of this year. This is the eighth straight quarter in which inflation has outrun wages. In fact, wages in real terms now stand at the same level as in the third quarter of 1972. This is no news to consumers, but it does provide statistical proof of the pinch that everyone has been feeling.

Our Nation has been built on people's expectation that, through hard work and perseverance they could better their lives and those of their families. Now we have an administration that appears committed to undermining that expectation. The Carter administration is determined to make the American people pay for its own failure to adopt economic policies that would facilitate real economic growth without inflation. The report shows that, in this at least, the administration has been successful.

Mr. President, nothing can do our country more harm than the destruction of our people's belief in their own future. Yet the combination of high taxes, high inflation, and sluggish growth is doing just that. As a result, our citizens are losing confidence in the ability or willingness of Government to foster a stable, growing economy. It is time for Government to make a gesture of good faith to the American people, to restore their confidence in the future. One way to achieve that would be to index income taxes to inflation.

Inflation always pushes people into higher tax brackets because of the progressive rate structure of the income tax. But double-digit inflation cost taxpayers dearly even though their purchasing power remains the same, or even declines. Even if inflation moderates to 12 percent this year, the result will be to cost taxpayers about $18 billion in 1981. That is an unacceptable burden to add on for our citizens, particularly when it occurs automatically, without a vote or any action by Congress.

The Tax Equalization Act, S. 12, would eliminate this "taxflation" and guarantee our citizens stable tax rates unless Congress acts to change them. This would give taxpayers more reason to have confidence in the future, and give them more certainty in planning their finances. I introduced this legislation last year for just these reasons, and the course of the economy since then dramatizes as never before the need for this tax reform.

Mr. President, a report released yesterday by the Tax Foundation further illustrates the squeeze on American taxpayers. The Tax Foundation has developed a tax index that compares the rise in Federal, State, and local taxes with the rise in general prices and the real output of the business sector. According to this index, taxes rose 13 percent from 1978 to 1979, while prices rose 9 percent and real output just over 2 percent.

Using 1967 as a base year, the tax index shows an alarming trend over the past decade, as taxes have increased much more rapidly than prices or real output. The table prepared by the Tax Foundation gives convincing evidence of the need for tax equalization by eliminating taxflation. It shows that the tax index jumped 65 percent from 1975 to 1979, more than double the 30-percent rise in prices and over triple the 21-percent rise in real output of the private sector. With 1967 as 100, the tax index now stands at 336.4, compared to 209.4 for prices and 144.0 for output. Accordingly, I ask that the table be printed in the RECORD. I thank my colleagues for their attention to my remarks.

A Tax Foundation table on trends in taxes, prices, and output for selected years since 1970 follows:

TAXES, PRICES, AND OUTPUT [1]

[Index numbers, 1967=100]

	Tax index	Price index	Output index
1960	61.9	86.9	73.2
1965	82.9	94.1	92.9
1970	132.2	115.6	107.3
1975	203.5	160.9	118.7
1976	233.7	169.2	126.4
1977	262.4	179.3	133.8
1978	297.4	192.4	140.7
1979	336.4	209.4	144.0

[1] All series are on a calendar year basis, compiled by Tax Foundation from national income accounts data published by the U.S. Department of Commerce. The price index is the GNP price deflator, and the output index covers GNP originating in the private business sector, in constant dollars. ●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Alex Knopp, of the staff of Senator McGOVERN, to participate in a workshop sponsored by a foreign educational organization, the Friedrich-Ebert-Siftung (Foundation), in Bonn, West Germany, on June 13 and 14, 1980.

The committee has determined that participation by Mr. Knopp in the program in West Germany at the expense of Friedrich-Ebert-Siftung (Foundation), is in the interests of the Senate and the United States. ●

S. 1641—THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS REPORTS A MAJOR INITIATIVE ON WATER POLICY

● Mr. DOMENICI. Mr. President, S. 1641 was recently reported by the Senate Committee on Environment and Public Works. This bill is now Calendar No. 826.

Title II of S. 1641 contains a major new initiative on water policy, establishing a system that will greatly augment State participation and control over those water resource projects designed and built by various Federal agencies.

To assist my colleagues and others in understanding the intent and the impact of this important proposal, I ask that an outline of title II of S. 1641, as well as those portions of Report 96–774 dealing with title II, be printed in the RECORD.

The material follows:

OUTLINE OF TITLE II OF S. 1641

Authorizes a 5-year demonstration of a new funding and project-selection system, which would run concurrently with the traditional line-item method for authorizing and funding Federal water resources development projects.

Allocates $1 billion a year among the states for five years, beginning in fiscal year 1982. This money is available only for Federally designed projects already authorized or which would be authorized in the future. Thus Title II represents no new demand on the Federal budget.

Makes no changes in existing cost-sharing arrangements on water reosources projects.

The demonstration money is distributed to the states on a formula, based half on land area, and half on population.

A state-developed priority list determines which projects go forward. Each state must hold an annual public hearing to develop this list.

Studies of new water resources projects are authorized at State request, and undertaken according to a separate state priority list. $150 million is available annually for studies.

New demonstration projects can be authorized automatically, if the State and the Federal agencies agree.

A benefit-to-cost ratio greater than one is not required for projects built under the demonstration program, if the State decides the project has other important benefits and merits priority action.

The types of projects eligible for Federal demonstration program funds is expanded to include water supply and renovation, desalination, and dam safety.

The demonstration covers work of the Army Corps of Engineers, the Water and Power Resources Service (formerly the Bureau of Reclamation), and the Soil Conservation Service.

The Water Resources Council will evaluate the demonstration program to see if it works better than the current project-by-project process, which continues. The Council reports its findings to Congress after the fourth year of the demonstration.

[Excerpts from Senate Report 96–774]

GENERAL STATEMENT—TITLE II

Title II of this bill creates a five-year demonstration program, which will test several major changes in the method by which water resources development projects are approved and funded.

This new approach seeks to accelerate needed water resources work in an effort to bring greater continuity and rationality to this vital national program, and prepare for what many see as the next major national resources crisis—a shortage of usable water.

The present water resources program—covering the Army Corps of Engineers, the Water and Power Resources Service (formerly the Bureau of Reclamation), and the USDA Soil Conservation Service—is in disarray. It is plagued with delays and ad hoc decisions, factors that have inhibited national water resources development in recent years.

The construction budget of the Corps of Engineers has declined by 50 percent, in real dollars, since the mid-1960's. Projects now take, on the average, a generation to initiate, with much of that time taken by congressional delays in authorizing and appropriating funds. The backlog of authorized projects is approximately $30 billion. There is no system for establishing priorities among backlogged projects, or future projects. Today the States play, at best, a limited role in the planning and authorization of projects. Yet, this input is even less in the appropriation process. The States generally have a far better understanding of what is needed locally than Washington does.

To assure a stronger program, the nation needs to move toward a system where the public has confidence that a plan and program exist, where spending is devoted to our most critical needs. Such a change is unlikely to occur under the present ad hoc system.

The demonstration water project funding program established by Title II would run parallel with the existing program of individual project authorizations and line-item appropriations by the Congress. It would not supplant it. This is a test of whether a streamlining of the process can improve the national water resources program.

It has been argued that this system cannot work on projects with an interstate character. The Committee does not expect that to occur. States now cooperate on a wide variety of issues that have an interstate character with the same expected to be true of water resource projects. If one state involved in a interstate project now opposes the project, it is unlikely to be built under the existing system. The demonstration project imposes no greater constraint.

The demonstration will begin in fiscal year 1982, and will permit up to $1 billion to be allocated yearly among the States for five years. The funds would be allocated to states using a formula based on land area and population. The States would then choose among projects that are to be designed and constructed by the three Federal water resources agencies on which the state's allocated funds would be spent. This money would be spent on the state's priorities, not those selected by Congress. Large projects, multi-state projects, and many ongoing projects would be expected to continue under the traditional approach of specific Congressional authorization and line-item funding.

It should be noted that this title may not necessarily require additional funds to be appropriated. Rather, the $1 billion per year figure should be considered as a limitation on the demonstration method of funding. The President's Budget and the Appropriations Committees would be expected to determine the total level of water project funding the nation should support, in any given fiscal year, and would be expected to divide that spending between the demonstration program (up to $1 billion a year) and the line-item program (with no dollar limitation). If the demonstration increases public confidence in the water resources program, more money may, indeed, be appropriated to water resources projects in the future. But this authority already exists in the backlog of authorized projects. Thus, this bill adds no new budget authority, as such, except as a system that would accelerate authorizations for some projects in the future.

The title does expand the definition of what can be authorized as a Federal water resources project, adding single-purpose projects for water supply and projects to desalt water.

This title also includes a provision requiring the Water Resources Council to report to Congress on the effectiveness of the demonstration program. Upon receipt of that report, Congress may then determine which system constitutes the more rational and effective process of administering and funding the national water resources program.

The demonstration program is expected to add needed flexibility to the water resources program, overcoming delays, creating a wider constituency for the program, and instilling greater public confidence in the national program.

SECTION-BY-SECTION ANALYSIS

TITLE II

Section 201—short title

This section cites as the name of this title of the bill as the "National Water Resources Policy and Development Demonstration Act of 1980".

Section 202—congressional findings

This section discusses several congressional findings and conclusions regarding the state of the present national water resources program, and its future course. Increasing delays in the implementation of Federal water resource programs, the bill states, have frustrated the development of important and necessary water resources projects to the point that it now takes, on average, a generation from the time that planning on a typical water resources project is authorized to the time that the project's actual construction is initiated. Among the reasons cited are the lack of expeditious congressional action, both in the authorization and appropriation process, and the failure to establish any effective system for identifying those water resources projects that are of highest priority for continued economic growth, environmental quality, and social well-being.

It is the conclusion of this section that the Nation's water resources development effort would operate more effectively and efficiently if projects were evaluated under a system of priorities, and then administered with an increased degree of State participation.

Section 203—feasibility studies

This section establishes a new, coordinated system for authorizing and implementing studies of water resource projects. Under the present system, taking the Corps of Engineers as an example, a study is normally authorized by a resolution adopted by either of the Congressional Public Works Committees. Then that study must wait in a line of several hundred other studies until it happens to win a line-item appropriation. The states have no role in that selection process, and there is no effort to identify priority work.

To overcome these inadequacies, this section establishes a new system for initiating studies by the three Federal agencies covered by this title: the Army Corps of Engineers, the Water and Power Resources Service, and the Soil Conservation Service. The process stresses the State's role in the planning, together with a new emphasis on the identification of priorities. Under this approach, a study is authorized automatically whenever a State submits a request to the Federal Water Resources Council (WRC). Within 15 days after it receives such a request, the Council must publish notification of that request in the Federal Register, and then transmit the study request to whichever of the three water resources agencies it deems the most appropriate to undertake it.

From any of these new study requests, as well as the hundreds of such studies currently authorized under the present system, each State shall select those studies, or components of studies, that should be undertaken and funded in any particular year. To make this selection each state must hold a hearing, then submit to the WRC a list of those studies, in order of priority, which that State wishes to have undertaken or completed by the appropriate Federal water agency in that year. The list must be submitted by August 1 of each year, two months before the start of the fiscal year. This system of funding studies replaces the existing line-item funding: the contruction program discussed later does not replace the on-going construction effort.

The section also increases state participation in another way. Before any study can be initiated, the State where project implementation would occur, must approve the plan and term of study, and shall appoint at least one employee to work on it in coordination and cooperation with the Federal water resources agency.

This is intended to assure greater state participation in plan development. Too often, studies are dragged out unnecessarily, or are misdirected and fail to examine some of the issues confronting the State. While leadership, of course, rests with the Federal agency, increased state participation should prevent this type of problem. It should also be noted that the Federal water agency may contract with the State for the preparation of any of these studies. The Federal water resources agency must take into account the requirements of any affected interstate compact, as it relates to water use, as well as any relevant court decrees.

When concluded, a study shall be submitted as soon as possible to the WRC, together with the specific recommendations of the Federal water resources agency stating whether it concludes the project should be implemented. This study report must be accompanied by a certification of need from the Governor of the appropriate State (or the Governors of two or more States if the project will exist in two or more states). The certification must conclude that implementation of the project, as described in the study report, would be desirable, needed, and entitled to priority consideration within the State (or states.) Failure to provide such a certification will prevent the forwarding of the report. Each state should logically have this authority to certify the need for projects in its state.

Further, the studies must conform to the priorities established by each State to avoid pursuing a study that would most likely not achieve a high enough priority to be funded for construction.

This section authorizes $150,000,000 annually for these studies in the fiscal years 1982 through 1986. This money, to the extent practicable, is to be allocated by the WRC among the states on the same land-population formula that is used for construction funds allocated under section 205 of this title.

Section 204—project authorizations

This section carries forward the efforts of this title to streamline the process for judging water resources projects. It establishes a more automatic procedure for authorizing those new projects that would be accomplished under this title. This procedure does not affect projects that would be built under the traditional line-item system. They would continue to be addressed by Congress in periodic authorizing legislation.

Under this new approach, the WRC receives a study report from a Federal water agency. Within 30 days, the WRC must publish a summary of the project in the Federal Register, together with the recommendations of the Federal water resources agency, and the Governor's certification, which is described in section 203. Ninety days thereafter, the project as described in the report becomes automatically authorized for construction (or other form of implementation), and thus available for inclusion on a State's priority list for construction and eligible for using the money provided by section 205 of this title.

There may occasionally be exceptions to this process. The first involves those cases where a study proposes a project in one State that might adversely affect the waters of another State. If the Governor of the other State objects in writing to the WRC within the 90-day period, showing that the project would adversely affect the quantity or quality of water available in his State, then the report and project are not authorized automatically. In this situation the report must be submitted to the Congress, and authorization could only occur by Act of Congress.

The other exception would occur when the WRC received a study report in which the Federal water agency recommended against implementation of a project. Two things could happen. If the WRC overruled the agency and approved implementation, the WRC would publish a summary of the project in the Federal Register, and the project would be authorized automatically. (Should the Council fail to act at all on such a disputed study report within 180 days, then it would be deemed to be authorized.) If, on the other hand, the Council sustained the objection of the Federal water agency against the implementation of a project, then that recommendation and the study report would be transmitted to the Congress within 30 days. In this case, as with an objection by a neighboring State, implementation could only be authorized by Act of Congress.

Section 205—demonstration program

This section establishes the actual program for construction of water resource projects under the demonstration program. This, of course, is the provision of this title that will have the greatest long-term significance.

Following public hearings to be held at least annually by each State, the State will develop a priority list for Federal water resources projects to be built in that State in the coming fiscal year. The State will submit that list to the WRC by August 1, 1981, and annually thereafter. This is the same date as required for the priority list of studies. When considering projects for its priority list, each State is required to take into account the recommendations of any appropriate river basin commission.

State priority lists will then be published by the WRC in the Federal Register by September 1 of each year. The State list shall determine the order of funding for those water resources projects or portions of projects, that are implemented under the terms of this title in each State during the following fiscal year. The list will have no effect on funding of the traditional line-item program of construction, although the information on State priorities should prove most valuable in assisting the Congress in setting its own priorities for water projects.

A State's priority list shall be deemed approved within 30 days of its publication in the Federal Register, unless the WRC determines that the list was developed without an opportunity for a public hearing.

This is the only way a priority list can be rejected by the WRC. If there was no public hearing, the WRC shall immediately notify the State. The State would then be precluded from using its allocated funds under this section until the public hearing has been held and the list resubmitted and republished in the Federal Register.

Projects may be implemented under this section without the present requirement that the project have a benefit-to-cost ratio greater than one, as determined by the national economic analysis. A Governor may determine that the project will provide other significant benefits, including benefits for environmental quality, social well-being, or regional development, and place the project on the State's priority list.

This exception does not mean that the benefit-to-cost ratio now used to analyze water projects is to be abandoned. It must continue to be computed by the Federal agency. But a State may use the ratio in addition to an evaluation of other significant benefits which cannot be identified in dollar terms.

The sum of $1 billion, authorized annually under this section, is appropriated to the WRC for allocation among the States. The allocation shall be under the terms of section 206 for each of the fiscal years 1982 through 1986. The WRC, under this system, has no discretion to withhold funds or delay project reports. The WRC shall act as a conduit for money to the States. It should be noted that the Committee has also reported legislation (S. 1639) which would restructure the WRC, giving it an independent chairman.

Money under this section shall be available for the detailed engineering work and the implementation of water resources projects currently authorized or authorized subsequent to enactment of this title. It must be emphasized that these funds are available only for projects that are undertaken at the direction of a Federal water resources agency. This does not provide a block grant in the normal sense of the word; it is block allocation for spending on a discrete list of authorized water projects.

In addition, this provision in no way alters the cost-sharing arrangements now in law. They remain intact.

This section includes a statement that this title in no way limits the authorization or appropriation of other funds for specific water resources projects through other legislation, including projects authorized prior to enactment of this Act or subsequent to this Act.

Section 206—State allocation

This section establishes the formula for allocating the funds authorized by section 205. Sums appropriated under section 205 of this title shall be allocated by the WRC among the States on the 15th day following the appropriation of such monies, in accordance with regulations that are promulgated by the WRC within one year of the enactment of this title.

The formula for distribution shall be one-half in the ratio that the population of each State bears to the population of all the States, and one-half in the ratio that the area of each State bears to the area of all States, with two provisos. None of the 50 States shall receive less than one-third of 1 percent of the sums allocated annually among all the States; and, second, the State of Alaska shall receive the sum of $25,000,000, or 3 percent of funds appropriated, whichever is lesser. Alaska shall not otherwise be included in any computation under this section.

The reason that a land-population formula was selected is that area and population concentrations have a major impact on the need for water resources projects. Certainly, it would be difficult to establish a "needs" formula that would not turn into a wish-list. It should be noted that one of the studies required by Section 209 could result in the creation of a realistic needs formula.

Sums allocated to a State become available for obligation on water resources projects on and after the date of the allocation, provided that the State's priority list has been approved. These sums shall remain available for obligation through September 30, 1986, the conclusion of the demonstration program.

Section 207—clarification

This section clarifies the intent of the title that the requirements of the National Environmental Policy Act, the Fish and Wildlife Coordination Act, and the Endangered Species Act are not superceded in any way.

Section 208—definitions

This section provides three important definitions. The term "Federal water resources agency" is stated to include the Army Corps of Engineers, the Water and Power Resources Service, and the Soil Conservation Service.

The term "project" includes any water resources facility, device, or system, including nonstructural programs, that is designed to prevent flooding, control erosion, provide reclamation, hurricane protection, municipal and industrial water supply systems (including rehabilitation of existing systems), inland, coastal and ocean navigation, power generation, saline water conversion, water-based recreation (including river-oriented recreation), sediment control, water conveyance, water conservation, water resources protection and restoration, safety of dams, or related water purposes. This definition is a broad one, and is intended to allow all three Federal water resources agencies to move into single-purpose water supply projects, which would be repaid under terms of the existing Water Supply Act. Only the Water and Power Resources Service now has this authority.

The term "State" means the various States of the United States, as well as the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territories of the Pacific, except that the minimum allocation of one-third of 1 percent of the construction funds shall apply only to the 50 States.

Section 209—evaluation report

This section directs the WRC to undertake an evaluation of this demonstration program, and to prepare other information on national water resources needs. After conducting public hearings and consulting with the States, the WRC shall submit to Congress by September 30, 1985, a detailed report to enable the Congress to evaluate the future of the water resources program in the final year of the demonstration.

The report will analyze the implementation of projects and reports that are undertaken under this demonstration effort, compared with water projects are are implemented under other authorities. The WRC is expected to give particular reference to the time needed to implement projects, the effect that the requirement for State priority lists has on the merits of the projects studied and implemented in the five-year period, the effect of greater State involvement in planning on the selection, merit, and effectiveness of projects, and the impact of removing the requirement that all projects produce national economic benefits that exceed their cost, together with an analysis of methods to measure other objectives of water resources development.

The WRC is also expected to submit any other recommendations on methods to implement an effective, national water resources development process, which emphasizes rapid implementation of priority work.

Second, the WRC study shall include a detailed estimate of the needs and costs regarding the national priorities for water resources management through the year 2000, together with an estimate of the needs for cost-effective implementation of projects throughout the Nation by the year 2000, the needs, over a 20-year period, in each State for water resources projects, and, in cooperation with the Office of Water Research and Technology, a study of the best ways to achieve the maximum efficient use of water supplies from existing Federal projects.

Third, the report shall review present cost-sharing mechanisms for water resources projects, including any changes adopted subsequent to the enactment of this act, and recommend whether or not there should be changes, including the possibility of a single cost-sharing formula for all Federal water resources development projects.

There is $5,000,000 authorized to be appropriated to the WRC for the purpose of these studies.●

FLYING ABOVE MINIMUM

● Mr. CANNON. Mr. President, I ask to have printed in the RECORD an editorial which appeared in the Charlottesville, Va., Progress recently. It reflects a realistic and insightful view on the part of one small community with respect to air service.

The editorial is as follows:

FLYING ABOVE MINIMUM

The deregulation of commercial aviation has injected a healthy dosage of free market economics into the American skies, but other factors—energy, marketing strategies, hard-nosed business decisions, to name just three—have prompted the federal government to draw up minimum protection plans for small cities receiving airline service. Happily, it's probable that free-market economics and not government rules will determine airline service at Charlottesville-Albemarle Airport for the foreseeable future.

The federal Civil Aeronautics Board proposes to guarantee Charlottesville-Albemarle airport with a minimum of two daily nonstop flights to Washington National Airport and two weekend flights to Roanoke. That's a worst-case assumption, of course, and it's pretty awful, considering that Piedmont Airlines, the largest air carrier serving here, presently offers three nonstop flights and a fourth, one-stop flight to Washington National; two daily round-trip flights to New York City's LaGuardia Airport; and one daily nonstop flight apiece to Roanoke, Winston-Salem, N.C. and Shenandoah. The airline, using customer demand as a main assumption, now provides three times the minimum number of seats, 160, that the CAB would require.

We aren't ridiculing the CAB, either. This is one rare example of a government agency which has earned the praise of market conservatives, airlines and passenger alike in recent years. Its former chairman, Alfred Kahn, went down in bureaucratic history when he announced to a reporter that his deepest ambition would be to preside over the dissolution of the Civil. But it's true that all airlines, from major air carriers and prime "short-haul" companies such as Piedmont to the smaller commuter outfits, are vulnerable to the energy situation. Aviation fuel costs have risen in five years from 13 cents to 95 cents a gallon, making fuel the largest overhead category. Allocation is also a major factor. One Piedmont executive characterizes fuel availability as a major uncertinty, although current supplies are running slightly ahead of demand.

Charlottesville-Albemarle Airport, like most Virginia facilities, is not in an immediate danger of losing its present level of service. But if anything, the CAB proposal for "minimum" service levels stands as a caution that energy uncertainty and other factors cannot be taken for granted. either.●

NATIONAL COUNCIL ON AGING (NCOA) CELEBRATES 30TH ANNIVERSARY

● Mr. CHILES. Mr. President, the National Council on Aging, Inc. (NCOA), a national nonprofit membership organization, recently celebrated its 30th anniversary.

At the beginning of this new decade, NCOA was undertaking a task it has carried out in three preceding decades. Its 30th anniversary conference provided a forum to remember where we've been and to decide where we are going. It gave NCOA a special opportunity to celebrate its past achievements with others concerned about the quality of life for America's elderly, and for input from a wide cross-section of people concerned about aging and the aged, all toward making decisions about how NCOA may best contribute to the shared goal of creating a better life for older persons in the 1980's.

NCOA not only works on behalf of older people; as an organization it seizes every opportunity to call attention or pay tribute to the accomplishments of older persons. At the 1980 awards banquet and 30th anniversary celebration, my good friend and colleague, the Honorable CLAUDE D. PEPPER of Florida, was honored for "singular and outstanding contributions toward advancing the cause of aging." Dinner music for this occasion was provided by 80-year-old Rolling Smith, pianist and singer, and former member of the world-famous Ink Spots.

NCOA was established in 1950 as a National Committee on Aging in response to providers of services and programs for older people which were expressing the need for such an organization.

The mission of this new National Committee on Aging was to provide a continuing medium for research and planning and serve as a resource for organizations, groups, and individuals concerned with providing programs and services for older persons. The demands from these groups for technical assistance were so great that the committee incorporated in 1960 and became the National Council on the Aging (NCOA).

Two requests made of this national resource during its first year provide examples of the ways in which NCOA functioned and show the genesis of some of their continuing areas of concern and expertise.

In 1950, the McGregor Fund of Detroit Mich. sought help in examining the effects of retirement programs on middle-aged and older workers. The founder of the fund was concerned about the inactivity of these workers after retirement and sought factual information about the effect of retirement programs which were just beginning to come into general use, as typified by the provisions of the United Auto Workers' contract.

Since there was little or no literature in this area, NCOA chose the approach of a conference for representatives of industry, labor, the academic community, and government, as well as interested citizens. The content for the conference was based on three monographs: retirement and health; employer and union plans; and economic problems. The conference findings were published under the title "Criteria for Retirement."

A second grant from the McGregor Fund enabled NCOA to employ a full-time employment/retirement specialist to carry out further explorations. A second volume, "Flexible Retirement—Evolving Policies and Programs for Industry and Labor," was published in 1957. From these early beginnings, NCOA developed a continuing interest in the issues of age, work, and retirement, interests which are demonstrated in NCOA's current programs. These include the senior community services project, initiated in 1968 through which NCOA served as a national sponsor for local subgrantee employment programs for older poor men and women in community service jobs. Funds for the project came initially from Office of Economic Opportunity mainstream funds and title IX of the Older Americans Act. Presently, all funds come from title V of the Older Americans Act through a national contract with the Department of Labor.

Since NCOA developed special skills in the area of job development, it has provided training in this area to other national contractors and to States.

Under the aegis of NCOA's Institute of Age, Work, and Retirement, founded in 1969 under the name of the National Institute of Industrial Gerontology, other programs and services have become available including the Industrial Health Counseling Services (1972–1975) which demonstrated that by measuring a worker's physical capacity in terms of physical job demands, age bias in hiring may be eliminated and work opportunities developed. NCOA is finding increased interest in the outcomes of this research and demonstration project as a result of the 1978 amendments to the Age Discrimination in Employment Act (ADEA), which raised the age for mandatory retirement to 70 years.

The organization now has a major new initiative in their retirement planning program. This program is designed to serve the needs of industrial organizations and their employees on a national basis. Conducted in cooperation with some 13 major corporations and unions, the program has developed an innovative new approach to preparing employees in their forties and older for their retirement. The training materials which NCOA has developed make use of the advances in the behavioral sciences and employ multimedia, interactive techniques. The program, only recently completed, has been purchased by some of America's largest forward-looking corporations for the benefit of their employees.

A second early effort which NCOA undertook in the 1950's has also given rise to a succession of related efforts.

In 1950, the Federal Bureau of Public Assistance asked the National Committee on the Aging, which was to become NCOA, to assist the Bureau in carrying out a provision of the 1950 social security amendments. The amendments stated that residents of old-age institutions could receive assistance payments only when States had "standard-setting authority". Few States had this authority, and the Bureau sought guidance on such standards. The Bureau had no funds for grants to contracts, and the NCOA Committee had to seek foundation support to carry out this request. The Frederick and Amelia Schimper Foundation provided the needed funds in 1951.

After 2 years of extensive study, reports were prepared which, as in the case of the retirement study referred to above, provided the content for regional conferences on the subject of standards for institutional care. Persons attending the conference were staff and board members of institutional facilities and interested lay leaders. The conference report, Bridging the Gap Between Existing Practices and Desirable Goals in Homes for the Aged and Nursing Homes, was published in 1959. The work in this area was used as a basis for legislative change, licensing and inspection programs, staff-training courses and board-member institutes and for changes in the policy and administrative practices of individual institutions.

This project led to the establishment of an association of homes for the aging, which later became an independent national agency, the American Association of Homes for the Aging (AAHA). The project also stimulated NCOA's interest in housing and aspects of the living arrangements of older persons which can inhibit premature or unnecessary institutionalization.

Other programs related to this early project on homes for the aged and nursing homes include the 1964 study of medical indigency, supported by the Schimper Foundation—a study of home-delivered meals for the ill, handicapped and elderly. The reports of both of these studies received broad distribution as a result of their publication in special supplements to the American Journal of Public Health.

This work, in turn, led to a 3-year demonstration project on the medical, legal and social needs of frail and impaired older persons in need of protection. The work on this project, funded by the National Institute of Mental Health, contributed to the emphasis on protective services, both in Title XX of the Social Security Act and in Title III of the Older Americans Act.

NCOA has, from the beginning provided leadership to national private, nonprofit agencies and associations with a primary or secondary concern for programs and services for older persons. These include service-providing organizations such as the National Council of Homemaker-Home Health Aid Services, professional associations of doctors, nurses, social workers, occupational therapists, and so forth; social and civic organizations such as Kiwanis, Soroptimists, among many others; and churches and synagogues. In its early days, NCOA had special conferences for these voluntary, nonprofit agencies and organizations; later, they became active cosponsors and participants in NCOA's annual and regional conferences.

In 1971, also under the auspices of NCOA, a group of 125 voluntary organizations joined together to focus attention on the need for expanded in-home and supportive services which would provide older persons and their families with a range of community-living options and possible alternatives to institutional care. This coalition is now composed of 225 major national agencies and organizations, called National Voluntary Organizations for Independent Living for the Aging (NVOILA). It is actively involved in continuum-of-care issues and in identifying and expanding the role of private nonprofit organizations in the provision of programs and services and in advocacy with and on behalf of older persons. In this area of NCOA's work, conferences and publications contribute greatly to the expansion of the ability of the private, nonprofit sector to play a significant role in the provision of services and programs for older persons.

NCOA's National Institute of Senior Centers (NISC) is related to such early concerns of NCOA as the quality of life of retirees—those retiring from paid work as well as from homemaking/childrearing responsibilities; the availability of a wide range of services outside of institutions; and the opportunity to explore new vocational and avocational interests in a setting which provides opportunities for interaction with one's peers. NISC has also been concerned about standards for this rapidly proliferating community resource for older persons.

In collaboration with the Administration on Aging (AoA), NISC published the first national directory of senior centers, numbering 360 in 1966. The 1974 Directory of Senior Centers and Clubs, also made possible by a grant from AoA, was based on a survey of some 5,000 such organizations. With the expansion of multipurpose senior centers as a community focal point for programs and services for older persons, NISC has expanded its earlier concentration on conferences and meetings and the publication of programmatic guidelines. In recent years, NISC has also worked to develop standards of good practice and a self-assessment handbook to assist local centers upgrade the administration of the organization and the quality of services offered. NCOA has also developed a training course for staff in the administration of multifaceted centers.

Much of NCOA's current work is undergirded by the achievements made possible by long-range grants by two organizations. The first were those provided by the Ford Foundation from 1956 through 1961. The second were grants provided by the Office of Economic Opportunity from 1965 to 1973.

The Ford Foundation grants made it possible for NCOA to become, in fact, a national service organization in the field of aging, with a substantial library, consultants in special fields, and the capability to provide on-site as well as written assistance to national and local organizations in the fast-growing field of the aging. It also provided NCOA with a continuing capability to hold national and regional conferences so that information and knowledge could be widely disseminated both through discussions and publications and to learn about new trends and emerging issues in regions, States and localities, track them and develop new research and planning approaches when indicated.

From its position as a central source of information and knowledge, NCOA was able to establish its advocacy position and to provide technical assistance and guidance to legislative committees and to a variety of governmental departments as their interest in and responsibility for better serving the growing aging population increased.

The grants from the Office of Economic Opportunity (OEO) made it possible for NCOA to direct the Nation's attention to the plight of the older poor—a "hidden" group attempting to live out extended years of life with inadequate income, few services and a sense of further and ever-threatening loss of self-respect because of an inability to "do for themselves."

NCOA program thrust during these years included medicare alert, which not only made older persons aware of medical benefits to which they were entitled, but also provided temporary paid jobs to thousands of older poor persons. The success of this program, developed by NCOA through an OEO grant, and implemented with the cooperation of the Commissioner of Social Security and his staff, opened the way for the development of programs designed to meet the needs of older persons contacted by those employed in the medicare alert effort.

Project FIND, one of NCOA's most significant demonstration projects, was the major followup effort. It was comprised of both research and demonstration components and, during the course of its implementation, employed hundreds of indigenous workers selected from among the older poor to interview over 50,000 older persons. This effort documented the extent of poverty among older persons and provided clear insight into such matters as the inadequacy of various sources of income, diet, housing, health, medical care, social services, employment opportunities as well as the social isolation of the older poor.

Project FIND reports and publications called attention to needed but unavailable services and provided the basis for programs now in existence. For example, the NCOA/OEO program guide, "Loves and Fishes," provided a basis for the Older American Act nutrition program; "Tender Loving Care," a prototype for ACTION's Foster Grandparent program.

Building on the outcomes of Project FIND, NCOA contracted to provide training and technical assistance to the OEO network for the purpose of improving the management and program capability of grantee staff responsible for its Senior Opportunities and Services (SOS) programs and other older-worker programs—including the increased employment of older persons in those programs and increased civic participation and involvement of the older poor.

Funding from OEO also enabled NCOA to set up and staff offices in the ten Federal regions, resulting in the greater availability of training and technical assistance to the regional, State and local OEO network. With the passage of the Older Americans Act of 1965, NCOA was in a strategic position to act as a catalyst to facilitate—to the extent possible—the development of cooperative relationships between the two Federally-funded networks and help them, singly or jointly, maximize the use of other Federal, State and local public and private financial resources on behalf of older persons.

It was in the above projects that the Ford Foundation grants increased the ability of NCOA to function as a national service organization. The OEO grants expanded NCOA's knowledge and that of the field of aging in general about the older poor, community service systems, sources of funding and the capability of older persons to make a contribution and to take action and advocate on their own behalf.

NCOA continues to build on its previous experiences and to explore new issues and areas. For example, NCOA's Media Resources Center was established to change the images of aging. The NCOA/Harris poll provided the sound knowledge base for this effort, and the resulting publication, Myths and Reality of Aging, is widely used by practitioners, planners, legislators, and scholars.

Previous experiences, research demonstration projects and the funding of the NCOA/Harris poll have directed NCOA's attention to programs in the arts and humanities designed to add to the quality of life of America's expanding older population.

It is my hope that, NCOA, in the years ahead, will continue to carry out its research, demonstrations, training, and technical assistance roles and to provide leadership in the independent sector of society with and on behalf of older Americans.●

LIBRARIAN OF CONGRESS DANIEL J. BOORSTIN HONORED

● Mr. CANNON. Mr. President, as a member of the Joint Committee on the Library and as a former Chairman of the Joint Committee on the Library, it was with great pleasure that I noted that the University of Nevada, Las Vegas, conferred upon our distinguished Librarian of Congress Daniel J. Boorstin a Doctor of Humane Letters at commencement exercises on May 17, 1980. The citation to Dr. Boorstin read:

> Dr. Daniel J. Boorstin, historian and educator, you have searched the past for its knowledge and recorded your findings for future generations. As twelfth Librarian of Congress, former director of the National Museum of History and former senior historian of the Smithsonian Institution, you have helped collect and preserve man's thought and handiwork. Your contribution, in these posts as in 25 years of teaching history at the University of Chicago, where you were named Preston and Sterling Morton Distinguished Service Professor, has been to provide us the facts and insight from which to learn the lessons of our past. A Rhodes Scholar at Balliol College in England, a barrister-at-law in London; a history professor at Harvard; a visiting professor at universities in Rome, Japan, Puerto Rico, Paris, Switzerland, and England; a sought-after lecturer in many nations, you are truly a scholar of the world. Your prolific, award-winning publications have added greatly to the literature of American history. Numerous organizations, both public and private, have benefited from your selfless service. For your knowledge of the past and its importance to our future, we are indeed honored to have you join us here today.●

SAGEBRUSH REBELLION

● Mr. McCLURE. Mr. President, many in the Western States are today engaged in what has become known as the "Sagebrush Rebellion." Arising as a grassroots effort to focus attention on the management—and mismanagement—of our Western public lands, the rebellion has alarmed many in this country who view its purpose as nothing but a land grab.

While nothing can be further from the truth, this notion emphatically characterizes the general lack of understanding of the "Sagebrush Rebellion" and moreover, the lack of understanding of the entire century-long controversy surrounding the use of our Western public lands.

Educating people of the history of this public land use can perhaps do more to begin to solve the problems focused on by the "Rebellion" than any other single action. It is in this light that the article, "Rangeland Controversy is of Long Standing" was recently published in the April 17, 1980 edition of the Idaho Farmer-Stockman. Written by Mr. Gale Chambers, Editor of the Farmer-Stockman, this historcial review provides just exactly the perspective that is necessary if we are ever to settle the "Sagebrush Rebellion" for the benefit of all.

Mr. President, I ask that Mr. Chambers' article be printed in the RECORD and urge each of my colleagues—especially those representing our Eastern States—to take the time to read it.

The article follows:

RANGELAND CONTROVERSY IS OF LONG STANDING

(By Gale Chambers)

From watching the news, it appears that the man on the street doesn't really grasp many of the problems confronting the public land livestock grazer. Moreover, a cursory check of recent history indicates that the man on the street has never understood the problems of the Western livestock producer, especially if he uses public lands. There appears to be a closer bond between the man on the street in Boise and the man on the street in Boston. Both seem convinced that cattlemen rip the public off.

Thadis W. Box, range management professor and dean, College of Natural Resources, Utah State University, in an honor lecture and pamphlet, reviewed the original work done by explorer John Wesley Powell a century ago. Powell, in addition to exploring the Colorado River, made several recommendations and observations to Congress in 1878 concerning development of the Western states. Box's lecture serves as an excellent reference from one century to the other. In between the lines emerge the story that "outsiders"—those who think they know—have played the greatest role in Western development, while those who actually live on the land have been essentially bypassed.

It was Powell who recognized livestock ranching's possibilities as a means of survival. He classified the arid lands of the West into three groups—timberlands, pasturage lands and land suitable for irrigation. Thadis Box noted: "Few people understood or cared about the peculiar conditions of the West. John Wesley Powell was an exception."

Powell wanted to change land and water laws to conform with the realities of nature. He called for major reforms. He recognized that people who would occupy the arid lands as somewhat different from those who reside in the more humid regions of the world.

Box observes that people enter aird lands only when they are drawn there by adventure or the promise of economic gains. Some of today's observers call that "rape, ruin and run." The description may be accurate, but the label has been pinned on the wrong class of people. The "rape, ruin and run" label has been wrongly attached to those who chose to stay in the arid lands and that sin has been visited on the heads of the progeny.

The key to proper identification is the word "run," and permanent residents do not run. The exploiters were those who raped, ruined and ran back to their homelands in the humid regions of the world.

If there has ever been a study made of the ravishers, it is not immediately available. So look back at historical sign posts. The famed XLT ranch in Texas is an example. The brand stood for 10 counties in Texas and the outfit was owned by a British investment house. English investors also held title to various Idaho claims. The various fur companies were headquartered abroad or in the East. "Unsinkable Molly Brown" took her gold and left Denver for Europe. They got in and got out.

Those who remained were the descendants of the original overland pioneers brought West by the lure of cheap land. The first major law giving free land to individuals was the 1862 Homestead Act which offered 160 acres. Then came the Desert Entry Land Law of 1878. Next was the enlarged Homestead Act of 1909, which allowed 320 acres, and it was closely tied to the Reclamation Act of 1902, which limited ownership to 160 acres.

In 1916, the Stockraising Homestead Act was passed to encourage settlement of Western lands not suitable for cultivation. It gave cattlemen 640 acres, an area supposedly large enough to carry 50 head of cattle on a sustined yield basis. Passage of the Taylor Grazing Act in 1933 then allowed cattlemen to lease public land for grazing.

Range homesteads were grossly inadequate. Less than half of the stock raising homesteads were patented during the first 10 years that the act was in effect, Box reports.

Powell reviewed the land disposal laws prior to 1878 and concluded that they were inadequate. Powell described the so-called pasturage lands of the arid West thusly: "The irrigable and timber lands constitute but a small fraction of the arid region. Between the lowlands and the highlands is found a great body of valley, mesa and low mountain lands . . . usually they bear a scantly growth of grass, but these grasses are nutritious and valuable both for summer and winter pasturage."

Powell concluded that these acres were valuable only in large quantities. He called for units of 2,560 acres. Even then small amounts of irrigated land would be necessary to sustain a viable operation, he thought. The Spanish had also recognized the need for large land grants. A Spanish land grant in the Southwest for a cattle operation was generally one league square, or 4,428.4 acres.

Then, as now, Powell's suggestions were vigorously opposed. Famed editor Horace Greeley feared that residents on cattle ranches would "become barbarians because they would reside to far from the sound of a church or school bell."

As has always been the case, the interests of the people in the Eastern states dominated, and easterners continued to write the public land laws of the arid West. Powell's recommendations were rejected.

Box concludes that despite Powell's warnings, the land laws of our country contributed directly to the deterioration of the arid lands. The amount of land that a person could acquire legally was insufficient to support a family. The laws therefore encouraged settlers to convert what could have been good rangeland into poor cropland, and to overstock the range. The problem was compounded by the fact that there were no regulations governing use of the public domain, although there were cries from the West to do something. Concern about the public domain began to come from the California Wool Growers shortly after the conclusion of the Civil War.

Yet, one Western rule did prevail—the Miners Law, insofar as water was concerned. Miners courts were generally the first legal jurisdiction in the region and water was appropriated in miner's inches on the theory of "first in time, first in right."

Much of the West became active "extralegally" in order to stay legal under the various land laws. The borrowing of names for land filing purposes sometimes enabled promoters to develop irrigation lands under the Desert Entry Act. Some states took advantage of the Carey Act to further develop irrigated land.

In the meantime, there were two sets of livestock users—those on deeded acres and those operating trespass operations in competition for grass on the public domain. The Taylor Grazing Act brought to a halt much of the trespass livestock operations.

Box speculates that much of the West could have been developed in a more orderly fashion, had Congress listened to Powell; and he concludes that congressional inaction or congressional misaction contributed heavily to the so-called overgrazing of the West.

Politically, the West was poor and Western problems had low priority in the Congress; the public lands were sometimes called "residue lands" and the then newly created Bureau of Land Management was often called the custodian "of the lands nobody wanted." From the 1933 passage of the Taylor Grazing Act until the NRDS lawsuit at Challis, the cattlemen and the BLM operated in an orphan situation with no one really caring for the condition of the public rangelands except themselves. Grazing cuts were imposed, grazing fees increased and programs developed to restore the land to its maximum potential. No other groups, organizations or agencies were interested in the condition of the public lands except the cattlemen, the BLM and the grazing arms of the U.S. Forest Service.

Out of the 111 million head of cattle in the U.S., as of January 1, 1980, almost 20 million head are located in the 11 Western states or roughly 19%. Of the 8.25 million sheep in the U.S. as of Jan. 1, 1980, some 4.2 million are found in the 11 Western states, or 50.6%. One-fourth of all the cattle on feed are located in the 11 states of the West. Texas isn't included in those Western states, since Texas is not a public land state. Some 10% of the total cattle in the U.S. are found in Texas—as are 20% of the nation's deer.

The cattle ranches that Powell foresaw a century ago are there, but not in the form Powell envisioned when he referred to the "scanty but nutritious grass."

As result of passage of the BLM Organic Act, or Federal Land Management Policy Act, as it is formally called, in 1976, and the NRDS lawsuit at Challis, and two orphan groups—the BLM and the cattlemen—are now at each other's throats in a conflict called the Sagebrush Rebellion.

Cattlemen resent being called rapers of the range when in truth they are the only legitimate survivors of a ravished era.

Cattlemen resent what they regard as a breach of faith.

Cattlemen resent interlopers who attempt to utilize unproven theory in developing range management programs.

Cattlemen resent the insinuation that they do not know grass management.

Cattlemen resent passage of laws like the Wild Horse and Burro Act by Eastern interests which they know are resulting in damage to the range.

Cattlemen resent accusations that they rip the public off when in fact they are and have been the only user groups to pay an annual fee.

In the past, the cattleman has used political clout to implement range improvements; now that clout is declining and he is turning to the courtroom.

As noted, Thadis W. Box observed that people only enter the arid lands of the West when drawn by adventure or the promise of economic gain. The cattleman has stayed in the arid West in hopes that he can harvest renewable grass for a living. The environmental interloper enters for the same reason—well-funded organizations feasting on the remains of Powell's dream.

Chief Joseph of the Nez Perce in 1878 spoke to an Interior Department Indian agent concerning the sale of land. "A man comes to me and says, 'Joseph, sell me your horses.' I say my horses suit me. Then my neighbor says 'Take Joseph's horses, I will sell them to you.' If our lands were sold, this is how it was done."

Joseph, history records, rebelled. Now a century later, the cowboy boot appears in a sense to be following the Indian moccasin.●

RAILROAD MERGERS

● Mr. MAGNUSON. Mr. President, I am pleased that the distinguished chairman of the Judiciary Committee has announced today in Helena, Mont., that the committee he chairs will be undertaking a thorough review of national policy with respect to railroad mergers, and in particular, the Burlington Northern merger. In light of recent reports that the Departmentof Justice and the Interstate Commerce Commission are investigating allegations of antitrust violations by the Burlington Northern in connection with the 1970 merger and its impact on the Milwaukee Railroad, it seems clear that national policy on railroad mergers should be reexamined.

Legislation that has passed in the Senate and is now being considered in the House would take considerable steps toward deregulation of the rail industry. The potential anticompetitive impact of mergers would appear to be greater in a situation where rates are no longer subject to comprehensive regulation. I share the concern that we have not given enough consideration to rail merger policy in this new climate of deregulation, and therefore I will follow closely the work of the Judiciary Committee and participate in the consideration of any legislative proposals should they be developed.

As my colleagues know, I have been actively involved for the past year in efforts to preserve competitive rail service across the Northern Tier States. Last November, Congress enacted the Milwaukee Railroad Restructuring Act. Despite that legislation, we have seen the demise, and now the elimination, of the Milwaukee Railroad in the States of Washington, Idaho, and most of Montana. On two occasions the Interstate Commerce Commission turned down plans presented by employees and shippers of the Milwaukee that, if they had been approved, would have resulted in a successor to the present Milwaukee that would have been able to compete with the Burlington Northern. I strongly supported the new Milwaukee Lines plan and was greatly disappointed in this result. I continue to believe that a solution should be sought that provides this essential competition. My colleagues from the Midwest should not be misled into believing this is simply a Western problem. On March 19 the ICC also rejected the trustee's reorganization plan that would have retained operation of the Midwest core area.

I note that the State of Montana has proposed an alternative plan that would run a railroad from Miles City in the extreme part of Montana to Morengo, Wash., where a connection would be made to the Union Pacific down the Columbia River to Portland.

I applaud the efforts of Senators MELCHER and BAUCUS, Governor Judge and others from Montana as I realize they have a serious problem if the only railroad left in virtually all of that State is Burlington Northern. But a problem also exists in my State, perhaps to a lesser degree, but still important. Only the Burlington Northern now operates all the way across the State of Washington. The Union Pacific does have some lines in the State but is not the dominant carrier the Burlington Northern is.

If the State of Montana's proposed railroad would operate a system of 1,400 miles and can be purchased from the Milwaukee's trustee for $55,000,000, the incremental cost of acquiring an additional 260 miles to the Seattle/Tacoma area in Washington would seem justified. It seems to me that it is important to preserve the rest of the Milwaukee western line to Seattle and Tacoma and the lines east of Miles City to the Twin Cities, if, of course, the trustee is willing to sell them. It is my understanding that the most serious rehabilitation problems are on the Miles City/Morengo portion, not the rest of the western lines. So the total cost of purchasing the western lines and rehabilitating them would be, from a relative standpoint, less than the Miles City/Moreno line.

I encourage other public officials of the Northern Tier States to undertake cooperative efforts to see if there is not some way that continuous, competitive rail service cannot be maintained across the affected States. The State of Montana has been active in protecting its interests; it remains for the other States to do the same.

In summary, Mr. President, it is vitally important that the integrity of a transcontinental system between the Twin Cities and Puget Sound be preserved. Only in this manner can the strong public interest in rail competition in this part of the country be maintained.●

TIME LIMITATION AGREEMENT—S. 2352

Mr. ROBERT C. BYRD. Mr. President, I have a time limitation agreement which I will present to the Senate.

Mr. President, I ask unanimous consent, with the understanding that the bill will not be called up and made the pending business before Monday, that at such time as Calendar Order No. 779, S. 2352, the Council on Wage and Price Stability bill, is made the pending business before the Senate, there be a time agreement thereon as follows:

Two and a half hours on the bill, to be equally divided between Mr. PROXMIRE and Mr. HEINZ, with 30 minutes of the 2½ hours allotted to Mr. BELLMON for his control; provided further that there be 30 minutes, equally divided on any amendment; 30 minutes, equally divided, on an amendment by Mr. HARRY F. BYRD, JR., to reduce the Senate clerk-hire allowance; 40 minutes, equally divided, on an amendment by Mr. BUMPERS which will be a perfecting amendment to the amendment by Mr. HARRY F. BYRD, JR.; 1½ hours, equally divided, on an amendment by Mr. DOLE on economic sanctions; 1 hour, equally divided, on an amendment by Mr. ARMSTRONG on the Credit Control Act; 1 hour each on two amendments by Mr. HEINZ, amendment Nos. 1777 and 1178; 20 minutes on any debatable motion, appeal, or point of order, if the Chair entertains discussion thereon and submits such points of order to the Senate; and that the agreement be in usual form.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the reservation is for the purpose of telling the majority leader, as I have previously done personally, that this rather extensive, complex agreement has been cleared on this side with everyone we know of who has expressed an interest in the measure. and it is satisfactory to those who have done so. So there will be no objection to the request of the Senator.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 2352 (Order No. 779), a bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes, debate on any amendment (except an amendment to be offered by the Senator from Virginia (Mr. Harry Byrd), relative to reducing Senate Clerk-hire allowance, on which there shall be 30 minutes; an amendment by the Senator from Arkansas (Mr. Bumpers), in the nature of a perfecting amendment to the Byrd amendment, on which there shall be 40 minutes; an amendment by the Senator from Kansas (Mr. Dole), on economic sanctions, on which there shall be 1½ hours; an amendment by the Senator from Colorado (Mr. Armstrong), relative to the Credit Control Act, on which there shall be 1 hour; and two amendments by the Senator from Pennsylvania (Mr. Heinz), Nos. 1777 and 1778, on each of which there shall be 1 hour), shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2½ hours, to be divided and controlled, with 1 hour to the Senator from Wisconsin (Mr. Proxmire), 1 hour to the Senator from Pennsylvania (Mr. Heinz), and 30 minutes to the Senator from Oklahoma (Mr. Bellmon):

Provided, That the said Sentors, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, the Senate is awaiting House action on the extension of the debt limit. The debt limit law expires at midnight Saturday. The House is acting on the debt limit at this moment. When the House sends that message to the Senate, the Senate will take up the debt limit. I have every expectation of rollcall votes yet today, and also the gloomy expectation that there may be rollcall votes tomorrow in connection with the debt limit extension. I would urge that our respective cloakrooms get the word out to Senators so that they will know about the forecast on this. It is not within the control of the Senate leadership. We simply have to face up to the situation as it is. I therefore urge that Senators stay around.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I, too, am concerned that we may be in for a while yet tonight to try to take care of this matter. Notwithstanding the policy of the majority leader to have no record votes on Friday, except in cases of emergency, I intend to put the Republican Members of the Senate on notice by hotline message, which we will send from our cloakroom now, that the situation in the House is uncertain, that we may be in late tonight or indeed there may be votes on tomorrow.

I would rather expect that it would be the preference of most Members on this side, given the uncertainty of action by the House, to go ahead and plan on record votes on Friday, if necessary. As far as I am concerned, if the majority leader feels it is necessary to do that, I feel we would probably have a good attendance on Friday, and many would prefer to do that rather than stay until late hours of this evening in order to accomplish that purpose.

Mr. ROBERT C. BYRD. I would prefer to do that, but it may be necessary to do both. I anticipate that if the debt limit extension measure is amended, and it probably will be from the indications at the moment, I would also then expect the President to veto the measure, although I have not yet been assured of that by the President. If the President should veto the measure, it would go back to the other body for the override effort, in which case it would not get back to the Senate until some time tomorrow.

In view of all the circuitous route that such a measure would have to travel, I am afraid, I say to the distinguished minority leader, that it might be in the best interests of the Senate to act on the measure this evening so that the veto process and the override of it could proceed as early tomorrow as possible.

Mr. BAKER. If the majority leader will yield to me further, I think I was better off before I began this colloquy. It would appear now, then, that notice to the Republican Members from our cloakroom ought to be to expect at least a substantial possibility of a late session this evening and to expect the possibility of rollcall votes on tomorrow.

Mr. ROBERT C. BYRD. Yes. I very much regret having to make this announcement, but when I promised the commitment early in the session it did carry with it the condition that barring some emergency matter the Senate would not have rollcall votes on Friday during May. But I consider this an emergency and hope my colleagues will understand the necessity. I would suggest that the cloakrooms proceed to alert our colleagues that rollcall votes are expected this evening and tomorrow.

RECESS FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, if the distinguished minority leader has nothing further, I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, the Senate, at 5:17 p.m. recessed until 6:17 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Matsunaga).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Hawaii, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATUS OF BUDGET AND DEBT LIMIT LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, the joint leadership has been monitoring the House activities, and it appears at this time that the House will not be in a position to send either the conference report on the budget resolution or the debt limit extension to the Senate today in time for any action by the Senate.

I suggest that our respective cloakrooms put the word out to our colleagues that there will be no rollcall votes today, but to hold themselves in readiness for action on tomorrow on either the debt limit extension or the conference report on the first concurrent budget resolution, or both. Here, again, it would depend upon what the House does, and when.

The situation has been such in the House that it is impossible to determine what or where we shall be going tomorrow, so I think we just have to keep ourselves in readiness. By early tomorrow, it should become clear as to what our situation will be.

I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I thank the majority leader for the information. I wonder if he intends to go out fairly soon this evening and, if so, what time he intends to come in tomorrow?

Mr. ROBERT C. BYRD. I intend to go out immediately and come in tomorrow at, say, 11 o'clock.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. I expect we had better come in tomorrow at 10, because the House conceivably could act on the budget resolution this evening and send it over earlier. I have just completed telephonic conversation with Mr. Hollings who, I believe, would like to go with the budget conference tomorrow if it is available.

Mr. BAKER. Mr. President, I thank the majority leader. Ten will be satisfactory to us.

ORDER FOR RECESS TODAY UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess with the understanding of my colleagues that there may very well be rollcall votes tomorrow. I hope that the Senate will be in a position to take up the conference report on the first concurrent budget resolution and/or the debt limit extension if the House messages either of those over during the evening or tomorrow, in either of which case there will undoubtedly be one or more rollcall votes. I wish that I knew more to say at this point which would enable our colleagues to program their weekend, but I cannot. I cannot say any more. I do not know any more to say.

Therefore, Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is the Senate still in morning business?

The PRESIDING OFFICER. The Senate is still in morning business.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR THE CHAIR TO RECESS THE SENATE UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when Mr. Roth completes his statement on the introduction of a bill, the Chair recess the Senate under the order until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. Roth at this point are printed earlier in today's Record at the conclusion of the statements on the introduction of the National Export Policy Act.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS TO 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 10 a.m. tomorrow.

Thereupon, at 6:43 p.m., the Senate recessed until Friday, May 30, 1980, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 29, 1980:

THE JUDICIARY

Robert B. Propst, of Alabama, to be U.S. district judge for the northern district of Alabama.

E. B. Haltom, Jr., of Alabama, to be U.S. district judge for the northern district of Alabama.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Thomas H. McMullen, [redacted]FR, U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Robert J. Collins [redacted] FG, Air National Guard of the United States.

Brig. Gen. Grady L. Patterson, Jr., 251–22–5089FG, Air National Guard of the United States.

To be brigadier general

Col. Justin L. Berger [redacted]FG, Air National Guard of the United States.

Col. George J. Dowd, [redacted]FG, Air National Guard of the United States.

Col. Ralph E. Leonard, [redacted]FG, Air National Guard of the United States.

Col. Dan C. Mills [redacted]FG, Air National Guard of the United States.

Col. Robert H. Neitz, [redacted]FG, Air National Guard of the United States.

Col. William H. Neuens, [redacted]FG, Air National Guard of the United States.

Col. Glenn W. Osgood, Jr., [redacted]FG. Air National Guard of the United States.

Col. Raymond V. Palmer [redacted]FG, Air National Guard of the United States.

Col. Henry C. Smyth, Jr. [redacted]FG, Air National Guard of the United States.

Col. John H. Stennis [redacted]FG, Air National Guard of the United States.

Col. Paul M. Thompson [redacted]FG, Air National Guard of the United States.

Col. Donald J. Tressler, [redacted]FG, Air National Guard of the United States.

Col. Thomas J. Turnbull [redacted]FG, Air National Guard of the United States.

Col. Herbert L. Wassell, Jr., [redacted]FG, Air National Guard of the United States.

Col. John A. Wilson, III [redacted]FG, Air National Guard of the United States.

Col. Russell A. Witt, [redacted]FG, Air National Guard of the United States.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Roscoe Robinson, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

IN THE NAVY

Vice Adm. Robert B. Baldwin, U.S. Navy, (age 57) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. James H. Doyle, Jr., U.S. Navy, (age 55) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Charles H. Griffiths, U.S. Navy, (age 58) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Robert Y. Kaufman, U.S. Navy, (age 56) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. John H. Nicholson, U.S. Navy, (age 55) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer having been designated for command and other duties of greater importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Gordon R. Nagler, U.S. Navy.

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Steven A. White, U.S. Navy.

Rear Adm. John S. Jenkins, Judge Advocate General's Corps, U.S. Navy, to be Judge Advocate General of the Navy with the rank of rear admiral, for a term of 4 years pursuant to title 10, United States Code, section 5148 (b) and (c).

Rear Adm. Thomas J. Hughes, Jr., U.S Navy, to be Director of Budget and Reports in the Department of the Navy for a term of 3 years pursuant to title 10, United States Code, section 5064.

IN THE NAVY

Navy nominations beginning David A. Goulla, Jr., to be ensign, and ending Kurt A. Driscoll, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 1, 1980.

Navy nominations beginning William R. Thornhill, to be captain, and ending Malcolm M. Sayre, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 6, 1980.

Navy nominations beginning Edward R. Aanstoos, to be captain, and ending Evelyn M. Ross, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 9, 1980.

Navy nominations beginning Daniel W. Adcock, to be chief warrant officer, and ending Franklin E. Zurschmit, to be chief warrant officer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 13, 1980.

Navy nominations of Joseph M. Sample and Alvin D. Sears, to be ensigns, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 16, 1980.

IN THE MARINE CORPS

Marine Corps nominations beginning Scott E. Chandler, to be second lieutenant, and ending Mathew D. Mulhern, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 6, 1980.

Marine Corps nominations beginning Paul R. Aadnesen, to be lieutenant colonel, and ending Ruth D. Woidyla, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 16, 1980.

HOUSE OF REPRESENTATIVES—*Thursday, May 29, 1980*

The House met at 12 o'clock noon.

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

O let the nations be glad and sing for joy for Thou shalt judge the people righteously, and govern the nations upon Earth.—Psalms 67: 4.

O Lord, we place before You our thoughts, and our innermost feelings with the petition that You would forgive us, sustain us, and cause us to be conscious of Your abiding presence. We know, O Lord, that You are a righteous judge, yet deal with us in mercy and compassion. May we respond to Your love with a life of thankfulness and joy and may Your spirit direct our paths in the way of peace and good will. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. **ASHBROOK**. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The **SPEAKER**. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **ASHBROOK**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 358, nays 17, answered "present" 3, not voting 55, as follows:

[Roll No. 263]

YEAS—358

Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Hefner
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McClory
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—17

Coughlin
Daschle
Forsythe
Gingrich
Goodling
Heckler
Jacobs
Jones, Okla.
Lloyd
Mathis
Mitchell, Md.
Moffett
Quayle
Sabo
Schroeder
Solomon
Walker

ANSWERED "PRESENT"—3

Abdnor
Neal
Ottinger

NOT VOTING—55

Akaka
Anderson, Ill.
Bereuter
Boggs
Burton, Phillip
Chisholm
Danielson
Dellums
Diggs
Dingell
Dornan
Dougherty
Duncan, Oreg.
Edwards, Ala.
Evans, Del.
Evans, Ga.
Flippo
Gaydos
Grassley
Hance
Hansen
Hawkins
Heftel
Hightower
Jenrette
Kogovsek
Leach, Iowa
Livingston
Lujan
McCloskey
McCormack
McEwen
McKinney
Marriott
Moorhead, Pa.
Nolan
Oakar
Pursell
Reuss
Rodino
Rosenthal
Runnels
Scheuer
Sebelius
Staggers
Stark
Thompson
Ullman
Vanik
Waxman
Wilson, Bob
Wilson, Tex.
Wolff
Yates
Young, Alaska

□ 1210

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 445. Joint resolution to provide for designation of the week of September 21–27, 1980, as "National Cystic Fibrosis Week."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1658. An act to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to States or local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes;

S. 2546. An act to authorize the Secretary of the Interior to design and construct a gunite lining on certain reaches of the Bessemer Ditch in the vicinity of Pueblo, Colo., to prevent or reduce seepage damage on adjacent properties, and for other purposes;

S. 2697. An act to authorize appropriations to the U.S. International Trade Commission, U.S. Customs Service, and the Office of the

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□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or inserti ons which are not spoken by the Member on the floor.

U.S. Trade Representative, and for other purposes; and

S. 2769. An act to provide an extension of the time frame for nomination of a selection pool under the Cook Inlet land exchange.

The message also announced that Mr. MOYNIHAN be a conferee, on the part of the Senate, on the bill (S. 914) entitled "An act to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for multistate regional development commissions to promote balanced development in the regions of the Nation," vice Mr. Muskie, resigned.

☐ 1220

SHOOTING OF VERNON JORDAN

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, early this morning a great American leader, Vernon Jordan, was shot in Fort Wayne, Ind. Vernon Jordan has been one of the outstanding moderate and reasonable leaders who has been a real force in the black community and in fighting for the rights of minorities throughout this country. I think the action that took place is a real tragedy.

I called on the Justice Department early this morning, Mr. Speaker, to bring about an immediate investigation, as I think it is in the best interests of the country that the Justice Department move rapidly on this matter. They have assured me a little while ago that they are involved, that they are studying the situation to see what the Federal involvement can be.

Mr. Speaker, I know I express the concern of the entire House when I state that we are hoping for a speedy recovery of Mr. Jordan and we are deeply sorry for the incident that has taken place.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I am happy to yield to the gentlewoman.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding and would like to join in his remarks. Mr. Jordan was our New Jersey Urban League president before they took him away and made him national chairman. I think this incident is a great blow to all of us, black and white.

Mr. PEYSER. I thank the gentlewoman and yield back the balance of my time.

SHOOTING OF VERNON JORDAN

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, I, too, rise to express my sorrow at what the Justice Department has said was an assassination attempt on the life of Vernon Jordan.

Vernon Jordan, as we all know, is indeed a great American and I and all of the members of the Congressional Black Caucus wish his family to know that we all hope for a quick recovery and a complete recovery of this great man.

Mr. Speaker, I am not only shocked but dismayed and angry that this sort of thing can happen in the United States of America in 1980. It is all too reminiscent of the 1950's and the 1960's where rioting, shooting, and killing of people in this country took place. I am reminded of the shooting down of Malcolm X, or Dr. Martin Luther King, or President Kennedy and his brother Bobby. I certainly hope, Mr. Speaker, that this is not going to be a prelude to what we are going to have happen in the year 1980.

I want to see peace, something which I have never known in this country in my life. There has always been an international war, and now there is civil strife. I hope and pray with all others that this will not be a pattern, Mr. Speaker, for the years to come.

TURKEY WILL NOT SEND ATHLETES TO MOSCOW OLYMPICS—A STATEMENT OF SUPPORT FOR FREE WORLD STABILITY

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, last week, the Government of Turkey announced that it would not send that country's athletes to compete in the Moscow Olympics.

Turkey is not the first nation to make such an announcement. Nor is it the largest. But its action in this regard is one more statement of support for free world stability.

Mauled by a long economic crisis which threatened the social fabric of the nation, Turkey still stands, and recent governmental actions have begun to exert a positive effect. With determination, persistence, and consistency, I have no doubt whatsoever that with the proper economic climate recovery will be achieved.

Turkey's importance to the Alliance cannot be overstated. In fact, this body has been reminded of this importance time and again. Why, then do we impose FMS repayment conditions on Turkey which will add still further to that nation's burdens?

The FMS credit for fiscal year 1981 of $250 million provides for a 10-year grace period followed by a 20-year repayment period at 11 to 13 percent interest. These conditions have been accorded to Turkey because they are evaluated as more favorable than usual FMS conditions (12 years' repayment, including 5-year grace period at market interest rate), and this is good. However, these new terms when looked at from a long term perspective carry a great cost.

At the end of the 30-year period Turkey will have paid back a total sum of about $885 million as principal and interest for a $250 million initial loan. At the end of the 10-year grace period, Turkey will have paid about $300 million solely as interest.

What should be done as far as Turkey is concerned? A portion of the FMS should be transformed into MAP, or the forgiveness formula should be implemented for some portions of the $250 million loan. The effect of the second alternative would be a halving of the ultimate cost to this valued ally.

Such a step would be in line with the policy objectives of the United States and the other Allies.

PROBLEMS OF CUBAN REFUGEES IN VETERANS' HOSPITALS RESOLVED

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, I would like to take a moment to thank those involved in helping in the situation in Florida. Yesterday I took this floor and talked about a situation where Cuban refugees had been placed in veterans facilities while veterans may have been turned away and not given treatment for health problems. That situation has been remedied. We did get the ear of the White House and the Veterans' Administration, the FEMA team, as well as Chairman ROBERTS of the Veterans' Affairs Committee.

These individuals will be moved to nonveteran facilities. They will be given proper care and treatment and the veterans of our State and this Nation, I think, owe a debt of gratitude to this body for seeing that this situation has been resolved.

PROBLEMS OF CUBAN REFUGEES IN VETERANS' HOSPITALS RESOLVED

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, I would like to join with my colleague from Florida (Mr. MICA) in commending the Veterans' Administration in making a wise decision in removing those that are nonveterans from their presence in the Veterans' Administration hospitals.

As was pointed out yesterday, these hospitals were created and operated for the veterans of this country and no one else. I commend the VA for their wise decision in clarifying their position.

OUST CONVICTED FELONS FROM CONGRESS

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, I am today introducing a proposed constitutional amendment to provide for the automatic removal of U.S. Senators and Representatives convicted of felonies. Passage and ratification of this amendment will make Federal law on this subject similar to that in all but two of the 50 States.

As a member of the Committee on Standards of Official Conduct, I have vividly learned that when one of our colleagues is on trial, the House is on trial as well. Frequently, if the committee moves against a colleague accused of a crime, we are accused of interfering with the criminal trial. If the committee defers action, we are accused of ignoring serious allegations of wrongdoing.

Adoption of this amendment will remedy this problem. Once a convicted colleague exhausts his appeals, he is automatically removed from office. In effect, the amendment lets the courts decide whether a colleague is guilty, rather than forcing the Ethics Committee and House to duplicate investigations.

CONFERENCE REPORT ON BUDGET RESOLUTION SHOULD BE DEFEATED

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HOLTZMAN. Mr. Speaker, later this afternoon the House will be considering a conference report on the first budget resolution for fiscal year 1981. I opposed the first version of that resolution because I thought it was bad enough. It would have cost my State $800 million in lost Federal revenues, and would have cut many social programs.

But this budget is even worse. It purports to cut another $7.9 billion more from social programs, such as education, jobs, and housing. This is the wrong time to cut social programs this drastically. The recession makes these programs more important than ever. The recent disturbances in Miami should be a warning about the consequences of persistently ignoring pressing human needs. It is illusory to think we can be strong abroad if we are convulsed with social disorder at home.

While I support a balanced budget, I cannot support this effort, which turns a deaf ear to human needs and ignores the needs of my region of the country.

□ 1230

PRESIDENT CARTER'S HYPOCRISY ON THE DEFENSE BUDGET

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the Soviet Union is outspending the United States on military arms by more than $50 billion a year. With Soviet production of tanks, combat aircraft, ships, and submarines outstripping U.S. production by an overall ratio of 3 to 1, the President's opposition to a House–Senate compromise on next year's defense budget, which is not nearly enough, is incomprehensible.

I agree with a distinguished Member of the other body's assessment that the President's opposition to this defense budget is "the height of hypocrisy. * * * He doesn't want a defense budget. He wants a campaign budget."

SYNTHETIC FUELS LEGISLATION SUPPORTED

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, I would like to commend the conferees on the synthetic fuels legislation for their fine work and long hours in structuring a comprehensive synthetic fuels program. This program is another critical step in helping our Nation reduce its reliance on foreign oil supplies.

In particular, I was pleased to see the conferees recommend the establishment of an accelerated program to convert our municipal wastes into energy. I have found it extremely disturbing to see that these wastes, to date, have remained largely a grossly underutilized energy resource. The Subcommittee on Energy Development and Applications has heard on numerous occasions about the great energy potential of municipal wastes. We heard that about 270 million barrels of crude oil per year could be saved if all of the municipal solid wastes and sewage sludge available in the United States were processed. Furthermore, recent estimates indicate the municipal waste-to-energy plants could contribute between 5 and 6 percent of the total energy requirements of U.S. electric utilities.

In this Congress I introduced legislation that would help us take advantage of this energy resource. I am pleased to see that the conferees have also found it important to create a program in municipal wastes. This program will provide the financial assistance that is needed to get many more municipal waste-to-energy plants on line now. If we actively pursue this program, I am confident that municipal wastes can provide us with a significant amount of energy in the early 1980's.

I urge my colleagues to support this legislation when the conference report comes to the floor. This legislation not only supports the development of synthetic fuels, but also, provides for an aggressive energy conservation and renewable resources program that can have dramatic impacts in the near-term. I believe that this legislation clearly shows the world that we are firmly committed to energy independence.

SUSPICIONS CONFIRMED

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, as we continue our work on the foreign aid authorization bill, some of our suspicions have been confirmed.

Much of the money we are appropriating to be used for the development of foreign countries is really nothing more than walking around money to be used by the State Department. The Deputy Secretary of State said so yesterday in New York.

Warren Christopher chastised this body for emphasizing defense spending at the expense of foreign aid. In a speech before the Council on Foreign Relations he said:

> We have little chance to be positive when we approach the world with empty pockets.

That is not the purpose of foreign aid appropriations. The purpose of sending other countries that money is to better develop those countries, not to allow the State Department to play Santa Claus 365 days a year.

Furthermore, Mr. Christopher blames the administration's foreign policy failures on Congress, because he says it has failed to supply enough foreign aid money. In the past we have contributed plenty of money to countries such as Iran, Ethiopia, Angola, Nicaragua, and the list goes on. Apparently Secretary Christopher is not aware of what our money bought for the United States there.

WITH FRIENDS LIKE THIS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, President Jimmy Carter has reached "the heights of hyprocrisy." He is guilty of "outrageous, deplorable conduct." "He doesn't want a balanced budget; he wants a campaign budget."

Mr. Speaker, you know those are not my words but a quote from Senator Ernest F. Hollings, of South Carolina, a true-blue Democrat and chairman of the Senate Budget Committee who said all these unpleasant things about the President.

Senator Hollings pointed out the contradiction between the President's attempt to cut defense spending and his grandstand play on the deck of the carrier *Nimitz* where he told sailors he would increase their pay.

If loyal Democrats continue to talk about their President this way, maybe we all should take a closer look.

I personally think these are harsh things to say about the President. But who am I to come between the President and an important member of his own party?

IN THE MATTER OF REPRESENTATIVE CHARLES H. WILSON

Mr. BENNETT. Mr. Speaker, by direction of the Committee on Standards of Official Conduct, I call up a privileged resolution (H. Res. 660) in the matter of Representative Charles H. Wilson, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 660

Resolved,

(1) That Representative Charles H. Wilson be censured;

(2) That Representative Charles H. Wilson be denied the chair on any committee or subcommittee of the House of Representatives for the remainder of the Ninety-sixth Congress;

(3) That upon adoption of this resolution, Representative Charles H. Wilson forthwith present himself in the well of the House of Representatives for the public reading of this resolution by the Speaker; and

(4) That the House of Representatives adopt the report of the Committee on Standards of Official Conduct dated May 8, 1980, in the matter of Representative Charles H. Wilson.

MOTION OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Rousselot moves to postpone further consideration of House Resolution 660 until June 10, 1980.

The SPEAKER. The Chair recognizes the gentleman from California (Mr. Rousselot) for 1 hour.

Mr. ROUSSELOT. Mr. Speaker, I rise in support of my motion to postpone to a date certain, Tuesday, June 10, the matter of what the action should be relating to Charles H. Wilson. I do so because I do not believe that under the press of today's legislation that the House could give adequate time to this resolution. There is a tremendous pressure to complete the budget resolution on which many of us wish to participate today, and I do not believe that today is the right day to provide adequate time to this issue.

I personally have not made a decision as to how I will vote on this issue. I would like to have the benefit of adequate and total discussion on the issue. I know I have talked to members of our Ethics Committee. I have tried to follow this particular resolution from the time that it became apparent it was to be before the Whole House. I do not believe that today, and under the agreements that have been made for possible extra time for discussion under certain provisions of this resolution, that we can give it proper consideration today.

My motion is not a vote for or against whatever action is being recommended by the Ethics Committee. I do not wish to act in a dilatory manner. I just do not sincerely believe that we can give adequate consideration to this important resolution from the Ethics Committee in the already overcrowded schedule.

Second, there are many States that have primaries on Tuesday. Several of our colleagues from my own State and others are not present today. Many of them have different positions and want to be here present for the time that this information is presented by the committee. There are roughly 100 Members of this body who are potentially involved in primaries on next Tuesday; it is not just my own State. So I ask the indulgence of the House to postpone it to a date certain June 10. I am not trying to postpone it indefinitely. I do not think that is proper.

My colleague, the gentleman from California (Mr. Bob Wilson), who had intended to be here today, would have offered this resolution had I not done so and asked that I mention his support to postpone it to a date certain, June 10.

Mrs. COLLINS of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentlewoman from Illinois.

□ 1240

Mrs. COLLINS of Illinois. I thank the gentleman for yielding. The gentleman's sentiments are mine. It is correct that we have something like 14 primaries that are going to be taking place within the next week. I see no reason why we cannot postpone this very important matter until a date certain which is June 10 of which the gentleman speaks. In all fairness, not only to the colleagues that are here but to those who are campaigning in their own districts now who may have opinions that should be exercised, they are Members of this House of Representatives and have every right to express their opinion on a matter that is so important to all of us here. I could not concur more with the gentleman. I thank the gentleman for yielding.

Mr. ROUSSELOT. I thank my colleague.

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield for purposes of debate only 2 minutes to the gentleman from Wisconsin (Mr. Sensenbrenner).

Mr. SENSENBRENNER. Mr. Speaker, I rise to strongly oppose the motion to delay that has been introduced by my colleague from California (Mr. Rousselot). It is no secret that the gentleman from California (Mr. Charles H. Wilson) is engaged in a contested primary in California next Tuesday. I believe very strongly that the constituents in his congressional district are entitled to know the judgment of the House of Representatives in this very serious question before they go to the polls next Tuesday to cast their ballots on whether to renominate the gentleman from California or whether to choose another candidate as the Democratic standard-bearer in the November election.

The fairness issue is one for the constituents in that particular district of California. I do not think this matter should be left hanging in the air. The matter should be resolved so that everyone who is going to the polls to vote in that congressional district will be able to have knowledge of the debate that goes on on the floor of the House of Representatives when they make their decision on which lever to pull.

Mr. Speaker, I would hope this motion would be overwhelmingly defeated

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's comments. Let me respond very quickly.

Mr. Speaker, I do not wish to keep this matter hanging. That is why I set a date certain of June 10. Additionally, I wish to assure my colleague that this issue has been well tried in the media in California. There is not a day that goes by that the Los Angeles Times, that all the television stations, have not presented the points of view of this committee and I mean extensively. I will also tell my colleague that our former colleague, Mr. Hannaford, who is running for the same seat, has gone overboard to express his judgment in the media. I think the constituency of that district knows the issues probably better than we do. As a matter of fact, I think it has been overtried in the Los Angeles media.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield 2 minutes to my distinguished colleague from California (Mr. Thomas), a member of the committee. I know the gentleman disagrees with me and I want to hear from the gentleman.

Mr. THOMAS. Mr. Speaker, I thank my distinguished colleague for yielding.

It is interesting that the points the gentleman has made which I think are most telling to other Members include the fact there are Members in primaries, extensive primaries on the 3d of June and that we do not want to cause them any problems in getting back and forth.

Mr. ROUSSELOT. Mr. Speaker, I want to correct that statement. I did not refer to their getting back and forth. I did not say that. I said they are not present here today and I felt they should have an opportunity to be here. I am sorry they are not here.

I yield further to the gentleman from California (Mr. Thomas).

Mr. THOMAS. Three hundred and seventy Members were present on the first rollcall and there are other people coming in. There will be additional Members here. The courtesy extended to the Members, which is something I think that weighs heavily on this body, should at least be extended to the voters in the 31st District.

Mr. ROUSSELOT. That is fine. Perhaps the gentleman can help extend it.

Mr. THOMAS. Mr. Speaker, the attitude of this House, in terms of the way it views itself and the way it appears to the public, and the attitude of the public collectively toward this House needs a bit of adjustment.

Mr. ROUSSELOT. Mr. Speaker, I could not agree with the gentleman more. That is why I think we should have a change of leadership in the House.

Mr. THOMAS. Mr. Speaker, individually as Members we are returned at about a 90-percent rate. Some of us are even loved in our districts individually. Collectively the House of Representatives and the profession of Congressman is near the bottom of the confidence and respectability list and in large part it is near the bottom of the list because we do not fully understand and appreciate that the public believes a public office is a public trust and that to allow the voters to go to the polls on Tuesday—when the gentleman says we do not have sufficient time today and the gentleman reserves up to an hour, which would have been half of the time needed to resolve this question in front of this House—to say we do not have adequate time to allow the voters of that congressional district to decide whether or not the colleagues of Mr. Wilson feel he is guilty or innocent of the charges presented and that we ignore the fact that between today and June 10 is an election, a primary election which is tantamount to the general election in that district, is to ignore the idea that the voters are entitled to all this information available to determine whether or not an elected official believes that a public office is a public trust.

The SPEAKER. The time of the gentleman from California (Mr. Thomas) has expired.

Mr. ROUSSELOT. Mr. Speaker, I have not ignored the idea there is a primary, 14 primaries. As a matter of fact, I stated that is one reason I think more Members should be present on June 10.

Mr. LLOYD. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield 2 minutes to the gentleman from California (Mr. Lloyd) for purposes of debate only.

Mr. LLOYD. Mr. Speaker, I thank my colleague for yielding to me. I am here to support his stand. I think it is a proper stand. I do not think we have the time to properly address the Wilson issue. I have, as has the gentleman, read "Dear Colleague" letters on the issue. But I, too, have not made up my mind. In fairness to the whole situation, and since this was originally taken up in February of 1979, I do not think that whether we discuss it today, tomorrow or June the 10th as is suggested by the privileged motion is debilitating to the issue nor that the wheels of justice will in any way be impaired in turning. It is to a time certain. We are going to discuss the issue. The people in this House will have an opportunity to express their opinions and they will be able to hear the testimony that has been presented to the committee.

I think that a day or two is not going to make that kind of difference. Now to address myself for just a moment to the fact that we are having an election on June the 3d, I think this also may even allow the Democratic process to work its will in that the voters can express themselves on this important issue. I believe the voters have a right to elect an individual to this House and they have a right to reject if they wish.

Mr. Speaker, I think rushing into this thing one way or another is not going to make justice any better and I thank my colleague and the gentleman from California for having brought up this motion.

I yield back the balance of my time.

Mr. BENNETT. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes for purposes of debate only to the distinguished chairman of the Committee on Standards of Official Conduct, the gentleman from Florida (Mr. Bennett).

Mr. BENNETT. Mr. Speaker, the committee feels it has done a good job in the sense that it has been very careful to be fair at all times. It has delayed nothing. The delays do not originate with the committee. For the committee to pick a time on the basis of politics does not appear to us to be proper. We have just moved forward as the rules and the times and the delays sought required. We are at the point we are at now simply because of the fact that it took that much time to do all the things that were required to be done. There has been no substantial delay in the case and certainly not from the committee's standpoint. The committee is very much opposed to postponing this from today. We feel it is timely to handle it today and that it should be done today.

Mr. ROUSSELOT. Mr. Speaker, I would like to ask the distinguished chairman of the committee how long he has been working on this case.

Mr. BENNETT. The committee has been working on this case since February of 1979. The first day the committee went into session, a subcommittee was appointed to look into this matter.

Mr. ROUSSELOT. So actually postponing it a week and a few days would not make that much difference?

Mr. BENNETT. It is being postponed on the basis of politics, though?

Mr. ROUSSELOT. I want to assure my colleague it is not postponed on a basis of politics as far as I am concerned. As the gentleman knows, politically speaking, it is much better for me to have all the fights we can on this floor against Democratic colleagues because that is for me, but I just want to say to my colleague, I really believe, if my understanding is correct, the Chairman is willing to allow the subsection 2, additional time, if that has been potentially agreed upon, my thought was that might go maybe longer than a half hour or an hour and so then with the time allotted roughly an hour, that kicks it up to 2 and it is my belief that today when we have the budget resolution and other legislation of some importance that it would not hurt or do damage to the committee's case or the situation of our colleague from California (Mr. Charles H. Wilson) to present that on June 10. I can assure my colleague that it has been well-discussed politically in the gentleman's campaign at home. I mean all the quotes from the committee pro and con have been well-discussed. If it is my colleague's concern over here that somehow it is not going to affect the election, they do not understand the people running against the gentleman from California (Mr. Charles H. Wilson) because they are quoting from committee reports every day.

Mr. BENNETT. I merely wanted to make it clear, the committee has operated in a timely and proper fashion.

Mr. ROUSSELOT. Mr. Speaker, I was not being critical of the committee. I am saying, for the whole House to take it up today in my judgment is a mistake. To make it clear that I do not think it should be postponed forever like we have done with a couple of other cases where we table such resolutions, I have set a date certain.

□ 1250

I am talking about other privileged resolutions that have come up for Members here, and a number of people here have voted to table those. We were willing to table those. Our colleague from Michigan is an example.

But, in any respect, I believe that June 10 is an appropriate day. It is very soon. It is a week and a few days away. My thought was that that that makes it clear that we are not engaging in dilatory tactics.

Mr. BENNETT. I just want to make it clear that the committee does not approve the gentleman's point of view.

Mr. ROUSSELOT. I appreciate that, and the gentleman's bringing it up.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield 2 minutes to my colleague from Maryland for purposes of debate only.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding. I support his motion. It seems to me that one of the guiding principles we all ought try to follow with our committee is the general policies and practices followed by law outside of this House. Postponements of criminal cases are not unusual. Three, six, nine postponements are not unusual.

I do not make these remarks to in any way denigrate the work of the able gentleman from Florida (Mr. Bennett), the chairman; nor to suggest any vendetta kind of thing against Mr. Wilson by the committee. I simply want to make these remarks based upon what I see should be our desire to adhere to the general policies that exist in law outside of this body.

I know that there have been postponements granted by the committee. Counsel has requested the postponements, and the committee was very generous in granting them. But, the basic line for me is: Who gets hurt? What goes wrong? What in the world could possibly happen to the whole process of justice in this House if we accept the gentleman's motion? The answer that comes back to me is, absolutely nothing.

The facts will not change; the whole approach will not change, and I see no danger at all, in any way, of staining the reputation of this House by granting what I consider to be just another postponement which is in line with time-honored tradition and custom in criminal and civil law.

If the gentleman who yielded to me thinks I have said enough, I will give him back my time.

Mr. ROUSSELOT. No, the gentleman does not need to do that.

Mr. MITCHELL of Maryland. I do want to indicate that I fully support the gentleman's motion because I think it makes sense.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from California (Mr. Lungren) who I know disagrees with my position and is anxious to state it. I yield him 2 minutes for purposes of debate only.

Mr. LUNGREN. Mr. Speaker, I thank the gentleman for yielding. As the gentleman knows, I am in kind of a peculiar circumstance here because the individual that I beat to come here is now running against Mr. Wilson.

Mr. ROUSSELOT. Why does the gentleman tell us about that? That is interesting.

Mr. LUNGREN. That makes it very

difficult, frankly, to state something about this situation and to make a decision. I have been researching this, looking at it. I have been agonizing over it for the last week, looking at all the material so that I can give the gentleman from California an informed judgment. But, it seems to me that the previously posed question of who will be hurt if we delay this matter is answered, "that the House will be hurt."

When I brought the motion to expel the gentleman from Michigan, one of the arguments that was utilized against me was that the people of his district, after he had been convicted, decided to vote for him in the general election. In response, it was pointed out that in that particular district the Democratic primary essentially is "the" election, and the people did not have that information before them at that time.

That is what I am concerned about here. History suggests that the primary election in the 31st District in California has the same final effect. I am not out to get Charles H. Wilson or to get anybody here, but the question is, How is the House going to be perceived? It seems to me, when we have had prior delays—and they have been appropriate delays requested by the gentleman from California so that he can prepare his defense—when we have been put on notice and when we have had a week to review that, and we, therefore, know we are going to have 2 hours to debate it here before the entire House, to act now to put it off is to tell the American people that we do not want to give the full benefit of the information to those voting.

Now, the fact that members of the press have discussed this does not change the fact that we have the obligation, we have the constitutional obligation to come to this decision; and we should come to it when the time is appropriate. If we can come to that decision prior to the time people vote, they have the right to that information. Otherwise, we will deny the people in that district the right. Although I may personally wish very much that the gentleman from California be victorious next Tuesday, I do not think I can allow that to enter into my consideration of this matter.

Mr. ROUSSELOT. I appreciate my colleague's point.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield 2 minutes for purposes of debate only to my colleague from South Carolina (Mr. Spence), the ranking minority member of the committee.

Mr. SPENCE. Mr. Speaker, I thank the gentleman for yielding. I wish we never had to bring this matter or any other matter of this kind before this body, but the fact is that we do. I would like to point out to the gentleman and also to this body that this matter has already been postponed, and if we postpone it further I am afraid that we will be guilty of what we have been accused of being guilty of in the past: that is, of looking out for one another by helping a fellow Member in his election campaign.

Mr. ROUSSELOT. I appreciate my colleague's comment.

Mr. LaFALCE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield 2 minutes for purposes of debate only to my colleague from New York.

Mr. LaFALCE. Mr. Speaker, I support the motion of the gentleman from California, but not for the reasons advanced by him. I do not think it is advisable to postpone this issue because some Congressmen are absent because of primary campaigns; but, this issue was postponed before the Memorial Day recess, and I talked with many of my colleagues, whom I tremendously respect, all of whom gave a sigh of relief and said, "I am glad of the postponement because I have not had time to look into the matter."

I was one of those. I had not had time. I spent the recess reading the entire record, and it left me deeply troubled, with a number of questions that I thought had not been adequately answered at all. I sought the advice and counsel of a number of colleagues whom I tremendously respect yesterday and today. None of them had looked at the matter yet, and it is for that reason—that I think that a tremendous number of Members have not yet taken the opportunity to read the record on an important issue such as this—that I think it would be prudent for us to go along with the motion to adjourn to a date certain.

Another point: We are so concerned about the perception of Congress as an institution. Indeed we should be, and we should determine our actions and our conduct in large part based upon the realization that our conduct is going to affect public perception. But, when it comes to how we vote on the issue of censure or reprimand of another Member, we should realize the perception of the public is almost always going to be. "Well, he is probably guilty."

If we base our vote on public perception, we are going to be basing it on public prejudgments. We would be doing a disservice to something that is even greater than the perception of the Congress: that is, the importance of individual justice.

Mr. ROUSSELOT. I appreciate my colleague's comments. I did not mean to indicate that my only purpose was to help those who were in primaries and not able to be here today. If I made that my main point, I misstated. My main reason for offering this motion is to allow more time on June 10 for debate on this issue.

Mr. FOWLER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield 2 minutes to my colleague from Georgia for purposes of debate only.

Mr. FOWLER. Mr. Speaker, I thank my colleague from California for yielding. I want to speak to the body as one member of the Ethics Committee. Our chairman, and I think the committee in complete bipartisan spirit, have bent over backward to be fair to the gentleman from California (Mr. Charles H. Wilson) in expediting this process. We met long hours, continually, finishing on April 1 in order to allow this body, meeting in its open session, to decide for yourselves—as is your right, not ours—whether or not sanctions should be applied to Mr. Wilson or whether or not he should be exonerated.

There has not been a single delay of the Committee on Standards of Official Conduct. We concluded on April 1, and have been ready to proceed each week since the committee's report was printed and distributed. But, we have granted, in a spirit of fairness to Mr. Wilson through his counsel, every delay he sought including a postponement last week when it had been scheduled for a day certain on the calendar, Wednesday, May 21, in order not to back it up against a primary or delay for any undue reason, in fairness to the gentleman from California.

□ 1300

But once again, at the 11th hour, counsel for Mr. Wilson requested a delay for 1 more week to this day certain, May 29. The committee then voted, granting one more extension as a result of the request of counsel.

Mr. Speaker, I urge the Members today, in fairness to the gentleman from California and in fairness to this body, to conclude this matter forthwith.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes, for the purposes of debate only, to my colleague, the gentleman from Arkansas (Mr. Bethune).

Mr. BETHUNE. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, during the course of the committee hearings one of the critical arguments that was made by the gentleman from California (Mr. Charles H. Wilson) was that the committee was acting as investigator, prosecutor, grand juror——

POINT OF ORDER

Mr. FORD of Michigan. Mr. Speaker, I have a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. FORD of Michigan. Mr. Speaker, under the rules of the House the debate must be confined to the question of the postponement and not to any of the matters involving the matter being postponed.

The SPEAKER. The gentleman is correct.

The Chair would like to advise the Members that a motion to postpone to a day certain is debatable within very narrow limits only. Under the precedents of the House, the motion is debatable only as to the desirability of postponing consideration of this resolution to June 10, and it does not admit debate on the merits of the pending proposition.

Mr. BETHUNE. Mr. Speaker, I was bringing out a point. I am in support of the motion to defer to a day certain, and in the course of trying to establish the rationale for that, I think it is important to discuss at least peripherally a point that I think is extremely significant as to why the matter should be deferred. I think I can make that point, and I hope the Members here will understand I am not trying to prejudice the hearing in any way.

Mr. ROUSSELOT. Mr. Speaker, I suggest the gentleman try that and see if it works.

Mr. BETHUNE. Mr. Speaker, the point I want to make is that I think the gentleman made a critical argument during the course of the hearings that the committee was acting as investigator, prosecutor, and grand juror, and was then acting as a jury. The committee fended that argument off by saying:

> No, we are merely making a recommendation, and the final decision as to whether the gentleman is guilty or not will be made on the House floor. The Members will have the ultimate responsibility to decide the facts in the case.

I think this case is substantially different from the Diggs case. In the Diggs case, a verdict had been found in a Federal district court by a jury of his peers after a fair trial. Here we do not have such a point of reference. Here we must try the case ourselves, as a jury would. I do not see much to the argument that the delay sought is political.

This gentleman has been reelected many times. I do not think politics is an issue here as to whether we are going to pass this by one more primary election or not.

So my point is this, Mr. Speaker: That if we do, as the committee argued we do, have the final responsibility here in the House, I would like to observe that we have been given a very short time to review this document that is 382 pages in length. I happen to have read it all, but I do not think that the Members of the House generally have had an adequate opportunity to study it. If we are going to vote on this very critical matter, then I think, from what I can detect, that we need some more time for the Members to study carefully this document, because it is important to the Member.

So, therefore, Mr. Speaker, I support my colleague in the well on his motion to defer this consideration to a day certain.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's remarks.

Mr. Speaker, I yield 2 minutes, for purposes of debate only, to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would just like to sum up, if I may, the key points that the gentleman is, I believe, properly making, and that I think the House should ponder.

The first is that by a series of coincidences, this particular debate does fall 6 days before the primaries in California. If that were not the case, the gentleman would not be making his motion to postpone consideration to June 10.

Since the motion calls for a day certain, it is not a tactic of delay. I think it is a very practical suggestion. The House should not inject itself in the partisan primary that is taking place in that specific California district next Tuesday.

I would also like to point out to the Members of the House that I share the feeling that the House, in this case is on trial, and is concerned with the reputation of this body and all its Members. Yet, I would suggest that as far as the country as a whole is concerned, the disposition of the budget debate is certainly far more important. There is as well, the disposition of the pending foreign aid bill, the disposition of a fair housing bill, and other matters. All of those items will be pushed back for days if we take the rest of this day on the matter of CHARLES H. WILSON.

Mr. Speaker, I think the gentleman from California (Mr. ROUSSELOT) is making a practical, proper, and wise suggestion. He sets a day certain. There is no doubt that date will then be the day for the House consideration. I urge support by the Members of the motion offered by the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's remarks.

Mr. Speaker, I yield 2 minutes, for purposes of debate only, to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Speaker, I want to commend the distinguished gentleman in the well for offering this motion, and I do strongly support it.

I would like to ask the distinguished gentleman in the well, how many primaries do we have scheduled on June 3?

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield, my understanding is that there are somewhere in the nature of 10. It is a substantial number.

Mr. ICHORD. I emphasize, Mr. Speaker, that I do not mean to be critical of the Ethics Committee. We all know of the dedication of the members of the committee. We know of the very difficult job the members of the Ethics Committee have, and I commend each and every one of them for their service to this body.

But since I have elected to retire from this body, I want to share a new perspective on the problem we now face. I feel some guilt because I am now concerned about the due process of this whole procedure and honestly was not concerned when I was a candidate for reelection on similar issues. I have served with the Members of this body, Mr. Speaker, for 20 years or going on 20 years. I have numbered among my closest friends those who are of a very liberal persuasion, if I may use the word—I do not like the words, "liberal" and "conservative," because they are very subjective—and I have disagreed with many on several issues and occasions, but still I respect them. But there is one attribute in common which all Members possess—and I have watched Members come here for 2 years, 4 years, 6 years, and even longer—and that attribute, whether you are a Republican or whether you are a Democrat, whether you are a liberal or whether you are a conservative, is that they have the unique ability to rationalize their position on a particular isue with their political future. Members who are successful in being reelected every 2 years must have that ability or they will not be reelected.

The SPEAKER. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

Mr. ROUSSELOT. Mr. Speaker, I yield 1 additional minute, for purposes of debate only, to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Speaker, my concern is this: There are at least 10 primary elections on June 3. Is there a Member in this body who is a candidate for reelection who is really in an unbiased position to judge the facts? Is it not true that there are always some members of the electorate who will say, if the Member votes in favor of Congressman CHARLES H. WILSON, that the "Member must be guilty of the same acts?" Would not those Members in a court of law be subject to a challenge for cause from sitting in judgment of CHARLES H. WILSON for the reasons I have just mentioned?

□ 1310

This is the thing that concerns me. Personally I am not now in that position since I am not a candidate for reelection. If the parliamentary situation permitted I would be constrained to make a motion to disqualify all Members of this body, except those of us who are not seeking reelection, from voting on this issue. I make that point, Mr. Speaker, because of due process.

For this reason, Mr. Speaker, certainly we should put the matter over until after the 10 primaries. No Member voting for CHARLES H. WILSON will have sufficient time to explain his vote to his constituents and every Member of this body seeking reelection will be worrying about this unfortunate situation. Proceeding today is not extending due process to Mr. WILSON. It is not even fair to the Members.

Mr. ROUSSELOT. Mr. Speaker, I yield for the second time 1 minute for the purpose of debate only to my colleague, the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, in the earlier colloquy the gentleman from California (Mr. ROUSSELOT) said this case is being tried in the news media out in California, and specifically objected to that.

I would submit to the membership today that the way to end the trial in the news media is to bring this resolution to a head here on the floor of the House of Representatives, to vote it up or down, so that the people of this country and particularly that congressional district in California presently represented by Mr. CHARLES H. WILSON will know what the judgment of this House is before June 3, rather than having them exclusively rely on the judgment of the news media.

Mr. ROUSSELOT. Does the gentleman yield back the balance of this time?

Mr. SENSENBRENNER. Yes, I do.

Mr. ROUSSELOT. Mr. Speaker, I just want to comment that I was using that as a point, in response to the question: Will the people in the Wilson district know enough about this particular issue?

And I was trying to make it clear that I think both sides have been clearly presented by the media. I was not being critical of them for doing that. That is their job. I was merely saying that I think it has been well covered, and Mr. WILSON's several opponents have made sure that it has been brought out. So you do not have to be concerned that the people in the district do not know about this issue.

Mr. Speaker, I yield 2 minutes for the purposes of debate only to my colleague, the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. I thank the gentleman for yielding.

Mr. Speaker, I compliment the gentleman for making the motion before the House at this time. It seems to me that my reading of the record provided to us by the Committee on Standards of Official Conduct discloses that some of the matters we will be talking about when we get to this issue are alleged to have occurred as far back as 1971. I now learn today that the committee—and I am sure that it has other things and other committees to work with—began on this in February of last year. It seems to me that we should not be accused of postponing this matter for political reasons. I think too much emphasis may have been given already to the politics of this matter. I do not think we can validly be accused of postponing for political purposes. I do not believe we should place ourselves, either, in the position of being accused of scheduling this matter immediately prior to the California primary for the other side of political purposes. I think both accusations may carry some validity. Probably the most difficult decision today is the reasonable and logical decision to lay this matter over to a day certain. It seems to me that this House is not going to be voting on the guilt or innocence of Mr. WILSON.

The question today is whether or not we are going to ignore a budget which is the most far reaching, the most important issue, possibly, we will face in this Congress, for a matter of internal housecleaning.

I believe it is obvious to the Members of this House that the budget transcends this matter in importance. This matter is going to feature discussion of the very procedures that brought it to this floor, it is going to be lengthy and it is going to be complicated. The budget waits. I think we should proceed with the budget and lay this matter over until later.

Mr. ROUSSELOT. I appreciate my colleague's comments.

Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from Florida (Mr. MICA), for purposes of debate only.

Mr. MICA. Mr. Speaker, it seems to me that in my mind I need some clarification on this decision of postponing.

Can the gentleman tell me, does the gentleman from California have a primary opponent? I assume he does.

Mr. ROUSSELOT. No, I personally do not.

Mr. MICA. The gentleman does not know?

Mr. ROUSSELOT. I do not have a primary opponent. I have a member of the Democratic Party and a member of the Libertarian Party filed for this 1980 election.

Mr. MICA. Not the gentleman in the well. The gentleman in question in this resolution.

Mr. ROUSSELOT. Yes, I think he does. Three Democratic opponents to be exact.

Mr. MICA. Does the gentleman in question have an opponent from the other party in November?

Mr. ROUSSELOT. Oh, I hope so, being from the Republican Party.

Mr. MICA. That is what I thought. The reason I raise this question as to whether or not we should delay is, the words that I have heard ring true, but not from the people who have stated them. I do not quite understand their rationale. And it seems to me that it might be a reason that some and it might be fair to say that some might say that it would be better to have an individual renominated and then censured and then beaten in the general election rather than have someone else carry the standard bearer of the party. Would that be an assumption that some might be concerned with?

Mr. ROUSSELOT. I would like to restate my rationale for offering this particular proposal for us to postpone until June 10. I believe that this issue that is before us is of a critical enough nature, and I agree with a lot of my colleagues that the public in general is interested in seeing how we dispose of this issue, that we do it at a time certain when we know there can be adequate time available to debate it fully.

Let me explain what I mean by that. My understanding is—and the chairman can correct me if I am wrong—the chairman of the committee has agreed that subsection 2 of this particular resolution before us might be given additional time. Is that correct, Mr. Chairman?

Mr. BENNETT. That is correct.

Mr. ROUSSELOT. That is correct. And, therefore, that might take an extra half hour or 45 minutes, maybe an hour. My belief is that the budget resolution has greater importance in overall policy matters of this Congress and the Federal Government than does this issue. So that my recommendation—and I hope the House will follow it—to postpone to June 10, which is a week and a few days, would give us more adequate time on that date to consider this matter which has been under consideration since February 1979. To me that is the principal reason. The only reason I brought up the primary elections of next week, I happen to know that several Members from several States want to be here to hear this issue discussed and debated. Some may wish to participate and are unable because they made plans some time to be back in their own districts, before this was scheduled.

I do not think that should be the prime reason. But I do believe that to provide adequate time we should postpone it until June 10, which is a date certain.

Mr. MICA. So that the general approach is that we need more time, and that on June 10 we would not have important matters to debate, as we have at this time?

Mr. ROUSSELOT. I think the time on the floor for this issue is important. That is what I am trying to say. I think greater time can be devoted to it on June 10 than today. That is my judgment.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. ROUSSELOT. Why, I am always delighted to yield to my colleague, the gentleman from Maryland. I yield to him for 1 minute for the purposes of debate only.

Mr. BAUMAN. I want to ask the gentleman a question.

Mr. ROUSSELOT. Certainly.

Mr. BAUMAN. The gentleman from California has a great deal of influence over the schedule here by various means on many occasions.

Mr. ROUSSELOT. I do not know if the Speaker would agree with that.

Mr. BAUMAN. There may be good reason for that inattention.

Mr. ROUSSELOT. Did the Speaker hear what the gentleman asked?

The SPEAKER. The Chair will advise the gentleman that 43 minutes have been used, and 17 minutes are left.

Mr. ROUSSELOT. I appreciate that. I thought the Speaker would be interested in this comment by my colleague from Maryland.

Mr. BAUMAN. Will the gentleman yield for a question?

Mr. ROUSSELOT. Yes.

Mr. BAUMAN. As the gentleman knows, scheduling is a matter for decision by the majority party leadership.

Mr. ROUSSELOT. I have heard that.

Mr. BAUMAN. And each week the schedule is announced by the majority leader or his designated representative after, as I understand, consultation with the Speaker.

Mr. ROUSSELOT. Yes.

Mr. BAUMAN. The matter of CHARLES H. WILSON has been scheduled in the past several weeks back, and then it was taken off the schedule.

Mr. ROUSSELOT. Yes.

Mr. BAUMAN. I assume because the leadership wished to have it taken off. But I have not heard the Democratic leadership say what they want us to do on this matter of the pending motion to postpone. Perhaps if we could have their advice we could then know what the wishes of those who determine the schedule would be.

The SPEAKER. The Chair would respond to the gentleman by saying that to the Chair's knowledge this has not been on the agenda. The Chair in this particular instance, where this is a privileged motion, has respected the honor of the chairman of the committee, and the chairman was given the privilege, as he is anyway, to bring it up at any time whatsoever. When we were informed last week that it would be brought up on today, it was then placed on the agenda so the Members would know.

Mr. ROUSSELOT. I guess what my colleague from Maryland is asking: Does the Speaker have any objection to this matter coming up on June 10?

The SPEAKER. The Chair is not going to get into that. Let me just say this: That would be for a vote of the House.

The Chair would say that we do have the budget consideration coming up and that we do have the debt limit coming up, and we hope that we can conclude those before the evening is over.

☐ 1320

In other words, it looks to me as though there will be a night session around here. I think the gentleman now has spoken for 45 minutes and has 15 minutes left.

Mr. ROUSSELOT. I appreciate my good Speaker informing me of my time.

The SPEAKER. I knew he was not aware of how much time he had taken.

Mr. ROUSSELOT. I appreciate knowing that.

Mrs. SPELLMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will yield 2 minutes to the gentlewoman from Maryland (Mrs. SPELLMAN) for purposes of debate only.

Mrs. SPELLMAN. I would like to call to the attention of the Members of the House that a couple of weeks ago we witnessed a fiasco. The money for the FTC ran out, and the Attorney General ruled that the FTC was therefore out of business and could only conduct such business as was necessary to phase out its operation. One full day of the time of the employees of the FTC was lost, one full day of working only to close up the agency.

The House moved quickly and shifted some funds, and the FTC was back in business but only after millions of dollars had been lost.

We are now in a position where if this week we do not again provide funds for the FTC, we are again going to have employees involved in putting the agency out of business. I, of course, am aware that some of my colleagues would like to see that particular agency out of business.

Mr. ROUSSELOT. Yes; I happen to be one of those who appreciates what the gentlewoman is saying.

Mrs. SPELLMAN. I think allowing the funding to expire constitutes a ridiculous waste of funds. But we cannot fully fund that agency until all of the budget matters have been taken care of. For us to be spending so much time today on the Wilson matter while the budget sits there waiting for the kind of action and the kind of thought that we ought to be giving it is really unconscionable. I fully agree with the gentleman—for other reasons than those that he has expressed—that we ought to go on with the business of the budget and move the Wilson resolution to June 10, when we will have the time to give it proper scrutiny. Let us take care of the public's business today and work to set our House in order in June.

Mr. ROUSSELOT. I appreciate the gentlewoman's comments.

In case I did not make it clear, one of the reasons that I am offering this resolution, I think we should get to the budget resolution. Even though I disagree with many aspects of the budget conference, I still believe we should get at it and complete our business on that issue. I think June 10 does not do damage to the ability of the House to judge this issue relating to the gentleman from California (Mr. CHARLES H. WILSON). I think that that is only a week and a few days away. There has been clear indication that we would have more adequate time to handle it on that date. This is not a criticism of the Ethics Committee because they have tried to do their job to bring this issue to the floor.

I compliment my colleague for making the point that the Budget Committee has a substantial meaning now and that we should get on with it.

Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from South Carolina (Mr. DAVIS), for purposes of debate only.

Mr. DAVIS of South Carolina. Mr. Speaker, I rise in support of the gentleman's preferential motion for several reasons. It has been stated here by some who would want to consider this matter today that the House is being questioned, that we are being judged by whether or not we take action on the gentleman from California (Mr. CHARLES H. WILSON) today, but I would say that the House is also being called into question on the budget process.

If we do not move forward with that, we are going to give the White House a little bit more time to intermingle themselves into our budget process and maybe challenge that part of our institution. The people of this country are concerned about the cost of Government. They are concerned about the direction that we are going to try to lead them for the next year. Yet, we are going to sit here today and say that we are going to debate for 7 or 8 hours the matter of whether or not the record is complete, whether or not the record is accurate, whether or not we are going to do real justice for one of our colleagues.

I would say that we owe him the responsibility of doing real justice. I am appalled by the number of people who have stood up and said, "We have not read the transcript." But yet they are sitting here, ready to vote on it. By putting it over to a date certain, the only time that it will be set as a date certain, I think the membership is on notice to do their homework so that they can make a proper judgment in the matter of the gentleman from California (Mr. CHARLES H. WILSON). But today, the business of the House should be the budget and the budget process and the business of the people, and then let us come back and do our own business. Also, let me say to my colleagues, let us be prepared to do it where justice is rendered, justice is rendered to the individual and justice is rendered to the House.

I thank the gentleman for offering the motion.

Mr. ROUSSELOT. I thank my colleague for his comments.

Let me just conclude by saying that I believe that the House should move to consider this resolution on June 10 to give it adequate time for the so-called new material. The chairman has already announced that he probably will allow extra time to debate section 2 of this resolution. That will require more time. I believe we should get on with the budget resolution.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Speaker being in doubt, the House divided, and there were—yeas 84, nays 61.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 182, nays 217, answered "present" 1, not voting 33, as follows:

[Roll No. 264]

YEAS—182

Addabbo
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashbrook
Ashley
Badham
Bailey
Beard, R.I.
Benjamin
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Bowen
Brodhead
Brooks
Burton, John
Carney
Cavanaugh
Chisholm
Clay
Cleveland
Collins, Tex.
Conte
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Davis, S.C.
de la Garza
Dellums
Derwinski
Dickinson
Dingell
Dixon
Donnelly
Drinan
Duncan, Oreg.
Early
Edwards, Calif.
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ga.
Fary
Ferraro
Findley
Fish
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Garcia
Gaydos
Gephardt
Giaimo
Ginn
Gonzalez
Gray
Grisham
Guarini
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hanley
Harsha
Hightower
Holland
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jeffords
Johnson, Calif.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
LaFalce
Leach, La.
Leath, Tex.
Lederer
Leland
Lent
Lewis
Lloyd
Long, La.
Long, Md.
McClory
McCloskey
McDonald
Marlenee
Mathis
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nowak
O'Brien
Pashayan
Patten
Patterson
Perkins
Pickle
Price
Railsback
Rangel
Richmond
Roberts
Roe
Rosenthal
Rostenkowski
Rousselot
Roybal
Russo
Sabo
Santini
Satterfield
Sawyer
Seiberling
Shannon
Simon
Smith, Iowa
Snyder
Spellman
Stack
Stangeland
Stanton
Steed
Stewart
Stokes
Stratton
Stump
Swift
Taylor
Traxler
Udall
Van Deerlin
Watkins
Waxman
White
Whitten
Williams, Ohio
Wright
Wyatt
Wydler
Yatron
Zablocki
Zeferetti

NAYS—217

Abdnor
Ambro
Anderson, Ill.
Andrews, N. Dak.
Anthony
Archer
Aspin
Atkinson
AuCoin
Bafalis
Baldus
Barnard
Barnes
Bauman
Beard, Tenn.
Bedell
Beilenson
Bennett
Bereuter
Blanchard
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carr
Carter
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derrick
Devine
Dicks
Dodd
Dougherty
Downey
Duncan, Tenn.
Eckhardt
Edgar
Emery
English
Erlenborn
Ertel
Evans, Ind.
Fascell
Fazio
Fenwick
Fisher
Fithian
Fountain
Fowler
Frost
Fuqua
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gore
Gradison
Gramm
Green
Gudger
Guyer
Hagedorn
Hamilton
Harkin
Harris
Heckler
Hefner
Hillis
Hinson
Hollenbeck
Holtzman
Hopkins
Hutto
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lehman
Levitas
Livingston
Loeffler
Lott
Lowry
Luken
Lundine
Lungren
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Martin
Matsui
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Montgomery
Moore
Neal
Nelson
Oberstar
Obey
Ottinger
Panetta
Paul
Pease
Pepper
Petri
Peyser
Porter
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Robinson
Rose
Roth
Royer
Rudd
Schroeder
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Solarz
Solomon
Spence
St Germain
Stark
Stenholm
Stockman
Studds
Symms
Synar
Tauke
Tauzin
Thomas
Trible
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Williams, Mont.
Winn
Wirth
Wolpe
Wylie
Young, Fla.
Young, Mo.

ANSWERED "PRESENT"—1

Wilson, C. H.

NOT VOTING—33

Akaka
Burton, Phillip
Collins, Ill.
Diggs
Dornan
Edwards, Ala.
Flippo
Goldwater
Grassley
Hance
Hansen
Hawkins
Heftel
Jenrette
Lujan
McCormack
McEwen
McKinney
Marriott
Nolan
Oakar
Reuss
Rodino
Runnels
Scheuer
Sebelius
Staggers
Thompson
Wilson, Bob
Wilson, Tex.
Wolff
Yates
Young, Alaska

□ 1340

Mr. CAMPBELL changed his vote from "yea" to "nay."

So the motion was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would make the following announcement. During the course of the last debate, anticipating that a quorum would be called, the Chair counted the House and found about 100 Members present. The Chair does not feel this is doing justice to the Member from California and thinks that the House should retain a full quorum at all times and would ask the Members to remain on the floor during this debate. How is one going to make a judgment on a fellow Member if he is not in the Chamber?

The gentleman from Florida (Mr. BENNETT) is recognized for 1 hour.

PARLIAMENTARY INQUIRY

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield for an inquiry?

Mr. BENNETT. For an inquiry?

Mr. FORD of Michigan. Yes.

Mr. BENNETT. I would really like to complete my remarks.

Mr. FORD of Michigan. Mr. Speaker, my understanding was the gentleman was going to ask unanimous consent to extend the debate to 2 hours, divided equally between Mr. WILSON and the committee. I did not notice this. Has that unanimous consent been granted?

Mr. BENNETT. That is what I was going to do.

The SPEAKER. The gentleman has not made such a request.

The gentleman from Florida (Mr. BENNETT) is recognized for 1 hour.

Mr. BENNETT. Mr. Speaker, in view of the complexities of these proceedings and the need for ample time for all parties, I ask unanimous consent that the ordinary hour that is allotted in these matters be extended for another hour.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is it possible we could make it 3 hours so we could have an hour and one-half on each side?

Mr. BENNETT. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. BENNETT. I want to ask for an hour. If the gentleman wants to ask for unanimous consent for another hour, that is fine. But I think that we will have ample time.

Mr. ROUSSELOT. The gentleman is the chairman of the committee.

Mr. BENNETT. Mr. Speaker, I want what I asked for.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. The gentleman from Florida is recognized for 2 hours.

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the extension of remarks section of the RECORD, but this consent request does not apply to revisions or remarks to be delivered in the House today.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. The Chair understands the gentleman is recognized for 2 hours. Is the gentleman yielding?

Mr. BENNETT. Not at this moment.

Mr. Speaker, at the conclusion of the entire debate I will yield, upon request, to amend the resolution so the matter of the subcommittee chairmanship can be separately addressed and divided from the rest of the penalties sought by the committee. Though the committee feels that the penalties suggested are appropriate, it believes that an opportunity should be afforded to vote on that matter separately.

Mr. Speaker, for purposes of debate only, I yield one-half hour to the gentleman from South Carolina (Mr. SPENCE), ranking minority member of the committee. For purposes of debate only I yield 1 hour to the gentleman from California (Mr. CHARLES H. WILSON), pending which I yield myself such time as I may consume.

□ 1350

Mr. Speaker, the remarks I shall make are substantially those printed at page H4251 of the RECORD of May 28, which is yesterday. I mention that to make clear to everyone what I am going to say since I do talk rapidly.

Mr. Speaker, during the course of the "Korean influence investigation" conducted pursuant to House Resolution 252, during the 95th Congress, the special staff conducting the inquiry under the direction of Leon Jaworski, became aware of possible violations of House rules by Representative CHARLES H. WILSON of California. When that investigation terminated with the close of the 95th Congress some matters not directly related to the Korean matter were left unresolved and were referred to the permanent staff of the Committee on Standards of Official Conduct.

So on February 7, 1979, at the organizational meeting of the Committee on Standards of Official Conduct for the 96th Congress, as chairman of the committee, I appointed a two member subcommittee—of the late Representative Slack and Representative SENSENBRENNER—to conduct a study of possible violations of House rules by Representative WILSON.

On November 28, 1979, after lengthy informal inquiry into these matters, the full committee adopted a formal "motion to conduct an inquiry."

A copy of the motion to conduct an inquiry, outlining the various possible violations, was made available to Representative WILSON on the same day.

Prior to adopting the motion to conduct an inquiry, the committee offered Representative WILSON an opportunity to appear in executive session to testify about the various possible violations. Representative WILSON, through counsel, declined that opportunity. On December 12, 1979, the committee, in executive session, was read an unsworn statement from Representative WILSON and heard argument from his counsel respecting the motion to conduct an inquiry. At the conclusion of the meeting the committee served a statement of alleged violations upon Representative WILSON.

Representative WILSON requested full discovery of the committee's evidence; and all documentary evidence in the possession of the committee was made available to him.

Representative WILSON filed various motions, including a motion to dismiss the statement of alleged violations based upon the argument, among others, that the charges were barred by a statute of limitations and laches.

The committee unanimously denied Representative WILSON's motion to dismiss, following which Representative WILSON filed a denial to all counts of the statement of alleged violations.

The committee then ordered that a disciplinary hearing be held, but before the date of commencement, Representative WILSON filed a motion to stay the disciplinary hearing on the basis that the combination of investigative and disciplinary functions in the committee violated his constitutional rights to due process. The committee denied the motion because among other reasons, the committee itself is not the final jury or judge in disciplinary matters, but merely recommends action to the full House.

The disciplinary hearing in the matter of Representative CHARLES H. WILSON commenced on March 31, 1980.

The full record of the testimony and exhibits received in evidence at the disciplinary hearing are attached to the report at page 119.

On April 16, 1980, the committee finished deliberations and released its findings and votes thereon.

The findings are at page 4 of the report, the committee finding that the testimony and evidence introduced at the disciplinary hearing proved, by at least a clear and convincing standard of proof, that Representative WILSON had committed the violations charged in eight counts of the statement of alleged violations.

After careful consideration of the full range of sanctions available, the committee determined by a vote of 10 ayes and 2 nays that in light of the nature and severity of the offenses proven, the appropriate sanction would be censure and a denial of the chairmanship on any committee or subcommittee for the remainder of the 96th Congress.

Mr. Speaker, at this point I ask unanimous consent to insert in the RECORD each of the eight counts before the House and the appropriate rules of the House involved in the counts.

The SPEAKER pro tempore (Mr. ROE). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT. Mr. Speaker, the eight counts are as follows:

COUNT 1

On or about June 1, 1971, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $5,000.00 from a person, Lee Rogers, having a direct interest in legislation before the Congress.

House rule XLIII, clause 1

A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

House rule XLIII, clause 4 (as in effect at the relevant times)

A Member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization, or corporation having a direct interest in legislation before the Congress.

COUNT 2

On or about June 20, 1972, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $5,000.00, from a person, Lee Rogers, having a direct interest in legislation before the Congress.

(The text of House Rule XLIII, clauses 1 and 4 are quoted in Count 1.)

COUNT 3

On or about December 11, 1972, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $500.00, from a person, Lee Rogers, having a direct interest in legislation before the Congress.

(The text of House Rule XLIII, clauses 1 and 4 are quoted in Count 1.)

COUNT 7

Commencing on or about March 3, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $10,283.35 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

House rule XLIII, clause 6 (as in effect at the relevant times)

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

COUNT 8

Commencing on or about March 15, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $5,129.85 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted in Count 7.)

COUNT 9

Commencing on or about November 23, 1971, the Respondent, Charles H Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,047.91 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted in Count 7.)

COUNT 10

Commencing on or about November 29, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,500.00 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted in Count 7.)

COUNT 11

Commencing on or about November 1, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,000.00 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted in Count 7.)

The counts appear beginning at page E2605 of the May 28 RECORD, so anyone may read them who wants to.

I would like to address each of those counts.

As to count 1, the facts from the hearing are that Lee Rogers wrote a check on his personal account for $5,000 on June 1, 1971, and gave it to Representative WILSON. The check is exhibit 1 on page 224 of House Report 96–930.

Although the check was marked "loan," Mr. Rogers testified on page 174 that there was no note, no interest, no demand for repayment, and in fact, no repayment at any time. The 1977 financial disclosure statement filed by Representative WILSON is exhibit 6 on page 240. The statement requires that liabilities over $2,500 be disclosed, but there is no entry for any debt owed Lee Rogers. This was clear and convincing evidence for the committee's conclusion that the payment was a gift.

Mr. Rogers was and is in the mail order business. On page 191, Mr. Rogers testified that he had a vital interest in the Postal Reform Act as a citizen and as a person in the mail order business, and that he was concerned about the impact of postage rates on his business.

On page 205, Mr. George Gould, who was then a staff director of Mr. WILSON's Subcommittee of the Post Office and Civil Service Committee, recalls meeting Lee Rogers as a director of the Association of Third Class Mail Users, a group which Mr. Gould characterized as involving itself in legislative matters relating to the mails. Mr. Gould on that same page testified that he had discussed legislative matters with Mr. Rogers.

Exhibit 15(a) on page 329 is a letter to Rogers from his attorney urging him to oppose the Sales Promotion Games Act (H.R. 5837). Exhibit 15(c) on page 334 shows that the letter was forwarded to Representative WILSON, who responded in a letter included as exhibit 15(d). In that letter, on page 335, Representative WILSON assures Lee Rogers that he considered himself personally responsible for stopping hearings on the bill, and further assured Rogers that he will assist him in keeping the bill buried in the subcommittee.

The committee concluded that this was clear and convincing evidence that Lee Rogers had a direct interest in legislation.

Now as to count 2, the committee concluded from the evidence noted in count 1 that Lee Rogers had a direct interest in legislation—as required by the rules upon which this count is formed.

Exhibit 2 on page 225 shows the $5,000 check that Lee Rogers wrote on his personal account to Representative WILSON on June 20, 1972. Again, the check had the "loan" notation, but again Lee Rogers testified, on page 175, that there was no note, no interest, no maturity date, no demand for repayment and no repayment. And the Member's financial disclosure statement I referred to in count 1 does not disclose a debt to Lee Rogers.

The committee concluded that this was clear and convincing evidence that the payment was a gift.

Now as to count 3, a similar count, exhibit 3 on page 226 is a check for $500 that Lee Rogers wrote on his personal account to the order of Representative WILSON on December 11, 1972. Representative WILSON endorsed the check over to his son. This check does not mention "loan," and on page 176, Lee Rogers testified that he did not remember the purpose of the check. The committee concluded that this was clear and convincing evidence that the payment was a gift, and the committee further concluded from evidence noted in count 1 that Lee Rogers had a direct interest in legislation.

The following counts have to do with conversion of campaign funds, and the counts and rules are set in the CONGRESSIONAL RECORD as I have mentioned.

Now as to count 7.

On March 9, 1971, a check for $10,283.35 was drawn on the CHARLES H. WILSON campaign fund account at the Security Pacific National Bank. This check was deposited in the CHARLES H. WILSON—office account of the Bank of America on March 9, 1971. On the same day, a check in the amount of $10,283.35 was drawn on the Bank of America, CHARLES H. WILSON—office account and paid to the Imperial Bank in Los Angeles, Calif., for repayment of a $10,000 personal loan Mr. WILSON had at that bank. With interest, the balance on the loan when paid was $10,283.35.

This flow of these funds was documented by copies of the bank ledger sheets and by copies of the loan application and approval forms of the banks involved. Copies of these documents are reprinted in the report at pages 243 through 251. A chart on page 7 of the report shows the flow of these funds from the campaign fund account to the office account and from the office account to the Imperial Bank for the loan repayment. The committee was offered no evidence that this loan was for prior campaign expenses. The committee concluded that the flow of these funds was clear and convincing proof that Representative WILSON had converted campaign funds to his personal use in violation of rule 43, clause 6.

Count 8 is one very similar to count 7 that I have referred to, with different amounts.

A check drawn on the CHARLES H. WILSON campaign fund account at the Security Pacific National Bank on March 15, 1971, was deposited into the CHARLES H. WILSON office account at the Bank of America Western on March 16, 1971. The amount of the check and the deposit was $5,200. A check was drawn on the CHARLES H. WILSON office account at the Bank of America Western on March 16, 1971, in the amount of $5,129.85 and paid to the Security Pacific National Bank for repayment of a personal loan plus interest Mr. WILSON had at that bank.

Evidence was introduced before the committee by way of a copy of the Security Pacific National Bank report of a loan made. This was exhibit 8(d) reprinted on pages 255 through 256 of the report. The stated purpose of the $5,000 loan was personal expenses.

The flow of these funds was documented by copies of bank ledger sheets and bank reports of the loan from the banks involved. These are reprinted in the report at pages 252 through 257.

A chart on page 8 of the report shows the flow of these funds from the campaign fund account to the office account and from the office account to the Security Pacific National Bank for the loan repayment. Again, the committee was offered no evidence that this loan was for prior campaign expenses. The committee concluded that the flow of these funds in this manner was clear and convincing proof that Representative WILSON had converted campaign funds to his personal use in violation of rule 43, clause 6.

The next count is similar, count 9:

The evidence supporting count 9 and showing the flow of funds is similar to that in count 8. Copies of bank ledgers and bank reports were introduced to the committee, which are reproduced in the report at pages 258 through 264. These show the flow of the funds. A check for $3,400 was drawn on the Charles H. Wilson campaign fund account at the Security Pacific National Bank on December 23, 1971, and deposited in the Charles H. Wilson office account of the Bank of America, Western, on the same day. On November 26, 1971, a debit in the amount of $3,047.91 is shown to the office account, which represents repayment of a $3,000 person loan Representative WILSON had the Security Pacific National Bank. The amount of the loan plus interest was $3,047.91 (page 140). The purpose of the loan as stated on the bank report was for personal expenses (Exhibit 9(e), page 262.)

The flow of these funds is shown clearly on a chart at page 9 of the report: Money out of the campaign account into the office account and then going to the repayment of a personal loan. The committee was offered no evidence that this loan was for legitimate campaign expenses. Again, the committee concluded that the flow of these funds in this manner was clear and convincing proof that Representative WILSON had converted campaign funds to his personal use in violation of rule 43, clause 6.

Now as to count 10:

This violates rule 43, clause 6. The evidence consists of copies of bank ledger sheets, checks, deposit tickets, and statements of account, which are reprinted in the report at pages 265 through 275.

The evidence traces the flow of funds from the Charles H. Wilson campaign fund at the Security Pacific National Bank on November 29, 1971, into the Charles H. Wilson office account at the Bank of America, where a $3,500 check was drawn on the same day and deposited into the Sergeant at Arms account of Representative CHARLES H. WILSON on December 3, 1971. This was Representative WILSON's personal checking account. According to the bank records and described in the testimony before this committee at page 141, the balance prior to the deposit of the $3.500 was $886.64 with $3,045 in checks outstanding at the time. These outstanding checks, which the $3.500 deposit was to cover were for the most part drawn to "cash" with no endorsement that would indicate a reimbursement, page 141 of the report. The committee concluded that this flow of funds from the campaign account into the personal account proved clearly and convincingly that Representative WILSON converted campaign funds to personal use in violation of rule 43, clause 6.

Now as to count 11:

The evidence consists of copies of bank ledger sheets, checks, deposit tickets, and statements of account. These are reproduced in the report at pages 276 through 292. These documents show that a check was drawn on November 1, 1971, on the Charles H. Wilson campaign fund account at the Security Pacific National Bank. This check was deposited in Representative WILSON's Sergeant at Arms account on November 4, 1971. At that time Representative WILSON's balance in the account was $461.14 with outstanding checks amounts to $2,004.25. These checks, as shown in the report at page 282, were personal expenses. No evidence was offered to the contrary. And the committee concluded that this flow and use of funds proved clearly and convincingly that Representative WILSON converted campaign funds to his personal use in violation of rule 43, clause 6.

The rules of procedure for the Committee on Standards of Official Conduct provide for wide discretion in a disciplinary recommendation. Specifically mentioned are expulsion, censure, reprimand, fine, and denial or limitation of any right, power, privilege, or immunity of the Member. And the rules permit a recommendation of "any other sanction determined by the committee to be appropriate."

There is, therefore, an array of possibilities in putting together a disciplinary recommendation. The committee recommendation has two elements: First, that Representative WILSON be censured; and second, that he be denied committee and subcommittee chairmanships for the remainder of the 96th Congress.

Both elements of the recommendation were the result of careful deliberation by the committee. I support the resolution in its entirety.

If any Member should disagree with that portion of the recommendations relating to committee chairmanships, he will have an opportunity to vote to strike that language by means of an amendment that will be offered.

In bringing to the House this resolution, the work of the committee in this case is completed. Its members performed their duty with extraordinary attention and care, and without any partisan concerns.

Representative WILSON was assisted by able and effective counsel.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman has consumed 18 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, your committee does not take any pleasure in carrying out the task assigned to it. As I said earlier, I am sure I speak for the whole committee when I say that I wish we never had to bring any matter of this kind before this body. The fact remains that from time to time we do have to bring a recommendation before you.

We have a difficult task. We find few volunteers to fill our seats. We find a good many critical people, as in any difficult endeavor.

Mr. Speaker, someone has to do this job. We of this body must police ourselves. The entire body cannot sit together and do all the gathering of information and all the preliminary work that has to be done.

Mr. Speaker, the members of your committee live in the same real world you live in. Most of us are lawyers, but we have a former Federal judge and a former prosecutor on our committee. We are not insensitive to the concerns that all of us share as elected officials. We realize the impact that allegations of this kind would have on the political future of any Member. One of the reasons I decided to stay on this committee and not get off, like others have in the past, was because I was concerned that many innocent Members of this body would have their futures, their reputations ruined by the mere mention of their names in public when a name may appear, innocently, in the information that comes before us from time to time.

Mr. Speaker, I am very concerned for the reputation of our Members and I am very conscious of the result of the action we are taking today. At the same time, if any Member goes astray, it reflects adversely on this entire body and each of us, especially if we fail to punish those found guilty of wrongdoing.

Members of Congress have been accused of looking out for one another, if covering up and dealing too leniently with those found guilty. This is the people's House and they expect us to keep it in order.

Now, Mr. Speaker, you are going to hear from the other side. You are going to hear questions raised. They will assume these questions have not been raised before but they have, I assure you. We have raised them ourselves. We have debated these questions thoroughly and we have disposed of them.

Attempts will be made to try your committee and this body and not the person accused of wrongdoing; a favorite trick. I just want to remind you to remember where the blame lies.

Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. HOLLENBECK).

□ 1410

Mr. HOLLENBECK. Mr. Speaker, I do not intend to speak at any length but I do so to set the stage and to remind the Members of the basics of what we are undertaking. This I feel is necessary due to the tremendous volume of "Dear Colleague" mail and conversation that has been circulated concerning this matter subsequent to the introduction of the resolution we now debate.

Let me say at the outset that I do not know a single member of this committee who views his job with a sense of glee or with a vigilante attitude. We are performing a duty—a duty imposed upon us by the Rules of the House of Representatives and pursuant to the U.S. Constitution, which gives this body the right and the duty to police itself—and let us not forget our responsibility today.

This matter involved long hours and days of analysis, investigation, hearings and deliberation in strict adherance to the rules. My colleagues on the committee will follow with a detailed discussion of the evidence adduced.

But I remind you, you have the results of the matter before you: 382 pages of testimony, exhibits, and arguments. That is what is before you—the record—testimony under oath and exhibits received in evidence.

Now what does that record show?

It reports the proceedings at every stage—down to the final committee action.

I ask you, can you find in that record any indicia of prejudice to this defendant?

The answer in this Member's mind is "No."

I ask you, look at the record, look at the proofs, the evidence that was before the committee in this ethical, not criminal, matter.

Our standard of proof is "clear and convincing" proof and while all of us did not agree on the vote on every count the vote was overwhelming on each. Yes, we determined there was "clear and convincing" evidence tendered by the presenter and beyond that in several instances.

Just look at that record and you will see those proofs for yourself and you will also see as the chairman pointed out that little if any rebuttal was offered at trial to negate or contradict those proofs. The gentleman from California chose, as was his right, not to testify on his own behalf.

So I ask you, I urge you, rely on the record when you vote.

Do not be taken in by emotionalism or by obfuscating tactics. Here is one example of that from the defense summation (report, p. 361 et seq.).

Here, we see how in his closing argument before the committee, the very able counsel for Representative WILSON made an argument that attempted to refute a set of charges that were never made in this case.

Those arguments relate specifically to the counts involving the gifts from Lee Rogers, the wealthy mail order businessman who was on Representative WILSON's payroll.

Counsel quoted to us from the hearing testimony of Lee Rogers, and from the testimony of David Minton, the counsel for the Post Office and Civil Service Committee, to the effect that the Member's legislative work had not been influenced, except in the public interest, by his relationship with Lee Rogers.

His closing argument was a skillful attempt to direct the committee's attention from the rules violations charged, to an overall verdict on the career of this Member. Mr. Bonner told us:

> What this trial is all about is whether or not Charles Wilson is corrupt. (Report, p. 362.)

But the fact is that the gentleman from California was not charged with corruption; that is, accepting bribes from Lee Rogers. And Mr. Bonner was right, had that been a charge, the burden of proof could not have been carried.

What was charged in four counts was that Representative WILSON accepted benefits from Lee Rogers under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties. The committee listened to the evidence in this case and rejected each one of those counts.

What we did find on three counts, is that Representative WILSON accepted gifts of substantial value from Lee Rogers, a man manifestly interested in postal legislation; and man on Representative Wilson's payroll. The evidence on those counts was clear and convincing that Representative Wilson had violated rule XLIII, clause 4.

And that is fairly typical of the skillful presentation of the defense as you can see from the record.

Yes, it soon will be up to you to decide on how to vote on your committee's recommendation and on Resolution 660.

Since the time our report was released you have been subject to a steady flow of material and conversations, some well put and sensibly stated, on both sides, some in poor taste.

Suggestions aimed at changing basic committee procedure are well taken and many may be sound, but their absence from current procedure does not mean or not even indicate a fatal defect in current procedure and certainly not in this matter. You can determine that from the record and history of the proceedings.

And I deplore some of the diatribe reported to the public—allegations of a kangaroo court. I remind you that this is the only bipartisan committee of the House. Attacks on other Members, attacks on the integrity of the committee.

And self-serving statements.

Look at the report; the defendant was afforded the presumption of innocence, the presenter made a "clear and convincing" case thus rebutting that presumption in the eyes of the committee. The defendant did not see fit, as was his right, to testify, under oath and before God.

But now, after committee action is complete he does so, unsworn, unnotarized and not subject to cross-examination.

In short, my colleagues, you will be faced today with a final decision in this matter, a choice of relying on the facts and evidence as presented by your committee in the report and as outlined as thoroughly by the chairman and my colleagues or of accepting among other things, extraneous matter including unfortunately several defenses not made under oath and subject to cross-examination.

The clear choice is the former.

I urge adoption of the resolution.

Mr. SPENCE. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana (Mr. Livingston).

Mr. LIVINGSTON. Mr. Speaker, I would like first to associate myself with the remarks of the distinguished chairman and ranking minority member of the Committee on Standards of Official Conduct.

The chairman and ranking member have ably led all of the members of the committee in an objective and fair investigation in this unfortunate case. I believe the conclusions of the committee are correct, and I join in making this recommendation to the full body.

Our recommendation will not satisfy all of the Members by any means. There will be those who believe that we reacted too harshly, as well as those who believe we failed to react strongly enough. Nevertheless, I feel very strongly that the recommendation of the committee should be upheld by this body.

After a thorough investigation of the alleged ethical violations in this case, the committee has determined that eight counts of misconduct have been proven by clear and convincing evidence. More specifically, the committee has found that the gentleman from California violated the rules of this House by accepting gifts totaling $10,500 from a person having a direct interest in legislation before the Congress, by converting nearly $25,000 in campaign funds to his personal use and by failing to keep his campaign funds separate from his personal funds.

Counts 1, 2, and 3 of this case require clear and convincing proof of the acceptance of a gift of substantial value from a person interested in legislation.

During the committee's disciplinary hearing, Mr. Lee Rogers, testifying under a grant of immunity, admitted that he had a direct interest in legislation before Mr. Wilson's subcommittee. Several pieces of correspondence among Mr. Rogers, his attorney, Mr. Wilson, and congressional staff employees support Mr. Rogers' admission of direct interest in legislation.

Mr. Wilson received three separate checks from Mr. Rogers in amounts totaling $10,500. Although two of the three checks were marked with the written word "loan," and although Mr. Rogers characterized the three transactions as loans, none of these transactions bore any of the normal indicia of loans. There was no written agreement, no maturity dates, no interest, no repayment, no attempt to repay and no demand to repay. The 1978 New College Edition of the American Heritage Dictionary defines "loan" as—

> 1. A sum of money lent at interest, and 2. anything lent for temporary use.

Webster's New Collegiate Dictionary (1976) defines "loan" as—

> 1a. Money lent at interest. b. something lent usually for the borrower's temporary use. 2a. the grant of temporary use.

"Gift" on the other hand is defined by the first source as—

> 1. Something that is bestowed voluntarily and without compensation; a present.

The second source defines "gift" as—

> 2. Something voluntarily transferred by one person to another without compensation.

Mr. Wilson failed to report the sums as loans in his 1977 financial disclosure statement and to date there is no other evidence which would show them to be loans. There is absolutely no evidence to show them to be loans. In fact, they were gifts and should be found by this body to be such.

Thus, the committee correctly found that the violations charged in counts 1, 2, and 3 have been proved clearly and convincingly. Rogers made the checks out and gave them to Wilson, who deposited them in his own account; Rogers had interest in legislation, and the checks constituted gifts.

Counts 7, 8, 9, 10, and 11 require clear convincing proof of conversion of campaign funds to personal use and failure to keep campaign funds separate from personal funds. During the committee's disciplinary hearing the introduction and interpretation of documentary evidence, consisting of bank ledger sheets, checks, loan records, and related financial records, demonstrated a flow of funds from Mr. Wilson's campaign account to his personal use.

In counts 7, 8, and 9, the records indicate a conversion of campaign funds to Mr. Wilson's office accounts, and the subsequent use of such funds to repay Mr. Wilson's personal loans in excess of $18,000. In count 10, the records indicate a conversion of $3,500 in campaign funds to Mr. Wilson's office account, and then to his personal account to cover outstanding personal obligations. In count 11, the records indicate a conversion of $3,000 in campaign funds to his personal account to cover outstanding personal obligations.

The committee could find no evidence in the record or otherwise that the funds in question were used for reimbursement of legitimate and verifiable prior campaign expenditures, as required by the House rules. There is none. In fact, as the gentleman from California (Mr. Thomas) will show the campaign ran a surplus and there was no need for loans. Rather, because of the amounts involved and the timing of the payments, the documentary evidence clearly indicated that the transfers were made in order to repay the personal obligations of Mr. Wilson.

Thus, the committee found that the violations charged in counts 7, 8, 9, 10, and 11 have been proved clearly and convincingly.

These serious violations have brought discredit upon the House of Representatives, and it is the painful but fundamental duty of this body to impose appropriate sanctions.

After careful deliberations of the issue of sanctions, the committee has recommended that the gentleman from California be censured and that he be denied any committee or subcommittee chairmanships for the remainder of this Congress. I sincerely believe that the sanctions recommended by the committee are reasonable and commensurate with the nature of the offenses committed. I, therefore, urge my colleagues to vote to approve House Resolution 660.

Mr. SPENCE. Mr. Speaker, I yield 4 minutes to the gentleman from Wyoming (Mr. Cheney).

Mr. CHENEY. Mr. Speaker, it is always difficult to have to come before the House to participate in a proceeding such as this, where the questions being decided involve serious allegations against a colleague. None of us who serves on the Committee on Standards of Official Conduct relishes the task. We do it, because someone has to, and because the integrity of this House demands it.

We have heard a lot of discussion in connection with this case, about the fairness of the committee's procedures, about constitutional safeguards, and about whether or not this case has been handled properly. But so far we have seen no evidence which would contradict the committee's findings and recommendations. On the contrary, all of the evidence indicates, that Mr. WILSON is guilty as charged.

Other members of the committee have or will discuss other counts in the statement of alleged violations. I want to focus on the ones I believe to have been most serious—specifically the charge that Mr. WILSON accepted a gift of substantial value from someone with a direct interest in legislation before the Congress.

The relevant rule, in effect at the time the violations occurred, was clause 4 of the Code of Official Conduct. From 1968, until it was amended on March 2, 1977, it read as follows:

> A member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization, or corporation having a direct interest in legislation before the Congress.

There are three key elements that have to be proven to determine that this provision has been violated.

First of all, there must be a gift.

Second, it must be of substantial value; and

Third, it must come from someone with a direct interest in legislation before the Congress.

The committee found clear and convincing evidence that all three elements were present in this case, and that the rule was indeed violated.

On three occasions in 1971 and 1972, Mr. Lee Rogers made payments to Mr. WILSON totaling $10,500. Each payment was in the form of a check, made out to Mr. WILSON and endorsed by him for deposit in his account.

It should be pointed out that there was a fourth count, involving a check made out by Mr. Rogers to a Mr. Robert Fordiani, Mr. WILSON's administrative assistant in California. This check, for $5,000 was signed over by Mr. Fordiani to Mr. WILSON, but because the committee was unable to obtain testimony from Mr. Fordiani, this charge was dropped before bringing our final recommendations to the House.

Now these payments by Mr. Rogers to Mr. WILSON have been characterized as loans. I would venture to say that many of us in this body have some knowledge of loans. But these were very different kinds of loans.

There was no supporting evidence of the loans such as a note.

There were no terms for repayment.

There was no agreement on interest.

There was no security for the loans.

The loans were never repaid.

And finally, the alleged loans of more than $10,000 were never reported on Mr. WILSON's 1972 financial disclosure statement, which specifically required the reporting of any indebtedness of more than $2,500. It has been suggested that the California statute of limitations on collecting a debt only prevails for 4 years and that it was appropriate for Mr. WILSON not to show the debt on his 1977 report. But a check of part A of his earlier reports for 1972, 1973, 1974, 1975, and 1976 which required the disclosure of auditors to whom the member was indebted in excess of $10,000, also shows no debt to Lee Rogers.

At what point does commonsense compel us to conclude that so-called loans are really gifts? No note, no interest, and no repayment. If Mr. WILSON thought for 1 minute that these payments by Mr. Rogers were loans, he had only to report them as such on his financial disclosure statements. But Mr. WILSON never reported any such loans.

I believe, and a majority of the committee believes, that the element of the offense that says the Member must receive a gift has been clearly and convincingly proved.

Clearly, the second element, that the gift be of substantial value, is true on its face. I doubt that anyone here today would seriously suggest that $10,500 is not a gift of substantial value.

The third element of the charge involves the question of whether or not Mr. Rogers, the source of the gifts to Mr. WILSON, had a direct interest in the legislation before the House.

The committee gathered evidence which proved in a clear and convincing manner, that Mr. Rogers did indeed have an interest in such legislation.

Mr. Rogers owns three businesses involved in contest mailings—the American Holiday Association, Pacific Advertising Consultants, and Leslie Lee Computer Services.

He is an officer of the Association of Third Class Mail Users.

He is a member of the Direct Mail Marketing Association.

He is a member of the Direct Mail Advertising Association.

Mr. WILSON exchanged correspondence with Mr. Rogers on specific pieces of legislation pending before the House.

Mr. WILSON retained Mr. Rogers as a consultant for several years to advise him on postal matters in connection with his work on the Post Office and Civil Service Committee.

And finally, in testimony before the committee, Mr. Rogers characterized his interest in postal matters as vital.

I believe the test of Mr. Rogers, the source of the gifts to Mr. WILSON, having a direct interest in legislation before the Congress was clearly and convincingly met.

There is no doubt in my mind, Mr. Speaker, that the gentleman from Califronia (Mr. CHARLES H. WILSON) is guilty as charged; and furthermore, that censure as recommended by the committee is appropriate. If the House is serious about carrying out its responsibility to enforce the code of conduct. and about fulfilling its obligations to the American people—then you will vote to adopt the committee report and to impose the sanction of censure.

☐ 1420

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, the committee chairman has outlined the history of the case before us and some of the specific locations of sources in the committee report.

I think all of us realize that in our past very often the House would not turn to sanction a Member unless the press or the courts presented clear and convincing cases to us, largely brought about by public pressure, that we ought to do something about our Members. One of the things that has been overlooked in this particular measure before us is the fact that the initiative for the matter before us came from the House itself, from the committee itself, and it seems to me that this is a clear indication that at least this Congress and, hopefully, future Congresses will begin to underscore the point that I think is most important here today, and that is whether or not we as public officials believe that a public office is a public trust.

I have heard discussions among senior Members about whether or not we have clear and convincing evidence in this matter. In fact, I overheard a conversation between two senior Members who exhibited what I would characterize as the "there but for the Grace of God go I" syndrome, saying in effect, "Mr. WILSON happened to fall between the cracks, and there but for the Grace of God go I."

Mr. Speaker, let me say that I have just a very short time, and I will address just two points, count 7 and count 8, the question of the loans alleged to be used for campaign reimbursement, whether or not personal debts were paid out of the money that was contributed to elect a person to public office, and whether or not the public trust was violated, because the evidence clearly and convincingly shows not only that the public trust was violated but rule XLIII of this House as well. Rule XLIII, clause 6, says this:

> A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

In addition to the sources the committee chairman mentioned located in the committee report, I have recently been able to obtain a candidate's campaign statement from the secretary of state of California, a statement that was required to be filed for primary elections and for general and special elections. I have before me this statement:

> I, Charles H. Wilson, hereby state that at the general election held on the 3rd day of November, 1970, I was a candidate for election to the office of: United States House of Representatives, and that all moneys paid, loaned, contributed, or otherwise furnished to me, directly or indirectly, . . . were, . . . as follows:

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield for a question?

Mr. THOMAS. Mr. Speaker, I have only 5 minutes.

Mr. FORD of Michigan. It is a point of order, Mr. Speaker.

The SPEAKER pro tempore (Mr. ROE). Does the gentleman yield?

Mr. THOMAS. I would yield, Mr. Speaker, if I could yield on the gentleman's time.

Mr. FORD of Michigan. Mr. Speaker, as I understand it, the status of the House consideration is that we are sitting here on a matter that was sent to us——

Mr. THOMAS. I do not yield, Mr. Speaker.

POINT OF ORDER

Mr. FORD of Michigan. This is a point of order, Mr. Speaker.

The SPEAKER pro tempore. All right, the gentleman will state his point of order.

Mr. FORD of Michigan. Mr. Speaker, I believe all we are supposed to be examining here is the record that was developed by the committee. I did not object when the gentleman from Wyoming (Mr. Cheney) brought in matters that were not in the record, but now the gentleman is going outside the action of the committee and presenting to this body evidence that was not presented before the committee, evidence that was apparently obtained by him independent of the committee's recommendation.

It is my assumption that Mr. Wilson has to defend against the record that was sent here by the committee. Now, if we have to defend against anything that anyone else wants to bring it, that is another matter.

The SPEAKER pro tempore. The Chair does not believe that the gentleman is stating a point of order specifically.

The gentleman from California (Mr. Thomas) will continue with his remarks.

Mr. FORD of Michigan. Mr. Speaker, my point of order is against the gentleman's introducing evidence here that was not introduced before the committee.

The SPEAKER pro tempore. The Chair would rule on the gentleman's point of order by saying that the only test of the debate on the issues is the relevancy of the matter presented.

The gentleman will proceed.

Mr. FORD of Michigan. Mr. Speaker, I have to suggest that that puts us in an uncomfortable position because we have, during our debate time, to answer evidence that was not even considered when this matter was formally heard before the committee. That goes outside of anybody's test of fair play.

The SPEAKER pro tempore. The gentleman, the Chair has pointed out, has not stated a point of order.

Mr. FORD of Michigan. Mr. Speaker, I would ask the gentleman from California (Mr. Thomas), as a matter of personal privilege, to desist from introducing evidence here that was not introduced before the committee.

The SPEAKER pro tempore. The gentleman from California will proceed.

Mr. THOMAS. I thank the Chair.

Mr. Speaker, the document I was able to obtain was the candidate's statement filed with the secretary of state of the State of California.

POINT OF ORDER

Mr. CLAY. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. CLAY. Mr. Speaker, is it correct that we are supposedly deliberating on charges against one, Charles H. Wilson, that took place in 1971 and 1972? And, if so, what bearing on that does a record from 1970 have?

That is the record the gentleman is quoting from, Mr. Speaker.

Mr. THOMAS. Mr. Speaker, may I answer that question?

The SPEAKER pro tempore. Yes, the gentleman is recognized.

Mr. THOMAS. Mr. Speaker, the loan of $10,000 was made July 31, 1970. It was stated in the committee that that loan was reimbursement for campaign expenses. I am quoting from a November 1970 document filed with the secretary of state of California which indicates no moneys whatsoever were expended on the basis of that loan.

In addition, if the Chair will allow me to continue——

Mr. CLAY. Mr. Speaker, may I be heard?

The SPEAKER pro tempore. The gentleman from California has the floor.

Mr. THOMAS. Mr. Speaker, the dollar amounts indicate in fact in the primary and in the general election there was a campaign surplus.

Mr. CLAY. Mr. Speaker, I spent as much time in those hearings as any member of the committee——

The SPEAKER pro tempore. Does the gentleman yield for a dialog?

Mr. THOMAS. I do not yield for a dialog, Mr. Speaker.

The SPEAKER pro tempore. If the Chair may address the point of order, as far as the Chair is concerned, the Chair observes that the dialog that is taking place in the colloquy relates to the subject matter that is before the House, and the Chair thinks that it may unfold as the gentleman in the well is presenting it. The Chair sees no valid reason for a point of order at this point.

Mr. CLAY. Mr. Speaker, if I may proceed with my point of order, this committee has spent hundreds of thousands of dollars for investigators and attorneys. They spent 18 months investigating this case and did not present this at the hearing or at the trial of Charles H. Wilson.

The SPEAKER pro tempore. The gentleman will suspend.

The Chair observes that this is a very vitally important matter. The Chair feels that there are 350 to 400 pages in this committee report alone, plus all kinds of other background data.

The Chair does not feel that it has the prerogative of judging specifically other than general relevancy.

The Chair overrules the point of order, and the gentleman in the well will proceed.

□ 1430

Mr. THOMAS. I thank the Chair.

Once again, ledger sheets from the bank indicate that no money was placed in the campaign account equaling the amount of $10,000 during the period of time in question.

In an attempt to go back and find campaign expenses equaling the $10,000 which was drawn on July 31, 1970, or the $5,000, which was a loan made on August 16, 1970, there is no indication in the campaign account from Bank of America nor is there any indication on the campaign statements required filed by Mr. Wilson for the primary and general election of 1970, as attested to on November 20, 1970, with the signature of Mr. Charles H. Wilson.

It is the committee's contention, then, that the $10,000 which was a personal loan from the Imperial Bank was for personal debts and that Mr. Charles H. Wilson paid those personal debts with a campaign check for $10,283.35.

The SPEAKER. The time of the gentleman from California (Mr. Thomas) has expired.

Mr. SPENCE. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. THOMAS. The campaign account check for $10,283.35 was deposited in the office account on March 9, 1971, and with a check drawn on the office account on that same March 9 for $10,283.35 to pay the Imperial Bank for a personal loan for $10,000 plus interest, interest equaling $283.35.

I believe a public office is a public trust. I believe Mr. Wilson violated that trust as well as the rules of this House, and I think the House must act accordingly.

Mr. SPENCE. Mr. Speaker, I reserve the balance of my time.

Mr. BENNETT. Mr. Speaker, I wish to withhold my utilization of further time, and I yield to the respondent.

The SPEAKER. The gentleman from California (Mr. Charles H. Wilson) is recognized for 1 hour.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I yield myself such time as I may consume.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 265]

Abdnor
Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Ashbrook
Ashley
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick

Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McClory
McCloskey
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1450

The SPEAKER. On this rollcall 369 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

IN THE MATTER OF CHARLES H. WILSON

PARLIAMENTARY INQUIRY

Mr. ERTEL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. ERTEL. Mr. Speaker, I was in the House when the previous speaker got in the well and evidently brought in material which was not in the record before the committee, which in my judgment means there has been surprise to the defense in this case in the fact that the gentleman brought up evidence, which is a document from the State of California.

Mr. Speaker, it seems to me in fairness we are required to give the defendant or the accused in this case, whatever we want to call him, an opportunity to rebut that because, in fact, he did not have the opportunity of cross-examination and to see the document. We do not know the authenticity of that document.

Now, the defendant is faced with that fact. It seems to me in fairness we ought to continue these proceedings until he has an opportunity to examine the document and give him an opportunity to answer it in detail.

I would ask the Chair, is there any procedure where I can make a motion, so that we can handle this in a fair and expeditious manner and give him the opportunity to respond to that and to get the evidence from California? I would ask the Speaker, is there any kind of procedure to do this?

The SPEAKER. The only motion available that the Chair would know of, unless the gentleman from Florida would yield, would be the motion for reconsideration, if the gentleman voted on the prevailing side of the motion of the gentleman from California (Mr. ROUSSELOT). That was a motion to postpone to a day certain, which was defeated.

Mr. ERTEL. Mr. Speaker, I did vote on the prevailing side not to postpone. I would not have voted not to postpone, except for this what I consider to be a very unfair procedure.

I would make that motion, if I could get unanimous consent. I would request that.

Mr. Speaker, I move to reconsider the vote to postpone.

The SPEAKER. The gentleman moves to reconsider the vote on the motion to postpone.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, does a motion to reconsider admit of debate?

The SPEAKER. There is no debate on this reconsideration motion, since the previous question was ordered on the motion to postpone.

Mr. BAUMAN. Mr. Speaker, I wonder if the gentleman would withhold his motion. He would have the right to offer his motion at any time, simply so that the Members could be convinced that the motion should be supported. Some of us were not here at the time the motion occurred. It might be helpful to know what the so-called new evidence is and whether it does prejudice his case.

Mr. ERTEL. Mr. Speaker, I understand the gentleman's dilemma. I thought that the Speaker had requested people to remain on the floor to hear this debate. Therefore, it seems to me it is inappropriate now to ask for time because they did not hear it. It seems to me that the procedure at this point is so flawed that I would make my motion.

Mr. BAUMAN. Mr. Speaker, those of us who serve on the Rules Committee unfortunately have to attend meetings whenever they are called. Some of us returned late from that.

Mr. ERTEL. I am sorry. I understand the gentleman's dilemma. We all have dilemmas here.

The SPEAKER. This is not a debatable motion. Consequently, the vote would be on the motion made by the gentleman from Pennsylvania.

PARLIAMENTARY INQUIRY

Mr. SENSENBRENNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The Chair is putting the motion. The Chair will not entertain the gentleman's inquiry at this itme.

The question is on the motion made by the gentleman from Pennsylvania (Mr. ERTEL).

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I have a point of order.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, I make a point of order that the motion be reduced to writing.

The SPEAKER. The gentleman is correct. The motion has not been reduced to writing.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, who controls the time at this point?

The SPEAKER. There is no time. The vote will be on the motion.

Mr. BAUMAN. Mr. Speaker, the motion is not made until it is laid upon the desk.

The SPEAKER. The gentleman from California (Mr. CHARLES H. WILSON) will control the time at this point.

Mr. BAUMAN. Mr. Speaker, would the gentleman from California yield for a question to me?

The SPEAKER. Does the gentleman have the motion in writing?

The Clerk will report the motion.

MOTION OFFERED BY MR. ERTEL

The Clerk read as follows:

Mr. ERTEL moves that the House reconsider the vote on the motion to postpone to a day certain.

The SPEAKER. The question is on the motion.

PREFERENTIAL MOTION OFFERED BY MR. SENSENBRENNER

Mr. SENSENBRENNER. Mr. Speaker, I offer a preferential motion.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. SENSENBRENNER moves to table the motion to reconsider.

The SPEAKER. The question is on the motion to table offered by the gentleman from Wisconsin (Mr. SENSENBRENNER).

The question was taken; and on a division (demanded by Mr. SENSENBRENNER) there were—yeas 88, nays 101.

RECORDED VOTE

Mr. SENSENBRENNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 199, answered "present" 1, not voting 37, as follows:

[Roll No. 266]

AYES—196

Abdnor
Ambro
Anderson, Ill.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Bafalis
Baldus
Barnard
Barnes
Bauman
Beard, Tenn.
Beilenson
Bennett
Bereuter
Blanchard
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Carr
Carter
Cavanaugh
Cheney
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Daschle
Davis, Mich.
Deckard
Derrick
Devine
Dickinson
Dixon
Dodd
Dougherty
Downey
Duncan, Tenn.
Edgar
Emery
Erdahl
Erlenborn
Evans, Ind.
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Fountain
Fowler
Frenzel
Frost
Fuqua
Gibbons
Gingrich
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Green
Guarini
Gudger
Guyer
Hagedorn
Hamilton
Harkin
Harris
Heckler
Hillis
Hinson
Hollenbeck
Holtzman
Hutto
Ireland
Jacobs
Jeffries
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Lagomarsino
Latta
Leach, Iowa
Lee
Lehman
Loeffler
Lott
Lowry
Lundine
Lungren
McDade
McHugh
Madigan
Maguire
Markey
Marks
Martin
Matsui
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Mineta
Moffett
Moore
Mottl
Neal
Nelson
Obey
Panetta
Paul
Pease
Pepper
Petri
Peyser
Porter
Preyer
Pritchard
Pursell
Quillen
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Royer
Rudd
Schroeder
Schulze
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Solarz
Solomon
Spence
Stark
Stenholm
Stockman
Studds
Symms
Synar
Tauke
Tauzin
Thomas
Trible
Vander Jagt
Vanik
Volkmer
Walker
Wampler
Waxman
Weaver
Whitehurst
Whittaker
Williams, Mont.
Winn
Wirth
Wolpe
Wydler
Wylie
Young, Fla.

NOES—199

Addabbo
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Badham
Bailey
Beard, R.I.
Bedell
Benjamin
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Bolling
Bowen
Breaux
Brodhead
Brooks
Burlison
Burton, John
Campbell
Carney
Chappell
Chisholm
Clay
Clinger
Conte
Conyers
Corman
Cotter
Coughlin
Courter
Daniel, Dan
Danielson
Dannemeyer
Davis, S.C.
de la Garza
Derwinski
Dicks
Dingell
Donnelly
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Del.
Evans, Ga.
Fary
Ferraro
Fish
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Gonzalez
Gray
Grisham
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hanley
Harsha
Hefner
Heftel
Hightower
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jeffords
Jenkins
Johnson, Calif.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Leach, La.
Leath, Tex.
Lederer
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Luken
McClory
McCloskey
McDonald
McKay
Marlenee
Marriott
Mathis
Mattox
Mavroules
Mikulski
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nowak
O'Brien
Oberstar
Ottinger
Pashayan
Patten
Patterson
Perkins
Pickle
Price
Quayle
Rahall
Rangel
Richmond
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Russo
Sabo
Santini
Satterfield
Sawyer
Seiberling
Shannon
Simon
Smith, Iowa
Snyder
Spellman
St Germain
Stack
Stanton
Steed
Stewart
Stokes
Stratton
Stump
Swift
Taylor
Traxler
Udall
Ullman
Van Deerlin
Vento
Walgren
Watkins
Weiss
White
Whitten
Williams, Ohio
Wright
Wyatt
Yatron
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Wilson, C. H.

NOT VOTING—37

Akaka
Burton, Phillip
Collins, Ill.
Dellums
Diggs
Dornan
Edwards, Ala.
Flippo
Grassley
Hance
Hansen
Hawkins
Jenrette
Lujan
McCormack
McEwen
McKinney
Murphy, N.Y.
Nolan
Oakar
Railsback
Reuss
Rodino
Roybal
Runnels
Scheuer
Sebelius
Shelby
Staggers
Stangeland
Thompson
Whitley
Wilson, Bob
Wilson, Tex.
Wolff
Yates
Young, Alaska

□ 1510

Messrs. KELLY, SAWYER, and MATHIS changed their votes from "aye" to "no."

Messrs. RITTER, McDADE, D'AMOURS, WIRTH, and GUDGER changed their votes from "no" to "aye."

So the motion to table the motion to reconsider the motion to postpone consideration was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion offered by Mr. ERTEL to reconsider the vote on the motion offered by Mr. ROUSSELOT to postpone consideration.

The question was taken; and the Speaker being in doubt, the House divided, and there were—yeas 158, nays 133.

RECORDED VOTE

Mr. SENSENBRENNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 192, answered "present" 1, not voting 41, as follows:

[Roll No. 267]

AYES—199

Addabbo
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashbrook
Ashley
Badham
Bailey
Beard, R.I.
Benjamin
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Bowen
Breaux
Brinkley
Brodhead
Brooks
Burton, John
Campbell
Carney
Cheney
Chisholm
Clay
Clinger
Collins, Tex.
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Davis, S.C.
de la Garza
Dellums
Derwinski
Dickinson
Dicks
Dingell
Donnelly
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Del.
Evans, Ga.
Fary
Ferraro
Findley
Fish
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Garcia
Gaydos
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gray
Grisham
Guarini
Hall, Tex.
Hammerschmidt
Hanley
Harsha
Heftel
Hightower
Holland
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jeffords
Johnson, Calif.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Leach, La.
Leath, Tex.
Lederer
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Luken
McClory
McCloskey
McDonald
McKay
Marlenee
Marriott
Mathis
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nowak
O'Brien
Oberstar
Ottinger
Pashayan
Patten
Patterson
Perkins
Pickle
Price
Rahall
Rangel
Richmond
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Russo
Sabo
Santini
Satterfield
Sawyer
Seiberling
Shannon
Simon
Smith, Iowa
Snyder
Solarz
Spellman
Stack
Stangeland
Stanton
Steed
Stewart
Stokes
Stratton
Stump
Swift
Taylor
Traxler
Ullman
Van Deerlin
Vander Jagt
Watkins
Weiss
White
Whitten
Williams, Ohio
Wright
Wyatt
Wydler
Young, Mo.
Zablocki
Zeferetti

NOES—192

Abdnor
Ambro
Andrews, N. Dak.
Anthony
Archer
Aspin
Atkinson
AuCoin
Bafalis
Baldus
Barnard
Barnes
Bauman
Beard, Tenn.
Bedell
Beilenson
Bennett
Bereuter
Blanchard
Bolling
Bonior
Bouquard
Brademas
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Carr
Carter
Cavanaugh
Chappell
Clausen
Cleveland
Coelho
Coleman
Conable
Corcoran
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derrick
Devine
Dixon
Dodd
Dougherty
Downey
Duncan, Tenn.
Edgar
Emery
Erdahl
Erlenborn
Evans, Ind.
Fascell
Fazio
Fenwick
Fisher
Fithian
Fountain
Frenzel
Frost
Fuqua
Gibbons
Gingrich
Goldwater
Goodling
Gore
Gradison
Gramm
Green
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Harkin
Harris
Heckler
Hefner
Hillis
Hinson
Holtzman
Hopkins
Hutto

Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Lagomarsino
Latta
Leach, Iowa
Lee
Lehman
Loeffler
Lott
Lowry
Lundine
Lungren
McDade
McHugh
Madigan
Maguire
Markey
Marks
Martin
Matsui
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Moore
Neal
Nelson
Obey
Panetta
Paul
Pease
Pepper
Petri
Peyser
Porter
Preyer
Pritchard
Pursell
Quayle
Quillen
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Royer
Rudd
Schroeder
Schulze
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Solomon
Spence
St Germain
Stark
Stenholm
Stockman
Studds
Symms
Synar
Tauke
Tauzin
Thomas
Trible
Udall
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Whitehurst
Whittaker
Williams, Mont.
Winn
Wirth
Wolpe
Wylie
Yatron
Young, Fla.

ANSWERED "PRESENT"—1

Wilson, C. H.

NOT VOTING—41

Akaka
Anderson, Ill.
Boner
Bonker
Burton, Phillip
Collins, Ill.
Diggs
Dornan
Edwards, Ala.
Flippo
Foley
Gephardt
Grassley
Hance
Hansen
Hawkins
Jenrette
Lujan
McCormack
McEwen
McKinney
Murphy, Ill.
Murphy, N.Y.
Nolan
Oakar
Railsback
Reuss
Rodino
Roybal
Runnels
Scheuer
Sebelius
Shelby
Staggers
Thompson
Whitley
Wilson, Bob
Wilson, Tex.
Wolff
Yates
Young, Alaska

☐ 1530

So the motion to reconsider the vote on the motion to postpone was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Rousselot) to postpone to June 10.

Mr. FOWLER. Mr. Speaker, I would like to ask unanimous consent from this body for 10 minutes, to be equally divided between the opposition and the majority party, to debate the motion now before us by the gentleman from California (Mr. Rousselot).

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. ECKHARDT. Mr. Speaker, reserving the right to object——

The SPEAKER. The gentleman from Texas reserves the right to object.

Mr. ECKHARDT. Mr. Speaker, I should not object if it were possible for Members to explain that after the Thomas statement, between the two motions, the first motion to postpone and the second motion to postpone, there was a very grave difference in the situation. This Member voted differently on the second motion, and I think Members ought to be permitted to so speak.

Mr. BAUMAN. Regular order.

Mr. ECKHARDT. All right, do you want me to object? I reserve the right to object.

Mr. BAUMAN. Do not look at me. I demanded regular order.

The SPEAKER. Regular order is demanded. Is there objection?

Mr. FOWLER. Mr. Speaker, I say to the body, I ask for this 10 minutes simply in order to clarify much of the confusion that I think everybody will admit reigns in this matter. We owe it to the principal, Mr. Charles H. Wilson, and I ask to clarify.

The SPEAKER. Is there objection to the 10 minutes' debate?

The Chair hears none.

The gentleman from California (Mr. Rousselot) is recognized for 5 minutes, and the gentleman from Georgia (Mr. Fowler) is recognized for 5 minutes.

Mr. FOWLER. Mr. Speaker, I have been permitted by my chairman of the committee to say to the body that we were willing, able, and prepared to stand on the report, the recommendations of our committee to this body on the matter of Charles H. Wilson. We were surprised today by the document introduced by the gentleman from California (Mr. Thomas). No other member of the committee had seen it. Mr. Charles H. Wilson had not seen it. We did not know that it was going to be introduced, and I would like to ask and would yield to the gentleman from California (Mr. Thomas) to ask him if he would request unanimous consent to strike from the Record that testimony in order to lay on the table.

POINT OF ORDER

Mr. FORD of Michigan. Point of order, Mr. Speaker.

The SPEAKER. The gentleman will state his point of order.

Mr. FORD of Michigan. I assume that the rules for debate of this 10 minutes are controlled by the House rules, as was the original debate on the amendment offered by the gentleman from California, and that limits it to the question of delaying this matter, and not the merits of the case.

The SPEAKER. Under the unanimous-consent request the gentleman is within his rights, the debate is on the advisability of postponement.

Mr. BAUMAN. Would the gentleman from Georgia yield for a question?

Mr. FOWLER. I yield.

Mr. BAUMAN. Some of us would like to know the import of the document that was introduced so that we may rationally judge whether or not to vote to postpone. Perhaps the gentleman from California will explain what the document was and why the postponement is now necessary.

Mr. FORD of Michigan. Mr. Speaker, regular order. We are not even going to get as much as before this happened to defend. Now, in 10 minutes we are supposed to have an explanation of the importance of the document. That is the whole reason we are in this mess.

The SPEAKER. The gentleman from Georgia has the time.

Mr. FOWLER. Let me say in conclusion, on my time, that as we all know, this is not a court of law. The committee has tried to puncture every sort of procedural nicety to get to the substance of the matter before the body. We have tried to bring fundamental fair play in all of our deliberations in this matter. We are not an appellate court. We are not plea bargainers. We have tried to bring this expeditiously, but we were surprised by the evidence brought by Mr. Thomas. Now, like a court of law, when evidence is introduced that is objected to, the court—the judge in his wisdom—can order that stricken from the testimony. We can do that in this body, and I submit again and ask Mr. Thomas to strike that evidence which nobody has seen, and allow the committee and Mr. Wilson to rely on the report, well documented, of the committee to either substantiate the charges or exonerate Mr. Wilson.

I yield to the gentleman from California (Mr. Thomas).

Mr. THOMAS. Mr. Speaker, I thank the gentleman. My difficulty is, that in the committee report none of the material that is presented in this concise campaign statement is not corroborated.

☐ 1540

Mr. Speaker, I will admit that I would have liked to have had this a week ago. I did not get it a week ago; I got it last night. The statement is a public document from the secretary of state of California signed by Mr. Wilson in 1970. It is a public document. It contains actually no additional information that is not already present in the committee.

Mr. FORD of Michigan. Mr. Speaker, I protest as a matter of the personal privileges of the House.

This is a clear abuse of anybody's test of fair play for this gentleman now to put in the Record what we are arguing about having in the Record. We cannot unring a bell, Mr. Speaker. Once he has put it in the minds of the Members here and in the minds of the press, it is going to be there and it cannot be expunged. I do not think this is the responsibility of the committee.

The SPEAKER. The gentleman from Georgia (Mr. Fowler) will proceed.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield?

Mr. FOWLER. Mr. Speaker, I will ask the gentleman from California if he will ask unanimous consent to strike the material from the Record.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield to me before he makes that request?

Mr. FOWLER. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Speaker, I would like to suggest to the gentleman that these were new documents that came to the attention of the gentleman from California (Mr. Thomas) only in the last 48 hours or so, and that these documents do have a direct bearing on the outcome of this case, whether for or against the gentleman from California (Mr. Charles H. Wilson).

The SPEAKER. The time of the gentleman from Georgia (Mr. Fowler) has expired.

The Chair recognizes the gentleman from California (Mr. Rousselot).

Mr. LIVINGSTON. Mr. Speaker, will the gentleman from California yield to me?

Mr. ROUSSELOT. Mr. Speaker, before I yield to the gentleman, let me say that I think we now have a clear reason for postponing this matter for a week and a few days. I think the gentleman from California should have the benefit of reviewing this material even though it is a public document.

I understand that it was available to the staff of this committee, but it was not reviewed by the full committee. So my belief is that my original motion to postpone the matter until June 10, has now been verified. I believe that we should do that now.

Mr. Speaker, I am glad now to yield 1 minute, for purposes of debate only, to my colleague, the gentleman from Louisiana (Mr. Livingston).

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to say that when the gentleman first presented his motion, I voted against it. I might add that I would support his motion at this time.

Mr. ROUSSELOT. I appreciate that.

Mr. LIVINGSTON. Mr. Speaker, I believe this has a direct and relevant bearing on the matter at hand. I personally have delivered copies of the documents in question to the gentleman from California (Mr. Charles H. Wilson), and I believe he should, in all fairness, have the opportunity to examine those documents over the next week. I also believe that the matter should be discussed at length, with those documents available, on June 10, once the gentleman from California has had an opportunity to review their content. At that time, of course, there should be no reason why the documents should not be introduced and fully discussed.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman from Louisiana (Mr. Livingston).

Mr. Speaker, I yield 1 minute, for the purposes of debate only, to my colleague, the minority leader.

Mr. RHODES. Mr. Speaker, I would rise just for the purpose of asking the chairman of the committee, if indeed this motion is agreed to, whether the committee would reconvene for the purpose of considering whatever further evidence the gentleman from California has and give the gentleman from California (Mr. Charles H. Wilson) a chance to consider it and rebut it, if he desires to do so.

Mr. BENNETT. Mr. Speaker, if the gentleman will yield, certainly the committee would reconvene if we have the authority to do so, and I think we do.

Personally, I was very distressed to have this information brought to the floor in this way. I never heard of it before. I think it is wrong that it was brought up in this way. I personally think, however, that we ought to go ahead and strike it from the record, if we have a parliamentary way of doing it, and proceed today, because I myself am not in favor of postponing this case. I think we ought to get it over with.

But, Mr. Speaker, the Members can rest assured that if the Congress tells this committee to go ahead and reopen the matter, it will do so if the rules allow.

Mr. ROUSSELOT. Mr. Speaker, I thank the chairman of the committee.

Mr. Speaker, I yield 1 minute, for purposes of debate only, to my colleague, the gentleman from Arkansas (Mr. Bethune).

Mr. BETHUNE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the gentleman and I have been present all the time during this procedure today, and I observed that we have had poor attendance, sometimes less than one-fourth of the membership in attendance. The Committee on Rules has been off meeting during this procedure. Many of the Members have said that they have not read the report.

This is not to blame the committee or the accused for what has happened here today, but I ask the Members, "How would you like to be tried in this court?"

Let us be fair to the accused in this circumstance. I think we ought to get our act together and establish our procedural points. Once we have done that let us come back on June 10 and do our best to do justice.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman from Arkansas (Mr. Bethune).

Mr. Speaker, I yield 1 minute, for the purpose of debate only, to my colleague, the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Speaker, I agree with the gentleman's motion at this time.

I, too, voted against postponement the first time, but subsequent to the new evidence by the gentleman from California (Mr. Thomas), being presented on the floor for the first time without such evidence having been brought to the committee for full consideration there, it seems only fair that there be a decent time for the committee to consider this evidence and to afford the opportunity to the gentleman from California (Mr. Charles H. Wilson) to refute it.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's support.

Mr. Speaker, I yield 1 minute, for the purpose of debate only, to my colleague, the gentleman from California (Mr. Thomas).

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I, too, rise in support of the gentleman's motion. I was distressed to find, after obtaining this document from the secretary of state of the State of California, that the same document was in the staff files of the Committee on Standards of Official Conduct. I found that out this afternoon.

Mr. ROUSSELOT. The document is in their files?

Mr. THOMAS. Yes. Mr. Speaker, based on this evidence, I think it is appropriate, having voted not to postpone, to vote now in favor of the motion offered by the gentleman from California (Mr. Rousselot) to provide time to examine this evidence, and I certainly do not think it should be stricken from the record.

Mr. ROUSSELOT. Mr. Speaker, I yield 1 minute, for the purposes of debate only, to the gentleman from Michigan (Mr. Ford).

Mr. FOWLER. Mr. Speaker, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Georgia.

Mr. FOWLER. Mr. Speaker, basic fairness dictates that I now support the motion offered by the gentleman from California (Mr. Rousselot).

If we are not going to have this "new information" expunged, then we owe this to the body and we owe it to the gentleman from California (Mr. Charles H. Wilson) to delay so that it can be considered by all sides.

Mr. ROUSSELOT. Mr. Speaker, I know when I am ahead, so I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Rousselot).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand a division.

On a division (demanded by Mr. Sensenbrenner) there were—yeas 221, nays 41.

So the motion was agreed to.

□ 1550

PUBLIC DEBT LIMIT EXTENSION

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland is supposed to handle the rule on the debt limit on this side, but we were told by the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. Ullman), when he appeared before our committee yesterday, that this matter would not come up until after the budget, because if the budget resolution passed, there would be no need for the debt limit increase.

The SPEAKER. The Chair will advise the gentleman from Maryland that the Chair has made the decision that the House consider the debt limit bill first, the reason being that the Senate may have no session tomorrow, and in order to message the debt limit bill to the Senate and in order that the social security checks that will be dated on June 1 will be able to be cashed at the banks, the Chair feels it is of the utmost importance that this come up first.

Mr. BAUMAN. I thank the Speaker.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7098, ATMOSPHERIC AND CLIMATE AUTHORIZATION ACT OF 1981

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1055) on the resolution (H. Res. 683) providing for the consideration of the bill (H.R. 7098) to authorize appropriations for atmospheric and climate activities of the National Oceanic and Atmospheric Administration for the fiscal year 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7113, NATIONAL BUREAU OF STANDARDS AUTHORIZATION ACT FOR FISCAL YEAR 1981

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1056) on the resolution (H. Res. 684) providing for the consideration of the bill (H.R. 7113) to authorize appropriations to the Director of the National Bureau of Standards for fiscal year 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7115, NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT FOR FISCAL YEAR 1981

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1057) on the resolution (H. Res. 685) providing for consideration of the bill (H.R. 7115) to authorize appropriations for activities of the National Science Foundation for fiscal year 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7152, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1981

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1058) on the resolution (H. Res. 686) providing for consideration of the bill (H.R. 7152) to authorize appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, and for the Central Intelligence Agency Retirement and Disability System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7265, AUTHORIZING APPROPRIATIONS FOR DEPARTMENT OF ENERGY FOR NATIONAL SECURITY PROGRAMS FOR FISCAL YEAR 1981

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1059) on the resolution (H. Res. 687) providing for the consideration of the bill (H.R. 7265) to authorize appropriations for the Department of Energy for national security programs for fiscal year 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 554, MAKING AN APPROPRIATION FOR FTC FOR FISCAL YEAR ENDING SEPTEMBER 30, 1980

Mr. BOLLING, from the Committee on Rules submitted a privileged report (Rept. No. 96–1060) on the resolution (H. Res. 688) providing for the consideration of the joint resolution (H.J. Res. 554) making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 7428, PUBLIC DEBT LIMIT EXTENSION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 682, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 682

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7428) to extend the present public debt limit through June 30, 1980, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN). Pending that, Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope this is the last time I have to handle the rule on the debt limit. The only reason that this debt limit matter, a straight 30-day extension of the temporary debt ceiling, is coming up at this time is that the extension runs out at midnight Saturday, as I understand it. On Monday, the Government will be in some difficulty. In a matter of a few weeks, or maybe even just 1 week, the Government will be in a great deal of difficulty.

Now, it was thought that the debt limit would be handled in the ordinary course of business dealing with the budget resolution, because we adopted a change which provided for the debt limit to be dealt with in the budget resolution when we adopted a Gephardt amendment to the process. But obviously the budget resolution is not yet in place and, therefore, we have to use this method, which was the normal method of a bill from the Committee on Ways and Means being made in order in this fashion. That is all that the resolution does and that is all that it is intended to do. I therefore hope that the resolution is passed overwhelmingly and we can go on with what again I say is the last of this particular approach of dealing with the debt limit.

Mr. Speaker, I reserve the balance of my time.

Mr. BAUMAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the distinguished chairman of the Committee on Rules is quite correct that this is the last time perhaps in this form the increase in the public debt limit will come before us. But it will not be the last time, by any means that the debt is increased. In fact, the budget resolution which I had originally understood would be considered prior to this resolution and the legislation it makes in order, that budget resolution in and of itself makes a significant increase in the national debt. The national debt under the bill the resolution makes in order will go to a level of $879 billion. A large part of this increase has occurred in the last 3 years, and no better indictment of the economic policies of this administration can be embodied anywhere than in the enormous increase in the national debt occasioned in the last 3 fiscal years and in the budget resolution which we will perhaps vote on later today. That resolution contains the third budget resolution for fiscal year 1980. Perhaps all of these nuances are lost on some, but what it all means is higher inflation, higher debt, more disruption of individual Americans' lives because of these disastrous economic policies.

Now, one issue which would appear at immediate glance to be somewhat extraneous to this resolution is the President's imposition, using existing powers that he has under law to impose an import fee on all oil imported into the United States; an import fee that will drive up the price of every gallon of heating oil, gasoline, and other petroleum derivative products by 10 cents per gallon. And that will be added to the more than 100 percent price increase of oil already.

Now, this House's Committee on Ways and Means has voted to reject the President's import fee. The other body in its committee has taken a similar stand. It is my information that the other body will consider an amendment to the debt limit increase to forbid this 10-cents-a-gallon increase. It will be my intention to oppose the previous question on the now pending rule so that I could offer a substitute rule that will make in order the substance of House

Joint Resolution 531 as reported by the House Committee on Ways and Means.

House Joint Resolution 531 is a resolution sponsored by the gentleman from Massachusetts (Mr. SHANNON), the gentleman from Louisiana (Mr. MOORE), the gentleman from Connecticut (Mr. MOFFETT), the gentleman from Michigan (Mr. STOCKMAN), that gentleman from Connecticut (Mr. COTTER), the gentleman from Ohio (Mr. BROWN), the gentleman from Texas (Mr. ECKHARDT), and the gentleman from Maine (Mr. EMERY), a highly eclectic grouping of Members of the House in many respects, not only politically but also geographically.

☐ 1600

All of them share the gentleman's concern that we should not allow the President to impose a new tax on the American people that will wreak great havoc on all classes, particularly those who are least able to afford it. Why would I try, as one who loves the procedures of the House and tries to adhere to them, to change the import of this rule to allow that amendment to be offered? It is simply because the Speaker and apparently the Rules Committee chairman indicated that they will not allow this resolution to be reported from the Rules Committee. No crueler move on their part could be imposed on the American people, and it shatters me to think that they would take such a position.

I remember in the days of Judge Howard Worth Smith of Virginia, whose portrait hangs in our Rules Committee room, there to remind all the liberals in this Congress of the days when the chairman of the Rules Committee used to take rules home in his back pocket for the weekend so the committee could not consider them.

I know that no such return to this kind of dictatorial control of the Rules Committee would ever be considered by the majority leadership for so unworthy an objective as to raise the price of gasoline and heating oil 10 cents a gallon for every American. That is not the kind of thing that even Judge Smith in his dreariest and darkest hours of conservatism would have allowed to be imposed upon the American people or on the House that loves its own procedures as I do.

I will oppose the previous question so that I can offer a substitute rule that will make in order an amendment that will forbid the President to impose the 10-cent-a-gallon import fee. May I urge opposition to the previous question which will, in fact, be a vote on whether one is for or against the 10-cent-a-gallon increase in gasoline and oil prices in this country.

Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, I support the gentleman's position on this matter. It is not a pleasant thing to do, first of all, because I would ordinarily vote with the gentleman from Missouri. I do share the gentleman's sense of importance on the debt ceiling limitation. I would be a supporter of House Joint Resolution 531. This is not an enjoyable approach for this gentleman to take, but it is my strong opinion, as it is the gentleman from Maryland and many other Members, that the membership of this body deserves an opportunity to have a vote on a $10.3-billion-a-year program, which, according to expert testimony, will affect the price of almost every petroleum product.

Now, I happen to have a great deal of respect for the leadership of this House and leadership of my party within the House, but I think it is very, very important that there be some assurance. We have tried other avenues. I think it is very, very important that there be some assurance that there is going to be a vote on this matter on the House floor in the near future. After all, those of this body who are members of the conference committee on windfall profit tax—and I see the gentleman from Oregon (Mr. ULLMAN) is here—those conferees remember very well that you recognize the importance of an opportunity for congressional debate and action on any fee or quota by inserting specific language, specific language, into the windfall profit tax legislation allowing for a resolution of disapproval.

Are we to think that, because the Committee on Ways and Means has acted, that that is now the end of it? They have voted overwhelmingly to support the resolution by the gentleman from Massachusetts (Mr. SHANNON) and the gentleman from Louisiana (Mr. MOORE) that resolution of disapproval.

Now are we to say, "Well, we did our duty, and the members of the Committee on Ways and Means were able to get on record on this matter?" If this were in any way—in any way—a significant conservation measure, Mr. Speaker, if this were in any way a measure which we could be assured would fall solely on gasoline, if this were in any way a measure which would not appreciably increase inflation, if it were in any way a measure which would not drive independent marketers out of business, I would be the first one to support it. The main argument being made by the President for support of this import fee is that in fact it is an important symbol to the rest of the world. Well, it is an empty symbol. It is a shell of a symbol. It is a sham. The documents which the subcommittee, which I am privileged to chair, managed to get, after a month of fighting with the White House, clearly indicate that there are serious questions about this fee, and at the very least this membership should have an opportunity to cast a vote.

One more point: I think it is demeaning to this body to have the administration and other supporters of the fee, the handful of them there are, suggest somehow it is a measure of political will and courage that we should vote for this import fee.

As a matter of fact, the real political wisdom here is to give the President a package of hardcore conservation measures, maybe even import quotas, which some would go for and some would not. I am sure there is a coalition that could produce a majority, a tough package on conservation, a filling of the strategic oil reserve, and a number of other things, can move us forward, can save face for the President so he would not go away empty handed. I think that is the direction which we should move.

Mr. ULLMAN. The Speaker, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman for yielding.

Let me say that the committee did vote out the Shannon motion, which would repeal Presidential authority in this instance.

The gentleman from Florida (Mr. GIBBONS) demanded full time for minorities to file reports, and that is today, and the report will be filed today. We will be writing a letter to the Rules Committee today requesting a hearing for a rule, so the matter is proceeding as expeditiously as we can possibly handle it. I think the gentleman recognizes that.

Mr. MOFFETT. The gentleman from Oregon has been superb in my view, and I think Members on both sides would agree with that, in the handling of this matter in a very responsible way. This is not our argument.

I have had a conversation with the distinguished majority leader, a lengthy conversation, and with other people in and around the leadership, and I think it is clear; and the press has written this, there is no intention of bringing up a vote on this import fee in the near future.

It is argued, for example, that the fact is that the court appeal is still taking its course, and we should wait until the court appeal has in fact taken its course.

Well, again, it is important—the windfall profit tax conference report pointed this out—it is critical that we have a chance to vote. We do not need to wait for the court to act. I think that is what the gentleman from Maryland is saying. That is what this gentleman is saying. I would urge defeat of the resolution.

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. I thank the gentleman for yielding.

Mr. Speaker, I would just say to the House, this is indeed an unusual procedure, but I would suggest we are confronted by an unusual circumstance. That is that any day the shoe could drop. This 10-cent tax could go into effect, and the pockets of the American people would be drained for another $10.8 billion.

The only thing that stands in the way of this gas tax being effective right now at the pumps all over this country is a temporary restraining order. That order could be lifted. We do not know when. I would suggest that it is urgent and imperative that the House take action at the earliest possible moment to use the procedure that we have available, a resolution of disapproval, to insure that this tax is not enacted. I would suggest further to the House this is not an isolated gesture, a similar parallel movement would be made in the other body.

An amendment will be offered there this afternoon to the same effect, to bring a vote in the full Senate on the resolution of disapproval.

I would urge that the previous question be defeated. I would urge that we give the House an opportunity to work its will. The gentleman from Maryland will offer a substitute rule, which will make the resolution of disapproval in order, and then I would hope that we overwhelmingly approve it.

☐ 1610

It is clear that this is a proposal that does not have a semblance of support in the country. It does not have a shred of support in this House. There is no reason why we should not act. There is no reason why the bill should languish in the Committee on Ways and Means or the Committee on Rules. There is no justification for delay. We know what the sentiment of this House is. It ought to be expressed and this tax, which the American people certainly do not need, this extra boost to the terrible inflation problem that we have already should not be allowed to go into effect. Here is our opportunity by defeating the previous question to express and to demonstrate to the American people that we intend to act expeditiously.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. STOCKMAN. I would be happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I would like to say to my colleague that I not only agree with the gentleman, but the Commmittee on Ways and Means has had extensive hearings, so there can be no complaint that it is not known. We have a clear vote on it in the Committee on Ways and Means.

We have waived points of order against germaneness many, many times this year by special rules; so it is not that unusual to waive points of germaneness.

This very much relates to the whole issue of the economics of our Federal Government as to whether we are or are not going to go ahead with this tax.

I think the gentleman makes eminent good sense and now that we have passed it out of the Committee on Ways and Means we ought to move to give the Members of this House a chance to vote on it; so I do support the gentleman's motion against the previous question. I think that we should give this House an opportunity to prove to the American people that we do not approve of this tax.

Mr. STOCKMAN. Mr. Speaker, I appreciate the gentleman's comments.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, it is with the utmost reluctance that I support the move that has been made from the minority party on this proposition. It is a position that I find myself very uncomfortable in taking. It is a very unusual procedure and it is a procedure that should not be used in this body, except in the most extreme cases; but I have satisfied myself that the action taken responsive to existing law of disapproval is not likely to be entertained by the Committee on Rules.

I also did not join some of my colleagues in the court suit to enjoin the putting into action of the import fee, because I very much dislike a situation in which the Congress of the United States and the House of Representatives in particular asks the court to determine its authority as against the executive, when this House can protect its own prerogatives; but this House cannot protect its own prerogatives unless the resolution of disagreement is permitted to come to the floor. Only because the only route that I can presently see that this House will be able to protect its own position and its own right as the exclusive body to initiate taxation would I support this very, very unusual procedure.

It seems to me that it cannot be denied that what is attempted to be done by first imposing an import duty and then attempting to translate or transport or transmigrate, or whatever the term is, such an import duty to a tax on gasoline, it seems to me that that is the widest extension, the widest abuse of executive privilege that I have ever seen.

I sat on the committee that devised the original bill that established the entitlements program. I know what it was for. It was for only one thing. It was for the purpose of providing equal access to crude oil of all grades and all prices to all refineries over the United States in a means other than transporting it by railroad car, pipeline, or whatever. That is what it was for. It was never intended to be permitted to transmute a duty into a tax.

Now, the Committee on Ways and Means is protecting its prerogative to initiate taxation. This House should also protect its prerogative as the only body that may initiate a tax; but unless this is permitted to come through the Committee on Ways and Means as a resolution of disapproval as a protection of our rights, we have to rely on the court to do it.

I think that is a mistake. I do not think we ought to tell the court, "You determine our authority." I think we ought to protect it ourselves.

For that reason, I intend to vote against the previous question and I would then vote to amend the rule in order to bring the matter that was passed by the Committee on Ways and Means before this body at this time.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Speaker, I would just make a couple points about what we are doing here. First of all, what we are doing here in urging a "no" vote on the previous question is not trying to defeat the debt limit. We are not trying to do that by any stretch of the imagination. In fact, we hope that the debt limit will be extended today and by an overwhelming margin.

What we are trying to do is bring an issue of vital concern to every consumer in this Nation all across the country. Heating oil consumers, gasoline consumers and general consumers are worried about inflation, an issue of vital concern before the House of Representatives, and hopefully before the Senate, and get it resolved once and for all.

Now, it has been suggested by those in this body, it has been suggested by those in the administration that we should let the courts take their action, sit back and let them decide this issue. Well, we have reserved to ourselves in the windfall profit tax legislation the right to act on whether or not the oil import fee is justified, whether or not it is in the best interests of this Nation, whether or not it is in the best interests of a sound energy policy and a sound economic policy. An overwhelming majority of the House of Representatives has concluded that this oil import fee, this 10-cent gas conservation fee is bad economic policy. It is bad energy policy and should not be allowed to go into effect.

All we are asking is a chance to disapprove this. All we are asking is a chance to exercise the right which we have reserved to ourselves to disapprove it.

I hope that a "no" vote on the previous question will give us that opportunity.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. MOORE.)

Mr. MOORE. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, if we do not vote, as has been suggested by the gentleman from Maryland, if we do not vote no on the previous question to allow an amended rule to be offered, what we are essentially doing, as the gentleman from Texas suggested a moment ago, is we are leaving it up to the courts to decide the entire issue.

Right now, I am a plaintiff in that suit, we firmly believe that this tax is a tax and it is thereby illegal. It is an illegal oil import fee. That is one part of the question, but only one part of the question. It is not really fair to the people of this country to put the entire question where it cannot be under the Constitution. The entire question cannot be before the courts. The courts can only pass upon the legality of what the President has done. The courts cannot pass upon whether this is good policy or not. That is the job of the legislative branch of the Government.

So we should not wait. We should move forward. We should pass upon this resolution (H.J. Res. 531). We should pass upon that and make the decision as the legislative branch of the Government whether this was a good governmental policy decision.

I think the overwhelming majority of the House will respond on such a vote that, no, it is not, it is not good policy. It is inflationary. It is not really going to save much energy. There are energy proposals around that will save more and cost less. It actually hurts independents and helps major oil companies. I think there are many, many reasons why this is not good policy.

The second issue we have before us is the politics of the situation. Delay is clearly to deny justice. Delay is clearly to help the oil import fee in some way to be passed, because that is the only tactic they have available, just delay and see what happens.

□ 1620

If the court on appeal rules that this oil import fee is legal and overturns the decision of the lower court, then we will be told when we try to pass this resolution that it is too late, the oil import fee is already in place, the money is already being collected, and we will be creating a chaotic situation to try to overturn it.

On the other hand, if the lower court's decision is upheld by the court of appeals we will be told then, as we are being told now, "Why don't you wait a little bit longer and see what the Supreme Court will do? Hold on a little bit longer and let the court decide." All the while we will be delaying the decision the American people are entitled to, the decision that more than a majority of both Houses of Congress are poised to make. This is not a complicated issue. It has already been heard. A committee of the Congress, the Committee on Ways and Means, overwhelmingly reported a resolution after having held hearings to stop this tax. This is an issue that should be decided and decided now.

Unfortunately we have a few men in this august body who have stated publicly that this decision shall not be made by the House. You will not have the opportunity. They are not going to let you pass on this issue.

Now, that is something I think is unjustified and undemocratic which brings about the unusual action being suggested now.

Vote down the previous question. Let the House and the great majority of the American people work its will and decide a policy issue which at this point appears to be clear. Therefore, I do not think it is proper to leave this matter with the courts. It is certainly undemocratic and unjust to have a few men bottle up a decision or an issue of this magnitude that is ready to come before this House.

Therefore, I urge the previous question be voted down. Upon doing so we should pass the substitute rule to allow this issue to be in order.

Mr. BAUMAN. Mr. Speaker, I yield myself 5 minutes.

I would only say that the vote will come on the previous question. I would urge a "no" vote on the previous question so that I can offer a rulemaking in order the substance of the resolution (H.J. Res. 531) reported by the Committee on Ways and Means. That is the only admendment that the new rule would make in order. It would allow the House to vote on this issue.

So when my colleagues vote no on the previous question they are, in fact, voting no on a 10-cents-a-gallon increase in gas and oil in this country. It might very well be the only vote that we have for that purpose.

Mr. MOFFETT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Speaker. I think we should make it clear, and I think I can state for many people who have been working against this import fee, that we want a substitute to this. We are not afraid to confront the issue of these oil imports. The Congress has been doing it. We can do a better job, and we want the President to get together with us and to come together for a compromise package without the foolishness of this import fee attached to it.

I thank the gentleman for yielding.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for yielding. I know the gentleman is an active member of the Rules Committee. The argument may be made now that, well, this is unusual procedure. Have we not waived several times this year the issue of germaneness in rules that have been brought before the House?

Mr. BAUMAN. The waiver of the germaneness rule is almost traditional now in most rules because many times the legislation does not conform to the rule of germaneness.

Mr. ROUSSELOT. It has become traditional?

Mr. BAUMAN. Yes, it has become a tradition, unfortunately.

Mr. ROUSSELOT. So the argument should not really be made that it is that much of an unusual item to include in a rule; is that not correct?

Mr. BAUMAN. What is unusual is for a President to have the singular power to impose taxes of this or any other magnitude. As has been pointed out, what we are confronting here is a most unusual situation.

Mr. ROUSSELOT. I agree with that.

Mr. BAUMAN. And it calls for an unusual solution, and this resolution we hope will be one of them.

Mr. ROUSSELOT. And that will give the House a chance to work its will on this issue of this huge tax the President is trying to impose upon American consumers right now.

Mr. BAUMAN. That is correct.

Mr. ROUSSELOT. This may be the only chance we will get, so I appreciate my colleague yielding and hope that the House will stand firm, vote down the previous question, and give us an opportunity to vote for the gentleman's suggested substitute rule. I appreciate the gentleman yielding.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman.

Mr. MOORE. I appreciate the gentleman yielding again. This is very unusual, and while the House leadership states to the press no matter what happens, no matter if an overwhelming majority, if 430 Members of the House sponsor this resolution, it is still not going to come to the House floor, that is a very unusual situation that requires this kind of action. I would think if the Speaker or House leadership would guarantee this House a rule or hearing before the Rules Committee for producing a rule, we would not take this action; but absent that guarantee and in the presence of statements that this is not coming to the floor no matter what, we have no alternative but this course of action.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, is it my understanding that the gentleman from Maryland will vote for the passage of the resolution raising the debt ceiling?

Mr. BAUMAN. For the first time in my congressional career, if it has this amendment attached to it, I will.

Mr. KAZEN. I thank the gentleman for that answer.

Mr. BAUMAN. I hope that converts the gentleman if there was any question.

Mr. BETHUNE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Speaker, a year ago Thursday the President said he only put this 10-cent gas tax on because Members of Congress urged him to do it. In other words, "The devil made me do it." So what the gentleman is trying to do, as best I can understand, would be to let us determine once and for all whether or not the House really did urge the President to put this 10-cent tax on. Is that correct?

Mr. BAUMAN. This would be a true estimate of our urging.

Mr. BETHUNE. This may be the only chance we will get to show whether or not the House supports it; is that right?

Mr. BAUMAN. This is the only time.

I would just say in closing, Mr. Speaker, there may be some argument made in the final moments of this debate that the substitute I offer might not be in order. We have crafted it very carefully. We think it will be in order. But I certainly would not want to be the one that would contest that by a point of order and thereby place the responsibility on myself of raising the price of every gallon of gasoline and heating oil in this country by 10 cents. I think our substitute will be in order and we will offer it.

Mr. Speaker, I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would not yield myself so much time, but I have to make two speeches. One is to the Democrats on one kind of politics and the other is to the Republicans on the other kind.

You know, it is true that some Democrats did represent to the President that this was a way to do some things. The House Democrats, after having met for days and days with the Democrats of the other body and with representatives of the administration, thought it would be a good idea to use the oil import fee so we would have room for a tax cut, a tax cut to increase productivity, and perhaps to decrease the pain of some of the people who have seen their social security taxes go up very high and who have been driven further in terms of their tax rate.

We also voted, it might sort of be a net, to protect those of us who cared a great deal about social programs from seeing all of them just blown out of the tub. We knew something else on this side, and I will not say "we," I will say "I." I knew that this institution, for a couple of reasons, did not have the guts to face up to the alternatives of allowing, of allowing the people who call the turn on price to live not in the United States but in the OPEC countries. There has been a remarkable lack of success in dealing with the question of an adequate supply of energy in this country.

Now, the members of the committee can talk all they want about the theory, they can talk all they want about how much better it would be if we had rationing or if we had had decontrol earlier to take care of both sides, but this place has not had the guts, this House, together, to govern.

□ 1630

That is why I have to talk politics two different ways. I do not feel the least bit bad about it. Part of the trouble has been that the Democrats have forgotten that the people of this country expect government. They expect results, not just conflict, and they do not care whether it is within one party or between two parties.

A lot of Democrats are very upset about the coming election, and they should be because in one fashion or another, partly because of our own cowardice, sometimes even irresponsibility, the end result has not been Government, good, bad, or indifferent. I think the Democrats deserve a lot of blame for that—not the Democratic leadership, but a good many people who think that the way to run things is to be sure that they get elected. I am not giving motives on this matter to anybody; I just notice.

But, on the other hand, my friends over here, perhaps with better reason, the frustration of being in the minority perpetually—and maybe sometimes unjustly—have adopted the technique of any kind of rule or ruin. I cannot tell whether I am more disturbed by what the Democrats are doing or what the Republicans are doing. My guess is that the American people will discriminate. They will recognize what they want, and what they want is an attempt to govern responsibly.

This method, this tactic, cannot be conceived as responsible. It would be more credible if the person who was in charge of this matter, had said this matter would never see the light of day. It happens to be that I am that person, because I am chairman of the Committee on Rules, and I decide up to a point whether or not matters will be scheduled.

But I also happen to know that there is a way to overturn the chairman of the Committee on Rules, and if this is such an overwhelming issue, it is not hard to do. If you can read, you can read the rule, and if you are really excited about how to do it, and there is such an overwhelming multitude, there is a method of discharging the committee. I guess I am the only person who has used those methods to overturn the Committee on Rules when I served on it in the beginning. So this is not a last resort. This is just somebody's idea of how to do something. What it is, I do not know, because I am not going to attribute any motives to the people who were involved in this.

But I would like to tell you this, that as strongly as I have felt anything, I feel that the responsible thing to do is to have this oil import fee. That is so because that money will be spent in this country, and right now we need it. I personally would favor a 50-cent increase in the gasoline tax, recycled at once. If I thought there was a shred of a possibility of that happening here, I would see to it that it got to the floor, but there is not.

You have proved to me that you will not vote for that. And if the vote depended on this side, I have the proof that something comes before issues today from what has been the party that claimed to be responsible on fiscal matters. It is very clear to me that this is the only way the American people will get any benefit out of this 10-cent increase on gasoline, and that is what it will be on. It may save some very important programs in the end, so it may serve that purpose.

This last weekend—and I hate to be personal about it—I was in my district which is an average district in the middle of the country, very heterogeneous. I had been told about this enormous surge on the part of the people, and I was on talk shows—I went everywhere—on the radio, the kind of radio shows where individuals call in. I never got one question on this, and I have a stronger position in my district than I have on the floor. This issue has been induced from this Hill by very, very skilled people. I envy them their skills both as organizers and as speakers.

I do not know whether this will have any impact on anybody, but I have respected and admired the Secretary of the Treasury, Mr. Miller, and he expresses something that I feel very strongly.

Let me say that last fall I went to Europe again. I have not been in 10 years. I went because I feared what I thought was happening in our alliance, our crucial alliance with Europe, that they were losing respect and not for the President alone but for the American Government and the American people, and that is what I found. The one single thing that gives them any encouragement that we have a will to deal with a problem, that for them is a multiple of or problem of dependency on other countries for energy, is that we were going to do something about it. I became more convinced than ever that the problem of our alliance in Europe, which is crucial to our survival, depended on our will and our ability to express it. We painted ourselves into corner after corner on that.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to my friend, the gentleman from Florida.

Mr. GIBBONS. I thank the gentleman for yielding. I want to commend the gentleman from Missouri (Mr. BOLLING) for a courageous and for an intelligent speech. He has obviously put his country ahead of himself, and I commend him for that. I hope all Members will do that.

This is a serious question. Our importation of oil next year will run $95 billion. That is more wealth that will be transferred from America to OPEC countries than all of the profits of the 500 largest corporations doing business in America. That is more than all of the assets of the 15 or 20 largest corporations doing business in America. That is more than enough money to double the size of our Armed Forces.

We have at some time got to put our country ahead of 10 cents, and I commend the gentleman for his courageous, his intelligent, and his very patriotic speech.

Mr. BOLLING. I thank the gentleman for his kindness. I would like to read this paragraph—it is a long paragraph—from the Secretary of the Treasury. I put the item in the RECORD yesterday. It is part of his testimony before the Subcommittee on Trade of the Committee on Ways and Means. Some of you probably heard it.

> Let me be blunt: For far too long, it has been assumed that the United States lacks the basic political discipline to recognize and act on its own clear self-interest in limiting its consumption and importation of foreign oil. Without this discipline, our prospects for economic security, and for a vigorous and independent foreign policy, would be very poor. Our prospects for exercising world leadership in any area of policy would be compromised. Leaving aside the legal question for the moment, for the Congress to reject this measure to reduce our oil import dependence could only be interpreted as a flight from the hard economic realities faced by the nation. The fee raises the price of gasoline by a mere 10 cents. Backing away from such a moderate and sensible step would send a very troubling signal to the American people, to the world financial markets, and to the governments of OPEC.

□ 1640

Now, Mr. Speaker, I do not know how to say it any more strongly than I have tried to. I do not know how many people really believe that the American people care about our governing, but I surely care that they do. I have been here long enough to have seen them turn against more than one government. It is a very interesting thing. The American people are very self-interested, but there is one thing about their self-interest. In the end they always seem to understand that unless they have their country, there is no safety for any of them. There is no security for any of them. There is no hope of equality and opportunity unless our country is strong.

It seems to me that for years, now, we have spent most of our energy in seeing that our particular interest, be it political or economic, prevail, and prevail if necessary at the expense of all other interests.

Mr. Speaker, the time when this country has been greatest, strongest and most useful to itself and the world has been when we are enough in tune with the American people to understand that our job is not to be a Republican, a Democrat, or a success as a politician, it is to govern.

Mr. Speaker, I urge a vote for the previous question whether one is a Republican or a Democrat. I urge that we get on with this important problem of a debt limit so we will not have on our consciences later on sometime in the next few days the problems of what results when the debt limit is not extended promptly.

Mr. Speaker, I move the previous question.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. BOLLING. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 74, nays 312, not voting 47, as follows:

[Roll No. 268]

YEAS—74

Alexander
Anderson, Calif.
Annunzio
Ashley
Aspin
Bailey
Beilenson
Bennett
Bingham
Bolling
Bonior
Brademas
Brodhead
Brooks
Burlison
Cavanaugh
Coelho
Corman
Danielson
Dingell
Edwards, Calif.
Fary
Fascell
Fazio
Fisher
Florio
Fowler
Frost
Garcia
Gephardt
Giaimo
Gibbons
Gonzalez
Heftel
Howard
Jenkins
Jones, N.C.
Jones, Okla.
Lehman
Long, La.
Matsui
Mazzoli
Mineta
Mitchell, Md.
Moakley
Moorhead, Pa.
Murphy, Ill.
Murtha
Nedzi
Nelson
Obey
Panetta
Patten
Pepper
Pickle
Preyer
Price
Richmond
Rostenkowski
Russo
Sabo
Seiberling
Simon
Solarz
Stark
Stewart
Stratton
Ullman
Van Deerlin
Wilson, Tex.
Wirth
Wright
Wyatt
Zablocki

NAYS—312

Abdnor
Addabbo
Albosta
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Ferraro
Fish
Fithian
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
Oberstar
Ottinger
Pashayan
Patterson
Paul
Pease
Perkins
Petri
Peyser
Porter
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shannon
Sharp
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stockman
Stokes
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wolpe
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—47

Akaka
Anderson, Ill.
Bonker
Buchanan
Burton, Phillip
Collins, Ill.
Dornan
Edwards, Ala.
Findley
Flippo
Ford, Mich.
Grassley
Hance
Hansen
Hawkins
Holtzman
Jenrette
Kindness
LaFalce
Lujan
McCormack
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Nolan
O'Brien
Oakar
Railsback
Reuss
Rodino
Roybal
Runnels
Scheuer
Sebelius
Shelby
Staggers
Symms
Thompson
Vanik
Whitley
Wilson, Bob
Wilson, C. H.
Wolff
Yates
Young, Alaska

□ 1650

Messrs. MURPHY of Pennsylvania, OBERSTAR, DIXON, RANGEL, Mrs. BOGGS, Mr. D'AMOURS, and Mr. JOHNSON of California changed their votes from "yea" to "nay."

So the previous question was not ordered.

The result of the vote was announced as above recorded.

□ 1700

The SPEAKER. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. BAUMAN: Strike out all after the resolving clause and insert in lieu thereof the following:

", That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7428) to extend the present public debt limit through June 30, 1980, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment, and it shall further be in order, any rule of the House to the contrary notwithstanding, to consider an amendment consistent of the provisions of House Joint Resolution 531 as reported by the Committee on Ways and Means. Debate on said amendment shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit."

POINT OF ORDER

Mr. BOLLING. Mr. Speaker, I make a point of order against the amendment.

The SPEAKER. The gentleman will state his point of order.

Mr. BOLLING. Mr. Speaker, I make a point of order that the substitute offered by the gentleman from Maryland is nongermane to House Resolution 682, the rule providing for consideration of H.R. 7428, the temporary extension of the debt limit.

Mr. Speaker, it is a basic premise of parliamentary procedure that it is not permissible to do indirectly by amendment to a rule what may not be done directly. In other words, it is not permissible to offer to a resolution providing a special order for one bill, an amendment to include another unrelated bill.

House Resolution 682 only makes in order H.R. 7428, the temporary extension of the debt limit. An amendment to disapprove the oil import fee is not germane to H.R. 7428. Therefore, it is not germane to offer a substitute amendment for the rule which would make in order, by waiving the germaneness rule, an amendment otherwise not germane to the original proposition—in this instance H.R. 7428.

The SPEAKER. Does the gentleman from Maryland (Mr. BAUMAN) desire to be heard on the point of order?

Mr. BAUMAN. I do, Mr. Speaker.

Mr. Speaker, the point of order goes

to the heart of the question of germaneness. There is no question that if the Committee on Rules had reported the rule now pending that I proposed, House Joint Resolution 531 would in fact have been in order as an amendment because the Committee on Rules has the power to make it in order.

Certainly the subject matter dealt with, that is to say the importation taxation of crude oil and the gasoline import fee, is within the jurisdiction of the Committee on Ways and Means as is the debt limit extension. I think, because of the overall question of economic policy involved in a 30-day extension of the national debt limit and the amount of revenue raised by the import fee, that they are in fact related very intimately, and I would suggest that the subject matter is germane.

Mr. BOLLING. Mr. Speaker, may I be heard a bit further on the subject of my point of order?

The SPEAKER. The Chair will hear the gentleman.

Mr. BOLLING. Mr. Speaker, it is important, I believe, that everybody understands that there is absolutely no precedent on the other side of this issue, and that the point of order I made and the argument I made for it have never been changed.

Often in the rules of the House there are precedents on both sides of a question, and the Chair is in a position of having to make a decision. In this case, as far as I know, there is absolutely no exception to adherence to the point of order that I made.

Mr. BAUMAN. Mr. Speaker, may I be heard further?

The SPEAKER. The Chair will hear the gentleman.

Mr. BAUMAN. Mr. Speaker, the gentleman from Missouri (Mr. Bolling) has made reference to the lack of specific precedents in support of my argument that this is germane. I heard the gentleman from Missouri offer no specific precedent. I think it is a question for the Chair to decide.

The SPEAKER. The Chair is ready to rule unless there is some other Member who desires to be heard.

Mr. FRENZEL. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will hear the gentleman.

Mr. FRENZEL. Mr. Speaker, perhaps there is not a precedent in terms of the Speakers' rulings of which I am aware, but I do recall that last year the Committee on Rules chaired by the distinguished gentleman from Missouri brought out a rule on a bill to make an authorization to the FEC, and in that instance the Rules Committee recommended the Obey-Railsback amendment, which was not germane, in the same sense as the amendment offered by the gentleman from Maryland (Mr. Bauman) is to the rule today. In that case it was perfectly good procedure for the Committee on Rules.

In this case, we are talking about the same kind of jurisdiction, and if it was good at that time, it ought to be good this time.

Mr. BOLLING. Mr. Speaker, may I be heard further?

The SPEAKER. The Chair will hear the gentleman.

Mr. BOLLING. Mr. Speaker, the fact remains that there is no precedent for an overruling of this kind of a point of order, and I am sure that the gentleman from Minnesota (Mr. Frenzel) is a more skilled parliamentarian than not to know the difference between what he said and what I said.

The SPEAKER. The Chair is prepared to rule.

The Chair is guided by several precedents in determining whether an amendment to an order of business resolution, making in order an amendment which is not germane to the bill, should be held not germane to the resolution. The decisions contained in Hind's Precedents, volume V, sections 5834 through 5836 stand for the proposition that it is not in order to substitute the consideration of one measure for the consideration of another unrelated measure by amendment to an order of business resolution. As cited on page 491 of the House Rules and Manual, on September 14, 1950, the House had under consideration a special order from the Committee on Rules taking from the Speaker's table a House bill with Senate amendments, disagreeing to said amendments and agreeing to a conference. To that resolution, an amendment was offered providing that all Senate amendments except one be disagreed to, that the House amend one of the Senate amendments, insist thereon, and agree to a conference. The Senate amendment at issue proposed a study of excess profits tax legislation, and the proposed amendment thereto would have enacted excess-profits tax legislation, and sent that amendment to conference. Speaker Rayburn ruled that the amendment was not germane to the resolution, stating specifically that it was "a rule long established that a resolution from the Committee on Rules providing for the consideration of a bill relating to a certain subject may not be amended by a proposition providing for the consideration of another and not germane subject matter."

The Chair has anticipated similar points of order against amendments to order of business resolutions in the past, and has been prepared to rule, as he does now, that such an amendment is not permitted to an order of business resolution under clause 7, rule 16. For the reasons stated by the gentleman from Missouri, and because a viable mechanism exists within the rules of the House and within the Committee on Rules to address the issues presented by the pending amendment. The Chair sustains the point of order.

□ 1710

PRIVILEGED MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a privileged motion.

The Clerk read as follows:

> Mr. Bauman moves to refer House Resolution 682 to the Committee on Rules.

The SPEAKER. The gentleman from Maryland (Mr. Bauman) is recognized for 1 hour.

Mr. BAUMAN. Mr. Speaker, I yield 30 minutes to the gentleman from Missouri (Mr. Bolling) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, I regret that the Chair was forced into the position of having to rule that my amendment was nongermane. There is no question—and I do not believe the chairman of the Committee on Rules would challenge my statement—that the Committee on Rules does have the power to report a rulemaking in order the provisions of House Joint Resolution 531 repealing the gas tax.

The reason I now make a motion to refer this matter to the Committee on Rules is so that we can immediately hold an emergency meeting, the same type of meeting in which this rule was originally reported out. We can then bring it up with the amendment repealing the gas tax in order.

The House has voted by a majority of 312 to 74, an overwhelming majority, 3 to 1, that they wish to vote on this matter. The point of order made by the gentleman from Missouri is the only thing that stood in the way of the majority expressing its will.

I think this is a clear mandate to the Committee on Rules to act immediately and to report a rule that will make in order the matter of the gas tax and allow us to vote directly on it.

I realize that the debt limit must be extended 30 days immediately in order to meet the problems of financing of the Government, including the social security system and other worthwhile programs. But I also know that we will be in session tomorrow. There is some rumor that we will not be in session on Monday. And surely the matters before us, the 10-cents-a-gallon oil and gasoline tax and the public debt, are matters that ought to be dealt with immediately.

I would hope that this motion to refer, which was sponsored by the gentleman from Massachusetts (Mr. Shannon) and the gentleman from Connecticut (Mr. Moffett), would be approved by the House and that the Committee on Rules would follow the majority of the House in its dictates.

Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not propose to speak at any great length, having spoken at considerable length before. I doubt very seriously that the Rules Committee would act that swiftly, knowing that the schedule of the House already conflicts, as I understand it, with the schedule of the other body. We would have to have a two-thirds vote today.

I think the people who have made this bed might as well sleep in it for a little while and think about it. And as far as I am concerned, it is perfectly all right if it is referred to the Rules Committee; but I do not consider a procedural vote an exercise of the whole will of the body. I consider a procedural vote an indication of what I tried to state very clearly in my speech, a series of, well, problems. And I am sorry that the Members of the House have them to such an extent.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I would say to the gentleman from Missouri and to the Members of the House that the Committee on Rules acted this afternoon on another emergency matter, and that was the extension of the FTC. I understand that that matter will be considered tomorrow here in the House of Representatives. Surely, the extension of the national debt is more important than the extension of the FTC. Surely, the matter of the tax on gasoline and oil is more important than the matter of the FTC. Surely, 312 Members of the House voting is more important than 1 Member seeking to block action by this House of Representatives, a charge that the gentleman from Maryland is most familiar with. I would never make it against anyone else, however.

I think that the motion to refer can be considered as a referendum on whether or not this House will be able to work its will on the issue of the gas tax and the national debt.

Since we will be here tomorrow, the chairman of the Rules Committee does have it within his power to call such a meeting immediately, and we would then be able to file the report this evening and consider the rule tomorrow. We can waive the 3-day rule, as the gentleman well knows.

So the choice on this vote is whether or not you are in favor of the gas tax and whether or not you are in favor of the House working its will as the people want us to.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding, and I also thank him for making the motion which he has made. I hope that the motion will be adopted and that the Rules Committee will meet forthwith and bring forth a rule making in order the provisions of the matter which the gentleman from Maryland has suggested.

Certainly the vote of the House on the previous question can only be construed one way. The Members of the House want to vote on repealing the authority of the President of the United States to impose this tax on imported oil. That would have the result of making gasoline cheaper for everybody in the United States, and certainly the Congress, I am sure, will want to vote on it as soon as possible.

I address myself to the chairman of the Rules Committee and ask if, in the alternative, the gentleman would be willing to agree that the bill reported from the Ways and Means Committee which would have that effect, might not be brought up in the ordinary course of events under a rule. It is my impression that thus far the gentleman from Missouri and the leadership on the majority side have seen fit not to consider that bill although it has been reported from the Ways and Means Committee.

The orderly way to bring the matter before the House is to have the Ways and Means Committee vote out a rule. The gentleman from Maryland and I, I am sure, join in regret that it has been necessary to resort to a rather unusual parliamentary procedure in order to even bring the matter up before the House. The House has voted overwhelmingly to consider this matter now. It is not germane to the original resolution. We, of course, felt that it might not be, but nevertheless this is the will of the House that cannot be ignored. I hope the gentleman from Missouri will respond.

Mr. BAUMAN. Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

I am sorry that my friend, the gentleman from Arizona, saw fit to get involved in this. Everybody has been talking about the regular order. The Rules Committee has a rule, strictly enforced often by the gentleman from Maryland, that we will not schedule meetings of the Rules Committee until reports are available. When this proceeding began, the report from the Committee on Ways and Means had not been filed in the House. It was filed during the consideration of this resolution. I am delighted to discover how consistent my friend is in terms of his approach to procedure. But I have no reason to say any more or less than I have before. I think that the point is valid, that at some point the Members of the House should have the right to vote on this matter. But I do not think that this is the way to force it. So that being the case, I do not expect this to be the time for the vote to occur.

Now, I will be perfectly frank; I have some concern for the judicial process. I tend not to believe that one should interfere with that, whether I agree with what I hope the rulings will be or not. But I am not about to stand up here and make some major concession in timing, well out of order, to people whom I think have made up their own minds that they have a fine issue and some of whom actually believe in the substance of it. But I have no intention of saying that I will bring this up with this in it again this week.

Mr. MOFFETT. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Speaker, I do not think, at least on our side and, I hope, on the other side, those of us who are at odds on the issue, the merits of the issue, with the gentleman on this have any intention of carrying this confrontation to the limit if in fact there is some indication, as there has not been from the leadership, that this matter will come before the body in a somewhat timely fashion. I certainly do not have any intention of trying to challenge the Rules Committee or the chairman of the Rules Committee, if that is the case, but, you know, we have been subjected for quite some time to statements by the leadership, and I have great respect for them, statements that there is not going to be a vote on this, or they cannot foresee a vote.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, I want to take issue with the remarks of the gentleman from Connecticut.

I was asked earlier by the gentleman from Maryland (Mr. BAUMAN) why we brought this up out of order. We had intended to bring up the budget. Well, I talked with the majority leader of the Senate and, realizing that the debt limit expires, as of June 1 and that thousands of social security recipients may not be able to cash their checks, I decided to bring the bill to the floor.

□ 1720

Now, we passed the budget resolution, and it went to conference. The gentleman is well aware with the final adoption of the budget the debt ceiling is sent over to the other body. In the other body they treat the budget resolution and the debt ceiling separately. So when the budget resolution is disposed of and the debt limit included in it is broken out, the gentleman well knows that in the other body, the gentleman from Kansas, Senator DOLE, plans—and you know it, I am sure that you know it, and I am sure the gentleman from Massachusetts knows it, because I have spoken to him about it—intends to raise the issue that you gentlemen have brought up this afternoon.

The measure now pending is a stopgap so the Government can run for 20 days. The longer extension will be up before 20 days. I think that anybody who is concerned with this legislation understands the implications of the gentleman's action.

If the gentleman wants to refer the resolution and if you want to vote to refer it, vote to refer. You know this is just a 20-day bill. You know that the President of the United States has said he would veto it if a disapproval of the import fee is included.

There will probably be a Monday session, because on Monday we may have to act on an extension. So that is the sum and substance of it all. You can do anything you want on it. What are the results? The results are if this goes to the President's desk with the disapproval attached, he is going to veto it, and we will be back right where we now are. The truth of the matter is that those who are on social security and the Government in general are going to be in pretty bad shape.

It seems to me that we should go along with a 20-day extension.

I am sure that the gentleman from Maryland understood me when I explain why I was bringing up the debt limit extension. I took it on my own shoulders. I am sure the gentleman from Connecticut knew exactly the same thing. I am sure the gentleman from Massachusetts knows the same thing. So if you want to play games with the aged, and with the integrity of the U.S. Government, continue to play your games.

The motion is to refer it to the Rules Committee.

The gentleman from Missouri (Mr. BOLLING) told you the Rules Committee would not bring it tonight. The House can act any way it wants on this particular matter, but think of the consequences.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I will be glad to yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I believe the question that has been asked from this quarter is whether or not House Joint Resolution 531 will come up forthwith from the Rules Committee, if those of us who feel that it should have come up in connection with this bill, if we get assurance that House Joint Resolution 531 will come up forthwith. We understood from all of my conversations with the distinguished chairman of the Rules Committee that as far as he was concerned——

Mr. BOLLING. How many conversations has the gentleman had?

Mr. ECKHARDT. Well, I think one, but the gentleman is always very clear on his position.

Mr. BOLLING. I am delighted to report, to the best of my knowledge, that is the only conversation I have had on this subject with any Member of the House, which I think is also interesting.

Mr. ECKHARDT. If the gentleman will yield further, I think the gentleman will concede in our discussions he had no immediate intention——

Mr. BOLLING. That is correct, which is precisely the same position the gentleman finds himself in.

Mr. ECKHARDT. The question I would like to ask, though, before I do not vote with the motion, is whether or not the Rules Committee will deal with House Joint Resolution 531 and give this House a prompt opportunity to vote——

Mr. BOLLING. In due course and in a reasonable time, and that means after the court has made its decision.

Mr. ECKHARDT. Well, the gentleman well knows that the court may not make its decision until the question is so far on the road that there is no way to really turn it around. Besides that, we do not know what the court decision will be.

Mr. BOLLING. Of course we do not. That is one of the reasons why I would like to have a little guidance. Everybody is so quick to say that they know what is true constitutionally and what is not. My impression is—and I do not want to mislead anybody—that the court will act within the next couple of weeks. It seems to me that that is not an unreasonable approach to a situation like this.

Mr. ECKHARDT. The Supreme Court is not even in session.

Mr. BOLLING. I understand that. I understand that is taken into account.

Mr. SHANNON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Massachusetts.

Mr. SHANNON. I would ask the chairman if, when he refers to the "court" he means the Circuit Court of Appeals, which will take this up in the next few weeks?

Mr. BOLLING. The point that was just made by the gentleman from Texas, I think, is important. The Supreme Court is not in session. I am certainly not talking about waiting until the next Congress to bring out a resolution from this committee. I am talking about a reasonable time. I do not believe I have a reputation for being either very tricky or very hard to understand.

Mr. SHANNON. If the gentleman will yield further, we have reserved to ourselves in the House of Representatives the right to rule on this policy ground and not just on the basis of whether or not the President had the authority. It is not the desire of anybody in the House of Representatives, certainly not the desire of anybody on this side, to hold up the debt ceiling extension, nor is it the desire of anybody here to embarrass the leadership. It was the desire of us on this side to make a point, to make a point about overwhelming support of the resolution in question.

The Speaker, whom I love dearly, pointed out that were this to be added to the debt ceiling, this would be in all likelihood vetoed by the President. I would point out to my colleagues that were the veto to hold up the payments of social security checks and other payments to people, it would be the President's responsibility for having vetoed that legislation and not the responsibility of the House of Representatives or the other body.

However, I know the Speaker well. I know the chairman of the Rules Committee well. I know that neither of the gentlemen would act as obstructionists in this matter. The House has spoken. I think the House has made its feelings clear on this issue. I have all confidence in both the chairman of the Rules Committee and the Speaker and would expect we would have a vote on this at some time in the reasonable future. I would oppose the motion of the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I had earlier been asked by the gentleman from Connecticut (Mr. MOFFETT), to publicly state that the motion to refer to the Rules Committee was cosponsored by the gentleman from Connecticut and the gentleman from Massachusetts (Mr. SHANNON).

I would now like to amend that statement and say only the gentleman from Connecticut is my cosponsor, in view of the remarks he just made.

I know there is dissension in many ranks today.

Now I would like to address the questions that have been raised. The question that was put to the chairman of the Rules Committee a few moments ago was whether or not the matter of the oil import fee, the tax would be brought before the House. The response of the gentleman from Missouri was "In due course and in due time," which means precisely never, if that decision is left to the leadership. The gentleman has also suggested we wait until the court acts. I do not believe the President of the United States or the judicial system has the constitutional power to impose a tax so onerous as this on the American people, or any other tax. After all, revolutions have been fought over who has the right to representation on issues of taxation.

☐ 1730

I would suggest that the answer of the gentleman from Missouri is an indictment of the total inability to bring this issue up unless we vote for the motion to refer.

Now, let me also suggest this. A majority of the Committee on Rules, a bipartisan majority, just voted against the previous question. Nine of the 16 members of the Committee on Rules have already voted against the chairman; so if we are called into an emergency session, we have a majority to bring it to the floor, so it really rests on the chairman whether he cares to call an emergency session.

Let me address the issue of vetoes. If this amendment stopping the gas tax is appended to the national debt increase, surely the President of the United States shares the same concern about social security recipients, black lung recipients, railroad retirements recipients, as does the Speaker of the House. The gentleman has just expressed that concern, a concern that I have and that every Member has.

What better way to make sure that there will be no veto than to append the gas tax repeal to this pending legislation? If there is a veto, I ask you to look at the arithmetic on the vote on the previous question. More than two-thirds voted against the gas tax and will vote to override the veto. If the President wishes to veto it, that is his choice constitutionally. Our choice and our duty is to enact tax legislation or reject it.

I urge you to vote in favor of the motion to refer to the Committee on Rules and I urge "Judge BOLLING" to call a meeting of the Committee on Rules immediately, not to stand in the way of a majority of the American people and the House.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, may I suggest to the gentleman from Maryland that the gentleman substitute my name for that of the other gentleman from Massachusetts (Mr. SHANNON), so there will not be too much of a change in the record.

Mr. BAUMAN. Mr. Speaker, for the purpose of debate only, I yield 2 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, first of all, a little procedural matter. At the beginning after the defeat of the previous question, I asked the gentleman to be sure and include the gentleman from Massachusetts (Mr. SHANNON) and myself as cosponsors of the substitute rule, not the motion before us.

Second, I find myself, and I am sure other Members find themselves in the position of not wanting to support the motion of the gentleman from Maryland, because it does appear to be a slap at the Committee on Rules and at the leadership.

I do not have any desire to take that kind of slap, but I do not feel, and I say this to my friend, the gentleman from Missouri, I do not feel that we are getting any kind of assurance here that there will be a vote. Now, it is one thing to say that we are going to wait for the court, but there is no assurance that after those oral arguments in the first week of June that the stay on the fee itself, in other words, what is now preventing the fee from clicking in, the 10 cents, that the stay will be extended after the ruling of the appeals court, and so we would be in a position of having that last vote be merely an illusion of support for the position against the fee.

Now, I just do not understand why we cannot have some indication that, in fact, within a reasonable period of time, in a timely manner, since the Committee on Rules has acted, that the Committee on Rules would bring the matter up. I cannot see what is wrong with that.

I agree with the gentleman from Massachusetts (Mr. SHANNON). We do not think we are trying to be obstructionists on this.

Mr. BOLLING. Mr. Speaker, if the gentleman will yield further, what I would like to say, if the gentleman will yield to me, that the problem is an interpretation.

I guess the gentleman did yield. I am asking the gentleman from Connecticut to yield.

Mr. MOFFETT. Oh, I am sorry. I would be happy to yield, yes.

Mr. BOLLING. My own problem is that reasonable is reasonable. I am not suggesting that we wait until the last day of the session or go beyond a reasonable time; but nobody has defined reasonable. A couple or 3 weeks seems reasonable to me. A couple or 3 days does not.

Mr. MOFFETT. A couple or 3 weeks seems reasonable to me, too.

Mr. BOLLING. Well, if it does, that is fine.

The SPEAKER pro tempore (Mr. BRADEMAS). The time of the gentleman from Connecticut has expired.

The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I ask the chairman of the Committee on Rules, will the gentleman bring House Joint Resolution 531 to the floor immediately after the court decision, no matter how the court rules?

Mr. BOLLING. Mr. Speaker, I have said what I am going to say. I have not got a particle of reason to let the gentleman drive me.

Mr. MOORE. Well, I think the gentleman is not answering the question, or he is leaving great doubt in the memberships' minds. If the gentleman is going to tell us or lead us to believe that the gentleman is going to bring it to the floor 2 weeks after the court decides——

Mr. BOLLING. I did not say 2 weeks and the other gentleman did not say 2 weeks. Now we are getting the typical game that is played, "Did you mean two or three?"

Mr. MOORE. I am asking if the Court of Appeals sustains the President's position and upholds the fee, will the gentleman still bring the resolution to the floor?

Mr. BOLLING. I made a commitment that I will stand on. It is as clear as a bell. I do not intend to be pursued by the gentleman or anybody else on that.

Mr. MOORE. Well, let me simply make this point. Let us all be sure that the House membership understands this. The minute the Court of Appeals sustains the President, if it does, the oil import fee becomes immediately effective.

The minute the Court of Appeals upholds the fee, if it should, the pass-through to the consumer starts right then. There is no delay. It starts right at that very moment. The tax will become effective on the consumer right then.

Then I am sure we will hear on the floor of the Congress, "It's too late to do anything. The tax is already being imposed. It is too late to stop it and pay the consumers back."

I think the Members of the House ought to realize that before they vote on this motion.

The SPEAKER. The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Speaker, I just would like to say a couple things. I think in the House of Representatives, our ability to get things done depends upon our willingness to have some trust in one another. I have never on this issue or on any other issue had the leadership or had the chairman of the Committee on Rules make any representations to me that they have not followed through with.

What the Speaker has made clear and what the chairman of the Committee on Rules has made clear is that they disagree with me and they disagree with the gentleman from Connecticut (Mr. MOFFETT) and they disagree with a lot of people on the Democratic side on this issue.

We have proceeded in the way in which we thought would make the point best that we should have a vote on this. We have proceeded in the way in which we thought would make the point best that the overwhelming majority of Democrats and Republicans want to vote on this resolution of disapproval.

I have a lot of confidence in the chairman of the Committee on Rules. I heard what the gentleman said. It is clear to me what he said. It satisfies me and I would hope that we would defeat the motion of the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, would the gentleman from Massachusetts respond to a question?

Mr. SHANNON. Yes.

Mr. BAUMAN. Could the gentleman tell me what his understanding is of the commitment which he received from the gentleman from Missouri because I listened to the entire discourse and was not quite sure that any commitment was given.

Mr. SHANNON. Yes; the chairman of the Committee on Rules indicated that he would be willing to bring this resolution to the floor within a reasonable time. He is a reasonable man and I am sure he will define reasonable time in a reasonable way.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I simply would like to establish exactly what was said. As I understood, it was a reasonable time and it did not tie to the time that the court decision might be issued.

Mr. BOLLING. That is absolutely correct.

Mr. ECKHARDT. That it was a reasonable time and the gentleman figured it to be in the neighborhood of 2 to 3 weeks.

Mr. BOLLING. That is what I figured.

Mr. ECKHARDT. I think that is perfectly satisfactory.

Mr. PICKLE. Mr. Speaker, will the gentleman yield to me?

Mr. BOLLING. Yes, I will yield.

Mr. PICKLE. Mr. Speaker I am trying to establish in the meantime what happens on Monday when we do not have the debt ceiling raised. That is the crucial question.

Mr. BOLLING. That is not the crucial question at the moment, if I may take back my time, and I will yield to the gentleman again.

The crucial question at the moment is whether we support the motion by the gentleman from Maryland (Mr. BAUMAN) to force the Committee on Rules, in effect, to bring back to the floor a rule that would put the debt limit in order with the oil import fee disapproval. That is the point that is before us.

Mr. PICKLE. It is likely that the motion of the gentleman from Maryland is going to prevail, in view of the previous vote that has been cast.

Mr. BOLLING. I do not happen to agree with the gentleman.

Mr. PICKLE. I would want to ask the gentleman from Maryland, on the assurances of the gentleman from Missouri, is the approximate 2 weeks of reasonable time acceptable to the gentleman in this debate, so that we would have a direct vote on this question later?

Mr. BAUMAN. Mr. Speaker, I yield myself 2 minutes to respond to the gentleman.

I would say that during the course of this debate I have listened carefully and the gentleman from Missouri, who will control whether the Committee on Rules will act, has told us, first, that the matter of the gas tax would come up after the courts decided the issue, whenever that might be.

Then he said it would come up in due course and in due time, whatever that means.

Then, when pressed further, he said in 2 or 3 weeks, or a reasonable time.

In light of all those statements, which are somewhat inconsistent and in light of the two-thirds vote of the House indicating their desire to bring it up right now, the easiest way to settle the matter would be to refer it to the Rules Committee now, since a majority of the Members of the Committee on Rules have already said they wished to have the matter voted upon. Then we could settle this matter tonight or tomorrow, tie it to the debt limit and that would be the end of the oil import fee.

☐ 1740

Mr. PICKLE. I think many Members, and I would be one of them who has been concerned because we never felt there would be a time we would actually have a chance to vote——

Mr. BAUMAN. You have it now, I would say to the gentleman from Texas.

Mr. PICKLE. The gentleman is indicating he would give some reasonable time. My primary concern at this point is come Monday we have a debt ceiling raised so we can take care of such crucial matters as social security. If we just send this back, we are then back at square one.

Mr. BAUMAN. Mr. Speaker, I would just say the question before us, in referring this to the Rules Committee, is precisely the same question that was before us less than 2 hours ago. It would be very hard to explain to one's constituency that you are opposed to a 10-cent-a-gallon oil import fee for gasoline and home heating oil 2 hours ago and you are not opposed now. We have no assurances, in my view, that we will ever be able to address this issue, and I would hope that we would, therefore, vote to refer this to the Rules Committee.

I would move the previous question.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I withdraw the previous question and yield to the gentleman from Missouri.

Mr. BOLLING. Did I hear the gentleman correctly? What did the gentleman say about my assurance or lack thereof?

Mr. BAUMAN. I said the inconsistencies in his assurances led me to believe that it would be best to dispose of the matter now.

Mr. BOLLING. Would you explain that to me?

Mr. BAUMAN. I think I have explained it clearly. I do not intend to stand here and be driven to explain further by anyone. I think I have made my statements perfectly clear.

Mr. BOLLING. I would like the gentleman to know, if the gentleman will yield——

Mr. BAUMAN. There is a familiar phrase, I would say to the gentleman from Missouri, that we have all heard before: "Trust me."

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding. The gentleman from Connecticut a moment ago made a comment which I think is appropriate. He said he did not care to associate or vote for the motion by the gentleman from Maryland because it would be a slap in the face to the chairman of the Rules Committee. We all understand that, and no one is interested here in slapping any other Member here. But the choice here is if we wait for the court of appeals to act, suddenly the American people are going to be slapped with another tax. The only vehicle you are going to have to clearly take that burden off an overburdened taxpayer is to vote today on an issue everyone clearly understands.

For the last 2 weeks we have heard from both sides of the aisle people taking the well and criticizing and condemning this tax. Now we have an opportunity today, the only one we are going to have, to support the gentleman from Maryland. It is not a slap in anyone's face. It is to protect an overtaxed American people. If you do not vote for this, the American people, your constitutents, will remember who voted the way they did.

Mr. BAUMAN. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the privileged motion offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken, and the Speaker announced that the nays appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the ayes and noes.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 211, nays 175, not voting 47, as follows:

[Roll No. 269]

AYES—211

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Bevill
Boggs
Boner
Bouquard
Bowen
Breaux
Broomfield
Brown, Ohio
Broyhill
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Diggs
Dougherty
Duncan, Tenn.
Early
Edgar
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Ga.
Fenwick
Findley
Fish
Forsythe
Fountain
Frenzel
Gilman
Ginn
Goldwater
Goodling
Gradison
Gramm
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kelly
Kemp
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lundine
Lungren
McClory
McDade
McDonald
McKay
Madigan
Maguire
Marks
Marlenee
Marriott
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Neal
Nichols
Pashayan
Paul
Perkins
Petri
Porter
Pritchard
Pursell
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stokes
Stump
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Winn
Wydler
Wylie
Yatron
Young, Fla.

NOES—175

Addabbo
Albosta
Alexander
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnes
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boland
Bolling
Bonior
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Carr
Cavanaugh
Chisholm
Coelho
Conyers
Corman
Cotter
Danielson
Daschle
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Glickman
Gonzalez
Gore
Gray
Guarini
Hall, Ohio
Hanley
Harkin
Harris
Howard
Hughes
Hutto
Ireland
Jenkins
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kostmayer
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Lowry
Luken
McCloskey
McHugh
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Nedzi
Nelson
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Richmond
Roe
Rosenthal
Rostenkowski
Russo
Sabo
Seiberling
Shannon
Sharp
Simon
Skelton
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stewart
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
Williams, Mont.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—47

Akaka
Anderson, Ill.
Bonker
Buchanan
Burton, Phillip
Collins, Ill.
Dornan
Edwards, Ala.
Evans, Del.
Flippo
Gingrich
Grassley
Hance
Hansen
Hawkins
Holtzman
Jenrette
Kindness
LaFalce
Lujan
McCormack
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Nolan

O'Brien
Oakar
Railsback
Reuss
Rodino
Roybal
Runnels
Scheuer
Sebelius
Shelby
Staggers
Symms
Thompson
Vanik
Whitley
Wilson, Bob
Wilson, C. H.
Wolff
Yates
Young, Alaska

☐ 1750

Mr. DERRICK changed his vote from "yea" to "nay."

Mrs. HECKLER, Mrs. BOGGS, and Mr. LONG of Maryland changed their votes from "nay" to "yea."

So the preferential motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

A FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3236) entitled "An act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes."

☐ 1800

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 307, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, I call up the conference report on the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

(For conference report and statement, see proceedings of the House of May 23, 1980.)

The SPEAKER. Pursuant to the rule, the Senate amendment is considered as having been read.

The Senate amendment reads as follows:

Strike out all after the resolving clause, and insert:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982:

(1) the recommended level of Federal revenues is as follows:
Fiscal year 1981: $613.200,000,000;
Fiscal year 1982: $697,200,000,000;
Fiscal year 1983: $780,600,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:
Fiscal year 1981: —$3,400,000,000;
Fiscal year 1982: —$9,600,000,000;
Fiscal year 1983: —$33,500,000,000;

(2) the appropriate level of total new budget authority is as follows:
Fiscal year 1981: $688,200,000,000;
Fiscal year 1982: $759,300,000,000;
Fiscal year 1983: $831,400,000,000;

(3) the appropriate level of total budget outlays is as follows:
Fiscal year 1981: $613,100,000,000;
Fiscal year 1982: $687,200,000,000;
Fiscal year 1983: $753,400,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:
Fiscal year 1981: +$100,000,000;
Fiscal year 1982: +$10,000,000,000;
Fiscal year 1983: +$27,200,000,000;

(5) the appropriate level of the public debt is as follows:
Fiscal year 1981: $927,700,000,000;
Fiscal year 1982: $953,800,000,000;
Fiscal year 1983: $968,500,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:
Fiscal year 1981: $32,600,000,000;
Fiscal year 1982: $26,000,000,000;
Fiscal year 1983: $14,800,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1981:
(A) New budget authority, $173,400,000,000;
(B) Outlays, $155,700,000,000.
Fiscal year 1982:
(A) New budget authority, $204,500,000,000;
(B) Outlays, $183,100,000,000.
Fiscal year 1983:
(A) New budget authority, $233,900,000,000;
(B) Outlays, $208,600,000,000.

(2) International Affairs (150):
Fiscal year 1981:
(A) New budget authority, $23,300,000,000;
(B) Outlays, $9,500,000,000.
Fiscal year 1982:
(A) New budget authority, $14,600,000,000;
(B) Outlays, $9,600,000,000.
Fiscal year 1983:
(A) New budget authority, $13,300,000,000;
(B) Outlays, $9,600,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1981:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,100,000,000.
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1983:
(A) New budget authority, $7,100,000,000;
(B) Outlays, $7,000,000,000.

(4) Energy (270):
Fiscal year 1981:
(A) New budget authority, $3,800,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1982:
(A) New budget authority, $6,200,000,000;
(B) Outlays, $8,300,000,000.
Fiscal year 1983:
(A) New budget authority, $8,600,000,000;
(B) Outlays, $8,900,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1981:
(A) New budget authority, $11,500,000,000;
(B) Outlays, $11,900,000,000.
Fiscal year 1982:
(A) New budget authority, $11,700,000,000;
(B) Outlays, $12,500,000,000.
Fiscal year 1983:
(A) New budget authority, $11,800,000,000;
(B) Outlays, $12,700,000,000.

(6) Agriculture (350):
Fiscal year 1981:
(A) New budget authority, $5,600,000,000;
(B) Outlays, $2,300,000,000.
Fiscal year 1982:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $4.500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1981:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $500,000,000.
Fiscal year 1982:
(A) New budget authority, $6,300,000,000;
(B) Outlays, $3,100,000,000.
Fiscal year 1983:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $3,200,000,000.

(8) Transportation (400):
Fiscal year 1981:
(A) New budget authority, $19,750,000,000;
(B) Outlays, $18,050,000,000.
Fiscal year 1982:
(A) New budget authority, $18,750,000,000;
(B) Outlays, $19,250,000,000.
Fiscal year 1983:
(A) New budget authority, $19,550,000,000;
(B) Outlays, $19,950,000,000.

(9) Community and Regional Development (450):
Fiscal year 1981:
(A) New budget authority, $8,800,000,000;
(B) Outlays, $9,200,000,000.
Fiscal year 1982:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $8,800,000,000.
Fiscal year 1983:
(A) New budget authority, $8,700,000,000;
(B) Outlays, $8,800,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1981:
(A) New budget authority. $28,900,000,000;
(B) Outlays, $28,000,000,000.
Fiscal year 1982:
(A) New budget authority, $30,000,000,000;
(B) Outlays, $28,500,000,000.
Fiscal year 1983:
(A) New budget authority, $30,800,000,000;
(B) Outlays, $30,200,000,000.

(11) Health (550):
Fiscal year 1981:
(A) New budget authority, $70,700,000,000;
(B) Outlays, $61,700,000,000.
Fiscal year 1982:
(A) New budget authority, $82,000,000,000;
(B) Outlays, $70,600,000,000.
Fiscal year 1983:
(A) New budget authority, $92,500,000,000;
(B) Outlays, $78.400.000.000.

(12) Income Security (600):
Fiscal year 1981:
(A) New budget authority, $245,200,000,000;
(B) Outlays, $218,200,000,000.
Fiscal year 1982:
(A) New budget authority, $277,100,000,000;
(B) Outlays. $246,600,000,000.
Fiscal year 1983:
(A) New budget authority, $304,300,000,000;
(B) Outlays, $271,800.000.000.

(13) Veterans Benefits and Services (700):
Fiscal year 1981:
(A) New budget authority. $21,850,000,000;
(B) Outlays, $21,250,000,000.
Fiscal year 1982:
(A) New budget authority, $23,050,000,000;
(B) Outlays, $22,650,000,000.
Fiscal year 1983:
(A) New budget authority, $24,550,000,000;
(B) Outlays, $24,150,000,000.

(14) Administration of Justice (750):

Fiscal year 1981:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1982:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1983:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,800,000,000.

(15) General Government (800):

Fiscal year 1981:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,300,000,000.

Fiscal year 1982:

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $5,100,000,000;

(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1981:

(A) New budget authority, $7,200,000,000;

(B) Outlays, $7,500,000,000.

Fiscal year 1982:

(A) New budget authority, $7,300,000,000;

(B) Outlays, $7,300,000,000.

Fiscal year 1983:

(A) New budget authority, $7,500,000,000;

(B) Outlays, $7,400,000,000.

(17) Interest (900):

Fiscal year 1981:

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

Fiscal year 1982:

(A) New budget authority, $74,000,000,000;

(B) Outlays, $74,000,000,000.

Fiscal year 1983:

(A) New budget authority, $77,700,000,000;

(B) Outlays, $77,700,000,000.

(18) Undistributed Offsetting Receipts (950):

Fiscal year 1981:

(A) New budget authority —$24,700,000,000;

(B) Outlays, —$24,700,000,000.

Fiscal year 1982:

(A) New budget authority, —$27,500,000,000;

(B) Outlays, —$27,500,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,800,000,000;

(B) Outlays, —$29,800,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1980

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of S. Con. Res. 53 is revised as follows:

(1) The recommended level of Federal revenues is $528,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased or increased is $0.

(2) The appropriate level of total new budget authority is $653,700,000,000.

(3) The appropriate level of total budget outlays is $566,400,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $37,500,000,000.

(5) The appropriate level of the public debt is $895,100,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $16,100,000,000.

(b) Section 2 of S. Con. Res. 53 is revised as follows:

(1) National Defense (050):

(A) New budget authority, $143,700,000,000;

(B) Outlays, $134,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,200,000,000;

(B) Outlays, $9,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $37,900,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,200,000,000;

(B) Outlays, $12,900,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,700,000,000;

(B) Outlays, $5,500,000,000.

(8) Transportation (400):

(A) New budget authority, $19,700,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,600,000,000;

(B) Outlays, $9,100,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,300,000,000;

(B) Outlays, $29,900,000,000.

(11) Health (550):

(A) New budget authority, $59,800,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $223,000,000,000;

(B) Outlays, $190,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,500,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,300,000,000;

(B) Outlays, $8,300,000,000.

(17) Interest (900):

(A) New budget authority, $65,500,000,000;

(B) Outlays, $65,500,000,000.

(18) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,300,000,000;

(B) Outlays, —$22,300,000,000.

RECONCILIATION

Pursuant to subsection 310 (c), (e), and (f) of the Congressional Budget Act of 1974, reconciliation measures shall be reported and considered as follows:

SEC. 3. The Committees on Appropriations shall reduce spending in enacted laws by $4,800,000,000 in budget authority and $2,600,000,000 in outlays for fiscal year 1980 and are instructed to report no later than ten days after Congress completes action on this resolution their recommendations for changes in new budget authority for fiscal year 1980 and budget authority initially provided for prior fiscal years contained in enacted laws, within the jurisdictions of those committees, sufficient to accomplish the reductions required by this section.

SEC. 4. The Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. The Committees on Armed Services shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 6. The Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and are instructed to report promptly the recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdiction of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. The Senate Committee on Labor and Human Resources and the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in budget authority and $600,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 8. The Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $200,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 9. The Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,000,000,000 in budget authority and $2,000,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 10. The Committee on Veterans' Affairs shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 11. The Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,700,000,000 in budget authority and $4,100,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 12. The Senate Select Committee on Small Business and the House Committee on Small Business shall reduce spending in fiscal year 1981 in reported or enacted laws, bills, and resolutions by $900,000,000 in budget authority and $700,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdiction of those committees sufficient to accomplish the reductions required by this section.

SEC. 13. The Committees specified in sections 4 to 12 herein shall report the recommendations required by this resolution no later than June 20, 1980, or ten days after Congress completes action on this resolution, whichever later occurs.

SEC. 14. It is the sense of the Congress that the President should direct agencies not to increase the rate of obligation of fiscal year 1980 budget authority in advance of anticipated rescission actions.

It is the further sense of Congress that due to the extreme rates of inflation in the United States economy, the possible inflationary effects of Federal regulations and legislation shall be carefully monitored as part of this program of fiscal restraint. Inflationary effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of Congress that the President should implement a "zero net inflation impact" policy for the Federal regulations promulgated in the remainder of fiscal years 1980 and 1981. This policy will require the President to keep an accounting for fiscal years 1980 and 1981 of all new regulations which have a significant, measurable cost to the economy. The aggregate net increase in costs or price effects of new regulations would have to be offset by modifications to existing regulations which reduce the costs or price effects by at least that amount in fiscal years 1980 and 1981, as well as subsequent fiscal years. The cost-saving modifications need not affect the same area of economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety. It is also the sense of Congress that the Director of the Congressional Budget Office should issue a periodic "inflation scorekeeping" report which shall contain an estimate of the positive or negative inflationary effects, wherever measurable, of legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether:

(1) it is judged to have no significant positive or negative impact on inflation;

(2) it is judged to have a positive or negative inflationary impact on the amount specified in terms of both dollar amounts and change in the Consumer Price Index;

(3) it is judged likely to have a significant positive or negative impact on inflation, but the amount cannot be determined immediately.

CREDIT BUDGET

SEC. 15. There is established a Congressional Federal Credit Budget for fiscal year 1981.

(a) The appropriate levels of total Federal credit activity for fiscal year 1981 are:

(1) New direct loan obligations, $63,900,000,000;

(2) New primary loan guarantee commitments, $77,000,000,000.

(b) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1981 the off-budget lending activity of the Federal Government to a level not to exceed $25,800,000,000; the on-budget lending activity to a level not to exceed $38,100,000,000; and new primary loan guarantee commitments to a level not to exceed $77,000,000,000.

LEGISLATION DEALING WITH CREDIT TO BE SUBJECT TO APPROPRIATION LIMITATIONS

SEC. 16. It shall not be in order in the House or Senate to consider any bill, resolution, or amendment authorizing new direct loans or new loan guarantees unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts. This section shall not apply to agricultural price support and related programs of the type in operation on January 1, 1980, which are funded through the Commodity Credit Corporation.

TAX REDUCTION

SEC. 17. (a) No bill or resolution which would reduce Federal revenues in fiscal year 1981 by more than $100,000,000 shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of the Congressional Budget Act of 1974, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

(b) After Federal revenues for fiscal year 1981 have been reduced by enacted bills and resolutions totalling $100,000,000, no other bill or resolution which would reduce revenues in such fiscal year shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget, such action to be completed not later than August 28, 1980. and on any required reconciliation legislation.

MISCELLANEOUS PROVISIONS

SEC. 18. No bill or resolution providing new budget authority for fiscal year 1981 or providing new spending authority described in section 401(c) (2) (C) of the Congressional Budget Act of 1974 for such fiscal year in excess of the allocation made to or reported by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the second concurrent resolution on the budget for that fiscal year required to be reported under section 310 of the Budget Act, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

SEC. 18A. Section 904(b) of the Congressional Budget Act of 1974 shall be deemed to apply to sections 16, 17, and 18 of this resolution.

HUMPHREY-HAWKINS GOALS

SEC. 19. Pursuant to subsection 301(e) of the Congressional Budget Act of 1974, the target date for the achievement of the employment goal provided for in section 4(b) (1) of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act is 1985.

RESTRICTIONS

SEC. 20. Notwithstanding section 17 of this resolution, a resolution adopted under section 402 of the Crude Oil Windfall Profit Tax of 1980 (26 U.S.C. 1) which has the effect of reducing revenues shall be enrolled.

MOTION OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GIAIMO moves that the House recede from its disagreement to the Senate amendment and to concur therein with an amendment, as follows: In lieu of the matter proposed by the Senate, insert the following:

That the Congress hereby determine and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $613,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased by bills and resolutions to be reported by the appropriate Committees is $4,200,000,000;

(2) the appropriate level of total budget authority is $697,200,000,000;

(3) the appropriate level of total budget outlays is $613,300,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $500,000,000;

(5) the appropriate level of the public debt is $934,400,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $31,200,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $63,900,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a) (2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $171,300,000,000;

(B) Outlays, $153,700,000,000.

(2) International Affairs (150):

(A) New budget authority, $23,600,000,000;

(B) Outlays, $9,500,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,100,000,000.

(4) Energy (270):

(A) New budget authority, $6,600,000.000;

(B) Outlays, $6,800.000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $11,700,000.000;

(B) Outlays. $12.100,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,500,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,100,000,000;

(B) Outlays, $000,000,000.

(8) Transportation (400):

(A) New budget authority, $22,000,000,000;

(B) Outlays, $18,650,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $31,500,000,000;

(B) Outlays, $29,500,000,000.

(11) Health (550):

(A) New budget authority, $71,100,000,000;

(B) Outlays, $61,700,000,000.

(12) Income Security (600):

(A) New budget authority, $249,300,000,000;

(B) Outlays, $219,350,000,000.

(13) Veterans Benefits and Services (700);

(A) New budget authority, $21,700,000,000;

(B) Outlays, $21,200,000,000.

(14) Administration of Justice (750);

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,300,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

(A) New budget authority, $000,000,000;

(18) Allowances (920):

(B) Outlays, $000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$24,700,000,000.

RECONCILIATION

SEC. 3. Pursuant to section 301(b)(2) of the Budget Act:

(a)(1) The House Committee on Armed Services shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $400,000,000 in budget authority and $400,000,000 in outlays;

(2) the House Committee on Education and Labor shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $850,000,000 in budget authority and $850,000,000 in outlays;

(3) the House Committee on Interstate and Foreign Commerce shall recommend (A) program reductions in laws within its jurisdiction to reduce spending for fiscal year 1981 by $100,000,000 in outlays; and (B) changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $200,000,000 in budget authority and $300,000,000 in outlays;

(4) the House Committee on Post Office and Civil Service shall recommend (A) program reductions in laws within its jurisdiction to reduce spending by $500,000,000 in budget authority and $500,000,000 in outlays; and (B) changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $500,000,000 in budget authority and $500,000,000 in outlays;

(5) the House Committee on Public Works and Transportation shall recommend program reductions in laws or in reported bills or resolutions within its jurisdiction to reduce spending for fiscal year 1981 by $600,000,000 in budget authority and $750,000,000 in outlays;

(6) the House Committee on Small Business shall recommend program reductions in laws within its jurisdiction to reduce spending for fiscal year 1981 by $800,000,000 in budget authority and $600,000,000 in outlays;

(7) the House Committee on Veterans Affairs shall recommend program reductions in laws within its jurisdiction or changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $400,000,000 in budget authority and $400,000,000 in outlays;

(8) the House Committee on Ways and Means shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $700,000,000 in budget authority and $2,000,000,000 in outlays; and

(9) the House Committee on Ways and Means shall recommend changes in laws within its jurisdiction to increase revenues for fiscal year 1981 by $4,200,000,000.

(10) the Senate Committee on Appropriations shall limit appropriations for fiscal year 1981 subsidies to the U.S. Postal Service to a level not to exceed $1,140,000,000 in budget authority and $1,140,000,000 in outlays, in order to achieve savings of $500,000,000 in budget authority and $500,000,000 in outlays;

(11) the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $500,000,000 in budget authority and $500,000,000 in outlays;

(12) the Senate Committee on Armed Services shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $400,000,000 in budget authority and $400,000,000 in outlays;

(13) the Senate Committee on Commerce, Science, and Transportation shall recommend program reductions in laws or in reported bills or resolutions within its jurisdiction or changes in laws or in reported bills or resolutions within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $300,000,000 in budget authority and $150,000,000 in outlays;

(14) the Senate Committee on Environment and Public Works shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(A) of the Budget Act to reduce spending for fiscal year 1981 by $300,000,000 in budget authority;

(15) the Senate Committee on Finance shall recommend changes in laws or in reported bills or resolutions within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $900,000,000 in budget authority and $2,200,000,000 in outlays;

(16) the Senate Committee on Finance shall recommend changes in laws within its jurisdiction to increase revenues for fiscal year 1981 by $4,200,000,000;

(17) the Senate Committee on Governmental Affairs shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $500,000,000 in budget authority and $500,000,000 in outlays;

(18) the Senate Committee on Labor and Human Resources shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $350,000,000 in budget authority and $450,000,000 in outlays;

(19) the Senate Committee on Small Business shall recommend changes in laws within its jurisdiction to reduce spending for fiscal year 1981 by $800,000,000 in budget authority and $600,000,000 in outlays; and

(20) the Senate Committee on Veterans' Affairs shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act or equivalent savings legislation to reduce spending for fiscal year 1981 by $200,000,000 in budget authority and $400,000,000 in outlays.

(b) Not later than June 20, 1980, each committee specified in subsection (a) shall submit its recommendations to the Committee on the Budget of its House.

(c) Pursuant to subsection 310(c) of the Budget Act, the Committees on the Budget, after receiving recommendations submitted under subsections (a) and (b) of this section, shall report to their respective Houses a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision. The provisions of subsection 310(e) of the Budget Act shall apply to consideration in the Senate of any reconciliation bill or resolution.

SEC. 4. (a) The House set forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level or Federal revenues is as follows:

Fiscal year 1982: $714,800,000,000;
Fiscal year 1983: $824,100,000,000;

and the amount by which the aggregate levels of Federal revenue should be increased is as follows:

Fiscal year 1982: $200,000,000;
Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $770,000,000,000;
Fiscal year 1983: $869,850,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $688,700,000,000;
Fiscal year 1983: $785,500,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $26,100,000,000;
Fiscal year 1983: $38,600,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $948,000,000,000;
Fiscal year 1983: $949,100,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $193,200,000,000;

(B) Outlays, $173,500,000,000.

Fiscal year 1983:

(A) New budget authority, $216,900,000,000;

(B) Outlays, $195,500,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $15,400,000,000;

(B) Outlays, $9,800,000,000.

Fiscal year 1983:

(A) New budget authority, $15,100,000,000;

(B) Outlays, $10,100,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1983:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,900,000,000.
(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $10,400,000,000.
Fiscal year 1983:
(A) New budget authority, $10,000,000,000.
(B) Outlays, $11,500,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $13,400,000,000;
(B) Outlays, $13,200,000,000.
Fiscal year 1983:
(A) New budget authority, $13,900,000,000;
(B) Outlays, $13,600,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $6,500,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $5,200,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $2,300,000,000.
Fiscal year 1983:
(A) New budget authority, $5,700,000,000;
(B) Outlays, $2,300,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $21,500,000,000;
(B) Outlays, $19,800,000,000.
Fiscal year 1983:
(A) New budget authority, $23,000,000,000;
(B) Outlays, $21,200,000,000.
(9) Community and Regional Development (450):
Fiscal year 1982:
(A) New budget authority, $8,000,000,000;
(B) Outlays, $8,900,000,000.
Fiscal year 1983:
(A) New budget authority, $9,100,000,000;
(B) Outlays, $9,000,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $35,300,000,000;
(B) Outlays, $32,100,000,000.
Fiscal year 1983:
(A) New budget authority, $39,800,000,000;
(B) Outlays, $38,100,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $82,800,000,000;
(B) Outlays, $70,600,000,000.
Fiscal year 1983:
(A) New budget authority, $118,350,000,000;
(B) Outlays, $103,700,000,000.
(12) Income Security (600):
Fiscal year 1982:
(A) New budget authority, $284,500,000,000;
(B) Outlays, $250,000,000,000.
Fiscal year 1983:
(A) New budget authority, $313,600,000,000;
(B) Outlays, $276,000,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, $23,400,000,000;
(B) Outlays, $22,800,000,000.
Fiscal year 1983:
(A) New budget authority, $25,000,000,000;
(B) Outlays, $24,400,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,700,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, $5,000,000,000;
(B) Outlays, $4,700,000,000.
Fiscal year 1983:
(A) New budget authority, $4,900,000,000;
(B) Outlays, $4,800,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,400,000,000.
Fiscal year 1983:
(A) New budget authority, $6,500,000,000;
(B) Outlays, $6,500,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $74,000,000,000;
(B) Outlays, $74,000,000,000.
Fiscal year 1983:
(A) New budget authority, $77,700,000,000;
(B) Outlays, $77,700,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $2,000,000,000;
(B) Outlays, $2,000,000,000.
Fiscal year 1983:
(A) New budget authority $4,100,000,000;
(B) Outlays, $4,100,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, —$27,500,000,000;
(B) Outlays, —$27,500,000,000.
Fiscal year 1983:
(A) New budget authority, —$29,800,000,000;
(B) Outlays, —$29,800,000,000.

SEC. 5. (a) The Senate sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:
Fiscal year 1982: $701,400,000,000;
Fiscal year 1983: $783,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:
Fiscal year 1982: —$5,200,000,000;
Fiscal year 1983: —$27,500,000,000;

(2) the appropriate level of total new budget authority is as follows:
Fiscal year 1982; $775,000,000,000;
Fiscal year 1983: $851,600,000,000;

(3) the appropriate level of total budget outlays is as follows:
Fiscal year 1982: $695,600,000,000;
Fiscal year 1983: $765,500,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:
Fiscal year 1982: +$5,800,000,000;
Fiscal year 1983: +$17,500,000,000;

(5) the appropriate level of the public debt is as follows:
Fiscal year 1982: $965,600,000,000;
Fiscal year 1983: $991,100,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:
Fiscal year 1982: $31,200,000,000;
Fiscal year 1983: $25,500,000,000;

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $204,600,000,000;
(B) Outlays, $183,200,000,000.
Fiscal year 1983:
(A) New budget authority, $234,000,000,000;
(B) Outlays, $208,700,000,000.
(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $15,400,000,000;
(B) Outlays, $9,800,000,000.
Fiscal year 1983:
(A) New budget authority, $15,100,000,000;
(B) Outlays, $10,100,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1982:
New budget authority, $6,900,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1983:
(A) New budget authority, $7,100,000,00;
(B) Outlays, $7,000,000,00.
(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $7,500,000,000;
(B) Outlays, $10,100,000,000.
Fiscal year 1983:
(A) New budget authority, $9,500,000,000;
(B) Outlays, $11,100,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $12,400,000,000;
(B) Outlays, $12,900,000,000.
Fiscal year 1983:
(A) New budget authority, $12,700,000,000;
(B) Outlays, $13,200,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $5,200,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $2,700,000,000.
Fiscal year 1983:
(A) New budget authority, $6,300,000,000;
(B) Outlays, $2,900,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $21,500,000,000;
(B) Outlays, $20,300,000,000.
Fiscal year 1983:
(A) New budget authority, $22,200,000,000;
(B) Outlays, $21,600,000,000.
(9) Community and Regional Development (450):
Fiscal year 1982:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $8,800,000,000.
Fiscal year 1983:
(A) New budget authority, $8,700,000,000;
(B) Outlays, $8,800,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $33,400,000,000;
(B) Outlays, $31,700,000,000.
Fiscal year 1983:
(A) New budget authority, $34,900,000,000;
(B) Outlays, $33,700,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $82,800,000,000;
(B) Outlays, $70,600,000,000.
Fiscal year 1983:
(A) New budget authority, $94,300,000,000;
(B) Outlays, $79,600,000,000.
(12) Income Security (600):
Fiscal year 1982:
(A) New budget authority, $284,200,000,000;
(B) Outlays, $249,400,000,000.

Fiscal year 1983:
(A) New budget authority, $313,400,000,000;
(B) Outlays, $275,400,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, $23,200,000,000;
(B) Outlays, $22,700,000,000.
Fiscal year 1983:
(A) New budget authority, $24,800,000,000;
(B) Outlays, $24,200,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,700,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, $4,800,000,000;
(B) Outlays, $4,700,000,000.
Fiscal year 1983:
(A) New budget authority, $5,100,000,000;
(B) Outlays, $4,900,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,400,000,000.
Fiscal year 1983:
(A) New budget authority, $6,500,000,000;
(B) Outlay, $6,500,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $74,000,000,000;
(B) Outlays, $74,000,000,000.
Fiscal year 1983:
(A) New budget authority, $77,700,000,000;
(B) Outlays, $77,700,000,000.
(18) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, —$27,500,000,000;
(B) Outlays, —$27,500,000,000.
Fiscal year 1983:
(A) New budget authority, —$29,800,000,000;
(B) Outlays, —$29,800,000,000.

SEC. 6. Sections 1 and 2 of Senate Concurrent Resolution 53 are revised to read as follows:

SECTION 1. That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level to Federal revenues is $525,700,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $000,000,000;

(2) the appropriate level of total new budget authority is $657,450,000,000;

(3) the appropriate level of total budget outlays is $572,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $46,550,000,000;

(5) the appropriate level of the public debt is $903,200,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $24,200,000,000; and

(6) Notwithstanding any other figure in this section, for purposes of clause 2, rule XLIX of the rules of the House of Representatives, as made applicable to this section by House Resolution 642, 96th Congress, the appropriate level of the public debt, for the period beginning on May 31, 1980, through February 28, 1981, is $905,000,000,000, and the amount by which the statutory limit on such debt for such period should accordingly be increased is $26,000,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310 (a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979 the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $143,700,000,000;
(B) Outlays, $135,700,000,000.
(2) International Affairs (150):
(A) New budget authority, $15,200,000,000;
(B) Outlays, $10,500,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $5,900,000,000.
(4) Energy (270):
(A) New budget authority, $38,400,000,000;
(B) Outlays, $6,400,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,300,000,000;
(B) Outlays, $13,200,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,000,000,000;
(B) Outlays, $5,900,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $11,700,000,000;
(B) Outlays, $6,100,000,000.
(8) Transportation (400):
(A) New budget authority, $20,200,000,000;
(B) Outlays, $20,100,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $9,200,000,000;
(B) Outlays, $9,700,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $29,600,000,000;
(B) Outlays, $29,900,000,000.
(11) Health (550):
(A) New budget authority, $59,800,000,000;
(B) Outlays, $56,500,000,000.
(12) Income Security (600):
(A) New budget authority, $224,800,000,000;
(B) Outlays, $191,700,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,200,000,000;
(B) Outlays, $20,500,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,400,000,000.
(15) General Government (800):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,550,000,000;
(B) Outlays, $8,550,000,000.
(17) Interest (900):
(A) New budget authority, $65,100,000,000;
(B) Outlays, $65,100,000,000.
(18) Allowances (920):
(A) New budget authority, $000,000,000;
(B) Outlays, $000,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$22,300,000,000;
(B) Outlays, —$22,300,000,000."

RECONCILIATION

SEC. 7. Pursuant to section 310 of the Budget Act: (a) Not later than June 16, 1980, the House Committee on Appropriations shall report legislation reducing spending for fiscal year 1980 contained in laws or in reported bills or resolutions within its jurisdiction by $3.000.000,000 in budget authority and $1,000,000,000 in outlays; and

(b) Not later than June 16, 1980, the Senate Committee on Appropriations shall report legislation reducing spending for fiscal year 1980 contained in laws within its jurisdiction by $3.000.000.000 in budget authority and $1,000,000,000 in outlays.

GENERAL PROVISIONS

SEC. 8. (a) No bill or resolution providing—

(1) new budget authority for fiscal year 1981, or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1981—

which exceeds the appropriate allocation or subdivision made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act, and on any reconciliation legislation required by such resolution. Action on such resolution should be completed not later than August 28, 1980.

(b) Subsection (a) shall not apply to bills and resolutions for which a conference report has been filed in either House prior to final adoption by both Houses of this resolution.

SEC. 9. (a) No bill or resolution which would reduce Federal revenues in fiscal year 1981 by more than $100,000,000 shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of the Budget Act, and on any reconciliation language required by such resolution. Action on such resolution should be completed not later than August 28, 1980.

(b) After Federal revenues for fiscal year 1981 have been reduced by enacted bills and resolutions totaling $100,000,000, no other bill or resolution which would reduce revenues in such fiscal year shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget, and on any reconciliation legislation required by such resolution. Action on such resolution should be completed not later than August 28, 1980.

(c) Notwithstanding subsection (a) of this section, a resolution adopted under section 402 of the Crude Oil Windfall Profit Tax of 1980 (26 U.S.C. 1) which has the effect of reducing revenues shall be enrolled.

SEC. 10. There is established a Congressional Federal Credit Budget for fiscal year 1981.

(a) The appropriate levels of total Federal credit activity for fiscal year 1981 are:

(1) New direct loan obligations, $63.900,000,000;

(2) New primary loan guarantee, commitments, $79.600.000,000.

(b) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1981 the off-budget lending activity of the Federal Government to a level not to exceed $25.800.000,000; the on-budget lending activity to a level not to exceed $38,100.000,000; and new primary loan guarantee commitments to a level not to exceed $79,600,000,000.

SEC. 11. It is the sense of the Senate that due to the extreme rate of inflation in the U.S. economy, the possible inflationary effects of Federal regulations and legislation shall be carefully monitored as part of this program of fiscal restraint. Inflationary effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of the Senate that the President should implement a "zero net inflation impact" policy for the Federal regulations promulgated in the remainder of fiscal year 1980 and fiscal year 1981. This policy will require the President to keep an accounting for fiscal years 1980 and 1981 of all new regulations which have a significant, measurable cost to the economy. The aggregate net increase in costs or price effects of new regulations would have to be offset by modifications to existing regulations which reduce the costs or price effects by at least that amount in fiscal years 1980 and 1981, as well as subsequent fiscal years. The cost-saving modifications need not affect the same area of economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety .

It is also the sense of the Senate that the Director of the Congressional Budget Office should issue a periodic "inflation scorekeeping" report which shall contain an estimate of the positive or negative inflationary effects, wherever measurable, of legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether:

1. It is judged to have no significant positive or negative impact on inflation;

2. It is judged to have a positive or negative inflationary impact on the amount specified in terms of both dollar amounts and change in the consumer price index;

3. It is judged likely to have a significant positive or negative impact on inflation, but the amount cannot be determined immediately.

SEC. 12. Congress calls upon the President to review current inflation measures used for indexing Federal programs, as well as other indexing alternatives, to report to Congress by November 30, 1980, those conclusions and recommendations resulting from this review, and to reflect those conclusions in the President's budget and legislative proposals for fiscal year 1982.

SEC. 13. It is the sense of the Congress that the President should direct agencies not to increase the rate of obligation of fiscal year 1980 budget authority in advance of anticipated rescission actions.

Mr. GIAIMO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER. The gentleman from Connecticut (Mr. GIAIMO) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. LATTA) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent for 2 hours of debate on my motion.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. FRENZEL. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. GIAIMO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of, and to urge the adoption of, the conference agreement on the first concurrent budget resolution for fiscal year 1981.

This is a budget in balance with a surplus of $500 million. The balance has been achieved almost entirely by spending restraint. Moreover, it provides the flexibility for a tax cut during 1981.

The conference substitute provides the following aggregates:

[In billions]

Revenues	$613.8
Budget authority	697.2
Outlays	613.3
Surplus	0.5

In many areas on which Members of the House put great importance such as energy, transportation, education and training, and income security the conference substitute comes close to the House-passed resolution, especially in critical budget authority numbers, which protect the future of many programs. In addition, the House has prevailed in its insistence that the State share of revenue sharing be ended.

Members of this body are well aware that the conference substitute provides substantial increases in both budget authority and outlays for national defense over figures adopted by the House. In my judgment, subsequent increases are warranted. Since the House adopted its $160.8 billion in budget authority and $147.9 billion in outlays, the President submitted a revised request for this function calling for $164.5 billion in budget authority and $150.5 billion in outlays. Even this revised request is due for further substantial upward reestimate shortly.

The conferees are prepared to go beyond the President's latest request in order to provide room for higher pay for the armed services and in order to finance the additional benefits when the Congress adopts the so-called Nunn-Warner amendment. There also is a growing realization of needs for more spending to increase the readiness of our defense establishment needs to improve its rate of modernization by increasing procurement levels in fiscal year 1981.

Just as important to Members of the House are decisions made on various social programs. Funding of most programs has been maintained either at the 1980 levels or higher.

The House prevailed in protecting CETA title VI against extinction. The House prevailed in protecting the food stamp program. The House prevailed in its insistence that the President's youth-education initiative be instituted in fiscal year 1981. The House prevailed in its advocacy of an increase in subsidized housing. The House prevailed in its opposition to legislation reducing social security benefits.

Let me remind Members of some other facts of life that must be taken into account as they consider this conference substitute.

First, this is the first budget resolution for fisal year 1981. While it contains many disciplines such as reconciliation, it is, nevertheless, a target for spending and revenues. A great deal of fine-tuning is possible within the targets of this resolution.

Second, an integral part of this resolution is a revision of the second concurrent budget for fiscal year 1980—the current year. Due to changes in the economy, the natural disasters and other unanticipated changes, additional spending must be provided for. While we have passed an emergency appropriation to cover a shortfall in food stamp money, there remain such important measures as funding for black lung benefits, disaster relief, refugee assistance, and military preparedness. Supplemental appropriations for these vital programs must be brought forward at once. Yet, they should not be brought forward until the ceiling on expenditures is raised in accordance with the Budget Act. And that awaits final action on this budget resolution.

Third, reconciliation must be achieved in the coming few days if there is to be any hope of balancing the budget for fiscal year 1981. This difficult work has already begun in the eight committees of this House which are being asked to change basic spending legislation to achieve savings without which a balanced budget is impossible.

Even with this determination and speed, the task of putting reconciliation in place will be long and arduous. Even with reconciliation completed by committees by June 20, it is likely to be near the end of July before final action is taken by the Congress on reconciliation.

By that time, we will have begun the work on the second concurrent budget resolution for fiscal year 1981.

Finally, I see nothing to be gained by sending us back to conference. We met for long hours. We worked with great diligence. We argued our positions with great zeal. We effected a compromise for which I apologize to no one.

Therefore, Mr. Speaker, and my colleagues, I tell you honestly that this substitute represents the best compromise that could have come from the conference. I remind you again that time is working against us. There is an urgent and immediate need to proceed with supplemental appropriations for the current fiscal year. And there is an urgent need to put a first budget resolution for fiscal year 1981 in place so that the Congress can get on with its business.

There are many Members of the House who feel for one reason or another that certain functions are given too much or too little in the conference substitute. I do not question their sincerity. But I would say to all of them that I do not agree with every single dollar allocation. There is, in fact, no set of budget numbers that can be laid before this body that would please everyone.

In recent days we have seen various interest groups castigating the conference decisions. I need not detail who these interest groups are because you know them. They have pressured you. They have called you and wired you.

There is no set of numbers that would please some of these interest groups. They would like to kill the budget process. They do not wish us to succeed in balancing this budget because it imposes discipline upon them and their constituencies.

What are the consequences if we cannot agree to a first budget resolution?

We delay the business of the Congress. We harm necessary programs and we cause potential pain and harm to innocent people who await action on supplementals. Or, if we do as some would suggest and we allow supplementals to come to the floor under waivers of the Budget Act, we do possible irreparable harm to the act itself.

More importantly, we tell the American people that we are unwilling to do the necessary to put our fiscal house in order and to discipline ourselves because the pressures are too great upon us to please certain interest groups. Those of you who will be asking your constituents to reelect you should weigh heavily the consequences of this conference substitute and the results flowing from that rejection. How will you respond to questions from your constituents and your opponents?

I believe in the budget process. I believe it is a necessary mechanism through which Congress disciplines itself, sets priorities and speaks out on fiscal policy. It is independent of the executive. It offers us hope and promise for the future. Within the context of this process, the budget can be kept in balance in the future—barring severe economic or other emergency problems. Without it, the Congress faces chaos and no semblance of spending discipline.

The enemies of the budget process want this conference substitute to be rejected. They want the process to fail. They eagerly await the end of the discipline and the return of spending as usual.

I strongly urge the adoption of my motion.

EXPLANATION OF CONFERENCE AGREEMENT—FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1981 AND REVISED BUDGET LEVELS FOR FISCAL YEAR 1980

FISCAL YEAR 1981

Assumptions for revenues

The Conference agreement assumes $4.2 billion of additional revenues from legislation, net of $0.1 billion of flexibility for tariff and minor tax reductions.

While the House Report made specific revenue raising recommendations to the tax writing committees the conferees declined to be specific as to how the revenues should be raised, leaving it to the discretion of the tax writing committees to raise this amount by a variety of means which would not necessarily require levying new taxes.

The Conference revenue number further assumes $3.0 billion achievable by administrative action or by action incidental to legislation enacted primarily for other purposes. Within this amount $2.6 billion is assumed for administrative cash management changes under existing law, $0.3 billion for increased revenues from a proposed increase in outlays to hire additional IRS auditors, and $0.1 billion for an oil and hazardous substances cleanup fee.

A tax cut for Fiscal Year 1981 continues to be conditioned on the availability of a surplus.

While the conferees took no position on the merits of the President's oil import fee, and the agreed revenue figure does not assume it, the Conference agreement makes it clear that should such a fee be retained the proceeds from it shall be earmarked for a tax cut.

FUNCTIONAL CATEGORIES—FISCAL YEAR 1981

FUNCTION 050: NATIONAL DEFENSE

[In billions of dollars]

	BA	O
Home resolution	160.8	147.9
Senate resolution	173.4	155.7
Conference agreement	171.3	153.7
Conference over (+) under (−) House	+10.5	+5.8

The House resolution provided $160.8 billion in budget authority and $147.9 billion in outlays.

The Senate resolution provided $173.4 billion in budget authority and $155.7 billion in outlays.

The conference substitute provides for $171.3 billion in budget authority and $153.7 billion in outlays for the National Defense function. The differences between the House and Senate levels result from the Senate assumption of an 11.7 percent pay raise for military personnel as compared to the House assumption of 7.4 percent and different assumptions about the amounts to be provided for increased readiness and more rapid modernization.

The conference agreement provides $10.5 billion more in budget authority and $5.8 billion more in outlays than the House-passed resolution. This increase is sufficiently large to accommodate an 11.7 percent pay raise for military personnel; however, the conferees did not assume a specific amount for a military pay raise.

Depending upon the military pay raise, the amounts of real growth provided by the conference agreement are estimated to be 8.5 to 9.3 percent in budget authority and 3.1 to 3.8 percent in outlays.

FUNCTION 150: INTERNATIONAL AFFAIRS

[In billions of dollars]

	BA	O
House resolution	24.0	9.6
Senate resolution	23.3	9.5
Conference agreement	23.6	9.5
Conference over (+) under (−) House	−.4	−.1

The House resolution provided $24.0 billion in budget authority and $9.6 billion in outlays.

The Senate resolution provided $23.3 billion in budget authority and $9.5 billion in outlays.

The conference substitute provides $23.6 billion in budget authority and $9.5 billion in outlays which is a decrease of $0.4 billion in budget authority and a decrease of $0.1 billion in outlays from the House resolution. The levels provided assume full funding for United States participation in the seventh quota increase of the International Monetary Fund and assume that foreign assistance programs will be funded at about the fiscal year 1980 levels.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In billions of dollars]

	BA	O
House resolution	6.7	6.3
Senate resolution	6.4	6.1
Conference agreement	6.5	6.1
Conference over (+) under (−) House	−.2	−.2

The House Resolution provided budget authority of $6.7 billion and outlays of $6.3 billion.

The Senate Resolution provided budget authority of $6.4 billion and outlays of $6.1 billion.

The conference substitute provides $6.5 billion in budget authority and $6.1 billion in outlays. The conference substitute assumes that sufficient funding will be provided to maintain the current space shuttle development and production schedule.

FUNCTION 270: ENERGY

[In billions of dollars]

	BA	O
House resolution	7.5	7.1
Senate resolution	3.8	6.8
Conference agreement	6.6	6.8
Conference over (+) under (−) House	−.9	−.3

The House Resolution provided budget authority of $7.5 billion and outlays of $7.1 billion.

The Senate Resolution provided budget authority of $3.8 billion and outlays of $6.8 billion.

The conference substitute provides $6.6 million in budget authority and outlays of $6.8 billion. These amounts are basically consistent with the policy assumptions in the House Resolution with the following exceptions. First, the House managers assume a reappropriation of $2.0 billion in budget authority for the Strategic Petroleum Reserve Program and outlays of $0.4 billion, as opposed to $2.4 billion in budget authority and $0.5 billion in outlays in the House Resolution. Second, the House managers assume the Senate Resolution assumption that the Solar Conservation Bank will be funded out of funds in the Solar Conservation Reserve established by Public Law 96–126. Third, the House managers assume that funding for all other energy programs will be reduced by $50 million in budget authority and $100 million in outlays from the levels assumed in the House Resolution.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

[In billions of dollars]

	BA	O
House resolution	12.0	12.4
Senate resolution	11.5	11.9
Conference agreement	11.7	12.1
Conference over (+) under (−) House	−.3	−.3

The House Resolution provided budget authority of $12.0 billion and outlays of $12.4 billion.

The Senate Resolution provided budget authority of $11.5 billion and outlays of $11.9 billion.

The conference substitute provides $11.7 billion in budget authority and $12.1 billion in outlays. The level of budget authority and outlays provided in the conference substitute represents a compromise of a little over one-half the difference between the House and Senate Resolutions.

FUNCTION 350: AGRICULTURE

[In billions of dollars]

	BA	O
House resolution	5.4	2.3
Senate resolution	5.6	2.3
Conference agreement	5.5	2.3
Conference over (+) under (−) House	+.1	

The House Resolution provided budget authority of $5.4 billion and outlays of $2.3 billion.

The Senate Resolution provided budget authority of $5.6 billion and outlays of $2.3 billion.

The conference substitute provides $5.5 in outlays.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

[In billions of dollars]

	BA	O
House resolution	5.1	−0.1
Senate resolution	5.4	.5
Conference agreement	5.1	0
Conference over (+) under (−) House		+.1

The House Resolution provided $5.1 billion in budget authority and −$0.1 billion in outlays (or net receipts of $0.1 billion).

The Senate Resolution provided $5.4 billion in budget authority and $0.5 billion in outlays.

The conference substitute provides $5.1 billion in budget authority and $0.0 billion net outlays. This is $0.1 billion in outlays above the House Resolution. The agreement assumes a reduction of $500 million in budget authority and outlays in the Federal payment to the Postal Service.

FUNCTION 400: TRANSPORTATION

[In billions of dollars]

	BA	O
House resolution	22.8	19.5
Senate resolution	19.75	18.05
Conference agreement	22.0	18.65
Conference over (+) under (−) House	−.8	−.85

The House Resolution provided $22.8 billion in budget authority and $19.5 billion in outlays.

The Senate Resolution provided $19.75 billion in budget authority and $18.05 billion in outlays.

The conference substitute provides $22.0 billion in budget authority and $18.65 billion in outlays. This is $0.8 billion in budget authority and $0.85 billion in outlays below the House-passed resolution.

The conference substitute assumes legislative savings as $0.3 billion in budget authority and $0.7 billion in outlays in Federal highway programs. The substitute assumes savings of $0.1 billion in outlays associated with AMTRAK capital funding. The substitute also assumes savings of $0.3 billion in budget authority and $0.05 billion in outlays for air trust funded programs. These legislative savings are all included in the conference reconciliation directions.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

[In billions of dollars]

	BA	O
House resolution	9.0	9.4
Senate resolution	8.8	9.2
Conference agreement	8.8	9.2
Conference over (+) under (−) House	−.2	−.2

The House Resolution provided $9.0 billion in budget authority and $9.4 billion in outlays.

The Senate Resolution provided $8.8 billion in budgt authority and $9.2 billion in outlays.

The conference substitute provides $8.8 billion in budget authority and $9.2 billion in outlays. This is $0.2 billion in budget authority below the House-passed Resolution and $0.2 billion in outlays below the House-passed Resolution.

The conference agreement assumes legislative savings of $0.8 billion in budget authority and $0.6 billion in outlays related to the enactment of pending Small Business Administration disaster reform legislation (S. 918).

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

[In billions of dollars]

	BA	O
House resolution	33.3	30.7
Senate resolution	28.9	28.0
Conference agreement	31.5	29.5
Conference over (+) under (−) House	−1.8	−1.2

The House resolution provided budget authority of $33.3 billion and outlays of $30.7 billion.

The Senate resolution provided budget authority of $28.9 billion and outlays of $28.0 billion.

The conference substitute provides budget authority of $31.5 billion and outlays of $29.5 billion.

Education

The conference substitute provides budget authority of $15.2 billion and $14.0 billion for ongoing education programs, including elementary and secondary school programs, institutional assistance, higher education student grant and loan programs, and general education aids and research activities. These totals represent a reduction of $0.3 billion in budget authority and $0.4 billion in outlays from the amounts in the House-passed resolution.

The conference substitute assumes totals of $8.3 billion in budget authority and $7.4 billion in outlays for elementary secondary and vocational education programs and represents an addition of $0.4 billion in budget authority above the conference agreement for 1980, and will provide selective program increases to be made at the discretion of the Appropriations Committee. The totals provided represent reductions of $0.1 billion in budget authority and $0.2 billion in outlays from the House resolution.

Further, the conference substitute provides budget authority of $5.4 billion and outlays of $5.2 billion for all higher education programs and represents reductions of $0.2 billion in budget authority and in outlays from the House resolution. The conference agreement maintains Basic Educational Opportunity Grants at current law which assumes funding of maximum grants at $1,800, a $50 per student increase above the 1980 conference agreement. The conference agreement also assumes that the existing student loan programs will be restructured. Reconciliation instructions in the conference substitute assumes savings of $350 million in budget authority and in outlays will result from changes in the guaranteed student loan program. The conference substitute also provides budget authority of $1.5 billion and outlays of $1.4 for general education aids, cultural arts and research activities.

Youth education-employment initiative

For the Youth Education-Employment Initiative, the conference substitute assumes that: (1) the current level of services provided to youth under the Youth Employment and Demonstration Projects Act (YEDPA) will be maintained throughout fiscal year 1981 and (2) at least $600 million will be appropriated to forward-fund the President's Youth Education-Employment Initiative consistent with H.R. 6711, the Youth Act of 1980, as reported by the House Education and Labor Committee. H.R. 6711 as reported is consistent with the President's proposal to help alleviate the staggering levels of unemployment among the nation's economically disadvantaged youth.

Employment and training programs

The conference substitute provides $10.5 billion in budget authority and $10.3 billion in outlays for training, employment, and other labor services programs. This is a reduction of $0.6 billion in budget authority and $0.5 billion in outlays from the House-passed resolution.

The House resolution had assumed 400,000 jobs at the end of fiscal year 1981 while the Senate resolution assumed 250,000 jobs. The conference substitute provides sufficient funding for 350,000 average and year-end public services employment (PSE) jobs under the Comprehensive Employment and Training Act (CETA). These job levels are the same as the estimate of the total number of persons assumed in the conference agreement for fiscal year 1980 to be enrolled at the end of that year. The conference compromise provides that overall the CETA PSE jobs level will remain constant from the end of fiscal year 1980 throughout fiscal year 1981.

For other training and employment programs, the conference agreement assumes the revised budget request submitted by the President in March which would provide (1) one million summer jobs for economically disadvantaged youth, (2) approximately 2.4 million persons served in other CETA training programs, and (3) in non-CETA training and employment programs, the levels assumed in the House resolution.

Social services programs

The conference agreement provides $5.8 billion in budget authority and $5.7 billion in outlays for social services programs. These totals represent a reduction of $0.1 billion in budget authority and outlays below the House-passed resolution.

The conference agreement for social services programs provides funding for the conference agreement on H.R. 3434, the Adoption Assistance and Child Welfare Act of 1980. Further, the conference agreement assumes reductions of $0.1 billion in budget authority and outlays for the other discretionary social services programs below the House resolution.

Administrative overhead reductions

The Senate resolution assumed reductions of $0.5 billion in budget authority and outlays in administrative overhead. The House resolution assumed general administrative reductions in Function 920: Allowances. The conference agreement assumes that administrative reductions of $0.1 billion in budget authority and outlays will be applied against education program administration and $0.1 billion in budget authority and outlays against labor and social services program administration.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

[In billions of dollars]

	House-passed		Conference agreement		Differences conference over (+) under (−) House	
	BA	O	BA	O	BA	O
Education	15.5	14.4	15.2	14.0	−0.3	−0.4
Youth initiative	1.2		.6		−.6	
Training and employment	11.1	10.8	10.5	10.3	−.6	−.5
Social services	5.9	5.8	5.8	5.7	−.1	−.1
Undistributed reductions	−.4	−.3	−.4	−.3		
Administrative overhead reductions			−.2	−.2	−.2	−.2
Total	33.3	30.7	31.5	29.5	−1.8	−1.2

FUNCTION 550: HEALTH

[In billions of dollars]

	BA	O
House resolution	71.5	61.8
Senate resolution	70.7	61.7
Conference agreement	71.1	61.7
Conference over (+) under (−) House	−.4	−.1

The House Resolution provided budget authority of $71.5 billion and outlays of $61.8 billion.

The Senate Resolution provided budget authority of $70.7 billion and outlays of $61.7 billion.

The conference substitute provides $71.1 billion in budget authority and $61.7 billion in outlays.

Medicare

The conference substitute provides $45.7 billion in budget authority and $37.6 in outlays for the Medicare program. These totals include $1.2 billion in savings that will result from legislative reforms in the Medicare program. The savings are subject to the reconciliation directives in the conference report. A number of different proposals related to hospitals and other health areas are available to the Ways and Means Committee to achieve the savings goal.

The conference substitute also provides $37 million to initiate Medicare program improvements. A number of proposals which would cost considerably more than this allowance already have been considered by the authorizing committee. The conference agreement assumes that necessary adjustments will be made to assure that program improvements reported by the authorizing committees are within the $37 million provided.

Medicaid and discretionary health programs

The conference substitute includes $25.4 billion in budget authority and $24.1 billion in outlays for medicaid and the discretionary health programs. The totals include $15.9 billion in budget authority and $15.3 billion in outlays for Medicaid. The allowance assumes implementation of the Child Health Assurance Program (CHAP) late in fiscal year 1981. It also provides $59 million for other Medicaid program improvements. A number of proposals which would cost considerably more than this allowance already have been considered by the authorizing committee. The conference agreement assumes that necessary adjustments will be made to assure that program improvements reported by the authorizing committee are within the total allowed. The conference substitute also assumes savings of $200 million in budget authority and outlays to be achieved through legislative reforms. These amounts are subject to reconciliation and will be included in the total reconciliation directive to the Interstate and Foreign Commerce Committee.

The conference substitute also includes $9.550 billion in budget authority and $8.8 billion in outlays for health programs other than medicaid and medicare. These totals are $50 million under the budget authority and $200 million under the outlays requested by the President in his revised budget, and will allow the aggregate funding for discretionary health programs to be maintained at the fiscal year 1980 level agreed to by the conferees. However, the funding levels for individual health programs may differ over the two years depending upon the distribution made by the Appropriations Committee.

FUNCTION 550: HEALTH—COMPARISON OF HOUSE RESOLUTION AND CONFERENCE AGREEMENT, FISCAL YEAR 1981

	House-passed First Budget Resolution		Conference substitute		Conference difference over (+) under (−) House	
	BA	0	BA	0	BA	0
Medicare—Current law	45,676	38,429	45,676	38,809		+380
Legislative savings (reconciliation)	−17	−1,100		−1,200	+17	−100
Benefit improvements		37		37		
Subtotal, medicare	45,659	37,365	45,676	37,646	+17	+280
Medicaid—Current law	16,017	15,403	16,017	15,403		
Legislative savings (reconciliation)	−198	−198	−198	−198		
CHAP and other benefit improvements	99	99	99	99		
Subtotal, medicaid	15,918	15,304	15,918	15,304		
Discretionary health programs	9,973	9,200	9,550	8,800	−423	−400
Rounding	−50	−70	−44	−50	+6	+20
Total	71,500	61,800	71,100	61,700	−400	−100

FUNCTION 600: INCOME SECURITY

[In billions of dollars]

	BA	0
House resolution	252.1	220.1
Senate resolution	245.2	218.2
Conference agreement	249.3	219.350
Conference over (+) under (−) House	−2.8	−.750

The House Resolution provided $252.1 billion in budget authority and $220.1 billion in outlays.

The Senate Resolution provided $245.2 billion in budget authority and $218.2 billion in outlays.

The Conference agreement provides $249.3 billion in budget authority and $219.350 billion in outlays, a reduction of $2.8 billion in budget authority and $750 million in outlays from the House Resolution. The major changes include:

A reduction of $2 billion in budget authority for subsidized housing below the President's request of $32.2 billion for Section 8 and public housing. This reduction still allows $3.6 billion more for these activities than the Fiscal Year 1980 appropriation of $26.6 billion. While the number of assisted units could decline by about 20,000 from the CBO estimate of 283,000 units which could be obtained with the President's request, the conference agreement will still allow a substantial increase over the current estimate of 240,000 units for Fiscal Year 1980. The Senate had proposed a budget authority reduction of $4.9 billion from the President's request, which would have allowed only 236,000 units—a level below the current estimate for Fiscal Year 1980.

No additional savings in social security beyond the $70 million outlay savings achieved through the conference agreement on Social Security Disability Amendments of 1980 (H.R. 3236) which the House approved on May 22, 1980. The Senate had assumed an additional $500 million in unspecified benefit reductions.

Savings of $560 million in budget authority and outlays in the Food Stamp program. This level, which is $40 million above the savings assumed in the House Resolution, reflects the savings achieved by the Congress in the Food Stamp Act Amendments of 1980 (S. 1309). Because these savings have been achieved, no reconciliation will be required. The Senate receded on the additional savings of $800 million which had been proposed through reducing food stamp benefits when members of the household received free or reduced price meals through the School Breakfast or Lunch programs and reducing food stamp benefits when a household also receives benefits from the Low-Income Energy Assistance program.

Funding for the Low-Income Energy Assistance program at the Fiscal Year 1980 appropriation of $1.6 billion in budget authority and outlays. These totals represent a reduction of $600 million below the level assumed in the House resolution.

An outlay reduction of $300 million in the Income Security function from savings in administrative costs. The Senate had assumed a reduction in the Income Security function of $600 million in budget authority and outlays for this purpose.

As a result of a number of minor estimating and other adjustments, the House would reduce budget authority by $100 million and increase outlays by $250 million. These adjustments include:

[In millions of dollars]

	BA	0
Higher funding for refugee assistance	+110	+110
Reduction in the estimate for the special supplemental food (WIC) program to reflect the President's revised request	−46	−43
Lower potential net public assistance and unemployment compensation savings to accommodate the cost in this function of the conference agreement on the Adoption Assistance and Child Welfare Act of 1980 (H.R. 3434)	+100	+100
Acceptance by the House of the Senate schedule for implementation of annual cost-of-living increases for retired Federal employees	−506	+74
Acceptance by the House of the Senate current policy estimates for public housing operating costs	−98	−137
Acceptance by the House of a higher current policy estimate for food stamps	+252	
Other minor changes (net)	+88	+146
Total	−100	+250

In total, the conference agreement provides $249.3 billion in budget authority and $219.350 billion in outlays.

Reconciliation. The reconciliation assumptions in the conference agreement are generally consistent with the House assumptions. The conference agreement assumes the following:

[In millions of dollars]

	BA	0
Committee on Ways and Means: These savings could come from the outlay savings already achieved in the Social Security Disability Amendments of 1980 plus additional gross savings of $700,000,000 in budget authority and outlays in public assistance and unemployment compensation	−700	−800
Interstate and Foreign Commerce Committee: These savings could come from the benefit reforms to the railroad retirement program proposed by the administration		−100
Post Office and Civil Service Committee: These savings could come from providing retired Federal employees annual cost-of-living increases rather than the semiannual increases which are granted under current law	−500	−500
Education and Labor Committee: These savings could come from reforms to the child nutrition program proposed by the administration and reforms to the Federal worker compensation program	−500	−500

FUNCTION 600: INCOME SECURITY

COMPARISON OF PRESIDENT'S BUDGET AND HOUSE, SENATE, AND CONFERENCE AGREEMENT ON FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1981

[In billions of dollars]

	President's budget revised (March 1980)		HBC, First Budget Resolution		SBC, First Budget Resolution		Conference agreement, First Budget Resolution	
	BA	O	BA	O	BA	O	BA	O
General retirement:								
Social security (current law)	123.3	138.4	131.9	138.5	131.8	138.5	131.7	138.5
Legislative savings	.2	−.1		−.1		−.6		−.1
Special benefits for disabled coal miners	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Railroad retirement (current law)	4.8	5.3	4.7	5.2	4.8	5.2	4.7	5.2
Legislative savings	.3	−.1	+.3	−.1	+.3	−.1	+.3	−.1
Other		.1		.1		+.1		+.1
Subtotal, general retirement	(139.6)	(145.6)	(138.9)	(145.6)	(138.8)	(145.1)	(138.7)	(145.6)
Federal employee retirement and disability:								
Current law	26.7	17.3	27.1	17.3	27.1	17.3	27.1	17.3
Legislative savings	−.6	−.6		−.6	−.5	−.6	−.5	−.5
Subtotal, Federal employee retirement and disability	(26.1)	(16.7)	(27.1)	(16.7)	(26.6)	(16.7)	(26.6)	(16.8)
Unemployment compensation:								
Current law	19.8	18.9	19.8	18.9	19.8	18.9	19.8	18.9
Legislative initiative, trade adjustment assistance			.1	.1	.1	.1	.1	.1
Legislative savings			−.2	−.2	−.2	−.2	−.2	−.2
Subtotal, unemployment compensation	(19.8)	(18.9)	(19.7)	(18.8)	(19.7)	(18.8)	(19.7)	(18.8)
Public assistance and other income supplements:								
Subsidized housing	33.5	6.6	33.5	6.6	28.5	6.5	31.4	6.6
Child nutrition (current law)	5.3	5.0	5.5	5.2	5.5	5.1	5.5	5.2
Legislative savings	−.5	−.5	−.5	−.5	−.5	−.5	−.5	−.5
Food stamps	10.0	9.9	9.8	9.9	10.1	10.1	10.1	10.0
Legislative savings	−.5	−.5	−.5	−.5	−1.4	−1.4	−.6	−.6
Low-income energy assistance	2.2	2.2	2.2	2.2	1.6	1.6	1.6	1.6
Cash assistance:								
Supplemental security income	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Aid to families with disabled children	7.8	7.7	7.7	7.5	7.7	7.6	7.7	7.5
Legislative initiative							+.1	+.1
Legislative savings	−.2	−.2	−.5	−.5	−.3	−.3	−.5	−.5
Refugee assistance	.7	.6	.6	.5	.7	.7	.7	.6
Earned income tax credit	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Other	.2	.2	.2	.2	.2	.1	.2	.2
Subtotal, public assistance and other income supplements	(67.4)	(40.2)	(66.4)	(39.2)	(60.7)	(38.1)	(64.3)	(38.8)
Undistributed reductions			−.1	−.1				−.350
Salaries and expenses reductions					−.6	−.6		−.3
Total	251.6	220.6	252.1	220.1	245.2	218.2	249.3	219.350

FUNCTION 700: VETERANS BENEFITS AND SERVICES

[In billions of dollars]

	BA	O
House resolution	21.7	21.2
Senate resolution	21.85	21.25
Conference agreement	21.7	21.2
Conference over (+) under (−) House		

The House resolution provided budget authority of $21.7 billion and outlays of $21.2 billion.

The Senate resolution provided budget authority of $21.85 billion and outlays of $21.25 billion.

The conference substitute provides $21.7 billion in budget authority and $21.2 billion in outlays.

The conference substitute provides for a 13 percent cost-of-living adjustment (COLA) in compensation to veterans with service-connected disabilities, a 10 percent COLA in GI Bill education payments, and improvements in the vocational rehabilitation program. The conference agreement also provides approximately $500 million over the fiscal year 1980 level for medical care, but assumes that medical facility construction will be held at the fiscal year 1980 level. The conference agreement includes reconciliation instruction to the Veterans' Affairs Committees, requiring that the House and Senate Veterans' Affairs Committees authorize legislative reforms to achieve $400 million in budget authority and outlays savings in fiscal year 1981. The following table provides a subfunctional allocation of the conference agreement.

LEVEL OF FUNDING FOR VETERANS BENEFITS AND SERVICES

[In billions of dollars]

Subfunction	House-passed and conference agreement	
	BA	O
Income security	12.7	12.7
Education and training	2.0	1.9
Hospital and medical care	6.7	6.5
Housing and other	.7	.4
Legislative savings	−.4	−.4
Function total	21.7	21.2

Note: Detail may not add to totals due to rounding.

FUNCTION 750: ADMINISTRATION OF JUSTICE

[In billions of dollars]

	BA	O
House resolution	4.2	4.6
Senate resolution	4.3	4.6
Conference agreement	4.2	4.6
Conference over (+) under (−) House		

The House Resolution provided $4.2 billion in budget authority and $4.6 billion in outlays.

The Senate Resolution provided $4.3 billion in budget authority and $4.6 billion in outlays.

The conference substitute provides $4.2 billion in budget authority and $4.6 billion in outlays the same amounts provided in the House Resolution.

The conference substitute assumes the phaseout of Law Enforcement Assistance Administration (LEAA) grants but includes $0.05 billion in budget authority for Justice research and statistics program.

FUNCTION 800: GENERAL GOVERNMENT

[In billions of dollars]

	BA	O
House resolution	4.7	4.6
Senate resolution	4.6	4.3
Conference agreement	4.6	4.3
Conference over (+) under (−) House	−.1	−.1

The House Resolution provided $4.7 billion in budget authority and $4.6 billion in outlays.

The Senate Resolution provided $4.6 billion in budget authority and $4.3 billion in outlays.

The conference substitute provides $4.6 billion in budget authority and $4.3 billion in outlays. This is $0.1 billion in budget authority and $0.3 billion in outlays below the House Resolution. The agreement includes a reduction in Government-wide furniture purchases of $0.1 billion in budget authority and $0.3 billion in outlays.

FUNCTION 850: GENERAL PURPOSE FISCAL ASSISTANCE

[In billions of dollars]

	BA	O
House resolution	6.2	6.8
Senate resolution	7.2	7.5
Conference agreement	6.2	6.8
Conference over (+) under (−) House		

The House Resolution provided $6.2 billion in budget authority and $6.8 billion in outlays.

The Senate Resolution provided $7.2 billion in budget authority and $7.4 billion in outlays.

The conference substitute accepts the House assumption for this function. The agreement assumes elimination of the State government share of General Revenue Sharing, $2.3 billion in budget authority and $1.7 billion in outlays.

FUNCTION 900: INTEREST

[In billions of dollars]

	BA	O
House resolution	72.2	72.2
Senate resolution	72.2	72.2
Conference agreement	72.2	72.2
Conference over (+) under (−) House		

The House Resolution provided $72.2 billion in budget authority and $72.2 billion in outlays.

The Senate Resolution provided $72.2 billion in budget authority and $72.2 billion in outlays.

The conference substitute provides $72.2 billion in budget authority and $72.2 billion in outlays.

FUNCTION 920: ALLOWANCES

[In billions of dollars]

	BA	O
House resolution		
Senate resolution	NA	NA
Conference agreement		
Conference over (+) under (−) House		

The House Resolution provided for $0.0 billion in budget authority and $0.0 billion in outlays.

The Senate Resolution did not include this Function.

The conference substitute provides $0.0 billion in budget authority and $0.0 billion in outlays.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

[In billions of dollars]

	BA	O
House resolution	−24.6	−24.6
Senate resolution	−24.7	−24.7
Conference agreement	−24.7	−24.7
Conference over (+) under (−) House	−.1	−.1

The House Resolution provided −$24.6 billion in budget authority and −$24.6 billion in outlays.

The Senate Resolution provided −$24.7 billion in budget authority and −$24.7 billion in outlays.

The conference substitute provides −$24.7 billion in budget authority and −$24.7 billion in outlays, $0.1 billion below the House-passed resolution.

FISCAL YEAR 1980

Assumptions for revenues

The Conference agreement assumes a revenue floor of $525.7 billion with an assumption that the net amount of revenue change is zero. The agreement assumes that a decrease of $0.1 billion for miscellaneous tariff and minor revenue measures is offset by an increase of $0.1 billion for extending the airport and airway trust fund fees and taxes beyond June 30, 1980.

While the conferees took no position on the merits of the President's oil import fee, in view of the uncertainty surrounding the ultimate fate of the fee, they did not include the $3.1 billion associated with it in the revenue floor for Fiscal Year 1980. If the fee is retained it is assumed that the Fiscal Year 1980 revenues will be increased and the deficit will be reduced by $3.1 billion.

FUNCTIONAL CATEGORIES—FY 1980

FUNCTION 050: NATIONAL DEFENSE

[In billions of dollars]

	BA	O
House resolution	142.5	134.2
Senate resolution	143.7	134.0
Conference agreement	143.7	135.7
Conference over (+) under (−) House	+1.2	+1.5

The House resolution provided $142.5 billion in budget authority and $134.2 billion in outlays.

The Senate resolution provided $143.7 billion in budget authority and $134.0 billion in outlays.

The conference substitute provides for $143.7 billion in budget authority and $135.7 billion in outlays for the National Defense function. These amounts are $1.2 billion in budget authority and $1.5 billion in outlays higher than the House-passed levels. The conference agreement increases the amounts available to fund supplemental requests for the cost of the October 1979 pay raises, for increased retired pay costs as a result of higher than anticipated cost-of-living adjustments, for higher costs for fuel and other items, and for requests resulting from events in the Indian Ocean region. Outlays were increased beyond the House level because the Senate levels, while including higher budget authority for the supplemental request, did not include a reestimate of $1.5 billion resulting from faster than anticipated spending from prior-year appropriations.

FUNCTION 150: INTERNATIONAL AFFAIRS

[In billions of dollars]

	BA	O
House resolution	15.8	10.7
Senate resolution	15.2	9.9
Conference agreement	15.2	10.5
Conference over (+) under (−) House	−.6	−.2

The House resolution provided $15.8 billion in budget authority and $10.7 billion in outlays.

The Senate resolution provided $15.2 billion in budget authority and $9.9 billion in outlays.

The conference substitute provides $15.2 billion in budget authority and $10.5 billion in outlays which is a decrease of $0.6 billion in budget authority and a decrease of $0.2 billion in outlays from the House resolution. The level provided is assumed to accommodate an Export-Import Bank direct loan program level of $4.1 billion, as requested by the President, in lieu of the $5.0 billion direct loan program which had been assumed in the House resolution. It is also assumed that the level provided will accommodate the most urgent items contained in the conference report on the fiscal year 1980 foreign assistance appropriation bill, but will not accommodate the entire bill, as had been assumed by the House.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In billions of dollars]

	BA	O
House resolution	6.1	5.9
Senate resolution	6.2	5.9
Conference agreement	6.2	5.9
Conference over (+) under (−) House	+.1	

The House Resolution provided budget authority of $6.1 billion and outlays of $5.9 billion.

The Senate Resolution provided budget authority of $6.2 billion and outlays of $5.9 billion.

The conference substitute provides $6.2 billion in budget authority and $5.9 billion in outlays.

FUNCTION 270: ENERGY

[In billions of dollars]

	BA	O
House resolution	40.3	6.4
Senate resolution	37.9	6.5
Conference agreement	38.4	6.4
Conference over (+) under (−) House	−1.9	

The House Resolution provided budget authority of $40.3 billion and outlays of $6.4 billion.

The Senate Resolution provided budget authority of $37.9 billion and outlays of $6.5 billion.

The conference substitute provides $38.4 billion in budget authority and $6.4 billion in outlays. These amounts are basically consistent with the policy assumptions in the House Resolution with two exceptions. First, the conference substitute assumes a rescission of $1.8 billion of budget authority for the Strategic Petroleum Reserve Program at the Department of Energy, out of $2.3 billion in budget authority scheduled to expire on December 31, 1980. Second, the conference substitute assumes a $0.1 billion reduction in budget authority for other energy programs from the levels assumed for supplementals in the House Resolution.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

[In billions of dollars]

	BA	O
House resolution	12.3	13.2
Senate resolution	12.2	12.9
Conference agreement	12.3	13.2
Conference over (+) under (−) House		

The House Resolution provided budget authority of $12.3 billion and outlays of $13.2 billion.

The Senate Resolution provided budget authority of $12.2 billion and outlays of $12.9 billion.

The conference substitute provides $12.3 billion in budget authority and $13.2 billion in outlays which is the same as the House Resolution. This level of funding maintains the policy assumptions of the House Resolution.

FUNCTION 350: AGRICULTURE

[In billions of dollars]

	BA	O
House resolution	5.0	5.9
Senate resolution	5.0	5.9
Conference agreement	5.0	5.9
Conference over (+) under (−) House		

The House Resolution provided budget authority of $5.0 billion and outlays of $5.9 billion.

The Senate Resolution provided budget authority of $5.0 billion and outlays of $5.9 billion.

The conference substitute provides $5.0 billion in budget authority and $5.9 billion in outlays.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

[In billions of dollars]

	BA	O
House resolution	11.6	6.1
Senate resolution	11.7	5.5
Conference agreement	11.7	6.1
Conference over (+) under (−) House	+.1	

The House Resolution provided $11.6 billion in budget authority and $6.1 billion in outlays.

The Senate Resolution provided $11.7 billion in budget authority and $5.5 billion in outlays.

The conference substitute provides $11.7 billion in budget authority and $6.1 billion in outlays, an increase of $0.1 billion in budget authority above the House Resolution. The agreement reflects appropriations and other spending actions already completed by the House, and the most recent estimates of mortgage credit program and deposit insurance activities.

FUNCTION 400: TRANSPORTATION

[In billions of dollars]

	BA	O
House resolution	21.0	20.1
Senate resolution	19.7	19.5
Conference agreement	20.2	20.1
Conference over (+) under (−) House	−.8	

The House Resolution provided $21.0 billion in budget authority and $20.1 billion in outlays.

The Senate Resolution provided $19.7 billion in budget authority and $19.5 billion in outlays.

The conference substitute provides $20.2 billion in budget authority and $20.1 billion in outlays. This is $0.8 billion in budget authority below the House-passed resolution.

The conference substitute assumes $0.4 billion in budget authority for supplemental funding of urban mass transportation programs as recommended in H.R. 7325, the Supplemental Appropriations and Rescission bill for fiscal year 1980.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

[In billions of dollars]

	BA	O
House resolution	8.7	9.2
Senate resolution	8.6	9.1
Conference agreement	9.2	9.7
Conference over (+) under (−) House	+.5	+.5

The House Resolution provided $8.7 billion in budget authority and $9.2 billion in outlays.

The Senate Resolution provided $8.6 billion in budget authority and $9.1 billion in outlays.

The conference substitute provides $9.2 billion in budget authority and $9.7 billion in outlays. This is $0.5 billion in budget authority above the House-passed Resolution and $0.5 billion in outlays above the House-passed Resolution.

The conference substitute assumes $0.5 billion in budget authority and outlays for emergency supplemental disaster assistance related to recent disasters.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

[In billions of dollars]

	BA	O
House resolution	29.9	30.1
Senate resolution	29.3	29.9
Conference agreement	29.6	29.9
Conference over (+) under (−) House	−.3	−.2

The House Resolution provided budget authority of $29.9 billion and outlays of $30.1 billion.

The Senate Resolution provided budget authority of $29.3 billion and outlays of $29.9 billion.

The conference agreement provides budget authority of $29.6 billion and outlays of $29.9 billion.

The House Resolution assumed reductions and rescissions from appropriated amounts totalling $0.5 billion in budget authority and $0.4 billion in outlays for education and training programs. The Senate Resolution assumed reductions and rescissions totalling $1.1 billion in budget authority and $0.7 billion in outlays for education and training programs. The conference agreement assumes $0.3 billion in budget authority reductions and $0.2 billion in outlays reductions beyond those assumed in the House-passed Resolution for education and training programs.

The conference substitute fully accommodates the fiscal year 1980 costs of H.R. 3434, the Adoption Assistance and Child Welfare Act of 1980.

FUNCTION 550: HEALTH

[In billions of dollars]

	BA	O
House resolution	59.9	56.5
Senate resolution	59.8	56.5
Conference agreement	59.8	56.5
Conference over (+) under (−) House	−.1	

The House Resolution provides $59.9 billion in budget authority and $56.5 billion in outlays.

The Senate Resolution provides $59.8 billion in budget authority and $56.5 billion in outlays.

The conference substitute provides $59.8 billion in budget authority and $56.5 billion in outlays.

The conference substitute includes $50.5 billion in budget authority and $47.8 billion in outlays for the Medicaid and Medicare programs. This is sufficient to support the estimates of cost for these programs under current law provisions. The conference substitute also includes $9.3 billion in budget authority and $8.7 billion in outlays for discretionary health programs. The current appropriations for the discretionary health programs are $9.6 billion in budget authority and $8.8 billion in outlays. The conference substitute assumes that the Appropriations Committee will take the necessary actions to assure that total funds made available are within the amounts agreed to in the conference substitute.

FUNCTION 600: INCOME SECURITY

[In billions of dollars]

	BA	O
House resolution	224.8	191.7
Senate resolution	223.0	190.0
Conference agreement	224.8	191.7
Conference over (+) under (−) House		

The House Resolution provided $224.8 billion in budget authority and $191.7 billion in outlays.

The Senate Resolution provided $223.0 billion in budget authority and $190.0 billion in outlays.

The conference agreement provides $224.8 billion in budget authority and $191.7 billion in outlays, which is the same as the House Resolution.

The two major changes to the House assumptions include:

An additional allowance of $100 million in budget authority and outlays for refugee assistance.

Acceptance by the House of the Senate schedule for implementation of annual cost-of-living increases for retired Federal employees, resulting in an outlay reduction of $107 million.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

[In billions of dollars]

	BA	O
House resolution	21.0	20.3
Senate resolution	21.2	20.5
Conference agreement	21.2	20.5
Conference over (+) under (−) House	+.2	+.2

The House resolution provided budget authority of $21.0 billion and outlays of $20.3 billion in fiscal year 1980.

The Senate resolution provided budget authority of $21.2 billion and outlays of $20.5 billion in fiscal year 1980.

The conference substitute provides budget authority of $21.2 billion and outlays of $20.5 billion in fiscal year 1980.

The difference between the House resolution and the conference substitute is due to the transfer of amounts for pay raise supplementals to the function totals in the conference substitute, instead of including the funds in Function 920: Allowances, as had been done in the House resolution.

FUNCTION 750: ADMINISTRATION OF JUSTICE

[In billions of dollars]

	BA	O
House resolution	4.3	4.4
Senate resolution	4.2	4.4
Conference agreement	4.3	4.4
Conference over (+) under (−) House		

The House Resolution provided $4.3 billion in budget authority and $4.4 billion in outlays.

The Senate Resolution provided $4.2 billion in budget authority and $4.4 billion in outlays.

The conference substitute provides $4.3 billion in budget authority and $4.4 billion in outlays, the same amounts provided in the House Resolution.

FUNCTION 800: GENERAL GOVERNMENT

[In billions of dollars]

	BA	O
House resolution	4.5	4.4
Senate resolution	4.5	4.4
Conference agreement	4.5	4.4
Conference over (+) under (−) House		

The House Resolution provided $4.5 billion in budget authority and $4.4 billion in outlays.

The Senate Resolution provided $4.5 billion in budget authority and $4.4 billion in outlays.

The conference substitute provides $4.5 billion in budget authority and $4.4 billion in outlays, the same amounts included in the House and Senate Resolutions.

FUNCTION 850: GENERAL PURPOSE FISCAL ASSISTANCE

[In billions of dollars]

	BA	0
House resolution	8.80	8.80
Senate resolution	8.30	8.30
Conference agreement	8.55	8.55
Conference over (+) under (−) House	−.25	−.25

The House Resolution provided $8.8 billion in budget authority and $8.8 billion in outlays.

The Senate Resolution provided $8.3 billion in budget authority and $8.3 billion in outlays.

The conference substitute provides $8.55 billion in budget authority and $8.55 billion in outlays, a decrease of $0.25 billion in budget authority and $0.25 billion in outlays from the House Resolution.

FUNCTION 900: INTEREST

[In billions of dollars]

	BA	0
House resolution	65.1	65.1
Senate resolution	65.5	65.5
Conference agreement	65.1	65.1
Conference over (+) under (−) House		

The House Resolution provided $65.1 billion in budget authority and $65.1 billion in outlays.

The Senate Resolution provided $65.5 billion in budget authority and $65.5 billion in outlays.

The conference substitute provides $65.1 billion in budget authority and $65.1 billion in outlays.

FUNCTION 920: ALLOWANCES

[In billions of dollars]

	BA	0
House resolution	1.0	0.9
Senate resolution	NA	NA
Conference agreement		
Conference over (+) under (−) House	−1.0	−.9

The House Resolution provided $1.0 billion in budget authority and $0.9 billion in outlays.

The Senate Resolution eliminated the function.

The conference substitute provides $0.0 billion in budget authority and $0.0 billion in outlays, retaining the function.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

[In billions of dollars]

	BA	0
House resolution	−22.3	−22.3
Senate resolution	−22.3	−22.3
Conference agreement	−22.3	−22.3
Conference over (+) under (−) House		

The House resolution provided −$22.3 billion in budget authority and −$22.3 billion in outlays.

The Senate Resolution provided −$22.3 billion in budget authority and −$22.3 billion in outlays.

The conference substitute provides −$22.3 billion in budget authority and −$22.3 billion in outlays, $0.1 billion below the House-passed resolution.

Debt calculation

For the first time in 12 years and only the second time in 21 years, the Federal Budget will be balanced in fiscal year 1981.

The debt calculation in the conference report is based on the following figures:

[In billions of dollars]

Fiscal year 1980 debt:	
Debt September 30, 1979	$827.6
Fiscal year 1980 deficit	46.55
Trust funds surplus fiscal year 1980	14.0
Off-budget outlays fiscal year 1980	15.0
Change in cash balances and other adjustments	---
Total	903.2
Increase from previous ceiling	24.2
Fiscal year 1981 debt:	
Debt September 30, 1980 (estimated)	903.2
Fiscal year 1981 surplus	−0.5
Trust funds surplus fiscal year 1981	13.0
Off-budget outlays fiscal year 1981	18.7
Change in cash balances and other adjustments	---
Total	934.4
Increase from previous ceiling	31.2
Fiscal year 1982 debt:	
Debt September 30, 1981 (estimated)	934.4
Fiscal year 1982 surplus	−26.1
Trust funds surplus fiscal year 1982	13.0
Off-budget outlays fiscal year 1982	18.7
Change in cash balances and other adjustments	---
Total	948.0
Increase from previous ceiling	13.6
Fiscal year 1983 debt:	
Debt September 30, 1982 (estimated)	948.0
Fiscal year 1983 surplus	−38.6
Trust funds surplus fiscal year 1983	21.0
Off-budget outlays fiscal year 1983	18.7
Change in cash balances and other adjustments	---
Total	949.1
Increase from previous ceiling	1.1

Mr. Speaker, I yield 12 minutes to the gentleman from Wisconsin (Mr. OBEY) for purposes of debate only.

Mr. OBEY. Mr. Speaker, when this budget resolution left the House, I urged Members to support it. Everyone knew at that time that defense spending was going to have to be increased above the House resolution and we knew there would have to be additional cuts on the domestic side.

But, Mr. Speaker, I would submit to the Members of the House that the change which we now have today in this conference resolution is so dramatic, it goes so far beyond the Holt amendment, that I think there is very little justification for our supporting the resolution.

Mr. Speaker, I want to say one other thing. In light of what the Senate leadership has said this morning, they have implied that the President of the United States, in effect, backed out when he decided to oppose this resolution. That is not the way it happened. What happened is that the President negotiated with the Democratic leadership in both the Senate and the House to present a new reduced budget to the Congress. After 10 days of negotiation, we recommended reductions to the President, we recommended a pattern of spending to the President, the Senate majority leader himself took that package to the White House, recommended it to the President. If anyone has backed out of the deal, it was not the House, it was not the President, it was the Senate because they are the body which has changed the priorities which were agreed to in that original leadership meeting.

Mr. Speaker, I would urge Members to remember that as we wind our way through this debate.

Mr. Speaker, I reserve the balance of my time, and I would ask the Chair how much time I have remaining.

The SPEAKER pro tempore (Mr. MURTHA). The gentleman has 10 minutes remaining.

GENERAL LEAVE

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on House Concurrent Resolution 307.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I would like to respond to the gentleman from Wisconsin (Mr. OBEY) on the matter of defense and on the matter of the President's coming out against the defense number of $153.7 billion which is in our budget resolution.

Mr. Speaker, I recognize the great concern of the President with social programs which seems to accentuate not only at the time of the New York primary but as we approach the Ohio, New Jersey, and California primaries. But that is the President's problem, not mine. I am trying to get a well-balanced budget resolution here.

Mr. Speaker, the President's people assured us back in March when we were discussing this budget in the leadership meetings with the other body and when we marked it up, that his view and opinion of what was an adequate number for defense was $150.5 billion in outlays. Because of increased inflation costs and because of increased expenditures, because of increased activities in the Persian Gulf and the Indian Ocean and in other portions of the globe, the estimated $150.5 billion which the President said was necessary for defense is unofficially estimated today by CBO to be $153.1 billion. That is for what the President says he needs in defense and it constitutes 3.1 percent real growth which we promised our NATO allies.

In addition to that, Mr. Speaker, last week the administration promised on the deck of the carrier *Nimitz*, a new Nunn-Warner type of pay increase for the military for career-oriented military. The cost of that is estimated to be an additional $1 billion. In addition to that, there is a strong movement in this Congress in both Houses that our military are not paid sufficiently and if we were to raise the cost-of-living adjustment from 7.4 percent to 11.7 percent as is suggested by many in the House and Senate, it will cost an additional $1 billion. That will be $2 billion over and above the $153.1 billion.

I submit, Mr. Speaker, it is unrealistic to think that the number of $150 or $150.5 billion which the President estimated in March and which we cut by $2 billion when we early on marked up the House budget resolution, is a defense figure that can be justified.

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The real figure of the President in defense will be at least $153.1 billion, and if we add Nunn-Warner legislation and cost-of-living adjustments, we are talking about billions more.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, the first budget resolution presented to the House today is far too expensive. Contrary to press reports, spending has not been curtailed.

In fact, the spending in this resolution is 15 percent greater than that in last year's first budget resolution. That enormous spending increase bespeaks no great sacrifice.

Since we have not reduced spending, it is evident that the alleged budget balance has been achieved through new taxes. This budget has been balanced, only temporarily, on the broken backs of the taxpayers.

By my reckoning, there is about $70 billion in new taxes in this budget. The most prominent of the new taxes are: Windfall profit tax, social security tax increases, bracket creep caused by inflation, and the President's proposed withholding on interest and dividends. And that staggering $70 billion in new taxes does not now tax revenue based on real growth.

But high spending and new taxes are not the whole story of this budget. The rest of the story is that the temporary balance is based on unreal assumptions. The inflation rate and unemployment rate assumptions for fiscal year 1981 are impossibly optimistic. There seems to me to be almost no chance that the budget balance will be maintained.

But having enumerated the most glaring of the budget's deficiencies, I now must say that I shall cast a reluctant vote in its favor. The reason is simple. It is a better budget than we are likely to get if it is defeated.

It is a better budget than this House voted originally. It endorses, at least temporarily, the balanced budget concept. It provides needed increases in defense spending. And it promotes reconciliation to reduce spending.

The normal reaction of the minority members of this body is to vote against, to reject, this budget resolution. That was my first reaction, too.

But, if it is rejected, the House conferees will have to alter their budget position to the left. The chairman of the Budget Committee will have to make concessions to members of his own party who insist on greater subsidies to the large cities, on more ineffective spending for ineffective programs, and on more disincentives for personal work and local action.

Because I do not want a budget with even more spending, I am going to vote for this one, flawed as it is. I respectfully request that other Members do the same.

Mr. GIAIMO. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I told the chairman of the Budget Committee that he probably should not use me because I have probably talked enough to make everybody mad today, but I am going to vote for the budget resolution, and I am going to vote for it because I think the process is designed for the House and the Senate to come to an agreement on results.

I had a hard time voting for the House version because it cut so many of my favorite programs. I have a harder time voting for this one, but I think this is the product of a process that is slowly but surely being proven, and I think we will begin to look at it as a process in the whole art, this complicated art of government. It is worth voting for this resolution now. I would like it to be different here and different there, but I have not seen one yet that I really liked, starting with the first one and going through all the different ones that I have been involved with. I have no problem voting for this as a compromise of a compromise of a compromise, and I will vote for this resolution.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, my colleage from Minnesota put it very well. He said it is not a perfect budget, and very rarely do we get to vote on bills that contain perfection. I agree, as he said, it represents the best we could accomplish, and will be more desirable than what we will get as a second alternative.

Let me point out a couple of things. This conference report is a landmark, because for the first time we have reconciliation, a vital discipline if we are ever to make this budget process work. Second, for the first time it requires that appropriations bills be held at the desk before they are enrolled until we adopt a budget, and the budget process is a very essential part of proper management in Government.

Let me point out something else. From 1979 to 1980, the growth in outlays was 15.9 percent, and the growth in budget authority was 18.1 percent. This budget provides for a growth in outlays from 1980 to 1981 of 7.2 percent in outlays, and 6 percent in budget authority, which is the driving force for future expenditures down the road.

I want to emphasize that we have cut the growth factor in Government, compared from 1979–80 to 1980–81, in half. This is a very important trend, and I think in adopting this budget we will set a precedent for reducing the size and growth of Government that will auger well for years ahead.

I would also point out that this budget, as proposed from the conference, cuts $15 billion from the original budget as proposed by President Carter. This represents dramatic reductions in the spending levels, in the outlays, and it is one of the reasons we pushed that growth factor down from 15.9 to 7.2 percent in outlays and down from 18.1 percent in budget authority to 6 percent in this resolution.

I recognize that, as I said earlier, it is not the perfect budget, but I think it establishes priorities for this Nation that are vital; that is, that it puts the security of the United States as the No. 1 priority, as reflected by this conference report.

Lastly, I would make this point, that in the long term the budget process is an essential factor in having good management in Government. If we are to stabilize the economy in this Nation; if we are to hold inflation to a reasonable level; if we are to hold down interest rates, we have to lead the way. This conference report is a first step toward orderly management. If we fail to adopt it, I feel it will erode the budget process in many of its key elements.

I urge a vote of support for the conference report.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I rise in strong opposition to the conference report on House Concurrent Resolution 307, the first concurrent budget resolution and urge that it be voted down and returned to conference for further consideration.

This is not a balanced, balanced budget. While a small surplus is provided, the budget relies on cuts in a variety of domestic programs to achieve the surplus and fund the tremendous increase in defense spending over the House-passed level. Among those functional areas hardest hit were education and training, energy, transportation, and natural resources. Reduction in these areas alone come to over $1.6 billion, while defense is increased by $5.3 billion over the House figure. Moreover, the $2 billion surplus in the House resolution is nearly used up, principally to pay for the defense increase.

The result of these changes is that the careful proportions of the House budget resolution are destroyed. This is not merely a thing of symbolic value. The effort to achieve a real balanced budget for the first time in 12 years will require the commitment and sacrifice of every committee in the Congress and the sharing of the burden by every segment of the Government. Only then can we hope that special interests will accede to the need to hold down spending across the board. The conference report destroys that harmony and makes it easy for representatives of groups and individuals in areas hard hit by the conference agreement to work to increase spending and destroy hopes for achievement of the balanced budget. To the greatest extent possible, we should not send out a message that we are balancing the budget on anyone's back. That is no way to begin what we hope will be a new era of balanced budgeting.

Indeed, it is important to remember that not only does this budget hit certain areas of the budget hard, it is also hard on services provided by the Federal Government to taxpayers. Revenue sharing to the States, which is often passed along to local governments for local service programs, is to be eliminated. There may be some cuts in mass transit assistance to localities, as a result of the transportation cuts, that will be felt in fare increases or new bond measures. Postal services are targeted, affecting the area of the budget that most Americans feel direct benefit from. More than 1 million Americans will be eliminated from the food stamp program, as a result of the legislative savings assumed in the resolution. Reductions in the CETA program, even in the face of a possible recession, are projected. These are not necessarily bad changes; some of them are long overdue. However, the fact remains that most Americans, facing a reduction in services that they are dependent on, will know that that reduction has come, in part, because of greatly increased defense spending, as provided for in the conference report. In view of the excessive spending for defense and the areas of waste in Government that we all know about, there is no question in my mind that people will resent this kind of balanced budget and the fact that cuts in basic service areas paid for the defense increase.

Another source of concern in this budget is the fact that the surplus as projected by the House is substantially reduced. In place of the House's $2 billion surplus, the conference report would provide a margin of only $500 million. While economic conditions are changing rapidly and there is no certainty about economic forecasts for next fall, I think it is clear that we will need some extra margin in the budget to hold it in balance for the second resolution. Even $2 billion may not be enough, but it is clearly wrong to pretend we will not need at least that much, if not more. Moreover, it is unfortunate to set a precedent in the first balanced budget in 12 years that a surplus can be used to achieve a compromise in a conference committee. A surplus is not free money; it is a real sign that the balance in this budget is not fictitious or the result of a budgetary sleight-of-hand. A margin of only $500 million, by contrast, is so small that one might wonder why we should not just distribute it over one or more functions. Again, in this year of restraint and rapidly changing economic conditions, this is not the kind of signal we should be sending to the spending committees and interest groups.

A third point and one that is directly related to the surplus issue is the fact that the overall level of spending in this resolution is higher than that in the House-passed budget. Budget authority is up by $2.6 billion and outlays are increased by $1.5 billion. The outlay figure is made up of the $1.5 billion of lost surplus from the House resolution and was used, again, to fund the defense add-on. Aside from the merits of the functional differences between the House and conference resolutions, the fact is that very few Members of this House want a higher overall level of funding. The conference compromise reflects business as usual, except that the increases came out of a surplus instead of out of deficit spending. Either way, it is bad budgeting and a bad precedent to establish.

Finally, there is concern about the fact that the conference report represents a loss of reconciled savings of $2.6 billion from the House figure, largely through abandonment of the reconciliation of pay reform for Federal civilian and military employees. This is unfortunate because it takes away the largest single reconciliation item in the House resolution and takes it away from only one committee, disturbing the careful balance among committees set in the House.

Giving up on one controversial reconciliation item for one committee raises legitimate questions about other assumptions and other committee reconciliation targets. They all have an unpleasant task before them and are forced to make changes in programs they do not feel should be changed in many cases—why should they not be let off the hook, too? Again, the first serious attempt at reconciliation should be evenhanded and balanced in order to work and the conference report does not meet this test.

In summary, I oppose this resolution because it does not meet the high standard set by the House-passed resolution. That resolution provided for a real increase in defense spending adequate to meet the country's NATO commitment, a real surplus of $2 billion, social spending at a level certain to meet the basic needs of program beneficiaries, and an evenhanded approach to spending restraints in all areas of the budget. The conference report, by contrast, provides for a defense spending level increase of $10.5 billion in budget authority and $5.8 billion in outlays over the House level. It slashes many domestic programs, such as transportation, energy, education and employment, and natural resources, to fund that defense add-on. It backs down on reconciliation on the largest single item in the House resolution, while providing for reductions in many service-oriented areas of the budget. It raises the overall level of spending beyond the House resolution, while nearly eliminating the surplus of $2 billion approved by the House. Unlike the House resolution, this is not a balanced budget.

This is not an insignificant point. We are trying to reverse a pattern of spending decisions that has dominated the Congress for 12 years. During that time, committees and interest groups, no longer bound by the level of revenues, have grown accustomed to profligate spending in all areas. Powerful lobbies within and without the Congress have developed and will be seeking to destroy or at least undo any balanced budget we come up with. This effort, however, will be substantially more difficult for them if we can demonstrate that we have been fair in this process, that no one has won or lost at the expense of anyone else. This we cannot do with the conference resolution, for it is clear how this balanced budget was achieved and why. Moreover, serious issues about the integrity of the House's position in this conference and the integrity of the budget process and reconciliation are raised by the conference report. To resolve these issues and to put the budget more fairly in balance, I urge you to join me in opposing the resolution and asking that it be sent back to conference.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I rise in opposition to the conference report.

Mr. Speaker, we have an unusual phenomenon occurring on the floor today.

We have before us an issue of great national urgency. The issue is not the so-called balanced budget. For every Member in the House who can prove it is balanced, there is a Member in this House who can prove it is not.

Nor is the issue total outlays by themselves, or total revenues by themselves, or reconciliation or even the level of defense spending. The budget process, and the challenges the vote today may pose to its survival, are not the issue.

The issue is basic economic policy and basic economic philosophy. The first budget resolution is intended to serve as a broad economic blueprint for the various functions of government. The budget does not authorize, nor does it appropriate. It establishes the guidelines under which these activities take place. It is a statement of policy and of congressional intent.

The phenomenon is the abandonment of policy I see occurring. We are losing sight of the distinctions between the economic philosophies of the minority and majority. They have been lost in the compromise and capitulation. The master coalition builder, Mr. GIAIMO, has crisscrossed party lines, clouded and coopted the philosophies on both sides in order to salvage this misbegotten budget.

This is not a policy document. It is a political survival kit, containing a little bit for everyone.

It seems as though the great Democratic Party is trying desperately to forget or to deny the Great Society economic policies with which they have run this Congress for a quarter century.

And it seems as though to some of my Republican colleagues who have yearned so long to balance the budget, increase defense and hold the committees to their targets, this compromise is irresistable. Republicans have managed to achieve more valuable concessions in this budget resolution than we have achieved in a long time, and that is a tribute to the ranking and other minority members of the Budget Committee. They have performed Herculean tasks.

Yet there remains that nagging question of economic philosophy.

There remains clear and unmistakable differences between our two parties on this issue and we cannot abandon our principles today for the sake of expediency.

We on our side are firmly committed to a reduction in taxation and the stimulation of productivity. This budget increases taxation by $60 billion.

We on our side are firmly committed to a fiscal policy of no-growth in the national debt and as we speak this so-called balanced budget is accumulating a deficit of $20 or $30 billion.

We on our side are firmly committed to congressional reform of entitlements and other uncontrollables and the ultimate return to a limited form of government and self-determination for the States and localities.

This budget blatantly and callously ignores the need for reform.

Listen to the tough stand this Congress is taking in the resolution on the matter of indexed payments in entitlement programs.

I quote:

> Congress calls upon the President to review current inflation measures used for indexing Federal programs, as well as other indexing alternatives . . .

Calls upon the President? This is not the President's budget. It is our budget. When are we going to call upon ourselves to do what we have to do.

Let me quote something else:

> The signs are everywhere that the legislative budget machinery is in disrepair. One indication is the portion of the budget which is beyond the effective control by the Congress. The official estimate is that 75 percent of the budget is relatively uncontrollable under existing law, a percentage that has climbed steeply in recent years.

That statement comes from the Rules Committee report on the budget for the 1st session of the 93d Congress. What has been done since then about the crucial matter of uncontrollables? Nothing.

It is not necessary for anyone here today to tell me that the budget resolution is not the place for such reform. I have been hearing that for years and years.

Last year we included language in the resolution calling on the standing committees to report back to us on means of cleaning up the entitlement mess. A few, just a few of the 19 committees even bothered to report. The promises of reform are empty and the hope for change is lost, once we leave this floor today.

The point is that this budget is not founded on the principles to which I have adhered for all these many years. And the result of this budget—the deficits, the endless stream of waivers to the budget, the continuation of the destructive Government bureaucracies we have in energy, education, health and welfare and the rest, all will go on as they did in the past under this budget. There will be little or nothing this Congress will do to bring our Nation closer to what many of us believe our people want and need and deserve.

None of us must lose sight of the principles to which we adhere. I do not care what side of the aisle you are on, or how much your constituents like the ring of a balanced budget. We must deal in truth. And the truth is that this budget has been coalitioned to death. It cannot survive in its present form. It will not survive and I will not be a party to it.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I urge support of the conference report.

Mr. Speaker, it is very difficult to keep one's perspective on a document of this sort which has been hammered out under such pressure. The oratory becomes rather fervent. As a matter of fact, it seemed as though we had at one point lost our perspective.

For instance, those who favored $155 billion for defense spending were identified as true American patriots while those who favored only $150 billion were probably Russian agents. Those who wanted to cut 1 percent out of the social welfare programs were pictured as walking with hobnailed boots across the fragile bodies of the poor, while those who wanted to add 1 percent to the social welfare programs were pictured as grinding the taxpayers into the dust—making a citizen exemption similar to that of Mount St. Helens.

The point is that there is a lot of symbolism that goes into one of these discussions, and we need to keep our perspective. All this conference work resulted in a carefully balanced and tailored document, and if we reject it, we will go back, make a few symbolic changes after a long impasse demeaning to this body, doubtless ultimately settling in much the same kind of report that we have now before us.

I ask the Members to accept the work of the Budget Committees of both Houses and the conference report before us now rather than forcing us to go through this kind of a pressure cooker again.

Mr. Speaker, let me say to my friends on the minority side that this is a precariously and technically balanced budget, based on the economic assumptions that were agreed to at the time we started the process early in March.

That is saying only a very modest amount about the prospects for a balanced budget ultimately. But a budget is a plan, and if this budget winds up in serious imbalance, it will be because of the administration's economics and the condition of the country that has resulted from those economics rather than from a failure of this plan.

Also the fact is that this is only a technically balanced budget, and there are substantial items off budget that ought to be included. There are in addition, trust fund runups amounting to close to $18 billion that will be used to offset general Treasury debt. These are definitional facts that have been obtained since Lyndon Johnson first accepted the unified budget concept back in 1967.

So in a relative sense this budget is a responsible improvement. At least it pretends to be a balanced budget, and that is something we ought to be proud of, compared to what we have been bringing before this body in recent years.

It is, in short, as my friend, the gentleman from Minnesota (Mr. FRENZEL) said, a document that leaves a good deal to be desired. But consider the alternatives. Consider the probability of what will happen if we turn this down. Let us take a constructive step supportive of the process rather than forcing again the kind of pressure cooker return to confrontation with the Senate that will result in substantial impasse, and that will, I am afraid, bring forth a final document changed only in symbolic ways from what we have before us at this point. And that change, my Republican colleagues, will inevitably be in the wrong direction from our viewpoint.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, there has been a tendency to denigrate the future of this as a balanced budget, but am I not correct that the budget presented to our committee and to this body by the President in January had a $16 billion deficit in it, as compared to this one's being in balance?

Mr. CONABLE. Mr. Speaker, the gentleman is correct. And this at least plans for balance. We have no way of knowing what the economy is going to do, but, quite frankly, I would a lot rather start out with a document in balance and proudly come before this body with a good plan than continue to plan for imbalance. It will be tough to maintain the balance, but not because of a flaw irrelevant in the design. It will be tough because of the state of the economy.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I have a great deal of respect, as the gentleman knows, for the gentleman in the well, because he is one of the most respected Members in the House. But the gentleman brings up the question that this document is precariously balanced.

Mr. CONABLE. In prospect, yes.

Mr. SOLOMON. Forgetting about all the off-budget items, does the gentleman think, in his own wisdom and with all the economic projections, that this document will be balanced as of September 30? Most economic projections I have seen including the Wall Street Journal conservatively project it will be unbalanced by at the very least $40 billion.

Mr. CONABLE. Mr. Speaker, I think that is entirely dependent on the economy. This is a plan, and the economy may change. The problem will be extrinsic to the plan we are now presenting.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MINETA).

Mr. MINETA. Mr. Speaker, I rise in opposition to the conference agreement on House Concurrent Resolution 307. As one of five conferees on this matter who refused to sign the conference agreement, I would like to explain to the membership why I oppose the resolution you are voting on today.

As has been amply documented by others during the debate today, this conference report is tilted severely toward the Senate budget resolution. Although compromise is the objective of any conference, and although Chairman GIAIMO handled his task admirably well under the circumstances, in the final analysis agreements were reached that funded excesses in the military budget at the expense of domestic programs that are as vital to our national security as are guns and tanks.

We began the conference with a House resolution that was based on three assumptions: First, the 1981 budget should be in balance; second, there should be real growth in the defense budget; and third, restraint should be spread as equitably and as broadly as possible across the entire budget. The Senate resolution, on the other hand, sought enormous increases in military expenditures at the expense of wholly unpalatable cuts in domestic programs. I am afraid that in compromising these two approaches the outcome has come far too close to the Senate philosophy.

I would like to speak more specifically of one area of the budget severely cut back by the conference—transportation.

This resolution calls for budget authority of $22 billion and outlays of $18.65 billion, reductions of $800 million in budget authority and $850 million in outlays from the House-passed resolution. The conferees state that highway programs should achieve savings of $700 million. Originally, the House assumed $400 million in savings for highways. However, the House resolution originally assumed $300 million worth of savings that were not specified for any specific program. In conference we also conceded the initiation of a Coast Guard user fee, implying an additional $150 million program cut. Thus, the resolution coming out of this conference assumes savings—unspecified as to where they will fall—of $900 to $950 million from the President's budget request.

Although it is difficult to say precisely where these cuts will fall and what specific impact would result, there are three areas which I believe are in serious jeopardy: rail, aviation, and mass transit.

For rail assistance programs, the conference agreement could result in cuts from the House resolution and the President's budget of $100 to $200 million. This would most likely fall heaviest in the title V rail restructuring assistance program. Thus, restructuring proposals for the bankrupt Milwaukee and Rock Island Railroads could be in doubt, threatening severe impacts in Illinois, Minnesota, Iowa, Kansas, Oklahoma, Texas, New Mexico, North and South Dakota, and Montana.

In the aviation area, cuts of $100 to $200 million would very likely fall heaviest in the facilities and equipment budget of the Federal Aviation Administration. This would put severe constraints on programs vitally necessary for the safety of the Nation's air transportation system. It could mean deferring funding for the discrete address beacon system, a navigation safety and anticollision device. It could mean deferral of air navigation aids and landing facilities at many smaller airports. At a time when air traffic is increasing throughout the country, placing enormous demand for air safety improvements, reductions of the type threatened by this conference agreement are profoundly disturbing.

Finally, with respect to mass transit, the potential impact of this agreement is alarming. Only about one-third of the Department of Transportation's budget is controllable from one year to the next. For fiscal year 1981, that amounts to about $6½ billion. Of that controllable amount, over one-half—about $3.7 billion—is funding for mass transit. Clearly, if the Appropriations Committee is being asked to find cuts of nearly a billion dollars in the transportation area, one of the most likely places to find it is in mass transit.

In case any one has forgotten, almost exactly 1 year ago most of this country was waiting in very long gas lines. Does it make sense to cut back on a program designed specifically to save gasoline and reduce our overdependence on the auto? Is the memory of Congress that short? At a time when we are being asked to spend billions of dollars to improve our war-fighting capability to protect Mideast oil supplies does it make sense to anyone in this Chamber to cut back on programs designed specifically to achieve energy savings?

Significant cuts in mass transit will mean very few, if any, new starts in mass transit capital programs. Ongoing programs would have to be slowed down. Operating assistance might also suffer. As a member of the Public Works and Transportation Committee, as well as the Budget Committee, I can assure you that there are hundreds of communities and localities throughout this country that are expanding or starting mass transit systems—both light rail and bus—that will be seriously impacted by the kind of cuts which might result from this conference agreement.

In closing, Mr. Speaker, I want to make it clear that I am a strong supporter of the congressional budget process. If this conference agreement is defeated I will work very hard to find a compromise acceptable to both the House and the Senate. Further, I believe a compromise is possible which will rectify some of the imbalances which I have just mentioned.

Although a new conference will be working under severe constraints, some improvements, especially in transportation, are essential. A strong no vote on the part of the House here today will send a clear signal to the Senate that such a compromise is essential to the House.

I would urge the membership to join me in defeating this conference agreement. Thank you.

The SPEAKER pro tempore. The Chair will state that the gentleman from Ohio (Mr. LATTA) has 19 minutes remaining, the gentleman from Wisconsin (Mr. OBEY) has 8 minutes remaining, and the gentleman from Connecticut (Mr. GIAIMO) has 13 minutes remaining.

The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I rise in reluctant support of this conference report—reluctant in a way but pleased in another way, that I can support my good friend, the gentleman from Connecticut (Mr. GIAIMO), in the last time that he will bring the first concurrent budget resolution to the floor.

The gentleman from Connecticut and I have been friends for many, many years. We have disagreed many times and agreed a few times. I want to congratulate him on what I think is as good a job anybody could have done under some very difficult circumstances.

Of course, I also want to pay my tribute to the gentleman from Ohio (Mr. LATTA). I think that the fact that the gentleman from Ohio (Mr. LATTA) and the gentleman from Connecticut (Mr. GIAIMO), the committee chairman, have worked together has caused this to be just as good a budget as we can get at the present time. I say, "At the present time," because there are an awful lot of things that have to be done as far as the situation of this country is concerned that cannot be done by the Budget Committee.

We talk about parts of the budget which are untouchable and which cannot be cut, and it is true, under the present laws that we have, that there are parts of it that cannot be cut in the budget alone. But they should be cut. What we should be doing in this Congress is looking at the total picture. We ought to be looking at what laws need to be changed, what laws need to be altered, and certainly, Mr. Speaker, we ought to be looking at those off-budget items which are not under the control of anybody as far as I can tell.

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In other words, we need to be working toward that great year, and I pray that it will come some day, when we do not have to raise the debt limit.

That is my definition of what a balanced budget really is, a budget which is so well balanced, so far as outlays are concerned, that it is not necessary during a fiscal year to raise the debt limit. There might be some modest payment on the national debt. Ever since I have been in Congress, I have been introducing a little old bill to provide for a $2 billion payment on the national debt every year. Now, I know that it is symbolic. But nevertheless it is true that nobody has a truly balanced budget unless he is beginning to pay off his debt.

Now, the reasons I am for this report, I guess, are several: one of them is that the defense appropriation is up about as high as I think we can get it. In this world in which we live it is absolutely necessary that it be up there. We live in a dangerous world. And for the last 2 to 3 years we have actually been falling behind, as far as our comparison in military strength with the Russians is concerned. We cannot allow this to continue. It is going to take more money to get better personnel. In order to have better personnel, you are going to have to look at your pay scales and do something about them to attract more competent people. So it is important that we do this.

Another reason is that there is, finally, no provision for withholding on interest and dividends. I cannot imagine anything that would have been worse, as far as the economy is concerned, than putting in a provision calling for withholding on interest and dividends. We are trying to get people to save more, to invest more, because that is what we will need in order to get the country out of this recession. We need to produce our way out of the recession. To do this we need more savings—more capital. The idea of having withholding on interest and dividends goes exactly in the opposite direction.

Also, I think it is necessary that we adopt this conference report, in order to save the congressional budget system which we have.

It has been in trouble ever since it was started. It seems to still be in trouble. But we now have a conference report which has had broad support from both sides of the aisle. Those of you who have been here for a few years know that my side of the aisle has not been really very prominent in supporting unbalanced budgets in the past. Now, here for the first time we have been able to put together a package which does have broad bipartisan support. I think it is necessary that we build on this and go from this strength to other strengths as time goes by, so that we can some day really have a bipartisan budget.

I know that there are going to be Members on both sides of the aisle who have different sets of priorities, but nevertheless, if we can do the job of compromising—and, of course, all good legislating is the practice of the art of compromise—if we can do this, then I think it portends well for the future of the whole system of congressional budgets. But if we cannot do that, then we are going to see that this system will go down the drain and we are going to go back to the time when nobody knew whether we had a balanced budget or cared. At least what we are doing now is to make the Members of the House of Representatives, you and I and all of the others, vote on whether or not you are going to have a balance and, if not, how big the deficit will be. The first time that it has ever been done was the first year in which the budget system was in effect.

So, Mr. Speaker, this is certainly not a prime product. I could certainly, in my opinion, make a lot of improvements on it. But it is the best we can do. I suggest that we vote for it.

Mr. GIAIMO. Mr. Speaker, I yield 4 minutes to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I rise in support of this resolution. The conference committee report is the best we were able to do as conferees. It is probably as good as we likely will do if we are forced to return to conference with the Senate.

There is much in this budget that I find less than ideal. If I were given the opportunity unilaterally to rewrite it in my image, I would change it in several respects. I am sure each of us could.

For one thing, I would like to have more money—not less—for the military defense. But then, also, I would like to have more money for strong domestic programs that I believe in. Another thing that I really would like to have is a bigger surplus, and in addition to that, I would like to have a big, substantial tax cut.

The trouble is that my ideal likes and wants are mutually inconsistent. We cannot have them all in the same document. This is not a perfect instrument, but no budget ever will be. This one does answer two essential claims of the Nation. The public wants more money for defense, and this provides it. The public wants a budget in balance, and this one is.

The criticism that has been levied against this budget by the President and by others may be somewhat overdrawn.

For example, the President indicates that he thinks the $153.7 billion set aside for military outlays is excessive. Yet the Congressional Budget Office reports that the President's own budget requests for the military, reestimated now in light of present knowledge, come to $153.1 billion, without the Nunn-Warner pay increase proposals which the President seems to have embraced in principle.

So that is less than one-half of 1 percent difference. I just do not believe it is enough to warrant rejecting the conference report and going back to wrestle again with the Senate and try to come nearer what the President wants.

He seems to indicate, as do some of our other friends—and I join him in this thought—that it would be very good under the present economic circumstances if we had some more money for the cities and for some of the economic recovery programs. But let us compare this conference report with what the House passed, since the House-passed figures would be the highest a conference could legally agree to.

Under "Community and Regional Development," the House-passed resolution contained $9.4 billion. This conference committee report contains $9.2 billion, once again less than one-half of 1 percent difference.

For "Education, Training, Employment and Social Services," the House passed a resolution containing $30.7 billion. Contained in this conference committee report are $29.5 billion, less than one-half of 1 percent difference.

Under "Health," the House figure of $61.8 billion has been reduced to $61.7 billion, not that significant as a percentage of difference.

"Income Security," is down from $220.1 to $219.35 billion, considerably less than one-half of 1 percent difference.

"General Purpose Fiscal Assistance," the revenue sharing for cities and local governments, is right on the target that we set, $6.8 billion. The House approved exactly the same figure that is contained in this conference committee report.

For those reasons, it seems to me that we can accept this report. The differences are primarily symbolic.

This is the first time in the history of the budget resolutions that a President has intruded into the congressional process, the very first time. That, it seems to me, is significant. I do not blame President Carter. He was not in the White House and was not present on the Washington scene when this methodology was created. Those who were here at the time will recall with painful clarity that this process is the result of the congressional budget and anti-impoundment act. It was an exercise of the legislative prerogative. The reason this system was created was to contain Executive power within the streambanks of the Constitution, to keep it from spilling out like a flood over the fields of legislative responsibility. The Constitution clearly reposes in Congress the job of establishing spending priorities. President Nixon, by the profligate exercise of impoundments, had usurped that power to a dangerous degree.

The purpose of the budget process was to reassert the historic and constitutional power, authority, and responsibility of the Congress to establish spending priorities. I think it is up to us in the Congress to reaffirm that again today and we can do that by supporting this conference committee report.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Speaker, the gentleman from New York (Mr. CONABLE) has accurately portrayed this as a precarious balance for the budget. I would add that the precarious balance goes beyond just the fiscal nature of the budget; it also goes to the question of programmatic balance within the budget.

I do not see how we can expect to strengthen the budget process, as we all want to do, unless we have the support from all of those who are involved in all of the functions in the budget that in fact their function is being treated fairly. We must also address the programmatic balance in the budget.

A previous speaker has referred to differences of one-half of 1 percent. Let me tell the Members that some of those differences are far more significant. Take the science function, for example. In the science function, the only area in the whole budget in which we focus on productivity in this economy, any increase gets wiped out. That may appear to be a very small percentage, a couple hundred million dollars, but for the National Science Foundation and for that whole function it is very significant. That same set of differences goes to transportation, goes to energy, where on the margin the differences are very significant indeed.

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Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Speaker, in 1931, in the face of a recession, President Herbert Hoover about tripled taxes on the American people back to where they were in World War I. In effect, trying to balance the budget by raising taxes helped deepen the depression. Today, those who are supporting this budget resolution are suggesting that raising taxes to balance the budget is the way to combat inflation. I would suggest that strategy is impossible: You cannot balance the budget and fight inflation by discouraging economic growth and forcing unemployment to go up. Our economy is in a shambles. In the last year, housing starts are off by 50 percent in this country. Steel orders are off by 30 percent. New auto sales are off by 47 percent. The real disposable income after taxes and adjusted for inflation of the American working man and working woman is off by 7.9 percent in just 1 year and 9.7 percent since President Carter took office.

The initiation of new claims for unemployment, last week, went up 605,000, the largest 1-week initiation for new claims for unemployment insurance since World War II.

What are we asked to do by this budget? Steady as you go. Raise taxes, let unemployment go up. Let the economy continue to decline. Well I refuse to let this happen. How can we unleash the productivity of the private sector of the economy by passing a budget that says we are going to increase the tax burden on the American people by $76 billion in real terms, and not take some action. I believe we must tell the American people that the first line of defense is having a healthy economy, a strong dollar and restoring incentive to our Nation's industrial capacity. We must meet not only the defense needs but the social needs of our Nation. They are not incompatible, indeed they are both vital and can only be served in an expanding economy.

I stand before this House as second to none in my support for defense. But, this is not a defense issue. This is a debate over economic policy, and I say we are going back to Herbert Hoover economics if we pass this budget, raise taxes, and throw people out of work. I ask that it be defeated and that we come back with the Latta substitute which is pro defense, a balanced budget and includes a $32 billion reduction in taxes for the American people who work, save, invest, and produce.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, I rise in opposition to the conference report. A lot of Members have asked me if we go back to conference, are we going to lose the balanced budget and are we going to lose the 3-percent real increase in defense spending? After being in the conference over the last 2 weeks I am convinced there is no sentiment on the part of the conferees to leave the balanced budget. I am convinced there is no sentiment to leave a 3-percent real increase in defense spending.

The real issue here is simply this: Do we need to go $750 million over the Gramm-Holt defense number at the cost of giving up the surplus we had in the House resolution which we are going to need in the face of an impending recession; at the cost of going over the budget authority numbers and the outlay numbers of either the Senate or the House resolution, and at the cost of throwing away the process that we established in this budget of thoughtfully suggesting cuts in functions before mathematical cuts are suggested. In the last day of the conference in order to accommodate this needless defense increase, we cut programs without thought or logic. For all of these reasons I urge Members to oppose the conference report.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, this budget resolution is a definite improvement over the original House-passed resolution.

The House-Senate conference committee has cut $4.4 billion from the House-passed budget for domestic programs and $100 million from foreign aid.

These cuts are not as much as I would like to see, especially in some of the social welfare programs such as food stamps, where reforms to tighten up eligibility and to eliminate waste and fraud could save taxpayers billions of dollars yearly in just this program alone. But this is a beginning—the first balanced budget in more than a decade—and with a new Congress next year I remain optimistic that much more will be done to reduce unwarranted Federal spending in these areas.

With further reductions in spending, which unfortunately do not seem possible with the liberal majority makeup of this Congress, we can then get to the important business of also reducing taxes. This compromise budget still provides for increased Federal tax collections amounting to $88.1 billion over the reestimated tax level of $525.7 billion for 1980, and a tax burden $147.9 billion higher than tax collections of $465.9 billion in 1979.

Unfortunately, this level of taxation is the result of current law. I support lower taxes, which can only be achieved through a change in the laws outside the jurisdiction of the Budget Committee or this budget resolution. Again, I am hopeful that the American people will elect enough budget cutters and tax cutters next November to join those of us who cannot yet form a majority to change the current oppressive tax laws resulting in the high level of taxation under this budget.

The crucial improvement in this compromise budget worked out by the House-Senate conference committee, on which I was privileged to serve, is the addition of a vitally needed $5.8 billion above the House-passed defense budget for fiscal year 1981.

At best, this defense budget still only provides 3.4-percent real growth to improve our military capabilities in 1981.

The President's repudiation of this budget resolution, on the grounds that it includes too much funding for national defense, and too little for domestic social welfare programs, is only further evidence of his flip-flopping on the issues and lack of personal commitment to promises he has made to the American people.

The reason for his commitment last January to 5-percent real growth in defense spending, made in the President's state of the Union address to Congress, was his announced realization following the Soviet invasion of Afghanistan that our country's military capabilities are woefully inadequate.

That realization by the President was apparently short lived.

Soviet production of tanks, combat aircraft, ships, and submarines continues to outstrip U.S. production by an overall ratio of almost 3-to-1.

Continuation of this serious trend in weapons production will guarantee Soviet superiority in almost every area, since the Soviets are presently outspending the United States on military capabilities by more than $50 billion a year.

The United States has not devoted sufficient funds for defense over the past 10 years to replace ships and combat aircraft going out of service.

The 1981 budget must provide adequate funds for the first year of a needed 5-year program to rebuild and strengthen our worldwide U.S. military capabilities.

This budget resolution, despite its shortcomings through overspending in other nondefense areas, is a start in the direction of providing adequate U.S. military strength after years of inattention by Congress to defense.

Our Nation faces a critical threat from the Soviet Union which is on the move to impose its tyranny throughout the world. We cannot afford to wait another month to put into motion the construction of the ships, purchase of a new bomber and combat aircraft, and provide adequate salaries to critically skilled military personnel if we hope to defend our Nation and our people's freedoms against that aggressive Soviet threat.

That is why I worked hard as a member of the Budget Committee to achieve cuts wherever possible in domestic social welfare programs, and to increase funds for our Nation's defense. The result that has been achieved is far from a perfect result. But it is the best Federal budget that we can hope to expect from this Congress—and it provides the best possible hope for minimal needed additional funds to provide an adequate defense for the United States in the future.

For these reasons, I will vote "yes" on this House-Senate budget compromise.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. Brodhead).

Mr. BRODHEAD. Mr. Speaker, I was one of the conferees on this budget resolution. I found myself unable to sign the conference report. The reason that I cannot support it is that I feel that there is inadequate provision in here for those programs to provide relief for the victims of our recession. The money that is made available here for the unemployment insurance programs, for the jobs programs, is simply inadequate.

What I think we are going to have to do is to go back and put money into these programs even if this budget resolution is approved. When that happens, this budget is no longer going to be in balance. I do not think this budget is really and truly in balance, because I do not think we made enough provision in these programs to aid victims of this recession. Therefore, I urge rejection of the conference report.

Mr. GIAIMO. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. Whitten).

Mr. WHITTEN. Mr. Speaker, I rise in support of the resolution; however, I have some reservations about the procedures.

Mr. Speaker, the Congressional Budget Act states that:

> The concurrent resolution shall set forth— . . .
>
> (2) an estimate of budget outlays and appropriate level of new budget authority for each major functional category . . .

The Budget Act is meant to deal with "functional category" targets and not the detailed programs. So I must take exception with much of the publicity currently surrounding this budget resolution when it is cited that it provides too much for defense and not enough for domestic programs. It sets targets for functional categories, it does not provide specifically for funding for defense or specifically for domestic programs. The appropriations bills which will be considered beginning in June will provide the actual funding for these various programs. A good deal of the problem is that the conferees on the budget resolution are entangled in details of the budget makeup when in fact they are charged with the duty of setting only functional targets.

Mr. Speaker, I call attention to the fact that during the original drafting sessions which resulted in the final version of the Congressional Budget Act, the intention of the participants was to have the budget resolutions set overall totals for budget authority and outlays, the size of the deficit or surplus, the level for revenues, and the appropriate level of the public debt. In fact the first budget resolution considered by the House in April, 1975, covering the fiscal year 1976 budget, provided overall levels for only these areas of concern. No recommendations were made at all concerning the major functional categories. Perhaps we should consider returning to the format of that resolution. It was not the intention for the budget resolution to deal with the details of the budget process, because the regular appropriation and authorization procedures were to continue to handle the details and provide regular program reviews.

Therefore it is a fact that the Congress will determine the funding levels for specific items, activities and programs through appropriation measures and other acts regardless of the speeches, news releases or other debate concerning specific program funding levels contained in the budget resolution. It is the intent of the Congressional Budget Act to operate in this manner.

While I certainly support a balanced budget for fiscal year 1981, and I point out that bills from our Committee on Appropriations have been below the budget 36 out of the last 37 years, may I say, however, I have some concern over the propositions for balancing the fiscal 1981 budget contained in this resolution.

A study of this resolution shows many places where I shall urge correction. Saturday or 6-day mail service is so very important to a great majority of the people of this Nation, and we must see that this and other services to our people are maintained, for it is the people who pay the bill.

We must see that there is reward for effort—that production is maintained. While we must save, it is increased production and sale to which we must look to restore prosperity.

Mr. Speaker, there are many places where I differ with the basis on which the congressional budget document is being sold. However, I repeat—this instrument deals with functional targets. The Congress will determine the items, the programs, in other legislation as is provided in the Constitution—and I am sure we will make many changes while trying to stay within the overall limits.

Here we set targets. It will be the Congress in later action which decides final figures.

This budget resolution indicates that if all the assumptions contained therein come about there will be a $500 million surplus in fiscal year 1981. I point out this is a very fragile margin for a balanced budget especially in light of past performance. Let me briefly lead you through the actual budget performance which has occurred thus far in fiscal year 1980. The second budget resolution which was adopted by Congress in November 1979, projected a budget deficit of $28.8 billion. In March 1980, this budget deficit was revised upward to $42.2 billion. In the resolution before you today, the deficit has again been revised upward to $46.5 billion. You can see that due to the performance of the economy, the occurrence of disasters, and the occurrence of other uncontrollable events effecting various Federal programs, wide fluctuations occur in budget projections. Additional events are likely to occur in fiscal year 1980 that will further change the budget picture. I feel safe to say that it will be extremely difficult if not impossible to maintain this narrow surplus projected for fiscal year 1981. I do not say this critically, because the committee under the most able leadership of the gentleman from Connecticut (Mr. Giaimo) has done the best possible job under the circumstances. It is a great step in the right direction.

Mr. Speaker, let me take some time to point out the need for amending the Congressional Budget Act in order to provide Congress with certain funding flexibility. The House Appropriations Committee reported out a general supplemental appropriations bill on May 8 containing funds for many important programs such as disaster assistance, black lung benefits, trade adjustment assistance, medicaid and nearly $1 billion in rescission proposals, however, we have been prevented from bringing this measure to the floor because the fiscal year 1980 budget ceilings have not been revised.

We have marked up and have been ready to hold full committee consideration on 5 of the 13 fiscal year 1981 bills but because of the delay in the adoption of the first budget resolution for fiscal year 1981, we have had to pull these measures off the schedule. Further delay in adopting the budget resolution can only disrupt the timely congressional consideration of these appropriation measures.

This whole phenomenon points up one of the serious flaws in the congressional budget process. Timely enactment of authorizing legislation and appropriations measures is essential for Congress to set national priorities and achieve necessary legislative budget control but during the last several years we have had to experience delays in the process due to upward adjustments in entitlement and other noncontrollable programs causing the existing budget ceilings to be breached. Since the beginning of this session of Congress, the aggregate ceilings for budget authority and outlays contained in the budget resolution for 1980 have precluded the Congress from providing even limited funds for any program to meet emergency and urgent requirements. Under the budget resolution that was in place when the Congress reconvened in January, from a practical standpoint there was no room under the ceilings to provide any new spending for fiscal year 1980. This situation was brought about mainly because of the large increases in interest and inflation rates. As a matter of fact, it has been apparent since early last fall that the budget ceilings for budget authority and outlays for fiscal year 1980 would not be adequate to accommodate known requirements.

Because of this situation, the House Appropriations Committee has been obliged to report out three measures providing transfer authority for Selective

Service and the Federal Trade Commission rather than regular appropriation bills. This forces the Congress to take funds from one program in order to provide funds for another program. Congress should not be placed in this inflexible position and operate the Federal Government in such a disorderly manner. The Committee on Appropriations has been glad to cooperate but the fact is that the Congressional Budget Act needs to be amended in order to provide for certain exceptions covering emergency matters such as disaster relief, et cetera. The Congress needs the flexibility to act on emergency funding measures when the situation dictates and not be hamstrung as we have been for the last 6 or 7 months. We have shared our concern about this matter with the Rules Committee which has jurisdiction in this area and would welcome an opportunity to help find a specific solution.

Mr. GIAIMO. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Simon).

Mr. SIMON. Mr. Speaker, four points very briefly and quickly: I hope in all the acrimony earlier on the rule on the debt ceiling we did not miss an important point made by the gentleman from Missouri (Mr. Bolling) when he asked the question, "Can we govern?"

This is not a debating society where we make points with one another. We have to run the country. and that means all of us have to give.

Second. On the question of the military amounts, 1 week ago I was on this floor fighting for some reductions in the military authorization. In the conference, I would point out, the gentleman from Connecticut (Mr. Giaimo) and I were the two who led the fight to try and bring the other body's numbers down, and ultimately we got to the point where some of our colleagues said if we come down $200 million, it would be acceptable. Two hundred million dollars, my friend, is one-eighth of 1 percent of the military budget. We are not talking about substance. We are talking about symbols.

Third. In the areas that some of us are most concerned about—education, social services, jobs—we came away with an education mark much better than most of us thought we would emerge from this session in.

□ 1850

In the jobs field, the Senate knocked out title VI. We saved it. We have for fiscal year 1981 the same number of jobs that we had, public service jobs, for fiscal year 1980. Not enough in my opinion, but it certainly was a House victory.

The Senate did away with the Young Adult Conservation Corps. We saved it.

We prevailed on food stamps and on a number of social issues.

Finally, let me just add one other point. The fundamental question is will we improve the product if we reject the conference report. I suggest there is great danger that we will not.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. Trible).

Mr. TRIBLE. Mr. Speaker, I rise in support of the budget resolution. This budget is not what I think it should be in many significant respects. But, it does recognize the overriding national requirement to begin rebuilding our neglected military forces.

I say to my Republican colleagues that we must begin this task today. We cannot wait until a new administration takes office in January 1981.

The truth is we must replace our ancient B-52s with a modern manned bomber if we are to have a viable strategic force. The truth is our Navy is stretched to the breaking point. We need to build ships—now. The truth is our people are leaving the military in record numbers because of inadequate compensation. We must pay our military personnel more—today.

This budget resolution recognizes these realities. I urge my colleagues to vote yes—America's peace and freedom require it.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. Campbell).

Mr. CAMPBELL. Mr. Speaker, the thing that I think we have to be aware of is the perception that we are dealing with in the budget here today. The fact is that we are dealing with a rough ceiling, a rough guideline of where we are going with this budget resolution; but the perception is that we, as a Congress, have moved. We have moved to a position of strengthening our national defense. We have moved to a position of restraining the burgeoning growth of the bureaucracy in domestic spending.

I think that perception is important to the world and to the American people. If we send this budget back, I submit to my colleagues on my side of the aisle, and I would agree with the statement of the gentleman earlier, I do not believe we will get a better document. I do not believe that we will get anything near as good as what we have before us today.

I submit to you that we have a responsibility to keep the House moving in a correct direction, one which we have started under the able leadership of this Budget Committee.

I hope that you will support this conference report.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. Pepper).

Mr. PEPPER. Mr. Speaker, I wish I could support this resolution, because our committee has done a great job in its effort to get through a satisfactory budget resolution; but I cannot do so without repudiating what I have lived by and fought for all my political life.

I do not quarrel with the Budget Committee on the other side with asking for a large amount of money for our national defense. I agree with them on that.

I challenge the presumption that America cannot adequately defend itself without taking the necessary funds, to a large extent, out of the wellbeing of the poorest and the neediest people of this country. We are not that destitute. We are not that impoverished.

The Senate committee has apparently insisted to our committee requiring their final concession that they have their $5,800 million increase in the military budget and saying that you have got to take it out of the social welfare and educational and health needs of the people of this country in order to provide that additional money. We do not have to do that.

I do not want the Kremlin to say that when we had to raise our defense expenditures to a comparable level with theirs, we had to take it out of the poorest and the neediest and the sickest people of this country.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. Stratton).

Mr. GIAIMO. Mr. Speaker, I also yield 1 minute to the gentleman from New York (Mr. Stratton).

The SPEAKER pro tempore. The gentleman from New York (Mr. Stratton) is recognized for 2 minutes.

Mr. STRATTON. Mr. Speaker, we are asked by the President of the United States and by the Secretary of Defense to reject this budget resolution, because the defense money in it is unnecessary and because the money that was added in the conference report would actually jeopardize the security of the United States. But the curious thing is that the President and the Secretary of Defense never consulted with their top military leaders, the Joint Chiefs of Staff, on whether those statements were true or not.

So this morning the House Armed Services Committee summoned the chairman of the Joint Chiefs of Staff and the other Chiefs of Staff to comment on that action. What they told us, what every single one of the members of the Joint Chiefs of Staff told us this morning, was that they need more, not less than the $153.7 billion for defense that is in the budget bill if we are to meet our worldwide defense commitments.

General Jones, the Chairman, said:

> Since the invasion of Afghanistan, this country does need to expend more on defense than is in that budget.

General Allen of the Air Force said:

> I believe increased funding is needed to match the increased danger.

General Barrow, Commandant of the Marine Corps, said:

> I believe defense at this time transcends all else.

General Meyer, Army Chief of Staff, said:

> I do not believe the current budget responds to the Army's needs to meet the challenge of the 1980's.

And Admiral Watkins, Vice Chief of Naval Operations, said that the Chief of Naval Operations, Admiral Hayward, believes that the initial Carter budget request "fell short" and is "skeptical" about the later higher budget request from the administration.

Mr. Chairman, as the majority leader explained a moment ago, when the President went to the deck of the *Nimitz* and came out in favor of the Warner-Nunn amendment military pay increase, he came within $100 million of the amount that he opposed in this conference report, and seeks to have it defeated here.

I think the signal that we would give to the Russians if we reject this report would be very damaging, indeed, especially in the Indian Ocean and the Persian Gulf, where we still cannot project our power in any credible, convincing way.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland (Mrs. Holt).

Mrs. HOLT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the gentleman from New York is absolutely right. I heard the Joint Chiefs of Staff this morning say that we were in jeopardy. We are in a dangerous situation. Defense spending in this budget is 25 percent of the 1981 budget.

Is any Member of the House prepared to say that we should be spending less than 25 percent of the Federal budget on defense? That is our major responsibility here.

My friends say that there is not enough money in here for social programs. I would remind them that more than half of this budget, 50 percent of it or more, is allocated for benefit payments to individuals.

We can take care of the needs of our people, but the defense function has been neglected for 10 years. It is absolutely essential that we change our priorities.

I have to agree with my friend, the gentleman from New York (Mr. Kemp), that there is a major failing here. There is no tax reduction, but we are moving in the direction of a responsible budget.

Now talking about a balanced budget becomes a responsible concept. Even though we are not doing it, we are at least talking about it.

One of the key ways to cut taxes and reduce Federal borrowing in the capital markets is to slow the growth rate of Federal spending and that is what this budget does. It slows it from the traditional 11 percent to about 8 percent; and we are recognizing the great need in the defense area. It is not a partisan issue. It is not an issue that we should be fighting about here. This is our country that is at stake.

I urge all of you to support this conference report.

Mr. GIAIMO. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Speaker, I rise in support of this conference report on the budget. I do so because it is largely consistent with a number of the high priority objectives that the fiscal 1981 budget must accommodate.

Mr. Speaker, it is a very difficult task to provide adequately for our defense and for social justice within the framework of a balanced budget. It is a task, quite frankly, with which the Congress has had very little experience in recent years.

I think this may explain why there are those who insist that a better balance could have been struck by the House conferees in particular and by the House and Senate conferees generally. Perhaps so; but let me say, Mr. Speaker, that this conference report is not meant to be a detailed blueprint.

□ 1900

It is meant to be more of a working drawing on how the budget can be shaped by the Authorization and Appropriations Committees to accomplish multiple goals: For the military, which, God knows, we need for national security; for maintenance of essential social programs for the needy; and certainly for a better balance between revenues and outlays.

Mr. Speaker, this conference report is a product of enormous effort. It will largely satisfy the basic requirements of the Federal Government in the next fiscal year. It is the first balanced budget, technically or otherwise, the Congress can point to in more than a decade. I urge its adoption.

Mr. GIAIMO. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Gramm).

Mr. GRAMM. Mr. Speaker, I talked to my friends who want to balance the budget and who want to meet our defense needs and they say, "I don't like this budget. I don't like the $100 billion increase in taxes. I don't like the withholding of interest and dividends. I don't like the unrealistic legislative savings."

But I ask my colleagues if we vote "no" here, if we turn this down and send it back to the conference, is it going to eliminate any of those things? I think the answer is "no."

It is going to do two things. No. 1, it is going to give us less defense. No. 2, it is going to enhance the probability that we are going to run a deficit.

Finally, I would like to say to my liberal friends: Gramm-Holt got trounced on this floor. I guess I should call it Holt. But when it came to making the decision, to vote responsibility, to try to balance the budget and work within the system, I voted for the budget resolution. My colleagues have an opportunity today, even though the priorities are not exactly what they would have, to show that same responsibility. I am interested to see how those who claimed I was irresponsible on Gramm-Holt will vote.

Mr. GIAIMO. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Speaker, Chairman Giaimo and our Budget Committee colleagues deserve our thanks for their hard work on this most difficult of political issues under the most trying of conditions.

As chairman of the House Science and Technology Committee I have especially respected their careful analysis of category 250, that provides for research and development activities in several important agencies, including the National Aeronautics and Space Administration, and the National Science Foundation. I was not always pleased by some of the restraints they imposed on this category because of my view that this area represented our best hope for a long term, not transitory, emergence from some of the economic problems facing us in recent years.

However, I did respect their wisdom in emphasizing the need that the vital space shuttle program not be crippled. I also valued the leadership of our former Science Committee colleague, Mr. Wirth, in pointing out to our Budget Committee colleagues that cuts too severe in any of the agencies of this group would be counterproductive and simply lead to further weakening of our Nation's technologically based economic system.

Many of the proposed expenditures in other budget areas are items most of us probably wish did not need to exist. Service on debt, military expenditures, and costs of past mistakes in economic and social policy, all tend to dominate the budget in dollar terms and political attention. Yet it is the research and development investments which hold the promise of the future. These provide the chance to leap beyond the pattern of ever-climbing costs for traditional approaches to needs and problems, and into whole new realms of sophistication and productivity in human endeavors.

Most of the Federal budget is correctly viewed as a public expenditure, a tax on our productivity made necessary by the need to organize and temper the vast array of forces operating in our complex world. The research and development segment, however, can truly be viewed as an investment for the future, often with a payoff many times the initial cost.

In recent months I have been literally overwhelmed by the startling scientific and technological developments confronting us. Many of them may transform our lives and leave far behind problems we never seemed to catch up with in our traditional budgets and programs. We knew there was promise in genetic engineering, but now we see that this technique applied to agricultural breeding may accelerate by orders of magnitude what seemed already to be a dizzying pace of progress in crop development. Microbial production of insulin, interferon, and other biological substances may remove constraints in disease treatment which no amount of ordinary program budgeting could have overcome.

Satellites, microcircuits, optical fibers, and new and versatile superconducting substances may similarly completely revolutionize information and communications technology—and enable developing countries to leap frog vast investments in old cable-type information networks which took a considerable toll on the resources and capital of nations moving to industrialization a decade or two ago. These developments are so much a matter of public and media fascination that I obviously do not have to recite them to you. The recent National Academy "5-year outlook" on science and technology was an exciting chronicle of many of these. My thought for this occasion is to stress the point that since so much of our future may depend on the investments in this research and development sector, it should perhaps command much more of our attention than its numbers alone may suggest.

Most importantly at this point, I must state how strongly I share the disappointment of many of my House colleagues that we are looking at a conference report which follows too strongly the thrust of the much less foresightful Senate resolution. The conference figures for outlays in the vital research and development category 250 are $200 million below the already restrained House figure—and capitulate completely to the Senate position. I do not believe that the Senate action was a well-reasoned one, and I feel that the negative impact it can cause on our Nation's technology base will plague us for years hence.

This conference report has both strengths and weaknesses, and as such is obviously controversial. However, if it is our decision today to send this report back to conference, I urge very strongly that my House budget colleagues maintain in future negotiation their much wiser position on our important research and development investments.

Mr. GIAIMO. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I was a member of this conference committee that worked for several days, in fact many times into the night, to 10:30 or 11 o'clock. I signed the conference report, not because I was fully pleased with the end product in total, but because my displeasure was so small in degree that I felt it was more important that we keep this budget process together and report out a balanced budget that could pass both Houses of Congress.

What is this small degree of displeasure that I had with it, and those who did not sign the conference report had with it? In dollar terms, in the total package it comes to less than one-tenth of 1 percent. Some of those who did not sign the conference report objected because the defense expenditure was $200 million too much. Out of a budget of $613.8 billion we are arguing over $200 million.

The fact of the matter is the defense budget that is contained in this conference report is too small if we relate it to what the President of the United States promised at NATO in terms of real growth, and if we relate it to what the President promised on board the *Nimitz* just 2 or 3 days ago in terms of increased pay for the military. But this defense budget is reasonable.

In terms of what domestic programs had to be cut, there is virtually no cut in the income security programs that affect individuals, particularly those who are truly poor. For those who would be tempted to vote against this, think about what you are doing. I cannot say that we will be able to put together a majority consensus for any other kind of budget other than this. If it goes down, you may be in the posture of voting against a balanced budget because we are spending a little too much for defense.

I hope my colleagues can explain that in their districts.

Mr. OBEY. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, first of all I will say that originally the House cut $16 billion from domestic programs. We added slightly to the President's original budget for defense. I supported that and so did most of the House.

In conference, $4.4 billion more was cut from domestic programs. On defense the talk today has been about the $700 million outlay increase. But the real issue in defense is not the $700 million outlay. That is very close to agreement. The major problem is the budget authority number, and there is a 5-year, $39 billion difference.

So we are talking about a defense budget which the President has increased over a 5-year period by $40 billion and which the conference committee has increased by another $40 billion over that, over a 5-year period.

I ask my colleagues: Did anyone in the House really believe that we were going to come back from conference higher than the Holt amendment on defense, lower than the Holt amendment to the tune of over $1.5 billion on education and jobs? I think the answer is "No."

I want to point out some of the real cuts that we will be experiencing if this conference passes. We will have an additional $600 million cut in emergency fuel assistance for the elderly. Transportation will be at $1.4 billion below this year's level. We have a further cut of $1.2 billion in education and jobs. In health there is not the $100 million cut which was talked about, but a $400 million cut in budget authority. That budget authority is necessary to finance the National Institutes of Health and all of the cancer research that all of you have been raking me about.

On the process, people say we cannot afford to defeat this budget resolution because it will damage the process. I want to point out this budget resolution has been defeated a number of times in the past. It was defeated the last time last year. No great damage was done.

The other body simply learned that it had to listen a little more closely to what the House had to say. I would suggest that that is the most important message we have to send here today in this budget.

In this budget there is an 80–20 split in favor of the Senate on defense. I have told my colleagues what the cuts have been on the domestic side. If they want a little better balance between what the House said and the Senate said and which will still be in balance (I do not think anybody is crazy enough to think that this Budget Committee is not going to vote a balanced budget, especially in an election year) they should vote "no."

We can then get a little more careful balance than there is in the product you have before you. I would urge my colleagues to oppose the resolution.

Ms. FERRARO. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I yield to the gentlewoman from New York.

Ms. FERRARO. Mr. Speaker, I rise in opposition to the conference report, and I am not happy about doing so.

I support a balanced Federal budget. I voted for the budget resolution that passed this body on May 7, even though I was not particularly happy about doing that. Though I am committed to achieving a balanced budget for fiscal year 1981, I felt the spending priorities in the Obey substitute, which failed by only 12 votes, were preferable to those in the resolution we finally passed. Still, I voted for the resolution. I felt that the symbolic importance of the Federal Government balancing its budget as a first step toward controlling inflation outweighed the serious misgivings I had about who would bear the brunt of the cutbacks in Federal spending.

There is no need to go into great detail on the numbers in this conference report. The defense function, which the House resolution would have increased by $17 billion over 1980, has been increased another $10.5 billion on top of that. Meanwhile, every domestic program you can find has been cut. Health, education, training, employment, income security, community and regional development, and natural resources and the environment have all been cut.

To take one area as an example, transportation has been cut $850 million below the House levels to $18.6 billion. That is actually $1.5 billion less than we spent on transportation last year. So never mind talking about increased spending that becomes a decrease when inflation's impact is computed. Transportation expenditures are down in absolute numbers.

It appears that the cuts in transportation programs will come mostly in the area of mass transit. To me, there is an enormous irony in this. By any reasonable measure, mass transit is a key to solving our energy problems, which are caused by our dependence on expensive imported oil. Yet this conference report proposes defense spending increases largely as a response to the growing Soviet threat to the oil-producing regions of the Middle East that are so important to the Western industrialized nations while it cuts spending on programs that could reduce our dependence on those imports.

Now, it is obvious that the overriding concern of the conferees was our country's problems around the world. But in case it has somehow escaped anyone's attention around here, we also have some pretty serious problems at home. This morning's newspapers brought the newest reports on the recession front. Initial claims for unemployment benefits for the week ending May 17 reached 675,000—by far the highest number ever. Expectations are that the unemployment rate will reach 7.4 percent in May.

In the face of this worsening recession, this conference reports cuts the education/training/employment function by $1.8 billion from the House-passed level. Another $600 million has been cut from the income security function that would have been used for low-income energy assistance. So while the economic news is that more Americans are going to be needing help, this budget is saying less help will be available from the Federal Government.

The conferees also cut $200 million for targeted fiscal assistance out of the third budget resolution for 1980 that had been approved by the House. This money is needed to help offset the effects of the recession in the hardest-hit areas. Since $20 million of that money would have gone to New York City, the result will be cuts in vital city services such as sanitation and police. My constituents are as willing as any in America to make the sacrifices that will be necessary to control inflation, but it must be clear that the sacrifice is being shared.

The people I represent here in Congress are America's middle class. They are people who get up every morning and go to work, and their efforts provide the goods and services that make our economy go, and they pay the taxes that make our Government go. Inflation hits them hard, and they need to have it stopped. They want the Federal budget balanced if that will help control inflation. But I cannot, in good conscience, support a balanced budget that will hurt my people, and that more importantly, does not meet the needs of this Nation. There is no way I can vote for this conference report.

Mr. OBEY. I thank the gentlewoman and urge my colleagues to vote "no." We can be back in a week with a far more responsible plan if we focus on budget authority in defense rather than on outlay, which most of the discussion has centered on here today.

Mr. LATTA. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, certainly if I were crafting this budget resolution I would craft it a little differently, but being a reasonable person I understand that you cannot get everything in a $613 billion budget that you would like.

But there are many things in this budget I like, but I would like to first point out that there are not any cuts in here for social programs.

A second budget resolution on the function 550, Health, was $54.4 billion. In this resolution it is $61.7 billion. I do not call that a cut. Income security was $190 billion. In this resolution, it is $219.35 billion. That is not a cut.

□ 1910

Veterans benefits: In the second budget resolution it was $20.8 billion. In this one it is $21.2 billion. I do not know where they get the idea that these areas have been cut.

I am sorry that my good friend, the gentleman from Florida, was given such misinformation.

Let me also point out that this is a target resolution. We are going to have a second crack at it in September, so we are not setting anybody's feet in concrete, but we are giving direction in which to go. Certainly, if you know anything about the defenses of this country, you know we have got to do something about it. I think you all read the Newsweek. Let me just read from the May 12, 1980 issue a couple of sentences concerning defense—of talking loudly with a small stick. It reads as follows:

> In the aftermath of Vietnam, U.S. preparedness for non-nuclear confrontation has slipped sharply, especially in view of the huge Soviet buildup. Regular U.S. forces and reserve units are hurting for qualified men. Many key American weapons are past their prime; the B–52 bomber is 25 years old, and its intended replacement, the B–1, was killed by Carter. The United States has no direct counterpart of such new Soviet weapons as the SS–20 missile or the backfire bomber.
>
> Moscow also has improved its ability to transport military forces far beyond its borders, as it demonstrated last November, when 10,000 troops were airlifted from the southern Soviet Union to the Horn of Africa and back. In contrast, it would take nearly a quarter of the Military Airlift Command's 1,000 planes to move a single brigade of 16,500 U.S. marines to the Persian Gulf in six days; tanks and heavy equipment, transported by sea, wouldn't arrive for weeks; and the assault force could find itself immediately outnumbered 10 to 1 by Soviet troops with short supply lines to Mother Russia. A new U.S. Rapid Deployment Force of 150,000 troops with prepositioned supplies at Indian Ocean bases is still five years and $10 billion away. Without such capabilities, critics say, the better part of valor would seem to be to use caution and not the rhetoric of power.

This is to give you some idea as to what poor shape we are in from a defense standpoint, and here we quibble about cutting back from what was requested by the President of the United States when he said increase these programs over fiscal 1980 when we adopted a budget resolution last November.

Let me say something about taxes. We included language in this budget resolution, in the conference report, to make absolutely certain that there was no import-fee money contained in the revenues. You will find that on page 17 of the conference committee report. Likewise, withholding tax on dividends and interests is not included. We realized you could not get such a proposal as asked by the administration, so it was not included.

Yes, all five Republican conferees signed this report for the first time since we have had a budget process. It came out six Democrats and five Republicans. It was a bipartisan effort, and we were faced with the alternative—do you want to turn it down? Do you want to turn it down and go back to conference and cut down on defense when you have been out on the hustings saying we need more for defense, and then vote against this resolution? Absolutely not. I do not think you could face the American people. They know that we need more for defense, and they are going to support this resolution. They are going to support you if you want more for the defense of this country, which is most important now.

I say to you, vote for the resolution. It is only a target, and we will take up the budget and put it in concrete in September. But give us direction in which to go. I urge you to support the resolution on both sides of the aisle.

Mr. Speaker, I yield the remainder of my time to the gentleman from Connecticut (Mr. GIAIMO).

The SPEAKER pro tempore. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. I thank the chairman.

Mr. Speaker, I must reluctantly rise in opposition to the conference report on the first budget resolution. My reluctance stems from the fact that the likely defeat of this report by the House will throw the budget process into serious disarray.

Let the record be straight. Along with a majority of this body, I voted for the House-passed version of the budget resolution. I was not totally satisfied—as reflected in my votes in support of the Obey amendment and the Udall amendment. However, considering the economic situation we are in and the overwhelming clamoring of the American people for a balanced budget, the House-passed legislation did deserve support.

However, what we are being asked to accept today is radically different. We would all be hard pressed to admit that we fared well at all in conference on this budget resolution. Conferences, by their very nature, are vehicles for compromise. However, here we appear to have crossed the fine line between compromise and capitulation.

I am, always have been, and always will be, a supporter of a strong national defense. However, this conference report makes the false assumption that the only means to insure a strong defense is to pump billions of new dollars into defense spending. Let us examine the figures for national defense a little more closely. This conference report provides for an additional $10.5 billion in authority and $5.8 billion in outlays for our national defense above the figures that we in the House agreed upon. We are talking about a 19-percent increase in budget authority over last year—well above our inflation rate. When the Secretary of Defense and the Commander in Chief both stand opposed to such excessive defense spending, we must ask ourselves, can we support this level of spending for this function?

In keeping with the balanced budget philosophy, in order to achieve such an exorbitant increase for defense, we are forced to make draconian cuts in vital social and human service programs. It is on this basis that my strongest objections to this report rest.

In the area of employment, this report proposed to eliminate another 50,000 public service CETA jobs—this at a time when our unemployment rate is showing definite signs of increase. This conference report more specifically calls for a reduction of $600 million from the House bill for our all-important youth/education/employment initiative. This Nation's unemployment problem is most acute among our youth—especially minority youth. It fuels the fires of unrest and unless we are prepared to make a meaningful commitment to providing more jobs for young people, the horrid specter of Miami may be repeated in other areas of this Nation this summer.

I am especially distressed over the failure of this conference report to provide funds for any targeted fiscal assistance. The House-passed bill provided a modest $200 million in funds for this program, also known as countercyclical aid. I am a cosponsor of legislation to extend this program. I know of its essential value to our major urban areas, such as my own home city of New York. Under the House-passed budget resolution, New York City stood to get some $40 million in targeted fiscal AIS. Yet as far as New York City is concerned, the issue goes far beyond just the $40 million. First, these funds targeted are of greatest value during a recession. Our economy has entered a recessionary phase of unknown magnitude. However, based upon economic indicators, we have truly entered a recession. One of the leading consequences of this situation is unemployment. Normally, under these conditions, our large cities are the first to feel the impact of a recession and, in 1980, New York City is no exception. We were well advised to include $200 million in funds for this program in the spirit of prevention before the disease claimed full control.

The other consequence of our failure to provide for emergency antirecession aid is that such an action will represent another blow to New York City's efforts to comply with the terms of the 1978 loan guarantee legislation to put forth a balanced budget. The mayor's fiscal year 1980 and 1981 budgets contained economic assumptions of reasonable sums of Federal funds. Clearly, $40 million not provided under Federal auspices can and will throw the entire budget objectives of the city in serious disarray and danger.

New York City is not the only city which will be adversely affected by this conference report. If anything, this report is an enemy of all urban America and should be defeated. It is also important to note that another deletion in this conference report is the administration's fiscal year 1981 program for transitional assistance for local governments, under this laudable proposal, $500 million would be provided to those local governments most affected by any reduction or elimination of revenue sharing.

My objections to this conference report are multifaceted. We are proposing a balanced budget, yes. But we are balancing this budget on the backs of those persons who are already suffering—the poor and the elderly. We are not making a sound budgetary judgment here—we are responding to an atmosphere of emotion, devoid of the full faculties of logic. I urge the defeat of this report and the expeditious consideration of an alternative which will respect the overwhelming sentiment of this Congress and the President for a balanced budget—one which does not propose the kind of unreasonable imbalance between defense and human needs that we have before us today.

Mr. GIAIMO. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Mattox).

Mr. MATTOX. Mr. Speaker, I rise in support of the conference report.

Mr. GIAIMO. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. Ichord).

Mr. ICHORD. Mr. Speaker, I rise in support of the conference report on House Concurrent Resolution 307, the first concurrent resolution on the fiscal year 1981 budget and would urge my colleagues to vote for its adoption.

Mr. Speaker, the budget process has been in existence for 5 years and this is the first year we have demonstrated fiscal responsibility in a balanced budget. In responding to this foremost responsibility the members of both the House and Senate Budget Committees were forced to make some hard choices in establishing spending priorities in the various functional areas. These choices were then subject to amendment in the respective bodies and later the topic of debate and compromise in conference. The ultimate outcome is as unlikely to please everyone as the proposals originally reported by the committee.

In my own case, I fully backed the Gramm-Holt proposal to increase defense spending for reasons I will detail momentarily. However, when Gramm-Holt was defeated I still voted for the balanced budget embodied in House Concurrent Resolution 307 and did so despite disagreement with the spending priorities.

Now we are asked in the 11th hour of the process to reject the conference report because there are those who are unhappy with the adjustments in priorities worked out in conference.

In the area of national defense, the conference report reflects targets of $171.3 billion in budget authority and $153.7 billion in outlays. Before proceeding let me remind my colleagues that these are merely targets and that the final figures will be set by the appropriations process. Let me further point out that only last week 338 Members in consideration of H.R. 6974, the fiscal 1981 defense authorization bill, cast a vote for a substantial increase in defense spending.

Returning now to the figures before us, I would point out that in January the President presented a defense budget of $161.8 billion in budget authority and $146.2 billion in outlays. The administration subsequently in March identified a need for an additional $4.5 billion to cover the cost of increased inflation ($1 billion), increased fuel costs ($2.9 billion), and for our Indian Ocean operations and rapid deployment force initiatives ($619 million). Discounting any offsets this would increase the January request to $166.3 billion in budget authority and $150.7 billion in outlays. On the basis of 9.9 percent inflation this would have represented our minimum defense needs, equal to an estimated real growth of 5.8 and 1.2 percent, respectively. In turn this budget resolution proposes targets of $171.3 billion and $153.7 billion equating, on the basis of 9.9 percent inflation, to growth of 9.3 and 3.4 percent.

Mr. Speaker, the Russians outspent us by $240 billion in the decade of the seventies with annual real growth of 5 percent. What is proposed in this resolution is only a modest beginning to reverse the tide of unilateral restraint. I would remind everyone that on Memorial Day, our President told the troops aboard the *Nimitz* that he supported increased salaries, higher allowances for subsistance and quarters, and greater reenlistment bonus. Our Commander in Chief of the Pacific Forces claims he needs more ships to carry out his responsibilities and protect U.S. interests in the Pacific and Indian Ocean areas. These all require additional funding.

At a time when the world is gripped with uncertainty, a time when we find Russians in Afghanistan, Cubans throughout Africa, Americans held hostage in Iran, revolution threatening the stability of our own hemisphere in the Caribbean and Central America, can we afford to do less than what is proposed by this resolution? I think not.

As a frequent critic of the spending priorities established by our Budget Committee, I applaud the fact that they, with their Senate colleagues, have returned a balanced budget. They are to be commended for this demonstration of fiscal responsibility and I would ask that my colleagues acknowledge this landmark occasion in the budget process by voting in support of the conference report on House Concurrent Resolution 307.

Mr. WEISS. Mr. Speaker, I rise in opposition to the conference report on the first concurrent resolution on the budget, fiscal year 1981 (H. Con. Res. 307).

This version of the Federal budget, which balances the budget at the expense of vital domestic assistance programs and neglects the real national economic plight, must be rejected.

I am compelled to reiterate my vehement opposition to a budget which seeks, through political expediency, to cut deeply into essential programs which benefit the economically disadvantaged while inflating the defense budget—to levels which the administration indicates it cannot possibly expend.

More importantly, this budget is structured in almost complete disregard of the $1 trillion economy in which it plays a vital role. Unemployment rose 0.8 percent in April over the preceding month. The House Budget Committee is assuming that by the end of fiscal year 1981 unemployment will be at 7.6 percent, but the prevailing economic forecast is that the rate will be much higher than that. These figures reflect a need for the Government to prepare its people for the difficulties of a serious recession, not to turn its back on economic reality.

The conference report is worse in almost every respect than was House Concurrent Resolution 307, as passed by the House on May 7. It deepens cuts in vital domestic assistance programs and heightens the Pentagon budget on an intolerable level. Under the conference report domestic spending cuts total $19.9 billion. Defense spending would rise by 9 percent above inflation. House Concurrent Resolution 307, by comparison, cuts $16.5 billion in domestic spending and provides a 3.4-percent growth in defense spending above inflation.

The real issues in the debate over the fiscal year 1981 budget have, with the conference agreement, now emerged and will no longer be obfuscated by the balanced budget rhetoric. Proponents of this concept have in this conference report unmistakably and openly aimed the cutting ax at the poor, the politically disadvantaged and those who depend most on Federal assistance. Reductions are mandated in education programs, in title VI of the Comprehensive Employment and Training Act (CETA), in low-income energy assistance, in food stamps and the youth employment-education initiative. But, as has become evident in the conference report, the ax will not fall in one place—the Department of Defense. The Pentagon budget would be preserved at all cost—even to the extreme of providing more money than it can possibly spend.

With unemployment already in excess of 7 percent, and inflation at double-digit levels, cuts in domestic programs, especially CETA title VI leave no margin of safety to provide the economy a crutch in advancing out of a state of recession. Under title VI the Federal Government has pledged to provide between 800,000 to 900,000 jobs when unemployment rises above 7 percent. House Concurrent Resolution 307 as passed by the House provided funds for only 400,000 jobs. The conference report will provide for 350,000 jobs.

But other economic ramifications of the so-called balanced budget approach embodied in the conference report and House Concurrent Resolution 307 are even worse. As the Congressional Budget Office (CBO) reported in its 5-year projections in February 1980, a 1-percent rise in unemployment will trigger an increase in the Federal deficit of $25 to $29 billion. This will entail a rise of about $1 billion in the food stamp program alone. Under the conference report $40 million is cut from the food stamp program on the basis of the proposed reforms of S. 1309, Food Stamps Act amendments. On the inflation side of the economy, the prospect of any improvement is also bleak. A $15- to $20-billion cut in overall Federal spending, according to CBO, results in only a 0.1- or 0.2-percent cut in the inflation rate.

The conference report accentuates the worse aspects of House Concurrent Resolution 307. In fact it closely resembles a substitute version of the budget offered to House Concurrent Resolution 307 by Representatives HOLT and GRAMM. The conference report authorizes $171.3 billion in budget authority for national defense. Holt-Gramm authorized $166.6 billion for that purpose. This is a gap of $5.8 billion. However, the House-passed version of House Concurrent Resolution 307 authorized $160.8 billion for budget authority for defense and thus represented a greater gap of $10.5 billion. Clearly, the conference report reflects the Holt-Gramm position, which was rejected by the House in a vote 246 to 164, more than it does the officially adopted position of the House. Similarly when compared to the Senate version of the budget the conference report proves equally untrue to the House position. The Senate version provided $173.4 billion in budget authority for defense—a gap of only $2.1 billion from the conference report.

This budget, Mr. Speaker, does a disservice to the American people. It passes off a balanced budget as though it were the only national solution for our economic woes. It loads the defense budget as though throwing money at the Pentagon was the answer to our national defense problems. It gravely underfund's the real needs of our country. National security and economic conditions can be greatly ameliorated by strong and vigorous action domestically. It is in everyone's interest to have full employment and to feed the hungry. Unfortunately this conference report goes in the opposite direction and I urge my colleagues to vote against it.

● Mr. MURPHY of New York. Mr. Speaker, I rise in opposition to the conference report on the budget resolution for fiscal year 1981. This report virtually ignores the House's budget position on vital social programs which had already undergone significant cuts in this Chamber.

The approval of this agreement would spell disaster for many States and localities, severely curtain education, housing, energy, and employment programs, and impact virtually every citizen of this country. Those who would be hit hardest, are those who are always bearing the brunt of our domestic problems, the poor, the elderly, and the children. Facing deepening recession and soaring inflation, these segments of our society would certainly get the message that the Congress is more interested in balancing the budget rhetoric than taking care of our people, if this report is approved.

The conference agreement also ignores two budget lines which are crucial to the finances of our States and cities. The House had included $200 million for the targeted fiscal assistance program in the third budget resolution for fiscal year 1980, which is a part of this agreement. The Senate had provided no money, and the conference provided no money. The House had specifically put this in to aid our neediest localities who are having their own battles with inflation.

It is desperately needed in New York which would receive approximately 20 percent of the total and subsequently feed the majority of this share to New York City. No one in this House must be reminded of the severe economic problems which we are recovering from in New York. Loss of this funding and that which was cut in conference for the transitional revenue sharing assistance program would cripple many programs not only in New York, but in other major metropolitan areas which daily face the same issues as we do, although they may not be on the same scale. Under this latter program, we were seeking to aid those communities across the country who will suffer as a result of the elimination of the State share of revenue sharing. To get them through the transitional period, this program was authorized to help localities who received substantial support from their State's revenue sharing.

I believe that we can defeat this conference report and have as our end result an agreement which is much more responsive to the needs of our people. If this means that we do not balance the budget this year, fine. There are more important issues facing this country today that require our time, effort, and attention. We cannot chase an elusive, if attractive goal with blinders on. We must open our eyes and see what is really needed.●

● Mr. HARRIS. Mr. Speaker, I cannot vote for this conference report on the fiscal year 1981 budget resolution. While I strongly support a balanced Federal budget—and I voted for passage of the balanced budget resolution approved by this House last month—this conference report which reflects the changes insisted on by the Senate is simply not in balance in terms of numbers, or in terms of priorities.

Passage of the conference report would destroy the prospects of a balanced budget this year. The House-passed budget resolution approved on April 29, 1980, had very good prospects of providing the first balanced budget in over a decade. It had a healthy $2 billion surplus and made many tough but realistic funding cuts.

Quite the contrary, the balanced budget promise of the conference report we are considering today is phony. Not only does the conference report reduce the surplus to $500 million, it makes massive program reductions that stand little chance of enactment during the authorization/appropriation process. If Congress approves this conference report—which does not stand a chance of staying in balance—our efforts over the past 4 months to eliminate the deficit would be wasted.

In addition to jeopardizing the chance for a real balanced budget, this conference report is seriously imbalanced in terms of budget priorities, and represents a complete capitulation from the budget priorities the House endorsed last month.

Programs vitally important to our Nation and to northern Virginia have been dramatically slashed:

In education, the conference report proposed a $286 million reduction in the Federal impact aid program. This reduction would mean a loss of $10.2 million for northern Virginia—a loss which would seriously jeopardize the ability of our school systems to provide quality education for our children;

Federal employees are treated unfairly, and would be limited to a 6.2 percent pay adjustment—an amount sorely less than what is needed to keep Federal wages comparable to salaries in business and industry. Federal workers deserve to be treated fairly with other sectors of the economy and I will continue to push for a pay increase comparable to wage and salary movement in the private sector.

Military and civil service retirees are also unfairly penalized by the conference report on the budget resolution because of the elimination of one of the two cost-of-living adjustments for retirement benefits. Federal workers have earned their retirement annuity by contributing 7 percent of their salary to the civil service retirement fund during the course of their employment, and they are entitled to their two cost of living adjustments annually. Military personnel have been assured of a secure retirement based on a benefit package that includes the twice a year COLA. These adjustments are needed to protect retirees against inflation, and they need this protection now more than ever.

Energy costs in fiscal year 1981 will continue to soar out of control, continuing the cruel hardships faced by families and senior citizens. And yet the conferees cut $600 million from the low-income fuel assistance program, sharply reducing this desperately needed source of aid.

In mass transit, the conferees made a $1 billion reduction below the House approved level of outlays. This comes at a time of increasing demand for mass transit throughout the country to reduce our Nation's dependence on foreign energy sources. Because the conferees failed to indicate where this $1 billion would come from, I am deeply concerned that this cut might mean the loss of vital mass transportation for northern Virginia, where we are just beginning to make progress in improving public transit facilities.

Compensation, benefits, and allowances for military personnel are seriously shortchanged by the conference report. The defense budget's heavy emphasis on military research and development and long leadtime procurement would not permit adequate funding necessary to maintain highly trained, experienced military personnel. Just last week the House approved a Defense authorization bill more than $6 billion above the administration's request for research, development, and procurement. Within the constraints of this budget resolution, this would leave little additional funding with which to upgrade the compensation, benefits, and allowances for our military men and women. This should be the No. 1 defense priority. Adm. Thomas Hayward, Chief of Naval Operations, has been quoted as saying he would sacrifice half his shipbuilding budget this year for better pay and benefits for enlisted personnel. If we are serious about increasing military preparedness, we have got to face today's biggest problem in the military—retention of experienced, highly trained personnel. Increases in our defense budget must be targeted to this critical area.

For the Postal Service, the conference report includes a $500 million cut in appropriations which would force the elimination of Saturday mail delivery. How can we ask the American people to swallow another 5-cent increase in the cost of a first-class stamp as they watch mail service cut back? And the curtailment of service coupled with the postage rate increase will fuel double-digit inflation. Beyond this, the elimination of Saturday mail deliveries will make it impossible to protect rural post offices and will be extremely hard on those Americans who are dependent on the timely delivery of social security and disability checks.

Programs that people depend upon, for their jobs, for their housing, for their families, are slashed. The concept of "budget priorities" has been lost in the mad dash to cut for appearance's sake. We can—and must—balance the budget. But let us balance the burden as well.

The goal of holding the line on Federal spending and eliminating the budget deficit can be met without jeopardizing the education of our children, discriminating against Federal and military employees, and retirees, postponing the development of mass transit, and endangering our national energy policy.

This Congress should dedicate itself to balancing the budget—but we have tended to ignore the work that must be done to eliminate billions of dollars of waste of the taxpayer's money through Federal contracting and year-end spending sprees.

I have been leading a major investigation into the rapid growth of costly Federal contracting and unnecessary year-end spending, and have documented the fact that millions, perhaps billions, of dollars are being wasted on questionable purchases at the end of the fiscal year. I feel strongly that this wasteful expenditure of tax dollars at the end of the fiscal year should be cut before we jeopardize crucial Federal programs.

I believe it is time for the Government to become a smart manager. We have got to institute controls and cut out this waste. The conference report on the budget resolution fails to adequately address waste in the Federal budget, and instead targets the easily identifiable and politically vulnerable programs.

I cannot support this charade of a balanced budget. It is not balanced in terms of dollars, and it is not balanced in terms of priorities for our Nation.

The deficit can—and must—be eliminated realistically, but not through a sleight of hand which will not fool the American people. I supported the House budget resolution because it made reasonable cuts in spending and provided a healthy $2 billion surplus to allow for unanticipated changes in the economy.

The conference committee threw our efforts to the wind, increased spending, abandoned carefully crafted priorities, and produced a document unacceptable to those who seriously want a budget that is balanced and fair.

I urge my colleagues to send the conferees back to work with stern directions to return to the House approved spending targets.●

● Mr. BROWN of California. Mr. Speaker, I rise to commend Chairman GIAIMO and my House colleagues on the Budget Committee for their steady and careful efforts in forming this budget resolution. Regardless of the outcome of the vote on this conference report, we all must recognize the judicious manner in which they have handled an extremely difficult task.

There are always many neglected areas and especially hard-hit segments of a tight budget. As chairman of the Subcommittee on Science, Research and Technology, I have been especially concerned with the health of our research and development enterprise and particularly the levels of budget category 250 covering the National Aeronautics and Space Administration, the National Science Foundation, the National Bureau of Standards, and basic science programs of the Department of Energy. In House Budget Committee deliberations this category shared fully in the strong restraint imposed by the committee members, but I have come to reluctantly accept the decisions of my colleagues, knowing the many other priorities demanding their concern. I have especially respected the leadership of our valued former Science Committee colleague, Congressman WIRTH, in urging the committee to recognize the investment for the future represented by the science and technology activities of category 250.

This Nation's budget stress is obviously related to economic, productivity, and innovation weaknesses. The long-term cure for that weakness is to strengthen the foundation for development and application of new technologies. In this light, the third word in the name of the National Science Foundation should perhaps be taken in more than its organizational sense: It is the base from which the most promising solutions will arise for the problems of living in a world of limited resources, exploring the potential of the universe around us, of meeting the basic needs of all our world's citizens, and, through better understanding of our own behavior, of organizing our governments and institutions to be more efficient and purposeful.

I wish that my House Budget Committee colleagues had been even stronger in their recognition of the need to maintain and strengthen our science base. More importantly now, however, I am disappointed that they were forced to accept in conference the much lower figures proposed by the Senate. Specifically, in the critical budget outlay category, they retreated completely to the much lower Senate figure—lower by $100 million than that proposed by the President, and much less than even an inflationary increment over the fiscal year 1980 figure.

Accepting the Senate figure will mean a $200 million cut in this critical research and development area, a cut which can only mean more budget stress in the future.

There are many flaws in this conference report, and many reasons to be critical of it. There are also some strengths. Members will vote for or against for a variety of reasons. However, if it is the will of this body today to send this report back to conference, I urge in the strongest terms that my House colleagues hold to their original position on category 250, the research and development investment. I think this is an important opportunity for them to show the foresight which was lacking in the Senate figures.

For myself, I have decided that, for the reasons stated, and many others, I will vote againt this resolution, and hope that the conferees will provide a more acceptable version.●

● Mr. RATCHFORD. Mr. Speaker, I rise today to voice my opposition to the conference agreement on the first budget resolution for fiscal year 1981.

As my colleagues are all aware, the House has worked very hard in recent weeks to develop a 1981 budget proposal which was balanced and yet responsive to our pressing national needs. I support the goal of a balanced Federal budget, and I voted for final passage of the House resolution earlier this month. The question before the House today is not whether we will have a balanced budget, but how we will balance it to insure that the 1981 budget reflects our true priorities and challenges for the 1980's.

I joined many of my colleagues in supporting the House budget on final passage, even though I was not in full agreement with the priorities reflected in the Budget Committee's proposal. I had supported the amendment offered by Congressman OBEY to restore funding cuts in essential social programs, and I was deeply disappointed when that attempt to make the 1981 budget more responsive to our domestic needs failed in the House by a narrow margin. Mindful of the overwhelming mandate for a balanced budget agreement, however, I supported this difficult allocation of scarce resources for the coming year.

The conference report before us today is a disturbing abandonment of the priorities which were clearly stated in the House budget proposal. In spite of the overwhelming decision to reject the Holt-Gramm amendment to increase defense spending by a 164 to 246 margin, the conference agreement proposes even higher defense outlays and deeper cuts in social programs. The spending reductions reach the very core of Federal efforts to meet our domestic needs.

A brief list of the cuts made to provide for increased defense spending reflects the insensitivity of the conference report to our Nation's social problems. The reductions total more than $4 billion below House budget levels, including: $1.2 billion in education and jobs programs; $850 million in transportation programs to conserve energy; $750 million in emergency fuel assistance, food stamps, housing and other income security programs; $300 million in vital energy programs; $300 million in programs to protect our environment and natural resources; and $200 million for community and regional development. It is difficult to know how our cities, our disadvantaged, our schools or even our struggle to achieve energy independence will survive budget cuts of this magnitude.

The great irony of the conference agreement is that these painful sacrifices are proposed to achieve an increase in defense spending which the President himself opposes and views as unnecessary. There is no question that we must make a greater commitment to our defense programs—the House budget increased defense spending by over $15 billion while making serious cuts in social programs to accommodate this growth in the defense area. But as a nation we cannot afford a gold-plated defense, particularly in this time of scarce resources, and we cannot afford to waste taxpayers' dollars on defense programs which the Pentagon neither wants nor needs.

The drive for fiscal responsibility cannot be abandoned in the final 1981 budget, and we can hardly denounce waste in social programs while promoting waste in our defense programs. We need a budget for 1981 which is balanced in every way—without a Federal deficit, and without a gross distortion of national priorities which totally neglects our domestic needs. The House-Senate conference committee can and must do better.

For these reasons, I strongly urge my colleagues to vote against this conference agreement and return the 1981 budget to the conference committee in search of a compromise which is more responsive to the priorities so carefully developed by the House. We will return with a balanced budget, but we cannot ignore our responsibility to shape the content of that budget in response to national needs. I look forward to the opportunity to cast my vote again in favor of a balanced Federal budget for 1981 after the House and Senate conferees have responded more adequately to this challenge.●

● Mr. ZEFERETTI. Mr. Speaker, I strongly object to the conference report on the first budget resolution and will vote against it. This agreement represents a complete capitulation from the budget the House adopted when it considered this legislation earlier this month.

I have been a staunch advocate of a strong U.S. military posture during my years in Congress, and the steady military buildup by the Soviet Union and their recent use of armed force only reiterates my view that the United States must take a tough stand to meet this challenge to the free world.

Mr. Speaker, I will continue to support defense appropriations that I feel will provide adequate security for the Nation, but I will also insist on adequate funding for health care programs for our senior citizens, jobs for the unemployed, child nutrition programs, crime prevention, energy assistance and programs of vital importance to urban areas, including mass transit and general revenue sharing.

Mr. Speaker, this conference report threatens domestic stability by recommending high cuts in these programs. I am particularly troubled at the absence of funds for targeted fiscal assistance in fiscal year 1980 and transitional revenue-sharing aid in fiscal year 1981. The full funding of these two programs is vital to the economic health of urban governments.

This conference report boosts defense spending by 20 percent over the current year; it is a far greater defense increase than can intelligently and efficiently be spent in a single year. It is over $5 billion more than was proposed in the defeated Holt amendment on the House floor recently.

I believe, Mr. Speaker, in a strong national defense but this kind of additional spending for this purpose must not come out of programs that make this society worth defending.

By voting down this conference report, and sending it back to conference, we will provide the conferees with an opportunity to develop a resolution that will surely safeguard our military preparedness and national security without gouging our country's human needs programs.●

● Mr. CORRADA. Mr. Speaker, I rise in opposition to the conference report on House Concurrent Resolution 307, the first concurrent resolution on the fiscal year 1981 budget.

This conference report that we are considering today may recommend a fiscally balanced budget but in terms of priorities and the realities of our Nation it provides the most unbalanced budget that I have seen. At a time when we are experiencing a recession, increasing unemployment, at a time when people cannot afford decent housing we are confronted here with a document which would substantially reduce Federal expenditures in these areas and which would increase defense expenditures by a whopping $10.5 billion over the House recommendation. An increase, by the way, which is opposed by the administration and the defense establishment as wasteful. This so-called compromise is worse in terms of increase in defense and cuts in social programs than the Gramm-Holt amendment which was soundly defeated by the House by a vote of 164 to 246.

Let us just look at the numbers and see and try to understand what we are really confronted with here.

As I said before the report contains defense targets which are $10.5 billion higher than the House-passed bill—an increase of $27.6 billion over the fiscal year 1980 level or a real growth in defense expenditures of 9 percent.

On the other hand, the report provides for $4.4 billion in cuts over and above the spending cuts recommended by the House. Most of these cuts are in the areas of social services.

For example, the conference report

sets targets for education, training, employment and social services that are $1.8 billion below the House-passed bill and outlays which are $400 million below the outlays for fiscal year 1980. In other words, we are not even accounting for inflation in this category, let alone for expected future needs.

Also, there is a reduction of $2.8 billion over the House bill in the income security category.

These, Mr. Speaker, are just two of the most glaring examples of the incredible prejudices of this conference report. This is truly an arms versus butter issue. If we approve this conference report we will be telling the less fortunate citizens of this country that theirs is the burden of the coming recession, that they will bear the burden of a balanced budget, that Congress has just tied and washed its collective hands and that no relief can be expected from us. I hope that we do not send that message to our people.

The only way to avoid sending this message is by voting against this conference report and I urge my colleagues to so vote.●

● **Mr. HILLIS.** Mr. Speaker, I rise in support of the conference report. Let us not be taken in by the claims of the President. This budget is not out of line with recommendations and promises he made as early as last March. Nor is the conference report all that radical a deviation from the House-passed version of the first budget resolution. A close examination of the figures will illustrate my point.

In outlays there is no change in four functions in the conference report from what the House passed. Those four functions are: Agriculture; veterans benefits and services; administration of justice; and general purpose fiscal assistance. In eight functions there are differences of $300 million or less from the House-passed budget. Those function are: International affairs; general science, space and technology; energy; natural resources and environment; commerce and housing credit; community and regional development; health; and general government. There are reductions in transportation; income security; and education, training, employment and social services totaling $2.76 billion. And of course there is a $5.6 billion increase in the defense function.

The major disagreement the President has is the increase in the defense budget. It is difficult to understand why the President is displeased when the Congress follows his suggestions to increase defense spending by 3 percent after inflation. Assuming the inflation rate is 10 percent—which I realize may be overly optimistic—outlays for the defense function would have to increase $13.4 billion—from $134.2 billion to $147.6 billion—in order to just stay even. The conference report recommends outlays of $153.7 billion, $6.1 billion more. That is an after-inflation increase of about 4½ percent.

What we are witnessing is the pain associated with cutting back on Federal spending. It would be impossible to eliminate even the waste in the Federal Government without causing alarm among those constituencies who depend on Federal money.

If you exclude defense spending, the Federal budget is $459.6 billion. The conference report recommends a reduction of less than $500 million in nondefense spending from the House passed version. The $459.6 billion represents an increase of $24 billion over the fiscal year 1980 budget. Surely there is enough fat and waste to cut without endangering a single program.

Although I do plan to support the conference report, it does not represent what I feel our budget should be. Our economy is in a state of total disarray. The only way the President has been able to propose a balanced budget has been to increase taxes. Let us make no mistake about that fact; the President supports and continues to recommend increasing and creating new taxes. I would much prefer that the first budget resolution would include a substantial tax reduction package. However, I realize that the leadership will not allow that to occur.

I am also disturbed greatly by the cuts made in the education function. As a Member who has been and continues to be a very strong supporter of education programs, I believe the reductions in nondefense spending should have been more equitably distributed. Unfortunately, the conference committee chose to select the education function as one area which should be cut more than the other functions. If I had been a member of the conference committee, I would have fought for more money for the education function.

This is not an ideal budget. But it is as good a budget as we can expect. I urge adoption of the conference report.●

● **Mr. DERWINSKI.** Mr. Speaker, having been unable to support the budget resolution which the House approved earlier this month, I certainly could not vote for the even more unrealistic version which has been produced by the conference committee.

The conference version cuts the illusory surplus which was assumed in the House-passed budget resolution from $2 billion to $500 million. Since unemployment is rising rapidly, this surplus will never materialize.

The conferees have voted to require $4.2 billion in new taxes in fiscal year 1981 without coming up with any recommendations on how the American taxpayers would be hit for this additional revenue. Although the conference report excludes the oil import fee, which would become a 10 cent a gallon gas tax increase, it does not specify what form of tax would replace it in order to arrive at a so-called balanced budget. The widespread grassroots opposition, which I share, to the President's proposals to increase Federal taxes by the gas tax increase and the 15 percent withholding tax on savings account interest and dividends has virtually doomed these potential sources of income so the President could claim he had "balanced" the budget.

In fact, all efforts to achieve a genuine balanced budget by cutting spending sufficiently to not only balance the budget but to allow for a tax cut were beaten down by the majority party in our earlier debate in the House.

The hypocrisy of the forecasts for revenue for fiscal year 1981 are clearly illustrated by the revised figures included in the conference report for the fiscal year 1980 budget. The deficit for the current fiscal year has been revised upward to $46.5 billion, twice the amount—$23 billion—approved last fall and $3.7 billion above the latest level passed by the House.

As a consequence, the debt limit will have to be raised to over $900 billion for fiscal year 1980 and $934.4 billion for fiscal year 1981 should this conference report be approved.

In my opinion, we should realize that the entire budget process has become a legislative disaster. It not only failing time after time to achieve its purposes, it is confusing, misleading and deceiving the American public.

Mr. Speaker, this particular budget resolution is a complete fraud. This budget will not be balanced, and I urge my colleagues to vote against it.●

● **Ms. HOLTZMAN.** Mr. Speaker, although I support a balanced budget, I rise in opposition to this budget resolution and strongly urge its defeat. The original House version of the first concurrent budget resolution for fiscal year 1981 was bad enough. It cut programs that provide essential services and support for education, the aged, the unemployed, and needy children.

It also failed to address the serious problems of our cities, and the need to reduce our dependence on foreign oil through massive rebuilding of mass transit systems and energy conservation. Instead of ending waste and mismanagement in the Federal bureaucrary, it reduced, in real terms, Federal aid to States and local governments by 5 percent. My own State of New York expected to lose almost $800 million in grants for public service employment, energy assistance for low-income persons, food stamps, child health, welfare reform, law enforcement assistance, and other essential programs. Of that amount, $213 million would be lost to New York City alone.

And, while it cut, delayed, or eliminated those programs that are essential to the Northeast, such as low-income energy assistance, countercyclical assistance, and revenue sharing, it left virtually untouched those pork barrel expenditures, such as water projects, that benefit the South and West.

Yet the conference version of the budget is even more misguided and inequitable than the earlier one because it slashes domestic spending by $7.9 billion in order to inflate defense spending by $10.5 billion, and brings the total added over last year for Pentagon spending to $18 billion.

It would be completely wrong to imagine that reductions of this magnitude in social programs would not have a severe impact on the economy and the quality of life in this country. At a time when our unemployment level is already at 7 percent, when youth unemployment stands at 16 percent, and when unemployment among minority teenagers is a disastrous 30 percent, this budget resolution calls for a reduction in funding for 50,000 public service jobs, over and above the 50,000 jobs already cut in the earlier budget resolution. Despite the high cost of housing, and the lack of low-income housing, the budget resolution asks us to cut funding for subsidized housing by 20,000 units. At a time when heating costs have grown by more than 50 percent, and are expected to increase further, the budget resolution asks us to cut low-income energy assistance by $600 million to the fiscal year 1980 funding level.

And these are only examples. There are other reductions which cut the budget for other social programs, for transportation, the environment, health and energy. We cannot afford such devastating cutbacks in social programs at this time; neither can we afford these exorbitant and unneeded increases in defense spending. Both the President and the Secretary of Defense have opposed this level of increased funding for military procurement because they are well aware of the fact that those funds will be wasted on gold-plated and unnecessary military hardware. These increases come at the expense of domestic social programs that people desperately need during a recessionary period. The irony is that this massive redirection of Federal funds, this basic change in our national priorities, will not result in any improvement in our capacity to defend ourselves or our allies.

In fact, it may well contribute to the deterioration of our military by focusing attention and money on the purchase of new weapons, new ships, and new airplanes, when one of our basic problems is that we cannot even properly maintain the equipment that we already own. How will we maintain, how will we even provide staff to operate the military equipment that this budget would buy?

It is also questionable whether the Department of Defense can even spend or otherwise obligate these massive new funds next year. Indeed, Congress over the past few years has been appropriating such large amounts for defense that the Pentagon has built up enormous balances of unspent—or unobligated—funds. The total of these unspent funds is $23 billion, and is more than the total amount the Federal Government spends on education, subsidized employment, mass transit, or law enforcement.

The final irony is that this budget resolution asks us to strain the social fabric of our country, to place New York State and its cities in severe fiscal straits, and to obliterate the hopes of millions of our citizens for a better life on the assumption that we can increase our country's might if we just add more billions to the Pentagon budget, even if those billions cannot be spent, and even if they go to wasteful projects. But it is illusory to believe that we can be strong abroad if we are weak or convulsed with social disorder at home. It is not too late to learn the lesson of Miami.

For these reasons: The drastic reduction in domestic programs that are essential for the welfare of the elderly, the unemployed, and needy children; and the failure to address the needs of our cities; the geographic inequity perpetuated by this resolution, I will vote against this resolution, and I urge my colleagues to do likewise.●

● Mr. STOKES. Mr. Speaker, I rise in opposition to the conference report on House Concurrent Resolution 307.

Again, I am faced with the task of voicing my disapproval of the proposed budget for fiscal year 1981. My opposition stems as a result of two factors: The first, is that the first year 1981 budget represents a totally inequitable and misguided set of national priorities; and the second, is that while the fiscal year 1981 budget is in balance, on paper, this balance comes at the expense of millions of American citizens, whose lives and future livelihood are dependent on resources provided by the Federal Government.

I will not take the time to criticize the conference report function by function, because I think there is a more fundamental issue here that needs to be addressed.

We have heard a lot of rhetoric regarding the lack of growth in defense spending since the war in Vietnam, and the need to allocate a larger share of total Federal spending to defense. We have also heard that existing and future Soviet defense capability is a threat to our national security and that we must offset that capability by producing more bombs and nuclear weapons on our own. Many of my more hawkish colleagues will go further to state that this concept is given added significance as a result of Soviet intervention in Afghanistan, SALT II, and the lack thereof, and Iran, as well as growing economic instability worldwide, which collectively pose threats to our national interests.

Gen. David C. Jones, Chairman of the Joint Chiefs of Staff, added to this colloquy during his testimony before the House Budget Committee this spring. He stated, and I quote, "Under the best of circumstances, the 1980's will be a period of widespread international turmoil and instability."

The hardcore reality is that the potentially explosive international situation that General Jones and others speak of is the same potentially explosive situation that now exists in many of our urban areas. The hardcore reality is that this budget, and its underlying rationale and policy objectives do in fact pose a real threat to the security of millions of Americans, whose very existence is directly tied to the resources provided by the Federal Government.

We speak boldly of the need to increase U.S. defense spending to offset the military capabilities of the Soviets as if it were the panacea we all seek for world peace. We have all heard the eloquent speeches on the need for Congress to show a serious commitment to our national defense by pumping more billions into the defense area. But we all know that the effectiveness of U.S. defense policy and ultimately defense readiness and capability is dependent on the efficient allocation of resources to defense, and not arbitrary real percentage increases in the defense budget. Yet, we have before us today a conference report which does in fact add substantially to defense spending, seemingly ignoring the real need to offset the growing economic instability of millions of our citizens right here in the United States.

One need only consider that approximately 7½ million, or 7 percent of all employable Americans are unemployed, and will in all probability rise to 8 percent in fiscal year 1981. One need only consider that while many of us have felt the effects of our slowing economy, the recession that we are in, and it is a recession, will ultimately have its most devastating effects on our poor and disadvantaged citizens. I challenge each of you to get out of Washington and into the streets of our large urban metropolitan areas. Take a walk through the tombs in the Bronx, take a walk down Euclid Avenue in Cleveland, take a walk through the blood ridden streets of Wrightsville, Ga., and Miami, Fla., and you will see, hear, and understand that the problems here at home are real and represent a most grave situation. I am afraid that if we in the Congress pursue the course of cutting our employment, education, nutrition, health, transportation and social security programs to pay for additional spending in defense, the 1980's may well be a decade of widespread turmoil and instability here at home. The Congress and administration have been entrusted with the responsibility of providing for all of America's needs. In this sense, issues relating to defense spending and domestic spending are not mutually exclusive. There has to be a balanced approach to providing these needs, and this budget is not at all representative of that balanced approach.

In closing, while I am concerned that the proposed budget recommendations will have a devastating impact on the effectiveness of many of our human service programs in fiscal year 1981, I am equally concerned that this budget represents a permanent retrenchment in our commitment to this Nation's poor and disadvantaged.

This budget represents an illusory response on the part of the Congress and administration to today's rapidly changing social, economic, and political environment. We all know that this budget will not reduce inflation. We also know that once the economic statistics are tallied for the coming quarters, that the fiscal year 1981 budget, as it is now, will be in deficit. More importantly, though, the additional reductions in human service programs recommended by the conferees, especially in our health, employment, education, and income security programs, will have a stifling effect in the years to come. I am afraid that if this Draconian philosophy persists, future human service program funding will inevitably fall far below effective levels, while the demands for services provided by the programs in the years to come will far exceed the resources devoted to provide these services. This is especially true of programs for the aged, whose share of the Federal budget, assuming no new programs, could rise to 32 percent by the year 2000, compared to a 1979 share of 25 percent of the total budget.

I ask each of you to support me in not only voting down this conference report, but in sending a clear message to the Senate, that we in the House still care about the people who live in this country and will not accept anything less than restoration of funds into the vital human service programs in the budget. ●

● Mr. KRAMER. Mr. Speaker, as my colleagues well know, there are few stronger advocates of a strong national defense in this Chamber than myself, and I supported the Republican substitute and the Gramm-Holt amendment to provide a higher level of defense spending. Unfortunately those efforts failed. As much as I would like to see the higher levels of defense spending which were represented in those efforts and in this conference report, I cannot support this conference report for two basic reasons. First, this budget relies on a tax increase of almost $100 billion, and this is an unconscionable burden on the American taxpayer, who is demanding less Government spending—not more, and lower taxes—not higher. No matter how this resolution is packaged—as a budget in balance, or with essential defense increases—it is still fundamentally a budget of burden on the American taxpayer—and Republicans should not support it. Second, in response to those who say: "But we will only get the same taxes but less defense if the resolution goes back to conference," I submit that we will not see those defense increases even if the conference report passes. With administration opposition to the defense increases, we can expect that regardless of the target levels, those figures will not see the light of day in actual appropriations.

In spite of the defense levels, this budget is still premised on stale Democratic principles of bigger Government and higher taxes, and Republicans should reject those principles now as the voters will reject them in November. ●

Mr. GIAIMO. Mr. Speaker, I want to commend all of my conferees. They worked long and diligently on this conference report. I am sorry that there is disagreement, but I commend them all. I particularly want to commend the gentleman from Ohio (Mr. LATTA) who has worked long and hard throughout this spring to make this a worthwhile, creditable conference report, and I express my appreciation to him.

Let me advise my colleagues this is the first balanced budget that you have had an opportunity to vote for in 12 years. If we vote for this one and keep it in balance, we will have a better chance of doing so on the second resolution in September.

I want also to remind you that the debt limit, which is of vital concern to us, is included in here and is part of this resolution. I want also to remind you that this is a target resolution—a target, a plan—as has been said by the gentleman from New York. The committees can work their will within the broad parameters of this budget resolution and come back here this summer, and we can work out some of the differences which exist and, hopefully, have a better resolution.

Another point is reconciliation. For the first time we are telling eight committees to do certain things. The House and Senate are telling them, not the Budget Committees, and they are working. The committees are working on reconciliation. They are trying to meet the June 20 deadline. They are to be commended. That is how we are going to get control over spending. We tried to, and we did, protect important functions, as the gentleman from Illinois said, particularly education and training and jobs programs and income security. We realize that they are essential, and we feel we have protected them. We have provided strength in the area of defense, and I tell you, the American people want American defense second to no one. This resolution, while it is not perfect—no resolution ever is—is a suitable resolution, and it treats fairly with domestic programs and with the defense of the United States. I urge support for this resolution.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 141, nays 242, answered "present" 1, not voting 49, as follows:

[Roll No. 270]

YEAS—141

Alexander
Andrews, N.C.
Anthony
Ashley
Badham
Bafalis
Bailey
Barnard
Beard, Tenn.
Bennett
Bevill
Boggs
Bolling
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Brown, Ohio
Broyhill
Burlison
Butler
Byron
Campbell
Carter
Chappell
Cleveland
Coleman
Conable
Daniel, Dan
Daniel, R. W.
Davis, S.C.
de la Garza
Derrick
Dickinson
Dicks
Duncan, Oreg.
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erlenborn
Fascell
Findley
Fisher
Fithian
Foley
Fountain
Frenzel
Frost
Fuqua
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gradison
Gramm
Gudger
Hall, Tex.
Hefner
Heftel
Hightower
Hillis
Holland
Holt
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Latta
Leach, La.
Leath, Tex.
Levitas
Lloyd
Loeffler
Long, La.
Luken
McClory
McCloskey
McKay
Marks
Mattox
Mazzoli
Mica
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Neal
Nelson
Nichols
Patterson
Pickle
Preyer
Price
Quillen
Regula
Rhodes
Roberts
Robinson
Rose
Rostenkowski
Rudd
Satterfield
Sharp
Simon
Skelton
Snowe
Snyder
Spence
Stanton
Steed
Stenholm
Stratton
Stump
Tauzin
Taylor
Trible
Ullman
Wampler
Watkins
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Tex.
Wright
Wyatt
Wydler
Young, Fla.

NAYS—242

Abdnor
Addabbo
Albosta
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Baldus
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Brodhead
Broomfield
Brown, Calif.
Burgener
Burton, John
Carney
Carr
Cavanaugh
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Collins, Tex.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dellums
Derwinski
Devine
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Fish
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Garcia
Gaydos
Gephardt
Gilman
Glickman
Goldwater
Goodling
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Heckler
Hinson
Hollenbeck
Hopkins
Horton
Howard
Hyde
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
Lagomarsino
Leach, Iowa
Lederer
Lee
Lehman
Leland
Lent
Lewis
Livingston
Long, Md.
Lott
Lowry
Lundine
Lungren
McDade
McDonald
McHugh
Madigan
Maguire
Markey
Marlenee
Marriott
Matsui
Mavroules
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Calif.
Murphy, Ill.
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nowak
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Porter
Pritchard
Pursell
Quayle
Rahall
Rangel
Ratchford
Richmond
Rinaldo
Ritter
Rosenthal
Roth
Rousselot
Royer
Russo
Sabo
Santini
Sawyer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Solarz
Solomon
Spellman
St Germain
Stack
Stangeland
Stark
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thomas
Traxler
Udall
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Waxman
Weaver
Weiss
Whittaker
Williams, Mont.
Williams, Ohio
Winn
Wirth
Wolpe
Wylie
Yatron
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Fowler

NOT VOTING—49

Akaka
Anderson, Ill.
Bonker
Buchanan
Burton, Phillip
Collins, Ill.
Dornan
Edwards, Ala.
Evans, Del.
Flippo
Gingrich
Grassley
Hance
Hansen
Harsha
Hawkins
Holtzman
Hughes
Jenrette
Kindness
LaFalce
Lujan
McCormack
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Nolan
O'Brien
Oakar
Railsback
Reuss
Rodino
Roe
Roybal

Runnels
Scheuer
Sebelius
Shelby
Staggers
Symms
Thompson
Vanik
Whitley
Wilson, C. H.
Wolff
Yates
Young, Alaska

☐ 1930

The Clerk announced the following pairs:

On this vote:

Mr. Staggers for, with Mr. Rodino against.
Mr. Shelby for, with Mr. Akaka against.
Mr. Whitley for, with Mr. Fowler against.

Until further notice:

Mr. LaFalce with Mr. Railsback.
Mr. Jenrette with Mr. Lujan.
Mr. Phillip Burton with Mr. O'Brien.
Mr. Flippo with Mr. Symms.
Mr. Murphy of New York with Mr. Buchanan.
Mr. Hughes with Mr. Evans of Delaware.
Mr. Roe with Mr. Hansen.
Mr. Scheuer with Mr. Kindness.
Mr. Thompson with Mr. Sebelius.
Mr. Vanik with Mr. Young of Alaska.
Mr. Wolff with Mr. Martin.
Mr. Nolan with Mr. Grassley.
Mr. McCormack with Mr. Gingrich.
Mr. Mathis with Mr. Dornan.
Mr. Hawkins with Mr. Hance.
Mr. Bonker with Mrs. Collins of Illinois.
Ms. Holtzman with Ms. Oakar.
Mr. Reuss with Mr. Roybal.
Mr. Yates with Mr. Charles H. Wilson of California.
Mr. Runnels with Mr. Anderson of Illinois.

Mr. FOWLER. Mr. Speaker, I have a live pair with the gentleman from North Carolina (Mr. WHITLEY). If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. MINISH and Mr. HAGEDORN changed their votes from "yea" to "nay."

Mr. FOWLER changed his vote from "nay" to "present."

So the motion was rejected.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PANETTA moves that the House recede from its disagreement to the Senate amendment to House Concurrent Resolution 307 and to concur therein with two amendments, as follows:

In the engrossed Senate amendment to House Concurrent Resolution 307, strike out section 1 and sections 14–20 and insert in lieu thereof the following:

SECTION 1. That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980——

(1) the recommended level of Federal revenues is $613,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000;

(2) the appropriate level of total budget authority is $694,600,000,000;

(3) the appropriate level of total budget outlays is $611,800,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,000,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $160,800,000,000;
(B) Outlays, $147,900,000,000.
(2) International Affairs (150):
(A) New budget authority, $24,000,000,000;
(B) Outlays, $9,600,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,700,000,000;
(B) Outlays, $6,300,000,000.
(4) Energy (270):
(A) New budget authority, $7,500,000,000;
(B) Outlays, $7,100,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,000,000,000;
(B) Outlays, $12.400,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,400,000,000;
(B) Outlays, $2,300,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,100,000,000;
(B) Outlays, —$100,000,000.
(8) Transportation (400):
(A) New budget authority, $22,800,000,000;
(B) Outlays, $19,500,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $9,000,000,000;
(B) Outlays, $9,400,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $33,300,000,000;
(B) Outlays, $30,700,000,000.
(11) Health (550):
(A) New budget authority, $71,500,000,000;
(B) Outlays, $61,800,000,000.
(12) Income Security (600):
(A) New budget authority, $252,100,000,000;
(B) Outlays, $220,100,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,700,000,000;
(B) Outlays, $21,200,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,600,000,000.
(15) General Government (800):
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,600,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $6,800,000,000.
(17) Interest (900):
(A) New budget authority, $72,200,000,000;
(B) Outlays, $72,200,000,000.
(18) Allowances (920):
(A) New budget authority, $000,000,000;
(B) Outlays, $000,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$24,600,000,000;
(B) Outlays, —$24,600,000,000.

SEC. 3. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 4. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:
Fiscal year 1982: $694,8000,000,000;
Fiscal year 1983: $804,100,000,000;
and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:
Fiscal year 1982: +$300,000,000;
Fiscal year 1983: $000,000,000;
(2) the appropriate level of total new budget authority is as follows:
Fiscal year 1982: $767,300,000,000;
Fiscal year 1983: $864,500,000,000;
(3) the appropriate level of total budget outlays is as follows:
Fiscal year 1982: $683,100,000,000;
Fiscal year 1983: $775,400,000,000;
(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:
Fiscal year 1982: $11,700,000,000;
Fiscal year 1983: $28,700,000,000;
(5) the appropriate level of the public debt is as follows:
Fiscal year 1982: $954,200,000,000;
Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $182,100,000,000;
(B) Outlays, $166,500,000,000.
Fiscal year 1983:
(A) New budget authority, $203,900,000,000;
(B) Outlays, $185,600,000,000.
(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $16,200,000,000;
(B) Outlays, $10,000,000,000.
Fiscal year 1983:
(A) New budget authority, $15,900,000,000;
(B) Outlays, $10,700,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1983:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,900,000,000.
(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $8,600,000,000:
(B) Outlays, $10,500,000,000.
Fiscal year 1983:
(A) New budget authority, $10,200,000,000;
(B) Outlays, $11,700,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $13,400,000,000;
(B) Outlays, $13,200,000,000.
Fiscal year 1983:
(A) New budget authority, $13,900,000,000;
(B) Outlays, $13,600,000,000.

(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $6,300,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1983:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $5,200,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $2,300,000,000.
Fiscal year 1983:
(A) New budget authority, $5,700,000,000;
(B) Outlays, $2,300,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $22,300,000,000;
(B) Outlays, $20,500,000,000.
Fiscal year 1983:
(A) New budget authority, $24,500,000,000;
(B) Outlays, $22,200,000,000.
(9) Community and Regional Development (450):
Fiscal year 1982:
(A) New budget authority, $9,200,000,000;
(B) Outlays, $9,000,000,000.
Fiscal year 1983:
(A) New budget authority, $9,500,000,000;
(B) Outlays, $9,300,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $36,500,000,000;
(B) Outlays, $33,900,000,000.
Fiscal year 1983:
(A) New budget authority, $41,000,000,000;
(B) Outlays, $39,300,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $83,100,000,000:
(B) Outlays, $70,100,000,000.
Fiscal year 1983:
(A) New budget authority, $119,000,000,000;
(B) Outlays, $103,300,000,000.
(12) Income Security (600):
Fiscal year 1982:
(A) New budget authority, $289,900,000,000.
(B) Outlays, $249,600,000,000.
Fiscal year 1983:
(A) New budget authority, $318,400,000,000;
(B) Outlays, $274,600,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, $23,400,000,000;
(B) Outlays, $22,800,000,000.
Fiscal year 1983:
(A) New budget authority, $25,000,000,000;
(B) Outlays, $24,400,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,600,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, $5,000,000,000;
(B) Outlays, $4,700,000,000.
Fiscal year 1983:
(A) New budget authority, $4,900,000,000;
(B) Outlays, $4,800,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,400,000,000.
Fiscal year 1983:
(A) New budget authority, $6,500,000,000;
(B) Outlays, $6,500,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $73,600,000,000;
(B) Outlays, $73,600,000,000.
Fiscal year 1983:
(A) New budget authority, $76,500,000,000:
(B) Outlays, $76,500,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $1,900,000,000;
(B) Outlays, $1,900,000,000.
Fiscal year 1983:
(A) New budget authority, $3,600,000,000;
(B) Outlays, $3,600,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, —$27,300,000,000;
(B) Outlays, —$27,300,000,000.
Fiscal year 1983:
(A) New budget authority, —$29,700,000,000;
(B) Outlays, —$29,700,000,000.

SEC. 5. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

In the engrossed Senate amendment to House Concurrent Resolution 307, strike out sections 2 through 13 and insert in lieu thereof the following:

SEC. 6. Sections 1 and 2 of the Senate Concurrent Resolution 53 are revised to read as follows:

SECTION 1. That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $525,700,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $000,000,000;

(2) the appropriate level of total new budget authority is $657,450,000,000;

(3) the appropriate level of total budget outlays is $572,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $46.550.000.000;

(5) the appropriate level of the public debt is $903,200,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $24,200,000,000; and

(6) notwithstanding any other figure in this section, for purposes of clause 2, rule XLIX of the rules of the House of Representatives, as made applicable to this section by House Resolution 642, 96th Congress, the appropriate level of the public debt, for the period beginning on May 31, 1980, through February 28, 1981, is $905,000,000,000, and the amount by which the statutory limit on such debt for such period should accordingly be increased is $26.000.000.000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979 the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

National Defense (050):
(A) New budget authority, $143,700,000,000;
(B) Outlays, $135,700,000,000.
(2) International Affairs (150):
(A) New budget authority, $15,200,000,000;
(B) Outlays, $10,500,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $5,900,000,000.
(4) Energy (270):
(A) New budget authority, $38,400,000,000;
(B) Outlays, $6,400,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,300,000,000;
(B) Outlays, $13,200,000.
(6) Agriculture (350):
(A) New budget authority, $5,000,000,000;
(B) Outlays, $5,900,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $11,700,000,000;
(B) Outlays, $6,100,000,000.
(8) Transportation (400):
(A) New budget authority, $20,200,000,000;
(B) Outlays, $20,100,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $9,200,000,000;
(B) Outlays, $9,700,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $29,600,000,000;
(B) Outlays, $29,900,000,000.
(11) Health (550):
(A) New budget authority, $59,800,000,000;
(B) Outlays, $56,500,000,000.
(12) Income Security (600):
(A) New budget authority, $224,800,000,000;
(B) Outlays, $191,700,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,200,000,000:
(B) Outlays, $20,500,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,400,000,000.
(15) General Government (800):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,550,000,000;
(B) Outlays, $8,550,000,000.
(17) Interest (900):
(A) New budget authority, $65,100,000,000;
(B) Outlays, $65,100,000,000.
(18) Allowances (920):
(A) New budget authority, $000,000,000;
(B) Outlays, $000,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$22,300,000,000;
(B) Outlays, —$22,300,000,000.

RECONCILIATION

SEC. 7. Pursuant to section 310 of the Budget Act: (a) Not later than June 16, 1980, the House Committee on Appropriations shall report legislation reducing spending for fiscal year 1980 contained in laws or in reported bills or resolutions within its jurisdiction by $3,000,000,000 in budget authority and $1,000,000,000 in outlays; and

(b) Not later than June 16, 1980, the Senate Committee on Appropriations shall report legislation reducing spending for fiscal year 1980 contained in laws within its jurisdiction by $3,000,000,000 in budget authority and $1,000,000,000 in outlays.

SEC. 8. Pursuant to section 301(b)(2) of the Budget Act:

(a)(1) the House Committee on Armed Services shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for fiscal year 1981 by $400,000,000 in budget authority and $400,000,000 in outlays;

(2) the House Committee on Education and Labor shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401(c)(2)(C) of the Budget Act to reduce spending for

fiscal year 1981 by $850,000,000 in budget authority and $850,000,000 in outlays;

(3) the House Committee on Interstate and Foreign Commerce shall recommend (A) program reductions in laws within its jurisdiction to reduce spending for fiscal year 1981 by $100,000,000 in outlays; and (B) changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $200,000,000 in budget authority and $300,000,000 in outlays;

(4) the House Committee on Post Office and Civil Service shall recommend (A) program reductions in laws within its jurisdiction to reduce spending by $500,000,000 in budget authority and $500,000,000 in outlays; and (B) changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $500,000,000 in budget authority and $500,000,000 in outlays;

(5) the House Committee on Public Works and Transportation shall recommend program reductions in laws or in reported bills or resolutions within its jurisdiction to reduce spending for fiscal year 1981 by $600,000,000 in budget authority and $750,000,000 in outlays;

(6) the House Committee on Small Business shall recommend program reductions in laws within its jurisdiction to reduce spending for fiscal year 1981 by $800,000,000 in budget authority and $600,000,000 in outlays;

(7) the House Committee on Veterans Affairs shall recommend program reductions in laws within its jurisdiction or changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $400,000,000 in budget authority and $400,000,000 in outlays;

(8) the House Committee on Ways and Means shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $700,000,000 in budget authority and $2,000,000,000 in outlays; and

(9) the House Committee on Ways and Means shall recommend changes in laws within its jurisdiction to increase revenues for fiscal year 1981 by $4,200,000,000.

(10) the Senate Committee on Appropriations shall limit appropriations for fiscal year 1981 subsidies to the U.S. Postal Service to a level not to exceed $1,140,000,000 in budget authority and $1,140,000,000 in outlays, in order to achieve savings of $500,000,000 in budget authority and $500,000,000 in outlays;

(11) the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $500.000,000 in budget authority and $500,000,000 in outlays;

(12) the Senate Committee on Armed Services shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $400.000.000 in budget authority and $400.000.000 in outlays;

(13) the Senate Committee on Commerce, Science, and Transportation shall recommend program reductions in laws or in reported bills or resolutions within its jurisdiction or changes in laws or in reported bills or resolutions within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $300,000,000 in budget authority and $150,000,000 in outlays;

(14) the Senate Committee on Environment and Public Works shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (A) of the Budget Act to reduce spending for fiscal year 1981 by $300,000,000 in budget authority;

(15) the Senate Committee on Finance shall recommmend changes in laws or in reported bills or resolutions within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $900,000,000 in budget authority and $2,200,000,000 in outlays;

(16) the Senate Committee on Finance shall recommend changes in laws within its jurisdiction to increase revenues for fiscal year 1981 by $4,200,000,000;

(17) the Senate Committee on Governmental Affairs shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $500,000,000 in budget authority and $500,000,000 in outlays;

(18) the Senate Committee on Labor and Human Resources shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act to reduce spending for fiscal year 1981 by $350,000,000 in budget authority and $450,000,000 in outlays;

(19) the Senate Committee on Small Business shall recommend changes in laws within its jurisdiction to reduce spending for fiscal year 1981 by $800,000,000 in budget authority and $600,000,000 in outlays; and

(20) the Senate Committee on Veterans' Affairs shall recommend changes in laws within its jurisdiction which provide spending authority described in section 401 (c) (2) (C) of the Budget Act or equivalent savings legislation to reduce spending for fiscal year 1981 by $200,000,000 in budget authority and $400,000,000 in outlays.

(b) Not later than June 20, 1980, each committee specified in subsection (a) shall submit its recommendations to the Committee on the Budget of its House.

(c) Pursuant to subsection 310(c) of the Budget Act, the Committees on the Budget, after receiving recommendations submitted under subsections (a) and (b) of this section, shall report to their respective Houses a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision. The provisions of subsection 310(e) of the Budget Act shall apply to consideration in the Senate of any reconciliation bill or resolution.

Mr. PANETTA (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The gentleman from California (Mr. PANETTA) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. LATTA) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I yield myself such time as I may consume.

My motion—and I hope to be brief because I realize that the Members are anxious to leave—basically provides for a division between 1981 and 1980 in terms of the budget resolution. The first amendment would provide that the 1981 resolution as passed by the House of Representatives would be forwarded to the Senate, and that would be in disagreement, and that would be the area in which the conferees go back into conference.

The second would be with regard to the 1980 supplementals, plus reconciliation for 1980 and 1981. There is basically no disagreement in the conferees with respect to the supplementals for 1980, nor is there disagreement with regard to the areas for reconciliation both in 1980 as well as 1981. For that reason, we would assume that the Senate would adopt that amendment and thus could proceed, and we would only go into conference therefore on the 1981 figures.

The reason for this, really, is that there is such urgency to the supplementals for 1980. We are talking about, at the present time, the need for disaster assistance. Present disaster assistance funds have almost been exhausted. In addition to that, there is the area of black lung assistance, where we are talking about virtually no payments being made beyond June. In addition to that, defense fuel needs are required. The Deputy Secretary of Defense says it is urgent that these fuel needs be met. In addition to that, there are military and civilian pay increases as well as the Trade Adjustment Assistance Act, in which we face the prospect of no further payments being made to those who are unemployed.

For those reasons, there is tremendous pressure being brought to adopt those supplementals, and since there is no disagreement, the feeling is that we ought to proceed.

With respect to reconciliation, I would basically state this: On reconciliation, there is no basic disagreement as to reconciliation for 1980, on which the Appropriations Committee for 1980 is asked to reconcile or provide rescission for somewhere in the vicinity of $3 billion on budget authority and $1 billion on outlays and some eight House committees and some nine Senate committees are asked to reconcile approximately $6.4 billion in outlays. They are to report by June 20. In order to meet that reporting deadline, we feel it is extremely urgent that we proceed.

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The June 20 reporting date for reconciliation is important because it is built into the resolution and requires the committees to report legislative savings by that date. There are many committees and committee chairmen who are already working in this effort. We think that ought to proceed, and the longer that is delayed, the less pressure there will be for those committees to work on what are very important legislative savings for the 1981 budget.

So, Mr. Speaker, it is for those reasons that the motion I present here divides the two between 1980 and reconciliation for 1981, and I would urge its adoption by the House.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I intend to support the gentleman's motion, but I would just like to ask a question of the gentleman.

It is my understanding—and this may just be through the rumors that spread around the House—that the 1980 ceilings that were set by the House-Senate conference committee are in fact $3 billion below the appropriate supplemental that will be coming out of our Committee on Appropriations.

Can the gentleman in the well clarify that and indicate whether or not the appropriations supplemental will have to go back to the Committee on Appropriations?

Mr. PANETTA. Mr. Speaker, it is my understanding, as provided for in the 1980 supplemental area, that we are not talking in any way about dealing with the overall ceiling that is provided in appropriations. What we are asking is that there be reconciliation to the tune of about $3 billion that may be necessary in order to meet the present ceiling.

We think that is going to be necessary, and that is why we have instructed the Committee on Appropriations to meet that goal.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. PANETTA. I yield to the chairman of the committee.

Mr. GIAIMO. Mr. Speaker, the gentleman will recall the conferees on both sides agreed to a $3-billion reduction in budget authority and a $1-billion reduction in outlays for appropriated items in 1980.

I am informed that the Committee on Appropriations has been working very diligently in this area, trying to address itself to the mandatories and the discretionary funds, and they believe they can stay within the ceiling by making appropriate deductions of about $3 billion in budget authority and $1 billion in outlays, $4 billion in all areas, with one exception, however, and that is in the area of disasters.

We have no way of knowing, nor does the Committee on Appropriations, what the effects of the natural disasters which have hit the Nation in the last few weeks will be, and we are just going to have to face that as we go along.

Mr. EDGAR. Mr. Speaker, will the gentleman yield further?

Mr. PANETTA. I am pleased to yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I would just like to take a moment to commend the gentleman in the well and the other four gentlemen who served with distinction on the House-Senate budget conference committee and whose leadership led to the last vote.

I intend to support the gentleman in the well, and I hope that other Members will do so as well, so that we can get on with the process of 1980 funding, and also get on with the process of setting budget targets for 1981.

Mr. PANETTA. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. EDGAR), and I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to address my remarks primarily to the Members on my right. Let me reiterate that. I would like to address my remarks primarily to the gentlemen and gentlewomen on my right who helped defeat this conference report that just went down.

As I predicted on the floor of the House, if this proposal is agreed to in conference—and it will not be—we would be reducing defense from $153.7 to $147.9 billion.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from California.

Mr. PANETTA. Mr. Speaker, where does the gentleman get those figures?

Mr. LATTA. Mr. Speaker, as I understand what the gentleman is proposing, he wants to take the House-passed resolution, and the figure for national defense in that resolution was $147.9 billion—and in the conference report that was just rejected we had $153.7 billion for defense.

Mr. PANETTA. Mr. Speaker, if the gentleman will yield further, I assume that is what the last vote represented.

Mr. LATTA. Mr. Speaker, I understand that, and the gentleman understands it. If I am in error, I will be happy to have the gentleman correct me at this point.

I am just saying to my friends here that we need the money for defense, and I said on the floor of the House that if we go back to conference, we are going to put the money in these goody-goody projects and take it out of defense. This is a solid effort right here to do exactly that.

Let me say, Mr. Speaker, that I think the time has come to call the Speaker's attention and the attention of the House to all the lobbyits who are out in this hall every time an important piece of legislation comes up. It is oftentimes very difficult for Members to get to the floor in order to vote. I think there ought to be a rule in the House to control that type of lobbying right outside the House door.

Further, Mr. Speaker, let me say to the Members on my right that what is being attempted now is to take the 1980 figures which call for a $46.5 billion deficit for fiscal year 1980. We are willing to swallow some of this in order to get spending levels that are necessary for the defense of this country, but we are not, as far as I am concerned, going to swallow a $46.5 billion deficit for fiscal year 1980 without the higher defense figures for 1981.

Mr. Speaker, I would urge my friends who voted against the conference report that just went down to defeat to also send this motion down to defeat.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would just like to say to the gentleman that I would like to call his attention to the machine over here that shows 96 Republicans voted against the budget resolution. Almost every single one of them is strong on defense; they are the staunch, defense-minded Republicans on this side of the aisle. Almost every one of them has a 100-percent rating on every defense organization that has come out.

And I could tell the Members this: that we support the Latta substitute. And I can tell some of my friends on that side of the aisle, some of them who supported us in this effort, that they do not have to go on the other side of the aisle to pick up votes to pass this. We can come back here with the Latta substitute, and they will get those 96 votes, plus the 46 that voted on the other side, and we can pass that amendment. Then we would not take $46 billion from the taxpayers of this country and ruin the economy.

Mr. PANETTA. Mr. Speaker, I yield 5 minutes to the chairman of the Committee on the Budget.

Mr. GIAIMO. Mr. Speaker, I rise in support of the Panetta substitute, and let me just tell the Members what the Panetta substitute does.

I am not running for reelection this year, as the Members know, and I am just as calm and cool and collected as I can be, but I want to address my dear fellow Democrats and friends of many years.

We had a real effort here to have a bipartisan approach to a budget. That would have helped us. That would have helped us to try to keep this budget in balance later on this summer when we are going to need the help of my colleagues on the Republican side if we are going to have any chance or any hope of keeping this budget in balance later on this summer.

And let me say to my colleagues, "If you don't think, oh, members of the majority party, that we aren't going to have our work cut out for us this summer, then you just don't know what the art of budgeting is."

So let us not laugh and clap hands. We have got a serious problem here on our hands.

What the gentleman from California (Mr. PANETTA) is trying to do is this: He is trying to preserve this budget process. That is going to be pretty tough to do, because if the liberals are unhappy with the budget for one reason and the conservatives for another, then, God help the American people. But that is where we are now.

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In conference, the differences in the educational function, were not really differences at all. All of the conferees had basically agreed on the educational function, outlay, and budget authority, something that PAUL SIMON and I had made a paramount concern of ours, and the other conferees, throughout the conference. We went down $100 million below where we had hoped in the area of transportation.

In the second function we went $100 million below. In the income security function, which is a function of $219.3 billion, we were $250 million below where we, the conferees on the House side, had agreed we wanted to be.

So that is basically the difference: $250 million in income security, $100 million in transportation, and $100 million in the science function.

Now we come to the other great big difference, defense. It is foolishness to think in terms of the Senate being at $155.7 billion and the House being at $147.9 billion. The defense number was based in conference before the conference. When we met with the leadership of the House and the Senate, the administration told us that their defense number was $150.5 billion. They told us this in March.

We on the Budget Committee in the House marked up early, as you recall, way before Eastertime, and we said that $150.5 billion that the President has, our Appropriations Committee normally cuts out a couple billion dollars from that, and we brought it down to $148 billion, just under it, $147.9 billion.

Now, regarding that $150.5 billion of the President's request—and you know how strongly he has been insisting upon his defense number—CBO informally advised of an unofficial estimate is that without adding one penny to that defense number—the reestimate of that number presently is $153.1 billion.

The SPEAKER pro tempore. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

Mr. PANETTA. Mr. Speaker, I yield 5 additional minutes to the gentleman from Connecticut.

Mr. GIAIMO. $153.1 billion, that is the correct defense number, not the $147.9 billion that we in the House assumed, hopefully, and also for some bargaining purposes, in order to get the Senate to agree with us on some social programs, as we normally have done.

If you add to that Nunn-Warner, which the President promised on the flight deck of the *Nimitz* last week, you can add $1 billion to that $153.1 billion. And if the House and Senate upped the cost-of-living pay adjustment from 7.4 to 11.7 percent, as they indicate pretty strongly they may do, because our armed services personnel suffer from low income, you can add another billion dollars. So the defense number is not out of line, $153.7 billion.

But be that as it may, the fact is that I personally believe there is strong support on the part of the American people for a strengthened defense in the United States. We would be foolish to ignore that, particularly those of you who are running for reelection this fall. I am not.

But I firmly believe, more than I ever have in 22 years here, that we need to put more money into defense and do it quickly. As a member of the Defense Subcommittee on which I serve with the distinguished chairman, the gentleman from New York (Mr. (ADDABBO), I am telling the Members that I am going to see to it that we try to do that, because I know that that is what the feeling of many of the Members in this body is and what the feelings of the people back home are.

So what the gentleman from California is doing is this: There are two parts. The first part is 1980. Now, the Appropriations Committee is desperately waiting to get supplemental bills involving many key, important things, defense, black lung, disaster loans, food stamps, all of these things. They total about $16 billion. We have to get the 1980 bill approved.

Second, in that package his amendment would include the reconciliation which you voted on, which you approve of, and which we can get the committees going on. They are already moving in that direction and working and trying to meet the June 20 deadline. Let us do that. That would be one package, the 1980 budget, which is in deficit, and reconciliation.

The other amendment that he has, the second part of it, is 1981, where we have the disagreement which I explained to you. We can go back to conference on that. For purposes of having a vehicle to go back to conference, he is using the numbers of the resolution that passed the House.

Obviously, we have worked on almost all of those numbers, the conferees have. We are in agreement on what those numbers are except for defense, transportation, education, and income security. We even know where our differences are in those areas, and I suspect that we could work those out relatively quickly. I do not know where we can work this out in conference because I do not know what the attitude of the other body is. Being strong on defense, they feel that they are on the side of the angels in this argument, and they may well be. But we will face that when we get to conference.

I urge the Members not to vote down the amendment offered by the gentleman from California.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, just to recapitulate, so that we all understand exactly what is being proposed, there is not anything radical or new at all that is being proposed by the gentleman from California. He proposes a mechanism which will let us resolve 1980, which was not in controversy here at all.

Mr. GIAIMO. No, sir.

Mr. WRIGHT. We have every reason to believe that the Senate will be willing to agree, as it already has agreed, to those 1980 figures that were in the conference report and which he embraces in this motion.

Now, if we can resolve the 1980 figures, then we can move ahead with supplemental appropriations. We will know exactly where the brackets are into which our appropriation must fit for the remainder of this year.

The second thing this motion does is simply to let us go back to conference exactly as we went before and start all over again on 1981 figures. And the figures he offers us are exactly those that this House embraced when it supported the House budget resolution in the first place. So there is nothing new. I do not know any reason why all of us cannot support this motion.

Mr. PANETTA. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I do not want to chew over the last vote. I simply want to say that I think, when you look at the numbers, the message is clear. I do not think the House has been focusing especially on the $700 million difference on defense outlays. I think they have been focusing, among other things, on the fact that the difference in budget authority, not outlays, but budget authority, which is what drives future spending, is $40 billion over a 5-year period above the President's defense numbers, which in turn are $40 billion above the baseline figure before the President recommended his 4 percent after-inflation increase each year. But that is beside the point.

I think that the House was simply sending the message to the conferees that they would like them to be a little more moderate in the defense increases in the budget authority area and to not cut quite so deeply on emergency fuel assistance for the elderly, on education and job programs, and a few other programs.

On the Panetta motion, it is frankly not the tactic that I would prefer, but it is a reasonable one, and around here we do have to compromise. I would urge the Members who voted against the previous motion to support the Panetta amendment, even though it does have some problems.

□ 2000

Mr. PANETTA. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. WEISS).

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Speaker, might I ask one of the gentlemen on the other side of the aisle if they could answer a question for me? If this proposal of the gentleman from California were to pass and then the Senate agreed to it, would the debt ceiling for 1980 then be increased, so that the action, in effect, that the House took this afternoon when it passed the Bauman motion and sent the resolution back to the Committee on Rules would, therefore, then be moot and it would not be necessary to then reconsider a rule on that resolution?

Mr. PANETTA. Mr. Speaker, if the gentleman will yield, with regard to the question on the debt ceiling, as I understand it, while it proceeds over to the Senate side it will not be effective until all issues relating to 1981 are completed and the conference report is agreed to.

Mr. KRAMER. So the problem with the debt ceiling remains as was presented earlier this afternoon.

Mr. PANETTA. Right.

Mr. KRAMER. So the gentleman is saying, if I understand what he is saying correctly, that our action in passing the proposal of the gentleman, even if the Senate were to agree, would not obviate the need for us to come back and take independent action on the debt ceiling with respect to the social security checks next week?

Mr. PANETTA. Only if the 1981 disagreements were agreed to in that conference and were brought back. That is not expected at this point. I would think that the debt ceiling issue still remains, as I said, as presented this afternoon.

Mr. KRAMER. Mr. Speaker, I thank the gentleman.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I rise in support of my colleague from Ohio.

Mr. Speaker, once again the White House, the congressional leadership, and the media have been successful in diverting public attention away from the fundamental issues in the budget we have before us. This budget is badly flawed, as is the process that created it. Instead of arguing the merits of this flawed budget and the failure of the system to provide responsible and accountable decisionmaking we have been presented with a referendum on defense expenditure.

Our defense capability is in terrible shape at the moment. As we all heard during the House consideration of the fiscal year 1981 defense authorization bill, we have fallen grievously behind the Soviets in most critical areas of armament. In regards to our air force we have being pushed by the inaction of the administration to flying virtual antiques against the most advanced Soviet bombers and interceptors. Our Navy is dangerously inadequate for maintaining the presence of American force in trouble spots around the globe. During the recent turbulence in South Korea we found most of our Pacific fleet sitting off the Arabian peninsula more than 16 days away. We should not have to be in a position where American capability is so hamstrung. However, one budget resolution will not turn around the decline of America's defenses. It will take an ongoing commitment of voting for authorizations and appropriations which will return this Nation to a level of capability that assures world stability.

There has been speculation that if this resolution is defeated it will come back from conference with lower defense expenditures and higher spending levels for other programs. We have been told that the budget will go out of balance if this resolution is defeated. This does not need to happen. If this House is serious about a balanced budget, one that is not hiding a $90-billion tax increase or has false assumptions to create the image of a balanced budget, we can make clear during this debate that a "no" vote is against big spending and big taxes.

What is unfortunate here today is the fact that the issues being discussed, whether they are defense, taxes, balanced budgets, or domestic priorities are meaningless unless they are carried out during the consideration of individual funding bills. In past years this Congress has consistently violated the intent of the budget resolutions. I do not think fiscal year 1981 will be any different. By May 1981 there will undoubtedly be a third budget resolution that will have a deficit because of some last-minute funding bills and superficial tax cuts that are rumored for this fall. This conference report even moves up the time schedule for the second budget resolution so that the assumptions on which this budget is balanced will not be entirely shown as fantasy. Such flimflammery is a gross disservice to the millions of Americans who have to foot the bill for the whole thing. It is also a tragic charade for the many more millions who find their hopes of assistance frustrated as bureaucratic waste and abuse limits the amounts of money actually available for them.

The record of waste in Washington, D.C., is the worst manifestation of the budget process. Without proper oversight or adequate opportunity to limit Government growth the bureaucrats are able to continue in their failure to provide effective and efficient services to those they are charged to serve. This budget resolution provides a blueprint for the status quo. Big new taxes to fund big new and old programs which will waste tax money in increasingly inventive ways. I would like to call my colleagues' attention to just a few examples of this "government as usual" attitude that surfaced this fiscal year:

On January 31, 1980, HHS Secretary Patricia Harris testified before the Senate Appropriations Committee that after "arduous review" she found she needed an additional 1,926 new jobs in order to cope with the reduced mandate of her reorganized agency. On February 2, 1980, the Congressional Quarterly reported that—

> Spending by the new Department of HHS in 1981 will outstrip total 1980 outlays of the Department of HEW by almost 10 percent.

In the bureaucracy less is always more as long as the budget process fails to provide opportunities for Congress to really address budget issues.

After thorough oversight hearings were not followed up by full House action the agency, ACTION, went ahead with its efforts to claim its rightful place among the Washington wasters. It hired a New York consulting firm to watch television to find, not new items on ACTION, but the commercials ACTION produced. They spent $36,000 for something that could have been found via television logs.

On May 22, 1980, the FBI was reported to have been investigating a $400,000 grant made under CETA which resulted in "happy hour training" at restaurants and limousine service for local consultants.

On May 4, 1980, the Washington Post reported that despite the freeze on hiring at least 30 top-level bureaucratic positions were being filled each week by the Carter administration.

On May 12, 1980, there was a report that the bureaucrats at HHS had to hire a consultant, at $400,000 in order to use agency data to count the number of consultants the Department had on contract.

On March 19, 1980, the Government Accounting Office (GAO) reported that over the past 10 years the General Services Administration (GSA) had purchased $1.2 billion worth of new furniture even though $373 million worth of new furniture or slightly used furniture was being held in GSA storage at the time.

U.S. News & World Report estimated that the Federal Government spends close to $2.5 billion annually on public information and public affairs. This includes such productions as a cartoon where two ducks discuss the merits of being a domestic or a mallard duck.

It costs over $200 per person for the Federal Government to move one of their own from one office to another. Frequent moves of some bureaucrats from one office to another and back again within Washington costs millions of dollars according to a recent "Federal Diary" column in the Washington Post.

On March 7, 1980, the Washington Post reported on the last minute spending sprees by Federal agencies in what is described as the "use it or lose it" mentality. The article cited one memo which stated:

> We have been able to identify $2,095,000 which we are now able to declare surplus . . . we need to move quickly as these funds lapse at midnight on September 30.

The memo ended with several suggestions as to how the money may be used, including: "remodeling of the commissioner and executive deputy commissioners' offices ($60,000)."

The worst fraud of all is the grant and studies gyp. Thousands of grants go to individuals, consulting companies and groups to study a myriad of unnecessary things, resulting in hundreds of millions of dollars in wasted taxpayers money. Most of these should be cut out.

I offer these few examples out of the hundreds of incidents that are all public record as a way of stressing that no matter what the outcome of this budget resolution, there will continue to be waste and abuse in Government. With this waste will come the third budget resolutions and the higher taxes and the ongoing decline in Government services. Unless we really get serious about oversight and about cutting out or shutting down those programs which are nothing more than boondoggles the congressional budget process will never be taken seriously. A "no" vote on this resolution can be a clear signal that we are through with this annual charade. I hope my colleagues will help to clearly define the issues involved here today and not allow the media to make this a one issue fight.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think we ought to clear up one statement made by a previous speaker—I think it was the gentleman from Texas (Mr. WRIGHT)—when he said that the 1980 figures were not in conference. I do not think the gentleman meant to say that. They were in conference. They were not discussed here today, however. We were talking about 1981, but the 1980 figures were in this conference report. There was no question about that. In the interest of time we did not go into them like we should have, but they were before the conference and they were in the report.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I would be happy to yield to my chairman.

Mr. GIAIMO. Mr. Speaker, I am sure what the gentleman from Texas intended was that we, the conferees, were not in disagreement on 1980.

Mr. LATTA. Well, what we agreed on as a total package is somewhat different from taking it apart piece by piece.

I want to say again to the membership that I am not about to vote for a 1980 deficit of $46.5 billion alone.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I would be happy to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, many of us complained at the time this budget resolution was first presented, with the 1980 fiscal year glued together with 1981, that we should have instead had a third budget resolution for 1980.

Now, the gentleman from California is indicating that he is going to have some chance to split these apart and have a conference on each one, now that it is convenient for them to no longer glue them together.

I see no reason now why they should not have to suffer under their own design.

Yes, there are programs waiting for 1980, but it is their fault and the people ought to understand it was their maneuvering that produced the situation that prevents us from funding programs with the supplemental for 1980. I urge a "no" vote on the motion.

Mr. LATTA. Mr. Speaker, let me say in response to my friend, the gentleman from Maryland, I was one of those who thought that we ought to split them, not combine them; but we did not have the votes to do that.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I would be happy to yield to my friend, the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding.

The gentleman will recall at the very outset of the debate on the budget resolution, I sought by an amendment to split the two and have a separate vote on 1980, because if we were really going to make significant reductions for 1981, it seemed to me we had to make a start in 1980.

Rather than making a reduction, we actually increased it. I was concerned then about the fact that there was going to be a $46 billion deficit that the gentleman now refers to.

How can you get from $46 billion in 1 year to zero in the next year and say you have got an honest balanced budget?

There is no way you are going to do that. I can cite time and time again when you made the comment, "Oh, we are for a balanced budget," but you cannot make a difference from $40 or $50 billion in 1 year. It has got to be 2 or 3 years. That is why some of us decried the fact that it was a balanced budget on paper, paper only, because there is no way to get from a $46 billion deficit in 1 year to zero in the next. That is my concern about the fact that we have made no reductions in 1980.

Mr. PANETTA. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PANETTA).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 173, nays 199, not voting 61, as follows:

[Roll No. 271]

YEAS—173

Addabbo
Albosta
Alexander
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Carr
Chisholm
Clay
Coelho
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Davis, S.C.
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fascell
Fazio

Ferraro
Fithian
Florio
Foley
Ford, Tenn.
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hanley
Harkin
Harris
Heftel
Hillis
Holland
Howard
Huckaby
Hutto
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McCloskey
McHugh
McKay
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Mineta
Minish
Moakley
Moffett
Mollohan
Moorhead, Pa.

Murphy, Ill.
Murphy, Pa.
Musto
Myers, Pa.
Nedzi
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Richmond
Rose
Rosenthal
Sabo
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vento
Volkmer
Waxman
Weiss
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolpe
Wright
Young, Mo.
Zablocki
Zeferetti

NAYS—199

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Applegate
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune

Bevill
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney

Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.

de la Garza
Dellums
Derwinski
Devine
Dickinson
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Fisher
Ford, Mich.
Forsythe
Fountain
Fowler
Frenzel
Gibbons
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Heckler
Hefner
Hightower
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.

Kastenmeier
Kazen
Kelly
Kemp
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Mattox
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Pashayan
Paul
Perkins
Petri
Pickle
Porter
Pritchard
Quayle
Quillen
Regula
Rhodes

Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Watkins
Weaver
Whitehurst
Whittaker
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.

NOT VOTING—61

Akaka
Anderson, Ill.
Archer
Bingham
Bonker
Bowen
Buchanan
Burton, Phillip
Collins, Ill.
Deckard
Diggs
Dornan
Edwards, Ala.
Evans, Del.
Fary
Flippo
Grassley
Grisham
Hance
Hansen
Harsha

Hawkins
Holtzman
Hughes
Ichord
Jacobs
Jenrette
Kindness
LaFalce
Lujan
Lundine
McCormack
McEwen
McKinney
Martin
Mathis
Mitchell, Md.
Murphy, N.Y.
Nolan
O'Brien
Oakar
Railsback

Reuss
Rodino
Roe
Rostenkowski
Roybal
Runnels
Scheuer
Sebelius
Shelby
Staggers
Symms
Thompson
Vanik
White
Whitley
Wilson, C. H.
Wolff
Yates
Young, Alaska

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The Clerk announced the following pairs:

Mr. Rodino with Mr. Archer.
Mr. Akaka with Mr. O'Brien.
Mr. Thompson with Mr. Deckard.
Mr. Charles H. Wilson of California with Mr. Young of Alaska.
Mr. McCormack with Mr. Dornan.
Mr. Flippo with Mr. Evans of Delaware.
Mr. Whitley with Mr. Seymour.
Mr. Yates with Mr. Railsback.
Mr. Hughes with Mr. Martin.
Mr. Hawkins with Mr. Kindness.
Mr. Bowen with Mr. Lujan.
Mr. Phillip Burton with Mr. Hansen.
Mr. Fary with Mr. Grisham.
Mr. Murphy of New York with Mr. Grassley.
Mr. Nolan with Mr. Vanik.
Mr. Shelby with Mr. Scheuer.
Mr. Rostenkowski with Mr. Runnels.
Mr. Diggs with Mr. Hance.
Mr. Ichord with Ms. Holtzman.
Mr. Bingham with Mr. Bonker.

Mrs. Collins of Illinois with Mr. Jenrette.
Mr. Jacobs with Mr. Mathis.
Mr. LaFalce with Mr. White.
Mr. Staggers with Mr. Lundine.
Mr. Reuss with Mr. Roe.
Mr. Roybal with Mr. Wolff.

Messrs. DE LA GARZA, KAZEN, TAYLOR, and BREAUX changed their votes from "yea" to "nay."

Mr. HILLIS and Mr. GILMAN changed their votes from "nay" to "yea."

So the motion was rejected.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. GIAIMO moves that the House insist upon its disagreement to the Senate amendment and requests a further conference with the Senate thereon.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

PARLIAMENTARY INQUIRY

Mr. PEYSER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. PEYSER. Mr. Speaker, would the Speaker please explain what it is that we are now voting on in this particular matter?

The SPEAKER. The question is on the motion of the gentleman from Connecticut (Mr. GIAIMO) that the House insist upon its disagreement to the Senate amendment and request a further conference with the Senate on the budget for 1980 and 1981.

The question has been put.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, we just voted on the figures for 1981 in the motion by the gentleman from California (Mr. PANETTA). A motion to insist is, in fact, redundant and it is a revote of the previous vote; is that not correct? It is the same proposition.

The SPEAKER. The Chair will reply that it is a necessary motion to get back to a new conference. That is the gentleman's motion, and it is not an equivalent motion to the motion previously made by the gentleman from California. The Chair has already put the question to a voice vote. The gentleman from Maryland had risen for a rollcall. Does the gentleman want the yeas and nays?

Mr. BAUMAN. Yes, I certainly do.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 202, nays 120, not voting 111, as follows:

[Roll No. 272]

YEAS—202

Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Blanchard
Boland
Bolling
Boner
Bonior
Brademas
Breaux
Brinkley
Brown, Calif.
Broyhill
Burlison
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Dickinson
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Horton
Howard
Huckaby
Hutto
Ireland
Jeffords
Jenkins
Johnson, Colo.
Jones, Okla.
Kazen
Kildee
Kogovsek
Kostmayer
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Luken
McDade
McHugh
McKay
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mica
Mikulski
Mineta
Minish
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
Oberstar
Obey
Ottinger
Panetta
Pease
Pepper
Peyser
Pickle
Preyer
Pursell
Rahall
Rangel
Ratchford
Richmond
Rinaldo
Rose
Russo
Sabo
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Tauzin
Van Deerlin
Vento
Volkmer
Walgren
Watkins
Weaver
Weiss
Whitten
Williams, Ohio
Wirth
Wolpe
Wright
Wyatt
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—120

Abdnor
Andrews, N. Dak.
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Bouquard
Brown, Ohio
Burton, John
Byron
Campbell
Carney
Carter
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derwinski
Devine
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Fenwick
Fish
Frenzel
Gibbons
Gingrich
Goldwater
Gramm
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hillis
Hinson
Holt
Hopkins
Hubbard
Hyde
Jeffries
Jones, Tenn.
Kelly
Kemp
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
Madigan
Marlenee
Michel
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Myers, Ind.
Pashayan
Paul
Petri
Porter
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Sawyer
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stratton
Stump
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whittaker
Wilson, Tex.
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—111

Akaka
Anderson, Ill.
Annunzio
Anthony
Archer
Badham
Baldus
Barnard
Bingham
Boggs
Bonker
Bowen
Brodhead
Brooks
Broomfield
Buchanan
Burgener
Burton, Phillip
Butler
Clausen
Collins, Ill.
Conyers
Coughlin
Davis, S.C.
Deckard
Derrick
Dicks
Diggs
Dornan
Eckhardt
Edwards, Ala.
Evans, Del.
Ferraro
Findley
Flippo
Forsythe
Gradison
Grassley
Grisham
Gudger
Hance
Hansen
Harsha
Hawkins
Holland
Holtzman
Hughes
Ichord
Jacobs
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kindness
Kramer
LaFalce
Long, La.
Lujan
Lundine
McCloskey
McCormack
McEwen
McKinney
Martin
Mathis
Mazzoli
Miller, Calif.
Mitchell, Md.
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Oakar
Patten
Patterson
Perkins
Price
Railsback
Reuss
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Runnels
Santini
Scheuer
Schroeder
Sebelius
Shelby
Skelton
Stack
Staggers
Stockman
Symms
Thompson
Traxler
Udall
Ullman
Vanik
Waxman
White
Whitehurst
Whitley
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wolff
Yates
Young, Alaska

☐ 2040

So the motion was agreed to.

The result of the vote was announced as above recorded.

MOTION TO INSTRUCT OFFERED BY MR. LATTA

Mr. LATTA. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

> Mr. LATTA moves to instruct the managers on the part of the House at the conference on the disagreeing votes of the two Houses on House Concurrent Resolution 307, first concurrent resolution on the budget for fiscal year 1981, to agree to the figures in functional category 050, national security, of $153.7 billion in outlays and $171.3 billion in budget authority.

MOTION TO TABLE OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Speaker, I move to lay the motion on the table.

The SPEAKER. The question is on the motion to table offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 123, nays 165, not voting 145, as follows:

[Roll No. 273]

YEAS—123

Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Aspin
Atkinson
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Brademas
Burlison
Burton, John
Carr
Cavanaugh
Chisholm
Coelho
Conte
Conyers
Cotter
D'Amours
Danielson
Daschle
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Foley
Gaydos
Gephardt
Giaimo
Gore

Gray
Guarini
Hall, Ohio
Hanley
Harkin
Harris
Heftel
Howard
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
McHugh
Matsui
Mattox
Mavroules
Mikulski
Mineta
Minish
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Nelson
Nowak
Oberstar
Obey
Ottinger
Panetta
Pease
Pepper
Peyser
Preyer
Rahall
Rangel
Ratchford
Rose
Russo
Sabo
Santini
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Stark
Steed
Stewart
Studds
Swift
Synar
Volkmer
Walgren
Wirth
Wolpe
Wright
Young, Mo.
Zablocki
Zeferetti

NAYS—165

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Applegate
Ashbrook
Bafalis
Bailey
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bouquard
Breaux
Brinkley
Brown, Ohio
Broyhill
Byron
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Derwinski
Devine
Dickinson
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Evans, Ga.
Evans, Ind.
Fenwick
Fithian
Fountain
Fowler
Frenzel
Frost
Fuqua
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gramm
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Jacobs
Jenkins
Kazen
Kelly
Kemp
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Luken
Lungren
McClory
McDade
McDonald
McKay
Madigan
Marks
Marlenee
Marriott
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Mottl
Myers, Ind.
Natcher
Nichols
Pashayan
Paul
Perkins
Petri
Porter
Pritchard
Quillen
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Schulze
Sensenbrenner
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stratton
Stump
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
Whittaker
Whitten
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.

NOT VOTING—145

Akaka
Anderson, Ill.
Annunzio
Anthony
Archer
Ashley
AuCoin
Badham
Baldus
Barnard
Barnes
Bevill
Boggs
Bonker
Bowen
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burton, Phillip
Butler
Clausen
Clay
Coleman
Collins, Ill.
Conable
Corman
Coughlin
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Dicks
Diggs
Dornan
Eckhardt
Edwards, Ala.
Erlenborn
Evans, Del.
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Garcia
Gradison
Grassley
Green
Grisham
Gudger
Hamilton
Hance
Hansen
Harsha
Hawkins
Hefner
Holland
Holtzman
Hughes
Ichord
Ireland
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kindness
Kramer
LaFalce
Lujan
Lundine
McCloskey
McCormack
McEwen
McKinney
Maguire
Markey
Martin
Mathis
Mazzoli
Miller, Calif.
Mitchell, Md.
Moorhead, Calif.
Murphy, N.Y.
Neal
Nedzi
Nolan
O'Brien
Oakar
Patten
Patterson
Pickle
Price
Pursell
Quayle
Railsback
Reuss
Richmond
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Runnels
Sawyer
Scheuer
Schroeder
Sebelius
Shelby
Snowe
St Germain
Stack
Staggers
Stockman
Stokes
Symms
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wolff
Yates
Young, Alaska

□ 2050

Messrs. SCHULZE, LEVITAS, HIGHTOWER, GLICKMAN, and FOWLER changed their votes from "yea" to "nay."

So the motion to table was rejected.

The result of the vote was announced as above recorded.

MOTION FOR ADJOURNMENT

Mr. GIAIMO. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 141, nays 145, not voting 147, as follows:

[Roll No. 274]

YEAS—141

Addabbo
Albosta
Alexander
Applegate
Aspin
Atkinson
Bailey
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Brademas
Burlison
Burton, John
Carr
Cavanaugh
Coelho
Conyers
Cotter
D'Amours
Danielson
Daschle
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fithian
Foley
Fowler
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Glickman
Gore
Gray
Guarini
Hall, Ohio
Hanley
Harkin
Harris
Heftel
Hightower
Howard
Jacobs
Jenkins
Johnson, Colo.
Jones, Okla.
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McHugh
McKay
Matsui
Mattox
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Nelson
Nowak
Oberstar
Obey
Ottinger
Panetta
Pease
Pepper
Perkins
Peyser
Preyer
Pritchard
Rahall
Rangel
Ratchford
Rose
Russo
Sabo
Santini
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Stark
Steed
Stewart
Studds
Swift
Synar
Volkmer
Walgren
Watkins
Winn
Wirth
Wolpe
Wright
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—145

Abdnor
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bouquard
Breaux
Brinkley
Brown, Ohio
Broyhill
Byron
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Collins, Tex.
Conte
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Derwinski
Devine
Dickinson
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Evans, Ga.
Fenwick
Fountain
Frenzel
Gibbons
Gilman
Gingrich
Ginn
Goldwater
Gonzalez
Goodling
Gramm
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Jeffries
Jones, Tenn.
Kazen
Kelly
Kemp
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Myers, Ind.
Natcher
Nichols
Pashayan
Paul
Petri
Porter
Quillen
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Schulze
Sensenbrenner
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stratton
Stump
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whittaker
Wilson, Tex.
Wyatt
Wydler
Wylie
Young, Fla.

NOT VOTING—147

Akaka
Ambro
Anderson, Ill.
Annunzio
Anthony
Archer
Ashley
AuCoin
Badham
Baldus
Barnard
Barnes
Bevill
Boggs
Bonker
Bowen
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burton, Phillip
Butler
Chisholm
Clausen
Clay
Coleman
Collins, Ill.
Conable
Corman
Coughlin
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Dicks
Diggs
Dornan
Eckhardt
Edwards, Ala.
Erlenborn
Evans, Del.
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Garcia
Gradison
Grassley
Green
Grisham
Gudger
Hamilton
Hance
Hansen
Harsha
Hawkins
Hefner
Holland
Holtzman
Hughes
Ichord
Ireland
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kindness
Kramer
LaFalce
Lujan
Lundine
McCloskey
McCormack
McEwen
McKinney
Maguire
Markey
Martin
Mathis
Mazzoli
Mitchell, Md.
Mollohan
Moorhead, Calif.
Murphy, N.Y.
Neal
Nedzi
Nolan
O'Brien
Oakar
Patten
Patterson
Pickle
Price
Pursell
Quayle
Railsback
Reuss
Richmond
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Runnels
Sawyer
Scheuer
Schroeder
Sebelius
Shelby
Snowe
St Germain
Stack
Staggers
Stockman
Stokes
Symms
Thompson
Traxler

Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wolff
Yates
Young, Alaska

☐ 2110

Mr. TAUZIN changed his vote from "yea" to "nay."

So the motion was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion to instruct offered by the gentleman from Ohio (Mr. LATTA).

The motion was agreed to.

APPOINTMENT OF CONFEREES ON HOUSE CONCURRENT RESOLUTION 307

The SPEAKER. The Chair appoints the following conferees: Messrs. GIAIMO, WRIGHT, ASHLEY, SIMON, MINETA, JONES of Oklahoma, BRODHEAD, WIRTH, PANETTA, GEPHARDT, NELSON, LATTA, CONABLE, Mrs. HOLT, Mr. REGULA, and Mr. RUDD.

REPRESENTATIVE SHUMWAY INTRODUCES LEGISLATION TO REPEAL FEDERAL ESTATE TAX

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, the American people are increasingly burdened with excessive and inequitable taxes. Since 1977, Federal tax receipts have grown from slightly more than 18 percent of total GNP to almost 22 percent in the proposed fiscal year 1981 budget resolution—a level of confiscation unprecedented since World War II.

I firmly believe this trend must be reversed and am, accordingly, today introducing legislation to repeal entirely what is widely perceived to be one of the most onerous of all revenue programs: the Federal estate tax and its related gift and generation-skipping provisions.

Although current estate tax law is exceedingly complex—a major cause of inequity—my basic reason for advocating repeal is, quite simply, that this tax is a distinct disincentive to the kind of savings and investment necessary for economic health and productivity. Current law provides that taxable estates valued at over $5 million—an amount certainly not great given the impact of inflation on, say, prime farmland—be taxed at the rate of 70 percent. It makes very little sense, Mr. Speaker, to penalize at death those individuals who, through thrift and hard work, have proven successful in life. Death should certainly not be perceived by the IRS, as is now the case, as a taxable economic phenomenon.

As I mentioned, current estate tax law is complex and often inequitably applied. As the noted student of Federal tax policy, Joseph Pechman, has written:

> Many of the structural features of the estate and gift taxes have unequal impact, depending on how and when dispositions of property are made. Such disparities are hard to justify, because many people—for personal or business reasons or because of early death—cannot avail themselves of the opportunity to minimize the taxes on their estates.

As is often the case, it is those least able to afford the kind of counsel necessary to minimize tax liability that bear a disproportionately large burden.

In no instance does the estate tax burden fall more heavily than on family farmers or owners of small closely held businesses. Since, in each instance, assets tend to be fixed—land or capital structures and equipment—large portions of the farm or business often have to be liquidated and sold by heirs for tax purposes. Federal tax policy, in such cases, perversely contributes to the breakup of the very family farms and small businesses that make up the foundation of our economy and society.

Mr. Speaker, the American people are demanding that taxes be reduced; they demand that the taxes that must be paid be equitably shared. My legislation is an important step in this direction, and I urge my colleagues to join in support.

SOVIET UNION CONTINUES TO VIOLATE TREATIES: EVIDENCE SHOWS BIOLOGICAL WARFARE RESEARCH

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, it should come as no real news that the Communist dictators in the Soviet Union are carrying on secret research and development in the field of biological warfare. All of this while publicly professing to adhere to conventions and agreements to not develop bacteriological weapons. The only thing that should shock us is the degree to which our own leaders and the State Department liberals cover up this dangerous infraction of international agreement despite the apparent jeopardy in which it places our future.

This morning our Intelligence Committee heard the testimony of Mark Popovsky. Mr. Popovsky emigrated from the Soviet Union to the United States in 1977. In Moscow he worked as a journalist and scriptwriter and published 14 books on Soviet scientists, primarily in the life sciences. Since coming to the West he has published four more books and pamphlets, particularly "Manipulated Science," a book on the use and abuse of science in the U.S.S.R. For the last 6 months Mr. Popovsky has been a fellow of the Kennan Institute for Advanced Russian Studies of the Smithsonian's Woodrow Wilson International Center for Scholars. Mr. Popovsky's contacts among Soviet dissidents enabled him to operate a reference service for Western correspondents in Moscow known as the Mark Popovsky Press. As a member of the Intelligence Committee, I heard his testimony and was shocked.

He stated categorically that the Soviet Union had engaged in bacteriological research for over 50 years, that it had moved its research centers from Moscow to secret and remote places in the U.S.S.R. He felt that they had engaged in experiments in germ warfare in Afghanistan, what he referred to as a "perfect test site for the Soviets." His short statement should be read by every American. I include it at this point in the RECORD.

[Translation from Russian]

STATEMENT

As a writer who had written in the USSR (1947–1977) on men and problems of science, I had learned the following facts from my conversation with scientists:

1. For a long time now there has existed in Sverdlovsk a secret military compound working on bacteriological weapons.

2. This compound is part of a system working on the development and testing of bacteriological weapons and it consists of several institutes and field test sites. I know specifically of two such institutes in the cities of Kirov and Sverdlovsk. I know that the Soviet army general staff has a special seventh section specializing in the development and testing of bacteriological weapons and vaccines, which for many years has been headed by colonel-general (equivalent to a three-star general in the U.S. Army) Efim Ivanovich Smirnov. The medical work is under the direction of USSR Deputy Minister of Health Burgasov, who works in close association with the KGB. At least, until recently, 125 microbiologists, epidemiologists, zoologists, and specialists on communicable diseases worked at the secret bacteriological compound in Kirov, which is surrounded by two rows of concrete walls. Plague, tularemia, tetanus, anthrax and yellow fever were some of the infectious diseases worked on by Soviet experts at these secret compounds.

3. Knowing all this, and the fact that military-bacteriological research had been carried on in the USSR since the twenties in Saratov, Suzdal, Moscow, Novosibirsk and possibly Kalinin, I was not at all surprised when in February I received a letter through the underground sent to me from Moscow in January, in which a friend informed me that last spring an infectious strain had spread throughout Sverdlovsk following an explosion in a secret bacteriological compound. My friend informed me that an infectious cloud had been driven by wind south from the city, but that no less than one thousand people had died, both in the city and its suburbs. Residents within a very large radius of the military bacteriological compound were vaccinated twice. The vaccinations were painful and people refused to go to the clinics for vaccinations. The nature of the disease was not known, but it was thought to be a very virulent form of anthrax. Those who came down with the disease died within a few hours after their arrival at the hospital.

4. As far as I am concerned, the validity of these facts is unquestionable. In my books published in the USSR, I even described indirectly the bacteriological research carried out for military purposes without mentioning specifically where they had been carried out (Mark Popovskiy. "In the Footsteps of Retreating Diseases," 1964; "Looking Over a Map of Human Suffering," Moscow, 1971). Specifically, I know of a secret bacteriological institute operating under the Special Purpose Office (BON), which worked on attack and defense weapons at a former monastery in Suzdal between 1930 and 1937. I heard about this in great detail from the now deceased professor Elbert who worked in Suzdal. The workers in Suzdal were imprisoned microbiologists. They were investigating plague and tularemia.

5. On the basis of a large number of facts which were at my disposal in the USSR, I maintain that the Soviet Union never, either after 1925 or after 1975, carried out its

commitment to renounce bacteriological weapons.

How many lessons do we need before we learn? The Communists, as always, are conducting ongoing plans for military domination of the world by any means. Operating in a closed society they can blithely profess adherence to treaties, conventions, détentes while conducting business as usual. They have the obvious advantage, in addition to their own closed society, in the fact that American diplomats, politicians, and media types rarely question even the most obvious facts. How long can we survive with this disastrous approach and dangerous double standard.

LEAVE OF ABSENCE

The SPEAKER. The Chair lays before the House the following personal requests:

To Mr. Phillip Burton (at the request of Mr. Wright), for today, on account of illness in the family.

To Mr. Dornan (at the request of Mr. Rhodes), from May 22 through May 30, on account of official business.

To Mr. Hance (at the request of Mr. Wright), for today and Friday, May 30, on account of a death in the family.

To Mr. Kindness (at the request of Mr. Rhodes), after 3:30 p.m. today, on account of official business.

To Mr. Pickle for Friday May 30, on account of official business.

To Mr. Railsback (at the request of Mr. Rhodes), after 1 p.m. today and tomorrow, on account of official business.

To Mr. Rodino (at the request of Mr. Wright), for today, on account of a necessary absence.

The SPEAKER. Without objection, the requests are granted.

Mr. BAUMAN. Mr. Speaker, reserving the right to object to the requests, could we know what the program is for tomorrow?

The SPEAKER. The Chair will announce that the first item up for business will be the Federal Trade Commission Appropriation rule and bill.

The House comes in at 10 o'clock. If the Rules Committee has voted out the debt limit rule we will bring that up next. We understand, of course, it will require a two-thirds vote, for consideration, but if it is voted out, it will be on the floor tomorrow. Those are the two most important pieces of legislation for the day.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Without objection, the requests are granted.

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Weiss' statement in opposition to the budget resolution conference report be placed in the Record before the vote.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2546. An act to authorize the Secretary of the Interior to design and construct a gunite lining on certain reaches of the Bessemer Ditch in the vicinity of Pueblo, Colo., to prevent or reduce seepage damage on adjacent properties, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3236. An act to amend the Social Security Act to provide better work incentives and improved accountability in the disability programs, and for other purposes; and

H.J. Res. 445. Joint resolution to provide for designation of the week of September 21–27, 1980, as "National Systic Fibrosis Week."

ADJOURNMENT

Mr. ERTEL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 17 minutes p.m.), the House adjourned until tomorrow, Friday, May 30, 1980, at 10 a.m.

MOTION TO DISCHARGE COMMITTEE, MAY 29, 1980

To the Clerk of the House of Representatives:

Pursuant to clause 4, of Rule XXVII, I, Sam B. Hall, Jr., move to discharge the Committee on the Judiciary from the consideration of the bill, H.R. 3567; entitled, "A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drinks are lawful under the antitrust laws", which was referred to said committee April 10, 1979, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Samuel B. Hall, Jr.
2. Charles W. Stenholm
3. Charles Rose
4. Walter B. Jones (N.C.)
5. Charles Whitley
6. Nick Joe Rahall, II
7. Doug Barnard, Jr.
8. Ray Roberts
9. Marvin Leath
10. Charles Wilson (Tex.)
11. Tom Steed
12. Ed Jones (Tenn.)
13. Tom Loeffler
14. Henry J. Hyde
15. John E. Porter
16. Jim Wright
17. Bob Stump
18. James M. Collins
19. W. Henson Moore
20. Phil Gramm
21. Kent Hance
22. Claude (Buddy) Leach
23. Robert H. Mollohan
24. Manuel Lujan, Jr.
25. Bill Chappell, Jr.
26. L. H. Fountain
27. Larry P. McDonald
28. John B. Breaux
29. Bo Ginn
30. Billy Lee Evans (Ga.)
31. Dan Lungren
32. Douglas Applegate
33. Marilyn Lloyd Bouquard
34. Beryl Anthony, Jr.
35. Jerry Huckaby
36. Al Swift
37. Steven D. Symms
38. G. V. (Sonny) Montgomery
39. James A. Courter
40. Bill Royer
41. Don Bonker
42. Frank Horton
43. Frank Annunzio
44. Robert (Bob) Whittaker
45. Martin Frost
46. Richard C. White
47. E de la Garza
48. Dawson Mathis
49. George M. O'Brien
50. Ken Kramer
51. Earl Hutto
52. Hamilton Fish, Jr.
53. James H. Quillen
54. Jack Hightower
55. Samuel S. Stratton
56. Keith G. Sebelius
57. Jim Jeffries
58. Don Bailey
59. Carl D. Perkins
60. Leo C. Zeferetti
61. Austin J. Murphy (Pa.)
62. Robert A. Young (Mo.)
63. Harley O. Staggers
64. Michael O. Myers (Pa.)
65. Raymond F. Lederer
66. Tom Corcoran
67. Harold Runnels
68. Richard Kelly
69. Daniel K. Akaka
70. John W. Jenrette, Jr.
71. Mendel J. Davis
72. Virginia Smith
73. Jack Edwards (Ala.)
74. Jack Brinkley
75. Les Aspin
76. F. James Sensenbrenner, Jr.
77. Tennyson Guyer
78. Paul Findley
79. Mark Andrews (N.D.)
80. Lamar Gudger
81. John M. Ashbrook
82. Clair W. Burgener
83. Jack F. Kemp
84. John H. Rousselot
85. Paul S. Trible, Jr.
86. Jamie L. Whitten
87. Jon Hinson
88. Bill Nichols
89. Richard L. Ottinger
90. Ken Holland
91. Mike McCormack
92. David W. Evans (Ind.)
93. Gerald B. H. Solomon
94. Richard C. Shelby
95. Ronnie G. Flippo
96. Charles E. Grassley
97. David R. Bowen
98. Trent Lott
99. Peter A. Peyser
100. W. G. (Bill) Hefner
101. Thomas A. Luken
102. James Abdnor
103. Thomas A. Daschle
104. Floyd Spence
105. Gus Yatron
106. Gene Snyder
107. Gene Taylor
108. John Paul Hammerschmidt
109. Samuel L. Devine
110. Larry J. Hopkins
111. Tom Hagedorn
112. Arlan Stangeland
113. Norman D. Shumway
114. Robert E. Badham
115. Thomas N. Kindness
116. William Hill Boner
117. Wm. S. Broomfield
118. Stephen L. Neal
119. Tony Coelho
120. Donald J. Mitchell
121. Dan Daniel
122. Pat Williams
123. Douglas K. Bereuter
124. Ed Jenkins

125. Frederick W. Richmond
126. George Hansen
127. Marc L. Marks
128. Paul N. McCloskey, Jr.
129. Nicholas Mavroules
130. Robert H. Michel
131. William R. Cotter
132. Abraham Kazen, Jr.
133. John G. Fary, Jr.
134. Marjorie S. Holt
135. Mario Biaggi
136. John J. Duncan, Jr. (Tenn.)
137. Larry Winn, Jr.
138. Jim Mattox
139. Newt Gingrich
140. Joseph M. McDade
141. John P. Murtha
142. John Buchanan
143. William Carney
144. Norman F. Lent
145. Gary A. Lee
146. Elwood Hillis
147. Harold S. Sawyer
148. Joseph P. Addabbo
149. Richard Bruce Cheney
150. Arlen Erdahl
151. Bud Shuster
152. Lyle Williams
153. Charles F. Dougherty
154. Bill Archer
155. William H. Gray III
156. Don Ritter
157. Robert E. Bauman
158. David E. Satterfield III
159. Wes Watkins
160. Mary Rose Oakar
161. Dan Glickman
162. Raphael Musto
163. Mike Lowry
164. Don H. Clausen
165. William R. Ratchford
166. J. Kenneth Robinson
167. Robert W. Daniel, Jr.
168. Harold L. Volkmer
169. Bill D. Burlison
170. Robert K. Dornan
171. Gunn McKay
172. Eugene V. Atkinson
173. Richardson Preyer
174. Carroll A. Campbell, Jr.
175. Ron Marlenee
176. William F. Goodling
177. James T. Broyhill
178. Ike Andrews (N.C.)
179. Charles Pashayan, Jr.
180. William L. Dickinson
181. Dave Stockman
182. Tom Harkin
183. Tom Bevill
184. William M. Thomas
185. Robert A. Roe
186. Joe Wyatt, Jr.
187. Carlos J. Moorhead (Cal.)
188. Daniel B. Crane
189. Wayne Grisham
190. Eldon Rudd
191. Ike Skelton
192. H. Joel Deckard
193. Olympia J. Snowe
194. Dan Marriott
195. Matthew J. Rinaldo
196. Barber B. Conable, Jr.
197. Ray Kogovsek
198. Donald Joseph Albosta
199. Bill Alexander
200. Paul Simon
201. Ron Paul
202. L. A. (Skip) Bafalis
203. Robert S. Walker
204. Cecil (Cec) Heftel
205. Andy Ireland
206. Stanley N. Lundine
207. Sam Gibbons
208. Ed Bethune
209. Chalmers P. Wylie
210. Tim Lee Carter
211. W. J. (Billy) Tauzin
212. William S. Moorhead (Pa.)
213. Thomas E. Petri
214. Edward R. Madigan
215. Bill Frenzel
216. Delbert L. Latta
217. C. W. Bill Young
218. Bob Livingston

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4477. A letter from the Assistant Secretary of Energy for Resource Applications, transmitting a notice of a delay in the submission of the semiannual report on the implementation of the alternative fuels appropriation, required by title II of Public Law 96-126; to the Committee on Appropriations.

4478. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project to be undertaken by the U.S. Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4479. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3-189 to amend the act relating to the incorporation of Trinity College of Washington, District of Columbia, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4480. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3-190 to establish in the District of Columbia the Museum of the city of Washington, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4481. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3-191 to prohibit housing discrimination against families with children, and for other purposes, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4482. A letter from the Acting Assistant Secretary of State for International Organization Affairs, transmitting a project performance report prepared by the United Nations Joint Inspection Unit, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4483. A letter from the Secretary of Commerce, transmitting a report on the restrictions being imposed on U.S. athletic participation in the 1980 summer Olympic games, and on goods, services, and technology to be used in any connection with these games in response to the Soviet invasion of Afghanistan, pursuant to section 6 of the Export Administration Act of 1979; to the Committee on Foreign Affairs.

4484. A letter from the Assistant Comptroller General for Administration, transmitting a report on the financial condition of the Comptrollers' general retirement system for the plan year ended September 30, 1979, pursuant to Public Law 95-595; to the Committee on Government Operations.

4485. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the semiannual report of the Inspector General of NASA for the period ended March 31, 1980, pursuant to section 5(b) of Public Law 95-452; to the Committee on Government Operations.

4486. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4487. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to clarify the authority of the Secretary of the Interior, exercised through the Geological Survey of the Department of the Interior to issue warnings of geological hazards; to the Committee on Interior and Insular Affairs.

4488. A letter from the Assistant Secretary of the Interior, transmitting notice of the receipt of a loan application under the Small Reclamation Projects Act from the Curtis Canal Co. and Graham Canal Co., Arizona, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

4489. A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a draft of proposed legislation to authorize appropriations to carry out the Environmental Quality Improvement Act of 1970 for fiscal years 1982-84; to the Committee on Merchant Marine and Fisheries.

4490. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingrees or egress; to the Committee on Veterans' Affairs.

4491. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to improve the management of the national forests through amendment of certain public laws affecting public land exchange and withdrawals, and for other purposes; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

4492. A letter from the Chairman, President's Commission on Pension Policy, transmitting an interim report on the Commission's work; jointly, to the Committees on Education and Labor and Ways and Means.

4493. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of Federal Prison Industries, Inc., Department of Justice, for fiscal year 1979, pursuant to section 106 of the Government Corporation Control Act (GGD-80-48, May 27, 1980) (H. Doc. No. 96-319); jointly, to the Committees on Government Operations and the Judiciary, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. Supplemental report on H.R. 7262, (Rept. No. 96-979, pt. 3). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. House Joint Resolution 554. Resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980 (Rept. No. 96-1054). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 683. Resolution providing for the consideration of H.R. 7098. A bill to authorize appropriations for atmospheric and climate activities of the National Oceanic and Atmospheric Administration for the fiscal year 1981, and for other purposes (Rept. No. 96-1055). Referred to the House Calendar.

Mr. ZEFERETTI: Committee on Rules. House Resolution 684. Resolution providing for the consideration of H.R. 7113. A bill to authorize appropriations to the Director of the National Bureau of Standards for fiscal year 1981, and for other purposes (Rept. No. 96-1056). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 685. Resolution providing for the consideration of H.R. 7115. A bill to authorize appropriations for activities of the National Science Foundation for fiscal year 1981, and for other purposes (Rept. No. 96-1057). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 686. Resolution providing for the consideration of H.R. 7152. A bill to authorize appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes (Rept. No. 96-1058). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 687. Resolution providing for the consideration of H.R. 7265. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1981, and for other purposes (Rept. No. 96-1059). Referred to the House Calendar.

Mr. BOLLING: Commitee on Rules. House Resolution 688. Resolution providing for the consideration of House Joint Resolution 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980 (Rept. No. 96-1060). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. House Joint Resolution 531. Joint resolution disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline (Rept. No. 96-1061). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 7456. A bill to amend title 28 of the United States Code to provide that the U.S. district court for the central district of California may be held at Long Beach; to the Committee on the Judiciary.

By Mrs. BOUQUARD:

H.R. 7457. A bill to amend title 28 and 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. BRINKLEY (for himself and Mr. Abdnor):

H.R. 7458. A bill to amend chapter 37 of title 38, United States Code, to permit veterans to refinance outstanding loans previously guaranteed under such chapter; to the Committee on Veterans' Affairs.

By Mr. DOWNEY:

H.R. 7459. A bill to amend title III of the Elementary and Secondary Education Act of 1965 to provide for one or more national centers for personal computers in education; to the Committee on Education and Labor.

By Mr. ENGLISH:

H.R. 7460. A bill to amend the Food Stamp Act of 1977 to transfer the administration of the food stamp program to the Secretary of Health and Human Services, and for other purposes; to the Committee on Agriculture.

By Mr. FROST:

H.R. 7461. A bill to allow an income tax deduction to individuals who lost certain travel deposits by reason of the American boycott of the 1980 summer Olympics; to the Committee on Ways and Means.

By Mr. MARLENEE:

H.R. 7462. A bill to amend the Internal Revenue Code of 1954 to permit the use of tax-exempt bonds to finance railroad facilities; to the Committee on Ways and Means.

By Mr. NEAL:

H.R. 7463. A bill to increase U.S. exports of products and services; jointly, to the Committees on Foreign Affairs, the Judiciary, Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. PEASE:

H.R. 7464. A bill to expedite the decisionmaking process with respect to the siting of new coal-fired powerplants and to provide, where possible, that such plants be located in the general area where the energy is to be distributed; to the Committee on Interstate and Foreign Commerce.

H.R. 7465. A bill to amend the Clean Air Act to encourage owners of coal-fired powerplants to utilize new technologies for pollution control and to establish an emissions charges and rebate plan; to the Committee on Interstate and Foreign Commerce.

By Mrs. SCHROEDER:

H.R. 7466. A bill to amend section 3102 of title 5, United States Code, and section 7 of the Federal Advisory Committee Act to permit the employment of personal assistants for handicapped Federal employees both at their regular duty station and while on travel status; to the Committee on Post Office and Civil Service.

By Mr. SHUMWAY:

H.R. 7467. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

By Mr. SHELBY (for himself, Mr. Flippo, Mr. Nichols, Mr. Bevill, Mr. Buchanan, Mr. Edwards of Alabama, and Mr. Dickinson):

H.R. 7468. A bill to amend title XIX of the Social Security Act to provide that the Federal medical assistance percentage will be 100 percent for individuals during periods in which they have been incorrectly certified as SSI recipients, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK:

H.R. 7469. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act to provide that the average fuel economy standard for 1995 and later model years be 40 miles per gallon; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS of Montana:

H.R. 7470. A bill to provide for payments in lieu of taxes to be made from the Bonneville Power Administration fund to State and local taxing authorities for those transmission facilities of the Bonneville Power Administration on which construction was completed after April 30, 1980; to the Committee on Interior and Insular Affairs.

By Mr. FOLEY (for himself, Mr. Wampler, Mr. Abdnor, Mr. Akaka, Mr. Albosta, Mr. Alexander, Mr. Andrews of North Dakota, Mr. Anthony, Mr. Baldus, Mr. Bedell, Mr. Bowen, Mr. Brown of Ohio, Mr. Buchanan, Mr. Burgener, Mr. Carr, Mr. Cavanaugh, Mr. Coelho, Mr. Corcoran, Mr. Daniel B. Crane, Mr. Daschle, Mr. de la Garza, Mr. Dicks, Mr. Downey, Mr. English, Mr. Erdahl, Mr. Evans of Delaware, Mr. Fazio, Mr. Findley, Mr. Fithian, Mr. Florio, Mr. Forsythe, Mr. Frenzel, Mr. Fuqua, Mr. Ginn, Mr. Goldwater, Mr. Gray, Mr. Guarini, Mr. Hagedorn, Mr. Hance, Mr. Harkin, Mrs. Heckler, Mr. Hightower, Mrs. Holt. Mr. Hopkins, Mr. Horton, Mr. Huckaby, Mr. Hughes, Mr. Jeffords, Mr. Jeffries, Mr. Jenkins, Mr. Jenrette, Mr. Johnson of Colorado, Mr. Jones of Tennessee, Mr. Jones of North Carolina, Mr. Kogovsek, Mr. Kramer, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Leath of Texas, Mr. Loeffler, Mr. Madigan, Mr. Mathis, Mr. McCormack, Mr. McDade, Mr. McHugh, Mr. Mitchell of New York, Mr. Montgomery, Mr. Murphy of Illinois, Mr. Nichols, Mr. Nolan, Mr. Panetta, Mr. Pashayan, Mr. Pepper, Mr. Perkins, Mr. Petri, Mr. Rahall, Mr. Rhodes, Mr. Richmond, Mr. Robinson, Mr. Roth, Mr. Sabo, Mr. Sebelius, Mr. Simon, Mr. Skelton, Mrs. Smith of Nebraska, Mr. Solomon, Mr. Stangeland, Mr. Steed, Mr. Stenholm, Mr. Tauke, Mr. Taylor, Mr. Ullman, Mr. Watkins, Mr. Weaver, Mr. Winn, Mr. Wolpe, Mr. Won Pat, and Mr. Wyatt):

H.J. Res. 560. Joint resolution to proclaim March 19, 1981, as "National Agriculture Day"; to the Committee on Post Office and Civil Service.

By Mr. SENSENBRENNER:

H.J. Res. 561. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. PEYSER (for himself, Mr. Simon, Mr. Fish, Mr. Symms, Mr. Wolff, Mr. Murphy of New York, Mr. Boland, Mr. Florio, Mr. Addabbo, Mr. Conte, Mr. Green, Mr. Ottinger, Mr. Kemp, Mr. Winn, Mr. Scheuer, Mr. Howard, Mr. Nolan, Mr. Van Deerlin, Mr. Carter, Mr. Ginn, Mr. Lagomarsino, Mr. Pashayan, Mr. Corcoran, Mr. Harris, Mr. Edgar, Mr. Nichols, Ms. Oakar, Mr. Bingham, Mr. Mazzoli, Mr. Vento, Mr. Edwards of California, Mr. Porter, Mr. Findley, Mr. LaFalce, Mr. McEwen, Mr. Baldus, Mr. Bonior of Michigan, Mr. Jeffords, Mr. Stokes, Mr. Goldwater, Mr. O'Brien, Mr. Guyer, Mr. Hughes, Mr. Stack, Mr. Blanchard, Mr. Corrada, Mr. Carney, Mr. Downey, Mr. Bedell, Mr. Kildee, Mrs. Byron, Mr. Kostmayer, Mr. Fazio, Mr. Roe, Mr. Lloyd, Mr. Oberstar, Mr. Bethune, Mr. Phillip Burton, Mr. Lungren, Mr. Railsback, Mr. Luken, Mr. Murphy of Illinois, Mr. Garcia, Mr. Thompson, Mr. McHugh, Mr. Pritchard, Mr. Anderson of Illinois, Mr. Kramer, Mr. Wolpe, Mr. Chappell, Mr. Hopkins, Mr. Lederer, Mr. Walgren, Mr. Guarini, Mr. Cavanaugh. Mr. Donnelly, Mr. Brown of Ohio, Mr. Evans of the Virgin Islands, Mr. McCormack, Mr. Boner of Tennessee. Mr. Zeferetti, Mr. Tauke, Mr. Frost, Mr. Yatron, Mrs. Schroeder, Mr. Butler, Mr. Leach of Louisiana, Mr. Dixon, Mr. Markey, Mr. Brown of California, Mr. McDade, Mr. Rinaldo, Mr. Young of Florida, Mrs. Fenwick, Mr. McCloskey, Mr. Horton, Mr. Ashley, Ms. Ferraro, Mr. Akaka, Mr. Coughlin, Mr. Solarz, Mr. Biaggi. Mr. Hamilton, Mr. Ottinger, and Mr. Leland):

H. Res. 689. Resolution expressing the sense of the House that it offer its congratulations to Americans who participated in the second Olympic Winter Games for the Physically Disabled in Gielo, Norway, and to the organizations who helped to promote the event; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI (for himself, Mr. Broomfield, Mr. Winn, Mr. Solarz, Mr. Bonker. Mr. Pease. Mr. Rosenthal, Mr. Wolff, Mr. Buchanan, Mr. Quayle. Mr. Bowen, Mr. Wolpe, Mr. Pritchard, Mr. Diggs. Mr. Ireland, Mr. Guyer, Mr. Oberstar, Mr. Danielson, Mr. Patten, Mr. Hanley, Mr. Conte, and Mr. Bingham):

H. Res. 690. Resolution with respect to maintenance of the territorial integrity and independence of Yugoslavia; to the Committee on Foreign Affairs.

[Omitted from the Record of May 28, 1980]

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X the following action was taken by the Speaker:

The Committee on the Judiciary discharged from consideration of the bill H.R. 4660 to amend the Small Business Act and an act to amend the Small Business Act (Public Law 94–305, 90 Stat. 669) to provide regulatory flexibility for small businesses and small organizations to minimize unnecessary burdens in complying with Federal rules and reporting requirements, and committed to the Committee of the Whole House on the State of the Union, and ordered to be printed.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

483. By the SPEAKER: Memorial of the Assembly of the State of New York, relative to food stamp benefits; to the Committee on Agriculture.

484. Also, memorial of the Assembly of the State of New York, relative to control of acid precipitation; to the Committee on Interstate and Foreign Commerce.

485. Also, memorial of the Assembly of the State of New York, relative to designation of May 30 as "Memorial Day"; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 541: Mr. Forsythe, Mr. Derwinski, Mr. Jones of North Carolina, Mr. Bevill, Mr. Campbell, Mr. Kogovsek, Mr. Bonior of Michigan, Mr. Mitchell of Maryland, Mr. Guyer, Mr. Murphy of Pennsylvania, Mr. Young of Alaska, Mr. Edwards of Oklahoma, Mr. Carney, Mr. Garcia, and Mr. Carter.

H.R. 1180: Mr. Mottl, Mr. Devine, Mr. Miller of Ohio, Mr. Dingell, Mr. Shumway, Mr. Carney, Mr. Lagomarsino, Mr. Collins of Texas, Mr. Paul, Mr. Snyder, Mr. Lungren, Mr. Whitehurst, Mr. Young of Florida, Mr. Rousselot, Mr. Sensenbrenner, and Mr. Rudd.

H.R. 1918: Mr. Beard of Rhode Island.

H.R. 3244: Mr. Gradison.

H.R. 3567: Mr. Dodd.

H.R. 4656: Mr. Grassley.

H.R. 4657: Mr. Grassley.

H.R. 5610: Mr. Albosta, Mr. Edwards of Alabama, Mr. Gramm, Mr. Hagedorn, Mr. Mitchell of New York, and Mr. Paul.

H.R. 5775: Mr. Coleman and Mr. Kostmayer.

H.R. 6094: Mr. Kemp, Mr. Grisham, Mr. Alexander, Mr. Charles Wilson of Texas, Mr. Livingston, Mr. Huckaby, and Mr. Hinson.

H.R. 6171: Mr. Mazzoli, Mr. Porter, Mr. Edgar, Mr. McHugh, and Mr. McKinney.

H.R. 6472: Mr. Edwards of Oklahoma, Mr. Madigan, Mr. Burgener, and Mr. McDonald.

H.R. 6605: Mr. Dickinson, Mr. Green, Mr. Jenrette, and Mr. Stark.

H.R. 6705: Mr. Trible.

H.R. 6919: Mr. Garcia, Ms. Ferraro, Mr. Evans of Georgia, Mr Bowen, Mr. Weaver, and Mr. Kogovsek.

H.R. 7039: Mr. Carney and Mr. Tauzin.

H.R. 7069: Mr. Benjamin, Mr. Gaydos, Mr. Bailey, Mr. Applegate, Mr. Beard of Rhode Island, Mr. Murphy of Pennsylvania, Mr. Rahall, Mr. Yatron, Mr. Gray, Mr. Dan Daniel, Ms. Mikulski, and Mr. Oberstar.

H.R. 7085: Mrs. Spellman and Mr. Howard.

H.R. 7307: Mr. Quayle.

H.R. 7333: Mr. Carter and Mr. Murphy of Pennsylvania.

H.R. 7348: Mr. Lagomarsino, Mr. Lungren, Mr. Collins of Texas, Mr. Roberts, Mr. Lott, Mr. Montgomery, and Mr. Simon.

H.R. 7424: Mr. Guyer, Mr. Porter, Mr. Hopkins, Mr. Lee, Mr. Myers of Indiana, Mr. Devine, Mr. Mitchell of New York, Mr. Gilman, Mr. Royer, Mr. Broomfield, Mr. Lewis, Mr. Mottl, and Mr. Lent.

H.J. Res. 389: Mr. Lederer, Mr. Abdnor, Mr. Hopkins, and Mr. Steed.

H.J. Res. 471: Mr. Winn, Mr. Coelho, Mr. Thomas, Mr. Van Deerlin, Mr. Bereuter, Mr. McDade, Mr. Gore, Mr. Petri, Mr. Mazzoli, Mr. Cheney, Mr. Solarz, Mr. Evans of the Virgin Islands, Mr. Rhodes, Mr. Horton, Mr. Hillis, Mr. Neal, Mr. Leach of Louisiana, Mr. Forsythe, Mr. Pashayan, and Mr. Kramer.

H.J. Res. 531: Mr. Abdnor, Mr. Ashbrook, Mr. Bafalis, Mr. Beard of Tennessee, Mr. Bethune, Mr. Broomfield, Mr. Butler, Mr. Campbell, Mr. Cheney, Mr. Clausen, Mr. Coleman, Mr. Collins of Texas, Mr. Conable, Mr. Davis of Michigan, Mr. Derwinski, Mr. Dougherty, Mr. Findley, Mr. Fish, Mr. Gilman, Mr. Gingrich, Mr. Guyer, Mr. Hammerschmidt, Mrs. Heckler, Mrs. Holt, Mr. Hyde, Mr. Lee, Mr. Lewis, Mr. Marlenee, Mr. McClory, Mr. McCloskey, Mr. Mitchell of New York, Mr. Myers of Indiana, Mr. Pashayan, Mr. Petri, Mr. Porter, Mr. Quillen, Mr. Regula, Mr. Ritter, Mr. Robinson, Mr. Carney, Mr. Coughlin, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Erdahl, Mr. Frenzel, Mr. Goldwater, Mr. Hagedorn, Mr. Michel, Mr. O'Brien, Mr. Railsback, Mr. Rhodes, Mr. Schulze, Mr. Sensenbrenner, Mr. Snyder, Mr. Stangeland, Mr. Stanton, Mr. Symms, Mr. Taylor, Mr. Thomas, Mr. Trible, Mr. Walker, Mr. Williams of Ohio, Mr. Wylie, Mr. Dannemeyer, Mr. Shuster, Mr. Hillis, Mr. Andrews of North Dakota, Mr. Pursell, Mr. Harsha, Mr. Devine, Mr. Cleveland, Mr. Tauzin, Mr. Nolan, Mr. Watkins, Mr. Kildee, Mr. Atkinson, Mr. Minish, Mr. Perkins, Mr. Addabbo, Mr. Bevill, Mr. Mitchell of Maryland, Mr. Grassley, Mr. Mavroules, Mr. Donnelly, Mr. Williams of Montana, Mr. Hall of Ohio, Mr. Hall of Texas, Mr. Bailey, Mr. Hance, Mr. Fountain, Mr. Bedell, Mr. Fithian, Mr. D'Amours, Mr. Shumway, Mr. Applegate, and Mr. Edgar.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

359. By the SPEAKER: Petition of the National Council, American War Dads, Inc., Topeka, Kans., relative to military preparedness; to the Committee on Armed Services.

360. Also, petition of Stephen D. Hopkins, New York, N.Y., relative to currency growth; to the Committee on Banking, Finance and Urban Affairs.

361. Also, petition of the City Council, Philadelphia, Pa., relative to drug-abuse treatment; to the Committee on Interstate and Foreign Commerce.

362. Also, petition of Morton F. Meads and others, Washington, D.C., relative to impeachment; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6942

By Mr. ALBOSTA:

—Page 52, after line 10, insert the following new section 713 and redesignate subsequent sections accordingly:

REQUIREMENT THAT ASSISTANCE BE IDENTIFIED AS BEING FROM THE TAXPAYERS OF THE UNITED STATES

Sec. 713. (a) The President shall take such steps as may be necessary to insure that, to the maximum extent possible, the recipients of any assistance provided under the Foreign Assistance Act of 1961, the Arms Export Control Act, or the Agricultural Trade Development and Assistance Act of 1954, are informed that such assistance was made available by the taxpayers of the United States.

(b) The President shall terminate all such assistance with respect to any country whose government fails to make good faith efforts to inform the recipients in that country of any such assistance of the extent to which the taxpayers of the United States are providing assistance for or in that country.

(c) The President shall report to the Congress each year on the steps he has taken pursuant to subsections (a) and (b) of this section and on the extent to which the recipients of assistance from the taxpayers of the United States have in fact been made aware that such assistance was made available by the taxpayers of the United States.

(d) For purposes of this section, the recipients of assistance include—

(1) in the case of assistance which is used to make commodities, other items, services, or information available for individuals in a foreign country, those individuals who ultimately receive or actually use the commodities, items, services, or information; and

(2) in the case of assistance which is used to assist a country generally, the inhabitants of that country.

—Page 52, immediately after line 10, insert the following new section 713 and redesignate existing section 713 as section 714:

PROHIBITION ON ASSISTANCE TO COUNTRIES WHICH PARTICIPATE IN THE 1980 SUMMER OLYMPIC GAMES IN MOSCOW

Sec. 713. (a) For the fiscal year 1981—

(1) assistance may not be provided under the Foreign Assistance Act of 1961,

(2) foreign military sales financing may not be provided under the Arms Export Control Act,

(3) agricultural commodities may not be made available under the Agricultural Trade Development and Assistance Act of 1954,

(4) Peace Corps volunteers may not be assigned under the Peace Corps Act, and

(5) bilateral foreign assistance of any other kind may not be furnished under any other provision of law,

to any country which is represented by a team at the 1980 Summer Olympic Games in Moscow.

(b) This prohibition applies notwithstanding any other provision of this Act which provides for assistance to any such country.

EXTENSIONS OF REMARKS

PUBLIC BROADCASTING SYSTEM AIRS ANTI-CIA PROPAGANDA: PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. McDONALD. Mr. Speaker, in the battle over the proposed intelligence charter for the Central Intelligence Agency, the lobby of CIA antagonists has concentrated their efforts on a significant issue, that is whether the CIA shall be permitted to engage in covert actions against subversion, terrorism, and other destabilization operations instigated by the Communist totalitarian regimes headed by the Soviet Union and often carried out through their empire of surrogate and satellite regimes, parties, and fronts. All are willing to permit the CIA to have as many surveillance satellites as possible, to look at photographs, to read Pravda, to monitor radio broadcasts, and so forth.

But the CIA's antagonists do not want the United States of America and its principal foreign intelligence agency to have a capacity for covert actions against Soviet-backed destabilization and aggression in the Third World which is, of course, the principal arena of conflict now between the Communists and the free world.

During this month, the Public Broadcasting System aired in successive weeks a three-part anti-CIA film entitled "On Company Business." The film's coproducer and director has boasted that he made it "as a political weapon" which is scarcely surprising since it featured a number of anti-CIA defectors who had participated in the Cuban Government's 1978 people's tribunal held in conjunction with the 11th World Youth Festival which excoriated the U.S. intelligence agencies for opposing Soviet-backed Marxist-Leninist insurgencies. These defectors included John Stockwell, responsible for "blowing" the covert actions against the MPLA in Angola; Jesse Leaf; and Jim and Elsie Wilcott. Also featured was Victor Marchetti, a former CIA official like Stockwell associated with the Institute for Policy Studies, a Marxist think tank with ties to Soviet and Cuban intelligence. Although Marchetti has also obtained some small notoriety for his 1978 effort to influence the Norwegian elections by naming names, the film's principal adviser, and indeed apparently originally a 20-percent partner in this film, "On Company Business," Philip Agee provided a constant commentary to amplify charges made by other ex-CIA agents.

Although it is obvious and a part of the public record that a substantial number of the CIA defectors used in the film have links with Cuba or other hostile Communist intelligence services, Agee is outstanding in this regard. Agee openly thanked agencies of the Cuban Government and representatives of the Communist Party of Cuba for providing him with information for his first CIA exposé book, "Inside the Company," and according to CIA officials Agee made at least five clandestine trips to Havana during the process of writing that book. Just prior to his efforts in 1977 in Jamaica, Agee was sighted in Moscow, a curious place to do research on alleged CIA operations in the Caribbean. And according to columnist Robert Moss, writing in the London Daily Telegraph, Agee met with the Cuban DGI station chief in London on at least 30 occasions before being expelled from that country. Agee is currently living in Hamburg, West Germany, after being expelled from four European countries on account of his continuing intimate relationship with Cuban intelligence personnel.

It should be noted that a number of veteran CIA officials appear briefly in the film shown over the Public Broadcasting System. In most instances, these individuals were filmed during or immediately after various public speaking appearances and were not aware of the Marxist-left backgrounds of the producers of this film.

I would also point out that since the publication this month of a roman a clef entitled "The Spike," coauthored by Arnaud deBorchgrave and Robert Moss, there has be a growing awareness of Soviet disinformation operations to plant stories in the Western media from which they can be picked up and requoted to legitimize Communist propaganda themes. One of the more well-known disinformation stories that appears in "On Company Business" is the article by Seymour Hersh published by the New York Times that incorrectly alleged the CIA supported a truckers strike in Chile during Allende's regime. As the Church committee reports eventually showed, this was not true; however, the filmmakers use that Times story and then follow it with an identical allegation by Agee to reinforce in the viewer's mind this false charge.

I do not use this example to single out Mr. Hersh for criticism. Anyone familiar with the profession of journalism is aware of the dependence of investigative journalists on their sources. The Soviet strategists are also aware of that fact and there is a considerable body of evidence, much of it provided by defectors from the KGB and other Communist secret services, indicating that the KGB's disinformation department is directing more than 1,000 disinformation operations each year in the free world press and that they are utilizing people under their control or influence in government, academia, and the media to leak disinformation stories to reporters. The technique is simple: They feed a reporter several true scoops before giving him the phony one.

An excellent background report on the film, its producers, and its origins with the U.S. Castroite left has been published in the Information Digest, the authoritative newsletter on U.S. political and social movements, subversion, and terrorism which is published by John Rees. The article follows:

ON COMPANY BUSINESS

The taxpayer-funded Public Broadcasting System (PBS) on May 9 and 16, 1980, aired the first two hour-long segments of an anti-CIA documentary, On Company Business, with part three to be broadcast on May 23. On Company Business has been described by PBS as "perhaps the most important film we've ever shown"; while its director and co-producer, Allan Francovich, was quoted in an editorial page article in the Oakland Tribune (4/25/80) by former Ramparts magazine staffer Marina Hirsch as saying, "I made this film as both a political weapon and an educational tool. Everything the CIA does is secret for a very specific reason. If the American people knew what was really going on, they wouldn't stand for it."

In a PBS interview, Howard Dratch, coproducer and production manager of the film, emphasized that "Part of what we were trying to show in the film is that covert action has been continuing; there's been no change from the time of the Church Committee; that these covert actions continue and they continue to be very dangerous * * *." Francovich has emphasized, "You have to realize that * * * the CIA is not the problem. The problem is the foreign policy of this country." And the problem, specifically, as indicated by the film and by writings and statements of its producers, is U.S. intervention against Soviet-sponsored aggression.

Although the documentary was rushed through to completion last year thanks to a $60,000 grant via the TV Laboratory at WNET-TV in New York from the Film Fund, a grant from the Independent Documentary Fund supported by the Unitarian Northshore Veatch Project which also has heavily financed the Center for National Security Studies (CNSS); the Corporation for Public Broadcasting; FDM Production, Inc., a non-profit, tax-exempt 501(c)(3) organization; and the Ford Foundation; its producers are reticent about its initial financing.

This is of particular interest because media sources have reported that in 1976, a proposal to complete "On Company Business" subheaded "A Feature-Length Docu-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

mentary Film on the Central Intelligence Agency With Philip Agee," was circulated in 1976 with the PBS market as its intended outlet.

The film credits for part one which dealt extensively with CIA intervention in Latin America and the Bay of Pigs invasion as well as assassination plots against Castro list "Additional Crew in Cuba." This may provide some collateral for the story from media sources that they understood the producers were planning to approach the Cuban government in 1976 with the proposal for assistance in completing their anti-CIA documentary.

It is noted that according to that proposal, On Company Business was produced through a limited partnership set up by the National Lawyers Guild (NLG) law firm of James Larson, Doron Weinberg and Donald J. Stang. Larson and Weinberg are both recent past presidents of the NLG and veterans of visits to Havana, with Larson having been a participant in the October 1977 conference of the American Association of Jurists (AAJ), a regional affiliate of the International Association of Democratic Lawyers (IADL), in Havana. The laywers' retainer was a 5 percent interest in the production.

The partnership, originally called Isla Blanca Films, was located at 2104 Acton Street, Berkeley, CA 94702. Now, as Isla Negra-Blanca Films, its letterhead address is 5915 Hollis Street, Emeryville, CA 94608, an address also used by the Institute for the Study of Latin American Affairs (ISLA), the clipping service of the North American Congress on Latin America (NACLA)'s West Coast office. It will be recalled that NACLA, the "intelligence-gathering arm" of the New Left, was given credit by Philip Agee along with agencies of the Cuban government and Cuban Communist Party Central Committee members, for having aided him in producing his first anti-CIA book, Inside the Company.

Thus it is no surprise that while the General Partner of Isla Blanca Films, Allan Francovich, was stated in 1976 to own 30 percent of the film, Philip Agee was listed as owning 20 percent and other Limited Partners 45 percent.

The 1976 proposal listed an estimated two-year income from a one-hour documentary as $386,000. The U.S. Department of Justice has already intervened in a Freedom of Information Act lawsuit brought by Agee in order to claim profits on his books produced in violation of his contract with the CIA.

The Allan Francovich-Howard Dratch proposal makes clear the intent of the film and reveals the "moderate" cloak of concern for democracy they attempted to express in their PBS interviews. Dratch, for example, reiterated that what was specifically being attacked was covert action, the capacity to actively intervene using a great variety of tactics against Soviet and Soviet-surrogate expansion and aggression.

Said Dratch: "When you get in the business of covertly intervening overseas to overthrow elected officials, to bribe politicians, to infiltrate labor unions, to do all these covert action tasks without telling the American people—and people overseas know about it, but the American people, as one person says in the film, are being kept in the dark—there, I think, you are endangering the very democracy in this country which the CIA is supposed to be protecting."

Among the obvious omissions are mentions that the Soviet and other Marxist-Leninist parties are industriously subverting unions, blackmailing and bribing officials and engaging in terrorism in order to set up a totalitarian system.

The 1976 project proposal was more direct:

"We are in the process of making a feature-length color documentary on the CIA with Philip Agee, former CIA officer and author of the best-selling book * * *. The film will be the story of thirty years of CIA subversion, murder, bribery, and torture as told by an insider and documented with newsreel film of actual events. * * * We have already filmed 12 hours of materials in Canada, England and Portugal. * * *

"The core of the film will be a series of intense and emotionally powerful interviews with Agee, already filmed in Vancouver and London. Agee is uniquely able to explain how the CIA works. He details his training and indoctrination, outlines CIA operations in the crucial early years of the Cold War in Europe, reveals CIA front organizations and agents, and recounts dramatic events in his years working for the CIA in Latin America * * *. Based on his past knowledge of CIA practice and personnel, Agee pinpoints countries in which the CIA is presently engaged in its usual activities, unhampered by Congressional scrutiny.

"* * * Behind events, which to the ordinary viewer seem as incomprehensible as acts of God [sic], we will show the CIA in action. Out of this documentary material a consistent pattern of CIA activity will emerge. A powerful cinematic blend of filmed on-the-spot investigations, newsfilm, supplementary interviews and a dramatic sound track will make it clear that the CIA's policies have resulted in the subversion and overthrow of legally constituted governments and in the slander, arrest, torture and murder of hundreds of thousands of people who have dared to struggle for a better life. * * *

"The film will be analytic, but it will not sermonize or allege. It will go beyond the abstractions of national security, geopolitics, and balance of power to show the broken lives, hatred, cruelty, cynicism and despair which result from U.S.-CIA policy. * * * Our film will show how the CIA works and how its activities fit into a calculated policy determined at the highest levels of the U.S. government. The CIA is not, as Senator Church contends, a 'rogue elephant.' "

The two producers went on to catalogue the footage they had already taken during 1975.

"In England we filmed a Member of Parliament revealing that a CIA-funded organization is training Britain's own internal security forces and wondering whether England could go the way of Chile. Agency officials were running the normal range of student, labor, and media operations out of the U.S. Embassy in London. * * * As Washington debated over policy, the people of London could stand outside the homes of CIA personnel and watch them come and go. We filmed an enterprising street theatre group conducting a tour of the elegant homes of members of the London station.

"In November we were filming in Portugal. Lisbon buzzed with talk of the CIA. The New York Times revealed that the Agency was channelling millions of dollars into the Portuguese Socialist Party. Day after day the Western press ran stories about the imminence of a Communist takeover. A year-long campaign of CIA polarization and disinformation was climaxing."

The 1976 proposal listed trips to Vancouver, Canada (October 1975), and to England and Portugal (October-December 1975) and said financing was needed to purchase film footage from Visnews, Pathe, International Television News and the BBC in London; from Gaumont-Pathe (Paris-Joinville); and from Sherman Grinberg (Los Angeles). Additionally, the film producers would have "access to new research from Agee's forthcoming book."●

SECURITIES SMALL OFFERING IMPROVEMENTS ACT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. RINALDO. Mr. Speaker, last week I introduced H.R. 7397, the Securities Small Offering Improvements Act, to increase the small offering exemption of the Securities Act of 1933 from $2 million to $5 million.

I want to call the attention of all Members of the House to my bill and to explain the reasons this change in the law in needed.

Inflation falls more heavily on small business than any other segment of American industry. Accordingly, capital formation becomes a very expensive proposition. As a matter of fact, the current statutory figure for a small offering exemption is so low that it is not economically feasible to take advantage of it. Administrative costs, legal fees, and registration expenses consume so much that relatively little is left for substantive business purposes.

One constructive remedy is to raise the ceiling of the small offering exemption to a more realistic figure. Today that limit is $2 million. The Securities Small Offering Improvements Act that I have introduced raises the exemptive level to the more realistic figure of $5 million. My bill will allow a business to raise as much as $5 million in capital and still avoid the enormous expense associated with full-scale registration and reporting. In the 95th Congress, we raised this limit from $1,500,000 to $2 million; inflation alone necessitates that we now raise it to $5 million.

In addition to the support of small business, my bill has the backing of the SEC. It is well to note that through its Office of Small Business Policy, the SEC has become sensitized to the specialized needs of smaller businesses. It is through this relatively new office that the SEC has endorsed this bill.

I am also in the process of studying another proposal which would do for debt securities what this bill does for equity securities. The threshold ceiling level of the Trust Indenture Act of 1939 needs to be revised upward as well.

I urge my colleagues to support the Securities Small Offering Improvements Act.●

POLL FINDS SOCIAL SECURITY POPULAR WITH AMERICANS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. PEPPER. Mr. Speaker, the National Commission on Social Security, a study group established by the 1977 Social Security Act Amendments, yesterday released a nationwide survey on American attitudes toward social security. Americans of all ages, races, and economic groups were included in this survey, the results of which should surprise many Members of Congress.

More than three out of four Americans hold the social security system in such high regard that they would voluntarily enroll and subject themselves to the payroll tax, if they were given the choice of opting out. Perhaps more surprisingly, most people would rather have higher payroll taxes than have benefit levels cut.

Mr. Speaker, these findings seem to fly in the face of the current hysteria created by those who claim that we are on the verge of a tax revolt caused by social security taxes which are too high. The survey results would also seem to contradict the message of the doomsayers who claim that the vast majority of Americans no longer support the program. Yet these results are consistent with perhaps the most important finding of the National Commission's survey: to the extent that confidence in the system has been shaken, concern over the future of social security is spurred largely by the debate in Congress over the program's refinancing. Simply put, Mr. Speaker, it is precisely the clamor for benefit reductions in order to "save" the program that is causing consternation over social security.

I am confident that Congress will maintain the integrity of the world's largest and most successful retirement, survivor, disability, and health insurance program. Our Nation has the resources and the ingenuity to insure that the benefits to which all Americans are entitled will be financed in full. And, as the survey results show, the vast majority of Americans have enough confidence in social security to continue to foot the bill. I commend the survey, and the accompanying article from the Washington Post to all 435 of my colleagues:

A NATIONWIDE SURVEY OF ATTITUDES TOWARD SOCIAL SECURITY

(A Report Prepared for the National Commission on Social Security by Peter D. Hart Research Associates, Inc.)

RETIREMENT ATTITUDES

Although more Americans look forward to retirement than do not, they tend to have some reservations about the quality of retirement life. Most people are more concerned about not having enough money than about having enough to do in retirement.

Most Americans retire involuntarily. About two out of three of the retirees surveyed say they retired because of poor health or because of a mandatory retirement age or because they lost their jobs.

About one out of two Americans say they find early retirement (at about age 60) appealing. Early retirement is particularly appealing to blue collar workers, to people covered by pension plans, to people between the ages of 35 and 54, and to people with high family incomes (over $17,500).

Early retirement seems less appealing after retirement to people who are retired than to those who have yet to retire.

Only one-third of Americans find the idea of postponing retirement until age 70 appealing. Four in ten people say they would consider late retirement if they could receive significantly higher benefits as a result. In general, there is a close relationship between income and attitudes toward retirement; those who have or expect greater financial resources are generally more positive about retirement.

RETIREMENT INCOME

Nine out of ten non-retired Americans expect to receive Social Security in retirement, and 60 percent expect it to be a major source of retirement income. Among those already retired, 75 percent find it to be a major source of income.

Only among non-retirees with family incomes over $25,000 is Social Security overshadowed by other sources of expected retirement income. About one-third of retired Americans say their income allows them to live comfortably, about one-third say it is only enough to pay monthly bills and obligations, and a slightly smaller number, 25 percent say it is not enough to pay their monthly bills and obligations.

KNOWLEDGE OF SOCIAL SECURITY

Most Americans have a good working knowledge of the Social Security system. Most understand the main features of the system and its underlying philosophy, although some do not know about specific details.

Most people know that there is a relationship between the amount of Social Security benefits and the amounts of previous wages and salaries.

Most realize that Social Security is intended to supplement other retirement income rather than to serve as the sole source of income.

Most are able to volunteer that funds for Social Security come from taxes paid by employees, and when asked directly, about two out of three know that such taxes are paid by employers as well.

About three out of four know that there is no needs-test to qualify for benefits.

Most Americans know there have been increases in both Social Security benefits and taxes over the past ten years. They tend to say that benefits have increased "somewhat" and that taxes have increased greatly during that period. They tend to anticipate similar increases in both taxes and benefits over the next ten years.

Many are aware of non-retirement benefits provided by Social Security, such as disability and survivors' benefits and Medicare.

About two out of three know that Social Security taxes are not set aside in individual accounts for future retirees, but are used to pay benefits to current retirees.

In two areas, however, substantial numbers of Americans are misinformed.

Most do not know that federal employees are not covered by Social Security.

Most are not aware that Social Security benefits increase automatically with the cost of living.

SATISFACTION WITH SOCIAL SECURITY

Most Americans are neither extremely satisfied nor totally dissatisfied with Social Security. Respondents' overall impressions, however, are favorable. They are able to volunteer more advantages than disadvantages of Social Security and they tend to express a low level of objection to Social Security taxes in comparison with other taxes.

The most frequent complaints are about benefit levels. Although most Americans recognize that benefits are intended to supplement other sources of retirement income, most feel that Social Security alone should provide enough income to meet retirees' basic needs and obligations. Also, many Americans believe that Social Security disability and survivors' benefits are inadequate; this belief is particularly prevalent among those with low incomes, who are unlikely to have other protection against those eventualities. On the other hand, there is no great dissatisfaction with the fact that the system pays higher benefits to those who have earned more and paid more in taxes. About two-thirds of Americans recognize that the system works this way, and they believe that it should.

CONFIDENCE IN THE FUTURE OF SOCIAL SECURITY

Many Americans are concerned about the ability of the program to deliver future benefits at the levels now authorized. Sixty-one percent of the non-retired have little confidence that funds will be available to pay their retirement benefits. These doubts were expressed by almost three-quarters of those between ages 25 and 44. On the other hand, most Americans indicate that they expect Social Security to provide a significant part of their retirement income.

The large majority of people express basic support for Social Security. Only 19 percent say that, given the choice, they would leave the Social Security program, and fully 76 percent oppose ending the program altogether; 67 percent strongly oppose doing so.

LEVEL OF SOCIAL SECURITY TAXES

In general, only about one in four Americans say that current Social Security taxes are too high, given the retirement, disability, survivors', and Medicare benefits provided by the program. Given the choice of higher Social Security taxes or lower future retirement benefits, higher taxes are selected by 63 percent. If the choice were between higher taxes and raising the retirement age, only 36 percent would favor raising the age for full retirement benefits from 65 to 68. A narrow plurality (43 percent to 35 percent) would favor financing Medicare from income taxes and other federal tax sources rather than raising Social Security taxes. When the choice is between two revenue sources to pay for benefits, pluralities favor the payroll tax over the federal income tax (49 percent to 26 percent) and over a national sales tax (45 percent to 31 percent).

OPINION OF SOCIAL SECURITY ADMINISTRATION

Almost half of all adult Americans have had some contact with the Social Security Administration, and the agency receives high marks from these people in terms of efficiency, service, and courtesy. Respondents tend to rate the Social Security system the same as or better than the other government agencies with which they have had contact.

POLL FINDS SOCIAL SECURITY POPULAR WITH AMERICANS

(By Spencer Rich, Washington Post Staff Writer)

Americans think so highly of Social Security that 77 percent would voluntarily join it and subject themselves to the tax if they had the option of going in or staying out.

Moreover, they don't mind the tax as much as a lot of members of Congress may think. They resent it less than other forms of federal and state taxation.

They would rather pay bigger Social Security taxes than cut future benefits. And if money is needed, they would rather get it from increasing the Social Security taxes than from imposing a new value-added tax (national sales tax) or taking it from income tax revenues.

However, they are worried about talk of future financial problems for the system. Over half fear the money won't be there when they retire.

These are the key findings of a nationwide survey of 1,549 persons of all ages and racial and economic groups released yesterday by the National Commission on Social Security, a study group set up by Congress. The survey, by Peter D. Hart Research Associates, was conducted in respondents' homes Nov. 16-29, 1979.

The findings appear to knock down some popular Capitol Hill notions about Social Security—namely, that people bitterly resent the tax increases needed to maintain it, increasingly dislike the system and resent having to take part.

Those beliefs have led to congressional demands over the past two years for a rollback of payroll tax increases scheduled to take place next Jan. 1, perhaps to be replaced by a value-added tax or general revenue financing

The new survey indicates that many of these propositions simply aren't true.

For example, the survey found that 77 percent of the population would choose to participate in the Social Security system if given the option of staying in or out during their working lives. And 76 percent would object to its abolition now—nearly all very strongly.

The survey showed that 60 percent felt payroll taxes are about right or even a bit low, while only a quarter felt they are too high. And while three persons in 10 object to paying Social Security taxes, half strongly, the other half mildly, the figures are much higher for other types of taxes, some 59 percent object to the gasoline tax, 41 percent the income tax and 38 percent the state sales tax.

Given the choice between boosting Social Security taxes and reducing benefits, now or in the future, 63 percent favored higher taxes and only 15 percent favored reducing benefits.

And while respondents favored by a narrow margin using general revenues to pay for Medicare, they opposed using either income tax money or a sales tax to pay for other benefit increases.

Asked whether they preferred payroll tax increases or income tax increases to fund benefit increases, 49 percent favored increasing Social Security payroll taxes and only 26 percent raising income taxes, with the rest undecided. In a choice between payroll tax increases and imposition of a value-added tax, payroll taxes were the choice, 45 percent to 31 percent.

All these results show pretty solid support for the system, but in one area, the results were gloomy: 42 percent of the 1,549 interviewees were strongly confident that the system would have the money to pay benefits when they reached retirement age. Another 52 percent had little or no confidence, a result spurred, commission members said, by tumult over refinancing legislation in the past few years.

Hart said he was amazed at how sophisticated people are about Social Security: a majority know that benefits are wage-related, that an individual's contributions go into a general benefit fund, not into individual accounts, that the system works on a pay-as-you-go basis, that it isn't intended to provide the sole source of retirement income, that Medicare, disability and survivor benefits are part of the Social Security system.●

MOUNT ST. HELENS TIMBER SALVAGE AND MITIGATION ACT

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. WEAVER. Mr. Speaker, today I am introducing the Mount St. Helens Timber Salvage and Market Stability Act of 1980.

The Forest Service estimates that trees valued at $500 million were damaged by the Mount St. Helens volcano. This timber must be removed from the mountain to avoid fire hazard and disease and insect infestation.

Removal will be difficult. Rail and road access has been severely curtailed if not eliminated. The reconstruction of access systems and the solution of problems unique to helicopter harvest will be expensive. At the same time, the value of the down timber is unknown and its market value will reflect this uncertainty. What should be a bonanza of a timber supply could be a glut on an already depressed timber and wood product market.

We must protect the Western States dependent on timber from further blows to their economies as well as provide opportunities for access to remove timber and study the volcano's effects.

In order to address these problems, I am introducing today legislation to mitigate the Mount St. Helens disaster. This legislation, the Mount St. Helens Timber Salvage and Mitigation Act, will insure efficient removal and utilization of down timber and provide opportunities for scientific, educational, and recreational activities.

Summation of the legislation follows:

To remove and salvage timber damaged by the Mt. St. Helens volcano:

By constructing roads and bridges where necessary;

By deferring or providing costs of transportation to processing facilities in areas where there is high unemployment or the Secretary determines there is underutilized mill capacity in the states of Oregon, Washington, Idaho and California; and

By cooperating with private landowners, especially in areas where there is checkerboard ownership.

To reduce the economic disruption on timber dependent northwest:

By selling to processors or contracting with processors at prices to be determined by value of products produced from the down timber; and by subsidizing costs of transportation to markets where there is high unemployment and demand for wood products.

To protect the interests of timber purchasers with existing contracts:

By coordinating access to and removal of down timber;

By allowing exchange of National Forest system sales for salvage timber sales from the Gifford Pinchot Forest;

By establishing an equitable distribution of returns from salvage operations to all interested parties, public and private; and

By providing technical assistance.

To capitalize on unique opportunities for scientific research:

By ensuring adequate funds for research on, for example, hydrology, topology, and public attitudes and perceptions of volcanic disaster; and

By immediately establishing and controlling access to Research Natural Areas and National Forest Recreational Areas.

To encourage orderly and appropriate development of National Forests lands for tourist services, or of lands adjacent to the National Forests where available by establishing recreational and educational programs appropriate for various ages and interests.

To take every precaution to ensure the health and safety of all persons involved in salvage, scientific, or other activities as well as to hold the United States harmless from injury, death or damage from volcanic activity.

To mitigate the adverse effects of volcanic action on fish and wildlife and to preserve and enhance remaining populations.

The Mount St. Helens Timber Salvage and Mitigation Act will use existing authorities where possible. But where these authorities are inadequate to address the effects of the disaster in a timely manner, new authorization and guidance is provided. I have received the full cooperation of the Forest Service in developing this legislation and expect that the proposal will be improved as a result of further discussions with the administration, evaluation by my colleagues in Congress, and comments from the private interests affected.

Funds for the Timber Salvage and Mitigation Act will come from sale of slash removed from Mount St. Helens. Up to $50 million will be authorized for this special timber salvage program and other activities.

The Forest Service is to be congratulated for being the first USDA agency to target additional funds to its Northwest regional office. Chief Peterson is to be congratulated not only for his timely response but also for the professionalism of his staff in an emergency situation. These people must be given the dollars and the positions necessary to mitigate this timber disaster. My bill will provide the help necessary to the Forest Service to do the job and to do it right in the spirit of the man who founded the Forest Service 75 years ago and for whom this forest is named—Gifford Pinchot.●

AMERICA NEEDS THE GASOLINE FEE

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BOLLING. Mr. Speaker, the following article by John C. Sawhill, Deputy Secretary of the Department of Energy, appeared in the New York Times of May 26, 1980. It deserves to be read by the Members of Congress:

[From the New York Times, May 26, 1980]

AMERICA NEEDS THE GASOLINE FEE

(By John C. Sawhill)

WASHINGTON.—President Carter's proposed oil-import fee, which would add 10 cents to a gallon of gasoline, would reduce consumption and demonstrate to our allies that the United States has the resolve to reduce dependence on imported oil. On June 9, we will argue in an appeals court that a Federal district court ruling against the fee should be overturned. We expect to convince the Congress that recent votes by House and Senate committees against the fee should not be upheld if we are to protect our economy and national security. We will point to the paradox of asking allies whose citizens already pay gas taxes of a dollar or more per gallon to conserve while we debate a 10-cent fee.

The gasoline fee is the most effective conservation measure available at this time. The fee is directed at gasoline because it accounts for almost half of the petroleum we use and has the greatest potential for conservation purposes without cutting into economic productivity. The fee would reduce gasoline consumption by about 100,000 barrels a day by the end of the first year. By the end of the third year, an equivalent motor-fuels tax that we propose to substitute for the fee would reduce gasoline consumption by as much as 250,000 barrels a day. We all favor energy conservation, but too often we back off when it comes time to support effective measures to promote it. None of us likes raising fuel costs, but rhetoric has only a limited impact, and gasoline rationing is not the answer. Rationing is a distribution device for emergencies, not a conservation measure. To be sure, the fee is not as simple a mechanism as a tax on motor fuels. But until a tax measure can be enacted, the fee is the best and indeed the only available way to get on with this important national priority. The stark reality is that if the Congress overturns the gasoline fee, nothing can soon replace it.

We need the gasoline fee to protect our economy. The United States will spend approximately $90 billion this year for imported oil—up 50 percent from last year and equal to about $400 for every citizen. This drain of American dollars to foreign oil producers has weakened the dollar, added to inflation and strained the operation of the world's financial system. The recent round of price increases by the Organization of Petroleum Exporting Countries will add at least several billion dollars to the import bill, plus another 3 to 4 cents to a gallon of gasoline. These latest price increases underscore the need for stronger action to reduce imports. By reducing them, we help our allies, as well as ourselves, by relieving upward pressure on world crude-oil prices.

In the complex oil marketplace, if refiners' total crude-oil requirements are reduced, they will cut back first on their highest-cost crude oils, which are those that are imported. That is a fundamental element of our energy-conservation programs and is readily demonstrated by recent events. For the first four months of 1980, total demand for petroleum products in America was down 9.1 percent from the same period last year (due largely to the conservation effect of increased prices). At the same time, domestic production of petroleum increased 2.1 percent. The result of lower demand and higher production was that total petroleum imports decreased 12.1 percent in the last four months compared to a year ago.

We need the fee to help protect our foreign policy and national-security interests. The fee was imposted to protect them by reducing imports from insecure sources. It reinforces our underlying national resolve not to allow others to believe they can use our need for their oil to achieve their political objectives. We must view the fee in the context of the extreme threat to our national security posed by our heavy dependence on imported oil. More than 30 percent of our imports come from the Persian Gulf and much of it must pass through the Strait of Hormuz, a relatively narrow channel less than 1,000 miles from Afghanistan. Our concern is further heightened by the Soviet presence in Saudi Arabia's neighbor, Southern Yemen, and in Ethiopia. United States dependence on oil from that part of the world is not likely to diminish over the next five years—certainly not without strong conservation initiatives, such as the fee.

The gasoline-conservation fee, then, is necessary to strengthen our economy and to protect our national security. Whether that fee is finally imposed, as we believe it should be, will be a reflection of our commitment to ourselves and to our allies to be aggressive and decisive in our energy-conservation efforts.●

ASSESSING THE IMPACT OF GOVERNMENT REGULATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. DANNEMEYER. Mr. Speaker, in a few weeks, perhaps less, the House will be considering H.R. 3263, which is advertised as a regulatory reform bill. Indeed, whether it will turn out to be such depends on whether the Congress is willing to learn from past experience.

One of the most interesting parts of this measure—and there are several—calls for a regulatory analysis to accompany each major rule an agency proposes pursuant to statute. The idea is hardly new, having found expression previously in Executive Order 11821—which established the inflation impact statement programs—Rule XXIX (5) of the Senate, requiring that a regulatory impact statement accompany each bill or joint resolution reported and in rule XI, 2(L)(4) of the House mandating that an inflation impact statement accompany each of its bills or resolutions. But the thought of writing the concept into law, in light of the manner in which those rules and Executive orders have been implemented, does give one pause for the reflection. If anything, past efforts at analyzing the impact of Government rules, regulations, and legislation suggest that greater statistical specificity and a system of checks and balances are essential if the intent of any regulatory analysis program is not to be perverted.

Last fall, during and after the debate on the second budget resolution, I noted on several occasions that the way in which the House has complied, if you can call it that, with rule XI, 2(L)(4) of the House rules has made a mockery of both the spirit and letter of that rule. In the first 7 months and 2 days of 1979, the House passed 10 appropriations and 71 authorization bills that cost the taxpayer an aggregate of $210 billion and $63.4 billion respectively. Yet only one of the inflation impact statements that accompanied these bills admitted to any significant inflationary impact and only six admitted to any inflationary impact at all. Based on those six, one would have to conclude that the measures which contributed the most to the inflation rate were the military construction and Treasury appropriations bills and the Panama Canal, Coosa River improvement, Navajo-Hopi Indian relocation and National Parks and Recreation Act authorizations bills. Going one step further, if you go by these statements, one would also have to believe that the HUD and HEW appropriations bills, each of which exceeded $72 billion, are somehow less inflationary than the aforementioned Indian relocation bill which called for the spending of $36.4 million.

But, that was the first half of 1979; what about the second half? I now have that data before me and the picture has not changed. If anything, compliance with rule XI, 2(L)(4) has become even more of a joke. From September 5 to the end of the session on December 20, the House of Representatives passed 10 more appropriation and 91 more authorization bills the aggregate spending from which will total $181.7 billion and $192.6 billion respectively. But again, only 4 of the appropriation and only 16 of the authorization bills admitted to any inflationary impact. And 18 of those 20—90 percent—said the impact would be little or minimal; only the statements for the defense appropriation bill and the foreign assistance appropriation bills indicated anything more than that, and even then the indications were no greater than otherwise expected and less than if full budget required had been granted.

To add insult to injury, the written justifications for these rather amazing conclusions are neither detailed nor analytical as called for under rule XI, 2(L)(4). Quite the reverse, as a quick review of the inflationary impact statements will indicate. For the benefit of Members interested in making such a review prior to consideration of H.R. 3263, I ask unanimous consent that a chart listing all appropriations and authorizations bills passed by the House from September 5, 1979, to December 20, 1979, and the size of the inflationary impact statement which accompanied each, be inserted in the RECORD at this time.

INFLATIONARY IMPACT STATEMENTS—IMPLEMENTATION OF RULE XI, 2(L)(4) ON APPROPRIATIONS BILLS—HOUSE OF REPRESENTATIVES

[Sept. 5, 1979 to Dec. 20, 1979]

Bill number	Date passed	Bill title	Size of inflationary impact statement	Scope of inflationary impact	CBO cost estimate
H.R. 4440	Sept. 18, 1979	Transportation Appropriations Act, 1980	3 paragraphs, 27 lines	Positive	$9.097 billion.
H.R. 4473	Jan. 6, 1979	Foreign Assistance Appropriations, 1980	2 paragraphs, 10 lines	Less than if full budget required had been granted.	$7.888 billion.
H.R. 5359	Sept. 28, 1979	Defense Appropriations	2 paragraphs, 12 lines	No greater than already expected	$129.533 billion.
H.J. Res. 402	Sept. 20, 1979	Continuing FTC Appropriations	1 paragraph, 12 lines	Zero	Later included in H.J. Res. 412.
H.J. Res. 404	Sept. 25, 1979	Continuing Appropriations, 1980 (defeated in Senate)	2 paragraphs, 14 lines	Zero	Later included in H.J. Res. 412.
H.J. Res. 412	Oct. 9, 1979	Continuing Appropriations, 1980	2 paragraphs, 14 lines	Zero	$1.33 billion.
H.J. Res. 413	Oct. 9, 1979	Continuing Appropriations, Labor/HEW	1 paragraph, 2 lines	Zero	See H.J. Res. 412.
H.J. Res. 430	Oct. 25, 1979	Supplemental Low-Income Energy Assistance Appropriaitons	1 paragraph, 3 lines	Little	$1.35 billion.
H.J. Res. 440	Nov. 13, 1979	Further Continuing Appropriations	2 paragraphs, 14 lines	Zero	$30.962 billion.
H.J. Res. 467	Dec. 20, 1979	Chrysler Corp. Loan Guarantee Program	1 paragraph, 4 lines	Little, if any	$1.518 billion.
10 bills			17 paragraphs, 112 lines		$181.678 billion.
Average size of inflationary impact statement			1.7 paragraphs, 11.2 lines.		
Average number of dollars spent per appropriation bill					$18.168 billion.
H.R. 51	Sept. 18, 1979	Fuels Transportation Safety Amendments Act of 1979	1 paragraph, 4 lines	Zero	$41.46 million.
H.R. 79	Sept. 7, 1979	Postal Reorganization	1 paragraph, 3 lines	Zero	$2.66 billion.
H.R. 507	Oct. 22, 1979	Authorizing Federal Participation in Stream Rectification	1 paragraph, 3 lines	Minimal	$5.2 million.
H.R. 552	Nov. 27, 1979	Alleviate High Ground Water in Moses Lake, WA	1 paragraph, 2 lines	Zero	$750 thousand.
H.R. 826	Oct. 22, 1979	Application of OSHA to Postal Service	1 paragraph, 3 lines	Zero	$15.3 million.
H.R. 1319	Sept. 10, 1979	Duty-free Telescopes for Hawaii	1 paragraph, 4 lines	Zero	Loss of $800 thousand in revenue.
H.R. 1885	Oct. 26, 1979	Retirement Preference for Employees of the Bureau of Indian Affairs	1 paragraph, 4 lines	Zero	$48.3 million.
H.R. 2061	Oct. 12, 1979	Justice System improvement Act	1 paragraph, 3 lines	Zero	$2.7128 billion.
H.R. 2063	Nov. 14, 1979	National Economic Development and Public Works Act of 1979	1 paragraph, 9 lines	Minimal	$7.156 billion.
H.R. 2218	Sept. 24, 1979	Endangered Species Act	1 paragraph, 4 lines	Zero	$60.5 million.
H.R. 2297	Sept. 10, 1979	Suspend Duties on Synthetic Rutile	1 paragraph, 4 lines	Zero	Loss of $2.015 million in revenues thru fiscal year 1984.
H.R. 2313	Nov. 27, 1979	FTC Improvements Act of 1979	2 paragraphs, 12 lines	Extremely small	$240 million.
H.R. 2335	Nov. 16, 1979	Solar Power Satellite Program	2 paragraphs, 12 lines	Not adverse	$25 million.
H.R. 2440	Nov. 22, 1979	Airport and Airway Development Act	1 paragraph, 4 lines	Minimal	$13 million.
H.R. 2583	Nov. 29, 1979	Annuity Payments to Federal Judges	1 paragraph, 3 lines	Zero	$21 thousand.
H.R. 2585	Dec. 19, 1979	National Traffic and Motor Vehicle Authorizations Act	4 paragraphs, 25 lines	Negligible	$111.11 million.
H.R. 2603	Nov. 9, 1979	Department of Energy Authorization (Nuclear)	1 paragraph, 7 lines	Zero	$2.951 billion.
H.R. 2608	Dec. 4, 1979	Nuclear Regulatory Commission Authorization	1 paragraph, 4 lines	Zero	$368.3 million.
H.R. 2686	Oct. 22, 1979	Tennessee Valley Authority Bonds	1 paragraph, 7 lines	Minimal	$2.79 billion.
H.R. 2742	Oct. 29, 1979	Indiana Dunes National Lakeshore	1 paragraph, 3 lines	Zero	$47.1 million.
H.R. 2757	Dec. 10, 1979	Authorize Secretary of Interior to do Feasibility Study	1 paragraph, 6 lines	Zero	$1 million.
H.R. 2795	Sept. 28, 1979	International Travel Act	1 paragraph, 3 lines	Zero	$8 million.
H.R. 2816	Dec. 20, 1979	Refugee Act of 1979	1 paragraph, 4 lines	Zero	$796 million
H.R. 2859	Oct. 9, 1979	Domestic Volunteer Service Act	1 paragraph, 6 lines	Little	$174.5 million.
H.R. 2977	Dec. 17, 1979	Domestic Violence Prevention Act	1 paragraph, 6 lines	Little	$65 million.
H.R. 3000	Oct. 24, 1979	Department of Energy Authorization, Fiscal Year 1980	3 paragraphs, 18 lines	Minimal	$5.437 billion.
H.R. 3122	Sept. 28, 1979	Tariff Treatment of Certain Articles	1 paragraph, 4 lines	Zero	Loss of $4.46 million in revenues thru fiscal year 1984
H.R. 3282	Dec. 13, 1979	Asbestos School Hazards Detection Act	2 paragraphs, 10 lines	Minimal	$330 million.[1]
H.R. 3303	Oct. 16, 1979	Department of Justice Authorizations (3)	2 paragraphs, 19 lines	Zero	$2.18 billion.
H.R. 3398	Nov. 8, 1979	Agriculture Adjustment Act of 1979	2 paragraphs, 15 lines	Zero	$986 million.
H.R. 3502	Sept. 17, 1979	Hazardous Materials Transportation Act Amendments (2)	2 paragraphs, 7 lines	Zero	$10.5 million.[2]
H.R. 3546	Nov. 28, 1979	Extension of Federal Insecticide, Fungicide and Rodenticide Act	1 paragraph, 4 lines	Zero	$66.25 million.
H.R. 3642	Sept. 28, 1979	Extension of Assistance for Emergency Medical Services System	7 paragraphs, 43 lines	Zero	$201 million.
H.R. 3683	Sept. 24, 1979	Consolidated Farm and Rural Development Act Amendments	2 paragraphs, 15 lines	Beneficial	$1.548 billion.
H.R. 3763	Sept. 10, 1979	Office of Federal Procurements Act	1 paragraph, 4 lines	Zero	$9.0 million.
H.R. 3916	Oct. 16, 1979	Extension of Alcoholism and Drug Abuse Prevention Authorities	2 paragraphs, 16 lines	Zero	$427.5 million.
H.R. 3939	Sept. 24, 1979	District of Columbia Retirement Act	1 paragraph, 2 lines	Zero	$303.5 million.
H.R. 3947	Oct. 24, 1979	Military Construction Authorization	1 paragraph, 9 lines	Zero	$3.559 billion.
H.R. 3948	Dec. 5, 1979	Experienced Pilots Act of 1979	1 paragraph, 3 lines	Zero	$600 thousand.
H.R. 4007	Nov. 7, 1979	Repayment of Loans Made to State Unemployment Funds	1 paragraph, 3 lines	Zero	Loss of $2.722 billion in revenues thru fiscal year 1984.
H.R. 4034	Sept. 25, 1979	Export Administration Act Amendments of 1979	1 paragraph, 3 lines	Zero	$24.8 million.
H.R. 4040	Sept. 14, 1979	Department of Defense Authorization Act, Fiscal Year 1980	3 paragraphs, 11 lines	Zero	$87.85 billion.
H.R. 4084	Feb. 10, 1979	Suison Marsh Management Agreement	1 paragraph, 2 lines	Minimal	$2.5 million.
H.R. 4113	Dec. 19, 1979	Water Pollution Control Amendments	1 paragraph, 4 lines	Zero	$0.86–$1.66 billion.
H.R. 4259	Sept. 15, 1979	Gold Medal to Red Cross			$15 thousand.
H.R. 4308	Nov. 13, 1979	Legionville National Historic Site	1 paragraph, 3 lines	Zero	$800 thousand.
H.R. 4310	Dec. 3, 1979	Recreational Boating Safety and Facilities Improvement Act	5 paragraphs, 37 lines	Minimal	$90 million.
H.R. 4445	Oct. 22, 1979	Extension of Authorities of International Energy Program	1 paragraph, 4 lines	Zero	$500 thousand.
H.R. 4612	Sept. 27, 1979	SSI Services for Disabled and Blind Children	1 paragraph, 3 lines	Zero	$90 million.
H.R. 4685	Dec. 19, 1979	Elephant Protection Act of 1979	1 paragraph, 4 lines	Zero	$22.3 million.
H.R. 4746	Sept. 20, 1979	Miscellaneous Tax Law Changes	1 paragraph, 3 lines	Loss of $50 million in revenues; increase of $14 million in outlays thru fiscal year 1984..	
H.R. 4887	Dec. 10, 1979	San Francisco Bay National Wildlife Refuge Authorization	1 paragraph, 4 lines	Zero	$4.2 million.
H.R. 4889	Dec. 10, 1979	Great Dismal Swamp National Wildlife Refuge Authorization	1 paragraph, 4 lines	Zero	$10.1 million.
H.R. 4904	Nov. 7, 1979	Social Welfare Reform Amendments	1 paragraph, 3 lines	Zero	$11.328 billion.
H.R. 4955	Oct. 25, 1979	Additional Migration and Refugee Assistance Authorization	1 paragraph, 2 lines	Not measurable	$410.7 million.
H.R. 4962	Dec. 11, 1979	Child Health Assurance Act of 1979	3 paragraphs, 17 lines	Minimal	$5.507 billion.
H.R. 4985	Nov. 1, 1979	Priority Energy Project Act	1 paragraph, 9 lines	Positive	$2 million.
H.R. 4998	Sept. 17, 1979	Federal Open Market Committee Minutes	1 paragraph, 2 lines		$100 thousand through fiscal year 1984.
H.R. 5015	Dec. 10, 1979	Extension of Physicians Comparability Allowance Act	1 paragraph, 3 lines	Zero	$38.6 million.
H.R. 5025	Oct. 15, 1979	VA Assistance Not Basis for CHAMPUS	1 paragraph, 2 lines	Zero	$4.4 million.
H.R. 5048	Oct. 9, 1979	Manassas National Battlefield Park Amendments	1 paragraph, 3 lines	Zero	$20 million.
H.R. 5079	Oct. 9, 1979	Energy-Expo 1982	1		$20.8 million.[3]
H.R. 5168	Sept. 25, 1979	Amendments to Personnel Management of Armed Forces	1 paragraph, 2 lines	Zero	$4.4 million.
H.R. 5176	Oct. 15, 1979	General Accounting Office Personnel	1 paragraph, 3 lines	Zero	$4.4 million.
H.R. 5182	Nov. 27, 1979	C&O Canal National Historical Park Commission	1 paragraph, 3 lines	Zero	$2000 thousand.
H.R. 5192	Nov. 7, 1979	Education Amendments of 1980	2 paragraphs, 9 lines	Negligible	$46.198 billion.
H.R. 5218	Sept. 25, 1979	Caribbean Hurricane Relief	1		$25 million.
H.R. 5235	Nov. 13, 1979	Uniformed Services Health Profession Special Pay Act of 1979	1 paragraph, 5 lines	Zero	$484.7 million.
H.R. 5224	Oct. 9, 1979	Fringe Benefit Regulations	1 paragraph, 3 lines	Zero	Receipts drop $10 million.
H.R. 5262	Oct. 29, 1979	Navajo-Hopi Relocation Amendments	1 paragraph, 5 lines	Modest local	$48 million.
H.R. 5269	Oct. 24, 1979	Panama Canal Authorization, fiscal year 1980	1 paragraph, 4 lines	Zero	$78.2 million.
H.R. 5288	Oct. 16, 1979	Veterans Rehabilitation/Educational Amendments	1 paragraph, 5 lines	Zero	$41.2 million.
H.R. 5295	Dec. 19, 1979	Earnings Test for Social Security Beneficiaries	1 paragraph, 4 lines	Zero	$624 million.
H.R. 5380	Sept. 26, 1979	Continuing Justice Department Authorization			
H.R. 5419	Sept. 27, 1979	Commemorate Goodloe Byron for Protecting Appalachian Trail			
H.R. 5441	Dec. 3, 1979	Tariff Schedules Amendments	1 paragraph, 4 lines	Zero	Loss of $40.605+ million thru fiscal year 1984.

See footnotes at end of table.

INFLATIONARY IMPACT STATEMENTS—IMPLEMENTATION OF RULE XI, 2(L)(4) ON APPROPRIATIONS BILLS—HOUSE OF REPRESENTATIVES—Continued

[Sept. 5, 1979 to Dec. 20, 1979]

Bill number	Date passed	Bill title	Size of inflationary impact statement	Scope of inflationary impact	CBO cost estimate
H.R. 5487	Dec. 10, 1979	Study of National Wilderness Preservation System	1 paragraph, 4 lines	Virtually zero	$400 thousand.
H.R. 5505	Oct. 30, 1979	Tax Administrative Provisions Revision Act of 1979	1 paragraph, 3 lines	Zero	$79 million.
H.R. 5753	Nov. 26, 1979	National Guard Training Credit as Fulltime Duty	1 paragraph, 4 lines	Zero	$59 million.
H.R. 5766	Nov. 26, 1979	Reserve Officer's Training Corps Scholarships	1 paragraph, 4 lines	Zero	$24.5 million.
H.R. 5872	Nov. 15, 1979	New Melones Dam Modification	1 paragraph, 7 lines	Minimal	$2 million.
H.R. 5892	Dec. 4, 1979	Wind Energy Systems Research Act	1 paragraph, 4 lines	Zero	$100 million.
H.R. 5973	Dec. 17, 1979	Tax Treatment of Individuals Abroad	1 paragraph, 3 lines	Zero	Loss of $21 million in revenues thru fiscal year 1984.
H.R. Res. 341	Oct. 30, 1979	Continuing Rail Service by Milwaukee RR	1 paragraph, 3 lines	Zero	$15–20 million.
H.R. 5926	Dec. 10, 1979	Establish Biscayne National Park	1 paragraph, 3 lines	No substantial	$13.8 million.
S. 716	Dec. 17, 1979	Amending Federal Employees Health Benefits Act			$25 million.
S. 756	Sept. 20, 1979	Office of Federal Procurements Authorizations			$18 million.
S. 817	Oct. 17, 1979	Canal Zone Biological Area	1 paragraph, 4 lines	Zero	$1.84 million.
S. 832	Oct. 17, 1979	Amend Federal Elections Campaign Act	1 paragraph, 2 lines	Zero	$8.999 million.
S. 1141	Sept. 17, 1979	Hazardous Materials Transportation Act	1 paragraph, 6 lines	Zero	$5.5 million.
S. 1159	Dec. 19, 1979	National Traffic & Motor Vehicle Safety Act			$211.2 million.
Totals:					
91 bills of which 83 have impact statements			107 paragraphs, 504 lines		$192,308,730,000[4] or $2,316,973,000 per bill.
Average size of inflationary impact statement			1.27 paragraphs, 5.99 lines.		

[1] Authorization level; total outlays could not be estimated by CBO at time report was filed.

[2] The higher of the two CBO estimates; the other estimate was $8 million.

[3] Amount authorized to be spent.

[4] Does not include those bills for which there is no inflation impact statement.●

THE 100TH ANNIVERSARY ADDRESS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. SKELTON. Mr. Speaker, on May 18, 1980, Wentworth Military Academy, of Lexington, Mo., held its 100th graduation ceremony. The speaker on that occasion was Vice President Walter F. Mondale. It was a memorable day, a memorable ceremony, and a memorable address by the Vice President:

The address follows:

Thank you very, very much. It's a privilege to be introduced by my old friend Ike Skelton. Not only because, as you well know, he's one of the outstanding Congressmen in the United States today. Or because Lexington is his home town—and he's a one man Chamber of Commerce, I can tell you that. Or because he's a member of the Wentworth Class of 1951. But above all because the Skelton family had the good sense to continue the tradition in his son Jim who I understand is in the Class of 1983.

Colonel Sellers, Sr., Colonel Sellers, Jr., Dean Davis, other faculty, alumni and parents, and most importantly of all the 100th and classiest Wentworth Corps of them all, congratulations. (Applause)

Wentworth Academy trains leaders. And I want to pay a special tribute to the leaders of the leaders. It is unbelievable but true and very impressive that for every one of the 100 years of this academy there has been a giant named Sellers at the top of the Wentworth roster.

So today we celebrate more than this great institution's 100th year. We also celebrate an unbroken century of leadership that runs from Colonel Sandford Sellers, to Colonel Sellers, Sr., to Colonel Sellers Jr., and that today turns a fourth generation spotlight of pride on Jim Sellers and John Sellers of the Class of 1980.

I realize the heavy responsibility that is imposed upon me today, and I did some research on the difference between this academy 100 years ago and the academy today.

There are things that have changed. In the first year of Wentworth the tuition was $25 a session. I understand it is somewhat higher than that today.

But on the other hand the young men in the first class were denied many many things that you enjoy today. Back then, there were no skateboards. Back then, if you couldn't face the Brillo pads, there was no trusty jar of peanut butter to rely on. Back then, there were no swagger sticks. On the other hand, Sergeant Gurganus tells me there aren't any swagger sticks today either. And that's why I'm pleased to be with the Wentworth Class of 1980 and not 1880.

Because this is the Wentworth that has not only the triumphant Red Dragons, but also the best marching band, and the best concert band, and the best drill team anywhere in the United States and I'm glad to be here. (Applause.)

The other day I came across a magazine article that struck me and I'd like to just quote just one paragraph out of it. It said this: "It's a gloomy moment in the history of our country. Not in the lifetime of most men has there been so much grave and deep apprehension. Never has the future seemed so incalculable as at this time. The domestic situation is in chaos. Our dollar is weak throughout the world. Prices are so high as to be utterly impossible. The political cauldron seethes and bubbles with uncertainty. Russia hangs, as usual, like a cloud, dark and silent, upon the horizon. It is a solemn moment. Of our troubles, no man can see the end."

That article was written in October 1857. And it ought to remind us of something about this country. It ought to remind us that we've been through a lot of difficulties. We've faced a lot of challenges. We've gone through a lot of disappointments. But there is no nation on earth whose people and whose systems are more capable of meeting those challenges or any nation who has met those challenges, time in and time out, better than the United States. We are blessed to be in America and blessed to be Americans, and let's not forget it. (Applause.)

We have always faced challenges. And we have always met those challenges. And we have surmounted them. And the reason we have always triumphed is not to be found in our material resources—though we're the richest nation on earth; not in our military arsenals—though we are the strongest nation on earth; but in our fundamental and enduring values that we share together as Americans.

It is our belief in freedom that has given us two centuries of Democratic government.

It is our belief in family that has taught us to respect the values of our parents—the simple truths of decency, and character, and honor, and duty, and love.

It is our belief in fairness and justice that has kindled fires of conscience for all the world to see.

We've survived, and not just survived, we've prospered, and we become stronger every year as a democracy because we've never been cynical about freedom or family or fairness. Those values have been and are our strength.

But to preserve that strength, America herself must be secure. It is not enough just to believe in peace—where there are nations which would shatter it. It is not enough simply to believe in freedom—when there are countries which would destroy it. And it is not enough to believe in our independence—when there are economic and historical forces which threaten to wrest it from us.

Peace. Freedom. And independence. These are the three American goals that require not only belief—but also service, and commitment, and realism about the planet on which we live.

I want to speak very briefly about all three of them.

I remember my graduation speaker. I forget his name, I forget what he talked about, but it was the longest speech I ever heard in my life, and I'll try to avoid that special honor.

Peace. I've been in public life for 20 years, in politics for 30 years. And I think I can say without any doubt that all Americans want peace. We are here today in the center of a great strategic position in terms of the defense of our nation.

Much of our nation's strategic weaponry is to be found nearby this community. You know the importance of our defense. And everyday you're reminded in this community about the consequences of failing to keep the peace.

One of the essential ingredients of keeping the peace is a strong America—capable not only of defending ourselves, but because we are the strongest nation on earth. The strongest source of strength for the civilized world. Also, we have a responsibility to keep the peace to the fullest extent possible around the world. We have to face up, as we meet today, to the disturbing tendencies of the other major power on earth, the Soviet Union.

Our nation wants peace. We want arms control. We have no designs on any other nation. But we do insist upon the peace. But while that is true, I regret to say these past 10 or 12 years the Soviet Union has been building up its military capability in real terms every year, year in and year out for many years.

Any analysis of any aspect of the Soviet system demonstrates a build-up in strategic weaponry, a build-up in theater nuclear weaponry, a build-up of their conventional forces in Eastern Europe and elsewhere. A build-up in their navy. And that build-up continues. And we simply have seen how irresponsibly they would use that power.

For the first time since World War II, one nation has just baldly, nakedly invaded a neighbor. Afghanistan in one sense is very far from Lexington. But in terms of civilization and the rules of civilized life, it might as well be the town down the road.

Afghanistan was not threatening the Soviet Union. It is a poor buffer nation. And yet the Soviet Union moved in with a hundred thousand troops and destroyed any pretense of national independence and brought her forces within 300 miles of the most strategic area on earth, the Straits of Hormuz, through which two-thirds of the oil that the world uses must be transshipped. We are reminded by these facts that as much as we want peace, and wish to keep peace, we must be strong in order to do it.

We can never, ever permit any doubt to be in any mind about the capacity of this nation to defend herself, or the capacity of this nation to discharge its responsibilities around the world. Never, ever can that be in doubt.

For that reason we have insisted these past 3 years of our Administration, as we've had to move toward a balanced budget to defeat inflation, we have increased defense support in every year that we've been in office and in this year we're asking a substantial boost in defense support. We are modernizing our strategic nuclear deterrent with Trident missiles and submarines, with the MX missile, and with the theatre nuclear missiles for Western Europe.

We are adding deadly accurate air-launched cruise missiles on our B-52s, which are almost completely invulnerable to Soviet Air defenses. We have established a Rapid Deployment Joint Task Force, and we are strengthening our reserves—into which many of you were probably commissioned yesterday.

As you were commissioned here, Americans everywhere celebrated Armed Forces Day. We are determined that every future Armed Forces Day will see our nation more strong, more secure, and more committed than ever to keeping the peace that we so deeply cherish.

Our second goal is freedom. I don't have to talk about that, all of us believe in it and cherish it all of our lives.

But there are 53 Americans today who are not free, and they're entitled to our attention, and they're entitled to every effort that we can make to bring about their freedom.

I refer, of course, to the 53 hostages, public servants from this nation who have been held captive in Iran for 196 days. We will continue to make every effort to win the release of our countrymen. And I want to say a word about that rescue attempt, and what we learned from it.

First of all, we learned that 90 brave American servicemen, together with their crews, volunteered for a dangerous mission—which they knew would risk their lives. And they did it because they believed that in America, freedom is the most precious gift of all.

We learned that 8 American heroes gave their lives to rescue our hostages—because the ideals of service and honor and duty blazed in their hearts.

And we learned that the terrorists we're dealing with in Iran know nothing of minimal human decency.

And may I say personally I believe we also learned that we have a President with the courage to do what's necessary. And succeed or fail, I believe most Americans supported the efforts by Americans to try to rescue those hostages in Iran. I think most Americans stand behind that effort. (Applause.)

Our third goal is independence. One of the finest men to ever serve in public life came from a little town nearby named Independence. And you're looking at the 1948 Harry Truman campaign manager of Southern Minnesota. (Applause.)

I might add I wasn't old enough to vote at the time, but everybody thought he was going to lose, so they gave the job to the kid. We won anyway.

He spoke at Wentworth's 75th anniversary, and he said this: "America must remain strong, not because we want to impose our views upon the world by force. We must remain strong in order to retain the leadership which the world expects of us." That idea is as true today as it was 25 years ago. But several changes have occurred in the world since Harry Truman came to Wentworth.

I want to talk about just one of them, because we've got to solve this and we've got to solve it soon. Back then, there was no energy crisis. There was no dependence on foreign oil—they provided us at that time only 10 percent of our oil. There was no OPEC to jack up prices on us. There was no whole industrial world dependent upon the Persian Gulf. There were not a 100,000 Russian troops within reach of the Persian Gulf.

Since Harry Truman spoke here the amount of oil that we import has quadrupled. At the same time, the price of imported oil has gone up by twelve hundred percent. In this city, in this room, every family in this year will pay an invisible bill of $1500 each to buy foreign oil. It is the biggest source of inflation today. It is the biggest threat to our jobs, but there's something else. Never has any generation of Americans permitted this country to become dependent on foreign sources for something that we had to have.

In the nearly 200 years of Americans, each generation has made certain that we are independent. When it comes to American foreign policy, and American domestic policy, there should be only one group that ever has anything to say about it, and that's the voters and the citizens of the United States and no one else. (Applause.) We cannot get into a position where we are intimidated or blackmailed by foreign sources of oil, because we have no alternative but to buy that oil to survive.

In America we have massive energy resources waiting to be developed. We think it is past time, that's why we've asked for this major windfall profits tax to do this. Instead of sending American money overseas—$90 billion this year—which does nothing but give us inflation and unemployment; instead, let's take that money and use it to hire American businesses, to hire American workers, develop American energy resources and return America to full control of her future and independence from energy sources overseas. I think that's what the American people want done. (Applause.)

For over a 100 years now, Wentworth Cadets have served our nation. In every arena of American life, you have led and you have inspired others to lead. Across a century, in every war our nation has fought, the sons of Wentworth have courageously served—and some have tragically fallen.

But the tradition of service in Lexington goes back even farther than Wentworth's century. For we also meet today at the site of a terrible battle in American history. We have long ago closed the wounds of the War between the States. But it is appropriate to listen to the words of a young lieutenant on the eve of the Battle of Lexington, who wrote these words in his diary—words that speak to us across the years.

He said this: "This is a beautiful night, so light that I am lying on the top of our breastworks writing by moon and starlight. There is not a cloud—nothing but the deep, dark, inimitable blue, lighted up by the broad fine rays of the moon, and ornamented by the myriad of twinkling stars. Oh, it's grand! Everything in nature has the calmness, the contentment of repose and happiness—all which seems to reproach our turbulent hearts."

Today, in these commencement ceremonies, we honor that lieutenant's vision of God's peace. And our hearts are full—not with turbulence, but with joy of this occasion, and in the pride of your achievement, and in the love for our magnificent and beloved nation.

Thank you very much. (Applause.)●

A TRIBUTE TO MILTON HOFFMAN

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. OTTINGER. Mr. Speaker, on June 1, the members of the Hebrew Institute of White Plains, N.Y., will honor the retiring president of their synagogue, Milton Hoffman. On this occasion I would like to join in commending my longtime friend for his many accomplishments and the contributions he has made to his synagogue and the Jewish community and to Westchester County as a journalist for the Westchester-Rockland newspaper group.

Milton Hoffman has been president of the Hebrew Institute for the past 3 years after serving as the synagogue's vice president for 3 years. Despite the demands of his career as a journalist he has devoted himself with tireless dedication to the needs of his temple and the Westchester Jewish community.

As a longtime resident of the White Plains area, Milton Hoffman's involvement with the Hebrew Institute began as a student in its religious school. For more than a dozen years he has served on the temple's board of directors; he was president of its school board for 3 of those years. The temple's brotherhood has also honored him with their Man of the Year Award. Under his able leadership, the Hebrew Institute has flourished and prospered, enriching the quality of Jewish life for all those involved with the temple.

Milton Hoffman also deserves commendation for his impressive accomplishments as a journalist. His incisive reporting is well known throughout the county. More important, he is greatly admired as a man of integrity, and his political column is the most widely read in the area.

I am pleased to honor Milton Hoffman for his many achievements and extend to him my sincerest congratulations.●

THREE MILE ISLAND

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. DRINAN. Mr. Speaker, I know that Members of the House will want to read the thoughtful article by our colleague, Congressman ALLEN E. ERTEL.

This perceptive article was printed in the Washington Star for May 27, 1980. Congressman ERTEL's district in Pennsylvania includes the Three Mile Island and surrounding communities.

THE KRYPTON GAS AT THREE MILE ISLAND

Wait a year, assert you must act promptly to avoid a disaster, and then justify taking an undesirable action on the grounds that time has run out. Who is caught? The public. Who are the decisionmakers? Metropolitan Edison, a utility, and the Nuclear Regulatory Commission staff. What is the decision? To vent 57,000 curies of radioactive krypton gas over Central Pennsylvania residents.

Stripped of all the hyperbole, this Catch-22 decision is being made for Central Pennsylvania by a combination of actions by the regulators and the regulated. No wonder the public thinks it can never win.

Over 13 months ago, a nuclear accident happened at Three Mile Island. That accident generated radioactive krypton gas (kr-85) which is contained in the damaged reactor building. The krypton gas has a half-life of over 10 years; consequently it should have been evident to those involved that this radioactive material had to be disposed of.

Now the NRC staff and Met Ed propose to dispose of this krypton by venting it into the atmosphere around Three Mile Island over 60 days. The utility and the regulators assert that unless the damaged reactor building holding the gas is cleaned up soon this gas might leak uncontrolled, and thus endanger the public. The idea is that the radioactive gas will be diluted by the atmosphere and will be dispersed by weather conditions.

Of course, this assumes that the operation can be controlled accurately, that no mechanical or human failures occur and that weather conditions can be properly monitored.

Considering the trauma that residents incurred when the utility failed to control the plant properly during the original accident, the condemnation of the utility and the regulator (the NRC) by two independent commissions, one cannot help but feel sympathetic to the doubts of those in the area who will be exposed to this purge of radioactive gas.

One would expect that alternatives to releasing this untreated gas would have been seriously explored. In fairness, the NRC staff assessment initially considered two alternatives and ultimately an additional two were brought to their attention by the Department of Energy.

However, the criteria applied to evaluate them leads again an "Alice in Wonderland" world. Instead of asking what the alternatives can do to reduce the public exposure to radioactive krypton, the evaluation was made on whether the alternative system would clean up the atmosphere of the contaminated reactor building to permit entry by personnel.

We are told the NRC commissioners have no option but to vent. Decision-making time plus faulty judgment has eliminated all other alternatives.

But has time really run out? Consider an alternative krypton separation system which DOE has developed called selective absorption. This project was started in 1967 at Oak Ridge Laboratories for the explicit purpose of separating krypton gas and containing it in the event the since-decommissioned nuclear-powered cargo ship, the Savannah, had a meltdown. To date, the government has spent over $5 million to develop this process and the third generation pilot plant separator has been built and has been in operation for over a year and a half.

Why can't this process be utilized at TMI? Met Ed and the NRC staff assert it takes too long to put in place—1½ years. They maintain the regulatory process, delays in procurement and other red tape will consume much of the time. Although estimates vary, the project manager states he could build the system in 90 to 120 days, provided the materials which are standard off-the-shelf items are on hand.

What would selective absorption do? It would reduce the concentration of krypton gas in each pass through this simple system by 99 percent. Thus the ultimate exposure to the public is reduced 99 percent each time the gas is recycled.

In the strange world of the regulators, they delayed installing the selective absorption system immediately and now say the delay they enacted makes it too late to install it at this time. They contend if they start installing the system, bureaucratic and regulatory delay would extend the installation time.

Even at this late date, reasonability would suggest the immediate installation of the system on a priority basis.

If this course of action were followed, it seems to me that my constituents would understand that their interests are being served; otherwise, quite logically, they could believe that the attitude is "public be damned." It is not too late to ask: Can't we do it right?●

THE PROCEEDINGS AGAINST CONGRESSMAN CHARLES WILSON OF CALIFORNIA

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. McCLOSKEY. Mr. Speaker, the individual members of the House Ethics Committee include some of our finest colleagues, both as legislators and as human beings.

For this reason, and because of my immense respect for each of them as individuals, I would like to pose to them today a number of concerns I have over their recommendation that Congressman CHARLES WILSON of California be censured by reason of eight specific allegations of wrongdoing on his part.

It is my thought that by posing the questions at this time, the members of the committee may have time to marshal and present their arguments to the specific concerns I have felt after reviewing the committee's report.

I have read through the entire report dated May 8, 1980, and have reread it a second time.

On five of the eight counts, 1, 2, 3, 7, and 8, the record itself, rather than reflect clear and convincing evidence of Mr. WILSON's guilt, seems to indicate real doubt of any wrongdoing on his part.

On the last three counts, 9, 10, and 11, while there is evidence to raise suspicion as to Congressman WILSON's conduct, the issue of guilt would seem to turn upon whether the committee has the burden of proof to show guilt or whether Congressman WILSON has the burden of proof to overcome the suspicion of guilt.

The eight charges can be divided into three categories:

1. Counts 1, 2, and 3 relate to three checks, two in the sum of $5,000 and one in the sum of $500, from an individual named Lee Rogers to WILSON. The record discloses a rather peculiar relationship between Rogers and WILSON. Rogers was a multimillionaire who operated three companies in the mail order business and served as an unpaid officer for at least one mail order association. He met WILSON in the late 1960's and from 1971 to 1974 was a consultant on WILSON's payroll, initially at $1,000 per month, and subsequently with the usual cost-of-living raise given to all Government employees. Rogers operated out of his own corporate office in California, occasionally calling on the congressional district office and hosting a number of parties for WILSON's constituents and WILSON on his yacht. Rogers stated that he worked closely with the district field representative, had congressional plates on his car and that while he had no fixed schedule, worked more than enough hours on the Congressman's behalf to justify the $1,000 monthly salary. Rogers testified that he had brought to WILSON's attention examples of misfeasance on the part of the post office, such as when machines in Detroit and Chicago were chewing up packages. After being terminated at the end of 1974, Rogers was again put on the payroll during the year 1976.

Rogers, the sole witness on the point, testified that the three checks he had made out to WILSON were loans, not gifts. The check in count 1 dated June 1, 1971, for $5,000 bore the word "loan" on its face as did the check listed in count 2 dated June 20, 1972. The third check for $500 dated December 11, 1972, bore no such notation and Rogers could not remember the circumstances under which he had made it payable to Wilson. He presumed, however, that it was a loan as the earlier two checks had been.

The committee apparently found all three of these checks to represent gifts rather than loans, and thus in violation of House Rule XLIII, section 4, requiring:

> A member, officer or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization or corporation having a direct interest in legislation before the Congress.

Rogers may have been a person having a direct interest in legislation before the Congress, but this was fairly slender in 1971 and 1972 since as of 1970, the Congress had effectively removed congressional jurisdiction over the postal service, and Rogers, as an employee of Wilson's, had not only the right, but probably the duty to give Wilson advice on matters within his expertise. Rogers stated that he had made a number of loans in this manner, and that he was not accustomed to suing recipients when he was not paid back. As an employee, Rogers was prohibited by law from making a campaign contribution to Wilson, just as by the House rule, he was prohibited from making a gift. Neither the law nor House rules prohibit an employee from making a loan to this superior.

The committee's finding that these three checks represented gifts not loans, was apparently reached in part, because of Congressman Wilson's failure in listing his obligations as of December 31, 1977, to include any references to loans outstanding from Rogers. This fact, however, should be considered in light of California's 4-year statute of limitations on written documents of indebtedness. The statute had expired on all three checks in question, the latest of which was dated December 11, 1972, more than 5 years prior to the date on which Wilson was required to list his indebtednesses.

2. The second group of charges includes counts 7 and 8, with respect to two bank loans, one for $5,000 and one for $10,000 which Wilson took out during the summer of 1970 when he was running for reelection.

These debts were repaid from Wilson's campaign account in March of the following year, 1971. Wilson either could not, or chose not to produce vouchers to support his contentions that these payments were made to reimburse him for campaign expenditures. Wilson's only testimony on the point was from prior proceedings in which he said:

> Well, there were some transfers from my campaign account one or two years, I believe. While I have no records to verify it, they were intended to be reimbursements for expenses that I had put out during campaign time. Generally it is not unusual for candidates for office to have money in their pockets, cash in their pockets to give to volunteer workers for their expenses, transportation or meals and it is generally appreciated if they get it from the candidate personally, rather than from some other person associated with the campaign. But I wouldn't say there was any large or significant amount over a period of—I don't know—three or four years, at the most where I transferred money from campaign accounts to myself (p. 22, committee report).

In this connection, the 5-year statute of limitations, while admittedly not applicable to House disciplinary proceedings, would seem to deserve some consideration. The purpose of the statute is to relieve individuals from having to defend charges based on information which is no longer readily available. To make Wilson's guilt or innocence in 1980 depend on whether or not he can produce vouchers for campaign expenditures in 1971 seems to ask too much.

Again, it seems to me that the facts in the report do not meet the test of "clear and convincing evidence" that Wilson improperly used campaign funds for personal expenses.

3. The final three counts also relate to charges that Wilson, in November of 1971, drew three checks on his campaign account which were disbursed for his personal use. Count 9 involves a check for $3,400 dated November 23, 1971, thereafter deposited to his office account and presumably used on November 26 to pay off a $3,000 loan plus interest dating from the previous April.

Count 10 concerns a check dated November 30, 1971, drawn on the campaign account for $3,500 and deposited first to Wilson's office account and then thereafter transferred on the 22d to his Sergeant at Arms account.

Count 11 involves a $3,000 check from the campaign account on November 1, 1971, thereafter deposited to Wilson's Sergeant at Arms account on November 3.

These three checks totaling $9,900 were admittedly paid from Wilson's campaign account to his personal account in a nonelection year and prior to Wilson's filing for reelection in early 1972. They raise the suspicion that they were used for Wilson's personal expenses rather than campaign expenses from the previous year or for the ensuing year.

Nevertheless, there is no clear evidence in the record to support the suspicion and if Wilson, for example, had incurred $10,000 during the 1970 campaign for advancements of cash to campaign supporters or in campaign travel costs, he would have been entitled to reimburse himself for these expenses to the extent of $9,900 if he saw fit.

The question then arises as to whether the burden of proof is on the committee to show Wilson's guilt of using campaign funds for personal use by clear and convincing evidence or whether the burden of proof is on Wilson to prove his innocence by clear and convincing evidence.

In view of the 9 years that has elapsed since these transactions occurred, I have grave difficulty in placing the burden on Wilson's shoulders. I say this from over 10 years of experience with bar association disciplinary proceedings in California and from experience as a criminal defense attorney and prosecutor.

Viewing the initial 15 charges against Wilson as a whole, some of which initially included bribery, kickback, and perjury charges, it seems to me that the committee's findings and recommendations are based on a concern with Wilson's overall record and perhaps a bias against Wilson engendered by his declining upon advice of counsel, to testify, then upon clear and convincing evidence in support of the eight individual counts upon which he was ultimately found guilty.

Again, Mr. Speaker, I raise these points at this time in order that the members of the committee may be prepared to respond to these questions in the very important debate the House will hold tomorrow on the question of Mr. Wilson's alleged violation of House rules and possible censure therefor.●

TESTIMONIAL TO RABBI MAGNIN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. DORNAN. Mr. Speaker, on Wednesday evening, May 28, community leaders from all over southern California will gather at the Century Plaza Hotel for a testimonial dinner honoring Rabbi Edgar Magnin. Rabbi Magnin will be marking his 90th birthday as well as his 65th year in service to God on this important occasion. I will unfortunately be unable to join those present when the Los Angeles community pays tribute to this outstanding American.

However, because Rabbi Magnin's life and career are excellent examples of a personal commitment to God and one's fellowman, I want to share with you a brief biography of him. Born July 1, 1890, in San Francisco, Calif., he was the son of Sam and Lilly Magnin. A 1913 graduate of the University of Cincinnati, he was ordained in 1914 at the Hebrew Union College in Cincinnati.

In 1915, he was called to Congregation B'nai B'rith in Los Angeles, which we now know as the Wilshire Boulevard Temple. When Rabbi Magnin began his service there, he had a congregation of 400 families. Under his leadership, a new building was constructed which has since become one of the great houses of worship in the world, with a congregation of over 2,700 families.

Rabbi Magnin has been an influential voice raised for tolerance and greater understanding among people of differing backgrounds throughout his entire career. Through his radio broadcasts and his newspaper columns, he has brought his message of good will to millions of people across the land. He has written a book and numerous articles which have also enlightened all those who have read them.

Rabbi Magnin has been a leader in supporting community organizations throughout southern California. Having been one of its founding members, he is just completing a term as president of the Los Angeles chapter of the World Affairs Council. He has served on the boards of the United Crusade, B'nai B'rith, the U.S.O., The Hollywood Bowl, the Boy Scouts, Cedars-Sinai Medical Center, and the Cancer Prevention Society. In addition, he has been a benefactor to most of the Jewish philanthropies of Los Angeles, as well as national Jewish organizations and the State of Israel.

Rabbi Magnin's leadership in the intellectual community has been recognized by the numerous universities which have bestowed honorary degrees on him. Among them are the University of Southern California where he has taught. Wilberforce University, the California College of Medicine, Pepperdine University, and most recently, at my own Loyola Marymount University, in the 27th Congressional District.

I might add that in accepting his degree from Loyola last week, he revealed a significant aspect of his winning personality. Throughout his long and varied life, he said, he had had a great deal of fun. Here is a man who has lived life to the fullest, and who can look back with no regrets and say "I have really enjoyed life. I have tried to help others, and tried to influence the course of society during my career, and have been reasonably successful."

But what is significant about Rabbi Magnin is that he does not just stop there. "Keep on going" he tells us, and he certainly intends to do so himself. He so aptly demonstrates the truth that at no time in life should we ever stop learning, growing, and developing our potential. The self-satisfied man is a stagnant man, because he is not moving forward.

And so, I want to close by saying congratulations and happy birthday to Rabbi Magnin on behalf of this House. As I have told him before, we will all eagerly be awaiting July 1, 1990, when we can celebrate the esteemed Rabbi's 100th birthday with the fanfare it will rightfully deserve.●

THE BIBLE AND THE DRAFT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. PAUL. Mr. Speaker, Dr. John W. Robbins recently wrote a most illuminating essay on the draft for "The Trinity Review," published by the Trinity Foundation. I call it to my colleagues' attention, especially those who take the Bible seriously. The word of God forbids the draft, as does the Constitution and both military and economic considerations.

THE BIBLE AND THE DRAFT

(By John W. Robbins)

The federal government is again contemplating the conscription of young people for both military and civilian labor. The liberals are supporting "national service," i.e., they advocate forcing young people to spend two or more years of their lives in some sort of "public service," including, but not limited to, the military, and the conservatives are supporting the military draft, i.e., forcing people to serve in the armed forces.

The liberals' position is consistent with their other positions favoring unlimited government. The conservatives' position seems to be inconsistent with their usually limited government views. What is the Christian position? Can the consistent Christian favor either the draft or national service?

Unlike either the conservative or the liberal, the Christian must derive his views on the morality of the draft and national service solely from Scripture, not from any theory of natural law or general notion of justice, but from the propositions and commands written in the Bible. The Christian position on the draft—as on all moral and theological questions—is based upon the principle of sola scriptura, the Bible as the only and as the final authority.

Paul, writing to Timothy, said that "All scripture is God-breathed and is useful for teaching, rebuking, correcting and training in righteousness, so that the man of God may be thoroughly equipped for every good work." The Scripture is sufficient: It equips the man of God thoroughly for every good work, including the good work of politics. Furthermore, the Old Testament as well as the New is God-breathed and useful: "All Scripture is God-breathed and useful for teaching * * *." Paul definitely contradicts the popular idea that the Old Testament does not concern us. The laws of God that are found in the Old Testament—unless they have been repealed in the New—are still in force. The Westminster Confession of Faith recognizes these two basic Biblical ideas—sola scriptura and the perpetuity of the law—in the following words:

"Under the name of Holy Scripture, or the Word of God written, are now contained all the books of the Old and New Testaments * * * all of which are given by inspiration of God to be the rule of faith and life.

"The whole counsel of God, concerning all things necessary for his own glory, man's salvation, faith and life, is either expressly set down in Scripture, or by good and necessary consequence may be deduced from Scripture * * *

"God gave to Adam a law * * * by which he bound him, and all his posterity, to personal, entire, exact and perpetual obedience * * *

Having now explained the basis of the present argument, let us examine what the Scripture says about a military draft and national service.

EXODUS 20:15: YOU SHALL NOT STEAL

The first of the many verses that are pertinent to a discussion of the draft and national service is the Eighth Commandment prohibiting theft. Two common misconceptions must be eliminated if we are to understand the meaning of this Commandment. First, the Commandment does not refer only to property. The Hebrew word is used in connection with both property and persons, and in Exodus 21:16 we read of "manstealing," i.e., kidnapping, which is a capital crime. This Commandment clearly forbids not only the theft of property, but also the removal of innocent persons against their will.

The second misconception is that the Ten Commandments, including this one, apply only to private individuals and not to governments. This notion, which has absolutely no foundation in Scripture, illustrates how far we have gone toward defying government, for it is attributing divine qualities to rulers to say that they in their official (or private) capacities are exempt from the law. The Commandments, as both the Bible and the Westminster Confession say, bind all men without exception. Rulers and governments are commanded not to steal, murder, covet, lie, or do any other act prohibited in the moral law. Zacchaeus the tax collector stole from the people, and he recognized his subordination to the moral law. King Ahab broke the Sixth, Eighth, and Tenth Commandments in desiring and taking Naboth's vineyard. John the Baptist in Luke 3:14 specifically applied the moral law to an agent of the government. There is not the slightest hint in Scripture that governments are above the moral law. And that moral law, as we have already seen, includes a prohibition on manstealing. Yet what are national service and the draft if they are not manstealing? There is no moral distinction between the actions of a private individual who kidnaps a person and a government that drafts its subjects under color of law. Both actions are clear violations of the Eighth Commandment.

I SAMUEL 8:10-18

It is typical of the goodness of God that he does not leave us with general principles—such as, You shall not steal—but that he goes on to give us specific examples of stealing, and specific commands against and proper punishments for theft. John Calvin, in his commentary on Exodus, Leviticus, Numbers and Deuteronomy, lists these instances and their punishments under his discussion of the Eighth Commandment. Of the modern commentators, perhaps Rousas Rushdoony is the best practitioner of this entirely scriptural method of explaining the meaning of the moral law.

One of the central passages that must be discussed in relation to the Eighth Commandment is I Samuel 8:10-18:

[10] Samuel told all the words of the Lord to the people who were asking him for a king. [11] He said, "This is what the king who will reign over you will do: He will take your sons and make them serve with his chariots and horses, and they will run in front of his chariots. [12] Some he will assign to be commanders of thousands and commanders of fifties, and others to plow his ground and reap his harvest, and still others to make weapons of war and equipment for his

chariots. [13] He will take your daughters to be perfumers and cooks and bakers. [14] He will take the best of your fields and vineyards and olive groves, and give them to his attendants. [15] He will take a tenth of your grain and of your vintage and give it to his officials and attendants. [16] Your menservants and maidservants and the best of your young men and donkeys he will take for his own use. [17] He will take a tenth of your flocks, and you yourselves will become his slaves. [18] When that day comes, you will cry out for relief from the king you have chosen, and the Lord will not answer you in that day."

This passage is important, not only because it contrasts the Hebrew republic with the later monarchy, but also because it contrasts Christian government with antichristian government. The Israelites had demanded a king "such as all the other nations have." God says to Samuel that "it is not you they have rejected as their king, but me." They were rejecting the government of God for an ungodly government. They would eventually become slaves to this antichristian government, yet they refused to listen to Samuel's warning of their impending slavery.

There are two things, both quite obvious, that must nevertheless be pointed out about this passage. Earlier we had to stress the obvious point that all men and human institutions are subject to the law of God. Now we must stress the two obvious points that this passage is a warning to the Israelites and a statement that God disapproves and condemns the type of actions listed in this passage. First, this is a warning. As such, it would make no sense if these actions had already been commanded and approved by God for the government of Israel. It makes sense only if the Hebrew republic was given a government by God that did not do these things. One does not yell, "Look out for the train" to someone already sawn in two by its wheels. Second, God condemns the actions that the future kings will take. We have already noted his condemnation of Ahab whose actions are prophesied by Samuel in this passage. God does not command, approve or condone the governmental actions described here, and the government he had established for the Hebrew republic was empowered to do some of these things.

What specifically are the policies or actions condemned in this passage? The draft (verses 11, 12, 16), exorbitant taxes, 10 percent or over (verses 15, 17), eminent domain, the taking of private property (verses 14, 16), forced labor, national service (verses 12, 13), the redistribution of property (verse 14), and slavery through unrestrained political power (verse 17). This passage is central to any discussion of the Biblical view of civil government, for it clearly delineates many ways in which ungodly governments violate the Eighth Commandment. Notice the repetition of the phrase "He will take * * *." It is used six times. Rulers violate the Eighth Commandment by drafting men or women, forcing them to perform labor, imposing taxes 10 percent or higher, taking private property, redistributing property, and finally imposing total slavery. Other verses of Scripture mention other ways in which governments violate the Commandment: taking bribes and the debasement and manipulation of the money.

It is unmistakably clear that the draft and the national service are prohibited by the Eighth Commandment. But to persuade anyone who may be yet doubtful, let us proceed to the next verse.

DEUTERONOMY 20: 5-8

[5] The officers shall say to the people: "Has anyone built a house and not dedicated it? Let him go home, or he may die in battle and someone else may dedicate it. [6] Has anyone planted a vineyard and not begun to enjoy it? Let him go home, or he may die in battle and someone else may enjoy it. [7] Has anyone become pledged to a woman and not married her? Let him go home, or he may die in battle and someone else marry her. [8] Then the officers shall add, "Is any man afraid or faint-hearted? Let him go home so that his brothers will not become disheartened too."

These verses give us specific information about military service in the Hebrew republic. There are four classes of men (note that all the references are to men, none to women) who may not serve in the Hebrew army: (1) Those who have a new house; (2) those who have a new vineyard; (3) those who have a fiancee; and (4) those who are afraid. Some commentators have interpreted this passage to mean that those four classes of men were not compelled to serve as were all the other men, but that they might serve if they so wished, in a manner much like the exemption system that has characterized the draft in this country in that century. That is an impossible interpretation for at least two reasons. First, it contradicts the meaning of the verses we have already studied which demonstrate that there was no draft in the Hebrew republic. Second, the pertinent verbs are in the imperative mood. The officers are not commanded to say, You may leave if you wish. They are commended to say, Go home! The four classes of men were prohibited from volunteering for military service, not exempted from a draft. They could not serve if they wished to.

It is interesting to note why. In the case of the first three classes, we are explicitly told that the private interest of these men to enjoy their new homes, vineyards, and wives is superior to the public interest of the nation. That statement should give pause to those who believe that everybody owes a legally enforceable "debt" to his country. The Bible explicitly says that the enjoyment of these domestic pleasures is more important than the public interest. This is all the more striking when one recalls that Israel was God's chosen nation, and the wars on which they were about to engage were holy wars conquering the Promised Land and executing God's judgment. If private interests were superior to the public interest in that situation, then they are all the more so today when no nation is God's chosen nation, no holy wars are being fought, and no Promised Land is being conquered.

A study of the fourth and last class of men is even more instructive. First, unlike the first three classes mentioned, these men were sent home not for their own pleasure, but because their presence in the army would undermine the morale of the troops. Second, the criteria that distinguish the first three classes are objective criteria but the criterion for membership in the last class is completely subjective. It could easily be determined who had a new home, a new vineyard, or a fiancee. But the membership of the last class, the timid, could be determined by no one except the individual himself. Let us assume, for the sake of argument, that we have totally misunderstood all the verses we have studied so far and that there was or a least could have been a draft in the Hebrew republic. In that case, this last class of men alone would destroy that possibility, for it is impossible to draft anyone when the potential draftee is made the sole judge of whether or not be is ineligible for service. Military service that precludes the service of the timid must, of necessity, be voluntary. Note also that the timid may not be forced to perform alternative service, i.e., there was no national service or conscientious objector status. He, like the members of the other three classes, was commanded to go home, not to carry bedpans or plant trees in the young adult conservation corps.

In his commentary on this passage Calvin writes: "God will not have more required from anyone than he is disposed to bear * * *. [T]he lazy and timid were sent home, that the Israelites might learn that none were to be pressed beyond their ability; and this also depends upon that rule of equity which dictates that we should abstain from all unjust oppression."

ROMANS 13:3-7

Lest anyone feel uneasy about the fact that all the verses (except for those referring to Nicodemus and John the Baptist) discussed so far have been from the Old Testament, we shall discuss a couple from the New. Not that this is necessary, of course, for the proper rule of interpretation of any law code is that any command not repealed is still in force. Those who wish to argue that the commands we have cited from the Old Testament are no longer binding must demonstrate where they have been repealed in the New. The New Testament need not repeat all the commands of the Old that bind us, if it is silent, the commands are still in force.

The Eighth Commandment has not been repealed, nor have the legitimate functions of government changed from the days of Samuel. Those who wish to argue that those functions have changed ought to cite their evidence. They cannot use the words of the Apostle Paul, for he wrote:

"For rulers hold no terror for those who do right, but for those who do wrong. Do you want be free from fear of the one in authority? Then do what is right and he will commend you. For he is God's servant to do you good. But if you do wrong, be afraid, for he does not bear the sword for nothing. He is God's servant, an agent of wrath to bring punishment on the wrongdoer. Therefore it is necessary to submit to the authorities, not only because of possible punishment, but also because of conscience. This is also why you pay taxes, for the authorities are God's servants, who give their full time to governing. Give everyone what you owe him: If you owe taxes, pay taxes; if revenue, then revenue; if respect, then respect; if honor, then honor."

In these verses Paul clearly lays down the purpose of civil government once again: to punish the wrongdoer. The purpose of government is not the punishment of innocent men, nor the education or rehabilitation of evil men, nor the redistribution of property. Justice is the end of government, not "social justice." But if that be so, then the government cannot punish innocent people by forcing them to labor in the army or the conservation corps for two or more years. This principle, no punishment without a crime, is so basic that we frequently overlook it. It was written into the U.S. Constitution by the Thirteenth Amendment: "Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist in the United States, or any place subject to their jurisdiction." It is characteristic of our times than an elementary principle such as this must be defended against those who favor sentencing innocent young people to two or more years of hard labor. Paul clearly says that the purpose of government is to punish the wrongdoer, not the innocent. A draft or a national service exacts forced labor from the innocent.

Also to the point is the silence of Paul about the right of a government to compel service. Romans 13 would have been the appropriate place for him to mention it, yet he does not do so. If the legitimate functions of government had changed from the time of Samuel, Paul most certainly would have mentioned the change in this passage where he lists the right of a government to collect taxes. His silence, and the silence of the rest of the New Testament on the point, speaks volumes. The Old Testament law is still in effect.

OBJECTIONS TO THE ARGUMENT

Most of the objections to our analysis of the Bible's view of the draft and national service will fall into two categories. First, those which challenge the binding nature of the Old Testament law on 20th century America; and second, those which cite other passages of Scripture in support of a draft. The first is the more quickly answered, for we have already answered it in principle.

All governments are subject to the moral law, and the draft poses a question of morality. I Samuel 8, Deuteronomy 20, and Romans 13 all draw out the implications of the Eighth Commandment for governments. There is nothing in the New Testament indicating that the Eighth Commandment has been repealed, that God now approves the draft and national service, or that government are permitted to kidnap their subjects and force them into slavery with God's blessing. Unless God has repealed his commands—as he has done with the Old Testament ceremonial and food laws—they are still in force.

The second objection does not dispute the perpetuity of the law, including its political applications, but attempts to show that there was in fact a draft in the Hebrew republic. These objectors cite verses such as this one from the first chapter of Numbers:

"Take a census of the whole Israelite community by their clans and families, listing every man by name, one by one. You [Moses] and Aaron are to number by their divisions all the men in Israel twenty years old or more who are able to serve in the army."

The problem with this verse and those like it is that it says nothing about a draft; it refers only to a census of the people. The earliest censuses in the U.S. were taken in a similar fashion, by writing down only the names of the male adults. The Old Testament nowhere says that the men thus counted were drafted into the army. Nor is it logical to say that the phrase "who are able to serve in the army" must mean that the census was a preparation for a draft. Even if the census were a military action, the existence of a draft still would not follow. Those who deduce a draft from these verses have invented some new laws of logic.

What, then, is the purpose of the census if it is not a preparation for the draft? The answer is given in Numbers 26: 53-54. Following a census taking, "The Lord said to Moses, 'The land is to be allotted to them as an inheritance based on the number of names. To a larger group give a larger inheritance, and to a smaller group a smaller one; each is to receive its inheritance according to the number of those listed.' " Another more speculative answer may be that the census was taken for the purpose of illustrating in macrocosm what Gideon's experience illustrated in miniature: that God is not on the side of the larger divisions. God had the able-bodied men of Israel counted and then used only a tiny fraction of them in the battles to conquer the Promised Land. In Gideon's case, out of over 600,000 able men, his army initially had only 32,000 and ultimately only 300. But if one looks at all the other data in Scripture on the numbers of the Hebrew army, nowhere will he find any figure even remotely approaching 600,000. To say that all the men in Numbers 1 were drafted is completely false. The census had nothing to do with a draft for there was no draft in the Hebrew republic.

There was, however, one census whose purpose was military. It could not have been for the conquering or dividing up of the land, for the land had already been conquered and divided. The account of this census is given in I Chronicles 21:

"Satan rose up against Israel and incited David to take a census of Israel . . . . but Joab replied [to David], "May the Lord multiply his troops a hundred times over. My lord the king, are they not all my lord's subjects? Why does my lord want to do this? Why should he bring guilt on Israel? . . . Joab reported the number of the fighting men to David. . . . But Joab did not include Levi and Benjamin in the numbering, because the king's command was repulsive to him. The command was also evil in the sight of God * * *."

Of course it was evil in the sight of God. That is what Samuel had said in I Samuel 8. Joab recognized the evil; he found it repulsive. Joab believed in limited government. It is too bad that so many who claim the name of Christ do not share Joab's apprehension of this truth. When the government considers registering men for the draft or national service, Christians must, like Joab, protest. "Are they not all Americans, are they not all innocent? Why does the government want to do this?" In 1917 a man by the name of John Gresham Machen did protest. Later to become the founder of Westminster Seminary and the Orthodox Presbyterian Church, Machen wrote these words to Members of Congress:

"The country seems to be rushing into the two things to which I am more strongly opposed than anything else in the world—a permanent alliance with Great Britain * * *, and a permanent policy of compulsory military service with all the brutal interference of the state in individual and family life which that entails, and which has caused the misery of Germany and France * * *.

"After a residence in Europe I came to cherish America all the more as a refuge from the servitude of conscription. That servitude prevails whether the enforced service be required by a vote of the majority or by an absolute government. Compulsory military service does not merely bring a danger of militarism; it is militarism. To adopt it in this country would mean that no matter how this war results we are conquered already * * *.

"I am not arguing against preparedness * * *. What I am arguing against is compulsion, which I believe to be brutal and un-American in itself, and productive of a host of subsidiary evils."

Machen's protest went unheeded, but at least he took the correct position on the draft. Today's Christians are not taking even the correct position. They, like David, have erred, and need to bring all their thoughts into conformity with Christ. In politics, that means advocating limited government, a government that does not have the power to compel young men or young women to labor in its service. Nothing less than this can stop our descent into savagery and totalitarianism.●

TREATMENT OF AMERICANS WORKING OVERSEAS

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. ULLMAN. Mr. Speaker, I wish to submit the report of the task force of the President's Export Council to study the tax treatment of Americans working overseas. Made up of members of the Subcommittee on Export Expansion of the PEC, the task force is chaired by Robert Dickey III, chairman and president of Dravo Corp. Mr. Dickey is a leader in the national and international business community. He and his fellow task force members have firsthand knowledge of the problems facing our citizens working overseas.

Mr. Speaker, there is growing concern that American jobs and exports may be affected by declining numbers of American citizens working abroad. It is generally recognized, for example, that an American engineer working on a construction project overseas is more likely to specify the use of American products in the design of that project than would a foreign national working in the job. While there are undoubtedly many factors influencing a firm's decision to hire an American for a job abroad, it is widely recognized that the tax treatment of Americans working abroad is a major factor.

In 1978, the Congress enacted the Foreign Earned Income Act in an effort to treat Americans working abroad who face unusual living costs more equitably and to provide assistance to Americans working in hardship situations. The effects of the 1978 act should become clear later this year, when information from tax returns for 1979 is available.

The report of the task force will aid in our further consideration of the tax problems of Americans working abroad, and I insert it in the RECORD for review by my colleagues:

REPORT OF THE TASK FORCE OF THE PRESIDENT'S EXPORT COUNCIL

I. THE SITUATION

Despite the enactment of the Foreign Earned Income Act of 1978, Americans are still being taxed out of competition in overseas markets. The result is a sharp loss in the United States share of overseas business volume in vital economic sectors. The current situation contributes to our negative balance of payments, a loss of U.S. jobs to our competitors, and the decline in U.S. presence and prestige abroad.

II. TASK FORCE RECOMMENDATIONS

Americans working overseas are essential to a viable export program. An increase in the number of Americans assigned abroad can increase our exports, reduce the negative balance of payments, enhance our country's image, and raise employment in the U.S.

Recognizing that it is in the best interest of our nation to encourage Americans to work overseas, the Task Force recommends the adoption of tax policies that are comparable to those of major competing industrial nations, none of which now tax citizens who meet overseas residency tests. We urge the development and enactment of new legislation to put Americans who work in the private sector overseas on the same tax footing as citizens of competing industrial nations. In the interim, the following remedial actions should be taken:

1. Regulations and interpretations in force under the current tax law concerning Americans living in camps in hardship areas (Section 911) should be simplified and made less restrictive, in keeping with the intent of Congress.

2. The current tax law concerning allowances to employees for excess living costs incurred while working abroad (Section 913) should be interpreted in the least restrictive and simplest manner.

3. Work should begin immediately to encourage enactment of a new tax law to put Americans working overseas on the same tax footing as citizens from competing industrial nations.

III. BACKGROUND

Foreign trade encouraged

Beginning in the 1920's, after the U.S. emerged from World War I as a major exporting nation, the income earned by Americans at work in foreign countries was virtually exempt or excluded from U.S. taxes, as a matter of public policy and by specific acts of Congress. The purpose was to encourage foreign trade. It was recognized that the export of U.S. goods and services depend, in large measure, on the presence of Americans in overseas markets.

The U.S. tax policy was not unique. All of our trading partners, and certainly all of the world's major producing nations, had long excluded income earned by citizens at work overseas from taxation.

In the early 1950's some revisions were made in the tax treatment of U.S. citizens working overseas. The principal aim was to halt abuses by highly paid movie stars. These revisions altered foreign residency tests and placed a ceiling on the amount of foreign-earned income that could be excluded. The income and allowances of most Americans working overseas was below the $20,000 limit, so they were not affected. They were not meant to be.

Additional technical adjustments were made during the 1960's in foreign residency tests and in the sums that could be excluded. By the mid-1970's the effects of inflation—rising living costs and rising salaries and benefits for overseas American workers—had overtaken the amount of foreign-earned income that could be exluded from U.S. taxes.

Policy shifts in 1976

Responding to misguided arguments that Americans overseas were being granted preferential tax treatment, Congress in 1976 reduced the exclusion to $15,000 and changed the manner in which it was computed so its maximum practical effect became about $3,000. The philosophy behind these provisions was directly contrary to the principles which had guided the United States tax treatment of overseas Americans for more than 50 years. Instead of encouraging Americans to work overseas, the 1976 amendments actually discouraged such employment. In fact, even before the 1976 amendments, it was becoming less attractive to work overseas. Inflation was running at between 50 percent and 300 percent higher than domestic inflation, a fact that should have been recognized by increasing the $20,000 exclusion rather than decreasing it.

Further, the Tax Court ruled in 1976 that employer furnished housing was taxable to employees at full local rental value, rather than the value of similar housing in the United States. These rulings were interpreted as a strong indication that employer contributions to offset extraordinary overseas living expenses—or so-called "keep whole" contributions—were taxable to overseas employees, whereas such amounts often may have gone unreported up to that time.

These rulings, when combined with the 1976 tax code revisions, produced effects that Congress and the Tax Court did not foresee. For example, in the oil-rich Middle East, the costs to an employer of maintaining an American worker at something approximating the standard of living he or she would have enjoyed at home could exceed the actual salary paid to that worker by three or four times. As a result, some Americans overseas became liable for more taxes than they received in real income.

The 1976 tax policy shifts on foreign-earned income actually amounted to a substantial tariff on our own goods and services by our own government.

Foreign Earned Income Act of 1978

After belatedly postponing the effective date of the tax code revisions, Congress moved in 1978 to remedy the devastating mistakes of 1976 with the Foreign Earned Income Act. Unfortunately, the 1978 Act is inadequate. The House of Representatives had passed a realistic bill, but the law that was eventually enacted represents a compromise with a more restrictive Senate version. Section 911 of the Act provides a $20,000 exclusion for overseas Americans living in qualified camps in remote hardship areas. Section 913 provides deductions for certain allowances for extraordinary overseas living expenses under fairly strict qualifications. Both Sections 911 and 913 are very complex. Moreover, regulations drafted by the Internal Revenue Service under the new law effectively reverse the intent of Congress by compounding the complexities beyond reason.

Even if the Foreign Earned Income Act of 1978 is interpreted in the least restrictive way possible, it is clear that overseas Americans are not currently competitive with citizens of other nations in terms of taxes.

IV. RATIONALE FOR RECOMMENDATIONS

Americans at work overseas direct business to our domestic economy. If we are to increase exports in order to bring our trade accounts into balance, we must encourage more U.S. citizens to accept assignments with American business overseas. Concurrently, we must continue to be sensitive to the geo-political ramifications of having more Americans working abroad. Overseas employees of American business are seen as representatives of our country. Through their participation and visibility in international business affairs, they can function as goodwill ambassadors whose work exemplifies America's ideals and values.

To achieve these benefits will require, among other things, that current tax laws bearing on foreign-earned income be changed. At present, our nation's tax policies discourage the employment of Americans overseas. Many American companies doing business overseas, especially in the manpower-intensive service industries, are sending American employees home in order to keep some vestige of market share. For example:

Recruiting firms in France, Germany, Italy and the United Kingdom report they are swamped with requests for qualified citizens of their respective countries to replace Americans who are being forced home by U.S. tax policies.

Several leading U.S. contractors in the Middle East have reduced their American staffs by more than half, and adopted hiring policies overseas that specifically exclude Americans on future work.

The University of Petroleum and Minerals in Saudi Arabia says Americans now make up less than 30 percent of its teaching staff, compare to more than 80 percent several years ago.

Replacing American employees with citizens of other countries is the only way American compaines can remain competitive. This means that as U.S. companies operating overseas "de-Americanize," sales of goods and services move away from this country and toward the competing industrial nations.

A report by the Government Accounting Office suggested that the impact of current U.S. tax policies for overseas Americans might be very significant—with a reduction of 5 percent or more of total exports or a loss in overseas sales of at least $6 to $7 billion, based on available data. And the GAO report cautioned that its projections might well prove conservative.[1]

The Commercial Counselor of the Embassy of Saudi Arabia recently observed:

"U.S. tax treatment of American companies doing business in foreign countries makes them less competitive *vis a vis* European and Japanese (and other) companies, which receive better tax treatment from their governments. In the case of Saudi Arabia, it is noticed that American companies, in order to overcome the higher costs resulting from the unfavorable tax treatment, have tended to hire non-American engineers and other skilled personnel. Naturally, these prefer equipment and specifications originating in their countries (European or Japanese, etc.), which represent a loss in American exports to Saudi Arabia. Thus, the end result of U.S. tax treatment of American personnel working abroad has been a net loss of American sales abroad."

That means a loss of jobs in our economy. Estimates vary. Using the low end of the Department of Commerce estimate that for every $1 billion in new economic activity between 40,000 and 70,000 jobs are created, a loss of 5 percent of our current overseas export volume—or about $7 billion in economic activity—would produce a job loss of 280,000. Using the same Department of Commerce figures, if the U.S. decided on policies to increase exports by at least $30 billion annually as a means of bringing the trade accounts into balance, at least 1.2 million new jobs would result.

If we increase our nation's exports we will increase job opportunities for Americans at home and abroad. In order to achieve such improvement, we must re-assess our tax policies. We also must write new tax laws directed at placing Americans on a competitive footing with other nationals in overseas markets.

V. CONCLUSION

The principal underlying the taxation of Americans working in other countries should be to encourage, rather than discourage, employment with U.S. business overseas. The implementation of this principle through changes to the Internal Revenue

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[1] Impact on Trade of Changes in Taxation of U.S. Citizens Employed Overseas, Report to the Congress, Comptroller General, February 21, 1978, page 10.

Code will increase the number of U.S. citizens who are willing to work overseas, resulting in an increase in American exports.

Respectfully submitted,

ROBERT DICKEY III.
JOHN WOOD BROOKS.
D. L. COMMONS.
MAURICE SONNENBERG. ●

IDA NUDEL

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. CAVANAUGH. Mr. Speaker, I would like to take this time to reaffirm my support for Ida Nudel, probably the most outstanding prisoner of conscience who is incarcerated in the Soviet Union today. She has been sentenced to 4 years of exile in the wastelands of Siberia for hanging a banner on her apartment balcony which said, "KGB, give me my visa." The continued imprisonment of Ida Nudel and many other prisoners of conscience, coupled with the systematic harassment of the many hundreds of their families not only violates the Helsinki agreement, a pact that the Soviets initiated and promoted, but also serves as a harsh reminder that a climate of suppression of basic freedoms still remains in the Soviet Union.

Even though Ida has been removed from Soviet society, this has not satisfied the government authorities. They are currently conducting a campaign of slander against her in the newspapers. She is being further defamed every day.

Ida Nudel has dedicated her life to a simple commitment to human dignity and freedom. She is as courageous and determined as ever. Even from the depths of the Gulag, her voice continues to reach the world. By speaking out once again on her behalf, let all know we shall not cease our interest and efforts to secure her freedom, and to protect Soviet Jewry against repression.

Last November Congress passed a resolution, which I cosponsored, condemning her imprisonment and demanding that she be permitted to rejoin her family in freedom. I would now recommend that the State Department find and impose some kind of economic or diplomatic sanction against the Soviet Union specifically to remind the U.S.S.R.'s leadership of congressional concern for Ida Nudel and the many other prisoners currently detained in the Soviet Union. Continued expressions of congressional concern are important, but executive action will eventually be necessary if that concern is to be meaningful.●

A PARFIT GENTLE KNIGHT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1980

Mr. BINGHAM. Mr. Speaker, I am grateful to our colleague from Illinois, PAUL SIMON, for providing us with this opportunity to express our feelings about Cyrus Vance.

During his tenure as Secretary of State, "Cy" Vance kept in close touch with the House of Foreign Affairs Committee and he earned our admiration, respect, and affection. Above all, we appreciated the fact that he would never deceive or mislead us; on the contrary, he was always straightforward. Moreover, he was not afraid to answer a question with a simple "yes" or "no." Even when we disagreed with him—which was not often—we knew that his position was one of principle.

It is a mark of the man that when he found himself in profound disagreement with his President, he resigned. Not many people have given up a high office, with all its perquisites and honors, for such a reason.

Just as he won the respect and affection of the Members of Congress with whom he worked, Secretary Vance had established a splendid working relationship with a host of world leaders, especially the Foreign Ministers of our friends and allies.

I have had the privilege of knowing Cy Vance for some 40 years and have admired the quality of his public service in many different capacities. Shortly after I came to Congress in 1965, a group of us from the House went to Mr. Vance, who was then Deputy Secretary of Defense to express our dismay that a U.S. aircraft carrier was about to make a formal visit to Capetown, South Africa, on its way back from Vietnam, thus giving the South Africans a propaganda victory. Vance at once saw the implications of the proposed visit and took steps to see that the carrier's officers and men not be subjected to South Africa's laws of apartheid, which meant in the end that the visit, except for refueling, was canceled.

In the same tradition, as Secretary of State, Vance followed a forward looking and determined policy with respect to Rhodesia, which eventually, with the British playing a remarkable role, led to the emergence of the independent Zimbabwe under conditions that seemed impossible to achieve as late as 2 or 3 years ago.

Secretary Vance was also steadfast in his pursuit of the Panama Canal Treaty and SALT II. The Congress finally accepted the one and might also have ratified the other had the Soviet not invaded Afghanistan and changed the whole climate of East-West relationships.

In all his undertakings Cy Vance pursued his goal with determination, patience, and utter honesty. He never sought to advance himself. He was always considerate and courtly. He was indeed the modern prototype of Chaucer's "parfit gentle knight."

Sometimes, but not always, a Secretary of State and his wife work well as a team. This was true to an exceptional degree of Cy and "Gay" Vance. In addition to accompanying the Secretary on his many trips abroad and in helping with the entertainment of visiting dignitaries in Washington, Mrs. Vance set up a series of valuable briefings for congressional spouses and worked with appropriate groups in the State Department to improve the morale and efficiency of State Department families, both abroad and at home.

As they leave Washington for the time being, the Vance's many friends, both on and off the Hill, wish them well. We know that they will continue to serve their community, their country, and the world in important and constructive ways.

WEST BANK SETTLEMENTS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. McCLOSKEY. Mr. Speaker, despite worldwide opposition, Israel has continued its West Bank settlement expansion policy. This policy has clearly been inflamatory and has not assisted the securing of peace in the Middle East.

For this reason, it is my intention tomorrow to offer an amendment to the International Security and Development Cooperation Authorization Act, H.R. 6942, requiring the President to certify to Congress that no money given to Israel under title II, economic support funds, shall be used to support expansion of settlements on the West Bank. The amendment restates longstanding U.S. policy. It does not cut aid to Israel. It does not demand that Israel use the assistance funds in a particular way.

This amendment supports the basic principle of economic support funds, U.S. trade agreements with Israel, as well as the President's policy on the West Bank settlements. While economic support funds are intended to be used to promote stability and peace, they may not be used for military or paramilitary purposes under chapter 32, section 2346(c) of the Foreign Assistance Act. This is particularly applicable in the case of the West Bank settlements since the Israeli position has been that the settlements are justified for security purposes and presumably for military security purposes.

Similarly, the U.S. AID loan agreement with Israel states that Israel "shall use its best efforts to restrict the purchase of eligible items to purchases for use within the geographic areas which were subject to State of Israel administration prior to June 5, 1967." While the phrase "shall use its best efforts" may be open to interpretation, the intent of the agreement is not. Israel cannot use AID funds to purchase goods for use in settlements on the West Bank.

The administration's policy with respect to West Bank settlements is also quite clear. President Carter has stated on a number of occasions that the Israeli's West Bank settlement expansion policy "is illegal and an obstacle to peace."

Arriving at a solution to the Palestinian controversy concerns more than just the Camp David parties, and peace cannot long endure in the Middle East without a resolution to the West Bank settlement issue. Expanding the Israeli settlements does not promote peace, and such expansion can only strengthen the misgivings that many nations have about Israeli intentions for permanent annexation of Judea and Samaria, the announced goal of at least one of the political parties which form the Begin government's ruling coalition.

My amendment is worded in the same manner as the comparable restriction on aid to Syria—on page 19 of the bill—and reads in full as follows:

> (2) Funds appropriated to carry out this chapter for the fiscal year 1981 may be made available to Israel only if the President determines and certifies to the Congress that such funds will not be used for the construction of new settlements, or the construction of additional facilities at existing settlements, on the West Bank.●

REPEAL OF AGE RESTRICTIONS ON EMPLOYMENT IN FEDERAL PRISONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. GILMAN. Mr. Speaker, I rise to announce that I have introduced legislation to correct serious discriminatory practices in Federal hiring.

Public Law 93-350 permits the Attorney General to promulgate regulations which prohibit the hiring of anyone over the age of 35 to work in any capacity within a Federal prison, regardless of that person's qualifications, experience, or physical condition. This same law allows detention workers to be involuntarily retired at age 55, solely because of their age.

Mr. Speaker, this law, and the regulations that have been promulgated under its authority, constitute "ageism"—discrimination because of chronological age—at its worst.

The bill I have introduced today will not entirely eliminate the maximum age limit for appointment. Rather, it will provide that no one, age 40 or under, could be refused a position based on his or her age, and raises the mandatory retirement age to 60. However, I would hope to expand these limitations further if experience shows that such an expansion is appropriate—as I fully expect will be the case.

The rationale for the law as it stands today is the necessity of assuring a young and vigorous work force in our Federal prisons. However, youth—particularly as measured by chronological age—is not a bona fide occupational qualification for working in a prison as a guard, much less as a janitor, cook, or secretary. If this were the case, then we would be retiring people on a mandatory basis at age 35, and no one seriously makes such a contention.

The fact is that if a person is physically unable to carry out his or her functions as a law enforcement officer within the confines of a prison, he can and should be removed from that position. There is no reason to believe, however, that, say, a vigorous 36-year-old cannot serve in such a position. If he or she can serve, he ought to be permitted to be appointed.

Mr. Speaker, a Federal correctional facility is about to open in Otisville, N.Y., in my congressional district. I have been approached by numerous constituents who are highly qualified for Federal service but have been barred from working within the facility because of the existing restrictive rules promulgated under Public Law 93-350. The time has come to repeal the authority for this discriminatory Justice Department policy.

Mr. Speaker, I insert the bill I am introducing today in full at this point in the RECORD and I invite my colleagues to join me in sponsoring this measure.

The bill follows:

H.R. 7447

A bill to amend sections 3307(d) and 8335(b) of title 5, United States Code, with respect to age limits for appointment and mandatory retirement of law enforcement officers engaged in detention activities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3307(d) of title 5, United States Code, is amended—

(1) by striking out "The" and inserting in lieu thereof "(1) Except as provided in paragraph (2), the", and

(2) by adding at the end thereof a new paragraph as follows:

"(2) The maximum limit of age for original appointments to a position as a law enforcement officer whose duties primarily involve detention activities may not be fixed under paragraph (1) at an age lower than 40 years."

SEC. 2. The first sentence of section 8335(b) of title 5, United States Code, is amended—

(1) by inserting ", or 60 years of age in the case of a law enforcement officer engaged primarily in detention activities," after "55 years of age", and

(2) by striking out "that age" and inserting in lieu thereof "the applicable age".●

TRIBUTE TO THE REVEREND GEORGE A. O'GORMAN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. GUARINI. Mr. Speaker, recently in Hudson County there was a testimonial dinner marking the retirement of a man of God. The contributions of this individual have been so outstanding that I would be remiss if I did not share them with my colleagues.

The Reverend George A. O'Gorman, pastor of Our Lady of Fatima Church in North Bergen, retired after serving as a Franciscan priest for 44 years. A native of Jersey City, Father O'Gorman served after his ordination as assistant in St. Bridget's church in North Bergen.

During World War II, Father O'Gorman put in many years of distinguished service as an Army chaplain. He was decorated with five battle stars. Because of his love for his country, Father O'Gorman served following the war for many years as chaplain of the 50th Armored Division of the State National Guard.

For the past 17 years, he has been pastor of Our Lady of Fatima Church. Prior to being a pastor, he served at All Saints Church in Jersey City. His work with the senior citizens in the area was outstanding.

I would like to quote his philosophy on older Americans:

> There seems to be some sort of misconception going around that the older you get, the less useful you become. All you have to do is look at the achievements of many older people to realize how wrong that all is.

Besides his work with seniors, Father O'Gorman also has been the moderator of the South Hudson District of the Archdiocesan Council of Catholic Men. He is a member of the Archdiocesan Building and Sites Commission also.

Father O'Gorman was the first and only pastor in the history of Our Lady of Fatima Church, one of the most beautiful structures in the State of New Jersey. He was honored by the North Bergen Township Board of Commissioners, when they proclaimed "Rev. George O'Gorman Day" throughout their area in appreciation for this building of the new church and social hall located at 81st Street and Kennedy Boulevard, and for the pastoral supervision and guidance he gave to his 2,250 parishioners.

Father O'Gorman is retiring to a seminary in Springfield, N.J.

He leaves an indelible mark in the minds and hearts of so many people whom he touched.

Father O'Gorman, as he is known in religious circles, and "Beachhead O'Gorman," as he is known in veterans' circles, may have retired physically from Hudson County; however, he will never be retired in the memory of those he served working for God and country.●

DON A. PRUETT—OUTSTANDING EDUCATOR

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. THOMAS. Mr. Speaker, I would like to tell my colleagues about one of the people responsible for the success of public education—Principal Don A. Pruett of the Longfellow Elementary School in Bakersfield, Calif.

Don Pruett has dedicated most of his life to guiding and educating the schoolchildren of Bakersfield, and he has done an outstanding job. As he leaves Longfellow School for what may be his final assignment before retirement, I would like to pay tribute to his nearly three decades of service to his community and his country.

Mr. Pruett, a native Californian, graduated from high school in Bakersfield and joined the U.S. Navy during World War II. Following his discharge from the Navy after the war, he attended Bakersfield College and then College of Pacific, graduating with a bachelor of arts degree, a credential in education, and a deep commitment to his chosen field.

Mr. Pruett had completed a tour of duty in the Navy and his college education as well by the age of 24, when he began his teaching career in the Bakersfield City School District.

After obtaining credentials in counseling and school administration, Mr. Pruett became a counselor and then a school principal at several schools in Bakersfield before coming to Longfellow School in 1974.

He has been widely recognized during his career for his work in teaching our students the origins and responsibilities of the freedoms we enjoy as American citizens. For programs he has conducted with the PTA to teach proper display and handling of the American flag, the Freedoms Foundation of Valley Forge has awarded schools under Mr. Pruett's guidance its medal of honor. Mr. Pruett has received the American Educators Medal Award for outstanding leadership in education and the principles of freedom in our country.

Mr. Pruett is an active leader in all aspects of public education. He is a life member of the Parent, Teacher Association, Phi Delta Kappa, a Freedoms Foundation member and recipient of its 1970 scholarship award, and past president of the Bakersfield City Schools Men's Club.

Mr. Pruett has served on the superintendent's task force committee and public relations advisory committee. He has also served on many committees of the California Teachers Association, and in the community he has been president of the Henrietta Weill Child Guidance Clinic, a member of the Assistance League Advisory Board and Heart Association Scholarship Committee. The list of Mr. Pruett's community interests is long and varied.

Mr. Pruett's connections to the Longfellow School are more than professional. His wife Shirley attended the fifth and sixth grades there, his four children attended all grades there, and his first grandchild is now in kindergarten at Longfellow School.

As you can see, Mr. Speaker, Mr. Pruett and Longfellow School have come full circle.

Now he is leaving Longfellow, but he leaves behind a tradition of striving for the finest education possible. His motto as an educator has been, "Freedom is not to do as you want, but to do as you ought."

That is fine advice for our young people.●

EVIDENCE BUILDS AGAINST MARIHUANA

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. MAZZOLI. Mr. Speaker, no sensible, thoughtful legislator could take any action—or refrain from any—which would tend to legalize marihuana, in the face of mounting evidence of the drug's harmfulness to its users, especially its young users.

The following article from the New York Times of May 21 details the hazards to the health of marihuana users:

THE EVIDENCE BUILDS AGAINST MARIJUANA

(By Jane E. Brody)

Millions of marijuana-smoking young Americans, jaded by alarmists and politically motivated but poorly documented reports of marijuana's alleged risks, are convinced that it is a safe drug, especially when compared to alcohol.

However, as a growing number of persons smoke a more potent marijuana at ever-younger ages, scientists are gathering an impressive—though still inconclusive—body of evidence indicating that the nation's second leading recreational drug (alcohol is No. 1) is indeed hazardous to health.

In fact, some leading drug experts who once dismissed marijuana as a drug of minor consequence now express serious concern about the possible risks and patterns of use, particularly among teen-agers.

Among those who now take a dim view of marijuana are Dr. Sidney Cohen, a drug expert at the University of California at Los Angeles, who once described marijuana as "a trivial weed," and Dr. Robert L. DuPont, former director of the National Institute on Drug Abuse, who had lobbied for marijuana's legalization.

According to these and other experts, it is no longer possible to say that marijuana is an innocuous drug with few if any health effects aside from intoxication. Although the evidence for immediate effects on the brain is most convincing, a number of recent studies show damaging effects that suggest long-term health hazards involving many different body functions. These include the heart, lungs and reproductive organs.

The problem with accurately defining the hazards of marijuana is that the way in which it is used by Americans has not yet been subjected to long-term study. Decades of experience with marijuana in other countries is not necessarily relevant here, where a stronger form of the drug is used, primarily by people in their formative years, and where patterns of inhalation are likely to differ.

It may be 20 years or more before the necessary studies can be conducted among Americans. Therefore, it is especially important to heed the "early warning signs" of the long-term hazards of smoking marijuana. One need only recall that it took half a century of heavy cigarette smoking by millions of Americans before the health risks of tobacco were widely recognized. By then, so many had become so hooked on the "innocuous weed" that today, 25 years after the first major report on the health hazards of cigarettes, more than 50 million Americans still smoke cigarettes, and smoking remains the nation's leading preventable cause of illness and premature death.

The following are among the reasons for the mounting concern about marijuana:

PATTERNS OF USE

Some 43 million Americans have tried marijuana and the latest national survey in 1977 showed that 16 million were current users. Current users included 4 percent of 12-year-olds, 15 percent of 14-year-olds, and 31 percent of 18- to 21-year-olds. More than four million youngsters aged 12 to 17 were using marijuana in 1977, and one in nine high school seniors used marijuana daily. The survey showed that the proportion of youngsters who had begun using marijuana before the ninth grade had nearly doubled since 1972.

Marijuana is far less popular among adults, and most who use it tend to smoke it only occasionally. There is relatively little concern about occasional use by adults, except for pregnant women and persons with heart disease, lung disease or emotional disorders.

POTENCY

Drug experts are disturbed about the rapidly increasing potency of the marijuana generally available to Americans. In 1975, the average sample of confiscated marijuana contained 0.4 percent of the mind-altering chemical THC (tetrahydrocannabinol). By last year, because of improved cultivation practices, the average was 4 percent of the active drug—a tenfold increase in potency. And one cultivated form increasingly available in this country contains 7 percent THC.

This is especially worrisome because, unlike alcohol, which is soluble in water and rapidly washed out of the body, THC and related cannabinoids in marijuana are fat-soluble and can remain and accumulate in the body for a week or longer after marijuana is smoked.

BRAIN EFFECTS

Immediate effects on the brain are the least controversial and best defined of marijuana's hazards. Like alcohol, marijuana is intoxicating and a marijuana high impairs memory, learning, speech, reading comprehension, arithmetic problem-solving and the ability to think. Long-term intellectual effects are not known.

Some researchers have described what they called "a motivational syndrome" among young marijuana smokers, who, with frequent use of the drug, tend to lose interest in school, friends and sexual intercourse. However, it is not known whether marijuana use is a direct cause or merely one symptom of a general underlying problem. Persistent brain abnormalities and changes in emotion and behavior have been demonstrated in monkeys given large doses of marijuana.

Also like alcohol, marijuana interferes with psychomotor functions such as reaction time, coordination, visual perception and other skills important for driving and operating machinery safely. Actual tests of marijuana-intoxicated drivers have clearly shown that their driving skill is impaired, yet they tend to think they are driving better than usual. In several surveys 60 to 80 percent of marijuana users said they sometimes drive while high.

Although not physically addicting, people can become psychologically hooked on the drug. Marijuana may aggravate existing emotional problems. The most common adverse emotional effect is an "acute panic reaction," in which the user may become terrified and paranoid and require hospital treatment. In 1978, some 10,000 persons were treated in hospital emergency rooms for adverse marijuana reactions.

LUNG DAMAGE

Marijuana cigarettes are unfiltered and smokers tend to inhale deeply, exposing sensitive lung tissue to potent, irritating chemicals. One study among marijuana smokers showed that five marijuana cigarettes a week were more damaging to the lungs than six packs of cigarettes smoked over the same period. Marijuana smoking irritates the air passages and diminishes the amount of air the lungs can hold and exhale, the studies show.

Like tobacco, marijuana smoke impairs lung defenses against infections and foreign inhaled matter. In animal studies, it has caused extensive lung inflammation. Bronchitis may occur in people who smoke marijuana regularly.

Marijuana smoke contains 150 chemicals in addition to THC, and the effects of most of these are not known. One ingredient is benzopyrene, a known cancer-causing agent that is 70 percent more abundant in marijuana smoke than in tobacco smoke. There is also more "tar" in marijuana than in high-tar cigarettes. When painted on the skin of mice, marijuana tar can produce tumors. However, there is as yet no good evidence of any cancer-causing effects in people. If there is such an effect, it is not likely to become apparent for another two decades.

HEART EFFECTS

Marijuana has an even greater effect on heart function than tobacco. It can raise the heart rate by as much as 50 percent. This is of no known consequence to young healthy persons. But in those with poor heart function, this effect can be dangerous and may also produce chest pains (angina). Most doctors would caution heart patients to steer clear of marijuana.

HORMONE AND REPRODUCTIVE EFFECTS

Several, but not all, studies have shown that marijuana smoking can lower the level of the male sex hormone, testosterone, in the blood, though it usually remains within the range of normal. Sperm abnormalities, including reduced numbers of sperm and abnormal sperm movement and shapes, have also been found in relation to marijuana use.

In females, preliminary studies suggest an adverse effect on the menstrual cycle in 40 percent of the women who smoke marijuana at least four times a week. The result may be infertility. In animal studies, the levels of growth hormone and the female sex hormones, estrogen and progesterone, have been reduced by marijuana.

Marijuana can cross the placenta and reach the developing fetus; pregnant monkeys given THC were far more likely to suffer abortions or deliver dead babies.

Studies by Dr. Gabriel G. Nahas of Columbia University showed an effect of marijuana on the hypothalamus, the body's master gland that directs the functions of other hormone-producing glands.

IMMUNE IMPAIRMENT

Evidence from both animal and human studies have suggested damage to basic body defenses against disease. However, it is not known whether marijuana smokers are any more likely to get sick than other persons of similar life circumstances. As the National Institute on Drug Abuse concludes in its latest report to Congress on marijuana: "It is very difficult to anticipate the problems which will arise in a given society in advance. Thus, any attempt to compare the health impact of marijuana with that of alcohol and tobacco at current levels of use is certain to minimize the hazards of marijuana." ●

A TRUE CONTRIBUTION TO OUR FUTURE

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. GUDGER. Mr. Speaker, I would like to ask my colleagues a question I have, from time to time, pondered. How many of the actions we have taken here in the Congress will be remembered 10 years from now? Or even 5?

This question comes to mind as I pause to pay tribute to a woman who should never have any doubts about her contributions to the future, a fine teacher whose efforts have produced 50 years of competent, capable young graduates going forth into the world.

Sister Ann Zeleznik retires Friday after some five decades as a teacher of young women at St. Genevieve-of-the-Pines School in Asheville, N.C. During those years, she has guided literally thousands of young women through the St. Genevieve's Secretarial School.

Born and educated in Cleveland, Ohio, she went to work as a secretary to the U.S. attorney for that district.

But, in 1929, she felt a higher calling and left that position to enter the convent in Asheville. Sister Ann taught at St. Genevieve's until 1955 when she was named director of the newly formed secretarial school. Her students, past and present, can testify to the diligence with which she met her responsibilities—a diligence which resulted in not one single failure at the school.

Many of her students have received citations for the speed and accuracy of their shorthand skills. Her graduates are employed throughout this country in private business as well as Federal, State, and local governments.

Despite her devotion to education, Sister Ann has also found time to serve numerous civic functions in Asheville and Charlotte.

Her retirement Friday marks the end of an era at St. Genevieve's and in the Asheville area and an example of dedication from which I feel we may all learn a little more about the meaning of service to our young people.●

NO SENSE OF SHAME

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. MICHEL. Mr. Speaker, on December 19, 1979, I addressed the House on the subject of "President Carter and National Security: An American Tragedy." At that time I spoke of the President's then-recent address in the East Room of the White House, December 12, 1979, in which he contradicted or ignored his own weak defense policies, and using tough-sounding rhetoric, appeared to suggest he was willing to build our national defense. "Our defense programs must be tailored to match our responsibilities," said the President.

In my remarks I presented the dismal and dangerous record of this administration in the field of defense. I reminded our colleagues of the cancellation of the B-1 bomber, of the failure to keep our Navy strong, of the deteriorating conditions of our weapons systems, including the tanks we now have in Europe. I then said:

> For the present, I simply wanted to place the President's record against his new rhetoric. It may well be that he has undergone a deep conversion in regard to defense policies. But his record suggests that we wait until we can see if this new-born approach is rooted in principle or in a mixture of politics and polls.

Five months later we know that it is the "mixture of politics and polls," not a realization of the desperate shape of our Armed Forces, that brought about the change in Presidential rhetoric. The President has no more understanding of our defense needs now than he did when, as a Presidential candidate, he called for a $5 to $7 billion cut in defense spending. Inability or refusal to learn from errors, misguided idealism, faulty intelligence—in both senses of the word—and lack of strategic vision are still at the heart of the Carter defense policies.

The President now has gone so far as to inform the Congress that the additional $6.2 billion the House approved for weapons procurement would hurt rather than harm defense. Needless to say, Secretary of Defense Brown has joined the President's attack on the increased defense spending. Can anything be more incredible than to have a President and a Secretary of Defense who, only a few short months ago were saying we needed stronger defense, now telling us we are asking for too much in defense spending?

To make matters worse the President's recent trip to the aircraft carrier *Nimitz* provided yet another example of the politics-as-usual approach this administration brings to defense policy. He told the men of that task force that he was raising their pay. Shrewd politics some might say. But I call it shameful particularly when we realize that this raise will come about only because he will not veto the Nunn-Warner bill. According to the Wall Street Journal the President "adamantly" opposed such raises "until he landed on the *Nimitz* flight deck Monday."

Anyone who has lived in Washington for even a short time can become immune to the cynicism and hypocrisy that passes for policy in Presidential election years. But the President's stand on defense and his blatant politicking on the deck of the *Nimitz* would make anyone lose faith in the political system.

At this time I insert in the RECORD, "No Sense of Shame" from the Wall Street Journal, May 28, 1980:

NO SENSE OF SHAME

So Jimmy Carter goes out to greet the men of the Nimitz task force, nine months at sea, and announces that he is raising their pay. That is, he will not veto the Nunn-Warner bill for higher reenlistment pay and other bonuses, which overwhelmingly passed the Senate, but which Mr. Carter had adamantly opposed until he landed on the Nimitz flight deck Monday.

On days when he is not posing as the best friend of 6,500 sailors, Mr. Carter is doing everything he can to resist rearmament measures nearly everyone else recognizes as necessary. Consider, the President on May 15 sent an extraordinary letter to Chairman John C. Stennis of the Senate Armed Services Committee warning that the extra $6.2 billion the House approved for weapons procurement would hurt rather than help national defense.

The $6.2 billion addition, Mr. Carter wrote, "could adversely affect today's military readiness by forcing offsetting reductions in operations and personnel accounts."

In a follow-up to Mr. Carter's letter, Defense Secretary Harold Brown last week wrote to Senator Stennis saying that "the House bill would result in a serious misallocation of defense budgetary resources within the total, especially between the operating and investment accounts." He continued that the increased funding "creates a serious imbalance in the President's defense program, places undue stress on our scarce economic resources, and ironically jeopardizes the added military capability we all seek."

In short, Mr. Carter and his defense secretary are using the fictitious balanced 1981 budget as a club with which to beat back military preparedness. they blandly assume that nothing can be cut anywhere else in the budget to spend more on defense, so that if Congress decides to spend more on weapons it must spend less on military personnel. Of course, when proposals were made to finance more military spending by reducing social programs, Mr. Carter and Mr. Brown lobbied against those too. And Mr. Brown's Pentagon and Mr. Carter's budget office conspired to meet the President's pledge of a 3 percent real budget increase by holding down spending in the base year rather than increasing it in the future.

The fact is that Mr. Carter's revised budget plans for fiscal 1981 are not significantly different from his "pre-Afghanistan" proposals announced in January. The defense budget does not provide for sufficient purchase of spare parts, fuel or ammunition; spending on research and development in new weapons systems is less than requisite; and the procurement budget is not even adequate to replace the number of planes taken out of service or wrecked each year, and the services are losing qualified personnel at an alarming rate.

An increase in defense spending would not place "undue stress' on our economic resources; military outlays as a percentage of gross national product remain well below the historical levels that have prevailed in peacetime since World War II. Budget deficits are due not to the Pentagon but to the meteoric rise in transfer payments to individuals over the last decade.

Congress is recognizing these imperatives, in both Senate passage of the Nunn-Warner bill on personnel and House passage of the larger procurement budget. The various maneuvers of Mr. Carter and Mr. Brown, including tasteless trips to the Nimitz, can only be understood as a rear guard action intended to hold back the public and congressional pressure for more military preparedness, and keep defense spending as low as politically possible.●

IN PURSUIT OF FREEDOM

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. HYDE. Mr. Speaker, every Member of this body is aware of the fate of Soviet Jews seeking to emigrate to Israel. I have previously spoken on behalf of individuals whose human rights have been violated, and I today bring to the attention of my colleagues the struggle of Elena Oleynik of Kiev. Elena's story is all too familiar, one whose final chapter has yet to be written.

Approximately 6 months ago the congregation of the Oak Park Temple—located in my congressional district—adopted a refusenik, Elena Oleynik. Their attempts to help in her desperate fight for freedom have so far been unsuccessful.

The Soviet's campaign of harassment against Elena and her family began when she and her husband were denied a visa to emigrate to Israel in March 1978. In June, Elena and her two brothers were threatened by the KGB with the same fate as Anatoly Sharansky; that is, constant harassment, false criminal charges, and heavy prison sentences under the harshest of conditions. The Soviets carried through their threats. In August 1978, Elena and her brothers visited the U.S.A. exhibition of agricultural achievements in Kiev and wrote words of congratulations on the American achievements in the visitors' book. They were taken to the police station and accused of being criminals who supported "the fascist capitalist system" because of their words of praise. They were picked up by the police after visiting a friend and accused of "petty hooliganism" and fined. They were then physically prevented from leaving Kiev to attend a press conference to be held in Moscow. On another occasion Elena was held by the KGB, put through 4½ hours of interrogation, searched, and all personal belongings confiscated because she resembled a well-known criminal who was robbing private apartments. Elena and her family are constantly under surveillance, the police close on their footsteps wherever they go.

The most recent and probably the harshest punishment Elena has suffered occurred last October. A group of Kiev refuseniks were granted an interview with a senior official of the Ukrainian Supreme Soviet—an obvious setup. When they approached the office building they were arrested. A few members of the group were released immediately, but Elena, her husband and her two brothers were given a sentence of 15 days in jail. On October 27, Elena and her brother were accused of having been guilty of infringement of prison regulations—the actual infringement was not specified—and were given a further sentence of 15 days in a punishment cell, where they were given food only once every other day.

The bottom line—anyone fighting for his human rights becomes a victim of a carefully planned program of persecution, his much publicized fate set up as a warning to all other Jews in Kiev who might be thinking of applying to emigrate.

Elena's fight for freedom will go on. Her friends in Oak Park will continue their efforts to help her gain that which we as Americans hold so dear.●

GOVERNOR THOMPSON PROMOTES COAL

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. CORCORAN. Mr. Speaker, earlier this month, Illinois Governor James R. Thompson addressed the International Coal Show, held at McCormick Place in Chicago.

The Governor's keynote speech called for a substantial Federal role in promoting the production and use of coal. As the only Illinois member of the Energy and Power Subcommittee, I am particularly interested in the use of coal, especially high-sulfur Illinois coal. Illinois is one of the top coal producing States in the United States today.

Governor Thompson's comments were most timely, as the Energy and Power Subcommittee is currently considering the administration's plan to back out the use of oil by utilities, introduced in the House as H.R. 6930. While I question the approach proposed by this legislation, I am committed to doing what I can to promote the production and use of coal in this country.

Mr. Speaker, I commend to my colleagues the keynote speech delivered by Governor Thompson on May 5 to the International Coal Show, held at McCormick Place in Chicago. Below is the text of the Governor's press release which summarizes his coal speech:

Governor James R. Thompson said Monday that the survival of the Nation's economy will demand major changes in Federal policy to permit the use of coal and promote development of other domestic energy resources.

In a keynote speech prepared for the opening of a four-day American Mining Congress International Coal Show at McCormick Place, Thompson called for a non-partisan "politics of power" to help bring about changes in Federal law and regulations which prevent the tapping of coal reserves.

"We cannot survive so long as we keep our coal industry in parking gear and keep sitting on 80 per cent of our fossil fuel resources while we keep our economy more than 80 per cent dependent on other fuels," Thompson said.

"We cannot survive so long as we refuse to think big, think bold and act now on getting ourselves up and out of the energy pit we've dug ourselves into."

Thompson called on both national political parties and the coal industry to back a five-point "blueprint for domestic energy production" drawn up by the Nation's 19 Republican governors and now under review by the National Governors' Association and Members of Congress.

Thompson noted that the plan incorporates some of the proposals for encouraging coal use made recently by the bi-partisan President's Commission on Coal headed by West Virginia Governor Jay Rockefeller on which Senator Charles Percy of Illinois served.

"This is not just a Republican plan," he said, "it's the kind of plan we need to act on for the survival of our republic.

"Its 19 authors represent 42 per cent of our Nation's people, two-thirds of our oil and gas resources, 40 per cent of our coal production and nearly half of our nuclear power generation."

He said the plan is "reasonable, do-able with today's technology, and, most importantly, it strikes the proverbial 'better balance' politicans keep saying we have to strike between the ideals of a perfect environment and the realities of our industrial society."

Thompson said the plan calls for the Congress and the Administration to restructure and redirect national energy and environmental policies around five "common sense principles:"

"Restore our environmental laws and rules to their original intents and purposes" by developing objective "standards we can trust;" mandating economic as well as health-benefit analysis of any standards written in law; and returning primary responsibility for enforcement of standards to the States "as the Congress intended when it first wrote our environmental laws."

"It's one thing to put the power of government on the side of health and safety standards," Thompson said. "We're all in favor of that.

"But it's quite another thing to turn that power into a weapon that can be used against our economy which is what we've done by cluttering up our laws with cross-purposes and leaving it up to an unelected bureaucracy to make policy that should be made on Capitol Hill."

"Reduce the powers of the Federal bureaucracy to mold Congressional intent into its own image and likeness" by limiting discretionary Federal rule-making powers; opening ready access to court review of Federal actions to overturn State decisions; placing the burden of proof on the Federal government in such cases; and mandating that permits under any environmental laws be deemed granted if the bureaucracy fails to act within set time limits.

"Make enforcement of our environmental standards reasonable" by making installation of secondary and tertiary pollution control equipment mandatory only when need can be demonstrated and permitting industries to use "intermittent control" systems to cope with "worst day" environmental conditions.

The Federal government should "think and act as big as the crisis we face and face the fact that the Federal government should pay the price of its own past mistakes."

Thompson said recent Carter Administration and Coal Commission proposals that the Federal government spend $10 billion to $15 billion over ten years to pay a portion of the cost of converting utilities and industries to coal are "too little and too long."

"It was Federal energy pricing and environmental policy that forced our utilities and industries into the position of consuming 25 per cent of all of our oil supplies today. The Federal government should pay the price of reversing its own policies, and pay it now."

He said a five-year crash program costing about $33 billion to cover costs of conversion including environmental control equipment could save the equivalent of more than four million barrels of oil daily . . . "nearly half of our oil imports, and we're talking about dollar savings to our economy of up to $35 billion a year at today's coal and oil prices."

"That's a bargain we can't afford to pass up," Thompson said.

"Let's get government out of the business of trying to run the energy business."

Thompson cited the recently enacted Federal "windfall profits" tax as "a potentially good idea gone bad" which could discourage exploration for new oil and exploitation of tertiary oil recovery techniques.

He said the plan called for reopening the "windfall profits" tax and the Natural Gas Policy Act ". . . to bring its price and decontrol schedules into step with the new realities we face" and a "hard look" at laws and rules which limit energy development on two-thirds of Federal lands.

He said miners and the coal industry "will go back to work when more of us get to work to change the politics of power in this Nation."

"That's 'politics' and 'power' with small p's . . . a politics of power that cuts across party lines, cuts through the rhetorical fog and forces candidates and incumbents to turn their platitudes and promises into platforms for action. And then demands that action as the price for getting in, and staying in, public office," Thompson said.●

JOHN THOMAS HANNAN GETS EAGLE SCOUT AWARD

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. APPLEGATE. Mr. Speaker, I would like to bring to the attention of my distinguished colleagues in the House of Representatives the personal achievement of one of my constituents.

On March 9, 1980, John Thomas Hannan was formally presented with his Eagle Scout award, the highest rank a Scout can possibly attain. This award only goes to a small percentage of youth who participate in the Scouting program. Such qualities as leadership, self-discipline, humanitarian concern, and true dedication are a trademark of this select class. Many Eagle Scouts have advanced to careers of public service, including some of our colleagues in the Congress.

John has distinguished himself in his community of Toronto. He was offered an Armed Forces scholarship, after placing in the top 10 of those taking the test. He has held the offices of Scribe, Assistant Senior Patrol Leader, and Senior Patrol Leader in the troop. These honors should not be a surprise to a person of such high caliber.

Mr. Speaker, as Congressman from Ohio's 18th Congressional District, I am proud to claim such a fine, outstanding young man as a constituent. I know I speak for the district in offering most sincere congratulations to John Thomas Hannon on a job well done.●

OLYMPIC GAMES FOR THE DISABLED

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. PEYSER. Mr. Speaker, it is a pleasure to introduce the following resolution congratulating a group of top handicapped athletes who represented the United States in the second winter Olympic games for the physically disabled in Geilo, Norway, held this past January 30 through February 7. While the attention of the Nation was focused on the then upcoming Olympic games at Lake Placid, the United States was entering 27 blind, amputee, and paralyzed contestants in the international competition in Geilo. These competitors, all highly tested racers from past national competition, included seven disabled Vietnam vets—six on the first team and one as an alternate. They competed against 400 others from 18 countries and captured six medals—four golds, one silver and a bronze.

All Americans were amazed at the awesome accomplishments of our U.S. athletes at Lake Placid who won more medals than any U.S. Olympic team in 50 years. I am convinced that if the American public were more aware of the accomplishments of the U.S. handicapped team in Geilo, they would be equally amazed; and would give them the same support and encouragement awarded to our Olympic members in Lake Placid. These fine competitors have not only overcome the limitations of their physical handicaps, but they have gone on to become top caliber athletes in their field. They truly serve as an inspiration to those who would emulate them.

To give an example of the competition that occurred in Norway; blind members competed with the aid of guides in arduous 5, 10, and 20 kilometer cross country events. Even some of the upper and lower extremity amputees entered these events. The paralyzed entrants engaged in 100 and 500 meter ice races utilizing sled-like devices called pulks and propelling themselves with the use of ice poles. They also competed in unofficial sledge races which are similar to the luge events held in the Olympic games at Lake Placid. The speed with which these competitors race down a steep, banked course on these one man toboggan devices is truly amazing.

In the alpine competition, upper and lower extremity amputees raced on FIS level slalom and giant slalom courses. To give an example of the level of competition in these events, the U.S. participants had been previously clocked at speeds of 60 miles per hour in earlier national downhill racing competition. One of the young Austrian members—a below knee amputee who skis with a specially built artificial leg—is also a member of the Austrian development team which serves as a training ground for future nonhandicapped Olympic athletes.

The tremendous achievements of these athletes serves to illustrate the potential attainable when handicapped individuals are given the opportunity to develop their skills. It further underscores the crying need for advancement of programs and policies designed to provide equal opportunities for our handicapped citizens, not only in the field of recreation but also in employment and education. It is essential that we seek to eliminate physical and psychological barriers and provide our handicapped constituents with the tools for their own advancement. As in the case of the Olympics and the disabled this requires joint efforts by both the public and the private sector.

As to the joint efforts in the present case, we owe a great deal of thanks to the Government of Norway and to the International Federation of Sports for the Disabled in successfully organizing and promoting this event. We also owe a debt of gratitude to the National Handicapped Sports and Recreation Association and the U.S. Association of Blind Athletes for their support in sanctioning and sending the team from the United States to Geilo.

In closing, I would like to again congratulate our handicapped Olympic competitors and all of the competitors in this great event and I hope that my fellow Congressmen and Congresswomen will join me in this show of support for these outstanding athletes.●

THOUGHTS ON THE AMERICAN FLAG

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. HORTON. Mr. Speaker, I recently received a letter from one of my constituents, Robert Kennedy of Rochester, N.Y. His letter, an introduction to his wife Helen's poem on the meaning of the American flag, impressed me by its sincerity and strength of conviction. I would like to share his letter and his wife's thoughtful poem on the flag with my colleagues. The texts follow:

MARCH 30, 1980.

DEAR BROTHER FRANK: We know that you have been a real booster of the American Flag, for all of the personal, and public things for which it stands.

Some years back, my wife Helen, became inspired to write the following short poem honoring the Flag, and as I recall it, in remembrance of Memorial Day.

Since we went through some personal papers the other day, we felt that it might be a good idea to give this poem some wider distribution. So, Frank, I am sending you this copy for your personal use, or to add to whatever collection you must have accumulated on the subject of the Flag during all of these years.

We are also sending a copy to the President, and I have instituted a procedure here in this business office, whereby, it becomes an integral part of every piece of first class mail I send out in my daily work with principals, and customers.

The world scene is tough enough these days for us all—and Helen and I both feel that a bit more Patriotism on the personal level, is necessary in these trying times.

Anyway, this is our way of doing it . . .

Most cordially,

ROBERT P. KENNEDY, JR.,
President, R. P. Kennedy Company, Inc.

A TRIBUTE

Our flag is proud as it can be.
It stands alone for all to see.
Hoisted high in all kinds of weather,
Content to keep the States together.
When days are fair and all goes well,
It waves a message it cannot tell.
When days are grim and all goes awry,
It falters, then gently flutters nigh.
A sudden breeze will put it into action,
Revealing its colors with great attraction.
Stars and Stripes of red, white and blue,
Weather the storms with a look out for you.
With no wind at all it hangs its head,
The past it remembers and mourns the dead.

HELEN A. KENNEDY.●

IN RECOGNITION OF LENOR MADRUGA

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. COELHO. Mr. Speaker, a dear friend of mine brought to my attention the bestselling book, "One Step at a Time," by Lenor Madruga of Tracy, Calif., and I want to call to the attention of my colleagues here in the House this fine autobiography by a truly special and courageous woman. Her story is a rare example of faith, courage, endurance, and victory.

Lenor Madruga, wife of Joseph Madruga, a first-generation Portuguese-American farmer from Tracy, Calif., is an inspiration to all, proving what a person can achieve in overcoming a handicap. In 1974, this brave mother of two underwent surgery for the removal of a cancerous pelvic bone and left leg. She made, in 3 years, a complete recovery and return to normal life, engaging in all the physical activities she enjoyed prior to her surgery. She swims, water skis, rides horseback, dances, bicycles in a threewheeler, snowmobiles, does her own housework, enjoys her husband and children, continues her work as a fashion model, writes a newspaper column, hosts a radio interview program, and is working to establish an organization to help other amputees.

Before her surgery at the Mayo Clinic in Minnesota, Ms. Madruga made a promessa—the Portuguese term for a vow to God—that she would work to help the poor and the sick and do whatever God might ask of her if He would allow her to live. She has kept her promessa, giving counsel, encouragement, and hope to others and inspiring all who know her story.

She dedicates her book "To God for His miracle and to my husband for his love." She gives her husband major credit for seeing that she was never allowed to falter, to lapse into self-pity, or to be given special help to reach her goals. She compliments him and her friends for being her refuge and for bolstering her strength to fight her addiction to painkilling drugs following her surgery. Ms. Madruga considers her last victory to be the blocking of her envy of others who are completely normal physically and the control of her impatience with the curiosity of strangers who see how active she is with her artificial hip and leg. She designed her own natural prosthesis which is considered to be a work of art.

Expressing her attitude about her recovery, Lenor Madruga reminds us that too often we forget the importance of the little things in life and to thank God that we are able to enjoy them. Hers is a special story and one we all should share.●

L'AGENDA SUPPORTS THE PRESIDENT ON IRAN RESCUE MISSION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. BIAGGI. Mr. Speaker, the highly respected Italian-American newspaper L'Agenda in their May 12 edition endorsed President Carter's recent efforts to secure the release of the American hostages in Iran. The editorial stated:

> Carter showed the resolve he's needed to show for months and a grim determination to let the Iranians know that the charade, the cruel hoax they have set in motion may end in tragedy for more people than 50 hostages.

While we as a nation regret the ultimate fact that the rescue mission did not succeed—very few in this Nation can fault the President for trying what he did. It was a sound plan—only unforeseen circumstances sabotaged the effort.

Our hostages are entering their 208th day of captivity. Iran with each passing day continues to demonstrate its contempt for international law and its repudiation of morality. I continue to support the President's handling of this national crisis and continue to hope for the safe and speedy release of the hostages. The support of the American people and media is vital to this effort and in that spirit I now insert the L'Agenda editorial:

> The abortive rescue mission ordered by President Carter may have failed in its main purpose—but no small significance can be attached to this desperate and bold action.
>
> Carter showed the resolve he's needed to show for months, and a grim determination to let the Iranians know that the charade, the cruel hoax, they have set in motion, may end in tragedy for more people than 50 hostages.
>
> Eight Americans died on that salt plateau—but 250 million remain. There are a lot more where they came from. And Carter's actions made a frantic impression on our weak-kneed allies, who like the Ayatollah, believe that we are too self-centered and vacillating to mount such a military adventure.
>
> Carter's courage to dismount the mission may have earned him disrepute in some quarters, but *L'Agenda* joins with a majority of polled Americans that some measure of our disfavor, of our rage, had to be transmitted to a world which has forgotten that we exist as a people.
>
> Wars are not lightly undertaken, and, unlike our opponents, we feel human life is too precious to be wasted for some religious fury. But regardless of its failure, the Iran move has convinced us that Americans will uphold the right to live of other Americans. And though such a right can be snuffed out in an individual, our opponents must learn that the spark of life is not so easily extinguished in a people.●

A TRIBUTE TO LAURENCE MOSTI

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. APPLEGATE. Mr. Speaker, I would like to bring to the attention of my distinguished colleagues in the House of Representatives the personal achievement of one of my constituents.

On March 9, 1980, Laurence Mosti was formally presented with his Eagle Scout award, the highest rank a Scout can possibly attain. This award only goes to a small percentage of youth who participate in the Scouting program. Such qualities as leadership, self-discipline, humanitarian concern, and true dedication are a trademark of this select class. Many Eagle Scouts have advanced to careers of public service, including some of our colleagues in the Congress.

Larry has distinguished himself in his community of Toronto. He was awarded the Toronto Good Citizen Award by the Toronto Civic Club. He is now senior patrol leader of the troop. These honors should not be a surprise to a person of such high caliber.

Mr. Speaker, as Congressman from Ohio's 18th Congressional District, I am proud to claim such a fine, outstanding young man as a constituent. I know I speak for the district in offering most sincere congratulations to Laurence Mosti on a job well done.●

MISS CECILIA CATHERINE O'NEIL

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today to pay tribute to Miss Cecilia Catherine O'Neil, who passed away last month at the age of 92. She had been a teacher for nearly 50 years and was an outspoken and effective advocate for the rights of retired teachers and senior citizens.

Miss O'Neil was a friend of my family's for many years, and in the late 1940's, I was fortunate to have had her as a teacher at San Jose High School. She was an inspired teacher, greatly admired by her students and her colleagues.

In 1958, she was named "Teacher of the State of California" by the International League of California, a group composed of the State's student body presidents.

In 1967, with her longtime friend and associate, Dr. Ethel Percy Andrus, she founded the National Retired Teachers Association and later the American Association for Retired Persons. Her goal in establishing the NRTA was to provide retired teachers with a sense of dignity and opportunities for service.

In 1970, it was my honor and privilege as mayor of San Jose to present Miss O'Neil with the Golden Key Award for her efforts to improve the plight of the aged in San Jose and the Nation. The following year, Miss O'Neil's proposals on economic security, the establishment of a national philosophy on older Americans and the creation of a national plan to identify the needs of people became the city of San Jose's contibution to the White House Conference on Aging.

Over the years, Miss O'Neil served on the boards of numerous local, State, and national retired teachers' and senior citizens' organizations, including two terms as president of the NRTA. For her public service she received numerous awards and honors, including the establishment of a scholarship in her name at the University of Southern California.

Mr. Speaker, I hope you and my colleagues in the House of Representatives will join with me in paying tribute to this wonderful woman who worked long and hard to improve the lives of retired teachers and senior citizens so that they could remain productive members of society.●

A TRIBUTE TO MILTON HOFFMAN

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. OTTINGER. Mr. Speaker, on June 1, the members of the Hebrew Institute of White Plains, N.Y., will honor the retiring president of their synagogue, Milton Hoffman. On this occasion I would like to join in commending my longtime friend for his many accomplishments and the contributions he has made to his synagogue and the Jewish community and to Westchester County as a journalist for the Westchester-Rockland newspaper group.

Milton Hoffman has been president of the Hebrew Institute for the past 3 years after serving as the synagogue's vice president for 3 years. Despite the demands of his career as a journalist, he has devoted himself with tireless dedication to the needs of his temple and the Westchester Jewish community.

As a longtime resident of the White Plains area, Milton Hoffman's involvement with the Hebrew Institute began as a student in its religious school. For more than a dozen years he has served on the temple's board of directors; he was president of its school board for 3 of those years. The temple's brotherhood has also honored him with their Man of the Year Award. Under his able leadership, the Hebrew Institute has flourished and prospered, enriching the quality of Jewish life for all those involved with the temple.

Milton Hoffman also deserves commendation for his impressive accomplishments as a journalist. His incisive reporting is well known throughout the county. More important, he is greatly admired as a man of integrity, and his political column is the most widely read in the area.

I am pleased to honor Milton Hoffman for his many achievements and extend to him my sincerest congratulations.●

MONTHLY LIST OF GAO REVIEWS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The April 1980 list includes:

NATIONAL DEFENSE

Two Navy Ship Contracts Modified by Public Law 85-804—Status as of July 29, 1979. Acc. No. 112118, PSAD-80-39, April 22.

Navy Missile Maintenance Can Be Done Cheaper By Improving Productivity. Acc. No. 112041, LCD-80-43, April 9.

Army Needs to Improve Its Management and Inventory Control of Small Arms. Acc. No. 112089, LCD-80-41, March 24.

Statistical Data on DOD Training of Foreign Military Personnel. Acc. No. 112160, FGMSD-80-48, April 15.

Letter reports

Some Civil Service Retirees Subject to "Catch 62" Are Not Being Identified. Acc. No. 112119, FPCD-80-47, April 22.

Defense Still Needs to Clarify Policies for Performing Research and Development for Other Agencies. Acc. No. 112096, PSAD-80-44, April 21.

INTERNATIONAL AFFAIRS

Donor Coordination and Project Monitoring Practices—A Foreign Economic Assistance Project Study. Acc. No. 112147, ID-80-34, April 24.

ENERGY

Problem of Disposing of Nuclear Low-Level Waste: Where Do We Go From Here? Acc. No. 112049, EMD-80-68, March 31.

Existing Nuclear Sites Can Be Used for New Powerplants and Nuclear Waste Storage. Acc. No. 112051, EMD-80-67, April 1.

Gasoline Allocation: A Chaotic Program in Need of Overhaul. Acc. No. 112131, EMD-80-34, April 23.

Purchase Price of Strategic Petroleum Reserve Oil Fair But Payment Timing is Costly. Acc. No. 111993, PSAD-80-30, April 3.

Industrial Cogeneration—What it is, How it Works, Its Potential. Acc. No. 112188, EMD-80-7, April 29.

Federal Demonstrations of Solar Heating and Cooling on Commercial Buildings Have Not Been Very Effective. Acc. No. 112064, EMD-80-41, April 15.

20-Percent Solar Energy Goal—Is There a Plan To Attain It? Acc. No. 112001, EMD-80-64, March 31.

Letter reports

Impoundment of funds appropriated to the Energy Department. Acc. No. 111995, OCG-80-9, March 31.

The Congress should direct the Rural Electrification Administration to establish a small-hydro loan program within the Department of Energy. Acc. No. 111955, EMD-80-66, April 1.

Energy Department audits of retail gasoline station prices in the Chicago area. Acc. No. 112090, EMD-80-62, April 3.

Conservation and renewable energy programs are economically preferable to budgeting construction funds for completing nuclear powerplants in Washington State. Acc. No. 112028, EMD-80-71, April 4.

NATURAL RESOURCES AND ENVIRONMENT

States Can Be Better Prepared to Respond to Disasters. Acc. No. 112076, CED-80-60, March 31.

A Framework and Checklist for Evaluating Soil and Water Conservation Programs. Acc. No. 111980, PAD-80-15, March 31.

Letter reports

The FmHA Administrator should inform County Supervisors that emergency major adjustment loans are to be limited to amounts needed to overcome difficulties caused by disasters. ACC. No. 111954, CED-80-64, March 3.

AGRICULTURE

Grain Inspection and Weighing Systems in the Interior of the United States—An Evaluation. Acc. No. 112062, CED-80-62, April 14.

COMMERCE AND HOUSING CREDIT

The Coast Guard—Limited Resources Curtail Ability to Meet Responsibilities. Acc. No. 112031, CED-80-76, April 3.

Problems in Developing the 1980 Census Mail List Acc. No. 112050, GGD-80-50, March 31.

Ways of Providing a Fairer Share of Federal Housing Support to Rural Areas. Acc. No. 112029, CED-80-1, March 28.

Promotion of Cargo Security Receives Limited Support. CED-80-81, March 31.

Rural Telephone Bank's Financial Statements for FY Ended September 30, 1979. Acc. No. 112052, CED-80-77, April 11.

Financial and Other Constraints Prevent Eximbank from Consistently Offering Competitive Financing for U.S. Exports. ID-80-16, April 30.

Letter reports

Postal Carrier route studies in Great Falls, Montana contained many errors which could affect route adjustments. Acc. No. 112055, GGD-80-55, April 15.

TRANSPORTATION

Conrail's Reduced Capital Program Could Jeopardize the Northeast Rail Freight System. Acc. No. 112030, CED-80-56, March 10.

Metropolitan Atlanta's Rapid Transit System: Problems and Progress. Acc. No. 112042, PSAD-80-34, April 9.

How Much Should AMTRAK Be Reimbursed for Railroad Employees Using Passes to Ride Its Trains? Acc. No. 111979, CED-80-83, March 28.

COMMUNITY AND REGIONAL DEVELOPMENT

Criteria for Participation in the Urban Development Action Grant Program Should Be Refined. Acc. No. 112088, CED-80-80, March 20.

SOCIAL SERVICES

Increased Federal Efforts Needed to Better Identify, Treat, and Prevent Child Abuse and Neglect. Acc. No. 112187, HRD-80-66, April 29

College Housing Loan Program: More Effective Management Needed. Acc. No. 111966, CED-80-75, March 26.

Better Cash Management Needed in HUD's Section 312 Housing Rehabilitation Loan Program. Acc. No. 112168, CED-80-74, March 28.

Should the Bureau of Indian Affairs Continue to Provide Educational Services to Indian Children? Acc. No. 112129, CED-80-72, April 23.

Agencies When Providing Federal Financial Assistance Should Ensure Compliance with Title VI. Acc. No. 112063, HRD-80-22, April 15.

HEALTH

What Foods Should Americans Eat? Better Information Needed on Nutritional Quality of Foods. CED-80-68, April 30.

Congressional Monitoring of Planning for Indian Health Care Facilities is Still Needed. Acc. No. 112074, HRD-80-28, April 16.

Action Needed to Improve Management and Effectiveness of Drug Abuse Treatment. Acc. No. 112053, HRD-80-32, April 14.

Letter reports

Federal agencies' proposed food-labeling regulations should not be implemented now because of possible unneeded, unused, and misunderstood information by most consumers. Acc. No. 112117, CED-80-89, April 21.

GENERAL GOVERNMENT

More Competence in Foreign Languages Needed by Federal Personnel Working Overseas. Acc. No. 112121, ID-80-31, April 15.

Federal Labor Relations Authority: Its First Year in Operation. Acc. No. 111981, FPCD-80-40, April 2.

Alternatives For Eliminating AMTRAK's Debt to the Government. Acc. No. 112054, PAD-80-45, March 28.

Productivity Measurement in the Defense Logistics Agency Must Be Supported, Improved, and Used. Acc. No. 112086, FGMSD-80-41, April 18.

The National Science Foundation's Management Information System: A Status Report. Acc. No. 112077, PAD-80-7, April 8.

GSA Found Lax in Enforcing Leases on Westwood Complex. Acc. No. 112075, LCD-80-42, April 7.

GSA Lease Prospectuses Provide a Reasonable Basis for Congress to Approve Proposed Space Acquisitions. Acc. No. 112081, LCD-80-44, April 17.

The Federal Procurement Data System—Making It Work Better. Acc. No. 112171, PSAD-80-33, April 18.

Wider Use of Better Computer Software Technology Can Improve Management Control and Reduce Costs. Acc. No. 112172, FGMSD-80-38, April 29.

DOD Automated Materials Handling Systems—Need to Standardize and Follow GSA ADPE Approval Process. Acc. No. 112159, LCD-80-49, April 24.

Logistics Management Issues. Acc. No. 111955, LCD-80-48, April 1.

Audit of House of Representatives Restaurant Revolving Fund to October 8, 1978, to October 6, 1979. Acc. No. 112130, GGD-80-44, April 23.

Letter reports

More information is needed on the advantages and limitations of animal experimentation before deciding whether legislation is needed for research funds. Acc. No. 112170, HRD-80-70, March 28.

Legislative changes are needed to improve budget treatment of certificates of beneficial ownership. Acc. No. 112041, PAD-80-32, April 9.

Summary and analysis of the Central Intelligence Agency handling of mandatory requests under executive order 12065. Acc. No. 112048, LCD-80-51, April 11.

Consolidating the Cincinnati and Dayton Defense Contract Administration services management areas would result in savings to the Government. Acc. No. 112056, LCD-80-50, April 14.

Some areas in procurement practices by the Naval Ships Parts Control Center, Mechanicsburg, Pa., did not conform with regulations. Acc. No. 111994, PSAD-80-38, April 3.

GENERAL PURPOSE FISCAL ASSISTANCE

How Revenue Sharing Formulas Distribute Aid: Urban-Rural Implications. Acc. No. 112120, PAD-80-23, April 23.

Mr. Speaker, the monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, distribution section, room 1518, 441 G Street, NW., Washington, D.C. 20548. Phone (202) 275-6241.●

ST. ANSELM'S PROVIDED NEEDED REFUGEE SERVICE

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. PATTERSON. Mr. Speaker, the 38th Congressional District of California has been heavily impacted with Indochinese refugees. Having fled their homeland because of Communist persecution and genocidal policies, thousands of these refugees arrived on our shores to find new lives built on freedom.

California now has more Indochinese refugees than any other State. Orange County, Calif., has a model program for resettlement which is characterized by an effective program of interagency referrals in the public and private sectors.

Recently, I visited one of those agencies, St. Anselm's Immigrant and Refugee Community Center, on the occasion of their fourth anniversary open house. Not only are they providing the usual social services and English as a second language class, but they are making a positive impact on the community through improving refugee-police relations, helping the schools to cope with the influx of non-English-speaking students, and community crisis management.

St. Anselm's Immigrant and Refugee Community Center and the effective consortium of agencies providing service to refugees in Orange County are to be commended for their exemplary manner of handling a situation which in other places has not always been without a great deal of community tension.●

BIG BUSINESS DAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. KEMP. Mr. Speaker, last month we saw the first celebration of Big Business Day, an event organized by Ralph Nader, John Kenneth Galbraith, and others to highlight the alleged iniquities of American business. As Dr. Tibor Machan of the University of California at Santa Barbara pointed out in a recent Los Angeles Times editorial, the issue was not that some corporations have behaved badly, even criminally, and should be held culpable. Instead, the issue is whether the institution of corporate commerce is to be regarded as basically legitimate or is to be radically reformed, even abolished.

What underlies Big Business Day is not so much an attack on some business practices as an attack on our entire economic system. The right of individuals to freely associate in a corporation—the right of profitmaking between consenting adults—would be fundamentally undermined by the proposals put forward by the proponents of Big Business Day. We need to recognize this attack for what it is. For this reason I commend Tibor Machan's excellent editorial to your attention:

AN UNEXPECTED DEFENSE OF BUSINESSMEN'S RIGHTS

(By Tibor R. Machan)

Anyone who has watched television or read pulp novels recently will confirm it: No character in popular drama or fiction representing the business community ever comes off looking good these days. Following Karl Marx, modern writers simply "paint the capitalist and landlord in no sense couleur de rose." Quite the contrary. Even the news media tend to take it for granted that those in business must be shady in some way or another. Big oil, the fat cats, the developers, the apartment owners and condominium converters and the like stand there in the shadows of vice and callous disregard of public spiritedness, while advocates of solar energy, adherents of small-is-beautiful, promoters of rent control defenders of whales, seals and economic democracy represent virtue and the interest of humanity.

Last Thursday the nation experienced the first observance of "Big Business Day," stressing this and assorted familiar themes, with the august support of such undeniable champions of justice as Ralph Nader, John Kenneth Galbraith, Michael Harrington, Barry Commoner, Ed Asner ("Lou Grant") and others who stand firmly against greed and avarice. Various spin-off groups and organizations across the nation strove to make their message crystal clear:

Commerce is bad, and to the degree that we must, unfortunately, put up with it (until the revolution can wipe the darned thing off the face of the earth forever), it should be controlled by public-interest-minded groups and individuals, who are as influential as the boards and officers of the large corporations that now operate in the anarchy of dog-eat-dog capitalism. At any rate, what is required now is some government action to make corporations accountable to, well, those who take it upon themselves to represent the public.

Let me be clear about the central point here. The issue isn't that some corporations have behaved badly, even criminally, and should be held culpable. There is no disputing that fact. The issue is whether the institution of corporate commerce is to be regarded as basically legitimate or is it to be radically reformed, even abolished.

The corporation in a free society is a voluntary association—not, as Nader & Co. would have us understand it, a feudal era "creature of the state." Except for some defective features of some corporations—most notably certain aspects of corporate limited liability provisions—there is nothing about the corporation that cannot be fully understood as the association of various individuals for purposes of economic prosperity. Shareholders invest, and leave the driving to those well paid for their services, to obtain the benefit of dividends and profits in return good judgment.

The only power that corporations have as corporations—as distinct from some political clout they may purchase whenever politicians are willing to sell out—is economic power, and they have no more of this than the degree of their economic success. Certainly this economic power is impressive at times, but for it to be lamentable it would have to be demonstrated that it had been obtained through force and fraud. While there are instances of that—just as teachers can obtain professional success by playing to the fads students happen to have embraced recently—business and corporate business is made up of human beings making an effort to improve their economic welfare by means of finding some endeavor that is of benefit both to them and those who comprise the consumers of the products in question.

Of course, this is only a model. And the various claims concerning the failure of the free market and thus of corporate commerce, need to be fully investigated to examine the model's overall merits. Still, there is far less substance to those stories about the "robber barons" found in ordinary history books, just as there is far less to "crime in the suites" than Ralph Nader suggests.

What is disturbing about the widespread hostility against big business is that it is so hypocritical. Rarely does anyone suggest that perhaps the educational community houses extensive abuse and irregularity. Why is it that the media seldom expose the abuses of the newspaper business, or law school education, or the arts, or the profession of academic teaching in the humanities? Why should there be less suspicion of college professors than there is of business executives? The professor has ample opportunity to betray his trust, to fake teaching, to make use of the classroom as a place of indoctrination instead of education.

If product quality and corporate liability are our concern, surely those in the business community are far from being the only ones whose work provides them with the opportunity for abuse, corruption, "rip-offs," greed and similar viciousness.

It will be said that the professions listed above are protected by the U.S. Constitution, that government must not attempt to prevent wrongdoing by religious groups, by the press, by artists and educators, since this would constitute an encroachment on certain vital freedoms.

The Constitution may be negligent in omitting specific mention of the rights of those in the business community. Nevertheless, excluding them from the protection and preservation of their right to freedom of action is sheer discrimination. Those who now agitate for greater controls of people in the business community should realize that what they want is to discriminate against members of some professions.

The 14th Amendment applies here quite clearly. Members of other professions may not be harassed by government unless it has been demonstrated in a court of law that they have wronged someone; in the name of due process, even known murderers are allowed freedom. However, members of the business community are regulated simply on grounds that sometime, somewhere, some crooked members of that community will engage in wrongful conduct. By that process of reasoning we could indeed put everyone in jail, for there is no doubt that someone among us probably will someday act wrongfully.

This is by no means to be taken as special pleading in support of members of the business community. There is every likelihood that the proportion of evil is fairly equally distributed across all professions—educators, artists, politicians, businessmen, journalists and, yes, even the valiant crusaders for the public interest who in the name of "preventive justice" would wipe out the liberty of some people and stand tall and proud for having done so.●

LOVE CANAL: PUBLIC LESSONS, PRIVATE EXPENSE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. LaFALCE. Mr. Speaker, during the past 2 weeks the situation at the Love Canal in Niagara Falls, N.Y., has taken a new and ominous turn. An announcement by the U.S. Environmental Protection Agency concerning chromosome studies of Love Canal area residents set off a chain of events which led to a declaration of a national emergency there by the President, the second such declaration for the Love Canal neighborhood in less than 2 years.

This test, funded by EPA, upon further analysis, has been shown to be less than perfect in a number of respects. Nevertheless, it was one of the first times that the Federal Government has faced up to the fact that it should bear some of the responsibility for dealing with this incredible tragedy. And one of the major results of this initial study—a firm commitment by EPA to conduct long-term comprehensive health tests of all residents of this stricken area—is one of the most important things that Government should have done for these innocent victims long ago.

Recently the Rochester Times-Union editorialized on what further steps should be done at the Love Canal. I found this editorial to be one of the most cogent and thoughtful statements of the problem and the appropriate Government response to it that I have seen. Its basic point is that society has a resonsibility to innocent victims like those people unfortunate enough to reside near this nefarious chemical dumpsite, a responsibility that includes helping those residents who want to leave that area behind them to do so.

This problem has long-lasting national implications, Mr. Speaker. I insert the Times-Union editorial in the RECORD at this point, and I urge my colleagues in Congress to review it and join in the effort to rid our Nation of the dangers inherent in chemical dumpsites throughout the country:

[From the Times-Union, Rochester, N.Y., May 21, 1980]

LOVE CANAL: PUBLIC LESSONS, PRIVATE EXPENSE

For years residents of the Love Canal neighborhood in Niagara Falls have been human guinea pigs. At their expense we are learning about the health hazards of chemical wastes.

So no one is going to prosecute them for kidnapping and holding hostage two Environmental Protection Agency officials for several hours this week. It's easy to understand that their patience and their fears reached a breaking point with the release of yet another study, a pilot study of chromosome damage, without any assurance of relief.

Lawsuits against Hooker Chemical and Plastics Corp. are inching toward the courtroom. Local, state and federal governments are dickering about the cost of moving people out of the neighborhood temporarily or permanently. Meanwhile, residents may well fear that they are being studied to death.

Evidence of health hazards in the neighborhood had been accumulating even before the state Health Department found an extraordinary incidence of birth defects and respiratory ailments, and evacuated 239 families two years ago.

Miscarriages, low birth-weights, liver abnormalities, neurological disorders, nerve damage and blood changes among Love Canal residents have been studied. A study of chronic diseases among 700 former neighborhood residents is underway.

But many of these maladies are tough to pin down. Nobody knows exactly what causes them, why some people seem more susceptible than others, or exactly how changes such as nerve damage and chromosome breaks will affect the health of present and future generations.

The chromosome study is as full of holes as a piece of Swiss cheese. It studied not a random sample but 36 volunteers, all of whom had had either cancer or other health complaints, and/or obvious chemical leaching on their properties. Eleven of them had damaged chromosomes; an EPA official called that "startling." What is really startling is that anyone would take this as a serious scientific study.

Chromosome damage may signal higher rates of cancer, miscarriage and birth defects, but may not. Scientists can't say what caused the damage on the basis of this study or how significant it is. Nor was a control group studied to determine the incidence and kinds of chromosome damage among other Niagara frontier residents.

So State Health Commissioner Dr. David Axelrod is right to question the meaning of the study. Full-scale testing of genetic damage to Love Canal residents must begin at once. It should have begun when the state asked the Environmental Protection Agency (EPA) to do it 18 months ago.

But residents also must be given some relief from the nightmare. Either the 710 families must be told today that they are entirely safe, or they must be helped to move away.

It may turn out that the neighborhood is safe. It also may take a long time to determine that. So residents should have the choice of temporary or permanent relocation.

They also must be offered other forms of assistance such as health care for problems stemming from exposure to the toxic wastes.

Of course this represents a massive public health problem, and massive expenditures. The federal government, which has been slow to protect the health of Love Canal residents but quick to produce the inflammatory chromosome study to support its lawsuit against Hooker, must share the cost with the state.

To be flatly mercenary about it, even the estimated $60 million it would cost to permanently relocate all 710 families seems a small price to pay for the wealth of information on exposure to toxic wastes that all Americans are reaping from this tragedy.●

THE MOUNT SAINT CHARLES ACADEMY HOCKEY TEAM

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. ST GERMAIN. Mr. Speaker, whenever a group of young athletes excels in their sport, they become a special source of pride and pleasure to their community.

The city of Woonsocket, R.I., holds the Mount Saint Charles hockey team in this regard, and for good reason. For over 50 years the team has consistently excelled, receiving numerous State, local, and national distinctions.

Mount Saint Charles present team continues this tradition. Under the guidance of coach Bill Belisle, the players recently completed their second undefeated season, having won their last 58 games. In addition to winning the Rhode Island State and New England championships, they were recently ranked as the No. 1 schoolboy hockey team in the Nation.

It is with great pleasure that I bring the achievements of these outstanding young athletes to the attention of my colleagues. On behalf of all Woonsocket residents, I thank them for their hard work, determination, and success.●

THE TAX-CUT ILLUSION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. FRENZEL. Mr. Speaker, in the annual report of the Federal Reserve Bank of Minneapolis, Preston J. Miller and Alan Struthers, Jr., of the bank's research department, have presented an interesting paper entitled, "The Tax-Cut Illusion."

The article follows:

THE TAX-CUT ILLUSION

A tax cut is often touted as the magical solution to our economic problems, but a tax cut is not always what it seems. Most proposals for cutting taxes would not reduce government expenditures one bit. They are like the magician's trick of sawing in half the lady in the box. There is a geat deal of hoopla while something appears to be cut, but when it is all over, nothing much has changed.

In fact, most of the commonly heard proposals for cutting taxes would not lower the real tax burden—they would probably increase it. A reduction in taxes without a corresponding reduction in government expenditures would merely increase our reliance on deficit spending. This would cause further inflation and make our economic performance deteriorate. Because of these hidden costs, a tax cut could easily be concealing an increase in the real tax burden.

THE REAL TAX BURDEN

The real tax burden is the amount of resources—goods and services—that the government removes from the private sector. Government expenditures account for the major part of the real tax burden. When the government spends for investment, transfer programs, consumption, or anything else, it buys labor, expertise, raw materials, land, buildings, and so forth. Since all these resources are in limited supply, the private sector must give them up when the government buys them. The real tax burden is not what the Internal Revenue Service collects; it is what the private sector gives up to government.

A smaller, but still significant, part of the real tax burden consists of the resources that are consumed incidentally because of the government's taxation policy. These resources are removed from the private sector but never go to any government purpose. They are simply lost—not because of ineptness or corruption, but because every tax causes some resources to be wasted. These lost resources, sometimes called deadweight loss, include collection costs: the legislative time devoted to tax laws, the expenses of tax courts, and the costs of running the IRS. They also include the productive time or material that is wasted as individuals, legally and illegally, try to minimize their taxes. Together, these lost resources and government expenditures compose the real tax burden.

Most of the proposals for cutting taxes would not reduce the real tax burden, despite the claims of the newly popular supply-side theories. They would reduce neither expenditures nor the amount of wasted resources. They would merely reduce tax revenues—but reducing tax revenues does not mean that government hires fewer people, buys fewer buildings, or owns and controls fewer resources of any other kind. In fact, it could easily mean that government owns and controls the same resources and runs larger budget deficits.

DEFICITS AND INFLATION

Because most proposals for tax cuts are not coupled with any reduction in government expenditures or deadweight loss, they would have to increase the federal budget deficit. In effect, they would replace explicit taxes like the income tax with greater deficits.

A shift from explicit taxes to deficits does not lower the real tax burden, whatever else it may do. Increasing federal debt is a way to conceal taxes, not a way to reduce them. If the accumulated debt is going to be paid off in the future, a shift to deficits could indeed postpone taxes for a while. But the taxes must eventually be paid back with interest.

If, on the contrary, the accumulated debt is not going to be paid off in the future, then a shift to deficits merely makes taxes less visible. Currently, it seems safe to assume that the United States government will not pay off its debt. Since the 1960s it has not done so, and it appears to have no intention of doing so. Congress and the administration have sought to balance the budget only when there is full employment, only at the peaks of the business cycle. They are clearly saying that the budget on average will be in deficit. The longer they follow this policy, the greater the total federal debt will be.

When the federal government runs a deficit, it simply prints and sells more bonds. Federal bonds are nothing more than an alternative form of currency—they are promises to deliver currency in the future. Like currency, these bonds are pieces of paper backed by nothing tangible; they are fiat paper. Like currency, they are a debt that the government never promises to retire. They are, in all essentials, a part of our ever-expanding money supply. When the government has no intention of retiring its debt, there is little difference between currency and bonds; both are money.

In this circumstance, any increase in the deficit is an inflation tax. As is well understood, government can cause inflation by printing more money. When more paper is pursuing the same amount of goods, it takes more paper to buy each good. The value of the paper declines; the price of goods goes up. Obviously, this is inflation.

What is not often acknowledged, though, is that this is also a tax. When the government prints more paper, the government benefits and the private sector pays. Government can print paper for virtually nothing and use it to pay consultants' salaries, to construct buildings, or to acquire other real resources from the private sector. The private sector then has more paper and fewer goods. By printing paper, government is able to obtain a larger share of the available goods, just as if it were taxing its citizens more. An increase in federal paper—currency or bonds—is thus really an inflation tax.

The data support the contention that deficits are a means of levying an inflation tax. In recent years, higher inflation has accompanied higher deficits. The accumulated federal budget deficit (the stock of interest-bearing and noninterest-bearing federal government debt) has expanded much faster in the 1970s than in the 1960s. In the 1960s, when the deficit grew slowly, the rate of inflation was very moderate, as Figure 1 shows. In the more debt-burdened 1970s, in contrast, inflation averaged about 7 percent per year.

SOME EXCUSES FOR DEFICITS

The total federal debt has been increasing; this is the indisputable consequence of our repeated annual deficits. Some economists, however, claim that the increase in federal deficits cannot explain the increase in inflation. They have two main lines of argument to explain why deficits in the 1970s have not been large enough to cause inflation to accelerate. Both of their arguments are off the mark.

They claim, first, that federal deficits are partly offset by state and local government surpluses. On the surface this claim may look plausible, because surpluses and deficits are simply opposite sides of the same thing. A deficit adds to the amount of bonds a particular government has issued; a surplus lowers the amount. But federal deficits cannot simply be added to state and local surpluses. They are not equivalent, and adding them is like adding apples and oranges.

Deficits from state and local governments are fundamentally different from those from the federal government. Unlike the federal government, state and local governments back their bonds with the promise to tax people. They must repay their debts or go into bankruptcy. Because their bonds are backed, they have no effect on the amount of unbacked debt—fiat paper—in circulation. This means that they have nothing to do with inflation, for only fiat paper causes inflation.

The surpluses of state and local governments are also quite unlike those of the federal government. State and local surpluses simply reduce the amount of backed bonds. They do not reduce federal debt. They do not reduce the amount of fiat paper in circulation. They do not reduce the money supply. And they do not reduce citizens' tax obligations to the federal government. Adding today's federal deficit to state and local surpluses, like adding apples to oranges, does not make sense; it makes fruit cocktail.

The second argument that some economists use to explain why federal deficits have not been growing fast enough to cause an increase in inflation is that federal deficits have not grown in relation to the size of the economy. More specifically, they claim that when the accumulated federal debt is computed as a percentage of the gross national product, it has actually declined in the 1970s. Therefore, they argue, deficits can't explain the higher inflation rates of the 1970s.

Their calculation, however, is meaningless. They mistakenly use the figures for nominal GNP to represent the size of the economy, figures that include the effects of inflation. Nominal GNP is equal to the price level multiplied by real GNP, the amount of goods and services that the country produces, as a result, nominal GNP can increase merely because of inflation. Real GNP, in contrast, can increase only when people work more, when firms invest more, or when productivity increases. To determine if deficits are large in relation to the size of the economy, it is necessary to use figures for real GNP, figures that are not adulterated by inflation.

To see why it is meaningless to calculate federal debts as a percentage of nominal GNP, consider what happens to this percentage under an extreme assumption: that federal debt is the sole cause of inflation. Under this assumption, suppose that federal debt doubles during a certain period. What happens? The price level doubles, which is to say the rate of inflation is 100 percent. Nominal GNP likewise doubles, supposing that output remains the same. But despite the rapid rate of inflation, federal debt as a percentage of nominal GNP remains exactly the same as it was, because both figures have simply doubled. The conclusion is inescapable: Computing federal debt as a percentage of nominal GNP is irrelevant for determining if debt growth causes inflation. Even if debt growth were the sole cause of inflation, this computation could not detect it.

To compare the size of the federal debt with the size of the economy, the economy must be represented by the quantity of real goods that the country produces. That is, real GNP, not nominal GNP, is the relevant measure. When the amount of federal debt is computed as a percentage of real GNP, the claim that increases in federal debt are closely related to inflation cannot be easily dismissed. (See Figure 2.) From 1959 to

1969, when inflation was low, federal government debt as a percentage of real GNP dropped slightly. From 1969 to 1978, when inflation was high, it nearly doubled. Even when the scale of the economy is considered, federal debt in the inflationary decade of the 1970s has grown more rapidly than in the relatively stable 1960s.

A tax cut that reduces revenues and increases deficits, therefore, would merely substitute the inflation tax for explicit taxes. It would not lower the amount taxpayers relinquish to the government.

THE COSTS OF INFLATION

Why, then, has the inflation tax been used so extensively? Congress has apparently found it easier to legislate inflation than to increase direct taxes, because many prominent economic models erroneously imply that inflation isn't a serious hardship. In these models, inflation has no economic costs—it does not reduce output. Although most economists would agree that a highly unpredictable rate of inflation makes planning more hit-and-miss and increases the odds of making damaging economic decisions, their models typically do not reveal these costs. In most models, in fact, inflation is neutral, its costs negligible.

Keynesian models, for instance, imply not only that inflation is costless, but that it has tremendous benefits. In these models it is possible to raise output and employment indefinitely simply by raising inflation. On average, in Keynesian models, inflation makes the economy perform better. Monetarist models also imply that the cost of inflation is low, although not as low as in Keynesian models. In monetarist models the cost of inflation is zero, because higher prices have no effect on real output. When inflation is fully anticipated, wages, incomes, prices, and interest rates all go up in unison and no one is really harmed. When inflation is not anticipated, it causes some redistribution of income from creditors to debtors, but one person's losses are balanced by another's gains, so the economy as a whole is unaffected. In these models, that is, inflation produces no deadweight loss—no wasted resources of any sort.

But inflation is never neutral. It is a real tax that lowers real output, even when it is fully anticipated.

The inflation tax lowers output—or, in other words, lowers real income—because it produces a high deadweight loss. Inflation gives people incentives to use their time and physical goods in less productive ways. It encourages them to use their resources in ways they wouldn't dream of if more explicit taxes replaced the inflation tax.

It does this by making money less desirable as a means of exchange and a store of value. Inflation can be defined as the rate of increase in the price level or as the rate of decline in the value of each unit of fiat paper. By either definition, when inflation accelerates, the real rate of return on currency and outstanding federal bonds falls. This begins a chain reaction. When the rate of return on money falls, more real resources—physical goods that would otherwise be used to produce something—are devoted to cash management techniques. A lot of labor, computers, and office space, for instance, are now being used to allow individuals to substitute interest-bearing assets for idle cash.

When resources are diverted to nonproductive uses—when a steel company finds it necessary to hire someone to minimize its cash holdings instead of someone who produces steel—the rates of return on capital should fall. Sure enough, they have fallen as deficits have increased and inflation has accelerated in the 1970s. Although individuals find it in their own best interests to hold less money when inflation rises, substituting productive capital for money is wasteful for the economy as a whole.

A lower return on capital is not the only problem related to deficit financing and the subsequent inflation tax, as Figure 3 shows. As the return on capital has fallen, business has become more reluctant to add to its capital stock. Because of this, workers have been forced to work with less capital than they otherwise would—they use fewer or older machines, for example. As a result, they have not produced as much as they could have. Thus, productivity and total output have both grown more slowly than they would have. The data, in short, are consistent with the view that the greater inflation taxes of the 1970s have caused a decline in the real rate of return on capital, a decline in the rate of capital accumulation, a decline in productivity growth, and a decline in overall economic growth.

Some of this slower growth might be blamed on greater uncertainty about inflation or government policy. However, even if this uncertainty could be eliminated, inflation would still have large costs. The inflation tax has been allowed to become very high and do a lot of damage to the economy.

POPULAR TAX-CUT PROPOSALS

Most of the frequently proposed tax cuts amount to using explicit taxes less and the inflation tax more, since they would almost certainly lower tax revenues and increase deficits. They are thus misleading and potentially harmful.

One type of tax cut that has been proposed with slight variations over the last several years is the antirecession tax cut. It is designed to lower tax rates in general so that tax revenues fall. Its advocates admit that it would increase inflation, but they claim that the cost of the extra inflation would be trivial compared to the benefits. As prices rise, their argument goes, workers on inflexible contracts could not receive compensating raises so that their real, or inflation-adjusted, wages would fall. Because of the lower real wages, employers would demand more labor and output would increase. The supposed result of the antirecession tax cut, then, is a slight increase in inflation and substantially more employment and output.

This kind of reasoning got us into the economic swamp we're in now. It is wrong for at least three reasons.

First, it is wrong because it assumes that people can be repeatedly fooled by a policy of cutting taxes whenever an economic downturn appears. It assumes not that people make random errors in guessing about the economic future, but that they make systematic errors that government policy can exploit to make them better off in spite of themselves. This assumption is not well founded. The best current theories suggest that people cannot be so easily fooled and that government is not so omnipotent. When employers and employees are concerned about real wages and both foresee an increase in prices, then nominal wages rise. This offsets the price increases and keeps employment and output from rising.

The reasoning behind the antirecession tax cut is wrong, secondly, because it relies on only half of what the advocates' economic models predict. Advocates of this kind of tax cut emphasize that it could produce some temporary gain in employment or output, but they ignore another prediction from the same models: the prediction that this gain will soon be completely wiped out. After a few years, we will be left only with higher inflation. The advocates say "buy now" and forget to mention "pay later."

The reasoning of the advocates of the antirecession tax cut is wrong, thirdly, because it ignores the uncertainty of their models. When the advocates announce that their models predict, say, −1 percent real growth for the year ahead, they fail to note that the models really predict a range of economic outcomes. With reasonable confidence they can say only that economic growth will turn out to be between something like −5 percent and +3 percent, a range so wide as to be of little value for determining the impact of a tax cut. So when economists forecast, for example, that a $25 billion tax cut will add 1 percentage point to real growth, the implied certainty of their forecast is ludicrous. If policymakers were made aware of the uncertainty surrounding economic forecasts, they would have to be much more cautious about recommending an antirecession tax cut.

The most basic problem with the antirecession tax cut, though, is the familiar one. It would create higher inflation, and inflation is not free. Such a tax cut would be costly.

Another common proposal for a tax cut is the incentive tax cut. It is designed to lower a specific tax rate, such as the payroll tax rate or the business tax rate, in order to provide incentives for individuals to produce more or invest more. Incentive tax cuts, however, would quickly cause larger deficits and more inflation. This would probably take away more incentives than it would provide. Lowering a specific tax rate would lower the deadweight loss caused by that specific tax—the amount of legislative time, lawyers' fees, office space, and other resources consumed by that tax. But it would simultaneously increase the deadweight loss caused by inflation—the erosion of people's savings, the weakening of bond markets, the obstacles to establishing long-term contracts, and so on. The incentives provided by the right hand would be taken away by the left, and with a vengeance.

Some economists and editorialists contend that tax rates can be cut without losing tax revenues. It is much more likely, however, that a cut in tax rates would lower revenues. (See opposite page: "The Uncertainties of the Laffer Effect.")

Neither of the two main versions of the incentive tax cut is likely to succeed. One version, the payroll tax cut, is a plan to reduce the payroll taxes that employers pay on every worker. This, it is supposed, would lower the cost of labor. Businesses would respond by hiring more workers, the additional workers would generate more output and, as this additional output reached the market, prices would tend to be lower.

If the payroll tax cut really worked this way, then we should eliminate all payroll taxes. This, supposedly, would increase employment even further. Perhaps we should even offer businesses a large tax rebate for every employee hired. If the rebate were large enough, this would supposedly stop inflation altogether. The payroll tax cut, of course, would not work like this, because government can't just give away money it does not have. If government really wants to lower payroll taxes, it has to reduce its expenditures or raise other taxes to make up for lost revenues. But then the tax cut might create jobs in one sector by eliminating them in another.

Of course, government could finance the payroll tax cut with more fiat paper, more unbacked debt. And unless it should undergo the most spectacular conversion since

Paul went to Damascus, that is what it would do. If the government printed more fiat paper, we would, of course, have more inflation. Labor would doubtlessly recognize this, as it has in the past, and would immediately demand high wages. Then, the payroll tax cut would only transform a tax levied on employers into an inflation tax levied on everyone. Because of higher inflation, the promised increase in output would fail to materialize.

Another version of the incentive tax cut, the business tax cut, is a plan to encourage investment. The argument for this plan is that a cut in business taxes will increase profitability and, hence, the return on capital. Business will then be motivated to invest more, and the increase in capital will generate more output and lower prices. The plan, however, has the crucial weakness of the other tax-cut proposals. If government does not raise tax revenues through another source, the business tax cut will create higher inflation. The cost of the higher inflation would offset the benefit of lower taxes so that business would not be motivated to invest in more capital or increase its output.

Proponents of both the payroll tax cut and the business tax cut are correct in one regard: the tax structure does change incentives to work or invest. But they overlook a basic point. The real tax burden is the amount of resources government removes directly or indirectly from the private sector. If government does not lower expenditures, a cut in any particular tax will be offset by increases in other taxes, especially the inflation tax. There are two ladies in the magician's box—two types of taxes—not just one. While the obvious taxes may appear to be cut, the hidden taxes are increased.

The proposed tax cuts, however, are not just slick stagecraft. They are not merely pleasant illusions that leave everything unchanged. They do change things—and not necessarily for the better. As they replace direct taxes with the less efficient inflation tax, they cause resources to be needlessly wasted. While pretending to saw the lady in half, the magician destroys a lot of boxes. There is every reason to believe that people would be better off if government used the inflation tax less, since inflation is so wasteful and harms the economy in so many ways.

A tax cut could be worthwhile if it were an honest tax cut—that is, if government truly took fewer resources from the private sector. To do this in any significant way, of course, it would have to reduce expenditures, devise a more efficient tax structure, or both. So let there be a tax cut—but let it be the real thing and not merely a magician's illusion.●

PUBLIC BROADCASTING SYSTEM AIRS ANTI-CIA PROPAGANDA: PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. McDONALD. Mr. Speaker, in this second discussion of the anti-Central Intelligence Agency film recently aired by the Public Broadcasting System, we will examine in more detail the backgrounds of the people who produced it. This material was recently published in the Information Digest newsletter.

The information follows:

ON COMPANY BUSINESS—PART II

According to his various resumes, Allan Francovich was born in New York City in 1941, and spent his childhood in Latin America where he attended private schools "as son of an American mining engineer." His education includes studying Spanish literature, Latin American history and art history at the University of San Marcos in Lima, Peru; earning a B.A. in 1962 from the University of Notre Dame, South Bend, IN, in English, Romance and Slavic languages. Post graduate education was at the Sorbonne (French literature, comparative literature and drama) and at the Ecloe des Langues Orientales in Paris where he studied Russian and Serbo-Croatian. He received his M.A. in 1968 in Dramatic Art from the University of California at Berkeley.

In 1966, Francovich was on the faculty of the Free University of Berkeley as a film instructor. In 1969 with his companera Kathleen Weaver (a former student of political science at the University of Edinburgh who received a B.A. in 1968 and M.A. in 1970 from the University of California at Berkeley in comparative literature) was active in a Berkeley campus organization, the Film Liberation Front.

Stating he is fluent in Spanish, French, Italian, Portuguese and has knowledge of Russian and Serbo-Croatian, Francovich translated from Portuguese An Illustrated History of the M.P.L.A. (1976); has produced radio programs for the Pacifica network on "Mexico after the 1968 Olympics" and on the CIA; in 1967 did the camera work for Sons and Daughters, an American Documentary Films production on Vietnam War protests; and in 1978 completed Chile in the Heart, a documentary on the last years of Communist poet and militant Pablo Neruda, "the coming to power of Allende and the coup in Chile." Francovich's 1976 resume noted that the film was based on Neruda's "last poem," entitled "Incitement to Nixonicide and Praise of the Chilean Revolution." He noted then that the film had been completed except for the final cut and that it was being "produced in conjunction with Non-Intervention in Chile (NICH) which was providing the money.

NICH is a support network for the terrorist Movimiento de la Izquierda Revolucionaria (MIR) [Movement of the Revolutionary Left], the Chilean Castroite group led led by President Allende's nephew, armed and equipped by Cuba and the DGI before Allende's overthrow to serve as his shock troops and goon squad. NICH's statement of principle proclaimed its "recognition that we and the Chilean resistance fighters are 'companeros de lucha'—comrades in struggle, against a common enemy. This enemy is the system of imperialism which, as the monopoly stage of capitalism, exploits workers both here and in Chile."

The close cooperation between NICH and Cuba was documented by a letter publicized by NICH received in January 1976 by NICH coordinator Robert High from Francisco Fernandez, of the Havana-based Committee of Solidarity with the Chilean Anti-fascist Resistance. Commending the transformation of NICH into a national organization, Fernandez wrote, "We are aware of of the importance of remaining in the closest contact," offered to provide "every kind of information that may help your solidarity work," and stated that he expected to receive information from NICH in return.

Howard Bruce Dratch was born in Washington, DC, in 1945, and was raised in Chevy Chase, MD, where he graduated from Bethesda-Chevy Chase High School in 1963. Dratch earned a B.S. in political science in 1967 at the University of Wisconsin at Madison; a M.A. in political theory [Thesis: The Origins of the Black Power Movement] in 1968 from the University of California at Berkeley; and studied for a Ph. D. in history at Berkeley while on a Ford Foundation five year Career Fellowship (1967-72).

Dratch held a number of teaching posts in "American Labor History" and "Global Environmental Politics" at UCB and local colleges from 1969 to 1974. From 1974 to 1976, Dratch was "Military Editor and Reporter" for the San Francisco-based Pacific News Service (PNS), which is sponsored by the Institute for Policy Studies (IPS) affiliate, the Bay Area Institute (BAI). While in England and Portugal for "Phase I of the CIA film," Dratch provided articles for PNS, Pacifica radio station KPFA in Berkeley, the New Left Internews radio service, and The Nation ["High Stakes in the Azores", 11/8/75].

Dratch was a signer of a "We won't go" anti-draft letter in the Univ. of Wisconsin, Madison Daily Cardinal in February 1967; and in the fall of 1969 was an officer of the UCB Radical Student Union (RSU), the name used by the Berkeley SDS chapter after the organization collapsed at the June national convention.

Dratch was arrested twice in protests, once in San Francisco on 1/11/68 at the Fairmont Hotel in a demonstration against Secretary of State Dean Rusk; and on 5/19/69 in a "People's Park" demonstration in Berkeley. A political outlook rather more "advanced" than the average SDSer was demonstrated by Dratch in a 5/4/70 letter to the UCB's Daily Californian which attacked loyalty oaths as an infringement on academic freedom.

Others associated with the production of On Company Business include:

Veronica Selver, born in New York in 1944, educated in France and at Sarah Lawrence College; worked as a film editor in France on films including La Republique est Morte a Dein Bien Phu. In the U.S. worked on editing One Flew Over the Cuckoo's Nest and Word Is Out.

Alice Erber, second editor; was an editor on the radical California Newsreel film, Controlling Interest.

Kevin Keating, camera, worked on former SDS activist Cinda Firestone's prison riot documentary, Attica; and on former IPS associate Barbara Kopple's Harlan County, USA.

Stephen Lighthill, additional camera, with his wife, Celia Rosebury Lighthill, was active on the cultural fringes of the W.E.B. DuBois Clubs, the Communist Party, U.S.A.'s former youth arm, in the mid-1960s, with photo credits to him in the DuBois clubs publication, Insurgent, and in the CPUSA West Coast publication, People's World [3/12/66].

Legal work credits list Janet Carver, 35, a former employee of NLG lawyer and identified CPUSA member Charles Garry; James Larsen and former NLG national treasurer Neil Gantscher. Credits also listed such Philip Agee associates as Rodney Larsen; William Schaap and Ellen Ray of the NLG and Covert Action Information Bulletin (CAIB); Edith Tigar of the National Emergency Civil Liberties Committee (NECLC); Steve Talbot; Olga Talamonte; and Sylvia Crane of Americans for Democratic Action (ADA) and the National Committee Against Repressive Legislation (NCARL), a CPUSA lobbying front.

Film sources credited include the Cuban National Film Archive (ICAIC), IPS Transnational Institute director Saul Landau, Nederlandse Omroep Stichting and Unifilm/Tricontinental; while among the newspaper research was the NACLA Data Center.●

COMPLEX TECHNOLOGY CAUSING MILITARY READINESS PROBLEMS

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. FAZIO. Mr. Speaker, for some time I, along with several of my colleagues of the Members of Congress for Peace Through Law, have held serious concerns over the readiness of our Armed Forces. As our military technology has grown more sophisticated, problems with operations and maintenance have increased at an alarming rate. This practice of gilding the lily has created serious shortcomings in our combat readiness.

In a recent article from the Chicago Sun-Times by Patrick Oster the readiness problems of our combat aircraft are outlined with shocking results. Nearly 50 percent of our combat aircraft are grounded at any given time and the percentage of aircraft grounded, as high as 66 percent for some planes, is directly related to the high level of sophistication of the aircraft. We must give priority to this growing dilemma and I would recommend this chilling article to my colleagues as evidence of the need to begin soon.

The article follows:

U.S. WARPLANES—A GIANT FLEET OF ELITE LEMONS

(By Patrick Oster)

WASHINGTON.—When three of the eight helicopters on the Iran rescue mission failed last month, a lot of people began asking questions about the state of other U.S. military aircraft.

The failure rate of the Sikorsky RH-53D choppers stunned many who had come to think of U.S. aircraft technology as second to none.

"The fact of the matter is, we had a nearly 40 percent failure rate," said retired Lt. Gen. Daniel O. Graham, now an offical of the hawkish American Security Council. "If that happens with machinery that was being babied . . . what is going to happen with run-of-the-mill equipment?"

At his last press conference, President Carter insisted that "there is no connection" between the high failure rate of the rescue aircraft and the problems the Navy and Air Force have had in holding on to skilled maintenance and technical personnel. And Navy officials were quick to point out that the RH-53D has a good performance record when configured to carry passengers, as it was on the rescue attempt.

The same cannot be said of the RH-53D when it is set up to do its normal job of mine-sweeping. In that configuration, 55 percent of the RH-53D fleet was not capable of performing its mission at any given time, according to Navy figures for fiscal 1979.

What's more, for every flight one of the helicopters made last year, it required 40 man-hours of maintenance, according to congressional sources familiar with the aircraft.

The RH-53D is far from the worst aircraft in the Navy or Air Force. In fact, it has one of the better records. That only illustrates how serious the readiness problem is for U.S. warplanes.

Two-thirds of the Air Force's sophisticated F-111D bombers were grounded at any given time last fiscal year, according to a consolidated guidance report sent to the Air Force and Navy recently by Secretary of Defense Harold Brown.

The Navy's frontline interceptor/fighter, the F-14A, was not ready to perform its mission nearly half the time, Brown's report showed. The Air Force's frontline fighter, the F-15, was not capable of performing its mission 44 percent of the time last fiscal year.

Frequent breakdowns and a lack of available spare parts have led to such startling statistics.

Something goes wrong, minor or major, every 18 minutes in flight on the F-14A, on the average. It takes half an hour on the F-15, and 12 minutes on the F-111D.

The frequency of breakdowns accounts for the astounding amount of time that must be devoted to repairing such aircraft. The F-14A requires 98 manhours of maintenance for each flight it takes. The F-15 needs 34 hours, while the F-111D takes 98 hours.

Operating and maintenance expenses naturally rise as maintenance hours and the frequency of breakdowns increase. The loss of avionics (electronics) technicians boosts costs too. It costs $55,000 to train such a technician in his first year, but only 37 percent of the technicians re-enlist after their first term in the Navy and only 33 percent in the Air Force.

Repair costs also rise as planes become more technologically complex, particularly as they add sophisticated avionics systems. For example, it costs about three times as much to fly an F-15 as it does a simpler F-4E, which the F-15 is replacing. The big increase in costs is due to maintenance and spare parts.

This might not be disturbing if the more complex planes were given appropriately larger budgets for spare parts and maintenance. But they are not.

A key indication of this is that the Navy is forced to cannibalize many of its F-14As in order to keep other F-14As flying. Last fiscal year, 70 acts of cannibalization were required to make every 100 flights by an F-14A possible, according to Brown's guidance report.

"Cannibalization is a particularly inefficient use of resources in which increasingly scarce, highly skilled manpower is wasted on the removal and installation of two pieces of equipment instead of one, and aircraft bought to fight the enemy are turned into grounded 'hangar queens,'" Brown's report said.

The Air Force not only cannibalizes planes to enable others to fly, it also draws on wartime stocks of spare parts.

"Drawing war reserves to maintain peacetime activity rates can be extremely dangerous," said Brown, "particularly since the drawdowns tend to be greatest in precisely those parts we would need most in wartime."

The readiness problem gets worse in wartime conditions.

"Flying combat sorties [flights]," Brown said, "demands a high level of combat readiness in terms of people, support structure, spare parts, munitions and equipment. The trends in these areas, however, are generally unfavorable, and do not inspire confidence that our true combat readiness is growing, as it must."

Spare parts have been a sore point with many Defense Department critics for years.

"Spare parts are in such short supply and take so long to get that at some fighter bases, maintenance personnel have actually used their own money to purchase parts at local electronic supply outlets such as Radio Shack," said Rep. Jack Edwards (R-Ala.), ranking minority member on the defense appropriations subcommittee.

Even the department's own people complain about the situation. Gen. Bryce Poe II, commander of the Air Force Logistics Command, notes that only 15 percent of the war reserve spare parts needed for the first days of a war have been funded for the current fiscal year.

Spare parts needed to last until U.S. industry could crank out replacements during a war are also at sorry levels, he said.

"Our wartime sustaining capability simply does not exist!" he said. "Not only does it not exist, it will not exist for several years . . . You will find no funding for this capability until (fiscal) 1984."

Critics point to the Defense Department's love affair with new planes as a cause of the readiness problem. "We're putting too much money into producing new (aircraft) and not enough into maintaining the ones we have," said one Congressional defense expert who asked not to be identified.

He pointed out it was cheaper to buy spare parts to repair disabled F-14As or F-15s than to buy an entire new plane or the same type. But the Navy and Air Force for years have chosen to buy planes now and figure they could get spare parts later if a war came, he said.

"Often they even got planes they didn't want because some member of Congress with an aircraft factory in his state or district wanted to keep workers on the job or tax dollars flowing in," another Capitol Hill defense expert said. "There's no lobby for spare parts."

The fascination with newer, more complex planes invariably has meant higher cost per plane, as well as more breakdown problems.

"Compared with 15 years ago, the U.S. Navy spends twice as much money to buy one-fifth as many tactical aircraft," said Rep. Les Aspin (D-Wis.), a member of the Armed Services Committee. Using constant dollars, Aspin computed that in fiscal 1965, the Navy bought 271 tactical aircraft for about $711 million, while it got only 51 such aircraft for $1.367 billion at the beginning of fiscal 1980.

Using these figures Aspin estimated that the United States could buy, operate and maintain 12 F-4s or one F-14. "It is simply ridiculous to assert that a single F-14 could perform as well in combat as a dozen F-4s," he said.

In a recent classified test, cheap F-5 interceptors ($3 million) were pitted against expensive F-14As ($22.9 million) and F-15s ($19 million), with the F-5s acting as Russian MIGs.

In one-on-one situations the more expensive planes did better, but in a four-on-four dogfight, the F-5s shot down about as many of their opponents as the F-14s and F-15s.

With technicians and engineers in charge of many of the Defense Department's key posts (including former physicist Harold Brown), few critics expect the administration to switch any time soon to a policy of buying lots of cheaper planes instead of a few expensive ones.

"They look to technology to solve all their problems," said one high defense official, with a military background. "Military history and tactics mean very little to them."

A slight change has been observed, however, with regard to dealing with the spare parts and maintenance problems. In the last two fiscal years, Congress, after several years of cutting administration budget requests for spare parts and maintenance for tactical aircraft, has added modest amounts to such requests.

But the long-term picture could spell trouble. The five-year plan for 1980-85 is to increase funds for buying Navy and Air Force planes at a faster rate than the money needed to operate and maintain the increasingly complex aircraft.

Said one defense consultant familiar with the matter, "It's a built-in guarantee of a readiness problem. It's going to hit them right in the face."●

THE IMPERIAL PRESIDENT AS IMPERIAL TAX COLLECTOR

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. ASHBROOK. Mr. Speaker, how happy Americans were when Judge Aubrey Robinson, Jr., ruled the President's fee on imported oil was illegal. The basis of his ruling was that the import fee was not a fee at all, but a new tax for America. It seems that the President, and his attorneys, in their haste to legitimize the fee via the Trade Expansion Act of 1962 forgot to mention that, unlike past efforts to use the act, they were directly impacting on consumers instead of on importers. For the tax-financed White House motor pool this may be a minor technicality, but for the millions of consumers who would face a 10-cent-a-gallon increase in their gasoline bills starting tomorrow, it is a big difference.

In the last year consumers have confronted a nearly 60-percent rise in gasoline prices at the pump. In the wake of such steep increases gasoline consumption has dropped by close to 9 percent. To the layman this is conservation through the marketplace. Instead of the gas lines of 1979 we now have a glut of gasoline in many locations. To the White House this is a disaster that has to be addressed through more increases in gasoline prices. One might ask why there is a need for another hike in gas prices if conservation is occurring and gasoline supplies are on the rise. You only have to look as far as the Federal budget to find the answer. In order to create the so-called balanced budget, the $10 billion in revenues generated by the fee are needed. Otherwise, real budget cuts or an open tax hike would have to occur. In an election year, with tax revolt fever still in the air, what better way to make up that $10 billion than by soaking the consumer in the name of conservation?

Thankfully, there are still judges on the Federal bench who believe America is ruled by law and not political expedience. Judge Robinson stood firm in the understanding that revenue is raised by the Congress and not by Presidential edict. He also knew a tax burden when he saw one. Many analysts of energy conservation have stated that the conservation value of the fee was negligible while the revenues generated were of windfall proportions. Mr. Carter's fee was indeed a tax by any other name.●

ARMED FORCES DAY ADDRESS OF LIEUTENANT GENERAL HARDIN

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. NICHOLS. Mr. Speaker, on Armed Forces Day, May 17, 1980, I was indeed privileged to take part in the ceremonies of the day at Anniston Army Depot in Alabama. Lt. Gen. Harold F. Hardin, Jr., deputy commanding general for materiel readiness of the U.S. Army Materiel Development and Readiness Command, gave the Armed Forces Day address. I would like to share with my colleagues General Hardin's remarks of the day.

Thank you very much, Colonel Akin, for your most generous introduction. Mr. Nichols, General Watson, distinguished guests, ladies and gentlemen, fellow officers and soldiers. I'm very honored that you invited me to be your guest speaker here today, and I'm always pleased to be able to renew acquaintances at Anniston Army Depot. As a part-time resident of Cleburne County, I appreciate, as you do, this area's beauty and abundance. This part of Alabama is truly blessed—as a center of culture and historical significance, and with its mild climate, lakes, parks, wildlife, and sports facilities, we certainly can't be too far from God's own country.

Each year at this time, we pause to examine our Nation's military posture and to honor the men and women of our Armed Forces, past and present, for their contributions to national security—a security that protects our Nation's freedoms and permits growth and opportunity.

Certainly no region has contributed more to a strong United States of America than the South, where installations such as Anniston and Fort McClellan have, for many years, rendered unstinting service to our national defense.

Here in Calhoun County, in the heart of America's Southland, where patriotism is still alive and well, and where the national anthem is revered—military service is still regarded as an esteemed and noble profession. Here men and women have always understood the need for national defense and a strong and ready Army.

Since the founding of our Nation, this region has produced more than its share of dedicated soldiers and distinguished military leaders; and since the dark days of two world wars, southerners and their elected representatives have made invaluable contributions toward the preservation and protection of our liberty and our way of life.

Each time I leave my office in Washington to visit this community, I feel that I'm reentering a place where pride, spirit, and tradition are tangible and real. Yours is a history of hard work and determination—in response, time and time again, to our Nation's call—in war and in peace.

I sense here a unifying spirit of proud men and women—friends, neighbors, and relatives—all working enthusiastically toward personal, community, and national goals, among which, naturally, are your contributions to the United States Army.

Here at the tank rebuild center of the free world, it is truly fitting that we observe Armed Forces Day in a building named after one of the world's foremost tank commanders, and in whose name we recently christened our new main battle tank. Of course, I'm referring to the late Army Chief of Staff, General Creighton W. Abrams. Tanks are a symbol here. For the tanks that are inspected, repaired, rebuilt, tested, and shipped from this depot to our troops and allies around the world—are symbolic of the dedicated men and women who work here, as well as a testament to the spirit, dedication, and love of country that the people of Anniston Army Depot put into their work.

Certainly, Anniston's 4-year, 2,064-unit M48A5 tank conversion program, completed last December, is recognized throughout the defense community as a tremendous achievement, one of many in a long, proud record of Anniston's accomplishments. Along with your other missions in small arms repair, ammunition supply and storage, missile support, material testing, and equipment calibration, Anniston Army Depot is truly a vital link in the army's materiel readiness chain.

The quality of support for the Army is equally superb at Anniston's sister installation, Fort McClellan, the "Military Showplace of the South," where the U.S. Army Military Police and Chemical Schools provide training aimed at helping us to attain and maintain a visibly strong, combat-ready force.

In short, I feel that I'm among family here, and I can't help but think that your community spirit is the main force behind your success, not just on the job, but as solid American citizens.

At this point, I want to briefly discuss some aspects of Army readiness that are of importance to all of us.

Recent events have convinced me that today, more than ever, a strong military force is essential if we are to survive as a nation. We must have an army that is prepared to fight, and win—the first battle—and the last battle. This to me is the essence of deterrence and the substance of strength.

The only justification for having a military force is to deter or fight wars. That's why we have an Army.

Readiness—preparedness—is a constant concern of those of us in Darcom and the Army. But preparedness is not a new concern. Let me read to you a quote from the past . . .

The history of failure in war can be summed up in two words: too late. Too late in comprehending the deadly purpose of a potential enemy; too late in realizing the moral danger; too late in preparedness; too late in uniting all possible forces for resistance; too late in standing with one's friends.

The time was summer, 1938, in the Philippines. The author was General Douglas MacArthur, writing to journalist William Allen White. War had been raging on the Chinese mainland for seven years, and half a world away, Austria was gone and Czechoslovakia was about to be swallowed. "Too late" was almost upon the world's democracies, but few of them could see it.

In the late 1930's, as they still are for many Americans, Manila, China, and Prague were romantic names, if they were recognized at all. America was then free of "entangling alliances," having refused even to join the League of Nations. We were "fortress America," safe behind water barriers both to the east and west. We were a power with few responsibilities.

Forty plus years later, after Angola, Ethiopia, South Yemen, Cambodia, and Afghanistan, the United States is awakening to another almost "too late"—re-comprehending the unalterable drive of the Soviet Union to achieve domination of her immediate neighbors and of the world.

Today we are a superpower with responsibilities that cannot be ignored. From the end of World War Two until the mid-1970's, the United States was unquestionably the strongest nation in the world in every respect—politically, economically, industrially, and militarily. However, in recent years, our comparative military strength has been steadily eroded by the Soviet Union's relentless building of its land, air, and naval forces to levels that patently exceed those needed for defense of its borders, and even for the defense of its European empires. This buildup can best be characterized as "explosive" in terms of the resources devoted and the quantity, diversity, and quality of armaments produced.

We are very concerned about the steady and substantial growth of USSR/Warsaw Pack military capabilities, and their willingness to use those capabilities. Many summaries and comparisons of relative US/USSR or NATO/Warsaw Pact strengths have been published. The FY 1981 United States military posture overview, by the chairman of the Joint Chiefs of Staff, credits the Warsaw Pact with a 3 to 1 advantage in tanks; a 2 to 1 advantage in armored personnel carriers and a 3 to 1 advantage in artillery tubes over their counterpart NATO forces in the European central region. Moreover, all trends, plus that for armed attack helicopters in combat units, favor both USSR over United States and Warsaw Pact over NATO forces, respectively.

Few other commentaries are as thorough. Yet the real strength of a nation cannot be measured solely by what is in the field, because that materiel would largely be consumed in the first shock of any battle. As General MacArthur implied, it is just as important to have marshalled all resources, so that our nation is prepared, not only to fight the first day of war, should war come, but be prepared to fight the last day—and win.

For the army, such a capability will require a total force effort. The total force concept includes all army elements—active military, national guard, reserve, and civilian. As part of the total force, Darcom has received from army chief of staff General Meyer a set of goals designed to achieve army near-term combat readiness; mid-term modernization of materiel; and a long-term wartime sustainability. If the army is to be a viable deterrent and fighting force, we must attain these goals as rapidly as possible. As soldiers and federal employees, many of you will be afforded numerous opportunities to help the army achieve these objectives.

Darcom expects to be in the vanguard of the Army's total force effort, because Darcom's job, simply stated, is support—support of the total army, our sister services, particularly in conventional ammunition, and our allies, through our security assistance program under which we manage foreign military sales. Darcom support includes research and development, acquisition, fielding, and disposal of materiel—life cycle management.

During the next few years, we will field some 400 new and product-improved systems, many of them major, varying in complexity from portable night vision devices to the Abrams (XM1) Tank. The size and scope of our modernization program is unprecedented in Army history. I'll briefly describe some of these new systems that will be part of the Army of the 80's and beyond. Of course, our newly christened Abrams Tank will be our main battle tank, for the balance of this century. The first model came off our production line at the Lima, Ohio tank plant in late February. Anniston Army Depot will provide the lion's share of support for the Abrams in the years ahead.

Our fighting vehicle system (FVS) will provide our soldiers with infantry and cavalry versions of armored fighting vehicles, incorporating the 25mm automatic cannon, TOW missile system and a machine gun. They will be capable of fighting day or night.

During the next four years, Darcom will field an entirely new family of all-weather air defense systems for the combat zone. The Redeye, Chaparral, and Hawk missile systems and the Vulcan gun system will be replaced by four new systems—Stinger, Roland, Patriot, and Divad—the division air defense gun. Our four new air defense systems will provide an effective air defense umbrella on future battlefields.

Finally, the advanced attack helicopter (AAH), when fielded, will add an important dimension to our antitank defenses. The AAH carries up to 16 hellfire laser guided missiles. In developing the AAH and our other new systems, the Army's approach is to harness technology to create systems that have the ability to live, fight, and survive with troops in the front-line battlefield environment.

Readiness in the short term is one of the Army's most pressing challenges. If war comes, chances are we'll have to fight a "come-as-you-are" war, initially going into combat with the supplies and equipment on-hand. We probably will not receive an early warning, so we must be prepared to fight—now.

To overcome a surprise attack in Europe, for example, NATO forces will have to hold until reinforcement units arrive from the United States. One of the keys to rapid reinforcement will be the availability of equipment. Because we don't have sufficient military aircraft to rapidly transport both soldiers and their equipment overseas, we are prepositioning materiel in some 83 controlled humidity warehouses in Europe. Stored weapons, vehicles, and other equipment are ready for issue to specific units currently stationed in the United States.

While we have been strengthening our NATO defenses, we have been compelled by recent events to develop a rapid deployment force (RDF), capable of responding to emergency situations anytime, anywhere. With the Navy, Air Force, and Marine Corps, the Army seeks to build a combined force, fully equipped, with the necessary ships and planes to transport the force, and logistics support to sustain it for as long as necessary. Because Darcom will provide support for much of the force, I have established at Darcom Headquarters a task force to address matters pertaining to planning for and equipping the joint service rapid deployment force. The project is receiving the attention that its importance demands, and we anticipate rapid progress.

For sustaining power, the Army needs an industrial production base in the United States that can gear up quickly to sustain wartime efforts. Although the rudiments of the base exists, it is not ready for mobilization now. More importantly, the planning to get it ready is wanting. Should war break out, we won't have the luxury of 14 to 18 months to upgrade our war materiel production, as we had in World War II, Korea, and Vietnam.

These, then, are some of the major areas in which we at Darcom are working to improve Army materiel readiness. Naturally, we look to the people of Anniston Army Depot to plan and execute many of our key supply and maintenance programs.

Here at Anniston, I know that all of you are justifiably proud of the fine new facilities that are completed or under construction. Your new dynamometer test facility is already enhancing mission accomplishment in engine testing. And Anniston's $10.6 million metal finish facility will, when completed in 1981, add to this depot's capabilities in cleaning, plating, and finishing tank and small arms components. We at Darcom headquarters share your pride in these accomplishments.

In closing, just let me say that all of us today must accept the fact that freedom's work is never finished. For it is one of the facts of history that freedom does not come with a guarantee. If our freedom is to survive, like all living things, it must be nourished, fed on the belief, and the determination of those who believe its benefits and privileges are worth the sacrifice.

I think we all agree that the goal of our people and of our nation is peace. However, we must remember that a strong military force is not an enemy of peace—but a guardian of peace.

Every generation of Americans has had to make sacrifices to preserve and strengthen the freedom we enjoy today. We must be ready to do the same.

I'm an optimist by nature. And I know that, as I stand before you today, the people of this community require from me no prompting, no clarion call to come to the aid of our country. You and your relatives, your friends, and your neighbors have always served well, in war and in peace. And I know that such dedication and sacrifice will continue, without measure, through all the days ahead. And I believe that future generations here will reflect upon the traditions and achievements of you, their forebears, and I envision them saying, as I now say—"Thank you, ladies and gentlemen—thank you very much."●

JOHN F. KUBIK WILL BE MISSED

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. HYDE. Mr. Speaker, a giant in the important community publishing industry has passed away and we are all the poorer for his loss.

John F. Kubik was more than a gentle and thoughtful person. He was a strong influence for good in the Cicero-Berwyn-Riverside area. He was a friend and adviser whose calm appraisal of current events and community affairs were characterized by commonsense and patriotism.

He loved our south suburban Chicago area, and he loved its people. His warmth and kindly encouragement will be sorely missed by me and by the many public officials who sought his wise counsel.

His family will miss him most of all because they knew him and loved him best. But we who knew him loved him also.

I share with my colleagues a news article about the career and death of Mr. Kubik:

LIFE PUBLISHER JOHN F. KUBIK DIES AT LOYOLA

John F. Kubik, who guided The Life Newspapers to a place among the top community publications of the country, died Monday evening at Loyola Hospital as the result of a heart attack.

Mr. Kubik, 78, underwent back surgery at the hospital Saturday. He had injured himself a week earlier in a fall in his home.

Funeral services at 10 a.m. tomorrow at the Cermak Funeral Home, 5844 Cermak Road, Cicero will be followed by entombment at Woodlawn Cemetery. Visitation is scheduled for noon to 10 p.m. today.

His death ended 48 years of community service and dedication to the newspaper field.

He became a partner in The Life Newspaper enterprise in 1932 and publisher four years later. The newspapers advanced quickly under his leadership.

What was started as a weekly publication in 1926 by William Cepak has expanded to three tri-weekly sets of newspapers with a combined circulation of 92,500. They serve some 40 suburbs with a total population of 375,000.

BORN NOVEMBER 17, 1901

Mr. Kubik was born on the Near West Side of Chicago Nov. 17, 1901. When he was 9 years old his family moved to Antigo, Wis., and he had especially fond memories of his days on a farm there.

When he was 17 he returned to Chicago to join a brother, moving to Cicero shortly thereafter. Gathering experience in the business world, he worked for the Commonwealth Edison Co. and Western Electric Co. before becoming one of the founders of the K and M Appliance Store, 4839 Cermak Road.

As a resident of Cicero, Berwyn and Riverside, he liked to recall the way the west suburban prairies blossomed into fields of homes and business centers.

He had a key role in the progress of many of the communities, heading a number of civic projects and lending the newspapers' support to countless major improvements.

In 1976 the West Suburban Bar Association honored him with its Liberty Bell Award, the first to go to a person outside the legal profession.

Charles Winkler, association president, said the honor was extended for "outstanding community service in keeping with the spirit of individual responsibility to the end that citizens recognize their duties as well as their rights."

PRAISES KUBIK

He praised Mr. Kubik for "contributing to the effective functioning of our institutions of government and inculcating a better understanding and appreciation of the role of law."

Also in 1976, Mr. Kubik was named recipient of the Cicero Rotary Club's Vocational Service Award, selected over nine other outstanding community leaders.

The honor was bestowed on a non-Rotarian who contributed to the life and development of Cicero through his vocation.

Dino Perry, the award chairman, cited Mr. Kubik's journalism leadership and personal ethics, noting that these, more than anything else, were responsible for his selection.

At the same time Perry praised the publisher for "his outstanding leadership in the community and his example of good citizenship."

Perry added, "He has exemplified that the power of the press is a responsible power, one with which comes a great burden to be fair, just and objective while seeking the community good."

CONTINUING HONORS

Continuing honors were climaxed last November when he was honored for community leadership at the benefit dinner for Seguin School, which provides guidance and training for retarded children and adults.

At that time Mr. Kubik was praised for his integrity as a newspaper publisher and personal integrity as a good citizen and community leader. His contributions to individual welfare as well as community progress were noted.

"Although the responsibilities of publishing three sets of newspapers and the business demands on his time were enormous, Mr. Kubik made sure that his door was open to anyone who had a problem, personal or otherwise," Al Carr, benefit committee member, said.

Through the years Mr. Kubik enjoyed his close business association with five partners: William Cepak, who founded the newspapers in 1926 and left them in 1937; Rose Cuchna, who also sold her interest in the papers in the 1930s; John Polakovic, a partner from 1935 to 1941; Gustav O. Randa, who purchased Mrs. Cuchna's holdings and eventually became secretary-treasurer; and Richard Hoffman, who became a board member when Polakovic left to devote his time to other business interests.

Though retired. Randa remains affiliated with the newspapers.

Mr. Kubik's survivors include his wife, Ella; a son, Jack R., a company vice president; a daughter, Jeanne Donars, and her husband Paul, also a vice president; a brother, Louis; a sister Tillie; and seven grandchildren.

In addition Mr. Kubik is mourned by the 140 members of the newspaper staffs and the scores of composing room and press room workers who participate in producing the Life Newspapers.●

A TRIBUTE TO DAVID JOHNSTON

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. RUSSO. Mr. Speaker, each of us has his own battles to fight, his own paths to follow and searches to be made. But it is the rare human being who is capable of the special dedication that means the sacrifice of one's life for the cause of science or humanity. Last week such a man died. He chose to pursue his work in the face of danger, to study the unknown, and save future generations from disaster.

There will be many stories to be told of the tragedy of the eruption of Mount St. Helens in Washington. But none will be more courageous than that of David Johnston of Oak Lawn, Ill., a 30-year-old volcanologist with the U.S. Geological Survey.

Mr. Johnston was the first scientist on the scene at Mount St. Helens and the first to spot steam from the volcano. He convinced the authorities that the volcano was actually going to erupt, and that campgrounds surrounding the mountain should be closed.

Although the authorities acted upon his advice—and as a result thousands of lives were saved—he did not follow his own recommendation. Instead he risked his life to go down into the crater to take samples. He knew what the risks were, but he was a man of great courage and devotion and he can only be praised for his dedication.

This Sunday there will be memorial services for Mr. Johnston. I know my colleagues join with me in extending our sympathies to his family and expressing our gratitude.●

A NOBEL LAUREATE SUPPORTS CLINCH RIVER BREEDER PROJECT

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. WYDLER. Mr. Speaker, the chairman of our Science and Technology Committee received a most significant letter in support of the Clinch River breeder reactor project this month. Dr. Hans Bethe, Cornell University, a distinguished Nobel laureate, wrote to Mr. DON FUQUA, the chairman of our committee, to demonstrate his strong support for building Clinch River. It is worth noting that 1 year ago Dr. Bethe did not feel as positive about the Clinch River project and thought that a new breeder design should be chosen. Now it appears that the scientific and technical community is coming down on the same side of this issue; that is, there is a significant increased risk to switching to the design of a much larger breeder technology demonstration plant.

As the Congress readies itself for another battle on the Clinch River project and the funding of the U.S. breeder technology program, I recommend this letter to all my colleagues.

The letter follows:

CORNELL UNIVERSITY,
LABORATORY OF NUCLEAR STUDIES,
Ithaca, N.Y., May 15, 1980.

Hon. DON FUQUA,
Chairman, Science and Technology, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On May 7, 1979, your committee gave a hearing to a group of scientists which included Dr. Edward Teller, myself and others. This letter is to make some modifications in my testimony in the light of developments during the last year.

The main purpose of my testimony was to urge the vigorous development of some advanced reactor beyond the light water reactor. I left it open whether this should be a fast breeder reactor or an advanced converter, and if a breeder, whether it should be Clinch River or a new design. Among other things I made the following statement:

"Now, that breeder does not need to be the Clinch River breeder. In fact, the Clinch

River breeder is rather obsolete. Such a long time has elapsed between the design of that reactor and the building, so that we probably would be better off to start from the beginning and to have a new design for the breeder.

"I understand that such designs are going forward, at least by two of the major reactor manufacturers."

In the light of developments of the last year I no longer believe the statements in this paragraph, while at the same time I would reiterate my recommendation for urgent development and building of an advanced reactor. The developments are the following:

1. The breeder design efforts which I mentioned in my earlier testimony have come to some conclusion. They have involved five rather than two reactor manufacturers. The efforts have led to a design which is basically a scaled-up version of CRBR (the Clinch River Breeder Reactor). In particular, the new design retains the loop principle, as distinct from the pool design of the French breeder reactor as well as the EBR2. As I understand, the loop design was endorsed because it permits easier access to the reactor in case repairs and modifications should be necessary at a later date. Of course, going ahead with the loop design does not imply any final decision between loop and pool.

2. The INFCE Report has appeared. The many experts from many nations conclude that there is no substantial difference between LMFBR and advanced converters with respect to the ease of diverting reactor material toward illicit manufacture of nuclear weapons. The INFCE report concluded that the nuclear weapons proliferation problem must be solved by institutional and political arrangements, and that there is no easy technical fix.

Once there is no substantial difference between the various advanced reactors with regard to weapons proliferation, the fast breeder reactor is greatly preferred because it insures nuclear fuel supply into the more distant future, while advanced converters can only stretch the supply by at most a hundred years.

3. Industry is in favor of a smaller demonstration plant, about of the size of Clinch River, rather than a plant of 1000 MWe which was the target of the industry design efforts mentioned in Paragraph 1. In engineering devices of this type, it is prudent to proceed by moderate steps which means going from the fast test facility in Hanford to the Clinch River size. Lots of difficulties are likely to occur if we went directly to a 1000 MW reactor. Moreover, the cost of the Clinch River size is clearly much smaller than that of a 1000 MW plant. The General Accounting Office also endorses this argument. CRBR can be brought in much earlier than a larger reactor could be, and because of its somewhat smaller size it will be easier to study its performance and possibly modify it if so indicated.

In view of all these arguments I conclude that the interests of the nation will be best served by completion of CRBR. This does not and should not commit the U.S. to early commercial deployment of a breeder; that decision should be made later on considering the needs of the reactor industry for additional fuel supply.

I should like to make an additional remark on chemical reprocessing of nuclear fuel. Any type of nuclear reactor which is to conserve uranium requires reprocessing, whether it be an advanced converter or a breeder. Reprocessing also gives more options for disposal of nuclear waste: If the transuranic elements are separated from the fission products, the transuranics do not cause much heating and therefore could be easily disposed of in salt such as the WIPP site. The fission products, on the other hand, which do cause a lot of heating have in general relatively short lifetimes, and therefore do not require a repository of quite as permanent stability.

I hope that you will find these remarks useful.

Yours sincerely,

Hans A. Bethe.●

THE ROAD TO PRODUCTIVITY AND ECONOMIC GROWTH, PART IX—STATIC ANALYSIS OF THE INDIVIDUAL INVESTORS INCENTIVE ACT

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. SCHULZE. Mr. Speaker, today I would like to enter into the Congressional Record the Joint Committee on Taxation's revenue impact statement on my bill, H.R. 6300.

Their conclusions on this legislation were formed by use of one of the two types of analysis available for changes in the Tax Code. This tax model known as the arithmetic or static analysis is based on a microeconomic model of the Federal individual income tax which was first developed by the Treasury Department in the early 1960's to produce revenue estimates for the 1964 tax cut.

In recent years, the debate on tax policy has been reduced to the question of how much revenue is gained or lost from a change in existing policy. Regrettably, it seems the Treasury Department has adopted a philosophy whereby it assumes that all income belongs to the Federal Government and that the private sector is subsidized through what the Treasury Department refers to as tax expenditures. This is a totally inaccurate assumption, but unfortunately one shared by certain tax practitioners.

It should also be noted that the static approach has a major flaw in its emphasis on a microeconomic model. It does not estimate the macroeconomic impacts of tax legislation, therefore no account is taken of the additional tax revenue resulting from the stimulative effect of a tax change.

Nor are shifts in relative prices of capital assets resulting from some favorable legislation in that area allowed to reduce the revenue loss to the Treasury, because of the possibility of increased investment boosting the economy. The static model does not account for feedback and thus has no dynamic implications.

While the feedback approach may be difficult to measure, it cannot be ignored and later this year I hope to submit for the Record several dynamic feedback models of the Individual Investors Incentive Act of 1980.

At this point, I would like to enter into the Record the letter I received from the Joint Committee on Taxation which contains their revenue impact statement for the Members to review:

Congress of the United States,
Joint Committee on Taxation,
Washington, D.C., May 21, 1980.

Hon. Richard T. Schulze,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Schulze: We have estimated the tax reduction from your bill H.R. 6300 as shown below. This would grant individuals a nonrefundable 10 percent credit up to a maximum credit of $1000 per individual for the purchase of domestic corporate stock and bonds or shares in a qualified mutual fund, real estate investment trust, or similar investment company. The credit would be recaptured if the shares are not held for at least one year. The credit would be available for taxable years beginning after December 31, 1980.

REVENUE IMPACT STATEMENT

[In millions of dollars]

	1981	1982	1983	1984	1985
Calendar	1,405	1,545	1,700	1,869	2,056
Fiscal	(1)	1,405	1,545	1,700	1,869

[1] Less than $5 million.●

FAMILY LIFE IN AMERICA

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. MAGUIRE. Mr. Speaker, the 1980's will be remembered as a time when important values, family values, enjoyed a renaissance. One of the important commentators on the quality of family life in America, Dr. Tom McGinnis, recently presented a thoughtful statement on "The Family: A New Beginning," which I would like to share with my colleagues:

The Family: A New Beginning[1]

(Dr. Tom McGinnis)[2]

I'm not sure how you feel about being here, but I assume that your feeling about being here is similar to mine, and that is, I'd rather be here than any other place I know. The reason I'd rather be here than any other place I know is that I think the American family is the mighty fortress of society. That, so goes the American family, so goes our society and, in many respects, so goes the rest of the world.

While America is often much maligned, while we, ourselves, express much discontent, much dissatisfaction, with who we are and what our circumstances are, for the most part, when we take a careful look and appraise, and reappraise, who we are and where we are and how we got here, hardly any Americans that I know would want to go any other place.

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[1] Keynote address given to the White House Conference on Families (New Jersey Northern Region) at William Paterson College, Wayne, New Jersey, April 13, 1980.

[2] Dr. McGinnis is the Director of the Counseling and Psychotherapy Center, Fair Lawn, New Jersey; member of the Executive Committee of the International Union of Family Organizations; a representative to the United Nations; author of OPEN FAMILY LIVING (Doubleday) and of other books and numerous articles on marriage and the family.

America is a Democracy—floundering, struggling, striving—and often times achieving. What I have to say is probably going to be more focused on what we are achieving and what we have achieved rather than what we haven't done, or are not doing.

I believe in the American family because family life at its best fulfills a human need rarely met by any other arrangement or institution. But I don't believe in a particular system or life-style at the exclusion of all others. I think the American family, while showing signs of disintegration, dying, in some quarters, is growing stronger and stronger. How does one account for that in view of the great amount of family discord—separations, divorces, kids, running away from home, teenage suicides, violence in the home, teenage pregnancies? You might justifiably challenge, "How on earth could anybody ever take the position that the family is strong?—and that, indeed, it is getting stronger?"

Looking back to the time when I was in high school, if a girl got pregnant out of wedlock, she was shunned by her peers, often excommunicated from her church, kicked out of school, punished by her family and, many times, forced to leave her home. I can't imagine many American families nowadays treating a pregnant teenage girl in that fashion, nor a school, nor a church, nor her close friends.

There was a time when divorce was seen as a failure, as a wrong. Increasingly, we are seeing that the people who were mismatched at the beginning no longer are forced to stay together at great personal cost to themselves and to their children.

Today, the family unit is less arbitrary, less punitive, and we're becoming more communicative. We're less closed and we're more open; we're less rejecting and more accepting. Even in many divorces, there's more qualitative communication as we replace the antiquated adversary legal proceeding with the more objective "no fault" system. In effect, we really are moving away from a totalitarian or authoritarian society toward a democratic society. And in doing that, we sometimes get into lots of trouble.

It is very difficult for those of us in the audience who were raised in essentially authoritarian family structure where we were told what to think, how to feel, and how to act. And if we didn't follow those prescriptions for living, we were to consider ourselves as "bad," or as having done wrong, and that we should expect punishment. And that if we didn't get it from the outside, we should punish ourselves inside . . . promise that we'd never do it again. And none of us grew very much in that system. It created anxiety, fear, hostility, feelings of rejection, isolation, alienation, and a lot of other negative things.

I don't think this is going on as much now. I believe that parents, for the most part, are much more sensitive to the needs of children, are much more aware of the fascinating dynamics of human experience.

We've made lots of progress. But, in making progress, when we get anxious about issues and concerns that we face—abortion, divorce, custody, one-parent families—whatever the issues are—the tendency is when we get anxious, we want to slide back to the old style that we knew as children, and were used to—the style that is more rule-oriented and directive—that is more structured.

But, hopefully, we don't stay back there very long, that we recoup and begin to move ahead, and as a result of things like consideration and compromise and negotiation—not only of our own point of view but the points of view of other people—that we all will eventually benefit.

Many of us are in an emotional—if not philosophical or political—bind. We want to be democratic, but we don't have the tools. We haven't been taught the tools for how to be democratic. Incidentally, democratic, as I'm defining it, means being open to another person's point of view. It means being tolerant and respectful of another person's feelings, attitudes and values. It means a willingness to negotiate your position with another person's position in a way that is fair to you and fair to the other person and fair to society in general.

This takes time and it takes skill—skill in communication—communication within oneself. Who are you? How did you get to be who you are? It takes skill in getting to know the other person or the other point of view. Who is that person? How did he or she get to be where he or she is?

What we're not often fully aware of is the excitement that this process can bring. That it becomes important to participate in the process as opposed to mainly shooting for a particular outcome.

This conference is part of a very large process that is going on nationwide—probably a kind of process that has never occurred in any nation before. New Jersey may be among the last states to have its regional conferences, but sometimes, by coming up from the rear, we can benefit from all that has gone on before and, perhaps, move to the front.

Let me describe more carefully for a moment what I meant by "process." I get the feeling sometimes as I hear bits and pieces about the White House Conference preparations and deliberations that everyone is so worried about the outcome. People are fighting about what the outcome is going to be. I make a plea to you, audience. Let's engage today in a process—a democratic process of sharing that's fun—that's exciting. I want to know who you are and how you feel. I want to know how you see the family and what is your definition of the family. I want you to hear mine, too.

Maybe we can put the two together with another person's and two more people and we've got five. We now begin to define something that I couldn't possibly produce alone and you couldn't either. They couldn't but we all can.

America has a chance, because we are a Democracy, to lead the world in developing a family policy second to none.

As a family therapist, my whole life has, in a sense, been devoted to improving the quality of family life—one-to-one as a therapist—one-to-many as a writer—and one to many other countries as an international representative to the United Nations on family issues. The very fact that America has chosen to hold a national Conference on Families—to discuss the needs and strengths of families, to examine ways in which families are affected by public policies and programs, and to develop recommendations that will enhance the lives of the nation's families—provides us with a time to rejoice—not a time to fight—over the family.

The very fact of this Conference provides us with the perspective that—far from being at the end of the family—we are at a new beginning. While we've known a lot about the family, now we know the family, how it functions, what makes it healthy, and what makes it sick. We used to see family interaction only on the basis of strict rules and unalterable "oughts" and "shoulds." Now we know that family interaction although complicated can be understood and worked with in ways that enable people to grow healthier. Families become more stable and marriage remains a very viable institution.

Statistics show that the great majority of people who have had so-called marriage failures try it again for they believe it offers a home, stability, security and a good place for children.

I see marriage and the family as the basic human units of society and the determinants of the future of society. Family life shapes individual character structure. The basic values that every one of us holds has been largely determined by what we observed and experienced—both overtly and covertly—in our own families as we were growing up. Family life shapes the personal character of the leaders of the future.

And yet, in our educational priorities, how much emphasis is put on family life education? We teach academic subjects—math and physics, how to drive a car, how to be an athlete, and even how to cook—but one place we hardly do any teaching is how to be a mother, father, how to be a brother or a sister, in effect, how to carry on an effective, qualitative, satisfying, healthy family atmosphere.

Supporting this view is the action taken by the New Jersey State Board of Education just this past week which requires family living courses for all students in grades kindergarten through twelve. I suggest we go even further to expand the curriculum into adult education programs as well.

My experience with the International Union of Family Organizations has shown me that America lags far behind countries like Great Britain, Sweden and many Western European countries when it comes to disseminating literature on marriage, family and raising children. We have no national family policy like those that exist in France, Belgium and in Germany.

But, before we can even talk about improving the quality of family life on this level, we've got to make sure that all families, in order to survive, will have their basic subsistence needs of food, clothing and shelter met.

All of the qualitative aspects of family life cannot exist without the quantitative aspects. These include some measure of financial security through job security and-or other ways of guaranteeing that all families will have sufficient income—even in the face of rising inflation. We've also got to consider the rights of families to maintain the health of each of their members through providing access to quality health care in all age and income brackets.

Perhaps we should start by redefining what we mean by "family" in terms of the changing emphases in our society. Along with this goes looking at new approaches to child rearing and custody, parental roles and alternative family styles.

Then we ought to take a closer look at existing Federal legislation, laws and practices to see if we can come up with some constructive revisions to promote the quality of family life. At the same time, we can reevaluate some of the departments and agencies of our government to suggest ways in which they might be made more efficient on behalf of the family. President Carter's newly created Office on Families (which I visited last week) is in a unique position to assist in the exploration, development and coordination of all Federal policies, legislation and programs which affect the functioning and well-being of families. In addition, it can provide a unified approach to addressing the strengths and weaknesses of families.

Last fall, Governor Byrne's State Committee on Children, Youth and Families sponsored hearings throughout New Jersey to draw up issues for the White House Conference on Families. Now's the time to take a look at the list and begin to determine our priorities.

However, in looking at what issues we feel are the most important, we've got to consider how these most important ones connect with the others because we really cannot approach the family along only one line. That's been a major problem in America all along, that we develop policies about child care and, while they may be good for kids, they have an adverse effect on the family or they may provide aid to the dependent mother but push the father out of the home.

We need a holistic, or total, attitude and approach to the family. We MUST stop developing piecemeal policies that, in some respects, strengthen the family but, in other respects, undermine or destroy the family. For example, we encourage and make it possible for women to go to work but we don't make adequate provisions for child care facilities. We can't look at employment in isolation. We have to look at employment in relation to day care, in relation to health services. We have to look at juvenile justice in relation to family violence.

As we consider the issue of children, we also have to look at the needs of the elderly. The family and its members can't be viewed in isolation either, they have to be approached in relation to the neighborhood and the community, and the city, and the state, and the nation.

We need to consider all of these. But in a democracy where every person and every group has a right to be heard, stumbling blocks will be encountered. Single interest groups with single priorities run the risk of putting on blinders to other people and other groups. Every cause has some degree of legitimacy from somebody's perspective, from somebody's value system, from somebody's point of view—and that's okay. But, instead of over-focusing or overloading on individual issues, I hope that we in New Jersey can broaden our outlook.

So I make this plea—as we analyze the issues and develop the priorities, we've got to respect one another, look at the total scene, not at one position and allow it to become the total at the expense of doing constructive work for the American family.

I sincerely believe that what we do here today will not only ultimately be carried to Washington to effect changes on the national level, but that our deliberations can have many important ramifications for countries throughout the world. The priorities we evolve today and on the national White House Conference level can also mean a lot to the developed and developing countries in the world. Let us emerge from this Conference as defenders of the dignity of the family throughout the world.

To this end, I am helping to set the wheels in motion for an International Conference on Families which would be held in Washington, D.C., in 1982. This first major worldwide forum on the family would be attended by participants from all over the globe gathering to air their common concerns and to learn from each other. It could ultimately lead to the establishment of a World Family Organization similar in scope to the World Health Organization.

Those of us who are here today are, in effect, making history. I'm honored to have had this opportunity to share it with you.

Thank you.●

THE HOSTAGE SITUATION IN IRAN AND THE ROANN, IND., JAYCEES

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. QUAYLE. Mr. Speaker, today is the 208th day of captivity for the 53 American hostages in Iran. On April 25, 1980, an effort was made by a small group of military volunteers to rescue the hostages. Unfortunately it ended in failure and the death of eight American soldiers.

In light of this, I bring to your attention the initiative of the Indiana Roann Community Jaycees. The Jaycees have sent a letter to the Tehran, Iran, Junior Chamber asking that they "adhere to the principles of the Jaycees Creed." Moreover, they have awarded the eight servicemen the highest local honor of "Jaycees of the Month," for April 1980. The Roann Jaycees have challenged the Tehran chapter to "use their influence and belief in the Jaycee creed to seek the release of the American hostages. . . ." They maintain that "The brotherhood of man transcends the sovereignty of nations." Such a belief could remove the barriers that imprison 53 Americans in a foreign land and, perhaps, set a precedent for future diplomacy. In times such as these there is the unquestionable need to maintain the proper avenues of communication and allow the free flow of thoughts and ideas. Their action represents a step in this direction.

I commend the Jaycees for their work and join them in the challenge of decency and the respect for human life. Their effort symbolizes the commitment and concern we all share for the safety and freedom of the American hostages. I thank them and lend my support.

I include correspondence which has been sent to the President and the Tehran, Iran, Junior Chamber.

ROANN COMMUNITY JAYCEES,
Roann, Ind., May 15, 1980.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We would like to inform you that the Roann Community Jaycees have decided to recognize our fallen heroes who died trying to rescue our hostages at the American Embassy in Tehran, Iran. Although they might not have been Jaycees, we are going to award them with our highest local honor of "Jaycee of the Month", for April, 1980. We feel that the Jaycee who made the most sacrifices for the good of the chapter should receive this award, and in our eyes, the soldiers who laid down their lives so that others may pursue happiness was the ultimate sacrifice. We will be sending a copy of this letter to the Tehran Jaycee chapter in Tehran, Iran, to show the Jaycees in Iran how this situation is affecting a Jaycee Chapter in Midwestern America.

We are also appealing to them as fellow Jaycees, to prove that the "Brotherhood of Man Transcends the Sovereignty of Nations" and ask them to use their influence in seeking the release of the hostages.

Sincerely,

THE BOARD OF DIRECTORS,
THE ROANN COMMUNITY JAYCEES.

ROANN COMMUNITY JAYCEES,
Roann, Ind.

To: The President and Members of the Tehran, Iran, Junior Chamber.

From: The Members of the Roann Community Jaycees, Roann, Indiana, U.S.A. 46974

DEAR FELLOW JAYCEES: We, the members of the Roann Community Jaycees, are appealing to you, as fellow Jaycees, to adhere to the principles of the Jaycee Creed. This Creed is the guideline for all Jaycees. We ask you to take special notice of the line "The Brotherhood of Man Transcends the Sovereignty of Nations." We appeal to you as fellow Jaycees to use your influence and belief in the Jaycee Creed to seek the release of the American hostages held by your country. We ask you to prove to us that you, as Jaycees, believe that the "Service to Humanity is the Best Work of Life."

Attached to this letter you will find a copy of the letter that we sent to President Carter informing him that we have selected as Jaycee of the Month, for the month of April, 1980, the eight Americans who died in the attempt to rescue the hostages. We believe that this was the ultimate sacrifice and that these eight men deserve this high award.

We again ask you to use your influence as Jaycees to seek the release of the American hostages.

Yours in Jaycees,

THE MEMBERS OF THE
ROANN COMMUNITY JAYCEES.●

LEGAL SERVICES CORPORATION

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. SHUMWAY. Mr. Speaker, few Members would consider it proper for the Federal Government to fund special interest groups like Common Cause, the American Civil Liberties Union, or the National Abortion Rights Action League. While these groups may have legitimate goals, it would be morally wrong to force taxpayers to support causes with which they disagree. Nevertheless, this is precisely what is happening in the case of the Legal Services Corporation.

The Legal Services Corporation was established in 1974 for the stated purpose of providing free legal services to the poor. Yet, in many instances, poor people are used as pawns by legal services attorneys determined to reform society. Hence, we see federally funded lawyers heavily engaged in lobbying, suing for publicly financed abortions, representing illegal aliens in suits against private businesses, and so on.

Unfortunately, the structure of the Legal Services Corporation is fundamentally flawed in that local legal services grantees are not accountable to any elected officials. If a local program engages in prohibited activities, local and State officials are powerless to act. Their only recourse is to refer complaints to the Corporation. Thus, Federal bureaucrats have more authority in local jurisdictions than duly elected representatives.

The controversy surrounding the Legal Services Corporation was recently examined by Mr. Don Lambro, a reporter for United Press International. In his newly released book, "Fat City," Lambro lists the Corporation as 1 of 100 Federal programs that should be abolished. I submit this informative analysis for the RECORD:

A NONESSENTIAL FEDERAL PROGRAM: LEGAL SERVICES CORPORATION—$300 MILLION

(By Don Lambro)

Those who support this program—a great proportion of whom, not surprisingly, are attorneys—believe that no one can survive in this world without lawyers. The fact that most people go through their entire lives without ever needing legal assistance of any kind leaves such people incredulous. They equate legal services with such things as food, shelter, and health care, the essentials of life which the government quite properly provides for the poor. The need for legal services, however, is another matter altogether, one which has never been shown to be necessary.

The very premise of this program is wrong. Those who support its existence never bother to question whether the poor would prefer to forego this and perhaps other federally-funded services in favor of increased income to spend on what they themselves deem necessities. This is why legal services is government paternalism at its worst. If the poor were given more money, instead of this service, they would no doubt go out and spend it on things they need more, clothing, transportation, rent, fuel, or education—needs that have nothing to do with the legal profession.

This agency does nothing to either improve the grim day-to-day lives of the truly poor, or perhaps more to the point, help them to rise out of their circumstances. Indeed, it assumes the poor will always remain in their disadvantaged state in order to provide employment for a corps of government-paid attorneys who are ready to litigate at the drop of a tort.

In truth, legal services is nothing more than an employment program for lawyers. Writer Stephen Chapman, in an excellent analysis of the program in the *New Republic*,[1] called it "a Humphrey-Hawkins bill for the legal community." With the nation's law schools churning out thousands of lawyers each year, this program is expected in the coming years to absorb the growing excess of would-be barristers. The Labor Department estimates that by 1985 at least 100,000 lawyers will be unable to find employment in their chosen profession.

Thus, there is, as Chapman points out, a brilliant deviousness behind the entire concept of legal services:

> While siphoning off some of the overflow from the nation's law schools, the legal services program presents no competitive threat to private attorneys. The point of legal services, after all, is to offer legal counsel to those who wouldn't otherwise purchase it; thus, it doesn't take away clients from other lawyers. The LSC expands the job market for lawyers by furnishing a steady flow of federal money, making its lawyers dependent not on demand from clients but on simple bureaucratic momentum.
>
> Lawyers profit from legal services in other ways. If a poor woman sues her landlord, thanks to the advice of a legal services lawyer, someone has to defend the landlord. The beauty of creating a demand for lawyers by offering them "free" is that for every poverty lawyer who starts or threatens litigation on behalf of a client, at least one more lawyer (and possibly more) will be needed to represent the other side. Even if the legal services lawyer prefers to settle the matter without going to court, the defendant—landlord, businessman, manufacturer, local government or whatever—well may require legal advice about the respective obligations and rights.

As a federally-subsidized job-placement program for the nation's growing force of attorneys, Legal Services started small but is becoming immense. In 1965 the Office of Legal Services was created within the antipoverty program's Office of Economic Opportunity and budgeted at a mere $1.3 million a year. But when Congress turned it into an independent corporation in 1974, Legal Services quickly set about to realize its goal of providing two poverty lawyers for every 10,000 poor people. By 1975 LSC's yearly budget had grown to $90 million, leaped to $157.4 million by 1978, and then zoomed to $261 million in 1979. By fiscal 1980 LSC was asking Congress for a budget of $337.5 million, a massive $67 million increase over the previous year. Congress, however, approved a flat $300 million budget which still represented a $39 million hike over 1979. Its growth is a classic example of a federal program begun by Congress with a budget no one could argue with and then sharply increased over a period of years after the program has all but been forgotten.

Legal Services has reached their goal of two lawyers per 10,000 poor people, but of course it isn't satisfied. Now it wants to double that, insisting that four legal services attorneys per 10,000 poor people is the "absolute minimum" needed. To finance that minimum would cost an estimated $875 million a year.

Meanwhile, an examination of what *is* being spent on this massive and costly program strongly suggests that taxpayers aren't getting much for their money.

Over the past four years about 80 percent of all cases handled by this agency have involved four major types of problems: family-domestic problems, 35 percent; administrative proceedings, 15 percent; consumer complaints, 15 percent; and housing, 15 percent. The remaining 20 percent of the cases falls into the "other" category—which can include a variety of problems.

But an analysis of the underlying figures indicates LSC isn't really reaching that many people.

In 1978 LSC estimated it handled 1.4 million cases for the poor which they numbered anywhere from 30 million to a high of 60 million. If the lower poverty figure is used, that means LSC lawyers reached only 4 percent of the nation's poor. If the higher poverty figure is used (a number that most people would find preposterous) poverty lawyers reached only 2 percent of the nation's poor. Whatever poverty population figure is used, an extremely small number of poor people are actually being touched by this program.

Far more revealing, however, are the agency's own statistics on what actually makes up these 1.4 million "cases." While one may think the bulk of the work of this agency involves a lawyer actually representing poor clients before a court or administrative proceeding of some type, only 20.7 percent of all cases in 1978 involved an appearance in court. More than 30 percent of all cases involved "advice only," while 9.3 percent of all cases involved "referral to another attorney or program." Another 4.8 percent of the cases involved "referral to nonlegal agency." Almost 4 percent of the cases were "handled solely by telephone." And 17 percent involved a "negotiated settlement out of court."

Thus, we can see that Legal Services not only reaches a relatively few number of poor people, but that one-half of those reached get little more than advice. But advice, particularly from lawyers, doesn't come cheap. Nearly 70 percent of LSC's budget is consumed by salaries which can range from a low average of $15,000 up to a high of $35,000 or more a year for Legal Services lawyers.

Meanwhile there is also reason to question the value of the other 50 percent of the cases actually involving legal representation and advocacy as well as other LSC activities being funded by tax dollars. For LSC is deeply involved in a lot more than just providing legal services to the poor. A great deal of their support from the taxpayer has been paying for legal suits against state and municipal governments for a wide range of social and political goals which have nothing to do with improving the lives of the poor. In fact, Legal Services attorneys have been in the vanguard of "social activist" battles, lobbying in behalf of legislation, working to overturn laws, encouraging rent strikes, boycotts, and aiding partisan political organizations and other political and social causes.

In the legal journal, *Clearinghouse Review*, which is supported by LSC funds, two lawyers who worked for an agency funded by Legal Services told how tax dollars can be used for these types of activities and how they expected further Legal Services funding to support their goals of redistributing wealth in the United States through political and social reform. Authors Alan Rader and Dorothy Lang provided this advice to LSC-financed lobbyists:

> To lobby local government effectively, we will have to learn, for a beginning, the demographics of local politicians' districts, their campaign contributors, their voting records, their staff assistants, the social service facilities and agencies within their districts, and labor, church, and civic groups within their districts.

In a column discussing this article, Phyllis Schlafly wrote:

> These Legal Services lawyers frankly admit that they are working "toward long-range institutional change," that their goals "are explicitly distributive," and that they are developing "broad legislative and administrative advocacy strategies."
>
> But Schlafly asks:
>
> Is it legal for taxpayer-financed lawyers to lobby for or against specific legislation or referendums? The Legal Services Corporation Act specifically prohibits "advocating, or opposing any ballot measures, initiatives or referendums."
>
> However, the two lawyer-authors advise their colleagues that a loophole in the LSC's law says an attorney "may provide legal advice and representation as an attorney to an eligible client with respect to such client's legal rights."
>
> "So," Schlafly wrote, "under the subterfuge of providing 'advice and representation' to a 'client,' Legal Services Corporation uses our tax dollars for lobbying, media manipulation and politicking for or against ballot measures."

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[1] *New Republic*, September 24, 1977.

In an editorial on Feb. 3, 1979, the *New Republic* correctly observed that Legal Services was "intended to help the poor when they unavoidably get caught up in the complex legal machinery of modern society—in divorces, disputes with landlords, tussles with the welfare bureaucracy, etc. *But too often legal aid lawyers use poor people as guinea pigs in an attempt to impose through the courts some fanciful middle-class view of social justice.*"

As an example of the kinds of suits LSC is funding, The *New Republic* was particularly distressed over one lawsuit in California against the state university "to stop research aimed at improving agricultural productivity."

The suit by the LSC-funded California Rural Legal Assistance against the University of California was sparked by the university's development of labor-saving farm machinery which, LSC lawyers argued, contributed to agricultural unemployment and the demise of the small family farm.

But as the magazine viewed it:

To oppose research aimed at increasing productivity is simply insane . . . A life spent stooping to pick fruit under the California sun is not so rewarding that we should rush into court to reserve places in the fields for the children of this generation of farm workers.

Surely the more sensible approach would be to provide job training for displaced farmworkers so that they could pursue more rewarding and perhaps less backbreaking employment. The *New Republic* editorial concluded, "This lawsuit is another example of the misuse of government legal services."

This example, unfortunately, is not an isolated aberration on the part of Legal Services. They also financed the lawsuit by the Passamaquoddy and Penobscot Indian tribes to reclaim two-thirds of the state of Maine, an action that is still being litigated and which will cost that state's citizens millions of dollars. LSC lawyers have also lobbied aggressively against utility rate increases, pushed for income tax reforms, and as we pointed out in Chapter IV, have involved themselves in cases concerning hiring policies, welfare reform, food stamp regulations, student rights, and school discipline problems. Furthermore, Charles Fields, assistant director of national affairs for the American Farm Bureau Federation, has charged that Legal Services lawyers have even helped to organize farm workers' unions in California, Florida, the Midwest, and New Jersey.

Much of this social and political advocacy is performed by various institutes, law centers, nonprofit research organizations, and other public interest groups who receive millions of dollars each year in research funding from LSC.

All of this has led groups like the Farm Bureau to call for abolishing the entire program and replacing it with a system in which the poor would receive vouchers they could use to pay for private lawyers whenever needed.

In his *New Republic* article, Stephen Chapman observed:

The legal services program may be the most extreme example of the paternalism of the American welfare state: denying the poor what they explicitly lack—money—in favor of the goods and services the government thinks they should have, in the amount and proportion it deems appropriate. There is much validity in the libertarian argument that this approach denies the poor both the freedom to decide their own needs and the responsibility, essential to individual independence and self-reliance, to accept the consequences of such decisions.

Chapman goes on to point out that Legal Services lawyers "do not see their role merely as one of supplying a minor necessary service to the occasional poor person." Instead, they see within Legal Services . . . that the adversary system can be a major implement of social change. This is what conservatives object to most about government legal services. Why should their tax dollars be financing efforts to change government policy in ways they may not approve of? But there are other objections that liberals ought to take more to heart. For the government to make social policy by hiring lawyers to file lawsuits is inefficient and undemocratic. The elaborate adversary proceedings of the legal process are no substitute for debate in an elected forum. The very idea that having masses of lawyers available to them can transform the lives of poor people is an example of the sterility of most current thinking about social welfare. Lawyers, psychologists, and social welfare bureaucrats of every sort are provided in abundance, while money and jobs are withheld.

For Chapman, there are better ways to ensure that the poor have ways of settling their disputes and protecting their rights, such as "eliminating the numerous restrictions that prevent competition among lawyers"—which would result in lower fees and, thus, more affordable services. "An even more substantial and far-reaching answer is to avoid reforms that encourage litigation and to nurture those that help people avoid it, like no-fault insurance, arbitration, and mediation." Expanded access to small claims courts would also help the poor, as well as the general population, deal more efficiently with housing, consumer, and similar types of complaints without the need of an attorney.

This program has grown obscenely within recent years. Much of its growth had been channeled into social and political activism and lawsuits Congress never envisioned, reforms that have not measurably impacted upon the real life struggles of the poor, reforms which should be made in our legislatures, not in our courts by federally-paid lawyers.

LSC didn't get the full $337.5 million it wanted in fiscal 1980. But it is a safe bet that in future years this agency will want more and will get more of our money. Indeed, when former LSC president Thomas Ehrlich was asked about the likelihood that Legal Services would eventually be representing criminal defendants, he said, "Five to 10 years down the road we ought to address the problem."

Legal Services is a program that has been rife with abuse, becoming in recent years a tax-supported agency that has financed legislative lobbying and social and political advocacy. It has become a costly vehicle for political and social crusaders while taxpayers—including the poor—are left to foot the bill.

As we have seen, a relatively tiny number of poor people are touched by this program, for all the millions of dollars that it has spent. It should be abandoned.●

WHY MIAMI BURNED

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. LELAND. Mr. Speaker, last Monday and Tuesday I was in Miami, Fla., to offer assistance in the aftermath of the disturbance that occurred there. I, along with Congressman CONYERS, went there at the request of the Congressional Black Caucus.

Our purpose was to assess the situation and offer the support of the Caucus to the Miami community.

My colleague from Michigan has written an excellent article, which appeared in the Miami Herald. This article is perceptive and instructive. It details some of the rudimentary causes of the disturbance and offers solutions that will go a long way in alleviating the frustration, fear, and anger that are present in Miami.

I commend this article to all my distinguished colleagues and I congratulate Mr. CONYERS for his fine work.

Mr. Speaker, I ask that the article written by Congressman CONYERS be printed in the RECORD.

The article follows:

WHY MIAMI BURNED

LESSONS OF DETROIT: CAUSES, COMPARISONS

(By JOHN CONYERS, Jr.)

One of the basic lessons of history is that history tends to repeat itself because persons in leadership positions are unable or unwilling to learn from most errors. As my plane landed at Miami International Airport on Monday evening, I wondered if I would witness another costly repetition of this truism.

Raymond Fauntroy, executive director of the Miami branch of the Southern Christian Leadership Conference, briefed my staff as he drove us toward the city. After we discussed the events that had led to the outbreak of violence, I met with additional community leaders and grass-roots brothers and sisters. Clearly a pattern leading to violence had developed in Miami's black ghetto that was very similar to what had occurred in Detroit 13 years ago. A triggering event ignited rage and frustration about the dual American system of justice, the failure of the economy to provide jobs and income, political impotence, police harassment and brutality, and competition with the other (Cuban) minority for scarce resources. Thus, what began simply as a suspicion was now being verified by actual evidence: the pattern of police brutality, inequality in the courts and an unfair distribution of scarce economic resources were the main causes of the violence in Miami. As I listened to an angry young brother describe his struggle to find a job and a young sister tell of the fear black women feel toward police, I knew that history indeed was repeating itself.

In March 1968, the Kerner Commission Report shocked much of America when its findings revealed that urban unrest went much deeper than most people imagined at that time. For some reason many Americans perceived the riots as the work of a few hoodlums or "rabble-rousers," with nothing better to do than wreak havoc on a political and economic system that was the best in the world. The validity of that perception was struck a severe blow when the Kerner Commission described economic and political deprivation and black resentment of white oppression as the long-run causes of the rebellion, and the behavior of white armies of occupation—the police, who often trigger the final incident before the outbreak of violence—as the short-run cause. Despite the commission's warning that America was developing two societies, one white and one black, the American people still regarded rioting as illegitimate and, even more significant, as aberrant.

The truth is that America's racial riots have been an expression of black America's frustration with a system that fails to deliver equal opportunity and equal justice to all. As the eminent black scholar Kenneth Clark said before the Kerner Commission, "I read the commission's report and it was just as though I were reading the report of the 1919 riot in Chicago, and it is as if I were reading the report of the investigating committee on the Harlem riot of 1935, the report of the investigating committee on the Harlem riot of 1943, and the report of the McCone Commission on the Watts riot." What Dr. Clark was obviously alluding to was the same kind of inequities in the social system and the similar patterns of police brutality as a cause for racial riots in Chicago in 1919, in Detroit in 1967, and now in Miami in 1980.

In both Detroit and Miami, the riots' catalyst was the black community's perception of victimization by police brutality. The pattern of the triggering incident and its aftermath usually is the same. Two or more white policemen perform some unnecessary act of violence against a black within the ghetto area. Then word about the violence spreads like wildfire throughout the community, stirring up other horror stories. Most ghetto residents have acquaintances, a friend or relative who have suffered some form of abuse at the hands of the police. When the anger and rage runs deep enough, as it did in Detroit and Miami, blacks take to the streets to express it. In Miami, in contrast to Detroit, the violence against persons and property was selective.

The immediate catalyst in Detroit was the arrest of blacks standing in front of a tavern by four white policemen. In Miami it was an attempted arrest that resulted in the brutal killing of a black man by white policemen. The main difference between the two events was the fact that black citizens in Miami waited for justice. The outcome of that wait for justice merely proved that, at least in certain parts of the country, the criminal-justice system still operates with a racial bias.

In the final analysis, the Miami experience is more tragic than what occurred in Detroit. After all, Miami officials had the benefit of historical hindsight—and failed to use it. They failed to learn from the Detroit experience that the whip-and-gun method of containment eventually will lead to counter-force, and that police oppression undermines respect for the law and a point is reached when some people will risk death rather than continue to suffer such outrageous abuse without striking back.

If police violence and injustice perpetrated by the criminal-justice system are the immediate or precipitating causes of riots in the black ghetto, the underlying causes are economic deprivation and political alienation. Conditions of high unemployment, poor health-care facilities, lack of adequate food and shelter existed in Detroit and exist in Miami. Politically, there are many similarities. In 1967, Detroit had two blacks out of nine members on the City Council, no black member on the School Board, and very few black judges. Both cities maintain at-large elections. Such small percentages of black political representation leads to frustration, alienation and contributes to violence.

The problems that afflict the black community of Miami cannot be remedied quickly. Police violence can—and must—be restrained, but revamping police policies, practices, recruitment and training will take time. Detroit's success in this respect in the past 13 years, and especially under Coleman Young's leadership, should offer guidance to Miami. Dealing with inequities in the over-all criminal-justice system in Dade County will require nothing less than federal, state, county and city cooperation and coordination. Attorney General Benjamin Civiletti has initiated a promising start in this direction; it requires comparable initiatives by criminal-justice officials in Florida.

Positive changes in the criminal-justice system may be much easier to plan and execute, however, compared to dealing with the underlying economic, social and community development problems impacting on the black community. The deepening recession will raise black adult unemployment to over 25 per cent and black youth unemployment to more than 55 per cent. These depression-levels of unemployment and accompanying high under-employment are explosive in themselves, both in Miami and Detroit. These problems of course are exacerbated and made much more complex by the influx of Cuban and, to a much lesser extent, Haitian refugees. In the months and years ahead, nothing less than a complete and sustained commitment to comprehensive solutions to these problems in Miami can produce an approximation of the success that Detroit has witnessed in the 13 years since violence erupted in its ghetto.●

OLD FASHIONED SELF-RELIANCE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. BEREUTER. Mr. Speaker, I would like to call to the attention of my colleagues the kind of old fashioned self-reliance practiced by the members of Plymouth Congregational Church in Crete, Nebr. I believe their resourcefulness is to be commended.

In a recent letter to me, Clarence Busboom, the church clerk, related their story. The church will be 104 years old next month. The building has remained largely intact over the years. But some major repairs are now needed, so a church committee checked with the State Historical Society as to whether Plymouth Church could qualify for matching funds for restoration. The answer: yes.

At a subsequent meeting of the entire membership, the majority voted to do the restoration work on their own, instead of applying for a Federal grant. The needed repairs were estimated to cost about $15,000.

In his letter, Mr. Busboom said:

> We are aware that the amount of money from a Federal grant that would be allocated to Plymouth Church for the restoration work is a small amount, but we are all concerned about the high rate of inflation. We felt perhaps this money could be returned to the general fund, and maybe we would start a trend and others would follow, and in time this could make a difference. . . .
>
> Plymouth Congregational Church will be restored to its original state and the entire congregation will work hard to accomplish this and will feel a great deal of pride and satisfaction when the job is completed.

I am proud to claim these individuals as my constituents.●

CALIFORNIA: OUT OF OUR CARS AND INTO TRANSIT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. ANDERSON of California. Mr. Speaker, during the height of the gasoline lines in California last year, a White House official made the unfortunate remark that we somehow deserved our fate. In so doing, he was reverting back to a false stereotype concerning Californians and our cars. Of course, when those gasoline lines spread across the country, the same official had no comment about, for example, Washingtonians and their autos, or New Yorkers and their cars.

Mr. Speaker, I take the floor today to simply put the lie to the old myth that Californians are somehow tied to their automobiles. As a matter of fact, traffic on State highways has just dropped for the third straight month. Weekend traffic counts on two interstate freeways in California which are noted as routes for long distance recreational travel were 6.6 percent less than last year.

Clearly, increasing numbers of people in California are leaving their cars at home. Patronage of Amtrak in the State is growing by leaps and bounds. The San Diegan is seeing about 31 percent more passengers than in the past, and as a result of adding a second train in February, the San Joaquin is seeing 97 percent more passengers than last year.

And within our cities, bus ridership is up 18 percent from this time a year ago. The buses of southern California rapid transit district are carrying 100,000 more passengers each day than last year.

In the area of ridesharing, California is truly in the forefront. Applications for ridesharing, carpooling, vanpooling and the such, are up 161 percent from the first quarter of 1979.

All these facts make it clear, Mr. Speaker, that Californians are concerned with saving energy. We are not chained to our cars or our freeways. We use alternate forms of transportation that are available, such as buses and trains, and search out and develop other nontraditional alternatives such as ridesharing and bicycling.

Nobody deserves gasoline lines. Certainly, we all hope that we will never again have to go through lines similar to last year's. But if we do, Californians will be able to cope with them—better perhaps than the constituents of our colleagues from other States.●

FEDERAL SPENDING

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. ANDERSON of Illinois. Mr. Speaker, I rise in opposition to the conference agreement. I do so with reluctance, for I am aware of the difficulty of reaching a consensus on the budget. Nevertheless, I am concerned that the conference agreement does not represent a judicious ordering of our national priorities. The agreement would increase defense spending by nearly $6 billion above the House-passed resolution. While we must assure full and adequate funding of our national defense, it is my concern that the conferees have gone too far at the expense of the budget surplus and nondefense spending priorities. The conference agreement would reduce the projected budget surplus by $1.5 billion at a time when the economic downturn has already made balanced budget prospects suspect. It would require cutbacks in energy research and development in such crucial areas as solar photovoltaics at a time when we are seeking to reduce our dependence on foreign oil. It would necessitate substantial cutbacks in Federal funding of mass transit at a time when we are seeking to persuade motorists to curb their consumption of gasoline. It would require further cutbacks in our research and development effort at a time when our productivity is declining. It would force further cutbacks in Federal aid to education at a time when our schools are encountering financial difficulties. And it would require sharper cutbacks in Federal employment programs at a time of rising unemployment.

The question before this body today is not the aggregate level of Federal spending, it is the ordering of our priorities. While defense spending is necessarily one of this Nation's highest priorities, it is not the only one. There are other priorities that deserve the full attention of this Congress and among them is energy. What we are seeking here today is a proper balancing of our national priorities. The conference agreement does not strike the proper balance. I urge my colleagues to reject the motion before us and to direct the conferees to achieve a better balancing of our priorities.●

THE ROLE OF THE IPPF AND OTHER NONGOVERNMENTAL AND PRIVATE VOLUNTARY ORGANIZATIONS ACTIVE IN THE FIELD OF FAMILY PLANNING

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. SEIBERLING. Mr. Speaker, as President of the Peace Through Law Education Fund, I take great pleasure in inserting into the Record the remarks of Mr. Carl Wahren at the May 14 food and population breakfast meeting.

Mr. Wahren, the secretary-general of the London-based International Planned Parenthood Federation, was formerly the director of population programs at the OECD. He has also served as the director of population, health, and nutrition division of the Swedish International Development Authority. He is one of the coauthors of the "World Population Plan of Action" approved at the World Population Conference in Bucharest in 1974.

In Mr. Wahren's speech, he stresses the desirability of increasing the role of nongovernmental organizations, as distinct from central governments, in planning and implementing family planning programs.

SPEECH OF CARL WAHREN

It is a pleasure to be here this morning to discuss the work of the International Planned Parenthood Federation (IPPF) and other non-governmental and private voluntary organizations active in the field of family planning.

I have recently addressed similar gatherings of legislators, including the Japanese Diet and the French National Assembly and the House of Commons in London which is the headquarters of the IPPF.

In my conversations with parliamentarians around the world I am impressed that many of them have a keen interest in, and strong commitment to, expanding the role of the non-governmental sector in providing integrated family planning services.

Legislative leadership in the family planning field was amply demonstrated at the Colombo Conference on Population and Development held in Sri Lanka in the summer of 1979. Parliamentary delegates from nearly 60 countries, including the United States, participated in this all-important conference which clearly recognized the growing need for more available and more effective means of contraception.

In the current climate of heightened international tensions and severe economic problems around the world, it is particularly important that we not lose sight of the fact that the critical problems facing the developing countries, including very high population growth rates, the extreme inequality of incomes and lagging food production, are still far from solution.

Ignorance, plain and simple, is a major obstacle confronting groups like IPPF in both donor and recipient countries. All too many public officials and educators around the world remain unaware that the United Nations has repeatedly stated that access to family planning services is a fundamental human right. People at the community level are generally uninformed about contraceptive methods and the need for the careful spacing of children.

Over the past 15 years IPPF and other organizations active in the population field have had success in pressuring many governments to design and implement maternal child health clinics and integrated family planning services.

IPPF, through its network of clinics around the world, provides contraceptive services to more than four million couples. Other NGOs are providing services for additional millions.

However, according to our estimates, there are at least 350 million couples in the world who are in need of family planning services, and each year the number grows.

I am sure that most of you in this room have heard of, if not read, the Report of the Independent Commission on International Development Issues under the chairmanship of the illustrious Willy Brandt. The report notes that, despite the effort of donor countries, multilateral aid agencies and the NGOs, illiteracy, malnutrition and unemployment have increased in most Third World countries over the past few decades. The report calls, among other things, for greatly expanded commitments to population programs to meet the backlog of unmet needs in family planning and ease the strain on scarce development resources.

Increased public support and funding for integrated family planning programs and renewed efforts aimed at combatting the toll from illegal and dangerous abortions are urgently needed to meet the challenge of the upcoming Third Development Decade.

In light of the many failures of the ongoing social development programs, new approaches more oriented toward self-help development strategies must be tried. Overreliance on centrailized planning and the role of the foreign aid "experts" must give way to a greater realization of the need for locally-initiated and locally-run projects.

In aiding local groups to meet the challenge of providing basic human needs to their members, NGOs have some distinct advantages over bilateral and multilateral aid agencies. First, they are often the first to recognize and respond to the needs of the local grass roots groups. Furthermore, they can be quite effective in prodding local and national governments into providing appropriate services to these groups.

Second, as in the case of all IPPF national affiliates around the world, local leaders direct the programs without undue interference from abroad. Third, they have a greater degree of continuity in the management of their operations, even in countries like Uganda, Lebanon, Pakistan and Afghanistan. As a former director of the Swedish International Development Agency, I can attest to the difficulties inherent in managing bilateral aid programs in countries undergoing political and economic upheavals. I also attest to the fact that in all the countries just mentioned IPPF groups have survived and continue to provide family planning services.

Fourth, NGO's are flexible: They can carry out experimental and innovative programs which large multilateral and bilateral aid donors usually avoid. Fifth, they are cost efficient: instead of dispatching highly paid experts to Third World countries, NGOs rely on local expertise. To be sure, this route is not without its own pitfalls, but it does permit a greater degree of self-reliance and self-respect which, over the long run, is essential in the development process.

Let me just close on this thought: Family planning programs and the NGOs implementing them will need increasing amounts of financial support in the years ahead. The organizational structures are in place and in many countries we now know enough about what works to commit more resources than are now available. In particular, much more financial support is needed for research in human reproduction so safer and more effective means of contraception can be developed.

As former Prime Minister Heath said at the Colombo Conference of Parliamentarians, "Time is not on our side and if we fail in this responsibility, future generations will rightly blame us."●

STUDENTS TO VISIT CONGRESS AND SMITHSONIAN

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the fourth grade students and their teachers from the Dundalk Elementary School in Dundalk, Md. My constituents will today tour Congress and the Smithsonian. I will discuss the workings of the House of Representatives with my friends from Dundalk, and they will have the opportunity to see the House in action. It is a pleasure for me to meet with the students and teachers of Dundalk Elementary.

The teachers and their students follow:

Mrs. Logston's and Mrs. Johnson's students:

Christopher Baily, Robert Bloyer, Eugene Crawford, Stephen Fickus, Wesley Fulghum, Carl Ginneman, John Gray, Ronald Hamilton, Charles Hush, Gregory Jones, Scotty Lang, Walter Luper, Paul Lindle, Reed O'Donovan, Wayne Orange,

Derek Sewell, David Shipley, Scott Snavley, Anthony Tilson, Anthony Wilkins, Marvin Williams, David Wortman, Charles Wudtee, Cleo Alexander, Shelly Ash, Shannon Bosley, Kellie Brice, Aquanetta Bush, Kelly Causey, Chanel Dews,

Tammy Dillon, Cynthia Fauver, Nicole Galeano, Rozia Kahn, Kristine Kline, Kellie Lynch, Kimberly Lynch, Melissa Matney, Patricia McQuade, Venetia Mitchell, Wanda Pakacki, Melissa Pharr, Renee Sclar, Tisa Smith, Lori Tstchnell, Pamela Watts.

Mrs. McCormick's and Mrs. Yates' students:

Joey Ball, Keith Bowen, Rusty Carrick, Todd Evans, Richard Fox, Clark Howells, Aaron Jones, John Lyons, Reggie Miller, David Newton, Brian Parks, Dwayne Poling, Patrick Richmond, Ted Shaffer, Lawrence Sizemore, Paul Treadway, Michael Wudtee, Barry Dillow, Tracie Alston, Annette Alvez, Astrid Auvil, Kathy Benson, Heather Brownrigg.

Tina Crouch, Denise Donnelly, Michelle Engel, Melony Gray, Mary Jane Greene, Marcetta Harris, Kathleen Herzberger, Julie Hurline, Kathleen Jablonski, Dana Johnson, Lavonna Jubilee, Cathy Lewis, Patricia Mitchell, Heather Moreland, Karla Mouzon, Nicole Parrish, Kimberly Pearce, Laura Prow, Kellie Roberts, Amy Searfoss, Pearl Shifflett, Toni Shiflet, Kristin Somers, Karen Strekfus, Kristie Walters, Cindy Warnick, Tijuana Williams, Debbie Williamson, Rachel Windhaus.●

HISTORIC ALLY BREAKS FAITH WITH AMERICA

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. LOTT. Mr. Speaker, because it reflects some thoughts that I have recently been having myself about the response of France to our call for a boycott of the summer Olympics in Moscow, I wanted to call to my colleagues' attention an editorial that recently appeared in the Sun/Daily Herald.

The United States has come to France's aid. Where is France when we call upon her to act on something that is as much in her best interests as our own? I am saddened by this turn of events.

The editorial follows:

HISTORIC ALLY BREAKS FAITH WITH AMERICA

What the United States sought from its historic ally, France, was not a great sacrifice. Because the Russians had invaded Afghanistan and endangered world peace, we asked the French to join us in a boycott of the Olympic games in Moscow this summer.

With callous indifference for Western unity against Eastern aggression, the French Olympic Committee voted unanimously to send its athletes to the summer games.

The president of the French Olympic Committee explained that their athletes "are in a very difficult psychological state and our decision was very much influenced by the concern we have for their morale. We refuse that our athletes be used for political ends."

In 1917, the government of the United States sent thousands of young men "in a very difficult psychological state" to France for what could be described as "political ends." They fought side by side with the French to drive the invading Germans back across the Rhine River. Many of them gave their lives.

If you should visit France today you would see thousands of white crosses marking the graves of those who were slain in that tragic war fought to make the world safe for democracy and to rid France of its would-be German conquerors.

Americans have always been there in force when France needed them. But now when we propose a modest show of unity in the face of aggression as cruel and as inexcusable as Germany's conquest of France in World War II, we are told haughtily that French athletes will not be "used for political ends."

That is a statement that should be engraved on a tablet of stone to be erected in a quiet field in Flanders in the center of a sea of white crosses marking the graves of Americans who died for French freedom.

France wants to go her own way these days. She has snubbed NATO and turned her back on those nations concerned with mounting Soviet aggression. Let her go. But the next time she blows the bugles and pounds the drums of alarm in a strident call for help, she may find herself standing alone.

We should never again let France use American youth "for political ends."

Then again in June of 1944, American soldiers "in a very difficult psychological state" braved murderous German gunfire from occupied France as they crossed the English Channel to fight once again for the freedom of our French allies.

And another crop of white crosses sprang from French soil to mark the burial sites of Americans who left home and safety to fight side by side with their traditional allies.●

RIDESHARING

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. EDGAR. Mr. Speaker, I consider it important to reemphasize at every opportunity the significance of ridesharing as an energy conservation strategy. On May 15, we celebrated National Ridesharing Day in an effort to promote this concept. The Department of Transportation coordinated a pool party to commemorate the day and provide information about carpools and vanpools for Federal employees. It is my hope that this commemorative day will become an annual event so that we can evaluate the yearly progress of Federal, regional, and private groups to promote ridesharing.

I have introduced a bill, H.R. 6964, which would increase the Federal commitment to ridesharing by establishing a single, independent office to coordinate Federal efforts and provide information to the public. My legislation would also increase the proposed funding level for the categorical carpool and vanpool grant program from $10 million to $20 million for each of the fiscal years 1981 and 1982. In my estimation, this funding is a small price to pay for significant and proven savings in fuel consumption.

Recently, I received a letter from the Department of Transportation for Pennsylvania concerning H.R. 6964. In that letter, Secretary Thomas Larson endorsed the concept of a single office of ridesharing. The text of the letter follows:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF TRANSPORTATION,
Harrisburg, Pa., May 15, 1980.

Hon. ROBERT W. EDGAR,
U.S. House of Representatives,
Washington, D.C. 20515

DEAR CONGRESSMAN EDGAR: We fully support your efforts to establish a National Office of Ridesharing within the Department of Transportation. This office would serve to further underscore the Federal emphasis on ridesharing as well as provide for more public visibility for ridesharing. Hopefully, this National Office of Ridesharing will also serve to provide far better coordination of ridesharing activities currently being conducted by Federal agencies other than the Department of Transportation. Finally, a National Office of Ridesharing will be of invaluable assistance to State and local governments in their efforts to further ridesharing.

Again thank you for the opportunity to comment on your proposed act. We look forward to working with you on future ridesharing matters.

Sincerely yours,

THOMAS D. LARSON, P.E.,
Secretary of Transportation.●

AMERICA'S DEFENSE BUDGET

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● **Mr. LAGOMARSINO.** Mr. Speaker, I wish to bring to the attention of my colleagues two recent commentaries about America's defense budget.

The debate over the amount defense spending should be increased continues with arguments between the administration and Congress and disagreements within Congress itself on what our priorities should be.

Without a secure future and protection of our country and national interests, little else will matter. The priority of national defense seems clear to me; that argument is well stated in the Washington Star editorial of May 23. Also of interest is the Evans and Novak column describing the misguided House decision to prevent increases in defense spending. Both commentaries should be kept in mind as we consider further the fiscal year 1981 budget and the importance of our defense capability as part of that budget.

The article follows:

[From the Washington Star, May 23, 1980]

WILL THE U.S. BE STRONG ENOUGH?

Congress, at last, is clearly in revolt against the Carter administration's skimpy defense-spending plans—in revolt, that is, against the bland reassurances with which the administration is trying to disguise a dubious flirtation with U.S. military inferiority later in this decade.

The revolt has not gone as far as it should go. But there were, this week, two encouraging signals that it has caught on. One was the vote of Senate-House conferees on the first joint 1981 budget resolution to accept a $153.7 billion defense spending ceiling; $18 billion above this year's expected outlays, even at the cost of deeper cuts in domestic spending. The other was a House vote, on the same day, to authorize $6.2 billion more for defense than the administration wants this year.

These events, coming in tandem, are especially encouraging, inasmuch as some Democrats who opposed the conference defense figure (still below the Senate's) were arguing that the House would refuse to swallow it. Perhaps the House's 338-62 vote speaks more clearly of dawning military realism than the warnings of their emissaries on the conference committee.

We say the revolt has not yet gone as far—nearly as far—as it needs to go, basing that assessment on the continuing discrepancy between present levels of military spending and the levels deemed by the armed services committees of both chambers to be needed over the coming decade.

The gap is huge—some $20 billion. Naturally, armed services committees seek more money than Congress is likely to give, even as welfare committees seek more for welfare. But on even the most conservative estimates of future defense needs, repeatedly documented by proponents in both parties, of all shades of domestic opinion, the nation faces a critical choice—the choice between assured military parity (at a minimum) and a gamble with possible inferiority, with all the political, military and economic dangers that would inevitably flow from it and from the perception of it.

Already the warning signs of faltering American military power and credibility are abundant—in the Soviet incursion into Afghanistan; in the wobbly neutralism and equivocation of former U.S. clients in the Southwest Asia and Middle East regions; in the drift of even our stoutest NATO allies into a position of detachment from U.S. policies and purposes in Iran and elsewhere. The contagion of neutralism is abroad; and its germ is the perceived decline of U.S. power and leadership.

The underlying causes of this historic shift in the balance of power are fundamentally military. In the past decade, U.S. military investment, in terms of gross national product, has fallen some 40 per cent—from 8.5 per cent of GNP in 1970 to a bit over 5 per cent in this fiscal year. All the while, Soviet expenditure on weaponry of every sort has steadily increased—not only on those conventional forces that have long made the Soviet Union a formidable power on the Eurasian land mass but on forces—a deep-water navy, air power, the development of ever more menacing first-strike missiles—that project its political influence into quarters of the globe (e.g., the Caribbean and Mediterranean) that a few years ago lay far beyond its capacities or even aspirations.

In nearly every category of military power, saving only aircraft carriers and perhaps nuclear submarines, the Soviet Union has now matched or surpassed U.S. capability. And there is no evidence—none—that the Soviet Union can be talked into relaxing its drive for worldwide military dominance—unless the U.S. shows the determination to match or, better, outstrip it.

How, it may be asked, have we permitted this situation to arise? The beginning of the trouble, of course, was Vietnam, a seedbed not only of distorted strategic priorities but of ruinous inflation and of the curious illusion that U.S. power is to *blame* for political and military instability. (There were, after all, those who supported President Carter's shortsighted veto of a new nuclear aircraft carrier two years ago on grounds that if we had it we might actually use it somewhere!)

Another cause is the enormous growth of social programs, many of them indexed to the consumer price index. Those programs have demonstrated a capacity for absorbing every bit of slack in every budget, however far out of balance.

And yet responsibility is not confined to these larger trends and forces. The Carter administration has attenuated or cancelled (without reciprocity) a number of major programs, including the B-1 bomber, the Trident submarine program, and the Navy's overall shipbuilding program. Last October 11, former Defense Secretary Donald Russfeld put the dollar price of this and other "saving" at about $38.6 billion over the three Carter years—this figure representing the current value of programs projected by the outgoing Ford administration defense projections but stalled or deferred by Mr. Carter.

The folly of the nuclear carrier veto, which was representative, was soon apparent with the arrival of the Iranian and Afghanistan crises. It became necessary to strip carrier task forces from the Pacific to establish an appropriate U.S. naval presence in the Indian Ocean. Secretary of Defense Harold Brown has vowed that the U.S. Navy "will continue to be the most powerful on the seas," yet the Chief of Naval Operations complained a few days later that "we are trying to meet three-ocean requirements with a two-and-a-half-ocean navy." Who is right?

Perhaps both are, for the moment. Our guess is that while the U.S. Navy is now the more powerful, it is by no means as strong as it needs to be and is growing weaker relative to the Russian navy by the day and the year. One event that awakened a number of sleepers to this and other facts about declining U.S. military strength was last January's declaration by President Carter of a U.S. "vital interest" in the Persian Gulf region, to be backed if necessary by military means. The vital interest exists, all right, but by what military means, it was asked, could it be protected in an emergency? There were, in fact, no such means; neither the forces nor the sealift capacity nor the logistical support exist to reinforce this "vital interest."

This is, indeed, only part of the background of the defense spending debate that will take place next week when Congress considers this week's conference report on the first 1981 budget resolution. A budget resolution, to be sure, is but a preliminary to the eventual business of authorizing and appropriating a defense budget. Yet it is a first step that will signal whether Congress intends to accept as a fact of life the undeniable shift in the balance of military power or move to redress it while there is still time to do so.

It will not be a time for the usual banalities, debating points and excuses. *Of course,* the Pentagon wastes money. *Of course,* a battleship or an aircraft carrier brought out of mothballs cannot be operated without skilled manpower. *Of course,* it will do no good to channel huge catch-up appropriations to defense if these funds are dissipated on military pork-barreling of no direct relevance to national strength.

But while detailed objections, negotiations and plans must have their day, they dwindle to unimportance in the context of an American failure to provide what everyone—except for the apostles of complacency within the Carter administration and Congress—believes to be imperative.

When the last 1980s arrive, there will be only one important question: Is the U.S. still militarily strong enough to use its influence for peace and stability in a turbulent world? Or will the postwar *Pax Americana* have given way to a Soviet military imperium of uncertain portent, entailing fundamental shifts in the balance between freedom and unfreedom? That is the issue on which Congress should focus its budget discussion next week. The others, however important, are secondary.

OPTING FOR BUTTER OVER GUNS

(By Rowland Evans and Robert Novak)

As Speaker Thomas P. O'Neill played the role of Madame Defarge and the vote was called on May 1, his fellow Democrats killed the last lingering hope that the Soviet outrage in Afghanistan has truly changed either the president or the House of Representatives.

O'Neill was ostentatiously taking down names of Democrats who dared vote for higher defense spending, dooming them to the congressional guillotine. It has been widely circulated that Democrats who so disobeyed the party whip would be made to pay when juicy committee assignments or subcommittee chairmanships are handed out next January. That coincided with the year's most aggressive lobbying effort by the Carter administration.

The unexpectedly top heavy vote (246 to 164) against an amendment transferring $5.1 billion from social welfare to defense is important for what it tells about administration and congressional policy. President Carter is not only content with a post-Afghanistan budget that represents less for defense; he will fight for it. Moreover, his will has now been enshrined as a test of regularity for a party whose leaders the past half-century have battled for defense preparedness.

With fervent lobbyists for CETA jobs and other social welfare programs invading Capitol Hill, the prevailing attitude toward defense was nonchalance. The infamous military-industrial complex did not even growl. Republican support for the amendment was halfhearted.

That opposition to arms would be enforced by the party whip was first suggested by the remarkable conduct of the Rules Committee when it considered budget amendments for floor debate. The defense amendment sponsored by Republican Rep. Marjorie Holt of Maryland was cleared, but the name of its Democratic co-sponsor—freshman Rep. Phil Gramm of Texas—was removed.

Nobody could remember such a personal insult. It was not only to remove bipartisan appeal from the amendment (which, in fact, was mainly Gramm's creation) but to send him a warning. His fellow Texan, House Majority Leader Jim Wright, has made no secret in the cloakrooms that he considers Gramm, a conservative economics professor from Texas A&M, an unacceptable Democrat.

Soon after, President Carter opted for butter over guns. In his unexpected April 22 letter to Speaker O'Neill, he expressed himself as "strongly opposed" to the Holt-Gramm amendment for "providing far more defense spending than is needed or advisable."

That echoed in Pentagon corridors, where solid complaints about money shortages for maintenance and technical personnel—long before the fiasco in the Iranian desert—have been rising. There was disbelief when O'Neill announced the Pentagon could not use the extra money it so desperately wanted.

Word circulated on Capitol Hill that Defense Secretary Harold Brown had been asked to write the speaker a letter confirming his ridiculous claim. What would the cool, brainy Dr. Brown do? Follow Cyrus Vance out of the Cabinet on principle? Or join his chief and party in downgrading defense?

Characteristically, Brown split the difference. While not indulging O'Neill's talk about unusable money, he did send the speaker a letter endorsing "a balanced budget to help fight inflation and the proper claims for social programs" and opposing Holt-Gramm. In short, a qualified surrender by the secretary of defense.

That removed the military half of the military-industrial complex. The industrial half was never there. Accustomed to looking out for their own line-item hardware, defense industry representatives did not bother to counter the massive force against defense spending arrayed by social welfare groups, organized labor and the administration. Even Treasury Secretary G. William Miller was pressed into service begging votes against defense.

While only 49 Democrats braved Madame Defarge, expected Republican solidarity disintegrated. Worse even than 34 defecting Republicans (led by the influential Rep. Barber Conable of New York) was the ho-hum attitude of the opposition.

Over in the Senate, defense-oriented Democrats were appalled. Sen. Ernest Hollings of South Carolina, the new budget committee chairman, referred to "monkeyshines" on defense by the administration. Sen. Sam Nunn could not understand how a defense budget supposedly considered inadequate by his fellow Georgian before Afghanistan now had become perfectly adequate.

The budget resolution may well lose in the House to a coalition of liberal Democrats, who want more domestic spending, and conservative Republicans. But the May Day message from Washington will not be erased. Rep. Sam Stratton of New York, one of the brave 49 Democrats to ignore the party whip, told the House: "The fact of the matter is that America is viewed as weak, as hesitant, as indecisive." His colleagues confirmed that view May 1.●

PIONEER WOMEN OF BALTIMORE

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the Pioneer Women of Baltimore who are visiting the Capitol today. My constituents have a full day in Washington. They will tour the Capitol and will lunch with the wife of the Israeli Ambassador in the Israeli Embassy. I am delighted to have this opportunity to meet with my friends from Pioneer Women and am certain that their day here will be interesting and informative.

BALTIMORE COUNCIL PIONEER WOMEN

Ida Brackman, Evelyn Metzger, Rose Miller, Nachama Spector, Helen Ijac, Elizabeth Azman, Irene Jacobs, Dorothy Margolis, Florese Applibaum, Dena Merr.

Sally Finkelstein, Zlata Gloger—V. Pres., Bela Rozental, Molly Rosenthal, Janice Smolarz, Ethel Gold, Helen Ford, Olga Ostericher, Bella Ostericher, Sherrie Kabilja.

Ruth Sneider, Estelle Dobbs, Shirley K. Gartenhaus, Dorothy M. Lipnick, Nadine Yochelson, Shirley Feldstein, Bernice Loewenberg, Evelyn Kostick, Miriam Smith, Ester Kaminsky, Shirley Donick.

Margaret Polez, Mary Neufeld, Louise Noradi, Mamie Baker, Sunny Steinberg, Esther Rottman, Louise Asner, Marlene Resnick, Miriam Setzer, Bluma Saks.

Cele Kotzin, Gertrude Mainen, Bessie Seidman, Edna Frank, Mrs. Saul Lindenbaum, Bluma Shapiro, Eva Tucker, Lisa Weil, Helen Eisenberg, Fannie Ellison.

Berta Tausik, Giza Gelin, Lenka Ostericher, Lola Grolman, Esther Panzer, Sarah Kamaroff, Mildred Kahn, Ester Kaidanow, Helen Aiken—Chairman and V. Pres., Patricia Fisher—President, Barbara Rosenstein—V. Pres.

Evelyn Edelman, Julia Dinick, Sylvia Silverman, Nancy Richmond, Bea Colnin, Molly Rubin, Sarah Katzoff, Eva Ashell, Rebecca Rudo, Joanne Nathans.

Helen Majer, Sylvia Aiken, Arlene Reba, Micheline Rosenthal, Dorothy Rosenberg, Anne Shuman, Eva Rosenberg, Rose Pincus, Rose Razenbak, Anne Sugar.

Malka Hesscowitz, Rachel Geller, Elaine Mintzes, Denera Nachman, Susan Nachman, Jean Goldman.●

PEOPLE'S REPUBLIC OF CHINA RECOGNIZED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. DERWINSKI. Mr. Speaker, during congressional consideration of the legislation required because of the President's action recognizing the People's Republic of China and terminating our recognition of the Republic of China on Taiwan, I offered a number of amendments that were approved, providing for the insurance of continued defense arms sales sought by Taiwan; another calling for strengthening the antitrade boycott provisions that Taiwan may have been subjected to; as well as insuring the security and human rights of the people of Taiwan.

Therefore, I would like to commend the members of the State Senate of the Illinois General Assembly for their adoption of Senate Resolution 490, whose chief sponsors were State Senator John E. Grotberg; Senator Philip J. Rock, president of the Illinois Senate; and Senator Don A. Moore. Senate Resolution 490 calls for the maintenance of trade agreements and economic cooperation between Taiwan and the United States. I insert this resolution for the attention of the Members of the Congress:

SENATE RESOLUTION NO. 490

Whereas since the dark days of World War II, the Republic of China on Taiwan has been a faithful friend and ally of the United States of America; and

Whereas the two countries have maintained close and mutually beneficial economic, social and cultural ties since the creation of the Republic of China; and

Whereas since the tragic severing of diplomatic ties between the two nations on March 1, 1979, the nine offices of the Coordination Council for North American Affairs have been established to maintain and foster continued economic and cultural intercourse between our two peoples; and

Whereas in 1979, the two-way trade between the Republic of China and the United States reached 9 billion dollars, thereby making Taiwan the 9th ranking trade partner of America; and

Whereas since the balance of trade currently rests in the Republic of China's favor by 2 billion dollars, Taiwan has launched an unusual campaign to equalize this trade imbalance by actively seeking to buy from the United States; and

Whereas since 1978, Taiwan has sent 5 procurement missions to this country with the sole goal of purchasing American products, thus far spending 4.5 billion dollars; and

Whereas in Illinois alone, 171 million dollars has been spent for the purchase of Illinois products; a considerable amount, yet far below this State's potential; and

Whereas it is in the mutual benefit for the people of both Illinois and Taiwan to increase the trade between our two bodies: Therefore, be it

Resolved, by the Senate of the Eighty-First General Assembly of the State of Illinois, That we call upon the Governor, the General Assembly, and Illinois private industry to promote, enhance and encourage the continuation and further development of economic, social and cultural exchange between our State and the Republic of China, an exchange that can only provide untold mutual benefits to all of our peoples; and be it further

Resolved, That the Illinois Commission for Economic Development be directed to investigate and facilitate the growth of exporting Illinois products to the Republic of China and to further promote and encourage the Republic of China to utilize the Port of Chicago as the principal point of entry for the importation of its products into this country; and be it further

Resolved, That we urge President Carter to reconsider his actions of 1979 and reinstate diplomatic recognition of the Republic of China, and to keep his promise to the Taiwanese people for the continuation of arms supply, as well as the retention of economic, cultural and social contacts between the two nations; and be it further

Resolved, That all citizens of our State are urged to join in support for the freedom of the Republic of China and the enhancement of trade and exchange between Illinois and Taiwan; and be it further

Resolved, That suitable copies of this preamble and resolution be presented to the President of the United States, the President of the Republic of China, the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Illinois delegation in the Congress of the United States, the Governor of the State of Illinois, and the Chicago office of the Coordination Council for North American Affairs.

Adopted by the Senate, May 9, 1980.●

SPENDING AND INFLATION: THE RECORD

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

Mr. COLLINS of Texas. Mr. Speaker, as we drift into more deficits both on budget and off the budget, I am impressed with how government spending increases regardless of unemployment, inflation, and the distress that too much government is causing our people.

Members may be interested in an independent outside judgment of the part that Congress plays in inflation. I have a report of the National Association of Business Economists after reviewing all laws passed by the 1st session of the 96th Congress.

The report says that out of the 172 nonappropriations bills passed in 1979, 95 were inflationary. Of 15 appropriations bills, all but 1 were inflationary.

Some bills were more inflationary than others. Appropriations totaling $251 billion for Housing and Urban Development, Agriculture, Interior, and Defense, plus the $1.5 billion Chrysler loan guarantee appropriations were rated significantly inflationary. So were the nonappropriations bills for establishment of the Department of Education and for increase in veterans disability compensation.

No appropriations bills were counterinflationary but 28 nonappropriations bills were rated counterinflationary. The association's rating committee listed these 28, and as you would expect, they are very small bills, such as sales of Carson City silver dollars, waiver of countervailing duties, ethics in government, exemption of savings and loans from FTC, and so on. It is just about impossible to find a single instance where Congress struck a hard blow against inflation.

We talk about fighting inflation but when Congress votes, it does not rate highly in the view of professionals. We must place limits on congressional spenders.

This country has more government than we need, more inflation than we can stand, and more taxes than folks can afford.

RESTORATION OF DEMOCRATIC RULE IN KOREA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. SOLARZ. Mr. Speaker, as a Member of Congress who has closely followed developments in South Korea over a number of years, I would like to express my great concern over recent actions taken by the military government.

I am inserting into the RECORD a New York Times article of May 29, 1980, by Bernard Gwertzman of the administration's response to the current situation in that country. As Mr. Gwertzman points out, the Carter administration and the new Secretary of State, Edmund Muskie, are now struggling with the problem of how to react to this new crisis in East Asia.

The imposition of martial law, the arrest of prominent political figures, and the brutal suppression of demonstrators in Kwangju leading to open revolt in that city, are ominous signs that the new military rulers intend to reimpose an authoritarian regime similar to that of assassinated President Park Chung Hee.

It is my belief that the United States must take immediate steps to convince Gen. Chon Too Hwan to resume progress toward a civilian government based on a constitution which protects civil and political liberties. Clearly, the long-term security interests of South Korea will be best served by an early restoration of democratic rule.

I commend the following article to the attention of my colleagues:

MILITARY RULE IN SOUTH KOREA GIVES WHITE HOUSE A MAJOR CHALLENGE

(By Bernard Gwertzman)

WASHINGTON, May 28.—The Carter Administration was struggling today with the problem of how to react to the increasing signs from Seoul that South Korea's military leaders intend to spurn American pleas for an early return to civilian rule.

Several officials said that the issue was one of the most challenging faced by the Administration. Officials are involved in round-the-clock discussions on the situation in South Korea caused by the imposition of martial law, the arrest of prominent political figures, the outbreak and quelling of a civilian rebellion in Kwangju and the signs of continued tension.

It is the first major crisis to have confronted the Administration since Edmund S. Muskie took office as Secretary of State 19 days ago. This morning Mr. Muskie took the unusual step of soliciting advice on Korea from the 30 participants at the weekly senior staff meeting, a group that included officials with little or no expertise on the subject. Under Cyrus R. Vance these meetings were wide-ranging "show and tell" sessions with each official being called upon to speak briefly about what his office was working on. Today it was devoted almost entirely to South Korea.

PROBLEM TIED TO SECURITY

The problem for the Administration, as described by several officials, is this: How can the United States steer Lieut. Gen. Chon Too Hwan away from military rule without undercutting South Korean security? South Korea's security is vital to the region and the United States, with 39,000 troops based there and a mutual defense treaty with the Seoul authorities, cannot seem to waiver in its support. Yet if General Chon and his supporters go ahead, as now seems their intention, to harden their military grip on the country, it could cause severe turmoil within the population and the army. This, in turn, could weaken South Korea's security.

Mr. Muskie, at the senior staff meeting, stressed his own concern about the human rights aspects of the crisis and the American desire to see the trend toward liberalization in South Korea maintained rather than cut short by General Chon.

During the discussions, according to several participants, Richard C. Holbrooke, the Assistant Secretary for East Asian and Pacific Affairs, reported on apparent moves by the military authorities to consolidate their power. But he cautioned against issuing any hasty statements condemning the generals until the situation was clearer.

He reportedly made the point that the South Korean military had been told privately by Ambassador William H. Gleysteen Jr. and Gen. John A. Wickham Jr., the commander of United States and South Korean forces, that Washington believed it was vital to begin talks with the civilians and return to a broadly based government.

INFORMATION NOT COMPLETE

Mr. Holbrooke reportedly urged that the generals be allowed to absorb this advice before the United States began to criticize them publicly. He said information on the political thinking of the military in South Korea was not as complete as the State Department would have liked, which brought an immediate request for an explanation from Mr. Muskie. Mr. Holbrooke reportedly replied that so much attention had been devoted to the situation in Kwangju that broader questions had been left unanswered.

Other officials asked whether South Koreans would be willing to accept a military dictatorship after hopes had been raised about a more liberalized system of government following the assassination of President Park Chung Hee in October.

The consensus of the session, according to participants, was to wait and see what action was taken by the South Korean military.

It was agreed that if a dictatorship was made permanent through the creation of some kind of military council the United States response should be critical. Alternatively, if General Chon responded to Washington's warnings and gave signs of a return to civilian rule, this should be praised, the meeting was said to have concluded informally.

One official noted that he had been asked by reporters whether he though there was an analogy between the South Korean situation and the one that existed in Iran under the Shah. In both cases pro-American, authoritarian regimes had come under criticism from the United States.

The official said an analogy could develop if, as the result of American pressure, the South Korean Government and society erupted in anarchy. But he said that unlike Iran, all elements of society in South Korea were pro-American because of the military menace posed by North Korea. He added that both the military and civilians in South Korea looked to the United States for support.●

FEDERAL COLUMBIA TRANSMISSION ACT

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. WILLIAMS of Montana. Mr. Speaker, I am today introducing to alleviate the ill tax effects which will be felt by counties in my district as a direct result of a Federal decision approving a utility corridor within Montana.

In 1976, the Montana Power Co. requested right-of-way from the Federal Government to construct two 500 kV electric transmission lines from power generating facilities at Colstrip, Mont., to a Bonneville Power Administration—BPA—substation at Hot Springs, Mont.

Prior to the right-of-way being granted, and a corridor being selected for the routing of the transmission lines, Montana Power requested further that BPA construct approximately 50 percent of the transmission project. BPA agreed, and obtained congressional authorization to do so, pursuant to the provisions of the Federal Columbia Transmission Act. As that act now reads, Mr. Speaker, Montana counties would lose $4.5 million annually in property taxes should BPA construct one-half of this project instead of Montana Power.

The problem in this decision is twofold: First, and obviously, there is the actual tax loss to counties within my district. Second, and more crucial to the purpose of my legislation, is the fact that Montanans were never clearly apprised of the implications of the BPA-build option in any of the Federal environmental impact statements or corridor option summaries.

Mr. Speaker, the tax benefits of the entire project were constantly touted as a significant reason for Montanans to support this project. And yet in the final corridor option summary, of which BPA was the lead Federal agency, the disadvantage of tax loss on the preferred alternative was never mentioned.

In short, while Montanans were led to believe by the Federal Government that $10 million would accrue annually in property taxes from the construction of the project, BPA fully intended to construct one-half of the lines, which would have the effect of lowering that amount to $5.5 million.

It is my strong belief that in no way should tax revenues from projects such as this be diminished because BPA decides, without adequate public notice, to enter into the actual construction phase of transmission lines. My amendment to the Federal Columbia Transmission Act would require that BPA pay a fee, in lieu of ad valorem taxes, in an amount equal to the amount that would be paid to State and local taxing authorities if the lines were constructed and owned by an investor-owned utility.

We Montanans take pride in sharing our natural resources with the rest of the Nation. But we expect fair treatment in exchange. My legislation will assure that fair treatment. Thank you.●

TURKISH-UNITED STATES SOLIDARITY ON MOSCOW OLYMPICS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1980

● Mr. SOLARZ. Mr. Speaker, I would like to call to the attention of my colleagues the announcement by the Turkish Cabinet that Turkish athletes will not participate in the Moscow summer Olympics. This moving and meaningful demonstration of solidarity with the United States stands in stark contrast to the inexplicable decision of the Olympic teams of 10 of our NATO allies, including France, the United Kingdom, Italy, Belgium, and Greece, to attend the summer games.

This decision is particularly courageous, considering the fact that, unlike our other NATO allies, Turkey shares a long common border with the Soviet Union. Its refusal to be intimidated by the Soviet military might on its border is a ringing reaffirmation of its commitment both to NATO and to democracy. I would urge my colleagues in the House to recall this important cooperation from our NATO ally when we vote for foreign aid to Turkey during the consideration of the foreign aid bill in the next few days.●

SENATE—*Friday, May 30, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God, our Father, may our prayer lift us above all ceremony, all words, and all symbols into the light of Thy presence. As we quiet our spirits may we learn in silence what we can never know in speaking. May we hear again in the depths of our being Thy "still, small voice," more real, more vivid, more powerful than any audible speech. Send Thy light and Thy truth into us that we may be wiser than we were before we prayed. In Thy power and by Thy grace make us better than we are that we may do our part in the shaping of a better world. Send us to our tasks in the spirit of Him who was and now is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 30, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader, the Senator from West Virginia, is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE BUDGET

Mr. ROBERT C. BYRD. Mr. President, it was with great concern that I waited last night to learn the fate of the first concurrent budget resolution in the House of Representatives.

It was with great disappointment that I heard the news that the conference report on the first concurrent budget resolution had been defeated.

If that budget had passed the House, I believe it would have passed the Senate.

If the spending and revenue figures set forth in it had been adhered to, this country would have had its first balanced budget in 12 years.

Just a short time ago, the inflation rate was a raging 18 percent. An 18-percent surtax was being imposed, by inflation, on every salary, on every hourly wage.

Prices on some of the necessities of life were rising at an even faster pace.

Three months ago, an extraordinary series of meetings took place a few feet from this Chamber, in the Lyndon B. Johnson room.

Day after day, for 7 or 8 straight days, including Saturday and Sunday, from early in the morning until late each night, the Democratic leadership from both Houses of Congress met with administration leaders and with Budget Committee representatives to try to find a way to restrain Federal spending and thus restrain inflation.

All who participated recognized, from the outset, that success would not be easy.

But we emerged with a series of recommendations that added up to a balanced budget.

We know that our recommendations were advisory only, and we said so at the time. The committee was not a formal committee that met, had no binding authority, but we said that the results would be advisory, advisory to the President and advisory to the Budget Committees of both Houses. Each of these had an independent responsibility to review the priorities which we had suggested.

During those meetings, I observed dedicated, committed Members of both Houses wrestle with their consciences as they faced and made painful decision after painful decision.

We began with a simple, common premise. It was that the resources of the Federal Government could no longer be considered limitless. The Government could not continue to spend itself into deficits, nor could it continue to raise taxes in order to provide a limitless budget. The budget would have to be balanced.

From this premise followed a simple corollary: The hard decisions—too long deferred—would now have to be made as to how this no-longer-limitless resource would be shared.

After the advisory group completed its work, the House and Senate Budget Committees proceeded with their efforts to produce a first concurrent budget resolution for fiscal year 1981.

The same painful, tedious process was repeated in each of those committees: Decisions were made on a bipartisan basis, and compromise was reached. Both committees reported a balanced budget. The priorities assigned to various social and defense programs in the two resolutions were significantly different, and they were different from the priorities of the advisory group.

The process continued, in a larger forum, as each House debated its resolution, defeated and adopted amendments. Compromises were reached; decisions were made.

I believe 42 rollcall votes occurred in this Senate on amendments.

In each case, the result was a budget resolution that was balanced.

The Senate resolution provided more spending for defense programs than did the House resolution. I supported the Senate resolution, and I supported the defense figures in it, as did a majority of my colleagues.

I suppose that each Senator who agreed with the Budget Committee's recommendations for defense spending reached that decision by a different route. For some, the Soviet invasion of Afghanistan, and its threat to the peace of the world may have been the critical factor. For others, the Iranian revolution, the taking of American hostages, and the consequent turmoil in that area of the world may have been the critical factor.

For others, the failure of military equipment during the ill-fated attempt to rescue American hostages from Iran may have been the critical factor. For my part, it was all these plus the analysis of U.S. military preparedness which Senate committees had undertaken in connection with the SALT II treaty which convinced me that our national security needs were not being met.

When the budget resolutions passed by the two Houses were in conference, the process of compromise and decisionmaking was repeated once again. The Senate defense figure was lowered, and domestic spending was increased.

I would have supported that conference report with my vote, had I had the opportunity to do so.

I am saddened that the debate on the budget has, in the last few days, departed so significantly from the "spirit of the LBJ room." That endeavor encompassed the strength and the history of the Democratic Party: To be compassionate and to be fair.

While I respect the views of my colleagues in the House who voted against the conference report, and while I respect the President's opposition to it, I cannot leave unanswered some of the comments I have heard.

The recent debate seems to suggest that by "giving" money to defense, Congress is "taking it away" from domestic programs which the people need.

If there is only one area in the Federal budget which "gives" benefits to every American—man, woman, boy, and girl—it is the defense of this country. The Constitution charges Congress to provide for the common defense—the defense of all.

At home, we have competing interests—a plurality of interests, as James Madison said. Such competition is the symbol, and the strength, of a democracy.

But democracy will decay, or it will be destroyed, if one of two things happens. It will decay when compromise and agreement are no longer possible; we will become, indeed, a house divided. We will become a paralyzed giant. Or, a democracy will be destroyed if it becomes too weak to defend itself against aggression from without. We will become a helpless giant.

A balanced Federal budget which provides for a strong defense is neither "unfair" nor "unjust." A balanced Federal budget which, for the most part, maintains domestic programs at current levels is not "uncompassionate."

Although economic conditions have changed since March, I believe that we must continue to press for a balanced budget. I hope the budget conferees from both Houses will resolve their differences as soon as possible. The efforts which were begun in March should not be permitted to languish. We have come too far in this important process to give up.

Mr. President, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader, the Senator from Tennessee, is recognized.

THE BUDGET

Mr. BAKER. Mr. President, I thank the Chair.

I do not know what course will be followed now in trying to arrive at a resolution of the issues before us on the first concurrent budget resolution.

This morning I talked to the distinguished senior Senator from Oklahoma (Mr. BELLMON), who is the ranking member of the Budget Committee of the Senate, and to the distinguished Senator from South Carolina (Mr. HOLLINGS), who is the chairman of that committee.

I suppose at some point these two gentlemen will go back to conference with their fellow conferees from the House and will try to work out some arrangement.

It is not my desire to add to the burdens of those conferees. However, I think this is the time for me to say that, as far as I am concerned, as one Senator, I will try to convince my fellow Senators that no conference report should be adopted which significantly alters the level of spending for the defense of this country. While I desire a balanced budget and the passage of a conference report toward that end, I do not plan to support one which significantly increases the level of expenditures generally or imposes additional taxation on the people of the United States.

For my part, the question of achieving a balanced budget, with taxation at the levels contemplated by this budget, is marginal. Under the very best interpretation, a balanced budget depending upon an increase of almost $100 billion next year in additional revenues to the Federal Treasury is a marginal issue.

But, Mr. President, for whatever it may be worth, I wish to take this opportunity to say that, as we proceed now to try to work ourselves out of this dilemma and to adopt a conference report, I do not propose to support a conference report which will diminish our commitment to the defense of the Nation, increase the level of taxation on the American people, or substantially increase the level of expenditure provided under the measure adopted by the Senate.

If time presents itself, I hope to address a question to the majority leader on what we are going to do on another little item we still have to deal with. I am thinking of the debt limit extension which expires on Saturday, May 31, at midnight. It is my understanding that the other body may consider that today. I trust they will.

But so that we may have a response as to that purpose I will yield back the remainder of my time under the standing order and inquire from the majority leader his views in that respect. However, before I yield the time back I have a request from the Senator from Connecticut (Mr. WEICKER). Could I defer that request for just a moment until the majority leader takes the time to respond to the inquiry?

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

First of all, I do not consider a balanced budget to be a marginal issue. I think it is imperative that we stay on the course of a balanced budget, and I think we are on that course.

I regret that the House saw fit to reject the conference report. I share with the distinguished minority leader the view that we must have a strong defense, and I support the figures that were in the conference report for defense. If there has to be some slight give or take, I can understand how that might be done, but I think the record speaks for itself, I think the facts speak for themselves.

I think the Nation's defense is the No. 1 priority at all times, the No. 1 priority, because without national security the domestic programs will be for little or for naught, so that is the top priority.

But I hope I did not misunderstand the distinguished minority leader's emphasis in using the term "marginal" as to a balanced budget. I think it is vitally important that we balance this budget. I think that is the first step in the war against inflation. I think the fact that we have seen the prime rate descending and other hopeful indications that there is a lessening of inflationary pressures, probably result in part from the perception of the people of this country that this Congress is determined to balance the budget.

Now, as to the question the distinguished Senator asked, I suppose we just have to wait to see what the House does. I would anticipate that the House will be sending over an extension of the debt limit in terms of some days. I do not know what the time period will be. But in view of the fact that the deadline will expire tomorrow night I feel sure the House will be sending something over, and the Senate will then take it up.

As to what attempts there may be to amend it with respect to the import fee, I cannot say what will happen. I assume that is a possibility. But if that is done, we will just have to go from there. I do not know what the House reaction to the Senate action will be in that regard or what the President's reaction will be. But I anticipate that we will take action today, and there probably will be rollcall votes involved.

Mr. BAKER. Mr. President, I thank the majority leader for that information.

It is certainly my feeling that if the House acts on the debt limit extension, that we should do so. I would fully expect if the House adopts a resolution of disapproval of the oil import fee, that there will be a strong sentiment in the Senate to concur with it. If the House does not do that, I expect some attempt will be made to attach that measure when it reaches the Senate, so it is not likely to be a pro forma or routine Senate debt limit extension.

On the matter of the marginal budget, Mr. President, it was my point that a budget even though in balance, at the cost of an additional $100 billion taxation, is a marginal call. It would have been my preference to see the budget balanced by reductions in the level of expenditures and reductions in the level of taxation.

I am fully committed to the idea that we have got to get our fiscal house in order, and we have to balance the budget to do it. I probably will support a conference report on that basis.

But, Mr. President, we have not licked the problems, we have not dealt with issues such as off-budget items, such as obligational authority, such as the increase by almost $100 billion in the level of Federal tax revenues that will be taken out of the American economy next year.

So while I will probably support some conference report, provided one is sent to us, provided it does not reduce significantly the level of national defense, and provided it does not increase significantly the level of expenditures. Nobody ought to misunderstand that I think that call is a marginal call when we have increased taxation and beguiled ourselves with the idea that we have a balanced budget. That is not a clear-cut accomplishment for which I can vote with great enthusiasm.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I would be happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I do not consider that we have beguiled ourselves with the idea of a balanced budget, and I think insofar as the taxation aspect is concerned, we are all in hopes that there will be a tax cut. The balanced budget that was sent to the House, the balanced budget that came out of the conference, was not based on any collections of an import fee. We had hoped there would be an import fee which could be used for a productivity tax cut in the event inflationary pressures and Federal spending and the economy in general would allow such.

I still hope that there might be further tax cuts, but I think the first step is in the direction of a balanced budget and we will have to send that signal. I think we have done so.

CUBAN REFUGEES

Mr. BAKER. Mr. President, it has been almost 2 months since 10,000 Cuban citizens rushed the gates of the Peruvian Embassy in a dramatic bid for freedom from Fidel Castro's Cuba. Since that time we have watched daily as the original 10,000 has grown to a mass exodus that may bring as many as 100,000 refugees to the United States.

For weeks now we have all been absorbed in humanitarian concern and the awesome task of feeding, clothing, and assimilating this latest group of immigrants. This is how it should be. We must make every effort to provide refuge for those fleeing Cuba while at the same time insuring that their impact is spread evenly throughout the entire country.

In our deep concern for human suffering, moreover, we should remember as well the overwhelming political significance of the refugees and the events of the last month. Denied any form of political expression over the last 20 years they are voting now by the thousands with the only means available to the citizens of any totalitarian regime—flight.

After 20 years Castro's Communist experiment is yielding bitter fruit. The tobacco crop collapsed this year throwing some 27,000 out of work. The failure of the sugar crop coupled with unprecedented shortages of consumer goods have turned the island into something less than "socialist paradise" of Castro's dreams. The Soviet Union must pump $3 billion into the Cuban economy annually, $8 million a day, simply to keep Castro and his government afloat.

This then is the socialist model that Castro seeks to export to the countries of Central and South America. In an area long plagued with instability and economic problems of its own, the Cuban model is not the answer. No matter how desperate their condition, no Latin American country should be unaware of the economic and political nightmare that is Cuba.

In Central and South America where leftist agitation continues unabated the moving exodus of Cuban refugees should serve as a clear and simple statement. Castro, however, has sought to minimize the enormous damage to his reputation which the refugees pose. He canceled the Costa Rican airlift of the original 10,000 preferring to consolidate his opposition in one spot—Florida. He cannot afford the story of his failure spread throughout Latin America. In opening the floodgates of the sealift he seeks to embarrass and confound the United States by overwhelming us with sheer numbers.

In our attempts to reorganize the refugee problem we must not be manipulated by Castro in his attempts to cloud the issue and turn his own failures into a United States-Cuban confrontation. The administration is only now taking belated efforts to place the burden of responsibility back on the Cuban Government where it should remain. While Castro shifts the spotlight with huge anti-American rallies and ridiculous demands for normalized U.S. relations and American withdrawal from Guantanamo we must calmly keep the refugee issue upon the international stage.

In the light of the disappointing Costa Rican Conference we must redouble our efforts to keep the issue one of worldwide concern. Costa Rica along with Peru, Ecuador, and Venezuela remain the sole Latin American countries pledged to accept refugees. They are to be heartily commended, but we must increase this number and spread out the economic and political impact. It is a problem as appropriate for United Nations resolution as any, and we should be making the effort there as well.

Castro's failures however has illuminated our own lack of policy toward Latin America. We must acknowledge the fact that for years an ideological struggle has been waged in our own back yard and we have failed to meet the challenge. Conflicting signals in our policies have created a growing uncertainty about the objectives of the United States. We have watched passively as the Cuban people are used to further Soviet geopolitical goals in Africa. With Cuban troops in Africa and Soviet troops in Cuba, this administration has signaled its willingness to normalize relations with Castro. It has declared that the United States has no security interests in the Caribbean. Our policy toward this entire important region has been to hope for the best—and that is no policy at all.

Mr. President, we must recognize this ideological struggle and take steps to counter it. We must see the Cuban exodus for the critically important event that it is. We must insure that the failure of the Castro regime remains in the international spotlight for all to see. The opportunity must not be lost in confusion on the docks of Key West. Our moral imperative remains clear, so too must our political initiative.

Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. BAKER. Mr. President, I inquire of the majority leader, is there to be a time for routine morning business? I had a request from the Senator from Connecticut to speak that I neglected to honor.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for transaction of routine morning business not to extend beyond 30 minutes and that Senators may speak therein up to 5 minutes each.

Mr. BAKER. Mr. President, I thank the majority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FTC—CHRYSLER—OIL IMPORT FEES

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I did not mean to get in the middle of this very enlightening discourse between the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) and the distinguished Senator from Tennessee (Mr. BAKER).

But I notice my good friend, the Senator from Colorado (Mr. ARMSTRONG) is in the Chamber. Believe me, when it comes to the makeup of the budget, probably no two people are further apart than the distinguished Senator from Colorado and the Senator from Connecticut.

However, there is one thing I am sure we agree upon: that the budget passed by the Senate and the budget discussed by the conference and the budget projected is not in balance, was never in balance, and will not be in balance.

As I said, as to the priorities and what should be done, there is probably a wide area of disagreement. But let no one fool himself. What has been worked out by the Congress of the United States and, indeed, the executive branch is not a balanced budget.

I have two points I wish to make on the other matters that might be coming before this Chamber. It is my understanding that there might be a Federal Trade Commission appropriations bill. I would like to put the leadership on notice that should that be the case, it would be the intention of the Senator from Connecticut to propose an amendment to that legislation which, in effect, would say that no funds would be appropriated for guarantees issued by the Chrysler Loan Guarantee Board unless the financing plan conforms with the act passed by the Congress of the United States.

It is going to be rather interesting to see whether or not there are those who could vote against such an amendment.

In effect, what has happened here, what was passed on the Senate floor and placed in the law, has been avoided, has been 'evaded, and in nowise meets the requirements of law. It would be my intention to propose such an amendment to that legislation.

Last, and I would like to get the attention of the distinguished majority leader on this point, should an oil import fee repealer be attached to the debt limit bill, it is my intention to participate, to cooperate, if necessary, to lead in the fight against that.

We have ducked too long now the disagreeable parts of an energy program. Every time conservation comes up, we manage to duck it. For example, do my colleagues know, in the mandatory heating and cooling legislation which was reenacted by the act of the President a month ago, that it has not yet received an accompanying appropriations bill? So it is not going to be enforced and is, in effect, worthless.

And here, when the President does try to act in a minimal way—granted, I do not believe in rationing or conservation by price, but at least it is a minimal step trying to achieve additional conservation and have these dollars stay here at home, rather than go to the OPEC nations—then, immediately, because it is a political year, everybody tries to duck it.

I am not a great fan of the incumbent President. But I will say this: He was perfectly willing to take the weight on his own shoulders on this particular matter. And until the Congress wanted to get its nose in it and make the disagreeable task appear to be, or turn it into a lollipop for themselves and for their constituents, the matter was laid to rest.

Now, since it has been raised by the Congress, it is fully my intention, should the matter be raised here in this Chamber, to fight and fight hard for the position of the President on this matter, feeling very strongly that we are a long way from out of the woods on energy.

I predict, before this summer is over, there are going to be lines and there are going to be gasoline shortages and there are going to be price increases. I am tired of having that occur month after month, summer after summer.

Is it not interesting to note that within 24 hours after this import fee matter was rejected, or indicated to be rejected, both by the courts and by the House, the Saudis raised their price $2 a barrel and nobody in the Congress raised a peep? Well, I thank you very much. I might not like any form of taxation, but I would rather have the dollars going to the U.S. Treasury than the treasury in Riyadh.

It would be my intention to oppose that matter should it be raised and also my intention to include the Chrysler Corp. in the FTC appropriation bill or, if need be, the debt ceiling extension legislation.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL GUARD TORT CLAIMS ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 847, S. 1858.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the reservation is for the purpose of advising the majority leader that that calendar item is cleared here and we have no objection to its consideration and passage.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1858) to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Indiana (Mr. BAYH).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR BAYH

I would like to take this opportunity to speak about the National Guard Tort Claims Act, a bill which I introduced last October, and which today has passed the Senate. The National Guard, as a matter of American defense policy, is and has been the first line of defense in the context of the "Total Force" posture. The Army National Guard, for example, provides 27 percent of the total Army strength; 33 percent of Army combat divisions; 72 percent of Army separate brigades; 57 percent of Army armored cavalry regiments; 63 percent of Army infantry battalions; and 41 percent of the Army's mechanized infantry battalions.

The National Guard participation in our defense establishment has never been more necessary than it is today; it is crucially important to have all our conventional forces at peak readiness. Recent testimony before the Congress pointed out that the U.S. and Soviets have reached a rough equivalency in strategic power. Under these conditions, any military policy must include a definition of the role of conventional forces in the context of possible defense strategies. So it is logical that the condition of these forces assumes additional importance in our national security scheme.

That is one of the key reasons that it is important to continue to support the National Guard and its role in today's military structure. My bill, the National Guard Tort Claims Act, has remedied an inequitable situation for the Guard, by including them under the coverage of the Federal Tort Claims Act.

The United States Senate has decided here today, that, as a matter of policy, because they train under Federal supervision for a Federal mission, the men and women of the National Guard should have the same protections as active military and reserve forces have when they are also training for the same Federal mission under the same supervisory conditions—literally next to each other in the same foxhole.

There is no logic to the position that the Guard should not be covered under the Federal tort claims act when they are in Federal training, and under Federal supervision, simply because of the Guard's constitutional organization as a state unit. My bill would not affect the Guard in its state capacity or mission. It applies only in the case of training under Title 32, Federal training.

The National Guard is built on the volunteers who come into its ranks to serve our nation. They deal with sophisticated equipment in complicated drills. In the case of an accident in the context of these activities, the men and women of the Guard should not be held personally liable. It is only fair that the Government who trains and supervises, assumes the liability.

With the passage of this bill today, the United States Senate has ratified this policy. I hope that the House of Representatives will also act affirmatively to right this inequitable situation.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2671 of title 28, United States Code, is amended—

(1) in the second paragraph, by inserting a comma and "members of the National Guard while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32, or any other provision of law for which such a member is entitled to, or has waived, pay under title 37," after "United States"; and

(2) in the third paragraph, by inserting "or a member of the Army National Guard or Air National Guard" after "United States".

SEC. 2. Section 1089(a) of title 10, United States Code, is amended by inserting "the National Guard while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32 of the United States Code, or any other provision of law for which such a member is entitled to, or has waived, pay under title 37 of the United States Code," after "armed forces".

SEC. 3. Section 334 of title 32, United States Code, is repealed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the able was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar orders numbered 848, 849, and 745.

Mr. BAKER. Mr. President, reserving the right to object, I shall not. These items are cleared on our calendar—two budget resolution and a NASA supplemental appropriations bill. We have no objection to their consideration and passage.

BUDGET ACT WAIVER

The resolution (S. Res. 426) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2238, was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2238, a bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development for fiscal year 1980. Such waiver is necessary to permit consideration of an additional fiscal year 1980 authorization of enactment of new budget authority for the National Aeronautics and Space Administration for the Space Shuttle program.

The Space Shuttle program consists of two major funding elements: design, development, test, and evaluation (D.D.T. & E.) which supports system development, and production which supports manufacture of the second, third, and fourth flight orbiters. The additional authorization is necessary to complete critical development tasks on the most efficient schedule and thereby avoid restructuring both the D.D.T. & E. and production programs and incurring the substantial cost penalties associated therewith. The Space Shuttle program, a complex, high technology activity, is at a very intensive stage of development and at a very high spending rate with activities focused on the first orbital test flight scheduled to occur between December 1, 1980, and March 31, 1981.

The transfer of residual uncommitted funds from the production program to the D.D.T. & E. program, the most viable option in the absence of the budget amendment, would not provide adequate D.D.T. & E. funding and would necessitate deferral of production activities. However, should such action be necessary, it is estimated that the D.D.T. & E. program would be delayed three to four months with a cost increase in the $200,000,000 to $250,000,000 range. It is estimated also that the orbiter vehicles in the production program would be delayed seven to nine months each with a cost increase ranging from $400,000,000 to $600,000,000.

The supplemental authorization request for fiscal year 1980, which is programmatically integrated with the fiscal year 1981 authorization request, was submitted to maintain existing work schedules to the greatest possible extent to avoid the substantial cost penalties and to assure the early availability of the Space Shuttle fleet to meet critical civil and defense requirements. Delay in fleet availability to users is estimated to incur additional indirect cost penalties approaching $500,000,000.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET ACT WAIVER

The resolution (S. Res. 436) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2352, was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2352. Such waiver is necessary because S. 2352 authorizes the enactment of new budget authority which would first become available in fiscal year 1980, and such was not reported on or before May 15, 1979, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible in this instance because the Council on Wage and Price Stability was designated to have an expanded role in the administration's anti-inflation efforts announced by the President on March 14, 1980. The expanded role includes the following components: a reduction in the reporting threshold for the price standards from $250,000,000 in sales to $100,000,000; a reduction in the review time for exception requests and noncompliance decisions; the establishment of a voluntary program of selective prenotification of price increases; the development of a new capability for on-site audits; and a strengthening of price monitoring. This expanded role was not foreseen at the time the previous authorization was approved.

The effect of defeating consideration of this authorization will be to impede seriously the monitoring of the voluntary wage and price standards which are key elements of the administration's anti-inflation program.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NASA SUPPLEMENTAL AUTHORIZATION FOR 1980

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2238) to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development.

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENSON. Mr. President, the bill, S. 2238, authorizes a supplemental appropriation of $300 million to the National Aeronautics and Space Administration (NASA) for fiscal year 1980 for the Space Shuttle program. These additional funds, to be applied to the Space Shuttle development program, are programmatically integrated with the fiscal year 1981 Shuttle funding request and, as such, are designed to maintain the current level of activity in the program scheduled to support a first orbital test flight between December 1, 1980, and March 31, 1981.

During the past year, when technical problems forced schedule delays and caused funding requirements to increase, in-depth reviews were initiated to assess the technical and financial soundness of the program. One of the principal findings was that the program had been underfunded at critical milestones in the past necessitating schedule slips, deferral of problems, and, in later years, transfers of funds from orbiter production to development activities in attempts to compensate.

The program is being conducted at a very high rate of activity to resolve outstanding technical problems and perform final assembly and checkout tasks in support of the target date for the first test flight. Current cost estimates to completion provide for this work schedule so as to conclude the development program as expeditiously as possible.

Unavailability of these funds at this time would require major adjustments in both the Shuttle development and the fleet production programs increasing the cost of both substantially and delaying the delivery of the orbiter fleet to support civil and military requirements.

Mr. President, I ask unanimous consent that an excerpt from the report on the bill be printed in the RECORD following the conclusion of my remarks.

Mr. President, I urge my colleagues to support this bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

RESEARCH AND DEVELOPMENT

SPACE SHUTTLE PROGRAM, $300,000,000

The Space Shuttle, under development since 1972, is the key element of the future U.S. space transportation system. It will provide users, both national and international, with round trip access to low-Earth orbits, beginning in 1982. Higher orbits and planetary missions will be achieved using upper stages such as the inertial upper stage and spinning solid upper stages.

The Space Shuttle will be launched from both the Kennedy Space Center, Fla., and the Vandenberg Air Force Base, Calif.

The Space Shuttle consists of the following basic flight hardware elements: the orbiter and its main engines; the external propellant tank; and twin rocket boosters. In addition, there is a ground-based launch and landing system. It is a reusable system, except for the external propellant tank. Consequently, it will make possible multipurpose, economical space operations for applications, scientific, defense, and technological payloads. It will offer capabilities that cannot be achieved with today's launch vehicles. For example, the Space Shuttle will carry both men and women in space to operate equipment that requires the manual dexterity and logical judgments of humans. It will be able to retrieve payloads from space for reuse; to service and repair satellites in space; to transport materials and equipment into orbit; and to carry out rescue missions if needed. These capabilities of the Shuttle will greatly enhance the flexibility and productivity of space operations and reduce their cost.

The Space Shuttle will have a large payload volume of 285 cubic meters (370 cubic yards) and a weight-carrying capacity of up to 29,500 kilograms (65,000 pounds). It will be operated by a three-man crew: the commander, the pilot, and a mission specialist. On some missions, one or more payload specialists will be added to the crew to operate payloads. The crew will be able to perform their duties in a shirt-sleeve environment.

The Department of Defense will launch all its spacecraft using the Space Shuttle and has scheduled its transition from the use of expendable launch vehicles. The Air Force is the designated executive agent for the Department of Defense for all space transportation system matters. Coordination between NASA and the Department of Defense is achieved through the NASA/USAF Space Transportation System Committee and by detailing personnel between the Department and NASA to serve on each other's committees, boards, and panels, and in extensive day-to-day coordination.

In support of the Space Shuttle, the Air Force has undertaken the development and production of the inertial upper stage for the Space Shuttle and the full-scale development of the Vandenberg Air Force Base Space Shuttle launch and landing facility. Other efforts are underway in such areas as payload interfaces and integration, mission operations, data, and software systems, and future uses of the Space Shuttle.

Summary of resource requirements

Design, development, test, and evaluation:	
Orbiter	$140,100,000
Main engine	0
External tank	11,000,000
Solid rocket booster	3,700,000
Launch and landing	45,200,000
Changes/systems upgrading	100,000,000
Total	300,000,000

The Administration submitted this request for authorization of a supplemental appropriation of $300 million for fiscal year 1980 for the Space Shuttle development program concurrent with the presentation of the fiscal year 1981 budget request. The supplemental appropriation is required to maintain program balance and momentum and to overcome expeditiously the continuing development problems that have delayed final qualification and certification of the Shuttle system for flight. These actions are necessary to avoid major cost penalties.

Development program delays over the past year have become a major concern due to the increasing funding requirements and the unavailability of the Space Shuttle to support U.S. space operations, particularly those of the Department of Defense. Therefore, following submission to, with subsequent approval by, the Congress of an urgent fiscal year 1980 budget amendment in May 1979, three program assessments were initiated—a NASA program review directed by the Deputy Administrator utilizing senior Government and non-Government personnel, a financial review conducted by the NASA Comptroller, and an examination by three outside consultants initiated by the NASA Administrator at the request of the President.

A principal conclusion was that annual funding limitations on the program to meet budgetary ceilings resulted in underfunding the program at key development points. Management, therefore, used schedule extensions and the deferral of development tasks and testing (and most recently production program funds as well) to offset the impact of the funding constraints. The net effect of these actions has been to reach a point in time (flight hardware assembly and checkout) where all flexibility has been removed from the program and all outstanding and newly identified problems must be solved promptly. No basic technical weaknesses have been identified; however, recommendations were made for management improvements in determining program status and forecasting requirements. These recommendations have been implemented through additional staff and a Shuttle program management reorganization.

The funding requirements represented by the $300 million supplemental request and the fiscal year 1981 request result from the assessments discussed above, will support a first orbital test flight as early as November 1980 and as late as March 1981; represent the current best estimate of funding needed, exclusive of systems upgrading, to complete the development program; and will permit the orbiter fleet production program to proceed on the optimum schedule to meet user requirements, particularly those of the DOD. Including these funding requirements, the total cost of the Shuttle development program is estimated at $6.185 billion (in 1975 dollars), an increase of 20 percent since the program was initiated in January 1972.

Should the $300 million fiscal year 1980 supplemental not become available, adjustments will have to be made in both the development program and the fleet production program to maintain a rational balance between and within the activities. Impact estimates of these actions reflect a 3- to 4-month delay in development and a 7- to 9-month delay in follow-on orbiters, for a total program cost increase of $600 to $850 million. The Committee recommends full funding of this development request in order to bring the Shuttle to operational status as soon as technically feasible. This will permit fleet production to proceed on the current schedule, established in mid-1979, to support launch requests. Firm commitments for payloads and plans to transition to Shuttle clearly demonstrate that users are most desirous of taking advantage of the unique capabilities the system offers—a principal reason for initiating its development. In addition, testimony by Department of Defense witnesses, including the Secretary of Defense, clearly states the importance of early activation of the Space Shuttle to the national security.

This supplemental authorization will increase the fiscal year 1980 authorization for the Space Shuttle program from $1,586 million to $1,886 million, and increase the total NASA authorization for fiscal year 1980 from $4,961 million to $5,261 million.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of subsection 1(a) of the National Aeronautics and Space Administration Authorization Act, 1980 (Public Law 96-48), is amended by striking out "$1,586,000,000" and inserting in lieu thereof "$1,886,000,000".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 12 NOON TODAY

Mr. ROBERT C. BYRD. Mr. President, the Senate is waiting on the other body to complete action on the FTC appropriation and on the debt limit extension. Presumably, there will be some action within the next hour-and-a-half on the other side of the Capitol. I therefore ask unanimous consent that the Senate stand in recess until 12 noon today. Before I do that, I again caution Senators that rollcall votes are expected this afternoon.

Mr. BAKER. Reserving the right to object, Mr. President, and of course, I shall not object, I advise the majority leader that we have checked our calendar and there is simply nothing else to do. We have cleared the calendar of unanimous-consent items with the last action taken here. I know of no purpose to be served by staying in session.

As I understand the request, we shall stand in recess until 12 noon.

Mr. ROBERT C. BYRD. Mr. President, the Senator is correct.

Mr. BAKER. I thank the Chair.

There being no objection, the Senate recessed at 10:47 a.m. until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ZORINSKY).

QUORUM CALL

The PRESIDING OFFICER. The Chair, in his capacity as the Senator from Nebraska, suggests the absence of a quorum, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 45 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 45 minutes.

There being no objection, the Senate, at 12:03 p.m., recessed until 12:48 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for transaction of routine morning business not to exceed 30 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ABUSES IN CETA PROGRAMS AND THE NEED FOR ADDITIONAL FUNDING FOR THE VA BUDGET

Mr. THURMOND. Mr. President, the Senate finalized its consideration of the first concurrent resolution on the fiscal year 1981 budget on May 12. During the debate on this measure, I offered an amendment that would increase the veterans programs by $800 million in authority and $400 million in outlays. This would be accomplished by shifting proposed funds from CETA programs, especially title VI, to the veterans' portion of the Federal budget. The budget would remain balanced and the Senate would make a determination between earned benefits for veterans or the continuation of make-work jobs for CETA employees. I regret that my amendment failed to carry by a slim margin of five votes.

However, I am pleased that several days later, the Senate supported another amendment I offered and further modified after consultation with my colleagues on the Veterans' Affairs Committee (Messrs. RANDOLPH, CRANSTON, SIMPSON, and HUMPHREY), the Budget Committee (Messrs. HOLLINGS and BELLMON), and others. This amendment, as passed by the Senate, provided $400 million in authority and $300 million in outlays above the levels recommended by the Budget Committee for veterans programs and it carried by a vote of 88 to 6. Now, it is my understanding that during the House-Senate conference on the budget the Senate receded to the House figures which were lower than those passed by the Senate.

Mr. President, I recite this brief legislative history to point out that my original amendment, shifting funds from several CETA programs to veterans programs, was meritorious and would have redirected scarce funds from questionable CETA programs to the health care needs and services for our Nation's veterans population.

An article which appeared in the Washington Post, May 22, 1980, entitled "FBI Probes Use of CETA Funds for 'Happy Hour'" describes in disgusting detail the unwise and allegedly fraudulent application of CETA funds. The article states that $100,000 of a job training grant was used for such purposes as "Happy Hour Training" at local restaurants, limousine trips, and the purchase of a $178 briefcase.

Mr. President, these abuses and others were presented in testimony before the Manpower and Housing Subcommittee of the House Government Operations Committee. During these hearings, the General Accounting Office (GAO) testified to other examples of abuses in the CETA program. They include: $2,850 for a wedding and reception on the former oceanliner *Queen Mary;* $1,485 for Christmas gifts; $100,000 to purchase land and build a house; these and others were among the $1.1 million of "errors and abuses" cited by the GAO.

Mr. President, I believe that such expenditures of Federal dollars should not go unaudited or unchecked. I cannot imagine how such expenditures can be reasonably related to the purposes of the CETA legislation. If the Senate is serious about balancing the budget this year, which I am, we also should be equally concerned about how our precious Federal dollars are used.

Mr. President, I believe the Senate should immediately take positive steps to bring to a halt this wanton and apparent unchecked abuse of the taxpayers' money. First, I call upon the Senate Committee on Labor and Human Resources to conduct hearings on the alleged fraud, abuse, and misappropriation of CETA funds. Second, I call upon the Secretary of the Department of Labor to personally report on his efforts in curbing this abuse. Third, where fraud, embezzlement, and related illegal acts have been discovered, I believe vigilant prosecution will act as a most effective deterrent to any further such acts.

Mr. President, I fail to understand the logic of several of my colleagues who voted to generously continue the CETA programs that are fraught with the abuses I mentioned, while also voting to use the meat ax on the VA budget which has already been honed with laser-thin precision by the Veterans' Committee to accommodate our efforts to balance the Federal budget.

Mr. President, I ask unanimous consent that, for the benefit of my colleagues, the Washington Post article of May 22, 1980, entitled "FBI Probes Use of CETA Funds for 'Happy Hour,'" be printed in the RECORD.

The article follows:

FBI PROBES USE OF CETA FUNDS FOR "HAPPY HOUR"

(By Ron Shaffer)

The FBI is investigating a $400,000 D.C. job training grant to a private corporation that allegedly used more than $100,000 of the money for such purposes as "Happy Hour Training" at two local restaurants, limousine trips to and from National Airport and the purchase of a $178 leather briefcase.

An audit of the questionable expenditures by the D.C. Institute for Careers in Tourism, a subcontractor that used the city funds in 1977 and 1978 to train 28 tour guides, was revealed yesterday at a congressional subcommittee hearing. The purpose of the hearing was to evaluate the federal government's efforts at accounting for job training funds spent under the Comprehensive Employment and Training Act (CETA).

"Happy hours at the Red Lion and Black Tahiti, limousine trips to and from the airport for [the] executive director's trip to Jamaica—it's hard to believe this could be allowed to happen," Rep. M. Caldwell Butler (R-Va.) said.

He and his colleagues on the House manpower and housing subcommittee concluded that the U.S. Department of Labor is doing a "dismal" job in accounting for CETA money.

The D.C. Institute for Careers in Tourism no longer is receiving government grant funds. Its contract was terminated in October 1978, after allegations by job trainees of wrongdoing. The group was formerly headed by D.C. businessman Eric Sewell.

After the termination of the city's relationship with Sewell's group, the D.C. Department of Employment Services gave the contract to the D.C. Chamber of Commerce, which continued to train tour guides under the name of the D.C. Institute for Careers in Tourism.

The current grant of about $291,000 to the chamber was canceled 10 days ago after reports that the head of the chamber, James L. Denson, has allegedly misappropriated chamber funds. The grant to the chamber-sponsored D.C. Institute for Careers in Tourism is among various chamber-related financial affairs now under investigation by the city's inspector general and by federal prosecutors.

Robert Watkins, Sewell's attorney, said last night that Sewell would have no comment on any questions about his conduct with the D.C. Institute for Careers in Tourism. Watkins emphasized that the $127,818 mentioned in the auditor's report amounted only to questioned costs, and have not been found to be improper. Watkins declined further comment.

The D.C. Department of Employment Services has not ruled whether the questioned costs were legitimate and is unlikely to do so pending completion of the federal investigation of Sewell's group.

Among other expenditures questioned by the auditors were:

$45,800 in payments to the Tourism Foundation, a separate company headed by the same people as the D.C. Institute under Sewell.

$2,875 in leasing costs for a new Mercury Monarch used by a D.C. Institute board member.

$5,799 in alleged excessive telephone and postage costs.

$1,755 in miscellaneous expenses including Christmas cards, alleged excessive staff salaries and custom photography work unrelated to training.

$590 for an Evelyn Woods speed reading course for Sewell and a board member.

$404 for courier deliveries to a Georgetown tobacco store and other sites unrelated to the work program.

Harold Bardonille, a former consultant to the institute, said it provided a useful service by training tour guides and said he was unaware of any improprieties. He referred a caller to Sewell for any details.

The alleged abuses by the D.C. Institute were among several cited yesterday by the subcommittee in its criticism of the federal government's monitoring of the $10-billion-a-year CETA program.

The subcommittee's chairman, Rep. Cardiss Collins (D–Ill.), said the General Accounting Office reports "show that funds have been squandered all these years and nothing is being done to tighten up spending. It's a doggone dismal record."

Collins referred to GAO reports alleging that the Labor Department is not efficient in auditing those who receive grants, ruling on questioned costs in recovering money that has been spent improperly.

Labor Department officials said much of this responsibility lies with local officials, who directly administer the federal grants to local subcontractors.

Subcommittee members offered other examples of "abuses and errors" in the CETA program from throughout the nation that were contained in the GAO report released Tuesday. They included:

$2,850 for a wedding and reception on the Queen Mary, categorized as an "employe morale boost."

$4,734 for the lease of Audi and Porsche automobiles.

$1,485 for employe Christmas gift certificates, also categorized as "employe morale" expense.

$15,000 in loans to friends of an executive director.

$100,000 to purchase land and build a house.

These were among $1.1 million in examples of "errors and abuse" cited by the GAO.

"We have dealt out billions and billions to this program and these problems have been incurred over and over," said Rep. Olympia J. Snowe (R-Maine).

S. 2748, THE TRADE PROCEDURES SIMPLIFICATION ACT OF 1980

Mr. THURMOND. Mr. President, I rise in support of S. 2748, the Trade Procedures Simplification Act of 1980, of which I am a cosponsor.

Mr. President, as all of us know, the small- and medium-size businesses of this Nation are facing numerous and complex problems in our current inflation-ridden, recessionary economy. Many of their problems are similar to those of all businesses in America, regardless of size. These small- and medium-size firms, however, are more severely disadvantaged in other ways due to their unusually heavy burden of Government-imposed regulations, paperwork, and direct interference by unneeded and undesirable bureaucratic actions. Such Government impediments to exporting, unrelated to national security, affect the smaller businesses much more adversely since these businesses do not have the resources to fight the battle of Government redtape.

Although U.S. total exports have grown from 4 percent of domestic production, to 8.4 percent in the past 30 years—and may reach 10 percent in the next decade—this proportion is extremely small when compared with those of other industrialized nations, such as Japan and Great Britain. The United States has clearly been losing its share of the world market. The declining competitiveness of the United States in world trade must be blamed largely on such factors as intervention by foreign governments in their own economies that distorts the trade flow, U.S. Government restrictions on exports, the lack of export awareness by many American firms, slow productivity growth and high inflation.

Mr. President, in South Carolina, exports of textiles, chemicals, machinery, and agricultural products play a major role in the economic vitality of the State. While the level of exports is over $1 billion annually, the potential exists for a much higher level. South Carolina exporters are small- and medium-size businesses. These are the businesses that are so severely disadvantaged by our current Government policies and regulations. They need our assistance now if they are to move forward to reach their full potential as exporters—a move that will benefit them and, equally important, it will benefit our Nation's total economy and our international trade situation.

Mr. President, the Trade Procedures Simplification Act of 1980 will eliminate the unintended and unnecessary Government impediments while, at the same time, maintain the desired competition in the domestic market which antitrust laws were established to promote. The benefits of antitrust legislation over the years have been substantiated; however, their "extraterritorial application" has not always provided the same level of advantage to the worker, producer and consumer in the export market as it has in the domestic market. Other nations do not restrict export enterprises such as joint ventures abroad or trademarked goods abroad as does the United States. Additionally, our American business firms are penalized because our Government fails to provide firm and precise guidelines on what is and what is not permitted in terms of economic activity overseas.

There is a critical need, Mr. President, for legislation that will provide the means to insure broad public understanding of extraterritorial antitrust enforcement. The Trade Procedures Simplification Act of 1980 would provide such means to the Justice Department and the Commerce Department.

As has been noted in the section-by-section analysis of the bill and in subsequent discussions, the basic aim of the proposed legislation is to encourage the issuance of comprehensive disclosures indicating the Justice Department's enforcement intentions concerning broad areas of export activity, keyed to specific product sectors and country markets. The bill would make these disclosures reliable by prohibiting enforcement actions against exporters conducting business pursuant to a disclosure. The disclosures themselves are designed to be easily communicable to small- and medium-size companies, through trade journals and business magazines.

To further promote effective disclosures, the legislation provides that the Department of Commerce may give limited assistance, on a reasonable fee basis, to smaller companies wishing to petition the Justice Department for a disclosure statement.

Mr. President, as a corollary to the comprehensive disclosure authority, this legislation also makes the Justice Department's current procedure for enforcement statements concerning particular export transactions binding on future enforcement actions.

Monitoring of business compliance with the terms of disclosures is provided for through an injunction proceeding to terminate unauthorized export activities.

Finally, Mr. President, congressional oversight is facilitated through strict reporting requirements imposed on the Justice and Commerce Departments. Within a year, the Congress should be in an excellent position to evaluate the effect of antitrust enforcement on our international trade posture.

The impact of this legislation upon small business exports should be immediate and quite substantial. It should also be emphasized that this proposal would in no way alter the substance of our antitrust laws, or affect domestic competition. In fact, greater involvement of smaller businesses in exporting could actually reduce the domination of export markets by large multinational corporations.

Mr. President, this legislation closely parallels policy recommendations adopted unanimously by the National Governors' Conference earlier this year. While it is not intended to serve as a cure-all for our international trade problems, it is legislation which can be supported by all concerned with strengthening our small business exports, regardless of their views on antitrust law or international trade policy.

Mr. President, I sincerely hope that my colleagues will give their most careful consideration to this proposed legislation. I encourage them to join with us in the passage of this measure that is so important to our people and to our Nation's economy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 521

Mr. ROBERT C. BYRD. Mr. President, I have discussed the following request with the distinguished minority leader (Mr. Baker), with the distinguished Senator from Oregon (Mr. Hatfield), and with the distinguished Senator from Georgia (Mr. Nunn).

Mr. President, I ask unanimous consent that at any time after Monday of next week the majority leader be authorized to proceed to the consideration of Calendar Order No. 841, House Joint Resolution 521, a joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System, after consultation with the distinguished minority leader, with the understanding that no cloture motion will be offered to bring debate to a close on Calendar Order No. 841 until after at least 1 day of debate has transpired on that joint resolution.

Mr. BAKER. Mr. President, reserving the right to object, and I do not plan to object, it is my understanding that the conversation between the distinguished majority leader and the Senator from Oregon was that in exchange for this arrangement by unanimous consent the majority leader would not file a cloture petition for a day or two. Might I inquire of the majority leader, this does not preclude the possibility that there might be a second day of debate before that happens?

Mr. ROBERT C. BYRD. It does not. The minority leader is correct. It was on that condition, that I not call it up before Tuesday and that I not offer cloture motion the first day. I told Mr. Hatfield I would not want to commit myself to not offer a cloture motion on the second day, but that I would not rule that out.

Mr. BAKER. Mr. President, I thank the majority leader. We have cleared this, as the majority leader has correctly reported, not only with the Senator from Oregon (Mr. HATFIELD), but also with those representatives of the jurisdictional committee and, I believe, the Armed Services Committee as well. As far as I know, everyone else who has expressed any interest in this matter on our calendar notations has been cleared with regard to this, and I will not interpose an objection to the majority leader's request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 1:15 p.m., recessed subject to the call of the Chair.

The Senate reassembled at 1:34 p.m., when called to order by the Presiding Officer (Mr. EXON).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MITCHELL). Without objection, it is so ordered.

THE CARTER DOCTRINE

Mr. McGOVERN. Mr. President, over the last 6 months the direction and prospects of American foreign policy have been greatly altered by two unanticipated events: The seizure of the American hostages in Iran and the Soviet invasion of Afghanistan. These events, following upon a longer term, gradual deterioration of our relations with the Soviet Union, gave rise to what has been called the Carter doctrine for defense of American interests in the Persian Gulf region.

In an article in the June 1980 issue of the Atlantic I offered some thoughts on the meaning and implications of the new direction in our foreign policy. The basic theme of my article is that two vital American interests are at stake—secure access to the Persian Gulf oil producing region and the reconstruction of détente with the Soviet Union—and that the task of policy is to reconcile these interests rather than sacrifice one to the other. It is my hope too that this article will contribute to constructive discussion and debate during the election year. Mr. President, I ask unanimous consent that my article, entitled "How To Avert a New 'Cold War'" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO AVERT A NEW "COLD WAR"

(By GEORGE McGOVERN)

In the years since World War II, Presidents have often been accused of "lacking a policy," but we have seen a proliferation of presidential doctrines. The Truman Doctrine of 1947, which grew out of the necessity to resist Stalinist incursions upon Greece and Turkey, was elevated to a declaration of global ideological warfare against communism. The Eisenhower Doctrine of 1957 declared the United States prepared to use armed force to assist Middle Eastern nations threatened by "international communism." The Nixon Doctrine of 1969 called for the use of region surrogates to bar the gates to communism and protect American interests. Now in 1980, we have the Carter Doctrine, stating that "an attempt by an outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States," to repel which the United States would employ "any means necessary, including military force."

There is an important difference between a policy and a doctrine. A policy is good for as long as it works or is needed, whereupon, without undue difficulty, it can be altered or discarded. When a policy is finished, it is not the end of an "era"; it is merely the end of an approach that has outlived its usefulness. A doctrine, by contrast, is for the ages, and is neither easily nor safely trifled with, even when it has outlived its usefulness or acquired unintended meanings. With their bias toward the ideological and the broadly geopolitical, doctrines tend to generalize beyond the warrant of ascertainable facts, tempting us to discount local conditions and special circumstances. The trouble is, as Vietnam and Iran have shown, that purely local circumstances often determine the success or failure of grand geopolitical or ideological doctrines.

The hazard of the Carter Doctrine, as spelled out in the State of the Union address of January 23, 1980, is not in the President's pledge to protect our vital interests in the Persian Gulf, but in the assumption, without clear or convincing evidence, that our interests are now threatened by a Soviet grand strategy "to consolidate a strategic position . . . that poses a grave threat to the free movement of Middle East oil." Four highly plausible possibilities are thus ignored: that the Soviets may have no such grand strategy; that threats to our interests may arise from other, local sources; that détente with the Soviets and securing our interests in the Gulf can be mutually reinforcing; and that the countries of the Persian Gulf region, as well as our historic allies, must be consulted before the United States develops a doctrine or embarks on military intervention related to their interests.

The Carter Administration cannot be held primarily responsible for the explosion of anti-Americanism that accompanied the Islamic revolution in Iran. That was the result of a policy, going back to World War II, of treating Iran as an object in the geopolitics of the Middle East, without regard to its own preferences. The shah and his lieutenants played a crucial role in the high-stakes game of strategy and oil, but the Iranian people were shut out of the game. Cut loose from their traditional religious and social moorings, their expectations aroused by the sudden, glittering affluence of a privileged segment of their society, and alienated by the pretensions and oppressiveness of the imperial regime, the Iranian people became a receptive audience not only to the agitations of thousands of young people the shah had sent abroad for their education, primarily in America, but also to the smuggled-in teachings of a charismatic, exiled cleric.

Although the Carter Administration cannot be blamed for the consequences of past misjudgments, it can quite properly be asked to account for its general unprofessionalism surrounding the admission of the shah to the United States and the consequent seizure of the American hostages in Tehran. The shah was admitted to the United States despite warnings from various sources, including the American chargé in Tehran, Bruce Laingen, that it would be dangerous to do so without special measures to protect the embassy or remove American personnel. No convincing case has ever been made that the shah could have been treated only in New York, or that American doctors and equipment could not have been flown to Mexico City. Professor James Bill, an expert on Iran at the University of Texas, commented in November 1979, after the hostages had been seized, that although the Iranians had warned us repeatedly about the shah, "we did nothing to assuage their desperate fear of a linkage between the shah and the Administration to plot his return. They cannot forget the CIA plot that ousted Mohammed Mossadegh in 1953 and returned the shah to this throne." The Administration's patience after the embassy was seized won support from the public and Congress, but there remains the question of whether the hostage crisis need have occurred.

By invading Afghanistan in the last week of December 1979, the Russians rescued the Administration, at least temporarily, from pressure to account for its handling of Iran. The two events merged into a full-fledged Cold War crisis, in which the Russians at least temporarily displaced the Ayatollah Khomeini as the principal author of mischief in southwest Asia. The President called the Soviet action "the most serious threat to the peace since the second World War," and the Administration for the time being lost interest in retaliatory acts against Iran, urged the Iranians to recognize that the real danger to them came from the Soviet Union, and said that the Iranians might receive American military and economic support against the Soviet threat if they released the hostages. All but forgotten was the President's statement to congressional leaders on November 27, 1979, that even the freeing of the hostages "will not wipe the slate clean" with Iran. "We have no basic quarrel with the nation, the revolution, or the people of Iran," the President said on January 21, 1980. "The threat to them comes not from American policy but from Soviet actions in the region. We are prepared to work with the government of Iran to develop a new and mutually beneficial relationship."

The hostage crisis was thus reduced, in the Administration's rhetoric, from a supreme challenge to American honor and interests to distraction from the real issue of Soviet aggression and expansion. Only when the Ayatollah Khomeini, in the wake of repeated efforts at propitiation by the President, came down strongly on the side of the militants and against President Bani-Sadr's efforts to arrange a transfer of the American hostages to government control did President Carter announce a formal breach of diplomatic relations and order a ban on exports to Iran, pressure our allies to employ sanctions, and finally launch the abortive rescue attempt.

Until that time the Administration seemed ready to associate itself with Khomeini's regime, as it had with the shah's, solely on the basis of its presumed anti-Sovietism, without bothering to look closely at the new Iranian government's ambitions and viability. Nor did the Administration consider it worthwhile to examine a variety of plausible reasons behind the Soviet move into Afghanistan, or even to acknowledge that we could never really be sure what the motives of the men in the Kremlin were. Instead, the Carter Administration perceived, and forthwith proclaimed, a Soviet grand design to envelop the Persian Gulf region and threaten the free world's oil lifeline.

There is one possible virtue but several probable dangers in the drastic warning to the Russians in the Carter Doctrine. The possible virtue is that it could destroy any illusions the Russians may have about the importance the United States attaches to the Persian Gulf region and the seriousness with which we regard military intervention in violation of international law. The dangers are in making threats we may not be prepared to back up, in the possibility that the Administration will believe the untested assumptions contained in its overheated rhetoric, and in the extreme difficulty of reversing course once the tough talk has served its immediate purpose. Under the best of conditions, détente has been a fragile edifice, painstakingly constructed. Protracted educational efforts have been required to develop public attitudes congenial to arms control, trade, and cultural exchange. In a crisis these are all too easily dispelled and replaced by attitudes of mistrust and belligerency. Then, when the national interest requires a renewal of cooperation with the Soviet Union, the entire process has to begin anew, painfully, from scratch.

Therein lies the mischief of the Carter Doctrine. It implies a comparison between the Soviet behavior in Afghanistan and the Hitler model of aggression in the 1930s. The lesson of such a comparison is obviously that it is better to stop an insatiable, reckless aggressor sooner rather than later. The trouble with this or any other "lesson of history" is that it is instructive only when you are dealing with a closely similar situation. In the case of the Russians in Afghanistan, the differences far outweigh any similarities to, say, the German seizure of Czechoslovakia in 1938. We are dealing with an aggressor whose record is more calculating than reckless and whose insatiability is more a tenet of ideology than a guideline of practical policy. Not the least important difference between Nazi Germany in the thirties and the Soviet Union in the eighties is that until the late thirties it was feasible to stop Germany relatively easily; after that it was feasible to eliminate the Hitler regime at a high price, but one well short of the destruction of much of the world's civilization. The Soviet Union, by contrast, deploys conventional forces in Afghanistan that no responsible military analyst believes we can challenge, and is also a nuclear superpower that cannot be eliminated, as Hitler's Reich was, and with whom we therefore have no choice but to coexist as best we can.

This end is best served by trying to analyze Soviet behavior as objectively as possible, on the basis of ascertainable facts rather than ideological tenets. The facts of Afghanistan are that the Soviets intervened in a country that had come under their domination, without notable protest from the United States, in a Communist coup in April 1978, and that by late 1979, following a second coup in September in which one Marxist leader overthrew another, the country seemed to be slipping out of Marxist and Soviet control and into the hands of Moslem insurgents. The regime the Russians toppled, moreover, was hardly one to be mourned: President Amin's brief reign in Kabul was characterized by a brutality equaled only by its incompetence.

Moreover, there are indications that the Russians, fearing the spread of Islamic militancy across the southern tier next to their borders, have been no more happy than we with the militancy and anarchy in Iran, especially when the Ayatollah Khomeini fulminated against *both* superpowers as "Satan's" agents.

The Russians undoubtedly underestimated the difficulties in Afghanistan and the world reaction. The new president they installed, Babrak Karmal, has been ineffective; recognizing the Afghan army has proven difficult if not impossible; resistance by Islamic guerrillas has been stiff, forcing the Russians to scrap any plans they may have had for an early withdrawal. Nor had they expected so vehement a reaction from the United States and the Islamic countries. The United Nations General Assembly's denunciation of the Soviet move into Afghanistan by a vote of 104 to 18 with 18 abstentions must have come as a shock and as a major setback to Soviet aspirations for expanding their influence in the Third World.

Another significant factor was the bitter and emotional attitude toward the United States prevailing in Moscow in the fall of 1979. President Brezhnev, who had invested heavily in détente, and whose health and faculties were impaired, had to confront his harder-line colleagues with a catalogue of failure and frustration; the SALT II treaty seemed lost beyond retrieval in the Senate; the United States was preparing to increase its military spending; NATO had agreed to deploy a new generation of American nuclear armed missiles in Western Europe; the United States was moving closer to a working relationship with the Chinese. In addition, an irritating and wholly unnecessary fuss had been stirred up by the American President, for patently political reasons, over a Soviet brigade known to have been in Cuba for many years. Under these circumstances the Soviets may have felt they had little to lose by using military force to retrieve a disintegrating situation in a bordering satellite state.

To all these possible factors—local, regional, and internal to the Soviet Union—the Carter Administration was indifferent, caught up as it was in the excitement of unveiling its new doctrine. It was almost as if, when the Soviets moved into Afghanistan, we were relieved to find ourselves freed from the complexities of Third World nationalism and the Islamic revival and back on the comfortably familiar turf of a bipolar Cold War world. Once they heard the call of the Carter Doctrine, the Iranians would naturally forget about the shah, the Arabs would forget their differences with Israel, our allies in Western Europe and Japan would gratefully follow our lead, and all would join with us in a grand alliance against Soviet aggression. Now the unwelcome "lesson of Vietnam"—as Daniel Yergin put it, "that 'fundamental designs' may be illusory and that global implications may be secondary to local issues"—could also be cast aside. Americans could be patriots again, without bothering to make the troublesome distinction between patriotism and jingoism.

In this altered environment our "hawks" joyfully trumpet the coming of the "second Cold War." They are also proclaiming their own vindication: have they not warned us all along that détente would fail? They have indeed, but the question remains whether they merely foresaw the breakdown, or helped to contrive it.

When the President warned of "the most serious threat to world peace since the second World War," he inevitably created a war atmosphere in which public discussion, to a greater degree than in many years, has been dominated by war talk. To express dismay at this development is not to preach pacifism: we must be prepared to fight either a nuclear or a conventional war, and we cannot rule out the possibility of either occurring. The issue is not whether we will fight if our vital interests are attacked, but how most effectively to use our policy and diplomacy without resort to war. Preventing nuclear war has become a national interest second to no other, as well as an interest we share with the Soviet Union and with all other nations. It cannot be too often emphasized that a third world war would in no sense be comparable with the first and second world wars, which, destructive though they were, left the world physically intact. Although projections differ as to which side might emerge from a nuclear war with the larger fraction of its industry intact and of its people still alive, no one contests that the losses would be in the hundreds of millions and that our society and economy, even were we to emerge as the "winner" of the conflict, would be grievously crippled.

Avoiding so great a calamity is, in the most literal sense, a *vital* national interest. That is what détente is about. It is not a policy "option" in the conventional sense, since the only other "option" available is unending cold war, recurrent crisis, an arms race forever escalating in cost and risk, and "at the end, looming ever clearer," as Albert Einstein warned, "general annihilation." With implications of such great consequence, détente with the Soviet Union must surely rank with the defense of the Persian Gulf as an essential national interest. The task of policy is to reconcile the two and, if possible, make them mutually reinforcing.

It comes, therefore, as a shock to have détente declared at an end in our sudden alarm for the security of the Persian Gulf. That, however, is the thrust of the Carter Doctrine: in the name of one vital interest, another is to be cast over the side. It would have made a great deal more sense, in the wake of Iran and Afghanistan, if the President, instead of hastily compiling a shopping list of sanctions against the Soviet Union, had put to his advisers the question "By what means are we to protect the *two* vital interests we have at stake? By what means can we defend the oil lifeline and *at the same time* maintain necessary measures of cooperation with the other superpower?"

One probable reason for the Administration's preference for the tough line—in addition to the still tenacious hold of the postwar "doctrines" on many minds—is the tendency to treat international relations as a kind of morality play. The Russians, in this perception, are either good people like ourselves, as we briefly deemed them to be when they were our allies in World War II, or they are bad people through and through—voracious and deceitful, determined to do us in. The basic Cold War assumption, that you cannot do businesses with the Russians, was codified in 1950 in a joint State and Defense Department document, known as "NSC–68," which was to become highly influential. "The Soviet Union, unlike previous aspirants to hegemony," NSC–68 said, "is animated by a new fanatic faith, antithetical to our own, and seeks to impose its absolute authority over the rest of the world." This basic view of Soviet intentions has strongly influenced American policy for three decades: it had much to do with our involvement in the Vietnam War and it largely underlies the current opposition to SALT.

Since coming to office in 1977, the Carter Administration has blown an inconstant trumpet. Its human rights policy and direct contacts with Soviet dissidents affronted and alarmed the leaders in the Kremlin. At the same time, without explanation or advance notice, President Carter momentarily abandoned the Vladivostok formula and told the Russians he wanted much deeper cuts in strategic arms levels—a highly commendable idea, but one which the Russians took as a breach of the Vladivostok agreement and angrily rejected. For three years the Carter Administration seemed to address the Soviets with two voices—the conciliatory voice associated with Secretary of State Cyrus Vance, who at one point spoke of the "similar dreams and aspirations" held by Brezhnev and Carter, and the more provocative voice of National Security Adviser Zbigniew Brzezinski, who has devoted considerable energy to forging a Sino-American anti-Soviet alliance.

The Soviets, for their part, appear to have been genuinely confused by the Carter Administration's approach. A *Pravda* article in June 1978, for example, complained of the "constant zigzags and inconsistency" in American policy. The Soviets welcomed the President's diligent efforts to conclude the SALT II treaty but resented the lectures on human rights and the refusal to accord the Soviets equal trade treatment despite greatly increased Jewish emigration, exceeding 50,000 a year by 1979. The Russians were also alarmed by the Carter Administration's readiness to introduce a new generation of strategic weapons, such as the MX missile, as the price of winning support for SALT in the Senate, and by the plan to increase NATO's nuclear forces by stationing Pershing and cruise missiles in Europe. They took further offense when Brezhnev's offer of October 6, 1979,. to negotiate mutual force reductions in Europe in return for withholding the new NATO missiles, was dismissed by President Carter as a trick. When the President, in the wake of Afghanistan, asked the Senate to defer its consideration of the SALT II treaty, Brezhnev issued a statement denouncing the United States as "an absolutely unreliable partner in interstate ties." Instead of viewing us as weak, as we often fear, the Soviets may well view us as powerful, unpredictable, and dangerous.

Détente has also become, during the Carter Administration, a partisan issue. Republicans have accused the President of being naive about the Russians and of having cut arms spending to dangerously low levels. President Carter, for his part, set out to prove, through his new doctrine, that he was the equal of any Republican in his mistrust of the Soviet Union, while promising too that he would step up defense spending by at least 5 percent above the inflation rate as demanded by former Secretary of State Kissinger and critics of the SALT treaty in both parties.

But is this promised arms buildup really necessary? The proponents of increased strategic defense spending argue that some time in the 1980s the Soviets will acquire the capacity to launch a nuclear first strike capable of taking out our land-based missiles. This prospect, they say, represents an intolerable threat to our security, even though the other components of the strategic "triad"—manned bombers and especially submarine-launched missile—would be largely unaffected by such a strike. It is difficult to believe that the Soviets would be so insane as to launch the first strike, knowing the other components of our retaliatory capacity would survive.

Another question in need of dispassionate examination is that of Soviet political strategy, or more exactly, whether there is any strategy beyond the imprecise guidelines of Marxist ideology. Is there a pattern in recent Soviet activities in Angola, Ethiopia, South Yemen, and Afghanistan? Do these add up to "an unprecedented Soviet assault on the international equilibrium," as Henry Kissinger said in his testimony on SALT II, or were they a series of accidents and opportunities brought about by internal disruptions in these countries with which, at the outset, the Soviets had little if anything to do? The evidence points to the latter, but even if these involvements do add up to an overall strategy, it would seem an ill-conceived one, not very clearly directed toward gaining control of the power centers of the world. Nor has this Soviet "strategy" been notably effective; for the dubious privilege of financing the Ethiopian military government's armed conflicts with Somalia and the Eritrean rebels, to take one example, the Soviets paid the price of expulsion from Somalia, where the naval base they built at Berbera may soon be used by the United States.

By now we should know enough about the Russians to be able to break the cycle of excessive trust followed by bitter disillusionment. The experience of three decades has shown us that the Soviets do indeed believe in their ideology of conflict between social systems; that they take whatever opportunities come their way to implant their ideology and influence in other countries; that they are preoccupied with having friendly, which is to say complaint, governments in the countries around their borders; that they are tough and, when necessary, brutal in suppressing rebellion within these satellite states. We also know from experience that the Soviet leaders seldom let ideology obscure their view of reality; that they have a healthy respect for the power of the United States and NATO; that for good reasons of their own they strongly desire cooperation with the United States in arms control, trade, and other areas; that they are disinclined to take high risks; and that they share with the Soviet people a horror of major war, rooted in the experience of World War II in which the Soviet Union lost over 20 million people. It would seem time for an end to the demonology that has distorted our perceptions of the Soviet Union and made for such wild gyrations in our policies.

There is a limit to our ability to discern Soviet objectives; in trying to do so we tread, as George Kennan wrote in his diary in 1950, "in the unfirm substance of the imponderables." A sound policy must be rooted in the firmer terrain of our own clearly defined national interests—the defense of the oil lifeline and, *at the same time*, cooperation in all possible areas with the other nuclear superpower. In formulating a policy for the Persian Gulf we do not need to know for certain what Soviet objectives are. The region is vital to us whatever the Soviet aims may be; with 25 percent of the world's known oil reserves (and almost 30 percent of the known oil reserves in the noncommunist world), Saudi Arabia would be crucial to the United States even if the Soviet Union did not exist. We can get by without Iranian oil, as we have since President Carter ended imports from Iran last winter, but we could not for the foreseeable future get by without the oil of the Arabian peninsula, from which we now obtain 20 percent of our imports, or 9 percent of our total consumption. Perhaps we should not have allowed ourselves to fall into so dangerous a dependency; we should reduce that dependency as quickly as possible through conservation and the development of new energy sources. But that will take time, even if, as is far from certain, we adopt an effective national energy policy. In the meantime, we and our allies retain a vital interest in the Persian Gulf, and more particularly in the Arabian peninsula.

A direct Soviet threat to the Arabian peninsula and the flow of oil to the outside world, as envisioned in the President's State of the Union address, is possible but unlikely. The Soviet leadership appears to have been well aware, even before President Carter's stern warning, that a threat to our oil supply would carry the risk of war. The director of the Soviet Institute for American and Canadian Studies, Georgy A. Arbatov, was quoted in the Washington *Star* in July 1979: "The Soviet Government would certainly not interfere with Western oil supplies from the Middle East, whether this were done by intimidating the oil producing countries not to export oil to the West or by strangling the sea routes. These would be very hostile acts, close to a declaration of hostilities." Arbatov said too: "I could not conceive of a scheme the Soviet Union might apply to deprive the West of oil from the Middle East without realizing what this would mean to the whole world situation." There is surely no harm in reminding the Soviets—and other, possibly greater sources of potential disruption in the region—of our vital interest in the Persian Gulf, but as George Kennan wrote in the New York *Times*, "Is it really wise—is it not in fact a practice pregnant with possibilities for resentment and for misreading of signals—to go warning people publicly not to do things they have never evinced any intention of doing?"

The more likely threat to the Arab Gulf states is internal, although it is unclear how great this threat is. The seizure of the Grand Mosque in Mecca by religious extremists in November 1979 was a more serious occurrence than the Saudi authorities would have us believe, but it does not necessarily indicate that the House of Saud is about to be overturned. There are destabilizing possibilities, however, in the social disruptions caused by rapid, uneven, and, in many instances, prodigally wasteful economic modernization in the traditional Islamic societies of the Arabian peninsula. We must counsel the oil-producing states against these programs, even at the cost of some profit to American, European, and Asian businessmen and corporations. The profits from huge development projects reduce our heavy payments deficits with the oil producers, but, as with arms sales to the shah, the benefits will be short-lived if the projects contribute to destabilization and take-overs by left-wing or, more probably, Islamic extremists.

In the last resort we must be prepared to use military force to assist friendly governments in the region against external or internal threats. Strengthening American sea and air power in the Indian Ocean and the Arabian Sea would in itself have a useful deterrent and stabilizing effect in the region. Nor is there good reason to excuse our allies, most of whom are more dependent on Persian Gulf oil than we are, from sharing the responsibility of securing the oil lifeline. They have tended in the past to disclaim security responsibilities outside Europe, leaving these to the United States. In fact, both France and Great Britain have sizable navies able to help protect the sea-lanes; the French have a highly trained anti-terrorist commando force, from which a team was reportedly flown into Saudi Arabia during the siege of the Great Mosque in Mecca to help the Saudi national guard flush out the rebels. In his State of the Union address President Carter spoke of the need for "collective efforts" to maintain the security of the Persian Gulf, but efforts to secure allied participation in implementing the Carter Doctrine appear to have focused on boycotting the Moscow Olympics rather than on sharing the military burden. Our allies, for their part, speak of a "division of labor," the specifics of which would add up to their providing bases and access routes while the fighting was left to the United States. A readjustment of this "division of labor" would seem a more important objective of our diplomacy than our allies' participation in symbolic sanctions against the Soviet Union. For example, the persistent reluctance of the French to cooperate in joint military undertakings could perhaps be overcome by the designation of a French admiral to command an allied Indian Ocean fleet.

We, as well as our allies, would do well to distinguish between symbol and substance in dealing with the Russians in the wake of Afghanistan. Strengthening our capacity to defend the Arabian peninsula, coupled with an effective and convincing energy program at home, is the real "message" we need to send to the Soviets, and for that matter to OPEC and the rest of the world. In addition, the United Nations General Assembly resolution of January 14 and the planned American boycott of the Moscow Olympics will serve to remind the Soviet Union that the United States takes seriously the commitment of all members of the United Nations under the charter to "refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state. . . ." Beyond that, tough talk and marginal, symbolic, and even petty sanctions can do little but further damage our relations with the other superpower while raising doubts in the minds of both friends and adversaries about the dependability and sound judgment of the American leadership.

Among the more ill-considered of the sanctions against the Soviet Union adopted in the wake of Afghanistan is the grain embargo, which will almost certainly damage us more than the Russians. Although other grain-exporting nations have promised not to replace the American grain that is withheld, the Soviets have long been adept at obtaining embargoed goods through second- and third-party purchasers. Thus, the Soviets have an excellent chance of replacing the embargoed grain, but the United States will have little chance of replacing the hard currency that would have been earned by the sales. The purchase of the grain by the Commodity Credit Corporation, as promised by the Administration, will partially compensate American farmers for the loss of income, but at the risk of permanent loss of a lucrative market and at a cost to American taxpayers of at least $2.25 billion. Industries such as railroads and barges that derive earnings from the transport of grain will go uncompensated. The embargo will inconvenience the Soviets and injure American farmers and others, but it is hardly likely to persuade the Soviet Union to withdraw its forces from Afghanistan.

Even if economic boycotts were as injurious as their advocates hope, there would remain the question of whether it is in our national interest to injure the Russians in this particular way. It undoubtedly would be if the enmity between the superpowers were total. In the two world wars, which were total wars based on total mobilization of the populations and resources of the belligerents, anything that effectively injured the enemy—the defeat of his armies on the field, the destruction of his industry and the shattering of his population's morale by large-scale bombing raids—was an appropriate war measure, toward the objective of "unconditional surrender." But before the two world wars, relationships of partial enmity were common and considered normal. During the Crimean War, for example, Russia successfully floated a loan on the London private money market, even though it was at war to carry tolerance that far, but the attitudes with England. We would perhaps not wish of that period seem both more appropriate and less dangerous in our current dealings with the Soviet Union than the attitudes engendered by the era of total war.

In the field of cultural relations the sanctions taken against the Soviet Union since Afghanistan seem spiteful and capricious. The cancellation of a long-planned tour in America of art from Leningrad's Hermitage Museum will insult but not otherwise injure the Soviet Union; the injury and cost are to ourselves. Eqally petty was the suspension of preparations for the planned opening of a Soviet consulate in New York and an American consulate in Kiev, the principal effect of which will be to inconvenience a sizable number of American tourists.

In the big leagues of political conflict the potentially most dangerous "sanctions" against the Soviet Union are suspending SALT II and playing the "China card." Although President Carter asked the Senate in early January to defer further consideration of the SALT treaty "because of the Soviet aggression," the more compelling consideration was the lack of a two-thirds majority for ratification in the wake of Afghanistan. Whether this in turn reflected a conviction on the part of senators that withholding SALT was a suitable punishment for the invasion of Afghanistan seems doubtful; more likely Afghanistan provided an added political argument for those who mistrusted or disliked the SALT II treaty to begin with.

Whatever the motives of all concerned, the treaty is now on the shelf. President Carter, in his State of the Union address, said that efforts to control nuclear weapons "will not be abandoned," but little has been said about SALT since that time and its revival in this election year seems unlikely.

Therefore, the way is now open for a full-scale revival of the nuclear arms race. A new national intelligence estimate, reported in the press in late January, projected that, in the absence of a strategic arms agreement, the Soviets by 1989 will have almost two and a half times the number of warheads—about 14,000—mounted on highly accurate land-based missiles directed against the United States than they would have if SALT II were implemented and followed by successor agreements. Should this occur, the elaborate system of 200 mobile MX missiles to be concealed at random in 4600 concrete silos, now being planned at a cost of from $30 to $100 billion, would be effectively neutralized, unless we were prepared to double or triple our MX force at double or triple the cost. The result would be astronomical increases in the defense budget, with commensurate effects on the rate of inflation. For the present, both sides are complying with the limits of the expired SALT I treaty and the unratified SALT II treaty, but the time is approaching when both sides will have to retire designated older missile systems—systems that, though "obsolete," are still lethal—or allow the laboriously constructed agreements to start unraveling. It will be no easy task to reconstruct an agreement once the weapons retirement timetable, reflecting a fragile balance of interests, is disrupted. Moreover, the protocol to the SALT II treaty, of major importance to the Soviet Union because it places limits on the range of American cruise missiles, is scheduled to expire at the end of 1981. Neither side is likely to find it easy to renegotiate the protocol, the Russians because they had not anticipated when they signed it in June 1979 that NATO would subsequently agree to the deployment of cruise missiles in Europe, the United States because many members of Congress never wanted to accept limits on the cruise missile.

Because of the crisis atmosphere in Soviet-American relations, the Carter Administration has judged it prudent to await a more favorable time to press for ratification of the SALT II treaty. But a case can be made for the Administration to call on the Senate to take up the treaty, debate it, and vote it up or down without undue delay. What could not be accomplished through cloakroom maneuvering and dubious tradeoffs on future arms spending can perhaps be accomplished by a strong, a commonsense appeal on behalf of the treaty's merits and the essentiality of nuclear arms control. The President could explain, simply but accurately, that abandoning SALT will free the Russians from critically important restraints, that compliance can be monitored by proven procedures, and that without SALT we will face a protracted, budget-busting, inflationary, and exceedingly dangerous arms race.

The conventional political wisdom is to avoid highly controversial national decisions in an election year. So great are the stakes in strategic arms control, however, and in the policy of détente of which SALT is the key symbol, that we should bring the issue to the center of our national political debate and, if necessary, make the election at least partially a referendum on the basic choice between détente and renewed cold war. Such a debate might even establish the case for arms control measures more far-reaching than those of the meticulously circumscribed SALT II treaty.

Second only to an uncontrolled arms race in dangers posed for the future is the possible overplaying of the "China card." For a year following the normalization of relations with the People's Republic of China, the Carter Administration maintained a kind of evenhandedness toward China and the Soviet Union. That ended abruptly with the Soviet invasion of Afghanistan. Shortly thereafter, Secretary of Defense Harold Brown, on a visit to China that had been previously scheduled, discussed plans for military support and cooperation. On January 24, after Brown's return, it was announced that the United States was prepared to sell military support equipment but not weapons to China. On the same day Congress approved nondiscriminatory trade treatment for China—a favor still withheld from the Soviet Union. There has also been speculation on Sino-American cooperation in support of insurgent forces in Afghanistan.

The steps known to have been taken thus far are disturbing less in themselves than for the policy direction they suggest—toward a Chinese-American, anti-Soviet military alliance. Because nothing alarms the Soviets more than the prospect of a China armed with modern weapons and allied to the United States, the advantages of such an alliance are, from the latter-day Cold War perspective, geopolitically self-evident. From the perspective of those who will see merit in détente, there would seem need to inquire whether it really is to our advantage to threaten the Soviets in this way and whether Chinese objectives, other than the containment of Soviet power, are consonant with our own.

There is substantial evidence that they are not. For more than two decades the rulers in Peking regarded American "imperialism" as their foremost enemy; only as our involvement in Indochina neared its end in the early seventies did the Chinese judge that the greater threat came from the "social imperialism" of the Soviet Union, whereupon the United States was demoted to enemy number two. Under Mao Tse-tung's "three worlds doctrine," sanctified in the preamble to China's 1978 constitution, China is bound in solidarity to the oppressed peoples of the Third World against the "first world" of the two superpowers and the "second world" of Europe and Japan. Under the Maoist doctrine, China's aim is the overthrow of the superpowers' "hegemony" as the essential precursor to world revolution. It is mistaken to assume that the Chinese, any more than the Soviets, are guided solely by ideology in their foreign policy, but it is no less a mistake to dismiss ideology as an important factor. Indeed, Maoist doctrine explicitly endorses tactical alliances toward the destruction of enemies one by one. It is hardly likely that the Chinese will be in a position, or will have the desire, to destroy us in the foreseeable future, but neither is it certain that a China supplied with American arms will confine their use to threatening the Soviet Union. The Chinese, who used armed force to "teach Vietnam a lesson" in early 1979, might someday perceive advantage in using American arms to pressure India or Thailand or South Korea or even Japan. In playing our "China card" in the geopolitical arena against the Soviet Union, we would do well to remember that the Chinese leaders, who share no common vision of the future with us, are playing their "American card," toward objectives inimical to our own.

From the standpoint of vital American interests, China is necessarily secondary to the Soviet Union, for the simple, compelling reason that the Soviet Union is a nuclear superpower and China is not. As long as our primary objective is the achievement of a measure of cooperation with the other nuclear superpower, and as long as the Russians know this to be the case, useful leverage can be derived from giving the Russians some concern over our relations with China. Normal political and economic relations between the United States and China can give the Soviets incentive to compete for similar favors and to strengthen détente, while also encouraging moderate and pragmatic tendencies within China. Arming China, on the other hand, although it may be presented as simply an additional measure of cooperation, is in fact a policy radically different from the normalization begun by President Nixon and gradually expanded through 1979. Instead of encouraging Soviet-American détente. American military assistance to China bids fair to convince the Soviet leaders that the United States has no further interest in detente. The highly probable result will be a continuing Soviet arms buildup and further aggressive efforts, such as those now being carried out in Afghanistan, to strengthen the Soviet strategic position. In the long term, a Sino-American military alliance could be expected to endure until the Soviets should become sufficiently alarmed to mount a pre-emptive strike, nuclear or otherwise, against China, or until the Chinese should judge their "American card" to be of no further use.

China is by no means the only country to seek advantage in the rivalry of the superpowers. The Carter Administration's palpable interest, after Afghanistan, in drawing revolutionary Iran into an anti-Soviet alliance, as well as domestic American political pressure to secure the release of the hostages, may have convinced the Iranian authorities that they could without risk further delay or raise the price for release of the hostages. In agreeing to the formation of a UN commission on Iran without an explicit understanding on release of the hostages, the Administration may have assumed prematurely, not only that the government of President Bani-Sadr had the power and desire to liquidate the hostage problem so as to get on with the task of governing but also that the Iranians, although they did not say so, now shared American preoccupation with the Soviet threat. The State Department's spokesman, in a press briefing on January 18, urged the Iranians to release the hostages so that the United States and Iran "would be better able to coordinate our concerns about Soviet aggression." Not for the first time, American policy-makers projected their own concerns onto others. The Iranian authorities denounced the Soviet invasion of Afghanistan and expressed common cause with the Islamic insurgents in that country, and this encouraged our policy-makers to believe that an arrangement could then quickly be made. Less attention was paid to the fact that in denouncing the Soviet Union, the Iranians did not cease to denounce the United States; Iranian officials have even gone so far as to express public confidence that they need not fear either superpower because each could be counted on to defend Iran against the other.

Caught up as we have been in the belief that anybody who is against the Russians has got to be for us, we did not find it easy, until Khomeini forced it upon us, to accept the evidence that the Iranian revolutionaries are hostile to both superpowers. Like China and other countries of the Third World, they lump the superpowers together, "imperialists" and "social imperialists," while seeking profit from playing them against each other.

Instead of fighting the perception widely held in the Third World, the superpowers might find it rewarding to consider whether they do not indeed have common attributes and common responsibilities, as well as a common interest in avoiding nuclear war. As the only powers with global military and political reach, they are the only nations with the capacity to maintain a semblance of order in a turbulent world. To do this they would have to set aside the doctrines that pitted them against one another—the Truman, Nixon, Brezhnev, and Carter doctrines—in favor of a common endeavor for world order. The advantages would be considerable: neither has profited greatly or for very long from various client relationships in the Third World. These have been expensive, troublesome, and often dangerous. Superpower collaboration in areas of the Third World would deprive a number of countries of leverage for their particular national purposes, but it could also serve to protect national independence, reduce regional conflict, strengthen détente, and save a great deal of money which now goes to arm unpredictable surrogates.

Whether President Brezhnev was serious or engaging in propaganda when he suggested in late February a form of neutralization for Afghanistan was not clear. The idea, however, which is strongly advocated by our European allies, is worth exploring and perhaps expanding to include the neutralization and protection of the entire Persian Gulf oil-producing region.

In matters affecting small countries caught between the interests of larger powers, the most reliable, historically tested means of protecting the small countries and avoiding conflict between the big ones is neutralization. It has worked well for European countries such as Belgium, Switzerland, and Austria. If, as seems likely, the Soviets invaded Afghanistan primarily out of concern for the stability of their border region, it might be feasible to work out an agreement under which the Soviet forces would be withdrawn from Afghanistan, a government "friendly" to the Soviet Union but otherwise unaligned would be installed in Kabul, and the Western countries would undertake, so far as possible, to prevent the use of arms provided by them to surrounding countries such as Pakistan in support of the Afghan rebels. A more ambitious approach would be an effort to negotiate a multilateral treaty for the neutralization of the entire Persian Gulf region as well as Afghanistan. Under such a general agreement the regional and nonregional powers, including the superpowers and the principal consumers of Persian Gulf oil, might pledge to respect the sovereignty and neutrality of the countries of the region and the inviolability of the sea-lanes through which the oil flows, without the single reservation, cautiously stated but clearly understood, that a "clear and present danger" to the oil supply would necessitate measures for its protection if requested by a producing country. Itself a prospective consumer of Persian Gulf oil, the Soviet Union could be expected to appreciate this necessity on the part of the United States and its allies.

The alternative to this approach, or something like it, is renewed and intensified cold war, with all that it implies in the way of mounting military expenditures, galloping inflation, and other strains on our domestic life. It would be a misfortune of no small dimensions if the pressures of the election year were to continue to push us in that direction.

QUORUM CALL

Mr. McGOVERN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE HOUSE VOTES TO RESTORE OUR MILITARY STRENGTH

Mr. TOWER. Mr. President, last night's overwhelming vote in the House of Representatives to insist on a vigorous and immediate program to restore our military strength provides a dramatic expression of the will and priorities of the American people. This vote by the House came in the wake of President Carter's determined efforts to persuade House Members to reject a balanced budget and reduce the amount it contained for defense. This rejection of the President's call for defense cuts, taken together with the unanimous testimony yesterday of the Joint Chiefs of Staff that we must do more—not less—to stem the tide of Soviet expansion, make clear the depth of President Carter's hypocrisy and expose how out of touch he is with both the facts concerning the risks before us and the manifest sentiments of all Americans as expressed in the Congress.

Contrary to President Carter's squalid policies of retreat and retrenchment, the American people want to restore the foundation of our ability to play a role of leadership in international affairs. Over the past 5 months, the Congress has worked to translate that will into action—and we have done it in a responsible way, by assuring that we maintain a balanced budget. President Carter's tawdry attempt to deceive the public by claiming support for the people in our Armed Forces on one day and then 24 hours later attempting to cut defense spending, has been shown up for what it was—a sordid sham, unworthy of the trust he must bear.

Fortunately, it evolved to the House of Representatives to vindicate that trust of leadership and last evening they did so in splendid fashion. Unfortunately the question as to how long Jimmy Carter will continue to ignore the will of the American people and the Congress remains open. As last night's vote made clear, the Congress is not disposed to suffer his petulance and hypocrisy. If he will not lead, the Congress will.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

EXTENSION OF PUBLIC DEBT LIMIT

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the Chair lay before the Senate a message from the House on H.R. 7471 and that the Senate proceed to its immediate consideration.

Mr. BAKER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT ON THE ALLIANCE TO SAVE ENERGY—1979

Mr. PERCY. Mr. President, I fully realize the difficulties that we face in reducing our dependence on foreign sources of energy, and I find discouraging the recent projections from several sources that our current energy programs are not likely to provide significant reductions in our oil imports for the next 5 years. America's efforts in reducing oil imports must not rely on long-term programs to the exclusion of other efforts that can reap benefits much earlier. We should move as rapidly as possible to reduce our dependence on foreign oil and not let America's national security and economic well-being remain in jeopardy for the extended period that it will take to implement long-term energy projects.

In developing a strategy to reduce our energy dependence in the near term, it is apparent that energy conservation must play the primary role. Various studies have recently discussed conservation's vast potential for the United States and numerous examples exist that demonstrate the cost effectiveness of conservation measures in today's world of high energy prices. Insulating our homes, providing for greater utilization of waste heat from our industrial processes, and obtaining more efficient use of each gallon of gasoline burned in our automobiles are just a few examples of what can be done.

By the application of appropriate conservation measures, we can maintain our high standard of living and foster economic growth while reducing our enormous appetite for energy. It was with this realization that the Alliance to Save Energy was formed several years ago by the late Hubert Humphrey, former Secretary Carla Hills, and myself.

Since today's need for energy conservation is more compelling than ever, the alliance has expanded its efforts to promote the efficient use of energy. Mr. President, in view of the importance of this organization's fine work, on behalf of our cochairmen, Senator Alan Cranston, Dan Parker, former Secretary Carla Hills, and myself, I wish to congratulate Linda Galleger, executive director, and the board of directors and the entire staff of the Alliance To Save Energy and I ask unanimous consent that an outline of their achievements during 1979 be printed in the Record.

There being no objection, the outline was ordered to be printed in the Record, as follows:

1979 REPORT OF THE ALLIANCE TO SAVE ENERGY

In the face of rapidly escalating world petroleum prices, unstable political patterns in the Middle East, spot shortages and a continuing U. S. dependence on oil imports, the Alliance to Save Energy intensified its efforts to bring about a national commitment to energy conservation and energy efficiency. Pursuing three major objectives: research, public education, and advocacy—the Alliance could mark some progress toward the goal of an energy efficient society.

In the area of research, two projects stand out: a symposium on "The Dynamics of Energy Efficiency", and a survey of three dozen community case histories.

THE DUMBARTON OAKS SYMPOSIUM

On October 17 and 18, 150 leaders and decision makers from all sectors of American life—government, industry, labor, academia, consumer and citizen organizations—met in Washington, D.C. to discuss the "Dynamics of Energy Efficiency." They convened with a sense of history, for their meeting place was Dumbarton Oaks, a research center belonging to Harvard University, that had been opened only once before to such a gathering, in August 1944, for the initial discussions leading to the founding of the United Nations.

The symposium was developed and coordinated by Alliance Executive Director Linda Parke Gallagher as a way to identify major opportunities and obstacles facing greater energy efficiency. Co-chaired by Senators Charles Percy and Alan Cranston, Harvard University President Derek Bok, and Professor Robert Stobaugh, director of the Energy Project at the Harvard Business School, the symposium took as a working text the book Energy Future: Report of the Energy Project at the Harvard Business School, and three white papers prepared by the conference's technical advisors, Professor Robert Williams of Princeton University and Professor Daniel Yergin of Harvard University.

The participants heard major addresses by Admiral Stansfield Turner, Director of the Central Intelligence Agency, Secretary of Energy Charles Duncan, and Shaikh Yamani, Saudi Arabia's Petroleum Minister who spoke of the need for conservation from the foreign oil producer's viewpoint.

Five different workshops centered on the private/public sector role in achieving energy efficiency in transportation, light and heavy industry, and the commercial and residential sectors.

The symposium concluded at the White House where President Carter was given a brief summary of the findings, and in turn emphasized his support for energy conservation.

The conferees arrived at the following conclusions:

1. There is a great potential for productive conservation in American society. Conservation should be seen as an alternative source of energy. Accelerating energy efficiency can be a major positive economic stimulus.

2. There is a major gap in information and knowledge on conservation possibilities affecting individual homeowners, commercial business and industry. An intensified effort should be made to close the gap.

3. Conservation delivery systems—those that will transfer know-how and skills—exist only on a fragmented basis in the United States. Such mechanisms must be developed and encouraged.

4. The United States is seriously underinvesting in conservation, when measured against the opportunity. Much greater effort must be made to channel capital into financing energy efficiency in all sectors of the economy.

Energy conservation programs in local communities

The Alliance undertook a survey of some three dozen community initiatives ranging from simple education programs through neighborhood weatherization to comprehensive community energy conservation planning and implementation.

It was found that projects are most successful when there is strong local leadership and adequate funding. Most cases depended on federal funds. In some instances the federal funding was backed up by money from state and local coffers. Missing from most cases is a significant financial input from private corporations. The most successful case histories are those where there is good public/private sector cooperation.

From tracking and evaluating local energy conservation projects, the Alliance has concluded that one of its major objectives for the future must be to help communities to develop the organizational talent and technical know-how to plan and carry out projects to make their own community energy efficient. The work has begun. The Milwaukee Alliance to Save Energy has started its well defined "Be a Ten-Percenter" program. New York has had its own New York Alliance to Save Energy for over two years. Similar work is underway in Denver, Colorado, with other cities to follow.

The 1979 research program also included a public opinion poll on American Attitudes on Energy Conservation, and a brief survey of two dozen industrial case histories.

The public education program of the Alliance to Save Energy was enriched by three new products: a publication in magazine format, a 26-minute documentary film, and a new series of public service ads.

The energy puzzle: How you fit in

Twenty-one experienced journalists were asked to take an objective look at today's energy landscape and to find out where our energy will come from in the future. Some of them researched what others—business, communities, and individuals—are doing to adjust to a changing energy scene.

The result is this lively, professional magazine. It is available free of charge to individuals, and is featured in the second phase of the Ad Council Campaign. Corporations and organizations are encouraged to distribute the publication to their employees, members, and other constituencies, and to incorporate it into their on-going energy communication programs. Bulk orders are available at the printing cost of 25 cents per copy.

THE DYNAMICS OF ENERGY EFFICIENCY: MORE FROM LESS

This 26-minute documentary, narrated by Gregory Peck, examines the problem of energy waste in the four major sectors of the economy: industry, commerce, transportation, and private residences. It proposes some solutions and demonstrates how the problem is being tackled by some of our nation's industrial giants (AT&T, IBM, Gillette, Union Oil of California and others), by communities (City of Portland, Oregon), and by many concerned private citizens. Twentieth Century Fox provided pro bono creative services in connection with the production of this film. It is available for purchase in two formats: 16mm or ¾'' videotape. Intended audiences include corporate energy managers and employees, business, civic and community groups.

"Let's Not Blow It, America"—An Ad Council campaign

Gregory Peck surrounded by appliances, tells Americans how they can help reduce the demand for foreign oil by re-adjusting their thermostats to more energy efficient settings and by saving a gallon of gas a week. Often shown in prime time, the ad receives wide TV, radio, and print media coverage and results in several hundred inquiries per week. The accumulated value of time and space donated by the media is estimated to exceed $18 million.

Other projects included a seminar on energy accounting for business that was developed by the Carborundum Company in response to a strong interest created by Alliance public service ads directed at the business community.

In the area of advocacy, the Alliance Board began in 1979 to address important issues of public policy that directly affect the rate at which America becomes energy efficient. Resolutions voted in 1979 favored:

The phased decontrol of domestic oil prices with an accompanying windfall profits tax. The revenue from such a tax should be used in large part to provide incentives for energy efficiency improvements.

Stiffer national conservation goals and immediate cutback targets of at least ten percent.

Less emphasis on the development of synthetic fuels and greater emphasis on tapping conservation's enormous potential.

In addition, Co-chairman Daniel Parker testified before the Senate Energy Committee on the energy saving potential of strict adherence to the 55 mph speed limit.

The 1979 budget of the Alliance to Save Energy amounted to $826,000. Financial support came from major corporations, foundations, labor unions, and the U. S. Department of Energy.

The Honor roll of major supporters is composed of the following organizations:

AFL–CIO, Industrial Union Department.
Ahmanson Foundation.
American Telephone and Telegraph Company (In addition to a $38,000 cash donation, AT&T paid the salary of a senior loaned executive).
Amoco Foundation.
Archer Daniels Midland.
Ashland Oil Company.
Atlantic Richfield.
Caterpillar Tractor Company.
Chevron, USA.
Colgate Palmolive.
Communications Workers of America.
Continental Oil Company.
Davis Oil Company.
Deere and Company.
Exxon.
Fluor Corporation.
Ford Motor Company Fund.
General Motors Foundation.
GTE Foundation.
Hewlett-Packard.
Houston Natural Gas Company.
IBM Corporation.
John D. and Catherine T. MacArthur Foundation.
Mobil Administrative Services.
National Steel Corporation.
Occidental Petroleum.
Phillips Petroleum Company.
Sun Company.
J. Walter Thompson Company.
Union Oil Company of California.
Xerox Corporation.

In addition, Cambridge Reports annually donates an opinion poll, and the firm of Price, Waterhouse & Co. contributes auditing services. Particularly notable contributions of time and talent, as well as financial support were provided by the American Telephone and Telegraph Company, the recipient, along with Price, Waterhouse & Co., of the Alliance's Noteworthy Service Award for 1979. AT&T has not only aided the Alliance this past year through the outstanding services of a senior loaned executive, Linda Parke Gallagher, but has also set themselves a tough corporate goal of zero energy growth.

The Board of Directors of the Alliance includes:

Charles H. Percy, Chairman.
Alan Cranston, Co-Chairman.
Carla A. Hills, Co-Chairman.
Daniel Parker, Co-Chairman.
Marjorie Benton.
Marvin Davis.
John D. deButts.
Fred L. Hartley.
William Hewitt.
Vernon Jordan.
Burton Joseph.
Henry A. Kissinger.
Richard L. McGraw.
Bess Myerson.
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Gene Pokorny.
Kenneth Rush.
Robert C. Seamans.
Elvis Stahr.
O. Pendleton Thomas.
Russell Train.
Glenn E. Watts.
Elmer Winter.

The following Members of Congress are members of the Alliance to Save Energy:

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Quentin N. Burdick, Democrat of North Dakota.
John H. Chafee, Republican of Rhode Island.
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John C. Danforth, Republican of Missouri.
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Harrison H. Schmitt, Republican of New Mexico.
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Strom Thurmond, Republican of South Carolina.
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G. William Whitehurst, Republican of Virginia.
Charles O. Whitley, Sr., Democrat of North Carolina.
Bob Wilson, Republican of California.
Charles Wilson, Democrat of Texas.
Larry Winn, Jr., Republican of Kansas.
Lester L. Wolff, Democrat of New York.

Invitations to join the Alliance are being extended to the Members who came into the 96th Congress.

EMERGENCY DEPARTMENT NURSES ASSOCIATION CELEBRATES ITS 10TH ANNIVERSARY

Mr. PERCY. Mr. President, this year marks the 10th anniversary of the Emergency Department Nurses Association (EDNA). EDNA is a professional association representing the interests of nurses working in emergency departments of hospitals and other facilities providing emergency health care.

During the last 10 years, EDNA has built a nationwide membership of over 12,000 with 250 local chapters throughout the country. The national office is located in Chicago.

EDNA has chosen public education as its primary focus for its 10th anniversary year. Based on the theme "Know Us Before You Need Us," EDNA has developed a series of monthly packets which emphasize a particular subject of importance to improved health care for the public. Local and State EDNA members use these materials to develop public education programs.

These efforts are particularly important in light of the fact that future strides in improved health care will come primarily from increased personal responsibility for health. We are slowly shifting our emphasis from therapeutic treatment to preventive care. EDNA's public education activities contribute to this goal by providing the consumer with valuable health care information.

Ms. Marta Prado, R.N., president of EDNA, has written an enlightening article on the role of the emergency nurse entitled, "Nursing: The Fight for Greater Freedom." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NURSING: THE FIGHT FOR GREATER FREEDOM

Time passes swiftly and the events of today are soon forgotten. The media presents us with an uninterrupted stream of information that boggles the mind. Today more than ever it is difficult to maintain any historical perspective. The sheer mass of information (not to mention the instant replays) makes it almost impossible to assemble in a time frame the events of yesterday, today and tomorrow. Thus, in our confusion we find ourselves living simultaneously in the past, the present, and the future.[1]

The Emergency Department Nurses Association has been deeply concerned with the improvement of emergency medical services since the Association's inception almost 10 years ago. The following goals were developed at that time:

Define and implement standards of quality emergency care.

Be the authority in emergency nursing care.

Serve as representatives for emergency nursing personnel in government, emergency health councils, organized nursing, and academe.

Assume the role of public advocacy by providing public education regarding health promotion, accident prevention, and information about emergency medical services and systems.

Provide education and information for all health professionals.

Provide an organization structure within which to accomplish the purposes and objectives of the Emergency Department Nurses Association.[2]

In the past, hospital emergency departments, which at that time were called emergency rooms, were generally the stepchild of the hospital—a burden, a source of financial drain, usually ill-equipped and poorly staffed, and known as the greatest source of patient complaints—not as a provider of primary care. Thanks to the improvements in EMS, which began with the passage of the EMSS Act of 1973, emergency department images began to change to their present state, with trained, competent staffs and the recognition of the fields of emergency medicine and emergency nursing. Many hospital administrations awakened to the realization that the emergency department was of utmost priority in health care, the focal point of entry into the system, and the initial contact of most patients with the health care delivery system.

The rapidly growing number of health professionals entering the field of emergency health care is now a recognized phenomenon and one in which emergency department nurses played a most significant role—almost the pivotal role.

Up until 1963, there was virtually an absence of organized postgraduate learning to improve the skills of ambulance attendants, not to mention the deafening academic silence regarding training for the nurse and physician who were working in the acute care setting of the emergency department, caring for the many million Americans who presented themselves on our doorsteps, urgently or not.

In the late 1960s, the American College of Surgeons sponsored several trauma seminars in Chicago, which first were attended by 150, then 450 nurses, which reinforced what many of our nursing leaders knew: The field of emergency nursing was special and required the dedicated efforts of our forerunners (or better yet, roadrunners) to ensure the competent quality health care deserved by our patients. That was when Anita Dorr, head nurse of the Edward J. Meyer Memorial Hospital in Buffalo, New York started it all and the momentum she set in motion in Rochester and Buffalo in 1967–1968 has yet to be stemmed.

EDNA started with a few leaders and a half-dozen chapters and is now over 12,000 strong, with over 250 chapters throughout the country. We have sponsored numerous seminars, written a curriculum for emergency nursing education, have become a nursing specialty recognized by the American Nursing Association, have served in multiple roles both in government and the private sector in health care, and have been the agents of change in the many hospitals in America in which we have had the pleasure of working. We have been there in the city and in those all-too-often forgotten rural community hospitals where we frequently are alone to care for those patients who have the same life-threatening emergency care needs as those patients in the city, but who were neglected at the time of "splitting up the financial pie." We have been there witnessing the system trying, at times hopelessly, to survive amidst a mistrustful government and public. The delivery of emergency health care by nurses and physicians has been painfully scrutinized. We have been criticized and our standards of practice curtailed by regional planning boards, PSROs, and the most dangerous of all yet, risk management. We have been forced by the system to enter the game with a dozen players—to change plays at midstream with multiple teams that we have not necessarily chosen. However, in order to survive and succeed we've learned to play the game—not without our share of scars and skinned knees.

Although nurses have been trained and educated to act independently for results orientation, it is time that we become more keenly aware of the social abstractions placed in our paths right now which will play a significant role in the survival and growth of our present system and the emergence of more professionalized care.

It is appropriate that we revisit the days of Florence Nightingale, and before Nightingale, to fully understand the metamorphosis that is evolving in nursing. Even as far back as the 14th century nurses were functioning as "women healers" and caring for the bulk of the peasant population, and although the physician care (male) of those days was no more scientific, suspicion was instigated that the women healers were agents of the devil, had evil spirit force, and that their success in treatment was largely due to that force. Later on, medical and legal practitioners, along with the clergy, were educated in universities, an obviously unavailable alternative for the women of that era. Therefore, nursing was performed by uneducated persons. The nurse abuse that followed, the low self-esteem and status in which the profession was held, along with the hard physical work, dreary halls, and dirty conditions, made it almost impossible to attract quality people to nursing, which resulted in the entrance of some of the most unsavory characters into nursing—Sarah Gamp types—which ambiance we are still, four centuries later, trying hard to dispel.

Ms. Nightingale very much wanted to change and upgrade the profession by utilizing a scientific approach to nursing, using a planned curriculum—which was met with great opposition because it was felt that education was not necessary. However, Ms. Nightingale also taught her nurses to work in a system in which the physician's control of his domain was supreme and nurses could be in patient rooms only by invitation.

So the fight and struggle for the utilization of nurses at an appropriate level began long ago and although at times many of us feel we are still at the outset of such a struggle, we have truly made progress—and the best is yet to come.

This, the Emergency Department Nurses Association's 10th-year anniversary, is an appropriate time for the redefinition and direction of the course our specialty will take. We have, in this our first decade, reconfirmed our responsibility for our patients' welfare by our "know us before you meet us" theme. We are, by way of reinforcing our role as the patient advocate, telling our patient about our system, our profession, and what his expectations of nursing care should be. Timely then it is, that in July 1980 our first certification exam in emergency nursing will be given as our first vote of self-confidence in clinical practice and performance.

The certified emergency nurse will add a new dimension to the practice of nursing in the emergency care setting and will be a welcome addition to the competent care now being offered. The outcome of successful passage of certification exams will assure the refined skill in those components of quality that relate to direct patient contact, such as judgment, technical confidence, and an ever-increasing breadth and scope of care.

The scope of nursing practice in the emergency care setting will no doubt be expanded by the mere fact that the nurse has put her skills and knowledge to the task of proving the worth of and need for specialization. Whether we can predict or prove that this will make a significant difference—that patient care will be markedly improved—by way of patient evaluation, satisfaction, or even quantitative measures of patient outcomes will be a question that research methodology will be able to only minimally measure.

The assumption that "a nurse specialist"

Footnotes at end of article.

would be of great value in patient care was first described by Katherine DeWitt in the first issue of the *American Journal Nursing.*[3] Continued effort toward this end resulted, c. 1943, in colleges and universities offering specialty preparation, i.e., psychiatric nursing. In about 1949, at a conference of directors of graduate programs, sponsored by the University of Minnesota, the concept of clinical specialist, prepared by a master's-level program, was formally discussed. Unfortuately, those first programs for master's-prepared nurses dealt with education and administration rather than clinical expertise or practice.[4]

The push for more specialization in this ever-more technical world has made the need for additional scientific and technical nursing skills a must. In 1954, the first master's-level program in psychiatric nursing was developed by Dr. Hildegarde Peplau at Rutgers,[5] and although controversial, was an excellent prototype for other programs to follow.

So with great expectations we look toward further specialization past the level of the certified emergency nurse to the development and implementation of master's-level emergency nursing programs that will enhance and reinforce the role definition by a more in-depth academic preparatory program, which will enhance the upgrading of the profession in general. The commitment of the clinical specialist in emergency nursing will facilitate the advancement of knowledge, practice, and even higher-level performance and behavior of the rest of the nursing staff and will become more autonomous and independent in practice.

In order for this expectation to become a reality, research models must be developed to scientifically test the value system and quality of patient care. We must, in order to substantiate our plea, prove the benefit it will be to society and health care delivery in general.

We look forward, with great pride and anticipation, to this and other changes, with the certainty that we can be change agents in this constantly changing world of ours. Nursing has all the requisites necessary for the development of a significant social movement that could lead to important reforms and improvements within the health care system.[6]

We are continually evolving and we will no longer be made to feel inferior or ineffective for knowing and being what we are at any given moment.[7]

The future is today.

FOOTNOTES

[1] Anast, G. From winds of change. *JEN* January/February 1977.

[2] *The Constitution and Bylaws* Emergency Department Nurses Association, 1971.

[3] DeWitt, K. Specialties in nursing. *Am J. Nurs.* 1:14–17, October 1900.

[4] Niessner, P. The clinical specialist's contribution to quality nursing crae. *Nursing Leadership* March 1979.

[5] Peplau, H. Specialism in professional nursing. *Nursing Science* August 1965.

[6] Grissum, M., Spangler, C. *Woman Power and Health Care.* Boston: Little, Brown and Co., 1976.

[7] Morgan, R. Rites of Passage. *Ms.* 4(3), September 1975.

PLATO E. PAPPS

Mr. METZENBAUM. Mr. President, a very distinguished legal scholar, the general counsel for the International Association of Machinists, and a personal friend of mine, passed away very recently.

Plato E. Papps was an extremely able attorney. He was a dedicated human being. He was a person who cared for his fellow man and woman. His loss is a great loss to our Nation.

Mr. President, I ask unanimous consent that the report of his passing away in the Report from Headquarters of the International Association of Machinists be printed in the RECORD in its entirety.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PLATO PAPPS, DEAD AT 62

Plato E. Papps, who won numerous legal landmark decisions during his 29 years as General Counsel of the IAM, died last week unexpectedly at his home. He had been recuperating from major surgery.

Brother Papps, who began his work life as a bus boy and rose to eminence as a nationally renowned labor attorney whose counsel was sought by some of the most widely known lawyers in the nation, typically had been making plans to return to work and prepare for the upcoming Grand Lodge Convention when the final tragedy struck.

News of his untimely death at 62 brought eulogies and condolences to his family and his union from both the legal community and the trade union movement.

"Death has stilled a keen mind and a strong voice in the labor movement," commented IAM President William W. Winpisinger. "Next to his family, Plato's first and only love was this union and the members he diligently and wisely served for nearly three decades. Plato's family lost a great father and husband. The IAM lost a great lawyer. The world lost a great man. So many of us lost a great friend."

John Silard, noted civil liberties and labor attorney, who worked closely with Brother Papps over the years, spoke for both himself and his partner Joseph L. Rauh, Jr. when he commented, "Plato was a wonderful person who had a feeling on the major issues affecting people. He had a lifetime familiarity and expertise on labor law that in my opinion may be unmatched in the country."

AFL–CIO Special Counsel Laurence Gold spoke for the Federation when he said, "(Plato Papps') sound counsel contributed to the success, growth and expanded influence of the IAM within society and the labor movement."

Brother Papps received his law degree from Columbus University Law School in Washington, D.C., in 1947 after serving as a first lieutenant in World War II where he took part in the invasion of Okinawa.

He began his lifelong battle for working men and women early in his legal career as an attorney in the U.S. Department of Justice's anti-trust division which investigates abuses by the corporate state.

In 1949 he was appointed a legal assistant to James J. Reynolds, member of the National Labor Relations Board who later served as Undersecretary of Labor.

Brother Papps' ability soon came to the attention of the IAM and he was appointed general counsel in 1951. Over the years he had found time to serve as a member of the Advisory Panel on Labor-Management Relations Law to the United States Senate and as chairperson of the American Bar Association's Section of Labor Relations Law in 1970 and 1971.

Although he won numerous landmark decisions, including a U.S. Supreme Court decision in favor of the IAM on a major case involving protecting seniority, Brother Papps always considered his biggest case the National Airlines victory.

He worked on that case from January, 1969 until June, 1971 first to win reinstatement in 1970 of 1,200 airline mechanics who had lost their jobs during a work rules dispute and then another 14 months for their back pay.

The case ended with a $6.5 million settlement for the IAM-represented mechanics. But Brother Papps was most proud that he had won "justice for 1,200 people—workers who otherwise would have been denied that justice."

Brother Papps treated every problem affecting IAM members as "a big case" whether it involved multimillion dollar settlements for aerospace workers deprived of negotiated settlements by the Nixon Pay Board or hundreds of dollars for a single member.

News of Brother Papps death reached Capitol Hill just as the House was preparing for a key vote on the fiscal 1981 budget.

The news evoked this comment from one Democratic Congressman as the bells clanged for a rollcall vote: "I don't even feel like voting on this charade. Plato did more for his members than this whole Congress could do during the next 30 years."

Brother Papps is survived by his widow, Helen, and two sons, Harrison and Christopher, and a sister, Mrs. John Kirkwood of Washington, D.C. The family asks that in lieu of flowers, contributions be made in his name to the American Heart Association, 7320 Greenville Ave., Dallas, TX 75231, or to your local chapter.

Services for Brother Papps were private. Appropriately, a memorial service was held this week for Brother Papps in the auditorium of IAM Headquarters.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF PUBLIC DEBT LIMIT

Mr. ROBERT C. BYRD. Mr. President, I have a request already at the desk to proceed with this House message before I put in the quorum.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Was there a unanimous-consent request pending at the time of the suggestion of the absence of a quorum?

The PRESIDING OFFICER. The Chair will have to ask the advice of the Parliamentarian.

The Chair is advised that there was a request pending to proceed to the consideration of H.R. 7471.

Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, may I inquire of the majority leader on what basis we intend to proceed? There have been extensive negotiations this afternoon on the details of this procedure. I wonder if we can lay in the RECORD at this point the final arrangements that have been agreed to.

The PRESIDING OFFICER. Is there objection to the consideration of H.R. 7471?

Mr. BAKER. Mr. President, reserving the right to object, I wonder if the majority leader will favor us with a repetition of his unanimous-consent request and also, at this point, before I remove my reservation, if we could review the basis on which we want to proceed.

Mr. ROBERT C. BYRD. Mr. President, I have attempted all afternoon to get the debt extension legislation up before the Senate and get it adopted, without an amendment being offered thereto. The distinguished Senator from Kansas (Mr. DOLE), the distinguished Senator from North Carolina (Mr. HELMS), and the distinguished Senator from Ohio (Mr. METZENBAUM) have indicated their intention to call up an amendment to disapprove the imposition of the oil import fee. There is no question in my mind that they have the votes to do that. But this would necessitate the House message going back to the other body and I assume that the votes would be there to disapprove the imposition of the import fee, which would mean that the President then would receive a bill which he probably would veto.

The override of the veto would occur tomorrow in the House of Representatives, according to what the Speaker has told me, for reasons which I need not state here at this moment. This would cause Senators also to be here on tomorrow, and a good many Senators cannot be here tomorrow.

I have received the assurance of the Speaker that, on next Wednesday, this being a 5-day extension which will be before us, there will be another opportunity 5 days into next month—in other words, on June 5—for the House to vote on an amendment which to disapprove the imposition of the import fee. That amendment would be to the next bill extending the debt limit which would be called up on Wednesday.

So, the Speaker has assured me that on next Wednesday, there will be a measure before the House again to extend the debt limit; and that there will be a vote on the Bauman amendment dealing with the import fee. I have assured the distinguished Senator from North Carolina and the distinguished Senator from Ohio and the distinguished Senator from Kansas that that measure, when it comes over here, will be called up and that there will be the opportunity for the Senate to act on the debt limit on that same day.

With those assurances, I think Mr. DOLE, Mr. METZENBAUM, and Mr. HELMS—and they can speak for themselves—have agreed not to offer the import fee amendment today because of the problems that would be created by the offering of that amendment as I have attempted to describe them.

Moreover, Mr. WEICKER has been interested in offering an amendment to deal with the Chrysler matter and I have been assured by the Secretary of the Treasury, Mr. Miller, that there will be no closing of any guaranteed loans until the week after next. I have indicated this to Mr. WEICKER. He has indicated to me—and again, I do not presume to speak for him; he is here and can and will speak for himself. I have indicated to Mr. WEICKER the contents of my telephonic conversation with Mr. Miller, and Mr. WEICKER has indicated that he feels that he can accept this assurance on the part of Mr. Miller and he will not, therefore, offer an amendment to the debt limit extension measure dealing with Chrysler.

So, this would allow the Senate to act on the debt limit extension for 5 days only without amendments and the measure can go to the White House tonight for the President's signature.

Mr. President, I ask unanimous consent to insert in the RECORD a letter dated today from the President stating his intention to veto any bill disapproving the imposition of the oil import fee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> THE WHITE HOUSE,
> *Washington, D.C., May 30, 1980.*
>
> Hon. ROBERT C. BYRD,
> *Majority Leader, U.S. Senate,*
> *Washington, D.C.*
>
> DEAR MR. LEADER: This is to reemphasize my long standing position that I cannot sign any bill disapproving the gasoline conservation fee which I imposed April 2, 1980.
>
> Thus I shall immediately veto any debt limit extension or other legislation that disallows the fee or that restricts my authority to impose such a fee.
>
> Sincerely,
>
> JIMMY CARTER.

Mr. BAKER. Mr. President, further reserving the right to object, I thank the majority leader for that recitation of the work product of many Senators on both sides of the aisle this afternoon in order to reach this point. I think he has faithfully described the arrangements that have been made.

There is one other aspect of the matter that was discussed toward the latter part of the negotiations today that I wonder if the majority leader wishes to consider. That is the change in the unanimous-consent request that would authorize him, after consultation with the minority leader, to call up this measure when and if it is received, notwithstanding provisions of the Budget Act or any other act which might otherwise affect it.

Mr. ROBERT C. BYRD. The minority leader has accurately described the conversations and it would be my intention to make that unanimous-consent request.

Mr. BAKER. I thank the majority leader.

Mr. President, further reserving the right to object, I see that others who have been involved in these negotiations are here on the floor. I observe, Mr. President, that the distinguished minority leader of the other body is here, as well.

I add to the record already built by the majority leader that I have consulted with him and others on this side today and received similar assurances, and from the Republican leadership of the House of Representatives, that it would appear under House rules and the assurances given by the Speaker, it is clear that there will be an opportunity to consider the resolution of disapproval on Wednesday in conjunction with the further extension of the debt ceiling to occur at that time.

Mr. President, under those circumstances, and with the addition of the requests I have attempted to describe to the majority leader to provide for other contingencies, I have no objection.

I yield the floor on my reservation at this point to others who have been involved who might have something further they wish to say in reservation.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object, Mr. President, I think the distinguished majority leader and the distinguished minority leader have properly stated, not only the agreement, but the discussion that preceded the agreement.

The Senator from Kansas and the Senator from Ohio, the Senator from North Carolina, the Senator from Delaware (Mr. ROTH), the Senator from Mississippi (Mr. COCHRAN), and others, did plan on offering the amendment to the 5-day extension. It seemed to us that we had more leverage by offering it to the 5-day extension than perhaps waiting until next week and offering it to a 25-day extension.

But we have been assured, as the distinguished majority leader said, confirmed by the distinguished minority leader, that the Speaker of the House and the minority leader of the House are apparently satisfied that on next Wednesday there will be a vote, there will be a rule to make that an order, that it will then come to the Senate. Then we will have an opportunity to vote, and if something else is pending the majority leader, after consultation with the minority leader, can set that aside and bring up the debt limit which will then contain, hopefully, the House action adding the disapproval resolution. If not, certainly we have the right on this side to offer the disapproval resolution, or an amendment which would terminate the President's authority to impose an import fee.

After we had agreed on that, there developed another problem raised by Congressman BAUMAN, the distinguished Congressman from Maryland, concerning the budget resolution and a procedural matter that might complicate our efforts and might be subject to a point of order.

But with the assurance that we can take up the debt ceiling, the next extension, with an amendment on the import fee, and that would be enrolled prior to the adoption of the first concurrent budget resolution, that, I think, is no longer a problem.

In addition, I understand there may be efforts in the budget conference to make certain revisions in the language which would protect us, in any event.

Beyond that, there is a 3-day waiting period for the conference report which gives us added protection.

My point in restating the assurance is to make certain all those who wanted to vote today on the amendment understand we are being protected. The majority leader has promised to help protect our rights, and I appreciate that.

On that basis, it seems to me we ought to move ahead and vote on the 5-day extension.

OIL IMPORT FEE AMENDMENT

Mr. President, the amendment offered by the Senator from Kansas today has one simple and direct purpose—to block the President's so-called oil import fee program. As everyone in this Chamber is aware, the so-called oil import fee is nothing more than a presidentially imposed 10-cent-per-gallon tax on gasoline.

In this Senator's view, the administration's oil import fee proposal is fatally flawed and should be promptly overruled by Congress. The fee was announced as part of an anti-inflation program, yet the CBO estimates that the fee would raise the Consumer Price Index by a full percentage point. Even the White House admits that the fee would cause a three-fourths-percent rise in the inflation rate. Most American people are already struggling to make ends meet in the face of unprecedented inflation and additional taxation. Nevertheless, the import fee would add about $114 to the tax burden on the average American family in fiscal year 1981.

The inflationary impact of the import fee would fall most heavily on certain sectors of the economy, such as the already depressed automobile industry. The CBO estimates that if present market trends continue, the oil import fee would cause a decline in sales of U.S. manufactured automobiles of 175,000 in 1980.

The White House has attempted to sell its 10-cent gasoline tax as a conservation measure. Yet, the CBO estimates that in fiscal year 1980 the fee will reduce oil consumption by only 80,000 barrels per day and in fiscal year 1981 it will reduce consumption by only 70,000 barrels per day. This means that the import fee will cost the American people nearly $300 for each barrel of oil conserved—$300 per barrel hardly seems a good buy in conservation. During the conference on the windfall profit tax, conservation measures that were 10 to 20 times more cost effective were dropped from the final version of the windfall bill.

There are a number of other sound reasons for rejecting the import fee. Many believe this fee will be taken by OPEC as a signal to raise oil prices. The imposition of the fee suggests the American market can easily absorb even higher oil prices.

Moreover, many experts believe the jerry-built import fee program will be a regulatory nightmare, loading new entitlements and regulations on an already overloaded system. This Senator suspects that many in the Department of Energy have come to the same conclusion. That is why the DOE has been balking at releasing its staff documents on the import fee to the congressional committees that subpenaed them.

As recently revealed in newspaper accounts, the imposition of the oil import fee may cause a windfall price increase of as much as $100 million to gasoline wholesalers and retailers. Under DOE's complicated price control regulations, retailers are permitted to price all their gasoline as high as their most expensive gasoline stocks. Thus, purchase of even a small amount of gasoline subject to the President's fee would enable the dealers to raise the price on all of their gasoline supplies.

There is also considerable doubt that the President has the legal authority to impose the import fee in the manner proposed. On May 13, Federal District Judge Aubrey Robinson permanently enjoined the implementation of the oil import fee program. Judge Robinson held that the Trade Expansion Act did not authorize the so-called import fee because it neither has nor was intended to have an initial or direct impact on imports. The court concluded that the administration could not rely on the Emergency Petroleum Allocation Act because of noncompliance with the procedural requirements of the statute and the Administrative Procedure Act. Finally it was noted that the President does not have any inherent Presidential power that authorizes him to impose his gasoline fee. Judge Robinson stated:

> Congress, not the President, must decide whether the imposition of a gasoline conservation fee is good policy.

For the reasons the Senator from Kansas has just reviewed, the import fee is a wholly misguided policy and should be expeditiously overruled by Congress. That is why the Senator from Kansas is presenting his amendment today.

The Senator from Kansas has been pressing for prompt action on this matter from the start. On the same day that the President issued proclamation 4744 imposing the import fee, Senator ROTH and I introduced Senate Joint Resolution 159 to block the fee. Currently there are 38 cosponsors to Senate Joint Resolution 159 and more than 170 cosponsors on an identical resolution of disapproval in the House. In a test vote on an amendment to the budget resolution offered by this Senator, and the Senator from Ohio, Mr. METZENBAUM and others, the Senate expressed its sentiment by a 75 to 19 vote to reject the import fee.

Despite the overwhelming sentiment in both Houses to reject the import fee, certain Members of the House leadership have let it be known, through the press and otherwise, that they are in favor of the import fee and they intend to exercise their prerogatives to insure that my resolution of disapproval will be stalled, perhaps permanently.

Specifically, newspaper reports have indicated that the Speaker will try to prevent the import fee issue from coming up until after the courts have concluded their deliberations on the lawsuit to block the fee. This, combined with the possible early adjournment date, may effectively prevent a veto override.

It may be that a resolution to disapprove the import fee would be regarded as a revenue measure that must originate in the House. Thus, if the House leadership bottles up the resolution of disapproval in the Rules Committee, the Senate may be denied an opportunity to vote on it, even though the resolution has already been approved by the Finance Committee. The only way to insure the Senate a chance to act is through an amendment such as the one the Senator from Kansas proposes today.

If we allow this opportunity to pass, we may never have a chance to effectively block the import fee. Once the budget resolution is in place, the leadership may be able to raise technical objections to prevent a vote on this issue, even though the budget conferees did not rely in any way on the import fee to balance the fiscal year 1981 budget.

Therefore, this amendment today offers perhaps the only clear chance for the Senate to strike down the import fee. Thus, I urge my colleagues to join with me to pass this amendment and put the President's ill-advised fee out of its misery.

Mr. President, I ask unanimous consent that a copy of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> At the appropriate place, insert the following new section:
>
> SEC. . TERMINATION OF APRIL 2, 1980, OIL IMPORT FEE.
>
> The action taken by the President under section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) with respect to petroleum imports under Proclamation 4744, dated April 2, 1980, shall cease to have force and effect upon the date of the enactment of this Act.

Mr. DOLE. Mr. President, I hope the majority leader is right that we have the votes, not just for the amendment, but for the override. That is a matter, of course, not before us today, but something that, of course, many of us are concerned about.

So I appreciate the efforts of the distinguished minority leader and the distinguished majority leader, Senator HELMS, Senator METZENBAUM, and Senator HARRY F. BYRD, JR., who were very helpful in the negotiations and who are very concerned about increasing any debt ceiling.

We hope we do not get it all complicated next Wednesday with a whole group of amendments. Then we would be frustrated in our efforts to repeal the import fee.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, reserving the right to object, and I do not intend to object, I think that the parliamentary procedure has been correctly stated.

I think that the majority leader has certainly worked very zealously to make it possible for a fuller Senate to have an opportunity to vote on this measure.

He pointed out the fact there does seem to be an adequate number of votes to indicate disapproval of the Congress, at least of this body and probably of the House, as well, of this tax.

I think in the latter part of the afternoon we found ourselves getting involved in rather sticky parliamentary procedures. But I feel confident that all of the parties who have been in the negotiations under the leadership of the majority leader and the minority leader understand what the picture is, that we will not find ourselves involved in any parliamentary issue, but that the Senate and the House will both have an opportunity to express their points of view on Wednesday, and if the President sees fit to veto the measure, which I would hope he will not do, we will have to deal with that accordingly.

Under those circumstances, I commend the majority leader and the minority leader for their efforts to bring about this resolution of the issues so more Members of the Senate may have an opportunity to be present, and I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Mr. President, I commend the distinguished majority leader for his patience in working out this agreement. I also thank the distinguished minority leader.

I think a very clear message is being sent by both Houses of Congress to the President on this issue.

There is no point delaying it further. I am prepared to vote.

Mr. President, I ask for the yeas and nays.

Mr. WEICKER. Reserving the right to object——

The PRESIDING OFFICER. The matter is not pending before the Senate.

Mr. HELMS. The Chair is correct and I will withhold it.

The PRESIDING OFFICER. Is there further objection?

Mr. WEICKER. Reserving the right to object——

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President. the agreements synopsized by the distinguished Senator from West Virginia, as it relates to the Chrysler guarantee, is correct.

Mr. President, it was my intention to offer an amendment which, in effect, would have conditioned any appropriations of moneys to the Chrysler loan guarantees upon compliance with the act of the law passed here in the Senate and the House.

It is my intention not to offer that today, but I want to make clear in the course of the unanimous-consent request that I fully reserve the right to offer it at such time as might be appropriate next week; therefore, my request of the distinguished majority leader to ascertain the status of the loan guarantees, and it has been ascertained no closings will take place prior to the week after, which will afford me the opportunity to have the issue passed on by the Senate during the course of next week.

I thank the distinguished majority leader for his efforts to bring this about, and also my friend, the distinguished minority leader (Mr. Baker).

Mr. President, I ask unanimous consent to have an amendment printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1790

At the end of the bill, add the following new section:

Sec. . The Joint Resolution entitled "Making an urgent appropriation for administrative expenses of the Chrysler Corporation loan guarantee program, and to provide financial assistance to the Chrysler Corporation for the fiscal year ending September 30, 1980" (93 Stat. 1319, P.L. 96-183, approved January 2, 1980) is hereby amended by inserting before the period at the end of the last sentence thereof a comma and the following: "except that no funds shall be made available until the Chrysler Corporation has secured an extension of the full principal amount of any loans committed to be made but not outstanding as of October 17, 1979 and an aggregate amount of non-Federally guaranteed assistance of at least $1.43 billion, which total shall include assistance provided by each of the following sources: (a) new loans or credits from United States banks, financial institutions, and other creditors; and (b) new loans or credits from foreign banks, financial institutions, and other creditors; and (c) the disposition of assets of the company, computed in accordance with Section 4(b)(1)(D) of the Chrysler Corporation Loan Guarantee Act of 1979 (P.L. 96-185); and (d) State, local, and other governments; and (e) suppliers and dealers, including contributions in the form of capital as defined in Section 4(d)(1)(C) of the Chrysler Corporation Loan Guarantee Act of 1979 (P.L. 96-185) and (f) the sale of additional equity securities, *Provided further*, That for the purpose of section 4(c) of the Chrysler Corporation Loan Guarantee Act of 1979 (P.L. 96-185), any amount of assistance for which the United States Government may have a contingent liability, through the Pension Benefit Guaranty Corporation or any other department or agency of the United States, shall be excluded".

The PRESIDING OFFICER. Is there further objection?

Without objection, the request is approved.

The clerk will report H.R. 7471.

The legislative clerk read as follows:

H.R. 7471. An act to extend the present public debt limit through June 5, 1980.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the majority leader be authorized, after consultation with the minority leader, to call up the measure extending the debt limit, which will originate in the House of Representatives, next Wednesday, at any time after its receipt in the Senate Chamber, notwithstanding any other measure which may at that time or any time thereafter be pending.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, the majority leader said "authorized." Does that indicate that he would do that?

Mr. ROBERT C. BYRD. Mr. President, I have never had to deal with so many lawyers in the Senate as on this matter.

I have assured the distinguished Senator, in the well of this body, a little earlier today, that even though I will support the import fee and will vote to sustain the President's veto of the disapproval resolution, if he does veto it, I will do everything I possibly can procedurally to help the Senator to get this matter to a vote. He is going to win this battle. I have never seen such a stacked deck. But the Senator knows very well that it is my intention to call up that measure.

Mr. DOLE. I am not questioning the majority leader. I am just suggesting that we think we have been very fair in our dealings today, and we do not gain a thing. We could have offered the amendment and could have carried it earlier but decided not to do that. The majority leader was very persuasive. Besides, his room is hot. [Laughter.]

Mr. ROBERT C. BYRD. Just think, I have to live in it all the time. [Laughter.]

Mr. President, I assure the Senator that it certainly is my intention. I thank the Senator from Kansas and the others who could have forced this issue today. However, they did not do it because they have been assured that they will have the opportunity next week. They also did it out of consideration for their colleagues on both sides of the aisle who are absent today, who had no advance knowledge that this might be called up, and who will want to vote on the substantive issue when it comes before the Senate.

I thank Mr. Metzenbaum and all others who have had a part in working out this agreement. I thank them on behalf of our absent colleagues. That has been one of the prime considerations. If those colleagues were here, we probably would be voting on this issue.

I express my deep appreciation to the Senators. The Senator has my assurance that I intend to do fully what I have promised.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, H.R. 7471 simply extends the present temporary debt limit of $879 billion for a 5-day period from May 31 through June 5, 1980.

If this action is not taken, the statutory limit will revert to the permanent $400 billion level.

Treasury has estimated that the operating cash balance at the end of May—that is today—will be $10.5 billion. In the first 2 working days in June, approximately $12.5 billion in retirement checks are issued under various Federal programs, the largest program being $9½ billion in social security checks.

In addition, $3.6 billion in debt issues mature then and may not be refunded in the absence of statutory authority.

On Thursday, June 5, if this resolution is enacted, the Senate will again have this matter before it.

I thank the Senators.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record a statement by Senator Morgan relating to the 5-day extension of the temporary debt limit.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Morgan

THE DEBT MUST BE EXTENDED

I rise in support of the pending emergency resolution, which provides for a 5 day extension of the temporary debt limit of the United States government.

Under present law, there is a permanently authorized public debt ceiling of $400 billion, as well as an additional temporary ceiling of $479 billion, bringing the combined debt limit to $879 billion.

This temporary ceiling expires this weekend. If it is not extended, the necessary activity of the U.S. government will be completely disrupted beginning Monday morning.

Opponents of this measure have treated the Senate to considerable rhetoric, much of it partisan in nature, concerning the need to reduce federal spending and taxes, and balance the budget.

I certainly agree that federal spending, and then taxes, must be reduced. I regularly support responsible efforts to cut spending, proposals to strengthen the existing budget process, and will support a constitutional amendment requiring a balanced budget if it can be gotten out of the Judiciary Committee.

But, I feel constrained to point out that much of the partisan rhetoric is not accurate. The spending spree the federal government has been on for the last decade is as much a product of the Republican Party as it is of the Democratic Party. Three of the largest deficits we have had were the product of the Nixon and Ford administrations. It was a tax cut proposed by President Ford that pushed the fiscal 1976 deficit over $60 billion.

But these issues, while important, are not relevant to the issue at hand. The only substantive question that relates to this resolution is whether the Senate will vote to allow the federal government to continue to operate in an orderly fashion.

If the temporary debt ceiling is not extended, what happens? Basically, the operations of the government will be completely disrupted, and many will come to a halt.

Almost 35 million Americans will receive their monthly Social Security check on Monday. Most of these checks will bounce, leaving millions of people without enough money to go to a store and buy food.

About 7 million Americans are now unemployed. Many of these people have little or no savings, and are eligible for various kinds of assistance, yet that assistance will not be forthcoming.

Armed Forces personnel and federal employees will not get paid. While there is little doubt in my mind that there are too many people working for the federal government, they have to be paid for the work they have done.

Government procurement contracts, about 75 percent of which go to strengthening our national defense, will not be honored.

Maturing debts may not be reissued and, undoubtedly, the government will default on some of them. This will have a serious, adverse affect on the strength of the dollar, with a corresponding impact on the U.S. economy.

Those who are for disrupting our economy, damaging the defense effort and allowing millions of Americans to go hungry can vote against this resolution. I will not do that.

The Senate has had many opportunities during this Congress to debate questions of fiscal and budgetary policy. The Senate has seen extensive debates on this subject in conjunction with last year's increase in the debt limit, both Budget Resolutions for fiscal 1980, the windfall profits tax bill, the Roth resolution two months ago, and most recently, the First Budget Resolution for fiscal 1981.

Leaving aside the publicity stunts, the gimmicks, which I consistently vote against, my record for fiscal responsibility will stand along side of that of any other member of this body. I have regularly voted for efforts to reduce federal spending and against efforts to increase such, usually on the losing side.

But, every Member of the Congress has a responsibility to finance the decisions that Congress, as an institution makes, whether or not he supported any of the earlier decisions.

A good analogy can be drawn with the family. As a member of my family, I do not make every spending decision. My children make decisions and my wife makes decisions. I often do not get consulted; when I do. I sometimes do not agree. But when the bill comes, it is as much my responsibility as it is theirs.

The same situation faces the Congress now, and I urge my colleagues to support this resolution.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there is no further discussion, the question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from North Dakota (Mr. BURDICK), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Arizona (Mr. DECONCINI), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Georgia (Mr. TALMADGE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MELCHER), the Senator from North Carolina (Mr. MORGAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Wisconsin (Mr. NELSON), the Senator from Georgia (Mr. NUNN), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Arkansas (Mr. PRYOR), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. RIEGLE), the Senator from Alabama (Mr. STEWART), and the Senator from Florida (Mr. STONE) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), the Senator from Colorado (Mr. HART), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MELCHER), the Senator from North Carolina (Mr. MORGAN), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "nay."

Mr. BAKER. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Delaware (Mr. ROTH), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), the Senator from South Carolina (Mr. THURMOND), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

The PRESIDING OFFICER (Mr. BAUCUS). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 47, nays 10, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—47

Baker
Baucus
Bellmon
Boschwitz
Bumpers
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Cohen
Danforth
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Gravel
Jackson
Jepsen
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Matsunaga
McGovern
Metzenbaum
Mitchell
Packwood
Pell
Percy
Pressler
Randolph
Sarbanes
Sasser
Schmitt
Simpson
Stennis
Stevenson
Tower
Warner
Weicker
Williams
Young
Zorinsky

NAYS—10

Armstrong
Boren
Cochran
Garn
Hatch
Heflin
Helms
Humphrey
McClure
Proxmire

NOT VOTING—43

Bayh
Bentsen
Biden
Bradley
Burdick
Chiles
Church
Cranston
Culver
DeConcini
Durenberger
Glenn
Goldwater
Hart
Hatfield
Hayakawa
Heinz
Hollings
Huddleston
Inouye
Javits
Johnston
Kennedy
Long
Mathias
Melcher
Morgan
Moynihan
Nelson
Nunn
Pryor
Ribicoff
Riegle
Roth
Schweiker
Stafford
Stevens
Stewart
Stone
Talmadge
Thurmond
Tsongas
Wallop

So the bill (H.R. 7471) was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS UNTIL 10 A.M. MONDAY, JUNE 2, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock on Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE JOINT RESOLUTION 554 HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that House Joint Resolution 554, the FCC appropriation bill, be held at the desk pending further disposition by the close of business on Monday.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object—I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 10 a.m. on Monday, the Secretary of the Senate be authorized to receive messages from the other body and/or the President of the United States; and that the Vice President of the United States, the President of the Senate pro tempore and/or the Acting President pro tempore be authorized, and that the majority leader be authorized, as an Acting President pro tempore, to receive and sign all duly enrolled bills and joint resolutions,

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business of not to exceed 30 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOLOCAUST LITERATURE

Mr. PROXMIRE. Mr. President, the Holocaust of World War II claimed over 6 million lives. Much has been written in an attempt to convey the enormity of this tragedy. Holocaust literature speaks of man's capacity for evil and of the survivor's will to live and tell the story. Leon Wells is one such man. In his book, "The Death Brigade," he speaks of his imprisonment in the Janowska concentration camp. He relates his experience as a member of the Death Brigade whose job it was to obliterate all traces of the mass execution of their fellow inmates. Wells outlined the task of the Death Brigade as follows:

> Three men, with a hook, go down into one of the mass graves, and two with another hook, stand at the top. The three who are in the grave put the hook into the corpse and pull it out of its original position. Afterward, the two on the top pull hard and this sinks the hook deeper into the body. Then they pull it up. One has to be very careful while sinking the hook because the corpse, already in an advanced stage of decay, might break in two. Another group, the carriers, now put the two to four bodies on the stretchers that were brought here yesterday. Two inmates work with each stretcher and carry it over to the nearby fireplace. Here a mass of corpses is accumulated.

As the brigade grew more experienced in their gruesome chores, they sometimes were able to heap piles of 2,000 or more corpses. Such efficiency pleased the Nazi warden.

After torching this heap of decaying flesh, the Ash Brigade went to work. Wells described this task in the diary he wrote at the time:

> The work of the ash brigade is to crush the bones that hadn't completely burned with heavy wooden poles to fine dust and pick out all the metallic items, for example, fillings of teeth, gold teeth, jewelry and so on. The inmates working in the Ash Brigade come back at the end of the day blackened from head to foot by this terrible dust from the powdered bones.

Such was the pathetic lot of the men who worked in these brigades. It fell to the victims to cover the crimes of the offenders.

Those who survived sustained themselves with hope. In the words of author Philip Yancey, hope was the daily bread of their survival. The downtrodden man will lower his expectations, set sight on small goals, and anxiously search for objects of hope. He may find contentment in that he has found the time to sleep and a bite to eat; that he has not fallen ill and been shot; that he has lived another desperate day. With these small hopes a few survived the camps. For millions of others their only liberation was death.

The cries of the survivors can be heard in the abundant holocaust literature. One would expect their words to be so compelling as to inspire a response. Over 30 years ago, the United Nations was moved to adopt the Genocide Convention. Yet that convention has continued to languish before the Senate as if we were blind to the past and deaf to the cries of the victims. I cannot believe that this is so. We must ratify the Genocide Convention.

Mr. President, I yield the floor.

S. 2774—UNDERGROUND COAL GASIFICATION AND UNCONVENTIONAL GAS RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT

Mr. MATSUNAGA. Mr. President, today, I am introducing a bill which is intended to help solve our Nation's energy problem, while providing a full measure of environmental protection. The bill will accelerate our research, development, and demonstration program for in situ technologies for producing energy from underground coal deposits and unconventional gas resources. I am pleased that I am joined in the sponsorship of this bill by Senators JACKSON, MAGNUSON, ROBERT C. BYRD, RANDOLPH, STEVENS, GRAVEL, BUMPERS, PRYOR, HART, ARMSTRONG, INOUYE, PERCY, STEVENSON, HUDDLESTON, FORD, MELCHER, BAUCUS, DOMENICI, YOUNG, BURDICK, METZENBAUM, BELLMON, BOREN, HARRY F. BYRD, JR., WARNER, WALLOP, and SIMPSON.

I am sure that other Members of the Senate, after they have had time to review the text of the bill, will also want to join in cosponsorship.

Over the past 5 years, the production of natural gas in the United States has undergone a 15-percent decline—a trend which must be reversed in order to meet our Nation's energy needs. Even with this decline, natural gas remains the largest contributor to our domestic energy supply. However, National Energy Plan II, sent to the Congress last year, envisioned maintaining the level of natural gas production in the United States at the current rate of 19 quads through the year 2000. By relying on only conventional sources of natural gas associated with oil deposits and other natural gas formations alone it will be difficult to maintain this domestic production requirement. A decline in gas production will certainly mean an increased dependence on imported oil and natural gas from abroad. There are discussions going on now among natural gas countries in the rest of the world on the establishment of a cartel to control the price and supply in a manner analogous to the OPEC cartel. In the light of world instabilities, we as a Nation, can ill afford to depend upon imported energy of any kind, the price and supply of which are completely in the hands of an international cartel.

(Disturbance in the gallery).

Mr. ROBERT C. BYRD. Mr. President, may we have order in the galleries so that the Senate may complete its business.

The PRESIDING OFFICER. The Senator will suspend until the Sergeant at Arms can restore order in the gallery.

The Senator from Hawaii.

Mr. MATSUNAGA. Natural gas is environmentally desirable both from the production and the utilization points of view, and it is therefore a premium fuel for applications in this period of heightened public concern about many of our energy sources. There is already a massive investment in the pipeline delivery system and in end-use equipment which can be best amortized by its continued use over its remaining lifetime. Without new sources of natural gas, part of this investment will be wasted because natural gas will not be available over the full useful life of the system and equipment.

A continued decline in conventional natural gas production would also require greater utilization of coal in the longer term, as decisions are made on new facilities utilizing particular energy sources. With the demands on coal for liquid synthetic fuels to replace oil, for direct combustion in industrial and utility boilers, and for export to our trading partners and allies, it will be difficult to meet the production demands for mined coal and for transportation of that coal, unless natural gas continues to be a major domestic energy source.

There are many opportunities for augmenting conventional natural gas supply from domestic resources. Beyond the much publicized production of high and medium Btu gas from coal conversion plants, there are several sources of future domestic gas. These unconventional gas resources include underground coal gasification, geopressured acquifers, coalbed methane, Devonian shales, and tight sands gas formations. One or more of these resources can be found in most areas of the Nation. Many are in close proximity to existing pipelines and potential markets.

An important objective is to determine as quickly as possible the technical, economic, environmental, and social barriers to the development of these resources. Without a strong program for the early resolution of these questions, we will continue to debate the energy questions of our day without adequate knowledge of what contribution these important unconventional gas resources can make to the energy supply system.

The purpose of my bill, Mr. President, is to maintain a program within the

Department of Energy which is aimed at the early resolution of these uncertainties. Mr. President, I would not seek to convince the Congress to consider such legislation unless these resources were a significant part of our domestic energy resources. As it is clearly shown in the table, which I ask unanimous consent to have printed in the RECORD at this point, there are tremendous resources suitable for enhanced gas recovery techniques.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RECENT PROJECTIONS OF THE POTENTIAL OF UNCONVENTIONAL GAS[1]—ECONOMICALLY RECOVERABLE RESOURCES (TCF)

	(Dollars/ Mcf)	Lewin, 1978		NPC, 1980	
		Base tech.	Adv. tech.	Base tech.	Adv. tech.
Tight gas	2.50	70.0	150.0	[2] 60.0	[2] 110.0
	3.50	100.0	180.0		
	5.00–5.75	110.0	190.0	[2] 80.0	[2] 160.0
	9.00			100.0	170.0
Devonian shale	2.50	1.7	4.3	7.3	11.8
	3.50	8.4	16.2	14.5	20.1
	5.00–5.75	10.5	18.6–25.3	18.5	27.5
	7.00			23.5	32.7
Coalbed methane	2.50		2–11.0		5.0
	3.50		2–22.0		13.1
	4.00–5.75		2–27.0		25.4
	7.00				33.9
Total[3]	2.50	72.0	165.0	67.0	127.0
	3.50	108.0	218.0		
	4.00–5.75	121.0	242.0	99.0	212.0
	7.00			109.0	232.0
	9.00			124.0	237.0

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[1] Lewin & Associates, Inc., "Enhanced Recovery of Natural Gas," October 1978, HCP/T2705–02, and National Petroleum Council, Committee on Unconventional Gas, Progress Reports.

[2] Preliminary—7 basins only.

[3] Assuming high side of range and interpolating.

Mr. MATSUNAGA. Moreover, Mr. President, 93 percent of our Nation's vast coal resources are not technically or economically recoverable today by conventional underground or surface mining techniques. While the recoverable resources are considerable, they are by no means inexhaustible and they constitute only a small percentage of our plentitude. Much of the remaining coal reserves may be more economically and environmentally utilized by underground coal gasification processes, wherein the coal is converted in situ into low, medium, or high Btu gas. The estimated national resources for underground coal gasification are between 80 and 1,800 billion tons. Even if the lower figure were to prove to be the recoverable resource, this corresponds to an energy equivalent to the remaining recoverable U.S. reserves of crude oil.

There is no denying that it would not be prudent to launch a major effort in these unconventional gas technologies, unless there were, indeed, prospects and promises of overcoming the barriers to the commercial use of these potential resources. Fortunately, we do have cause for optimism in a progressive program for the commercialization of these technologies. The U.S.S.R. has had in operation commercial underground coal gasification plants for 20 years. Our own initial field tests on in situ coal gasification have been highly successful.

There is clear cause to accelerate our activities in all these unconventional gas technologies. The projected economics of these technologies show significant amounts of recoverable resources at prevailing natural gas prices and substantial increases in the recoverable resources, when compared to alternative energy sources and when further advances are made in the current technology.

In fact, the contribution of unconventional gas resources to our national energy supply depends more on advances in technology than on increased prices. A successful research, development, and demonstration program could double estimates of recoverable reserves. An aggressive R. & D. program is absolutely necessary to improve present state-of-the-art technologies and to foster advanced technologies. It is very unlikely that private firms will independently make the large expenditures necessary to bring about these technological advances. Industry's funds for strictly private projects are usually limited to high payoff, near-term efforts.

This is not to say, Mr. President, that private industry is not willing to foster these advanced technologies, but rather that there is a clear role for the Federal Government to initiate and to share cost in many of these technology development and demonstration activities. To illustrate the willingness of industry to participate in unconventional gas research and development, I call my colleagues' attention to the Gas Research Institute, which will spend between one-third and one-half of their supply research and development funds over the next 5 years on underground coal gasification and enhanced gas recovery technologies.

Mr. President, my bill would establish a 10-year program for fostering commercialization of these unconventional gas resources. The bill contemplates the expenditure during that period of $200 million for underground coal gasification facilities and $300 million for enhanced gas recovery projects. The bill establishes national goals of production of at least 15 million cubic feet per day from underground coal gasification by 1987, with perhaps as much as 2 trillion cubic feet per day by the year 2000. A goal of 1 trillion cubic feet by 1990 from unconventional gas resources and 6 trillion by the year 2000 is also established by the bill.

The bill further provides direction for a research and development program, requires solicitation for demonstration activities, and calls for development of a commercialization strategy for the unconventional gas resources. The bill also authorizes $85 million in fiscal year 1981, including $20 million for in situ coal gasification and $95 million for fiscal year 1982, including $25 million for in situ coal gasification.

Mr. President, I believe this bill will foster a positive attitude within the Government and the industry toward unconventional gas resources, which are among our most environmentally desirable sources of new energy supply. With a broad utilization of these resources we can maintain a strong economy, as we eliminate our dependence on foreign sources of energy. I urge my colleagues to cosponsor this important and timely legislation and support its enactment at an early date.

STATEMENT OF SENATOR KENNEDY ON ENERGY CONSERVATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Massachusetts on energy conservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR KENNEDY

Four years ago Congress passed the Energy Conservation Standards for New Buildings Act of 1976, directing that the Secretary of Housing and Urban Development develop and implement, as soon as practicable, building energy performance standards for new buildings. This was one of the most important titles in the Energy Conservation and Production Act, added on the Senate floor in a 53-page energy efficiency amendment sponsored by Senator Hollings and myself. Today, on the threshold of finally promulgating minimum energy budgets for new buildings in this country, this concept has come under attack. Despite the fact that our national and economic security is in more jeopardy today than in 1976 from our dependence on imported oil, special interest groups seek to scuttle aggressive conservation. Over one-third of America's housing and commercial structures will be built between now and the year 2000. Current building standards permit such building to waste up to 50% of the energy used. This must stop.

I bring to the attention of my colleagues the following advertisement that appeared in the Washington Post on May 21, 1980. This message, paid for by the American Institute of Architects, demonstrates a sincere commitment to an energy efficient society for which the AIA must be commended. As noted there, we stand to lose an estimated $4.3 billion in wasted energy through unnecessary delay. I add that if delay leads to the abandonment of the movement to performance standards, it could increase our energy use by an estimated 160 million barrels over the next two decades.

IS CONGRESS ABOUT TO TAKE A GIANT STEP BACKWARD ON ENERGY CONSERVATION?

In 1976, with the firm support of The American Institute of Architects, Congress passed a law requiring the federal government to develop energy-saving performance standards—BEPS—in new buildings.

We said then—in this newspaper—that our national legislators had "taken the first step toward making this a nation of energy-efficient buildings." We heartily applauded that measure as the harbinger of an era of energy efficiency in the built environment.

But proposals in both the Senate and House now threaten to delay application of these standards three years. They must be defeated.—

Here's why:

Three years' delay on BEPS means losing more than $4.3 billion in missed energy-saving opportunities. Here's how this loss would be divided:

Potential new home buyers, today's most cost-conscious consumers, stand to lose a total of $660 million a year.

Owners of new commercial buildings would lose an estimated $595 million a year.

New schools, hospitals and public buildings would lose $192 million in potential energy savings, costs that strapped local governments can ill afford to bear. The impact on health care and education is clear.

A strong sense of urgency must not be allowed to die.—

The cost, while staggering, is not the only reason for vigorously opposing delay in adopting rules for building performance standards. Actually, BEPS are long overdue. In 1976 Congress ordered energy performance standards set for all new construction "within six months after the date of publication of the proposed standards." The events of the four years since Congress called for prompt promulgation only amplify the sense of urgency the legislators expressed. The inexorable OPEC price rises have continued, as has persistent inflation and relentless pressure on the dollar.

The six-month period ends next August 14, and that won't be a moment too soon to start a phased application of BEPS.

The time to start is now. Not three years from now.—

Further delay will accelerate the adoption of narrow, prescriptive standards. By endorsing one method or material over another, such standards thwart innovation and creativity. Moreover, they freeze technology at a time when nothing is more certain than technological change.

BEPS offer incentives for use of the sun, wind, and other natural elements and renewable sources to achieve energy savings. BEPS will encourage competition within the building industry to maximize energy savings for consumers. At a time when consumers routinely find performance ratings of automobiles expressed in miles per gallon, home buyers have a right to expect a reliable projection of home energy performance—stated in BTUs—as they ponder the largest purchase of their lifetimes. BEPS will provide such a "sticker" rating.

BEPS are an integral part of a set of AIE policy recommendations. These policies incorporated into a comprehensive national energy policy could assure a nation of energy-efficient buildings by 1990. Combined with energy savings in other vital fields of community development, this will save the equivalent of 12.5 million barrels of oil a day by that year.

To reach these goals we must press ahead. Congress must not take a giant step backward.

STATEMENT OF SENATOR MORGAN ON AMERICAN FEDERALISM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record a statement by the Senator from North Carolina (Mr. Morgan) relating to Federalism, together with an attachment.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MORGAN

I have long argued for a revitalization of the federal idea, a concept which seems to get lost in the general demand for Washington's intervention in form of funding, protection, regulation and uniformity. There are many illustrations where, by constitutional means, legislative actions and financial manipulations, we can witness a renewed resurgence of centralization in federal controls which spells a further decline in federalism. I feel very strongly that some form of federalism is necessary for our country to achieve maximum effectiveness in governmental operations at any level. Let me be clear: federalism is not dead nor is it paralyzed; it is simply being disregarded as a serious and viable contender for solving our problems.

Our performance during the past year gives credence to the assumption that the future of federalism has only gloomy prospects. The Director of the Center for the Study of Federalism, Professor Daniel J. Elazar, sees the United States preoccupied with the survivalist imperative which does not lend itself to any optimistic view regarding the further development of federalism. The Center is also publishing an excellent quarterly journal, PUBLIUS, which provides thorough analyses on federal practices.

I would like to draw the attention of my colleagues to the first issue of PUBLIUS this year which reviews the state of American federalism. The introduction to the volume by Dr. Stephen L. Schechter, provides an informative if disheartening compendium of what ails American federalism today. It should be recommended reading. Mr. President, I attach the article for the Record.

THE STATE OF AMERICAN FEDERALISM: 1979

(By Stephen L. Schechter)

There were three ominous signs for American federalism in 1979. One was the increasing use of federal litigation as a means of problem-solving, quite often with the effect if not the intent of heightening agencies' reputations as problem-solvers. One example, reported by Rae Tyson elsewhere in this volume, involves a civil suit filed by the U.S. Justice Department on behalf of the Environmental Protection Agency (EPA) against Hooker Chemical and Plastics Corporation for past dumping of toxic chemicals at the Love Canal in Niagara Falls, New York. Governor Hugh Carey was not impressed, noting in a letter to President Carter: "The same arguments which I advanced to you in August 1979, and which were subsequently rejected by the Federal Disaster Assistance Administration, are now sanctioned by the EPA and used as the basis for a federal lawsuit."[1] Of an entirely different stripe was the FBI's intergovernmental scam (leaked shortly after the president's 1980 budget message) to induce if not entrap federal, state and local officials in the act of bribery.[2]

A related development is the unusually widespread mood of survivalism in Washington these days. From the president's rose garden to the halls of Congress, the watchword of 1979 was "uncontrollable." We are told that the foreign and energy crises of 1979 were due not to the failure of intelligence but to "uncontrollable forces" and "accidental flukes." The prestigious Congressional Quarterly reports that even the Chrysler bail out moved through Congress "because of external events not under the government's control."[3] And some of the proposed administrative solutions are equally disheartening: "reorganize" the Nuclear Regulatory Commission, "unshackle" the Central Intelligence Agency, and provide the federal aid system with a "central guidance" mechanism and such quick fixes as fuel assistance through supplemental social security payments and other untargeted mechanisms.

These developments are not at all paradoxical when viewed against a backdrop of growing dissatisfaction with government generally and, until events in Iran and Afghanistan, with the Carter administration in particular. The paradox, and perhaps the most ominous sign of all, is the seemingly indiscriminate need for a national policy for every new ill at a time when America is supposed to be engaged in deep reflection over the past failures of that very approach. For students of federalism, the question is not how to get this or that program out of Washington or the states, but rather, as Martin Diamond put it long ago: by which plane of government or combination of planes is it best that this or that thing be done?[4] And it is with this question in mind that this, our third annual review, examines the state of American federalism in 1979.

Continuing challenges of American Federalism

A recent special issue of the *National Journal*, devoted to "the traumas of the '70s" and "the challenges of the '80s," opens with this thought: "The Roman god, Janus, symbolizes the frame of mind that grips most of us at the turn of the decade: a time to look forward and backward simultaneously. To do that now is to wonder about our capacity to govern effectively in the 1980s."[5]

At a time when uncertainties about America's governing capacity abound and when most ready answers spring from the "limits of growth" rhetoric, it may be well-nigh impossible to think of today's challenges in terms of some new form of the continuing American frontier; yet that is precisely what Daniel J. Elazar sets out to do in our first article. "The 1980s: Entering the Citybelt-Cybernetic Frontier." In earlier studies, Elazar has traced the continuing development of the American frontier through its rural-land, urban-industrial, and metropolitan-technological stages; arguing that in each stage the frontier idea has captured not merely a dramatic imagery but a very real process, characterized by new patterns of settlement and production and their attendant challenges and opportunities.[6]

In his annual review article, Elazar brings his frontier history up to date, focusing first on the basic changes of the 1970s in the organization of human settlement, from metropolitan to megalopolitan citybelt forms, and in the organization of production, from a technological to a cybernetic (or computerized) basis. Elazar then turns to the unusual level of political uncertainty of today, which he explains in terms of the simultaneous emergency of a new political generation, a new frontier stage, and a new century in the history of the American republic. Beyond the conceptual challenges of recognizing the new world around us, Elazar points toward the political challenges that are unique to the citybelt-cybernetic frontier: revitalizing the idea of civic community as a necesary dimension of citizenship, and recognizing the energy problem as "the infrastructure problem" of the new frontier, "just as the construction of highways, airports and telecommunications network represented the basic infrastructure of the metropolitan-technological frontier and railways and telegraph served the same function for the urban-industrial frontier."

For those readers who expect a saga of human trek in any good frontier tale, I recommend a careful reading of Edwin B. Silverman's article in this volume on the resettlement of the Indochinese refugees in America's towns and cities. Silverman, whose very position as the head of a midwestern

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Footnotes at end of article.

state's Asian assistance program illustrates the far-flung effects of international upheavals in today's world, reminds us that America is a nation not only of immigrants but of refugees as well. In fact, the central public policy issue of refugee resettlement turns on the legal and administrative distinction between immigrant and refugee policies. Special consideration of "refugees" was first apparent in the Truman directive of 1945 but until 1975 refugee resettlement was conducted primarily by private voluntary agencies. Writing from the perspective of both participant and observer, Silverman carefully unravels the particular challenges posed by the resettlement needs of successive waves of Indochinese refugees since the fall of Saigon in April 1975. He pays special attention to the increased involvement of state and local officials in assisting the efforts of voluntary agencies within their jurisdiction, working with federal officials within their region, developing a broad-based coalition for a coordinated assistance effort, and lobbying Congress for a standing refugee policy.

The energy crisis: Turning point for American Federalism

When President Carter likened the energy crisis to the "moral equivalent of war" in April 1977, most Americans listened patiently and then resumed their daily routines, while lobby groups shored up for what turned out to be a bitter eighteen-month struggle over the de-regulation of natural gas and other elements of the National Energy Act of 1978. By the end of 1979, the moral if not practical equivalent of war had struck home in a seemingly endless barrage of unanticipated assaults that made the 1973–74 oil embargo pale by comparison. As energy-related issues occupied much of center stage in 1979, we have allocated a special section to report those issues here, and gratefully acknowledge the assistance of Alfred R. Light in putting this section together.

One central theme recurs throughout the articles in this section: The energy crisis is the infrastructure problem of the last quarter of the twentieth century in much the same way as the need for an interstate transportation and telecommunications system was the infrastructure problem of the first quarter of the twentieth century. As such, much of the energy field imperatively demands a national policy and framework of action that meets not only the general expectations of accountability and effectiveness, but also the particular expectations inherent in a federal democracy. In fact, the hard test of any federal system is whether it can formulate and implement national policies for problems that require national solutions, but in ways that are sensitive to the constitutional balance between general (federal) and constituent (state) governments and to the reasons for wanting that balance.[7]

Light's symposium introduction and update on nuclear waste management point toward one danger in all this; and that is the possibility that neither federal nor state governments may have what it takes to face the hard issues. No public official wants to be remembered for opening up his or her jurisdiction to the dumping of nuclear waste—this, even more than increasing taxes, must be the politician's ultimate nightmare; yet the congressional and gubernatorial responses to this problem were downright unseemly in 1979.

James L. Regens' article on energy conservation points toward yet another danger and opportunity in the development of national energy policy. Energy conservation (or "energy management," as it is starting to be called) is one of the few energy fields that readily accommodates concurrent initiative and experimentation at all planes of civil society. Regens reports a number of significant federal-state accomplishments in 1979. All fifty states now have energy conservation plans prepared with financial support from the U.S. Department of Energy (DOE); and though good data is hard to come by, the states can make a good case that the energy conservation grant programs begun in the mid-1970s work. Furthermore, DOE received authorization to expand its experimental Energy Extension Service from ten to all fifty states in 1979. At the same time, presidential and congressional initiatives in energy conservation this year suggest more than their fair share of indecision, delay, cutbacks, and quick fixes. Equally important, the few clear initiatives in 1979 indicate the prevalence of a centrally-directed model of national policy that is particularly inappropriate to the field of energy conservation. In fact, Carter's proposal for an Energy Management Partnership Act (Senate Bill 1280) defies the very nature of a "partnership" by merging existing state and local conservation programs under a single umbrella.

In 1979, the governors used their partial successes in the field of energy conservation to push for a greater state role in related energy fields. In his article, "The Governors Push for Emergency Energy Powers," Light turns to the 1979 gasoline shortage and the lobbying efforts of individual governors and the National Governors Association (NGA) for a state role in the field of energy crisis management. Though NGA is normally confined these days to lobbying for scraps, the governors seized upon the gasoline shortage and heating oil price hikes as an opportunity to pursue significant delegations of responsibility from Washington. At the same time, the governors recognized a "hot potato" when they saw one, and pushed to rescind DOE's delegation of gasoline pricing authority to the states.

The accident at the Three Mile Island Nuclear power plant, undoubtedly the most dramatic energy-related event in 1979, also had its intergovernmental dimensions. In his article, Richard T. Sylves examines the impact of the Three Mile Island accident on the nature of federal-state relationships in the complex field of nuclear power plant siting and licensing. Sylves details the various responses to the Three Mile Island accident by Congress and the president, Pennsylvania and other states, and environmentalists and nuclear industry representatives. The irony is that the failures of the Nuclear Regulatory Commission and Metropolitan Edison offset the unreported responses of the state of Pennsylvania, slowing if not killing an imminent reform that would have sorted out federal and state roles in the siting and licensing process.

A largely unreported event in 1979 centered on the implementation of the Surface Mining Control and Reclamation Act of 1977 and the operations of the federal Office of Surface Mining (OSM) designated to implement that act. Originally conceived in 1969, the Surface Mining Act and OSM may well be the last great efforts of the post-World War II generation to balance energy sufficiency and environmental quality. Interestingly, however, Donald C. Menzel and Terry D. Edgmon suggest in their article that the hard fought battles to implement the Surface Mining Act, and particularly OSM's regulations, centered less on balancing energy and environmental needs than on sorting out unclear statutory definitions of federal and state regulatory authority. By fall 1979, the intergovernmental politics of rule-makng had moved from the bureaucratic trenches to Congress and the proposed Rockefeller Amendment that would virtually nullify the effect of OSM regulations.

One critical year separated congressional passage of the Surface Mining Act of 1977, which represented the last major piece of environmental legislation of the early 1970s, and the Natural Gas Policy Act of 1978, which turned out to be the harbinger of the new wave of national efforts at "de-regulation," though in this case "re-regulation" might be a more appropriate term. Although the states historically played a major role in regulating the sale and transportation of natural gas, the 1978 act imposed a new scheme in which the states have become implementors of national policy rather than policy-makers in their own right. Looking back on the first year's implementation of that act, Charles Curtis, Chairman of the Federal Energy Regulatory Commission (FERC) had high praise for the states' newfound role in administering the act's complex classification of natural gas wells for pricing purposes. According to Curtis, FERC had to override decisions by state public utility commissions in only a "handful" of over 30,000 "intiial well determinations."[8]

Another critical year separates congressional passage of the Natural Gas Policy Act and congressional consideration of the 1979 proposal for a "fast track" Energy Mobilization Board intended to speed both federal and state decisions with regard to high priority energy projects. In his article, Walter B. Stahr first compares Senate and House versions of the proposed measure. The Priority Energy Project Act, focuses on the three provisions—for "deadline," "displacement," and "bump up"—that raise the most significant constitutional issues for American federalism. Under any conditions, the power of one federal agency to waive, even temporarily, federal and state laws represents a foreboding risk for democracy; yet President Carter has proposed and both houses of Congress have passed a measure that would do just that. On the assumption that some "fast track" board will soon become a reality, Stahr considers the likely legislative and implementation strategies that will be used to forestall a future constitutional challenge; and, providing that the designers of the Frankenstein monster become as suspicious of it as the villagers already are, it just might work.

The next article in this review concerns one of the less pleasant consequences of the metropolitan-technological frontier, which also happens to be an externality of petroleum-related industry, namely the toxic wastes that are a byproduct of the production of petrochemicals and plastics. In the summer of 1978, New Yorkers were shocked by the discovery that an entire neighborhood in the Love Canal area of Niagra Falls, New York, was unwittingly sitting atop a 1940s dump site of 22,000 tons of chemical wastes. As news of this manmade disaster began spreading throughout the country, the issue of hazardous waste sites seemed to become every local newspaper reporter's dream story—man bites man—come true; and with an estimated 34,000 such sites nationwide, there were plenty of stories to go around. In his article, however, Rae Tyson focuses primarily on what New York State did, and what the EPA did not do, to assist the clean up at the Love Canal throughout 1979.

Learning to live with federalism

One of the more acrimonious congressional battles of 1979 had to do not with the energy crisis but with the intergovernmental causes and remedies of inflation. On this front, Senator Edmund S. Muskie (D-Maine), chairman of the Senate Budget Committee, fired the warning salvo early in January when he announced that "if state legislatures begin voting for constitutional amendments that mandate a balanced [federal] budget, there is $80 billion in aid that Congress would find very attractive as a way of throwing the deficit right back to states and localities."[9] As threats turned to recrimination, otherwise noncontroversial issues suddenly took on new meaning. State governors had to fight to maintain the state share of revenue sharing and to secure a

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Footnotes at end of article.

modest role in the national health planning system. But it was local government that felt the full force of congressional rage when some fifty localities "dared" to issue tax-exempt home mortgage revenue bonds as a relief for middle class home-buyers within their jurisdictions. In their article, Susannah E. Calkins and Leanne R. Aronson review the complex issues of intergovernmental perspectives of this subject which has not, as yet, had sufficient impact to be evaluated.

The final two articles in this year's annual review have to do with the reform of two great, and as most presidents have shown, related American institutions—presidential campaigning and federal assistance. The article by John F. Bibby and Cornelius P. Cotter on presidential campaigning will prove immediately useful to students and practitioners of that craft. In that article, Bibby and Cotter systematically examine most of the key federal legislative provisions, federal commission rules, and national party rules that will bear directly on the 1980 presidential campaign. The authors then analyze the implications of those recent reforms for candidate organizations, state and local parties, and for the federal system as a whole.

George J. Gordon's article on the intergovernmental management reform agenda for 1980 provides a fitting conclusion to this year's annual review. By now, students of federalism may be fed up with articles on schemes to "centrally guide" federal assistance and with recommendations to reduce the attendant paperwork of federal assistance programs. However, three intergovernmental management proposals of 1979 bear close observation in 1980—OMB's massive study Managing Federal Assistance in the 1980s, OMB's effort to put "more teeth in the [A-95] process," and the proposed Federal Assistance Reform Act (FARA) of 1979. In his article, Gordon suggests that the new element in these not-so-new proposals (and, for that matter, the recirculating proposal for a cabinet secretary of intergovernmental relations) is the surprisingly receptive attitude toward them on the part of many state and local officials. In explaining this development, Gordon points toward a growing impatience among state and local officials "to do something" about the federal assistance maze and the dulling effect that the constant reiteration of hierarchical and management-oriented proposals may have had on their near-final acceptance.

The eleven articles included here do not represent a comprehensive review or record of those public issues that bear directly on the state of American federalism in 1979. To do that would require nothing less than a full-scale monitoring of the intergovernmental dimensions of contemporary American politics. Taken together, however, the issues presented in this volume reflect the uneasy state of American federalism in 1979 as those charged with making it work struggle intellectually to cope with the dictates of federalist solutions to the new national challenges of today.

FOOTNOTES

[1] As quoted in "NYS Pushes U.S. Cash in Love Canal Cleanup," *Knickerbocker News*, January 7, 1980.

[2] Interestingly, the *New York Times* disclosure of the FBI's ABSCAM operation did not include state and local officials implicated by the operation.

[3] *Congressional Quarterly Weekly Report* 37, no. 51 (December 22, 1979) 2877.

[4] Martin Diamond, "On the Relationship of Federalism and Decentralization," in *Cooperation and Conflict: Readings in American Federalism*, Ed. Daniel J. Elazar et al. (Itasca, Illinois: F. E. Peacock, 1969), p. 79.

[5] *National Journal*, January 19, 1980, p. 84.

[6] See Daniel J. Elazar, *The Metropolitan Frontier: A Perspective on Change in American Society* (Morristown, N.J.: The General Learning Press, 1973).

[7] See *Publius* 3, no. 2 (*The Federal Polity*, Fall 1973), edited by Daniel J. Elazar. Also see, by Neal B. Peirce, "The State of Federalism for the 1980," (*PA Times*, November 15, 1979), p. 2.

[8] FERC Chairman Curtis Assesses Implementation of NGPA," *Department of Energy Information Weekly Announcements* 3, no. 50 (December 11, 1979): 12.

[9] Adam Clymer, "States' Push for Balanced Budget Presents Dilemma for Congress," *New York Times*, January 28, 1979.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON ADMINISTRATION OF THE RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 209

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I transmit herewith the 1979 Annual Report on the Administration of the Radiation Control for Health and Safety Act, as required by Section 360D of the Public Health Service Act (42 U.S.C. 2631).

Jimmy Carter.

The White House, *May 30, 1980.*

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on May 29, 1980, he had approved and signed the following act:

S. 2348. An act to authorize appropriations for the Federal Election Commission for fiscal year 1981.

MESSAGES FROM THE HOUSE

At 10:21 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House insists upon its disagreement to the Senate amendment to the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980; requests a further conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Giaimo, Mr. Wright, Mr. Ashley, Mr. Simon, Mr. Mineta, Mr. Jones of Oklahoma, Mr. Brodhead, Mr. Wirth, Mr. Panetta, Mr. Gephardt, Mr. Nelson, Mr. Latta, Mr. Conable, Mrs. Holt, Mr. Regula, and Mr. Rudd were appointed as managers of the conference on the part of the House.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 3236. An act to amend the Social Security Act to provide better work incentives and improved accountability in the disability programs, and for other purposes; and

H.J. Res. 445. Joint resolution to provide for designation of the week of September 21–27, 1980, as "National Cystic Fibrosis Week."

The enrolled bill and joint resolution were subsequently signed by the President pro tempore (Mr. Magnuson).

At 12:25 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

At 1:34 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1658. An act to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to States or local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 7471. An act to extend the present public debt limit through June 5, 1980.

HOUSE JOINT RESOLUTION HELD AT DESK

The following joint resolution was ordered held at the desk, by unanimous consent:

H.J. Res. 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment:

S. 1637. A bill to establish competitive oil and gas leasing in favorable areas within producing geologic provinces (together with minority views) (Rept. No. 96–793).

By Mr. STEVENSON, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 2271. A bill to amend the Bretton Woods Agreements Act to authorize consent to an increase in the U.S. quota in the International Monetary Fund (Rept. No. 96–794).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Robert E. Nederlander, of Michigan, to be a member of the National Council on Educational Research for the remainder of the term expiring September 30, 1980.

Robert E. Nederlander, of Michigan, to be a member of the National Council on Educational Research for a term expiring September 30, 1983.

(The above nominations from the Committee on Labor and Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATSUNAGA (for himself, Mr. Jackson, Mr. Magnuson, Mr. Robert C. Byrd, Mr. Randolph, Mr. Stevens, Mr. Gravel, Mr. Bumpers, Mr. Pryor, Mr. Hart, Mr. Armstrong, Mr. Inouye, Mr. Percy, Mr. Stevenson, Mr. Huddleston, Mr. Ford, Mr. Melcher, Mr. Baucus, Mr. Domenici, Mr. Young, Mr. Burdick, Mr. Metzenbaum, Mr. Bellmon, Mr. Boren, Mr. Harry F. Byrd, Jr., Mr. Warner, Mr. Wallop, and Mr. Simpson):

S. 2774. A bill to authorize an accelerated research, development, and demonstration program to advance in situ technologies for energy production from underground coal deposits and unconventional gas resources; **to the Committee on Energy and Natural Resources.**

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATSUNAGA (for himself, Mr. Jackson, Mr. Magnuson, Mr. Robert C. Byrd, Mr. Randolph, Mr. Stevens, Mr. Gravel, Mr. Bumpers, Mr. Pryor, Mr. Hart, Mr. Armstrong, Mr. Inouye, Mr. Percy, Mr. Stevenson, Mr. Huddleston, Mr. Ford, Mr. Melcher, Mr. Baucus, Mr. Domenici, Mr. Young, Mr. Burdick, Mr. Metzenbaum, Mr. Bellmon, Mr. Boren, Mr. Harry F. Byrd, Jr., Mr. Warner, Mr. Wallop, and Mr. Simpson):

S. 2774. A bill to authorize an accelerated research, development, and demonstration program to advance in situ technologies for energy production from underground coal deposits and unconventional gas resources; to the Committee on Energy and Natural Resources.

(The remarks of Mr. Matsunaga when he introduced the bill appear elsewhere in today's proceedings.)

ADDITIONAL COSPONSORS

S. 100

At the request of Mr. Packwood, the Senator from Arkansas (Mr. Pryor) was added as a cosponsor of S. 100, a bill to amend the Internal Revenue Code of 1954 to provide for a deduction for expenses incurred for reforestation, and for other purposes.

S. 1957

At the request of Mr. Eagleton, the Senator from Delaware (Mr. Roth) was added as a cosponsor of S. 1957, a bill to amend the Federal Boat Safety Act of 1971 to improve recreational boating safety and facilities through the development, administration, and financing of a national recreational boating safety and facilities improvement program, and for other purposes.

S. 2402

At the request of Mr. Nunn, the Senator from Oklahoma (Mr. Boren), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of S. 2402, a bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice.

S. 2403

At the request of Mr. Nunn, the Senator from Oklahoma (Mr. Boren), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of S. 2403, a bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons.

S. 2404

At the reauest of Mr. Nunn, the Senator from Oklahoma (Mr. Boren), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of S. 2404, a bill to provide penalties for unauthorized disclosure of tax information.

S. 2405

At the request of Mr. Nunn, the Senator from Oklahoma (Mr. Boren), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of S. 2405, a bill to provide for civil damages for unauthorized disclosures of tax information.

S. 2419

At the request of Mr. Percy, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 2419, a bill to protect the confidentially of shipper's export declarations, and to standardize export data submission and disclosure requirements.

S. 2490

At the request of Mr. Metzenbaum, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 2490, a bill to provide certain requirements for infant formula, and for other purposes.

S. 2542

At the request of Mr. Chaffee, the Senator from Arizona (Mr. DeConcini), and the Senator from Indiana (Mr. Bayh) were added as cosponsors of S. 2542, a bill to grant a Federal charter to the Italian American War Veterans of the United States of America.

S. 2573

At the request of Mr. Thurmond, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 2573, a bill to designate Clark Hill Dam and Lake on the Savannah River, Georgia and South Carolina, as Clarks Hill Dam and Lake.

SENATE CONCURRENT RESOLUTION 92

At the request of Mr. Chafee, the Senator from Montana (Mr. Melcher), the Senator from Alabama (Mr. Stewart), the Senator from New Jersey (Mr. Williams), and the Senator from Ohio (Mr. Metzenbaum) were added as cosponsors of Senate Concurrent Resolution 92, a concurrent resolution declaring that the Congress does not favor the withholding of income tax on interest and dividend payments.

SENATE CONCURRENT RESOLUTION 97—SUBMISSION OF A CONCURRENT RESOLUTION RELATIVE TO THE SITUATION IN KAMPUCHEA

Mr. McGOVERN submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. Con. Res. 97

Whereas war and starvation continue to pose grave threats to the very existence of the people of Kampuchea, their heritage and culture;

Whereas the occupation of Kampuchea by Vietnamese forces has helped to create and maintain these threats and to hamper relief efforts;

Whereas even greater food shortages in the coming months can be expected to exacerbate the already critical food situation in Kampuchea;

Whereas the unrest in Kampuchea has forced many residents to flee their homes;

Whereas continued hostilities in Kampuchea and foreign intervention threaten the stability of the entire region;

Whereas the United Nations has called for the withdrawal of all foreign troops from Kampuchea and for an international conference on Kampuchea; and

Whereas the just concluded session of the United Nations Human Rights Commission has strongly condemned the deprivation of food and medicine, the gross and flagrant violation of basic human rights, and the presence of foreign forces in Kampuchea: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) strongly supports continued humanitarian assistance for the people of Kampuchea;

(2) calls upon the President to pledge United States support and urge the assistance of other nations;

(3) reiterates its call for the convening of an international conference on Kampuchea aimed at ending the fighting and bringing about the establishment of a representative government in Kampuchea;

(4) calls for the immediate withdrawal of all foreign forces from Kampuchea, and end

to foreign interference in the internal affairs of that country, and a new government acceptable to the people of Kampuchea; and

(5) urges the President, through the United States Permanent Representative to the United Nations, to support action by the United Nations on behalf of protecting the fundamental human rights of the people of Kampuchea.

HUMANITARIAN ASSISTANCE AND A PEACEFUL RESOLUTION TO THE CAMBODIAN CONFLICT

Mr. McGOVERN. Mr. President, the continued humanitarian crisis and the unresolved political conflicts in Cambodia—Kampuchea—require the continued attention of Congress in the coming months. The purpose of the resolution I am submitting today is to refocus attention on the key elements of a solution. These include continued humanitarian assistance to prevent new famine in Kampuchea; an international effort to provide relief funds, seeds, and other aid; an international conference to end the fighting and achieve a political settlement; the withdrawal of all foreign troops from Cambodia and an end to foreign interference.

The ending of the food and health crisis and the resolution of the political and military turmoil inside Cambodia are linked. The situation appears to be growing more promising in terms of an internationally-sponsored diplomatic solution, including the participation of Prince Sihanouk. I will have more to say about these possibilities in the future.

For the moment, I would like to review Cambodia's decade of holocaust to review the causes of the present tragedy.

CAMBODIA'S DECADE OF HOLOCAUST

A few months ago, the Cambodian people hovered on the edge of extinction. Inside Cambodia, deaths were occurring at a rate of 10 for every birth. Relief agencies estimated that 2.25 million of Cambodia's surviving 4 million faced starvation. Our intelligence sources put the figure as high as 3.5 million.

Hundreds of thousands of Cambodians streamed across the Thai border. They arrived with swollen stomachs, matchstick limbs and hollow eyes characteristic of the starving. Many were too weak to walk even the few yards to the food distribution points. Overworked and understaffed medical personnel tended only to those with the best chances for survival.

The horror of Cambodia was brought home to me, in particular, by one press report. A busload of refugees had arrived in the Sa Keo Camp around dusk and were unloaded. As they lay moaning on the ground, relief workers placed I-V's into the sicker ones. That night there was a tropical thunderstorm. The next morning the volunteers found that eight refugees had been to weak to lift their heads out of the forming puddles. They had drowned in less than 1 inch of water. Still, as another report noted, those reaching Thailand, were, in fact, the lucky ones.

International relief efforts and a short December rice harvest have pulled the Cambodian people back from the brink of extermination. The famine of 1979, however, was only the culminating chapter in a series of episodes that in the last 10 years has transformed Cambodia from a peaceful, prosperous and happy land to what a Vietnamese radio commentary called a land "soaked in blood and tears * * * hell on Earth." Since 1970, the Cambodian people have endured 5 years of bitter civil war, including 3 years of intense American bombing, 4 years of genocidal Khmer Rouge rule, foreign invasion, and now military occupation and renewed war.

In this period, Cambodia's losses have been staggering. In 1974 the United Nations Economic and Social Commission estimated Cambodia's population at 7.9 million. Estimates of the population today range from 3 to 5.5 million, with the most accepted figures being 4 to 4.5 million. Put in perspective, it is as if the United States suffered losses of 80 to 105 million. Only nuclear war could wreak such destruction on our country and indeed Cambodia, with property destruction approaching 80 percent and half its people wiped out is not unlike a nation that has suffered a major nuclear attack.

For most Cambodians the catastrophes of the 1970's are not of their own making. The Vietnamese and the Americans chose in the late 1960's and early 1970's to make the country a battlefield "sideshow", as William Shawcross described it, in the greater struggle for the control of Indochina. The Khmer Rouge then used their own people as a laboratory for their own ghastly social experiments. Since 1979 China and the Soviet Union have used the Khmer-Vietnamese battle as a proxy for their struggle for dominance of the Communist movement. And even as famine threatened the very survival of the Khmer race, the Vietnamese occupiers and the world community seemed more concerned with the credentials of the competing Cambodian governments than with relief.

Most of all, Cambodia has been a victim of a code of conduct where human beings are eclipsed by political, ideological, and/or military considerations. As Elizabeth Becker noted in the Washington Post, November 18, 1979:

> There are precedents for the survival of a people being pinned to the political goal of warring nations. But the catastrophe facing Cambodians today is especially deplorable because those earlier tragedies—the Holocaust in particular—were to have taught the world a lesson.

Until 1970, Cambodia had limited the impact of the chronic warfare which engulfed its Indochina neighbors. When the war came to Cambodia, however, it quickly became the bloodiest and most destructive of the Indochina conflicts. The war, and the accompanying American bombing, destroyed Cambodia's economy, much of its physical property, and took hundreds of thousands of lives. Worst of all, the war made it possible for a hitherto inconsequential guerrilla insurgency, a group that the Cambodian leader Prince Sihanouk derisively had dubbed the "Khmer Rouges," to seize power.

It is not my purpose to recount the origins of the Cambodian war. Mr. William Shawcross, making extensive use of documents obtained under the Freedom of Information Act, has an extensive account in his recent book, "Sideshow." A few points, however, should be emphasized. Cambodia's peace was a precarious one which depended largely on Prince Sihanouk's skill in maintaining a domestic consensus while balancing off the interests of the region's competing powers. Part of the latter included a partial accommodation with the North Vietnamese whereby they and the Viet Cong used bases on Cambodian territory just opposite South Vietnam. This was not a happy arrangement for the Cambodians, but like other small countries in similar situations, notably Lebanon, Cambodia was powerless to expel the invaders. For Sihanouk and the Cambodian people the sanctuaries were clearly an acceptable price for keeping the war at the borders and not in the country.

But the arrangement was not acceptable to the Americans. In March 1969, President Nixon authorized the secret B–52 carpet bombing of Cambodia—secret from the U.S. Congress and public; presumably not from the Cambodians being bombed. By March 1970 Sihanouk's consensus had broken down—in part because of pressures caused by the bombing—and Sihanouk himself was ousted. On April 30, 1970, and without the consent of the Lon Nol government, American ground troops entered the sanctuaries in search of a supposed COSVN—Communist Headquarters for South Vietnam. These military operations did not destroy the North Vietnamese/Viet Cong threat. They did tend to push the Vietnamese out of the sanctuaries along the Vietnamese borders and deeper into Cambodia.

The Cambodian war, initially a contest between Vietnamese Communists and American air power, quickly evolved into a civil war between the American backed Lon Nol government and the Vietnamese-supplied Khmer Rouge insurgents. Like all civil wars, this one was brutal. Neither side took prisoners. Prized trophies included the heads and livers of the vanquished enemy—the latter were eaten.

By the time Congress cut off the funding on August 15, 1973, American B–52's had dropped on Cambodia 539,129 tons of explosives, or slightly more than the 537,000 tons dropped in World War II's Pacific Theater. For 3 years Communist-controlled Cambodia—after May 1970, never less than one-half of the country—was a vast free-fire zone. Without combat troops to follow up on the bombed areas, it was impossible to determine if the villages hit contained Khmer Rouge, Vietnamese Communists, or Cambodian civilians. Refugee flows, however, suggest that in many cases the targets were civilians. In the first 6 months of the countrywide bombing, refugees doubled Phnom Penh's population from 600,000 to 1,200,000.

At the time the city fell in 1975, the population was in the range of 2 to 3 million—refugee interviews suggest the early flows were to escape the American bombing, the later flows to escape Khmer Rouge terror. Phnom Penh, once the most graceful capital in Southeast

Asia, quickly came to resemble the other sprawling, overcrowded cities of the region.

As the peasants fled the countryside, agricultural production plummetted. In 1969, Cambodia produced 1,200,000 metric tons of milled rice, enough to feed the population with 200,000 tons left over for export.

By 1974 production had declined to 423,000 metric tons. Serious food shortages developed and only American Public Law 480 imports averted massive hunger. The equilibrium between population and food supply was restored later by the Khmer Rouge, but principally by reducing the number of mouths to feed.

War destroyed other sectors of the economy even more rapidly. Exports fell from $90 million in 1969—20 percent of GNP—to virtually nothing in 1971[1] Prices which had been reasonably stable over two decades of Sihanouk's rule zoomed 50 percent in the first 9 months of the new regime. Inflation worsened in 1971 and by the end of 1974 prices were 32 times what they had been in March 1970. The Khmer Rouge solved this problem in their characteristically direct way: they abolished money.

The loss of life and damage to property from the bombing and civil war are hard to calculate. Estimates of deaths range from 300,000 to the 1,000,000 figure of the Khmer Rouge. A widely accepted figure is 600,000 deaths, or 7.5 percent of Cambodia's population. It is a staggering figure, but still it pales in comparison to what was to come.

The war devastated the countryside. By the end of 1970 the Cambodian Government estimated that 20 percent of the physical property of the country had been damaged, largely as a result of the bombing.[2] In the ensuing 5 years bombing and war transformed a tradition-bound, self-sufficient rural society into an urban refugee population dependent on American aid handouts. This dislocation was to serve as a pretext for the Khmer Rouge evacuation of the cities as well as sapping the ability of the Cambodian people to resist the depradations of the Khmer Rouge.

The bombing and the war brutalized Cambodian society. This in turn proved fertile ground for the Khmer Rouge. As Richard Dudman of the St. Louis Post-Dispatch observed after being freed following 43 days as a prisoner of the insurgents:

> American shells and bombs are proving to Cambodians beyond doubt that the United States is waging unprovoked colonialist war against the Cambodian people.[3]

The judgment is not entirely accurate. The United States did not choose to wage war against the Cambodian people. Rather, Nixon and Kissinger chose to wage war without regard to the Cambodian people. In a December 10, 1970 press conference, President Nixon summed up U.S. objectives in Cambodia when he called the aid program there "probably the best investment in foreign assistance in my political lifetime." Why? Because:

> The Cambodians, a people, 7 million only, neutralists previously, untrained, are tying down 40,000 trained North Vietnamese regulars. If those North Vietnamese weren't in Cambodia, they'd be over killing Americans. That investment of $250 million in small arms of aid to Cambodia so that they can defend themselves against a foreign aggressor—this is no civil war, it has no aspect of a civil war—the dollars we send to Cambodia saves American lives and enables us to bring Americans home . . .[4]

The Khmer Rouge captured Phnom Penh on April 17, 1975. The Nixon-Kissinger intervention into Cambodia, designed to assist American objectives in Vietnam, had ended in defeat for the non-Communist regime and catastrophe for the Cambodian people. The intervention also proved fruitless, for 13 days after the fall of Phnom Penh, the North Vietnamese and Viet Cong took Saigon. The Communist victors renamed their country Democratic Kampuchea. Incredibly for the Cambodian people, peace in Democratic Kampuchea turned out to be even worse than the war.

The Government of Democratic Kampuchea, in its 4-year tenure, implemented policies which directly led to the deaths of 2 to 3 million Cambodians, or 25 to 35 percent of the country's population. The Khmer Rouge genocide differed from Hitler's in that the victims were not a separate religious or ethnic group, but a broad cross section of the nation's populace. Future students will ponder the questions of why such incredible genocide did not prompt the international community to treat the Government of "Democratic Kampuchea" as an international outcast; not, as is even now the case, as an accepted member of the international community.

Recounting Khmer Rouge horrors is far easier than trying to understand them. The leaders of the Khmer Rouge, Prime Minister Pol Pot, Foreign Minister Ieng Sary, State President Khieu Samphan, Social Affairs Minister Ieng Thirith (Ieng Sary's wife and sister of Pol Pot's wife), Defense Minister Son Sen, Culture and Education Minister Yun Yat (wife of Son Sen) were bright, largely middle- or upper-class, urban Cambodians.

Most had been educated in Paris in the 1950's, where they had become imbued with their particular brand of Marxist ideology. The leadership of Democratic Kampuchea was a small elite, and as the Cabinet list suggests, connected by bonds of marriage as well as friendship. Like many revolutionaries, the Khmer Rouge had a strong sense of what was wrong in their country.

Ieng Sary, a former teacher, carried his sense of injustice back to the days of Angkor Wat. Decrying the use of slave labor, he would often exclaim to his classes:

> How many human lives it must have cost to build Angkor Wat![5]

They also had a very clear view of what they wanted.

The Khmer Rouge plan was to create a classless, communal, self-sufficient revolutionary society. In Cambodia, the duty of the members of society was to serve the organization, or the "Angka." All private property and private possessions were prohibited. So was money. Activities without a social purpose—love, courtship, religion—were banned. Marriages were arranged by the Khmer Rouge for the benefit of the "Angka," not the couple.

In many villages—presumably the more advanced ones—men and women lived in separate barracks, with husbands and wives coming together only for brief "socially useful" mating periods. Children often were kept in brigades separate from their parents. The communal organization of life and work extended even to the distribution of food and preparation of meals; in many villages the communal kitchen replaced the family cooking pot—so much so that relief workers found that a shortage of private cooking pots in 1979 severly hindered efforts to feed people .

Supposedly, the people of Cambodia were to fit dutifully into the life of Democratic Kampuchea. Since the reality was somewhat different, the population had to learn the new life through hard labor. Those who would not learn, as well as "class enemies," were eliminated. The Khmer Rouge pursued these goals without regard to human cost. While all Cambodia suffered, the brunt of Khmer Rouge fanaticism fell on the ostensibly "corrupt" urban class—the "new" people who had not been under Khmer Rouge rule before April 17.

The Khmer Rouge wasted no time in carrying out their plans. At 1 o'clock on the day of "liberation" the order was given to evacuate Phnom Penh. The city's population, swollen by 2 million refugees, included many who had been injured in the incessant bombardment of the city. Yet, the first orders for evacuation went to the patients of the overflowing hospitals. Father Ponchaud, in his book "Cambodia Year Zero," describes the ghastly parade:

> The strongest dragged pitifully along, others were carried by friends, and some were lying on beds pushed by their families with their plasma and drip bumping alongside. I shall never forget one cripple who had neither hands nor feet, writhing along the ground like a severed worm, or a weeping father carrying his ten-year-old daughter wrapped in a sheet tied round his neck like a sling, or the man with his foot dangling at the end of a leg to which it was attached by nothing but the skin. 'Can I spend the evening and night here with you?' he asked. 'No, you know it's not possible, you must leave as quickly as you can.' Refusing shelter to the sick and injured makes one feel he has lost his last shred of human dignity. That is how the first deportees left, about twenty thousand of them.[6]

While the orders for the evacuation of Phnom Penh were apparently set several months before the Khmer Rouge victory, no planning was made for the evacuees. Those in the north of Phnom Penh were sent north, those in the eastern quarter east, and so on. No preparations were made to feed, shelter, or resettle the massive exodus. En route to their indeterminate destinations, the citizens of Phnom Penh slept in the road or in rice paddies. No fresh water was available; those who drank from puddles or the river succumbed to dysentery. Very quickly the roads out of Phnom Penh became littered with corpses. In the days following April 17, similar scenes were played out in every Cambodian town.

The harsh life in the countryside killed many. All Cambodia was put to work in

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Footnotes at end of article.

the fields or on Khmer Rouge construction projects, including dams, dikes, irrigation ditches and roads. Since the generally illiterate Khmer Rouge soldiers possessed neither organizational nor engineering skills, much of this slave labor was unproductive. Work in Democratic Kampuchea began before dawn and continued until dark. Meals, such as they were, were eaten at the work site so as not to waste time. There were no holidays or days of rest. However, when there was a full moon—or later, in some areas, where the Khmer Rouge set up flood lighting—the population worked an extra shift.

The city dwellers were poorly prepared for this kind of work. The Norwegian submission to the U.N. Human Rights Commission describes the plight of some of them:

> Hunger, sickness, exhaustion and the psychological shock of being separated during the various stages of the journey, had reduced these unfortunate people, whose only crime was that they had not in time become revolutionaries to a thinness which was frightening . . . Physically, they were destroyed and morally (they) had suffered a lot, they obeyed submissively the orders of the Red Khmers who had their fate in their hands.[7]

The American bombing had converted Cambodia from a food surplus to a food deficit country. The rustication of the population contributed, at least temporarily, to a further decline in rice output. The result was famine. Without the bridging food imports from the United States, rations in Democratic Kampuchea largely disappeared in November and December 1975. One refugee reported:

> There were months where nothing was distributed, neither rice nor fish sauce . . . Then the instinct of preservation forced us to eat everything, insects, reptiles, rats, serpents, earth worms.[8]

As the population declined, a new Malthusian equilibrium was reached between food and people.

While the evacuation of the cities served to punish the broad class of urbanites who had opposed them, the Khmer Rouge took more specific actions to cleanse the nation of active opponents and of the "reactionary" classes. The targets included Lon Nol and Sihanouk government officials and civil servants; the officers—and later soldiers—of the defeated army; capitalists, broadly defined to include bankers, merchants, propertied individuals; and such "undesirables" as doctors, lawyers, teachers, engineers, monks, students, long-hairs, prostitutes, university and secondary school graduates; ethnic Chinese, even though China was the regime's only ally; those who could speak a foreign language.

The standard method for putting the victims to death—and death was the only punishment in Democratic Kampuchea—was a blow by a sharp instrument, generally a hoe, to the back of the neck. This economized on bullets. Otherwise, the Khmer Rouge employed the usual repertoire of the torturer and executioner: torture of children in front of their parents, the disembowelment of pregnant women; forced cannibalism, impalement, and so forth. In at least one instance a group of children was chained together in a bomb crater and buried alive.

At a former French Lycée Tuol Sleng, 12,000 undesirables were tortured and executed. As the Nazis had at Auschwitz, the Khmer Rouge sadists kept meticulous records including before and after pictures of each victim. Outside the Lycée and in many other sites in Cambodia, one can readily spot the final resting place for the victims. Above the mass graves, the grass is greener.

As in Nazi Germany, the question arises as to why so many Cambodians willingly served such a genocidal regime. Prince Sihanouk, in a recent interview, provides an answer:

> Pol Pot took as soldiers the young people—even ten years old. With children we change their way of life, we can educate them in a special way. Pol Pot took children from the mountain areas. They liked hunting. Before they killed animals. Now they kill men. For the young soldiers of Pol Pot, killing is a very funny game . . . like the Russian roulette in the American film "Deer Hunter."

Refugees and other observers have remarked on the extreme youth of the soldiers. To a horrifying extent, Cambodia is a land murdered by its children.

The ideal of Democratic Kampuchea—as conceived by its ideological creators in the Paris coffeehouses of the 1950s—was a harmonious, communal society. The reality was a massive Gulag where religion, courtship and love were banished, where children spied on parents, and where the slightest offense—be it malingering or flirting—was punishable by death. Democratic Kampuchea was truly "a land of blood and tears, hell on Earth."

The Khmer Rouge foreign policy was almost as uncompromising as its domestic policy. In its 4 years of power, the Khmer Rouge carried out massacres against border populations of its two larger neighbors, Thailand and Vietnam. On December 25, 1978 the Vietnamese responded with a massive invasion. On January 7, 1979 they seized a virtually empty Phnom Penh and within a few weeks had overrun most of the country. At least it seemed as though Cambodia's "long national nightmare" might be over.

In fact, however, the Cambodia holocaust merely entered a new phase, that of worsening famine. The Vietnamese invasion began just as the December harvest was being completed. The end of the year harvest which normally accounts for 55 percent of the country's annual produce was severely disrupted. Fighting destroyed paddies and harvested stores. In many villages the Khmer Rouge followed a scorched earth policy, leaving nothing for the Vietnamese or the abandoned civilian population. In others, the Vietnamese confiscated supplies.

The invasion also destroyed the Khmer Rouge's tightly controlled economic and social structure. Hungry peasants kept and ate as much of the harvest as they could. Little rice was put aside for future planting, and as hunger increased Cambodians began to eat what little seed rice there was.

In 1969, Cambodians planted 3.2 million hectares with rice with an annual output—over three harvests—of 1.2 million metric tons of milled rice. Of that, Cambodia exported 200,000 metric tons. In 1979, our satellites showed no more than 400,000 hectares planted—11 percent of the total. Under optimal conditions this would have produced 180,000 metric tons, or less than the fraction exported 10 years earlier.

In a country which in 1969 had been 80 percent agricultural and by 1979 was 100 percent agricultural, a drop of 80 percent in the production of the principal staple is, of course, cataclysmic. By midsummer the rice ration in Vietnamese-controlled Cambodia was less than 1 kilogram per person per week—a level painfully below even minimal nutritional requirements. For Cambodians still under the control of the Pol Pot guerrillas, or in the contested areas, the ration was even less.

As famine stalked the land, Cambodians fled to neighboring Thailand. They arrived starving and broken to a fearfully uncertain reception. The camps, inhabited by tens of thousands, were, visitors reported, eerily silent. The children were too weak to play or laugh or cry. By December 1979, 800,000 Cambodians had found food and precarious sanctuary in Thailand or on the border. The prospects for these refugees are bleak. Only a handful will find new homes in new countries. The rest will stay on the border, waiting for the uncertain day when a peaceful Cambodia may be able to feed and house them.

The physical damage in Cambodia is appalling. The agricultural system is, of course, in ruins. Fishing, once a major source of protein, is now greatly reduced. The Khmer Rouge destroyed the nets. Although some citizens have returned since the overthrow of Pol Pot, Cambodia's cities are still mostly empty. Housing and public buildings have deteriorated in the last 5 years. Many are only shells, their contents seized in the systematic looting following April 1975. The new Cambodian authorities even have had to clear parts of Phnom Penh from recent jungle growth.

Services are now almost nonexistent. Except for very small areas in Phnom Penh, electricity and water have not functioned in Cambodian cities since 1975. There is no postal system, no telephone system, and no currency.

Cambodia's roads and bridges remain largely unrepaired from the bombing and civil war. The off-loading facilities at the ports of Kompong Som and Phnom Penh were destroyed by the Khmer Rouge as was much of the country's warehouse space. Until the relief agencies brought in transport, Cambodia had few trucks or operable automobiles. Outside Phnom Penh new and old trucks lie rusting in the paddies where the Khmer Rouge left them in 1975 as symbols of bourgeouise decadance. The state of Cambodia's transportation system is a nightmare for the relief agencies.

As vast as the physical devastation is, the human and psychological toll is worse. For a generation, or more, Cam-

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Footnotes at end of article.

bodians will pay a price for the Khmer Rouge predations.

Most serious for the country's future is the decimation of the educated classes. In 1975 Cambodia had 600 doctors. No more than 60 survived. In 1979 many famine-weakened Cambodians succumbed to cholera, malaria, beriberi, and hepatitis, all of which reached epidemic proportions. Without medicine, hospital beds, hospital supplies, and most of all without trained medical personnel, thousands died of diseases that normally are cured easily. The medical crisis is sure to recur.

Cambodia's children have missed 5 years of schooling. Now, in the few makeshift schools set up since the fall of Pol Pot, there are shortages of paper, pencils, desks, and blackboards. With outside help these shortages can be made up. Not so the shortage of teachers.

Cambodia also has pitifully few surviving engineers, lawyers, agronomists, scientists, and administrators.

The psychological trauma of the last 10 years, while not quantifiable, clearly will be a factor in Cambodia's future. With death rates approaching 50 percent, few Cambodian families have emerged from this decade unscathed. Many families, of course, have been completely wiped out. Because the infants were least able to survive the rigors of the last 5 years, Cambodia is a land of few small children. Those that there are will surely suffer the effects of famine-induced brain damage. For all Cambodians the memory of the seventies is sure to linger.

Attempting to cope with this monstrous crisis is a government manifestly unequal to the task. The government ministers are young—most are in their twenties—poorly educated, with little knowledge of the modern world. Few speak any thing but Khmer. For most, their previous experience has been manual labor in the Cambodian countryside.

The functioning of the government is hampered by shortages of paper, typewriters, and pencils. Government offices are understaffed—the Foreign Ministry has 25 employees, the Health Ministry fewer than 15—because of a lack of qualified civil servants. From the total tyranny of Pol Pot, Cambodia now faces the prospect, at this critical juncture, of a government that is no government at all.

To save Cambodia, her friends have called for an international conference to work out a political settlement. Indeed, without a political settlement the country's future looks bleak. A Hobson's choice between the Khmer Rouge and a Vietnamese occupation army. Only a stable political settlement involving the cooperation of the various involved external and internal powers can reverse the devastation and suffering of this once beautiful and delightful country. International rivalry created today's catastrophe in Cambodia and it may be naive to suppose international cooperation can save the country. Yet for Cambodia's survivors that remains the only hope for a decent future.

FOOTNOTES

[1] Senate Foreign Relations Committee Hearings, 1975.

[2] William Shawcross, *Sideshow*.

[3] Richard Dudman, *Forty Days With The Enemy*.

[4] President Nixon's News Conference, December 10, 1970.

[5] Ponchaud, Francois. *Cambodia Year Zero*.

[6] Ponchaud, *Cambodia Year Zero*.

[7] Submission of the Government of Norway to the U.N. Commission on Human Rights, July 19, 1978.

[8] *Ibid.*

[9] Meeting with Peter Galbraith, Senate Foreign Relations Committee Staff.

AMENDMENTS SUBMITTED FOR PRINTING

ALASKA NATIONAL FOREST LANDS—H.R. 39

AMENDMENTS NOS. 1787 THROUGH 1789

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted three amendments intended to be proposed by him to H.R. 39, an act to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes.

Mr. STEVENS. Mr. President, today I am submitting the amendments which I am permitted to offer under the time agreement governing consideration of the Alaska lands issue. Let me make it clear that I support the Senate Energy and Natural Resources Committee bill, and that I hope that the bill can go to conference without amendment. But, I am introducing these amendments for consideration only in the event that the bill is amended by the amendments offered by Senator TSONGAS. Throughout the consideration of the Alaska lands issue, I will be working with the chairman and ranking minority member, Senators JACKSON and HATFIELD, to see that the Senate Energy Committee bill is sent to conference where we all believe a final bill can be worked out.

It was my hope that the Senate would have taken the Alaska lands bill up in February or March of this year and would have voted on the Tsongas substitute and then on the committee bill. However, the only time agreement which could be reached provided for a later consideration and for provisions to permit certain Senators to offer amendments. Thus, I have prepared these amendments in case I need to offer them.

Again, let me make clear that I will not offer these amendments if the Tsongas amendments or any other weakening amendments are not passed. It is my intention to oppose these amendments because they will disturb the balance of the committee bill which is the product of nearly 60 markup sessions in the past 2 years. I do not intend to be maneuvered into a situation in which one of Senator TSONGAS' amendments is passed so then one of my amendments can be accepted. All of the issues raised by my amendments can be dealt with in the conference committee.

Mr. President, I ask unanimous consent that a description of each amendment be printed in the RECORD following the printing of the appropriate amendment.

There being no objection, the amendments and explanations were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1787

Title I:

Page 363, strike lines 1 and 2 and insert in lieu thereof: "opportunity for rural residents engaged in a subsistence way of life to do so."

Title II:

Page 388, line 8, strike "or Federal".

Page 388, line 8, strike "Federal lands" and insert the following: "public lands".

Page 388, line 15, after "." add the additional sentence: "This section does not authorize the Secretary to issue Federal permits to engage in commercial fishing on waters located within a unit of the National Park System."

Title III:

Page 389, line 7, following "practicable", strike "," and insert the following: "under authority of existing law, including but not limited to the National Wildlife Refuge Administration Act of 1966 (80 Stat. 927, 16 U.S.C. 668dd-jj),".

Page 389, line 8, strike "protections, maintenance, and"

Page 389, line 8, strike ", management of fish, wildlife, and plants, their habitats," and insert the following: "the management of the habitats of fish and wildlife".

Page 405, line 3, strike lines 3–5 and insert the following: "(2) to fulfill the obligations of the United States with respect to fish, wildlife and their habitats which are the subjects of international treaties;".

Page 406, line 9, strike "." and insert the following: "including, but not limited to, the provisions of this Act."

Page 407, lines 24 and 25, strike "or Federal law".

Page 407, line 25, strike "Federal lands" and insert in lieu thereof: "public lands".

Page 408, line 5, strike "Federal lands" and insert "Public lands".

Page 408, line 11, after "1979." insert the following: "This section does not authorize the Secretary to issue Federal permits to engage in commercial fishing within a unit of the National Wildlife Refuge System".

Title V:

Page 416, line 4, strike "protection" and in lieu thereof insert "conservation".

Page 416, line 14, between "other" and "uses", insert "similar".

Page 416, line 16, following "place.", insert the following additional sentence:

"*Provided*, That the taking of fish and wildlife shall be permitted within zones established by this subsection pursuant to the provisions of this Act and other applicable State and Federal law."

Page 417, line 14, strike "protection" and in lieu thereof insert "conservation".

Page 417, line 19, after "1978.", insert the following additional sentence:

"*Provided*, That the taking of fish and wildlife shall be permitted within zones established by this subsection pursuant to the provisions of this Act and other applicable State and Federal law."

Page 417, line 19, strike "Other multiple" and in lieu thereof insert "Multiple".

Page 417, line 20, strike "protection" and in lieu thereof insert "conservation".

Title VIII:

Page 469, line 22, strike "their" and insert in lieu thereof "Native".

Page 469, line 23, between "and" and "cul", strike "Native".

Page 469, line 23, after "existence", strike ";" and insert the following phrase: ", and to non-native physical, economic, traditional and social existence;".

Page 470, line 2, strike "persons" and insert "rural residents".

Page 470, line 25, strike "the inhabi-".

Page 471, line 1, strike "tants of Alaska" and insert "residents of rural Alaska".

Page 471, line 2, strike "people" and insert "rural residents".

Page 471, line 25, following "Alaska", strike ", and where" and in lieu thereof insert ". When".

Page 474, line 4, following "Secretary", insert the following phrase: ", in consultation with the State,".

Page 474, line 19, following "regional", insert "advisory".

Page 475, line 6, following "ticipation" insert the phrase: "pursuant to the provisions of this title."

Page 475, line 24, between "local" and "committee" insert "advisory".

Page 476, line 8, between "local" and "committee" insert "advisory".

Page 476, line 15, between "regional" and "committee" insert "advisory".

Page 477, line 8, between "local" and "committee" insert "advisory".

Page 477, line 9, between "regional" and "council" insert "advisory".

Page 479, line 7, strike "State in providing such preference," and insert in lieu thereof: "implementation of this title, including the State's provision of such preference,".

Page 479, line 15, between "regional" and "committee" insert "advisory".

Page 475, line 15, between "regional" and "council" insert "advisory".

Page 481, line 20, between "local" and "committee" insert "advisory".

Page 481, line 21, between "regional" and "council" insert "advisory".

Page 482, between "AND" and "MONUMENT" insert: "PARK".

Page 482, line 6, between "or" and "monument" insert "park".

Page 482, line 7, between "regional" and "council" insert "advisory".

Page 482, line 9, between "or" and "monument" insert "park".

Page 482, line 11, between "regional" and "council" insert "advisory" and between "local" and "committee" insert "advisory".

Page 482, lines 12–14 strike "is a resident of a village within or adjacent to the park or monument or whose residents engage," insert in lieu thereof "engages".

Page 482, line 14, between "or" and "monument" insert "park".

Page 482, line 18, between "or" and "monument" insert "park".

Page 482, line 24, between "local" and "committee" insert "advisory" and between "regional" and "councils" insert "advisory".

Page 483, line 4, between "local" and "committee" insert "advisory" and following "regional" insert "advisory".

Page 483, line 6, between "or" and "monument" insert "park".

Page 483, line 15, between "or" and "monument" insert "park".

Page 483, line 16, between "or" and "monument" insert "park".

Page 487, line 21, between "local" and "committee" insert "advisory" and between "regional" and "council" insert "advisory".

Page 488, line 2, following "future," strike remainder of line 2 and insert: "to ensure the opportunity for continued subsistence uses on the public lands; and".

Page 488, strike lines 3 and 4.

Page 489, line 10, between "and" and "monuments", insert "park".

Page 490, line 23, following "or", strike "to assure the continued viability of".

Page 490, line 24, strike "to assure the continued viability of a particular fish or wildlife population." and insert in lieu thereof, "compliance with the provisions of applicable law.".

Title XI:

Page 587, line 15, following "is", strike "permitted" and insert the following "not prohibited".

Page 633, line 22, between "law." and "Within", insert the following: "Consistent with the provisions of this Act,".

Page 633, line 21, strike "appropriate reg".

Pages 633, line 22, strike "ulation and".

Page 634, line 1, strike "and management".

Page 634, line 12, strike "specifically provided by this Act", and substitute the following: "may be provided in Title VIII of this Act,".

Page 634, line 23, between "national" and "monuments", insert "park".

Page 635, line 22, strike "may" and insert the following: "shall".

Page 635, line 25, delete "." and insert the following: ", unless the Secretary determines, after notice and hearing, that such activities and the support facilities necessary to accomplish such activities will constitute a significant detriment to the purposes of such an area.".

Page 636, line 7, following "authorized", insert the following: "by this section".

Fish and Wildlife Management Amendment

EXPLANATION

The fish and wildlife resources of the public lands in Alaska are of national and international significance. The conservation of these important resources is dependent upon the development of a workable relationship between the State and Federal governments regarding fish and wildlife management. The purpose of this amendment is to refine the language of several provisons of the Alaska lands bill to further clarify policy decisions made by the Senate Energy and Natural Resources Committee with respect to fish and wildlife management. The provisions of the amendment focus on three areas: general fish and wildlife management provisions, subsistence management and use, and aquaculture. Brief descriptions of these provisions follow.

General Fish and Wildlife Management: These provisions clarify that the Secretary's regulation of uses of lands within certain national parks for commercial fishing purposes is limited to federal lands (as opposed to State and private lands), that the bill does not authorize the issuance of commercial fishing licenses which are a function of state regulation, that the conservation of fish and wildlife within refuges shall be accomplished in accordance with the requirements of the National Wildlife Refuge Administration Act, that sport hunting, fishing and trapping within refuges shall be subject to the requirements of this Act and other applicable law, that the taking of fish and wildlife shall be permitted within new national units, and that, except as specifically may be provided in Title VIII, nothing in the Act is intended to enlarge or diminish the responsibility and authority of the State of Alaska for management of fish and wildlife on the public lands.

Subsistence Management and Use: These provisions conform references to "subsistence uses" in other parts of the bill with the language of the "subsistence uses" definition from Title VIII, recognize the imtance of subsistence uses to the social existence of many non-Natives as well as to the cultural existence of Alaska Natives, require the Secretary to consult with the State during his establishment of a regional advisory council system (if the State does not establish its own such system), clarifies the role of the regional advisory councils in the decision-making process, clarifies that subsistence resource commissions are not required for national forest monuments and that within national parks and national park monuments the taking of fish and wildlife for subsistence uses shall be regulated by the State in accordance with the requirements of Title VIII and applicable State law.

Aquaculture: These provisions ensure that in national park wilderness areas, fisheries research and enhancement activities are to be undertaken in order to maintain fish populations or to rehabilitate such populations to historic levels unless such activities are detrimental to wilderness area purposes.

The amendment just described was developed in consultation with the State of Alaska, the Real Alaska Coalition and various sportsmen's groups, the Alaska Federation of Natives, the International Association of Fish and Wildlife Agencies, and the National Rifle Association.

Amendment No. 1787

Page 645, line 25, add the following new section and renumber other sections accordingly:

CONGRESSIONAL OVERSIGHT OF FUTURE EXECUTIVE ACTIONS

Sec. 1324. (a) No boundaries of any area established or expanded by this Act may be revoked or modified unless such modification is specifically authorized by this Act or by a subsequent Act of Congress.

(b) Notwithstanding any other provisions of law, no further studies, designations, or withdrawals of Federal lands in excess of 5,000 acres in Alaska except those authorized by this Act shall be conducted or made unless authorized by Act of Congress.

Title XIII:

Page 644, line 18, strike "and".

Page 644, line 18, following "1978", insert the following: "Public Land Orders numbered 5696 through 5711 inclusive of February 12, 1980.".

Congressional Oversight of Future Executive Actions

EXPLANATION

One of the goals of Congress in enacting Alaska lands legislation is to stabilize an uncertain land situation in Alaska and to establish congressionally-mandated management principles for Federal lands dealt with by the legislation. The passage of this legislation should bring a conclusion to the process of *ad hoc* executive withdrawals of Federal lands in Alaska, actions which have in the past withdrawn the most massive areas of land in the nation's history.

The amendment's purpose is to recognize that Congress has conducted a long and thorough process in its passage of Alaska lands legislation and that major change of any nature in the status of Federal lands in Alaska should be dealt with only by Act of Congress. The amendment provides that any modification or revocation of the areas established by Congress, unless specifically authorized by a provision of the Alaska lands bill, must be accomplished by Act of Congress.

Drawing on policy decisions enunciated by the Federal Land Policy and Management Act, the amendment requires that any new studies, designations, or withdrawals in excess of 5,000 acres must first be authorized by Act of Congress. This requirement is consistent with the evaluation of public land which has limited the unilateral power of the executive branch to withdraw large, permanent areas of Federal land. The proposed amendment preserves the provisions of the bill which authorize specific boundary adjustments by the Secretary. The Secretary's authority under the Federal Land Policy and Management Act to make emergency withdrawals and other withdrawals which do not exceed 5,000 acres in size is also unaffected.

This amendment is a very necessary component of the State of Alaska's position on the Alaska lands issue and support of the amendment's principles has been articulated by a resolution from the Alaska State Legislature.

A technical correction is contained in this amendment to extend the revocation provisions now in the bill to the new wildlife refuges which the Secretary utilized under Section 204(c) of FLPMA in February of this year.

AMENDMENT No. 1789

Title IV:

Page 409, line 24, strike "and".

Page 409, line 24, following "1978", strike "." and insert: ", and subject to implementation of the land exchange authorized by section 403 of this Title.".

Page 411, line 16, after "403.", insert the following: "(a)".

Page 411, after line 2, insert the following new subsection:

"(b)(1) If within one year after the date of enactment of this Act the State tenders its conveyance of all lands and the relinquishment of all land selections, comprising approximately 1.29 million acres of land in the Upper Coleen-Sheenjek River area as depicted on the map entitled 'Coleen-Sheenjek Federal-State Exchange Lands' and dated May 1980, the boundary of the Range shall, upon completion of this exchange be amended thereby. Such lands shall, upon such completion, become part of the Arctic National Wildlife Range.

"(2) The Secretary shall accept the tender of those conveyances and relinquishments referred to in paragraph (1) above if they are of proper form, content and execution, and upon their acceptance shall convey to the State under the Alaska Statehood Act (72 Stat. 338, as amended) and section 906 (g) of this Act, public lands comprising approximately 1.54 million acres as depicted on the map entitled 'White Mountains-Preacher Creek Federal-State Exchange Lands' and dated May 1980. The acreage of public lands conveyed to the State pursuant to this exchange shall be subtracted from its land entitlement specified in section 6(b) of the Alaska Statehood Act in an amount equal to the acreage of lands conveyed and selections relinquished by the State to the Secretary.

"(3)(a)(1) *Approval of Applications.* At such time as the land exchange described in subsections (b)(1) and (b)(2) is accomplished and subject to valid existing rights, all applications located in Alaska made pursuant to the Act of June 1, 1938, 52 Stat. 609, as amended and supplemented, the Act of May 3, 1927, 44 Stat. 1364, as amended and supplemented, or the Act of May 14, 1898, 30 Stat. 413, as amended and supplemented which were pending before the Department of the Interior on October 21, 1976, and which were located on lands available for such application at the time of entry and all applications made pursuant to the Act of March 3, 1891, 26 Stat. 1097, as amended and supplemented, which are pending and were located on land available for such application at the time of entry are hereby approved on the one hundred and eightieth day following the effective date of this act, except where provided otherwise by subsections (b) and (c).

"(2) All patents approved pursuant to this section shall be subject to the provisions of the Act pursuant to which the application was made and other applicable law.

"(3) Paragraph (1) of this subsection shall not apply to any application which has been knowingly and voluntarily relinquished by the applicant.

"(b) APPLICATIONS SUBJECT TO ADJUDICATION.—Notwithstanding the provisions of subsection (2), an application shall be adjudicated pursuant to the provisions of the Act under which it was made if the application describes—

(1) land which is within the boundary of a National Park System unit established, designated, or redesignated on or before the date of enactment of this Act;

(2) land selected by a Native corporation or Native group; or

(3) land which is patented, deeded, tentatively approved, or confirmed to the State, or selected by the State.

"(c) PROTEST RIGHTS.—Subsection (a) shall not apply and an application shall be adjudicated pursuant to the provisions of the Act under which it was made, if on or before the one hundred and eightieth day following the effective date of this Act:

(1) The State files a protest with the Secretary stating that the land described in the application is necessary for access to lands owned by the United States, the State, or a political subdivision of the State, to resources located thereon, or to a public body of water regularly employed for transportation purposes, and the protest states with specificity the facts upon which the conclusions concerning access are based and that no reasonable alternative for excess exists; or

(2) a person or entity files a protest with the Secretary stating that the applicant is not entitled to the land described in the application and that such land is the situs of improvement, valid mineral interest, or other legal interest in such land claimed by the person or entity.

"(d) REDUCTION OF ACREAGE.—Where an application describes more than the maximum amount of acreage authorized pursuant to the Act under which the application was made, the Secretary shall reduce the acreage to the maximum amount in a manner which is consistent with prior use of the described land by the applicant and which is least detrimental to the applicant.

"(e) VALID EXISTING RIGHTS.—Prior to issuing a certificate or other evidence of approval of an application described in subsection (a), the Secretary shall identify and adjudicate any other record entry or application for title to land described in the application, and shall determine whether such other entry or application represents a valid existing right to which the application described in subsection (a) is subject.

"(f) PROCESSING.—Prior to execution of the land exchange described in subsections (b)(1) and (b)(2), the Secretary, pursuant to application, shall continue to process the applications referred to in subsection (6)(3)."

Page 447, strike lines 22 through 25.

Page 448, strike lines 1 through 3, and renumber remaining subparagraphs.

Page 450, on line 16, strike "." following "Alaska."

Page 450, following line 16, insert "'(86) Beaver Creek.'."

Page 451, line 15, strike "Beaver Creek".

Page 452, line 25, strike "Beaver Creek".

ARCTIC WILDLIFE RANGE/STATE LAND AND WHITE MOUNTAINS-PREACHER CREEK/FEDERAL LAND EXCHANGE

EXPLANATION

This amendment promotes consolidated ownership of Federal land in the expanded Arctic National Wildlife Range and of State land in the White Mountains/Preacher Creek area north of the Steese Highway near Fairbanks. If the exchange is approved by the State within one year of the bill's enactment (Alaska state law requires public hearings on this proposal prior to approval), the State would convey to the Federal government its selections of important wildlife habitat just south of the existing Arctic Wildlife Range. This land would become part of the range.

In exchange, the State of Alaska would receive title to Federal lands comprising the White Mountains National Recreation Area and the Preacher Creek unit of the Steese National Conservation Area, both of which are created by the bill, and the remaining applications under the homestead and other related public land laws would be approved subject to certain criteria. Beaver Creek in the White Mountains would be designated for study as a wild and scenic river and a 30-mile segment of the Upper Sheenjek River would be designated a wild river as a result of the trade.

For the Federal government, this exchange has several major advantages:

1. The exchange would add to the Wildlife Range valuable habitat especially important for migration and winter range of the Porcupine caribou herd. The area also contains habitat for significant moose and grizzly bear, wolves, wolverines, and other wildlife population.

2. The exchange would eliminate a significant non-Federal inholding within an area of otherwise contiguous Federal land management. By adding this land to the Arctic Wildlife Range, the U.S. Fish and Wildlife Service would extend its management over habitat which would otherwise be conveyed to the State by the Senate Committee bill as valid state land selections.

3. The wild and scenic river designation of the Upper Sheenjek River would be extended some 30 miles downstream, if the exchange is completed, because that part of the river would be added to the Range. Thus, the entire length of the river would be designated as either a wild river (segment within the Range) or for study as a wild river (segment within the Porcupine National Forest), creating the possibility of its becoming one of the longest wild rivers lying entirely within Federal areas.

4. The special values of Beaver Creek are appropriately recognized by its designation for study as a possible addition to the National Wild and Scenic Rivers System in accordance with Section 604 of the Senate Committee bill.

5. By conveying to the State only those lands within the White Mountains National Recreation Area and the Preacher Creek drainage of the Steese National Conservation Area, the exchange relies on the carefully considered boundary delineations of the Senate Committee bill to minimize any major effect on management of the proposed Yukon Flats National Wildlife Refuge to the north.

6. The Federal government would be spared the expense and administrative problem of adjudicating a small number of remaining applications under the Homestead Law and other similar statutes. The Senate Committee bill provides for the approval of Native allotment applications. The provisions of this amendment would provide equal treatment for those non-Natives who have similar applications under the homestead, trade and manufacturing site, headquarters and homesite, and small tract acts. These applications number only 670 and encompass only 38,000 acres (1/30,000 of the total acreage of the bill).

As with Native allotment applications, certain applications would be automatically adjudicated under existing law including those located within a national park, a state or Native selected area, or where there may be a conflict with private rights or specific public interest criteria. The BLM has estimated that the total field work and adjudication of pending Native allotment applications and these applications would require 1210 work months and 30 new positions to clear the backlog at a cost of 7.2 million dollars. The passage of this amendment along with the existing provisions of the bill would eliminate the bulk of that effort.

The State would also benefit from this exchange. By exchanging relatively remote and isolated lands for lands contiguous to other state holdings and which are connected by highway to the rest of the State, the State would be able to provide not only more appropriate and effective land management, but could offer a wider range of opportunities for Alaskan residents. The accessibility of the White Mountains-Preacher Creek area and its diverse recreational and mineral values combine to make this area a prime candidate for state ownership.

CHRYSLER GUARANTEED LOAN PROGRAM

AMENDMENT NO. 1790

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted an amendment intended to be proposed by him.

(The remarks of Mr. WEICKER when he submitted the amendment appear elsewhere in today's proceedings.)

SANTA ROSA DAM—S. 1895

AMENDMENT NO. 1791

(Ordered to be printed and to lie on the table.)

Mr. THURMOND (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by them, jointly, to S. 1895, a bill to change the name of the Los Esteros Dam (New Mexico) to the Santa Rosa Dam.

CLARK HILL DAM AND LAKE

Mr. THURMOND. Mr. President, I submit and send to the desk an amendment which I intend to propose to S. 1895. I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1971

On page 1 after line 5, delete the remainder of the bill and insert in lieu thereof the following:

SEC. 2. The Clark Hill Dam and Lake, Georgia and South Carolina, project, authorized by Public Law 534, Seventy-eighth Congress, approved December 22, 1944, shall hereafter be known and designated as "Clarks Hill Dam and Lake". Any reference in any law, regulation, map, document, record or other paper of the United States to such dam and lake, shall be held and considered to be a reference to "Clarks Hill Dam and Lake".

NOTICE OF HEARINGS

COMMITTEE ON VETERANS' AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from California (Mr. CRANSTON), who is chairman of the Committee on Veterans' Affairs, I would like to announce, for the information of the Senate and the public, the hearing schedule of the committee for the month of June.

On Wednesday, June 11, beginning at 9:30 a.m. in room 412 of the Russell Senate Office Building, the committee will be conducting an oversight hearing on the activities and progress of the Veterans' Administration's Inspector General.

Questions regarding this hearing should be directed to Michael Buchanan, associate counsel on the committee staff, at (202) 224-9126.

On Tuesday, June 17, beginning at 9:30 a.m. in room 412 of the Russell Senate Office Building, the committee will hold a hearing on legislative issues in the service-connected disability compensation, dependency and indemnity compensation, and loan guaranty programs of the Veterans' Administration and oversight issues in those programs as well as in the VA pension, insurance, and burial benefits programs. At the request of the Committee Chairman, the Senator from Georgia (Mr. TALMADGE) will chair this hearing.

Questions regarding this hearing should be directed to Mary Sears, associate counsel on the committee staff, at (202) 224-9126.

On Thursday, June 19, beginning at 9:30 a.m. in room 412 of the Russell Senate Office Building, the committee will be conducting a hearing on S. 2020, the proposed "Armed Forces Earned Educational Assistance Act," S. 2596, the proposed "Veterans Education Assistance Act of 1980," oversight of inservice use of educational benefits administered by the VA, and other issues related to educational incentives for the All Volunteer Force.

Questions regarding this hearing should be directed to Babette Polzer, professional staff member on the committee staff, at (202) 224-9126.

SUBCOMMITTEE ON PARKS, RECREATION AND RENEWABLE RESOURCES

● Mr. BUMPERS. Mr. President, on March 13, 1980, the Subcommittee on Parks, Recreation and Renewable Resources conducted a hearing on two measures pending before the subcommittee concerning the designation of certain wilderness areas in Colorado. At that time, the subcommittee heard administration and public testimony on H.R. 5487, which passed the House on December 10, 1979, and S. 2123, introduced by Senator HART on December 12, 1979.

On May 20, 1980, Senator ARMSTRONG introduced S. 2741 which incorporates his proposals for wilderness in Colorado.

In an effort to complete the subcommittee record prior to the beginning of the committee's consideration of the Colorado RARE II issue, I have invited Senator ARMSTRONG to discuss his bill with the subcommittee on June 3 at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

Questions regarding the subcommittee meeting should be directed to Mr. Thomas Williams at 202-224-7145.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a hearing on S. 2665, National Coal Production Distribution and Utilization Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today to hold a hearing on a judicial nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Monday, June 2, 1980, to hold markup on S. 794, the postal supervisors arbitration bill, and S. 1938, the Radiation Protection Management Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

GILBANE BUILDING CO. COMPLETES ENERGY-EFFICIENT HEADQUARTERS BUILDING

● Mr. PELL. Mr. President, in Providence, R.I., the Gilbane Building Co., one of the Nation's leading construction firms, recently completed a new company headquarters building. The new building is worthy of notice because it is a dramatic example of energy-efficient design and construction.

In fact, the building is so energy efficient that its annual energy consumption will be only half of the existing Federal Government standards for heating and cooling.

Just a decade ago office buildings typically required 150,000 BTU's (British thermal units) per square foot per year for heating and cooling. With the advent of the energy crisis in the 1970's, the Federal Government established a standard of 70.000 Btu's annually per square foot. The Gilbane Building, in marked contrast, will require only 35,000 Btu's annually per square foot.

The Gilbane Co. accomplished this remarkable efficiency through a combination of ingenious design and construction techniques. They include minimal use of glass, maximum use of insulation, installation of energy-efficient parabolic lighting, a solar greenhouse, and a unique air-conditioning system that will use electricity only during the night, avoiding day-time peak power demands.

The building is not only energy efficient, it is also cost efficient. The extra costs of the entire energy system for the 118,000 square foot building totaled about $850,000, but the company expects, because of increasing energy costs, that savings from lower energy consumption will cover the added cost in just 3 years.

Mr. President, the Gilbane Building Co. has many outstanding accomplishments to its credit, including overseeing construction of the National Air and Space Museum here in Washington and its current work on strategic petroleum reserve facilities in Texas and Louisiana, but its new headquarters building must rank among its most notable achievements.

The project, conducted without Federal Government assistance or incentives, is a fine example of the immense contribution that private industry, with far-sighted and imaginative leadership, can make to our national effort to conserve energy.

I ask that an article from the Providence Evening Bulletin of May 13, 1980, describing the energy-efficiency of the Gilbane headquarters building be printed in the RECORD.

The article follows:

THIS BUILDING IS SELF-SUFFICIENT

(By Robert Stickler)

PROVIDENCE.—The new Gilbane Building Co. headquarters virtually can heat itself on winter days.

More than 80 percent of its hot water is furnished by energy drawn from seven solar panels on the roof.

The building can be air-conditioned without using one watt of electricity during the day.

Combining the newest technology with common sense, Gilbane has made its 118,000-square-foot structure one of the most efficient energy-using buildings in the state.

Although the solar greenhouse, solar panels and unique air conditioning system are the most obvious technological assets, the key to energy efficiency is in the insulation and a sophisticated heat transfer system.

A decade ago, buildings typically required 150,000 BTU's (British thermal units) per square foot for annual heating and cooling. With the advent of the energy crisis, new federal standards required a 70,000 BTU efficiency.

The Gilbane building will require only 35,000 BTU's per square foot.

The main reason is that insulation in both the roof and walls will exceed R–19 requirements. Also, the use of glass has been kept to a minimum in order to keep the building as heat-tight as possible.

New parabolic lights, which cost $35,000 more than traditional lighting would have, use less electricity and can channel their heat into the buildings sophisticated distribution system. The lights use only 1.65 watts per square foot compared to 3 watts per square foot needed by conventional fixtures.

The building is so efficient that heat from the lighting to heat the entire building during winter work days. A boiler system, which can use electricity, natural gas or oil depending on price, will have to be used at night.

Solar compensators, especially thermometers on the outside walls of the building will help channel warm air from rooms on the sunny side of the facility into rooms on the shady, cooler side through a sophisticated air distribution system.

The heating system will also be aided somewhat by heat generated in the 2,000 square-foot solar greenhouse. Sunlight will heat the air inside the structure which will be drawn through a duct system to supplement the regular heating system. A tombwall, essentially a closely-packed brick wall, on one side of the room acts as a kind of heat sponge, absorbing part of the heat during the day and slowly releasing it at night.

Under most conditions, the greenhouse will just generate enough heat to keep its plants warm, according to Jerry Barzaghi, a Gilbane senior vice president. But use of the greenhouse does make the building more attractive and allow for a smaller lobby, thus saving energy, he noted.

The key to the air-conditioning system is three 20,000-gallon tanks of water located under the building. At night, an electrically-run chiller will cool the water to 40 degrees. During the day air will be circulated around the water to be cooled before being blown into the building.

The idea is to use electricity at night, not during the peak demand of the day. Gilbane is hoping Rhode Island will follow Massachusetts and other states in implementing a lower rate for using electricity at off-peak times, thus making the new system economically advantageous.

The company figures it will save $6,000 a year with the system, paying back its extra cost within eight years.

Richard Gilbane, project engineer, said the entire energy package cost $850,000, which is about 20 percent more than a conventional system. However, with the rapid increases in the cost of fuels, he figures the savings will cover the additional costs within three years.

Many of the systems used in the new Gilbane building are being used in other structures Gilbane is building around the country.

"When we get involved in a project, we advise the owner on the latest technologies," Gilbane said.●

NICARAGUAN FOREIGN POLICY

● Mr. ZORINSKY. Mr. President, just prior to the Memorial Day recess, the Government of Nicaragua, through its Embassy here in Washington, released a brief statement covering three issues that had been raised earlier in congressional hearings about Nicaraguan foreign policy. This statement addresses the issues of Cuban refugees, Nicaragua's relations with the Soviet Union, and the PLO question.

For the information of the Senate, Mr. President, I ask that this statement be printed in the RECORD.

The statement follows:

The Junta of the Government of National Reconstruction, through its Embassy in Washington, D.C., takes this opportunity to address itself to certain issues pertaining to Nicaragua which were raised in hearings conducted by the Subcommittee on Inter-American Affairs of the House Foreign Affairs Committee on May 20, 1980:

Nicaragua, foremost, is in no position to offer assistance of any sort to Cuban refugees due to our dire economic circumstances. Furthermore, Nicaragua regards the entire matter as a bilateral issue between the United States of America and Cuba.

The government of Nicaragua emphatically denies having signed any secret agreements with the Soviet Union, military or otherwise. The agreements signed between Nicaragua and the Soviet Union are public and basically relate to cooperation in the commercial, cultural, and technical areas. Furthermore, the Sandinista National Liberation Front signed, in Moscow, a joint declaration with the Communist Party of the Soviet Union—not a secret agreement of any type. The Communique was published in the Congressional Record, Vol. 126, No. 81, May 19, 1980, p. S5571.

Nicaragua, as it is well known, will establish diplomatic relations with the Palestinian Liberation Organization in the near future. Pursuing our foreign policy—and observing the basic principles of the non-aligned movement to which we have subscribed—Nicaragua recognizes the Palestinian Liberation Organization as the legitimate representative of the Palestinian people. Nicaragua has retained diplomatic relations with Israel even though that country gave military support to the genocidal Somoza dictatorship. The fact that Nicaragua will establish diplomatic relations with the Palestinian Liberation Organization does not imply that Nicaragua will depart from the principles of its own revolution just as our relations with the United States and the Soviet Union do not imply the adoption of the policies of those nations.●

HOME MORTGAGE ASSISTANCE ACT OF 1980

● Mr. STEWART. Mr. President, I rise today as a cosponsor of S. 2560, the Home Mortgage Assistance Act of 1980.

This measure extends a tax exemption for interest and dividends earned on savings deposits which are used for residential mortgage purposes. By encouraging savings, and providing financial institutions with the funds they must have in order to make mortgage loans at lower interest rates, this act should provide a vitally needed stimulus to the housing industry.

Clearly, some type of meaningful aid is necessary to reverse the sharp decline in homebuilding activity that has occurred over the past 6 months. Even with the recent drop in interest rates, economists are predicting that housing starts for 1980 will barely exceed the 1 million level, close to a 40-percent fall off from last year. The latest monthly figures show that the volume of mortgage lending in April was at its lowest level in 5 years.

This situation is not likely to markedly improve for quite some time, despite the reduction in interest rates which has occurred. Our country is currently in the midst of a serious recession, and many Americans will tend to defer major purchases, such as buying a new home, until economic circumstances pick up. Past experience has shown that housing typically carries a disproportionate share of the burden during periods of economic decline. During the recessions of 1965–66 and 1974–75, for instance, residential construction suffered as much as two-thirds of the overall constriction in our economy, despite accounting for less that 5 percent of our GNP.

Declines in housing activity of this magnitude have major ripple effects that are felt throughout the economy. Estimates are that over 1 million construction workers will be laid off in 1980, plus an additional one-half million employees in related industries. These layoffs will cause a loss of Federal, State, and local tax revenues in excess of $25 billion. In the Southeast, the region of the country most dependent on the construction industry, the economic impact of this housing decline will be especially severe. In my home State of Alabama, construction has declined over 50 percent this year, and 25,000 workers have lost their jobs. We can partially estimate the total cost to the State's economy, but we can never fully calculate the devastating toll on the individuals and families affected by this intolerable situation.

Just as distressing as these economic consequences is the fact that millions of families are being denied a basic part of the American dream—the opportunity to own their own home. Ten years ago, approximately 45 percent of all families could afford to purchase their own home. Last month, when the average mortgage loan was in the range of 16 percent, this figure had fallen to around 3 percent. This situation is better now that interest rates have come down, but with energy, construction and land costs continuing to increase, all but an unacceptably small fraction of American families are currently priced out of the housing market.

All of this is occurring at a time when we should be doing everything possible to increase housing production. The preference of Americans to own their own homes is as strong as ever, and forecasts in fact indicate that the demand for housing in the decade ahead, due to a variety of demographic trends, will be at an unprecedented level. Estimates are that a minimum of 2 million units per year will have to be produced just to keep pace with the underlying demand through the 1980's.

Unfortunately, it is highly unlikely that our financial institutions, particularly savings and loan institutions, will have the capacity to meet this demand for housing—either now or in the future. This measure will go a long way toward insuring that these institutions are able to provide Americans with an adequate supply of mortgage money at reasonable rates.

S. & L.'s have just emerged from an extraordinarily difficult period, during which their deposit withdrawals rapidly escalated and their profit margins sharply declined. In light of this experience, S. & L.'s are likely to diversify their lending activities into areas outside the residential mortgage market. Moreover, the outflow of deposits to money market mutual funds, which occurred at a record pace in the past 18 months, is likely to continue, and with the phase-out of reg Q, the cost institutions will have to pay to obtain funds is also likely to increase. All of this points to the clear need to provide S. & L.'s with a new source of mortgage money, both in the short term and the decade ahead.

The Home Mortgage Assistance Act accomplishes this goal by giving tax free treatment to interest earned on deposits that are used for residential mortgages. By offering an after-tax advantage to depositors, this bill substantially lowers the cost S. & L.'s will have to pay in order to attract borrowers; and by establishing a differential in favor of "Residential Mortgage Deposit Accounts," it will minimize the outflow of funds from S. & L.'s that has been so devastating to the housing industry in the past. Moreover, this act will offer a financial break for so many thrifty-minded Americans who have seen their savings steadily diminished by the spiraling rate of inflation. We have all lamented the decline in savings in this country that has taken place in recent years—this measure gives us the chance to do something about it.

Mr. President, this bill is a simple one, but one that is urgently needed at this time in order to revitalize our troubled housing industry. We simply cannot allow one of the most important and productive sectors of our economy to be destroyed. Nor can we permit millions of our families to be cut off from the American dream of homeownership.●

ENERGY-TECHNOLOGY MOBILIZATION

● Mr. SCHMITT. Mr. President, on May 20, 1980, I discussed the issue of domestic crude oil and natural gas resources and the facts that support the conclusion that there is more there than meets the political eye. As we move to develop our domestic oil and gas resources to break the back of OPEC, there is also much that can be done to add technological weight to our energy club.

David A. Freiwald of Los Alamos, N. Mex., in his discussion paper entitled "Mobilization for U.S. Energy Security" and covering our technological potential, has outlined much that warrants our attention during this and future budget cycles.

I ask that Mr. Freiwald's paper be printed in the RECORD.

The paper follows:

Mobilization for U.S. Energy Security

INTRODUCTION

Between OPEC-'73 and now the US has made little progress towards energy self-sufficiency. Despite the billions of dollars spent on energy R&D, the reality is that it takes a few decades to develop and introduce new technologies to the point where they have significant impact.

A balanced energy program must address supply, transmission/distribution, and use. Most of the US approach thus far has been to address supply alternatives and use conservation.

The approach given here is for mobilization of known supply technologies, use of the existing US energy transmission/distribution system, and mobilization of known use technologies as substitutes for oil. The approach will enable emerging technologies to blend into the system in the future, and in fact anticipates their introduction. It is a low risk, early payoff transition path towards energy security compared to waiting for emerging technologies.

BACKGROUND

Pre-OPEC '73 the US was chugging merrily along, with projections for large increased oil use/imports. The "momentum" or "inertia" was building in that direction.

Then came OPEC-73. The US "suddenly" realized that it was vulnerable in terms of oil supply and economics.

ERDA and the FEA were created. Then the DOE. A large increase in energy R&D money was seen, to study everything in the alphabet from Biomass to the use of Waste. What to do? Studies, and more studies plus Project Independence, followed by National Energy Plans. And the solar fad hit, bolstered by publicity from antinuclear and antiutility (oil, gas, electricity) activists.

But the US is not much farther along towards energy self-sufficiency as it was in 1973.

PERSPECTIVES

Fact.—Solar is currently an "appropriate technology", uneconomic for large scale electric generation or industrial process heat, but useful for decentralized applications such as passive heating of buildings.

Fact.—Even if the fusion program meets its projected milestone of having a demonstration fusion reactor in operation around the year 2000, its output will be the order of 1000 MWe. But by then, US demand will be the order of 1,000,000 MWe. Thus, the first fusion reactor will have only about 0.1% impact on electric demand by the year 2000, and it will be a few decades after that before enough are built to have significant impact on electricity supply. (The program is mainly electric-generation oriented).

Fact.—A DOE-funded study looked at the threat of the U.S. fusion program on OPEC price setting. Would OPEC reduce prices to sell their non-renewable oil if fusion might penetrate the energy market? No. Fusion provides no threat for the lifetime of their oil reserves. They have been raising prices. Given their actions, they probably view solar, geothermal, wind, biomass, etc., the same way. Also nuclear fission, because of U.S. politics (not technology), and America's love affair with individual vehicles vs. electric mass transit for commuting and cross-country travel.

Fact.—Like fusion, solar power towers, wind, geothermal, hydro, and tidal are either electric-generation oriented, or useful only as "appropriate technologies" for site-specific local applications.

Fact.—Electricity is currently less than 10% of U.S. energy use. Yet new means for electrical generation account for a substantial fraction of current R&D budgets.

Fact.—The nations number one energy problem is with oil, over half of which is used for transportation. Yet only a few percent of DOE's budget is directed for transportation (more below). The number two problem is natural gas.

Fact.—The nations energy plumbing system, for transmission of energy over large distances from suppliers to consumption centers consists of pipelines, railroads, and wires. "Local" distribution for solid and liquid fuels is augmented by trucks. It would be ludicrous not to use the pipelines, transmission lines, and railroads already in place, as anti big-business activism would imply should be done.

Fact.—The U.S. has a lot of coal. It's a non-renewable resource, but can be used to buy time until alternative technologies are developed. Yet synfuels from coal will not have significant impact before the year 2000 (only a few percent of gas needs), even if the U.S. could double coal production by then as called for in the National Energy Plan. Some people doubt that this can be done physically, aside from the fact that a volatile coal miners union is involved.

Fact.—Domestic supplies of nuclear fission fuel are estimated to be only 30 to 40 years worth. Reprocessing, for which the technology exists, would extend fission fuel supplies by a few hundred years. Yet the government has banned reprocessing, even though other nations are going foreward with it. It takes several decades to develop a sophisticated new technology and introduce it to the point that it has significant impact. Nuclear fission has been brought, paid for, and is in use. Yet activists would like it thrown out precisely at a time when the U.S. can't afford to do so.

The U.S. must use what it knows and has, to buy time until new technologies can have significant market penetration and impact. Otherwise, what will really happen to the U.S. in what's referred to as a "Disaster Scenario", wherein all OPEC supplies to the U.S. (over 40% of U.S. oil demand) would suddenly be cut? There's only about 30 days of oil in the "pipeline". After that, how would the U.S. fuel its defense systems, its food production and supply systems, its emergency vehicles, and transportation systems for movement of people and goods? Recall what only a few percent reduction in oil supplies did to the U.S. a few years ago.

SUBSTITUTES

Portable transportation fuels are the number one US energy problem. Yet only a small fraction of DOE's budget is being spent on directly identifiable transportation use items.

It is possible that it has not been made clear to the average American how, for example, nuclear, coal, geothermal, solar, and other energy resources will replace gasoline for autos.

1. In part, they won't. Instead, electricity from generating stations using these sources can be used for:

a. Electric mass transit for movement of goods and people.

b. Electronic telecommunications, to replace certain travel (and save travel time).

2. In part, they can supply alternative "fuels" via electricity for:

a. Recharging battery-powered vehicles.

b. Electrochemical production of hydrogen from water. Hydrogen can be used as a vehicle fuel. Note that it is almost 100 percent recyclable, the combustion product being mainly water vapor that will condense into the environment as water.

c. Fuel cell/electric hybrid vehicles, using hydrogen or methanol fuel cells.

3. And in part:

a. Hitler ran an army on synthetic fuels made from coal. We may run our vehicles on similar fuels.

b. Thermochemical (heat, from solar, nuclear, etc., as opposed to electrochemical) production of hydrogen is another means of providing a potential portable fuel.

4. Options exist for other synthetic fuels that are made from biomass (methane, for example), or coal and so on.

The economics need to be proven or will evolve for each—and for new portable fuels, changeover and institutionalization will take time and money.

SUPPLY MOBILIZATION

Focus on the near term for the number **one and number two problems**—portable fuels and natural gas. There are only three things that the US can do in terms of energy supply: Use nuclear fission and use coal since neither alone will do the job, and continue conservation efforts:

Nuclear Fission. Expand its use, for both electrical generation (the technology exists), and for industrial process heat (e.g., steel making, copper smelting, etc.) for which the technology partly exists. Do reprocessing (the technology exists); in addition to extending fuel supplies, this will help mitigate the waste disposal problem. Do retrievable storage of nuclear waste (the technology exists); use the existing main-drift tunnels at the Nevada nuclear test site that are no longer in use for testing. (Side tunnels were drilled off of them for tests, and have since been sealed; the main tunnels are readily assessable). Nuclear facilities run day and night, rain or shine.

Coal. Expand its use for both electrical generation (the technology exists), and synfuels for which the technology partly exists. Plans are to do the latter via the proposed federal Energy Security Corporation. But after the first synfuel plants are built, the US cannot relax. Those plants will be small, likely inefficient, and have operations and reliability problems. Coal facilities also run day and night, rain or shine.

Conservation. Continue the usual conservation efforts of carpooling, set-back heating, insulation, use of solar for space heating, etc. Displace the need for part of current travel—routine communications—with other means to address the function. Also use reject heat from power plants for agriculture/aquiculture.

USE MOBILIZATION

Electricity. Upgrade and electrify the US railroad system. Electrification technology exists. This will help "protect" portable fossil fuels for defense, farmers, emergency vehicles, and intracity distribution of goods while enabling intercity movement of food, people, goods, military equipment, and coal.

Develop more intracity electric mass transit—monorails, trolleys, (bus and street car), etc. The technology exists.

Continue to develop electric hydrogen, and fuel cell/electric hybrid vehicles for intracity individual mobility where that mobility is needed. The base technology exists.

Initiate use of teleconferencing to displace travel done for routine business meetings. For example, Slow Scan TV that uses only two commercial telephone lines, dial-up access, is commercially available now. The technology exists. The leverage in energy savings can be over a factor of 1000!

Use off-peak excess electric generating capacity to make hydrogen.

Hydrogen. It is not an energy source. It is an energy "carrier", and other sources must be used to make it. It can be used as a portable fuel in liquified form directly, in fuel cells, or in full cell/electric hybrid vehicles. It can be made via electrolysis during the night using excess off-peak electric generating capacity. This is attractive since the distribution system for the ingredients is already in place nationwide—every gasoline station has water and electricity. The technology for electrolysis and liquidification already exists. Gasoline engines can be fairly easily modified to run on H_2; demonstration vehicles exist. All of the base technology exists. Its a matter of mobilizing the auto manufacturers, the electric companies, and the oil companies to work together.

Industrial Process Heat. This is currently supplied by electricity, coal, gas, and oil. Target items are gas and oil.

By displacing oil used for transportation via nuclear-electric mass transit, electric vehicles, telecommunications, etc, more domestic oil should be available for critical industry needs.

Hydrogen may find some uses for industrial process heat.

Fossil synfuels from coal or oil shale will not have near-term significant impact, but should see midterm with an aggressive program. There may be environmental problems or technological glitches.

Because of current technological uncertainties with fossil synfuel development, parallel programs to aggressively develop nuclear sources for industrial process heat should be expanded, especially since the base reactor technology exists.

SUMMARY

Given the fact that it takes two to three decades to develop a new technology and introduce it to the point where it has significant impact, the approach outlined above is to maximize use of known supply technologies for the near term in order to decouple from OPEC supplies. Given Middle-East uncertainties, it is better to expand use of known technologies now than to hedge a bet on the feasibility and time scale to impact of emerging technologies. "He who lives by the crystal ball may end up eating ground glass."

The above approach also calls for use mobilization, partly through substitution mechanisms such as electric mass transit to achieve the same function, in addition to supply mobilization. And it does it in a way that emerging supply technologies will blend smoothly into the use technologies in the future, while utilizing the existing energy-supply plumbing system.

A balanced program must address supply, transmission/distribution, and use.

Put in perspective what scientists say about their work on emerging technologies. They usually don't lie. But they are often over enthusiastic (to secure R&D funds). Remember Murphys law: "If anything can go wrong it will." And Murphy was an optimist.

This is not to say that R&D on emerging technologies should be slowed. It is simply a realization that those emerging technologies will not have significant impact for a quarter century or so, and that use of known technologies should be expanded now through massive mobilization to buy time and national energy security until emerging technologies do have significant impact.

Current U.S. energy problems are not technological. We have technology. Let's get on with it.

GEN. DAVID C. JONES

● Mr. CANNON. Mr. President, as you and my colleagues know. Gen. David C. Jones has been nominated for a second term as chairman of the Joint Chiefs of Staff. Without preempting the deliberations of the Armed Services Committee. I simply wish to express for the record my belief that our Nation has been well served by this fine military officer and our national security interests will be well served in the next 2 years by his continuing in this position.

I believe this country needs disciplined military leaders who are able to balance the loyalty due to their Commander in Chief with the larger loyalty they owe to the American people and their elected representatives in Congress on security matters. The last thing this country wants or needs is a military leadership that decides for itself which decisions by their civilian superiors they will support and which they will not support.

While some might characterize the exercise of this subordination as "political", I believe most Americans would consider it minimum acceptable behavior consistent with our Constitutional process.

At the same time, these leaders must be prepared to speak out openly and candidly when asked by Members of Congress for their personal views on defense issues. General Jones has shown himself capable of handling both responsibilities with admirable integrity and professionalism. In all my dealings with him, whether or not I agreed with his position, I have found him completely candid and forthright in his assessment of the military threat facing the United States and its allies and he has been an articulate advocate of the measures necessary to counter this threat.

In doing so, he has been able to retain the confidence of his civilian superiors in the executive branch and the leaders in the Congress which I consider a singular achievement in itself. The reversal of a decade-long downward trend in this Nation's defense spending is due in no small measure to the persuasive influence that General Jones has had, both within the administration and in appearances before Congress.

He has my unequivocal support to continue for a second term in his most difficult and demanding responsibilities.●

U.S. FOREIGN POLICY ADRIFT

● Mr. HATCH. Mr. President, during the past decade we have witnessed a steady decline of the United States in international circles. At the same time, the Soviet Union has endeavored to grasp the initiative, hoping to capitalize on the voids being created by the United States. In both instances this has served to the detriment of the United States and the people of the West in general.

As we enter into the 1980's, we find ourselves faced with new and difficult challenges. The American public has once again been touched in a sensitive area. With the Soviet invasion into Afghanistan, it has become apparent that the Soviets are now willing to adopt a bolder policy. In the past they have constrained themselves to military aid and if needed the use of surrogate troops to further their causes. In the Afghanistan instance, they have opened a new chapter in their relationships; they have used the Soviet military force to invade another nation.

On the other side of the globe, the United States must address another problem. With the formalization of relations with the People's Republic of China, we have in a sense opened the door for China to assume a position alongside of the current superpowers. The evidence is there; we need only read the papers of Hua's comments in China this past week. Coupled with the recent Chinese tests of an ICBM, it is evident that the threat to freedoms in the West may soon become twofold, as well as the danger of a conflict between the Soviet Union and China, a conflict that could easily draw the world into a global conflict.

Mr. President, this past week I had the opportunity to read what I feel is an excellent article on the foreign policy of our Nation. While we may not agree with all the ideas put forth in this article, it certainly must be acknowledged as a provocative and innovative approach. I recommend this article to my colleagues and ask that the article, by Miklos K. Radvanyi, entitled "The Ten Commandments of American Foreign Policy," be printed in the RECORD.

The article is as follows:

THE TEN COMMANDMENTS OF AMERICAN FOREIGN POLICY

(By Miklos K. Radvanyi)

The 1970s dawned as the "Age of Aquarius," presented in the musical *Hair* as a triumph of love over the forces of evil, science reconciled with humanism. The Seventies closed with the scenes of *Apocalypse Now*, as American optimism bowed to cynicism and fear.

The euphoria and unshakable faith in Man's ability to carve out a glorious future was abundant early in the decade. Indeed, in the light of the *Ostpolitik*, the Quadripartite Agreement on Berlin, American-Chinese negotiations, an interim SALT agreement, and the European Security Conference, such an optimistic view of the world appeared to be not entirely unwarranted.

Yet the second half of the same decade was less promising. Since 1975, over-all Soviet policy in Africa, Asia, Latin America and the Middle East has threatened to destroy the tender shoot of detente. The brutal aggression against Afghanistan provided a profound epilogue to this unfolding political play of fading hopes and increasing anxiety. Afghanistan has become "Apocalypse now" . . . and the apocalypse of the future, too.

What are the reasons for this deterioration in the political climate? Is this a sign of an irreversible process leading inevitably to a new war? In light of all the problems, has American foreign policy been effective at all? If not, does the United States need a new approach in its foreign relations? What should be the major elements of such an approach?

This study is an attempt to provide answers to these nagging questions through an analysis of the situation of the United States in terms of ideas, geography and power politics.

ISOLATIONISM AND CONTAINMENT

Historically, states within a continent have been forced by their geography to base their policy primarily on territorial security, as a matter of survival. In contrast, countries whose geographic location provides certain obvious advantages to territorial security have been tempted to neglect balance of power considerations.

The United States of America, uniquely protected from other countries by two oceans, belongs to the latter being shielded by its geographic remoteness, with generally nonaggressive neighbors, inspired by the idea of states of destiny and equipped with the Monroe Doctrine, the United States elevated isolationism in the Nineteenth Century to the rank of a grand strategy. Scant attempts to formulate a more pragmatic and realistic approach did not alter the basically isolationist pattern of American foreign policy.

Isolationism as a grand strategy gave way to an interventionist American policy in 1917 only for a short period of time. The apparent failure of President Wilson "to end all wars" and "make the world safe for democracy" resulted in America's refusal to become a member of the League of Nations or to accept political commitments in Europe. The neutrality legislation passed by Congress secured the United States' return to the authentic and indigenous form of Nineteenth Century American isolationism.

This isolationist position exerted a strong psychological and emotional appeal on broad sections of the population right up to the outbreak of World War II. The United States turned its back to the world and to its own geopolitical interest. By doing so, it failed to develop a global strategy for peace. Neither did the country possess any strategy for war. Thus the United States faced the challenges of World War II and the post-war era unprepared for world realities.

The end of the war signalled the birth of two great powers—the United States and the Soviet Union. At the same time Germany, France and Great Britain, all three severely weakened by the cumulative effects of two world wars, ceased to be first-rate powers. Italy and Japan were defeated and powerless. Austria, Poland, Czechoslovakia, Hungary, Rumania, Yugoslavia, Bulgaria and Greece lay in ruins. The distortion of the old world balance of power was complete. A yawning power vacuum appeared in Europe and Asia.

Experts in communist political strategy had little doubt that the Soviet Union would move mercilessly to take advantage of this situation. And they were right. In three years following the conclusion of the war, the Soviet Union established complete control over Eastern Europe and at the same time undertook several major attempts to penetrate Western Europe and the Middle East.

America's initial reaction was an intensive fear of the Soviets and Communism. The policy of containment came into existence.

Since President Truman called upon America to contain Soviet aggression, much has been said and written about his doctrine. Whatever the merits of this debate, it is clear that the vast majority of Americans supported the foreign policy of both Presidents Truman and Eisenhower.

The concept of "containment" expressed a deepseated belief of the American people that any obstacle, even an international one, can be overcome by great exertions. The essentially economic programs to help rebuild Europe's shattered economy appealed to their humanitarian instincts. Efforts to ensure security met their demand to halt the inroads of Communism. Yet, in fairness to the future, three major problems of this policy of containment must be recognized.

In the first instance, containment was by its very definition a passive doctrine. It called for "a long-term, patient but firm and vigilant containment of Russian expansive tendencies" which would result in the disintegration of the Soviet system because of internal weaknesses. As it turned out later, this wait-and-see approach was a gross mistake. While the policy of containment prevented the United States from using its superior military and diplomatic position to focus on the global problems of a new world order, it provided the Soviet Union with the most precious treasure—namely, time—to consolidate its control over Middle and Eastern Europe and to offset American nuclear superiority. Thus, the United States served up the monopoly on political initiative on a silver platter to the Soviet Union.

Secondly, the problem with the policy of containment was conceptual. Envisaged by its authors as a global strategy, containment in fact consisted of two distinctly separate tactical concepts. The one aimed at creating a situation in which the United States would acquire absolute military strength *vis-a-vis* the Soviet Union. The other was based on the existence of such absolute power, and foresaw a diplomatic offensive as the second phase of the policy of containment. For reasons inherent in American national heritage, these two phases were never merged into a coherent national strategic doctrine. Thus the policy of containment was absorbed by the practical tasks of the 1940s and early 1950s.

Finally, the policy of containment could not cope adequately with Communist strategy, which had shifted into new political and paramilitary dimensions.

At the beginning of the 1950s the growing nuclear power of the Soviet Union had further eroded the credibility of the Truman Doctrine. Thus, by reinforcing the policy of containment with the doctrine of massive retaliation in January 1954, the United States sought to redress this new strategic situation. It soon became apparent, however, that this new doctrine merely added insult to injury by overemphasizing the importance of nuclear retaliation.

The net result of this singleminded policy was that the United States once again entered largely unprepared into an era full of regional unrest and national revolutions. The failure of American politicians to conceive of the struggle for power with the Soviet Union in larger dimensions led to America's involvement in two wars after 1945—in Korea and Vietnam. In both cases the lack of an unambiguous U.S. strategic doctrine rescued the Communists from a decisive defeat. Simultaneously, America's self-imposed limits resulted in public frustration and a gradual erosion of public support for the official policies. By 1968 this growing dissatisfaction culminated in an over-all attack on America's entire postwar foreign policy. The American people seemed to have lost their faith in their country's past, present and future.

THE KISSINGER INFLUENCE

The task of rebuilding America's confidence in itself fell on the Nixon Administration. With the benefit of hindsight, we can see clearly that this onerous burden proved too much for this Administration. Its noble goal to revolutionize American foreign policy so "that it would overcome the disastrous oscillations between overcommitment and isolation" was first tarnished and finally destroyed by the Watergate scandal and its aftermath.

From a historical perspective, however, it is doubtful whether the foreign policy concept designed by Henry Kissinger could have coped successfully with the basic problems of the late 1960s and early 1970s.

The major domestic problem was that for a sizeable number of Americans the Vietnam War upset the moral foundation of American foreign policy. They saw in the conduct of the war an example of the arrogance of power which they distrusted anyway. In planning its foreign policy, the Nixon Administration largely ignored these mounting feelings. Its emphasis on *Realpolitik* and balance of power considerations invited criticism that the Administration's foreign policy lacked moral basis. The net result was that the Nixon Administration failed to heal the divisions within the American society and, thus, to gain solid support for its foreign policy.

On the international stage the most acute problem was that America's disproportionate preoccupation with Vietnam and the resulting domestic discontent let the United States appear in the eyes of the rest of the world as a country in a state of chaos. The prevailing feeling was that the United States was becoming dangerously weak. It was feared that this situation would affect the relationship between the two superpowers as well as the balance of power in the world.

In fairness to the Nixon Administration, it must be stated that it was aware of the main international problems. Therefore, its foreign policy rested on two principles. The first was that a balance of power must be maintained, particularly with respect to the two superpowers. The second principle was the logical consequence of the first and was laid down in President Nixon's first annual foreign policy report to the Congress February 18, 1970. He asserted in that report that the various issues and events of international policy are inter-related and complex, and leaders must appreciate them in full context to negotiate successfully.

This second principle was based on two assumptions about detente. First, that progress in one area of American-Soviet relations will certainly lead to encouraging developments in other areas. The second assumption reflected the deeply rooted belief Henry Kissinger so often expressed that the Soviets would adhere to the rules of detente as laid down by the United States and its West European allies.

The fundamental weakness inherent in this strategy can be reduced to its blatant failure to take into account the existing asymmetries in the national objectives of the two superpowers. Under the Nixon and Ford Administrations, detente concerned primarily the state of relations among the United States, the Soviet Union and the People's Republic of China.

The Soviet concept of detente, on the other hand, is a tool to develop and modernize the Soviet economy through Western participation. The Soviets prefer a policy which would undermine NATO, thus reducing what for the Soviets are "tensions" in Europe, and also weaken the United States by exploiting internal and external problems, and external opportunities.

In order to accomplish these objectives, the Kremlin carefully separated its political dialogue with the United States from its discussions with the world's other countries. Whenever possible, the Soviets have resisted the American attempts to make U.S.-Soviet conferences multilateral instead of only bilateral. By being able to do so, the Soviet intend to limit the influence of the United States upon its allies and non-aligned nations.

Viewed more globally, they hope that this strategy will deepen the already existing contradictions in NATO and will at the same time prevent the creation of new alliances under American leadership in the Third World. As a result of this Soviet strategy the political, military and economic power of the United States will be gradually undermined at minimal risks to the Soviet Union.

These objectives become all the more evident if one analyzes the massive and consistent diplomatic efforts of the Soviet Union since the end of the Cuban missile crisis. These efforts have taken the form of the SALT process, the negotiations on the reduction of military forces in Europe, and the Conference for Security and Cooperation in Europe. At this conference the Soviet Union has clearly and forcefully represented the Warsaw Pact Organization, while the United States has appeared as a lonely nation concerned solely with its own security.

The Soviets have attempted to portray, and indeed allowed Americans to play the role of a "Fortress America" detached from concern about the rest of the world. To a great extent, they have succeeded.

Another weakness of the Kissingerian doctrine is its presupposition of a benign Soviet cooperation. The Soviet Union, for its part, has refused to play the game of detente under Henry Kissinger's Book of Rules. The Kremlin makes it crystal clear that it holds detente to be merely a dialectical interplay with permanent confrontation with the United States, as suits its interests as keeper of the world's proletarian flame.

Furthermore, the principle of direct interrelationship characterizing our diplomacy displays an extremely tenuous, simplistic view of world policies. It suggests that detente, as defined and understood by the United States, is the only logical way to deal with the Soviet Union. This principle implicitly concludes that the only remaining alternative to this detente would be a return to the spirit and practice of the Cold War—that there is no middle ground.

Finally, Henry Kissinger originally gave our nation a false feeling of security by presupposing that the interests of the two superpowers are greatly identical. The results of this policy are well known—Soviet and Cuban invasions in Angola, Ethiopia and Zaire, increasing tensions in Asia, the Middle East and in Central America . . . and now Afghanistan.

THE CARTER ADMINISTRATION

When President Carter was elected in 1976, it became quite obvious that his special commitment to pursue an activist human rights policy was intended to alter significantly this Kissingerian foreign policy. The fundamental weakness of this concept is that the accentuated separation of various issues eliminated the possibility of creating a global concept in foreign policy. Moreover, the concept of totally abandoning "linkage" makes it impossible to determine a hierarchy of what are to be the most important political issues facing the United States and the rest of the world. The result was at once tragic and devastating. Even before the end of its first year, the Carter Administration had to modify its already announced policies, though not enough to avoid later disasters.

The most recent blast affected the Middle East. The Administration "fetish" for a quick and comprehensive peace settlement in the Middle East led it to accommodate the Palestine Liberation Organization and radical Arab regimes. Moreover, the American vote in the Security Council can be read in Moscow as an invitation to the Soviet Union to return into the diplomatic picture. These two elements are most likely to unite Israel and Egypt in opposition to U.S. policy.

The inconsistent course of the Carter Administration shocked world leaders, whose reactions in turn surprised both the President and his advisors. Indeed, one has a strong feeling that this Administration will be known to later generations as one of boomeranged surprises.

But the major problem with this Administration's foreign policy is that it lacks a global strategy on which a future concept of the world could be based. As President Carter's first term now draws to an end, the state of world affairs provides little reason for optimism in the future.

The United States, not so long ago unquestionably the most powerful nation on earth, lost its military superiority to the Soviet Union. China, a gradually awakening giant, is cautiously testing its way in world politics. Yet there can be little doubt about that country's determination to maintain an independent political course *vis-á-vis* the United States and the Soviet Union. America's allies are overwhelmed by an atmosphere of panic. They desperately seek to accommodate themselves to the new political situation. The unambiguous failure of the Carter Administration's foreign policy left the Third World countries unprotected against Soviet intrusion.

The world has entered an extremetly dangerous period. What are the intentions of the Soviet Union? What will be the response of the rest of the world to the challenges of the future?

THE WORLD SCENE

Neither the United States nor the rest of the world should harbor any illusions about the future course of Soviet foreign policy. The Soviet Union will continue its consistent and increasingly aggressive drive to eliminate the United States as a competitive global power; to undermine the efforts of China, Western Europe, Japan, India and Brazil to acquire the capability to emerge as new centers of power; and to position itself as the dominant global power.

With these strategic objectives, the Soviet Union will insist on the continuation of détente with the United States and its West European allies. Simultaneously, the Kremlin will attempt to exploit all opportunities and internal divisions within the Western Alliance. In order to achieve this, the Soviet Union will maintain a flexible stick-and-carrot negotiating strategy. True to the traditionally strong harmony between Soviet political objectives and their enormous military programs, the Soviet negotiating method will be supported by a similarly flexible military capability.

However, for the time being, the Soviet Union will be reluctant to provoke directly a still powerful United States, for fear that such a move will stimulate American political will to contain Soviet expansionism. Moreover, a sufficiently determined United States could stop the Soviet drive for global dominance. Thus, the United States can expect to hear the siren voices in melodic unison from Moscow and other communist capitals, not to abandon detente. At the same time, the Soviet Union will demand that its definitive role in the peace efforts of our time be tacitly recognized by its allies, the non-aligned countries of the Third World and Western Europe. Moreover, the Kremlin will emphasize the solidarity of so-called socialist countries, which in its opinion will continue to serve the interests of all peaceful peoples by restraining aggressive circles and maintaining the forces for peace.

On the other side of the globe, China will have to face a massive and consistent Soviet strategy of encirclement.

Presumably, China will respond to this deadly challenge in two ways. First, Peking will attempt to exploit the internal divisions within the Communist movement. Thus, China will continue to court Rumania and Yugoslavia in Europe. It will also offer itself to the Third World as a real alternative to the Soviet Union.

On the other hand, China will campaign for an anti-Soviet front consisting of the United States, Western Europe, Japan and the Third World. Such an offer will primarily aim at the United States, whose nuclear umbrella the Chinese will need in order to gain time to modernize their military forces.

But once again, nobody should harbor any illusions about China. This country considers itself by far the most intelligent among the great powers. Its oldest philosophy of history lends China a feeling of racial superiority. For that very reason, the Chinese will always look upon both the United States and the Soviet Union as representing inferior races. Therefore, long-range cooperation or even alliance with China would be extremely difficult if not impossible for either superpower.

Obviously, China will pursue a pragmatic but very independent foreign policy. The short term objective of Chinese foreign policy will be to establish its hegemony in South East and South Asia. The long term objective will be the capability to control global economic, political and strategic affairs directly from Peking.

In a manner reminiscent of Nineteenth Century colonialist diplomacy, the Soviet Union long ago advised Western Europe to make a distinction between its interests and those of the United States. While there is little doubt about the preference of Western Europe to continue a comfortable detente policy, it knows very well that the Soviet invasion of Afghanistan was the kiss of death for the post-war balance of power.

As a consequence of this new political situation, Western Europe will emphasize solidarity with the United States and raise its defense contribution to NATO. In light of these policy changes, it also can be expected that European isolationism will be abolished. Yet it must be equally clear that such a shift in priorities is likely to generate domestic disputes in most European countries.

The decisive factor in this debate will be whether the United States can come up with a global strategy which could be considered in Western Europe as an appropriate response to the challenges of the 1980s and 1990s. If the United States fails to meet these expectations, it will not be able to dispel Western Europe's growing mistrust that Washington is on a totally uncertain course in foreign policy matters.

Left with such uncertainty, the European democracies would be faced with the alternative of seeking closer foreign policy ties with the Soviet Union. Europeans are uniquely capable of thinking in historic categories; therefore, they will reject President Carter's new containment policy because it coincides with a weakened military potential, considerable vulnerability and reduced global intervention possibilities on the part of the United States. At the same time Western Europe will propose a kind of division of labor in working out a grand strategy for the West.

Because Western Europe is totally dependent on foreign oil, it will ask for suitable measures to secure energy supplies and coordinate the energy policies of the Free World.

Another field of major Western European activity will be the Third World. A solution of the North-South problem would certainly limit the risk of American-Soviet confrontation and the alarming repercussions it might have in Europe.

The Soviet Union too will pay special attention to the Third World. The areas which can provide Moscow with the richest fruits will be the Middle East, the Caribbean and Central America.

In these areas the most likely Soviet strategy will be that of gradual challenge. Such a strategy will mainly rely on militant national liberation movements and proxies. The use of these two forces will provide the Soviets with the benefit of ambiguity, which is of incalculable importance in the strategy of gradual challenge. The Soviet Union knows that it can always count on time-consuming debates among Western policymakers and intellectuals to work to its advantage.

The lesson of Angola, Ethiopia and Nicaragua is that irregular warfare has become the safest method of waging war against the West. The traditional political instability of the Middle East, the Caribbean and Central America will furnish the Kremlin with an excellent opportunity gradually to contest the United States and Western Europe. A gradual buildup of military and political challenges in those three areas can confront the west with difficult strategic and tactical dilemmas.

If the United States and Western Europe fail to take decisive actions as soon as the Soviet challenge becomes apparent, the situation could escape an effective control. On the other hand, a premature American and/or West European reaction can trigger criticism that the West irresponsibly risked a major nuclear conflict with the Soviet Union.

The already established pro-Soviet regimes in the Middle East, the Caribbean and Central America pose serious threats to the moderate regional powers as well as the United States and Western Europe. South Yemen threatens Oman, North Yemen, Saudi Arabia and Somalia. Officials of these threatened countries are clearly worried. Oman has no illusions about Aden's determination to rekindle the revolt in the Dhofar region. Saudi Arabia is alarmed over the extension of Soviet power in Ethiopia. South Yemen and Iraq. Additionally, recent developments in Mecca and the Iranian revolution have badly shaken Saudi Arabia's domestic stability.

Jordan is also in a very delicate situation. It is now threatened by the Soviet Union from the north and east. Iran and Pakistan are alarmed at the spread of Soviet power. Both are surrounded by old enemies which all have friendship treaties with Moscow. In such circumstances, it would not be surprising if these countries sought to improve their ties with the Soviet Union. Such a development not only would radically alter the present balance of power in the Middle East but also weaken Western Europe and the United States.

In the Caribbean and Central America the Soviet Union is applying a special guerrilla strategy initially worked out by Mao Tse Tung. This strategy relies on widespread community support supplemented by a prodigal use of terror. In addition, the Kremlin uses Cuba as a proven vehicle of its indirect approach to challenge the United States. The Soviet Union will continue to cultivate guerrilla warfare and Cuban insurrection in Central America.

Such a policy also provides the Soviet Union with a propaganda advantage, for the established government will feel compelled to defend its society by limiting the legal scope of individual liberties. Thus the government can be pictured by Soviet propaganda as the brutal repressor of legitimate aspirations to national independence.

This strategy has already resulted in the establishment of pro-Soviet governments in Nicaragua, Jamaica, Grenada, Dominica, Guyana and St. Lucia. Moreover, guerrilla wars have erupted in San Salvador, St. Vincent, Martinique, Guadelupe and the United States' island of Puerto Rico.

Mexico and Venezuela, the two major oil producers of Latin America, should be able to see the writing on the wall.

In other regions of the world the Soviet Union will rely heavily upon the use of proxies such as the Cubans and East Germans. Moscow will also attempt to expand the structure of its collective security system. Therefore, the Soviet Union will search for new commitments all over its periphery.

How can the United States combat this relentless Soviet drive for global dominance? Is Western civilization capable of developing a community of nations, the majority of whose citizens' lives are secured by the blessings of liberty and justice?

TEN COMMANDMENTS

The two ambitious attempts of the Nixon and Carter Administrations to change the course of American foreign policy failed to establish a solid foundation for a national strategic doctrine. The reason for these failures presumably lies in the refusal of both administrations to consider that the conflict with the Soviet Union might not be unsolvable under the rules of traditional diplomacy. Thus, neither administration realized that the Soviet policy of gradual and cumulative erosion of Western bases of strength requires a firm concept of history. Such a philosophy could provide the United States in particular with an enduring national purpose, to serve as a guiding principle of its foreign policy.

The unambiguous lesson of this experience is that any future American foreign policy concept must devise a foundation based on Western traditions and values. The new foreign policy concept suggested by this study is therefore, a set of basic principles aimed at defining a conceptually designed national strategy, as well as the development of a superior technique for conflict management. These principles can be summarized in ten points which, for purposes of convenience, could be construed as the Ten Commandments of American foreign policy.

The First Commandment: Thou shalt formulate an American worldview

The only universal "*Weltanschaung*" presently in existence is the Communist dialectic theory of history, which is in essence a theory of universal and protracted conflict. The whole world is a single strategic theater in which political entities and other (mainly economic) forces are locked in an historic clash of indefinite duration. In the Communist worldview, various types of struggle are normal states of affairs. The Communist strategist cannot view an event in a vacuum. For him any conflict, however local or seemingly insignificant, is a part of an organic, global whole—a "hot" war, fought with military hardware, or a "cold" one, carried out by non-violent, political and psychological methods.

The communist strategist thinks in geopolitical terms. Yet geopolitical thinking is only a technique or a tactical device enabling him to manage the conflict in time and space and to plan various operations over large geographical areas. In this setting, geopolitic never becomes, as in the Kissingerian political philosophy, a strategy or an end in itself. In the communist's view, strategy is the conceptual framework at the highest political level. It enables a communist politician to analyze concrete events and relate them to a wider historical philosophy.

In contrast to this universal Communist *Weltanschaung*, the United States has never had a conceptually designed global strategy, not even during the time of service of Henry Kissinger. His geopolitical approach simply attempted to preserve the international status quo. Thus, the "victories" scored by the Nixon and Ford Administration were temporary in nature.

Let there be no doubt that the Kissingerian political philosophy is merely one possible form of diplomatic techinique, which cannot be considered as an adequate substitute for a global strategy. Yet despite nearly a decade of successful Soviet foreign policy, the Kissingerian view continues to obscure this reality.

Tragically enough, there is no indication that the present Administration will view the world as a single strategic theater. Its foreign policy concept is based on the most optimistic predictions concerning Soviet behavior. Such a policy can hardly be called a sound one. Indeed, it is disastrous for the United States and the future of the world.

What needs to be done? First, persons dealing with American foreign policy must explain to the American people the global political role of the United States. Since the United States is a democracy, this should be done in an objective and not an manipulative way. There is increasing evidence that the American people have had enough of the debilitating simplicity put forth by the elite, with its "rich and poor," "good and bad" approach. America *must* understand the real character of this era.

Moreover, the United States should emphasize its philosophy of history. This is that any nation—not only a Western one—can construct a form of government which could provide for a civil order based on liberty. The securing of such an order could serve as a global strategy for the United States; it could be a goal of a truly American foreign policy.

Finally, as far as America's tactical approach is concerned, the West in general and the United States in particular must understand and employ the principles of protracted conflict. From such an understanding can be forged the tools of victory. This tactic, and not a resurrected containment policy, could block the all-encompassing Communist bid for world dominations. By now, it is obvious that time is working against the communists, for the political, economic and social forces of history are running against them.

The Second Commandment: Thou shall select the best leader

Communism means absolute domination of people by a tiny minority that has received "the light" of Marxist-Leninist doctrine. Members of this ruling clique are selected to top political positions on the merits of their adherence to the Communist theory of conflict, superior managerial skills, and intimate knowledge of the nature of power. They are motivated by the political and material advantages that can be had by belonging to the ruling elite.

The United States is a "plebeian democracy" and, as such, is pluralistic. Therefore, the entire political system is based on compromise. Potential leaders are the products of this milieu; they are also handicapped by this system. This does not mean, however, that the United States must modify its political system to develop an effective strategy. It only indicates that the free interplay of various points of view must advance to political maturity. For only responsible people can select leaders who possess the courage to rise above party rivalry and shifting public opinion and develop a consistent global strategy designed to serve the vital interests of this great nation.

The people of this country must give far more attention to leadership than in the past. The United States needs a political leader who has the vision of strength and greatness, yet the courage to make revisions.

The Third Commandment: Thou shalt have an adequate bureaucracy

The key to the Communists' success has been their organizational skills. They consider organization the most important single element of political effectiveness and strength. The reason lies in two distinctly separate factors. First, Communist ideology requires a permanent crisis management to control conflicts in time and space. Secondly, their organizational capacity must conceal the total bankruptcy of the Communist ideology.

America's major shortcoming is that it has not yet been able to establish a unified governmental bureaucracy, a support structure capable of handling information, ideas and actions in a coherent way. Yet the successful implementation of a global strategy calls imperatively for an efficient coordination of the various departments within the government. Only a central, versatile administrative system can effectively exploit Soviet vulnerabilities and weaknesses.

Although the United States must do everything in its power to avoid a global confrontation as the resolution of the conflict, the possibility of a total war between the United States and the Soviet Union is real enough to consider. The United States cannot fight a multidimensional war crippled by a bureaucracy in which no interdepartmental planning exists and which, because of lack of coordination, is widely open to confusion, particularly with respect to the State Department and the Department of Defense.

The Fourth Commandment: Thou shalt be more powerful than thy most powerful enemy

The relative permanence of Soviet military buildup during the peak years of the detente policy was first accompanied by a *deliberately planned loss* of American strategic superiority. By the second half of the 1970s this Soviet behavior was highlighted by Moscow's refusal to accept strategic parity as the ultimate end of the so-called U.S.-Soviet arms race.

Despite the obvious fact that the Kremlin's strategic objective is to achieve military superiority *vis-a-vis* the United States, the Carter Administration failed to bridge the yawning gap between American expectations of Soviet behavior and actual Soviet practice. The result is a shift in the balance of power in favor of the Soviet Union. Apart from its military significance, the newly acquired strategic nuclear superiority confers on the Soviet Union additional political benefits.

This Soviet strategy to establish global dominance can result, unless it will be promptly offset, in a period of unprecedented political insecurity for the West in the 1980s and 1990s.

In light of this emerging Soviet military superiority, the West must use intelligently its economic, technical, scientific, creative and moral superiority to compensate for Soviet strength in the areas of nuclear superiority, subversion and propaganda.

Simultaneously, the West must reestablish a balance in the military sphere. As a part of its global strategy, the United States must strive for miltiary superiority *vis-a-vis* the Soviet Union. For only in a superior strategic position can the United States make successful political use of its superiority in other areas.

The Fifth Commandment: Thou shalt not overcommit thyself

American diplomacy suffers from the lack of a national strategic doctrine. It is little wonder that the State Department has become a place where narrowminded "experts" carry out fruitless debates over foreign policy alternatives.

The absence of comprehensive and continuing planning often results in vacillation and indecision. The United States plays the game of a protracted, multidimensional conflict with an inadequate diplomatic apparatus that cannot gauge accurately the political importance of what it sees as illogical, isolated communist moves. Neither can the State Department project a global picture of America's real strengths and weaknesses with respect to the rest of the world.

In this situation the State Department has come up with a new doctrine of its own—that the United States cannot control events within other nations. Such reasoning yields the international arena to the Soviet Union: Western setbacks in Africa, Latin America, the Middle East and Asia tell an unambiguous story of the bankruptcy of this pseudo-strategy.

It is obvious that the United States must adopt an active foreign policy approach whose *minimal* objective should be to curb expansionist power. Its *maximum* objective should be to detach satellites as well as allies from such a power, and move them closer to the United States. Moreover, an intelligent American diplomacy should attempt to improve relations among those nations so that together they might devote their energies to containing a hostile power rather than fighting each other. This approach would enable the United States to reduce its commitments in a single country in favor of regional influence.

The Sixth Commandment: Thou shalt not deceive thyself

Ever since the Bolshevik Revolution, Western observers have had two erroneous perceptions of Soviet strategic doctrine. One is that the United States is the initiator and the Soviet Union is the reacting party. Another advocates unilateral Western self-restraint, on the theory that this will induce a similar reaction by the Soviets, subsequently producing an evolution toward liberalism in communist society. The legend of the changing nature of the communist system and its strategic objectives has been perpetuated by the last three administrations.

The Soviet Union—contrary to the neatly devised theories of Western intellectuals—refused to reverse its internal and external policies. Thus, despite Western self-restraint and detente, communist power remains a deadly threat to the existence of Western societies. The reality is that appeasement will not appease the Soviet Union. It will only increase the Kremlin's determination to seek global dominance.

The proper intellectual approach for the United States would be to accept Communism and Communist strategic objectives as they are and for what they are. Thus the United States would understand precisely the true nature of Communism. And the United States could foresee the consequences of the Communist strategy. Given that possibility, why should America want to deceive herself?

The Seventh Commandment: Thou shalt have the will to prevail

While detente engendered a massive decline in American political will, it bolstered the confidence of the Kremlin in the superiority of Communist philosophy as opposed to the decadent capitalist thought and way of life. While Western politicians emphasize their dedication to *avoiding* war (particularly nuclear war) at all political and strategic costs, the Soviet leaders are expanding and enhancing their military power to *win* any way.

Communist power has become a deadly threat to the mere existence of Western societies. Unless the West understands that in the world of power politics "the powerful exact what they can, and the weak grant what they must," this world will certainly become a very unpleasant place for every person who prefers democracy as the better alternative.

The Eighth Commandment: Thou shalt seize the initiative

The West has often conceded the initiative to the Communists. American policy in particular has been reactive: actions are taken too late. This negative approach can be a grave mistake.

Yet the Soviet Union is an essentially weak country. Its ideology projects a future which does not work. Its economy is in shambles. Its foreign policy has been so aggressive that Communism has lost attraction for all but the most fanatical power seekers of the Third World. In Eastern Europe the Soviet Union must invest large military resources just to maintain its positions. Despite 35 years of political and military oppression, Communism has not taken deep root in this part of Europe.

It is obvious that the Soviet Union is highly vulnerable to Western subversion and propaganda. There is no reason why the West cannot seize the initiative and push the Soviet Union into the defensive. For only by exploiting all these opportunities can the West significantly affect the power relationship between itself and the Communist world.

The Ninth Commandment: Thou shalt be one with thine allies

The Soviet Union has always been aware of the fact that NATO lacked a unifying global strategy. As a result, the Communists have missed few opportunities to exploit even the slightest difference among the Western Allies.

In the shadow of the Soviet occupation of Afghanistan, solidarity within the Western Alliance must have absolute priority. In this serious situation, West European solidarity with the United States should be unlimited. On the other hand, the United States must come up as quickly as possible with a global concept of Western economic, financial and military policy.

Meanwhile, any further expansion by the Soviet Union should be countered decisively by all means, including nuclear weapons if necessary.

The Tenth Commandment: Thou shalt have faith for the future

Only those nations which master the future will survive the progressing crisis. The future can be strong if the West provides the world with political and moral leadership. But the same future can be filled with chaos and catastrophe if we fail to do so. The responsibility of the West—and, in particular, the United States—is therefore enormous.

Mankind is truly at a crossroads. The West has all the means to shape a free and secure future. It only requires a strong faith in its principles and its political order to meet successfully the challenges of the 1980s and 1990s and secure, on behalf of peoples throughout the world, the blessings of liberty to ourselves and our posterity.

As surely as the delusions of the Age of Aquarius gave way to the paralysis of Apocalypse Now, so must the West move into the new decade with the will and confidence to face its perils, marshal its resources and prevail in the cause of freedom.

NEXT FIVE YEARS CRUCIAL

The next five years of the protracted conflict will be crucial for the world generally, and especially the United States. The Soviet Union will try politically to exploit its strategic superiority in large-throwweight, fixed, landbased multiple warhead (MIRVed) Intercontinental Ballistic Missiles.

Unless the West understands the comprehensive, complex, subtle and relentless strategy of the Soviet Union and addresses it immediately by managing the conflict in geography and time, the Free World will be faced with the unpleasant choice between surrender and total defeat.

This predicament should trigger an all-out effort by Western politicians as well as the Western people. They all must act, together, and right now . . . for the future of mankind is at stake.●

BIG BUSINESS: DYNAMO OR DINOSAUR?

● Mr. HATCH. Mr. President, some of us in the U.S. Senate have been trying to convey a message to our colleagues about the way Government has been hamstringing American businesses. Our message has been clear and concise. It is that if we desire to benefit from the genius of the free-enterprise system, we must free business of the unnecessary Government regulations with which they have been plagued.

Some of these troublesome regulations have been mandated legislatively. Others have been created through executive order and administrative fiat. Both have the same effect: To severely limit and even curtail the efficiency of business operations. We who look on, who are consumers, who are involved only indirectly with the actual production of goods and services, fail to realize the crippling effect that uncontrolled government can cause to American productivity. Undoubtedly, it appears that we sometimes think that companies can perform magic. We not only ask them to create new, reliable, and more sophisticated products, but also, we ask them to do it while complying with OSHA regulations, EPA regulations, FTC regulations, and every other applicable regulatory agency. The paperwork required is voluminous and the cost is astronomical.

Recently, David Rockefeller, Chairman of the Chase Manhattan Bank, addressed the Graduate School of Business at the University of Chicago. In his remarks on big business, he points out that this regulatory burden now amounts to $100 billion annually. His remarks are timely and thought-provoking and I submit them for any colleagues' consideration. I ask that they be printed in the RECORD.

The statement is as follows:

BIG BUSINESS: DYNAMO OR DINOSAUR?

I've been a regular visitor to Chicago ever since the happy days I spent here as a student of economics at the University of Chicago. That was a time when even the Keynsians couldn't fathom a forty billion dollar federal deficit.

Chicago is a city of superlatives—the world's tallest building, largest commodity exchange, busiest airport. The premise that small is beautiful, or its corallary that big is bad never captivating Chicagoans. Yet, today in our nation, we often hear doubts about the value and vitality of bigness—particularly the "big" in big business.

What separates these doubts from the usual prattle of those opposed to private enterprise is the concern of some supporters of the market system that big business can be inefficient and uncompetitive. Big business has been depicted as a lumbering dinosaur, encumbered by its own weight and unable to adapt to a hostile environment.

Joseph Schumpeter, a brilliant economist and eloquent defender of economic and individual freedom, was one such doubter. He saw the erosion of the innovating spirit under the conditions of mature capitalism as inevitable—the consequence of a decay of business purpose and incentives, government interference and hostility from intellectuals.

The market is another possible measure of confidence in big business, and the generally disappointing performance of big business equities reflect doubt and distrust.

It seems that only the most ardent critics of big business are confident of its vigor. They characterize large corporations as wild beasts running roughshod over the economy, trampling competition and ravaging the environment.

Thus to some, big business is unbridled muscle—to others, merely deadweight. Both criticisms represent a challenge to the business community.

Today, I would like to address some of the factors that generated these criticisms and suggest a few remedies. But, the first question that needs to be asked is: Why should big business survive?

I suppose an ardent environmentalist might argue that evolution should be halted. Every endangered species—the snail darter or big business—should be protected. There are, however, far more serious and compelling reasons why we do need big business.

First, size can result in significant economies of scale—in production, distribution and service. Try getting spare parts for a Hupmobile and you will understand the advantage of a relatively concentrated auto industry. These economies of scale become even more compelling as the world becomes more interdependent and global consumer tastes converge. In the auto market, for example, high energy costs around the world have created a global consumer demand for smaller, more fuel efficient cars. It is becoming possible for big business to manufacture different auto components around the world in the most efficient locations while still allowing each nation to add value.

Also the needs of companies and individuals have become more global. Serving these needs requires size. Chase, for example, expanded overseas to serve its customers travelling and investing around the world. While some thought that a network of alliances between banks might be the best way to provide global banking services, it has become apparent that a big bank with its own global presence does the job best.

Size also enables U.S. business to compete around the world with other large enterprises, many of which are state subsidized.

It takes size to tackle the massive economic needs of our nation and world. Energy development, for example, requires massive sums of capital and the assumption of great risk. Few small companies have the resources to drill for oil in the North Sea below 500 feet of water or 15,000 feet beneath the earth's crust.

One of the central functions of the big corporation is risk-taking. A Boeing 747 is built out of components manufactured by hundreds of small companies. But it takes a giant like Boeing to assume the risk and wait for the payout from a technological leap of the immensity of a jumbo jet.

Moreover, big corporations have been leaders in providing its millions of employees with competitive salaries, benefits and job security.

Clearly big business is here to stay because it serves real needs. Why then has it sparked such sustained criticism? What can be done to make large business enterprises more efficient and competitive?

Most doubts about the vitality of corporations have arisen in the past decade when persistent inflation and negligible real economic growth in the U.S. have caused Americans to question many of our economic and political institutions.

In the late 1950's and early '60's, big business and the economy in general enjoyed rapid and sustained growth as a result of pent-up domestic demand from the war years, and vast expansion of overseas markets as Europe and Japan reconstructed from the remains of war. The economic problems in those years would be refreshing for today's managers—a shortage of skilled labor and sufficient capacity to meet ever-growing demand.

The peacetime applications of wartime technology raised our productivity and prosperity. This period of robust growth allowed corporations to invest and assume risks with relative ease and little consequence. Capital was available at a predictable rate and mistakes were digested easily and rapidly by the growth and success that followed.

Of course, this meteoric progress was not sustainable indefinitely. By the early 1970s, growth became less sure and steady, success less certain and the risks and rewards of investment went back into a balance that required more prudence and finesse.

American industry remained preeminent but some corporations weren't as innovative and competitive as they might have been. Some large businesses were content to rest upon the momentum of the earlier boom.

It didn't take long, however, for the marketplace to quash this complacency—at times rudely. The industries of Europe and Japan rebuilt, matured and became formidable competitors to U.S. business.

By the mid 1970s the global challenge to U.S. business was manifest. But by then, powerful political and economic forces were beginning to hamstring big business, preventing it from fully rising to the new challenge.

Inflation had become a chronic problem that distorted the risks and rewards of doing business. The costs of plant and equipment grew ever higher and more uncertain. Depreciation allowances no longer reflected investment cost and risk.

Furthermore, inflation raised the book value of existing equities but their price in capital markets substantially lagged. Thus, it frequently became more economical and prudent to buy an ongoing concern with proven profitability than to assume the risk and initial losses of a new venture.

Research and development expenditures aimed at modest variations on existing technology rather than major breakthroughs.

At the same time, U.S. business became saddled with a massive regulatory burden that now costs society over $100 billion annually. The big corporation was told to bear the brunt of efforts to legislate solutions for a myriad of social, economic and political problems.

The resulting regulation channeled capital away from productive R. & D. and investment and into defensive expenditures designed to comply with the plethora of regulation. Political uncertainty was added to the already imposing economic risks and costs of new ventures. Will a proposal for new plant incur the wrath of a government agency? Will this or that special interest group with a bevy of legal talent litigate a new venture into oblivion?

In this climate of uncertainty, passivity can easily be confused with prudence and fear often triumphs over foresight. But the demand for efficient and competitive business does not diminish.

Regulation and economic uncertainty only heighten the challenge of the marketplace and intensify the need for good internal management.

What can the big corporation do to become more competitive and efficient? Concerned action is required both within the corporation and in the public policy arena.

Let me offer a few thoughts.

Internally, many efforts to make the corporation more effective and responsive to change have focused on management structure. Large business institutions have been organized into smaller, more manageable units that have an underlying business rationale. Lines of business, profit centers and market segments are identified and resources are applied to each with the sharp focus a small enterprise might receive.

Matrix management is one such technique that has been heralded as an effective means for large diversified corporations with complex business interests and sophisticated functional needs to manage efficiently and responsively. The mixed bag of failures and successes of matrix management should make one thing apparent. Structure alone doesn't govern an organization. People, not structure, manage a business. No structure can survive the wrong people in the wrong jobs. At the same time, the right people can surmount the complexities of nearly an organization chart.

Thus, a primary task of the effective big business is to recruit, develop, promote and reward the best people and place them into the right jobs. An individual whose talent is recognized, groomed and rewarded, will develop a sense of ownership in any sized corporation.

Yet, at the same time, corporate direction must be set at the top. A mission and definable goals must be clearly communicated throughout the organization.

In addition to defining our financial and marketing objectives we need clear statement of the ethical underpinnings of our organization—a legal, moral and social code of conduct.

A corporate mission can't be cast in stone but it must be specific enough to serve as a yardstick for performance. Communicating this mission and measuring the success of people dedicated to it is a special challenge to a diversified, global big business. The interpersonal skills of managers must be honed and efficient formal and informal channels of communication must be established.

A large organization does not become bureaucratic solely as a result of structure or size. Business becomes leaden when it loses sight of its purpose. . . . When the fear of making an error overwhelms the fear of missing an opportunity.

Within the broader world, big business can function more efficiently if the risks and rewards of doing business are brought back into a more productive balance.

A realistic capital depreciation allowance would recognize the effects of inflation on replacement costs of plant and equipment.

Tax breaks for research and development would channel dollars back into productive projects dictated by market needs rather than government mandate.

Investment tax breaks would spur new ventures and enhance our productivity.

In general, we need to pay greater attention to the supply side of our economy and spend less time attempting to regulate demand.

And we need to better balance the costs of government regulation with their benefits.

Furthermore, we mustn't overlook what I believe to be the single most effective force for assuring that big business is efficient and responsive to change—the marketplace.

If a big corporation is unwilling or unable to adapt to a changing environment, there are others ready to take its place.

Size doesn't guarantee survival. It certainly didn't help the Penn Central Railroad. Unlike big government, big business cannot print money to cover a deficit. Of the 100 largest corporations in 1917, 28 failed to meet the rigors of the market and are no longer in business. Fifty-four others have been pushed off the top 100. Meanwhile, fledgling small businesses such as Xerox and IBM have survived the test of the market and taken their place.

An open and fair marketplace that allows competition—foreign as well as domestic—to flourish, is the greatest guarantee of effective big business.

Yet, those opposed to big business would dull the market's edge with a growing body of rules and regulations implemented and enforced by big government.

Clearly, many of the most vocal critics of big business are fervant promoters of big government.

I suspect, then, that for the most strident critics of big business, the real issue is not corporate size or big-business practices.

As the promoters of the anti-business media event just last week wrote—"The key question in looking at the giant corporation is: "Who controls what?"

I must say I agree that this is the right question.

We have a choice between private ownership and government control of our resources.

We can allow individuals to choose the goods and services they want or let government choose for them.

In short, we have a choice between individual freedom and statism.

Fortunately, in our system, these choices ultimately will be made by all the people. If we argue our case effectively, I am confident our citizens will choose the system that has generated the greatest level of sustained prosperity known to mankind.

But for private enterprise to receive a full and fair hearing, business leaders must be public citizens as well as managers.

We need to speak forcefully and effectively in the marketplace of ideas—as individuals, as corporations and in concert with private enterprise associations.

Above all, we must earn the confidence of the people from which we derive our franchise.

The integrity of our practices, the quality of our products, the efficiency of our service and the ability to meet the unrelenting demands of the marketplace will be the ultimate measure of our success or failure.●

THE HYDROPOWER DEVELOPMENT ACT OF 1980

● Mr. GRAVEL. Mr. President, I ask that a statement on hydropower development be printed in the RECORD.

The statement is as follows:

THE HYDROPOWER DEVELOPMENT ACT OF 1980

Recently I introduced the "Hydropower Development Act of 1980", S. 2766. This bill is designed to reduce the financing costs for the construction of new hydroelectric generating capacity. It permits tax exempt financing for any facility the primary purpose of which is the generation of hydroelectric power. A similar change was included in the Senate version of the Windfall Profits Tax bill, but was deleted in Conference at the insistence of the House. The Hydropower Development Act of 1980 will extend the benefits of tax exempt financing to all new hydroelectric facilities, rationalizing the tax law dealing with exempt financing of hydro facilities and encouraging the construction of this environmentally sound renewable energy source.

HYDRO: THE BEST CONVENTIONAL POWER SOURCE

Hydroelectric generation of power is the cheapest, cleanest, and most environmentally sound of the conventional alternatives. The generation of electricity through the use of hydro is much less damaging to the environment than burning coal or oil. It does not pollute the air nor require the continued depletion of natural resources, and water pollution can be minimized.

Hydroelectric generating facilities offer proven technology which works efficiently and effectively today. It is not a technology in the experimental stage with massive additional development required to make it economic at today's fossil fuel prices. Hydroelectric facilities have been constructed in this country since before the turn of the century and development of the technology to take advantage of this vast resource has already taken place.

Hydro power is inexpensive over the long run. Since hydro draws on the renewable resource of flowing water to turn its generators no fuel costs are involved. During the oil rich days of the 1950's and 60's it was cheaper, even after fuel costs, to generate electric power through the use of fossil fuel fired plants. However, the days of cheap fossil fuels are gone, and now, despite high initial costs for hydro facilities, the cost of power over the life of a hydro project is lower than the cost of power from fossil fuel plants. Because of the low cost of fossil fuels we have neglected the remaining hydroelectric potential of the United States. With the current shortage in world energy supplies it is time to move aggressively to develop this potential.

Some people feel that while hydroelectric generation is an excellent means of assisting in the energy crises we should look first to "small hydro" rather than encouraging hydro generally. It is suggested that small hydro, 25 megawatts or less, is somehow preferrable to larger facilities. But, while small hydro development is healthy, the real gains in hydro generating capacity come from projects over 50 megawatts.

HYDRO NEEDS FINANCING HELP

The development of hydroelectric generating capacity is very expensive. However, over time hydroelectric generation of electricity has proven to be the cheapest of our conventional sources. This low cost is a result of the renawable resource upon which hydroelectric facilities operate, flowing water. The renewable nature of this power source means that the cost of power from hydro facilities remains relatively fixed while the cost of power from nuclear and other conventional sources increases with the increasing costs of their fuels.

Thus, we find that the Pacific Northwest, blest with an abundant supply of flowing water and a far sighted energy policy, has the lowest cost of power in the United States as a direct result of the heavy investments made in the development of hydroelectric power during the decades from the 1930's to the 70's.

In spite of large long run savings it is difficult to finance hydroelectric facilities because of their high initial cost. There are a limited number of acceptable hydroelectric sites in the United States. The U.S. Army

Corps of Engineers has estimated that the U.S. has 390,000 megawatts of potential hydroelectric capacity, however, only 57,000 megawatts of this potential have been developed. Because of the limited number of good hydro sites and the difficulty of expanding a dam or other impoundment facility, it is important to develop the full capacity of a hydro site at the time of initial construction. Geography, geology and environmental demands all constrain the size and configuration of a hydroelectric development. Economics and geology demand that a good site be developed to its maximum capacity initially because it will be very expensive to expand it in the future.

Because of the constraints of geology, geography and environment hydro facilities must generally be overbuilt during the construction period. They must be planned, not only for the next five years, but for the next 50. Thus, a well planned hydroelectric facility will anticipate power needs as much as 20 years into the future in the service area for which it is constructed, and will attempt to meet the needs of that area for the foreseeable future. This means that a hydroelectric facility will have excess power available during the early years of the facilities' life.

This excess power may not be needed during the early years and may either go unproduced or may be produced and sold into a grid for use outside the service area. Where excess power cannot be sold during the early years of the facility life the financing costs for construction are spread over fewer kilowatts increasing the costs to consumers beyond what might be expected from a smaller fossil fuels plant generating the same number of consumable kilowatts, but without the ability to generate larger power supplies for the future. Where excess power can be sold into a power grid for use outside the service area of the facility the project may be ineligible for tax exempt financing because the "two county" rule is violated.

The alternatives to hydroelectric generating capacity, oil and coal fired plants, have relatively low initial costs and great flexibility in both sizing and siting. Because of this flexibility fossil fuel plants can be added in a series of steps each with low initial cost and high initial utilization.

This flexibility, low initial cost and high initial utilization makes the financing of oil and coal fired facilities relatively easy and inexpensive compared with hydroelectric generating capacity. However, the fuels costs associated with fossil fuel facilities results in higher costs per kilowatt than fully utilized hydroelectric facilities. In addition, the coal and oil fired fossil fuels facilities deplete non-renewable resources while the hydro facilities make use of renewable resources for the generation of electric power.

Because of the high initial costs, the need to overbuild in the early years, and the flexibility and high initial utilization of fossil fuels plants hydroelectric generation needs financing help. The least expensive means of providing this assistance without the creation of a new federal bureaucracy is to rationalize the law regarding the use of tax exempt bonds for the financing of hydroelectric construction. This is what the Hydroelectric Development Act of 1980 attempts to do.

THE LAW ON FINANCING HYDRO MAKES NO SENSE

Current law with respect to the use of tax exempt financing for the construction of hydroelectric generating facilities is a mix of complicated rules which can result in substantial financing cost differentials for facilities constructed under similar circumstances.

During my introductory statement on the Hydropower Development Act of 1980 I explained in some detail how existing tax law with respect to the use of exempt financing for hydro development worked inequities on particular taxpayers and communities because of accidents of history or geography. I will not go into great detail here, but a short summary of how the existing law works will illustrate that some changes are in order.

Under Internal Revenue Code section 103 industrial development bonds (tax exempt bonds issued by a State or local jurisdiction a major portion of the proceeds of which are used in the trade or business of a nonexempt person) may be issued for the construction of hydroelectric facilities if they are for the "local furnishing" of electric energy (sales are not made into more than two counties) and the facility serves the general public (not more than 25 percent of the power is consumed by business users).

As a result of these restrictions hydroelectric facilities in some areas can be financed effectively with tax exempt bonds because sales are made within a two county area and the purchaser is a governmentally owned distribution company. However, in other areas where private distribution systems have developed or where sales are made into a grid system for the distribution of excess power, tax exempt financing is precluded for a similar facility.

THE ALTERNATIVE: FEDERAL CONSTRUCTION

The alternative to federal encouragement of hydroelectric construction through rationalization of the tax rules is full federal funding of hydro projects. In the past the federal government has spent billions for the construction of major hydroelectric facilities.

Federal dams on the Columbia River alone have cost over $2.5 billion. These dams generate over 4,500 megawatts of electricity and have assured the Pacific Northwest the lowest power costs in the United States.

Most large hydroelectric projects constructed to date have been federally financed and built. However, the Congress has in recent years been seeking ways in which State and local involvement in the construction of public works projects can be increased in order to ease the burden on the federal government.

The Hydropower Development Act of 1980 can reduce the obligations of the federal government with respect to the development of our hydroelectric resources by making it easier for these facilities to be financed through State, local and private sources.

America's remaining hydroelectric potential can no longer be ignored. In light of the energy crises we must develop this important resource and the Hydropower Development Act will help ensure that the burden of this development is not borne solely by the federal government.●

SENATOR KENNEDY ON AFRICA POLICY

● Mr. McGOVERN. Mr. President, since the settlement in Zimbabwe, little notice has been given to the continent of Africa. Yet this important area will unquestionably assume greater significance for the United States in the 1980's. Senator KENNEDY has thoughtfully addressed this subject, specifying what our Africa policy should be in an interview with Africa Report. I highly recommend this piece and ask that the interview be printed in the RECORD.

The interview is as follows:

SENATOR EDWARD M. KENNEDY INTERVIEW

AFRICA REPORT. What are the most basic U.S. interests in Africa?

KENNEDY. I believe Africa will be of central importance to U.S. foreign policy in the 1980s. Our most basic interests in Africa are those which we share with the African people: upholding national sovereignty, promoting economic development, and attaining fundamental goals of political and racial justice. By assisting African nations to meet these goals, we will enhance stability in Africa, help fulfill the aspirations of the people of Africa, and thus best promote U.S. interests.

I believe it is time for the United States to develop a long-term African policy—a policy that is viable on its own merits and that avoids the mistakes of the past. I feel such a policy must be based on (1) the promotion of majority rule; (2) increased U.S. development assistance, food aid, and trade and private investment opportunities; and (3) a close relationship with the Organization of African Unity.

AFRICA REPORT. How do you evaluate the current U.S. commitment to African economic development? Is the level of U.S. aid adequate? Is U.S. aid well-oriented or misdirected? Would you favor aid for African socialist states such as Mozambique? States like Zaire?

KENNEDY. I believe that the Carter administration's approach to African economic development has not been sufficiently creative and flexible to meet the needs of the countries of Africa. Although we have made considerable efforts toward setting up effective development projects in rural areas, our policies in most other instances have been notably ineffective. For example, when Idi Amin fell and disaster relief was needed, the United States was slow to respond; when Liberia was torn by riots and desperately required more urban housing, the administration fumbled and hesitated; when new governments in states like Nigeria and Ghana sought our assistance in constructing their new democratic systems after returning to civilian rule, we were not there to provide it.

I believe we share a common interest with the countries of Africa in establishing and promoting a variety of long-range projects throughout the continent. At the same time, we must be able to respond to pressing needs when and where they arise.

I support the extension of aid to Mozambique. Mozambique is one of the least-developed countries in Africa and is openly seeking more U.S. investment and trade. I believe we must be responsive to those needs.

Mozambique has managed to cooperate with all its neighbors in southern Africa, and has actively supported Western proposals for peace and stability in the region. President Machel was intrumental in bringing pressure to bear on the Patriotic Front to reach a Rhodesian settlement, and Mozambique has also been receptive to UN initiatives on Namibia. While I was greatly disappointed at Mozambique's recent support of the Soviet Union on the UN vote on Afghanistan, I believe the United States has an important interest in encouraging cooperation on the part of Mozambique. We cannot expect to solicit support from Third World countries like Mozambique on global issues until we show a willingness to work with them on local and regional issues.

The case of Zaire is more complicated. In light of the pervasive corruption and widespread violations of human rights in that country, I believe we must carefully review our relations with the present regime before determining the extent of our economic aid. At the same time, I believe we should continue to pursue development programs that will benefit the population of Zaire as a whole. Again, however, as in the case of Mozambique, we need a clearer and more creative approach than the approach taken by the Carter administration.

AFRICA REPORT. How do you assess Soviet intentions in Africa? What should the U.S. do to counter the Soviet and Cuban roles?

KENNEDY. No matter what their intentions I strongly oppose any Cuban or Soviet military intervention in Africa. I believe that the

Soviet Union's direct or indirect involvement in African conflicts represents a serious threat both to U.S. interests and to the integrity and independence of African states. However, if we are to have a credible policy in Africa, we must do more than merely react to real and imagined Soviet threats; we must also be ready to meet the true needs and desires of the African people.

Some African states are changing their attitude toward the Soviet Union. Even prior to the Afghan invasion, the Soviets had had their share of setbacks in Africa. For example, the Soviet Union has suffered blows in Egypt, Sudan, Somalia, Ghana, Nigeria, and in the recent Western-supervised election in Rhodesia.

To counter the Soviets in Africa, I support active and forceful diplomacy—such as that employed by Lord Carrington in Rhodesia—backed by appropriate economic and military assistance to friendly states. I believe such assistance can prove helpful to these countries in strengthening their independence and national security. We must also be much more active in working to alleviate the underlying regional and political-economic problems that invite intervention.

The United States should draw upon its unsurpassed ability to provide the assistance and technology that are so desperately needed by the developing countries. By using our skills and resources to our advantage, we can demonstrate to African countries that they have much to gain from positive relations with the United States.

Africa Report. How do you view the situation in the Horn of Africa? What policies should the U.S. follow toward the Horn?

Kennedy. It is clear that the situation in the Horn—a deeply rooted local conflict—has serious implications for our foreign policy interests in the Indian Ocean and the Middle East. The massive presence of Soviet and Cuban troops and advisers in Ethiopia could potenitally threaten stability throughout the region.

While I believe we must respond appropriately to this intervention, I feel that any direct U.S. military involvement in the present conflict would be both unwise and ineffective.

Before the U.S. acquires access to military facilities in the Horn, I believe we must carefully assess the risks and benefit. In particular, we must answer some very important questions. Will U.S. military aid to Somalia in exchange for use of military facilities fuel the conflict in the Ogaden? Will the establishment of U.S. military facilities in Somalia and Kenya encourage Ethiopia, Angola, or Mozambique to grant the Soviet Union long-sought base rights? And finally, what effect will the establishment of U.S. military facilities have on our long-term relations with African governments?

In addition to political and military actions, I feel there are basic human needs we can and should be meeting in Somalia, particularly with regard to refugee relief. Refugees from the Ogaden, from Eritrea, and from Somalia itself have become a critical problem for both Somalia and Sudan. To help remedy that situation, I introduced legislation in January to provide emergency assistance to Somali refugees.

Africa Report. How do you see the conflict in the Western Sahara? Should the U.S. increase support for Morocco's King Hassan? What policies should the U.S. follow towards the Western Sahara?

Kennedy. A constructive U.S. foreign policy must serve the needs of our allies as well as promote international peace. The administration's current proposal to sell offensive arms to Morocco fails in both respects.

Morocco is a trusted and valuable friend of the United States. I support arms sales that help Morocco meet its legitimate defense needs. However, I oppose the Carter administration's decision to sell counterinsurgency weapons for use in the Western Sahara.

The rationale for the administration's decision was that, from a position of strength, Morocco would be inclined to come to terms with the Polisario guerrillas. However, it is clear that arms sales of this type have thus far only fueled the conflict. Moreover, King Hassan has not provided any significant indication that he intends to negotiate. To the contrary, he has stated that he will fight on as long as possible. By making an unprecedented visit to the illegally annexed Western Sahara in early March, the king moved further away than ever from negotiations. Consequently, the administration's policy of selling arms to Morocco will have the effect of supporting Morocco's claims to sovereignty in the Western Sahara, prolonging the conflict, reducing the likelihood of a negotiated settlement, and eventually weakening Morocco.

I believe that a far more effective policy would be to take the lead in initiating a diplomatic effort—in concert with the OAU—to help achieve a peaceful resolution of the conflict. Thus far, efforts along these lines have not been seriously pursued by the administration. Moreover, if we are genuinely interested in supporting our friends in Morocco, we should give more attention to a program of economic assistance aimed at addressing some of that country's serious domestic problems.

Africa Report. What is your perspective on U.S. policy towards Angola?

Kennedy. I have long maintained that the United States should normalize relations with Angola. In fact, I believe that the failure of the Carter administration to establish normal relations with Angola is one of the great failures and lost opportunities in the Carter administration's policy toward Africa.

We have had a good deal of success in obtaining Angola's cooperation on a wide range of issues in central and southern Africa. The Angolans have been particularly helpful in promoting peaceful settlements in Namibia, Zaire, and Zimbabwe. Angola has also shown considerable interest in maintaining economic ties with the United States; it has continued to supply oil to the U.S. and has provided investment opportunities for some American corporations.

During the 1976 campaign, Mr. Carter attacked the Ford administration's policy toward Angola, suggesting that it was misguided by focusing exclusively on the presence of Cuban troops: "We should also realize that the Russians and Cuban presence in Angola, while regrettable and counterproductive of peace, does not constitute a threat to United States' interest, nor does that mean the existence of a communist satellite on the continent." Yet Mr. Carter, by failing to recognize Angola, is repeating the mistakes of his predecessors.

It is time to develop a new approach toward Angola. We should establish diplomatic relations and thereby give the Angolans some realistic options in maintaining their independence.

Africa Report. Which is the more important to the U.S.—an end to minority rule in the reigon or preservation of friendly governments in the region?

Kennedy. There is no inherent contradiction between supporting majority rule and having friendly governments in southern Africa. These are not incompatible interests, and we must undertake policies to achieve these objectives.

I believe the best way for the United States to advance its long-term interests in southern Africa is to promote self-determination. As recent elections in Zimbabwe have made clear, a settlement leading to genuine majority rule is the only true path to peace and stability. Specifically, we must increase our efforts to achieve a lasting settlement in Namibia and must adopt a much stronger stance against apartheid in South Africa.

Africa Report. Should the U.S. be involved in the process of bringing majority rule to Namibia?

Kennedy. In 1977 the Carter administration took the lead in promoting negotiations on Namibia. However, as these talks bogged down, the administration abandoned its earlier initiatives and failed to mount a sufficient effort to break the deadlock.

I believe that renewed efforts should be made to achieve a Namibian settlement. Specifically, we should make clear to the South African government that its interests will not be served, and that its relations with the West will deteriorate further, if it continues to prolong the negotiations.

It is time we exerted real pressure, including serious consideration of some form of UN sanctions, to underscore the priority we give to a peaceful conclusion of Namibia's independence under majority rule. We should continue to promote internationally supervised elections as the path toward genuine majority rule in Namibia, and we should be prepared to provide economic assistance to Namibia once its independence has been achieved.

Africa Report. What is your policy on South African racial discrimination?

Kennedy. I advocate a clear and firm approach toward South Africa, the only nation in the world that maintains a system of legal discrimination based solely on race. We should do all we can to bring an end to the system of apartheid, which is a racist and abhorrent violation of fundamental human rights.

I believe we should apply concrete measures to encourage the South African government into permitting all races to have full political participation in the affairs of their country. I have supported sanctions on the sale of military items to South Africa, and I favor further initiatives that actively discourage new private investment in that country. I believe the U.S. government should provide no support for existing private investment in South Africa unless there is a meaningful change, and I strongly support recognition of black trade unions, and strict compliance with the Sullivan fair employment principles, which should also be strengthened. We should decide on further steps to be taken after examining recent internal changes and South Africa's policy regarding Namibia.

Africa Report. How do you evaluate the orientation and results of the Carter Administration's policy toward Africa?

Kennedy. It is difficult to speak of a "Carter policy on Africa." Early in his administration, the president promised us a "new policy toward Africa." This policy was to make up for the failures of the past by placing particular emphasis on African issues and doing so in a way that stressed majority rule and downplayed East-West rivalries. However—as in other areas of his foreign policy—President Carter's hasty reactions to crises have pre-empted his own policies and have revived Cold War tensions in Africa.

In 1977 the administration declared that it was determined to do everything possible to keep the Cold War out of Africa and that it favored diplomatic over military solutions to problems in the continent. However, since the 1978 invasion of Zaire's Shaba Province by Katanganese rebels, Mr. Carter has gradually abandoned these goals, as his administration moves closer and closer to backing military solutions from the Western Sahara to the Horn.

Moreover, the Carter administration has been ineffective in its policy toward South Africa. Although there was a promising start in the negotiations with South Africa on Namibia, the talks soon stalled, and the administration did little to revive them. Meanwhile, South Africa has taken further steps toward tightening internal security, advancing the homelands, and repressing dissent. Some modest steps toward internal reform have been taken, but it is clear that the South African government still intends to keep blacks disenfranchised. Vice-President Walter Mondale once declared that U.S.-South African relations hung in the balance over self-determination in South Africa; yet we now witness an administration whose equivocal policies invite confusion and undermine our credibility throughout the continent.

Even in Zimbabwe, where the administration focused an inordinate amount of its attention, the U.S. itself accomplished remarkably little. For three years the administration pushed, sold, and resold an "Anglo-American Plan" for a Rhodesian peace—with no results. Nigeria, one of our key partners in this project, finally dropped out in frustration. The five Frontline states remained deeply suspicious and divided. In the end, we probably alienated these countries more than we influenced them.

By contrast, the new British government reached a peace settlement for Zimbabwe within seven months of taking office.

After the agreement had been reached and the British reassumed authority in Zimbabwe, the administration was unprepared to coordinate U.S. actions on lifting sanctions with those of the United Nations. Then, once sanctions had been lifted, interest in Zimbabwe seemed to fade. The administration's earlier plans for the reconstruction of Zimbabwe as part of a southern African development plan have failed thus far to materialize.

In many other ways, Carter's performance has not fulfilled Carter's promises. The administration still does not recognize the government of Angola. It has promoted sales of counterinsurgency weapons as an illusory "quick-fix" to the dispute in the Western Sahara. It has provided insufficient relief to refugees throughout Africa. Indeed, military bases and the East-West competition now dominate Mr. Carter's thinking and dictate his approach to the entire continent.

We must stop the drift toward the policies of the past. The United States must pursue a policy that identifies the mutual interests we share with the people of Africa. We must not, once more, fail in this responsibility, for our strategic, political, and moral interests are at stake.

AFRICA REPORT. How would you assess U.S. relations with Nigeria?

KENNEDY. I welcome the return to civilian rule in Nigeria. The election of a civilian democratic government in Nigeria, based on a constitution adapted from the American model, is a positive development of great potential significance to the United States. Earlier misunderstandings, born of former Secretary of State Henry Kissinger's Africa policy and America's failure to recognize Nigeria's extraordinary reconciliation following its civil war, created a climate of considerable tension in our relations with Nigeria. Thus, it is particularly important to seize the current opportunity and work to improve our relations with Nigeria, which is our second-largest supplier of oil and which possesses one-quarter of the population of black Africa.

In cooperation with the Frontline states Nigeria has shown its ability and willingness to work for change to remove the anomalies of minority rule in southern Africa. It has made clear its wish to see that change comes peacefully, and its governments, both past and present, have worked actively, if quietly, toward that end. Because the Nigerians are committed to that end as the major goal of their foreign policy, our relations with them will depend to an important extent on our stance on the problems that remain there.

Nigeria's interest in our political system and in the technology and expertise we could bring to bear as they tackle their problems of economic development, especially in the agricultural sector, offers us important opportunities. We must not fail in meeting these opportunities for their achievement can be instrumental in further strengthening our relations with this increasingly important African nation.

AFRICA REPORT. How do you view the recent election in Zimbabwe?

KENNEDY. The recent election in Zimbabwe is an important step toward achieving genuine majority rule throughout southern Africa and clearly shows the benefits of pursuing a diplomatic—rather than a military—solution to the Rhodesian question.

There are some dramatic lessons in the results of the election. The overwhelming victory of Robert Mugabe shows how mistaken so many people were in their assessment of political sentiments in Zimbabwe. It is sobering to realize that the peaceful settlement in Zimbabwe could have been aborted if the U.S. Congress had prevailed last summer when it voted to lift sanctions and normalize relations with the government of Bishop Muzorewa. The United States came dangerously close to backing an unpopular leader—clearly a losing proposition if the war continued.

I believe the United States should now join with the British, and other international donors in working to ensure that there is a smooth transition to majority rule in Zimbabwe. We must be responsive to the needs of Zimbabwe's war-torn population, for the government's ability to meet their needs could have proven decisive to the stability of this important country.

QUORUM CALL

The PRESIDING OFFICER. Is there further morning business?

Mr. MATSUNAGA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE FOR MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of Calendar Order No. 779, S. 2352, the Council on Wage and Price Stability bill, on which a time agreement has already been entered.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, this scheduling is cleared on our side and we have no objection to its consideration at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBAL-STATE COMPACT ACT OF 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 809.

Mr. BAKER. Mr. President, that item also is cleared on our calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1181) to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country.

The Senate proceeded to consider the bill, which had been reported from the Select Committee on Indian Affairs with amendments, as follows:

On page 2, line 2, strike "1979" and insert "1980";

On page 2, beginning with line 18, strike through and including line 24, and insert in lieu thereof the following:

(a) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native Village as defined in section 3(c) of the Alaska Native Claims Settlement Act (85 Stat. 688–689), which is exercising powers of self-government and which is recognized by the Secretary of the Interior as eligible for services provided by the United States to Indians because of their status as Indians.

On page 3, beginning with line 12, strike through and including line 13, and insert in lieu thereof the following:

(c) "Secretary" means the Secretary of the Interior unless otherwise designated in this Act.

On page 4, line 5, strike "and among";

On page 4, line 7, strike "each" and insert "both";

On page 4, line 23, strike "title IV,";

On page 5, line 9, strike "unless requested otherwise by all parties to the agreement or compact";

On page 5, line 12, strike "or proceeding over which a court has already assumed jurisdiction" and insert "or proceeding which arose prior to the effective date of such an agreement, compact, or revocation";

On page 6, line 1, strike "criminal laws for or enforce criminal" and insert "criminal, civil, or regulatory laws for or enforce those";

On page 6, line 16, strike "title IV,";

On page 6, beginning with line 18, insert the following:

(f) Nothing in this Act shall be construed as impairing or restricting the right of the United States, States and Indian tribes to enter into negotiations with each other with respect to settlement of property rights arising from aboriginal ownership, treaties or other Federal laws or judicial decisions.

On page 10, line 15, strike "from his Department as may be used";

On page 10, line 23, strike "in his judgment";

On page 11, beginning with line 1, strike through and including line 4, and insert in lieu thereof the following:

(c) Beginning October 1, 1980, funds appropriated pursuant to the Act of November 21, 1921 (42 Stat. 208), may be utilized for the purposes of this title.

On page 11, beginning with line 9, strike through and including line 17, and insert in lieu thereof the following:

SEC. 301. Any party to an agreement or compact entered into in accordance with this Act may bring a civil action to secure equitable relief, including injunctive and declaratory relief, for the enforcement of any such agreement or compact, but no action to recover damages arising out of or in connection with such agreement or compact shall lie except as specifically provided for in such agreement or compact. The United States district courts shall have original jurisdiction of any civil action authorized by this section. States and Indian tribes, by entering into compacts or agreements in accordance with this Act, shall be deemed to have consented to suit with respect to the subject matter of such compacts or agreements unless the agreement or compact specifically states otherwise.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tribal-State Compact Act of 1980.".

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of this Nation to continue to preserve and protect the tribes of the American Indian people. The policy of this Nation is premised on the status of tribal governments as a continuing part of the American political fabric. Accordingly, the United States has a responsibility to establish a legal framework which will enable the tribes and the States to achieve maximum harmony and facilitate their cooperative efforts in the orderly administration of their governments. Federal enabling authority for the establishment of viable intergovernmental agreements between the tribes and the States based on mutual consent must be established.

DEFINITIONS

SEC. 3. For purposes of this Act:

(a) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native Village as defined in section 3(c) of the Alaska Native Claims Settlement Act (85 Stat. 688–689), which is exercising powers of self-government and which is recognized by the Secretary of the Interior as eligible for services provided by the United States to Indians because of their status as Indians.

(b) "State" means any of the States of the United States, including cities, counties, municipalities, or other political subdivisions thereof.

(c) "Secretary" means the Secretary of the Interior unless otherwise designated in this Act.

(d) "Indian country" shall be defined in accordance with the provisions in section 1151 of title 18, United States Code.

TITLE I—AUTHORIZATION OF COMPACTS AND AGREEMENTS

SEC. 101. (a) Notwithstanding the Act of August 15, 1953 (67 Stat. 588), as amended, or any other Act transferring civil or criminal jurisdiction over Indians within Indian country from the United States to the various States, or establishing a procedure for such transfers, and notwithstanding the provisions of any enabling Act for the admission of a State into the Union, the consent of the United States is hereby given the States and the Indian tribes and the same are hereby authorized to enter into compacts and agreements between themselves on matters relating to (1) the enforcement or application of civil, criminal, and regulatory laws of both within their respective jurisdiction, and (2) allocation or determination of governmental responsibility of States and tribes over specified subject matters or specified geographical areas, or both, including agreements or compacts which provide for concurrent jurisdiction between the States and the tribes, and (3) agreements or compacts which provide for transfer of jurisdiction of individual cases from tribal courts to State courts or State courts to tribal courts in accordance with procedures established by laws of the tribes and States.

(b) Such agreements and compacts shall be subject to revocation by either party upon six months written notice to the other unless a different period of time is agreed upon. No agreement may provide for a period for revocation in excess of five years unless first approved by a majority of the adult enrolled Indians within the affected area voting at a special election as prescribed in section 406 of the Act of April 11, 1968 (82 Stat. 80; 25 U.S.C. 1326), but such approval shall not curtail the right of the parties to revoke the agreement by mutual consent within a shorter period of time.

(c) Agreements or compacts entered into under the provision of this section must be filed with the Secretary within thirty days of consummation. In the event an agreement is notified, it shall be subject to immediate revocation by either party. The Secretary shall cause the jurisdictional provisions of any such agreement, compact, or revocation to be published in the Federal Register.

(d) Such agreements, compacts, or revocation thereof shall not affect any action or proceeding which arose prior to the effective date of such an agreement, compact, or revocation, and no such action or proceeding shall abate by reason of such agreement, compact, or revocation unless specifically agreed upon by all parties to any such action or proceedings and by the parties to the agreement or compact.

(e) Nothing in this Act shall be construed to: (1) enlarge or diminish the jurisdiction over civil or criminal matters which may be exercised by either State or tribal governments except as expressly provided in this Act; (2) authorize or empower State or tribal governments, either separately or pursuant to agreement or compact, to expand or diminish the jurisdiction presently exercised by the Government of the United States to make criminal, civil, or regulatory laws for or enforce those laws in the Indian country; (3) authorize or empower the government of a State or any of its political subdivisions or the government of an Indian tribe from entering into agreements or exercising jurisdiction except as authorized by their own organizational documents or enabling laws; (4) authorize agreements or compacts which provide for the alienation, financial encumbrance, or taxation of any real or personal property, including water rights, belonging to any Indian or any Indian tribe, band, or community that is held in trust by the United States or is subject to a restriction against alienation imposed by the United States; or (5) to enter into agreements or compacts for the transfer of unlimited, unspecified, or general civil and criminal jurisdiction of an Indian tribe, except as provided under section 406 of the Act of April 11, 1968 (82 Stat. 80; 25 U.S.C. 1326).

(f) Nothing in this Act shall be construed as impairing or restricting the right of the United States, States and Indian tribes to enter into negotiations with each other with respect to settlement of property rights arising from aboriginal ownership, treaties or other Federal laws or judicial decisions.

FUNDING AND IMPLEMENTATION—FEDERAL ASSISTANCE

SEC. 102. (a) In any agreement or compact between an Indian tribe and a State authorized under this Act, the United States, upon agreement of the parties and the Secretary, may provide financial assistance to such party for costs of personnel or administrative expenses in an amount up to 100 per centum of costs actually incurred as a consequence of such agreement or compact, including indirect costs of administration which are clearly attributable to the services performed under the agreement or compact. In determining the amount of Federal assistance, if any, to be provided the Secretary may consider among other things:

(1) Whether or not the party assuming an obligation under the agreement or compact is already obligated or entitled to perform the function which is the subject of the compact.

(2) Whether or not the Federal assistance will cause or enable the contracting party to perform the function at a standard above that which it is already obligated to perform.

(3) The financial capacity of the contracting parties to underwrite the expenses without Federal assistance.

(4) The extent to which the success or failure of the compact may depend upon Federal assistance.

(5) The extent to which the proposed compact or agreement will contribute to fostering of community relations between Indian and non-Indian communities.

(6) The extent to which the proposed compact or agreement will enhance protection of resources of both Indian and non-Indian communities.

(7) The comparative costs if the function which is the subject of the compact or agreement were to be performed by the United States.

(8) The extent to which Federal funding is already supplied through revenue sharing, grants in aid, or other Federal program moneys.

(b) Whenever a party to such agreement or compact seeks financial assistance from the United States, to offset their costs, such party shall prepare a detailed statement of the projected costs; a copy of such statement shall be supplied to the other party; and the original of such statement shall be supplied to the Secretary at the time said agreement or compact is tendered to him for his approval.

(c) In any agreement or compact in which one of the parties qualifies for Federal assistance, the other party shall be supplied with copies of all vouchers for payment at the time they are submitted and shall be fully informed of all payments made by the United States to the recipient party. In the event disputes arise between the parties, either party may request an audit. The books and records of the party receiving Federal assistance which are relevant to the agreement or compact shall be open to inspection by authorized representatives of the United States.

(d) In the funding of governmental operations authorized under this Act, the Secretary may enter into agreements or other cooperative arrangements with any and all other Federal departments, agencies, bureaus, or other executive branches for transfer of funds or contributions of funds appropriated for programs within the category of the functions to be performed by the parties under such agreements or compacts, and such departments, agencies, or bureaus are hereby authorized to use such funds in the implementation of this Act.

(e) All Federal departments, agencies, and other executive branches are authorized to provide technical assistance and material support and assign personnel to aid tribal and State authorities in the implementation of the agreements or compacts they may enter into under the terms of this Act.

(f) The Secretary is hereby authorized to promulgate such rules and regulations as may be necessary to carry out the purposes of this Act.

(g) There are authorized to be appropriated such sums as may be necessary during fiscal year 1981 not to exceed $10,000,000 and each subsequent fiscal year in order to carry out the agreements or compacts entered into pursuant to this title. Such funds shall be expended by the Secretary only after determination that there are no funds available from alternative sources as provided in subsection (d) of this section. The Secretary shall provide for such records as may be necessary for the accounting and justification of the funds expended under this authorization.

TITLE II—PLANNING AND MONITORING BOARDS

Sec. 201. (a) The Secretary is hereby authorized and directed to encourage the tribes and the States to establish councils, committees, boards, or task forces comprised of representatives of the States and individual tribes, or on a statewide or regional basis, to discuss and confer upon jurisdictional questions which exist between the parties, and to provide Federal representatives at such conferences.

(b) In furtherance of this objective, the Secretary is authorized and directed to provide adequate representation of tribal members at such conferences, and such further conferences among tribes as may be necessary for their separate deliberations, and to participate in the payments of expenses in employment of reporters, transcription of statements, and preparation of reports as may be appropriate.

(c) Beginning October 1, 1980, funds appropriated pursuant to the Act of November 21, 1921 (42 Stat. 208) may be utilized for the purposes of this title.

TITLE III—JUDICIAL ENFORCEMENT

Sec. 301. Any party to an agreement or compact entered into in accordance with this Act may bring a civil action to secure equitable relief, including injunctive and declaratory relief, for the enforcement of any such agreement or compact, but no action to recover damages arising out of or in connection with such agreement or compact shall lie except as specifically provided for in such agreement or compact. The United States district courts shall have original jurisdiction of any civil action authorized by this section. States and Indian tribes, by entering into compacts or agreements in accordance with this Act, shall be deemed to have consented to suit with respect to the subject matter of such compacts or agreements unless the agreement or compact specifically states otherwise.

UP AMENDMENT NO. 1114

(Purpose: Clarifying)

Mr. ROBERT C. BYRD. Mr. President, I offer an amendment by Mr. DeConcini. It is a clarifying amendment. I ask unanimous consent that it be considered en bloc with the committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd), for the Senator from Arizona (Mr. DeConcini), proposes an unprinted amendment numbered 1114.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 2, beginning with the second comma strike all through line 4.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Mr. DeConcini be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Mr. DeConcini

The amendment which deletes the reference to Alaska Native Villages, was suggested by Senator Stevens. It attempts to clarify the applicability of this act regarding those Villages. Lands selected by native villages or regional corporations under the Alaska Native Claims Settlement Act are not considered Indian country within the meaning of section 1151, title 18, USC. Thus, the purposes of S. 1181 would not be applicable to lands acquired under the Alaska Natives Claims Settlement Act.

The Tribal-State Compact Act, which I introduced in May of 1979, will provide legislative authority for Indian tribes and States, counties, and municipalities to enter into compacts and agreements allocating civil and criminal jurisdiction and other regulatory authority among themselves. This legislation is needed because presently there are serious questions with respect to the authority of a tribe and a State to enter into an agreement which involves the issue of jurisdiction.

Several recent court decisions have confirmed that there are legal uncertainties relating to the authority of State, county and other units of local government to enter into jurisdictional agreements with Indian tribes. For example, in 1971, the Supreme Court in *Kennerly* v. *District Court*, 400 U.S. 423 (1971), indicated that in the absence of compliance by both the tribe and the State with some Federal enabling statute, the jurisdiction of the State over an Indian person in Indian country could not be sustained.

Thus, enactment of S. 1181 will provide clear authority for jurisdictional agreements between Indian tribes and States. This does not enlarge or diminish the governmental powers of States or Indian tribes. It simply allows those entities to allocate between themselves certain governmental responsibilities. Agreements must be completed voluntarily and will vary as the circumstances demand and the participants determine to be best. Allocation of responsibilities by the involved parties is consistent with policy of Indian self-determination, and is preferable to the allocation of such responsibilities by the Federal Government.

Title I of the bill authorizes jurisdictional agreements and compacts, for periods of up to five years, between States, their subdivisions, and Indian tribes. It also permits the Secretary of the Interior to provide financial assistance for the implementation of such agreements and compacts. Title II of the bill directs the Secretary to encourage the establishment of joint tribal-State organizations to confer on jurisdictional questions existing between the parties. Title III of the bill grants Federal district courts jurisdiction over civil actions brought by the parties to enforce agreements and compacts authorized by the bill.

In my judgment, S. 1181 will help to reduce the existing barriers between tribes and local governmental units thereby creating an atmosphere for cooperation between the various parties.

I urge my colleagues to support this measure.

The PRESIDING OFFICER. Without objection, the Commitee amendments and the clarifying amendment (UP no. 1114) are agreed to en bloc.

The bill, as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATOR STRESSES NEED FOR COAL CONVERSION AND SYNTHETIC FUELS

Mr. RANDOLPH. Mr. President, many times I rise at my desk to bring to the attention of my colleagues in the Senate, and hopefully to the citizens throughout the United States, the subject of energy problems which continue not only to plague America but also to be, in a very real sense, a forboding of what is to come if we do not, in the next few weeks or months prior to the conclusion of this Congress, come to grips with the passage of two pending legislative proposals: One is synthetic fuels and the other is the so-called coal conversion or oil backout measure.

This is an issue which will determine whether America is not only to remain a strong nation but a nation now of 229 million to 230 million persons able to survive.

I realize that the word "survive" is one that some might say is too strong to use in connection with my continued appeal to the Congress for action in these matters.

I wish to quote from an editorial in the New York Times of May 18, 1980. It is called, "Looking for the Catch in Coal." In that comment, that very cogent comment, of the Times, I read these words:

> A typical utility spends roughly $35 for a ton of coal, and another $25 to meet existing air and water pollution standards, a total cost of $60. The equivalent amount of crude oil will cost $165. That leaves a tremendous margin to pay for doing things right. Coal does not have to be unacceptably dangerous and dirty. Determination and money can make it safe.

And so, if we, as the New York Times has suggested, want to do things right, we will cease the timid steps which have been taken to date in attacking the energy problem which challenges us to action in this body in behalf of the entire citizenry of the country.

The two pending measures are in different stages of consideration, of course. The synthetic fuels conference between the Senate and House has had an agreement. I hope and believe that the able majority leader (Mr. Robert C. Byrd), who has been very much a part of the synthetic fuels program, will continue, as I know he will, to have that highly, highly important measure work its way into the legislative list so that we can take action on it.

In reference to coal conversion the Committee on Energy and Natural Resources is in markup sessions.

I know that earlier this week there were problems in connection with the consideration of the measure, and I know that there are problems that will continue to be matters of concern. There are differing viewpoints. That is understandable. I say to the Presiding Officer, Senator Baucus, that these problems that beset our country, are not just problems but are challenges to the ingenuity and the follow-through, and, in a sense, our faith that we can, through the legislative bodies here on the Hill, do something that is absolutely necessary to not only sustain but also to bring a guarantee of the survival of our system.

Next week the markup on coal conversion will continue, and I hope that it will be completed as quickly as possible. Understandably, we do not want any hastening of the decisions that would bring to the Senate, and ultimately to the House, a measure that might be in some parts ill-advised. But I have confidence in the committee structure. I have equal confidence in the action of conference committees.

So, again I have taken the time of the Senate at the end of this day to call attention to the need to further insure that the body politic of this country be strong in time of peace, an we hope that that strength will prevent our being brought into an actual conflict from the standpoint of the use of arms with another nation. But no one knows when that time may come. For this reason, I say if we were in a war today, with 46 percent of the supplies of petroleum that are used in this country coming from overseas, we would have an untenable situation.

Moreover, today we are paying yearly $90 billion for imported oil. Ten years before we were paying some $3 billion—a 2,000-percent increase. It is little wonder that our economy is in such deep trouble.

As I now conclude these remarks, I want to recall, as I earlier said, we do not know what will happen on the morrow. Frankly, we really did not know what would happen in the State of Washington when Mount St. Helens erupted. There had been rumblings, of course, and we are having rumblings today of what might happen from the standpoint of possible conflicts in which we would participate.

I remember very well, as a Member of the House of Representatives, that long night of August 1, 1941. We had before us in the other body the decision as to whether we would have the extension of the Selective Service System, a draft. Mr. President, the vote was 203 to 202. I was one of those who voted with the majority. But how razor-thin, to use that expression, was the decision for the draft.

I remember those speeches. I am not critical of my colleagues who were among the 202 who spoke and said, "We have no fear of anyone attacking the United States of America; we are a strong Nation. No one would think of going to war with us." And what happened on December 7? On December 7 of the same year, we were struck by the Japanese at Pearl Harbor.

So some things that are said cannot happen in August did take place in December.

I am not trying to say which side in that matter was right or wrong. I am only saying that I think that what we did then in the way of preparation was helpful to a successful conclusion of the conflict from the standpoint of the United States in coping with its adversary at that time.

Just as our preparation was late then, so today our resolution of the energy crisis is long overdue.

ROLLCALL VOTES ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any rollcall votes ordered on Monday prior to the hour of 2 o'clock, with the exception of any rollcall votes on procedural motions, occur beginning at 2 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet at 10 o'clock on Monday. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of Calendar Order No. 779, S. 2352, a bill to increase the authorization for the Council on Wage and Price Stability which is under a time agreement.

Also on Monday, I anticipate that the Senate will take up the FTC supplemental appropriations bill. Mr. HOLLINGS will be here at that time, and it is the desire of Mr. MAGNUSON that action not be taken on the measure until Monday when Mr. HOLLINGS will be here. So, there will be, I would anticipate, several rollcall votes on Monday. The Senate could go into the evening before completing its work.

I should state again, Mr. President, now that the month of May will have run its course over the weekend, that beginning Monday there may be rollcall votes early and late on any day during the week, including Mondays and including Fridays—and including Saturdays if and when the Senate is in session on Saturday. There is a large workload ahead of the Senate. Most of the authorization bills remain to be acted upon. All of the general appropriations bills will have to be taken up once the House completes action on them and sends them to the Senate. The conference report on the first concurrent budget resolution has to be disposed of. That will be coming on very soon, assuming the conferees are able to reach agreement thereon and assuming the House adopts the conference report.

The next extension of the debt limit will be coming along and that will be next Wednesday, based on the assurances of the Speaker and on my own assurances.

There will be other legislation—such as military registration—that will have to be disposed of and, considering all of this workload, I would have to say that in the light of the fact that only about 60 working days, excluding Saturdays, or 70 working days, including Saturdays, remain before October 1, it should be indubitably clear to anyone and everyone that the Senate will have to work long hours, early and late; there will have to be action on Mondays early and late; there will have to be action on Fridays with rollcall votes and on some Saturdays if the Senate is to complete its work by the 1st of October.

This is a very big order and I would hope that all Senators would accommodate their schedules to the convenience of the Senate rather than expect the contrary.

Mr. President, I yield the floor.

RECESS TO 10 A.M., MONDAY, JUNE 2, 1980

Mr. RANDOLPH. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until Monday next, at 10 a.m.

The motion was agreed to and, at 5:42 p.m., the Senate recessed until Monday, June 2, 1980, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 30, 1980:

DEPARTMENT OF STATE

Richard Lee McCall, Jr., of Virginia, to be an Assistant Secretary of State.

IN THE ARMY

The following officers for appointment as reserve commissioned officers in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Cohen Everett Robertson, [redacted].

To be brigadier general

Col. Robert Martin Morgan, [redacted].

HOUSE OF REPRESENTATIVES—*Friday, May 30, 1980*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, from whom comes every good gift, we pray this day for Your guidance and encouragement. May the power that You have given in creation and the spirit You bestow each day be with all people who turn to You and seek Your counsel. Be with the hungry that they may be filled, with the sick that they may be healed, with the lonely that they will be comforted, and with the troubled that they will know peace.

Bless our Nation and this assembly that we will be sustained by Your love and our faith will be strong for the tasks before us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Jour-
his approval thereof.

Mr. CAMPBELL. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CAMPBELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 275, nays 38, answered "present" 1, not voting 119, as follows:

[Roll No. 275]

YEAS—275

Addabbo
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burlison
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Corcoran
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Davis, Mich.
de la Garza
Dellums
Derrick
Devine
Dicks
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Calif.
Emery
English
Erlenborn
Evans, Ind.
Fary
Fascell
Fenwick
Fish
Fisher
Florio
Foley
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Guyer
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harsha
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ireland
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Luken
Lundine
Lungren
McClory
McDonald
McHugh
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
Nowak
Oakar
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Porter
Preyer
Price
Pursell
Quillen
Rahall
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Rousselot
Royer
Rudd
Russo
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stanton
Stark
Stenholm
Stewart
Stokes
Studds
Stump
Synar
Tauke
Taylor
Thomas
Trible
Udall
Van Deerlin
Vander Jagt
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
Whitley
Whittaker
Whitten
Winn
Wolpe
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—38

Anderson, Calif.
Brown, Calif.
Burton, John
Collins, Tex.
Conable
Danielson
Derwinski
Dickinson
Edgar
Ertel
Evans, Ga.
Fazio
Ferraro
Fithian
Forsythe
Goodling
Harkin
Harris
Heckler
Hughes
Jacobs
Jones, Okla.
LaFalce
Levitas
Lloyd
Maguire
Miller, Calif.
Mitchell, Md.
Oberstar
Obey
Ottinger
Ratchford
Sabo
Solarz
Stockman
Swift
Traxler
Walker

ANSWERED "PRESENT"—1

Goldwater

NOT VOTING—119

Abdnor
Akaka
Albosta
Ambro
Anderson, Ill.
Applegate
Beard, Tenn.
Bedell
Bonker
Bowen
Brademas
Breaux
Brown, Ohio
Burgener
Burton, Phillip
Byron
Cheney
Chisholm
Clausen
Coleman
Conyers
Corman
Cotter
Coughlin
Dannemeyer
Daschle
Davis, S.C.
Deckard
Diggs
Dingell
Dixon
Donnelly
Dornan
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Del.
Findley
Flippo
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Giaimo
Gingrich
Grassley
Grisham
Hagedorn
Hall, Ohio
Hance
Hansen
Hawkins
Hefner
Holland
Holtzman
Ichord
Jeffords
Jenrette
Kazen
Lowry
Lujan
McCloskey
McCormack
McDade
McEwen
McKay
McKinney
Madigan
Martin
Mathis
Moffett
Murphy, N.Y.
Neal
Nedzi
Nolan
O'Brien
Patterson
Pickle
Pritchard
Quayle
Railsback
Rangel
Reuss
Richmond
Rodino
Rostenkowski
Roybal
Runnels
Santini
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Simon
Staggers
Stangeland
Steed
Stratton
Symms
Tauzin
Thompson
Ullman
Vanik
Vento
Waxman
White
Whitehurst
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Young, Alaska

☐ 1010

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 21, 1980:

H.R. 5673. An act to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes.

On May 23, 1980:

H.R. 10. An act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States;

H.R. 3928. An act to amend the Act of November 8, 1978 (92 Stat. 3095), to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico; and

H.R. 6839. An act to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

On May 28, 1980:

H.R. 2313. An act to amend the Federal Trade Commission Act to extend the authori-

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

zation of appropriations contained in such act, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 91. An act to amend title 10, United States Code, to remove certain inequities in the Survivor Benefit Plan provided for under chapter 73 of such title, and for other purposes;

S. 1250. An act to promote U.S. technological innovation for the achievement of national economic, environmental, and social goals, and for other purposes; and

S. 2460. An act to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for medical officers in the uniformed services and to extend the special pay provisions for other health professionals in the uniformed services, and for other purposes.

REQUEST FOR PERMISSION FOR COMMITTEE ON THE JUDICIARY TO MEET DURING 5-MINUTE RULE ON JUNE 4, 5, AND 6, 1980

Mr. DRINAN. Mr. Speaker, at the request of the chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. Rodino), and with the concurrence of the ranking minority member, the gentleman from Illinois (Mr. McClory), I ask permission for the Committee on the Judiciary to meet during the 5-minute rule on June 4, 5, and 6, 1980.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. LATTA. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. DRINAN. Mr. Speaker, is it required that 10 stand up?

The SPEAKER. Since the request is for next week, 10 Members standing is not required.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 554, FEDERAL TRADE COMMISSION APPROPRIATION, 1980

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 688 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 688

Resolved, That upon the adoption of this resolution it shall be in order to consider, clause 2(1)(6) of rule XI and section 311 of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, the joint resolution (H.J. Res. 554) making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980, in the House.

The SPEAKER. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. Quillen) pending which I yield myself such time as I may consume.

Mr. Speaker, this rule is a rule providing for the consideration which came out of the Committee on Appropriations just yesterday, funding the FTC. It is my understanding this is the first time the Committee on Appropriations has been able to act normally on the FTC in 3 years because before that there was not an authorization. The authorization is in place, the FTC is again in very dangerous circumstances. It will no longer have the money to function after midnight, the last day of May. There is a ruling in effect that they could not go on normally waiting for something anticipated quickly. Therefore, we have to deal with this matter today and I do not really see any point in debating the matter. It seems to be an up-and-down case of not wishing to waste money by having, again, the employees of the FTC working on closing down the agency when the agency is not going to be closed down.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this appropriation plus amounts previously provided makes a total of $65.3 million for the FTC for fiscal year 1980. Mr. Speaker, if there is one agency which we could cut, it would be the FTC. I woudl hope this Congress would do that when the appropriation bill comes up for a final vote.

Mr. Speaker, the way to kill a rattlesnake is to cut off its head. I would hope that we would do that with this appropriation measure.

Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Speaker, I appreciate the ranking minority member of the Rules Committee yielding to me.

Earlier this morning I had a conversation with the minority leader, the gentleman from Arizona (Mr. Rhodes) who told me that in a discussion last night with the gentleman from Missouri (Mr. Bolling) the gentleman from Missouri indicated he was going to do all he could to prevent the rule on the debt limit being reported including an amendment that would negate the oil import fee. The Committee on Rules meets at 10:30 this morning to deal with that situation. There are a variety of ways such an amendment could be blocked.

Mr. Speaker, I am authorized by the gentleman from Arizona (Mr. Rhodes) to say we will certainly do everything we can to bring it to the floor with that amendment attached in view of the overwhelming support of the House yesterday. Failing a rule being reported including the right to bring up the import fee repeal amendment we will again seek to block the rule even with the vote on the previous question and referral to the Committee on Rules so that we can vindicate the right of the House to vote on this issue. As far as the debt limit bill is concerned, Mr. Speaker, we let the debt limit expire a year or two ago and spending went on for 10 or 15 days, no disruption occurred. I hope that that argument will be negated and I would appeal to the chairman of the Committee on Rules to allow the House to work its will so we do not have to again replow all of the ground that we covered yesterday on this issue.

Mr. Speaker, the whole point of referral to the Committee on Rules was to vindicate the right of the House to vote on the oil import fee.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the gentleman.

Mr. ROUSSELOT. I appreciate my colleague yielding.

Mr. Speaker, I would also like to comment that this great argument that all social security checks will come to a screeching halt just is not necessarily true. In many cases there are unexpended balances that exist that the Treasury can issue and this threat is always given to us that if we do not pass a given debt ceiling increase the whole Government is going to stop, which is just not true.

As a matter of fact, let me quote from an Associated Press release of today:

> Washington.—The Social Security Administration said today it plans to go ahead and mail June benefit checks for 35 million social security recipients despite the current congressional impasse over the Federal debt ceiling.
>
> "The Treasury Department tells us they expect the checks will be honored," said Jim Brown, a spokesman for Social Security.
>
> The checks should be received by recipients early next week, he said.
>
> He said checks for another four million recipients of supplemental security income for the aged, blind and disabled have already been mailed—and should also be honored by banks.

Mr. Speaker, I think the gentleman is correct. The House should have a chance to vote on this issue. It is hard for me to believe the distinguished chairman of the Committee on Rules would not give the House that opportunity to vote on this important issue.

Mr. BAUMAN. Mr. Speaker, I yield to the gentleman from Ohio (Mr. Ashbrook).

POINT OF ORDER

Mr. MURPHY of Pennsylvania. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. MURPHY of Pennsylvania. Mr. Speaker, I would like to ask the Chair if we are discussing the FTC rule appropriation or if we are having 1-minute speeches.

Mr. BAUMAN. No, we are not, Mr. Speaker. I asked unanimous consent to speak out of order.

Mr. MURPHY of Pennsylvania. I did not understand that. I understand the gentleman relinquished the floor to the gentleman from Maryland to talk on the FTC.

Mr. BAUMAN. Mr. Speaker, I asked unanimous consent to speak out of order.

The SPEAKER. Is there an objection?

Mr. MURPHY of Pennsylvania. Mr. Speaker, I object.

Mr. BAUMAN. That is typical.

The SPEAKER. The point of order is well taken.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time but I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

The SPEAKER. For what reason does the gentleman from Ohio rise?

Mr. ASHBROOK. Mr. Speaker, I rose to object to the vote on the previous question.

The SPEAKER. The question was put on the adoption of the resolution.

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Speaker, I thought I heard the motion on the previous question.

The SPEAKER. The Chair said without objection the previous question is adopted and there was no——

Mr. ASHBROOK. And I was on my feet, Mr. Speaker.

The SPEAKER. No, the gentleman was not on his feet at that point.

Mr. ROUSSELOT. Yes, he was.

Mr. ASHBROOK. Well, I will be on my feet later.

The SPEAKER. He was not on his feet.

□ 1030

The gentleman from California was looking in the opposite direction. The Chair observed no one standing.

Mr. ROUSSELOT. I believe, Mr. Speaker, in all deference that he was on his feet.

The SPEAKER. The gentleman from Ohio was on his feet on the adoption of the resolution. If a vote is demanded on that, it is in order.

Mr. ASHBROOK. I will have one on that, Mr. Speaker, if I may.

The SPEAKER. The question is on the adoption of the resolution, and the gentleman has made the point of order that a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 239, nays 100, not voting 94, as follows:

[Roll No. 276]

YEAS—239

Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burlison
Burton, John
Butler
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Coughlin
D'Amours
Daniel, Dan
Danielson
Daschle
Dellums
Derrick
Derwinski
Dicks
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Luken
Lundine
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Zablocki
Peyser
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Rinaldo
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Russo
Sabo
Satterfield
Sawyer
Schulze
Sharp
Skelton
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauzin
Traxler
Udall
Ullman
Van Deerlin
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
Whitley
Whitten
Wilson, Tex.
Wolpe
Wyatt
Wylie
Yatron
Young, Mo.
Zeferetti

NAYS—100

Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Bereuter
Bethune
Broomfield
Buchanan
Campbell
Carney
Cheney
Cleveland
Collins, Tex.
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Devine
Dickinson
Dougherty
Duncan, Tenn.
Emery
Evans, Ga.
Fenwick
Forsythe
Gingrich
Goldwater
Goodling
Gramm
Guyer
Hammerschmidt
Harsha
Hillis
Hinson
Holt
Hyde
Jeffries
Johnson, Colo.
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Lewis
Loeffler
Lott
Lungren
McClory
McDonald
Marlenee
Marriott
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Pashayan
Paul
Petri
Porter
Quillen
Regula
Rhodes
Ritter
Rousselot
Royer
Rudd
Sensenbrenner
Shelby
Shumway
Shuster
Snowe
Snyder
Solomon
Spence
Stenholm
Stockman
Stump
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Whittaker
Winn
Wydler
Young, Fla.

NOT VOTING—94

Abdnor
Akaka
Albosta
Ambro
Anderson, Ill.
Beard, Tenn.
Bedell
Bonker
Bowen
Brademas
Breaux
Brown, Ohio
Burgener
Burton, Phillip
Clausen
Coleman
Corman
Cotter
Deckard
Diggs
Dixon
Donnelly
Dornan
Edwards, Ala.
Edwards, Okla.
Erdahl
Erlenborn
Evans, Del.
Findley
Flippo
Ford, Mich.
Frenzel
Giaimo
Grassley
Grisham
Hagedorn
Hall, Ohio
Hance
Hansen
Hawkins
Holland
Holtzman
Ichord
Jeffords
Jenrette
Kazen
Lowry
Lujan
McCloskey
McCormack
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Patterson
Pickle
Quayle
Railsback
Reuss
Richmond
Rodino
Rostenkowski
Roybal
Runnels
Santini
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Simon
Staggers
Stangeland
Stratton
Symms
Thompson
Vanik
Vento
Waxman
White
Whitehurst
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wright
Yates
Young, Alaska

□ 1040

The Clerk announced the following pairs:

Mr. Rodino with Mr. Beard of Tennessee.

Mr. Murphy of New York with Mr. Grassley.

Mr. Thompson with Mr. Sebelius.

Mr. Yates with Mr. Symms.

Mr. Reuss with Mr. Whitehurst.

Mr. Richmond with Mr. McEwen.

Mr. Rostenkowski with Mr. Coleman.

Mr. Giaimo with Mr. Clausen.

Mr. Akaka with Mr. Burgener.

Mr. Ambro with Mr. Abdnor.

Mr. Brademas with Mr. Grisham.

Mr. Breaux with Mr. Hagedorn.

Mr. Phillip Burton with Mr. Bob Wilson.

Mr. Corman with Mr. Young of Alaska.

Mr. Cotter with Mr. Railsback.

Mr. Flippo with Mr. Quayle.

Mr. Ford of Michigan with Mr. Frenzel.

Mr. Staggers with Mr. Findley.

Mr. Santini with Mr. O'Brien.

Mr. Roybal with Mr. Evans of Delaware.

Mr. Hawkins with Mr. Erlenborn.

Mr. Lowry with Mr. McKinney.

Mr. Bowen with Mr. Erdahl.

Mr. Albosta with Mr. Edwards of Oklahoma.

Mr. Hance with Mr. McCloskey.

Mr. Ichord with Mr. Lujan.

Mr. Jenrette with Mr. Edwards of Alabama.

Mr. Kazen with Mr. Dornan.

Mrs. Schroeder with Mr. Donnelly.

Mr. Runnels with Mr. Jeffords.

Mr. Simon with Mr. Deckard.

Mr. McCormack with Mr. Hansen.

Mr. Nedzi with Mr. Anderson of Illinois.

Mr. Nolan with Mr. Stangeland.

Mr. Patterson with Mr. Williams of Montana.

Mr. Pickle with Mr. Williams of Ohio.

Mr. Wright with Mr. Martin.

Mr. Vento with Mr. Hall of Ohio.

Mr. Vanik with Ms. Holtzman.

Mr. Bedell with Mr. Brown of Ohio.

Mr. Bonker with Mr. Diggs.

Mr. Holland with Mr. Dixon.

Mr. Mathis with Mr. White.

Mr. Shannon with Mr. Charles H. Wilson of California.

Mr. Wirth with Mr. Waxman.

Mr. Wolff with Mr. Stratton.

Mr. Scheuer with Mr. Seiberling.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1050

TURNING THE TIDE—OR ALL WET?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, President Carter is now telling us we are "turning the tide" on all our problems.

I am reminded of the legend of King Canute. His advisers had convinced him he was such a great and powerful man that he could actually turn back the tide of the sea. So he went to the beach and ordered the tide to stop coming in. When it got up to his waist, he finally gave up. He had learned the most important lesson a political leader can learn: words alone cannot change reality.

Has the tide really turned for President Carter? Yesterday the Joint Chiefs of Staff unanimously stated that the President's defense budget is inadequate. This is to my knowledge the first time in history that our top military leaders have publicly criticized their Commander in Chief on such a grave matter. The Joint Chiefs obviously do not think the tide has turned.

Do the increasing number of unemployed think the tide has turned? Do families whose savings have been destroyed by Carter inflation think the tide has turned? Do the elderly and the poor think the tide has turned?

Mr. Speaker, I have but one answer to the President's claim that the tide has turned: Jimmy, you are all wet.

DEMOCRATIC BUDGET OF DESPAIR DEFEATED AND STRONGER DEFENSE REAFFIRMED

(Mr. KEMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEMP. Mr. Speaker, last night the House rejected the economic policies of the Carter administration and the Democratic budget of despair and depression. We Republicans reaffirmed our strong support of more spending more for national defense by sending to conference a defense figure of $153.7 billion. In defeating the budget earlier however, we Republicans said to the country that we reject the idea that you can fight inflation with recession and higher taxes. We reject this attempt to balance the budget on the back of the American worker.

As I said in the debate, in 1932 the depression was defined when President Hoover more than doubled tax rates in a vain attempt to balance the budget. It did not work then; it will not work today. By raising instead of lowering taxes, this Democratic budget would guarantee still higher unemployment, still lower productivity, higher deficit spending, and continued inflation.

We will never see a balanced budget until we restore strong economic growth to our economy. Stagflation does two things to the budget—it dries up revenues and it automatically increases billions of dollars in spending on social welfare entitlements, the size of which are governed only by the rates of inflation and unemployment.

So although President Carter lost on the budget last night, we have not yet won the fight. What still remains is to provide for the growth-oriented economic policy—accompanied by a noninflationary Federal reserve policy—without which the budget can never be balanced.

The original GOP substitute combined all three principles the American people support: A stronger defense, policies for growth, and a real chance for a balanced budget. House Republicans are standing by that program. I am pleased we took the action we did last night, and I look forward to a compromise that will help restore the American economy. The U.S. dollar, and our national defense capabilities.

BETTER STANDARD OF LIVING NEEDED FOR MILITARY PERSONNEL

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, I would like to piggyback, so to speak, on the earlier comments of the gentleman from New York, the chairman of the Defense Appropriations Subcommittee. I agree in part with what he said.

Initially I was very pleased, but later concerned, when I read the President's comments as he welcomed home the crew of the *Nimitz* as they returned to Norfolk and to their loved ones following 144 days at sea in the vicinity of Iran.

He told them that their standard of living was going to be increased, that in effect the Nunn-Warner military compensation amendment had his support and that there would be about $1 billion or more in the budget for a pay raise for the Armed Forces.

The Defense Appropriations Subcommittee of the Committee on Appropriations is responsible for taking action on this bill. I would like to urge on the chairman of the Defense Subcommittee that this is one measure that they ought to hold sacred.

I am also concerned that the budget we are now considering maintain the increases we need for defense. It is critical to our national security, I believe that operations and maintenance funds should be increased so we can improve readiness, operations, and buy the parts and spares which keep our equipment running.

I am satisfied with the procurement add-ons which we have accomplished in our committee. However, the DOD has greatly exceeded its fuel allowances because of higher than anticipated petroleum costs and high intensity operations in the Indian Ocean and Middle East region. OMB has suggested that fuel shortages be made up of other areas of the defense budget such as operations and maintenance. That would be a disastrous mistake.

I cannot help but notice one other thing. It is strange that the President told the crew of the *Nimitz* that he was going to give them a billion dollar raise, then turn right around, come back to Washington and say the budget for defense proposed by Congress is too high and must be cut.

AMERICAN PEOPLE SHOULD REPUDIATE DEMOCRATIC CONGRESS

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I think yesterday the session of this House was interesting and, from the standpoint of many of us on the minority side, we think it was a very productive session. What we did yesterday on the budget and on the question of the 10-cents-a-gallon gasoline tax, is we repudiated programs that this country has been following for some years. We repudiated the administration and we repudiated the work of the Democratic Congress.

I think that if you examine most other parliamentary democracies in the world you would find out that, had we had the votes we had yesterday in those other countries, the governments would have fallen. I would suggest that maybe the American people ought to look at that fact when it comes time to vote in November. The House yesterday voted no confidence in this Government. The American people should do the same.

CUBAN REFUGEE SITUATION TO BE DISCUSSED ON FLOOR OF HOUSE NEXT WEDNESDAY

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, next Wednesday, following regular legislative business, I have taken a special order to discuss the subject of the so-called Cuban refugees. In my view, the President, either in disregard or in violation of the immigration and refugee laws of our Nation, has provided this opportunity for now more than 80,000 Cuban nationals to enter our country—in my view, without authority of law. The President does not call them refugees, as a matter of fact; because if he did, then he would have to consult with the Members of the House and the Senate Judiciary Committees. He did consult with us with regard to the 3,500 Cubans who sought refuge in the Peruvian Embassy in Havana, but when we said that we would acquiesce in 3,500 and no more, then apparently he decided that he better not have any more consultations. So, in my view, he has disregarded the law and he has foisted this terrible problem upon us. I intended to discuss this subject in depth next Wednesday at the conclusion of legislative business and I invite other Members to participate.

EXACERBATION OF 1931 DEPRESSION COULD BE REPEATED

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, earlier the gentleman from New York alluded to some policies of President Hoover that he said exacerbated the depression in 1931.

Did you know that today the report came across that since 1948, when we started keeping up with this sort of thing, that this country has witnessed the worst drop in economic indicators in its history?

I urge this House in its budget process not to make the mistake of those of the past and do something today that will cause our present economic situation to turn into a depression.

TAX REDUCTIONS NEEDED—NOT INCREASES

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, as has been previously stated, recession is upon us. The Congress is not minding the lessons of the past. That budget resolution yesterday that was defeated, and properly so, contained increases in tax revenues of almost $100 billion. The American people cannot take that. We need to support the Latta budget substitute because that has a $32 billion tax reduction in it. The American people refuse to carry this Federal Government at such an expensive price.

Mr. Speaker, I urge the support of the Latta budget substitute. It is the true budget of hope.

☐ 1100

FEDERAL TRADE COMMISSION APPROPRIATION, 1980

Mr. WHITTEN. Mr. Speaker, pursuant to the rule adopted a few moments ago, I call up the joint resolution (H.J. Res. 554) making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980, for consideration in the House.

The Clerk read the joint resolution, as follows:

H.J. RES. 554

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1980, namely:

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $1,500 for official reception and representation expenses; $49,700,000.

MOTION OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ASHBROOK moves to postpone further consideration of House Joint Resolution 554 until June 10, 1980.

MOTION TO TABLE OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I move that the motion offered by the gentleman from Ohio (Mr. ASHBROOK) be laid on the table.

The SPEAKER pro tempore. The question is on the motion to table.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 241, nays 102, not voting 90, as follows:

[Roll No. 277]

YEAS—241

Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burlison
Burton, John
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Cleveland
Coelho
Collins, Ill.
Conte
Conyers
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dicks
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Harsha
Hefner
Heftel
Hightower
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Luken
Lundine
McDade
McHugh
McKay
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Rinaldo
Ritter
Roberts
Roe
Rose
Rosenthal
Royer
Russo
Sabo
Satterfield
Seiberling
Sharp
Shelby
Skelton
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stenholm
Stewart
Stokes
Studds
Swift
Synar
Tauzin
Traxler
Udall
Ullman
Van Deerlin
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
Whitley
Whitten
Williams, Ohio
Wilson, Tex.
Wolpe
Wyatt
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—102

Archer
Ashbrook
Badham
Bafalis
Bauman
Bethune
Broomfield
Buchanan
Butler
Campbell
Carney
Cheney
Clinger
Collins, Tex.
Conable
Corcoran
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Davis, Mich.
Devine
Dickinson
Emery
Erlenborn
Evans, Ga.
Fenwick
Fish
Forsythe
Gingrich
Goldwater
Goodling
Gradison
Guyer
Hammerschmidt
Heckler
Hillis
Hinson
Holt
Hopkins
Hyde
Jacobs
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
Madigan
Marlenee
Michel
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Myers, Ind.
Nichols
Pashayan
Paul
Petri
Porter
Pritchard
Quillen
Regula
Rhodes
Robinson
Roth
Rousselot
Rudd
Sawyer
Schulze
Sensenbrenner
Shumway
Shuster
Snowe
Snyder
Solomon
Spence
Stanton
Stockman
Stump
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Whittaker
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—90

Abdnor
Akaka
Albosta
Anderson, Ill.
Beard, Tenn.
Bedell
Bonker
Bowen
Brademas
Breaux
Brown, Ohio
Burgener
Burton, Phillip
Clausen
Coleman
Corman
Cotter
Deckard
Diggs
Dixon
Dornan
Duncan, Oreg.
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ind.
Findley
Flippo
Ford, Mich.
Frenzel
Grassley
Grisham
Hagedorn
Hall, Ohio
Hance
Hansen
Hawkins
Holland
Holtzman
Ichord
Jeffords
Jenrette
Kazen
Lowry
Lujan
McCloskey
McCormack
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Patterson
Pickle
Quayle
Railsback
Reuss
Richmond
Rodino
Rostenkowski
Roybal
Runnels
Santini
Scheuer
Schroeder
Sebelius
Shannon
Simon
Staggers
Stangeland
Stratton
Symms
Thompson
Vanik
Vento
Waxman
White
Whitehurst
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wright
Yates
Young, Alaska

☐ 1120

Messrs. FLORIO, HUGHES, and DINGELL changed their votes from "nay" to "yea."

So the motion to table the motion to postpone consideration was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution (H.J. Res. 554), just considered.

The **SPEAKER** pro tempore (Mr. SYNAR). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. **WHITTEN**. Mr. Speaker, I yield 30 minutes for debate purposes only to my colleague and associate, the gentleman from Massachusetts (Mr. CONTE), pending which I yield myself such time as I may consume.

Mr. Speaker, I realize that yesterday was a rather trying day, but I do hope that whatever individuals' feelings may be, we recognize the seriousness of the matter that is before us now. The Federal Trade Commission will run out of funds on May 31, which is this Saturday. The FTC has had to deal with many controversial subjects. The legislative committees for some 2 or 3 years were unable to obtain legislation regulating and providing funding authorization for the FTC, and the Committee on Appropriations has had to give life to the Federal Trade Commission and continue its operations through appropriation measures. This is the fourth time that we have had to bring a funding resolution to you to keep that Commission alive for fiscal year 1980. In the meantime, the legislative committees have worked out their differences and the President has signed the FTC authorization measure this week.

This resolution will allow the Commission to continue to discharge its functions for the remainder of the fiscal year, which I think all will agree is essential. There may be many differences among us about how far the FTC should be allowed to operate, but since the members of the legislative committees have recently resolved their differences and have brought us a bill providing the Federal Trade Commission with more restrictive authority than it had heretofore exercised, I think it highly important that the House provide a straight funding resolution without adding restrictive provisions. May I say that this resolution provides approximately $49.7 million which includes $33 million to cover the expenses heretofore incurred by the Federal Trade Commission when it was carried under continuing resolutions. The remainder of the funding provided would allow the FTC to operate for the remainder of fiscal year 1980.

Let me repeat to you that despite the increase in salaries and other operating expense increases that have occurred over the years, the funds in this resolution will provide for operation of FTC for the remainder of the year at the level which has been available for the preceding period which means that it would have to absorb any cost increases for salaries on other cost increases. Whatever our feelings might be, I don't think we would want to be a party to preventing this Commission from staying in existence because it is essential.

Without further ado, I urge my colleagues on both sides of the aisle to vote along with us and at least show that this House of Representatives will keep this Commission alive at a time when it is badly needed. Mr. Speaker, I reserve the balance of my time.

Mr. **CONTE**. Mr. Speaker, I yield myself such time as I may need.

Mr. Speaker, I support this joint resolution making appropriations for the remainder of fiscal year 1980 for the Federal Trade Commission.

While the amount included in this resolution is $49.7 million, in terms of new funding, we are dealing only with about $16.4 million for the last 4 months of fiscal 1980. The balance of $33.3 million represents obligations incurred under continuing resolutions which must be counted against appropriations in this resolution. This is necessary because of a provision in the continuing resolution whch states:

> Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund or authorization is contained is enacted into law.

The $49.7 million in this resolution, together with $15.6 million previously transferred to the FTC from other agencies, would provide a total fiscal 1980 funding level of $65.3 million, a reduction of $3,721,000 below the budget request. This funding level would continue the restrictive rate under which the FTC has been operating for the first 8 months of fiscal 1980.

While I realize that this restrictive level of funding will mean some additional absorption of unavoidable increases by the Commission (they have already absorbed some $4 million in pay increases), and may require some employment reduction, I believe we should hold to this lower level.

I know we are all tired of dealing with this issue, and we are not happy with the prospect of bringing out an appropriations bill before final action has been completed on the budget resolution. But the fact remains that without action on our part, the FTC goes out of business this weekend.

Such a termination, while some might favor it, would be in direct opposition to the long-awaited final votes in the House and Senate on the authorizing legislation. The House vote was 272 to 127, and the Senate vote was 74 to 15. The President signed that bill 2 days ago.

We should not terminate the FTC because of inaction by the Congress, and I urge support for this resolution.

Mr. **WHITTEN**. Mr. Speaker, I move the previous question on the joint resolution to final passage.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the engrossment and third reading of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **ASHBROOK**. Mr Speaker, I object to the vote on the ground that a quorum is not present and make a point of order that a quorum is not present

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 270, nays 70, answered "present" 1, not voting 92, as follows:

[Roll No. 278]

YEAS—270

Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Byron
Carr
Carter
Chappell
Chisholm
Clay
Cleveland
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Derwinski
Dicks
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Hinson
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lee
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Luken
Lundine
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa
Mottl
Murphy, Ill
Murtha
Musto
Myers, Pa.
Natcher
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Porter
Preyer
Price
Pursell
Quillen
Rahall
Rangel
Ratchford
Regula
Rinaldo
Ritter
Roberts
Roe
Rose
Rosenthal
Roth
Royer
Russo
Sabo
Santini
Schulze
Seiberling
Sharp
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Tauzin
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
Whitley
Whitten
Williams, Ohio
Wilson, Tex.
Wolpe
Wyatt
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—70

Archer
Ashbrook
Badham
Bafalis
Bauman
Bethune
Broomfield
Butler
Campbell
Carney
Cheney
Clinger
Collins, Tex.
Crane, Daniel
Crane, Philip

Dannemeyer
de la Garza
Devine
Dickinson
Evans, Ga.
Fenwick
Forsythe
Gingrich
Goldwater
Guyer
Hillis
Holt
Jeffries
Jenkins
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lent
Lewis
Loeffler
Lungren
McClory
McDonald
Marlenee
Miller, Ohio
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Pashayan
Paul
Petri
Pritchard
Rhodes
Robinson
Rousselot
Rudd
Satterfield
Sawyer
Sensenbrenner
Shelby
Shumway
Shuster
Snyder
Solomon
Spence
Stump
Taylor
Thomas
Walker
Whittaker
Winn
Wydler

ANSWERED "PRESENT"—1

Neal

NOT VOTING—92

Abdnor
Akaka
Albosta
Anderson, Ill.
Beard, Tenn.
Bedell
Bonker
Bowen
Brademas
Breaux
Brown, Ohio
Burgener
Burton, Phillip
Cavanaugh
Clausen
Coleman
Corman
Cotter
Deckard
Diggs
Dixon
Dornan
Duncan, Oreg.
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ind.
Findley
Flippo
Ford, Mich.
Frenzel
Grassley
Grisham
Hagedorn
Hall, Ohio
Hance
Hansen
Harsha
Hawkins
Holland
Holtzman
Ichord
Jeffords
Jenrette
Kazen
Lowry
Lujan
McCloskey
McCormack
McEwen
McKinney
Martin
Mathis
Mitchell, Md.
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Patterson
Pickle
Quayle
Railsback
Reuss
Richmond
Rodino
Rostenkowski
Roybal
Runnels
Scheuer
Schroeder
Sebelius
Shannon
Simon
Staggers
Stangeland
Stratton
Symms
Thompson
Vanik
Vento
Waxman
White
Whitehurst
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wright
Yates
Young, Alaska

☐ 1140

So the joint resolution was ordered to be engrossed and read a third time.

The result of the vote was announced as above recorded.

The joint resolution was read a third time.

MOTION TO RECOMMIT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the joint resolution in its present form?

Mr. WALKER. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WALKER moves to recommit the joint resolution (H.J. Res. 54) to the Committee on Appropriations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 99, nays 247, not voting 87, as follows:

[Roll No. 279]

YEAS—99

Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Bereuter
Bethune
Broomfield
Buchanan
Butler
Campbell
Carney
Cheney
Cleveland
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
de la Garza
Derwinski
Devine
Dickinson
Duncan, Tenn.
Evans, Ga.
Fenwick
Forsythe
Gingrich
Goldwater
Goodling
Gramm
Guyer
Hammerschmidt
Harsha
Hillis
Hinson
Holt
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
Marlenee
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Myers, Ind.
Pashayan
Paul
Petri
Quillen
Regula
Rhodes
Robinson
Roth
Rousselot
Royer
Rudd
Santini
Sensenbrenner
Shumway
Shuster
Snyder
Solomon
Spence
Stanton
Stenholm
Stockman
Stump
Taylor
Thomas
Trible
Vander Jagt
Walker
Whittaker
Williams, Ohio
Winn
Wyatt
Wydler

NAYS—247

Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burlison
Burton, John
Byron
Carr
Carter
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Dicks
Diggs
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Luken
Lundine
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Porter
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Rinaldo
Ritter
Roberts
Roe
Rose
Rosenthal
Russo
Sabo
Satterfield
Sawyer
Schulze
Seiberling
Sharp
Shelby
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Tauzin
Traxler
Udall
Ullman
Van Deerlin
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
Whitley
Whitten
Wilson, Tex.
Wolpe
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—87

Abdnor
Akaka
Albosta
Anderson, Ill.
Beard, Tenn.
Bedell
Bonker
Bowen
Brademas
Breaux
Brown, Ohio
Burgener
Burton, Phillip
Cavanaugh
Clausen
Coleman
Corman
Cotter
Deckard
Dixon
Dornan
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ind.
Findley
Flippo
Frenzel
Grassley
Grisham
Hagedorn
Hall, Ohio
Hance
Hansen
Hawkins
Holland
Holtzman
Ichord
Jeffords
Jenrette
Kazen
Lowry
Lujan
McCloskey
McCormack
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Patterson
Pickle
Quayle
Railsback
Reuss
Richmond
Rodino
Rostenkowski
Roybal
Runnels
Scheuer
Schroeder
Sebelius
Shannon
Simon
Staggers
Stangeland
Stratton
Symms
Thompson
Vanik
Vento
Waxman
White
Whitehurst
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wright
Yates
Young, Alaska

☐ 1200

The Clerk announced the following pairs:

Mr. Wolff with Mr. Young of Alaska.

Mr. Rostenkowski with Mr. Whitehurst.

Mr. Akaka with Mr. Symms.

Mr. Wright with Mr. Sebelius.

Mr. Murphy of New York with Mr. Abdnor.

Mr. McCormack with Mr. Hansen.

Mr. Brademas with Mr. Martin.

Mr. Nedzi with Mr. McEwen.

Mr. Kazen with Mr. O'Brien.

Mr. Ichord with Mr. McKinney.

Mr. Thompson with Mr. Quayle.

Mr. Vanik with Mr. Railsback.

Mr. Rodino with Mr. Frenzel.

Mr. Scheuer with Mr. Evans of Indiana.

Mr. Richmond with Mr. Findley.

Mr. Staggers with Mr. Edwards of Oklahoma.

Mr. Reuss with Mr. Dornan.

Mr. Waxman with Mr. Edwards of Alabama.

Mr. Pickle with Mr. Deckard.

Mr. Lowry with Mr. Burgener.

Ms. Holtzman with Mr. Clausen.

Mr. Roybal with Mr. Erdahl.

Mr. Stratton with Mr. Coleman.

Mr. Charles H. Wilson of California with Mr. Evans of Delaware.

Mr. Yates with Mr. Beard of Tennessee.

Mr. Breaux with Mr. Brown of Ohio.

Mrs. Schroeder with Mr. Grassley.

Mr. Nolan with Mr. Hagedorn.

Mr. Corman with Mr. Grisham.

Mr. Phillip Burton with Mr. Jeffords.

Mr. Bonker with Mr. McCloskey.

Mr. White with Mr. Stangeland.

Mr. Mathis with Mr. Bob Wilson.

Mr. Vento with Mr. Williams of Montana.

Mr. Simon with Mr. Patterson.

Mr. Hall of Ohio with Mr. Dixon.

Mr. Albosta with Mr. Bedell.

Mr. Bowen with Mr. Cavanaugh.

Mr. Cotter with Mr. Flippo.
Mr. Jenrette with Mr. Lujan.
Mr. Hawkins with Mr. Hance.
Mr. Holland with Mr. Runnels.
Mr. Shannon with Mr. Wirth.

Mr. D'AMOURS and Mrs. BYRON changed their votes from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the previous announcement of the Chair, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the question of final passage.

The vote was taken by electronic device, and there were—yeas 236, nays 106, not voting 91, as follows:

[Roll No. 280]

YEAS—236

Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Burlison
Burton, John
Byron
Carr
Carter
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corcoran
Coughlin
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Diggs
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Luken
Lundine
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Porter
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Rinaldo
Ritter
Roberts
Roe
Rose
Rosenthal
Russo
Sabo
Schulze
Seiberling
Sharp
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Tauzin
Traxler
Udall
Ullman
Van Deerlin
Volkmer
Walgren
Wampler
Weaver
Weiss
Whitley
Whitten
Williams, Ohio
Wolpe
Wyatt
Wylie
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—106

Applegate
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Bethune
Bouquard
Buchanan
Butler
Campbell
Carney
Cheney
Cleveland
Collins, Tex.
Conable
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Derwinski
Devine
Dickinson
Duncan, Tenn.
Evans, Ga.
Forsythe
Gingrich
Goldwater
Goodling
Gramm
Guyer
Hall, Tex.
Hammerschmidt
Harsha
Hillis
Hinson
Holt
Hopkins
Hubbard
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
Marlenee
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Pashayan
Paul
Petri
Quillen
Regula
Rhodes
Robinson
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Sensenbrenner
Shelby
Shumway
Shuster
Snyder
Solomon
Spence
Stenholm
Stockman
Stump
Taylor
Thomas
Trible
Vander Jagt
Walker
Watkins
Whittaker
Winn
Wydler
Yatron

NOT VOTING—91

Abdnor
Akaka
Albosta
Anderson, Ill.
Beard, Tenn.
Bedell
Bonker
Bowen
Brademas
Breaux
Brown, Ohio
Burgener
Burton, Phillip
Cavanaugh
Clausen
Coleman
Corman
Cotter
Deckard
Dingell
Dixon
Dornan
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ind.
Findley
Flippo
Frenzel
Grassley
Grisham
Hagedorn
Hall, Ohio
Hance
Hansen
Hawkins
Holland
Holtzman
Ichord
Jeffords
Jenrette
Kazen
Kelly
Lowry
Lujan
McCloskey
McCormack
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Patterson
Pickle
Quayle
Railsback
Reuss
Richmond
Rodino
Rostenkowski
Roybal
Runnels
Scheuer
Schroeder
Sebelius
Shannon
Simon
Skelton
Staggers
Stangeland
Stratton
Symms
Thompson
Vanik
Vento
Waxman
White
Whitehurst
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Young, Alaska

□ 1210

The Clerk announced the following pairs:

Mr. Thompson with Mr. Grisham
Mr. Brademas with Mr. Hagedorn.
Mr. Phillip Burton with Mr. Sebelius.
Mr. Rodino with Mr. Stangeland.
Mr. Rostenkowski with Mr. Lujan.
Mr. Yates with Mr. Martin.
Mr. Wolff with Mr. Cavanaugh.
Mr. Charles H. Wilson of California with Mr. Clausen.
Mr. Cotter with Mr. Coleman.
Mr. Corman with Mr. Brown of Ohio.
Mr. Breaux with Mr. Beard of Tennessee.
Mr. Bowen with Mr. Abdnor.
Mr. Akaka with Mr. Burgener.
Mr. Hawkins with Mr. Dornan.
Mr. Roybal with Mr. McEwen.
Mr. Dingell with Mr. Bob Wilson.
Mr. Flippo with Mr. Edwards of Alabama.
Mr. Hance with Mr. Whitehurst.
Ms. Holtzman with Mr. Symms.
Mr. Simon with Mr. Kelly.
Mr. Vento with Mr. McCloskey.
Mr. Vanik with Mr. Quayle.
Mr. Waxman with Mr. Railsback.
Mr. McCormack with Mr. Edwards of Oklahoma.
Mr. Mathis with Mr. Erdahl.
Mr. Lowry with Mr. O'Brien.
Mr. Kazen with Mr. McKinney.
Mr. Jenrette with Mr. Jeffords.
Mr. White with Mr. Evans of Delaware.
Mr. Stratton with Mr. Findley.
Mr. Staggers with Mr. Frenzel.
Mr. Murphy of New York with Mr. Grassley.
Mr. Nedzi with Mr. Young of Alaska.
Mr. Nolan with Mr. Williams of Montana.
Mr. Patterson with Mr. Shannon.
Mr. Pickle with Mr. Scheuer.
Mr. Albosta with Mr. Hansen.
Mr. Skelton with Mr. Runnels.
Mr. Bedell with Mr. Bonker.
Mr. Richmond with Mr. Deckard.
Mr. Reuss with Mr. Dixon.
Mr. Wirth with Mr. Evans of Indiana.
Mr. Charles Wilson of Texas with Mr. Hall of Ohio.
Mr. Holland with Mrs. Schroeder.
Mr. Ichord with Mr. Wright.

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ASBESTOS SCHOOL HAZARD DETECTION AND CONTROL ACT OF 1980

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1658) to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to States or local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Asbestos School Hazard Detection and Control Act of 1980".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) exposure to asbestos fibers has been identified over a long period of time and by reputable medical and scientific evidence as significantly increasing the incidence of

cancer and other severe or fatal diseases, such as asbestosis;

(2) medical evidence has suggested that children may be particularly vulnerable to environmentally induced cancers;

(3) medical science has not established any minimum level of exposure to asbestos fibers which is considered to be safe to individuals exposed to the fibers;

(4) substantial amounts of asbestos, particularly in sprayed form, have been used in school buildings, especially during the period 1946 through 1972;

(5) partial surveys in some States have indicated that (A) in a number of school buildings materials containing asbestos fibers have become damaged or friable, causing asbestos fibers to be dislodged into the air, and (B) asbestos concentrations far exceeding normal ambient air levels have been found in school buildings containing such damaged materials;

(6) the presence in school buildings of friable or easily damaged asbestos creates an unwarranted hazard to the health of the school children and school employees who are exposed to such materials;

(7) the Department of Health and Human Services and the Environmental Protection Agency, as well as several States, have attempted to publicize the potential hazards to school children and employees from exposure to asbestos fibers, but there is no systematic program for identifying hazardous conditions in schools or for remedying those conditions;

(8) because there is no Federal health standard regulating the concentration of asbestos fibers in noncommercial workplace environments such as schools, school employees and students may be exposed to hazardous concentrations of asbestos fibers in the school buildings which they use each day;

(9) without an improved program of information distribution, technical and scientific assistance, and financial support, many local educational agencies and States will not be able to mitigate the potential asbestos hazards in their schools; and

(10) the effective regulation of interstate commerce for the protection of the public health requires the establishment of programs under this Act to identify and mitigate hazards from exposure to asbestos fibers and materials emitting such fibers.

(b) It is the purpose of this Act to—

(1) direct the Secretary of Education to establish a task force to assist States and local educational agencies to ascertain the extent of the danger to the health of school children and employees from asbestos materials in schools;

(2) require States receiving administrative funds for any applicable program (as defined under section 400(c)(1)(A) of the General Education Provisions Act) to prepare a plan describing the manner in which information relating to programs established under this Act shall be distributed to local educational agencies;

(3) provide scientific, technical, and financial assistance to State educational agencies and local educational agencies to enable them to conduct an asbestos detection program to identify asbestos hazards in schools;

(4) provide loans to local educational agencies for the mitigation of asbestos hazards which constitute an imminent hazard to the health and safety of school children and employees; and

(5) assure that no employee of any local educational agency suffers any disciplinary action as a result of calling attention to potential asbestos hazards which may exist in schools.

TASK FORCE

SEC. 3. (a)(1) There is established a task force to be known as the Asbestos Hazards School Safety Task Force (hereinafter in this Act referred to as "Task Force"). The Task Force shall be composed of ten members, who shall be appointed by the Secretary within 30 days after the effective date of this Act, as follows:

(A) One representative of the Department of Education, recommended by the Secretary of Education.

(B) One representative of the Department of Health and Human Services.

(C) One representative of the National Cancer Institute.

(D) One representative of the Environmental Protection Agency, recommended by the Administrator of such agency.

(E) One representative of the National Institute of Environmental Health Sciences.

(F) One representative of the Occupational Safety and Health Administration, recommended by the Secretary of Labor.

(G) Four representatives from among organizations concerned with education and health.

Members of the Task Force shall be individuals who have knowledge of the medical problems associated with exposure to asbestos, or individuals who are familiar with procedures for the following activities: the containment or removal of asbestos from buildings; the replacement of asbestos materials removed from school buildings with other appropriate building materials; and the restoration of such buildings to conditions comparable to those existing before such containment or removal was carried out.

(2) The Secretary shall designate a chairman of the Task Force from among its members.

(3) Members shall be appointed for the life of the Task Force. Any vacancy in the Task Force shall be filled in the same manner in which the original appointment was made.

(b)(1) The Task Force shall meet, no later than 30 days after the appointment of its members, at the call of the chairman of the Task Force.

(2) Five members of the Task Force shall constitute a quorum for purposes of conducting the business of the Task Force, but a lesser number may hold hearings.

(c)(1) Members of the Task Force who are not full-time officers or employees of the Federal Government shall receive compensation at a rate determined by the Secretary, but not to exceed the daily equivalent of the maximum annual rate of pay in effect for grade GS-16 of the General Schedule, for each day (including traveltime) during which they are engaged in the performance of the duties of the Task Force.

(2) While away from their homes or regular places of business in the performance of the duties of the Task Force, all members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(d)(1) Upon request of the Task Force, the Secretary shall make available to the Task Force personnel of the Department of Education to assist the Task Force in carrying out its duties.

(2) The Task Force may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(e) The duties of the Task Force shall include—

(1) the compilation of medical, scientific, and technical information explaining—

(A) the health and safety hazards associated with asbestos materials; and

(B) the means of identifying, sampling, and testing materials suspected of emitting asbestos fibers;

(2) the distribution of the information described in paragraph (1) (in any appropriate form such as pamphlets, reports, or instructions) to State educational agencies and to local educational agencies for the purpose of assisting such agencies in carrying out activities described in this Act;

(3) the review of applications for grants and loans under sections 5 and 6 of this Act, and the submission to the Secretary of recommendations respecting the approval or disapproval of such applications;

(4) the review of any guidelines established by the Environmental Protection Agency for identifying those schools in which exposure to asbestos fibers constitutes a health problem and for taking appropriate corrective actions at such schools, in order to determine whether any modifications of such guidelines should be recommended to the Secretary under paragraph (5); and

(5) providing the Secretary with assistance in formulating standards and procedures under section 7 of this Act by—

(A) submitting to the Secretary relevant information concerning the results of the review made under paragraph (4) of this subsection; and

(B) recommending such modifications to the guidelines referred to in such paragraph as the Task Force considers appropriate.

In carrying out its duties under this subsection, the Task Force shall avoid, to the maximum extent practicable, duplicating similar activities undertaken by the Environmental Protection Agency.

(f) The Task Force shall cease to exist at the end of the 180-day period beginning on the date that the authority of the Secretary to make loans under section 6 has expired.

STATE PLAN

SEC. 4. (a) Not later than six months after the effective date of this Act, the State educational agency of any State which receives administrative funds for any applicable program (as defined under section 400(c)(1)(A) of the General Education Provisions Act shall submit to the Secretary a plan which—

(1) describes the manner in which the State, not later than nine months after the effective date of this Act, shall distribute to local educational agencies within that State's jurisdiction information describing—

(A) the programs established under this Act;

(B) the health hazards associated with exposure to asbestos fibers; and

(C) the procedures established by the Secretary under section 7 for carrying out activities under programs under this Act, and such other relevant information regarding such activities as the State considers desirable;

(2) contains a general description of the content of the information to be distributed in accordance with paragraph (1) and provides assurances that the State shall continually revise such information and distribute such revised material to local educational agencies to ensure that such agencies have available to them the most recent material available with regard to the matters referred to in paragraph (1);

(3) describes the procedures to be used by the State for maintaining records on—

(A) the presence of asbestos materials in school buildings of local educational agencies;

(B) the asbestos detection, containment, or removal activities conducted by local educational agencies (including activities relating to the replacement of the asbestos materials removed from school buildings with other appropriate building materials); and

(C) repairs made to restore school buildings to conditions comparable to those existing before the containment or removal activities referred to in subparagraph (B) were undertaken; and

(4) designates a State agency or other administrative unit with the responsibility for submitting to the Secretary the reports described in subsection (b) of this section and provides assurances that such agency or unit

shall carry out the duties specified under subsection (b).

(b) Not later than six months after the submission of the plan described in subsection (a), and each six months thereafter during the two-year period beginning on the effective date of this Act, the State agency or unit designated under paragraph (4) of subsection (a) shall submit to the Secretary a report which describes the actions taken by the State in accordance with its plan under such subsection.

ASBESTOS HAZARDS DETECTION PROGRAM

SEC. 5. (a) (1) (A) The Secretary may make grants to local educational agencies for the Federal share of the costs of carrying out an asbestos detection program meeting the standards established by the Secretary under section 7(a) (1) of this Act. Grants may be made under this section only during the two-year period beginning on the effective date of this Act.

(B) The Secretary may make grants to State educational agencies for the Federal share of the costs of carrying out any asbestos detection program if—

(i) the State, through the State educational agency or some other appropriate State agency, is making grants to local educational agencies for asbestos hazard detection programs, and

(ii) such programs meet the standards established by the Secretary under section 7(a) (1) of this Act.

(C) Grants may be made under this section only during the two-year period beginning after the date of enactment of this Act.

(2) Subject to the second sentence of this paragraph, the Federal share of the costs referred to in paragraph (1) shall be 50 percent. Upon a determination by the Secretary that an applicant has limited fiscal resources and would be unable to participate in the program under this section without receiving from the Federal Government, as its Federal share of such costs, an amount greater than the amount permitted under the first sentence of this paragraph, the Secretary may increase the Federal share which may be paid to such applicant by such amount as the Secretary considers appropriate to permit the applicant to participate in the program.

(b) (1) No grant may be made under this section unless an application has been submitted to and approved by the Secretary, after consultation with the Task Force. The Secretary may not approve an application unless the application—

(A) contains a description of the methods to be used by the local educational agency, or in the case of an application by the State educational agency the methods to be used by the local educational agencies receiving grants from the State, to determine whether hazardous concentrations of asbestos fibers or materials emitting such fibers exist in school buildings under the jurisdiction of such agency;

(B) contains an estimate of the total cost of the detection program, including such detailed descriptions of the costs of each component of the program as the Secretary may require;

(C) designates the party which shall conduct the testing for the detection program and describes such party's qualifications for conducting such testing;

(D) contains assurances that the program shall be carried out in accordance with standards established by the Secretary under section 7(a) (1) and that any party employed to conduct such testing shall satisfy the competency standards established under such section; and

(E) contains such other information or assurances as the Secretary may require.

(2) The Secretary shall provide the Task Force with a copy of any application submitted to the Secretary under paragraph (1).

(3) No grant may be awarded by the Secretary under this section for asbestos hazards detection programs conducted before the effective date of this Act unless the applicant has submitted an application to the Secretary—

(A) containing the information required under paragraph (1); and

(B) providing assurances that any program for which a grant is sought was carried out in a manner which substantially conforms to the requirements established by the Secretary under section 7(a) (1).

No grant may be awarded under this section for any asbestos hazards detection program completed before January 1, 1976.

(4) After reviewing the application submitted under this section, together with any recommendations made by the Task Force, the Secretary shall determine the amount of any grant to be awarded under this section. Funds may be awarded by the Secretary for the administrative costs incurred in the preparation and supervision of the asbestos detection program and for the following activities:

(A) Visual inspections of school buildings.

(B) The sampling of building and insulation materials.

(C) Appropriate tests to determine the level of asbestos content in suspected materials, and tests determined to be essential to detect the likelihood of imminent danger to persons within school buildings.

(c) Local and State educational agencies receiving grants under this section shall file a report with the Secretary, not later than 120 days after the award of such grant, describing the detection activities which were undertaken, the results of the asbestos detection program, and plans for mitigating any imminent hazards which were detected by the testing. The report shall include a detailed accounting of the funds used to carry out the detection program.

(d) During the period in which grants may be made under this section, not more than 20 percent of the funds appropriated to carry out this section may be made available by the Secretary to the Task Force to conduct education and technical assistance programs related to the detection of asbestos hazards in school buildings and the implementation of appropriate actions to mitigate such hazards.

ASBESTOS HAZARDS CONTROL LOAN PROGRAM

SEC. 6. (a) (1) There is established within the Department of Education an Asbestos Hazards Control Loan Program (hereinafter in this Act referred to as the "Loan Program"), which shall be administered by the Secretary in accordance with this section.

(2) The Secretary may make loans under this section to local educational agencies in an amount equal to 50 percent of the costs of carrying out projects for—

(A) the containment or removal of any materials containing asbestos in school buildings in which such materials pose an imminent hazard to the health and safety of children or employees;

(B) the replacement of the asbestos materials removed from school buildings with appropriate building materials; and

(C) making repairs which the Secretary determines to be necessary to restore school buildings to conditions comparable to those existing before containment or removal activities were undertaken under subparagraph (A).

Loans may be made under this section only for projects affecting more than 2,500 square feet of surface and in which the asbestos material to be contained or removed consists of a minimum asbestos level, as determined by the Secretary under section 7(a) (2).

(3) If the Secretary determines that an applicant has limited fiscal resources and would be unable to carry out the projects described in paragraph (2) without receiving a loan under this section for an amount greater than the amount permitted under such paragraph, the Secretary may increase the amount of the loan payable to such applicant to an amount the Secretary considers appropriate to enable the applicant to carry out such projects.

(b) Loans under this section shall be made pursuant to loan agreements which shall provide for the following terms:

(1) The loan shall not bear any interest except as otherwise provided under paragraph (5).

(2) The loan shall have a maturity period of not more than 20 years (as determined by the Secretary) and shall be repayable during such period at such times and in such amounts as the Secretary may specify in the loan agreement.

(3) Repayment of the loan shall be made to the Secretary of the Treasury for deposit in the general fund of the Treasury.

Such loans shall be subject to such other terms and conditions as the Secretary may establish for the protection of the financial interest of the United States and in furtherance of the purposes of this Act.

(c) (1) No loan may be made under this section unless an application has been submitted to and approved by the Secretary, after consultation with the Task Force, within the two-year period beginning on the effective date of this Act. The Secretary may not approve an application unless—

(A) the application contains such information as the Secretary may require, including information describing—

(i) the nature of the asbestos problem for which the loan is sought;

(ii) the asbestos content of the material to be contained or removed by the local educational agency, as determined under preliminary testing which was conducted in accordance with the standards established by the Secretary under section 7(a) (1), or, in the case of testing conducted before the effective date of this Act, was conducted in a manner which substantially conforms to such standards; and

(iii) the methods which will be used to contain or remove the asbestos materials, in accordance with section 7(b) of this Act, and any other pertinent details relating to the project or projects to be conducted by the applicant (as described in subsection (a) (2)); and

(B) the application contains assurances that—

(i) any employee engaged in any activity to carry out programs under this section shall be notified in writing by the local educational agency conducting the program of the hazards of working with asbestos, and shall be required to utilize all appropriate safety procedures to minimize health risks;

(ii) no child or school employee shall be permitted in the vicinity of any absestos containment or removal activity; and

(iii) the local educational agency shall pay employees engaged in containment, removal, or replacement activities to carry out programs under this section at reasonable rates of pay, as established by the Secretary on the basis of prevailing wage rates in the location of such work.

(2) The Secretary shall provide the Task Force with a copy of any application submitted to the Secretary under paragraph (1).

(3) No loans may be made by the Secretary under this section for projects described in subsection (a) (2) which commenced before the availability of loans under the Loan Program unless the local education agency submits to the Secretary an application which—

(A) meets the requirements of paragraph (1); and

(B) contains assurances that any work already completed by the applicant has been carried out in substantial conformity with section 7(b).

No loan may be awarded under this section for any project described in subsection (a) (2) which was completed before January 1, 1976.

(d) During each of the three calendar years after the year in which this Act is enacted, the Secretary shall submit before February 1 of such year a report to the appropriate committees of the House of Representatives and the Senate which shall—

(1) describe the number of loans made in the preceding calendar year and specify each applicant for and recipient of a loan;

(2) describe the nature of the asbestos problem of each applicant;

(3) describe the types of programs for which loans were made;

(4) specify the estimated total costs of such programs to the recipients of loans and specify the amount of loans made under the Loan Program; and

(5) specify the number of loan applications which were disapproved during the preceding calendar year and describe the reasons for such disapprovals.

STANDARDS AND SAFETY PROCEDURES

SEC. 7. (a) (1) Within 120 days after the first meeting of the Task Force, and after consultation with the Task Force, the Secretary shall establish and distribute to the State agency or unit designated under section 4(a) (4)—

(A) procedures for testing the level of asbestos fibers in schools, including safety measures to be followed in conducting such tests;

(B) standards for evaluating (on the basis of such tests) the likelihood of the leakage of asbestos fibers into the school environment; and

(C) standards for determining which contractors are qualified to carry out the testing and evaluation described in this paragraph.

(2) After consulting with the Task Force, the Secretary shall establish criteria to be used for determining eligibility for loans under section 6 of this Act. The criteria shall be based on the assessment of the extent of the health hazards posed by the presence of asbestos fibers in schools, as determined in accordance with standards under paragraph (1) (B) of this subsection.

(b) After reviewing recommendations submitted to the Secretary by the Task Force under section 3(e) (5), the Secretary, with the concurrence of the Task Force, shall by regulation establish—

(1) procedures to be used by local educational agencies, in programs for which loans are made under section 6, for—

(A) containing and removing asbestos materials in school buildings;

(B) replacing the asbestos materials removed from school buildings with other appropriate building materials; and

(C) restoring such school buildings to conditions comparable to those existing before asbestos containment or removal activities were undertaken; and

(2) standards for determining which contractors are qualified to carry out the activities referred to in paragraph (1).

(c) In carrying out his duties under this section, the Secretary shall avoid, to the maximum extent practicable, duplicating similar activities undertaken by the Environmental Protection Agency.

RECOVERY OF COSTS BY THE UNITED STATES

SEC. 8. (a) (1) As a condition of the award of any grant under section 5 or loan under section 6, the recipient of any such grant or loan shall permit the United States to sue on behalf of such recipient any person determined by the Attorney General to be liable to the recipient for the costs of any activities undertaken by the recipient under such sections.

(2) The proceeds from any judgment recovered in any suit brought by the United States under paragraph (1) (or, if the recipient files a similar suit on its own behalf, the proceeds from any judgment recovered by the recipient in such suit) shall be used to repay to the United States, to the extent that the proceeds are sufficient to provide for such repayment, an amount equal to the sum of—

(A) the amount of any grant made to the recipient under section 5;

(B) the amount outstanding on any loan made to the recipient under section 6; and

(C) an amount equal to the interest which would have been charged on such loan were the loan made by a commercial lender at prevailing interest rates (as determined by the Secretary).

(b) The Attorney General shall conduct an investigation to determine whether, by using all available means, the United States should or could recover, from any person determined by the Attorney General to be liable for such costs, the amounts expended by the United States to carry out this Act. Within one year after the effective date of this Act, the Attorney General shall submit to the Congress a report containing the results of the study, together with any appropriate recommendations.

(c) If the Attorney General determines in the report under subsection (b) that the United States should seek to recover the amounts expended by the United States to carry out this Act, the Attorney General shall proceed in an expeditious manner to recover such amounts from the persons referred to in subsection (b).

EMPLOYEE PROTECTION

SEC. 9. No State or local educational agency receiving assistance under this Act may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee has brought to the attention of the public information concerning any asbestos problem in the school buildings within the jurisdiction of such agency.

RETAINED RIGHTS

SEC. 10. Except as otherwise provided in section 8, nothing in this Act shall—

(1) affect the right of any party to seek legal redress in connection with the purchase or installation of asbestos materials in schools or any claim of disability or death related to exposure to asbestos in a school setting; or

(2) affect the rights of any party under any other law.

DEFINITIONS

SEC. 11. For purposes of this Act—

(1) the term "asbestos" means—

(A) chrysotile, amosite, or crocidolite; or

(B) in fibrous form, tremolite, anthophyllite, or actinolite;

(2) the term "Attorney General" means the Attorney General of the United States;

(3) the term "imminent hazard to the health and safety" means, for purposes of section 6, that an asbestos material is, according to standards established by the Secretary, friable or easily damaged, or within easy reach of students or otherwise susceptible to damage (including damage from water or air circulation) which could result in the dispersal of asbestos fibers into the school environment;

(4) the term "local educational agency" means—

(A) any local educational agency as defined in section 198(a) (10) of the Elementary and Secondary Education Act of 1965; and

(B) the governing authority of any nonprofit elementary or secondary school;

(5) the term "nonprofit elementary or secondary school" means—

(A) any elementary or secondary school (as defined in section 198(a) (7) of the Elementary and Secondary Education Act of 1965) owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual, and

(B) any school of any agency of the United States;

(6) the term "school buildings" means—

(A) structures suitable for use as classrooms, laboratories, libraries, school eating facilities, or facilities used for the preparation of food;

(B) any gymnasium or other facility which is specially designed for athletic or recreational activities for an academic course in physical education;

(C) other facilities used for the instruction of students, for research, or for the administration of educational or research programs; and

(D) maintenance, storage, or utility facilities essential to the operation of the facilities described in subparagraphs (A) through (C) of this paragraph;

(7) the term "Secretary" means the Secretary of Education, or his designee;

(8) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Bureau of Indian Affairs, and the Office of Overseas Schools of the Department of Defense; and

(9) the term "State educational agency" has the same meaning given such term by section 198(a) (17) of the Elementary and Secondary Education Act of 1965.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. (a) (1) There are authorized to be appropriated—

(A) for the asbestos detection program under section 5, for the fiscal year ending September 30, 1981, and for the succeeding fiscal year, a total of not more than $22,500,000; and

(B) for the asbestos hazards control loan program under section 6, not more than $75,000,000 for the fiscal year ending September 30, 1981, and $75,000,000 for the fiscal year ending September 30, 1982.

(2) Sums appropriated under paragraph (1) of this subsection shall remain available for obligation until September 30, 1983.

(b) Programs under this Act shall be considered automatically eligible for the one-year contingent extension under section 414 of the General Education Provisions Act.

(c) If funds appropriated to carry out this Act are insufficient to pay the total amount required to make all the grants and loans authorized under this Act, the Secretary shall establish criteria to be used in determining which applicants for grants or loans under this Act have the greatest financial need for receiving funds under this Act and shall make determinations regarding the approval of applications for such grants or loans in accordance with such criteria.

(d) Notwithstanding any other provision of this Act, the authority of the Secretary to enter into agreements, or to make payments, under this Act shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

AMENDMENT TO THE EDUCATION OF THE HANDICAPPED ACT

SEC. 13. Section 611(c) (2) (i) (II) of the Education of the Handicapped Act is amended by striking out "$200,000" and inserting in lieu thereof "$300,000".

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, last December the House passed H.R. 3282 by a vote of 336 to 63. That bill is almost identical to S. 1658 which passed the Senate last week and which is now at the Speaker's table.

The major difference between the House and Senate versions is that the House bill is a 3-year authorization of $330 million while the Senate bill is only a 2-year authorization of $172,500,000. In other words, the Senate bill authorizes almost 50 percent less than the House bill.

There are another five differences between the two bills—all of which are minor. Unlike the House bill, the Senate bill—

First, includes representatives of both the new Department of Education and the Department of Health and Human Services on a task force;

Second, permits States with programs to receive funds;

Third, moves the year for reimbursement back 1 year;

Fourth, includes State employees in a provision barring discrimination; and

Fifth, increases the amount for State administration of the Education of the Handicapped Act in the smallest States by $100,000.

All of those differences are minor. The main difference is the cutback in the authorization for the program.

Mr. Speaker, I would like to add one further comment for the sake of legislative history. The Senate bill includes a provision paying States for the costs of their own programs of asbestos removal or containment. We concur with that provision, but with the clear understanding that its acceptance does not preclude local school districts from receiving funds directly from the Secretary of Education in any such State. I have been told that this was the Senate's intention.

Mr. Speaker, I urge the House to concur in the Senate bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to support the chairman in suggesting that we do, as a matter of fact, consider the Senate version without going to conference. I think the Senate version in all probability is better than what we passed in the House. I think it is an improvement in the task force membership, an improvement in the State grants, and an improvement in the employees' protection and, as the chairman said, there is a reduction in the authorization. I think it was probably around $64 million or $65 million, considering the 2-year versus the 3-year authorization.

Basically, the bill would authorize grants to local educational agencies, State educational agencies and nonpublic schools for visual inspection of buildings, samplings of materials thought to contain asbestos and tests to determine the content.

It would also give some money for long-term low-interest loans to local educational agencies and private schools for containing or removing asbestos materials or exchanging them for other materials; so I support the chairman and hope that we will all agree to take the Senate version.

Mr. PERKINS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased that we have reached this important plateau here today. The concerns about the presence of asbestos in our schools has struck great concern into the minds of many Americans.

While I would have preferred to see the House bill ultimately prevail—what is most important to recognize here is we are embarking on a new legislative area and as is traditional—first efforts are normally modest.

Under the terms of this legislation, some $22.5 million will be provided for the purposes of conducting necessary examinations of school facilities to detect the presence of asbestos materials in school structures.

This is not to say that there are not local school districts which have not already undertaken such studies. The fact is in the State of California and my home State of New York major school districts have undertaken detection studies.

In New York City all of the public schools were surveyed and some 180 schools were found to have significant levels of asbestos in their structures. Many of these schools were built before World War II when building materials were more prone to contain asbestos byproducts. These detection surveys were conducted at considerable expense and I am pleased that this legislation will provide for some form of reimbursement.

In addition, this bill also provides for some $75 million in loan authority for school districts to assist in removal of materials containing asbestos. Thus far in New York City there have been 74 projects involving detection and removal at a cost of some $3 million. By September of this year another 79 projects involving another $3 million will be completed and by September 1981 another $10 million will have been expended for other similar projects.

Mr. Speaker, I am pleased that one key provision of the House bill remains in this version, namely, the eligibility of private schools for assistance under this legislation. Certainly the need to detect and remove lethal asbestos materials from these schools is as compelling as in our public schools.

I wish to pay tribute to my chairman, Mr. PERKINS, for his usual outstanding leadership in this issue. In addition, my colleague, Mr. MILLER, has taken an important lead in addressing this major issue.

We appropriate millions if not billions of dollars in Federal aid to schools. Today we are expending a modest sum to help insure the safety of these schools from the lethal presence of asbestos. I urge my colleagues to adopt this legislation and I further urge the President to sign this important bill.

Mr. PERKINS. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague, the chairman, for yielding.

I would merely add in 30 seconds my words of commendation and support. I believe the chairman has accurately stated the situation. I believe that a vote right now would be well taken. I certainly support what the chairman is doing and support the passage of this bill.

● Mr. JEFFORDS. Mr. Speaker, Members will agree, I am sure, that the Federal Government should meet its commitments. I have long believed that we have not met our commitment to support the mandates we have placed on local public schools through Public Law 94-142. This important act requires schools to meet the needs of special groups of students in this country.

When Congress enacted the Education for All Handicapped Children Act, we established a progressive schedule for Federal financial support to local school districts. The act states that the Federal Government will provide 30 percent of the excess cost of educating handicapped youth in fiscal year 1981. In fact, it is expected that Congress will appropriate only 12 percent of the excess cost in the next fiscal year. I have always maintained that we should provide a far greater share of these costs, as a matter of fairness and as a demonstration that we are serious about this mandate.

An amendment was added to the Senate version of this bill which would increase the minimum amount of funds available to States for administering the complex requirements and regulations under Public Law 94-142. States can also use the funds to provide technical assistance to local schools so that they can develop adequate educational programs for these children. The amendment increases the minimum allocation level, set in 1975, from $200,000 to $300,000. This represents an increase of 50 percent, which is barely sufficient to cover the cost increases due to inflation over the last 5 years.

The language of the amendment does not increase the authorization or appropriation for Public Law 94-142, but does provide additional money to 10 small States which are already severely affected by cuts in other education programs. This increase is particularly needed now when the program itself is so greatly underfunded.

I strongly support this amendment. It will help out small States who are suffering from cost increases, budget cuts and extreme underfunding of Public Law 94-142. This increase will barely allows these States to keep pace with inflation.●

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 1658, under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the Senate bill.

There was no objection.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATING OCTOBER 19, 1981, AS "DAY OF NATIONAL OBSERVANCE OF THE 200TH ANNIVERSARY OF THE SURRENDER OF LORD CORNWALLIS TO GENERAL WASHINGTON AT YORKTOWN, VA."

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 472) designating October 19, 1981, as a "Day of National Observance of the 200th Anniversary of the Surrender of Lord Cornwallis to Gen. George Washington at Yorktown, Va.," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. TRIBLE. Mr. Speaker, I reserve the right to object. I do so not to object, but I rise to urge the adoption of House Joint Resolution 529, providing for a day of national celebration commemorating the 200th anniversary of the victory of Gen. George Washington at Yorktown, Va., on October 19, 1781.

The victory at Yorktown concluded the valiant enterprise to which our brave forefathers pledged their lives, their fortunes, and their sacred honor. To these patriots, the triumphant end of the American Revolution was an answered prayer, and a vindication of our democratic principles.

For our young nation, the victory was a source of boundless rejoicing. No event of the Revolution—the surrender of Burgoyne not excepted—aroused such universal and spontaneous enthusiasm. As the news spread, bonfires, processions, "ox roasts," public meetings and sermons were the order of the day. Americans knew that success at Yorktown sounded the death knell of British domination of America. The goal of self-government had, at last, been realized.

If Lexington and Concord symbolize an infant nation's resolve to resist monarchial repression, Yorktown is the realization of the resolve. Our national sovereignty emerged from this victory; Yorktown culminates the 7-year struggle for the victory of the Revolution.

The victory at Yorktown has been the occasion for major celebrations by the American people. The centennial and the sesquicentennial were observed throughout the land, reinforcing the profound significance Yorktown has for the American people.

The centennial celebration was a magnificent affair. Congress adjourned for 5 days. The number of Senators, Congressmen, Supreme Court Justices and descendants of Revolutionary War generals in attendance at Yorktown exceeded 200. The descendants of DeGrasse, Rochambeau, Lafayette, and the French Prime Minister participated. Twelve thousand military men entertained 25,000 guests and visitors. The battle monument now standing in mute testimony to the Americans and French who died in battle was dedicated.

On the occasion of the sesquicentennial, radio stations broadcast the events of the 4-day celebration across the country. Public school children paused on October 19 to pray and consider the importance of the victory at Yorktown. A grand fleet of 43 American and French ships passed in review on the river. Thirty-five States and then territory of Hawaii participated in the events, pageants, and parades. France, Germany, and England were represented by descendants of DeGrasse, Cornwallis, Rochambeau, Lafayette, and Von Steuben.

The American people dedicated a living perpetual memorial to the battle, the Colonial National Monument. This monument embraces the battlefield at Yorktown, Jamestown Island, and parts of the city of Williamsburg. The entire area is connected by a scenic parkway.

It was a celebration including pageantry, military pomp and splendor on a scale seldom, if ever, seen.

The resolution before us today will lay the groundwork for a bicentennial celebration of this seminal event in our Nation's history. It will enable us to follow in the steps of our forefathers who have traditionally designated this day one of national rejoicing and thanksgiving. It will permit us, today, to recapture the patriotism and sense of national purpose that is our heritage as Americans.

Mr. Speaker, I withdraw my reservation of objection.

● Mr. COURTER. Mr. Speaker, I rise in support of House Joint Resolution 472, commemorating the 200th anniversary of the victory of Gen. George Washington at Yorktown, Va., on October 19, 1981.

Yorktown is the birthplace of our Nation, and I feel it only fitting that the 200th anniversary of the surrender should be celebrated in a manner befitting the importance of the event and the greatness of this country.

Yorktown is where our freedom was finally won and by commemorating this day we are affording an opportunity to remind all Americans of the price that was paid for our freedom and prosperity; as well as the price that future generations must be willing to pay to preserve that freedom and prosperity that we sometimes take for granted.●

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York (Mr. GARCIA)?

There was no objection.

The clerk read the joint resolution, as follows:

H.J. RES. 472

Whereas October 19, 1981, is the two hundredth anniversary of the surrender of Lord Cornwallis to General Washington at Yorktown, Virginia; and

Whereas such date marks the anniversary of the end of the heroic struggle by our forefathers for political freedom and the ideals of liberty upon which our institutions are founded; and

Whereas it is fitting that this historic event be commemorated in such manner as to rekindle love of country and devotion to its principles by recalling to this generation the trials and triumphs of the past: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 19, 1981, is proclaimed a Day of National Observance of the Two Hundredth Anniversary of the Surrender of Lord Cornwallis to General George Washington at Yorktown, Virginia, and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the joint resolution.

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 7428 PUBLIC DEBT LIMIT EXTENSION

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 691, Rept. No. 96–1062), which was referred to the House Calendar and ordered to be printed:

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 691 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

H. RES. 691

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7428) to extend the present public debt limit through June 30, 1980, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, Rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

☐ 1220

The SPEAKER. The question is, Will the House now consider House Resolution 691.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, this vote is on whether or not to consider the rule that would make in order the debt limit?

The SPEAKER. That is correct, and it takes a two-thirds vote.

The vote was taken by electronic device, and there were—yeas 189, nays 153, not voting 91, as follows:

[Roll No. 281]

YEAS—189

Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Byron
Carr
Cavanaugh
Clay
Coelho
Collins, Ill.
Conyers
D'Amours
Danielson
Daschle
Dellums
Derrick
Diggs
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Guarini
Gudger
Hamilton
Hanley
Harkin
Harris
Hefner
Hightower
Hollenbeck
Howard
Hubbard
Hughes
Hutto
Ireland
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Luken
Lundine
McHugh
McKay
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Peyser
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Roe
Rose
Rosenthal
Russo
Sabo
Santini
Seiberling
Sharp
Skelton
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauzin
Traxler
Udall
Ullman
Van Deerlin
Volkmer
Watkins
Weaver
Weiss
Whitley
Wilson, Tex.
Wolpe
Wyatt
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—153

Ambro
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Bereuter
Bethune
Bouquard
Broomfield
Broyhill
Buchanan
Butler
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Derwinski
Devine
Dickinson
Dougherty
Duncan, Tenn.
Emery
English
Erlenborn
Evans, Ga.
Fenwick
Fish
Forsythe
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Green
Guyer
Hall, Tex.
Hammerschmidt
Harsha
Heckler
Heftel
Hillis
Hinson
Holt
Hopkins
Horton
Huckaby
Hyde
Jacobs
Jeffries
Johnson, Colo.
Jones, Tenn.
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDade
McDonald
Madigan
Maguire
Marks
Marlenee
Marriott
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nichols
Pashayan
Paul
Perkins
Petri
Porter
Pritchard
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stanton
Stenholm
Stump
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Whittaker
Whitten
Williams, Ohio
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—91

Abdnor
Akaka
Albosta
Anderson, Ill.
Beard, Tenn.
Bedell
Bonker
Bowen
Brademas
Breaux
Brown, Ohio
Burgener
Burton, Phillip
Chisholm
Clausen
Coleman
Corman
Cotter
Deckard
Dicks
Dingell
Dixon
Dornan
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ind.
Findley
Flippo
Frenzel
Fuqua
Grassley
Grisham
Hagedorn
Hall, Ohio
Hance
Hansen
Hawkins
Holland
Holtzman
Ichord
Jeffords
Jenrette
Kazen
Lowry
Lujan
McCloskey
McCormack
McEwen
McKinney
Martin
Mathis
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Patterson
Pickle
Quayle
Railsback
Reuss
Richmond
Rodino
Rostenkowski
Roybal
Runnels
Scheuer
Schroeder
Sebelius
Shannon
Simon
Staggers
Stangeland
Stockman
Stratton
Symms
Thompson
Vanik
Vento
Waxman
White
Whitehurst
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wright
Yates
Young, Alaska

☐ 1230

The Clerk announced the following pairs:

On this vote:

Mr. Brademas and Mr. Thompson for, with Mr. O'Brien against.

Mr. Akaka and Mr. Corman for, with Mr. Burgener against.

Mr. Dixon and Mr. Wolff for, with Mr. Deckard against.

Mrs. Chisholm and Mr. Dingell for, with Mr. Evans of Delaware against.

Mr. Reuss and Mr. Richmond for, with Mr. Frenzel against.

Mr. Rodino and Mr. Rostenkowski for, with Mr. Stockman against.

Mr. Hawkins and Mr. Waxman for, with Mr. Young of Alaska against.

Mr. Staggers and Mr. Wright for, with Mr. Railsback against.

Mr. Nedzi and Mr. Charles H. Wilson of California for, with Mr. Stangeland against.

Mr. Cotter and Mr. Dicks for, with Mr. Beard of Tennessee against.

Mr. Roybal and Mr. Jenrette for, with Mr. Breaux against.

Until further notice:

Mr. Yates with Mr. Abdnor.
Mr. Wirth with Mr. Grassley.
Mr. Vento with Mr. Sebelius.
Mr. Simon with Mr. Hagedorn.
Mrs. Schroeder with Mr. Grisham.
Mr. Bedell with Mr. Brown of Ohio.
Mr. Bowen with Mr. Clausen.
Mr. Bonker with Mr. Coleman.
Mr. Phillip Burton with Mr. Jeffords.
Ms. Holtzman with Mr. Hansen.
Mr. Ichord with Mr. Lujan.
Mr. Holland with Mr. Martin.
Mr. Evans of Indiana with Mr. McEwen.
Mr. Flippo with Mr. Edwards of Alabama.
Mr. Pickle with Mr. Quayle.
Mr. Patterson with Mr. Dornan.
Mr. Nolan with Mr. Edwards of Oklahoma.
Mr. McCormack with Mr. Erdahl.
Mr. Mathis with Mr. Findley.
Mr. Lowry with Mr. Hall of Ohio.
Mr. Kazen with Mr. McCloskey.
Mr. Hance with Mr. Bob Wilson.
Mr. Scheuer with Mr. Whitehurst.
Mr. Shannon with Mr. Symms.
Mr. Vanik with Mr. Runnels.
Mr. Williams of Montana with Mr. Albosta.
Mr. Fuqua with Mr. McKinney.

Mr. LATTA changed his vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the House refused to consider House Resolution 691.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. I am greatly surprised, Mr. Speaker, that we could not get a two-thirds vote on this. I am bitterly disappointed at those in my own party who did not go along. The present situation is that immediately following my remarks, the gentleman from Oregon (Mr. ULLMAN) will ask unanimous consent to extend the debt limit for a period of 5 days.

Here is where we stand. Today, the Secretary of the Treasury is going to the bond market to see if he can borrow some money to meet obligations. He hopes that he can complete the transaction today. There is no assurance.

I know you have read the wire report, and I will read it.

The Social Security Administration said today it plans to go ahead and mail June benefit checks for 35 million social security recipients, despite the current congressional impasse over the Federal debt ceiling. The Treasury Department tells us they expect the checks will be honored, said Jim Brown—

I do not know who Jim Brown is—

> a spokesman for Social Security. He said checks for another 4 million recipients of Supplemental Security Income for the aged, blind, and disabled have already been mailed and should also be honored by banks.

The communication from the Secretary of the Treasury:

> Commencing Tuesday, June 3, some portions of the approximately $9.5 billion of social security checks and wire transfers, already mailed, will not be honored.

Do we want to do that to the social security recipients? Do we want to do that to those people who are out there? I know, and it is obvious to me by the vote yesterday concerning the 10-cent tax on imported oil that you people have certainly made your decision.

Were the President to veto it, based on yesterday's vote, it looks to me as though this House would override it, despite my strong feeling that we ought to have a 10-cent, or even higher tax. For every cent of tax that we do not levy, the Arab nations and the OPEC nations are going to increase prices, because they intend to force conservation. If America does not want to keep the money at home, then it will be put in the Arab bank accounts around the world. The question is as simple as that—as simple as that.

What are we planning for the day? The gentleman from Oregon (Mr. ULLMAN) will ask unanimous consent that we extend the debt limit for 5 days. I hope that he gets unanimous consent.

☐ 1240

What are the plans in the event he does get it? Then I see no need for a session on Monday and on Tuesday we would have suspensions and the votes would be on Wednesday. In view of that fact that there are a number of primaries. I think this would be best.

If there is an objection and, I anticipate there will be an objection when unanimous consent is asked to go over until Monday, there could very well be a Saturday session to take up the bill which has failed to receive the support of two-thirds of the Members.

Mr. RHODES. Mr. Speaker, would the gentleman yield to me?

Mr. O'NEILL. I yield to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. I thank the gentleman.

Of course, the fact is that this matter could have been settled and I think should have been settled by the action of the Committee on Rules to bring out a rule for the increasing of the debt limit, coupled with a provision to deprive the President of the United States of the authority to put on the oil tax.

Mr. Speaker, I think the House demonstrated rather clearly yesterday that it wants to vote on this oil tax before we take the risk that the court of appeals will vacate the order of the District Court of the District of Columbia, whereupon we were told that the tax would go one instanter. There would be no delay at all and there would be no chance to stop it.

Mr. Speaker, we feel that it is necessary that the House and the Senate take action to stop this tax. I do not happen to agree with the gentleman from Massachusetts (Mr. O'NEILL) as to the effect of this tax. I think that instead of inviting or stopping the OPEC nations from increasing the price, it will invite them to increase the price, on the basis that, if our consumers can afford to pay more, then they want the money rather than have the Treasury of the United States to have it. Now, that is an honest difference of opinion between the two of us and I guess time alone will tell which is correct. Nevertheless, this impasse did not have to occur. I am sure we could have brought up the legislation to increase the debt limit prior to this time. We have had no Friday sessions, we could have had sessions prior to this to take the matter up and, as I mentioned earlier, the Committee on Rules could have acted as the House practically directed it to act yesterday, but the Committee on Rules in its good judgment did not see fit to do that. So, here we are with a real impasse. I think it is important that everyone understand this is not being done frivolously, but is being done from a very deeply held opinion on this side and I think on both sides that it is not a good thing for the country to have this oil import tax go on.

I thank the gentleman for yielding.

Mr. O'NEILL. Mr. Speaker, regardless of the feeling of the gentleman from Arizona or my own feeling, our primary feeling should be for the people out there, some 35 million social security recipients and some 3.5 million others.

There is no question as to why we are going the route we are going. I would hope the minority leader would listen. We have been going the route we have been going because we know that the President is going to veto a bill that would have the oil import disapproval on it. I am trying to avoid that. You are going to get your bill down the road. The Committee on Ways and Means has already reported. The chairman of the Committee on Rules is going to have a hearing.

Mr. Speaker, the reason for trying to avoid consideration of the import fee on the 20-day debt limit extension is that the President would have vetoed it, from what I understand, and then we would have been into next Tuesday or next Wednesday and the people out there would have suffered.

Mr. Speaker, I think in fairness to all, fairness to the Democratic and Republican Members we ought to act in justice to those 35 million.

I would hope that when the gentleman from Oregon (Mr. ULLMAN) makes his motion to extend this until Thursday of next week, this House will go along and that there would not be an objection.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman.

Mr. RHODES. Mr. Speaker, there is no intention or desire on the part of any Member of this House to deprive any American citizen of payments to which he or she is legally entitled. The fact is, as the Speaker has indicated, there is some doubt whether social security checks can be paid. The spokesman for the Social Security Administration says that they can. That is, I guess, beside the point because we all know we must increase this debt limit for the country to operate. However, I would remind the Speaker this has been done before and the Treasury always seems to find some way to pay its bills when a debt limit impasse comes up.

Mr. Speaker, I would remind my good friend from Massachusetts (Mr. O'NEILL), the fact we feel so strongly about the oil tax causes us to want to send it to the President of the United States on a vehicle which he probably would not want to veto. Now, that may sound like dirty pool but if it is, Mr. Speaker, I must remind the gentleman from Massachusetts that we learned how from his side. The majority did it very well when President Ford was in the White House and when President Nixon was in the White House. In fact it was the device from the other side of the aisle which caused the debt to become a Christmas tree. We do not like having to adopt that tactic, but because of the fact the President of the United States has said he will veto a repealer of the oil import tax authority, we find it necessary to try to send it down to him in some form that he may find a little difficult to veto.

Mr. O'NEILL. I would hope there would be no objection to this. The bill that came out of the Committee on Rules today, would be on the floor next week and we would have ample opportunity for the minority to go through the charade it went through yesterday once again.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. Yes, I yield to the gentleman.

Mr. ROUSSELOT. I appreciate the Speaker's yelding to me.

Mr. Speaker, it is my understanding there is excellent chance that the other body might add a prohibition on this import tax fee anyway.

Mr. O'NEILL. Does the gentleman mean on a 5-day bill?

Mr. ROUSSELOT. Yes, I do suggest that it could well be added to the 5-day extension of the temporary debt ceiling.

Mr. O'NEILL. I cannot believe there are that many cruel hearts in the Senate.

Mr. ROUSSELOT. It is my understanding it is very likely they may do that anyway, so why should we be denied the right to vote on the issue of the import tax?

Mr. O'NEILL. There will be an opportunity to vote on the import fee within 2 weeks on the bill reported out of the Committee on Ways and Means. In addition there will be another vote on a debt limit extension next week.

Mr. ROUSSELOT. We have had the right to vote on it in the Committee on Ways and Means. I voted for it. It was 21 to 7 or 22 to 7. However, I have had my chance to vote on it.

Mr. Speaker, my question is, If the Senate is very likely to put that prohibition on that fee on their side of this kind of bill, why should we not go ahead and vote on it?

Mr. O'NEILL. I would have more confidence in the Senate of the United States, with a mind to the 35 million recipients of Government checks who would be terrifically hurt. I just cannot believe there is such a callousness in the heart of any individual who serves in the U.S. Senate.

Mr. ROUSSELOT. Is the spokesman for the Social Security Administration incorrect when he says that the Treasury has assured the Agency that the 35 million checks that have been mailed are, in fact, very likely to be covered? Is that an accurate statement on the part of the social security spokesman?

Mr. O'NEILL. It says in part that the checks have been sent.

We will read it again.

> The Treasury Department tells us it expects the checks will be honored. The checks should be received by recipients next week, he said—checks for 30 million social security recipients and the checks for another 4 million recipients of supplemental security income for the aged, blind and disabled have already been mailed and also should be honored.

This is an appeal by the Government to honor the checks. There is no guarantee. As a matter of fact, as I read from a Treasury statement—

> Commencing Tuesday, June 3d, some portion of the approximately $9.5 billion of social security checks and wire transfers, already mailed, will not be honored.

What is happening is that the Federal Government is hoping. Does the gentleman want to take a chance?

Mr. ROUSSELOT. I thought the assurances of the Social Security Administration and the Treasury were adequate, and the checks would be honored.

Mr. O'NEILL. It would be very interesting to see if those banks out there would take chances.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, I want to commend the gentleman from Massachusetts (Mr. O'NEILL).

To clarify this issue, let me read a letter from the Secretary of the Treasury, so that we do not act on the basis of some false assumption.

The letter reads as follows:

> Hon. AL ULLMAN,
> *Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.*
>
> I understand that the House of Representatives plans to take up legislation today to extend for one month, without any increase, the limit on the public debt. I want to apprise you of the consequences of failure to pass this bill today or tomorrow.
>
> Commencing June 1, the Treasury will be forced to suspend all sales of Government securities. Our projections provide only marginal assurance that the Federal Government will have sufficient cash to meet all of the obligations of the United States that may be presented for payment on Monday, June 2. On June 3, sufficient cash will not be available to meet our obligations.
>
> This means that unless H.R. 7428 is passed by the House and Senate today or tomorrow and signed into law by the President by Monday, the United States could default.
>
> This sequence of events means, among other things, that:
>
> Cash inflows into the Social Security, Civil Service and other trust funds would not earn interest, commencing on June 1.
>
> Sales of U.S. savings bonds will be suspended on June 2.
>
> The sale of $7.2 billion of Treasury bills scheduled for auction on Monday, June 2 will be postponed.
>
> Commencing Tuesday, June 3, some portion of the approximately $9.5 billion of Social Security checks and wire transfers, already mailed, will not be honored.
>
> Other checks that will be presented for payment beginning on June 3 will not be paid; they include Civil Service retirement benefits, Veterans benefits, Railroad Retirement benefits and various other payments by the Government for goods and services.
>
> Approximately $6.6 billion of Treasury bills maturing on June 5 will not be paid when due.
>
> The United States has not defaulted on any of its debt obligations since the founding of the Republic. Hence this country possesses the strongest credit in the world. Denigration of the full faith and credit of the United States would have incalculable effects on the domestic money markets and on the value of the dollar in exchange markets. The Nation can ill afford taking the risks involved in default.
>
> I urge the House to pass this legislation today.
>
> Sincerely,
>
> G. WILLIAM MILLER.

☐ 1250

Mr. Speaker, as one who does support the resolution of disapproval and who has worked diligently to get it through the Committee on Ways and Means, and it is now pending before the Rules Committee; and as one who in good faith will bring it to the floor at the earliest possible moment, let me urge upon the Members in this time of great difficulty to exercise restraint and reasonableness in just allowing this 5-day extension from the 1st to the 5th. There are going to be all of those regular vehicles. Members will have all of the vehicles. They will have the 30-day extension, and on the other side let me say that it has been said that the Senate has talked about putting something on this bill. Let me say that the Senate does not even know that this bill is being offered, this 5-day extension. This is something that, if we can pass here, I am sure they will pass on the other side. Then, next week we can face up to this issue and these 5 days will help us resolve those problems.

As one who is supporting the disapproval, I want to say that I am going to be doing all that I can to get this matter expeditiously settled.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. ROUSSELOT. Can the chairman of the Ways and Means Committee—and I do know he was supportive of the prohibition on the import fee—can he assure us that we can get the bill out next week to vote on it? I have seen it go to the Rules Committee——

Mr. ULLMAN. The chairman of the Ways and Means Committee has no way of giving that assurance, but the chairman of the Ways and Means Committee can give the assurance that he will exhaust all of his prerogatives in an effort to get that done. But, that would obviously fall under the normal chain of jurisdiction, as the gentleman knows.

Mr. ROUSSELOT. Next week?

Mr. ULLMAN. At the earliest time; at the earliest time. I want to give that assurance—insofar as I have any jurisdiction or prerogative in the matter.

Mr. O'NEILL. The bill will be reported out of the Rules Committee a week from Tuesday. That is the 10th, and so it should be on the floor either the 11th or 12th.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield at that point?

Mr. O'NEILL. Yes.

Mr. BAUMAN. The statement made by the chairman of the Rules Committee this morning, and I listened very carefully at the time we considered the rule just refused consideration, was that a hearing would be held June 10.

Mr. O'NEILL. You have my word that the bill will be reported out of committee that particular day.

Mr. BAUMAN. On June 10?

Mr. O'NEILL. Yes.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the Speaker for yielding. I think we are all interested in somehow overcoming this impasse. A lot of us are concerned about imposing a tax upon 110 million-plus American drivers that might intervene during this period if the court of appeals should overturn the lower court's decision. Why could not this same unanimous consent include the provision that the President shall not impose a 10-cents-a-gallon tax during that 5 days? That way, we are going to protect the drivers and also the taxpayers.

Mr. O'NEILL. I yield back the balance of my time.

PUBLIC DEBT LIMIT EXTENSION

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent for immediate consideration in the House of the bill (H.R. 7471) to extend the temporary debt ceiling to June 5, 1980.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, the statement just made by the Speaker of the House that the Rules Committee would report the Ways and Means legislation to repeal the President's right to levy this import fee, that it would be reported on June 10, is the strongest and clearest commitment made up until this point, that the House would have a right to vote on this legislation. Prior to this time, we have had various vague assurances which could or could not mean that we would ever vote on this on the floor.

Yesterday, by a vote of 312 to 74, the House clearly by more than 3 to 1 indicated its desire to not only vote on the issue but, one presumes, repeal the President's power to levy this unjust tax. It is quite a change from the Speaker's view as quoted in the May 24 Congressional Quarterly, in which he said that he would do everything he could to keep the resolution to overturn the fee from reaching the House floor, including asking the Rules Committee to, "sit on it," which the Rules Committee has been doing assiduously ever since.

I would like to point out that I am concerned too about the social security recipients, although I read the statement by the Treasury official to indicate that those checks will be honored. I think it is heartless and cruel and wicked for the President of the United States to seek to impose a $12 billion tax on every gallon of heating oil, gasoline, and petroleum derivatives that must be paid by every person, rich, poor, or middle class in this Nation. That is the President's intention, and he has told us that. If the courts permit him to do that, this Congress will have to act. Now, the courts could very well act on June 9 when the hearing is presently scheduled.

We were told this morning through the good offices of the gentleman from Louisiana (Mr. MOORE), who talked with counsel in the case within the last hour, that the Department of Energy has every intention of enforcing the tax immediately upon the ruling of the appeals court. So, on June 9, a few days away, we will be faced with the situation of having this tax imposed on top of an enormous increase in oil prices in the last year, and the prices of gasoline at the pump in Oregon and in Maryland within a matter of weeks could be $1.50 or more a gallon, and this will fall on the old, who receive social security, for they will also be paying an enormously increased tax.

I have to ask the question who is concerned about the American people here. We are being placed in the position of using the debt limit increase as blackmail to prevent us from voting on a tax that no one wants, least of all the majority of this Congress, except President James Earl Carter and a few allies in this Congress.

I certainly am not of a mind to prevent an extension of time of 5 days under these circumstances, but I wonder if we cauld consider next week not only the debt limit increase, but the question of the tax repeal also. The gentleman could easily reform his request to include that.

□ 1300

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the Speaker of the House.

Mr. O'NEILL. Mr. Speaker, I am not a lawyer, but I would have to presume that if a decision came out for June 9, there would immediately be an appeal. I presume that during the appeal, the courts would stay the fee. So I cannot see the gentleman's argument.

Mr. BAUMAN. My understanding, Mr. Speaker, is that if the June 9 decision of the D.C. Court of Appeals supports the President's right to impose the tax, there would possibly be an appeal, but that would not necessarily preclude the imposition of the tax which could take effect immediately.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, let me say to my friend, the gentleman from Maryland, that this bill which we are considering now would just extend it to the 5th. The gentleman has indicated the 9th is the day of the ruling.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the Speaker of the House.

Mr. O'NEILL. Mr. Speaker, the 9th is the day of the oral argument, not the day of the ruling.

Mr. ULLMAN. Yes, the argument. It would be on that. But this matter will come up again on the 5th.

Mr. Speaker, if the gentleman will yield further, I think it is to the benefit of every Member here that we give ourselves this time in order to determine what course of action we might take on the 5th when it comes up again.

Let me remind the gentleman—and the gentleman has been very careful certainly about claiming a lot of credit for pinching pennies here—that if we do not pass this resolution, it is going to cost the Government many, many millions of dollars. That has always been the experience every time it has happened. It will be a very costly thing. It will be a very dangerous thing.

This is a reasonable way for reasonable men to avoid that kind of a result, and it gives us an opportunity before the 5th, long before the court will act, to try to determine a more reasonable course of action.

Mr. BAUMAN. Mr. Speaker, I will ask, would the gentleman from Oregon have any objection to consider an amendment to the debt limit bill next Thursday that would repeal the oil import fee?

Mr. ULLMAN. Mr. Speaker, the problem, as the gentleman knows, is the problem of jurisdiction and the rules of the House.

Mr. BAUMAN. Mr. Speaker, I do not think the American people give a damn about the rules of the House. They want this tax repealed.

Mr. ULLMAN. Mr. Speaker, the Committee on Ways and Means has to consider the rules of the House. As the gentleman knows, I am a strong supporter of the action to disapprove of the President's tax on gasoline. I am a strong supporter of that. I will do everything I can to get it before the House at the earliest moment, but I call upon the gentleman to exercise restraint and reasonableness and responsibility so that we can tide ourselves over and give ourselves time to work this thing out.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I think it needs to be said again that the Members on this side an many Members on the other side feel very strongly about repealing the authority of the President of the United States to impose this tax.

Now, we are not asking for a bill that we can pass and then have vetoed. We do not want a veto; we want a repealer. If we have to use this rather unusual means of getting it, then so be it, we will. I certainly hope that there will not be any objection to the extension for 5 days.

I will tell my good friend, the Speaker, now that I support the idea of extending this for 5 days, but I would feel much more comfortable and much more supportive if the Speaker could either assure me that if the House and Senate passed a repealer, the President would sign it, or in the alternative that the rule bringing up an extension of the debt limit after June 5 would be coming from the Committee on Rules making in order that an amendment to that extension which would have the effect of repealing the authority.

In other words, to me the idea of bringing up a bill just to do this in the face of the President's stated intention to veto it is not enough. I think we need to have some assurance that there will be something beyond that. I recognize the fact that when the matter comes up again on June 5, or whenever it does come up, we will be in the same position we are now and can presumably take the same action. But nevertheless I feel that with the strong feeling that was expressed by the House yesterday, the leadership on the majority side needs to be more forthcoming than it has been insofar as helping that majority to work its will.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Speaker, I thank the gentleman from Maryland for yielding.

Mr. Speaker, I agree with the comments of the minority leader. I do not intend to object, and I certainly want to be reasonable and accomodate the chairman of my committee. But you are leaving those of us who oppose this tax in a very exposed position. I know not whether it is intentional, but I am wary of gifts being granted at this late hour.

I appreciate the Speaker's indication that House Joint Resolution 531 will now be reported from the Committee on Rules. But I am a plaintiff in the lawsuit referred to and as late as an hour ago I talked with the attorney who represents me in that case.

The Speaker is right, the court could not decide it on the 9th, and it could continue the injunction while the matter went up on appeal to the Supreme Court. But the court could just as easily go along with the administration's request and decide it on the 9th, and the tax could go into effect on the 9th.

As a matter of fact, the lower court left the entire taxing mechanism intact for just that reason, at the request of Mr. Lynn Coleman, General Counsel of the Department of Energy. So if the court of appeals changes the lower court's ruling, the tax can immediately go into effect right then.

Then you put us in the position of coming to the floor, perhaps on the 10th, the 11th, or the 12th, and by the time the matter clears the Committee on Rules and gets scheduled by the majority leader to come on the floor of the House, we are in a precarious position because Members would then be told by the opponents of our efforts to stop this fee that the court has ruled and the issue is moot. They would say, "Why bring it up?"

But if it is brought up, by the time it clears the House, by the time it clears the Senate, and by the time the President vetoes it and it comes back so we can have an opportunity to override, the tax would have been in effect for 2 or 3 weeks or a month. By that time Members would be told, "You are trying to stop something that is already in effect and cause chaos in our Government."

This morning the chairman of the Rules Committee—and I appeared there in hopes of being able to testify on the new rule on the debt ceiling which hope was denied—indicated that the rule on House Joint Resolution 531 could be brought out before June 10 if he wished.

There is no reason why this could not be done on the 5th, and I implore the Speaker, I implore the chairman of the Committee on Rules, and I implore the chairman of the Committee on Ways and Means to do so. We do not want to object now to this request as we do not want to foul up something nobody really intends to, but action next week on the oil import fee is certainly a more equitable proposition than the following week after oral arguments before the court of appeals. Otherwise you put us in a very dangerous position on something the House overwhelmingly indicated yesterday it intended to carry out.

Mr. Speaker, let me make one last point. The court's decision has absolutely nothing to do with the issue before this House. The issue before the court is whether or not it is legal for the President to issue a fee. The issue before this House is whether or not that fee or tax is good Government policy and whether we intend to overrule that policy under specific authority of the windfall profit tax. So the court decision cannot settle the issue before this House on the oil import fee and should not have anything to do with this matter except for those who wish to see the oil import fee go into effect as they can use it as a mechanism to defeat our efforts to stop that fee.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, and in keeping with my attempts to keep the House well informed of what they might expect in the way of a program, the Senator from the great State of Kansas, Mr. Dole, is seated behind me, and he indicates he will in all likelihood offer the repeal of the oil import fee amendment to this 5-day extension when it goes to the other body later today.

So it might behoove the leadership of this House to permit us to vote on it now so we do not have to wait around here to vote on it later. It is as likely to pass later as it is likely to pass now.

It seems to me that we could even bring up the regular debt limit bill today by unanimous consent and consider that as well. So we are not accomplishing much by blocking this and I suspect that the votes are there to pass such an amendment.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am a little hesitant to get into this high-level leadership discussion.

Mr. BAUMAN. Does the gentleman include the gentleman from Maryland?

Mr. YOUNG of Florida. Mr. Speaker, it seems that it has become the rule rather than the exception for the last 4 or 5 years that as we reach the end of a fiscal period, those millions of Americans who serve in the Armed Forces of the United States and those people who work in the agencies of the Federal Government are threatened with paydays on which there will be no checks. Every time we have the question of an increase in the national debt or an extension of the debt limit for the national debt we find that the 35 million people on social security are threatened with having no social security checks when they come due.

□ 1310

I would just like to appeal to my colleagues in the House and in the other body as well. This is not fair. Those people who serve our country in the Armed Forces should not have to face that threat because of inaction on the part of the Congress.

Let me say this: 235,000 of the 35 million people receiving social security checks live in my district, and that is a lot. I can tell the Members that many of them subsist totally on their social security, and they are not merely frightened that they are not going to get it, they are scared to death because the lack of those few dollars they are going to get at the first of the month makes a lot of difference whether they eat or not until such time as their next check does arrive.

I just say, to anyone who will listen, that it is not fair to the people in the armed services, it is not fair to the people who serve this Government in the civil service, it is not fair to the millions of people who live on social security checks to be threatened with not getting the money that is due them every time the Congress reaches this deadline.

I suggest that there has to be a better way. I think that we ought to develop a system whereby these matters can be resolved prior to the deadline so there are no more such threats, so there are no more people on social security scared to death over whether or not they will be able to buy a loaf of bread or a quart of milk.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, in view of the stated intention of the Senator from Kansas and the likelihood that this 5-day extension would be susceptible to amendment in the other body, I wonder if the gentleman from Oregon would be willing to include in his request for the consideration of H.R. 7471, which he has just made, the further request that, any rule of the House to the contrary notwithstanding, it be in order to consider an amendment consisting of House Joint Resolution 531 as reported by the Committee on Ways and Means, the time to be equally divided between the chairman and the ranking minority member.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, let me say that the whole purpose for doing this is to prevent the crisis so that we can do in a studied and responsible way what the gentleman suggests.

This takes us only over to the 5th. I renew my plea that, hopefully, by the 5th, long before the court will hear the case, we can resolve this matter in some intelligent, reasonable way.

We are the greatest legislative body on the face of the earth. Sometimes we do not act that way. I hope in this case that we can use some restraint and reason, where your case is in no way jeopardized, your case is in no way lost. We all know that nothing can happen before the 9th. This only extends until the 5th. Let us try to work it out some time between now and the 5th.

The gentleman knows that the chairman of the Committee on Ways and Means will do all that he can to be helpful in working it out. Let us use restraint and be reasonable, and let us carry this through to the 5th, try to work it out—and I think we can—and prevent the kind of crisis that would affect the United States, that would affect you and I, that would affect our constituents, that would worry everyone on social security. Come Monday, everyone who is getting a social security check, whether it is true or not, would be worried whether that is a valid check or not.

Mr. BAUMAN. Further reserving the right to object, let me suggest to the Members what may happen here if, as has been indicated, the other body would pass this amendment. It means that we would have to remain here today and address that issue if we are to pass the 5-day extension. Undoubtedly, if it comes back as an amendment, under our rules it will be subjected to a separate vote, and I am sure it will pass overwhelmingly. Why not do it now?

Mr. ULLMAN. If the gentleman will yield, I have great faith in the other body. I do not think we ever act here on the assumption that the other body is going to do one thing or another.

Mr. BAUMAN. Certainly not.

Mr. ULLMAN. And I do not think it would be right for us to do so. I have faith in the other body that they will exercise the same kind of restraint that I am urging on the House here. I think I have some confidence. I will be making some calls. I have some confidence that they can exercise that restraint, too.

Mr. BAUMAN. Mr. Speaker, would it be in order for me to ask that the gentleman's unanimous consent request be amended to embody my further request for the consideration of House Joint Resolution 531 as an amendment?

The SPEAKER pro tempore (Mr. Studds). The Chair will advise the gentleman that there is already a unanimous consent request pending.

Mr. BAUMAN. And the gentleman from Oregon would not accede to that request?

Mr. VOLKMER. Regular order, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) is recognized for 1 hour.

Mr. ULLMAN. Mr. Speaker, there is no reason that I can determine for any further discussion of this matter.

Mr. ROUSSELOT. Mr. Speaker, just for the sake of clarity, could we have the bill read, just so that we know what it says?

The SPEAKER. The Clerk will read the text of the bill.

The Clerk read the bill, as follows:

H.R. 7471

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 101 of the Act of September 29, 1979, entitled "An Act to provide for a temporary increase in the public debt limit, and to amend the Rules of the House of Representatives to make possible the establishment of the public debt limit in the future as a part of the congressional budget process" (Public Law 96–78) is amended by striking out "May 31, 1980" and inserting in lieu thereof "June 5, 1980".

Mr. ULLMAN. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

TO DISAPPROVE REORGANIZATION PLAN NO. 1 OF 1980

Mr. BROOKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 624, to disapprove Reorganization Plan Numbered 1 transmitted by the President on March 27, 1980; and pending that motion, Mr. Speaker, I ask unanimous consent that debate on the resolution may continue not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New York (Mr. HORTON) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 624, with Mr. RAHALL in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Pursuant to section 912, Public Law 95–17, and the unanimous consent request, the gentleman from Texas (Mr. BROOKS) will be recognized for 30 minutes, and the gentleman from New York (Mr. HORTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

☐ 1320

Mr. BROOKS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, House Resolution 624 provides for the disapproval of the President's Reorganization Plan No. 1 of 1980, which deals with the Nuclear Regulatory Commission. By recommending that the resolution be disagreed to, the Committee on Government Operations is supporting the reorganization plan as submitted and amended by the President.

Reorganization Plan No. 1 of 1980, which comes to us under the reorganization authority granted the President by the Congress under Public Law 95–17, restructures the internal management functions of the Nuclear Regulatory Commission.

All of us are familiar with the problems which came to light during last year's Three Mile Island incident. The NRC was unable to meet its responsibilities adequately during that emergency, since every action required a majority vote. Three outside studies completed since Three Mile Island resulted in reports which stress that the NRC operates under an ineffective management organization—no one is accountable for running the agency—and that the diffused leadership has contributed to the NRC's failure to deal effectively with safety issues.

The Commission, acting by majority vote, would still be the ultimate policy authority for the NRC. However, the plan establishes the chairman as the agency's chief executive officer, responsible for its day-to-day operations. An executive director for operations, directly responsible to the chairman, would serve as chief line officer. Of course, both the chairman and the executive director for operations would be subject to policies and guidelines established by the Commission, and to the oversight authority of the Commission.

Additional responsibilities given the chairman include planning policy development for the Commission's consideration and his responsibility to act for the Commission during an emergency. Providing for the chairman to take charge during an emergency is intended to facilitate the NRC's ability to respond during an incident such as Three Mile Island and other emergency situations. The plan also provides flexibility by stipulating that the chairman may delegate his authority as necessary.

The plan does provide a more coordinated, cohesive management structure within the agency and should greatly improve its ability to cope with emergencies. For this reason, I urge Members to support this plan and to vote no on the resolution of disapproval under consideration.

Mr. HORTON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise to support Reorganization Plan No. 1 of 1980 regarding the Nuclear Regulatory Commission reorganization for several reasons. First, since the Three Mile Island accident, three separate studies on the NRC have been issued and all three have concluded that a lack of management and accountability exists in the current NRC structure. These studies are the President's Commission on the Accident at Three Mile Island, more popularly called the Kemeny Commission after its chairman; another was the NRC's own investigation of the accident usually referred to as the Rogovin Report after its director; and the third was a General Accounting Office 5-year evaluation of NRC. While there are a lot of differences in these reports, there is one theme that runs through all three and that is the need for better management. As the Rogovin Report stated, "NRC is not so much badly managed as it is not managed at all." I should also add that during hearings in both the Senate and House, no one defended the status quo. In other words, the question was not should the NRC be reorganized, but only how it should be reorganized, which brings up the second reason why I support the plan.

This plan seems to be a good balance between two separate schools of thought on NRC reorganization. One group wanted to eliminate the Commission completely and replace it with a single administrator and this does have great appeal from an economy and efficiency viewpoint. The other group wanted to keep the "colleagiality" of the Commission, pointing out that this is an adjudicatory body involved with safety and therefore a diversity of opinion is needed. This plan will keep the Commission for the very important policy, rulemaking and adjudicatory functions, but will clearly place the chairman and the executive director for operations in charge of day-to-day operations.

A third reason that I support this plan is that this proposal now before us is an "amended plan" and quite different from that initially submitted. The plan originally submitted in March was criticized by many observers in the press and elsewhere because it made the chairman too strong, but these problems have now been worked out. While four of the five Commissioners opposed the original plan, all five now recommend "that the Congress not disapprove the amended plan."

Finally, I intend to support the plan because this proposal, for the first time, clearly places the Chairman in charge of nuclear emergencies and everyone supported this part of the legislation.

Mr. Chairman, the plan before us is not perfect and we should not be fooled that any organization plan will prevent another Three Mile Island accident. The plan does, however, appear to be a good step in the right direction of more accountability and better management in the Nuclear Regulatory Commission.

Therefore, I urge my colleagues to support the plan by voting no on the resolution of disapproval.

Mr. BROOKS. Mr. Chairman, I yield 9 minutes to the gentleman from Pennsylvania (Mr. ERTEL).

Mr. ERTEL. Mr. Chairman, I believe that the amended reorganization plan for the Nuclear Regulatory Commission is a step in the right direction. The accident at Three Mile Island pointed out a number of serious deficiencies in the ability of the NRC to respond to an emergency in a timely and effective manner. The subsequent investigations into the accident highlighted a number of these problems. According to the President's Commission on the Accident at Three Mile Island, "with its present organization, staff, and attitudes, the NRC is unable to fulfill its responsibility for providing an acceptable level of safety for nuclear power plants." This shocking finding may be partially addressed in the NRC reorganization plan before us today.

The primary thrust of this reorganization is to vest increased authority in the hands of the chairman of the NRC. Currently, with its five coequal Commissioners acting in a collegial mode, the NRC is incapable of dealing expeditiously with emergencies and is unable to communicate in a clear, unified vote to civil authorities or to the public during an emergency. The reorganization plan specifically authorizes the chairman to act for the Commission during an emergency. In addition, language in the committee report accompanying the resolution on this reorganization plan makes it clear that it is the intent of Congress that the NRC engage in advanced planning for potential future emergencies.

The increased authority of the Chairman of the NRC is also important in dealing with problems of safety. In this context, the changes in the overall management of the Commission are important. In its evaluation of the management organization within the NRC, the Commission's own internal report, the Rogovin Report, stated:

> The Nuclear Regulatory Commission has provided neither leadership nor management to the Nation's safety program for commercial nuclear plants.

In addition to the difficulties inherent in the workings of a five-person Commission in which the Chairman is one among equals, the organization of the NRC staff, and its linkages to the Commissioners further frustrates effective management. Below the Commissioners is an Executive Director for Operations (EDO). Below the EDO are five major offices each with their own office director who can report directly to the Commissioners. The EDO, in practice, has very little authority over the offices below him.

> Thus, the EDO has served primarily as a conduit between the five equally powerful Commissioners above him, and the five office directors, each with his own independent jurisdiction, below. The result has variously been described as "nonmanagement", a "mess", and a situation where "nobody is running the store". As for the staff offices, they have been characterized as "feudal" baronies and "independent fiefdoms."

Because of this structure, the NRC staff lacks priorities for items demanding time and attention.

The reorganization plan deals with the problems of diffused leadership by vesting administrative oversight in the Chairman. Further, the authority of the Executive Director for Operations is increased and the EDO is recognized as the principal agent of the Chairman.

In addition to improving the management of the NRC, freeing the individual Commissioners from the day-to-day administrative details will allow them to better concentrate on developing policy and rules to govern nuclear safety and to adjudicate individual cases as the need arises. These are functions in which a collegial format is valuable and in this respect the reorganization plan, while recognizing the need for a strong Chairman, nevertheless retains the deliberative proceedings for overall policy issues.

The amended version of the reorganization plan recognizes the need for informed Commissioners who are not held hostage to the whims of the Chairman. While I do not envision such a problem occurring with the present Chairman, anytime we reorganize an agency we must also consider the potential for abuses in the future. As such, the flow of information to the individual Commissioners is critical. While the Chairman has a great deal of authority in determining staff responsiveness to individual Commissioners' requests, the full Commission is the final arbiter in any disputes between the Chairman and an individual Commissioner on questions of information flow. This is a necessary balance between the need to coordinate staff activities on the one hand and the competing need for individual Commissioners to have access to staff to answer questions and provide information. Recognizing the need to coordinate staff activities, I believe that in the final analysis the need for information flow to the Commissioners must ultimately take precedence. This is not to say, however, that the Commissioners should not be required to work through an administrative process to derive the desired information.

Clearly it is difficult to criticize the administrative and management changes which are put forth in this reorganization plan. We will be making a grave mistake, however, if we delude ourselves that these changes will even come close to dealing with the serious deficiencies in the NRC which were highlighted by the accident at Three Mile Island.

One of the most important recommendations which was generated in the reports following the accident was offered by the Kemeny Commission—

> An oversight committee on nuclear reactor safety should be established. Its purpose would be to examine, on a continuing basis, the performance of the agency and of the nuclear industry in addressing and resolving important public safety issues associated with the construction and operation of nuclear power plants, and in exploring the overall risks of nuclear power.

This oversight committee should in no way relieve the NRC of its responsibility to deal with these safety issues. It would, however, assure that an independent entity is monitoring and verifying safety-related matters. This oversight committee, in addition to working to insure safety, would also give more assurance to the public that their interests are being protected. Public confidence is vital to the future of nuclear power in this country and such a committee, therefore, should be welcomed by the nuclear industry.

The President did create a Nuclear Safety Oversight Committee last March to advise him on progress on safety issues. Under the terms laid out by the President, the scope of the committee's mission appears to be sufficiently broad to insure that its activities are meaningful and it has the potential to be an effective oversight mechanism. Unfortunately, the President has called for the termination of the oversight committee on September 30, 1980. It is also not clear to what extent the committee will have access to NRC material. It is critical that the oversight committee be a permanent body with complete access to all relevant information. The committee, as established by the President, has been criticized as being only a gesture. We must insure ongoing oversight of nuclear safety issues. We do not need another group whose purpose is to prepare yet another report.

The need for this independent oversight committee is further underlined by the Kemeny Commission's finding that there is a common attitude in the NRC that an important part of their job is to promote nuclear power. One of the purposes of the Energy Reorganization Act of 1974 was to divorce the newly created NRC from promotion of nuclear power. Despite this fact, there is still a great reluctance in the NRC to undertake any avctivity which may run contrary to nuclear promotion. It is a serious situation to have this attitude exist in the agency charged with regulating the nuclear industry. Changes in the staffing of the NRC can help alter this perception of the agency's mission; however, there still will remain a strong need for an independent body to oversee NRC and industry safety performance.

While the reorganization plan before us today does not address all of the safety-related lessons that the accident at Three Mile Island has so painfully taught us, the plan is a step in the right direction and should be implemented. Hopefully, further progress will be realized in the near future.

☐ 1330

Mr. HORTON. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Chairman, I rise in opposition to House Resolution 624, to disapprove Reorganization Plan No. 1 of 1980. I support the amended plan to reorganize the Nuclear Regulatory Commission as submitted to the Congress by the President on May 5.

During the 95th Congress, I served on the Government Operations Committee, which has jurisdiction over reorganization plans. I fully support the procedure established by Public Law 95-17, the Reorganization Act of 1977, by which the President is given the authority to propose to the Congress plans to reorganize the executive branch. Such plans go into effect unless the Congress takes positive action to disapprove these plans within a specified time.

While I support this plan, I do so only on the basis that it represents a step in the right direction. I remain unconvinced that the Chairman will have the power I think the office demands, particularly in terms of personnel matters. Nonetheless, this plan does represent at least a small step in the right direction, particularly in terms of the improved organizational structure between the staff and the Chairman. Therefore, I urge my colleagues to defeat the resolution of disapproval.

I would also like to take this opportunity to urge that the Congress exercise its responsibility to establish nuclear policy. Finally, let me comment in passing that I hope the NRC commissioners will stop being a debating society on nuclear issues and start fulfilling their regulatory role on the commercial use of nuclear power in this country.

Mr. BROOKS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I thank the chairman of the committee for yielding. I am entirely in agreement with the committee's recommendation, but I would like the chairman's reassurance on one point. Am I right in assuming that under the amended reorganization plan the members of the Commission would be entitled to full information about what is going on within the agency, and that under no circumstances would the Chairman be entitled to withhold information from the members of the Commission?

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the chairman.

Mr. BROOKS. Mr. Chairman, it is my understanding there would be a free flow of information and the staff would respond to the Directors or to the Commissioners as they would be requested.

Mr. BINGHAM. The reason I ask is because there is a provision that certain officers report directly to the Chairman. That does not mean the members of the Commission are not entitled to the same information?

Mr. BROOKS. No, it does not.

Mr. BINGHAM. I thank the Chair.

Mr. BROOKS. Mr. Chairman, I have no further requests for time, and yield back the balance of my time.

Mr. HORTON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 624

Resolved, That the House of Representatives does not favor the Reorganization Plan Numbered 1 transmitted to the Congress by the President on March 27, 1980.

Mr. BROOKS. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that the resolution be not agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the Chair, Mr. RAHALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 624) to disapprove Reorganization Plan No. 1 transmitted by the President on March 27, 1980, had directed him to report the resolution back to the House with the recommendation that the resolution be not agreed to.

The Clerk reported the resolution.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was rejected.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the reorganization plan just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1980

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6942) to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 6942, with Mr. ERTEL, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole House rose on Wednesday, May 28, title I was open to amendment at any point, and pending was an amendment offered by the gentleman from Michigan (Mr. BROOMFIELD).

Without objection, the gentleman from Michigan is recognized for 5 minutes in support of his amendment.

There was no objection.

Mr. BINGHAM. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1340

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have responded. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

(Mr. BROOMFIELD asked and was given permission to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Chairman, I ask unanimous consent that the amendment I offered on Wednesday be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: Page 9, line 21, after "the Sudan," insert "Greece,".

Mr. BROOMFIELD. Mr. Chairman, I am offering this amendment which specifies that Greece will have the same repayment terms on foreign military sales financing as this bill already authorizes for Turkey.

As the bill now reads, Turkey will enjoy special repayment terms on FMS financing. These special terms, also afforded Israel, Egypt, and the Sudan, provide a total of 30 years to repay foreign military sales loans with an initial 10-year grace period on the repayment of the principal. The interest rate is nonconcessional.

Greece, on the other hand, unless my amendment is accepted, will have to repay FMS loans according to the regular

FMS financing terms which require full repayment within 12 years and allow no grace period.

I have decided to offer this amendment rather than an earlier one which I considered that would have increased the FMS financing level for Greece to $250 million from the $180 million level authorized in this bill. I understand that Greece can better utilize the easier repayment terms rather than the higher FMS authorization level. I would also point out that the Senate Foreign Relations Committee incorporated an amendment identical to mine in the foreign aid bill which it reported out.

Therefore, I am offering this amendment in the hope of promoting a more evenhanded U.S. policy in the eastern Mediterranean. I believe that it is necessary to make the FMS repayment terms for Greece identical with those for Turkey in order to begin to achieve such an evenhanded policy.

Considerable attention has been focused on the strategic importance of Turkey, particularly in light of events in Iran and the Persian Gulf.

It is critical that we also recognize the strategic importance of Greece:

Greece is situated so as to inhibit Soviet adventurism in the Mediterranean.

Greece's proximity to the Balkans is of enhanced importance since the death of President Tito and the resulting potential for instability in Yugoslavia.

Greece provides NATO with critical warning and communications facilities as well as with air bases and naval ports. Among those ports is Souda Bay which can accommodate the entire U.S. 6th Fleet.

At a time of a heightened Soviet threat, it is crucial that the United States not only bolster its own defenses, but that it enable its allies to maximize their contribution to Western security. Indeed, the United States stimulated the upgrading of NATO modernization and force goals in which Greece, as an ally, participates. Facilitating Greece's repayment of FMS loans will be essential to assist the Greek Armed Forces to make planned purchases of fighter and support aircraft, antitank missiles, an air defense system, missile patrol boats, tank conversion kits, armored personnel carriers, howitzers, and communications equipment.

Moreover, the strategic significance of Greece and the tradition of close American-Greek friendship should compel greater U.S. attention to the ever-deteriorating political and military situation in the eastern Mediterranean. Yet, to date the Carter administration has failed to make the problems of the eastern Mediterranean a high priority of U.S. foreign policy. Solutions to few problems, however, can be as urgent as the reintegration of Greek Armed Forces into the NATO military command structure and a resolution of the Cyprus dilemma.

The United States will achieve neither of these objectives without great, extended, and unrelenting effort. And it will accomplish neither goal without a balanced approach to the problems of the eastern Mediterranean.

The time, in fact, may never be more opportune for negotiating the reintegration of Greece into NATO. The new Prime Minister of Greece, Mr. George Rallis, has stated that the reintegration of Greece into NATO's military command will be among his major goals. But in order to do this, the United States must be able to convince, as it has not done in the past, that it has the interests of Greece as well as those of Turkey at heart.

Regarding Cyprus, I can only express the deepest frustration born of 6 years of stalemate on the island.

In offering this amendment today, I have hoped to create the opportunity to speak out once again on the need for a resolution of the Cyprus conflict. Permitting the situation there to drag on only makes the possibility of a settlement even more remote. Yet, the United States does little to promote a settlement on Cyprus. And it continues to tolerate a situation where U.S. credibility with the Cypriot refugees sinks lower and lower because of the Cypriot Government's perception that U.S. policy tilts toward Turkey.

This amendment delivers the message that the Congress will continue to urge upon the administration the evenhanded U.S. approach to the eastern Mediterranean that will be essential to resolve the outstanding problems that persist in the region. It will indicate to Greece that its security is as important to the United States as Turkey's and that we consider Greece's strategic contribution to NATO to be vital. It will also demonstrate to Cyprus that U.S. policy does not tilt toward Turkey. Instead, this country must assert that it intends to redress the imbalance in the region and promote an agreement on Cyprus.

I urge your support for this amendment to alter the FMS financing terms for Greece, making them identical with those the administration requested and the committee authorized for Turkey.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I will be happy to yield to the chairman of the committee, the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman from Michigan for yielding.

Mr. Chairman, the gentleman from Michigan knows that the gentleman from Wisconsin does not support the policy of forgiving portions of the foreign military sales levels authorized. Nevertheless, in the interest of equity, however, it may be appropriate to treat Greece as we do Turkey, Israel, and Egypt with respect to repayment terms. On behalf of the chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana (Mr HAMILTON), I therefore will accept the gentleman's amendment on the part of this side of the House.

☐ 1350

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I want to commend our distinguished ranking minority member of the House Committee on Foreign Affairs, the gentleman from Michigan (Mr. BROOMFIELD) for offering this amendment which specifies the same repayment privileges on foreign military sales for Greece as provided for other regional allies. It is an important step forward in insuring an evenhanded approach in U.S. policy in the eastern Mediterranean and in demonstrating our support for the newly elected government of Greece.

While we are well aware of the importance of our relationship with Turkey and its special economic needs, we cannot overlook the equally important relationship that exists with Greece.

As a strategically situated Mediterranean state, Greece respresents an invaluable ally in our efforts to inhibit Soviet adventurism throughout the region. Its value has only increased following the death of Yugoslavian President Tito. In addition, as a NATO ally it is once again providing the free world with critical warning and communications facilities as well as bases and ports for our mutual defense.

The past 6 years of stalemate in seeking to solve the crisis on Cyprus has been underlined by concern about America's willingness to promote an evenhanded approach. Our lack of credibility among all parties, including Cypriot refugees, has rendered the United States little influence. Such action as promoted by this amendment will demonstrate that the United States supports a balanced approach to the entire region and, in turn, to Cyprus itself.

I urge my colleagues to join me in full support of the Broomfield amendment which hopefully will help to bring our two nations closer together and will become another step toward a resolution of the Cyprus conflict.

Mr. BROOMFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding and I rise in strong support of this amendment. Greece is and has been a good friend of the United States, Greece has been a strong ally of the United States and I think it is only appropriate we afford them this treatment. I commend the gentleman and the chairman of the committee for presenting this matter to us.

Mr. BROOMFIELD. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROOMFIELD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 18, after line 13, insert the following new section:

"SEC. 113. Of the amount of funds authorized to be appropriated to carry out the provisions of this title, none shall be made available for any aid or assistance to the People's Republic of China."

Mr. BAUMAN. Mr. Chairman, I have discussed this amendment with the distinguished chairman of the Committee

Mr. BAUMAN. But, I rather think the important issue here is not whether American arms manufacturers prosper, but rather whether or not the United States is adopting a wrong policy in aiding the Red Chinese. There is my disagreement. I think we run a great risk in helping an enemy, and despite the temporary agreements that may exist between us, I think they will remain our enemy in the final showdown. That is a view disputed by some, undoubtedly, but we should decide on the side of prudence.

Mrs. FENWICK. I certainly would not sell them anything that would be long term in use.

Mr. BAUMAN. Mr. Chairman, I include at this point an article by Charles W. Corddry, of the Washington Bureau of the Baltimore Sun:

UNITED STATES REVEALS PLAN TO SELL MILITARY EQUIPMENT TO CHINA

(By Charles W. Corddry)

WASHINGTON.—The United States announced plans yesterday for selling China a range of battlefield and other military equipment to improve the air defenses, communications and mobility of the Chinese forces.

No actual weapons were on the list, but Chinese Vice Premier Geng Biao, winding up three days of top-level conferences aimed at strengthening defense ties, said he believed there might be a "possibility" of buying weapons in the future.

Defense Secretary Harold Brown, who announced plans for selling the military equipment, said the material involved was an important part of PRC [People's Republic of China] military capability."

The Americans and the Chinese, Mr. Brown said, showed in their conference that they continued to hold similar views of the "geostrategic situation" in most parts of the world.

This was a reference to the two nations' condemnation of Soviet and Vietnamese aggression in Afghanistan and Cambodia, and to their support for the Western alliance and for stability on the Korean peninsula.

Subject to details to be worked out by Chinese authorities and American manufacturers, Secretary Brown announced approval of export license applications for:

Tactical air defense radar sets, which officials said would be mobile and suitable for battlefield use.

Transport helicopters, which could improve the battlefield mobility of Chinese army forces.

Equipment for testing jet engines.

Truck tractors for moving heavy equipment.

An antenna to be used with an early-warning radar installation being provided by another, unspecified country.

Tropospheric communications equipment, for long-distance communications in which waves are bounced off the troposphere.

Tactical radios.

Transport aircraft.

Countermeasure devices for blotting out enemy radar, such as flares and electronic chaff.

Defense officials could give no reliable estimate of what China eventually will be spending with American industry for all the equipment. Deals are yet to be worked out, and they must be approved by the government. The officials did say that hundreds of millions of dollars "clearly" would be involved.

Besides the military equipment, Mr. Brown announced approval of export license applications for certain dual-use (civilian and military) items. These would include setting up facilities in China to assemble integrated circuits for computers and to manufacture civilian transport helicopters. The sale of certain equipment for use in Chinese petrochemical and metal-refining operations also was approved.

Secretary Brown, joining Mr. Geng in a Pentagon corridor press conference, seemed less than enthusiastic when the top Chinese defense official said he did not think he could buy U.S. weapons now, "but I believe there might be such a possibility in the future."

It has been an insistent part of the stated American view, since the new defense relationship blossomed, that lethal arms are not on the list for China.

Mr. Brown, calling the Geng conferences "extremely successful," said they built on the "considerable structure" of relationships begun during the defense secretary's trip to Peking last January, and were part of the across-the-board normalization being effected between the United States and China.

Asked what the message to Moscow was, Mr. Brown said the relationship was "not directed at any other country." He said a "secure, strong, prosperous and peaceful" China was good for the world.

Asked whether the United States and China were headed toward a military alliance, Mr. Brown said, "Not at all," that they are just friends.

In past pursuit of that friendship, it was announced that William J. Perry, under sectary for communications and intelligence, ing, and Gerald P. Dinneen, assistant sectary for communicatons and intelligence, will will visit Peking soon.

The Chinese army will send a team here in the fall to study military logistics.

Vice Premier Geng, having met here with President Carter, Secretary of State Edmund S. Muskie and other top officials, as well as with Mr. Brown, was to leave today on a visit to U.S. military and industrial facilities. He will depart for China next week after visiting the aircraft carrier Ranger off the California coast.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Maryland (Mr. BAUMAN) our colleague did share his amendment with me and others on this side of the aisle. I must point out that none of the funds contained in this title or the bill are programed for the People's Republic of China. Indeed, his amendment would not cause any real problems as far as the provisions in the bill are concerned, because this amendment would only prohibit funds being used for any military training on all credits to China for the purpose of purchasing military equipment or giving military equipment to China.

The chairman knew about the PRC's interest in obtaining U.S. arms since shortly after Secretary Brown returned from Peking. The news release containing the statement of Assistant Secretary of Defense for Public Affairs Thomas B. Ross merely confirms the press reports that applications for the several items that are on the munitions list have been approved. The statement by Assistant Secretary Ross is, and I quote:

STATEMENT BY ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS) THOMAS B. ROSS

In today's meeting, Secretary of Defense Brown informed Vice-Premier Geng Biao that the U.S. Government had approved pending export license applications for several items on the Munitions List. These include tactical air defense radar sets, transport helicopters, pressure transducers used in testing jet engines, truck tractors, an antenna for an early warning radar set, tropospheric communications equipment, tactical radio equipment, transport aircraft, and passive countermeasure devices. The U.S. Government has also authorized the sale of secure communications equipment for use in the Chinese Embassy and consulates in the U.S.

In most cases, these export license applications were submitted by U.S. companies, requesting permission to make sales presentations to the Chinese. Another export license application must be submitted for approval if a detailed contract is reached between the Chinese representatives and the private U.S. company involved. The specific items involved and the names of the companies are proprietary information and cannot be released without the consent of the companies involved.

Secretary Brown also informed Vice Premier Geng that we had approved export license applications for certain dual-use technology items and would be submitting them to the Coordinating Committee. These were for the establishment of facilities in China to assemble certain integrated circuits for civil use and to manufacture commercial transport helicopters. The approval also covered applications for the sale of peripheral equipment for use with existing computers in China's petrochemical operations and for the sale of computers for use in metal refining in China.

If there will be a contract or an export license granted, the Congress will be advised; and if there is a need to disapprove, the Congress would have an opportunity to disapprove through section 36(c).

I might add, Mr. Chairman, that existing law, section 620(f) of the Foreign Assistance Act, explicitly prohibits assistance to the PRC. I merely point this out to show that the gentleman's amendment is not necessary. Nonetheless, I commend the gentleman from Maryland for bringing the subject to our attention for discussion.

Finally, the United States has indicated a willingness to consider certain items for cash sale to the PRC. Decisions will be made on a case-by-case basis, and only nonweapons military equipment will be considered for sale, as I understand it.

I might also add that particular cash sales proposals for the PRC, as I said before, would have to pass congressional review on an individual basis. Having said all of this, Mr. Chairman, I am prepared on the part of myself and, I hope, my colleagues on this side, to accept the amendment.

Mr. BAUMAN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I did not wish to contest this last amendment, as our chairman had decided to accept it. It certainly is unnecessary.

In any case, I would like to take this time just so that some of the remarks made by the gentleman from Maryland in this debate about the People's Republic of China and our relationship to it do not go uncontradicted.

Having just been to China with a congressional delegation, and having had extensive conversations with representatives of the People's Republic both there and in Washington, I would like to express a few thoughts.

The Chinese today, the mainland Chinese, hate and fear the Soviet Union as much or more than we do. The fact that they are both nominally Marxists has nothing to do with this. This is a nationalistic, basic hostility.

I had a fairly long conversation with a high official in Peking on the subject. I specifically asked him about it, because the Chinese are urging us to provide them with technology and to assist in various ways, not through a foreign aid program, but through commerce, exports and imports, and private investment; they are also urging us, as the gentlewoman from New Jersey has said, to take various steps to strengthen our defense posture in the Pacific and in the Indian Ocean.

I specifically asked for example, what is the attitude of the People's Republic about our developing a base on Diego Garcia in the Indian Ocean, and the answer was: "By all means you should strengthen your position there. You should strengthen your position whereever it may tend to counter the power of the Soviet Union."

Now, it strikes me as somewhat in the realm of fantasy to say that they are going to urge us to take steps to counter the influence and power of the Soviet Union and to develop our strength to resist the Soviet Union so that, if a showdown comes, they would be aligned with the Soviets against us. I just think that is topsy-turvy logic. I cannot accept it.

Let me get back to the conversation with the official in Peking. I specifically asked him, "What assurance do we have that, although we may be friends now, since you and the Soviets are both avowedly Marxists, one of these days you are not going to be friends again with the Soviet Union as you have been in the past?"

He answered me at great length and with considerable passion. The gist of it was, first of all, they have a fundamental area of controversy in that they have the longest land border between two countries in the world, some 5,000 or 6,000 miles, much of which is disputed.

☐ 1410

That is point No. 1, Point No. 2: The two countries have a totally different point of view about Vietnam and Kampuchea.

Point No. 3, and the most fundamental point, was that: "Ever since our revolution in China the Soviets have been trying to control us, and we Chinese simply will not have that. That is a fundamental point of disagreement."

So I would say that, while I am not suggesting that we should provide military assistance to China at this point, whatever we can do to develop and strengthen the potential of the Chinese along that common border with the Soviet Union, the more the Soviets will have to position their troops and their forces on that border. Today they have many divisions on that border. If there were not a potential conflict there, those divisions would be facing us and facing our allies in Europe.

So, Mr. Chairman, I just want to have the record indicate, as the gentleman from Maryland himself said, that his views by no means reflect the views of others of us here in the House.

● Mr. **DERWINSKI**. Mr. Chairman, I have just reviewed the President's latest report, May 20, to Congress regarding what progress, if any, has been made during the past 60 days toward the conclusion of a negotiated solution of the Cyprus problem. Once again it is a disappointment and reveals that there have been no breakthroughs whatsoever.

Equally disappointing are the administration's efforts to help solve this vexing problem. In reading the President's report, I failed to detect any administration initiatives. This is especially disturbing and not consistent with the President's 1976 campaign statement that "we would be negligent of the moral issues and courting longer-range disaster if we fail to couple the improvement in relations with Turkey with increased fair progress on the Cyprus issues."

In short, Mr. Chairman, the administration's handling of the Cyprus question is just one more sorry example of a foreign policy that has long since been recognized throughout the world as a colossal debacle for the United States.

To cite only the recent major blunders in foreign relations and defense policy under President Carter—the ineffective response to the Soviet invasion of Afghanistan, the most flagrant example of Soviet imperialism in many years; the off-again, on-again, embarrassing handling of the seizure of our diplomats in Iran as hostages; the complete standstill of the middle east negotiations which President Carter initiated with such fanfare; the disgraceful deterioration of our defense capabilities, accelerated by President Carter's opposition to weapons system we must have to restore our defense strength; and finally the complete mismanagement of the Cuban refugee situation, another example of the President's vacillation which is the cause of such confusion among our allies and our own people as to what our policy is on any issue.●

The **CHAIRMAN**. Are there further amendments to title I?

If not, the Clerk will designate title II.

Title II reads as follows:

TITLE II—ECONOMIC SUPPORT FUND

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Section 531 (b) (1) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1980, $1,935,000,000" and inserting in lieu thereof "fiscal year 1981, $2,105,500,000".

PROHIBITION ON FUNDING NUCLEAR FACILITIES

SEC. 202. Section 531 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d) Funds available to carry out this chapter may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that use of funds for such purpose is indispensable to the achievement of nonproliferation objectives which are uniquely significant and of paramount importance to the United States.".

USE OF FUNDS

SEC. 203. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out all that follows section 531 and inserting in lieu thereof the following:

"SEC. 532. USE OF FUNDS.—(a) Not less than the following amounts of the funds authorized to be appropriated to carry out this chapter for fiscal year 1981 shall be available only for the following countries:

Israel	$785,000,000
Egypt	750,000,000
Turkey	200,000,000

"(b) (1) Not less than $785,000,000 of the funds made available to Israel under this chapter for the fiscal year 1981 shall be provided on a grant basis.

"(2) Not less than two-thirds of the funds made available to Egypt under this chapter for the fiscal year 1981 shall be provided on a grant basis.

"(3) Not less than two-thirds of the funds made available to Turkey under this chapter for the fiscal year 1981 shall be provided on a grant basis.

"(c) Funds appropriated to carry out this chapter for the fiscal year 1981 may be made available for Syria only for participant training programs and only if the President determines and certifies to the Congress that Syria is acting in good faith to achieve further progress toward a comprehensive peace settlement in the Middle East and that expenditure of funds for such programs will serve the peace process in the Middle East.

"(d) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1981 for Jordan, $50,000,000 shall be available only for use as follows:

"(1) Up to $40,000,000 may be used for the Maqarin Dam and Jordan Valley Irrigation System.

"(2) $10,000,000, and so much of the remainder of the $50,000,000 as is not used under paragraph (1), shall be available for other development programs in Jordan.

"(e) (1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1981, $16,000,000 shall be available only for special requirements in the Middle East, including regional programs, development programs on the West Bank and in Gaza, and participant training programs.

"(2) The President may obligate or expend funds under this subsection only if—

"(A) he has transmitted to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations and the chairman of the Committee on Appropriations of the Senate, a report setting forth—

"(i) the name of the proposed recipient of such funds,

"(ii) the amount of funds to be made available to such recipient, and

"(iii) the purpose for which such funds are to be made available;

"(B) a period of 30 calendar days has elapsed since the Congress received such report; and

"(C) the Congress did not adopt, during such 30-day period, a concurrent resolution stating in substance that the Congress does not approve the proposed use of funds described in such report.

"(f) (1) Up to $50,000,000 of the funds appropriated to carry out this chapter for the fiscal year 1981 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.

"(2) Notwithstanding the requirements of subsections (a) and (e) (1) of this section, up to 5 percent of the funds available for any country or region pursuant to such subsections may be used under paragraph (1) of his subsection.

allowed by the act and would be allowed by this bill.

The bill exempts the following insurance activities from the prohibition:

First, credit life, credit disability and mortgage redemption insurance activities. Bank holding companies would continue to act as underwriters, agents or brokers with respect to these types of insurance; second, credit insurance would be exempted on property used as collateral for an extension of credit which is not to exceed $10,000 during 1980 but no more than $10,000 adjusted for inflation each year thereafter.

Finance company subsidiaries could act as agents but not as underwriters; third, insurance activities provided in a town of 5,000 people or less or in a town where adequate insurance agency facilities are not available; in other words, they would be able to operate freely in towns with a population of under 5,000; fourth, insurance activities that bank holding companies were lawfully engaged in as of June 5, 1978, or for the insurance activities of a subsidiary that was acquired by a bank holding company during the period of June 6, 1978, to June 6, 1979; fifth, insurance activities limited solely to supervising on behalf of insurance underwriters the activities of retail insurance agents who sell: Fidelity insurance and property and casualty insurance on the real and personal property used in the operations of a bank holding company or its subsidiaries; group insurance that protects the employees of the bank holding company or its subsidiaries; insurance activities engaged in by a bank holding company or its subsidiary, which bank holding company has total assets of $50 million or less.

☐ 1430

The majority of the committee contended that this bill does not relate to the "business of insurance," but merely designates the insurance activities which are closely related to banking in the meaning of the Bank Holding Company Act. This bill regulates the activities of bank holding companies and is not legislation that results in the regulation of the "business of insurance."

The last three Congresses have considered similar legislation. In 1978 the House adopted this bill as title XIII of the Financial Institutions Regulatory Act but as I mentioned earlier, the Congress adjourned before adopting the last several titles of the conference report.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. DERRICK. I would be delighted to yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I would like to inquire, I have been trying to listen to the gentleman, of course, and trying to follow this.

Mr. DERRICK. Do not inquire too much.

Mr. VOLKMER. This legislation has been undoubtedly before this body previously. Does the gentleman have any reason to know why it is not now law?

Mr. DERRICK. Why it is not now law?

Mr. VOLKMER. Yes.

Mr. DERRICK. Because this bill, which was title 13 of the Financial Institutions Regulatory Act, was dropped from the conference report in the last hours of the 95th Congress.

The SPEAKER pro tempore. The time of the gentleman from South Carolina (Mr. DERRICK) has expired.

Mr. BEILENSON. Mr. Speaker, I yield 5 additional minutes to the gentleman from South Carolina.

Mr. DERRICK. In the wisdom of the 95th Congress, it was seen fit to drop this matter from the Financial Institutions Regulatory Act of 1978.

Mr. VOLKMER. Does the gentleman support not only the rule, but the bill also?

Mr. DERRICK. The gentleman did support the rule and the gentleman will withhold any remarks on the final bill, although he supports it as reported by the Banking Committee.

Mr. VOLKMER. The gentleman has reservations?

Mr. DERRICK. One can never be exactly sure what amendments might come forth on the floor, but I would expect to support it. I have supported this legislation in the past.

Mr. VOLKMER. But the gentleman does have some reservations about all the provisions of it, as far as the future in the realm of banking and insurance and all of these other things?

Mr. DERRICK. The gentleman is presenting his question very much in the form as if to ask me how many times a week I beat my dog. I do support the legislation.

Mr. VOLKMER. In other words, the gentleman wishes to withhold all comment until we have activity on the bill and see what amendments come up?

Mr. DERRICK. Well, I will withhold only that comment that is not necessary for me to make to accomplish the purpose that I am about at the moment.

Mr. VOLKMER. Oh, the gentleman means on the rule? That is what we are discussing now. This is an open rule.

Mr. DERRICK. Does the gentleman know what quibbling is?

Mr. VOLKMER. Oh, I think I do.

Mr. DERRICK. Well, let me enlighten the gentleman.

Mr. VOLKMER. All right.

Mr. DERRICK. Quibbling is any attempt to impart a false impression or conceal a fact, using a technicality which in itself may be a true statement.

I suggest maybe that is the situation.

Mr. VOLKMER. Maybe that is where we are right now.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I was very interested in the remarks of the gentleman from South Carolina about final support of the bill. I presume that the gentleman is withholding final decision on that to see the outcome of the amendment which would delete the provision that was added in the committee which eliminated the States rights provision of the bill; is that correct? Being from South Carolina, I know the gentleman would not want to support any legislation that would delete the States rights provision in insurance or bank matters or anything else.

Mr. DERRICK. I thank the gentleman. Being from a State that suffered long as a result of the war of northern aggression, I am firmly welded to States rights.

Mr. LOTT. I just wanted that to be on the record. I thank the gentleman for yielding.

Mr. DERRICK. Mr. Speaker, would the gentleman care for me to yield further to him?

Mr. LOTT. I thank the gentleman.

Mr. DERRICK. Mr. Speaker, I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 301, nays 0, not voting 132, as follows:

[Roll No. 282]

YEAS—301

Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr

Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Coughlin
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell

Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fuqua
Garcia
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Guyer
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby

Hughes
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Luken
Lundine
Lungren
McClory
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Rousselot
Royer
Russo
Sabo
Satterfield
Sawyer
Schulze
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Traxler
Trible
Udall
Ullman
Van Deerlin
Volkmer
Walgren
Walker
Watkins
Weaver
Weiss
Whitley
Whittaker
Williams, Ohio
Wilson, Tex.
Wolpe
Wyatt
Wylie
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—132

Abdnor
Addabbo
Akaka
Albosta
Anderson, Ill.
Applegate
Archer
Barnard
Beard, Tenn.
Bedell
Boland
Bonker
Bouquard
Bowen
Brademas
Breaux
Brown, Ohio
Burgener
Burton, Phillip
Clausen
Cleveland
Coleman
Corman
Cotter
Courter
Crane, Philip
Daschle
Deckard
Dellums
Dicks
Dixon
Dornan
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ind.
Findley
Fish
Flippo
Frenzel
Frost
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Grassley
Grisham
Hagedorn
Hall, Ohio
Hance
Hansen
Hawkins
Holland
Holtzman
Horton
Hutto
Ichord
Jeffords
Jenrette
Johnson, Colo.
Kastenmeier
Kazen
Kogovsek
Kramer
Leach, La.
Lewis
Lowry
Lujan
McCloskey
McCormack
McEwen
McKinney
Martin
Mathis
Moffett
Montgomery
Mottl
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Patterson
Pepper
Quayle
Quillen
Railsback
Reuss
Richmond
Ritter
Rodino
Rostenkowski
Roybal
Rudd
Runnels
Santini
Scheuer
Schroeder
Sebelius
Shannon
Simon
Skelton
Smith, Iowa
Staggers
Stangeland
Stewart
Stratton
Symms
Thomas
Thompson
Vander Jagt
Vanik
Vento
Wampler
Waxman
White
Whitehurst
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Zeferetti

☐ 1450

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Abdnor.

Mr. Thompson with Mr. Beard of Tennessee.

Mr. Akaka with Mr. Courter.

Mr. Rostenkowski with Mr. Archer.

Mr. Rodino with Mr. Edwards of Alabama.

Mr. Staggers with Mr. Findley.

Mr. Brademas with Mr. Brown of Ohio.

Mr. Cotter with Mr. Erdahl.

Mr. Corman with Mr. Fish.

Mr. Flippo with Mr. Grassley.

Mr. Giaimo with Mr. Philip M. Crane.

Mr. Hawkins with Mr. Burgener.

Mr. Jenrette with Mr. Evans of Indiana.

Mr. Kastenmeier with Mr. Grisham.

Mr. Kazen with Mr. Dixon.

Mr. Breaux with Mr. Coleman.

Mr. Bowen with Mr. Hansen.

Mrs. Bouquard with Mr. Daschle.

Mr. Boland with Mr. Frenzel.

Mr. Dicks with Mr. Hagedorn.

Mr. Kogovsek with Mr. Cleveland.

Mr. Reuss with Mr. Edwards of Oklahoma.

Mr. Richmond with Mr. Hall of Ohio.

Mr. Dellums with Mr. Deckard.

Mr. Phillip Burton with Mr Clausen.

Mr. Barnard with Mr. Horton.

Mr. Gaydos with Mr. Jeffords.

Mr. Ginn with Mr. Hutto.

Mr. Goldwater with Mr. Dornan.

Mr. Montgomery with Mr. Kramer.

Mr. Mottl with Mr. Leach of Louisiana.

Mr. Murphy of New York with Mr. Lujan.

Mr. Nedzi with Mr. Quillen.

Mr. Murphy of Illinois with Mr. O'Brien.

Mr. Pepper with Mr. Quayle.

Mr. Albosta with Mr. Ritter.

Mr. Gibbons with Mr. Railsback.

Mr. Applegate with Mr. Rudd.

Mr. Hance with Mr. Runnels.

Mr. Roybal with Mr. Johnson of Colorado.

Mr. Ginn with Mr. Martin.

Mr. Holland with Mr. McCloskey.

Ms. Holtzman with Mr. Scheuer.

Mr. Bonker with Mr. Sebelius.

Mr. Bedell with Mr. Whitehurst.

Mr. Ichord with Mr. McEwen.

Mr. Lewis with Mr. Symms.

Mr. Lowry with Mr. Winn.

Mr. McCormack with Mr. McKinney.

Mr. Moffett with Mr. Stangeland.

Mr. Zeferetti with Mr. Bob Wilson.

Mr. Mathis with Mr. Wydler.

Mr. Nolan with Mr. Young of Alaska.

Mr. Nedzi with Mr. Shannon.

Mr. Patterson with Mr. Stewart.

Mr. Stratton with Mr. Wright.

Mr. Vento with Mr. Vanik.

Mr. Simon with Mr. Vander Jagt.

Mr. Smith of Iowa with Mr. Skelton.

Mr. Wolff with Mr. Thomas.

Mr. Yates with Mr. Wampler.

Mr. Waxman with Mr. Charles H. Wilson of California.

Mr. Wirth with Mr. Williams of Montana.

Mr. Whitten with Mr. White.

Mr. Yatron with Mrs. Schroeder.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST FOR PERMISSION FOR SPEAKER TO DECLARE RECESSES TODAY

Mr. BEILENSON. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to declare recesses, subject to the call of the Chair, today.

It is expected that the Speaker might exercise this authority after disposition of the bill, H.R. 4046.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Reserving the right to object, could the gentleman from California tell us what is currently the situation that demands this.

Mr. BEILENSON. If the gentleman will yield, the gentleman from California would be happy to tell the gentleman precisely what the situation is, if the gentleman from California knew what the situation is.

The SPEAKER pro tempore. Let the Chair advise the gentleman from Maryland that as of now the other body might attach an amendment to the debt limit bill. If not, momentarily we hope to have the debt extension for 5 days sent back over here for enrollment.

Mr. BAUMAN. Further reserving the right to object, the gentleman from Maryland was informed that two Senators intended to offer amendments to the debt limit bill, one dealing with the oil import fee and the other dealing with the Chrysler Corp.—I am not sure why that amendment. But it might be some hours if this course is pursued in the other body, and the only thing I was trying to ascertain was at least some vague description of what Members here might expect. Three hundred Members answered that rollcall, and it is Friday afternoon.

The SPEAKER pro tempore. The Chair does not think there is any answer to it. As the gentleman from Maryland knows, there is no way to predict what the other body might do in this circumstance. They are trying diligently, from what the Chair understands.

Mr. BAUMAN. I am also informed that agreement was reached between the Speaker and the Members of the other body that the House would be allowed to vote on the debt limit and the oil import fee repeal amendment next week together, in return for which an amendment would not be offered in the Senate today dealing with the oil import fee. Does the gentleman have any information on that?

The SPEAKER pro tempore. The Chair does not know about that agreement.

Is there objection to the request of the gentleman from California?

Mr. BAUMAN. I will object.

The SPEAKER pro tempore. Objection is heard.

ANTITRUST COLLATERAL ESTOPPEL ACT OF 1979

Mr. SEIBERLING. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4046) to amend the Clayton Act to promote enforcement of the antitrust laws and conservation of judicial resources by clarifying the application of the common law

The term "collateral estoppel" may sound a bit technical. But what we are talking about is whether a party, once given a chance to fully and fairly litigate issues in a court proceeding, should be permitted still another chance to litigate the same issues in another subsequent proceeding. If we allow this to happen, it is obviously not only wasteful—it denigrates the effect of a court judgment rendered after full and fair litigation.

The bill as reported by the committee will allow a party in a subsequent proceeding to assert the doctrine of collateral estoppel as a means of preventing this wasteful and redundant relitigation.

The bill of course permits the application of collateral estoppel only when the common law requirements are met, thus, a defendant is fully protected under this bill.

The bill simply eliminates a possible anomaly in existing law that would prevent the application of the common law doctrine to antitrust law cases.

Mr. Chairman, I urge my colleague to join me in supporting this remedial procedural legislation that should save both litigants and the American taxpayer from the unnecessary expense of redundant litigation.

□ 1530

Permit me also to join in commending my colleague, the gentleman from Virginia, a very valuable member of our committee, for offering amendments that would make the legislation prospective in nature. I want to commend my other colleagues on the committee for offering this particular legislation which I think will clarify what should be the law, and that is that collateral estoppel should apply in antitrust cases.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the bill and to commend our chairman for the day, the gentleman from Ohio (Mr. SEIBERLING), for managing the bill. I think that it will certainly improve the antitrust laws of the Nation. But I want particularly to call attention to the gentleman for having given life, as he has today, to this subject. I think our friend, the gentleman from Illinois (Mr. MCCLORY), had said earlier that this was a subject that you really have to get serious about, and it is a very lively topic. I think the gentleman would agree that we have not contended with collateral estoppel since law school days. I want to congratulate the gentleman for his ability to give life to this otherwise lifeless topic on a Friday afternoon. It is no small achievement.

Mr. HUGHES. I thank my colleague, the gentleman from Kentucky, a very distinguished member of the Committee on the Judiciary.

Collateral estoppel is a very technical term, except when litigants are faced with the prospect of trying issues all over again because they are not given the effect of res judicata, that is, that the court is not able to give it full effect after it has been fully litigated. Then it is easy for litigants to understand, because repeated litigation is wasteful and results in needless higher court costs and attorneys' fees.

So I think that what we are doing, what we are about here today, is to make a contribution to our judicial system.

Mr. MAZZOLI. As the gentleman knows, there are other antitrust bills that are pending before the House. Because of the peculiar nature of the legislative process, this is coming up separately. But the gentleman would agree, I think, that this is part of a whole package of measures, several of which came from the committee that the gentleman from Ohio sat upon, the Commission for the Review of the Antitrust Laws. If these measures are adopted—we hope they will be—the handling of antitrust cases should be a good deal more expeditious. At the same time, the rights of defendants and plaintiffs would be fully protected. We think this is essential under the Constitution of our land.

Mr. HUGHES. I thank the gentleman for his contribution.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, the Congress has already adopted three of the package of the antitrust procedural changes that we have approved. This would be No. 4. The gentleman from Kentucky has been one of the leaders in working these up and was scheduled to manage this, I understood, but for some reason the staff failed to locate the gentleman and I am merely pinch-hitting for him. But he is really the person who has taken the lead on this particular bill.

Mr. MAZZOLI. I appreciate the gentleman's remarks.

Mr. SEIBERLING. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Chairman, I would certainly suggest that what we have done today, with the assistance of the gentleman from Ohio (Mr. SEIBERLING), is a significant achievement for the House of Representatives.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, I am not a lawyer, and I am not speaking of collateral estoppel or res judicata, but I am speaking of a practical, simple thing that has come to me, and I wish very much that it could be considered, if it would be appropriate, by the Committee on the Judiciary. That is a system that is used in another country, Belgium, to be precise, that, when a criminal case has been brought and has been tried and sentence has been given, that that same judge and jury can hear a civil suit following immediately so that the facts do not have to be gone over again, the individual who has been aggrieved by the action of the condemned person can be satisfied in one simple proceeding.

With our crowded courts, I would think this is a highly sensible system. In Belgium, cases of a small amount can even be dealt with in the lower courts. And so it goes, as the amount of the crime itself gets higher and higher, to higher and higher courts. I really think that with our overburdened courts, our people who are often aggrieved and have not the money for these long procedures, to force them to wait for 2½ years may be crushing to them. I wish the Committee on the Judiciary could consider it.

Mr. MAZZOLI. Mr. Chairman, I cannot directly answer the gentlewomen's question. It is certainly the truth that our committee is now deliberating on a criminal code reform which will deal with many matters which impinge upon the right of a person to have a free and a fair trial. At the same time, the code is designed to expedite trials and alleviate the burden upon court dockets.

I will yield to other Members to address this. But first I want to say that our committee and our staff, our professional staff, assiduously studies the activities of other nations and their handling of matters of justice in order that we might benefit from procedures followed in other nations but perhaps not in ours. I would suggest that what the gentlewoman has referred to with regard to Western Europe probably is under study in our committee.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I would be happy to yield to the gentleman.

Mr. SEIBERLING. Mr. Chairman, I think the gentlewoman from New Jersey has raised a very worthwhile point here. I am not sure that it would be appropriate to consider it under this particular bill, which deals only with antitrust matters, and there may be constitutional differences which make it more complicated to do that here, but I think that is something that the Committee on the Judiciary ought to look into.

We are in the process of marking up a new criminal code in the Committee on the Judiciary and, while it does not deal with civil relief, we have reported out a bill dealing with compensating victims of crime. While that would not be done in the same proceeding, and in fact it would not require a trial of the criminal first, nevertheless the idea has some merit. I think we ought to take it under advisement.

Mr. MAZZOLI. I thank the gentleman for his comments.

Mr. McCLORY. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. KINDNESS), a member of the committee.

Mr. KINDNESS. Mr. Chairman, the time I take at this point is just to respond, in part, to the question propounded by the gentlewoman from New Jersey (Mrs. FENWICK).

In the Criminal Code House version. there was quite a bit of consideration of the sort of the procedures followed in Belgium. There are some practical problems and limitations to applying it very fully, but a restitutional type of proceeding is provided for. It is only with respect to the direct loss, physical injury type of thing, in violent crimes. That is provided in part, but not to the extent of the gentlewoman's suggestion. I think it is certainly worth the consideration of this body when that bill comes to the floor.

I might also mention, parenthetically, for those who are not of a legal background but of a medical background, to bring a little more life to this matter of collateral estoppel, it was pointed out to Dr. CARTER, of Kentucky, that collateral estoppel is very much like a blockage of the colon when there is already an obstruction of the upper intestine.

☐ 1540

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman.

I appreciate always the words of wisdom of my colleague, the gentleman from Kentucky, Dr. CARTER.

I think the gentleman from Ohio and I would agree, and I think every Member of this body, that we will be much the poorer in the next Congress by not having the gentleman from Kentucky, my good friend, Dr. CARTER, with us. He does have a way of zeroing in on the foibles of human beings, both the beauty and the less beautiful side of us. I think his wisdom will be missed; but Tompkinsville, Ky.'s gain, will be Washington's loss.

Mr. McCLORY. Mr. Chairman, I yield myself such time as I may consume, merely for the purpose of concurring in the judgment made by my colleague, the gentleman from Kentucky (Mr. MAZZOLI) of the expertise and the great service and the valuable contributions that have been made by our distinguished colleague, the gentleman from Kentucky, Dr. TIM LEE CARTER, who as the gentleman from Kentucky (Mr. MAZZOLI) said is retiring from the Congress at the end of this term.

I am happy at this time to yield to the gentleman from Kentucky, Dr. CARTER, 3 minutes.

Mr. CARTER. Mr. Chairman, I thank the distinguished ranking minority member for yielding this time.

Mr. Chairman, I am most pleased to be here. I want to thank the distinguished gentleman from Louisville, Ky., my good friend over many years, for what he said; also, my wonderful friend, the gentleman from Illinois, the highly respected Mr. McCLORY.

Of course, the words collateral estoppel came to me and I really wondered a great deal about it. Then after I thought a little bit, why, res ipsa loquitur, actually, the thing speaks for itself. It is that simple.

Caveat emptor, let the buyer beware.

And then to this, I do not contend, nolo contendere.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the distinguished gentleman from Ohio.

Mr. SEIBERLING. To which I might add, qui custodet custodes ipsos, or for those who are uninitiated in the beauties of Latin, "Who will watch over the custodians themselves?"

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am most happy to yield to my distinguished friend.

Mr. MAZZOLI. Mr. Chairman, I again direct this to my friend, the gentleman from Kentucky. We will miss the gentleman very much next year.

Since we are lapsing into Latin this afternoon, in an effort to pump life into this thing we call collateral estoppel, let me add my favorite Latin expression, which I think is something for all of us to be aware of.

Sic transit gloria mundi, which very loosely translated is, "Thus passeth the glories of the world."

I think the gentleman and I would agree that any glory that we may have attained will pass. It is well that we keep that in mind, so that we are not distracted by these glories.

I hope the gentleman will come back to us in the years ahead and share his Latin expertise with us.

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman.

I would say, sic gloria mundi and sic semper tyrannis—so passes the glory of the world and so be it with tyrants.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to my distinguished friend.

Mr. BUTLER. Mr. Chairman, since we are giving parting words of advice, I will share one of my favorite Latin expressions, and that is, illegitimes non corborundum est. I will let the gentleman translate that at his leisure.

Mr. CARTER. "Don't let certain people grind you down."

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am most happy to yield to the gentleman from Ohio.

Mr. GUYER. Circus Sperandis is supposed to be the great architect after the fire of 1666. He built more than 80 great edifices in London. He said, "Si monumentum circumspice requiris." "If you seek my monument, look about you." That might well be the gentleman's monument.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. CARTER) has expired.

Mr. McCLORY. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I am reminded over the years of waiting on the Senate, as we are at the present time, if the Chair would excuse me for going from the subject just a little bit, I am also reminded of a bird hunting friend of mine at Coburg, Ky., whose name was Otley Gilpin. Otley and I had been in the Army together and he had a wonderful bird dog, the best pointer and the most magnificent retriever I ever saw. Since we had been together, I suppose, and hunted together, shot many birds over this dog, he named him Old Congressman. I enjoyed very much hunting with Otley. One year I went back and I noticed among those dogs that Old Congressman was not there.

I said, "Otley, what's happened to Old Congressman?"

He said, "I shot him."

I said, "You mean you shot that wonderful bird dog?"

He said, "Yes, I did."

He said, "Some city slickers came down here and took him out and they started calling him Old Senator and from that time on all he would do was sit on his hind end and howl and, by gum, I shot him."

Mr. Chairman, I thank my good friends, the Subcommittee chairman Mr. SEIBERLING, the ranking Member, my esteemed friend, Mr. McCLORY, my beloved colleague, Mr. MAZZOLI, the man who reminds me so much of the late Howard W. Smith, Mr. CALDWELL BUTLER, and my colleague Mr. GUYER.

It has been an honor to serve in this, the people's body. I ask you to visit me in Kentucky.

IN KENTUCKY

(By Jas. H. Mulligan)

The moonlight falls the softest in Kentucky;
The Summer days come oftest in Kentucky;
Friendship is the strongest,
Love's light glows the longest,
Yet, wrong is always wrongest in Kentucky.

Life's burden bear the lightest in Kentucky;
The home fires burn the brightest in Kentucky;
While players at the keenest
Cards come out the meanest,
The pocket empties cleanest in Kentucky.

The sun shines ever brightest in Kentucky;
The breezes whisper lightest in Kentucky;
Plain girls are the fewest,
Their little hearts are truest,
Maidens' eyes the bluest in Kentucky.

Orators are the grandest in Kentucky;
Officials are the blandest in Kentucky;
Boys are all the fliest,
Danger ever nighest,
Taxes are the highest in Kentucky.

The bluesgrass waves the bluest in Kentucky;
Yet, bluebloods are the fewest in Kentucky;
Moonshine is the clearest,
By no-means the dearest,
And, yet, it acts the queerest in Kentucky.

The dovenotes are the saddest in Kentucky;
The streams dance on the gladdest in Kentucky;
Hip pockets are the thickest,
Pistol hands the slickest,
The cylinder turns quickest in Kentucky.

The song birds are the sweetest in Kentucky;
The thoroughbreds are fleetest in Kentucky;
Mountains tower proudest,
Thunder peals the loudest,
The landscape is the grandest—
And politics—the damnedest in Kentucky.

Mr. McCLORY. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, how is it possible that all these wonderful stories come to us in that beautiful voice of the South?

How is it possible that somehow we northerners never produced an Otley Gilpin and a dog called Old Congressman, who lost his head when they called him Old Senator?

I do not know what there is about the softness of the voice, but it is the richness of the vocabulary, it is the whole background of the thinking that has such charm for everybody in the United States.

It is a terrible thing to think that our gentleman from Kentucky, TIM LEE

[Roll No. 284]

YEAS—254

Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Butler
Byron
Carney
Carter
Cavanaugh
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Collins, Tex.
Conte
Conyers
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Derwinski
Dickinson
Diggs
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Emery
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fuqua
Garcia
Gephardt
Gilman
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Gray
Green
Guarini
Gudger
Guyer
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hinson
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Luken
Lundine
Lungren
McClory
McDade
McDonald
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Pritchard
Rahall
Rangel
Rhodes
Rinaldo
Roberts
Robinson
Rose
Roth
Royer
Russo
Sabo
Santini
Satterfield
Sawyer
Seiberling
Sharp
Shelby
Shumway
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Swift
Synar
Tauke
Tauzin
Taylor
Udall
Ullman
Van Deerlin
Walgren
Walker
Watkins
Weaver
Weiss
Whitley
Whittaker
Whitten
Wilson, Tex.
Wolpe
Wyatt
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—179

Abdnor
Addabbo
Akaka
Albosta
Anderson, Ill.
Applegate
Archer
Ashbrook
Aspin
Atkinson
Barnard
Beard, Tenn.
Bedell
Beilenson
Boland
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brown, Ohio
Burgener
Burton, Phillip
Campbell
Carr
Cheney
Clausen
Cleveland
Coleman
Conable
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
Deckard
Dellums
Derrick
Devine
Dicks
Dixon
Dornan
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Evans, Del.
Evans, Ind.
Findley
Fish
Fithian
Flippo
Foley
Frenzel
Frost
Gaydos
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Gore
Grassley
Grisham
Hagedorn
Hall, Ohio
Hall, Tex.
Hance
Hansen
Hawkins
Hillis
Holland
Hollenbeck
Holtzman
Horton
Hutto
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Kastenmeier
Kazen
Kogovsek
Kramer
Latta
Leach, La.
Lederer
Lewis
Lowry
Lujan
McCloskey
McCormack
McEwen
McHugh
McKinney
Martin
Mathis
Mattox
Mitchell, Md.
Moffett
Montgomery
Mottl
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nolan
O'Brien
Ottinger
Patterson
Paul
Pease
Price
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Richmond
Ritter
Rodino
Roe
Rosenthal
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Shuster
Simon
Skelton
Solomon
Spence
Staggers
Stangeland
Stokes
Stratton
Studds
Stump
Symms
Thomas
Thompson
Traxler
Trible
Vander Jagt
Vanik
Vento
Volkmer
Wampler
Waxman
White
Whitehurst
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Zeferetti

□ 1620

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the measure just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AUTHORIZING THE CHAIR TO DECLARE A RECESS LATER TODAY

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that the Chair be authorized to declare a recess, subject to the call of the Chair, until some time no later than 6 p.m. today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS, NOTWITHSTANDING ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Tuesday, June 3, 1980, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ADJOURNMENT TO TUESDAY, JUNE 3, 1980

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it stand adjourned until noon on Tuesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule on Wednesday next be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. LEVITAS. Mr. Speaker, reserving the right to object, I take this time so that the acting majority leader might explain the purpose for the recess and what is anticipated to be the schedule for the remainder of the day and the week.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the acting majority leader.

Mr. MURTHA. Mr. Speaker, when the acting majority leader predicted earlier that there might be a settlement momentarily, he was inaccurate in his predictions, so we are still waiting on the Senate to resolve the issue of the debt limit. As soon as that is resolved, the Speaker will again reassemble the House and we will be able to resolve that issue.

Mr. LEVITAS. Mr. Speaker, further reserving the right to object, is any hour for this evening anticipated as the hour for adjournment, and are there any conditions under which it might be necessary for the House to be in session on tomorrow?

Mr. MURTHA. Mr. Speaker, it is possible, as I understand it, that if the Senate were to attach an import fee amendment to the debt limitation bill, it would be necessary for us to vote on that bill and then await the reaction of the President. It is possible we could be in session tomorrow, in other words, as I understand it.

Mr. LEVITAS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HOUR OF MEETING ON WEDNESDAY NEXT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday next, it adjourns to meet at noon on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE 1979 ANNUAL REPORT ON THE ADMINISTRATION OF THE RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce.

(For message, see proceedings of the Senate of today, May 30, 1980.)

THE BEST DEFENSE IS A GOOD ECONOMY

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. SEIBERLING. Mr. Speaker, as we contemplate the $153 billion that the House voted to spend yesterday on defense, I think it would be well to call the attention of the House to several articles in the recent press. On Sunday in the Washington Post there was an article by Frank Weil, a former Assistant Secretary of Commerce, entitled, "The Best Defense Is a Good Economy."

The article points out that our untapped industrial potential is significantly lower than in two previous world wars, and that while we may be able to make all the military hardware we need, it is doubtful, in view of our energy dependence, whether we can afford it. Current estimates are that in the next 5 years we will pay $900 billion for imported oil.

In yesterday's Post there was an article by Hobart Rowen reporting that to pay for the technology needed just to boost U.S. fuel economy performance to an average of 37 miles per gallon by 1995, which may make it competitive with the Japanese, the auto industry is going to have to spend some $40 billion. A Congressional Budget Office study states that it is questionable whether the industry can come up with that extra bulge of money.

There was also an article by Colman McCarthy in yesterday's Post which notes that high levels of military spending have contributed to a marked decline in civilian research and development and have thus weakened the competitive position of American industries.

I suggest that my colleagues, and particularly the conferees on the budget resolution, ponder the economic implications of the huge increase in national defense spending embodied in the instructions voted to the budget conferees last night. The question is stark and simple: How are we going to pay for it?

The texts of the three Washington Post articles follow these remarks:

[From the Washington Post, May 25, 1980]

The Best Defense Is a Good Economy

(By Frank A. Weil)

If history is recorded correctly, the man who led Japan's navy against Pearl Harbor, Admiral Yamamoto, tried in vain to argue his government out of attempting war against the United States. He had seen our country up close while stationed here, and he realized that Japan could not sustain a war effort in competition with our industrial capacity.

One has to wonder today what kind of reports the Kremlin gets from the Soviet Embassy in Washington. An excerpt from a recent survey might have said: "The U.S. economy may be nearing the point contemplated by Marx when capitalism might strangle itself; the prime rate of interest is 20 percent; the inflation rate is near 18 percent; the unemployment rate is headed to 8 percent; the prices of gold and silver are gyrating wildly; the dollar has been weak for several years; the trade deficit for the one month of February 1980 was nearly $5 billion; the federal budget deficit could be as high as $100 billion if the coming business recession becomes acute; the rate of capital investment in industry as a percentage of GNP is now the lowest of all the major industrial nations; the growth rate of productivity in 1979 was negative; expenditures for R&D have fallen as a share of GNP."

An accompanying political analysis might have added: "Because of the domestic and international economic outlook, it is highly unlikely that the United States can muster the additional military expenditures proposed and threatened in response to our Southwest Asian activities. There is no doubt why they resort to cosmetic gestures, such as embargoes, which probably cost them more than us. Accordingly, we recommend a steady, relentless pursuit of our national goals. The United States will rattle its sabre but, because of its economic problems, it is not likely to become a serious military counterthreat for some time to come, unless it produces an economic miracle."

What this means is that we are in quite a different position from the one we were in in 1912 and 1936. Then, our prospective military enemies, as measured by adjusted gross domestic product, were well behind us and were significantly dependent for resources on external sources.

ADJUSTED GROSS DOMESTIC PRODUCT

[In U.S. dollars (billions) at 1970 prices and exchange rates based on purchasing power parities]

	1912	1936	1978
United States	$170	$271	$1,268
Germany	38	57	287
Japan	24	51	469
U.S.S.R	69	79	629

Today, the differential between us and the Soviets, though still double, is in a number of respects less significant. The Soviets are more or less economically and resource-independent. Moreover, the Soviets have an industrial capacity comparable in war-making ability to ours. A significant part of our large gross domestic product comes from the nonindustrial sectors of our economy that have no relation to our war-making ability.

Moreover, our untapped industrial potential today is significantly less than it was on both prior occasions. Our ability to make all the military hardware we need isn't the main doubt, but our new energy dependence puts in question how much we can afford.

Accordingly, our national huffing and puffing should be focused much more on fixing our economy. To restore our credit standing, we need to make our industrial base vital and competitive again. To do that, we have to restimulate capital investment and innovations as a share of our GNP. To do that, we have to deregulate creatively and provide incentives for American business. That means seeking a better political balance between our noneconomic domestic priorities and our economic needs.

If we can learn politically that our industrial base is as fundamental to our national security as our military capacity, we can produce an economic miracle. Then the Soviets and others may again treat us with the caution and respect the security of this globe needs.

[From the Washington Post, May 29, 1980]

Small Cars of Great Import

(By Hobart Rowen)

President Carter faces the prospect of losing the endorsement of the powerful United Auto Workers union if he fails to restrict imports of Japanese cars, which now take nearly 25 percent of the U.S. market.

UAW President Douglas Fraser is confronted with a total of 304,000 laid-off workers—a 40.5 percent unemployment rate that is the highest since the Big Depression. He has decided, therefore, to leave the question of presidential endorsement to a secret ballot of 3,000 UAW members, after the two political conventions this summer.

If Carter by late August has failed to "do something" about Japanese imports, a UAW official tells this reporter, "there is the possibility of no endorsement at all."

Whether President Carter caves in to this kind of raw pressure remains to be seen. Auto worker unemployment, although mitigated by a generous jobless compensation program, underlies much of the overall weakness in the economy. For some time now, Fraser has been insisting that reserve import quotas be placed on those Japanese manufacturers who refuse to build factories here.

To blame the current miserable state of affairs in the U.S. auto industry on the Japanese is simplistic and incorrect. Such an assessment ignores the stupidity of the industry, which kept to its habit of producing higher-profit gas-guzzlers. It also ignores the equally shortsighted American consumer preference, until recently, for bigger cars. As Sen. Adlai Stevenson (D-Ill.) has said, "The American industry missed the boat." The Japanese merely seized a marketing opportunity.

But what, if anything, can or should be done about the situation now? Carter's public position, and that of his trade representative, Ambassador Reubin Askew, is that it would be a mistake to slap quotas on Japanese cars.

That, they have argued—correctly—would simply inflate the price of a diminishing volume of imports and force American consumers into the less fuel-efficient American cars that still make up 60 percent of U.S. production.

But Carter met at the White House on May 14 with key company executives and Fraser (now also on Chrysler's board) to examine the plight of the industry. White House aides and UAW spokesmen say Carter merely listened, promised nothing, but ordered Transportation Secretary Neil Goldschmidt to make a study of the problem and report back in six weeks.

UAW sources nonetheless sound encouraged by the "educational" impact on Carter of the meeting. "Free trade is a fine concept," UAW official Leo Suslow told me, "but no industrial nation can ignore an assault like this on a major industry like autos."

Soon after the Fraser-Carter conference, the UAW president told my colleague David S. Broder that it is time for Democrats to accept the inevitability of Carter's renomination. Fraser, it should be remembered, had earlier given his own endorsement to Sen.

numbers of reliable military hardware available at the outbreak of hostilities. During the Yom Kippur war of 1973, Israel realized "turn-around" rates for aircraft never achieved by any other nation.

Despite these obvious lessons of the past, the Department of Defense has followed a procurement strategy based on the assumption that since we cannot afford to buy sufficient numbers of military equipment to match the Warsaw Pact buildup over the past 10 years, we will offset that superiority with quality. Therefore, we have introduced weapons into our military inventories that are overly complex and sophisticated. This high quality procurement strategy has created development difficulties, failures to meet many contract performance specifications, and has resulted in inevitable cost overruns. These weapons have become so costly that uneconomical production rates become a way of life causing production "bow waves" and resulting in fewer numbers than required and planned ever reaching our military inventories.

Our weapons have become so complicated they break down often and become difficult and expensive to maintain. We have been unable to afford the necessary spares to support them or maintain the necessary skills in the services to repair them. This situation has a direct relationship to the extremely low readiness of military aircraft and other weapons, and has an indirect impact on morale and retention of personnel in the military services. The need for more contractor support even down to individual units and ships is often the result of this deplorable condition.

The trend in operation and maintenance funding for the past 16 years is symptomatic of this problem. In 1964, the last year before the Vietnam conflict, operation and maintenance outlays were 30 percent less than procurement. It appears that 1981 operation and maintenance outlays will be about 25 percent greater than procurement. This dramatic shift has taken place even though the Department of Defense has 200,000 fewer civilian personnel paid from operation and maintenance funds, and about 400 fewer ships and 1,000 fewer aircraft operated and maintained from these same dollars.

I thought that a few years ago, when DOD adopted the so-called high/low mix concept for aircraft, ships, and other military equipment, it was the result of a recognition by the Pentagon thta quality was good but quantity was better. DOD initiated programs like low-cost, single-seat A-10 and F-16 aircraft and low-cost patrol hydrofoil missile (PHM) ships and patrol frigates in an effort to stem the tide of buying fewer numbers of very complex weapons. Not only does it appear that the high/low concept has been abandoned, but we see the trend again is toward larger, more complex ship construction.

It is rather obvious that weapon systems have become inordinately high in cost because the military has become a slave to technology and fancy gadgets. This trend must be reversed. We need to realize the most from our tax dollars. We need to buy large quantities of aircraft, ships, and tanks that are not unnecessarily complicated, are easily maintained, and have high reliability. We must avoid spending millions of dollars to attain that final 10 percent of additional capability. We must avoid duplication and eliminate waste. We must improve management and increase competition. Recent studies have shown there is little interest by the Pentagon in saving money through competition and other cost-saving measures. Perhaps major revisions in the way we acquire new weapon systems are in order. I plan to hold hearings in the near future on weapon system acquisition policies and practices toward this end, and will soon commission our committee's surveys and investigations staff to conduct a study in this area to determine whether or not broad and sweeping changes might be made in acquisition programs of the Department of Defense.

Mr. Speaker, if our military would look to this rather than to just demands for more funding we may then have, as I stated earlier, a true national defense. Mr. Speaker, these are some of the reasons I have voted against the armed services authorization and the higher defense dollar of the budget resolution.

CARTER'S CROSSED SIGNALS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, according to George Will, the Europeans have a new term for confusion and ineptitude; they refer to it as "Carterism." From recent reports of Carter's crossed signals on defense spending and military pay, it is not hard to understand why Carter would be blamed for failing to provide confidence in leadership.

Carter's flip-flop on military pay alone is enough to question his seriousness in considering the real defense needs of this country. The alarming rate at which American servicemen are leaving the Armed Forces after just one or two tours is clear evidence of the need for better pay and benefits. Carter's defense budget has ignored this need over the past 3 years, but on May 26, on the aircraft carrier *Nimitz* he declared his support for a military pay increase he would have been forced to accept by an overwhelming vote of this Congress. Such is the character of our commander in chief, who appears to be more concerned about making sure an aircraft carrier gets to home port for him to make a speech than to offer real leadership for the defense needs of this country.

I call to the attention of my colleagues the George Will commentary appearing in the May 29 edition of the Washington Post:

OPEN MARKET ON INEPTITUDE

LONDON.—While the British were preparing to commemorate the 40th anniversary of the Dunkirk evacuation (May 26–June 4, 1940), newspapers here carried a photograph that eerily evoked an earlier war, the War to End War. It showed soldiers wearing gas masks, emerging like specters from a fog of gas. It could have been Flanders, 1917. It was Wiltshire, 1980.

The event was reported as "the first major, realistic chemical warfare exercise organized by a NATO power." It had better not be the last.

With saturation bombing of civilians, the Second World War pioneered new dimensions in the indiscriminateness of war. But there is this to be said for the Second World War: it did hold chemical warfare in abeyance. Even the Nazis were deterred from using it.

But today's Soviet regime—the only regime directly descended, without an institutional rupture, from a regime allied with Nazi Germany in 1939—has shown, in Afghanistan actions and Warsaw Pact preparations, that it is ready, perhaps eager, to use its huge capacity for chemical and biological warfare.

The basic bad news about Europe is that the Eastern sky is darkening, fast. The good news, such as it is, is that many Europeans are becoming sensibly scared. The bad news from America, as many Europeans interpret it, is that Ronald Reagan is unknown, and Jimmy Carter isn't. For Reagan, the good news from Europe is threefold:

First, President Reagan, if such he becomes, will have an easy act to follow. Second, he almost certainly will exceed Europe's expectations for him. Third, he will find himself working with allies, who, in their lucid moments, know that they divide their time between deploring and emulating America's shortcomings. (British confusion about the effective date of Britain's sanctions against Iran moved The Times of London to thunder against the Thatcher government's "Carterism"—a low blow, but a reminder that although the president's name is a European code word for confusion, he has not quite cornered the market on ineptitude.)

There is in Europe today a rising tide of loose talk about this "fact": American inconstancy is less an expression of Carter's incompetence than of an incurable weakness of the American political system, so Europe may have to "go it alone." But that phrase must mean either neutralism—which would mean Soviet hegemony—or Europe's paying the price for its own defense. To most Europeans, both ideas are repulsive.

Given leadership from America, the situation in Europe today could be encouraging. The three most important European leaders—Britain's Thatcher, Germany's Schmidt and Italy's splendid Cossiga—have a hard-edged vision of the world that is much closer to Reagan's vision than Carter's. At least two of them are reliably said to be privately pleased that SALT II (which they endorsed: NATO suffers from too much public politeness) is dead.

Carter displayed his style as commander-in-chief when he ordered the aircraft carrier Nimitz to make special haste home so he could use it as a prop in a Memorial Day media event, welcoming sailors back from a voyage that involved 144 days without a port call. For three years Carter has savaged the Navy even more than the other services. He has drastically slashed the number of ships and, by using a veto to block, if only temporarily, Congress' desire to build another nuclear carrier, he did his bit to make sailors spend unreasonably long stretches away from home—and, so, to make more sailors leave the Navy.

In the days immediately preceding that media event, Carter, showing the passion he reserves for the things he really cares about, fought Congress' attempt to enact a modest increase in defense spending. However, when TV cameras came aboard the Nimitz Carter suddenly discovered that he supports a military pay increase that he had strenuously opposed the week before but that was going to pass anyway. Such shabby charades are being watched by a European political class that, when it looks east, sees 150 Soviet SS20 missiles targeted against Western Europe and another SS20 being deployed each week. If you seek the sources of the cynicism that nurtures neutralism in Europe, you will find one at 1600 Pennsylvania Avenue.

An aide to Giscard d'Estaing recently said that "one of our problems in the West is that the military strength is in the United States and the statesmen then are in Europe." No, the West's problems stem from the fact that there is not nearly enough of either commodity in either place.

☐ 1630

PRAYER IN SCHOOL

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, these days I am sure that other Members are receiving a lot of mail, as am I, on the subject of prayer in school. My own mail, since I am on the Judiciary Committee, consists of four to five of the post office trays each day, each of which contains 400 or 500 postcards on the subject.

Just the other day I received a letter from one of my constitutents, a retired schoolteacher, a Ph. D., who comments on the problem. I shall not disclose the gentleman's name, simply out of respect for the gentleman's privacy, but the gentleman, in my opinion, states the case relative to school prayer very well.

His letter reads as follows:

> MAY 1, 1980.
>
> Representative GEORGE E. DANIELSON,
> *U.S. House of Representatives,*
> *Washington, D.C.*
>
> DEAR REPRESENTATIVE DANIELSON: I am retired from the public schools after thirty years as a teacher, school psychologist, and Director of Pupil Personnel Services. I am religious, and strongly in favor of religion as a personal source of strength and guidance.
>
> I strongly oppose the current campaign for "prayer in the schools" precisely because I want religious freedom for all our citizens.
>
> Any student in any modern school who closes his eyes and uses silent prayer in accordance with his own beliefs has nothing to fear, especially if the teacher knows what he is doing. I invite you to ask any teacher or administrator if this is true.
>
> The abuses that must be avoided are those which inflict a specific viewpoint upon students. It is clearly unconstitutional for a teacher or a school system to teach students a religious point of view that is in conflict with those of his parents and his church. To violate this principle can only weaken the religious foundation of the nation.
>
> Suppose yourself to be a teacher who must enforce a policy of "prayer in the schools". You can teach only that which you truly believe. Otherwise, you can simply go through the motions with no hope of a desirable outcome.
>
> In such a case, you can only teach your students the concept of prayer in which you have experience and faith. What will you tell your students as a reason for this class activity? What will you do about students who reject your version of prayer? What will be the attitude of students who are forced to sit through your own version of prayer when their own beliefs are different from yours?
>
> No, the idea of prayer in the schools is promoted by people who have not thought through the consequences. The Supreme Court is right. Let homes and churches teach religion, and let's keep the schools out of it!
>
> Sincerely,
>
> ——— ———, Ph. D.

POLITICAL ASYLUM FOR REFUGEES

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I had not intended to speak but I heard someone raise the question about the current wave of refugees and blame the President of the United States for circumventing the law, because the President has not declared all persons entering the United States as "refugees." But the President has acted within the law even though only a small number have been declared refugees and the rest have been permitted to file applications for asylum.

The fact is that under the present Refugee Act, there is no numerical limitation on political asylum and anybody who can get to these shores can apply for political asylum. This application triggers a series of administrative and judicial processes which may take years before a final determination is made.

It is also true that under the Refugee Act, the President could class persons as "refugees." But he can do that at any time, although there seems to be a presumption that he should do so before arrival in the United States.

But the fact still remains—that the President could declare a numerical adjustment under the act for additional "refugees" out of the group of persons in the United States who are "applicants for asylum" and for which category there is no numerical limitation under the new law.

If the President does declare "refugee" status so, States and local governments in which "refugees" are located become eligible for Federal benefits.

However, under the 1980 act an "asylum" or more accurately "applicants for asylum" classification does not invoke the social program benefits of the Federal law, except for those who had applied prior to November 1, 1979.

Therefore, all "applicants for asylum" after that date are not eligible for Federal benefits. This places an unfair and intolerable burden on local governments in which the asylum applicants are located. Since it takes years for a final determination on a case-by-case basis where there are large numbers—such as the tens of thousands of Cubans and Haitians now in Dade County and the U.S. Federal benefits are absolutely essential immediately as well as for a period of years.

Many States and local governments other than those in Florida will be impacted. For example, the impact on the Dade County school system is just short of phenomenal and chaotic. Thirty new students from this "asylee" group are admitted every day. Every 10 days a new elementary school is needed. In addition are all the other special educational requirements for those who speak Haitian "Creole" and Spanish.

This impact and others such as on health services, welfare, and other social benefits should not be borne solely by the local taxpayers. This is a national responsibility and this administration and this Congress must immediately make provision for the payment of these additional costs to the affected States and local governments.

THE SHOOTING OF NATIONAL URBAN LEAGUE PRESIDENT, VERNON JORDAN, IN FORT WAYNE, IND.

The SPEAKER pro tempore (Mr. BURLISON). Under a previous order of the House, the gentleman from Indiana (Mr. QUAYLE) is recognized for 5 minutes.

● Mr. QUAYLE. Mr. Speaker, I take this opportunity to join with my other colleagues in the House in expressing my shock and dismay over the tragic shooting of Vernon Jordan, president of the National Urban League, outside a Fort Wayne motel last night. According to late information, Mr. Jordan has survived major surgery and is listed in critical but stable condition.

I denounce such acts of violence and hope that law enforcement officials will quickly arrest those involved in this terrible crime. The FBI informed me this morning that it has sent its agent in charge at Indianapolis to Fort Wayne to determine if there are any circumstances that would warrant Federal entry into the investigation. In any event, the FBI is cooperating with local law agencies in pursuing this case.

We pray that Mr. Jordan will recover speedily and fully from his wounds and will return to his position of leadership in the Urban League and the American civil rights movement.●

NEW ECONOMICS FROM OLD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

● Mr. KEMP. Mr. Speaker, today we are seeing a new challenge to economic orthodoxy—a challenge which I believe must lead to a revolution in economics at least the equal of Keynes'. It is not surprising, then, that the debate over supply-side economics has recently mushroomed.

Some of the most lucid and challenging contributions to this debate have been made by Leonard Silk, the New York Times' renowned economic analyst. I particularly welcome his call for us to "define the concepts," so that the debate does not "degenerate into mere sloganeering and polemics."

In that spirit I would like to address what I believe is Leonard Silk's premature proclamation of the death of Say's law. On March 5 he wrote:

> Supply side economics was pushed to its extreme by Jean-Baptiste Say, whose main theorem was "supply creates its own demand." By this Say meant that a general glut in production or a depression was impossible . . . . Unfortunately Say's beautiful theory was killed by the ugly fact of gluts and depressions. The smooth adjustment process he

air and said, well, I was somebody he certainly objected to.

Well, the reason, of course, was very simple, I was the first one that had exposed the existence of what turned out to be the Carrasco Gang, even though it took 3 years before the law enforcement agents got around to realizing it was a gang and what the modus operandi of the gang and their associates in Mexico was, but in 1970 because of a constituent who happened to be related to a man who had served in the penitentiary.

Now, all through my career as an elected political officer and before, long before I dreamed I would be in an elective office, I was a Bexar County Juvenile Court probation officer. I worked very hard at that job because it was interesting and I gave all of my energies to it. I developed a knowledge of the pattern and became intimate with the law enforcement processes and became intimately involved myself. As a result, I have had a continuing interest in all subject matters related thereto and have always corresponded and acted as I think a Representative should to constituents who happened to find themselves in prison, whether it was State or Federal.

So through the years in this category of endeavor I have had a continuing association or friendship, if you want to, with men and women who have been incarcerated and are grateful in later life for attempts made to help with rehabilitation, with the obtainment of jobs or retention of jobs and so forth, and actually accepting their grievances or petitions for redress of grievancces as if they were ordinary citizens, and as I think it is our duty to do so.

One of the relatives called me one night in 1970 to tell me that her husband had disappeared and she had not seen him for 2 weeks. She had four children. Her condition, she said, was desperate. They did not even have a glass of milk in the refrigerator, a loaf of bread on the table. She was desperate and wanted to know if there was anything I could do to help.

Since I go home to my district every weekend, I went in that weekend and went to her home and corroborated the fact that her situation was desperate. Through the help of the Human Resources Department of the State, or the welfare agency, as they call it, we got immediate emergency help. But then she explained to me in private that her real concern was that she felt something had happened to her husband. She said it was very unusual that this amount of time would transpire and she not have heard a word.

She did not tell me what she might have known about some of the suspicious characters or some of the associates her husband might have been seen with. But she said "I need to find out what, if anything, has happened to my husband, but I do not want to go to the police because, as you know, he has a record and he is an exconvict. What do I do?" I persuaded her to let me report it to the police as the only real thing to do to be helpful. I did dutifully report the absent man's situation to the police.

Before I came back that weekend to the session of the House I picked up the newspaper and saw a very tragic picture and a rather glaring headline, and it was this woman.

It showed all of her face all bandaged, and it was reporting that four men had come to her house, demanded to know the whereabouts of her husband, ransacked the little shack, obviously looking for something. Then, as a warning, they cut her or, as they say in Spanish, cortaron. They cut her face up as a warning because they felt she was not telling all of the truth as to the whereabouts of her husband.

I came back that Sunday unable to see the lady because my plane schedule did not allow it. But on Monday I called home and instructed one of my field workers to visit her and get some of the facts in the case.

On Tuesday the newspapers had a report that turned out to be that the man's body was found in a park area in the northern part of the city, which was unusual, where the decomposed body of this husband was discovered by some kids playing in some brushwood. The body showed that he had been stabbed to death repeatedly, the coroner said better than 100 times, and then his body thrown out in the brush there where it laid in decomposition for several weeks.

When I went in that following weekend I made it a point to go visit and interview the lady. She was in a complete paroxysm of fear and told me that, of course, if the four men had desired they could have killed her, but they obviously were just trying to warn her and scare her. But what she told me indicated that the four men who committed that crime were not from San Antonio because she dropped a few words that indicated to me that possibly they came from Mexico.

With further check on my own I discovered that this was the case. In the meanwhile, two more bodies were discovered, one in the southern part of the county, one in the western part of the county, by the police and apparently the police were very puzzled.

So I then contacted the captain of the homicide detail of San Antonio, who was a long-time friend going back to when we were beginners, I a juvenile officer and he a rookie policeman on the San Antonio Police Department. This man has since retired, unfortunately. I consider him one of the real experts, one of the best law enforcement officers I have ever known of, honest and scrupulous and very efficient.

I then communicated to him my hypothesis that something was developing right across the border and that these hit men were getting in a car, crossing the border with just a simple bridge pass, driving 3 hours or less to San Antonio, making the hit, and in less than 4 hours back across the border. I pointed out, I said I do not think the local police have the capability to do much about this, and this involves more than an entire State or intrastate or interstate situation. It really involves an international situation.

He agreed with that and then proceeded to make contact with counterparts in Mexico, in the northern states and the border state of Tamaulipas.

Then he reported back to me privately that it was very, very disconcerting to discover that the Mexican police force felt that they were powerless to handle the situation because they were aware of some infiltration of what they called Norteamericanos, or North Americans, plus what they call or they have a nickname for the Mexican-American from the United States, some pochos, as they call them.

□ 1700

Apparently headquartered in the rural area 10 miles outside of the city of Nuevo Laredo were some very suspicious goings-on by what they can call gangsters. As it turned out later they indeed were gangsters.

While all of this information and with the further reporting of hits in the San Antonio area, I then requested an audience with the Bexar County grand jury. I went to the Bexar County grand jury. There was no publicity. I was not making releases. But naturally when you get to the courthouse, the reporters are there. They made inquiries and they gave us a story the next day even though there was no detailed information as to the reason for my visit or my divulging any of the nature of my visit with the grand jury. As I explained to them, I anticipated being put under oath and that a fiduciary and confidentiality aspect would develop from my visit and I did not want to destroy that confidentiality and, therefore, I would have no comment.

When the stories came out and some of the reporters began to hypothesize and speculate, they made use of the word mafia which I have never made use of because, as a matter of fact, it is a very inaccurate word. Mafia has been used interchangeably and as a synonym for organized crime as if it is organized. Actually, the so-called mafia or if you want to use J. Edgar Hoover's favorite word, cosa nostra, that is all right, but it is not truthful and it is dangerous if we ever want to get a handle on the control of organized crime in the United States because that which is commonly known as mafia is just a short of periphery or a branch operation of what I call the syndicate, the real organized crime. The Meyer Lansky's of the United States.

This is where your real operations are. These are the gentleman who have penetrated successfully every layer of our society and even the reaches of our Government are unwholesomely and disappointingly and sadly the political activities of our municipalities, States and even Federal elections.

And for years, not just lately. Except that now I despair that we have the capacity to disentangle successfully this intimacy between the illegal on a systematic basis of fronts that operate all the way from banks to shopping centers, where even those most involved in the directorship of these enterprises are not aware of who they are working for themselves. But that is another story.

Going back to the beginning of why I am here today, that was the beginning of something that led to three more visits to the grand jury before 2 years were up, but by then, of course, the pattern became exposed, then they were going headlines, headlines about the gangster tactics that were used in the Nuevo Laredo where, on several occasions, Chicago mobster-like tactics came about. Two cars would go into the heavily trafficked area of Nuevo Laredo, use machine guns and gun down the Federal judicial officers, to the point where the President had to send a personal Federal judicial special law enforcement man from Mexico City and by then they raided the headquarters, 10 or 15 miles outside of the city of Nuevo Laredo and tore up their premises and discovered armaments ranging from submachine guns to M-1's and sophisticated weaponry.

It did not really succeed in breaking up the gang. They just transferred their position. Also, subsequent to that, some high Mexican officials were involved and some even were arrested in the United States while visiting in this by-then remunerative and lucrative international drug traffic.

With the emergence of the Carrasco gang, contemporaneously, the evolvement of the happenings and the shoot out at the penitentiary, most Texans reached the facile conclusion, inaccurately but facile—that it was over with and that as far as the main line of gang activity in this international traffic is concerned, that that had more or less been resolved with Carrasco's death. Overlooked were some of the things that I thought smelled to heaven and demanded local community sustained pressure to expose and to correct. That was while Carrasco was in the Bexar County jail he found himself with the use of the telephone from which he continued to operate his drug business. He had conjugal visitations as if he was in a hotel room instead of a county jail. Nobody that I know of ever has received that kind of treatment in any jail, much less Bexar County jail.

One newspaper took up the issue for awhile and then just forgot about it, never did anything, instead of demanding an investigation. The reason given by some of the jail administrators was they were under the order of a district judge. Now, this district judge, in order to be the culprit would have had to surrender his judicial discretion to the attorney who was representing Carrasco at the time.

Now, there is also a very, very questionable relationship between some attorneys and the criminal clients that they represent, ostensibly for high fees. Not $50,000, not $30,000, but $100,000, $150,000.

On the Federal level particularly but also including the State criminal procedures, I had long inveighed about the situation where, if a judge imposes, say a bond for $300,000, $400,000, $250,000, the presumptive criminal comes in with cash and pays off that bond. Not with a bondsman, not with a bond signed by some propertied individual, but for cash. This has continued to this day with not too much being investigated by the law enforcement agents because obviously that kind of cash has to be associated with the same kind of thing that I exposed last year as a result of an investigation of the Federal Reserve Board's recordkeeping, as a result of an amendment that I coauthored less than 4 years ago which requires—it does not compel but it kind of requires, it kind of indicates that a bank should, in a Federal Reserve district, report unusual cash flows of over $5,000. Now, most banks have cooperated, some have not. However, the record of those unusual cash flows is very, very dramatic and it is the basis of one of the lines of the investigations that I am continuing from my position as a member of the Committee on Banking, Finance, and Urban Affairs. Again, that is another subject matter. I mention it because it is one of the fallout results of my involvement in this other matter.

I warned the community that Carrasco might have been dead but his lieutenants and his colleagues were left and that it looked to me as if they would be involved in a power struggle and that I would not be surprised if all of a sudden we start finding some dead bodies, gangster fashion, and sure enough, less than 60 days after I issued that warning they found two more bodies hit identically and almost at the same spot where two men had been hit by Carrasco personally in March of 1973.

The police then called me. The reporters then called me to find out what I thought of the matter. I referred to what I have just said, oh, less than 42 days before, and they said, "Well, you are bound to have had information."

"No," I said, "no, it is a deduction."

I said, "You gentlemen ought to be good at that; you are detectives. I am not. But given facts that you cannot rebut and given the existence of a pattern of behavior that you should be more familiar with than I—I am not here locally day in and day out; you are—then all you have to do I think is add correctly and if you are adding two and two, come up with four, not three or five."

They said, "Well, what do you think ought to be done now?"

□ 1710

My answer to that was that there were some fugitives, lieutenants of the Carrasco Gang, that my information had it were back in the city, and that they should try to apprehend them and maybe they could get a little more information that way. Sure enough, 1 week later one of the long-time missing lieutenants of the Carrasco Gang, who happened to be a relative of his, turned himself in, obviously for protection.

Now, here is a man who did not even have ninth grade education of the east side of San Antonio, but literally—literally—a functional illiterate; but, who could travel as familiarly in France as if he were in San Antonio. Now, I think that anybody would agree that that was more than coincidental, and that certainly that should have been one individual that, if I had been the law enforcement agent charged with this responsibility, would have certainly been investigated from the way he turned himself in obviously, as I interpreted it, for self-protection. He would be safer in jail than he would be walking the streets, because of what I had said was the continued and protected inside power with the remnants of the Carrasco Gang, plus what I feel were new ingredients that I did not quite know enough about.

But, in 1978, in August, I received information that organized crime as I described it a while ago had moved into the stolen automobile and stolen automobile parts traffic, which grew in less than 1 year from a desultory $40 million traffic to almost a $1 billion traffic, and today is closer to $2 billion and is so extensive and so sophisticated that a certain model of a stolen car or pickup, because pickups are the most popular, when transported into Mexico have a certain trade value for certain amounts of drugs. In other words, a 1978 Chevy pickup will bring so many kilos of heroin or so many of marijuana or so many of coke, depending.

And so, we have this vast trade in the stolen automobile vehicle and vehicle parts into Mexico, and some in exchange for drugs. The tremendous incursion of organized crime into it to the point where, for example, in Chicago last year—well, the first half of last year and the last half of 1978—they even had computers to make the request as to what kind of car was needed, what kind of parts were in demand, and as a result of the wars in Chicago 13 men were knocked off in that traffic, in that racket, in Chicago between 1978 and 1979.

It also has great connotations with our part of the country here. A great many cars have been stolen from this area, the eastern seaboard down to the Florida area, across the way through New Orleans to Houston, and then into the Mexican border. One of the main lines at the time that I raised my voice in 1978 was what I called the New York connection—Dallas, Austin, San Antonio, Laredo connection.

In communication with the local, state department of public safety, and above all, with the National Council here in the United States that monitors such things as stolen vehicles, and which is a private organization, not a public law enforcement agency, a very interesting thing was brought out. That was that they had a great garnering of statistics that apparently nobody had paid any attention to, and that further anchored down the pattern that was emerging.

I raised my voice at that point because it looked as if there was no awareness on the Federal level, and therefore no interplay or cooperation with the local, with the State, and with the interstate law enforcement agencies as such. So, I contacted the Justice Department; I contacted the locals, and they worked up a relationship. It is one of the side accomplishments that resulted from that.

You might say, "How can you as a legislator reconcile this?"

Well, I also introduced legislation. For example, I have had legislation pending here for two Congresses now that would bring about the requisite identification

yield, I did talk to people on this side, and there is no person on the minority side who has any objection to this.

Mr. ROUSSELOT. Mr. Speaker, that is not my understanding. So would the gentleman bring it up Tuesday?

Mr. DRINAN. After the program has been read, I am not asking unanimous consent; I am asking permission. And this is done on behalf of the chairman, who could not be here today, and with the concurrence of the gentleman from Illinois (Mr. MCCLORY), who is very anxious that the permission be granted.

Mr. ROUSSELOT. Mr. Speaker, I would recommend that my good colleague do this on Tuesday. There is plenty of time then.

The SPEAKER pro tempore. The Chair would recommend that the gentleman from Massachusetts (Mr. DRINAN) withhold his request until Tuesday; otherwise, we will have to have a call of the House on this issue. The Chair appreciates the indulgence of the gentleman from Massachusetts.

ANNIVERSARY OF THE FOUNDING OF THE ITALIAN REPUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I am pleased to bring to the attention of my colleagues the anniversary of the founding of the Republic of Italy which is observed on June 2.

It was 34 years ago on this day in 1946 that the Italian people voted to end their constitutional monarchy and establish a republic. By replacing the Italian monarchy with a republican form of government, Italy began her return to the cultural and political prominence she had long enjoyed. Italy's contributions to Western civilization in such diverse fields as art, letters, religion, science, and philosophy have been enormous, and many of the greatest names in the history of the Western world have been Italian.

From Giotto and Cimabue in the 13th century, through Da Vinci and Raphael and Michelangelo, Italian artists ranged second to none. The musical staff was established by an Italian, Guido d'Arezzo, while Palestrina, Montverdi, Corelli, and Vivaldi left a renowned musical legacy.

Verdi and Pagannini and Donizetti helped to make the 19th century the great age of opera. Puccini and Leoncavallo were more recent operatic composers, who helped to assure that the language of music was Italian. Italian operatic singer Enrico Caruso was a legend in his time and Arturo Toscanini was generally regarded as the greatest operatic and orchestral conductor among all his contemporaries. Antonio Stradivari and Gieuseppe Guarneri have bequested to us the beauty of their musical instruments, and the Italian Bartolomeo was the inventor of the piano forte.

Italian writers have ranked among the world's greats and include Dante and Petrarch. Nobel Prize winner Luigi Pirandello wrote plays that still serve as models to budding playwrights. Novelists Ignazio Silone and Alberto Maravia are widely read and have inspired successful motion pictures. Michelangelo Antonioni, an Italian filmmaker, has directly influenced the films Americans see today, and Federico Fellini and Vittorio de Sica produced movies no one else can hope to emulate.

Italy has produced many renowned figures in the fields of philosophy and statesmanship as well, such as Lorenzo de Medici and Giuseppe Mazzini, statesmen Camillo de Cavour and Giuseppe Garibaldi. Ranking Italian scientists include Galileo, Gugielmo Marconi, and Enrico Fermi, while our Nation can never repay its debt to Christopher Columbus and Amerigo Vespucci.

Obviously, the contributions of the above-named Italians have made our world a better place to live. Moreover, emergence of modern western thought would not have had as much impact or influence as it did, if it were not for the Italian contribution.

In light of all that the great nation of Italy has offered to the world, it is most appropriate that we pay homage today to the important anniversary of its birth as a republic. Let us not forget, moreover, that Italy has provided us with many of our citizenry as well.

From William Paca, who was a signer of the Declaration of Independence, to the present, Italian Americans have made enormous and lasting contributions to the strength and greatness of the United States. Philip Mazzei, who assisted our Nation's Founding Fathers in the Revolutionary War, was born in Italy and is being honored this year in a new commemorative postage stamp.

It is with great personal pleasure that I extend my greetings and best wishes to the people of the Italian Republic, as well as to the Italian Americans in my own 11th Congressional District of Illinois and throughout our country, who are joining in the 34th anniversary celebration of the founding of the Italian Republic.

May the Republic of Italy continue to experience peace, prosperity, and progress in the years ahead and continue to work with our allies in NATO to bring about better understanding and mutual solutions to the economic ills that plague us at this time.●

AUTO IMPORT CURBS REJECTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, much of the U.S. auto industry is on the ropes today because it apparently still believes in H. L. Mencken's observation that no one ever went broke underestimating the American public

This is a shame because it was American carmakers who transformed the industrial revolution into the consumer revolution. By introducing mass production techniques, carmakers produced cars in abundance and at a price to enable more and more Americans to afford one. Over the years, carmakers added improvements in safety, in performance, and in styling, until the United States was the unchallenged leader in the world of fine automobiles at affordable prices. It was a tradition to be proud of.

Then something happened as increased consumer demand for fuel-efficient cars went unheeded in the think tanks and production lines and board rooms of American carmakers. Some economical cars were produced in the United States, but typically they were doughty and performed like slugs. They, not surprisingly, had little market appeal, thus permitting U.S. carmakers to keep insisting that Americans really wanted the "luxury" and "security" of larger automobiles, regardless of how much gas they used.

As long as gasoline prices were artificially low because of price controls, carmakers could continue this self-deception, even though the number of foreign cars sold in America steadily had begun to rise. But when the severe gas crunch hit in the mid-1970's, there could be no more illusions about what American consumers wanted, and need. Yet, U.S. automakers still dallied.

Now what we see, as foreign car imports soar, are the pathetic sights of Chrysler crawling to Congress for loan guarantees, the entire industry yowling for delays in fuel-efficiency standards, large rebates to unload gas guzzlers and a call for import restrictions on foreign cars.

I have got news for Detroit: The American public will not be gulled any more by gimmicks, shiny chrome or a handful of cash. And, Americans will not allow carmakers to hide shamelessly behind workers thrown out of jobs because the U.S. auto industry has refused to meet consumer demand.

A recent telephone survey by citizen volunteers conducted at my request in a suburban area in Portland, Oreg., reveals that a majority—51.5 percent of 615 completed interviews—oppose import restrictions on foreign cars. The survey showed 37.4 percent favored import quotas, while 11.1 percent were unsure. Clearly, the majority did not buy the argument that restricting the flow of foreign cars would save U.S. jobs. They said our first priority must be to save gas; otherwise many more jobs will be imperiled.

These Oregonians have their priorities straight. They know that if we shield U.S. automakers from competition, we do not give them any incentive to make the necessary changes needed to become competitive again in the new gas-conscious marketplace, and that American consumers will suffer as a result. They recognize that if we impose import quotas, retaliation is likely. They realize we must reduce U.S. gasoline consumption, and thus reduce our dangerous dependence on foreign oil, and that we must do it now.

These Americans still buy cars—and they are willing to buy American cars if they get their money's worth. These Americans understand we can save gasoline and still have American jobs, but only if the U.S. auto industry changes. Who says you can get away with underestimating the American public?

Mr. Speaker, I want to take this opportunity to let some of my constituents speak on the record. These are voices I listened to in my recent telephone survey as they volunteered their views when asked about auto import restrictions. These are voices we in Congress need to listen to—that the auto industry needs to listen to. These are citizens speaking, and they are consumers speaking out. Their advice is clear.

Emory Brezina, Hillsboro, Oregon: "If U.S. cars were better able to compete with foreign imports, we wouldn't have such a great problem. But U.S. cars are not as well built."

Chris Burskey, Tigard, Oregon: "To put quotas on foreign imports only delays the inevitable and allows U.S. producers to get by with inferior products."

Richard Burton, Tigard, Oregon: "We don't need greater import barriers, just better-made U.S. products."

Charles Bushong, Forest Grove, Oregon: "U.S. manufacturers need to be more efficient. If they can't compete, then they don't belong in the marketplace."

Kevin Horn, Beaverton, Oregon: "If U.S. manufacturers produced a more competitive car, a better built car and a more energy efficient car, we wouldn't have to buy so many imports."

Bruce Bates, Aloha, Oregon: "While a numerical quota would be an acceptable short-term solution, the U.S. needs to make more efficient cars. We always talk about our innovative industries, yet it seems we have allowed this ideal of being an innovative giant to erode. Now we only produce the acceptable."

Larry Battles, Beaverton, Oregon: "Putting quotas on foreign imports doesn't help us save gasoline, nor does it force U.S. manufacturers to produce better and more efficient autos."

John Baum, Durham, Oregon: "Car manufacturers should be forced to make more efficient autos."

R. M. Anderson, Beaverton, Oregon: "American manufacturers need to become more responsive to the demands of the American buyer. If they can't compete, then they shouldn't be in the industry."

Daniel Brooks, Portland, Oregon: "Saving energy should be our primary goal; therefore, quotas become an unacceptable means to a selected end."

Ross Anderson, Tigard: "To put a tariff of any kind only hinders natural factors of the free enterprise system."

Phillip Adolph, Aloha, Oregon: "The Federal government should entice auto manufacturers to build more acceptable autos. If this means greater increase in price, so be it."

Mrs. Robert Anderson, Beaverton, Oregon: "The U.S. auto industry knew many years ago that the trend in auto design would change to the smaller, more energy efficient autos. If they don't want to listen to consumer preference, the government should not assist them in making inefficient products."

All these Americans own cars, and all can be expected to own new ones someday. The question is, will U.S. carmakers respond to their challenge and produce cars they will buy? Our responsibility in the Congress is to make sure Detroit has every opportunity to meet this challenge, and that the consumer has every opportunity to decide with his or her pocketbook how well Detroit has met this challenge. Move over, H. L. Mencken.●

VETERANS BEWARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, the President will soon announce a new executive branch policy designed to stop Federal financial support for the construction of new VA hospitals, or the renovation and modernization of existing medical facilities in certain areas throughout the country.

In a memorandum to the President recently brought to my attention, signed by Patricia Roberts Harris, Stuart E. Eizenstat, Alfred E. Kahn, James T. McIntyre, Jr., Frank Press, and Charles L. Schultze, the President is asked to approve a plan that will severely restrict VA, military, and public health service hospital construction programs. I understand the President has approved the plan and an official announcement will be made shortly by the White House.

The memorandum suggests that a total of 130,000 "unneeded beds" costing the Federal Government $1.1 billion annually currently exist throughout the country. These phantom beds are supposed to exist in non-Federal hospitals. The proposal recommended to the President asks that he issue a directive limiting Federal support for any hospital construction in areas of the country where "excess" beds exist. The directive would be enforced by "the budget process, a project approval procedure, and legislation." The proposal would require that State and local health planning agencies be asked to review and comment on all Federal hospital construction. Such mandated review procedure is totally unacceptable to me.

Supposedly the policy could be waived to the extent that its enforcement would prevent the Department of Defense from securing and maintaining sufficient beds to support an additional mobilization capacity.

Mr. Speaker, the President's advisers have suggested that approval of this proposal would place the President in a position of "acting vigorously to restrict inflation by eliminating unnecessary Federal support for construction and renovation of costly excess hospital capacity." In addition, "leasing and purchasing of existing underused hospital capacity in an overbedded area may be more cost effective in some instances." On the negative side, the President's advisers warn that he should anticipate "strong negative reaction from veterans and service groups and from their supporters in Congress," even though VA concurs with the proposed policy change.

Mr. Speaker, before the President officially announces this plan, it is my understanding that meetings will be held to discuss the proposal with appropriate officials of the various committees of jurisdiction. The implementation of this proposal would involve several committees of the Congress. I am anxious to discuss this with administration officials at the earliest possible date because it undoubtedly would have a major impact on future VA hospital construction projects for veterans. I am extremely concerned that the implementation of this policy will be costly rather than cost effective. We know, based on the Administrator of Veterans' Affairs' testimony before our committee, that it is less costly to treat a veteran in a VA hospital than it is to treat the veteran in a private facility.

Finally, Mr. Speaker, in discussing the political impact the proposal could have, staff members advising the Secretary of Health and Human Services (HHS) suggested that, although there would be strong opposition from military and service groups, the involvement of VA and DOD facilities in the proposal "is more limited than many in the Department and Administration believe is ultimately desirable."

Many of you have heard me say on a number of occasions that certain policy makers in the Department of Health and Human Services and the Office of Management and Budget are determined to gradually phase out the VA hospital program. This can be done effectively when we allow State and local health planning agencies to control VA hospital construction. When that happens, there will be no VA health care program. There are certain individuals within the Department of Health and Human Services and the administration who believe we should not treat veterans as a special class of citizens; that HHS could implement a health care system for veterans more "cost-effective" than that now conducted by the Veterans' Administration. We know that is nonsense.

Mr. Speaker, so that my colleagues will be aware of the announcement to be made shortly, there follows a copy of the memorandum to the President which highlights the proposed plan. Veterans beware.

The memorandum follows:

APRIL 24, 1980.

MEMORANDUM TO THE PRESIDENT

From: Patricia Roberts Harris, Stuart E. Eizenstat, Alfred E. Kahn, James T. McIntyre, Jr., Frank Press, and Charles L. Schultze.

Subject: Federal Support for Hospital Construction.

This memorandum seeks your approval of a strengthened Executive Branch policy to stop Federal financial support for unnecessary construction of new hospital beds or renovation of existing beds in overbedded areas.

BACKGROUND

An excess of capacity has been a major contributor to inflated hospital costs. HHS estimates that there are already too many beds in 196 of the 213 Health Service Areas—a national total of 130,000 unneeded beds, costing the country $4 billion and the Federal Government $1.1 billion annually.

While the Administration has proposed a number of actions to control hospital cost inflation, its own activities continue to contribute to the problem through direct construction of Federal facilities and through financial support for construction and renovation of non-Federal hospitals in areas where capacity is already excessive.

Federal support for hospital construction flows through four generic types of programs:

Direct construction of Federally owned and operated facilities—Construction is carried out by VA, DOD and PHS. Over $850 million of Federal hospital construction and renovation is budgeted in 1981—virtually all of it in areas that have excess non-Federal capacity. As of January, 1980, over $1.9 billion of Federal beds were under construction and planning funds were committed for an additional $2.5 billion.

Federal subsidies (grants, loans and loan

shall designate *the person before whom the deposition shall be taken,* the manner of recording, preserving and filing the deposition, and may include other provisions to assure that the recorded testimony will be accurate and trustworthy. [If the order is made a] *A* party may [nevertheless] arrange to have a stenographic transcription made at his own expense. *Any objections under subdivision (c), any changes made by the witness, his signature identifying the deposition as his own or the statement of the officer that is required if the witness does not sign, as provided in subdivision (e), and the certification of the officer required by subdivision (f) shall set forth in a writing to accompany a deposition recorded by non-stenographic means.*

* * * * *

(7) The parties may stipulate in writing or the court may upon motion order that a deposition be taken by telephone. For the purposes of this rule and Rules 28(a), 37(a)(1), 37(b)(1) and 45(d), a deposition taken by telephone is taken in the district and at the place where the deponent is to answer questions propounded to him.

* * * * *

(f) Certification and Filing by Officer; Exhibits; Copies; Notice of Filing.

(1) The officer shall certify on the deposition that the witness was duly sworn by him and that the deposition is a true record of the testimony given by the witness. *Unless otherwise ordered by the court,* [H]*he* shall then securely seal the deposition in an envelope indorsed with the title of the action and marked "Deposition of [here insert name of witness]" and shall promptly file it with the court in which the action is pending or send it by registered or certified mail to the clerk thereof for filing.

Documents and things produced for inspection during the examination of the witness, shall, upon the request of a party, be marked for identification and annexed to [and returned with] the deposition and may be inspected and copied by any party, except that [(A)] *if* the person producing the materials *desires to retain them he* may [substitute] *(A) offer* copies to be marked for identification *and annexed to the deposition and to serve thereafter as originals* if he affords to all parties fair opportunity to verify the copies by comparison with the originals, [and] *or* (B) [if the person producing the materials requests their return], [the officer shall mark them, give] *offer the originals to be marked for identification, after giving to* each party an opportunity to inspect and copy them, [and return them to the person producing them, and] *in which event* the materials may then be used in the same manner as if annexed to [and returned with] the deposition. Any party may move for an order that the original be annexed to and returned with the deposition to the court, pending final disposition of the case.

* * * * *

ADVISORY COMMITTEE NOTE

Subdivision (b)(4). It has been proposed that electronic recording of depositions be authorized as a matter of course, subject to the right of a party to seek an order that a deposition be recorded by stenographic means. The Committee is not satisfied that a case has been made for a reversal of present practice. The amendment is made to encourage parties to agree to the use of electronic recording of depositions so that conflicting claims with respect to the potential of electronic recording for reducing costs of depositions can be appraised in the light of greater experience. The provision that the parties may stipulate that depositions may be recorded by other than stenographic means seems implicit in Rule 29. The amendment makes it explicit. The provision that the stipulation or order shall designate the person before whom the deposition is to be taken is added to encourage the naming of the recording technician as that person, eliminating the necessity of the presence of one whose only function is to administer the oath. See Rules 28(a) and 29.

Subdivision (b)(7). Depositions by telephone are now authorized by Rule 29 upon stipulation of the parties. The amendment authorizes that method by order of the court. The final sentence is added to make it clear that when a deposition is taken by telephone it is taken in the district and at the place where the witness is to answer the questions rather than that where the questions are propounded.

Subdivision (f)(1). For the reasons set out in the Note following the amendment of Rule 5(d), the court may wish to permit the parties to retain depositions unless they are to be used in the action. The amendment of the first paragraph permits the court to so order.

The amendment of the second paragraph is clarifying. The purpose of the paragraph is to permit a person who produces materials at a deposition to offer copies for marking and annexation to the deposition. Such copies are a "substitute" for the originals, which are not to be marked and which can thereafter be used or even disposed of by the person who produces them. In the light of that purpose, the former language of the paragraph had been justly termed "opaque." Wright & Miller, *Federal Practice and Procedure:* Civil § 2114.

Rule 32. Use of depositions in court proceedings

(a) Use of Depositions. At the trial or upon the hearing of a motion or an interlocutory proceeding, any part or all of a deposition, so far as admissible under the rules of evidence applied as thought the witness were then present and testifying, may be used against any party who was present or represented at the taking of the deposition or who had reasonable notice thereof, in accordance with any of the following provisions:

(1) Any deposition may be used by any party for the purpose of contradicting or impeaching the testimony of deponent as a witness, *or for any other purpose permitted by the Federal Rules of Evidence.*

* * * * *

(4) If only part of a deposition is offered in evidence by a party, an adverse party may require him to introduce any other part which ought in fairness to be considered with the part introduced, and any party may introduce any other parts.

Substitution of parties pursuant to Rule 25 does not affect the right to use depositions previously taken; and when an action *has been brought* in any court of the United States or of any State [has been dismissed] and another action involving the same subject matter is afterward brought between the same parties or their representatives or successors in interest, all depositions lawfully taken and duly filed in the former action may be used in the latter as if originally taken therefor. *A deposition previously taken may also be used as permitted by the Federal Rules of Evidence.*

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ADVISORY COMMITTEE NOTE

Subdivision (a)(1). Rule 801(d) of the Federal Rules of Evidence permits a prior inconsistent statement of a witness in a deposition to be used as substantive evidence. And Rule 801(d)(2) makes the statement of an agent or servant admissible against the principal under the circumstances described in the Rule. The language of the present subdivision is, therefore, too narrow.

Subdivision (a)(4). The requirement that a prior action must have been dismissed before depositions taken for use in it can be used in a subsequent action was doubtless an oversight, and the courts have ignored it. See Wright & Miller, *Federal Practice and Procedure: Civil* § 2150. The final sentence is added to reflect the fact that the Federal Rules of Evidence permit a broader use of depositions previously taken under certain circumstances. For example, Rule 804(b)(1) of the Federal Rules of Evidence provides that if a witness is unavailable, as that term is defined by the rule, his deposition in any earlier proceeding can be used against a party to the prior proceeding who had an opportunity and similar motive to develop the testimony of the witness.

Rule 33. Interrogatories to parties

* * * * *

(c) Option to Produce Business Records. Where the answer to an interrogatory may be derived or ascertained from the business records of the party upon whom the interrogatory has been served or from an examination, audit or inspection of such business records, [or from] *including* a compilation, abstract or summary [based thereon] *thereof,* and the burden of deriving or ascertaining the answer is substantially the same for the party serving the interrogatory as for the party served, it is a sufficient answer to such interrogatory to specify the records from which the answer may be derived or ascertained and to afford to the party serving the interrogatory reasonable opportunity to examine, audit or inspect such records and to make copies, compilations, abstracts or summaries. *A specification shall be in sufficient detail to permit the interrogating party to locate and to identify, as readily as can the party served, the records from which the answer may be ascertained.*

ADVISORY COMMITTEE NOTE

Subdivision (c). The Committee is advised that parties upon whom interrogatories are served have occasionally responded by directing the interrogating party to a mass of business records or by offering to make all of their records available, justifying the response by the option provided by this subdivision. Such practices are an abuse of the option. A party who is permitted by the terms of this subdivision to offer records for inspection in lieu of answering an interrogatory should offer them in a manner that permits the same direct and economical access that is available to the party. If the information sought exists in the form of compilations, abstracts or summaries then available to the responding party, those should be made available to the interrogating party. The final sentence is added to make it clear that a responding party has the duty to specify, by category and location, the records from which answers to interrogatories can be derived.

Rule 34. Production of documents and things and entry upon land for inspection and other purposes

* * * * *

(b) Procedure. The request may, without leave of court, be served upon the plaintiff after commencement of the action and upon any other party with or after service of the summons and complaint upon that party. The request shall set forth the items to be inspected either by individual item or by category, and describe each item and category with reasonable particularity. The request shall specify a reasonable time, place, and manner of making the inspection and performing the related acts.

The party upon whom the request is served shall serve a written response within 30 days after the service of the request, except that a defendant may serve a response within 45 days after service of the summons and complaint upon that defendant. The court may allow a shorter or longer time. The response shall state, with respect to each item or category, that inspection and related activities will be permitted as requested, unless the request is objected to, in which event the reasons for objection shall be stated. If objection is made to part of an item or category, the part shall be specified. The party submitting the request may move for an order under Rule 37(a) with respect to any objection to or other failure to respond to the request or any part thereof, or any failure to permit inspection as requested.

A party who produces documents for inspection shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the request.

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ADVISORY COMMITTEE NOTE

Subdivision (*b*). The Committee is advised that, "It is apparently not rare for parties deliberately to mix critical documents with others in the hope of obscuring significance." *Report of the Special Committee for the Study of Discovery Abuse, Section of Litigation of the American Bar Association* (1977) 22. The sentence added by this subdivision follows the recomendation of the *Report*.

Rule 37. Failure to make or cooperate in discovery: sanctions

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(b) Failure to Comply with Order.

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(2) Sanctions by Court in Which Action is Pending. If a party or an officer, director, or managing agent of a party or a person designated under Rule 30(b)(6) or 31(a) to testify on behalf of a party fails to obey an order to provide or permit discovery, including an order made under subdivision (a) of this rule or Rule 35, *or if a party fails to obey an order entered under Rule 26(f)*, the court in which the action is pending may make such orders in regard to the failure as are just, and among others the following:

(A) An order that the matters regarding which the order was made or any other designated facts shall be taken to be established for the purposes of the action in accordance with the claim of the party obtaining the order;

(B) An order refusing to allow the disobedient party to support or oppose designated claims or defenses, or prohibiting him from introducing designated matters in evidence;

(C) An order striking out pleadings or parts thereof, or staying further proceedings until the order is obeyed, or dismissing the action or proceeding or any part thereof, or rendering a judgment by default against the disobedient party;

(D) In lieu of any of the foregoing orders or in addition thereto, an order treating as a contempt of court the failure to obey any orders except an order to submit to a physical or mental examination;

(E) Where a party has failed to comply with an order under Rule 35(a) requiring him to produce another for examination, such orders as are listed in paragraphs (A), (B), and (C) of this subdivision, unless the party failing to comply shows that he is unable to produce such person for examination.

In lieu of any of the foregoing orders or in addition thereto, the court shall require the party failing to obey the order or the attorney advising him or both to pay the reasonable expenses, including attorney's fees, caused by the failure, unless the court finds that the failure was substantially justified or that other circumstances make an award of expenses unjust.

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[(e) Subpoena of Person in Foreign Country.] (Abrogated ———, 19 ———, eff. ———, 19 ———.)

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(*g*) *Failure to Participate in the Framing of a Discovery Plan. If a party or his attorney fails to participate in good faith in the framing of a discovery plan by agreement as is required by Rule 26(f), the court may, after opportunity for hearing, require such party or his attorney to pay to any other party the reasonable expenses, including attorney's fees, caused by the failure.*

ADVISORY COMMITTEE NOTE

Subdivision (*b*)(*2*). New Rule 26(f) provides that if a discovery conference is held, at its close the court shall enter an order respecting the subsequent conduct of discovery. The amendment provides that the sanctions available for violation of other court orders respecting discovery are available for violation of the discovery conference order.

Subdivision (*e*). Subdivision (e) is stricken. Title 28, U.S.C. § 1783 no longer refers to sanctions. The subdivision otherwise duplicates Rule 45(e)(2).

Subdivision (*g*). New Rule 26(f) imposes a duty on parties to participate in good faith in the framing of a discovery plan by agreement upon the request of any party. This subdivision authorizes the court to award to parties who participate in good faith in an attempt to frame a discovery plan the expenses incurred in the attempt if any party or his attorney fails to participate in good faith and thereby causes additional expenses.

* * * * *

Failure of United States to Participate in Good Faith in Discovery. Rule 37 authorizes the court to direct that parties or attorneys who fail to participate in good faith in the discovery process pay the expenses, including attorneys' fees, incurred by other parties as a result of that failure. Since attorneys' fees cannot ordinarily be awarded against the United States (28 U.S.C. § 2412), there is often no practical remedy for the misconduct of its officers and attorneys. However, in the case of a government attorney who fails to participate in good faith in discovery nothing prevents a court in an appropriate case from giving written notification of that fact to the Attorney General of the United States and other appropriate heads of offices or agencies thereof.

* * * * *

(d) Subpoena for Taking Depositions; Place of Examination.

(1) Proof of service of a notice to take a deposition as provided in Rules 30(b) and 31(a) constitutes a sufficient authorization for the issuance by the clerk of the district court for the district in which the deposition is to be taken of subpoenas for the persons named or described therein. *Proof of service may be made by filing with the clerk of the district court for the district in which the deposition is to be taken a copy of the notice together with a statement of the date and manner of service and of the names of the persons served, certified by the person who made service.* The subpoena may command the person to whom it is directed to produce and permit inspection and copying of designated books, papers, documents, or tangible things which constitute or contain matters within the scope of the examination permitted by Rule 26(b), but in that event the subpoena will be subject to the provisions of Rule 26(c) and subdivision (b) of this rule.

The person to whom the subpoena is directed may, within 10 days after the service thereof or on or before the time specified in the subpoena for compliance if such time is less than 10 days after service, serve upon the attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials except pursuant to an order of the court from which the subpoena was issued. The party serving the subpoena may, if objection has been made, move upon notice to the deponent for an order at any time before or during the taking of the deposition.

* * * * *

(e) Subpoena for a hearing or Trial.

(1) At the request of any party subpoenas for attendance at a hearing or trial shall be issued by the clerk of the district court for the district in which the hearing or trial is held. A subpoena requiring the attendance of a witness at a hearing or trial may be served at any place within the district, or at any place without the district that is within 100 miles of the place of the hearing or trial specified in the subpoenas[;], *or at a place within the state where a state statute or rule of court permits service of a subpoena issued by a state court of general jurisdiction sitting in the place where the district court is held.* [and, w]When a statute of the United States provides therefor, the court upon proper application and cause shown may authorize the service of a subpoena at any other place.

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ADVISORY COMMITTEE NOTE

Subdivision (*d*)(*1*). The amendment defines the term "proof of service" as used in the first sentence of the present subdivision. For want of a definition, the district court clerks have been obliged to fashion their own, with results that vary from district to district. All that seems required is a simple certification on a copy of the notice to take a deposition that the notice has been served on every other party to the action. That is the proof of service required by Rule 25(d) of both the Federal Rules of Appellate Procedure and the Supreme Court Rules.

Subdivision (*e*)(*1*). The amendment makes the reach of a subpoena of a district court at least as extensive as that of the state courts of general jurisdiction in the state in which the district court is held. Under the present rule the reach of a district court subpoena is often greater, since it extends throughout the district. No reason appears why it should be less, as it sometimes is because of the accident of district lines. Restrictions upon the reach of subpoenas are imposed to prevent undue inconvenience to witnesses. State statutes and rules of court are quite likely to reflect the varying degrees of difficulty and expense attendant upon local travel.●

NEED TO SET NEW, LONG-RANGE MILEAGE REQUIREMENTS FOR AUTOMOBILES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, I am today introducing legislation to require that in 1995, the corporate average fuel economy (CAFE) for new auto sales in the United States be 40 miles per gallon.

I believe that there is an urgent need to begin considering long-range fuel economy standards, and I hope that the introduction of this legislation will contribute to the beginning of a national debate on the need for long-range auto efficiency standards.

The industry cannot continue a "catchup with the foreign automakers" attitude. They must leapfrog ahead with a whole new system of efficiency. We must take action to demand further, dramatic innovation by our automotive

The project has been the subject of much national interest and publicity, including the cover story of Fortune magazine. It has recently been described in Energy Future, the report of the energy project at the Harvard Business School, and "Energy in America's Future: The Choices Before Us," and the recent Resources for Future study, as a very hopeful methodology for the future. These reports agreed that a reasoned approach to the Nation's energy problems is more likely to achieve meaningful results than constant bickering and legal battles.

I became interested in the NCPP more than a year ago because I felt it held promise for identifying meaningful ground for compromise between competing environmental and industrial views on key public policy decisions that will facilitate prudent use of more of America's vast coal resources. For months I have been working closely with participants in the NCPP with an eye toward incorporating some of their mutually agreed upon recommendations into legislation to be considered by the Congress. Today I am introducing two bills in the House which address the critical issues of coal use in relation to air pollution policy and the extraordinary delays associated with powerplant siting. These bills draw their inspiration from the NCPP deliberations and they draw heavily upon NCPP recommendations.

It is important to remember these bills take into account hundreds of hours of negotiations, research, debate, and discussion among NCPP participants drawn from boardrooms of corporations such as the Union Carbide Co. and major environmental organizations like the Sierra Club. I am sure that environmental groups and industrialists reading these bills for the first time will find many features that will please them. On the other hand, they are almost certain to find elements that they will disagree with. This is to be expected since these bills include compromise positions agreed to by key leaders from both sides.

My first bill amends the Clean Air Act to provide incentives to develop new technology capable of minimizing air pollution and decreasing costs associated with increased coal production and use.

Under current law, industry does not have sufficient incentives to attempt the implementation of new pollution control technologies which may be more effective or less costly than proven technologies. Yet, it is important to note that industry's interest in achieving required pollution control at lower costs and the environmentalist's interest in achieving improved pollution control coincide in a desire to encourage the development of new technology.

To promote the development of such technology, the Environmental Protection Agency under this bill would be given the authority to allow a limited number of exceptions from the new source performance standards (NSPS) and the best available control technology (BACT) requirements of the Clean Air Act. Variances, however, would not be allowed from compliance with the national ambient air quality standards (NAAQS). Only technologies with a reasonable chance of success would qualify for an exception.

A charge would be imposed if the new technology failed to comply with NSPS or BACT, but in no instance would the cost of the new technology, plus the charge imposed, exceed the cost of achieving NSPS or BACT with proven technology. The charge would be structured to encourage the development of technology to provide the most pollution control possible.

Let me stress, once again, that this bill is designed to minimize the effects of sulfur dioxide, particulate, nitrogen oxide emissions and other forms of air pollution. It would provide industry with a goal to shoot for in an effort to cut costs and improve the quality of the air we all breathe.

My first bill also attempts to harness economic incentives to improve ambient air quality, specifically in those regions where national or secondary ambient air quality standards are not now being achieved, through the imposition of an emission charges and rebate plan.

Under the plan suggested in this bill, provisions would be added to the Clean Air Act to authorize the Administrator of the EPA to develop and implement, in air quality control regions which are not now in attainment of national and secondary standards, a system of charges to be paid per unit of emissions of any particular pollutant in a given control region.

The funds collected would be redistributed annually to those paying the per unit charges in proportion to each emitter's total useful output in the industry for which the system was in place. Year-to-year emission reduction schedules for each pollutant and each industry subject to the charge plan would be specified. If in any given year, actual emission exceeded scheduled emissions, the fees for the next year would automatically increase.

Under this plan, revenues produced would not be just another form of tax, but rather would act as an incentive to achieve cost-efficient abatement through economic competition. I must point out that these are not "noncompliance" penalties.

The emission charge and rebate is most appropriate for use in nonattainment areas because current nonattainment provisions severely restrict the opportunities for placement of new industries in such areas, even for proposed new facilities which would have very low emissions. The plan is an effort to deal with problems and constraints associated with the present air pollution control system in an innovative way instead of building upon the ambiguities and uncertainties of the current system.

Mr. Speaker, my second bill deals with the siting of coal-fired powerplants. It is well known that many Government agencies possess various powers with respect to the issuance of the various permits and licenses which are necessary for the construction and operation of coal-fired powerplants. These duties are often overlapping and duplicative, and frequently result in unreasonable and unnecessary delays and expense for those who seek to construct such new plants. The unpredictability which results jeopardizes our Nation's ability to meet future energy demands through more use of coal and less reliance on imported oil.

This bill would remedy that situation by requiring coordination of the activities of the various governmental agencies which have responsibility for various aspects of permitting and licensing of new coal-fired powerplants. The Secretary of Energy would be authorized to require Federal agencies to conduct consolidated proceedings, and to establish a reasonable period of time within which the Federal agencies must render their decisions. The Secretary would also be authorized to consult with State agencies concerning the consolidation of State proceedings, and to establish a reasonable period of time within which the Federal agencies must render their decisions.

The Secretary would also be authorized to consult with State agencies concerning the consolidation of State proceedings with necessary Federal proceedings. With these provisions I expect that the Secretary of Energy will play a leading role in coordinating all levels of Government decisionmaking in the powerplant siting process.

In order to provide for effective participation of all interested parties in the expedited siting process, this bill provides for the compensation of all reasonable attorney fees, expert witness fees, and other costs of participating in proceedings before a Federal agency. Such compensation would be provided for those who have a point of view or interest not otherwise represented and who would be unable to participate in the proceedings because they are unable to afford the costs. Federal financial assistance would be made available to States for the implementation of streamlined plant siting programs subject to certain requirements, including the existence of citizen funding mechanism similar to that available in proceedings before Federal agencies.

New coal-fired powerplants are often sited in areas which are remote from the areas where the energy produced is to be used. Such siting effectively removes the social and environmental burdens of these facilities from those persons who will benefit most from their operation. Consequently, efforts to improve pollution control and to further energy conservation are not encouraged as they might be if the powerplants were not sited with this "out of sight, and out of mind" mentality. This bill recognizes this tendency and tries, in part, to counteract it.

Thus, Mr. Speaker, under this bill the decisions with respect to such new facilities would be reached in a much more timely manner, at a significantly reduced cost, and in a more socially responsible manner. In these times, our Nation simply cannot afford to wait for 10 or 15 years before it becomes clear if a proposed facility will be allowed to operate. We must speed up the decisionmaking process and at the same time provide for meaningful participation in the siting decisionmaking process. Similarly, we cannot contnue to hide our air pollution in someone else's backyard. We must have a way of expeditiously determining our energy needs and taking appropriate actions to meet these needs. The coal-fired powerplant siting policy contained in this bill would do much to alleviate these problems.

Again, Mr. Speaker, I would like to remind the Members of this body that both of the bills I am offering address the interests of many environmentalists and industrialists. They are the product of a reasoned attempt at accommodation based upon an understanding of the interests of various parties. As we are pulled farther apart by the conflicting demands of our Nation for energy, and our desire to protect the environment, we should listen closely to those who have already done much to eliminate their own differences. By following their counsel, we too may be spared many of the unnecessary delays which we have experienced in the past.

In closing, I call to the attention of my colleagues the principal finding of the world coal study:

> Coal can provide the principal part of the additional energy needs of the next two decades . . . but the public and private enterprises concerned must act cooperatively and promptly if this is to be achieved.
>
> Governments can help in particular by providing the confidence and stability required for investment decisions, by eliminating delays in licensing and planning permissions, by establishing clear and stable environmental standards, and by facilitating the growth of free and competitive international trade.

The two bills I am introducing today serve each of these purposes. I commend them to my peers for thoughtful study and careful consideration.●

OIL IMPORT FEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 10 minutes.

● Mr. DODD. Mr. Speaker, I rise in opposition to the previous question. The House must be given the opportunity to take up consideration of the imposition of the President's oil import fee proposal. The Members of this Congress must show the American people that we will not allow the President to impose this regressive tax in the guise of an energy conservation measure.

As a cosponsor of House Joint Resolution 531, a measure that disapproves of the President's import fee that will result in a 10 cents per gallon tax on gasoline, I believe that this additional Federal charge is an intolerable, inequitable, and inflationary way to decrease our use of gasoline.

At best, the oil import fee will save only 0.5 percent of our total national daily consumption of oil and other estimates show even smaller savings. The 10-cent tax will do little to conserve energy and will only serve to exacerbate our inflationary problems. Gasoline prices are now reaching past $1.25 per gallon and OPEC nations are raising their price of crude oil again. Considering those facts we certainly do not need an extra tax imposed on consumers by the Federal Government.

I would urge my colleagues to vote for this resolution and demonstrate that Congress will not permit the imposition of such an ill-conceived and discriminatory proposal.●

A TRIBUTE TO MRS. PATRICIA WALTON SHELBY, PRESIDENT GENERAL, NATIONAL DAUGHTERS OF THE AMERICAN REVOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, I would like to take this opportunity to recognize the new president general of the National Daughters of the American Revolution, Mrs. Patricia Walton Shelby. Mrs. Shelby hails from Rosedale, Miss., and she is a fellow Mississippian and a close friend.

Patricia has made many contributions to the DAR on the local, State, and national levels. Prior to her recent election she served as first vice president and completed that term with great distinction. An experienced leader with special understanding and judgment, Patricia has made excellent use of these qualities through many levels of leadership within the DAR. She has served as the Mississippi State regent, national registrar general, national chairman of the DAR Membership Commission, member of the U.S.A. Bicentennial Committee, and much more.

Her list of accomplishments and honors does not stop with DAR activities. She is equally active in her community, where her activities include membership of the advisory board of Bolivar County Cotton Wives, the county chairmanship for the March of Dimes and the Heart Fund, and membership on the women's committee of Bolivar County Farm Bureau. Patricia is an active church member and Sunday school teacher, and she still finds time to serve as the church organist. Her memberships include the National Trust for Historic Preservation, Mississippi Society, Society of Magna Charta Dames, Order of the Garter, Plantagenet Society, Colonial Order of the Crown, Colonial Dames of the XVII Century, Daughters of Colonial Wars, and the International Society of Descendants of Woden in North America.

Mrs. Richard Denny Shelby is truly and outstanding leader with proven abilities in many areas. She has been described as a "rare blending of natural ability, effective talents in administration, a public speaker both charming and informative, and a public image that is delightfully winning." She is well deserving of the highest office of the Daughters of the American Revolution, and I am certain she will give to that position the same vitality that so characterizes her other activites. I would like to recognize Patricia Shelby today, congratulate her and share my great pride in this warm, accomplished woman from Rosedale, Miss.

Thank you.●

A MODEL OF STATE-COMMUNITY COOPERATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, one of the most important problems facing this country is providing adequate health care for members of rural communities. Many areas of South Dakota and other States are sparsely populated, with long distances separating not only communities, but the people themselves from adequate health care facilities. Attracting physicians to set up practice in remote rural areas, because of many different reasons, is often difficult and time consuming. For physicians who want to practice in rural communities, problems such as adequate facilities, staffing, continuing education, and adequate income often prevent them from doing so. In addition, many physicians face difficulties in making the transition from an urban to a rural environment.

However, a community which is organized with certain goals in mind, and is dedicated to supporting a physician can be successful. It is for this reason and for the information of the other Members of the House who are interested in improving health care in rural communities, that I am submitting the following article from the Rural Electrification magazine (January 1980) in the RECORD. It is an interview with Jim Bernstein, chief of the office of rural health service in the State of North Carolina. He has been instrumental in creating rural health centers and in attracting physicians to practice in rural areas. Following is the text of the article:

A Model of State-Community Cooperation

> Is your role that as a middleman, an intermediary between the rural community and the prospective doctor?
>
> Yes, often for example, a doctor looks at a community and he thinks he might want to go there. But he thinks that there are some problems. Often a physician, especially a younger one, is shy about going to people in a rural community and saying, "I really would like to come here but I need to make more money" or "I just need to be able to have a building where I could practice for the first year to get going." It's very important to be able to act as the intermediary in that situation.
>
> Remember, it's not always money. Sometimes, other physicians in the area don't want a younger physician to come in, or don't want any more physicians, because of the competition. Often, the doctor is too far away to receive hospital privileges. On top of

that, there are other things which are not attractive for a prospective doctor: "There's nothing for my wife to do," he says. The school system is very important; sometimes it is really a serious problem because the schools are poor.

Is it difficult to entice doctors into small rural areas?

Not always. In beautiful rural areas, we assume there will always be plenty of young, idealistic physicians willing to go there. They are the "back to the earth" types.

But what about in the very small, very remote rural communities?

That's where we need to develop a support system—a small medical team—so we can utilize the two-year people of the National Health Service Corps and the physician-extenders, effectively.

Both demand continuous outside support. Neither can stand isolation. They must be connected to a larger universe to function well.

Why is federal reimbursement for rural practitioners below that for urban-based?

Because, in the old days, it was cheaper to practice rural than urban medicine. Rent and help were cheaper in rural areas. The payment practice originated as a result of physicians actually setting their own rates. It was a fact of life.

But things have changed. Costs probably are the reverse right now. I believe it's more difficult for a doctor to earn a living in a rural than in an urban area. For one thing, you have a much higher percentage of your patients who do not have insurance coverage in rural areas.

We are trying to get doctors to go into rural America. But we have negative financial incentives.

There are good reasons why doctors often won't go into a rural area. With a practice near a large population they can make sure that they see patients only from 9 to 3. Patients are on an appointment basis and the physicians earn a good income. In a rural area, they may often spend the whole day, way up until 9:00 at night, with people constantly dropping in, in order to earn what they can in an urban area.

You see, if you schedule your appointments you can control your practice. And, in an urban area, because of the full-time emergency room, and doctors sharing responsibilities with other doctors, basically you can live a normal life.

Do Washington politicians really care about rural health?

Yes. For $1 million, in rural America, a politician can get a lot of votes, and a lot of mileage. But $1 million in New York City proportionately is not a lot of money.

In rural America, you can build six to ten health centers for that much. There's a lot of bang for the buck in rural areas.

We are beginning to see some emotional concern for rural people. There recently has been a real awakening to the need to provide medical services.

A lot has been done. We've increased the supply of physicians tremendously. We've increased the number of primary care specialists and we've increased the status of that specialty.

There is a lot of interest in rural medical care. The government has begun a number of programs, the most important being the National Health Service Corps.

From my North Carolina experience, I've also seen an absolute positive change in the number of health providers in rural areas. I suspect that probably is true in other parts of rural America.

How do you recruit doctors for rural communities?

We have a strategy to recruit doctors for the state as a whole. In terms of recruiting for rural areas, we made an assumption, which I think is valid, that there are going to be only a small number of people out of the total population of primary care residents, every year, who are interested.

You have to find out who are potential candidates to work and live in a rural area. By centralizing the activity you get the maximum leverage from your dollar input. For example, instead of a hospital or a small community putting their own advertisement in a magazine for $2,000, we put together an advertising program for all the communities in the state.

Mass mailings can also create an awareness that North Carolina is a place for people who want to practice in rural areas. Then, we help the physicians find a practice. We profile those communities and mail out profiles to everyone looking for a place to practice. Every community interested in a physician is visited by a community organizer. We do not do anything in a specific community. We collectively put several communities together and then decide whether to base a new practice or expand an existing practice.

Are young doctors really interested in practicing in rural areas?

Yes. It turns out that there are a lot of physicians who are interested in rural practice. Not necessarily in the poorest, most deprived areas, but areas that are plenty rural.

A lot of these people grew up in rural areas. For some areas, we help put the practice together. We will prepare the community by helping to provide a good organization, but also make sure that it's a good facility with good connections to the continuing education system, so that physicians can keep up with new medical developments.

In North Carolina there is a statewide health education program which provides continuing education for all physicians whether they live in small towns or large cities. This is one key to retaining physicians.

We really are finding doctors that are interested in rural practice. Some of the family medicine specialists are looking for smaller communities. The increasing supply of new doctors is pushing physicians into rural areas. Where the problems will exist in the future are in those places where the doctor can't earn a good living, areas very sparsely populated and where a large percentage of the population are poor.

How do you define "rural"?

It's as much a cultural as an economic or population concept. As far as population, 2,500 people or less is as good as any definition as long as it's not right next to a large city. But, on the other hand, there are a lot of towns of 5,000 and 10,000 that are not desirable locations. They are having a very difficult time getting physicians.

You see, most physicians who are thinking about going to rural areas do not decide this until late in their education. The process they go through to decide where to practice is pretty haphazard. As a result, people who are providing a service—taking them to communities, getting communities organized so they are very receptive to the doctor, making sure the physicians in the area are also receptive to a prospective new doctor—are very important. These factors influence the young prospective physician very much. And, because they are often not exactly sure what they are looking for, you can influence their decision.

We emphasize matching young physicians interested in rural practice to rural communities. With technical assistance and funds, we can help them.

You decided to establish nonprofit corporations in rural areas. Why?

When we started, we believed many very small towns and rural areas could probably not attract and retain physicians. We didn't want to be completely dependent on one person so if he left, the whole thing fell apart.

We wanted bases for continuity. Bases such as the rural hospital. That's a large resource. Maybe it should have the responsibility for establishing and maintaining primary care in its region by setting up primary care satellites.

Well, early on, in the late '60s and very early '70s, some hospitals thought anything outside their walls was not their responsibility. Not now.

Second is public health organizations. In the late '60s and early '70s—except for a few isolated exceptions—they didn't see their role as that of assuring primary care in their geographical service area. Third is private medicine. They didn't really accept the idea. They said patients could come to them.

We needed to create a community base. Use those people who had a vested interest, who lived there. The more established institutions weren't interested to a large extent. So we decided to form nonprofit corporations, corporations made up of people who lived in the area, who were concerned about getting and keeping medical care. So we created them.

The idea was to give the rural community a tool so that they could compete with comparable communities, even with larger communities. The most important tools are knowledge and the ability to work as a team. It takes about three years to develop such a group, one that can really deal with the whole health care system.

What do you do next after you decide to create a nonprofit corporation?

The second thing you must have are adequate facilities. Through the state, we shared the cost with the people who live in rural areas. They built attractive facilities with quality equipment, which put them in a competitive position.

We try to staff the centers with local people. We took registered nurses who lived in the area, who were married to farmers or merchants, for example. We sponsored them, paid for them to go back to the university for a year, and then come to work in these centers. We tied these centers into the larger medical community by arranging for medical supervision through at least two private practitioners. This also tied these primary care satellites into the larger health communities with several physicians in a small hospital.

Now, that's one way. But some of these areas don't have anything. They don't have any registered nurses. So everything has to be imported from the outside.

That is why I'm a strong believer in developing a very solid support system. A bunch of people who represent all the skills that an isolated practitioner (or practitioners or a community group practice) need to get what they have planned, going.

Secondly, most of these very rural places cannot maintain, over the long haul, a program in isolation. They need a large organization to relate to. Then people from it can come in and quickly find a way to hold the thing together. They need somebody they can take their small problems to, who can help them nip them in the bud.

Then this "community corporation" brings a new dimension to medical care in rural areas?

Yes. It is just not a health provider serving patients and getting money from the government. It includes an overseeing board of local citizens. Those health providers and the board need some person they can rely on, use almost like a consultant. They might not call on him more than once a month, but they need him for special personnel problems, for, say, changing their records system and many other routine but important problems.

Suppose a group of rural people say, "We need a hospital in our community. We have 2,500 people. We are 100 miles from a hospital." What should they do?

First, they must look at the community. Do a market analysis. Project patient utilization. How many dollars will be generated through a new health program?

They can see that, if a new physician is not patronized by almost the total community, there often will not be enough income to keep him. For a solo practitioner, we are talking about a minimum of $80,000. Half of that would pay for his staff and the balance for him.

They need to explore every alternative that makes sense to that community. If you have a new doctor, you can't just use him at night or when you have a cold, or drive right past him to the big city doctor for your physicals and more complicated medical problems. You have to rely on him as your primary source of care.

Is this "drive-by" problem serious?

Yes, it is a very serious problem. Recently, I was talking to some rural physicians in Nevada and it was their number one problem. Local families were driving 100 miles to Reno for the doctor's bread and butter medical problems. A community has to really decide if it is going to support a new doctor or clinic or not.

Will you try and find a new doctor for a rural community?

Yes, if that's what they want. We will try to recruit one for them. We probably won't be very successful. But also we will look for larger groups that might be 30 or 40 miles away and try to develop group practices without walls. This is becoming increasingly economically feasible in this state. We try to create a network. Five years ago it was very difficult to do.

Is having a doctor in the community the best answer?

Sometimes. It depends. But the community might not get everything it wanted. It might get medical care during the day and maybe on one night a week. But all emergency care would be covered through a hospital emergency room which allows the physician to share the burden. This means the community won't have a physician on call. For example, this may happen in a community within about 20 miles from a doctor.

Is your state unique? Why is North Carolina looked upon as an example of an excellent statewide rural health system?

We had very fortunate circumstances. Our program is all state money. Our foundations help us a lot. We have done something many other states have not been able to do: get cooperation between the government, the universities and the medical society.

We've changed the statewide distribution of physicians considerably. We have a very sophisticated outfit that can help approximately 40 physicians a year practice in rural areas. We have 25 small rural health centers and will expand that every year by three or four. We cost-share the whole thing for the community, help them hold a fund drive and all. Over the last four years, we have increased medical access for about a million people.

Does providing more doctors and other medical experts increase the level of rural health?

I don't know if medical services make a large difference in the health of rural people. But they make a big difference in security. When we're sick, everybody wants to be able to have some place to go, to have somebody to call.

What do you think of the National Health Service Corps?

It is an excellent concept and I like it very much. I believe we still have a long way to go in developing better techniques to effectively utilize the National Health Service Corps personnel. The original intent of the program was a good one.

Why? It's kind of sophisticated slavery, isn't it? "We'll pay your medical school costs if you agree to work in the boondocks?"

That's partly correct. But the medical students elect to take the scholarship. They don't have to take it. I hope it works out in the long run.

Are medical students really prepared to practice in rural areas?

Not really. And, if you're not used to living in a very rural environment, it can be quite a cultural shock for a physician and his or her spouse. There is nothing really in their education that prepares them adequately to manage a practice. The education process needs some major adjustments in order to make young physicians feel comfortable and be productive in rural areas. And in many extremely remote places you must have a proper support system.

What makes the members of this support system work together well?

The big factors: Do the people in the clinic get along? Do people know what their jobs are? Can the doctor take a vacation without disrupting the whole thing? Can he go away for some continuing education? Can he get sick without feeling guilty?

But getting along with his staff and having a well-oiled little business with two or three nurses and a couple of doctors isn't easy. Yet people make assumptions that it is.

The support system makes sure that when somebody goes on vacation there will be a replacement; when there is a crisis, there is someone from the outside who can help them weather it, whether it is a personnel crisis, the doctor getting sick, or an epidemic. And for those very remote communities with a young physician, that support has to be in place. To be successful, the people in the community must be sensitive to the problems faced by the doctors and nurses.

But how will this help the community?

Well, a community is going to get better care if the people in the clinic are working together well and are happy with what they are doing.

Are there rural areas which must accept the fact they are never going to have their own doctor on a permanent basis?

Certainly, some very small, very remote rural communities are never going to have a permanent doctor. There are certain places in rural America in which doctors will usually turn over every two years. But if you do things right, you can live with that changeover and it won't be terribly disruptive.

Are nurse-practitioners the answer?

In many small communities the nurse-practitioner is probably the best answer to the needs of the people. In North Carolina, we have several examples of instances in which nurse-practitioner clinics have been well accepted by the community. In some communities it even reached the point that when a physician wanted to come in and work, they screened him carefully and turned him down. This never would have happened before. In the past, they would have taken any doctor.

Are you concerned about making people dependent on government help?

Yes, I'm concerned about government programs making people too dependent upon health care systems and doctors. You know, rural people have a great deal of pride, a lot of determination to do it themselves, in the old American way. I think these are extremely valuable assets. We must be careful we don't destroy them. And the dollar still means something today in rural America.

What bothers you about the Washington approach to providing rural health centers?

Well, they often take a "cookie-cutter" approach. For example, they say a rural area clinic must have a 5,000 sq. ft. building, three or four physicians, a nutritionist, six or seven helpers, an administrator, and even a bookkeeper. You don't need all that—everywhere. A comprehensive program might be appropriate for some communities but entirely inappropriate for others. I feel that they should be more flexible in their approach to rural areas.

What should a local community keep in mind when considering a new health center?

The most important aspect about developing a new health center is the process the community should go through in deciding on a plan and implementation of a strategy. They must take time to think and talk about it, to get all the groups in the community working together. To talk to local doctors nearby, their officials, and church groups: find out exactly what the people want.

The name of the game is not to just get the money, but to plan and think through just what kind of health program makes sense for your own community.

In many instances, this vital community discussion may be forgotten. It is so important.

Just rushing through an application with a bunch of support letters to meet a deadline is not good. It might even work against the success of the program in the long run.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 531, DISAPPROVING THE IMPOSITION, EFFECTIVE MARCH 15, 1980, BY THE PRESIDENT OF FEES ON THE IMPORTATION OF CRUDE OIL AND GASOLINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on May 29, 1980, the Committee on Ways and Means favorably reported House Joint Resolution 531 which would disapprove the President's action of March 14 imposing an oil import fee. House Joint Resolution 531 is an unamendable resolution under the provisions of Public Law 96–223, the Crude Oil Windfall Profit Tax Act.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for consideration of the resolution on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a rule which would provide for 2 hours of general debate, to be equally divided, and waiving all points of order.

We will request a hearing before the Committee on Rules as expeditiously as possible.●

GPO MANAGEMENT AND UNIONS REACH WAGE AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, I am delighted to report to my colleagues that for the first time GPO management and labor have reached an agreement on wages and other related matters during their annual wage conference called for by the Kiess Act (44 U.S.C. 305). This year's successful negotiations culminate 2 years of dramatic improvement in GPO's labor-management relations.

Just 2 years ago, the Joint Committee included for the first time in the statutory negotiations a large segment of GPO employees, the predominantly black Printing Plant Workers Union. Last year, it was necessary for the Joint Committee to direct that a professional arbitrator, recommended by the Federal Mediation and Conciliation Service, review the unresolved issues from the 1979 wage conference and make a recommendation to the Joint Committee on a proposed contract. The factfinder's recommendation last year for a 6.8-percent increase was approved by the Joint Committee on Printing. The same increase the Joint Committee approved in June 1979 was later adopted by President Carter and granted to all Federal employees last October.

This year, the Joint Committee again provided for a factfinder to review any appeal filed as a result of the 1980 wage conference. However, management and labor engaged in serious negotiations, each compromising where necessary, to produce a final agreement which was ratified yesterday by an overwhelming majority of GPO's union members.

On behalf of the Joint Committee on Printing and my colleagues in the House and Senate, I want to congratulate Mr. Samuel Saylor, the Acting Public Printer, Mr. Cornelius McIntyre, chairman of Joint Council of Unions, and Mr. William Boarman, president of Columbia Typographical Union Local 101, all of whom played critical leadership roles that resulted in this historical agreement. The modest wage increase over 2 years combined with the mutual recognition of certain job security issues, provides a firm and equitable decision for the Government, both GPO and the legislative branch as a whole, and the employees of the Government Printing Office.

I hope this spirit of understanding and compromise will continue at GPO, and become the foundation for even better labor-management relations in the future. Again, let me congratulate all the parties for such an outstanding and successful 1980 conference.●

DOE PENALIZES IOWA'S ENERGY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, the people of Iowa have taken the lead nationally in the production and consumption of gasohol. Because of these efforts and their success, Iowans have made a significant contribution toward energy conservation. Now Iowans are being penalized for these energy conservation initiatives by the Department of Energy. I believe this is an injustice to the people of Iowa and an inconsistency in the administration's energy policy.

In accordance with the Emergency Energy Conservation Act, the Department of Energy has set voluntary State and national gasoline conservation targets. The purpose of these targets is to reduce the consumption of gasoline. But, in determining compliance with the targets, DOE is treating ethanol as gasoline, thereby penalizing the States which have encouraged the production and consumption of gasohol and stifling the incentive for continued use of gasohol.

It is incredible to me that the Department of Energy can promote gasohol production and consumption on the one hand, and not give credit for the resulting conservation of petroleum products on the other.

The problem arises because of the methodology used by DOE in determining compliance with the gasoline conservation targets. The targets are based on State gasoline tax data, which is made available to the Federal Highway Administration and is used to monitor voluntary compliance with the targets. Although the State of Iowa reports separate information on the consumption of gasoline and ethanol, DOE combines the two in determining State compliance with the conservation target.

The administration's goal for 1980 is to save 400,000 barrels per day of gasoline through voluntary reductions in usage encouraged by the conservation targets. Iowa has made a major contribution toward the attainment of that goal in its efforts to promote gasohol and energy conservation. The State has stretched supplies and has displaced gasoline to the point of saving over 1 million gallons per month, just through the use of ethanol alone. By using the current DOE methodology, however, Iowans could actually meet the State's conservation targets by reducing consumption of ethanol. Obviously, that kind of action would be counterproductive to the purpose of the Emergency Energy Conservation Act and the energy policy of our Nation.

Iowa achievements should be recognized in the way that DOE measures compliance with the conservation targets. Therefore, I strongly urge the Department of Energy to develop a standard that permits ethanol to be excluded from gasoline consumption in the determination of the conservation targets.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am submitting to the House today a notification from the U.S. Export-Import Bank on proposed financing to make possible the sale of four Boeing 747 Combi jet aircraft valued at more than $261 million to Union de Transports Aeriens (UTA), France's largest privately owned airline.

The Eximbank is prepared to help finance this sale in two transactions. In the first, the Bank would provide a direct credit of $52.3 million and would guarantee a loan of $26.1 million from the Private Export Funding Corporation to enable Boeing to sell two planes with export value of $130.7 million. In the second transaction, the Bank has made a commitment for up to $78.4 million of additional financing to facilitate the future sale of two more planes of the same value.

This financing notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Under section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, the Bank must notify Congress of proposed loans or financial guarantees or combinations thereof of $100 million or more. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress following notification.

I am providing for the RECORD copies of the Eximbank notification giving the terms and details of the proposed financing. I would welcome any comments or questions my colleagues might have regarding this financial proposal.

The Eximbank material follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., May 16, 1980.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, Committee on Banking, Finance and Urban Affairs, House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

H. K. ALLEN.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., May 16, 1980.

SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room, U.S. Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to France:

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to make available a credit of $52,280,000 and a financial guarantee of a loan provided by the Private Export Funding Corporation of $26,140,000 (PEFCO Loan) to UTA to facilitate the purchase in the United States by UTA of two new Boeing 747 Combi jet aircraft, General Electric engines and related parts and services. The total U.S. export value for this transaction is estimated to be $130,700,000.

In addition to the aircraft proposed for sale in this transaction, Eximbank has issued a Preliminary Commitment to UTA in which it has indicated the terms and conditions under which it will be prepared to extend up to $78,420,000, of additional financing to UTA to assist it in the purchase of two additional Boeing 747 jet aircraft and related spare parts. The total U.S. export value for these additional purchases is estimated to be $130,700,000.

The Eximbank Credit and Guarantee for this transaction, together with the Eximbank financing contemplated in the Preliminary Commitment, would fall within the purview of cases to be referred to Congress under Section 2(b)(3)(i) of the Eximbank Act.

2. Identity of the borrower

Established in 1963, Union de Transports Aeriens (UTA) is France's largest privately owned airline. Its principal routes are to Africa, the Far East and the Pacific. Eximbank has dealt with UTA since 1970 and all loan repayments have been made on timely basis.

3. Nature and use of goods and services

The principal goods to be exported from the United States at this time are two commercial jet aircraft to be used by UTA to replace aging equipment for its operations in Africa and the Far East, and to service new routes in these areas being considered by the airline. Deliveries of the aircraft are scheduled for April and May of 1981. The additional aircraft covered by the preliminary commitment will be exported in 1983 and will be utilized primarily for the same routes.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

Eximbank's financing support for the export of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market for commercial jet aircraft. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of total U.S. aircraft sales. Over the next two to three years several large foreign airlines will be undertaking major reequipment programs, and most airlines choosing a particular aircraft type will continue with future purchases of the same models to maintain fleet continuity. During these next few years there will be intense competition from foreign aircraft and engine manufacturers and they will be supported by subsidized export credit from government sources. Eximbank believes it must be sensitive to purchasers' needs during this period of new product selection to insure that U.S. aircraft and engine manufacturers are able to offer attractive financing which helps them to sustain their position as a leading U.S. export sector.

Eximbank is prepared to extend financing to UTA for sixty percent of the U.S. costs of the B747 aircraft in order to meet government-supported subsidized financing offered in support of a competing European Airbus proposal. This sale of B747's to UTA was extremely competitive because UTA was under pressure from the French government to purchase A300's and UTA could have obtained domestic financing with French support comparable in cost to the financing being proposed by Eximbank. UTA presently has no Airbus equipment in its fleet and was convinced an attractive financing package was needed to help justify its purchase of the B747's.

The Boeing Company estimates that the export of these two 747 aircraft will provide 2.9 million man-hours of work for Boeing and its subsuppliers. Additional benefits which will flow to the United States from the transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

2. The financing plan

The financing plan for the total U.S. procurement supported by Eximbank is as follows:

	Percent of U.S. costs	Amounts
Cash payment	20.0	$26,140,000
PEFCO loan	20.0	26,140,000
Eximbank credit	40.0	52,280,000
Commercial loan (not covered by an Eximbank guarantee)	11.2	11,501,600
General Electric loan (not covered by an Eximbank guarantee)	8.8	14,638,400
Total	100.0	130,700,000

(a) Eximbank Charges. The Eximbank credit will bear interest at the rate of 8 percent per annum, a rate established in a Preliminary Commitment authorized by Eximbank for UTA on August 2, 1979. Eximbank will charge a commitment fee of ½ of 1 percent per annum of the undisbursed amounts of the Eximbank Credit and a guarantee commitment fee of ⅛ of 1 percent per annum on the undisbursed amount of the PEFCO Loan. Eximbank will also charge a guarantee fee of ¾ of 1 percent per annum on the outstanding balance of the PEFCO Loan.

(b) Repayment Terms. Aggregate disbursements under PEFCO Loan, the Commercial Loan and the Eximbank Credit will be repaid by UTA in a repayment schedule of 20 equal semiannual installments beginning October 15, 1981. The unguaranteed Commercial Loan will be repaid from the first two and part of the third installment, the PEFCO Loan from part of the third installment through part of the seventh installment and the Eximbank Credit from part of the seventh installment through the twentieth installment. The General Electric Loan will be repaid in twenty semiannual installments beginning October 15, 1981.

Attached is certain additional information on Eximbank activity in and economic data on France.

Sincerely,

H. K. ALLEN.

EXIMBANK EXPOSURE IN FRANCE

(as of Mar. 31, 1980)

	Outstanding	Undisbursed
Direct loans	$114,495,000	$26,350,000
CFF loans	467,000	0
Financial guarantees	24,721,000	47,510,000
Bank guarantees and other	210,000	861,000
Insurance:		
Medium term	2,095,000	6,230,000
Short term	88,268,000	
Total exposure	230,256,000	80,951,000

DEFAULTS AND RESCHEDULINGS

In the past ten years there have been no defaults or reschedulings of Export-Import Bank direct credits for U.S. export sales in France.●

FUTURE COAL USE

(Mr. RAHALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● **Mr. RAHALL.** Mr. Speaker, in recent weeks many studies analyzing the role coal will play in our energy future have been reported.

While these reports state that the coal industry will have a bright future, many questions concerning the Government's policy toward coal remain unanswered.

This week, the National Coal Association reported to the President on the status and outlook for future coal use. While they report that coal use and production increased dramatically during 1979, they also point out that coal, our most abundant domestic energy resource, still provided less than 20 percent of our energy needs.

I commend the National Coal Association for the in-depth analysis they have provided and urge my colleagues to review these results and keep them in mind the next time a constituent complains, and rightfully so, about rising fuel prices and the neglect of our vast coal reserves.

The material follows:

NATIONAL COAL ASSOCIATION,
Washington, D.C., May 7, 1980.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: In each of the past two years, we have reported to you on the status and outlook for achieving your goal of increasing the contribution of coal in supplying the nation's energy requirements.

Our third annual report is enclosed. Briefly, the report:

Points out that coal use and production increased significantly during 1979. These increases, however, were largely due to the interruption of Iranian oil production, OPEC oil price increases and the unfortunate accident at Three Mile Island, rather than to government policies.

Points out that the contribution of coal to the nation's energy needs—still less than 20 percent—is far less than its current and future potential.

Identifies opportunities to increase the contribution of coal in the near, mid and long-term to meet our energy needs, reduce dependence on insecure energy imports, and reduce the outflow of U.S. dollars—provided that government actions do not unnecessarily raise coal prices or constrain long-term supplies.

Describes the complex web of government policies and requirements that unnecessarily increase the cost of producing, transporting and using coal and that holds demand below the potential; and emphasizes that a concerted effort is needed to deal with this problem.

Identifies specific opportunities and makes specific recommendations for you, the Congress, and state and local officials to reduce government-caused impediments to increased coal use.

Unfortunately, the outlook under current government policies and requirements is that your goals for 1985 coal production and use will not be met. However, the large potential for increasing the contribution of coal and the opportunity for action to realize this potential continue to make coal a very bright prospect in the nation's energy and economic situation.

We want to emphasize that action to reduce obstacles to an increased contribution from coal does not require abandoning environmental, health and safety or other goals or wholesale overhaul of laws and regulations. Instead, the need is to identify and adjust those requirements which are more stringent than necessary, which introduce unnecessary delays or costs, or which do not reflect the best balance among national objectives.

We recognize that the large number of government agencies that are involved and the complexity of policies and requirements make it difficult to deal effectively with government-caused impediments to the goal of increasing the contribution fro coal. We hope that the enclosed report will make the problems clearer and the task before you easier. We hope it will be useful to you, the Congress, and state and local government officials in taking the actions that are needed.

We would be pleased to meet with you or your staff to supply such additional information and details as you may wish.

Respectfully,

CARL E. BAGGE.

INCREASING THE CONTRIBUTION OF U.S. COAL IN SUPPLYING THE NATION'S ENERGY REQUIREMENTS

INTRODUCTION

Government officials, private citizens and the media agree that U.S. coal should supply an increasing share of our nation's and our allies' energy needs. However, considerable confusion and lack of understanding remain as to the actions required to achieve this goal.

To improve understanding of both the problems and the opportunities, this paper provides a comprehensive review of the current status and outlook for coal and of the actions needed by government officials to permit coal to play a larger role.

Briefly, this paper:

Points out that coal use and production increased significantly during 1979. These increases, however, were largely due to the interruption of Iranian oil production, OPEC oil price increases and the unfortunate accident at Three Mile Island, rather than to government policies.

Points out that the contribution of coal to the nation's energy needs—still less than 20 percent—is far less than its current and future potential.

Identifies opportunities to increase the contribution of coal in the near, mid and long-term to meet our energy needs, reduce dependence on insecure energy imports, and reduce the outflow of U.S. dollars—provided that government actions do not unnecessarily raise coal prices or constrain long-term supplies.

Describes the complex web of government policies and requirements that unnecessarily increase the cost of producing, transporting and using coal and that holds demand below the potential; and emphasizes that a concerted effort is needed to deal with this problem.

Identifies specific opportunities and makes specific recommendations for the President, the Congress, and state and local officials to reduce government-caused impediments to increased coal use.

I. Coal use and production increased significantly, in 1979, but coal continues to supply less than 20% of the nation's energy needs.

A. Coal use and production increased by about 5% per year over 1977.

Despite the price and security of supply advantages of coal, the overall demand for U.S. coal increased very slowly up through 1977—in fact, by less than 3% per year.

During 1979, coal use increased more rapidly. Overall consumption of U.S. coal was up an average of 5% per year over the two year period since 1977. Table 1 compares 1977, 1978 and 1979 U.S. consumption, exports, production and imports. As shown in this table, there was sharp growth in electric utilities' consumption of coal and coal exports. U.S. production increased by 5.5 percent per year over 1977.

TABLE 1.—COMPARISON OF 1977, 1978 AND 1979 U.S. COAL CONSUMPTION, EXPORTS, IMPORTS AND PRODUCTION

[In million tons, except percent]

	1977 [1]	1978 [1]	1979 [2]	Average annual growth rates 1977–79 (percent) [3]
Consumption:				
Domestic consumption:				
Electric utilities	475.7	479.1	528	5.4
Coking coal	77.4	77.1	77	−.3
General industry and retail	67.4	69.5	73	4.5
Total domestic consumption	620.5	620.7	678	+4.5
Exports:				
Canada (about ½ met, ½ steam)	17.2	15.2	19	5.1
Overseas (primarily met)	36.5	24.6	46	12.3
Total exports	53.7	39.8	65	+10.0
Total consumption, U.S. coal	674.2	660.5	743	+5.0

	1977 [1]	1978 [1]	1979 [2]	Average annual growth rates 1977–79 (percent) [3]
Supply:				
U.S. production:				
East	527.4	482.1	554	2.5
West	163.9	183.0	216	14.8
Total U.S. production	691.3	665.1	770	5.5
Imports:				
Steam coal	1.8	3.0	2.1	(4)
Coke	1.8	5.3	4.0	(4)

[1] U.S. Department of Energy latest estimates.

[2] Preliminary DOE estimates.

[3] 1979 is compared with 1977 rather than 1978 because 1978 demand and U.S. production were depressed due to coal and rail strikes.

[4] Percentages not meaningful due to small tonnage.

The 5.4 percent per year increase in utilities' consumption of coal occurred while total electric generation increased only about 2.9 percent per year over 1977.

As shown in Table 2 on the next page, coal accounted for 47.8 percent of all electric generation in 1979, compared to 46.4 percent in 1977. The share of electric generation by oil-fired plants dropped from 16.9 percent in 1977 to 13.5 percent in 1979—with utilities consuming about 100 million fewer barrels of oil in 1979 than 1977.

TABLE 2.—ELECTRICITY PRODUCTION BY PRIMARY ENERGY SOURCE [1]

	Coal	Petroleum	Natural gas	Nuclear	Hydro	Other	Total
1977	46.4	16.9	14.4	11.8	10.4	0.2	100
1978	[2] 44.2	16.5	13.8	12.5	12.7	.1	100
1979	47.8	13.5	14.7	11.4	12.5	.2	100
Jan. 1980	51.6	12.5	13.2	9.9	12.6	.2	100
Feb. 1980	52.0	13.1	13.1	10.2	11.3	.3	100

[1] Source of data: Department of Energy.

[2] Coal share down due to coal and rail strikes in 1st half of 1978.

The share of electric generation accounted for by nuclear plants dropped from 11.8 percent in 1977 to 11.4 percent in 1979. The share for natural gas rose from 14.4 percent in 1977 to 14.7 percent in 1979.

Preliminary information for January and February 1980 from DOE indicate utilities are continuing to increase reliance on coal, with coal accounting for 51.6 percent of electric generation in January and 52.0 percent in February.

B. Increases in coal use in 1979 were primarily due to interruption of Iranian oil production, doubling in OPEC oil prices, and the accident at Three Mile Island—not due to government policies.

The three major energy shocks of 1979—Iran, OPEC oil prices and Three Mile Island—focused attention on the price and security of supply advantages of coal and resulting in surging coal use.

During 1979, prices for oil delivered to utilities increased sharply—in fact by $1.49 per million Btu's on a nationwide average basis. This compares to an increase of $.41 for natural gas and $.13 for coal.

It appears that growing difference between coal and oil prices paid by utilities is resulting in greater reliance on coal, with power being "wheeled" from systems with coal-fired plants to systems heavily dependent on oil. Also, new coal-fired powerplants coming on line (about 25 in 1979) are among the lowest cost sources of electricity available.

The growth in U.S. coal exports also appears directly related to sharp OPEC oil price increases and a desire by other countries to diversify energy sources. (Some 60 percent of the increased exports of coal to Canada was returned to the U.S. in the form of electricity purchased by U.S. utilities.)

The difference in prices for oil and coal apparently has narrowed somewhat in early 1980 as a temporary glut in residual oil supplies led to some sharp cuts in spot market prices.

C. The outlook is for steady increases but far below President Carter's goal for 1985 and under coal's potential.

Demand for U.S. coal is expected to increase at an annual rate of 4 to 6% from now through 1985. Utilities, general industry and exports are expected to show the greatest increases. The rate of increase depends on a variety of factors, including the state of the economy, growth in demand for electricity, price and availability of oil and natural gas, the ability to put new coal-fired utility and industrial plants on line, conversion of existing oil and gas-fired plants to coal, and availability of nuclear plants.

The only major coal market not expected to show steady growth is coke for steelmaking, which is expected to remain nearly level due to slack demand for U.S. steel, shortage of domestic coking capacity and foreign competition.

Total demand for U.S. coal probably will be in the range of 880 million to 1.08 billion tons by 1985. This is below the 1.2 billion tons by 1985 called for in the President's April 1977 energy message, and far less than the potential contribution of coal.

Expectations of steady growth in coal demand are premised in part on relatively stable coal prices. During the past decade, coal production has moved from a situation of virtually no regulation to one of pervasive government controls on all aspects of coal mining. The body of law and regulations is largely in place. Costs are being defined, internalized and reflected in the price of coal. Furthermore, the highly competitive nature of the coal industry has ensured that costs of production will determine price. Thus, coal prices can be expected to be relatively stable—unless government actions either cause additional increases in the costs of mining, transporting and using coal, or constrain coal supplies artificially by leasing inadequate reserves. Prices of other fuels, such as oil and natural gas, will continue to increase rapidly.

D. Coal could be making a much greater contribution.

Coal could be making a much greater contribution in meeting our energy needs. The U.S. has ample coal reserves to last hundreds of years, even at much higher production levels.

Capacity is available today to produce at least 100 million additional tons of coal per year above current levels. In fact, many mines are shut down and many miners are out of work or working short work weeks because demand continues to be far less than productive capacity. Capacity could be expanded even more if demand warrants.

Each additional 100 million tons of domestic coal that could be used in lieu of foreign oil would avoid the need to import about 400 million barrels of oil. This would reduce the outflow of more than $12 billion. Many jobs could be retained in the U.S.

Also, the price advantages of coal would mean lower costs to consumers of electricity and other products using coal, particularly if used instead of oil.

II. A complex web of government policies and requirements is now holding down coal demand and unnecessarily making more difficult and costly its production, transportation and use.

Coal continues to be demand limited. The demand for coal is determined largely by the relative cost and ease of using coal compared to other available fuels, and the ability to site, construct and operate facilities using coal. The price that is paid for coal by utilities and other users has largely been determined by its cost of production and transportation. Increases in the delivered price of coal, particularly in recent years, are largely the result of rapidly increasing transportation costs, meeting government requirements during production, labor costs, taxes and inflation. As indicated earlier, rigorous competition in the coal producing industry has contributed to relatively stable coal prices at the mine.

A careful review of the factors affecting coal indicates that a complex web of government policies and requirements are primarily responsible for holding down coal demand and and unnecessarily making more difficult and costly its production, transportation and use. Accordingly, this paper explores in some detail the source and effects of these policies and requirements and makes recommendations for corrective action.

A. Many government agencies and requirements are involved.

At the federal level alone, more than 30 major organizational units in twelve departments and agencies have activities which affect the production, transportation or use of coal—usually in an adverse way. Dozens of additional agencies are involved at the state and local levels of government.

For any one facility, dozens of government permits and approvals may be needed under existing laws and regulations. Obtaining and defending each contributes to delays or increases the difficulty or cost of producing, transporting or using coal.

In addition to existing requirements, a number of new laws, policies and regulations with adverse impacts on the contribution of coal have been proposed and are now being considered.

It is far from clear that all the agencies involved share the President's goal for increased reliance on coal or that they weigh carefully the adverse impact on this goal of their existing and proposed requirements.

B. The government policies and requirements adversely affecting coal have generally been adopted to serve other objectives and adoption has occurred without adequate consideration of the impact of required actions on energy, economic or other national goals.

The complex web of government policies and requirements adversely affecting the contribution of coal generally have been adopted or proposed to serve legitimate, recognized national or public objectives, such as improved environmental quality.

In many cases, requirements designed to meet these objectives have been adopted in relative haste during periods of high emotion over particular objectives. Adverse effects on other important objectives have generally not been identified or taken into account. For example, air quality requirements were adopted in early 1970's without a sound scientific basis for the requirements and without adequate knowledge of their impact on energy, the economy or national security.

In many cases, law and policy makers and regulators have incorrectly assumed that no conflicts in objectives were involved or tradeoffs required. Some assume that all objectives could be attained quickly and simultaneously.

Even when conflicts and adverse effects of requirements have become clear, requirements have not been modified to achieve a balance among objectives.

In addition, national circumstances and needs have changed substantially since many significant government policies and requirements affecting coal were adopted. For example, developments in the Middle East since 1973 have made clear that we are excessively dependent upon insecure imported energy and that this dependence seriously affects our economic strength, national security and freedom of action in international affairs. These changes in national circumstances signaled the need for making new tradeoffs among energy and environmental objectives but such tradeoffs have not been made and the large body of environmental goals, laws and regulations set in motion before 1973 have remained largely intact.

C. The web of policies and requirements adversely affects the contribution of coal in many different ways.

There are a variety of adverse effects that result from the policies and requirements that will be reviewed in this paper. (The specific problem and its source and effects will be described in Part V below, along with recommendations for changes.) In summary, the effects are as follows:

1. Federal controls continue to hold oil and natural gas prices at artificially low levels, and subsidize imports. This encourages the use of oil and natural gas where coal could be used.

Federal oil price and allocation controls, while scheduled to be phased out in September 1981, continue to hold down domestic prices, subsidize oil imports, and encourage production of excess quantities of residual fuel oil.

Federal controls on wellhead prices of natural gas are continuing to hold natural gas prices far below market values and will continue to do so through 1985 and probably much longer.

2. DOE encourages use of natural gas in lieu of coal.

So-called "public interest exemptions" from the restrictions of the Powerplant and Industrial Fuel Use Act (PIFUA) are being granted by DOE to utilities and industrial facilities in large numbers. Such exemptions permit use or increased use of natural gas as a boiler fuel, even where coal could be used.

Proposed Building Energy Performance Standards (BEPS) would create strong economic incentives to encourage increased use of natural gas and oil for heating and cooling of new residential and commercial buildings, and against the use of electricity which could be generated by coal.

3. Federal and state policies discourage or delay capital investments in new (and converted) coal burning facilities or delay their siting and construction.

State public utility commission policies and requirements discourage capital investments in new coal burning powerplants and conversion of existing facilities.

The U.S. Treasury Department has delayed publication of regulations to implement investment tax credits granted under recent tax laws.

EPA has delayed issuing New Source Performance Standards (NSPS) for industrial facilities.

State air quality implementation plans make it difficult to site and construct new coal-burning facilities.

Multiple government permit and approval requirements delay new facilities.

Federal agencies have been slow in converting facilities from oil and gas to coal and delayed requesting necessary appropriations.

Outdated capital recovery provisions of federal tax law discourage capital investments.

4. Requirements make coal use difficult and costly.

Unnecessarily stringent federal and state air quality requirements make coal use difficult and costly.

5. Government actions unnecessarily increase coal transportation costs.

ICC has allowed sharp increases in rail rates for hauling coal.

DOT policies have encouraged high rail rates.

Some rail deregulation proposals provide inadequate protection for "captive" coal shippers.

Congress has delayed providing federal eminent domain power for coal slurry pipelines.

Roads for hauling coal are inadequate in some states.

Bottlenecks on some inland waterways and Tidewater ports delay coal shipments.

6. Government requirements unnecessarily delay and increase the cost of producing coal.

Mining and reclamation requirements issued by Interior Department impose unrealistic and costly burdens on coal production without corresponding environmental benefits.

Proposed air and water quality requirements applicable to coal mining are unnecessarily stringent.

Faulty Labor Department administration of 1977 black lung benefits law unnecessarily increases producers' liability.

Mine health and safety requirements are not focused on most important problems.

Unreasonably high royalty payments for federally owned coal result from proposed "fair market value" and "minimum acceptable bid" interpretations issued or proposed by Interior.

A new or expanded "Energy Impact Assistance" program would introduce additional unnecessary delays.

New federal severance tax on coal proposed by DOT would increase cost and unfairly burden coal.

7. Higher government-induced costs reduce competitiveness of U.S. coal in foreign markets and encourage coal or coke imports into the U.S.

Actions identified above which increase cost of producing or transporting U.S. coal reduce its competitiveness with coal from other nations.

Air quality requirements have reduced coking capacity in the U.S., thus making coke imports necessary during periods of high steel production.

8. Leasing and land use policies encourage unneeded capacity in the near term and could constrain coal supplies in the long term.

Interior's federal diligent development and continuous production requirements threaten unnecessary loss of existing leases of federally owned coal, even though excess capacity is available in the current market.

Interior's coal leasing program will result in supply constraints and higher prices beginning in the late 1980's.

Stringent "unsuitable for mining" criteria, federal land withdrawals and land use planning requirements give priority in resource development to all other resources, make it difficult to assemble mineable reserves and could constrain future coal supplies.

Proposed "National Heritage" and "Nongame Fish and Wildlife" legislation would add new restrictions on land use and development.

III. There are significant opportunities for increasing the contribution of coal in the near, mid and long-term to supply energy needs and reduce oil imports—if impediments are removed.

Before identifying specific elements of policy and governmental requirements needing correction, this section will identify the principal opportunities for increasing coal demand.

A. Coal could be used to generate a larger share of electricity, reducing the need for oil and natural gas.

Electric utilities in 1979 consumed about 78 percent of all the coal used in the U.S. (528 million tons—up from about 480 million tons in 1977 and 1978). In 1979 they also consumed about 523 million barrels of oil (down 100 million from 1977 and 112 million from 1978) or about 9.5 percent of total U.S. oil consumption. They consumed almost 3.5 trillion cubic feet of natural gas (up by about .3 trillion from 1977 and 1978) or about 18.1 percent of total U.S. natural gas consumption.

Electric utilities represent the best opportunity for near and mid-term increases in coal use and reductions in the demand for oil or natural gas which must be imported or which should be conserved for higher valued uses (e.g., residential heating, certain feedstock and processs heating uses).

There is an opportunity to increase the contribution of coal through construction of new powerplants, conversion of plants now using oil and natural gas to coal, higher utilization rates for exisitng coal-fired plants, and use of coal-oil mixtures.

1. New powerplants: The electric utilities' plans currently call for bringing into service about 270 new coal-fired units (roughly 140 thousand megawatts) over the next ten years. These planned units, alone, would consume about 400 million tons of coal per year beginning in 1989.

Actions to avoid unnecessary costs and unnecessary delays in bringing these plants on line could be the largest single contribution to the displacement of oil and gas use in the utility service. The principal impediments to these plants include:

Low load growth projections for some systems, and existing state requirements that only projected load growth (rather than phasing out of existing facilities which use oil or natural gas) may be used to justify new plants.

Weakened financial position of some utilities (e.g., delayed rate increases, high debt equity ratios, limits on debt, soft bond market).

High costs of facilities required to meet air quality and other environmental requirements.

Obtaining necessary government permits and approvals.

Increased costs of coal transportation.

2. Conversion of existing plants: Some existing "coal capable" plants now using oil or natural gas could be converted to coal. While there is considerable disagreement as to the units that could and should be converted from oil or gas to coal, DOE has identified 107 units totalling about 21,000 megawatts. (The utility industry indicates some 30 could not practicably be converted.) If all 107 were converted, they would require about 40 million tons of coal per year when conversions were complete in the late 1980s (30 million tons according to the utility industry).

The principal impediments to these conversions are:

Air quality and other environmental requirements that must be met.

Space requirements; e.g., for coal storage and handling, pollution control equipment and waste disposal.

Weak financial position of some utilities (see above).

Long delays in getting necessary governmental approvals.

Deferral of decisions due to uncertainties as to government policy, including particularly DOE encouragement of use of natural gas in existing utility plants and the many exemptions granted for such use. Some plants targeted for conversion to coal have been given exemptions to use gas.

3. Higher Capacity Utilization of Existing Plants: Available coal-fired powerplants now tend to be used at high capacity because the relatively lower price of coal makes the plants more economical to run than oil-fired units. The recent increases in utilities' coal consumption is due in part to running these plants more often, "wheeling" power to systems that would otherwise be dependent on higher cost oil or natural gas-fired plants.

The principal impediments to higher capacity utilization:

Increases in costs of coal (e.g., due to transportation).

Charges imposed by utilities for wheeled power.

4. Use of Coal-Oil Mixtures: Recently improved technology for producing coal-oil mixtures and changing economics (i.e., high oil prices) have sharply improved the potential for using such mixtures to reduce oil consumption in existing oil burning utility and industrial boilers. Demonstrations and tests are now underway in Pennsylvania, Florida and Massachusetts. This approach should permit increased coal use and reduced oil use in those plants that cannot for environmental or other reasons be converted to coal alone.

The principal impediments to the expanded use of coal-oil mixtures now appear to be necessary government approvals for use of the mixtures and for siting and constructing the facilities to produce and transport the mixtures.

B. Electricity—generated by coal—could be substituted economically for oil in heating homes.

The near doubling of heating oil prices during 1979 has resulted in a situation where it is now cheaper in some areas to heat homes by using plug-in type electric resistance heaters rather than existing oil heat systems. This is the case in many areas served by electricity generated by coal, nuclear or hydro energy. Such electric heating provides an added conservation advantage because it permits room-by-room or "zone" temperature control. Higher oil prices also make it more economical to replace oil heating systems with electric resistance heat and heat pumps, although initial capital costs may be higher than for plug-in type resistance heaters. (Homeowners using plug-in heaters need to be sure wiring is adequate for safe use.)

The substitution of electric heat for only 50 percent of the oil heat in those areas where it is most likely to be cheaper for homeowners could result in saving 250,000 barrels of distillate fuel oil per day or nearly 100 million barrels per year. The principal impediment to this type of conversion probably is the lack of homeowner knowledge of the changing economics and potentially lower heating costs.

C. Industry could use coal under industrial boilers and for some process heat uses—in lieu of oil or natural gas.

Considerable potential exists for increasing the contribution of coal in supplying energy for industrial uses. The greatest potential appears to be in new installations, but some conversions may be possible. Coal can most easily be used under industrial boilers, but can also be used in some process heat applications (e.g., brick, cement industries).

The principal impediments to increased use of coal by industry appear to be:

Potential stringency of forthcoming air quality New Source Performance Standards (NSPS) which are being developed by EPA.

Uncertainty as to requirements (and thus costs and economics) due to EPA delays.

Delay by Treasury in implementing the 10 percent energy investment tax credit provisions of the 1978 and 1980 tax laws.

DOE encouragement of the use of natural gas in industrial facilities, and granting of many exemptions to permit such use.

Complexity and burden of regulations developed by DOE to implement the Powerplant and Industrial Fuel Use Act of 1978.

Delays in industrial investment decisions due to uncertain economic outlook.

Air quality and land use planning requirements which make siting of plants more difficult and plants themselves more costly.

Complexity and delays in getting government permits and approvals for new facilities and conversions.

Increases in costs of coal in some areas, principally due to high rail rates.

D. Steelmaking could use additional U.S. coal.

The use of metallurgical grade coal for making coke used in steelmaking accounted for about 11 percent of the coal consumed in the U.S. in 1979. Steel demand has lagged because of the state of the economy, reduced demand for steel for smaller automobiles, and stiff competition from imported steel. The use of U.S.-produced metallurgical coal has also been held down by the lack of coke oven capacity. Many coke ovens have been closed down by air quality requirements. Some steel companies have found it necessary to import coke to meet their requirements. About 4 million tons were imported in 1979 (equivalent to about 6 million tons of metallurgical coal).

Principal impediments to increased demand for coal for steelmaking are:

The lagging demand for steel and shortage of coking capacity.

Eligibility of coking plants for the 10 percent energy investment tax credit provided by the "Windfall Profits Tax" act should help encourage construction of new capacity once implementing regulations are issued by Treasury.

Air quality and land use planning requirements which limit options for siting new facilities or continued use of existing facilities.

Government permits and approvals required for new coke ovens.

Any increases in the cost of coal (e.g., higher transportation costs) which affect economics.

E. Some federal facilities using oil or natural gas could be converted to coal.

The Departments of Defense and Energy have already identified a number of facilities that could economically be converted from oil or natural gas to coal. However, there have been substantial delays in developing necessary plans and requesting necessary funds for conversions from Congress.

The principal impediments appear to be:

Slowness in identifying facilities for conversion.

The federal budget process which makes it more difficult to obtain construction funds to convert to lower cost coal than operating funds to pay the higher natural gas and oil costs.

The absence of a system—like that used for pollution control facilities—in the President's budget formulation process to assure necessary funds are requested for coal conversion.

F. Coal exports can be increased to help allies reduce their dependence on insecure foreign oil and help improve the U.S. balance of payments.

Exports of U.S. coal totalled 65 million tons in 1979, up from 54 million tons in 1977, and contributed over $3 billion to the favorable side of our balance of payments ledger. Historically, most U.S. exports have been metallurgical grade coal for steelmaking—except for exports to Canada which have been almost 50% steam coal.

Increases in exports in 1979 were largely in steam coal to Canada and Western Europe.

There appear to be substantial opportunities to increase steam coal exports to European countries, Japan, and other countries in the Far East.

The principal impediments to increased coal exports appear to be:

Higher coal production and transportation costs—due to government requirements affecting production and sharp increases in rail rates for hauling coal (20.9 percent increase in 1979 alone) which affect the competitiveness of U.S. coal in foreign markets.

Port congestion problems which introduce delays and higher delivered coal costs.

G. Coal can be used to produce synthetic liquid and gaseous fuels and chemical feedstocks.

Coal is already being converted to low-Btu gas in some industrial facilities and private industry is now proceeding with plans for building medium-Btu facilities. For the longer-range future, conversion of coal to liquid and gaseous fuel provides the potential for a major expansion in the contribution of coal—beyond its traditional markets.

The principal impediments to the creation of a private, competitive synthetic fuels industry using coal appear to be:

Need for further development and demonstration of some synthetic fuels technologies, involving greater risks and larger funds than can be undertaken by industry.

Removing disincentives to commercialization arising from price control policies which hold prices of alternative fuels (natural gas and oil) to artificially low levels.

Current absence of adequate and appropriate government incentives (e.g., tax credits, purchase and price guarantees, loans and loan guarantees, completion guarantees) to encourage early construction of facilities for production of synfuels using technologies that have not yet been demonstrated on a commercial scale.

Environmental requirements which make it difficult to site facilities or which increase costs.

Government actions which increase coal production or transportation costs for coal.

Delays in getting necessary government approvals for siting, constructing and operating facilities.

Leasing of adequate quantities of federally owned coal to assure availability of adequate reserves for both synfuels and direct coal uses.

IV. A concerted effort is needed to deal with unnecessary or counterproductive government policies and requirements.

The energy shocks of the past year have made clear that utilities, industry and other countries will voluntarily use coal if it is economic to do so, and facilities are available or can be constructed to produce, transport and use the coal. As shown on page 2, coal has already displaced large quantities of oil used for electric generation.

Removing unnecessary delays and costs at all stages of the fuel cycle would do far more to increase the contribution of coal than any dramatic new government programs.

A. Abandonment of environmental or other goals or wholesale overhaul of laws and regulations is not necessary.

Reducing obstacles to an increased use of coal does not require abandoning of environmental, health, safety or other goals or wholesale overhaul of laws and regulations. Instead, the need is to identify those requirements which are more stringent than necessary, which introduce unnecessary delays and costs, or which do not reflect a balance among conflicting objectives.

B. To be effective, any such effort requires clear, consistent leadership and direction from the President, the Congress and State and local officials.

An effective effort to deal with unnecessary impediments would require:

Recognizing that conflicts now exist among national objectives (e.g., energy, environment, strong economy and national security) and requirements to meet those objectives, and that trade-offs from the status quo must be made. Any pretense that all national goals and government requirements can be met simultaneously and quickly—without trade-offs—should be abandoned. Effective actions to provide adequate and secure energy supplies will involve trade-offs among energy, environmental, consumer cost, employment, national security and foreign policy goals. For example, tighter environmental requirements often affect all the other goals. Failure to recognize the need for trade-offs merely delays balanced decisions and actions and increases costs.

Issuing and enforcing clear directives to government agencies to undertake a detailed review, with public comment, of all existing and all proposed policies and requirements so as to minimize or avoid adverse effects.

Assure participation in reevaluation by experts with different points of view from outside the agency involved.

No agency can be counted upon to be objective about its own requirements.

Assure clear assignment of responsibility—backed up with adequate staff responses—for arguing the "coal side" of issues within the councils of government when policies affecting the contribution of coal are considered. A better balance among advocates within the government would help assure a better balance among objectives when decisions are made.

V. Many opportunities are available for the President, the Congress and state and local officials to reduce unnecessary government-caused impediments to an increased contribution from coal: Specific problems and recommendations.

Many opportunities are available to remove unnecessary impediments to a greater contribution from coal. This section identifies specific impediments and the source of these problems, and makes specific recommendations for corrective action. Hopefully, this will make it easier for government leaders to act expeditiously.

A. Steps to reduce impediments to increased coal use.

This part reviews government policies and requirements which reduce the economic advantage of using coal instead of other fuels or which make coal use more costly or difficult.

1. Government controls which hold oil prices to artificially low levels, subsidizes oil imports or subsidize production of residual oil should be ended promptly.

Problem: Government controls on oil have held prices of domestic crude to artificially low levels, subsidized oil imports (through such measures as the "entitlements" program), and contributed to the excess production of residual fuel oil. These actions have contributed directly to the continued use of oil as a utility and industrial boiler fuel and reduced the incentive to use domestic coal. Without such controls, modern refineries would be used to produce a larger share of gasoline, distillate and other higher value products, and smaller shares of residual oil. The higher value products can be used for purposes not well served by coal, with the net effect of reducing the need for imported oil.

Ending these controls—now scheduled for September 1981—would remove a major impediment to increased coal use.

Recommendation: DOE and the President should maintain or accelerate the schedule for ending oil price controls and entitlement programs by September 1981.

2. Federal controls on the wellhead price of natural gas should be phased out promptly.

Problem: Since 1952, federal controls have held wellhead prices of natural gas sold in interstate commerce to artificially low levels and encouraged uses that are now recognized as wasteful of this valued resource—for example, as a boiler fuel. In 1978, controls were extended to intrastate natural gas as a part of the Natural Gas Policy Act, which also had as its objective phasing out price controls on all new gas by 1985.

However, the phase out schedule did not take into account higher world oil prices, with the result that (1) under the "cap" of the NGPA, natural gas continues to be priced far below current market levels, and (2) this increasing disparity between controlled gas prices and uncontrolled prices for other fuels will cause pressure for retaining controls beyond 1985, so as to avoid the disruptive effects of large, one-time price increases. Continuation of price controls encourages the use of gas in places that could be served by more plentiful fuels, such as coal. It will discourage exploration for and development of new domestic sources of natural gas and substitute gas—both of which could be used to reduce oil imports.

Recommendation: Congress and the President should step up the schedule for phasing out all price controls on new natural gas.

3. Discontinue DOE actions to encourage use of natural gas as a boiler fuel where coal could be used.

Problem: With the short-term availability of excess quantities of natural gas following enactment of the Natural Gas Policy Act of 1978, DOE began actions to encourage use of natural gas—including use as a boiler fuel.

DOE's purported purpose was to substitute natural gas for oil and thus reduce the need for imports. DOE has granted hundreds of so called "public interest exemptions" from restrictions on gas use arising under the Powerplant and Industrial Fuel Use Act of 1978. DOE has even given exemptions to some "coal capable" powerplants and industrial facilities already targeted by DOE in separate proceedings for conversion from oil to coal! DOE's actions are encouraging use of natural gas in lieu of coal and wasting a fuel that should be preserved for higher valued uses such as certain process heat and feedstock applications where coal or electricity generated from coal cannot readily be used.

Recommendation: DOE should discontinue policies and actions encouraging natural gas use in boilers and return to a clear policy of preserving natural gas for higher priority uses.

4. State public utility commissions should modify or discontinue policies which discourage capital investments in coal-burning facilities.

Problem: In some states, public utility commission policies and actions prevent or discourage capital investments in coal-burning facilities (either new facilities or conversion of "coal capable" plants). Such investments have been discouraged even when overall costs to consumers would be less.

Several policies have these effects:

Regulatory policies in most jurisdictions encourage continued use of high cost foreign oil because fuel costs are recovered promptly in electric rates through fuel cost adjustments. On the other hand, utilities cannot finance through rates or depreciate on a current basis capital expenditures for conversions or construction of new replacement facilities. In most jurisdictions, a utility cannot even apply for a rate increase to begin to recover the cost of financing such investments until the conversion or new facility is operating. This delay in recovery of costs makes it more attractive for the utility to continue to use oil. This situation is further compounded by today's high costs of borrowing money and the poor financial condition of many of the oil burning utilities.

Most regulatory bodies have resisted allowing favorable treatment of conversion expenditures through such regulatory practices as inclusion of "construction work in progress" in a utility rate base because the rates would increase before conversions or new facilities were in use and thus before ratepayers would receive the benefits of lower operating costs from using coal.

Regulatory accounting practices in many jurisdictions pass the full benefit of tax credits to customers immediately as a method of holding down rate increases, thus removing this source of working capital from the utility for internal financing of reconversion equipment and facilities.

Delays in reviewing and approving rate increases (except for automatic fuel adjustments) reduce the returns of the utilities and thus increase the cost and difficulty of obtaining outside financing for capital investments.

Some commissions certify the need for new generating facilities only when justified by load growth or need to replace old plants. In such cases, utilities may not be able to get approvals to build new coal-fired plants to replace still useable oil or natural gas plants—even when long run costs to consumers would be lower.

Practices such as the above have resulted in weak financial condition for many electric utilities, pushed debt levels to legal limits, and made it difficult or impossible to raise capital for new facilities or conversions.

Some utility regulators have begun addressing problems such as these. For example, the Federal Energy Regulatory Commission (FERC) recently approved including the costs of converting to coal in wholesale rates charged by the New England Electric Company. The Pennsylvania Public Service Commission, in November 1979, indicated its intention to take similar action.

Recommendation: State public utility commissions should review their policies and actions affecting certifications of the need for new capacity and the raising of capital for new capacity or conversions. Commissions should take into account both the lower long-term costs to consumers of using coal and the national need to reduce dependence on imported energy sources and to conserve natural gas for higher valued uses and change their practices accordingly.

5. The Federal Government should provide financial asistance to utilities to permit reducing oil and natural gas use.

Problem: The problems described above make it difficult or impossible for many utilities to make capital investments needed to reduce oil and natural gas use. Statutory limits on debt may preclude additional borrowing. Sale of additional equity stock is impossible for many utilities under current market conditions.

Recommendation: The federal government should provide financial assistance to electric utility companies such as recently proposed in the Administration's "utility oil backout" legislation. Assistance should be in the form of grants, loans, loan guarantees or tax incentives designed to meet particular needs—so as to encourage capital investments in new plants or conversions to reduce oil and natural gas use.

6. The Treasury Department should fully implement provisions of current tax law to provide tax incentives for capital investments by potential industrial and other users of coal.

Problem: The Treasury Department has contributed to delays in capital investments in coal-burning facilities by industry and other potential users of coal. The Energy Tax Act of 1978, signed on November 9, 1978, authorized an additional 10 percent "energy tax credit" for certain facilities including those for using coal. However, the Treasury Department has not issued implementing regulations.

The "Crude Oil Windfall Profits Tax" Act of 1980 (P.L. 96–223) signed by the President on April 2, 1980, authorizes several additional tax incentives for coal users. It:

Extends the 10% energy tax credit to 1981.

Extends the 10% energy tax credit to coking and coke gas facilities.

Provides a production tax credit of $3 per barrel for energy from coal, shale, tar sands, etc.—phasing out as refiner acquisition costs for crude rise.

Makes all property eligible for the energy tax credit also eligible for the regular 10% investment tax credit.

These provisions, if promptly implemented by Treasury, could add increased use of coal.

Accelerated write-off of capital investments are already allowed for pollution control facilities. Fluidized bed combustion boilers and coal preparation plants offer new approaches for reducing emissions from coal combustion, but current tax regulations do not clearly make such facilities eligible for the accelerated depreciation treatment. Such treatment would be an important incentive.

Recommendation: Treasury Department should promptly implement tax incentives for coal utilization facilities provided in the Energy Tax Act of 1978 and the "Crude Oil Windfall Profits Tax Act."

Treasury Department should consider fluidized bed combustion facilities and coal preparation plants as pollution control investments for purposes of accelerated depreciation.

7. Tax laws should be revised to provide adequate capital recovery.

Problem: Recovery of the costs of capital investment in coal utilization, transportation and production facilities through our current tax system is inadequate. It is based on the archaic useful life theory, which allows little, if any, incentive for and recognition of the desirability of technological improvements. Depreciation incentives in the U.S. tax system are not competitive with those other industrialized nations, and put U.S. industry at a disadvantage when attempting to compete for foreign markets for U.S. produced goods. More favorable tax treatment for capital investment would stimulate such investments and—in the case of facilities for coal production, transportation and uses—would contribute to increased reliance on coal.

Recommendation: Legislation should be enacted which would substitute a modern capital recovery system such as that provided in the Jones-Conable bill, H.R. 4646.

8. EPA and the states should review air quality requirements and make all changes possible within the existing Clean Air Act to reduce impediments and avoid unnecessary costs—without violating standards necessary to protect human heatlh.

a. Revise SIPs and other implementation requirements.

Problem: Requirements issued under the Clean Air Act are a major constraint on increased use of coal. Many EPA and state air quality requirements were established in the early 1970's, without adequate consideration of their cost or adverse impact on other national objectives, such as those concerned with energy, the economy or national security. Moreover, since enactment of that Act and the promulgation of regulations under it, major and wholly unforeseen changes have occurred in the economic and energy situations of the U.S. and its allies. Judgments made in 1970–71 as to the effect of air quality requirements needed to "protect the public welfare" are no longer valid.

A number of actions could be taken now to reduce the adverse effects of existing and proposed measures without violating standards necessary to protect human health.

Recommendation: The following actions should be taken with the objective of permitting increased coal use:

EPA and state government should adopt procedures for prompt revision of state air quality implementation plans (SIPs) and should proceed with revision of those provisions which are more stringent than necessary to meet standards necessary to protect public health.

States which have not already done so should evaluate major fuel burning sources on a plant-by-plant basis, determine environmental requirements appropriate to each, and set emission liimts on each accordingly. Existing across-the-board requirements (such as limits on sulfur content of fuel applicable to all facilities in a state or area) should be abandoned.

EPA should actively encourage the above state actions.

EPA and states should make full and immediate use of those portions of the Act which would allow coal to replace petroleum products in major fuel-burning stationary sources, where such replacement will prevent or minimize significant local or regional economic disruption or unemployment.

EPA should encourage consistency in methods of computing sulfur dioxide emissions for enforcement purposes, using in all cases the 30-day "rolling average" incorporated in recent New Source Performance Standards.

EPA should reevaluate and revise the geographic boundaries of air quality regions where existing boundaries (set without modern data on airsheds and airstreams) unnecessarily prevent increased coal use.

b. Review and revision of National Ambient Air Quality Standards.

Problem: Ambient air quality standards—which have far-reaching impact—were set by EPA in 1970. At that time there was relatively little research-based information available on effects of substances of concern. Since then, additional research has raised questions as to the validity of the earlier findings which were the basis for establishment of National Ambient Air Quality Standards. EPA is now reevaluating the ambient air quality criteria documents.

Recommendations: The President should assure participation in the review of criteria documents and proposed standards by scientific experts from outside EPA who can provide an effective counter-balance to any EPA efforts that seeks to retain or tighten standards that are not justified.

EPA should base all determinations and judgments with respect to the Clean Air Act regulations and standards for the protection of the public health and welfare on objective scientific evidence.

c. The President should take steps needed to assure more accurate and objective air quality monitoring and modeling.

Problems: Objective analyses of the monitoring systems and resulting data, and the "models" used by EPA to describe existing air quality and predict the impact of emission sources have shown that EPA's efforts tend to overstate adverse atmospheric or emission conditions, and thus adverse impacts. The practical effect is that emission limitations and control requirements are set more rigidly than necessary to achieve reasonable compliance with levels required by the Act or regulations. Unnecessary costs and energy penalties are imposed on energy users and eventually on consumers.

Further, most of the available federal funding for air quality monitoring and modeling is concentrated in the Environmental Protection Agency (EPA). This agency has insufficient incentive to develop improved monitoring and modeling which, when done objectively, might call into question existing and proposed EPA requirements.

Recommendations: Federal funding for air quality monitoring and modeling activities should be increased.

The President should designate an objective agency outside EPA (e.g., the National Bureau of Standards) that can be counted upon to be an effective critic of the activities, data and control requirements proposed by EPA. This agency should be provided funding to permit it to serve as an effective critic within the government to protect against arbitrary actions by EPA and help assure objective and balanced decisions and actions.

d. Review all proposed regulations to avoid unnecessary restrictions.

Problem: EPA is in the process of developing several new regulations to implement 1977 amendments to the Clean Air Act. These include regulations covering prevention of "significant deterioration," requirements to protect "visibility," and new source performance standards for coal-fired industrial facilities. Each proposal has the potential for serious adverse impact on the ability to use coal.

Recommendations: Each EPA proposal should be reviewed carefully by agencies outside EPA. Agencies of the Executive Office of the President should be given specific mission directives to identify and veto any unnecessary requirements that make coal production or use more difficult or costly.

EPA should be required to present a thorough analysis of the benefits, risks and costs involved in proposed regulations—going beyond the minimum requirements of current "regulatory analyses."

The President should direct EPA to avoid unnecessary requirements and those not reflecting a balance among important national objectives, including energy.

e. The President should take steps to assure development of objective scientific evidence on the impact of air quality on public health and the environment.

Problems: As indicated in "b," above, research relied upon by EPA in 1971 in setting the levels of the national ambient air quality standards was deficient in that findings overestimated the adverse impacts. This has resulted in unnecessarily stringent levels of such standards, which in turn affect the degree of stringency needed in the emission limitations designed to meet ambient standards. This has caused unnecessary cost and energy impacts in meeting air quality requirements. A recent study conducted for EPA by the National Resources Council of the National Academies of Science and Engineering has raised serious questions about the adequacy and credibility of data on health impact of sulfur oxides.

Recommendations: Federal funding for research on biomedical and environmental effects relating to coal should be increased substantially.

Competition should be encouraged among investigators with different points of view so as to improve the quality of evidence produced.

Research funds should be provided through several agencies, including the National Institute of Environmental Health Sciences (which has substantial experience in this area) and the National Science Foundation (which funds research in colleges and universities) so as to minimize the potential for research to be directed to support existing or proposed EPA or DOE positions or requirements, rather than to develop objective scientific evidence. This would recognize the need for strong checks on the information put forth by advocacy agencies, since such agencies normally have little incentive to support work that might call their positions into question.

With respect to concerns expressed about potential adverse long-term impacts of substantially increased coal use, additional federal funding should be provided now so that necessary research can be carried out to determine which of any such concerns are valid and represent real problems. Research should begin immediately so that there will be ample time to identify and take whatever corrective action needed to reduce or avoid adverse impacts in the more distant future.

9. Congress should make changes in the Clean Air Act to remove unnecessary impediments to increased coal use.

Changes in the Clean Air Act could make a major contribution in permitting increased coal use without violating standards necessary to protect human health. This would include modifications to a number of existing statutory requirements which make it unnecessarily costly or difficult to convert existing facilities to coal or to construct new coal-fired utility and industry facilities.

a. Extend time limit on temporary exemptions from state air quality implementation plans (SIPs).

Problem: Section 110(f) of the Clean Air Act provides a temporary 4-month exemption from a SIP when converting to an alternative fuel. This time frame is unrealistic when considering the time it takes to install pollution control equipment.

Recommendation: Section 110(f) should be amended to extend the period of exemption from 4 months to 5 years.

b. Extend exemptions allowed for facilities ordered to convert to coal so as to cover those who voluntarily convert as well.

Problem: The Clean Air Act permits delays in meeting new source performance standards and exempts sources from noncompliance penalties where facilities are ordered to convert to coal pursuant to the Energy Supply and Environmental Coordination Act (ESECA) or subsequent legislation. These exemptions are not available for voluntary conversions.

Recommendation: Extend the provisions of Sec. 113(d) to cover voluntary conversions.

c. Protect facilities which take steps to meet current or proposed air quality requirements from imposition of tighter requirements for a specified period.

Problem: Under existing law, progressively tighter air quality requirements can be imposed on facilities that have been constructed or modified to meet existing air quality requirements. This risk greatly disrupts normal business planing, and tends to discourage major capital investment decisions.

Recommendation: Revise the Clean Air Act to protect facilities meeting requirements from the application of more stringent requirements for a period of 10 years, or until fully depreciated or amortized, whichever occurs sooner (as proposed in S. 1358).

d. Relax or repeal "Prevention of Significant Deterioration" (PSD) requirements.

Problem: Requirements relating to the "prevention of significant deterioration" of air quality go far beyond any protection needed for public health. They are likely to prevent the siting of new coal-fired powerplants and other facilities in many parts of the country, and prevent conversions in some cases. They are based upon levels and judgments of air quality made by the Congress and EPA before the dimensions of our current economic, energy and national security problems became apparent, and should now be revised.

Recommendation: Relax or repeal current PSD requirements.

e. Allow the use of alternative control measures, including intermittent control strategies, for meeting standards necessary to protect public health where use of such approaches are significantly better from energy and consumer cost standpoints.

Problem: After intense discussion, but without clear judgments on the adverse energy and consumer cost impacts, the Congress in the Clean Air Act Amendments of 1977 disallowed the use of certain "intermittent or supplemental control of air pollutants" (ICS). This approach arbitrarily rules out use of alternatives for reducing emissions and meeting ambient air quality standards, which are more efficient or less costly. (e.g., temporary fuel switching to accommodate temporary adverse atmospheric conditions.) The measurement and other technology needed to support an enforceable program of ICS controls is now available and no policy reasons exist to preclude allowing its use at this time.

Recommendation: Remove the current restrictions that preclude use of the most cost effective means of meeting ambient standards.

f. Make it easier to modify state air quality implementation plans (SIPs).

Problems: Under current law, the modification of a SIP is a difficult and burdensome process. State officials must bear (a) the political burden of seeming to be responsible for "loosening air quality requirements," and (b) the substantive burden of justifying all such changes to the public, and to EPA regional and Washington officials.

Recommendations: Amend the Clean Air Act to permit and encourage changes in unnecessarily rigid SIP requirements to the extent that standards necessary to protect public health are not violated; specifically to:

Require a new and periodic review of all SIPs, with federal assistance, to identify (a) any requirements that are not needed to meet standards set to protect public health, and (b) the environmental, economic and energy costs, risks, benefits and tradeoffs that are involved. Such information should be required to be made known to the public, and after public review state agencies should be required to change SIPs which are not shown to be required under (a) or justified under (b) above.

Streamline the process that must be followed in making changes in SIPs and getting any necessary federal EPA approvals. Specific deadlines for EPA response to state petitions should be set.

g. Reconsider the basis for secondary ambient air quality standards.

Problem: At the time provisions for setting secondary ambient air quality standards were included in the Clean Air Act—with the objective of protecting "public welfare"—the future implications of the level at which those provisions were set were not fully recognized. The economic, energy and national security of the nation has changed materially since then, and standards set in 1970 now have significantly greater impact for those objectives.

To allow the secondary standards to remain at the levels set in 1971 ignores the fact that our energy, economic and national security situations have changed significantly. Such changes should be considered when setting and revising secondary standards. They are factors which help differentiate secondary ambient air quality standards from primary standards.

Recommendation: The Act should be amended to mandate revision of the secondary standards and requirements to meet such standards to take into account their current impacts on other objectives; to assess their current benefits, risks and costs; and to establish requirements that reflect a current balance that is in the overall national and public interest.

10. EPA and the Congress should avoid establishing new regulations or control requirements designed to reduce "acid rain" until information is available to justify such actions.

Problem: EPA and others have stirred up significant public, media and official concern about alleged adverse effects of "acid rain" which some attribute to the burning of coal. In fact, information is not available to justify control actions now being considered by EPA. The President's Council on Environmental Quality recently stated in its annual report that "insufficient knowledge exists about the explicit causes and total effects of acid rain, a fact that has hampered development of sound control and mitigation procedures." For example, information is not available:

To explain why lakes in very close proximity in areas allegedly affected by "acid rain" vary widely in acidity.

On the relative importance of acidity from precipitation and from other sources which affect the acidity levels found in the land or water bodies in areas allegedly affected by "acid rain."

To explain why precipitation monitoring stations at the same location measured over time show no change in acidity or changes in different directions (i.e., some show increased acidity, some decreased acidity).

To clearly define the chemical constituents of acid rain and demonstrate the atmospheric transformation of man-made emissions into acids.

To show the relative contribution, if any, to "acid rain" from coal-fired powerplants and all other natural and man-made sources.

Recommendation: EPA and the Congress should refrain from premature conclusions or establishing standards or control requirements before adequate information is available on causes and effects of "acid rain" and on the probable costs and effectiveness of particular controls.

Federal funding for research relating to "acid rain" should be increased substantially.

11. Withdraw proposed "Building Energy Performance Standards" (BEPS).

Problem: The Building Energy Performance Standards (BEPS) proposed by DOE on November 28, 1979, would discourage efficient and low-cost application of electricity in new residential and commercial buildings; encourage use of limited renewable energy resources such as oil and natural gas in applications were coal-generated energy could be used; discourage more energy-efficient construction; and encourage greater dependence on imported oil and natural gas. This effect occurs because DOE has exceeded the intent of the Congress to require more energy efficient building construction, and has sought instead to create a regulatory mechanism to control net energy usage. This approach fails to distinguish between domestic and imported energy sources, and would result in severe economic and energy efficiency penalties in new buildings.

Recommendations: DOE should substantially revise its proposed standards, including elimination of the concept of "some energy" and the proposed "weighting factors" which contribute to the adverse effects cited above (and others).

Congress should amend the law requiring building energy performance standards to remove the requirement or allow substantial additional time for their development, and to remove sanctions for not complying with the standards.

12. Convert existing federal facilities from oil and natural gas to coal and use coal in new facilities.

Problems: While some federal facilities are covered by the requirements of the Powerplant and Industrial Fuel Use Act of 1978 (PIFUA), federal agencies are delaying or avoiding coal use by using various exemptions and exceptions, including the argument that Congress has not provided necessary appropriations.

Federal agencies have been reluctant to request funds for conversions or for new coal-burning facilities because they would prefer to use available funds for other purposes. Using the regulatory approach of PIFUA to secure conversion of federal facilities could take years. Orders from DOE would take up to two years, preparations by agencies to request funding authorizations an additional two years, and appropriations still more time. Federal agencies have delayed actions needed to secure appropriations.

In the past, federal agencies delayed actions to meet pollution standards through similar delaying actions and loopholes in laws. Actions to use coal in federal facilities are not likely to be taken by federal agencies unless the President takes explicit new actions.

Recommendations: The President should promptly issue an Executive Order (as recommended by Senator Huddleston in December 1979):

Establishing standards for mandatory coal use by federal agencies like those recommended to Congress by the President in 1977 for application to utilities and industrial facilities.

Directing DOE to identify in all federal agencies existing and new facilities that should use coal under the prescribed standards.

Requiring agencies to develop information needed to obtain funding authorizations and appropriations from Congress.

Establishing a special budget process to assure that agencies and the OMB include requests for funds in budget recommendations made to the President.

The President should request necessary funds from Congress in a supplemental FY 1981 budget request and his 1982 Budget.

13. Impediments to increased coal exports should be removed or avoided.

Problems: The unnecessary government-caused increases in costs of producing and transporting coal identified elsewhere in this paper reduce the competitiveness of U.S. coal in foreign markets. Rapidly increasing rail rates for hauling coal have been a particular problem.

Also, congestion in East coast ports has caused delays and substantial increases in cost (e.g., as much as $4 to $5 per ton for vessel demurrage charges while ships await loading). East coast port congestion problems must initially be addressed by railroads which own piers, loading and port storage facilities, and incoming rail lines. However, some actions by the government may be needed.

No port facilities are now available on the West coast to handle coal exports.

Recommendations: The Coast Guard should review its ship traffic rules and determine whether delays in positioning ships for loading can be reduced (especially in the Baltimore Harbor).

Federal and state government agencies should promptly grant necessary permits and approvals sought by railroads and others for new or expanded port facilities including necessary storage facilities.

The federal government should proceed promptly with dredging necessary to increase coal handling capabilities at both east and new west coast ports.

National Security Council and State Department officials should make clear to foreign officials inquiring about U.S. coal that commitments to long-term contract arrangements would give producers and transporters incentives to improve port capability.

The ICC should encourage the use of long-term transportation contracts and make changes in the tariff system to increase use of intermodal transportation systems.

14. Provide necessary incentives for early commercialization of synthetic fuels technologies.

Problem: Commercial-scale facilities using some promising new technologies for producing synthetic fuels and chemical feedstocks from coal are not likely to be built unless existing economic disincentives (e.g., price controls on or subsidies for alternative fuels) are removed or additional incentives are provided by the federal government. Recent changes in tax law provided some new tax incentives, but not all which are needed. Pending legislation would authorize federal sharing in risks through purchase and price guarantees, loans, loan guarantees, joint ventures and other means.

Recommendations: Congress should provide additional production tax incentives—such as a production credit for methanol from coal.

Congress should promptly pass pending legislation providing additional risk sharing and subsidies for commercial-scale synfuels by facilities and demonstrations.

The federal government should avoid construction of government-owned, commercial-scale synthetic fuels facilities.

B. Steps to remove unnecessary costs and obstacles to coal production.

Increases in costs of coal production, including costs due to delays must be passed on to consumers in the form of higher coal prices. Higher coal prices reduce its competitiveness with other fuels in the U.S. and with coal from other countries in foreign markets.

1. Revise existing surface mining control and reclamation requirements which unnecessarily increase costs or impede production.

Problems: Many of the regulations issued by Interior's Office of Surface Mining and Reclamation (OSM) have gone beyond the requirements of the Surface Mining Control and Reclamation Act (SMCRA) of 1977, are not technically justifiable, unnecessarily increase costs or impede production, or are otherwise overly restrictive. OSM's delay in issuing acceptable regulations has interfered with the ability of states to develop their own programs as authorized in SMCRA. Although the industry has been working for almost three years to obtain realistic regulations, it has been necessary to undertake costly and time consuming litigation to get OSM to give any significant recognition to our concerns. As a result of our litigation, over 40 regulations have been suspended and withdrawn as deficient or have been remanded by the Court.

Among the principal problems at present are:

OSM attempts to get states to include invalidated OSM regulations included in state regulatory programs.

Stated policies of OSM and the Secretary of the Interior to approve state programs even if they implement regulations found unlawful and enjoyed by federal court or suspended by the Secretary.

OSM refuses to recognize that the statute contemplates giving the states with approved programs the exclusive jurisdiction, including administrative and judicial review, over surface mining within its boundaries.

Imposition by OSM of onerous conditions on states as a prerequisite to receiving federal grant funds for development and operation of state programs.

Republication of rules found defective in original promulgation.

Reduction of the eight-month period originally provided for operators to obtain mining permits to a period of only about 30 days—due to delays in approval of state programs and a February 1981 deadline for obtaining mining permits.

Recommendations: The House of Representatives should pass S. 1403, as passed by the Senate in July 1979, to make necessary changes in SMCRA, allow extensions of time for submission, review and approval of state programs, and eliminate the OSM-imposed requirement that state regulations mirror OSM's regulations.

Interior should be directed to discontinue the unwarranted policies, practices and requirements described above.

Interior should continue reviewing its existing and proposed regulations and eliminating those which go beyond the authority of SMCRA or cause unnecessary costs of compliance or impediments to production.

Once state programs are approved, OSM should play an overview role and drop its attempts to run state programs by federal fiat.

2. Adopt realistic criteria for determining lands "unsuitable for mining."

Problems: The Interior Department has developed more than 20 separate criteria for determining the unsuitability of lands for mining under its newly adopted Federal Coal Management Program. More are under consideration. These criteria are designed to protect a wide variety of flora and fauna and are so complex that they are not understood even by those in Interior who are to administer them. There is widespread agreement, however, that the criteria would make large areas of federal and adjacent nonfederal land off-limits for mining—without considering the energy and consumer price implications. Interior has exceeded its statutory authority as to several of its unsuitability criteria (flood plains, municipal watersheds and federal land systems).

This problem is compounded by the fact that, even after the application of the unsuitability criteria in the federal planning process, Section 522 of the Surface Mining Control and Reclamation Act (SMCRA) permits any interested citizen to file a petition to designate lands unsuitable for mining. Its impact is broadened by OSM's refusal to require a formal adjudicatory hearing to review petitions. Thus, interested parties can stop mining or leasing immediately without regard to impact and without compensation to the owner of the coal. The application of this section is now being tested with the filing of a position for designating unsuitable large areas of coal land in Utah.

Recommendations: Interior should withdraw, revise and narrow its criteria for determining unsuitability—to achieve realistic and balanced goals and stay within its statutory authority.

Interior should establish requirements for adjudiciatory hearings under Section 522 of SMCRA.

3. Revise Interior's existing and proposed procedures and standards for determining royalty payments on federally leased coal.

Problems: The Interior Department apparently intends to continue using a form of its current procedure for determining "fair market value" of coal to be leased. This procedure has already resulted in unrealistically high minimum acceptable bids, and bypassed federal coal. Exercising Interior's monopoly power in this way will result in limitations on future supply and increased prices for coal, thus reducing its economic competitiveness and increasing consumer prices.

Recommendation: The Interior Department should revise its royalty requirements to provide for more realistic methods of determining the value of federal coal by reference to comparable sales or by appraisal methods, and, thus, reduce its upward pressure on coal prices.

4. Reform procedures for administering black lung benefit programs.

Problem: The Labor Department is charged with reviewing black lung claims for payment from a trust fund established in 1977. It has followed an extremely liberal policy of approving claims. Under existing law, coal producers are liable for any payments in excess of funds collected for the trust fund. When depleted, funds are loaned from the Treasury with operators also liable for interest.

As a result of the Labor Department's action, benefit payments for the first three years of the program now exceed the estimates for the first five years made when the law was enacted in 1977.

Recommendations: Labor should immediately change its extremely liberal claims payment policy and recover funds that have been paid improperly.

Congress should review the Labor Department's action and make necessary changes in the law to avoid further abuses.

5. Focus efforts to improve mine health and safety on factors contributing most to accidents.

Problem: The Labor Department's requirements for improving mine health and safety have generally not dealt with those factors—beyond physical conditions of the mines and equipment—wich are contributing to accidents. Increasingly tight requiremines and equipment—which are contributing to accidents. Increasingly tight requirements on physical conditions are not bringing about commensurate reductions in accidents.

Recommendation: The Labor Department (Mine Safety and Health Administration—MSHA) should redirect its efforts to focus on matters other than physical conditions of mines and equipment.

6. Reduce delays resulting from land use planning programs.

Problem: Actions by the Interior Department to implement the Federal Land Policy and Management Act (FLPMA) and related statutes have resulted in complex procedures and requirements for determining uses of federal lands and in delays affecting mining of coal.

Recommendation: The Interior Department should revise its land use planning requirements to reduce complexity and delay. Federal land use planning should not extend to private lands. Pending full revision and completion of federal land use plans, development decisions should be made based on current plans and the best available data.

7. Avoid a new or expanded "Energy Impact Assistance Program."

Problem: The Congress is now considering legislation to create a new and expanded "Energy Impact Assistance Program." Such a program is being justified on grounds that it would aid orderly development of domestic energy resources. A careful review of pending proposals indicate that they would instead add new delays for coal and other domestic energy development projects, duplicate existing programs which already provide hundreds of millions of dollars which could be used to achieve the bill's objectives, add new federal, state and local government bureaucracy and interfere with effective, ongoing private and government efforts to reduce adverse impact of energy developments.

Recommendation: The Congress should not pass legislation creating a new or expanded energy impact assistance program.

8. Avoid imposing a federal severance tax on coal.

Problem: The Department of Transportation has repeatedly pushed for adoption of a major federal severance tax on coal, with the proceeds to be used to provide grants to certain states primarily to finance construction and maintenance of roads used in hauling coal and in separating rail and highway crossings. Imposition of a national severance tax on coal would be another factor pushing up coal prices, increasing consumer costs and reducing competitiveness of coal here and abroad.

Recommendation: A federal severance tax on coal should not be adopted. The responsibility for financing coal roads and crossing separations should remain with states. States should have flexibility to use transportation funds available from the federal government to assist in paying the costs.

C. Steps to improve transportation services and avoid unwarranted coal transportation costs.

Lack of adequate transportation facilities and services, lack of competition and inadequate protection against excessive rail rates contributes to higher coal transportation costs, and thus to higher prices for coal. Higher coal costs interfere with domestic use and exports and encourage coal imports.

1. Avoid government actions which unnecessarily increase rail rates for hauling coal.

Problems: The Interstate Commerce Commission (ICC) has sustained large rate increases and reduced its vigilance in market dominant situations. Specifically, ICC has sustained high rates proposed by railroads—including rates which generate revenue-to-variable cost ratios of 170 percent to more than 200 percent. Rail rates for hauling coal increased by an average of 20.9 percent from October 1978 to October 1979.

In addition, recent ICC actions have suggested a tendency to abrogate responsibility to protect captive shippers against high prices in cases of rail market dominance. This is particularly important to coal because about 65 percent of all U.S. coal is carried by railroads and at least 85 percent of this rail-hauled coal is captive—in that there are no practicable alternatives to rail transport.

Furthermore, Department of Transportation officials, in 1978 and more recent ICC hearings before the ICC have taken the position that the ICC ". . . should permit railroads to set rates to a level that equates the delivered price of coal per unit of electricity with the delivered price of alternative fuels as though there were no price controls on those other fuels." This policy does not take into account the higher costs associated with coal storage, handling and use after delivery (including higher capital, operating and pollution control costs). It would allow railroads—and not consumers—to capture the advantage of lower prices for coal compared to oil or natural gas. And it would, in effect, allow OPEC-set prices for imported oil to set the upper bounds for rail transport rates.

Recommendations: The ICC should increase, not decrease, its vigilance in reviewing and avoiding unnecessarily high rail rates for hauling coal.

The DOT should abandon its unusual policy with respect to rail rates for hauling coal.

2. Unnecessary economic regulation of railroads should be removed but protection should be provided for captive shippers.

Problem: Rail deregulation proposals advanced by the Administration and other proposals now pending in the House of Representatives would take some useful steps to reduce unnecessary regulation but would also provide inadequate protection for captive shippers of coal.

Recommendation: Congress should assure adequate rate and service protection for captive shippers in any bills passed to reduce economic regulation of railroads.

3. Provide federal power of eminent domain for coal slurry pipelines.

Problem: Construction of coal slurry pipelines normally requires the crossing of rights-of-way of competing transportation modes. In some cases, this can result in protracted and expensive litigation to secure a right-of-way for the pipeline. Unnecessary costs and delays could be avoided by legislation granting federal power of eminent domain for slurry pipelines, thus allowing this transportation mode to compete on its own merits with other modes.

Recommendation: Congress should pass a straightforward, unencumbered bill providing the federal power of eminent domain for slurry pipelines.

4. Reduce waterway bottlenecks.

Problem: Bottlenecks exist on several waterways which are important routes for transporting coal.

Recommendation: The Congress should authorize and fund work by the Corps of Engineers on Locks and Dam 26 on the Mississippi River (authorized in 1977), The Gallipolis Locks and Dam and work on maintenance, design and construction to relieve other waterway bottlenecks.

5. Roads, highways and bridges should receive states' attention.

Problem: Inadequate roads, highways and bridges for haulting coal and rail-highway grade crossings are a serious problem in some states.

Recommendation: States traditionally have the responsibility for providing and maintaining roads, highways, bridges and grade crossing separations. States should carry out this responsibility. States should be given flexibility to allocate federal aid highway funds and grade separation funds for high priority uses.

6. Act on matters within current federal responsibility to reduce port congestion and increase coal handling capacity.

Problem: Port congestion problems on the East Coast—where piers, coal handling and coal storage facilities are principally owned and controlled by railroads—and the absence of a coal handling port on the West Coast are currently contributing impediments and delays in coal exports.

Recommendation: Specific recommendations for dealing with this problem are described in Part V.A.13 on page 31.

D. Adopt reasonable policies and programs affecting the assembling of mineable reserves—avoiding actions which could constrain future domestic coal supplies or push up prices.

1. Lease adequate quantities of federally owned coal.

Problem: The Federal government has monopoly control over most western coal reserves. It directly owns about 60 percent of all coal west of the Mississippi, and directly controls the development of an additional 15–25 percent of non-federal western coal by virtue of checkerboard ownership patterns. Furthermore, a complex and expanding set of laws and regulations gives the federal government increasingly absolute control over which reserves—east or west—are and are not produced, even on private lands. In short, for years to come, the Federal government will be in a position effectively to control the amount, location and price of coal in this nation.

Interior recently adopted a "Federal Coal Management Plan" (FCMP) and promised to end the 8-year moratorium on the significant leasing of federal coal. As Interior has begun to implement the plan, it has become clear that insufficient coal would be leased to meet future demands. Under the FCMP, Interior is excessively involved in determining where, how much and whose coal will be produced and used in particular geographic areas.

Furthermore, Interior is now moving ahead with so-called "diligent development" policies applicable to existing leases, and royalty policies for all coal leases which will further constrain supply and push up prices. Still other Interior Department policies—referenced earlier—threaten to prevent the development of large shares of the nation's coal reserves by labeling those reserves "unsuitable for mining".

The net effect of the current Interior policies will almost certainly result in constraints on coal supplies beginning in the late 1980's and unwarranted, government-induced increases in coal prices.

Recommendation: Interior Department should sharply increase the quantities of coal that it offers for lease. All coal for which land use planning is completed should be offered for lease. The risks of under-leasing far outweighs any risks of over-leasing.

2. Change existing "Diligent development" and "continuous production" requirements for federally leased coal.

Problem: Interior's proposed program would implement the so-called "diligent development" requirements contained in Interior's regulations. These requirements would create an artificial and economically indefensible requirement to produce federal coal when not justified by market conditions. Failure to actually produce would lead to lease termination proceedings, but meeting production requirements in the absence of a market could disrupt the economic viability of the operation and the market.

Recommendation: The President should direct the Secretary of Energy to consider and propose for adoption alternative means whereby the requirement for "diligent development" of a federal coal lease may be satisfied without requiring artificial and unnecessary stimulation of excess productive capacity.

3. Avoid excessive withdrawals of federal land from mining and new land use planning and control requirements which interfere unnecessarily with assembling or development of coal reesrves.

Problem: Three major federal programs for withdrawal of Federal lands are currently in progress:

The program of the Bureau of Land Management (Interior) under the Federal Land Policy and Management Act (FLPMA) to review roadless areas for possible future inclusion in wilderness preservation systems.

The program of the U.S. Forest Service (Agriculture) to review lands subject to their jurisdiction for similar purposes ("Roadless Area Review and Evaluation," or "RARE" and "RARE II").

Legislation to provide for major withdrawal of so-called "public interest lands" in Alaska.

These withdrawal programs could preclude development of significant coal reserves.

In addition, pending legislation—such as proposed "National Heritage Policy" and "Non-game Fish and Wildlife" bills could lead to substantial new federal land use planning and control requirements applicable to private and public lands. These bills could also make more difficult the siting of energy transportation and utilization facilities.

Recommendations: The President or the Congress should assure that:

Lands not be withdrawn prior to completion of mineral surveys sufficient to permit sound judgments as to the best balance among energy, environmental and economic objectives when decisions are made.

Full or partial withdrawal of lands from entry should not preclude continued exploration.

Congress should avoid passing unnecessary new land use planning and control bills affecting development of private lands.

E. Make it more practicable to get government approvals for siting, constructing and operating energy facilities.

Problem: Dozens or even hundreds of permits and approvals are required from federal, state and local government agencies to site, construct and operate some energy facilities. In some cases, underlying requirements present unreasonable barriers to approvals. In other cases, the complexity and inherent delays prevent or discourage facilities to increase energy production, transportation and use of domestic energy.

Recommendation: Excessive or unnecessary restrictions in existing laws and regulations should be removed as outlined in earlier parts of this paper. Creation of an Energy Mobilization Board with adequate authority to expedite approvals and overcome unreasonable requirements could help increase domestic energy production.

F. Reorganize federal coal mining R&D programs and increase funding.

Problems: From 1969 to 1977, productivity losses (tons per man per day) in underground mines have been nearly 45 percent and surface mines nearly 25 percent. Improvements in productivity are dependent upon technological advances in both underground and surface mining. As in the case of other situations where federal funding for R&D is appropriate, individual firms generally cannot justify the R&D expenditures that would be needed to make innovative technological improvements needed for production, safety and environmental protection purposes.

However, the President has proposed recision of some federal funds for coal mining R&D already available for 1980 in the Department of Energy and proposed further cuts in FY 1981. Further, federal coal mining related technology programs have suffered from fragmentation and diversion of authorized personnel to other programs as a result of the creation of the DOE. Actually, programs are now scattered in several agencies.

Recommendations: Congress should restore federal funding in FY 1980 and FY 1981 for coal mining and utilization R&D to the levels needed to pursue promising technologies for improving the production and increasing the environmentally acceptable utilization of coal.

Coal mining technology programs now fragmented and scattered among several agencies should be consolidated so as to provide at least one strong lead program and to improve coordination of that program and other related programs that must remain in other agencies.

G. Increase federal funding for Coal Utilization R&D.

Problem: Coal utilization R&D is important in making coal use more environmentally acceptable and in bringing technology for gasifying and liquefying coal to stages of commercial availability. Widespread commercial use of gasification and liquefaction technology is necessary to permit coal use beyond its traditional markets and increase its role in reducing dependence on insecure foreign sources of energy.

Overall federal funding for coal utilization would be increased in the President's FY 1981 budget request for DOE. However, increases are largely for construction projects and for a few technologies. Funding for other important projects has been reduced and some projects are scheduled for cancellation.

Recommendation: Congress should increase FY 1981 funding for coal utilization R&D.

Because of the large number of problems warranting attention, many of the descriptions and recommendations above are brief. The NCA is prepared to provide additional information and details.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Phillip Burton (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Cotter (at the request of Mr. Wright), for today, on account of official business.

Mr. Albosta (at the request of Mr. Wright), for today, on account of official business.

Mr. Vento (at the request of Mr. Wright), for today, on account of official business.

Mr. Corman (at the request of Mr. Wright), for today, on account of official business.

Mr. Rodino (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Walker) to revise and extend their remarks and include extraneous material:)

Mr. McClory, for 60 minutes, on June 4.

Mr. Quayle, for 5 minutes, today.

Mr. Kemp, for 30 minutes, today.

(The following Member (at the request of Mr. Rousselot) to revise and extend his remarks and include extraneous material:)

Mr. Tauke, for 5 minutes, today.

(The following Members (at the request of Mr. Mica) to revise and extend their remarks and include extraneous material:)

Mr. Shelby, for 5 minutes, today.
Mr. Gonzalez, for 60 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. AuCoin, for 5 minutes, today.
Mr. Roberts, for 5 minutes, today.
Mr. Stewart, for 5 minutes, today.
Mr. Drinan, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Pease, for 5 minutes, today.
Mr. Kastenmeier, for 5 minutes, today.
Mr. Brademas, for 5 minutes, today.
Mr. Dodd, for 10 minutes, today.
Mr. Montgomery, for 5 minutes, today.
Mr. Wright, for 5 minutes, today.
Mr. Daschle, for 5 minutes, today.
Mr. Ullman, for 5 minutes, today.
Mr. Thompson, for 5 minutes, today.
Mr. Nelson, for 5 minutes, today.
Mr. Neal, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bauman, and to include extraneous matter, on H.R. 6942 in the Committee of the Whole today.

Mr. Zablocki, and to include extraneous matter, on H.R. 6942 in the Committee of the Whole today.

Mr. Rahall, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $3,144.

(The following Members (at the request of Mr. Walker), and to include extraneous matter:)

Mr. Royer in two instances.
Mr. Derwinski in five instances.
Mr. Shumway.
Mr. Wydler in two instances.
Mr. Horton.
Mr. Green.
Mr. Schulze.
Mr. Corcoran.
Mr. Ashbrook in three instances.
Mr. Michel in two instances.
Mr. Hyde in two instances.
Mr. Quayle.
Mr. Frenzel in three instances.
Mr. Anderson of Illinois.
Mr. Lagomarsino.
Mr. Lott.
Mr. Bereuter in two instances.
Mr. Kramer.
Mr. Collins of Texas in two instances.
Mr. Bob Wilson in two instances.
Mr. Sensenbrenner.
Mr. Conable.
Mr. Daniel B. Crane.
Mr. Williams of Ohio in three instances.
Mr. Coughlin.
Mr. Moore.
Mr. Clinger.
Mr. Goldwater.
Mr. Hillis.
Mr. Kemp in two instances.
Mr. Conte.
Mr. Stockman.
Mr. Symms.

(The following Members (at the request of Mr. Mica) and to include extraneous matter:)

Mr. Coelho.
Mr. Fazio.
Mr. Mineta.
Mr. Solarz in three instances.
Mr. Nichols.
Mr. St Germain.
Mr. McDonald.
Mr. Maguire.
Mr. Gudger in two instances.
Mr. Ireland.
Mr. Peyser.
Mr. Applegate in two instances.
Mr. Mazzoli in two instances.
Mr. Dodd in two instances.
Mr. Cavanaugh in two instances.
Mr. Edgar.
Mr. Long of Maryland in two instances.
Mr. Ratchford.
Mr. Ottinger in two instances.
Mr. Barnes.
Mr. Dingell.
Mr. McKay.
Mr. Danielson in five instances.
Mr. Lehman.
Mr. Brodhead.
Mr. Daschle in two instances.
Mr. Kastenmeier.
Mr. Drinan.
Mr. Pepper.
Mr. Nowak in five instances.
Mr. Zablocki in two instances.
Mr. Conyers.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 91. An act to amend title 10, United States Code, to remove certain inequities in the Survivor Benefit Plan provided for under chapter 73 of such title, and for other purposes; to the Committee on Armed Services.

S. 1250. An act to promote U.S. technological innovation for the achievement of national economic, environmental, and social goals, and for other purposes; to the Committee on Science and Technology.

S. 2769. An act to provide an extension of the time frame for nomination of a selection pool under the Cook Inlet land exchange; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 38 minutes p.m.), under its previous order, the House adjourned until Tuesday, June 3, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4494. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the Department's decision to contract the performance of a commercial or industrial-type function at Seymour Johnson Air Force Base, N.C., from Department of Defense employees to S. & G. Services, Inc., Dunn, N.C., pursuant to section 806(a)(2)(B) of Public Law 96-107; to the Committee on Armed Services.

4495. A letter from the president, National Corporation for Housing Partnerships, transmitting the corporation's annual report; to the Committee on Banking, Finance and Urban Affairs.

4496. A letter from the Secretary of Labor, transmitting a report on the study of means to assist high-unemployment groups, pursuant to section 4(d)(3) of the Fair Labor Standards Act, as amended; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 691. Resolution providing for the consideration of H.R. 7428. A bill to extend the present public debt limit through June 30, 1980 (Rept. No. 96–1062). Referred to the House Calendar.

Mr. NEDZI: Committee on House Administration. H.R. 7302. A bill to amend section 1719 of title 44, United States Code, to transfer to the Superintendent of Documents the function of distributing Government publications to certain foreign governments (Rept. No. 96–1063). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 3486. A bill to limit governmental search and seizure of materials possessed by persons involved in first amendment activities, to provide a remedy for persons aggrieved by violations of the provisions of this act, and for other purposes; with amendments (Rept. No. 96–1064). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 7471. A bill to extend the present public debt limit through June 5, 1980.

By Mr. CONABLE:

H.R. 7472. A bill to amend the Internal Revenue Code of 1954 to provide that meals furnished by employers to employees which are excluded from income shall not be subject to employment taxes; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 7473. A bill to amend the Federal Rules of Criminal Procedure to provide a procedure through which certain criminal cases can be transferred to new judges; to the Committee on the Judiciary.

By Mr. FUQUA (for nimself, Mr. Ottinger, Mr. Roe, Mr. Blanchard, Mr. Watkins, Mr. Nelson, Mr. Ertel, Mr. Fish, Mr. Goldwater, Mr. Mineta, Mr. Studds, Mr. Moorhead of Pennsylvania, Mr. Pepper, Mr. Heftel, Mr. Corrada, Mr. Emery, Mr. Lehman, Mr. Akaka, Mr. Murphy of New York, Mr. Beilenson, Mr. Lagomarsino, Mr. Glickman, Mr. Carter, Mr. Gibbons, Mr. Whitehurst, Mr. Murphy of Pennsylvania, Mr. Lloyd, Mr. Flippo, Mr. Dornan, and Mr. Simon):

H.R. 7474. A bill to provide for an accelerated research and development program to achieve early applications of ocean thermal energy conversion systems and for other purposes, to the Committee on Science and Technology.

By Mr. KASTENMEIER:

H.R. 7475. A bill to amend title 28, United States Code, to provide that the Federal tort claims provision of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes; jointly, to the Committees on the Judiciary and Armed Services.

By Mr. HUGHES:

H. Con. Res. 348. Concurrent resolution expressing the sense of the Congress with respect to Cyprus; to the Committee on Foreign Affairs.

By Mr. MICA:

H. Con. Res. 349. Concurrent resolution stating that the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate should make every effort to develop legislative proposals which maintain the cost-of-living adjustment for Federal retirees; to the Committee on Post Office and Civil Service.

By Mr. STUMP:

H. Con. Res. 350. Concurrent resolution declaring that the Congress does not favor the withholding of income tax on interest and dividend payments; to the Committee on Ways and Means.

MEMORIAL

Under clause 4 of rule XXII,

486. The SPEAKER presented a memorial of the General Assembly of the State of Iowa, relative to the reevaluation of Iowa's air quality regulations to allow for the burning of more coal, which was referred to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STOCKMAN presented a bill (H.R. 7476) for the relief of Caliopi Sue McDaniel, which was referred to the Committee on Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions, as follows:

H.R. 1600: Mr. Daniel B. Crane, Mr. Shumway, Mr. Findley, Mr. Lujan, Mr. Pashayan, Mr. Miller of Ohio, Mr. Evans of Delaware, Mr. Leach of Iowa, Mr. Lent, and Mr. Wolpe.

H.R. 4949: Mr. Gibbons.

H.R. 5099: Mr. Studds.

H.R. 6587: Mr. Mavroules, Mrs. Chisholm, Mrs. Fenwick, Mr. Miller of California, Mr. Stark, Mr. Kildee, Mr. Mineta, Mr. Weaver, Mr. Hollenbeck, Mr. Bonior of Michigan, Mr. Edgar, Mr. Garcia, Mr. Wirth, and Mr. Maguire.

H.R. 6813: Mr. Pepper.

H.R. 6978: Mr. Richmond, Mr. Shumway, and Mr. Loeffler.

H.R. 7240: Mr. Nowak and Mr. Cheney.

H.R. 7333: Mr. Skelton.

H.J. Res. 300: Mr. Beard of Rhode Island.

H.J. Res. 307: Mr. Mathis, Mrs. Spellman, Mr. Young of Florida, Mr. Mollohan, Mr. Montgomery, Mrs. Holt, Mr. Wyatt, and Mr. Paul.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5200

Mr. SENSENBRENNER:

—Page 9, strike out line 4 and all that follows through line 18 and insert in lieu thereof the following:

Sec. 7. (a) Section 808(c) of the Act entitle "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90–284, approved April 11, 1968) is amended by striking out "5362" and inserting "5372" in lieu thereof.

Page 18, strike out line 10 and all that follows through line 6 on page 30, and insert in lieu thereof the following:

"ENFORCEMENT BY SECRETARY; PRELIMINARY MATTERS

"Sec. 310. (a) Whenever an aggrieved person, or the Secretary on the Secretary's own initiative, files a charge alleging a discriminatory housing practice, the Secretary shall serve a notice of the alleged discriminatory housing practice on the party charged (hereinafter in this title referred to as the 'respondent') within 10 days after such filing, and shall make an investigation thereof. Upon receipt of such charge, the Secretary shall serve notice upon the aggrieved person acknowledging receipt of the charge and advising the aggrieved person of the time limits and choice of forums provided under this title. Such charges shall be in writing under oath or affirmation and shall contain such information and be in such form as the Secretary requires. An aggrieved person shall file a charge under this section with the Secretary not later than one year after the alleged discriminatory housing practice occurred or terminated. The Secretary may also investigate housing practices to determine whether charges should be brought under this section or new rules should be made under this title.

"(b) (1) In connection with any investigation of such charge, the Secretary shall, at reasonable times, have access to, and the right to copy, any information that is reasonably necessary for the furtherance of the investigation. The Secretary may issue subpenas to compel such access to or the production of such information, or the appearance of persons, and may issue interrogatories to a respondent, to the same extent and subject to the same limitations as would apply if the subpenas or interrogatories were issued or served in aid of a civil action in the United States district court for the district in which the investigation is taking place. The Secretary may administer oaths.

"(2) Upon written application to the Secretary, a respondent shall be entitled to the issuance of a reasonable number of subpoenas by and in the name of the Secretary to the same extent and subject to the same limitations as subpoenas issued by the Secretary under pararaph (1) of this subsection.

"(3) Witnesses summoned by subpoena of the Secretary under this title shall be entitled to the same witness and mileage fees as are witnesses in proceedings in United States district courts.

"(4) The Secretary or other party at whose request a subpoena is issued under this title may enforce such subpoena in appropriate proceedings in the United States district court for the district in which the person to whom the subpoena was addressed resides, was served, or transacts business.

"(5) Any person who willfully fails or neglects to attend and testify or to answer any lawful inquiry or to produce records, documents, or other evidence, if in such person's power to do so, in obedience to the subpoena or lawful order of the Secretary under this title, shall be fined not more than $1,000. Any person who, with intent thereby to mislead the Secretary shall make or cause to be made any false entry or statement of fact in any report, account, record, or other document produced pursuant to the Secretary's subpoena or other order, or shall willfully neglect or fail to make or cause to be made full, true, and correct entries in such reports, accounts, records, or other documents, or shall willfully mutilate, alter, or by any other means falsify any documentary evidence, shall be fined not more than $1,000

"(c) Whenever a charge alleges a discriminatory housing practice within the jurisdiction of a State or local public agency certified by the Secretary under this paragraph, the Secretary shall, within 30 days after receiving such charge and before taking any action with respect to such charge, refer such charge to that certified agency. The Secretary shall, after that referral is made, take no further action with respect to such charge, if the appropriate State or local law enforcement official has, before 90 days after the date the alleged offense has been brought to such official's attention, commenced proceedings in the matter, and, having so commenced proceedings, carries forward such proceedings with reasonable promptness. An agency shall be certified under this subsection if the Secretary determines that the substantive rights protected by that agency, the procedures followed by that agency, the remedies available to such agency, and the availability of judicial review of such agency's action, are substantially equivalent to those created by and under this title. Before making such certification, the Secretary shall take into account the current practices and past performance, if any, of such agency. Any State or local agency may submit a written request for certification to the Secretary. Unless the Secretary interposes a written objection within 90 days after such submission, such State or local agency shall be deemed certified within the meaning of this title. If the Secretary objects within the prescribed 90-day period, he shall provide the State or local agency with an explanation specifically outlining the reason for his decision, and such decision shall be subject to review by the appropriate United States district court.

"(d) The Secretary and other Federal agencies having authority to prevent housing discrimination shall cooperate and seek to avoid duplication of effort in the exercise of their several authority. The Secretary and such other Federal agencies shall notify each other of any allegation of housing discrimination which may be within their respective responsibilities. The Secretary or such other Federal agency shall, upon such notification, take additional appropriate action.

"REFERENCE FOR FURTHER ENFORCEMENT

"SEC. 811. (a) If the Secretary concludes on the basis of a preliminary investigation of a charge that prompt judicial action is necessary to carry out the purposes of this title, the Secretary may refer the matter to the Attorney General and the Attorney General may bring an action for appropriate temporary or preliminary relief pending final disposition of such charge. Any temporary restraining order or other order granting preliminary or temporary relief shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure.

"(b) At any time after the filing of a charge, the Secretary shall endeavor to resolve such charge by conciliation. If any party against whom a charge is filed refuses to participate in the conciliation process, the Secretary may grant to the aggrieved person not more than $500 for the legal fees and other expenses of commencing a civil action under this title against that party so refusing. Nothing said or done in the course of conciliation may be made public or used as evidence in a subsequent proceeding under this title without the written consent of the persons concerned. Any employee of the Secretary who makes public any information in violation of the immediately preceding sentence shall be fined not more than $1,000. A conciliation agreement may provide for binding arbitration of the dispute arising from the complaint. If the conciliation agreement provides for such arbitration, the Secretary may issue such orders as are necessary to enforce such agreement, including an order that the breaching party pay to the other party not more than $500, after determining that there has been a breach of that agreement. Any arbitration that results from a conciliation agreement under this section may award appropritae specific relief to the person aggrieved and damages of not more than $500 for actual loss, insult, or emotional distress.

"(c) If the Secretary determines, after an investigation under this section, that reasonable cause exists to believe the charge is true, the Secretary shall refer the matter to the Attorney General for the filing of an appropriate civil action under section 813(b) of this title. Such determination in the case of a charge made by an aggreived person may not be made later than 270 days after the filing of such charge. After each investigation under this section, the Secretary shall provide to each aggrieved person and each respondent a copy of the findings of such investigation.

"PRIVATE ENFORCEMENT

"SEC. 812. (a) (1) An aggrieved person may commence a civil action in an appropriate United States district court or State court at any time not later than two years after the alleged discriminatory housing practice occurred or terminated.

"(2) Upon timely application, the Attorney General may intervene in such civil action, if the Attorney General certifies that the case is of general public importance.

"(b) Upon application by an aggrieved person, any trial or appellate court may, in such circumstances as it deems just, appoint an attorney for such person and may authorize the commencement or continuation of the action without the payment of fees, costs, or security.

"(c) In a civil action under this section, a court may award such relief as may be appropriate, which may include money damages, equitable and declaratory relief, and, in the case of a willful violation, punitive damages not to exceed $10,000.

"(d) (1) It is the sense of the Congress that United States magistrates should be used by the courts to the maximum feasible extent to expedite litigation under this section.

"(2) The Secretary shall to the maximum feasible extent provide technical assistance to persons requesting it who anticipate they may file charges under this title or commence civil actions under this section. Such assistance shall include the filling out of forms, investigation, and evidence gathering.

"ENFORCEMENT ROLE OF ATTORNEY GENERAL

"SEC. 813. (a) Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title, or that any group of persons has been denied any of the rights granted by this title and such denial raises an issue of general public importance, the Attorney General may bring a civil action in an appropriate United States district court.

"(b) The Attorney General may bring a civil action in an appropriate United States district court to remedy any discriminatory housing practice (1) with respect to which the Secretary has made a finding that reasonable cause exists under this title and (2) which the Secretary refers to the Attorney General for enforcement under this subsection.

"(c) The court may award such relief in any civil action under this section as is authorized in section 812(c) of this title in cases brought under that section.

"(d) A person may intervene in any civil action commenced under this section which involves an alleged discriminatory housing practice with respect to which such person is an aggrieved person.

"ANCILLARY AND PROCEDURAL MATTERS RELATING TO ENFORCEMENT

"SEC. 814. (a) In any action or proceeding under this title, the court, in its discretion, may allow a prevailing party (other than the United States with respect to attorney fees) reasonable attorney and expert witness fees as part of the costs, and the United States shall be liable for such costs the same as a private person. Such costs may also be awarded upon the entry of any interlocutory order which determines substantial rights of the parties.

"(b) Any court in which a proceeding is instituted under this title shall assign the case for hearing at the earliest practicable date and cause the case to be in every way expedited.

"(c) Any sale, encumbrance, or lease executed before the issuance of any court order under this title, and involving a bona fide purchaser, or encumbrancer, or tenant without actual notice of the existence of the filing of a complaint or civil action under this title shall not be affected by such court order

EXTENSIONS OF REMARKS

RESOLUTION INTRODUCED TO EXPRESS OPPOSITION OF THE HOUSE TO AGE DISCRIMINATION IN SELECTION OF FEDERAL JUDGES

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. PEPPER. Mr. Speaker, I am today introducing a resolution which expresses the sense of opposition of this House to the policy of age discrimination maintained by the American Bar Association and Department of Justice in nominating candidates for Federal judgeships. Joining me as the prime cosponsors are many key members of the House Judiciary Committee and Select Committee on Aging, including my good friend, Father BOB DRINAN, who has been a devoted advocate for the elderly on our Aging Committee, and my distinguished colleague from California, Representative GEORGE DANIELSON. We are particularly pleased to have the strong support and cosponsorship of Judiciary Committee Chairman PETER RODINO and ranking minority member, BOB MCCLORY.

As chairman of the House Select Committee on Aging, I chaired recent hearings on this subject with Father DRINAN. Our hearing demonstrated that the Federal Government and American Bar Association have joined together and sanctioned the use of age discrimination in selecting Federal judgeships. Testimony by both ABA and Justice Department officials revealed that individuals over 64 were automatically disqualified regardless of their legal skills, court experience, judicial temperament, or character. Individuals over 60 and under 64 are also barred from consideration except in a handful of isolated instances. The most recent victim of this rule seems to have been Archibald Cox, one of our foremost attorneys and one of the best legal minds in the country.

It is an affront to our sense of justice to arbitrarily maintain a policy of only endorsing candidates under 60 years of age. Ageism is just as odious to the American concept of equality as racism or sexism. I am convinced that if there is a correlation between age and the ability to perform the functions of a judge, then age would be a positive factor. The passage of years has often been said to bring with it greater understanding, experience, wisdom, judgment, and prudence. The practice of age discrimination dismisses the fullness of years as the decay of age. To do so is to ignore the contributions of Oliver Wendell Holmes who was appointed to the Supreme Court at 60 and served with distinction to age 91. Mr. Justice Black served until he was 85, Mr. Justice Brandeis until he was 83, Mr. Justice Harlan until 72, and each of them demonstrated sharp and penetrating minds throughout their careers. Testimony presented at our hearing brought out that 31 percent of the Nation's district and circuit active judges are over 60 and 22 percent over 65.

Witnesses at our hearing included Judge Sarah Hughes, now 83, who has served as a district court judge since she was 64. We also heard from two individuals denied appointment as Federal judges because of age: Nicholas Udall of Arizona and Heman Clark of North Carolina.

Since the hearing, the American Bar Association's own Commission on Legal Problems of the Elderly has adopted a resolution citing the existing ABA guideline as being "in conflict with the spirit of the Age Discrimination in Employment Act." The commission recommended changing the current ABA policy so that it is not based on age. In addition, the U.S. Senate on April 1 passed a resolution by the overwhelming margin of 97 to 0 calling for an end to the existing policy of age discrimination.

Mr. Speaker, this House has always taken bold action in opposition to ageism. I recall in particular the vote of 359 to 4 by which we voted to eliminate mandatory retirement for most Federal workers. Now we must again join together and serve notice that we will not tolerate a policy that assumes that at the stroke of midnight on a 60th birthday, age automatically strips away keen insight, devours all astuteness, and otherwise renders a sage and prudent individual as unfit for the Federal bench. It is this practice of arbitrary age discrimination—and not the outstanding 60-year-old candidate for a Federal judgeship—that should be discarded as antiquated, outdated, and ill suited for service in these modern times. I am hopeful that in the coming weeks the Members of this House will join with us in proclaiming our opposition to this form of ageism.

The test of the resolution follows:

H. RES. —

Resolution expressing the sense of the House of Representatives with respect to the policy of the Standing Committee on Federal Judiciary of the American Bar Association and the United States Department of Justice pertaining to potential nominees for lifetime Federal judgeships who, but for their age, might otherwise be found qualified

Whereas the Standing Committee on Federal Judiciary of the American Bar Association does not recommend an individual sixty years of age or older for an initial appointment to a lifetime Federal judgeship unless in excellent health and evaluated as "well qualified" or "exceptionally well qualified";

Whereas the Standing Committee on Federal Judiciary of the American Bar Association does not recommend an individual over sixty-four years of age for initial appointment to a lifetime Federal judgeship;

Whereas the Standing Committee on Federal Judiciary of the American Bar Association employs stricter criteria for considering district judges over sixty years of age for appointment to the courts of appeals;

Whereas the Attorney General of the United States is in general agreement with the policy of the Standing Committee on Federal Judiciary of the American Bar Association;

Whereas the policy of the Standing Committee on Federal Judiciary of the American Bar Association, as followed by the Attorney General of the United States, contradicts the spirit of the Age Discrimination in Employment Act Amendments of 1978 (29 U.S.C. 621 et seq.), and contradicts the spirit of the merit selection guidelines set forth in Executive Order 12059, pertaining to the selection of circuit judges, and Executive Order 12097, pertaining to the selection of district judges; and

Whereas the effect of the policy of the Standing Committee on Federal Judiciary of the American Bar Association, and the general concurrence with that policy by the Attorney General of the United States is to discriminate against qualified individuals solely on the basis of age: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Standing Committee on Federal Judiciary of the American Bar Association and the Attorney General of the United States immediately take all measures necessary to end discrimination against potential lifetime Federal judges who do not qualify solely as a result of arbitrary age barriers.●

AGE DISCRIMINATION IN THE SELECTION OF FEDERAL JUDGES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. DRINAN. Mr. Speaker, I join with my esteemed colleague, CLAUDE PEPPER, chairman of the Select Committee on Aging, on which I serve, in

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

introducing a resolution expressing the sense of the House that the Standing Committee on Federal Judiciary of the American Bar Association and the Attorney General of the United States should take all measures necessary to end discrimination against potential Federal judges who do not qualify solely as a result of arbitrary age barriers. A similar resolution was approved by the Senate on March 4, 1980.

On February 13, 1980, Congressman PEPPER and I cochaired a hearing of the Select Committee on Aging to explore the problem of age discrimination in the selection of Federal judges. Both the Department of Justice and the American Bar Association play a crucial role in the selection of persons to fill judicial positions available under the Omnibus Judgeships Act of 1978. I was directly involved in the drafting of that legislation and I have had an abiding interest in its implementation.

The Attorney General investigates candidates named by the nominating commissions and makes recommendations to the President, who makes the actual appointment. The names of possible nominees are submitted to the American Bar Association for its evaluation. The standards for evaluating proposed nominees are set forth in Presidential Executive Order No. 12097, 43 FR 52455, November 8, 1978. These standards relate to the nominee's character and integrity, judicial temperament, health, and legal ability. Of course the enumerated standards do not include factors such as age, race, sex, or creed of the nominee.

The American Bar Association through its Standing Committee on Federal Judiciary rates candidates as being in one of these five categories: Exceptionally well qualified, well qualified, qualified, not qualified, or not qualified by reason of age. The ABA in its booklet "Standing Committee on Federal Judiciary: What It Is and How It Works" makes the following statement about the rating of "not qualified by reason of age":

> Not Qualified by Reason of Age applies to persons who, but for their age, might otherwise be found qualified. An individual 60 years of age or older is not recommended for an initial appointment to a life-time federal judgeship unless in excellent health and evaluated as "Well Qualified" or "Exceptionally Well Qualified." In no event are persons over 64 recommended for initial appointment. The Committee also employs stricter criteria in considering District Judges over 60 for possible elevation to the Courts of Appeals.

It is noteworthy that this antiquated, outdated, and ill-conceived policy is not applicable to Supreme Court appointments. Oliver Wendall Holmes was appointed to the Supreme Court at age 60 and served with distinction until age 91. Mr. Justice Black served until he was 83 and Mr. Justice Harlan until he was 72. Mr. Justice Douglas began his career on the Court at the age of 41 and served until he was 77.

According to figures from the Administrative Office of the U.S. Courts, 237 or 31 percent of 562 district and circuit active judgeships are held by jurists who are 60 years of age and older. Of these 122 or slightly more than half are 65 and older.

I am pleased to note that since our committee's hearing and passage of the Senate resolution, the American Bar Association's Commission on Legal Problems of the Elderly urged its parent organization to respond expeditiously and affirmatively to Senate Resolution 374 which calls for the end of age discrimination in the selection of Federal judges.

There have been several apparent victims of this discriminatory policy including Archibald Cox, a candidate for a seat on the U.S. Court of Appeals for the First Circuit. Professor Cox, who I am pleased to say is a constituent of mine, was cited as the first choice for this appointment in a list of five candidates submitted to the Justice Department by the U.S. Circuit Judge Nominating Commission. Though Professor Cox has never commented on the situation, both the Boston Globe and the New York Times repeatedly cited age as the reason Professor Cox was not nominated.

Discrimination against particular groups in the important area of judicial selection can only undermine public confidence in the process. Decisions must be made on the basis of merit and merit alone. The quality of appointments and ultimately the quality of justice will suffer if qualified candidates are rejected for reasons other than those bearing on judicial competence.

There is no scientific or medical support for the bland assumption that persons over age 64 are less likely than younger persons to be capable of performing judicial functions. The usually cautious American Medical Association took an early lead in opposing mandatory retirement.

I am reminded of the excellent presentation of Judge Sarah Hughes when she appeared at our committee's hearing on this issue. Judge Hughes is now 83 and is the senior judge for the U.S. District Court for Texas, Northern District. When Judge Hughes was nominated in 1961 at the age of 64 she was found by the ABA not qualified by reason of age. However the Senate confirmed her and it has been said that a factor in her confirmation was the perception that since women have longer life spans than men she should be subject to a less restrictive policy than that of the ABA.

In my view the ABA and Department of Justice policy is especially discriminatory for women. Women attorneys are just beginning to secure increasing appointments to the Federal bench. Often their careers were started later and this policy serves to limit their opportunities.

It should never be assumed that persons under the arbitrary age of 65 have ahead of them more years of productive service than do those over age 65. Productivity is more a function of circumstances, temperament, and genetic makeup than it is of age.

I am aware of no legal authority whereby the Justice Department is authorized to discriminate on the basis of age in making recommendations for judicial positions. Age discrimination plainly is contrary to Executive Order 12097 which enumerates the standards to be considered in the judicial selection process. Moreover such a policy, in my view, violates the spirit if not the letter of the Age Discrimination in Employment Act.

I commend Senator DENNIS DECONCINI, chairman of the Senate Judiciary Subcommittee on Improvements in Judicial Machinery, for his leadership on this issue and for his introduction of the Senate resolution.

Congressman PEPPER and I intend to offer the resolution we introduce today, as an amendment to the Department of Justice authorization for fiscal 1981 which will soon be before this House. It is my hope that our adoption of this resolution will convince the Department of Justice and the American Bar Association to abandon the outrageous policy of age discrimination in the selection of Federal judges.●

HOUSE JOINT RESOLUTION 531

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. HILLIS. Mr. Speaker, as a cosponsor of House Joint Resolution 531, I know for a fact that the American people are adamantly opposed to the President's efforts to impose an oil import fee.

The President's import fee is nothing more than a tax on the American people. It is the President's way of balancing the Federal budget. The President seems intent on squeezing every possible dollar out of the American taxpayer. There can be no other rationale for the import fee; certainly energy conservation is a bogus argument.

I have seen estimates which indicate that the cost of placing a $4.62-per-barrel-import fee on oil would cost the American people $275 for each barrel saved. Not only would this be an extremely expensive mechanism, it is also ineffective. The Secretary of Energy, Charles Duncan, has estimated that the import fee would save 100 thousand barrels per day by the end of the first year. The United States consumes 20 million barrels of oil each day. To pay $275 per barrel in order to reduce consumption by one-half of 1 percent seems absurd.

In order to make his import fee more politically palatable the President has suggested that the cost of the fee be passed on only on gasoline. To assume that the import fee will only increase the cost of gasoline is to completely ignore the complexity of the oil industry. There is simply no effective enforcement mechanism to insure that refiners will not pass along the fee in the form of higher heating oil prices.

The President in his lust for higher taxes has exceeded his authority as noted by the courts in issuing the injunction against the import fee. However, our responsibility today is not to consider the legality of the President's actions. It is our duty to protect our constituents from suffering from his misguided efforts to increase their taxes.

I urge my colleagues to join with me in opposing the import fee. The fee will not conserve energy; it will only increase taxes.●

OLIVET BAPTIST CHURCH—A DISTINGUISHED HISTORY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. PICKLE. Mr. Speaker, last Sunday, I was privileged to attend the 52d anniversary celebration of Olivet Baptist Church in east Austin. The principal speaker was one of the Nation's most outstanding clerics, Dr. John R. Wheeler, pastor of the Vermont Avenue Baptist Church in Washington, D.C. Dr. Wheeler is internationally known for his spiritual and community leadership. His message was joyously received in Austin.

The celebration at Olivet was led by the church's pastor, Dr. Lawrence Wicks. In his 15 years of leading the congregation, Dr. Wicks has distinguished himself as an outstanding church leader and one of the most dynamic and active religious leaders in Austin. The congregation expressed appreciation to this dynamic man for his good works and his helping hand.

During the service, Mr. Jerrold Toliver reviewed a brief history of Olivet Baptist Church. I would like to share this history with my colleagues.

Olivet Baptist Church is known throughout central Texas for its dedicated membership and a gifted spiritual leader. We salute this fine institution for spreading the word of God and upholding moral values and religious freedom.

The article follows:

OLIVET BAPTIST CHURCH—A BRIEF HISTORY

The Olivet Baptist Church was organized May 4, 1928, in the Mosby-Lott Building, 607 San Jacinto Street. The Reverend M. M. Haynes was chosen temporary chairman, Mrs. B. J. Murphy was chosen temporary secretary.

The charter members consisted of about seventy-five in number. John W. Whitley offered as a name, Olivet Baptist Church. This name was accepted by the body.

Deacons and trustees were elected; J. W. Norris Sr., Bernard P. Fucles, William Owens, John Young, Lawrence Owens, Joe Gordon, John W. Whitley, L. A. Murphy, Edwin Owens, Bryan Howard, and J. C. Stevenson.

A week later, Reverend Joseph H. Harrington accepted the call to pastor this newly organized church. Reverend Harrington thus became the first in a line of illustrious pastors of Olivet Missionary Baptist Church.

The first Sunday services were held in the Mosby-Lott Building. A week later, an old house located on the corner of San Bernard and Cotton Street was purchased. The walls of the house were taken out, and services were held here until a tabernacle was built.

The membership continued to grow; and in September of 1942 a new edifice was erected at the same site. This new building was constructed under the leadership of the Reverend Frederick D. Davis.

Time marches on, so does God's church. With each new era, new deeds and new responsibilities are to be faced. Under the consecrated leadership of the late Reverend James M. McChristian, this present plant was designed and constructed. Groundbreaking services were held April 23, 1961, and on Sunday, February 18, 1962, God's people at Olivet dedicated the present church building to the glory of God.

In March 1965, Olivet extended a call to the Reverend Lawrence V. Wicks to become pastor of this thirty-eight year old congregation. A few days later, Reverend Wicks accepted this call.

Under the leadership of Reverend Wicks, the church took on a new dimension of growth. Special emphaisis was placed on Missions and Education. Many new improvements were made in the church plant, (ie) air conditioning, a church library, and convertible classrooms.

In 1972 a new church parsonage was designed and built at 6414 Bridgewater Drive. This ultra modern home shall serve as official residence for many pastoral families of Olivet in years to come. In 1973 and again in 1975, the call to World Missions was answered by Olivet when the church sponsored, each of these years, a month's mission of Reverend Wicks to churches in countries on the continent of Africa.

In 1975, Olivet received national honor and recognition from the National Baptist Convention U.S.A., Inc. for its support of all facets of the work of that great body. Olivet's pastor, Reverend Wicks, was signally honored as one of the 100 outstanding pastors of that large convention. Again in 1977, our pastor spent a month on the foreign field in countries of Africa.

In 1978, Olivet celebrated with a year long schedule of festivities, its fiftieth year of service. In the year 1978, by decree of the Foreign Mission Board of the National Baptist Convention U.S.A. Inc., a church is to be built in Johannesburg, The Republic of South Africa, named Olivet, in honor of the Olivet Baptist Church of Austin, Texas. This honor was bestowed upon Olivet in recognition of this church's support and concern for Foreign Missions.

From 1928 to 1980, fifty-two years have expired. Many who started with the organization have passed on; but according to Revelation 14:13, "Their works do follow them."

This present age is continuing to write the rest of the history of this great church. God is still in her midst. His spirit is still guiding. His hand is still providing, and under God's leadership, the victory is assured.●

APPOINTMENTS TO THE BOARD FOR INTERNATIONAL BROADCASTING

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. ZABLOCKI. Mr. Speaker, at a time when the United States faces many severe and critical challenges in its relations with the Soviet Union, it is essential, I believe, that the highest priority attention be accorded to our international broadcasting efforts.

These include not only the worldwide network of the Voice of America (VOA), which purports to explain and interpret U.S. policies, institutions, and culture to foreign audiences, but also the more specialized operations of Radio Free Europe (RFE) and Radio Liberty (RL), which provide millions of listeners within the Soviet Union and Eastern Europe with information about developments in their own countries—denied to them by their own governments.

Within the latter context, the role of the Board for International Broadcasting takes on special importance. The Board was the creation of Congress for the express purpose of receiving congressionally appropriated funds, allocating such funds to RFE and RL, and carrying out specifically mandated oversight functions.

As of April 30 of this year, the terms of three Board members, including the Chairman, Dr. John A. Gronouski, expired; according to recent press accounts, moreover, an intragovernmental dispute has arisen over their reappointment or possible replacement.

Like other Members of this body, I am concerned over such publicity, which I feel does a disservice both to the incumbents and to those distinguished individuals who have been publicly named as their potential successors. Whether legitimately or not, the old specter of CIA involvement in these broadcast operations has been raised once again—despite the clear intent of Congress to insulate the radios from any association with the intelligence function—via the mechanism of the Board for International Broadcasting Act of 1973.

In this connection, Mr. Speaker, I would like to insert in the RECORD at this time an editorial which recently appeared in Nowy Dziennik or Polish Daily News—a publication of the Polish-American community. The article makes two basic points: First, Dr. Gronouski has been an effective Chairman, enjoys the respect of the Congress as a whole, and has the confidence of U.S. organizations representing Americans of Eastern European background. Second, the membership of the Board for International Broadcasting should not be composed of individuals with an intelligence background or connection—however tenuous. This is in no way intended as an adverse reflection on the qualifications or integrity of any specific nominee under consideration.

To these two conclusions, both of which I believe are valid, I would merely add that the prompt reappointment of Dr. Gronouski and his two incumbent colleagues for another 3-year term would produce a broadly acceptable solution to what may well be largely a problem of image rather than of substance.

The article follows:

"The New York Times" and the "Washington Post" have recently published troubling reports of behind-the-scene maneuvers at Radio Free Europe and Radio Liberty, both stations broadcasting in native languages to Eastern Europe—among others, to Poland—and to the nations which make up the U.S.S.R.

Let us refresh our memory. Seven years ago, when Henry Kissinger began to consider closing both radio stations because they hampered detente, the U.S. Congress created an institution called the Board for International Broadcasting to oversee the budget and activities of both broadcasting stations.

That decision was extremely sensible and purposeful. In previous periods, for example, the Free Europe Committee, which ran Radio Free Europe, used funds appropriated to it by the CIA. This was one of the gravest imaginable mistakes, since it was a source of arguments against RFE, exploited by the Communists in claiming that the broadcasting station was tied with American intelligence. The same argument was applied to RL.

Every reasonable man grasped that the CIA did not supply RFE or RL with its own financial resources. Both organizations' budget was then, as now, appropriated from our money, money supplied by the American taxpayer. But this situation, as well as the fact that the CIA oversaw both broadcasting operations, created a distorted and harmful picture. The presence, in RFE's board, of people with a CIA connection aggravated the situation. The Polish-American press and all sensible people had for years been unsuccessfully protesting against that structure.

The change came just when the then management of RFE ran the organization into a crisis, closing, among others, the New York offices to save RFE's overseas budget in Munich, and making it more difficult to inform—among others—the Poles in Poland of Polonia's activities. This was the time when the U.S. Congress entered the picture, creating the Board for International Broadcasting as an open institution whose work was to be based on Congress' decisions, on a budget approved by the Congress, and on close cooperation with the Department of State and other agencies.

Three years ago, Mr. Carter appointed John Gronouski—an active member of American Polonia, a former U.S. Ambassador in Warsaw, professor of economics and public affairs at the University of Texas, and President of the Polish Institute of Arts and Sciences in America—as Chairman of the BIB. The politically aware circles of Polonia and other ethnic groups approved of this nomination which was confirmed by the Congress.

At present, the Carter Administration and the Congress are to decide whom to appoint and confirm as Chairman of BIB. Polish-Americans, who are concerned with broadcasts to Poland through the curtain of Communist censorship and efforts to sound the truly free word in Polish, have no doubt that the only logical decision is to request Dr. Gronouski to chair BIB for another term. He is popular in the Congress, has excellent relationship with Washington political circles and is trusted by social circles and groups of Americans of Eastern European descent. Finally, what is most important, he has a thorough knowledge of the problems of Eastern Europe. Thanks to his position, Dr. Gronouski could assure that both broadcasting organizations' budget was largely left untouched by cuts—more than budgets of other agencies and departments.

There have been rumors that bureaucrats from the White House and both stations are maneuvering so as to fill this position with someone else, someone lacking ties with Eastern Europe and unknown to ethnic groups. Again, names of people associated with the CIA are being mentioned. We do not wish to discuss the details at this point. Nor are we going to discuss the roles played by various personalities of time past.

We believe, however, that it is in the best interest of both stations, of broadcasting to Poland, and of ethnic groups of Eastern European-Americans, to request Dr. Gronouski to accept another term as Chairman of BIB and direct this institution in spite of the meddling by incompetent people and in spite of confusion which is being created artificially in this case.

RFE is financed out of our taxes. The budget for the BIB is voted on by our Representatives and Senators. We do, therefore, have an inherent right to monitor the situation and to speak about BIB, RFE and RL—highly, if the circumstances warrant, but also critically.●

PERSONAL EXPLANATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. NELSON. Mr. Speaker, due to official business in my district, I was absent for the final procedural vote on Thursday, May 22. If I had been present for rollcall No. 258, I would have voted "yes" on the motion to resolve the House into the Committee of the Whole to consider H.R. 6942, the International Security and Development Cooperation Appropriations Act.●

OPPOSITION TO BUDGET CONFERENCE REPORT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. DODD. Mr. Speaker, on May 7, the House of Representatives passed, with my full support, the first balanced budget resolution in 12 years. Balancing the budget for fiscal year 1981 was by no means an easy task, considering the need to strengthen our national defenses while at the same time protecting the vital interests of those who have been unable to participate fully in the challenges and rewards of our private enterprise system.

Nor were any of us totally satisfied with the priorities that emerged in the final House-passed resolution. Eleven different substitute amendments, all of which would have maintained a balanced budget, were considered and rejected prior to passage of the original House Budget Committee resolution. Several of them failed by close margins.

However, after days of gruelling effort and compromise, the House was finally able to pass a resolution that provided 3.4 percent real growth in defense, and maintained those programs that will undoubtedly prove necessary during the present economic downturn. Also, by eliminating the deficit, we were able to send a much needed signal to the American public that Congress is serious about cutting out the waste and fat and setting an example of spending discipline for everyone to follow. At the same time, Congress took into account the need to spread the sacrifice as evenly as possible among all segments of our Nation.

As I mentioned earlier, none of us was completely satisfied with the priorities embodied in the May 7 resolution. I had originally voted for the substitute amendment offered by Congressman David Obey of Wisconsin. That amendment, in my opinion, did more than any other amendment to cut out the real waste and provide for the maintenance of truly essential domestic programs. However, the House Budget Committee resolution, although less desirable in some respects than the Obey substitute, still holds what I view as considerable promise for reining in Federal spending and deficits in a fair manner while providing a carefully structured package that would adequately address our national economic and defense priorities.

It is in this spirit, however, that I must oppose the conference report on the first budget resolution. This report represents a serious misallocation of resources which threatens our economic health for years to come and will thus make it even more difficult to finance defense and domestic needs alike. This resolution slashes essential domestic programs beyond tolerable limits while providing increases in defense spending far beyond what the Defense Department feels it can effectively use.

Of particular importance is the fact that, in spite of major cuts in domestic and energy-related programs, this report reduces the budget surplus from $2 billion to $500 million. By cutting the surplus to just $500 million, the conference committee made an election year illusion of the balanced budget. By once again making deficit spending a certainty, and by further slashing economic growth-oriented programs in order to finance military projects that the Defense Department finds unnecessary, we will surely hamper our long-term economic recovery and thereby undermine our ability to finance our future defense and nondefense needs alike.

Also important are those transportation and energy programs which are crucial to our attempts to achieve energy independence. These programs were pared under the original House resolution in order to improve cost effectiveness. But the conference report recommends wholesale slashes amounting to $1.15 billion, thus seriously crippling these vitally important programs. In addition, the report recommends holding funding for low-income fuel assistance to 1980 levels—$1.6 billion. This figure takes into account neither the substantial increases in oil prices nor the fact that we had an exceptionally mild winter in 1980.

Our national transportation networks, already strained by obsolescence, and inadequate maintenance, face additional severe problems posed by the need to develop as efficient a mass transit system as possible. Our roads and highways are in disrepair, and the reality of scarce and expensive fuels means that mass transit will continue to grow in importance during the 1980's. But the conference report would require that an additional $850 million be cut from transportation programs on top of the $1 billion reductions included in the original Budget Committee resolution.

Our national energy problems obviously merit far greater attention than they are presently getting. For too long, we have neglected our growing dependence on foreign oil, the disposal problems associated with spent nuclear fuel, and other issues that all energy-intensive economies face.

The President's January budget contained $8.7 billion in outlays for energy programs. Considering the urgency of our energy problems, it is difficult to imagine how that amount could be viewed as excessive. Nevertheless, we did incur some cost savings in the amount of $1.6 billion when the House passed its resolution on May 7. To go further in slashing our energy budget is to neglect possibly the single most important domestic productivity issue we will face during the 1980's. More than any other commodity, energy must be assigned top priority if we are to maintain our national independence, insure continued prosperity, and avoid being subject to the whims of foreign oil producers whose international policy objectives differ with ours. To remove another $300 million from an already tight energy budget would place major limitations on our ability to establish a sound energy program.

Furthermore, it should be obvious by now that the Nation has entered what probably will be a deep, lengthy recession. This conference report would cut beyond responsible limits exactly those programs which are designed to encourage community development and job creation and provide vital human services for those who will suffer the most during this recession. This conference report will reduce these programs by a total of $2.15 billion in fiscal year 1981.

For these reasons, I cannot support a budget resolution that grossly distorts our national priorities, pays no attention to the expressed will of the House of Representatives, throws unwanted money at the Defense Department, and slashes programs whose success will be crucial in the 1980's—transportation, energy, community development, the environment.

In the end, this budget reneges on Congress commitment to the American people, the commitment to balance the budget in as fair, equitable and efficient a manner as possible.●

TERRORISTS STRIKE DOWN BROOKLYN YOUTH

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. SOLARZ. Mr. Speaker, I think it is important to bring to the attention of the Congress the brutal murder of one of my constituents, Howie "Zvi" Glatt, by Palestinian terrorists in Hebron. Howie, only 20 years old, was one of the six victims of the murderous PLO attack on peaceful Yeshiva students returning home from Sabbath prayers at the Cave of Machpela on Friday, May 2.

Although this horrible incident has been widely covered by the mass media, I do not believe that most of my colleagues, or the American public, are aware of the fact that not all of the victims were inhabitants of Kiryat Arba, the Jewish settlement outside of Hebron. Several of the victims, including Howie, were American citizens studying in Jerusalem, who were tragically struck down while visiting friends in Kiryat Arba.

Howie was, in many senses, a warm, concerned, gifted, typical American kid. A student engaged in the peaceful pursuit of religious studies at Yeshivat Merkaz Harav in Jerusalem, Howie wanted nothing more that fateful Friday night than to worship at the tombs of the ancestors of the Jewish people. When senselessly cut down by terrorists interested only in violence and destruction, he was just a few days shy of his 21st birthday.

This is hardly the first time that American citizens and many other foreign nations have been cold-bloodedly slain in PLO attacks, both in Israel and abroad. As Tuvyah Gross, the national youth leader of Bnei Akiva correctly noted shortly after the attack, this attack hopefully will remind "the American public that the PLO and their ilk threaten all of us and our way of life, here and around the world".●

FRANK HELDERMAN, SR., RECIPIENT OF THE WILLIAM CRAWFORD GORGAS AWARD

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. BEVILL. Mr. Speaker, one of Alabama's most vigorous supporters of improved public health care, Mr. Frank Helderman, Sr., of Gadsden, Ala., a close personal friend of mine and a resident of the Fourth Congressional District of Alabama which it is my privilege to represent, recently was honored by receiving the William Crawford Gorgas Award from the Alabama State Medical Association for his many contributions to improving health care facilities and health education programs in his State.

It is a pleasure for me to share with my colleagues an article which appeared in the May 21, 1980, issue of the Gadsden Times, describing a unique honor bestowed on Mr. Helderman by the Alabama State Legislature, in recognition of his receiving this award.

The article follows:

[From the Gadsden Times, May 21, 1980]

LEGISLATURE HONORS PUBLISHER

(By Jackie Harris)

MONTGOMERY.—Alabama representatives halted regular business during the frenzied last hours of the 1980 legislative session to honor Gadsden Times publisher Frank Helderman Sr. with a resolution commending him for receiving the William Crawford Gorgas Award, the state medical association's highest honor given to a person outside the medical profession.

After addressing the representatives, Helderman was congratulated on his achievements by Gov. Fob James, Lt. Gov. George McMillan and members of the Etowah County Legislative Delegation.

According to the local representatives, it is not unsual for an individual to be honored with a resolution but it is "very, very seldom" that an individual is presented the resolution in person and the recipient allowed to address the Legislature. In his office, Lt. Gov. McMillan told Helderman, "I'm glad the Senate and House of Representatives had the wisdom to honor you that way . . ."

House Speaker Joe McCorquodale presented the resolution to Helderman, saying the Alabama Legislature had observed the recent naming of Helderman as the recipient of the prestigious William Gorgas Award, which was presented to him in Montgomery April 18 in appreciation of his interest in the welfare of others.

Helderman was also cited for his leadership in raising funds for health care in the Gadsden area. The facilities that most particularly benefitted from his efforts are the CED Mental Health Center, both the Baptist Memorial and Holy Name of Jesus hospitals and the Gadsden State Junior College Nursing Program.

The house speaker noted that in gratitude for Helderman's beneficial efforts, the intensive care unit at the Baptist Hospital as well as the school of nursing building at the junior college have been named in Helderman's honor.

House Reps. Joe Ford and Bill Drinkard were sponsors of the resolution honoring Helderman. They along with Reps. Bob Harvey, Bill Adams and Sen. Hinton Mitchem escorted the guest of honor to the house speaker's stand. In a brief speech, Helderman expressed his appreciation for the tribute and praised the local delegates for their diligent work and cooperative spirit.

"This is a real honor," said Helderman to the representatives and some senators who had joined house members for the occasion. "I would not have dared interrupt you but I want to commend you for the work you are doing for all of us."

Both Gov. Fob James and the lieutenant governor concurred with Helderman's view of the legislators. "You have some fine representatives in both the House and Senate," McMillan said, adding it had been a long time since he had seen representatives who worked as well together. "They are people with the right motivation."

The state senator and representatives later explained why they had chosen to bestow the honor upon Helderman. "The delegation was extremely proud to play a small part in making this award to him," said Rep. Joe Ford, the senior member of the Etowah delegation who represents the western-most part of the county. "Mr. Helderman has contributed so much to the people of the state of Alabama and particularly to the Etowah County area in both the health and education fields.

"Because of this," Ford continued, "hundreds of students now are having the chance to gain an education and his contribution to the medical field is unmatched by anyone."

The co-sponsor of the resolution, Etowah County District 29 Rep. Bill Drinkard said the big honor was in Helderman's winning the prestigious award dedicated in memory of the Alabama native who helped make possible the construction of the Panama Canal by destroying yellow fever and bubonic plague carrying mosquitos and rats.

Drinkard in introducing Helderman to the House said the Spartanburg, S.C., native had worked his way up from an apprentice printer at a newspaper to the post of publisher, Drinkard said.

Another representative, Cherokee and Etowah County Rep. H. H. "Bill" Adams praised Helderman's work as a publisher. "It's a lonely road for an elected official to follow but when the news media calls attention to the needs and helps get the facts to the public, our job is easier. This is when people like Mr. Helderman and The Times are called upon to serve the public interest at the highest level. I appreciate very much the role Mr. Helderman plays not only in civic affairs but in the field of fair and accurate journalism," Adams said.

"We have a right to be proud of Mr. Helderman as a citizen and he completely deserves the honor given him at the Legislature," State Sen. Larry Keener said. "He is one of those citizens in our community who has spent a great deal of time over the year toward causes that would be beneficial to every member of the community, particularly in the field of education and health."

All of the representatives said it is seldom that an individual is presented the resolution in person. "It is very unusual for someone to be brought in and the House put into recess for a resolution to be presented," said District 27 Rep. Bob Harvey. "Very, very few are done this way so it is a real tribute to Mr. Helderman."

District 9 State Sen. Hinton Mitchem said he was glad to be part of the resolution "paying tribute to one of the finest citizens in Alabama who has meant much and done much not only for the people of Etowah County, but for the whole state."●

BIG GOVERNMENT VERSUS QUALITY DENTAL CARE

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, once again the Federal Government has overstepped its bounds in dealing with a problem. As is the case whenever the Federal Government gets involved in a problem, the Government's solution threatens to make a bad situation worse.

A few years ago, prodded mainly by erroneous government statistics, we were frightened into thinking that we had an inadequate supply of dentists. The liberal big spenders, ever vigilant for a problem on which they may pour taxpayers' money, immediately pounced on the questionable statistics as proof that here, again, was a problem that needed their solution—burying it under mountains of the taxpayers' money.

To no one's surprise, the projected dentist shortage simply didn't materialize. But now we are faced with a real problem: The mechanism that the liberal big spenders set up threatens the very foundations of American dental education.

As a dentist, I am, of course, concerned with this serious problem. As a Member of Congress, I see an opportunity to correct the situation. But first and foremost, as an American, I recognize this as still another example of the bankruptcy of liberalism.

The ADA News, published by the American Dental Association, has analyzed the problem well, and I commend the May 12, 1980, editorial to my colleagues' attention:

THE FEDERAL FAUCET

The situation was grim and the outlook even worse. It was all there in a report of a study committee appointed by the Surgeon General in 1959.

The report told how the nation's seriously inadequate supply of dentists was dropping further and further behind population growth. The situation in other health occupations was similar.

The committee projected that by 1975 about 134,000 active dentists would be needed to meet the needs of a population estimated to be 235 million.

Persistent effort by the dental profession and others during the next several years convinced Congress that health professions schools were a national resource and that federal financial aid was needed. In 1963, the Health Professions Educational Assistance Act was passed. The faucet was turned on.

EARLY 1970

By early 1970, the picture was much brighter. Due in large part to the Health Professions Educational Assistance Act and a series of manpower acts that followed—but also because of a slowdown in population growth—the supply of dentists was catching up with the demand for dental care.

Still, pressure remained for ever-increasing numbers of dental graduates. Mandatory enrollment increases were legislated as a condition for dental schools to receive federal funds.

Government studies during the middle years of the decade, when the population was about 215 million rather than the 235 million projected earlier, showed that the dentist supply was reasonably adequate and the outlook for the 1980s and 1990s was good. But the government kept demanding enrollment increases in return for funds that were essential to the schools.

Dental associations and dental schools emphasized to Congress that some schools were being pressed to and past their limits at which additional increases in class sizes would jeopardize the quality of educational programs.

A few dental schools refused federal funds because of attached enrollment requirements.

NOW, 1980

Now, 1980, with dental school enrollment about 60 percent greater than it was in 1963, a government agency has acknowledged in a report to Congress a new problem: "The supply [of dentists in 1990] is expected to be more than adequate to meet the nation's overall needs."

The Carter Administration has proposed that all federal capitation funding to dental schools, currently about $21 million a year, cease in fiscal year 1981. Many people, including some members of Congress, are concerned that such an abrupt halt of funds would be a staggering blow for the schools.

Several years ago, moderation suggested that it was time to turn the flow down. Today, the problems are more heroic, and there is the possibility that Congress may respond by knocking the faucet off the wall.●

A SHORTAGE OF BOTH MILITARY MIGHT AND STATESMEN

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. BOB WILSON. Mr. Speaker, George Will had an article in the May 29 Los Angeles Times that exemplified not only a lack of military strength in the West, but a shortage of quality leadership.

The article follows:

IN THE EAST, A DARKENING SKY

LONDON.—While the British were preparing to commemorate the 40th anniversary of the Dunkirk evacuation (May 26-June 4, 1940), newspapers here carried a photograph that eerily evoked an earlier war, the War to End War. It showed soldiers wearing gas masks, emerging like specters from a fog of gas. It could have been Flanders, 1917. It was Wiltshire, 1980.

The event was reported as "the first major, realistic chemical-warfare exercise organized by a NATO power." It had better not be the last.

With saturation bombing of civilians, World War II pioneered new dimensions in the indiscriminateness of war. But there is this to be said for World War II: It did hold chemical warfare in abeyance. Even the Nazis were deterred from using it.

But today's Soviet regime—the only regime directly descended, without an institutional rupture, from a regime allied with Nazi Germany in 1939—has shown, in Afghanistan actions and Warsaw Pact preparations, that it is ready, perhaps eager, to use its huge capacity for chemical and biological warfare.

The basic bad news about Europe is that the eastern sky is darkening fast. The good news, such as it is, is that many Europeans are becoming sensibly scared. The bad news from America, as many Europeans interpret it, is that Ronald Reagan is unknown, and Jimmy Carter isn't. For Reagan, the good news from Europe is threefold:

First, President Reagan, if such he becomes, will have an easy act to follow. Second, he almost certainly will exceed Europe's expectations for him. Third, he will find himself working with allies who, in their lucid moments, know that they divide their time between deploring and emulating America's shortcomings. (British confusion about the effective date of Britain's sanctions against Iran moved the Times of London to thunder against the Thatcher government's "Carterism"—a low blow, but a reminder that, although the President's name is a European code word for confusion, he has not quite cornered the market on ineptitude.)

There is in Europe today a rising tide of loose talk about this "fact": American inconstancy is less an expression of Carter's incompetence than of an incurable weakness of the American political system, so Europe may have to "go it alone." But that phrase must mean either neutralism, which would mean Soviet hegemony, or Europe paying the price for its own defense. To most Europeans, both ideas are repulsive.

Given leadership from America, the situation in Europe today could be encouraging. The three most important European leaders—Britain's Thatcher, German's Schmidt and Italy's splendid Cossiga—have a hard-edged vision of the world that is much closer to Reagan's vision than Carter's. At least two of them are reliably said to be privately pleased that SALT II (which they endorsed—NATO suffers from too much public politeness) is dead.

Carter displayed his style as commander-in-chief when he ordered the aircraft carrier *Nimitz* to make special haste home so that he could use it as a prop in a Memorial Day media event, welcoming sailors back from a voyage that involved 144 days without a port call. For three years Carter has savaged the Navy even more than the other services. He has drastically slashed the number of ships and, by using a veto to block, if only temporarily, Congress' desire to build another nuclear carrier, he did his bit to make sailors spend unreasonably long stretches away from home, and so to make more sailors leave the Navy.

In the days immediately before that media event, Carter, showing the passion that he reserves for the things that he really cares about, fought Congress' attempt to enact a modest increase in defense spending. However, when TV cameras came aboard the *Nimitz*, Carter suddenly discovered that he supports a military pay increase that he had strenuously opposed the week before, but that was going to pass, anyway.

Such shabby charades are being watched by a European political class that, when it looks east, sees 150 Soviet SS-20 missiles targeted against Western Europe, and another SS-20 being deployed each week. If you seek the sources of the cynicism that nurtures neutralism in Europe, you will find one at 1600 Pennsylvania Avenue.

An aide to Valery Giscard d'Estaing recently said that "one of our problems in the West is that the military strength is in the United States and the statesmen are in Europe." No, the West's problems stem from the fact that there is not nearly enough of either commodity in either place.●

CONFLICT BETWEEN DOMESTIC DEMANDS AND INTERNATIONAL RESPONSIBILITIES

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. CONTE. Mr. Speaker, the conflict between domestic demands and international responsibilities has few times in our history become so patently obvious. But this is a conflict which can be mitigated to a large degree by continued U.S. participation in the creation of an international order which accommodates the needs and demands of all nations. This past year however, witnessed a retrenchment with respect to the U.S. role in the international system, the most blatant example being the inability of Congress to pass the fiscal year 1980 foreign assistance bill. Deputy Secretary of State Warren Christopher in an address to the Council of Foreign Relations in New York both outlined the problem of inadequate resources to fulfill our international obligations and detailed the consequences of this for the United States. I would like to insert this admonition of Mr. Christopher in the RECORD:

REMARKS OF WARREN CHRISTOPHER, DEPUTY SECRETARY OF STATE, BEFORE THE COUNCIL ON FOREIGN RELATIONS, NEW YORK CITY, MAY 28, 1980

I want to spend most of our time answering your specific questions. But I would like to take a few minutes at the outset to raise with you one broader question that has been increasingly on my mind over the past three and a half years.

It is this: in the coming decade, will we back up our international policies with adequate resources, or will we shortchange our international capabilities and in the process severely inhibit our ability to influence international events?

This is a question of broad application.

There is widespread agreement, for example, that we must invest much more heavily in our military forces in the years ahead. Unless we do so, given Soviet military spending trends, they can amass a lead which could be exploited.

For an adequate defense program—by no means a lavish one—we anticipate an annual defense budget by 1985 on the order of $260 billion in then current dollars. Because the sums are so large, these arms budgets surely will come under attack. From today's perspective, however, it seems likely that among the various tools of our foreign policy, the military component will fare best in our domestic debates.

But other elements of our international posture are no less crucial than our military defenses. In the long term, our security and well-being are equally dependent upon our answers to other questions:

Can we forge strong, positive ties with developing nations, because they are important to us and because it is necessary to compete effectively with the Soviets there?

Will we be able to help others defend themselves and sustain their independence—thereby diminishing the chances that our own military forces may become engaged?

Can we support an active diplomacy for peace in the Middle East, in Southern Africa and elsewhere by sharing in the expenses of settlement and reconstruction, and by supporting the economic and military strength of the parties, so they have the confidence to negotiate?

Will we be as fully engaged as we should be in global issues that affect us—to help meet a mounting international refugee problem, to curb the spread of nuclear weapons, to save and reclaim the environment, to ease the conditions of hunger and disease?

It is in areas such as these that the resource pinch will be felt most acutely.

In short, the question might be posed this way: Will we be deprived of the resources necessary to play in a high-stakes game?

At least four trends are intersecting in the developing world to make this international challenge all the more imposing.

One trend is the fact that the international economic system has been rocked by successive sharp increases in energy costs.

The spiral in energy costs has been painful for us. It is excruciating for developing nations. In 1980 the oil import bill for non-OPEC developing countries will be over $50 billion. This year they will have to spend three times what they receive in aid, from all sources, just to pay for their oil and service their debts.

A second trend is that our stake in developing nations has deepened.

They supply such essential materials as tin, bauxite, rubber, and—as if anyone needed reminding—oil. They are also our fastest growing markets. Developing nations take more of our exports than Japan and the European Common Market combined. Together, we are touched directly and profoundly by such global questions as population, pollution, the proliferation of weapons, and the loss of croplands and forests. Thus good relations with third world nations are not a convenience, but a necessary condition of our own well-being.

A third trend is that developing nations themselves have grown more assertive—more determined to exert their own leverage in the international system.

Since World War II, more than 100 new nations have risen out of the colonial past. It is natural that former colonies should demonstrate a fierce independence. In a diverse and defiant world, there is no reason to suppose that anyone's preferred policies—even those of a great power—can simply be imposed. Rather decisions must be designed cooperatively, and implemented through common agreement.

A fourth trend—perhaps more accurately a continuing reality—is the increased capacity and ambition of the Soviet Union to extend its reach and influence in the developing world.

This danger is not new, but it has new dimensions. The Soviets have shown a resurgent inclination for involvement in conflict—first in the supply of arms, then through support to Cuban and East German surrogates. Now Afghanistan has presented a quantum leap—the direct use of Soviet force in an effort to transform a sovereign nation into a new satellite state.

Whatever tactic the Soviets might choose, it is clear where their best opportunities lie—among nations that are weak; nations wracked by internal and regional conflict and tension; nations without sufficient arms for self-defense; societies with fragile economies and governments that are remote from their people.

In times of economic trial the appeal of revolutionary rhetoric in such nations is especially seductive. Poor countries are vulnerable both to external pressures and to internal disruptions.

This is the setting for the question with which I began. Will the United States supply the resources needed to sustain our international interests?

One guide to the answer is to look at the conditions which have prompted me to raise the question—the status of our international affairs accounts now. Consider some highlights:

In just four months, fiscal 1980 will be completed. Fiscal 1981 will be underway. Yet Congress has not yet passed a foreign aid appropriation for fiscal year 1980, the year that is already two-thirds gone. We are still operating on a continuing resolution which supports foreign assitance at or below 1979 levels. Accounting for inflation, that means our assistance has been sharply curtailed.

Let me pose a few examples of the effect.

Food for Peace funds have run out. As a result, we cannot adequately respond to urgent appeals for food aid to help desperate refugees in Pakistan, Kampuchea or Somalia.

All funds in the disaster relief account also have been exhausted. If a disaster occurred anywhere today, we could offer sympathy and little else.

We are in arrears on our obligations to the Multilateral Development Banks. As a result, the Asian and Inter-American Development Banks were forced to suspend all new lending. We both withheld our funds to poor nations and went back on our word to our industrial allies—a highly efficient way to antagonize both.

Similarly, we have been unable to meet our commitments to the International Development Association—the World Bank's soft loan window—with similar results.

The continuing resolution sets narcotics control funds more than a fifth below this year's authorization. Since a major share is earmarked by law for interdiction of Colombian marijuana and cocaine, our heroin control programs worldwide—including programs in Mexico and Thailand—are in grave jeopardy.

The continuing resolution holds us to a foreign military sales financing program nearly a quarter of a billion dollars below what we requested for the current year. A number of politically sensitive programs have suffered, among them programs for Jordan, Turkey and Greece.

We are hamstrung as well in economic support funds where we most need flexibility to respond to changing events. Some 86 percent of the total this year necessarily is earmarked for urgent needs in three countries—Egypt, Israel and Turkey. That leaves only 14 percent—less than $300 million—for the rest of the planet.

Both the military sales program and economic support funds are further drained by new contingencies in South Asia and the Persian Gulf. Within these programs, already stretched beyond breaking, we must somehow find the funds to complete arrangements for access to military facilities on the Indian Ocean—a vital element in our response to Soviet aggression in the region.

A single case portrays our dilemma vividly. Last November we sent up a supplemental foreign aid request which included $75 million for Nicaragua—a modest but significant contribution to help that country recover from a devastating civil war. The package was tailored to strengthen the private sector and to encourage moderate groups. Seven months later the money for this urgent proposal remains stalled on Capitol Hill. The tendency has been to wait and see whether the new Nicaraguan Government passes ideological muster.

Other countries, Cuba among them, began substantial aid programs within weeks after Somoza departed. We cannot guarantee that democracy and a pluralistic government structure will succeed in Nicaragua; but if we turn our back on Nicaragua, we can help assure that it will not succeed. Beyond some initial emergency funds, we still have not been able to act.

Let me try to put all this in perspective. Of the 17 major donors of economic assistance, the United States ranks 13th in assistance as a percentage of gross national product. And in real terms—on the basis of what it will buy—our aid today is actually less than it was 10 years ago.

The same holds for military aid. In constant dollars, the sum of our grant aid, training, and military credit sales programs is smaller than 20 years ago by nearly one-fourth.

In my view this condition poses fundamental choices.

In all of the recent critiques of American foreign policy, one of the most persistent points has been that we most often respond to events rather than shape them; that we react to crises rather than prevent them. Why can we not be more on top of international events? Why can we not focus on what we want to accomplish, rather than on what we want to prevent?

The blunt answer is that we have little chance to be positive when we approach the world with empty pockets. In a world of overwhelming needs for tangible help, we have to recognize the limits to what even the warmest smiles and handshakes can do.

I do not underestimate for a moment the difficulties faced by the Congress in choosing among crucial demands for scarce national resources. But we must lay to rest the illusion that foreign policy successes can be underwritten on the cheap.

The United States brings many assets to the challenges ahead—strong defenses; strong allies and friends; technology and innovation that have worldwide respect; values that retain a magnetic appeal, clear again from the wave of new refugees seeking our shores.

But we cannot rely on these qualities alone to secure our interests in a turbulent world.

We have reached a time of decision.

Can we recognize that foreign aid is in truth a misnomer for investments in our own future—made more secure when others are safe, more prosperous when others progress.

Will we withdraw from the competition—or put up the resources necessary to stay in the game our adversaries are playing.

On these decisions may well turn our own fate.●

PERSONAL EXPLANATION

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. BARNES. Mr. Speaker, I was not present late last night for two votes because of a longstanding commitment to conduct one of a series of regular community forums with constituents in my district. My positions on the votes would have been as follows:

Vote 273, a motion by Mr. GIAIMO of Connecticut to table a motion by Mr. LATTA of Ohio to instruct conferees on House Concurrent Resolution 307, the first budget resolution for fiscal 1981. The motion to table was defeated, 123 to 165. I would have voted "aye."

Vote 274, a motion by Mr. GIAIMO that the House adjourn. The motion was defeated, 141 to 145. I would have voted "aye."●

WORLD CONGRESS OF POETS

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. ROYER. Mr. Speaker, the Fifth World Congress of Poets will be held in San Francisco, Calif., July 6-10, 1981, and a constituent of mine, Rosemary C. Wilkinson of Burlingame, Calif., is the president for this meeting.

The motto of the Congress is "World Brotherhood and Peace Through Poetry."

I am honored to observe that Mrs. Wilkinson was the only American called upon to read a poem at the last Congress held in Korea in July 1979. I place Rosemary Wilkinson's moving poem entitled "Maple Tree" in the CONGRESSIONAL RECORD:

MAPLE TREE

(By Rosemary C. Wilkinson)

There you are
Unlike the delicate mimosa,
With dripping pink and green.

It is your
Towering strength
That I admire so much.

Your wood is hard;
Your leaf is sturdy.
You stand up to the wind like a bard.

God, would that we had men like you,
To become your peace.
With no more wars, no more rape, no more dissidence.

God, give us men of peace, like you,
Who gather the falling leaves
And hold the vision of the new world.●

A VIEW FROM OUTSIDE THE INDUSTRY: WE NEED MORE NUCLEAR POWER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. WYDLER. Mr. Speaker, on March 24, Mr. Irving S. Shapiro of the DuPont Co. spoke to the National Petroleum Refiners Association in New Orleans. Interestingly enough, Mr. Shapiro did not discuss oil industry problems or the prospects for oil supply with the refiners. Rather, he made a most constructive and thoughtful statement on nuclear power. The most interesting aspect of Mr. Shapiro's perspective has to do with the licensing process and suggestions as to what the Nuclear Regulatory Commission should do to get at the real issues in reactor safety. Mr. Shapiro points out that the present two-step licensing process is one of the major barriers to deployment of nuclear plants.

I am including selected excerpts from the statement:

At the moment there's no shortage of electric power. There is capacity in reserve. The problem lies ahead of us, and how big it is depends on your assumptions about economic growth and power demand. You can find a lot of different numbers on this but there seems to be general agreement on a few basics: GNP in the next 10 to 20 years is likely to grow at a slower rate than in the past, and so is overall energy use. The demand for *electric* power, though, is probably going to increase more rapidly than the overall energy number, because electricity will be displacing some other forms of energy. In DuPont we forecast an energy growth rate for the U.S. of about 1.5 percent per year, and an electricity growth rate of about 2.5 percent. They are conservative numbers, but it is important to note that this still works out to be an increase in electric generating capacity of about two-thirds between now and the end of the century. To the extent that our growth rate can be raised above the expectation, the needed generating capacity will be even greater.

Those numbers, incidentally, take into account a serious conservation effort. You know that story. Use fewer B.T.U.'s; get more work out of the B.T.U.'s available. Use co-generation. Retrofit homes and offices and industrial plants. All of that can be done, and is being done; but the curve is bound to flatten out. Conservation by itself will not be enough.

What about new or expanded sources? As a practical matter, the options for the near future for electric power come down to coal and nuclear energy. Solar energy and some of the other unconventional technologies, whatever their value in other applications, are not going to give us significant growth in electricity generation in the rest of this century.

Coal is front-and-center right now. There is lots of it in our country. Someone has said that coal lies underneath 13 percent of the land mass of the U.S. Whatever the exact figure, there's a supply that could last us for hundreds of years.

The big push in Washington now is to get the natural gas and oil out from under the boilers, and substitute coal. There's no quarrel with the idea of saving petroleum for its most valuable uses. Ten percent of our oil and 16 percent of the natural gas are now used to generate electricity. Those materials are simply too precious to use in that way, so there is a strong case for substituting coal.

As a singular solution to the energy problem, though, coal is too simple an answer. There are side effects that can't be dismissed lightly: the problems of mining and transportation, and most important, the environmental and health loads. For some of the coal-use technologies large quantities of water are required, and may not be available. Handling the sulfur dioxide emissions and the oxides of nitrogen will not be easy or inexpensive. Beyond that, there are polyaromatic hydrocarbons and the concerns about the buildup of carbon dioxide in the atmosphere. Combustion of any fossil fuel produces CO_2, and an energy policy emphasizing coal alone would increase that concern.

The physicians have a code that starts with one fundamental: Do no harm. The same kind of logic ought to extend to the environmental and health side of our energy policy. We cannot eliminate all risks, but we ought to be especially cautious about steps that could cause large-scale and irremediable insults to the environment. No one knows whether the so-called "greenhouse effect" will increase the earth's average temperature over a period of time, or whether, if that happens, the results will be all bad. However, as a matter of prudence, it would be wise not to rely on fossil fuels alone where there are good alternatives. In the case of electric power, it would be better not to switch but to fight—that is to say, to keep nuclear power along with coal as part of the energy package, and expand the proportion nuclear power contributes to the total.

Nuclear plants do not emit CO_2. They save oil and gas. Their costs per kilowatt hour are at least competitive, and over the next 10 to 20 years probably will be lower than power from coal. The fuel they use, uranium, is available in quantity and the reserves are adequate to take the nation past the year 2000—even without using two of the more controversial technologies that have been discussed, breeder reactors and reprocessing plants to recover some of the energy value of fuel already used once around.

There is still the rule to follow, though: Do no harm.

That brings us back to the safety question: Is nuclear power safe? Can it be? The answer, I am convinced, is "Yes." Nuclear reactors have been and can continue to be operated safely. The wastes generated can be disposed of safely.

The obvious political fact of life is that most people in this country are far from convinced that it is as safe as they would like it to be. They aren't confident that they are being told the truth, and they are none too sure that the people in charge of nuclear plants know what they are doing. The public has been given lots of assurances, but they have also seen news stories about shutdowns of nuclear plants and leaks of radioactive materials, and just one year ago there was the accident at Three Mile Island, the worst in the history of the commercial nuclear energy program in the U.S.

The public is not against the increased production of energy—people vote for that in the polls—but the support for nuclear power as such has been declining over the years. If you want to see a really negative vote, ask people if they want to see a nuclear reactor in their own backyard. Two out of three say, "Nothing doing."

What is the fear?

Is it that a nuclear plant could fail and go off like a bomb? Two-thirds of the people think the answer is "Yes" although the physicists have said again and again that it simply cannot happen.

Is it that there could be a meltdown and massive release of radiation costing thousands of lives? Yes, many people believe there is a serious chance of that, though the probability of that happening is extremely small.

They also believe that smaller leaks cause health hazards and do genetic damage, that there is no good way to store nuclear wastes, and that other nations—or terrorists—may get their hands on nuclear materials and turn them into bombs.

Set those fears against some facts that are easy to check. The U.S. has compiled a record of more than 500 reactor-years of commercial nuclear power generation. Overall, the safety record has been extraordinarily good. I know of no new technology of a major scale that has evolved with a safety record approaching that of the commercial nuclear power industry.

The accident at Three Mile Island killed no one and, according to the Kemeny Commission report on that accident, the effects of the radiation release on the public surrounding the plant will be negligible. It is estimated that the most radiation any citizen might have received was about 70 millirems; that is far less than the average individual receives per year from natural sources, and less than the amount medical science regards as tolerable. It is about the amount that people receive annually from dental and medical X-rays. The chances that we will later see an increase in the incidence of cancer because of that accident are so small as to be statistically meaningless.

If there had been a meltdown in the reactor at Three Mile Island, the Kemeny report said, it is highly probable that the radiation still would have been contained in the building and would not have been released to the outside.

We are left with the conclusion that, even though there was no catastrophe at TMI, accidents as serious as this "should not be allowed to occur in the future" as the Kemeny report says. We can all agree with that, and Du Pont can bring some firsthand testimony to the safety question. Du Pont probably has as much experience in running reactors and handling nuclear wastes as anyone in the world. Our company built the Hanford, Washington, facility during World War II, and the Savannah River atomic plant in South Carolina. We continue to run Savannah River today.

Let me take a few minutes to tell you a bit about Savannah River, because the experience of that operation may be of use elsewhere. At the least, it ought to convince people that nuclear power indeed can be handled safely, in every respect.

Savannah River is a big operation by anybody's standards. The plant site covers 315 square miles, and includes 65 miles of railroad track. Five nuclear reactors were built there. Three are operating now. The reactors have not been used to produce electricity. They are designed to make nuclear materials for defense, rather than to produce heat to generate steam to run turbine generators, but they are comparable in scale to those you would find in a major power plant.

Along with the reactors there are fuel reprocessing units and storage facilities. Employment totals about 8,000.

The Savannah River location stores and controls one of the major accumulations of nuclear wastes for this nation. There are now some 20 million gallons of radioactive wastes in storage in underground, double-walled steel and concrete tanks. These are the wastes created by the reprocessing of uranium fuel. The handling of nuclear wastes is a matter of serious concern, understandably; but without minimizing the importance of that, it ought to be noted that there are some good answers available. Long range, the wastes can and should be converted into another form of much smaller volume, and disposed of in a permanent way. There is a technology for doing that, developed at Savannah River.

We are proud of the outstanding safety record at Savannah River, and we trace it to two major reasons. One is an abiding philosophy that all accidents are preventable. It's the safety philosophy we have used in managing chemical manufacturing operations, many of which also involve hazardous materials. Everybody in the organization, starting with the chief executive officer, is responsible for safety. Subordinate managers are evaluated first on the safety performance of their groups, and second on everything else.

The second part of the explanation is a system of management and technical support designed to spotlight safety problems and resolve them before they cause trouble. At Savannah River, for example, the operating crew is backed up by a technical service group of more than 50 people whose only job is to keep surveillance over the process, identify problems and shortcomings, and set up better operating procedures. On top of that there are hundreds of other people in technical assignments, doing such things as developing better instruments and control systems.

The operations people and the technical support groups work closely together, and many years of experience with this approach show that it not only promotes safety but is also the efficient, cost-effective way to work.

There is one other dimension of safety to be considered, and that is the question of nuclear proliferation. When uranium is reprocessed, plutonium is produced, and a handful of plutonium can be made into a bomb. This too is a topic of serious concern, but without going into the other ramifications of that, it should be said that the building of light-water reactors—the kind producing electric power today—does not add to the hazards to world peace. The nuclear horse is long since out of the barn, and if other countries want to make plutonium for weapons they are not likely to start with a reactor of the kind we are talking about here. There are more efficient routes. Commercial power generation in the United States, using light-water reactors, does not measurably affect the nuclear arms question.

The safety question in all of its dimensions is not one of absolutes, but of keeping risks acceptably small. By any comparative standard, nuclear power is surely one of the safest bets we could make. In some ways it may prove to be less hazardous than the use of coal-fired plants, and to the extent that nuclear energy reduces consumption of oil and natural gas, that improves our security position by limiting dependence on foreign sources.

What's the formula for an energy program? Is there a particular balance of different sources that is best?

A short time ago the results of a four-year study were released by the National Academy of Sciences. It deals with energy for the time period of 1985 to the year 2010. Significantly, it offers options but no detailed menu. It looks to a balance of coal and nuclear fission as the practical way to produce large quantities of electricity in the intermediate term, but it avoids the fixed-formula approach. Again, the recommendation is to encourage diversity, and let the future sort out the options. It need not be an either-or situation. Why pick a fight with the other fellow's energy project? We do not have to choose nuclear over solar, or solar over synfuels, or coal over nuclear, but should push forward wherever there are attractive technical openings, and wherever the environmental problems can be kept within bounds.

That may mean R&D funding or incentives for less conventional technologies to get them to the stage of large-scale demonstration units. That shouldn't bother us. We can afford it—or to put it the other way around, we cannot afford not to do it. Long range, a strategy of diversity will probably prove to be the one with the lowest overall cost, for it will help us find the best technologies to fill different energy needs in different geographic areas.

Thus, I argue in favor of an aggressive synfuels program and for continuing research on the environmental problems of fossil fuel, including the CO_2 question. I also urge increased investment in solar conversion devices, plus some longer range studies on projects such as biomass and fusion-reactor research. On top of that there should be continued development of oil and gas supplies—and let's not forget that conservation still has a lot more to offer.

Admittedly, this strategy may err on the high side. That's all right. If we overshoot, it's not too difficult to pause later; but if we come out on the low side we may spend years playing catch-up, and pay a high price to retrieve our lost position.

Nuclear power will stay in this picture only if the public supports it. To make that happen we need better communications on the part of industry and the government's nuclear agencies. We need some compromises on the part of the supporters of nuclear power; and we need some changes in the way the nation goes about its nuclear program.

There has been an excess of zeal on both sides of the nuclear controversy. The people against it—including some who are going to be opposed no matter what the facts are—have used doomsday rhetoric to block power plant construction and licensing; but there have been mistakes made on the other side too. For example, we were once promised that the nuclear age was going to bring us electricity so cheap it wouldn't pay to meter it. That rings a little hollow to the people paying the light bill today. More recently, advocates of nuclear power have left the impression that the future should be nuclear powered almost to the exclusion of other sources, and that of course turns away some of their potential friends.

It has to be admitted that, on balance, the antinuclear groups have been more effective than the advocates of nuclear power in reaching the public media, and in claiming the high moral ground in appealing for the public's support.

At this point, with public support and opposition more or less evenly divided, it would pay the advocates of nuclear power to expand their communications. It's important to be candid, though, and not overpromise. Let's stick very strictly to the facts, lay off the rhetoric, and address the concerns of the opponents on the merits.

Nuclear power needs more friends in government, as well as with the public. That means something called coalition-building—which is the modern label for good old political give-and-take. This kind of talk often offends technical people. They want to go with the logic, and be fully rational in a technological or economic sense; but unless the pronuclear camp operates in a spirit of compromise, there may not be much left for it to defend in years to come.

On the question of plant location, let's recognize that many of the people opposed to having a nuclear plant next door are willing to see plants built a few miles farther away. Why push a rock up a hill? Why not work from a policy of putting new power plants in more remote locations, even if that implies higher transmission costs for power?

On the question of breeder reactors, I'd be willing to settle for a continuation of R&D, but without a major push for commercial units in the near future. Granted, other countries are building breeder reactors; but we cannot claim that it is essential for the U.S. to go this route at this time. We're not running out of uranium. Maybe it would be politic for the U.S. for the time being to stick to light-water reactors for commercial plants.

Let me come back to one point before closing: The safety issue, which is the most important of all. To get nuclear energy back on the track there will have to be substantive changes pointed toward better management of nuclear facilities, with safety the paramount goal. Nuclear operations have to be approached with a combination of top-notch engineering, excellent technical service, and a lot of attention to the human factor. That's the approach that characterizes the safest organizations in the high-technology industries, and the one that prevails in the utilities that run nuclear facilities without serious incidents. This means taking a new look at the training of the people doing the work, at the way the management structure is set up and, above all, at the level of the commitment to safe operation.

Regulations can help, but they cannot do the whole job on safety. As the Kemeny Commission said in the Three Mile Island report, we have to get away from the notion that because a practice meets regulations, it is therefore completely safe.

A major finding of that study was that the accident was caused not by one large failure, but by a series of small failures in succession, partly due to human error, partly to equipment problems—all preventable failures.

To prevent such a sequence of events in the future, nuclear plants must improve the inspection and oversight procedures, and make broader use of technical support staffs of the kind I mentioned earlier. This has not yet been done in any great depth at most locations. The Institute of Nuclear Power Operations has recently been established to upgrade criteria for power plant staff and management. It's a step in the right direction, and one that has been endorsed by many informed people including the heads of the principal study groups on the Three Mile Island accident.

The Kemeny Commission called for a reorganization of the Nuclear Regulatory Commission. At present the NRC is headed by a five-man group. Congress and the White House want to keep the structure that way but there is clearly an administrative problem: The system doesn't work. Either through reorganization or in some other way, the lines of responsibility and accountability have to be more clearly drawn, with special emphasis on the government's licensing and inspection functions.

The present licensing process tells you how diffuse the present management structure is, and how it sidesteps straightforward decisions. It's not just slow; it's also a two-step process. You get one permit to construct a nuclear power plant, and have to apply for another before you put the plant into operation. In this day of high interest rates, who wants to commit more than $1 billion on that basis? It's like asking a man to buy a very expensive car without promising that he will be allowed to drive it when he gets it home. What is needed is a one-step licensing procedure, with rigid inspections to ensure that the construction job and the training programs for employees meet the standards in every way.

The point I want to leave with you is that none of the changes I have mentioned, none of the technologies that are required, none of the funding requirements—none of the steps we ought to take to ensure the safe production of adequate electric power for the future—is beyond our resources or skills.

We are looking at a need. It's real. We're looking at options. They are promising, though some contain questions we can't answer yet. The option I have been talking about here, nuclear power, is one with more answers than most. We have the technology and the experience to expand capacity efficiently and safely and gain a great many kilowatts.

That's what we ought to do.●

TRIBUTE TO AN EDITOR—E. P. FAMIGLIETTI

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. NOWAK. Mr. Speaker, with the tragic death this week of Eugene Famiglietti, the editor of the Army Times, the Nation has lost the services and insights of a distinguished journalist.

In a varied career specializing in writing about military affairs, Mr. Famiglietti had served as editor of the Army Times since 1973.

The following article from the May 28, 1980, editions of the Washington Post details the parameters of his career.

The sudden passing of such a productive and respected professional is a loss that can be anticipated but not easily adjusted to.

This will be especially felt in his Bethesda, Md., community where he was exceptionally active in community, church, and youth affairs.

I know my colleagues will join me in expressing our sincere condolences to his wife, Pat, and their eight children.

At this point, Mr. Speaker, I would like to share with my colleagues the article that appeared in this week's Washington Post:

E. P. FAMIGLIETTI, EDITOR, WAS WAR CORRESPONDENT

Eugene Paul Famiglietti, 48, editor of the Army Times and a former war correspondent in Vietnam, died Monday at Suburban Hospital after a heart attack. He was stricken while attending a church picnic in Bethesda.

Mr. Famiglietti was chief Army correspondent for the Army Times for more than a decade before being named assistant editor of the publication in 1971. He also was a war correspondent in Vietnam for both the Navy Times and the Air Force Times, in addition to the Army Times, and specialized in helicopters and military hardware. He was named editor of the Army Times in 1973.

He was coauthor of "Ramparts We Watch," a college textbook on U.S., Soviet and Chinese military resources and edited a report on helicopters called "Hovergram." He frequently lectured at the Army and National War colleges.

Born and reared in Washington, Mr. Famiglietti graduated from Gonzaga College High School, where he was a member of the 1949 parochial-public high school championship team.

He attended Devitt Prep School here and then served in the Marine Corps during the Korean conflict.

A 1958 graduate of the University of Maryland, he worked for the national Catholic Welfare Conference and the Catholic Standard newspaper while attending the College of Business and Public Administration there.

Mr. Famiglietti lived in Bethesda and had been active in the Catholic Youth Organization and the Merrick Boys Club.

Survivors include his wife, the former Patricia Higgins, three sons, Brian, Gene and Guy, and three daughters, Mary Pat, Julie and Beth, all of Bethesda; two daughters, Cara Burke of Woodbridge, Va., and Laura Famiglietti of Towson; his mother, Lenora, and a brother, Leonard, both of Washington; and a grandchild.●

MORTIMER CAPLIN ON THE UNDERGROUND ECONOMY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. OTTINGER. Mr. Speaker, at a time when we are struggling to find ways to balance the budget, it is appropriate that we take a look at the laws we have passed to collect revenues, and how successful we are at collecting those revenues. Many in Congress suggest drastic cuts in vital programs to bring outlays in line with revenues. Others propose increases in one tax or another.

The irony of this is that we have approved, in past years, sufficient revenue measures to easily bring this budget into balance—or as close to balanced as any proposal under current consideration is likely to be in a year of a recession. What prevents this is our inability to collect much of the revenue.

Mortimer Caplin, former Commissioner of the Internal Revenue Service, addressed this very issue in a recent article and subsequent letter in the Wall Street Journal. Mr. Caplin has as keen an understanding of our tax system as anyone in the country. From his perspective as a former IRS Commssioner, he is uniquely qualified to comment on the problem of tax collection and "the underground economy."

The article follows:

[From the Wall Street Journal, Mar. 31, 1980]

UNCOVERING THE UNDERGROUND ECONOMY

(By Mortimer Caplin)

Collecting taxes from the underground economy may be the surest way to balance the 1981 budget. According to a recent study of the Internal Revenue Service, individuals failed to report as much as $135 billion of taxable income for 1976. This produced a $26 billion federal tax loss for that one year alone. Some estimate this tax gap to be four times as large, even disregarding sizable inflation since 1976.

The IRS study is not comprehensive. Not included is unreported income from bartering, white-collar crime or corporate tax evasion. Nor is there an estimate of the revenue loss from other kinds of tax cheating, such as falsifying exemptions or deductions, or phony tax shelters. The IRS did not develop new data. Rather, it based its estimate on existing sources alone: a sampling of tax returns under its taxpayer compliance measurement program (TCMP); a search for nonfilers; an analysis of moonlighting, tips and other types of "informal incomes" and cash payments to proprietorships and off-the-book workers.

A SIGNIFICANT STUDY

Despite criticisms by a House subcommittee, the IRS study is highly significant. It documents for the first time the existence and approximate size of the "underground economy"—a convenient term for economic activity wholly or partially unreported to the IRS.

Included are illegal activities, such as sales of narcotics, gambling and prostitution. The greater part, however, is business activity not itself illegal, but which generates income that individuals illegally fail to report.

The breadth of participation of Americans in large- and small-scale tax cheating is alarming—not only because of the amount of direct revenue loss, but also in the suspicion created that voluntary compliance, on which our tax collection system is based, is being seriously threatened:

—A stunning 36% to 40% of all income earned by self-employed people goes unreported. This includes a lot of small businesses run as sole proprietorships—Ma and Pa grocers, restaurant and movie theater operators, used-car dealers and even doctors and lawyers—or any business that generates a lot of receipts in cash, often easy to skim-and-forget when tax time comes.

—35% to 50% of all rental and royalty income is not reported. Landlords, freelance writers, oil well owners and others are the villains here.

—17% to 22% of all capital gains on sales of property is unreported. This can include everyone from the high-rolling wheeler-dealer to the ordinary citizen who buys and sells a few shares of stock, or invests his nest egg in a duplex apartment.

—8% to 16% of interest and dividend income is unreported. This category potentially includes anybody with a savings account or corporate stock.

The figures are particularly unsettling to those of us just now filling our 1979 income tax returns. If you are like most American taxpayers, you are still careful to report every penny of income and claim only those deductions you know you are entitled to. But what about our fellow citizens?

From all signs, this underground economy has been expanding in recent years. Why? While not readily verifiable, several reasons come to mind: (1) the public's continued post-Watergate disrespect for government, (2) the financial pressures exerted by mounting inflation, and (3) the IRS's limited enforcement capabilities.

What can be done to repair the corrosion of our tax system? Strong congressional action on an anti-inflation program is fundamental. Beyond this, I recommend three immediate steps:

—Expand the IRS's enforcement capability, particularly the personnel needed to examine more income tax returns.

—Improve the IRS's capacity to match information returns against individual tax returns.

—Provide for withholding of taxes on dividends and interest payments.

First and foremost, the IRS should be given the resources to examine more tax returns. It is in our collective self-interest that this be done. There is nothing wrong in having your tax return checked for accuracy. We all do it with grocery bills and bank statements. Why shouldn't the government do it for tax bills?

In particular, the IRS needs more examiners—examiners not only well-trained in sophisticated tax audits, but also imbued with the philosophy and practice of courtesy, helpfulness and fair-dealing. To handle some 140 million returns of all types, the

IRS now has barely 19,000 revenue agents and office auditors. While Congress is loath to have an army of tax collectors scrutinizing all our financial affairs, the number today is clearly insufficient—given the growth of our population and rise in tax return filings. Indeed, examiners are without doubt the best bargain in the federal budget since they collect about five dollars in additional tax for every dollar of additional IRS enforcement budget.

Today very few returns are ever subjected to real scrutiny. Over the last several years, IRS audit coverage—the percentage of tax returns reviewed by IRS examiners—has been below 3%, and falling. In fact, audit coverage of the latest batch of individual income tax returns was only slightly over 2%—1.84 million examinations out of 87.3 million filings.

Although high-bracket returns are more likely to be examined, the long odds against being audited make outright tax cheaters bolder and offer even honest taxpayers an incentive to give themselves the benefit of every conceivable doubt. The IRS simply must cut down the odds of this tax lottery by examining more tax returns and by exacting full civil and criminal penalties from flagrant tax violators.

The IRS, too, still needs to improve its handling of the information returns it receives—a mind-boggling total of nearly 500 million items each year. More than half are on magnetic tape, and these are generally matched against the individual's tax return. In contrast, the information reported on paper documents is matched less than half the time. Even when "matched" on computers, the information is often not available to the IRS examiner at the time he audits the individual's tax return. This is a lamentable waste, in view of the cost—public and private—of collecting the information in the first place.

MR. CARTER'S RECENT PROPOSAL

Furthermore, compliance by taxpayers can be vastly improved if Congress enacts the President's recent proposal to extend tax withholding to bank account interest and dividends from corporate stock. For those free from tax because of exemptions or deductions, a system of filing exemption certificates will avoid unnecessary withholding.

I have advocated withholding on interest and dividends for many years and believe it is needed now more than ever. Administration estimates show that this proposal will increase revenues by $3.4 billion in the next fiscal year alone—a 20% bite out of the budget deficit, without raising taxes or reducing expenditures. It seems foolhardy to pass up such an opportunity.

Participants in the underground economy place a heavy burden on the overwhelming majority of honest American taxpayers. National defense and other government expenditures must ultimately be met by taxes and, to the extent some cheat, the rest of us foot the bill. Whether the annual tax gap is $26 billion or $100 billion, it contributes mightily to our unbalanced budget and, by doing so, adds fuel to inflation.

We American taxpayers paid over $450 billion in federal taxes last year. This gives us a substantial stake in seeing everyone else pay his or her fair share—and in rooting out subterranean operators by evenhanded and thorough enforcement of our tax laws.

[From the Wall Street Journal, Apr. 21, 1980]

BREAKDOWN IN TAXPAYER COMPLIANCE

Your editorial "Notes from the Underground" (April 8) on my article opined that "the answer to the underground economy . . . is to get government out of all the things that waste money." Breakdowns in taxpayer compliance are significantly more complicated.

While my piece focused on weaknesses in IRS enforcement capabilities, a variety of other factors are at work:

1. High tax rates, in conjunction with mounting inflation, place inordinate burdens on individuals and are a principal cause of tax evasion. There is just so much that human nature will stand, and many find themselves at a breaking point.

2. Continuing budget deficits are a red flag to harassed taxpayers. The typical Congressman is not helpful either when he says: "We're all for this cost-cutting and budget-balancing—but not in my district!"

3. Congress must focus more sharply on tax simplification. It is very difficult, indeed, to achieve high levels of tax compliance when people are uneasy about whether they are paying too much or overlooking allowable deductions.

4. Congress must stop regarding our tax laws as a quick fix for curing our social, environmental and economic ills. The proliferation of the tax credit technique, for example, erodes the tax base and is a boon for organizations like H & R Block.

5. Nor will a VAT or federal sales tax system offer a solution. Instead of grappling with the intricacies of an income tax system alone, we will then have two systems to worry about.

In brief, many things need correction in the operation of our government and the tax system as well. But cheating on tax returns is not a legitimate way of voicing dissent. In the United States, fortunately, we still have the ballot box.

MORTIMER M. CAPLIN.●

MICHIGAN'S VOICE OF DEMOCRACY WINNER

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. STOCKMAN. Mr. Speaker, I am proud to note that this year's Michigan winner of the VFW's outstanding "Voice of Democracy" scholarship competition is Brian Lynn Stanley, from the town of Coloma in my congressional district. Mr. Stanley graduates next month from Coloma High School and plans to pursue a career as an educator.

More than 250,000 students participated in this past year's "Voice of Democracy" competition, which was built around the theme "My Role in America's Future." Mr. Stanley's insightful remarks are particularly striking because they prove that it is possible to see beyond the gloominess of each day's headlines. Mr. Stanley looks forward enthusiastically to participating in an America that continues to be productive, vigorous, and confident.

I commend Brian Stanley's comments to my colleagues and to everyone who cares about the future of our country. His essay is printed below.

MY ROLE IN AMERICA'S FUTURE

(By Brian L. Stanley)

America has a future, and I am a part of it. I realize the great responsibility that has been entrusted to me, through my citizenship, to exercise my rights as a voter, consumer, and employee. I am aware that I am only a part of a bigger machine, but I am an important part of that machine just the same. It is my hope that my role in America's future will be one of enlightenment through education, as it is my goal to become a teacher.

America has a future. As an educator, I would be primarily concerned with the future generations of America. I would be helping students to develop the most useful and productive habits for life. I would try to overcome the prejudice and bigotry that has hurt our nation time and again. America's future could hinge upon my teaching, ability: to cultivate a spirit of creativity and independence while at the same time instilling a certain amount of respect for our nation and its government. I would try to point out that the nation and the people are one and inseparable, that nothing can happen to one without affecting the other.

Our democratic system of government assures us that new life blood can be pumped into the very heart of our government, our legislatures, in every election. I would teach students the importance of voting in every election, as our votes insure life for our government, and therefore life for our nation.

America has a future, a future that depends on industry and production. When American industry slows down, so does the nation and the world. But my students would learn that productive industry must work cleanly and efficiently, or our environment will suffer.

America has a future that can exist only with everybody's cooperation. When my country calls, I must answer, "Here!" I would teach young people that our nation expects its citizens to abide by its laws, pay the levied taxes, and serve in the military if called upon to do so. My students would realize that with these responsibilities comes the satisfaction of knowing that America will take care of its people.

America has a future, and that future depends on the education of tomorrow's citizens. What I teach and how I teach it will be of direct consequence to many yet unborn. Tomorrow's education will be one of revelation. Science is pushing forward, and the United States has always been the prime mover in that thrust. Tomorrow's citizens must become aware of the technology that is becoming an increasing part of our lives. The America of the future-world must be prepared, and it is my hope that I can be an active participant in preparing those future students to become good citizens. But the education must start now, as our progress as a country can be no more productive than as our progress in education.●

THE REFUGEES—A U.S. DISGRACE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. DERWINSKI. Mr. Speaker, a tremendous amount of tension has been directed to the flood of refugees from Cuba. In my judgment, the entire issue, from a humanitarian, administrative, and diplomatic standpoint, has been very badly handled by the administration.

The distinguished columnist, Bob Wiedrich of the Chicago Tribune, very properly discusses the Carter administration's mishandling of the influx of Cuban refugees in his column of May 30, which I insert at this point:

THE REFUGEES, A U.S. DISGRACE

The Carter administration has grossly mishandled the Cuban refugee problem, weighing it more for its domestic political impact than on the basis of human rights considerations.

More appalling, though, has been the instant antagonistic reaction of too many Americans toward the more than 76,000 new arrivals from an island universally condemned for its communist tyranny.

Some people have looked at the rate of inflation and unemployment. And they have decided that the United States cannot absorb into its population of 217 million a relative handful of refugees from inhuman oppression.

After decades of griping about the threat to this hemisphere by the dictatorial Castro regime, the American people and Jimmy Carter have been afforded their first real opportunity to do something about Cuban communism.

But instead of turning the sudden flood of refugees into a propaganda victory, the White House has turned the situation into a disgraceful defeat. People all over the world must be wondering what has happened to the United States.

For if any nation ever was totally created by immigration, it is this country. Everyone here—except those of American Indian descent—came from somewhere else.

Thus, how in good conscience can the children or grandchildren of immigrants now so easily turn their backs on the plight of more than 76,000 human beings fleeing tyranny a mere 90 miles off our shores?

Well, they have. And the Carter administration has bolstered their selfishness by thoroughly botching up what an effective government should have been capable of handling with far less fuss.

Granted, the sudden influx of Cuban refugees created legal, logistical, and financial problems. But that is what government is for. We don't elect a President to confront mundane events. He and the federal bureaucracy are there to handle the tough decisions.

Yet the Carter administration approached the Cuban refugees with the same inept style that it has eyed inflation and other national and international ills.

It waffled—too long and too often.

And in the end, it turned the obvious political and economic collapse of the Castro regime into a showcase for official Washington blundering.

The White House was unable to cope with the arrival of 76,000 human beings when its predecessors at the turn of the century had received 3.25 million immigrants between 1905 and 1907.

In each of the first two years of that era, America welcomed 1 million Russian Jews, southern Italians, and people from the Austro-Hungarian empire. In 1907, it processed 1.25 million immigrants, nearly 12,000 of them in one spring day of that peak year.

From 1892 to 1954, when Ellis Island closed down, the United States received more than 16 million immigrants there, one of them a 5-year-old Russian Jew named Israel Baline, who later would write a song called "God Bless America" under an Americanized name of Irving Berlin.

That was how the United States received new strength, new cultures, and new talent in those days.

But more than 60 years later, a more technologically advanced and presumably politically astute administration proves itself utterly incapable of either making a decision or sticking to it.

What a shame. And what a blight on the record of a nation that has traditionally welcomed the victims of tyranny and political oppression everywhere.

First, President Carter promised the United States would receive the Cuban refugees with "an open heart and open arms."

However, as the immigrant flood built up in response to that seemingly selfless declaration, the White House politicians started reconsidering the potential domestic political impact of that policy during an election year.

Then that official compassion became lost among the discordant strains of a new Carter administration lament that ordered U.S. immigration laws to be enforced against small boat owners rescuing illegal aliens from a communist land.

Finally, that foul-up was further compounded by the inane manner with which the federal bureaucracy handled the refugees after their arrival on American soil, cramming them into a few military bases instead of defusing their impact on Florida by quickly distributing them around the country.

Instead of treating them as gifts to a nation always in need of new talent, the bureaucrats treated them like cattle.

Predictably, some of the refugees in Florida rebelled in a rock-throwing scuffle with military police that did nothing to enhance their image in an already hostile local community.

For those Cubans, it was a decidedly ungrateful way to act after seeking out the hospitality of another country. A similar reaction in Havana could have cost them their lives.

The violent outbreak, however, served to further dramatize the bumbling that has sadly become the hallmark of the Carter administration, a fact the refugees have apparently learned more quickly than the rest of us.●

ORIGINAL VERSES FOR "AMERICA THE BEAUTIFUL"

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. BRODHEAD. Mr. Speaker, one of my constituents, Angeline Rivera of Detroit, Mich., has devoted a great deal of time and care to writing several original verses to "America the Beautiful." I know of Ms. Rivera's dedication to the United States and her strong feeling that our country should be glorified in song. I would like to share this version with my colleagues:

OH BEAUTIFUL AMERICA

Oh Beautiful America, was born to make men free.
With every pledge of honor, Our Country Strong and Free.

CHORUS 1

America, America, we pray for Thee to be.
A land of love and liberty where
Human Rights are free.

VERSE 11

Oh, Beautiful America
Our every dream to be.
To live in peace and happiness
And truth will set us free.

CHORUS 11

America, America, through guiding light from Thee.
We shall restore Allegiance
With heavenly love from Thee.

REPEAT CHORUS 1

America, America, we pray for Thee to be
A land of love and liberty where
Human Rights are free.

America, we call on Thee (optional for Concert Singer).●

FEDERAL POLICIES ADD TO PROBLEMS OF U.S. AGRICULTURE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. BEREUTER. Mr. Speaker, in light of a statement appearing in the May 22, 1980, CONGRESSIONAL RECORD titled: "The Monopoly Component of Inflation," a variety of my constituents requested that I enter the following letter to the editor from the Denver Post in order to provide some counterbalance to comments on the meat industry found in that statement.

The article follows:

FEDERAL POLICIES ADD TO PROBLEMS OF U.S. AGRICULTURE

Not too many people would prescribe a double shot as a cure for an alcoholic; yet the focus of your "battered beef industry" lead story in the April 20 Post would have us give the industry another dose of government regulation.

In the article you report that Rep. Neal Smith, D-Iowa, who heads the House Small Business Committee, is proposing legislation that would prohibit any meat packer from cornering more than 25 percent of the market.

Neal Smith, represents a few efficient and thousands of inefficient cattle feeders in Iowa, looking desperately for a scapegoat for their own mismangement. They ought to thank God that we still have the remnants of a free enterprise system that will allow them to sell their inflated farm land and buy Iowa Beef Packers and Safeway stock, if they are of the opinion that the latter are making too much at their expense.

In attacking Iowa Beef Packers, Smith is harassing one of the most significant factors that gives the cattle feeder any price competition in today's markets. Iowa Beef puts in the meat counter a T-bone of better quality at a lower price than the old time packer and, as Smith admits, "undercuts their competition by paying more than any other packer for animals."

Isn't this what free enterprise is supposed to do? Isn't this one of the reasons that we Americans spend a world low, by a significant margin, 17 percent of disposable income on food? Smith's concern for monopoly is ridiculous. Iowa Beef accounts for less than 15 percent of our national beef slaughter, while General Motors accounts for 50 percent of our national automobile production.

We have developed a snowballing obsession to punish the strong and reward the weak. This is seen in current attempts to pump federal millions into the terminally-ill carcass of Chrysler and in the bleeding of billions of badly needed capital from the oil companies, our only hopes of producing our way out of our energy crisis.

A three-volume study by the Colorado State University came up with 41,000 federal and state regulations stemming from 200 laws and 111,000 precedent-setting court cases covering grazing practices to fast-food processes that add 10 cents per pound to the cost of hamburger. If we can stem this tide, the cattle business looks good in the '80s. A recent Fortune magazine study estimates that by 1990, 22 of the 67 million families in America will be in the $25,000-to-$50,000-income range in 1977 dollars. The beef eater will be there if we can get to him through the maze of regulations.

W. W. TOXLEY.●

EXAMPLES OF THE INEFFECTIVENESS OF OIL IMPORT FEE

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. MOORE. Mr. Speaker, a large amount of evidence exists to demonstrate more cost effective alternatives than the President's proposed oil import fee. On May 22, I submitted evidence showing the oil and natural gas backout bill, H.R. 6930, is less expensive to the taxpayer while achieving four times the amount of energy conservation when compared to the ill-advised oil import fee.

I now invite the attention of my colleagues to the additional bipartisan views filed in the report of the Committee on Ways and Means to accompany House Joint Resolution 531, the resolution to disapprove the oil import fee. I joined 10 of our colleagues on the Ways and Means Committee in signing these additional views. We observed the existence of a huge comparative advantage and benefit to the consumer when H.R. 6930 was compared to the oil import fee.

While I do not necessarily support this, I have found and want to apprise the House of eight additional examples of conservation measures that are far more cost effective than the oil import fee. These are listed below accompanied by the petroleum import savings as estimated by the Department of Treasury. Each alternative would cost the Treasury nothing while the oil import fee has an anticipated cost of $11.2 billion. Each would save far more than the 100,000 barrels per day the administration projects would be saved by adoption of the oil import fee. Thus, the comparative advantage of any alternative conservation measure or program is abundant.

The eight additional examples follow:

TABLE 1—EMERGENCY ENERGY CONSERVATION MEASURES HAVING POTENTIAL FOR SIZEABLE SAVINGS IN NEAR FUTURE

	Maximum savings, per year, equivalent barrels per day [1]
1. Reset thermostats controlling room temperature in homes (by 3 degrees summer and winter)	550,000
2. Improve efficiency of energy utilization in industry (2 percent)	280,000
3. Improve efficiency of energy use in commercial buildings (10 percent)	400,000
4. Mandatory automobile tuneup every 6 months	140,000
5. Stop use of hot water for laundering (cold water detergents)	180,000
6. Reduce speed limits for passenger cars to 50 MPH	250,000
7. Increase load factors on commercial aircraft to 70 percent from 50 percent	120,000
8. Wider use of car pools (2.3 passengers in lieu of 1.3)	780,000
Annual average total	2,700,000
Winter rate total	3,300,000
Summer rate total	2,100,000

[1] Total of all petroleum products plus natural gas plus other energy derived from petroleum, such as electricity produced by oil, rounded to two significant figures. Natural gas saved can be used to substitute for oil, since many oil users can burn both oil and gas.

Source: U.S. Treasury Department.

MEALS PROVIDED BY EMPLOYERS SHOULD NOT BE SUBJECT TO EMPLOYMENT TAXES

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. CONABLE. Mr. Speaker, I am introducing today legislation amending the Internal Revenue Code to provide that the value of meals furnished by employers to employees which are excluded from income shall not be subject to employment taxes.

I have been aware for some time of an April 18, 1979, U.S. Court of Claims decision of major importance to the restaurant and hotel industries. The case was Hotel Conquistador against United States in which the Court of Claims held that since the value of the meals was not deemed income to employees under section 119 of the Internal Revenue Code, it should not be considered wages or remuneration for employment for social security and Federal unemployment tax purposes.

Until the time of this decision, Internal Revenue had maintained that notwithstanding the income exclusion provision for the value of meals, the value was subject to employment taxes. In response to the lower court's decision, the Government appealed to the U.S. Supreme Court in November 1979 and on January 14, 1980, the Supreme Court denied certiorari.

On January 28, 1980, the Internal Revenue announced that it—

> will not follow the decision of the United States Court of Claims in the *Hotel Conquistador* case, and employers must continue to treat the value of such free meals furnished to their employees as wages under sections 3121(a) and 3306(b) of the Code.

This Internal Revenue position leaves thousands of employers across the country in a quandry. They have the decision of the U.S. Court of Claims, with national jurisdiction, and the Supreme Court's refusal to hear the Government's appeal from that decision.

It is important to recognize that the Court of Claims decision and the Supreme Court's denial of certiorari received widespread publicity prompting employees to naturally question the right of their employers to continue to withhold social security taxes on the value of meals provided them. With this current position, employers who pay the tax and then seek a refund are faced with a troublesome situation. Filing of claims to recover taxes paid in previous years requires, for perfection of a claim for his share of social security taxes paid, the employer to also protect the rights of his employees. If this process requires extensive litigation as is likely to be the case, the many small employers involved may well find it difficult to justify economically the legal costs associated as they can far exceed the costs of FICA and FUTA contributions.

The intent then of this legislation is to resolve the issue so that employers, employees, and the Internal Revenue Service have a clear understanding of the tax consequences involved.●

PROPOSED WITHHOLDING TAX

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. STUMP. Mr. Speaker, today I am introducing a concurrent resolution whch clearly tells the administration that the Congress strongly opposes their proposal to impose a withholding tax on interest and dividends paid to private individuals.

The withholding proposal is part of the administration's so-called budget balancing package. I oppose it because it is a new tax, at a time when we should be cutting taxes and balancing the budget by slashing Federal spending across the board, except for national defense. The Federal Government should not be imposing new burdens on individual Americans.

The withholding approach is especially offensive because it is unfair. The Federal Government wants to take $2.4 billion of our money, keep it, use it interest free, and then force us to ask for it back.

The administration would like us to believe that this system is just like withholding from a paycheck, but it is not. The President just signed a bill to exempt from tax the first $400 of savings and dividend earnings of a married couple—$200 for singles. The withholding tax would let the Federal Government keep and use the money covered by that exemption. Payroll withholding allows individuals to claim their other exemptions too. This proposal does not. It creates overwithholding just so the administration can get their hands on our money.

Who gets hurt? Nearly half of all savings and loan savers are over 55 years. These people need the income from a lifetime of savings and making small investments. It is security, it is money to get their kids through college or to help their children through their own early family years, it is money for health emergencies, and it is retirement money. The administration seems to be saying "we're going to take this money so we can appear to balance the budget no matter what it costs everyone else."

What does it cost? As of January 1980, there were 90 million savings and loan accounts, 88 million bank savings accounts, 34 million time deposits, 6 million other interest-bearing accounts, 100 million stock and bond accounts, and 170 savings bond redemptions, and that only a partial list of those who would be subject to withholding. That means over 350 million more pieces of paper going to IRS each year. Just the savings and loan people estimate the cost to them at $330 million to start the program plus $438 million in additional annual costs. Add the cost to banks, other savings institutions, brokers, bond agents, and private accountants and it does not take long to see that the total economic cost could be more than the total tax revenue to the Federal Government. I am offended by that "I do not care what it costs you as long as I get mine" attitude.

With those costs added on, financial institutions will have to cut the rates they are paying savers or investors; or, increase rates to borrowers. Either way the national economy and individuals are both hurt.

Finally, we have been trying to encourage savings and investments by individuals to spur the economy with new capital which would create jobs in private industry, increase productivity of U.S. business, and make our businesses healthier and more competitive worldwide. The United States has the lowest rate of savings of any industrial nation in the world. The rate has been declining. It has been tough to persuade individuals to save or invest. This withholding tax will discourage that effort. Our country and all its citizens are the losers.

Of the $3.4 billion to be withheld only $1 billion would be new revenue from those who previously did not pay taxes. That $1 billion could be collected with existing information from existing forms. All interest and dividend payments of more than $10 are already reported. We do not need 350 million more pieces of paper with all those associated costs. It just does not make sense.

The American people are already carrying too great a burden. This one should not be added.

I urge my colleagues to join with me in this effort to get the administration to reverse its position.●

NATIONAL GUARD TORTS CLAIMS ACT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. KASTENMEIER. Mr. Speaker, I am pleased to introduce legislation today on behalf of the millions of men and women who make up this Nation's National Guard units. This bill has been referred to as the National Guard Torts Claims Act, and its purpose is to extend coverage under the Federal Torts Claims Act to the National Guard while engaged in training or duty authorized by title 32, United States Code. In addition, the bill would add National Guard medical personnel to the categories covered by section 1089 of title 10, United States Code. This would make the Torts Claims Act the exclusive remedy in actions arising out of alleged medical malpractice during training or duty under title 32. Members of the National Guard are by definition part of the organized militia of the several States and territories. In that capacity they may be ordered to active duty by the Governor in case of natural disaster or to provide military aid to the civil authorities. At such times the personnel of the National Guard are entitled to pay, allowances, medical care, protection from liability for personal injury, death, or property damage, and any other benefits which the laws of the appropriate State provides. In such capacity, they, of course, would not be engaged in duty or training under title 32, and therefore, while engaged in State ordered duties, would not be within the purview of this legislation. The only purpose of this bill is to bring the National Guard, while in Federal duty, under the coverage of the Federal Torts Claims Act in order to put them on equal footing with the active and reserve military in this regard. I recognize the dual status of the Guard. It is not the intention of this legislation to affect the Guard's rights or responsibilites while under the control and direction of the States, and the bill is drafted to make this point clear.

Mr. Speaker, this is a modest bill and will hopefully be promptly considered by the House as part of our review of the provisions of the Federal Torts Claims Act. In that regard, I call this bill to the attention of my colleagues on the Committee on the Judiciary. I welcome their consideration and support.●

VOLCANIC ERUPTION OF DEFENSE BUDGET AUTHORITY IN 1981-85

JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. CONYERS. Mr. Speaker, the House budget resolution cut $16 billion from domestic programs. Budget outlays for defense in fiscal 1981 were slightly higher but the cumulative 5-year—1981-85—difference in defense budget authority between the administration and the House was $39 billion. In conference, $4.4 billion more was cut from domestic programs and the conference added another $40 billion in defense budget authority in 1981-85. So the President and the conference together increased defense budget authority by $80 billion for the next 5 years. Thus, the conference report on the budget resolution contains continued gigantic increases in the defense budget and unconscionable cuts in human needs programs.

At the same time, the conference report sets budget targets for education, employment, and training and social services $1.8 billion below the House budget resolution. The conference report is worse in social program cuts than the Gramm-Holt amendment which the House defeated by 164 to 246. The conference report's human needs budget targets do not allow for inflation. It cuts services for the aged, needy children, the unemployed, and untrained. It reduces public service jobs by 50,000 in addition to the 50,000 jobs already cut by the House.

Over the past years, Congress has appropriated such huge amounts of defense funds that the Pentagon is glutted and unable to spend billions. At last count, the Department of Defense had about $25 billion in unspent funds. The conference budget report is determined to pump more billions into the military whether or not it can spend it, while Detroit and other cities are forced to cut spending for essential services and redevelopment. For these reasons, I am opposed to the House-Senate conference budget—and to the House budget, the Senate's budget, and the administration's budget.●

A REFUGEE REAFFIRMS A FAITH

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. BOB WILSON. Mr. Speaker, an article in the May 29, 1980, Los Angeles Times, should aid us in placing in perspective many of the current refugee questions.

The article follows:

REACHING 10,000 MILES TO SHAKE HELPING HAND

(By Matt Seiden)

BALTIMORE.—Muoi arrived last week like a timely message from the past. The influx of Cuban refugees was beginning to bring out the worst in us. The papers were full of mean-spirited talk about keeping out this latest wave of refugees. And then suddenly, unexpectedly, there was Muoi, a veteran of the last wave, an apparition from the past, returning to remind us what a helping hand can accomplish, with a little luck.

It was not the first time that Muoi had appeared unexpectedly. She first showed up in our Saigon dining room early one morning seven years ago. She was carrying a tray of croissants and a pot of fresh coffee.

We had never seen her before, and had no idea why she was serving our breakfast. But who asks questions at 7 in the morning? We ate the croissants and drank the coffee gratefully.

We had just arrived in Vietnam. We had rented a house and hired A-Tho, an older Chinese woman, to help take care of us.

After breakfast, the older woman explained that she had hired Muoi to help take care of her. The two women grinned and giggled at our surprise.

Muoi moved in that night. The next morning, we found Suk-Phan, Muoi's 6-year-old daughter, serving our coffee. Muoi's soldier-husband, Yeung Yak, moved in later that week, and then one day their two little boys appeared.

Altogether (when they had no visitors) there were six of them, and two of us. We communicated in pidgin French and Chinese and GI Vietnamese. We were quite a family. Gradually, it became unclear who was taking care of whom.

One night Yeung Yak told us that he hoped to escape from Vietnam. He had served in the army for 10 years, and was about to be sent to the battlefront again unless he could come up with bribe money.

He said that he was tired of paying bribes to stay alive, and tired of fighting a war for a country in which he was treated like a second-class citizen.

Muoi and Yeung Yak were ethnic Chinese. Vietnam's Chinese minority attracted worldwide attention later, after the Communist victory, when many thousands fled in tiny fishing boats. Most outsiders assumed that the persecution of the Chinese had begun with the Communists. But the Chinese had always had trouble in Vietnam, and the perilous escape route across the South China Sea was already well-traveled before the Communists arrived in Saigon in the spring of 1975.

In 1973, it cost a draft-age Chinese man $1,000 to book illegal passage on the bottom of a small fishing boat. The lucky ones arrived in Hong Kong.

Yeung Yak had been saving for years, but was $300 short, and now was being sent to the battlefront. In those days, your chances of returning alive from the front were pretty slim, especially if you were Chinese.

I gave Yeung Yak the $300 that he needed to escape. He left in the middle of the night. Some weeks later we heard that he had arrived safely in Hong Kong.

Yeung Yak planned to send for Muoi and the children. But the war intervened. Saigon was falling. Once the Communists came, we were afraid that Muoi might never be able to rejoin her husband.

Those were the days when everyone wanted to get out of Vietnam in a hurry. You'd go to buy a plane ticket and the Vietnamese woman behind the counter would beg you to take her along.

The United States insisted officially that it was not abandoning Saigon, but a caravan of American moving vans had begun rumbling regularly between the U.S. housing compounds and the airport, and Americans were quietly told to be ready for a helicopter evacuation.

Another American correspondent helped get Muoi and her children on the secret evacuation list. But two of the three children were visiting their grandmother when the evacuation call came. Muoi had five minutes to get ready. There was no way to get the children in time.

When she boarded the helicopter on the roof of the besieged American Embassy, Muoi had nothing with her but her oldest daughter and the clothes on her back.

We thought that it would be a fairly simple matter to get Muoi and Suk-Phan to Hong Kong. But they had no papers and no money, and for a time they were lost in a flood of refugees.

My wife's parents eventually rescued Muoi and Suk-Phan from a West Coast refugee camp. They took Muoi and Suk-Phan home with them to Dana Point, Calif., where they lived together for the better part of a year. Finally, after completing endless reams of paperwork and waiting, and waiting, and waiting, Muoi and Suk-Phan were allowed into Hong Kong.

Some time later, we heard that they had somehow managed to get their other children out of Saigon. The family was now reunited, poor but together, in one small room in the Kowloon section of Hong Kong.

And that's where the story seemed to have ended, until two weeks ago when we got a telegram from Hong Kong. Muoi was coming for a visit. She flew to Los Angeles, thinking that Baltimore would be only a short bus ride away. Eventually we straightened her out, and Muoi arrived here, many pounds heavier, expensively dressed, laden with gifts and full of good news about her family's life in Hong Kong.

She says Yeung Yak now owns five trucks and has six people working for him. She showed us pictures of their plump, well-dressed children and their nicely furnished apartment. She said Yeung Yak plans to come for a visit, too, when he isn't too busy with his trucking business.

Muoi thanked us profusely for having helped get her family out of Vietnam. She said that she would never forget the favor. She kept saying that we had saved their lives.

Then Muoi took out a little red envelope decorated with the Chinese characters for health, happiness and prosperity. Bursting with pride, she handed me the envelope. At first I refused, but she insisted, and finally, seeing the determination in her eye, I accepted the small red package.

It contained $300. Muoi had traveled more than 10,000 miles to repay the debt.●

HEARINGS ON THE PROPOSED AMENDMENTS TO FEDERAL RULES OF CRIMINAL PROCEDURE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. DRINAN. Mr. Speaker, on May 1, 1979, the U.S. Supreme Court transmitted to Congress certain proposed amendments and additions to the Federal Rules of Criminal Procedure. Public Law 96-42 delayed the effective date of five of these proposed rules until December 1, 1980. The Judiciary's Committee's Subcommittee on Criminal Justice, which I chair, has scheduled hearings on the delayed rules for Friday, June 6, 1980, and Monday, June 9, 1980.

The American Bar Association has recommended amending the Federal Rules of Criminal Procedure to provide for reassigning a criminal case to a new Federal district judge, without a showing of cause. I have drafted a bill embodying the recommendation of the American Bar Association. This bill will also be taken up at the June 6 and June 9 hearings.

Anyone interested in commenting on the delayed rules or the American Bar Association proposal should contact the Subcommittee on Criminal Justice.●

BRITAIN'S STEADY COURSE TOWARD RADIOACTIVE WASTE DISPOSAL

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. GOLDWATER. Mr. Speaker, this month, Great Britain moved smoothly in another step to disposal of radioactive wastes. Its Radioactive Waste Management Advisory Committee, which is a broadly based group including universities, government, industry, and unions, approved a previous plan established by the British Government's Expert Group. Contrast this with the quagmire in which President Carter's administration had placed the U.S. radioactive waste disposal program until the Congress undertook to return the program to meaningful direction and a sound foundation.

In the United States, a correct start was made, similar to the British Expert Group. A group of scientists on alternative technology strategies commissioned by the administration had found in 1978 that successful isolation of radioactive wastes "* * * appears feasible for periods of thousands of years * * *". This has been further verified on March 6, 1980, by testimony of groups representing over 700,000

U.S. engineers to the Subcommittee on Energy Research and Production of the Committee on Science and Technology. It is clear from all this that there is virtual unanimity among experts about the immediate practicality of radioactive waste disposal.

In the United States, the administration unfortunately put these established policies off track by constituting the largely political Interagency Review Group (IRG) to chart its policy of waste disposal. The IRG had 14 members, at least half of whom were nonscientific political appointees. Two came directly from the Natural Resources Defense Council (NRDC), a group committed to slowing the usage of nuclear energy. No wonder that a group such as this would follow the campaign slogan of "the energy of last resort" for nuclear energy and would falsely cloud waste disposal in an aura of uncertainty. The IRG, together with subsequent reassessments of the administration, have now delayed the scheduled completion of waste disposal until perhaps the year 2006—26 years from now.

The Congress is now restoring reason to nuclear waste disposal, a reason that has prevailed among U.S. scientists and among foreign governments, such as the recent assessment of the Radioactive Waste Management Advisory Committee of Great Britain. Waste demonstration can be placed in operation by 1986—6 years from now, rather than 26 years—as I have introduced as an amendment to the Department of Energy fiscal year 1981 authorization bill, H.R. 6627. My program has been further refined by Chairmen Mike McCormack, Democrat of Washington, Don Fuqua, Democrat of Florida, and John Wydler, Republican of New York. I am pleased to be a cosponsor of essentially this same plan in the recent bill, H.R. 7418, introduced by Mike McCormack. Only such responsible actions by the Congress can restore waste disposal to the reasonable track on which it has started and has been continued by other governments.

BRITISH REVIEW

My colleagues might be interested in some excerpts from the May 1980 report by the Radioactive Waste Management Advisory Committee of Great Britain. On the subject of waste storage and disposal, the committee notes that leaks have occurred at the Windscale reprocessing plant, just as they have at the Hanford site in Washington in the United States, but both have been corrected and have caused no harm to the public. Confidence in waste storage, followed by disposal, is expressed by:

> This Committee endorses the objectives for radioactive waste management as restated by the Expert Group. We are concerned to ensure that radioactive wastes should continue to be managed in such a way that, regardless of any future expansion of the nuclear power programme and consequent increase in the amounts of waste to be dealt with, public exposure to radiation from radioactive waste continues to remain at very low levels. The Committee shares the Expert Group's confidence in the soundness of the principles governing the management of stored wastes. Whilst we are aware of the leaks of radioactivity which have occurred at Windscale, these have not given rise to significant exposure of the public to radiation. Notwithstanding these incidents the safety record for stored wastes in the United Kingdom has for over a quarter of a century been very good. We also agree that storage is a proper waste management technique, although not a substitute for disposal. Where wastes can be disposed of they should be disposed of by the most effective method, taking account of cost, radiological consequences, and environmental acceptability. We do see an urgent need for a thorough examination of the advantages and disadvantages of different periods of storage prior to disposal. Storage is in fact an essential part of the management of high level wastes, and we would not, for example, at this stage rule out the possibility of storing high level wastes on or near the land surface for very many years. This would facilitate eventual disposal or might even be done in such a manner as to enable the necessary steps eventually to be taken for the storage to become disposal should, at that time, such action be deemed acceptable. We have not yet studied this matter in detail but we recognize its importance and we shall be considering it early in our second year of work.

WASTE SOLIDIFICATION

In the waste disposal program as it is being restored by the Congress, considerable importance is placed upon using 20th century technology to contain the wastes, in contrast to the administration's seemingly timeless quest for the ideal hole in the ground. Our advanced methods for solidifying wastes and for containing them in special alloyed metals can assure that the wastes are contained until they are just as safe as the uranium ore used to fuel the reactors, from which the wastes result as byproducts.

Like the Congress, the committee in Great Britain emphasizes methods for solidifying the wastes and has confidence in the existing methods:

> This Committee has examined the solidification techniques being developed in the United Kingdom and elsewhere. We have closely studied the scientific and technical reasons for the choice of glass as the technique for the solidification of high level liquid wastes in the United Kingdom. UKAEA started research on vitrification in the late 1950s and developed the FINGAL[1] technique which uses a batch vitrification method to incorporate the liquid waste into borosilicate glass. More recently, this process has been developed by BNFL and UKAEA into the HARVEST process. The technology of vitrification has been very well tested in the United Kingdom but the development of the vitrification process on an industrial scale is more advanced in France, where a plant glassifying radioactive waste on an industrial scale has been operting successfully at Marcoule since mid-1978. The French technique (AVM[2]) is a continuous process which has certain operational advantages over HARVEST but which is mechanically more complex. In the Committee's view a high degree of confidence can now be placed in vitrification as a method of solidifying high level liquid wastes. It has the great advantage of being a simple, well tried technique, and we consider it the right process for the United Kingdom to continue to develop at this time.

The present congressional bills encourage research to develop even more advanced methods for solidification, beyond the already satisfactory and already proven methods. The committee in Great Britain similarly recognizes the need for continued research, but with full realization that conversion of the disposal program to these possibilities would unnecessarily delay the already safe program:

> Research on solidification techniques using materials other than glass is being carried out elsewhere in the world. For example, Professor A. E. Ringwood of the Australian National University is currently examining the incorporation of high level waste into synthetic igneous rock: SYNROC. Extensive work on techniques for incorporating such wastes into ceramics is also being investigated widely, notably by Professors R. Roy and G. McCarthy at Pennsylvania State University; and work on the possibilities offered by cermets[3] is being carried out at the Oak Ridge Laboratories in the U.S.A. These developments are of interest and this Committee will be watching their progress closely. All these techniques are, however, at a much earlier stage of development than vitrification, and their characteristics will need to be tested over a number of years before they can be fully compared with the United Kingdom and French solidification processes. We have seen no evidence that at this stage of their development either SYNROC, ceramics or cermets have overall advantages over glass as the medium for high level waste solidification, and to switch the United Kingdom research effort to one of these other options would considerably delay the waste solidification programme. But it would be premature now to rule out the possibility of their eventual use; the results of research into these or any other solidification techniques should be carefully monitored. We are pleased to note that the Department of the Environment has commissioned a critical review of the alternatives.

BRITISH REVIEW SYSTEM

Although the direction of the U.S. program now is apparently in the hands of the Congress, through the default of the administration, it is nevertheless interesting to observe the British methods for a steady waste disposal program. To assure continuing objective assessments, the British Government requires its Radioactive Waste Management Advisory Committee to provide a report each year.

The committee is chaired by the distinguished Sir Denys Wilkinson, a scientist who is vice chancellor of Sussex University. Its 17 other members include 7 university professors of varying disciplines, 6 managers of major government and industrial activities, 3 representatives of affected trade unions, and a science management specialist. What a contrast to the politically guided IRG that temporarily so misdirected the U.S. program. It is important that the Congress continue its efforts in radioactive waste disposal that is so needed to attend to the already voluminous radioactive wastes from our defense activities and to the additional wastes from our energy-supplying reactors.●

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[1] *FINGAL* "Fission Products Into Glass."

[2] *AVM* Atelier Vitrification Marcoule.

[3] Cermets Intimate mixtures of metals and ceramics.

POSSIBLE CAMPAIGN REFORMS

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. SENSENBRENNER. Mr. Speaker, I would like to make, as part of the CONGRESSIONAL RECORD, a transcript of an editorial which was broadcast by Ed Hinshaw of WTMJ on March 29, 1980.

Congress is almost always considering some form of election reform. In my opinion this editorial adds additional insight in various forms of campaign activity.

Mr. HINSHAW. Every election period develops a new concern over loopholes in election laws or out-and-out abuse. We've seen a couple of things in the current campaigns that deserve some attention.

One is the use of labor union staffs to support candidates. It's no secret that some employees of labor unions do mailings and other staff work for candidates while collecting their dues-paid salaries from labor union employers. Under the law, labor unions can't give directly to candidates. They can contribute through the voluntary political action committees—and that's fine. But, the donation of staff work appears to violate the rights of those union members who don't support the candidates union leadership supports. Those so-called "in-kind" gifts should be stopped.

And, we should stop the use of public employees by their elected bosses in reelection campaigns. It's the same principle: the violation of the rights of those who may oppose the incumbent.

There simply should be a halt to the use of dollars collected for one purpose—the operation of a union office or an elective office—for any election campaign.●

ARMENIAN INDEPENDENCE DAY, MAY 28, 1918

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. DANIELSON. Mr. Speaker, Wednesday, May 28, the anniversary of Armenian Independence Day is being celebrated by many Armenian communities this weekend, as it was during the previous one. These observances represent a reminder to our Nation and the world that the desire for self-determination remains both strong and constant by freedom-loving Armenians everywhere.

Their history is a proud and noble one. Here are just a very few of their long-ago outstanding historical achievements. At about A.D. 300, Armenia became the first nation to adopt Christianity. During the 400's, the remarkable Armenians not only invented an alphabet but also translated the Bible and established their first university.

There follows a great deal more about them as a progressive nation, of course. But because of its geographical location, Armenia became a prime target of foreign invaders over the centuries.

After 600 years of foreign domination of their native lands, the Armenian nation won independence on May 28, 1918. Two years later, however, still another invasion by Russia and Turkey resulted in the partitioning of the new Armenian Republic.

May 28, 1980, marks the 62d anniversary of Armenian Independence Day. A little more than a month ago, on April 24, we in this House recalled and spoke about the first holocaust of this century that which was perpetrated against the Armenians by the Ottoman Turkish Empire. Not only was Armenian independence short lived, but the present-day Government of Turkey has yet to acknowledge the evil genocidal policies of its predecessor government. However, these events are viewed only as temporary setbacks, which will eventually be overcome. The Armenian spirit, the will and ability to excel, combine with a magnificent heritage and culture which will survive and triumph over all obstacles.

Mr. Speaker, I ask you and my colleagues to join me in this observance of the 62d anniversary of Armenian Independence Day.●

TRIBUTE TO THE LATE MR. AND MRS. LEO YETZER

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. CLINGER. Mr. Speaker, this past Memorial Day I was proud to be with the residents of St. Marys, Pa., to take part in a service honoring the veterans of our military conflicts. I consider myself lucky indeed to have witnessed this community's sense of patriotism and devotion to the high ideals of our Nation.

The highlight of the memorial program for me was a very special tribute to the late Mr. and Mrs. Leo Yetzer—a St. Marys couple who proudly watched 10 sons serve their country during time of war.

This moving tribute was delivered by their son Mr. Boyd Yetzer of St. Marys, and I would like to share it with my colleagues:

For the first time in local graveside services, the Veterans of Foreign Wars of the United States Post 1047 is deviating from our usual practice of holding our Post's memorial program at the burial place of a deceased veteran.

Today, it is my pleasant duty as Commander of the Veterans of Foreign Wars to bring forth a special and long overdue recognition to a local couple who contributed so much during their lifetime to our country's defense and war effort.

Nowhere else in these United States and possibly the known world has so great a sacrifice taken place and sadly passed unnoticed by the community and the nation.

I'm referring to a local couple who parented seventeen children and who willingly and unselfishly gave ten sons to military service during time of war.

We salute this couple, buried here in this cemetery, and should a mist appear in my eyes and a tremble in my voice as I present this eulogy it is because of my heartfelt love for them for they are my parents, my mother and father—Leo and Priscilla Wallwork Yetzer.

Their 10 sons who served their country are:

Casper—World War II.
Thomas—World War II.
Jack—World War II.
Howard—World War II.
Harry—World War II.
Boyd—World War II.
Richard—World War II.
Leo—World War II and Korea.
James—Korea.
Dane—Korea.

Priscilla Yetzer passed on to her heavenly reward early in 1945, near the end of World War II. Leo Yetzer lived to see his sons return from the farflung battlefields of that war.

As you take your place in the history of this great Nation, Leo and Priscilla Yetzer, we the officers and members of the Veterans of Foreign Wars with love and pride say: "Well done true and faithful citizens."●

MX TRADE-IN VALUE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. OTTINGER. Mr. Speaker, reducing our dependence on imported oil is one of the our most effective weapons against incursions by foreign powers. Construction of the MX missile system and the consequent acceleration of the arms race would only serve to threaten U.S. security and further destabilize world order. A letter which recently appeared in the New York Times highlights tangible examples of how MX funding could better be applied toward developing solar technologies which would truly be in our national interest. I commend this insightful letter to my colleagues' attention:

MX TRADE-IN VALUE

To the EDITOR:

One hundred billion dollars. That is as many dollars as there are stars in the Milky Way. It amounts to $2,000 for every American family. How might one spend such an astronomical sum?

One could buy every family a solar water heater. The consequent decrease in oil imports would enhance U.S. security and world stability. An incidental effect might be the development of a vital industry capable of promoting widespread use of solar energy.

One could buy half of all U.S. families fuel-efficient cars, again increasing U.S. security and world stability. An incidental effect might be revitalization of our automobile industry.

One could improve substantially the energy efficiency of all American dwellings, decreasing our use of imported oil. An incidental effect might be meaningful employment for millions of Americans.

One could build the MX system, each of its 200 missiles more destructive than all the weapons of World War II combined. The consequent acceleration of the arms race would decrease U.S. security and upset world stability. An incidental effect might be nuclear war.

RICHARD L. T. WOLFSON,
Middlebury, Vt., May 18, 1980.●

IN MEMORY OF MIDSHIPMAN SCOTT DAVID THOMAS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. LEHMAN. Mr. Speaker, Midshipman Scott David Thomas, my congressional appointee to the U.S. Naval Academy, died recently as a result of an automobile accident. He was the only son of Capt. Svend and Margaret Thomas, who have five daughters.

Scott entered the Academy in 1977. He was an electrical engineering major at the Academy and participated in battalion rugby and other sports activities. Scott achieved excellence in his academic performance, and looked forward to a promising naval career.

In addition, and perhaps even more important, Scott had some very close and caring friends and roommates. They have expressed their feelings about Scott and what his life and death meant to them.

I would like to memorialize their remarks about Scott by having those words placed in the CONGRESSIONAL RECORD.

The remarks follow:

Scott was a dynamic midshipman. He worked hard and achieved success in all that he did. Although he hoped to become a pilot, he felt that when he graduated, he would have to go into the submarine field. This didn't matter to him; he was devoted to the Navy and would go wherever he was asked. He often said that when he got out of the Navy, all he wanted to do was buy a radio station and play his music for others. Truly, he loved music. He drew his life from music and gave it to others. To know him was to know that you had a friend, even when others turned away. He will be deeply missed.

HIS ROOMMATES.

For me to expose the feelings I developed as a close companion of Scott's is truly an honor.

The large circle of friends he maintained throughout his life was a direct reflection of his amiable personality and character. His gregarious nature was consistent and often acted as a source of strength for others. Scott has this uncanny ability to perceive sunshine even on a dark rainy day. He could absorb the burden of trivial matters and place the true value of his being in a mature and proper perspective. Scott was capable of helping anyone to his feet, he could change a frown to a smile, a clenched fist to a warm handshake, this was the kind nature of his friendship.

Within Scott I saw an intensity of emotion which was often displayed by his extreme love for music. He had a great sensitivity for song and often used these feelings for reassurance and courage. He was intrigued by eloquent lyrics and fascinated by competent musicians. This was truly one of his great pleasures.

Perhaps, what impressed me most about Scott was the high level of confidence he maintained in himself. I deemed this to be a righteous quality because Scott was an extremely intelligent and competent man. He thoroughly enjoyed reading and was therefore able to speak with relative ease on many different subjects. Scott set his goals high—he was an achiever, he enjoyed a challenge, he would not settle for second best. Scott was confident because he knew he would be a success. I have this poem I would like to read, most people agree that this is what Scott would probably want to say to us all:

Do not stand at my grave and weep:
I am not there. I do not sleep.
I am a thousand winds that blow.
I am the diamond glints on snow.
I am the sunlight on ripened grain.
I am the gentle autumn rain.
When you awaken in the morning's hush,
I am the swift uplifting rush
of quiet birds in circled flight,
I am the soft stars that shine at night.
Do not stand at my grave and cry;
I am not there; I did not die.—"Unknown"

MARK ADAMSHICK,
Midshipman, USN, 2/c.●

U.S. COMMITMENT TO HUMAN RIGHTS MUST BE CONSISTENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. BIAGGI. Mr. Speaker, on May 28 the New York Times featured an editorial entitled "What's a Boycott Between Friends?" discussing the 9-month suspension of U.S. arms shipments to the Royal Ulster Constabulary.

I place into the RECORD both a copy of the editorial and a response I sent as chairman of the 132-member Ad Hoc Congressional Committee for Irish Affairs. There is a vitally important principle involved in the arms suspension—namely that the U.S. commitment to human rights must be universal no matter who the nation or organization involved. The Carter administration deserves credit for adhering to principle in this matter.

In the very near future, the House will be considering new appropriations legislation for the Department of State. I intend to discuss this issue in greater detail at the time, including a possible amendment to guarantee the continuation of this suspension until substantial progress is made by the RUC in improving their human rights record.

The New York Times editorial and my response follow immediately:

WHAT'S A BOYCOTT BETWEEN FRIENDS?

A Congressional blockade on the shipment of 3,000 revolvers to Great Britain has placed the United States in a very peculiar diplomatic position. While Washington has been pressing the British to punish terrorism in Iran—by canceling contracts signed since the hostages were seized—the United States has been refusing to approve a perfectly proper British purchase of Ruger revolvers to counter terrorism in Northern Ireland. How is that again? You may well ask.

The revolvers were ordered by the Royal Ulster Constabulary, the British-controlled police force in Northern Ireland. A few years ago, the constabulary decided to reequip with the Ruger, a fast-firing .357 Magnum handgun, to replace a European-made semi-automatic pistol. What should have been a routine transaction aroused the opposition of the Irish National Caucus, whose leader, the Reverend Sean McManus, has been an open supporter—and occasional critic—of the Provisional wing of the Irish Republican Army. The caucus has its ardent partisans in Congress, and House Speaker O'Neill was moved to oppose granting an export license for the guns. For more than a year, an obliging Carter Administration has kept the British order under "review."

This American embargo is the more galling to the British since I.R.A. gunmen seem to have less trouble stocking up in the United States. In a Belfast ambush two months ago, one constabulary policeman was killed and three colleagues were wounded by terrorists using an American-made M60 machine gun. Typical of the gibes heard in Parliament was this question by an outraged Tory: "Is not this evenhandedness between law and murder unworthy and uncharacteristic of a great country that was once known as the arsenal of democracy?"

Granted, the British passion for law and order in Northern Ireland has not been matched by British zeal to secure a political settlement. Irish-Americans are not alone in criticizing the fitful course of Britain's peacemaking efforts. But there is no basis in law or logic for denying a license for the export of guns to combat political murder in Northern Ireland.

The British did break their promise to the United States when they bowed to Parliament's pressure the other day and failed to break existing commercial contracts with Iran. Lord Carrington, the debonair Foreign Secretary, shrugged it off as a "minor affair," adding: "Now you, who we think are our friends, are unable to supply us with the pistols we need for the R.U.C. because of opposition in Congress. It's rather the same thing, isn't it?" Point, game and set for the Noble Lord.

AD HOC CONGRESSIONAL
COMMITTEE FOR IRISH AFFAIRS,
Washington, D.C., May 29, 1980.

Mr. MAX FRANKEL,
Editorial Page Editor, the New York Times,
229 West 43rd Street, New York, N.Y.

DEAR MR. FRANKEL: The suspension of United States arms to the Royal Ulster Constabulary, the subject of your May 28 editorial, must be put in perspective.

It was my amendment to the fiscal year 1980 Department of State Appropriations bill which led to the decision in early August by the State Department to suspend further arms sales or shipments of United States arms to the RUC pending a full review of our policy.

My initial reason for raising this issue in Congress was the incompatibility of the sale of arms to the RUC and the philosophy behind our foreign policy—respect for human rights. Section 502(b) of the Foreign Assistance Act of 1961 bars the sale or export of any U.S. arms to nations or organizations which engage in persistent patterns of human rights violations. The Royal Ulster Constabulary has been charged by both Amnesty International and the British Government-appointed Bennett Commission with human rights violations against prisoners and prison suspects. Earlier this month, one of Ireland's leading legal authorities, Rory O'Hanlon, charged that complaints of brutality made against the RUC remained at "an alarmingly high level," further supporting the aforementioned charges.

On May 16 I was joined by 17 of my House colleagues in a letter to Secretary of State Muskie reaffirming our support for the suspension. We stated in the letter, "When the Department instituted this policy, it demonstrated that our commitment to human rights was universal." The fact is, the Carter Administration has been far more than obliging. The President, last December, went eyeball to eyeball with Prime Minister Thatcher and reaffirmed the suspension.

Finally, the leadership of the Irish National Caucus is fully consistent with their role as the leading Irish-American organization working for peace, justice and human rights for Ireland.

We value our relationship with the United Kingdom and always have. Our hope is that there will come a time when the RUC will again be able to receive United States arms. That time cannot and will not come until there are major improvements in their human rights record.

The genius of Lord Carrington was demonstrated best by the peace settlement which led to the new nation of Zimbabwe. However, his analogy about Iran constitutes more of a fault than a triumph. Our position in Iran is wholly consistent with our policy in Ireland. In both instances, we are motivated by a high sense of morality.

Guns should not be sold to police organizations which do not respect human rights. We consider it morally right to ask our allies to impose sanctions on the Government of Iran for their illegal and immoral holding of our citizens for some 200 days. It is the British—in both cases—who are engaging in selective morality.

Sincerely,

MARIO BIAGGI, M.C.
Chairman.●

ON THE CRISIS IN THE INNER CITY AND WHAT WE MUST DO TO RESTORE HOPE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. KEMP. Mr. Speaker, in his January "State of Black America" address Urban League President Vernon Jordan described the urban poor, and especially the black urban poor, as America's boat people without boats, cut adrift from the promise of a better future. In the first quarter of 1980 inner-city unemployment was over twice the national average. For blacks it was close to three times the national average. And for black teenagers in the inner city the unemployment rate reached 45 percent—seven times the national average.

No one has more emphatically, or persistently, drawn America's attention to this problem than William Raspberry. His calls for action have now, of course, been tragically highlighted by the violence in Miami, violence surely not unrelated to the powder keg levels of youthful unemployment in Miami and other urban centers.

For, as Raspberry pointed out in a May 23 editorial in the Washington Post:

> The unavailability of jobs goes beyond the general state of the economy, which is reducing job opportunities for everybody. For as bad as the recession-squeezed job market is in general, it is profoundly worse where the potential for violence is greatest: in the inner cities, still suffering from the exodus of jobs to the suburbs.

One answer, then, is to find ways to entice businesses, large and small, to locate where the need is greatest, the inner city. I agree, which is why I have introduced the Urban Jobs and Enterprise Zone Act. This bill would target tax incentives for employment and entrepreneurial activity in the poorest areas of the Nation. It would also reduce the payroll tax on workers under 21 by 90 percent for both employers and employees—a special incentive for hiring the young.

But we must go beyond this. Above all we must restore full employment without inflation, and reject the bankrupt notion that inflation can be reduced by putting people out of work. We should also carefully examine our educational system, and our job training programs, to see how they could more adequately meet the needs of inner-city youth. Reducing the unemployment among minority youth must become a national—and a Republican—priority.

I commend two recent editorials by William Raspberry—"Black Youth: A Special Case," from the May 21 Washington Post, and "Explosion of Joblessness," from the May 23 Washington Post—to your attention:

BLACK YOUTH: A SPECIAL CASE

President Carter, his press secretary told reporters Monday, "wants his view known that violence can contribute nothing to the resolution of the problems or to the alleviation of grievances" of blacks in Miami.

And even as Jody Powell spoke, the president was dispatching his attorney general and two Justice Department aides to Miami in what clearly was a direct response to the violence there.

Now it may be that Carter was planning to send Attorney General Benjamin Civiletti and Assistant Attorney General (for civil rights) Drew Days to Miami even if the past weekend had been devoted to picnicking among the southeast Florida palms.

Maybe he already had planned to instruct the Justice Department to convene a federal grand jury to consider whether to seek federal indictments against the four white police officers who were acquitted Saturday in the fatal beating of black insurance executive Arthur McDuffie.

Maybe in the normal, peaceful course of things there would have been spontaneous investigations into the long-simmering complaints of unredressed police brutality in Miami. Maybe there would have been the efforts (that are sure to come) to do something about the powder-keg levels of youthful unemployment in Miami and other urban centers.

But you will be forgiven for thinking that, the president's views notwithstanding, the weekend violence did contribute something; that it served, at the very least, to concentrate the minds of our public officials on the fact that the deplorable condition of inner-city black youths is not just another domestic problem, like energy or Chrysler's financial difficulties, competing for a piece of a shrinking federal budget.

It is true that Miami, with its history of largely unpunished police violence and its unsettling wave of recent Cuban refugees, is a special case. It is also true that the immediate trigger of the violence that left a score of dead bodies and millions of dollars of destruction in its wake was the acquittal of the former Miami policemen and the contrast of that verdict with the recent conviction of popular Dade County (Miami) School Superintendent Johnny Jones, black, on charges that he used school funds to purchase gold-plated plumbing fixtures for his home.

But Miami isn't all that different, either—particularly in the grim fact that joblessness among black youths is twice the rate for their white counterparts.

And President Carter must be wondering with the rest of us whether Miami is only the first salvo in a renewal of the summer violence that plagued the 1960s. His own statisticians could tell him that there is hardly an American city without the potential—in joblessness and despair—for the same sort of violence that rocked Miami over the weekend.

Naturally Carter deplores the violence, as do we all, and naturally he will offer whatever federal assistance is necessary to restore peace to that glittering resort city.

But it will be astonishing and indeed irresponsible if he doesn't read the violence as a signal that he must also lend federal assistance to alleviate the problems that produced it.

The problem of what to do about joblessness among young blacks is, admittedly, not an easy one, considering the state of the general economy. It is fair to say that no permanent solutions are likely to be found, short of putting the overall economy in shape.

But having decided upon a federally induced recession to cure the problem of inflation, Carter must now find a way to deal with the particular problem that his own policies have exacerbated.

And the first step is to recognize the plight of young urban blacks as a special case, at least as much a threat to the national security as the events in Iran and Afghanistan.

The violence—including the sheer brutality—in Miami last weekend is a terribly high price for calling attention to this most intractable of American crises. But Carter, and America, had better start paying attention before the price gets even higher—for all of us.

EXPLOSION OF JOBLESSNESS

Even after the explosion in Miami, there is the danger that America will continue to underestimate the destructive potential of joblessness and disaffection among black youth.

The House Education and Labor Committee has reported out the Youth Act of 1980, a measure that could improve significantly the education and work opportunities of low-income youngsters. But the new programs authorized by the legislation won't take effect until fiscal 1982. (President Carter, to his credit, opposed the delay.)

Meanwhile, aside from scattered programs, public and private, very little is being done to address this most critical problem on a comprehensive scale. Indeed, it's hard to know just what to do.

It does seem clear, however, that any successful attack has to take at least three factors into account: the unavailability of jobs, the unpreparedness of many inner-city youths for the jobs that are available and the still-significant fact of racism.

The unavailability of jobs goes beyond the general state of the economy, which is reducing job opportunities for everybody. For as bad as the recession-squeezed job market is in general, it is profoundly worse where the potential for violence is greatest: in the inner cities, still suffering from the exodus of jobs to the suburbs.

One of the things we have to do, then, is to find ways to entice businesses, large and small, to locate where the need for jobs is greatest, while providing some sort of federal stopgap in the meantime.

But we also have to do far more than we are doing to see to it that our youngsters are prepared for jobs when they are available.

The problem here is not solely one of adequate vocational education, though that clearly could help. It is more basic than that. Countless employers, black as well as white, will tell you depressing stories of youngsters who, while eager for jobs, come to the personnel offices scarcely able to read and write, with few basic marketable skills or even marketable attitudes.

Exacerbating both of these problems is the third one: racism.

It isn't just the dearth of jobs or the relative lack of education that renders black youngsters two or three times as likely as their white counterparts to be out of work.

The Urban League's Robert Hill has reported that white high school dropouts have lower unemployment rates than black youth with some college education, and about the same as black college graduates.

Paul Osterman of Boston University reported, in a study funded by the federal government, that at least half the job gap between black and white youth is the result of racial discrimination.

The discrimination obviously can have a devastating effect, psychologically as well as economically, on the youngsters who confront it. But the effect goes beyond that, infecting their friends and associates who, otherwise, might be motivated to seek work, or to stay in school, or to learn job-related skills.

And when large numbers of these youngsters give up on straight life and turn to crime to put money in their pockets, they become the excuse for still more employers to pack off to the suburbs.

But if white attitudes are a major factor in the problem of joblessness among black youth, blacks cannot sit back and wait for white people and the government to solve it.

Maybe blacks can't do much about the state of the general economy, or about shaping federal policies. But we can do quite a lot more than we are doing to work with the schools that are turning out illiterates, to help the youngsters develop the attitudes that make them more attractive to employers, to help learn skills and find and keep jobs.

When youthful bitterness and despair explode into flames, it isn't just the white people who get burned. We're in this one together.●

VETERANS' ADMINISTRATION HEALTH CARE PERSONNEL ACT OF 1980

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. DASCHLE. Mr. Speaker, I am most pleased with the House passage of H.R. 7102, the Veterans' Administration Health Care Personnel Act of 1980.

As a cosponsor of this bill, I would like to thank the distinguished gentleman from Texas, Mr. ROBERTS, chairman of the full committee, for his leadership and foresight in developing the scholarship program contained in title II of this bill. For a long time, the VA hospital system has had a serious problem regarding the recruitment and retention of VA physicians, dentists, and nurses. A decade ago barely a 10th of VA physicians were part-time employees. Today, this figure has increased to over 40 percent. As a result, the quality of care our veterans have received has often not been a priority concern to many doctors. Our veterans, especially those World War II veterans now approaching an average age of 60, will seek an increasing amount of services and health care from the VA system which they will need and most certainly deserve. I believe that this scholarship program, which will produce a total of 400 new physicians and 600 new nurses during the program years, will reaffirm our commitment to provide the best care, physicians, and nurses available.

Second, I would like to commend the chairman of the Subcommittee on Medical Facilities and Benefits, the distinguished gentleman from Virginia (Mr. SATTERFIELD) for his expertise in developing this professional pay bill which was combined with the scholarship program and passed by the House just the other day. Mr. SATTERFIELD has succeeded in helping to create a fair, permanent pay system that is competitive with other Federal physician pay scales and the private sector. A permanent pay system that offers stability and discourages resignations is essential to providing first-class care to our veterans.

In addition, the cost-savings proposal in title III of this bill will provide a better screening process of those who utilize the VA hospital system to determine whether in fact a nonservice connected veteran's private health insurance is sufficient to meet the costs of his health care. This provision will save $109 million the first year and is especially noteworthy considering the present inflationary trends and the reconciliation instructions imposed on the committee.

Finally, I would like to thank all the members of the committee who worked on this legislation and other Members of the House who voted for passage of this legislation. I would hope that with 406 Members of the House voting in favor of this legislation, a signal will have been sent to the White House that a potential veto of this bill will be easily overridden by the House of Representatives.●

YOUTH VOTER REGISTRATION/EDUCATION CAMPAIGN MEETS ALL GOALS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. BROWN of California. Mr. Speaker, I am asking my colleagues to join me today in paying tribute to the Office of Youth Affairs of the Inland Area Urban League.

A totally successful voter registration/education campaign was conducted by 2,131 fifth and sixth graders. The 3-month activity involved 24 schools with 68 classrooms participating throughout 8 of the Inland Area's Metropolitan School Districts.

There were mock elections. These mock election processes included an in-depth "hands on" educational process whereby classrooms were converted to election precincts. Students became election commissioners, appointing registrars to register student voters for participation during the weeklong mock election at local public libraries. Responsible voting was stressed, whereby students realized the importance of voting and the necessity of analyzing both sides of an issue—being an informed citizen. There was an essay contest. Four winners were identified out of more than 425 entries. The fifth grade theme was, "Civic Responsibility in the Fifth Grade—Why Bother?" and the sixth grade theme was, "Voting: A Privilege With Many Responsibilities." The poster contest consisted of 450 students. Slogans that emphasized the importance of voting were the entries. The winning poster will be adopted as the official voter registration campaign poster for the urban league in the November general election. The voter registration contest produced over 2,066 newly registered voters. A projected goal by the urban league was set at 2,000 registrants.

On June 3, at the victory celebration, letters of recognition will be presented to the winners of the respective contests. They are as follows: The top voter registrar was Kent Eaton, a student in the sixth grade at Victoria Elementary School. The outstanding voter registrar also is in the sixth grade at Victoria Elementary School, and is Stanford Cherry. The essay contest winners included two from the fifth grade and two from the sixth grade. They are Jeff Rinne of Victoria School and Margaret Willardsen of the sixth grade at Trapp School. The fifth grade winners are Jeff Kabel of St. Catherine's and Cara Stevens of Trapp School. The poster contest was won by Rod Hernandez who attends Trapp School and is in the sixth grade. The top voter registration classrooms are Dick Lindbloom's class at the Victoria School and Mrs. Umble's class at Hunt School. The Harrison School had the class with the most points based on mock election voter turnout and related campaign activities. Mrs. Cherry's class is the winner.●

PRAYERS FOR VERNON JORDAN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. KEMP. Mr. Speaker, I would like to join all Americans across the Nation in expressing my outrage at the attempted assassination of Vernon Jordan and my deepest sympathies and prayers to him and his family.

In the more than 20 years he has worked for the civil rights movement, Vernon Jordan has achieved renown as a forceful and effective advocate for black Americans. Under his leadership the voter education project of the Southern Regional Council significantly increased black voter registration, and paved the way for a new generation of black elected officials. In the year he headed the United Negro College Fund, that organization raised $2 million more than it had in the previous year. Above all, since taking on the direction of the National Urban League in January 1972, he has built it into one of America's largest and most influential private organizations.

But Vernon Jordan's greatness goes beyond his considerable organizational ability. He has a vision of an open, integrated, pluralistic society, and rejects the notion that black and white Americans cannot advance together. In particular he has recognized that black Americans have the greatest stake in strong, nationwide economic growth. "The 1960's" he has pointed out, "involved the legal battle to eat in the same restaurant with whites. The task in the 1980's is to earn the money to pay for this meal."

My thoughts and prayers go out to my friend Vernon Jordan and his family as he recovers from this terrible attack. Our Nation can ill afford to lose the leadership of this great American.●

WHY AFGHANISTAN IS SO IMPORTANT TO THE SOVIET UNION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. SYMMS. Mr. Speaker, I wish to submit to the CONGRESSIONAL RECORD a superb analysis of the recent Soviet invasion of Afghanistan and why this new foothold is so important to the Soviets strategic position in the world.

This speech was delivered by Ralph Connors, a major in the Army Reserves from Idaho Falls, at the annual Idaho State Conference of the Reserve Officers Association on May 17, 1980. Mr. Connors gives a very detailed outline of the strategic importance of Afghanistan due to its close proximity to the major oil-producing states, and he discusses the various tribes and rebel movements within the country and their various allegiances.

I urge my colleagues to carefully review this statement, as it provides some excellent insights into the Soviet occupation of Afghanistan:

INTRODUCTION

Ladies and gentlemen, I am Ralph Connors. My topic for this morning was to have been an assessment of the U.S.-Soviet balance throughout the world. The topic was a fast changing one, and has been entirely overshadowed by an evolving international crisis—Afghanistan. My talk will be limited to this country, the threat its occupation poses to the Western world, and a call for a change in current government policy.

STRATEGIC IMPORTANCE

Afghanistan is a small, poor, sparsely populated, underdeveloped and largely illiterate country. Its strategic importance however, is that of survival of the Western world.

The country is located in Central Asia and is bordered by the Soviet Union, China, Pakistan, and Iran. It is about 800 miles long and 350 miles wide. However, within Afghanistan lie a series of mountain passes which are the most direct invasion route to both the Mideast and India. The Soviet Union, if it can subdue and hold Afghanistan is poised to:

1. Control the world's oil supply. This event could be accomplished within a matter of a few weeks starting with the seizure of Iran followed in quick succession by the conquest of Saudi Arabia, Iraq, and the other oil producing states. Since this would probably produce a military response from the United States and NATO, a more probable ploy would be to subvert and gradually overthrow the present governments of those states replacing them with either communists, or with people who would support the Soviet Union on demand.

2. Seizure of warm water ports. A second attainable objective would be to seize warm water ports from which it could base its modern surface and submarine fleet. This event could also occur as a result of direct conquest, however, the Soviets could more easily accomplish the same result by fomenting rebellion among the Baluchi tribesmen in both Pakistan and Iran. A "war of independence" supported by Soviet supplied weapons, advisors, materials and political support could rapidly lead to the creation of a new state which would grant them basing privileges in return for continuing military support and economic aid.

Warm water ports in this area would permit virtually free access to all the worlds oceans by the Soviet Navy. The choke points of the Baltic, Murmansk, and the Crimea could be totally avoided. In addition, the problems associated with basing ships out of Vladivostok would be eliminated. The Soviet Navy would have nearly unhindered reign of the entire Indian Ocean and the African coast clear to Cape Town without fear of opposition by the American Navy.

3. Finlandize both Pakistan and India. Either India or Pakistan would be in a less strong position to oppose the Soviet Union or to support American interests in the Indian subcontinent. As long as Afghanistan is controlled, these two countries can be cowed into an entirely neutral position by political maneuvering by show of force, or by threats, real or implied of supporting Pakistan against India, or vice versa.

As long as Afghanistan was an independent or neutral country, the Soviet Union would have difficulty in achieving any or all of these goals in a timely fashion. With forward bases, it can accomplish them in a matter of a few days, or gradually over time. Once they have been achieved, the Soviet Union can face the West in any crisis and force us to capitulate by interrupting the Western worlds oil supply for a 60 to 90 day period. Our option would be to watch the Western economies slowly collapse, or to initiate a nuclear war.

GEOGRAPHY

Afghanistan is characterized by soaring mountains of up to 21,000 feet and vast areas resembling Death Valley. Many of the rivers flow from the mountains onto salt flats and disappear. Several areas are entirely devoid of human habitation.

There are no railroads in the country. All transportation must move by either road, or by air. There are only two airports in the country which are capable of landing modern aircraft. One is at the town of Kandahar and the other is near Kabul. The road network is still insufficient. There are only 7,000 miles of highway in the country, of which 1,200 has been paved. The one major highway begins near the Soviet border at Herat, loops south to Kendahar, then swings north to the capital, Kabul. From Kabul it turns due north and goes back to the Soviet border. This highway incidentally, was built largely as part of a Russian "Foreign Aid" project. Not surprisingly, it was used as the main invasion corridor once assault troops had seized the major airfields, the Afghan garrisons, and Kabul.

As you can see, the highways which do exist are capable of serving only a small portion of the entire country. The towns and villages which lie in the mountains can only be reached by foot or on the backs of animals. Vast areas are inaccessible to everything except foot traffic or helicopters.

ETHICS GROUPS

Afghanistan has been invaded many times in its long history. The earliest recorded conquerer was Alexander the Great who crossed Afghanistan in approximately 331 BC between his conquest of Persia and his invasion of upper India. He left behind a Greek ruled government which ruled most of what is now Afghanistan for several hundred years. The country has also been invaded and conquered by Persians, Turkomans, Huns, Indians, Moslems, the British, and in December of 1979, the Soviet Union. Afghanistan is best described as a transit station for invading armies going elsewhere to conquer and plunder.

The ethnic group diversity in the country attests to its status as a cross roads. The primary tribal group is the Pashtuns. It numbers approximately 8 million persons. These people live primarily in the eastern highlands south of the Khyber Pass, along the Helmand Valley, and westward to the frontier with Iran. They speak a language called Pashto. The Pashtuns are best described as intensely individualistic, energetic and aggressive. Pashtuns have been the predominant leaders in both the government and the military throughout recent history.

The second most populous group is the Tajik, numbering about 2.5 million people. They live predominantly in the northeastern part of the country and are largely sedentary whereas the Pashtuns are divided between settled and nomadic elements. The Tajiks speak several different languages although the predominant language is Dari—something like Iranian Farsi although the relationship is best described as like Shakespearean English is to a Texas drawl. The Tajiks form the commercial and urban class in Afghanistan although the analogy is very weak.

Other ethnic groups include the Chahar Aimaks who live in the western region of the central highlands, the Hazaras who live in the central highlands, Uzbeks who live in the north east, and Turkomans who live along the Soviet border.

The tribal groups are still seminomadic. Those which have become settled have done so largely within the past 100 years. As late as the early 1970s, only 10-15 percent of the entire population was literate. While I have divided the Afghan population into tribal groups, this does not fully describe their cultural relationships. An Afghan is first and foremost a member of an extended family which may include the grandfather, father, uncles, cousins, and a number of other close relations. An Afghans first loyalty is to this extended family. His second loyalty is to members of his community, most of whom are distant relatives. His next loyalty is to the geographical region in which he lives and the surrounding communities. His next loyalty is to members of his same tribe. His least loyalty is to the central government and the concept of Afghanistan as a nation. Nationalism and nationalistic loyalties as we know the term simply do not exist. The feeling on nationalism exists only in the Afghan tribesman's suspicion of foreigners. At one time this was primarily directed against the British, however, I feel that the Russians are rapidly supplanting the British as a focal point for national hatred.

Out of their nomadic background, the Pashtuns have developed a strong sense of individualism much like that of the American Indian. They revere the warrior. Weapon ownership is a symbol of manhood and coming of age. The equivalent American symbol is ownership of ones first automobile. Until recent years, nearly all Afghans outside the urban areas carried weapons. To travel without a weapon was considered as being undressed. Upon seizure of the government in 1978, one of the Communist regimes first acts was to order the confiscation of all privately owned weapons. Military troops were sent to all towns and villages as well as to tribal camp groups to collect these weapons. This effort was largely unsuccessful. Villagers traditionally suspicious of strangers and the national government hid their weapons whenever search parties appeared.

HISTORY

Afghanistan became known to the Western World during the early 19th century. At that time, Britain and Russian imperialism focused on control of India. Britain had already gained control over much of southern India after defeating France. Russia was expanding rapidly toward the Pacific and China border. Britain recognized that it had to secure the Afghanistan/Pakistan region—known as the Northwest Frontier—to prevent a potential Russian thrust into India. Russian expansionism into the caucusus and the Central Asia area adjacent to Afghanistan galvanized the British to action. In the late 1830's troops were sent into Afghanistan in force. The Afghan reaction was typically violent. By 1840, essentially all British forces had been driven out to the Afghanistan region. Britain returned during the following year and burned Kabul, the capital, as well as taking other reprisals. This initial contact with the Western World has resulted in a distinctly anti-foreigner and particularly anti-British attitude to this day.

There is a book titled "Khyber" available through inter-library loan which details the British problems in Afghanistan during the three Anglo-Afghan wars and the only slightly quieter periods in between. Several points from this book seem worth mentioning:

First, the Afghans were not then nor are they now noted for hospitable treatment to prisoners or invaders. For example, during the first Anglo-Afghan war, there were only two known survivors from a substantial British garrison stationed at the town of Kandahar. Other units fared only slightly better.

Second, the best equipped, best supplied and best trained army in the world at the time was the British. It had difficulty in adjusting its fighting techniques and operations to the harsh Afghan conditions. One British officer equated survival in Afghanistan with *never* establishing a repetitive behavior pattern for either ones unit or oneself.

Third, although Britain appeared to control Afghanistan, this was an illusion. To the outward world, Britain dictated Afghan foreign policy. Internally, the Afghan aristocracy and tribal leaders governed events and managed the region. I say region, because until recently, the concept of a unified central government simply did not exist. British troops in the area found that rebellious tribesmen only attacked when favorable conditions existed and when they had surprise. British expeditions in force usually found no opposition. The tribesmen would merely retreat into the hills easily avoiding contact with the British. Britain soon discovered that it could maintain some control by occupying selected areas. These areas were the oases, river valleys and the fertile plains which comprise only 5 to 10 percent of the country. Denial of these areas to the rebellious tribesmen forced the Afghans to come to terms—sometimes.

I mention these facts because the Soviet Union with its 100,000 man invasion force and sophisticated equipment is facing the same conditions of an armed hostile force and harsh geography as did the British 100 years ago. If all reports are true, they are not achieving any greater success. They control only the land that they occupy. To borrow a phrase from Chairman Mao, they have failed to win the hearts and minds of the populace.

SOVIET INVASION AND THE CURRENT SITUATION

The Soviet Union has had designs on Afghanistan since the Bolshevik Revolution. Until the 1950s, however, Soviet moves were largely thwarted by British diplomatic countermoves. In 1948, Britain granted India independence and largely abandoned all activities east of the Suez. The United States was slow to step into Britain's role.

The Soviet Union had actively courted Afghan friendship with treaties and foreign aid projects, technical training and advisors. Russian involvement in financial terms during the last 20 years has exceeded the combined aid provided by all other nations. By 1977, Soviet educated or trained personnel had gradually been installed in many of the top governmental and military positions.

In April 1978, the constitutional monarchy was overthrown by Mohammed Daoud with Moscow's backing. Daoud attempted to impose a strict communist rule throughout Afghanistan. His attempts at centralization and his affront to the traditional Moslem social order soon aroused popular opposition.

Eighteen months later, Daoud was replaced and executed by Mohammed Taraki, the head of a hard line group within the Communist party. Taraki's rule lasted until september 1979 when he was overthrown by Hafizullah Amin, again with Moscow's blessing.

None of these men could control the increasing popular resistance even though jailings and executions became frequent. Moscow was faced with a situation where a Communist government was about to be overthrown by a distinctly anticommunist Islamic popular revolution.

"Bad form", or as the British would say a sticky wicket situation. Not only would 20 years of carefully nurtured subversion and a billion dollars be lost, but the precedent might inspire other Moslem areas in the Soviet Union to rebel. Even worse, the idea that the Soviet Union could be successfully opposed might even spread to Eastern Europe.

Moscow believed that the only way to save the situation was to do it themselves. The Soviet invasion was patterned on the Czechoslovakian model. Soviet military advisors and paramilitary personnel already in the country seized the aircraft control towers and managed to separate Afghan military officers from their units by means of a RUSE. At the same time, thousands of Soviet troops were airlifted into Kandahar and Kabul while tank columns crossed the northern border using highways they had built as foreign aid projects.

Whatever support the Afghan Communist Party might have had has now evaporated. In my estimation, the present Communist government and the Soviet Union is opposed by 98 percent of the Afghan people. The Soviet claim that their presence was requested and that they are trying to assist the Afghan Government to combat American imperialist forces is patent hogwash.

ACTION

The Soviet invasion of Afghanistan is a distinct threat to Western security. The United States response has been to boycott the 1980 Olympics and cut off shipments of food and high technology items. As usual, we have responded with too little, too late. Our actions will be a minor annoyance to the Russians at best.

The situation presents a golden opportunity for positive action by the United States and the western world. We have the chance to challenge the Soviet Union with the same techniques and tactics which they have used against us for the past 60 years. Our policy should be simple:

1. Give financial aid and training to the Afghan opposition groups. Teach their lead-

ership tactics and sabotage. They are already well trained by their native culture in the art of assassination.

2. Give material aid in the form of equipment suited to operation in their country, their heritage, and the Soviet weaknesses. My recommendations would be:

A. M16 rifles or their equivalent

B. Light anti-tank weapons such as the M72 Law.

C. Individual operated anti-aircraft weapons such as the Redeye.

D. Various explosives such as mines and hand grenades.

E. Plenty of ammunition.

These weapons are well suited to the Afghan character and their fighting style. The conditions are ripe to give the Russians an instant black eye—all we have to do is add weapons. American or Western troops are not required. Given the character of the Afghan people, they would not be wanted.

The Afghans have the personal integrity, resourcefulness, guts and the popular support needed to successfully oppose the Soviet aggression. This is far more than I can say for a hell of a lot of the countries we have aided in the past and are aiding even now.●

BETH MACY

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 30, 1980

● Mr. CAVANAUGH. Mr. Speaker, I would like to take this time to congratulate Ms. Beth Macy, a fellow Nebraskan who was recently elected president of the National Association Developmental Disabilities Council (NADDC).

Ms. Macy received her initial training in the field of developmental disability through an HEW-sponsored mental retardation study program provided through the Nebraska Psychiatric Institute at Omaha, followed by a summer of extended study in mental retardation in West Germany. Ms. Macy completed a bachelor of science degree in psychology from Nebraska Wesleyan University in 1969 after which she worked as a community mental retardation program consultant for the Nebraska State Office of Mental Retardation. She has served on the developmental disabilities staff for the past 7 years and has been director for 4 years.

Developmental disability councils are responsible for developing a statewide plan for service for the developmentally disabled, for evaluating the quality of service, and for acting as a system advocate in promoting the human and legal rights of the developmental disabled, for evaluating the quality of service, and for acting as a system advocate in promoting the human and legal rights of the developmentally disabled.

NADDC serves as an umbrella organization for developmental disabilities councils operating in our States and our Territories. The purpose of the organization is as follows:

First, to work toward improving the lives of the developmentally disabled.

Second, to assist in the cooperation and communication between the Nation Council on the Handicapped; Federal, State, and voluntary agencies and other organizations concerned with the developmentally disabled, and the individual State and Territorial developmental disability councils.

Third, to exchange information regarding developmental disabilities between the various State and Territorial councils and staff.

Fourth, to strengthen the effectiveness of individual State and Territorial councils in developmental disabilities related matters affecting the States, Territories, or the Nation.

Fifth, to provide leadership in the development of legislation and regulation pertaining to programs affecting the developmentally disabled.

Developmental disability councils across the Nation have performed well in protecting the rights and servicing the needs of these very special people and I commend their association, the NADDC for choosing Beth Macy as their new president.●

SENATE—*Monday, June 2, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. BOREN).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal God, amid all the uncertainty, bewilderment, and perplexity of the times in which we live Thou art the same yesterday, today, and forever. Keep us steadfast in the things which are changeless, the moral law, the constancy of Thy grace, and Thy living presence.

Our vows, our prayers, we now present
Before Thy throne of grace;
God of our fathers, be the God
Of their succeeding race,
Through each perplexing path of life
Our wandering footsteps guide;
Give us each day our daily bread,
And raiment fit provide.

—PHILIP DODDRIDGE.

Amen.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AN OUTRAGE, A SHAME, AND A DISGRACE

Mr. ROBERT C. BYRD. Mr. President, it is summer—almost summer—once again. The schoolchildren of America will soon put aside their books for summer vacation. City streets, suburban lanes, and country roads will ring with the shouts of children at play.

It is summer in Afghanistan as well. What promise does the season hold for the children of Afghanistan, a nation overrun and brutally occupied by a more powerful neighbor? The streets and lanes and roads of Afghanistan will ring with shouts for freedom from Soviet occupation, as the young people of that nation join in the resistance against their foreign oppressor.

Week after week, the Soviets demonstrate that they will stop at nothing to subdue the people of Afghanistan. Soviet troops fight and kill poorly armed country people. They have fired on groups of high school students protesting the Soviet military intervention and the Soviet-installed regime of Babrak Karmal.

But the latest news defies imagination. Soviet troops have shot and killed boys and girls in Afghanistan. Now we hear that elementary schoolchildren are being rounded up and arrested for their part in the opposition to the Soviets. One of the world's most powerful military forces is pitting itself against 8- and 10-year-old children in Afghanistan. Arresting them, 8-, 9-, 10-, 7-, 6-year-old children in Afghanistan. It is an outrage, a shame, and a disgrace.

The resistance of the people of Afghanistan to Soviet domination is another brave chapter in the history of the indomitability of the human spirit. Other nations in the past have suffered occupation and resisted foreign domination. For example, during World War II, the Russian people valiantly fought against an invader. And in France and Italy, popular resistance movements sprang up to help free these nations from foreign occupation. These nations can be proud of this heritage.

Today, however, the Soviet Union is the aggressor. And nations such as France and Italy have refused to make even a gesture of solidarity with the resistance fighters in Afghanistan: French, Italian, and English young people will be the "guests" of Soviets at the Moscow Olympics while the Soviets turn their guns on the young people of Afghanistan. This, too, is an outrage, a shame, and a disgrace.

Apparently, some people have forgotten the lessons of their own history. I am happy to say that others have not. I hope that other nations will speak out against the continuing Soviet oppression of the people of Afghanistan.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader, the Senator from Tennessee, is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

I have no requirement for my time under the standing order and I have no requests for it. I am prepared now to yield it back unless the distinguished majority leader has some need for it.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader. I join him in yielding back the time.

Mr. BAKER. Mr. President, I thank the majority leader.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GENOCIDE

Mr. PROXMIRE. Mr. President, genocide is a modern term for an ancient and horrible crime—the deliberate destruction of a racial, ethnical, national, or religious group.

History has long been a witness to this most shocking and senseless crime against humanity. The 20th century saw the most awesome and horrifying example of genocide when the Nazi regime systematically slaughtered millions of people during World War II.

The story of the Nazi reign is one of the extermination in cold blood of over 6 million Jewish men, women, and children—two-thirds of the total number of Jews in Europe. Jews, and others declared undesirables by the Nazi government, were sent in crowded trains—in boxcars and cattlecars—to concentration camps where they were destroyed by the hundreds of thousands.

When remembering this sorry chapter in the history of mankind, we must remind ourselves that it was man who carried on this campaign of terror and mass murder against his fellow man.

Pre-Nazi Germany was a highly civilized nation—for many years a torchbearer of Western society. This country which gave rise to Goethe and Bach also produced the likes of Hitler, Eichmann, and the Final Solution.

The holocaust cannot and must not be forgotten. Not only for the millions of victims of this great tragedy. Not only for the Jews. It must be remembered for the sake of all humanity.

If civilization is to survive, we must confront the fact that man was capable of planning and carrying out the systematic annihilation of an entire people by murder.

Mr. President, how long are we going to wait before we ratify the only international treaty which seeks to prevent and punish this most horrible crime of mass murder—the Genocide Convention?

Are we going to wait until history re-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

peats itself to such an extent? Can we afford such a luxury?

I think not.

The time is long overdue for us to join with the rest of the world in protecting the most fundamental right—the right to live.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

COUNCIL ON WAGE AND PRICE STABILITY

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 2352, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 2352) to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

That (a) section 2(a) of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following: "The Council shall be headed by a Chairperson who shall be appointed by the President, by and with the advice and consent of the Senate.".

(b) The amendment made by subsection (a) shall apply to an individual appointed on or after the date of enactment of this Act to chair the Council on Wage and Price Stability.

SEC. 2. Section 3(c) of the Council on Wage and price Stability Act is amended to read as follows:

"(c) The Council shall review proposals which have been made for reducing inflation through tax-based incomes policies and shall submit a report containing its findings, along with recommendations and legislative proposals for such policies, to the Congress not later than September 1, 1980. Such review shall include, but not be limited to, tax-based incomes policies designed to provide incentives for compliance with wage, price, or profit-margin guidelines that could be provided through changes in personal income taxes, corporate income taxes, investment tax credits, or depreciation allowances. The Council shall also review the impact on inflation that might result from supply side income tax reductions and include in the report required by this subsection its findings pursuant to such review.".

SEC. 3. Section 5 of the Council on Wage and Price Stability Act is amended by striking out "on a quarterly basis and not later than thirty days after the close of each calendar quarter" and inserting in lieu thereof "on an annual basis".

SEC. 4. Section 6 of the Council on Wage and Price Stability Act is amended by striking out—

"(1) $6,952,000 for the fiscal year ending September 30, 1979; and

"(2) $8,483,000 for the fiscal year ending September 30, 1980"

and inserting in lieu thereof

"(1) $13,733,000 for the fiscal year ending September 30, 1980; and

"(2) $25,044,000 for the fiscal year ending September 30, 1981".

SEC. 5. Section 7 of the Council on Wage and Price Stability Act is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1981".

The ACTING PRESIDENT pro tempore. Debate on this bill is limited to 2½ hours, to be divided and controlled with 1 hour for Senator PROXMIRE, 1 hour for Senator HEINZ, and 30 minutes for Senator BELLMON, with 30 minutes on any amendment—except an amendment by Senator BYRD of Virginia, relative to reducing clerk-hire allowance, on which there shall be 30 minutes; an amendment by Senator BUMPERS, in the nature of a perfecting amendment to the Byrd amendment, on which there shall be 40 minutes; an amendment by Senator DOLE, on economic sanctions, on which there shall be 1½ hours; an amendment by Senator ARMSTRONG, relative to the Credit Control Act, on which there shall be 1 hour; and two amendments by Senator HEINZ, Nos. 1777 and 1778, on each of which there shall be 1 hour—and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time not be charged against either side on this first quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I rise to support the bill S. 2352 that is before us and I ask unanimous consent that the following members of the Banking Committee staff be given privileges of the floor during consideration of S. 2352, the Council on Wage and Price Stability amendments: Ken McLean, Steven Roberts, Lynne Seymour, Bob Barberra, Andy Carrothers, Alfred Pollard, M. Danny Wall, Tommy Brooks, Phil Sampson, Linda Zemke, Beth Climo, Mike Lockerby, Brian Waidmann, Bob Kabel, Mike Moffet, Howard Menell, and John Runyan.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, S. 2352 as reported by the Banking Committee amends the Council on Wage and Price Stability Act in several ways.

First, it would extend the life of the Council for 1 year to September 30, 1981; second, it would authorize the appropriation of $13,733,000 for fiscal year 1980; third, it would authorize the appropriation of $25,044,000 for fiscal year 1981.

I stress that these are millions of dollars I am talking about, not billions. We get confused in this body when legislation comes before us and we tend to make a tremendous fight to cut out millions and we ignore the billions. This is one-thousandth of a billion. It is a million.

The authorization for 1980 is $13,700,000 and $25 million—million—for fiscal 1981.

I stress that, Mr. President, because I think we should put in perspective the fact that this is our principal, our one and only anti-inflation agency.

Inflation is our No. 1 economic problem, and we are asking for a very, very small, almost microscopic increase in relationship to the size of the budget to fight our No. 1 economic problem.

There is going to be an amendment to cut that on the grounds it is extravagant to fight inflation with such an increase, but I think we should recognize that the increase is one that is a tiny, tiny, microscopic part of the budget we have and it is the principal objective that I think the American people support.

Fourth, it would provide for Senate confirmation for future chairmen of the Council; fifth, it directs the Council to provide a study of tax-based incomes policies and anti-inflation supply-side tax reductions; and sixth, it reduces the frequency of required reports by the Council.

This is significant legislation because the Council on Wage and Price Stability is a significant part of our fight against inflation. While there are other agencies within the administration that have responsibility for fiscal policy, questions such as taxation, and policies relating to labor and commerce, each of which has an effect on the rate of inflation, the Council on Wage and Price Stability is the only agency whose mission focuses solely on inflation.

Unfortunately, inflation has become deeply embedded in the economy over the past 10 to 12 years and it will take years for us to reduce inflation to tolerable rates. Therefore, we will continue to need an agency like the Council on Wage and Price Stability to focus attention on inflation and to develop policies to reduce inflation.

In order for inflation to be brought under control the causes of inflation must be held in check. Leaving aside for the moment external price shocks such as increases in oil prices, we must find a way to reduce the upward spiraling of wages, of prices, and on Government-imposed costs.

The Council on Wage and Price Stability has a difficult task to accomplish, a task that has been and will be criticized because it hits and hurts so many in the economy. All wage earners, all producers of goods and services, and the Government bureaucracy itself feel the effects and feel hurt and feel offended by the restraint exercised by the Council on Wage and Price Stability. Everyone will in their own self-interest attempt to insulate themself from any anti-inflation program that appears to affect them without affecting others. Thus, the Council must find a way to walk a narrow line among very suspicious and self-protective elements in the economy and to get them all to recognize that it is in their own self interest to reduce inflation, both in the long and short run.

Mr. President, one of the primary responsibilities of the Council is to develop and implement the President's standard for noninflationary wage and price behavior and to communicate them to labor, management, and the public. The wage and price guidelines program was initiated in October 1978. COWPS—which, of course, stands for Council on Wage and Price Stability—developed and implemented the guidelines promulgated during the first full program year—October 1978 to October 1979. For the second year the President appointed two advisory committees to assist COWPS in developing and modifying the guidelines: A Pay Advisory Committee and a Price Advisory Committee.

Has COWPS to date cut the inflation rate? If so, how much? According to a study by the Council the annual rate of increase in the Consumer Price Index would have been 0.5 to 0.75 percentage points higher between October 1978 and March 1980 without the voluntary wage and price standards program. The study also found that the rate of increase in average hourly earnings was between 1.8 and 2 percentage points less than it otherwise would have been during the same period. Also, the underlying rate of inflation—the Consumer Price Index for all items other than food, energy, home purchase costs, and used cars—rose 1.1 to 1.5 percentage point less than they would have otherwise because of the wage-price standards.

Mr. President, I admit that study was done by the Council. However, these findings are consistent with an earlier study prepared by the Council of Economic Advisers which estimated that wage increases were 1 to 1.5 percentage points less during the first full program year. These estimates were confirmed in qualitative terms by the President's independent Price Advisory Committee.

So it seems clear, Mr. President, that the answer is wage and price standards have been successful in restraining inflation somewhat. Heavens knows, it has not been enough. Inflation has been our most serious problem, and it is far higher than it ever has been in the peacetime history of our country, but it would have been somewhat higher if we did not have this kind of restraint. Furthermore, I think the Council can do better, should do better, and will do better if we can get the bill that is before the Senate now adopted.

During the Banking Committee's discussion of this legislation several members asked about the successes the Council had in getting compliance with the guidelines. A letter from Alfred Kahn, chairman of the Council, indicated that only 17—approximately 1 percent—compliance units have been found out of compliance with the price standard. But many others have adjusted their prices so that they would be in compliance. Considering that the price and wage standards are voluntary, not mandatory, to have only 1 percent of the compliance units out of compliance with the price standard is an extraordinary measure of success.

Mr. President, I have a table that I would like included in the RECORD at this point. I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COUNCIL ON WAGE AND PRICE STABILITY ACTIONS TAKEN WITH REGARD TO COMPLIANCE WITH THE WAGE-PRICE STANDARDS

4-27-79—Sears Roebuck & Company agrees to reduce prices to comply with guidelines.

DeAnza Corporation agrees to reduce trailer park rents.

5-09-79—Giant Food reduces prices on several hundred items to assure it will be below the allowable gross margin for six months and in compliance for the year.

5-11-79—Pledges of compliance with the guidelines have been received from 98 percent of States, 95 percent of cities and 92 percent of counties.

5-16-79—454 of the Fortune 500 companies have pledged compliance with the wage and price guidelines.

5-31-79—Flintkote Company will make credit adjustments to customers to assure compliance with the price standard.

7-10-79—Total Petroleum, Inc., reduces profit margin to comply with gross margin standard.

7-13-79—Amerada Hess reduces profit margin to comply with the gross margin standard.

National Cooperative Refinery Association reduces prices to comply with the gross margin standard.

8-07-79—The rate of food price increases decreased from 18 percent in the first quarter to 7 percent in the second quarter, and to less than 3 percent in June 1979.

8-20-79—McDonald's Corporation reduced price of hamburgers/cheeseburgers 10 percent.

9-24-79—Labor contracts with Westinghouse and G.E. are in compliance with the pay standard covering 55,000 workers at Westinghouse and 120,000 at G.E.

9-26-79—B. F. Goodrich/United Rubber Workers agrees to comply with the pay standard. A notice of probable noncompliance is resolved. Goodrich agrees to a stricter price limitation in the 2nd program year than is otherwise imposed by the price standard.

11-01-79—Firestone Tire & Rubber Company agrees to a plan to comply with the pay standard by imposing stricter price restraints.

11-13-79—Goodyear Tire & Rubber Company reaches agreement to comply with the pay standard through additional price restraint.

12-03-79—Faberge, Inc. takes steps to comply with price standard through price rollbacks.

Burroughs Wellcome Company agrees to restrain prices by holding them down below allowable rate.

12-28-79—Although GM's collective bargaining agreement with the UAW exceeds the pay standard, the Council finds GM in compliance due to agreement to limit price increases.

1-15-80—Laclede Steel Company reduces profit margins and is removed from the list of companies out of compliance.

1-22-80—Uniroyal Inc., General Tire & Rubber Company and United Rubbers Workers Union are in compliance. Although the contract exceeds the pay standard, the companies agree not to pass on increased labor cost through price increases.

2-08-80—North American Automotive Centers, subsidiary of Goodyear Tire & Rubber, admitted that its percentage gross margin was greater than allowable during the first program year and agrees to offset the excess through additional restraint during the first half of the second program year.

3-11-80—Alumax, Inc., after discovering it was exceeding standards, refrained from further price increases and pledged to hold future increases below the level allowed by the standard during the second and third quarters of the second program year.

4-08-80—Diamond International Corporation agrees to corrective pricing action to comply with the price standard. Diamond is committed to take pricing actions that would reduce its price increases below the allowable amounts in the third and fourth quarters of the second program year by the amount equal to the first-year excesses.

4-24-80—Mobil Oil agrees to forego $30 million in price increases during the six months beginning April 1. Mobil had previously been identified as a violator of the gross margin standard for oil refiners.

4-22-80—Grocers Supply Company, a Houston, Texas wholesale grocery distributor, agrees to restrain price increases during the six months beginning April 1 in order to comply with the anti-inflation program.

5-01-80—Holiday Inns restrained price increases in the first quarter of the second program year to offset excessive price increases in the fourth quarter of the first program year.

5-05-80—Reynolds Metals and Kaiser Aluminum announces a reduction of 1.5 percent in aluminum prices to comply with the price standard.

Mr. PROXMIRE. It shows a sample of successes that COWPS has had during the past year in getting compliance with the wage-price standards after it raised questions with the economic units involved about apparent lack of compliance. This list is another indication of COWPS's useful role in holding down inflation.

Mr. President, President Carter's expanded anti-inflation program announced on March 14, 1980, designated a dramatically enlarged role for the Council on Wage and Price Stability. As part of a new program the Council's efforts will be enlarged to include increased monitoring of prices through:

A reduction in the reporting threshold of firms from $250 million to $100 million in sales;

A reduction in the review time for exception requests and noncompliance decisions;

The establishment of a program of selective voluntary prenotification of price increases;

The development of a new capability for onsite audits of company records by teams of accountants and attorneys;

A strengthening of price monitoring by more thorough analyses of company reports and verification of company data through the use of independent sources.

These new and expanded programs and objectives are to be implemented, to the extent possible, in fiscal year 1980, and the Council has requested increased staff capabilities of 250 positions to be paid for by the supplemental budget request. This expanded program is expected to continue for a third program year, and this requires additional appropriations for fiscal year 1981 for an additional 150 positions.

The Council's increased fiscal year 1980 and fiscal year 1981 appropriations are needed to hire the 400 additional Council employees, particularly in the Office of Price Monitoring. The lowered reporting threshold will increase the number of compliance unit price reports—all of which must be intensively reviewed—from 6,400 per year to 17,500. Exception requests will increase fourfold, not only because the reduced threshold will increase the number of monitored compliance units by 160 percent but also because an increasing proportion of companies are experiencing uncontrollable cost increases that qualify from relief from the price limitations. Moreover, because the price standard has been tightened relative to the pay standard, more companies will qualify for exceptions and more will be found out of compliance, greatly increasing staff time necessary to negotiate compliance plans, handle reconsiderations, and hold evidentiary hearings. A genuine prenotification program and a credible onsite audit capability will also require staff increases.

In addition, the President has directed the Council to expand its efforts to enhance the visibility and effectiveness of the pay and price standards in order to combat public expectations of continued high inflation. This will be accomplished by holding public hearings, conducting jawboning sessions with industry groups, organizing inflation conferences, accepting more invitations to deliver speeches throughout the country, and establishing public outreach programs. These activities will increase COWPS's research and travel needs. The Council will also conduct special investigations of prices and margins in selected problem industries.

Mr. President, the table I am inserting at this point describes how the Council plans to allocate the additional 400 employees among its offices to carry out these changing functions. This allocation is tentative. Since the voluntary wage and price program was announced by the President in 1978, the program's workload has changed frequently and significantly, and it is expected to continue to do so in the foreseeable future. As workload changes, the Council will continue to add to and change the staffing and other resources to meet these changing demands.

MAXIMUM STAFF EMPLOYMENT BY DIVISION

[Fiscal years]

	1979	1980	1981	Increase 1981 over 1980
Chairman	12	17	18	1
Director's office	5	5	6	1
General Counsel	10	17	50	33
Planning and policy	10	13	20	7
Government programs	19	22	22	
Price monitoring	49	89	436	347
Pay monitoring	16	31	34	3
Public information	14	9	10	1
Legislative/congressional	3	5	5	
Administrative/management and communications	5	25	32	7
Pay Advisory Committee		3	3	
Price Advisory Committee		1	1	
Total	143	237	637	400

The Office of Price Monitoring is proposed by the Council to utilize a significant portion of the increase in staff, 347 to 400. The Price Monitoring Office monitors compliance with the price standards, handles exception requests and reconsiderations of cases in which the requested exceptions were denied, and conducts special investigations of particular industries or companies. The President's expanded anti-inflation program requires increased staff in each of these areas in order to accommodate the increased number of companies monitored under the lowered threshold (1,300 to about 3,100), to intensify analyses of company reports, to cross-check data against independent sources, to reduce the turn-around time for handling noncompliance cases, and to develop new prenotification and audit capabilities. The table that follows summarizes how the 347 new positions in the Office of Price Monitoring would be distributed among the new requirements.

CURRENT STAFF AND STAFF INCREMENTS BY OFFICE OF PRICE MONITORING (OPM) ACTIVITY

[Person-years]

OPM activity	Current staff	Staff increment[1]		Total increment[2]	Total staff
		1980	1981		
	(1)	(2)	(3)	(4)[2]	(5)[3]
(1) Price monitoring	62	88	51	139	201
(2) Exceptions and reconsiderations	26	95	56	151	177
(3) Prenotification	0	15	15	30	30
(4) Field-analysis (audits)	0	12	15	27	27
(5) Total staff	88	210	137	347	435

[1] Fiscal years.
[2] (2)+(3).
[3] (1)+(4).

Mr. President, the Banking Committee after considerable debate approved the full amended authorization requested by the administration. Those authorizations were $13,733,000 for fiscal year 1980 (an increase of $5,250,000 over the authorizations approved last year) and $25,044,000 for fiscal year 1981. I should point out that in committee there were two amendments offered to reduce those authorizations and both were defeated by a vote of 9 to 6. A majority of the committee believes that the Council needs the expanded staff requested by the administration in order to carry out its important duties.

The committee rejected several other amendments that were offered. One would have repealed the Credit Control Act of 1969.

Another amendment would have prohibited the use of any sanctions to enforce the wage and price standards.

All of these votes were 9 to 6, along party lines.

Mr. President, the committee also discussed a proposal that the Council reexamine the productivity assumptions underlying the linkage between the wage and price standards. A suggestion was made that the 10-year average now utilized was too long, considering the secular decline in productivity increases during the 1970's. The committee requested that the Council and its Price Advisory

Committee submit reports on how productivity is now factored into the wage-price standard relationship. I have received the report from the Council and ask unanimous consent to have it printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, COUNCIL ON WAGE AND PRICE STABILITY,
Washington, D.C., May 21, 1980.
Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, United States Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: At your request, we are providing a more detailed explanation of the productivity factor used in developing the Council's price standard.

For the first program year, there was a clear nexus between the pay and price standards: specifically, the first-year aggregate price standard was derived from the pay standard assuming a constant percentage markup of price over unit labor costs (i.e., constant labor and nonlabor income shares). The pay standard was 7 percent. We added one-half of a percentage point because of relatively large increases in employment taxes (the actual increment turned out to be 0.3 percentage point) and subtracted 1¾ percentage points for the trend productivity growth. The 5¾ percent aggregate price standard was one-half of a percentage point less than price increases during the 1976–77 base period; hence, the company-specific "price deceleration" standard called for limiting price increases to one-half of a percentage point less than the base-period rate of change.

The trend productivity growth rate of 1¾ percentage points is the annual growth rate of productivity over the ten year period from 1967 to 1977. All available evidence as well as economic theory suggest that trend productivity growth rather than current productivity growth is the relevant productivity factor in the pricing decisions of firms. There is less of a consensus, however, about how to measure trend productivity growth; ultimately, judgment plays a major role.

Obviously, the measure should be based on relatively recent data, as opposed to data from the more distant past, since the former are more relevant to current pricing decisions. At the same time, however, the data must extend over a sufficiently long period that they encompass experience from both the expansionary and contractionary phases of the business cycle. This should produce a measure of trend productivity growth that is relatively stable and insensitive to cyclical influences.

We believe that the 10-year period used to calculate trend productivity growth in developing the standards meets all of these objectives. The 10-year trend productivity growth measure ending in 1977 incorporates information from approximately two complete business cycles. By contrast, a 4-year measure of trend productivity growth for the period ending in 1977 does not reflect experience for even one complete cycle.

In general, the 10-year measure of trend productivity growth is more stable than is the 4-year measure. This can be seen clearly in the data presented in the accompanying table and chart. The 10-year-horizon line represents the trend productivity growth for the 10-year periods ending in the respective dates; the 4-year-horizon line is similarly constructed. Over the period from 1957 to 1979, the 10-year productivity trend measure smooths out cyclical influences more successfully than does the 4-year measure and therefore exhibits a smaller range of variation.

It might be argued that, under the logic of the nexus between the pay and price standards, the price standard should be relaxed to reflect the observed decline in trend productivity growth (slightly less than ½ percentage point since 1977) and/or the relaxation from the interim pay standard of 8 percent to the 8½-percent midpoint of the adopted range (as recommended by the Pay Advisory Committee). On the other hand, one can justify no change in the price standard on the following grounds: (1) the elimination of the need for a ½-percentage-point employment-tax adjustment offsets the ½-percentage-point relaxation of the pay standard, and (2) there is accumulating evidence of more slippage (about half a point) on the price side than on the pay side, and this offsets the decline in trend productivity growth. In any event, we have assured the Price Advisory Committee (and the public generally) that we will carefully examine the entire nexus (including, specifically, the productivity factor) in designing the third-year standards. Indeed, at your request, the Price Advisory Committee has added this subject to its near-term agenda.

I hope this discussion is helpful. Should you want additional information, please do not hesitate to let me know.

Sincerely,

R. ROBERT RUSSELL,
Director.

OUTPUT PER MAN-HOUR—ALL PERSONS, PRIVATE BUSINESS SECTOR

Year	Index	Growth rates		
		10 yr	6 yr	4 yr
1958	0 754	3.042	2.564	2.682
1959	.778	3.201	2.580	2.448
1960	.790	2.589	2.580	2.515
1961	.815	2.612	2.416	2.617
1962	.851	2.767	2.933	3.072
1963	.883	2.836	3.110	3.223
1964	.917	3.065	3.320	3.796
1965	.951	3.023	3.408	3.940
1966	.980	3.198	3.656	3.598
1967	1.001	3.132	3.477	3.165
1968	1.033	3.201	3.287	3.022
1969	1.035	2.898	2.682	2.138
1970	1.044	2.821	2.177	1.582
1971	1.079	2.846	2.122	1.906
1972	1.114	2.734	2.162	1.910
1973	1.137	2.553	2.147	2.360
1974	1.102	1.850	1.076	1.361
1975	1.126	1.705	1.418	1.083
1976	1.167	1.759	1.878	1.157
1977	1.188	1.735	1.620	1.119
1978	1.193	1.450	1.144	2.015
1979	1.183	1.345	.674	1.236

Source: Department of Labor, Bureau of Labor Statistics.

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. HEINZ. Mr. President, the Senator from Wisconsin has described the legislation before us in considerable detail. It is, in essence, quite straightforward and simple. It provides for roughly a threefold increase in the authorization of the Council on Wage and Price Stability. It provides for this year an increase in the authorization to $13,733,000, and for fiscal 1981 it would provide an increase of $25,044,000.

Those numbers in and of themselves may mislead people in their attempt to judge the significant increases far beyond the apparent ones that are involved here.

The original authorization level of the Council on Wage and Price Stability for fiscal 1979, the fiscal year only 7 or 8 months over, was, in fact, to be $2,210,000. Yet we are contemplating for fiscal year 1981 a $25,044,000 authorization or in just 2 years time—an increase of over 12 times.

This, in effect, is for the second year in a row an occasion where the Senate Banking Committee has recommended a tripling of the level of funding authorized for the Council on Wage and Price Stability. I think that is an interesting contrast to the House Banking Committee where, by a vote of 33 to 6, they reauthorized COWPS not at $25 million, not at $13.7 million, but at less than $10 million a year for fiscal 1980 and fiscal 1981. That is indeed at the same levels as contained in an amendment I intend to offer.

It is also interesting to note, Mr. President, that the original 1980 and 1981 numbers in this bill, which were in the neighborhood of $9 million, were what the President originally requested in his January budget which he submitted to us in January for fiscal 1981. It was only 2 months later, in March, that the President decided to request this massive additional funding, giving us all some pause to think for a moment as to what the President's intentions really were.

I suggest that what the President has simply done is send us, as Senator HOLLINGS stated, a political budget, a campaign year budget, down here in March and it is quite different, QED, from the January budget.

I believe the Senate Banking Committee bill as reported is an entirely inappropriate response at a time when Congress is trying to discipline the growth of Federal spending. Here we are tripling an authorization which was just a year or 2 ago previously tripled, at the same time when many domestic programs of great social value are facing deep cuts.

We are asked, Mr. President, to supply some leadership on being fiscally responsible.

What better place is there for the congressional leadership to start than with the Council on Wage and Price Stability? What better place is there to start in order to debunk the notion that all the ills confronting our Nation can be cured by prescribing more Federal agencies and massive doses of Federal spending?

What troubles me deeply about even extending the Council—let alone tripling its authorization—is the overwhelming evidence that the Council on Wage and Price Stability's activities have been, at best, ineffective in terms of controlling inflation and may have even been harmful. Also troubling is that the Council has apparently ignored the congressional directive of last year that a significantly increased proportion of its resources be devoted toward improving productivity and toward monitoring the inflationary effects of Government actions.

There is evidence that COWPS has been largely ineffective in fighting inflation; there is evidence that COWPS' activities may have actually been detrimental in terms of reducing inflation; and there is evidence that COWPS has largely ignored congressional directives to concentrate more of its resources on monitoring the inflationary effects of government and to seek ways of improving productivity.

On the first point, the ineffectiveness of the guidelines, it is obvious—and certainly worth noting here again—that the cost of living as measured by the Consumer Price Index has increased commensurately with COWPS' authorization levels. According to figures cited by Senator PROXMIRE during the COWPS hearings, during 1974 COWPS was authorized a level of $1 million. During 1975, the CPI increase was 6.8 percent. During 1977, COWPS was authorized at a level of $2.1 million. During 1978, the CPI was 9.0 percent. During 1979, the COWPS was authorized at a level of $7 million, and the CPI was 13.3 percent. That, Mr. President, is a correlation that should make everybody wonder.

COWPS has cited studies as justification for its continued existence. These studies, which have supposedly looked objectively at COWPS, in fact have looked only at the supposed benefits of COWPS without examining the costs, which are considerable.

For example, TRW, Inc., maintains that compliance with the guidelines costs that company over a million dollars a year, and also asserts that the guidelines have worsened employee morale and that the guidelines have distorted pay scales.

These clearly are the kinds of costs that should be taken into account. But in the famous so-called DRI study, which in fact is not a DRI study at all, the costs have not been taken into account in any respect.

It is also worth noting that of the 1,200 firms monitored during COWPS first program year, only 17 of what are called compliance units—there are roughly 4 compliance units per firm—or about 1 percent of all the firms, were found out of compliance with the COWPS price guidelines. This information is contained in the May 2, 1980, letter to me from the Director of the Council, Robert Russell.

Of the six former Chairmen of the President's Council of Economic Advisers who testified before the Banking Committee earlier this year, not a single one, whether they were economists who served under Democrats or under Republicans, not a single one cited the voluntary guidelines program as having had any significant effect at all on the inflation rate.

In fact, Barry Bosworth, who used to be the Executive Director of COWPS, testified that merely increasing the extent of price monitoring efforts—and that is what the increased money in this bill is designed to do—that none of those anticipated increased efforts at price monitoring will result in any significant increases in compliance with the guidelines.

That, Mr. President, seems to me to be as credible a source as one could find: The former Director of the Council on Wage and Price Stability, saying that all this money, in effect, is going to be wasted, it is going to go right down the rathole.

The reason Mr. Bosworth says this is very straightforward. He said that firms will be able to more than amply document the reasons for price increases, and the basic reason that they are using one of the 12 or 13 methods that COWPS permits, they will be able to document the simple fact that their costs have indeed increased. And we do not need a $25 million authorization to tell us that or to tell the bureaucrats at COWPS how to count, either.

Arthur Burns of the American Enterprise Institute recently stated in a letter to Representative STEWART B. MCKINNEY on the House Banking Committee:

> COWPS has accomplished very little. The only reason for exending is that its discontinuance at this time may be interpreted by the general public as an indication of lack of concern over inflation by the Congress.

Mr. President, we are concerned about inflation. And we are concerned about wasting the taxpayers' dollars, and that is why so many of us have grave reservations about the substantial and unwarranted increase in the authorization in this legislation.

I think I would be remiss if I did not point out one other danger involved here. Rather than serving as a ceiling on increases, the pay standards may actually serve as a floor from which negotiations will begin.

That, of course, would be extremely inflationary because, according to Alfred Kahn's testimony before the Banking Committee, the Council, in its second year pay standards, has certified that wage increases as high as 9½ percent are in compliance with the standards—despite the fact that these allowable increases are well in excess of the underlying rate of inflation which the COWPS program is aimed at reducing.

Additionally, we have the problem that is created by the cost-of-living adjustment clauses. Because the cost-of-living adjustment, or COLA clauses, in multiyear employment contracts are evaluated as if the Consumer Price Index were increasing at 7.5 percent, wage increases, believe it or not, of 12.5 percent or higher are allowed under the guidelines.

To quote Alfred Kahn's March 17 testimony before the Banking Committee:

> Workers enjoying the protection of COLA clauses can, within the standard, probably end up receiving annual wage increases markedly in excess even of the 9½ percent upper limit. And this is likely, therefore, to aggravate the inequity produced during the first program year by the 6 percent evaluation of COLA clauses . . . between the achieved wage increases of workers enjoying the protection of such clauses, on the one side, and the great majority of workers, unionized and nonunionized alike, who do not have such protection, on the other.

On the price monitoring side, the method of calculating allowable price increases is so unrealistic that, according to the Council of Wage and Price Stability, only 37 percent of those firms monitored use the basic price standard. The remainder use one of several extremely complicated profit margin and gross margin exception standards. These exceptions, which 63 percent of the firms monitored use, are extremely cumbersome and costly to comply with.

Mr. President, the fact that the guidelines are ineffective has been amply documented.

In a minute, I want to turn to some of the specific detrimental effects of the guidelines and also to the significant problem of inaction on improving productivity and monitoring Government action.

The Senator from Texas (Mr. BENTSEN) I understand has a tight schedule this morning and would like to offer an amendment which I am prepared to support, if he will be brief. I will reserve the remainder of my opening statement on the bill and yield to him for the purpose of offering his amendment and speaking about it.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

UP AMENDMENT NO. 1115

Mr. BENTSEN. I thank the distinguished Senator.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment numbered 1115.

Mr. BENTSEN. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the bill, add the following:
>
> SEC. 6. The Director shall establish an Office of Productivity which shall have as its prime responsibility improving private-sector productivity in the United States. Such office shall evaluate the impact of government regulations on productivity, shall inventory and evaluate Federal programs designed to improve productivity, and shall annually issue a report to Congress containing the results of such evaluations, steps appropriate to improve the effectiveness of such Federal programs, and recommendations of new Federal programs and policies to increase private-sector productivity growth.

Mr. BENTSEN. Mr. President, this amendment is one that is designed to make sure that the COWPS really devotes time to the critical issue of productivity in the private sector. The Wage-Price Council has done some work on productivity, but this amendment would set up an office within COWPS with some defined responsibilities. We know that Government regulation makes its contribution, sometimes positive and sometimes negative. But what this amendment would do would be to have COWPS exercise the responsibility of finding how much of a contribution, either positive or negative, was being made through these Government regulations, and to give an annual report so Congress could evaluate the effectiveness of Federal regulations on our Nation's productivity.

We have a lot of Federal agencies today that are spending some $900 million, in excess of that, actually, in trying to encourage productivity in this country. But no one puts it all together to figure out whether it is really accomplishing anything or not. That is the purpose of my amendment—to set up an office to evaluate the Federal programs designed to increase productivity, to evaluate the impact of Federal regulations and productivity and to make Federal agencies aware that their actions may affect our Nation's productivity performance.

Mr. President, my amendment is designed to insure that the Council on Wage and Price Stability (COWPS) gives the critical issue of private-sector productivity the attention it deserves.

COWPS has been devoting some resources to productivity issues in the past—as they relate to inflation. It, consequently, has a good foundation to focus more directly on the larger question of the Federal Government's impact on productivity.

AMENDMENT CONTENTS

My amendment would do that by calling on COWPS to rigorously evaluate both the impact of Federal regulations on productivity and the effectiveness of Federal agency programs designed to stimulate productivity. Both evaluations would be ongoing activities conducted by a separate, new Office of Productivity within COWPS established by this amendment. My amendment, also, calls upon COWPS to annually prepare a report for Congress containing the results of these evaluations and recommendations for upgrading Federal efforts to stimulate productivity.

EXPLANATION OF AMENDMENT

Programs of the Federal Government both help and hinder productivity growth. Compliance with Government rules and regulations now deflect up to one-quarter of all available investment funds away from productive use. And that proportion will grow with unknown effects on productivity as new regulations, for example, covering toxic substances and carcinogens, are promulgated in the coming months.

Similarly, an unknown but large number of Federal agencies are actively involved in stimulating productivity growth in the private sector. A 1976 survey, for example, found at least 50 agencies spending $933 million for that purpose. Yet, no one knows the full scope of these programs or even if they are effective.

It is my intention that the Office of Productivity at COWPS address these issues in a competent, thorough fashion. Specifically, COWPS will be expected to tell the Congress which regulations reduce productivity growth and to quantify the answers. It will be expected to weed out poorly designed or poorly administered Federal programs for stimulating productivity, and to thoughtfully suggest modifications to existing programs or new ones which can help productivity grow.

This is a big assignment, but the authorization contained in the Banking Committee bill will permit COWPS, I believe, to do a credible job.

And a credible job is needed, Mr. President, because no one here questions the need for a resurgence in national productivity. Daily we see the shambles left by our sagging productivity—double-digit inflation, rising unemployment, interest rates which even exceeded those during the Civil War, the second recession in 6 years—it goes on and on.

We have tried the old remedies which call for pumping up demand. But they were designed for another time and place. In today's world, they may well do more harm than good.

In their place is evolving a new theory which stresses the supply side of our economy—expand savings, investment, and the pool of goods and services thereby creating new jobs, trimming inflation, and accelerating economic growth. It has worked in Germany and Japan and it could work here, as well.

The linchpin of this economic resurgence is productivity growth. Without it, our economy will assuredly remain in a permanent, debilitated State of stagflation. I, for one, am not willing to sit idly by while our economy grows weaker and weaker due to stagnating productivity. There is much the Federal Government can do to prevent stagnation. But some basic information is needed and COWPS, as a result of this amendment, can give it to us.

Mr. President, I have discussed this with the majority and the minority members of the committee, and the distinguished chairman of this committee. It is my understanding that they are sympathetic to the amendment.

Mr. PROXMIRE. Mr. President, I commend the distinguished Senator from Texas, the chairman of the Joint Economic Committee, who has probably been the outstanding Member of the Senate in fighting to have us recognize the importance of productivity in holding down inflation. I think this is an excellent amendment. It would have the Director of COWPS establish the Office of Productivity with the responsibility for improving private sector productivity in the United States, as I understand it. That is a most important area if we are ever to permanently reduce inflation to acceptable levels. We must have expanded productivity. It is no accident that our terrific increase in prices and inflation has coincided with a disastrous fall in our productivity. Our productivity has averaged over the last 6 years something like one-half of 1 percent, far less than any other developed country in the world, and in the last year has been falling sharply.

COWPS can be helpful in bringing together the efforts within the Government that are directed toward improving productivity.

Probably the most important of these are research and development and investment incentives. We have had a declining ratio of productivity because we have not done enough to stimulate saving and investment. In a highly inflationary environment we have found that people tend to spend money, especially for durables, in an effort to beat expected price increases.

If the Congress approves the funds that the administration has requested, $13.7 million for 1980 and $25 million for 1981, COWPS will have sufficient staff to devote to this new office.

I commend the distinguished Senator from Texas in offering what I think is a fine amendment which strengthens the bill.

Mr. BENTSEN. I thank the distinguished Senator. He has been a very positive and supporting member of the Joint Economic Committee and a former chairman of that committee, one who has dedicated a great deal of attention to the problem of increasing productivity in this country. There is no way over the long run we can beat inflation unless we turn productivity around. This amendment will help evaluate what we are doing and decide what is working and what is not working.

Mr. HEINZ. Mr. President, I have examined the amendment very carefully. I commend the Senator from Texas for the work that he individually and as chairman of the Joint Economic Committee has been doing on the very important issue of productivity. The thrust of the Senator's amendment is entirely correct. I hope that the amendment works.

Frankly, while I certainly support the amendment, I am a little pessimistic, I must say to the Senator from Texas, because previously in reauthorizing COWPS we specifically directed that a substantial effort be made by the Council on Wage and Price Stability to examine the effects of Government actions on productivity and to examine the cost and the benefits thereof.

The grand total number of employees assigned to that out of a very large number for the Council as a whole was an increase of 3 people as a result of that directive, from 19 people to 22, out of a huge number, over 200 people, employed by the Council. In other words, less than 10 percent of the effort of the Council on Wage and Price Stability, somewhere between 5 and 10 percent, has been directed toward the Senator's goal.

While I support the amendment, I must candidly state that I think we are going to see 19, 20, 21, or 22 people simply assigned to an office of productivity and that will be the administration's response to the Senator's excellent amendment. If there were a way to strengthen the amendment so that it could actually insure that a determined administration would not frustrate the Senator's objective, I would certainly support it, but I do not have a constructive suggestion in that regard. I wish I did.

I think it is clear that the Council is not interested in assessing the role of Government. We can tell them to do it until we are blue in the face. We should not stop, even if we do get blue in the face. I commend the Senator for his patience, I commend the Senator for his stalwart, aggressive action in this regard: I only wish to say that I hope the Senator is more successful than previous efforts have been. If there is anything I can do to help, or that the Senator can do to help, we should do it. I have no objection. Indeed, I support the amendment. I certainly urge my colleagues to support it.

Mr. BENTSEN. I will say to my distinguished friend from Pennsylvania, and we serve together on the Finance Committee and we have worked together on many of these objectives, I share some of the disappointment he has expressed on what has been done thus far. What I have tried to do here is to delineate a little more specifically than we have in the past, and, in addition to that, to have the annual report evaluating the recommendations and evaluating the productivity expenditures of the various agencies.

I also have an enthusiastic letter of support by the chairman of the Council, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., May 29, 1980.

Hon. LLOYD BENTSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BENTSEN: You originally asked us whether we would be receptive to an amendment to the charter of the Council on Wage and Price Stability, giving us a pivotal role in coordinating and executing Administration policy in the productivity area. As I told you last night, our response to that question has to be mixed. Your staff has, however, since asked for our reaction to a considerably less ambitious proposal, one to which we can respond more enthusiastically. Let me elaborate.

As you well know, we agree totally with your continuing emphasis on declining productivity growth as a cause of inflation and on the importance of reversing that trend. The role that the Council can play in such efforts is, however, necessarily limited, since many of the key policy tools are under control of other agencies, necessarily.

The things government must do to enhance productivity, it seems to us, fall under broad, overlapping headings. The first, in both the long and short run, is to restrain inflation. That will help create an environment conducive to productivity growth, in large measure by reducing uncertainty and restoring investor confidence, and thereby encouraging long-term capital investment.

The second is to restructure the tax system in such a way as to provide additional incentives to save and invest in technological, physical and human capital.

Third, the government should undertake some direct, productivity-enhancing expenditures. An outstanding example would be support of basic research: without government support, there would be insufficient investment in basic research, because individual companies do not reap the full social benefits, and thus would not undertake it in sufficient amount.

Finally, there is the reform of government regulation and related structural improvements in the economy. Prominent examples would be elimination of inefficient regulation of trucking, more imaginative environmental policies such as the so-called "bubbles" approach to controlling air pollution, and reduction of trade barriers. Reforms like these would enhance competition, improve the economy's ability to adjust to unforeseen changes, and reduce the costs that socially necessary regulation imposes on the economy. The Council is well-suited for this role, and indeed regulatory oversight is a very important part of our program.

It is clear that the Council is suited to play a leading, even a central role in some of these efforts, but can participate in others only as one member—and in some of them a decidedly lesser member—of the Administration's team of policy makers. In the anti-inflation effort, we bear primary responsibility for the wage and price standards, but in the formulation of monetary and fiscal policy we necessarily participate only as a member of the Economic Policy Group, on whose Steering Committee I sit in my combined capacities as Chairman of the Council and Advisor to the President.

Similarly, it would not make sense to give the Council any kind of lead responsibility for redesigning our tax incentives or planning government expenditure programs designed to enhance productivity. There is no way of bypassing or overriding the primary responsibility of such agencies as the Treasury Department and the Office of Management and Budget, except through an interagency organization like the Economic Policy Group.

The proposal we received today, however, concentrates on another role that the Council plays in this area, one that might fruitfully be expanded in the direction you suggest. I refer to our statutory mandate to analyze and report regularly on productivity growth trends. We have written several reports on productivity; in addition, each of our regularly published Inflation Updates contains analyses of productivity developments; and members of the Council have testified several times before Congressional committees on this subject. We do see a need for broader-based reviews of the growing body of research on productivity, as well as reviewing and maintaining a kind of inventory of public and private efforts in this area.

There are, thus, two principal areas in which the Council's work on productivity could be expanded effectively: (i) analyzing the effect on productivity of regulatory policy and structural reform, and (ii) in-depth reviews of research on the determinants of productivity trends and on methods of effecting them, maintaining an inventory of current efforts, and making recommendations for an integrated program. Since your staff assures us that the purpose of the proposal we received today is to encourage us to expand our efforts in this area, we welcome it enthusiastically.

Expansion of our efforts along these two lines would, of course, require additional funding. We believe that we could do these things, however, merely by reallocating our resources if we could secure the full expansion we have requested in our supplemental budget submission.

Sincerely,

ALFRED E. KAHN,
Advisor to the President on Inflation.

Mr. BENTSEN. Mr. President, I urge the adoption of the amendment.

The ACTING PRESIDENT pro tempore. Has all time been yielded back?

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. HEINZ. I yield back my time, Mr. President.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. BELLMON. Mr. President, will the Senator from Pennsylvania yield me 1 minute?

Mr. HEINZ. I am happy to yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I am opposed to Senate Resolution 436, the budget waiver on S. 2352. I am against it for several reasons, but the primary one is that there is really no good justification to support granting a waiver which increases the Council's fiscal year 1981 authorization.

The administration has proposed to increase the Council's staff by 254 positions or 110 percent before the end of this fiscal year. This proposal corresponds with assigning new responsibilities to the Council and expanding its role significantly. Mr. President, we have no reason to believe that the approval of these additional funds will actually help to reduce inflation—to believe that is to make an optimistic assumption which we cannot afford to make at this point in the fiscal year.

This supplemental request does not represent any sort of emergency. It only represents approval of an administration proposal. The fiscal year 1980 deficit should not be increased any more. We must deny all requests for additional funding unless it is for some vital reason. This is not the case in this instance. For that reason, I have voted against this budget waiver.

There are a number of reasons I cannot support S. 2352 as it has been reported to the Senate. This bill not only raises the authorization for the Council on Wage and Price stability in fiscal year 1980 by 62 percent, an action which, in and of itself, is ill advised because of the critical fiscal year 1980 budget situation, but it triples the Council's authorization for fiscal year 1981, from $8.5 million to $25 million. While this amount may be relatively insignificant in terms of the overall Federal budget, the issue itself is not insignificant.

This is not a time in which Government should be realizing real growth. Every Federal agency has been directed in the fiscal year 1981 budget to cut back. If the legislative branch and the Executive Office of the President cannot abide by these directives, we cannot expect the rest of the Federal Government or the American people do do so either.

Critics will say that the objectives of the Council on Wage and Price Stability are worthy of additional financial support, that more people are needed on the council's staff to help reduce the impact of inflation on our economy. If there were convincing evidence that the Council has been successful in reducing inflation, I might be more sympathetic toward allowing for these increases. But, Mr. President, I am not persuaded that this is the case.

Some believe that the Council may actually be counter-productive in achieving its goals. For example, Arthur Burns of the American Enterprise Institute recently stated in a letter to Representative STEWART MCKINNEY,

> I would be opposed to any additional appropriation. Even now, COWPS is imposing heavy burdens of reporting on private firms. . . . Any enlargement of its staff may lead to more harassing of business firms, and perhaps of trade unions as well, without

> commensurate benefits to the general public . . .

Of the 400 additional staff authorized to the Council in this bill, a 300-percent increase, 347 are to be involved in price monitoring. Over the past year, of the 1,300 firms monitored by the Council, only about 1 percent were found to be out of compliance with wage and price guidelines. Is a 1-percent noncompliance finding enough to justify an increase of this size for the Council? I do not think so.

Mr. President, I do not believe that the Council on Wage and Price Stability has really been proven to be effective in reducing inflation. I do not believe that we can justify tripling the size of this Council's authorization while, at the same time, asking other parts of this government to slow down, to cut back, and in some cases, to stop altogether.

I cannot support the increases provided in this bill and I urge the Senate to maintain the fiscal year 1980 level of funding for the Council of $8.5 million.

Mr. President, it is my understanding that the Senator from Oklahoma has 30 minutes' time on this bill.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BELLMON. Mr. President, I have no use for the time and I am happy to yield back, or yield it to the floor manager, if he wants it.

I yield it back.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, a moment ago, we were discussing the ineffectiveness of the Council. I should like to take a few minutes to discuss what I believe are actual detrimental effects of the guidelines.

The basic reason that I believe that the Council is detrimental in many of its activities is that it diverts attention from truly combatting the causes of inflation. These include, but by no means totally include, excessive Federal spending and borrowing, the allocation of capital by political rather than market forces, overly burdensome Federal regulations, a now declining and negative rate of productivity, and our need to do something about increasing incentives for savings and investment as a means of addressing that problem.

Second, although the Council maintains that the cost of complying with its guidelines is relatively minor, increasingly, there is evidence to the contrary. As Arthur Burns stated in the letter I mentioned a few minutes ago:

> I would be opposed . . . to any increase in appropriation. Even now, COWPS is imposing heavy burdens of reporting on private firms. And, as recent verbal and financial punishment of Mobil suggests, due process is not always sufficiently observed by this agency. Any enlargement of its staff may lead to more harassing of business firms, and perhaps of trade unions as well, without commensurate benefits to the general public. To the extent that this occurs, the so-called voluntary program may become increasingly mandatory. In short, there are better uses of government money.

Mr. President, I entirely agree, particularly with that latter statement that there are better uses of Government money. We should reduce the national debt, keep the money with the taxpayer, or get our priorities straight—hopefully, all three.

One other point is that, in an article which recently appeared on the front page of the Wall Street Journal on May 12, there was documentation of the heavy burdens which COWPS' guidelines are imposing on one company, TRW, Inc. As I mentioned earlier, handling the paperwork associated with the guidelines alone cost the company an estimated $1 million per year. In addition, the guidelines have, according to the article, led to distortions in pay scales and to morale problems among employees.

These costs would, perhaps, be justified if they resulted in wage and price increases lower than that which would otherwise occur. But, in fact, that is not the case. TRW officials contend the program is having little, if any, effect on price increases or what we would call inflation and, because violators of the so-called standards can be barred from receiving Federal contracts in excess of $5 million, the guidelines increasingly assume the character of a mandatory program without the necessary congressional authorization and oversight.

According to Charles R. Allen, executive vice president and chief financial officer of TRW, the voluntary wage and price guidelines "are mandatory for us." That is how they look at it, even if they also say that there is really no effect on price restraint.

Finally, there is considerable evidence that the way in which the price standard is calculated may, over the long term, have significant inflationary implications. In calculating allowable price increases, COWPS adjusts the average increase in wages for an assumed average change in productivity. This assumed average change in productivity is the average of the past 10 years' figures on the growth of output per manhour, 1.75 percent. Because productivity measures are volatile, I believe it is valid for COWPS to evaluate productivity changes over a substantial period of years, but I must disagree with their arbitrary taking of 10 years, particularly in view of the fact that economists, almost to a person, agree that since 1973, there has been a marked downward trend in productivity; that, as of 1973, we have specifically seen the average growth rate in productivity diminish to only 0.5 percent during the period 1973–79. And because of the unrealistically high measure of productivity, the 1.75 percent which COWPS employs in setting the price standards, the fact is that the price standards do not adequately reflect the annual increase in unit labor costs.

This is reflected in the fact that during COWPS' first program year, corporate profits, as a share—and I emphasize the word "share"—of national income actually declined from 10 percent to 9.3 percent. As a result, companies have available less capital for investment in new plant and equipment and without such an investment, as we all know—or at least we all say we know—productivity declines further and inflation accelerates.

Those people who talk the most about the need for incentives for savings and investment would be well advised to look very hard at what is happening to investment, particularly, as these numbers indicate. It seems fairly clear that if there is an effect that is measurable, the main one that we can attribute to the Council on Wage and Price Stability is that it is achieving a decline in investment, a decline which can only guarantee a diminishing of our capital base in this country and for which we will all pay in the way of inflation in future years. That, Mr. President, is not my idea of good policy.

Mr. President, my last major point regarding this authorization has to do with the failure of the Council to act on improving productivity and monitoring Government action. This is the issue that Senator BENTSEN's amendment, which we accepted a moment ago, addresses and, indeed, appropriately so, because there is a consensus among Members of Congress on both sides of the aisle on a point that many of us have been making for years. That is simply this: That the best way to fight inflation is not to induce a recession or to impose wage and price controls, but to outproduce inflation.

As evidence of this consensus, for 2 consecutive years the bipartisan leadership of the Joint Economic Committee has cited measures to improve productivity as the "economic linchpin of the 1980s."

But, Mr. President, despite that unanimity of opinion on the need to enact measures to improve productivity, the record of the Council on Wage and Price Stability, which is supposed to focus Government efforts to fight inflation, the record in terms of increasing productivity, has been a very dismal one.

We thought last year, when we reauthorized the Council, that we had done a few things to correct that situation. The legislation we passed last year, which vastly increased the resources available to the council, carried with it the stipulation that "a significantly greater effort" would be undertaken to analyze the inflationary effects of Government actions and to seek ways to improve productivity.

Despite that authorization, which tripled the resources of COWPS—and I include a supplemental of $5.2 million for fiscal 1979, in addition to the $2.21 million originally authorized, and the authorization of $8.43 million for fiscal 1980—this so-called significantly greater effort consisted of exactly one study on productivity and the addition of three staff persons to the Government programs division, for a total of 22 people

Of the massive increase in COWPS staff which S. 2352 would make possible, we would see an even further movement of our anti-inflation efforts away from the root causes of inflation.

Of the 250 additional staff people to be hired in fiscal 1980, and the additional 150 to be hired under this legislation in fiscal 1981, virtually all would be devoted to price monitoring efforts, despite the fact that COWPS monitoring efforts to date have found about 1 percent of the firms out of compliance with the standards.

One has to ask, Mr. President, why, if 99 percent of the firms under review by the Council are in compliance, why, if there is evidence that the activities of the Council actually are setting the stage for reduced investment and productivity, why, in light of the fact that the Council has ignored our mandates to study the impact of Government regulations and to do more in the way of coming toward the Congress with a comprehensive anti-inflation strategy, why we should reauthorize the Council on Wage and Price Stability at all, let alone triple its resources?

That, Mr. President, is an excellent question. It is the reason that I send an amendment to the desk and ask for its immediate consideration.

UP AMENDMENT NO. 1116

(Purpose: To hold authorizations for the Council on Wage and Price Stability for fiscal years 1980 and 1981 roughly to current levels, adjusted for inflation)

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ), for himself and Messrs. DOLE and GARN, proposes an unprinted amendment numbered 1116.

On page 3, line 22, strike out "$13,733,000" and insert in lieu thereof "$9,473,000".

On page 3, line 24, strike out "$25,044,000" and insert in lieu thereof "$9,770,000".

Mr. HEINZ. Mr. President, I have already offered the essential reasons as to why I am introducing this amendment. I shall not take my colleagues' time to repeat what I have already said.

Mr. President, the only reason I think it would be a mistake to eliminate the authorizations altogether is because of the reason stipulated by Arthur Burns, which is that it would probably create an impression, if we just eliminate the authorization altogether, among the people that Congress had totally given up on the fight against inflation.

Of course, we know we should not do that. That is why I am seeking a level of authorization of $9.4 million in fiscal 1980 and $9.7 million, roughly, in fiscal 1981, to give the Council on Wage and Price Stability a continued lease on life. Indeed, I am even giving them a cost-of-living increase consistent with their forecasts of inflation.

The second reason, Mr. President, I suppose it is a pretty good reason, that I am using these particular numbers is that these are the authorization levels requested by President Carter in January of this year. If it was good enough for President Carter in January of this year, I do not see why it is not good enough for my colleagues on the 2d day of June of the same year.

The only difference between the March authorization and the January authorization request by the President is that these seem to be a political awakening on the part of President Carter that he had better appear to be doing something about inflation.

Appearances can be very deceiving. I think it would be a grave mistake for this body to triple the authorization and give people the appearance, which we know to be false, that we are somehow tripling our anti-inflation efforts.

There is no justification for the view that the Council on Wage and Price Stability has had any significant impact on inflation—and I do not have to be believed. As I mentioned in my opening remarks, the former Director of the Council, Mr. Bosworth, says exactly the same thing, that the Council is ineffective.

Mr. Bosworth is a very bright, able man. He has been before the Banking Committee on many occasions, both as director and as a fellow of the Brookings Institution. We know him well and we respect his work.

The Data Resources, Inc., study that the Council, Mr. Kahn and Mr. Russell, quoted when they were before our hearings in March, clearly found that they had had a significant impact on inflation. In fact, it is not a DRI study at all. It was a study DRI was never asked to make. It was a study that they never paid DRI to make. It was a study that DRI does not agree with. It is a study by DRI, in fact, that does not exist.

What exists are a few computer runs, using a program leased from DRI, a program into which was fed certain data from which the staff of the Council on Wage and Price Stability drew conclusions, not DRI. Indeed, DRI is going to submit for the RECORD a statement testifying to what I have just said as being accurate.

Therefore, Mr. President, I think the fact is that we have an attempt here by the Council on Wage and Price Stability not only to rewrite history in someone else's name but also to downright mislead Congress by quoting somebody who, in fact, did not do a study on which they relied very heavily. I think that if they are willing to go to such lengths to mislead Congress, the American people should not be fooled, and we should call them to account. One way of calling them to account is to insist that they be held to the same kind of budget increases to which we are holding everybody else.

That is why I hope my colleagues will accept this amendment. Perhaps the chairman of the committee would like to accept the amendment. I do not know.

Mr. GARN. Mr. President, will the Senator yield?

Mr. HEINZ. I am happy to yield.

Mr. GARN. I thank the Senator from Pennsylvania. Although I had intended to make these remarks as an opening statement, they certainly fit just as well in support of the amendment by Senator HEINZ.

Mr. President, over the objection of every one of its minority members, the Banking Committee reported out a bill to reauthorize the Council on Wage and Price Stability and to triple its funding. I would like to restate for the record why I think this course of action was ill-advised, and why funding levels for COWPS should be returned to more realistic levels.

First, the requested 300-percent increase in appropriations for COWPS is simply too lavish, and is inconsistent with congressional attempts to restrain Federal spending. It is ironic that the one agency which should be particularly sensitive to inflationary actions is now recommending that we increase Federal spending, by tripling COWPS funding, and that we impose more regulatory reporting burdens on more businesses.

Second, the Council's track record hardly justifies its continuance at present levels, much less warrants a 300-percent increase in its funding. The dramatic increase in the inflation rate, cresting recently to 18 percent, evidences COWPS inability to control or reduce inflation despite the fact that the overwhelming majority of firms are complying with the wage-price guidelines. This failure demonstrates again that it is the actions and policies of the Federal Government, not the private sector, which are "out of compliance" with effective anti-inflation guidelines.

Realistic inflation guidelines belong on the national agenda. They include reducing Government spending, balancing the budget without tax increases, eliminating unnecessary regulations on industry and encouraging investment and savings, and not the politically attractive quick-fix of a controls program.

Third, the guidelines do not need to be "strengthened." Almost all of the proposed new funding is targeted for substantially increasing price monitoring activities. Yet of the 1,200 firms monitored the first year, a scant 1 percent were found in violation of the guidelines. The fact that the overwhelming majority—in fact, 99 percent—of the presently covered firms are complying with the guidelines hardly supports the administration's call for "strengthening" the guidelines. On the other hand, the increased price monitoring promises to impose more reporting requirements on more companies and further inject the unwarranted presence of the Federal Government into private business. This is the kind of Government action that has fueled, not alleviated, inflation.

Fourth, and most important, I fear that the unwarranted "strengthening" of COWPS activities may be a prelude to an economic controls program. The substantial increase in appropriations would fund 400 additional staff positions to first, require reports from many more companies; second, more intensively evaluate price reports; third, create traveling teams of auditors to examine company records; and fourth, establish a "voluntary" program for prenotification. Although Alfred Kahn, in a recent letter to the members, asserts that the Council has been active in preventing some inflationary effects of Government actions, the fact is that not one single additional staff position was slotted to aid these activities. The overwhelming emphasis of the proposed new activities is on price monitoring.

I find the prospect of more companies burdened with more Government reports, and teams of auditors touring the country to meddle in private business records, highly disturbing. With respect to the proposed prenotification program. I want the legislative history to reflect that COWPS has neither requested nor has it been granted prenotification or delay authority, and it has not been empowered to impose sanctions for noncompliance with such a program. These activities, more than ever, make the "voluntary" nature of the guidelines a farce.

Mr. President, COWPS actions may divert our attention away from the tougher and more realistic decisions and policies we must make to combat inflation. I would urge my colleagues to vote for a funding level which would maintain COWPS at its present level of activity. At a reduced funding level COWPS will cause less mischief, although it most assuredly will not reduce the inflation rate.

Mr. President, I commend the distinguished Senator from Pennsylvania, a member of the Banking Committee, for his fine work not only in managing this bill on the floor today but also throughout the committee hearings and throughout the markup in the Banking Committee. He has done an extremely good job, and I certainly support this amendment and other amendments he will offer today.

Mr. HEINZ. Mr. President, I thank the ranking minority member of the committee, the senior Senator from Utah (Mr. GARN), for his very kind remarks. I also compliment him on his logic in setting forth some of the very real concerns and great problems we have with the proposed legislation.

I believe that the record made by the members of the committee in this regard, particularly the record made by all the members of the minority side, is a very compelling record. The Senator from Utah has highlighted a number of points that are very important and that should be brought to the attention of our colleagues.

Mr. President, I reserve the remainder of my time on the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. I yield myself such time as I may require in opposition to the amendment.

Mr. President, we should realize that this amendment reduces the authorization for COWPS for the remainder of this year from $13.733 million, which it is in the bill, to $9.473 million, and to about the same figure in 1981.

In the first place, we should recognize, as I said earlier, that this is the only agency we have which is specifically designed to fight inflation. Are we serious about inflation or are we not? If we are serious about inflation, we should use every method we can to inhibit inflation.

The Senator from Pennsylvania has indicated that COWPS has not been effective. The only analysis we have, the only data we have, by the Council of Economic Advisers, by COWPS' own study, indicates that they have reduced the incidence of inflation by a certain amount, probably between one-half to three-quarters of 1 percent. That is not very much—I agree—and inflation has been very high. The important point is that there has been some effect on restraining inflation, and there are indications that the effect may be more substantial as time goes on. If there is any documentation on the other side, I should like to see it.

There is no question that we have concentration in this country in industry and to some extent in labor. We do not have a perfect free enterprise system in which prices are determined in the marketplace. Anybody who believes that believes in the tooth fairy. They just have not recognized the type of economic system we have.

Prices, under some circumstances, are established, if not by monopolistic determination, by oligopolistic determination, and they are influenced by Government activity.

And this bill not only provides that COWPS shall monitor the activities in the private sector but also in the public sector, I think COWPS has done a job that has had some effect. I can criticize it also. I think they could have done better. I think they will do better if we pass this bill. But I certainly believe anyone who really believes in fighting inflation should not start off by disarming it especially when we are talking not about $25 billion, not about $2½ billion, not about $250 million. We are talking about $25 million. That is one one-thousandth of $25 billion.

Our principal economic problem now is inflation. Unemployment is rapidly becoming a very, very serious problem also. But certainly inflation is likely to be with us for a long, long, long time. We may be able to recover from this recession after a year or so. No one argues that we are going to be able to recover from inflation for at least 3 or 4 or 5 years, and I think probably it will be 10 or perhaps 20 years. I think it is going to take a long, long struggle.

Certainly this is not the only way we can fight inflation, but it is an important way.

What would be the direct effects of the Heinz amendment? The direct effects would be to not permit COWPS to hire 250 additional staff—250, not 25,000 people, but 250 experts—in fiscal 1980 and another 150 additional staff in fiscal 1981. Without that staff COWPS cannot carry out its responsibility under the anti-inflation program announced on March 14.

COWPS could not monitor the additional firms with sales between $100 and $250 million.

COWPS could not speed up review of requests for exception and noncompliance decisions.

COWPS could not establish a program of selective voluntary prenotification of price increases, or of onsite audits.

And there is every reason to expect we would not be able to fulfill effectively the Bentsen amendment which we just accepted and which the Senator from Pennsylvania supported also and which, of course, would provide for a report on productivity and a study of productivity that would improve the productivity operation of our economy and the Federal Government.

Mr. President, in the minds of many, including the Price Advisory Committee, we now have more strict enforcement of wage standards than of price standards. It is no accident that real wages have gone down in this country and that the blue-collar worker is suffering. Price, on the other hand, is something else.

To deny COWPS the added staff would allow increases in inflated prices by those 1,800 firms, with sales between $100 million and $250 million.

To deny COWPS the increase in staff would mean slower review of exceptions requests from those firms under the program.

I think what we have to realize is that we have to get specific monitoring of wage increases because we have employers on the side of Government trying to hold down wage increases. That is the way you operate when you run a firm. You want to hold those wages down. It is a perfectly normal thing. So the Government has 5 million employers who are with the Government in trying to hold wages down but there is no one trying to hold prices down, and this is what the additional staff would be designed to do very largely.

Mr. President, COWPS could not devote additional staff to its important role in monitoring Government programs and regulations that the committee indicated should be done.

COWPS could not be as effective in getting companies, such as Mobil Oil, to forgo $30 million in price increases, which they did. Now that pays for the entire authorization and appropriations for 1981 and then some with $5 million left over. That is only one firm, and that is only one of a number of instances I have here where they have been successful in holding down prices or rolling back prices.

COWPS more than pays for itself in terms of reduced prices or rollbacks that directly benefit the public.

The reduction in authorization of COWPS would send signals to the Nation and the world that the Senate is not serious about the anti-inflation fight.

The Senator from Pennsylvania quoted Arthur Burns as saying we should renew COWPS for that reason. And I think that applies to this kind of authorization. Are we serious or not? Are we serious enough to provide another 400 staff people, another $20 million or so to combat inflation when we have a $600,000 million or $600 billion Federal budget?

Mr. President, we spend billions in other programs but are unwilling to commit $23 million to fight inflation. Many people think we should spend 10 times that in order to have a mandatory wage and price controls program. Ten times for a mandatory wage and price controls program would probably cost 100 times as much. If we follow the Galbraith formula, it might very well take 200,000 people to enforce wage and price guidelines or wage and price controls. What we are proposing here, as I say, is 400 people, a tiny fraction of that.

It is foolish to think that COWPS could have a dramatic effect on inflation that has accumulated over the last 10 to 12 years and has been reinforced by a doubling of OPEC prices last year.

Inflation cannot be eliminated by any single action. It will take years and require fiscal restraint, monetary restraint, wage and price restraint, increased productivity, energy price stability, reduction in built-in inflation through COLA's, and other types of indexing.

We have to reduce those. That is going to be hard to do. But we have to take the bit in our teeth if we really want to fight inflation.

The distinguished Senator from Pennsylvania claims that the price standard reduces profits: corporation profits as a share of national income declined from 10 to 9.3 percent.

Mr. President, real investment to real GNP actually increased during 1978 and again in 1979. In 1976, real investment to real GNP increased 9.3 percent; increased in 1977 to 9.6 percent; increased in 1978 to 10 percent, and increased in 1979, the first three quarters is all that we have data on, to 10.4 percent.

Also, corporate profits as a share of national income usually decline as the economy reaches full capacity. So the decline probably had nothing to do with the price standards. This happened in 1968–69, 1973–74, and 1978–79. Moreover, it appears that general trend of corporate profits, with inventory valuation adjustment and capital consumption adjustment, to national income is trending down, probably because of inflationary effect on depreciation.

Mr. President, the distinguished Senator from Pennsylvania blames COWPS for lack of action to increase productivity. I wonder how fair that really is. A major factor is the need to increase investment and research. These are basically tax and budgetary problems beyond the mandate given to COWPS. COWPS cannot do everything. It is a little agency with relatively few staff people and with a tiny budget compared to the rest of the Federal Government. You can hardly blame them for lack of productivity. Although they have done something in this area, they can only act within the very, very sharply limited resources.

COWPS has taken significant steps in the regulatory area. COWPS staffs the regulatory analysis review group and, in addition, files comments on cases on its own. During the period July to September 1979 COWPS filed comments on the following:

When one talks about, and the Senator from Pennsylvania did talk about, how COWPS did not have much effect on Government-caused inflation, the fact is that COWPS has had a profound effect. I am going to be specific, and not just general. I am not saying they have not had any effect or have had an effect. Here is what they have done.

They worked with the EPA on the emission standards for railroad equipment to secure an action that would be less inflationary.

They worked with the ICC on railroad car service rules again, and they secured action that was less inflationary.

They worked with the U.S. Postal Service: Private conveyance of "extremely cogent letters," again an action that was somewhat mildly, I admit, but somewhat anti-inflationary.

They worked with the FTC on a deceptive advertising brief, again to inhibit inflation, successfully.

They worked on the paper on air pollution control techniques, which again moderated the inflation effect somewhat.

They worked with the Department of Energy in two areas, one on residential conservation sewer programs and then on environmental concerns within public lands, and again with an anti-inflationary effect.

They worked with the FERC on the National Gas Policy Act, and they worked in a way which I think analysis would indicate would tend to reduce the inflationary effect.

They worked with the EPA on underground injection control regulations.

They worked with the ICC on busfare flexibility for business and industry.

And they worked with HEW on day care.

In every one of these cases, Mr. President, the effect was to moderate the inflationary effect of Government regulations.

Mr. President, I have a long list here which I shall ask unanimous consent to have printed in the RECORD of actions taken by the Council on Wage and Price Stability. It covers some five pages. I ask unanimous consent that it be printed in the RECORD.

Mr. HEINZ. Mr. President, reserving the right to object, I wish to see the list.

The PRESIDING OFFICER. Objection is heard.

Mr. PROXMIRE. Yes, indeed.

Mr. President, who favors this amendment? Who favors the amendment? I oppose it. Who favors it? It is favored by the National Association of Manufacturers, by the U.S. Chamber of Commerce, and by other business groups.

Now why? Because the additional funding and staff will likely have the effect of putting additional public pressure on them to restrain prices and behave in a way that reflects good citizenship and a concern for the Nation's well-being rather than their own self-interest.

I do not blame them for opposing it. I suppose if I were a head of the Chamber of Commerce I would feel constrained to oppose it also.

But the only way we are going to fight inflation is to take some action that is going to make it difficult for some people. It may reduce profits here or there. It may reduce wages here or there. If we are going to fight inflation we have to fight inflation in the way that is going to cause some pain. We cannot do it painlessly. We cannot make everyone happy.

You cannot make everybody cheer. COWPS is an unpopular agency, but it is an agency that is doing the tough, difficult job that has to be done if we are going to fight inflation and if we really mean business.

Mr. President, as I say, COWPS has been effective in restraining inflation, as the committee report points out. The studies show that the CPI would be one-half to three-quarter points higher without the wage-price standards program, and the underlying inflation rate would be 1.1 to 1.5 points higher.

Look at the list of successes COWPS has had in getting price reductions. I mentioned one, Mobil Oil. Reynolds Metals and Kaiser Aluminum reduced prices by 1.5 percent in order to comply. Holiday Inns restrained price increases; Diamond International reduced price increases; and Laclede Steel reduced profit margins.

Some people would say the market will take care of that. Well, the market does take care of most excessive pricing decisions in our competitive enterprise system, and it should. But, as I say, there just is not any question that in the kind of economy we are in there are some groups who are big enough and strong enough so they can buck the market and increase prices. That has been established by economists over and over and over again.

Certainly we need a fiscal policy and a monetary policy to fight inflation, and that is our principal weapon. At the same time, we would be very remiss in not using COWPS; and also, Mr. President, from a psychological standpoint, the American people above all demand fairness, and what they do not like to see is having their real income reduced by inflation while they get ripped off by a firm that because it is big enough is able to take advantage of them.

The job of COWPS is to try to do their best to secure as much equity and fairness and justice in our system as possible with a very, very small staff.

I happen to personally oppose mandatory wage-price controls because I think they go much too far. But I think this is a very moderate, limited step to try to get at what wage-price controls would do in a comprehensive way.

I think if we are going to fight inflation we should not do it by throwing in the sponge and walking away from it and saying we are not going to put enough people into positions of responsibility in fighting inflation so that we can really make a fight of it.

Mr. President, I reserve the remainder of my time, and I yield the floor.

The PRESIDING OFFICER. Does the Senator from Pennsylvania object to the insertion in the RECORD?

Mr. HEINZ. The Senator from Pennsylvania has no objection. He has not had a chance to examine the material and has no objection.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REGULATORY INTERVENTIONS—COUNCIL ON WAGE AND PRICE STABILITY

Number, subject, and date

300. Council Submitted to ICC comments on the Railroads' Requested Freight Rate increase, December 1, 1978.

301. Council Submitted to EPA Comments on the Reasonableness of Existing Effluent Limitation Guidelines for Best Conventional Pollutant Control Technology, December 1, 1978.

302. Council Submitted to EPA the RARG

Report on the Proposed Revisions of New Source Performance Standards for Electric Utility Steam Generating Units, January 15, 1979.

303. Council filing Before the ICC on New Procedures in Motor Carrier Revenue Proceedings, January 26, 1979.

Unnumbered. Testimony by Bosworth Before the Senate Committee on the Judiciary on Anti-Trust Proceedings, February 1, 1979.

306. Council Supports Efforts by ICC to Relax its Standards for Eentry into Trucking & Intercity Bus Industries, February 5, 1979.

307. Council Endorsed DOE Plan to Reduce the $1.1 Billion in Federal Subsidies now Paid to Small Petroleum Refiners, February 5, 1979.

Unnumbered. Testimony of Thomas Lenard Before the Subcommittee on Environment, Soil Conservation, and Forestry on Forest Management, February 6, 1979.

308. Council Supports the Principles of Upward Rate Flexibility for Intercity Buses, but only if Accompanied by Freedom of Entry and Elimination of Anti-trust Immunity for Rate Bureaus, February 16, 1979.

309. Council Opposes a "Local Coal" Determination by EPA for Ohio Coal Under Section 125 of the Clean Air Act, February 26, 1979.

311. The Council Submitted to DOE the RARG Report on the Proposed Conversion of Electric Powerplants and Major Fuel Burning Installations to Coal, March 12, 1979.

312. The Council Submitted to EPA the RARG Report on the Proposed Hazardous Wastes Regulations to Implement Parts of the Resource Conservation and Recovery Act, March 16, 1979.

313. The Council Submitted to the FHLBB Comments on a Proposal to Allow State-wide Bank Branching, March 16, 1979.

314. The Council Asked the ICC to Deny Proposed Rate Increases for Six of the Major Rate Bureau and Asked the Commission to Seek More Information From a Seventh Before Granting the Rate Request, March 20, 1979.

315. Council Submits to EPA Comments on the Proposed "Bubble Concept" for Controlling Air Pollution, March 23, 1979.

Unnumbered. Council Submits to EPA Staff Report on Premanufacture Notification Requirements, March 26, 1979.

316. Council Comments on Proposed Diesel Particulates Regulation, April 19, 1979.

317. Council Comments on FRB, FDIC, and FHLBB Proposals to Create New Deposit Categories, May 4, 1979.

318. Council Comments on ICC's Expedited Procedures for Recovery of Fuel Costs, May 17, 1979.

319. Council Protests Additional Charges by Steel Carriers Tariff Association, May 21, 1979.

320. Council Submits to Interior a Staff Report on the Proposed Coal Management Program, May 18, 1979.

321. Council Comments to ITC Regarding Carbon Steel Plate From Poland, June 4, 1979.

323. Council Supports Proposal to Expand Bus Service, June 13, 1979.

324. Letter to TVA on Electricity Rates, June 13, 1979.

325. Council Comments on EPA's Proposed Water Quality Criteria, June 13, 1979.

Unnumbered. Lenard Testimony on Forest Management, June 22, 1979.

Unnumbered. Hopkins Testimony on Coal Management, June 25, 1979.

326. Council Comments on EPA's Proposed Heavy-Duty Truck Emission Standards, June 29, 1979.

327. Council Comments on Proposed Railroad Noise Standards, July 2, 1979.

328. Council comments on Railroad Car Services, July 2, 1979.

330. Council Comments on the Postal Service's Classification of Extremely Urgent Letters, August 10, 1979.

331. Council Comments to FTC on Alternative Forms of Price Advertising, August 29, 1979.

332. Staff Report on Economic Incentives in the Control of Air Pollution, August 30, 1979.

333. Council Comments to DOE on the Residential Conservation Service Program, September 4, 1979.

334. Council Comments to DOI on Areas of Critical Environmental Concern, September 5, 1979.

335. Council Comments to FERC on Integrating Incremental Pricing and Curtailment Policies, September 5, 1979.

336. Council Comments to ICC on Railroad, Truck, and Bus Industry Rate Increases, September 12, 1979.

337. Council Comments to EPA on Underground Injection Control Program, September 12, 1979.

339. Council Comments to ICC on Bus Fare Flexibility, September 20, 1979.

340. Council Comments to HEW on Day Care, September 21, 1979.

341. Council Comments on FCC Cable Television Rules, October 5, 1979.

342. Council Submits Letter to EPA on Light-Duty Truck Emissions, October 10, 1979.

343. Council Comments to FERC on Incentives for Producing Natural Gas, October 15, 1979.

344. Council Comments to EPA on Ohio's Water Quality Standards, October 19, 1979.

345. Council Submits Reply Comments to ICC on Bus Fare Flexibility, October 22, 1979.

346. Council Opposes Extra Entitlement Benefits, October 26, 1979.

347. Council Submitted to DOE the Revised RARG Report on the Interim Rules Converting Electric Powerplants and Major Fuel Burning Installations to Coal, October 31, 1979.

348. Council Submitted to FDA the RARG Report on the Proposed Labeling Requirements for Prescription Drugs, November 5, 1979.

349. Letter to DOI on Coal Lease Target for Green River Area, November 8, 1979.

350. Council Comments to DOE on Sequential Bidding System for Outer Continental Shelf Oil and Gas, November 14, 1979.

351. Council Comments to the ICC on Revenue Need Standards for the Motor Carrier Industry, November 19, 1979.

352. Letter to DOI on Sediment Control at Coal Mines, November 19, 1979.

Unnumbered. Council Submits Reply Comments to DOE on Extra Entitlement Benefits, November 21, 1979.

Unnumbered. Letter to DOE on Importation of LNG by Columbia LNG Corporation, November 24, 1979.

Unnumbered. Letter to EPA on Water Quality Criteria, December 31, 1979.

354. Council Submits Comments to ICC on Bus Entry Flexibility.

355. Council Submits Comments to ICC on the Entry of a Second Rail Carrier into the Powder River Area, January 21, 1980.

356. Letter to NHTSA on Bumper Standard, January 25, 1980.

357. Letter to DOE on Gasoline Pricing Rules for Resellers and Reseller-Retailers, February 1, 1980.

358. Council Submits Comments to ICC on Incentive Per Diem Charges for Box Cars and Gondolas, February 11, 1980.

359. Council Submits Comments to FAA on Aircraft/Airport Security Requirements, February 11, 1980.

360. Council Submits Comments to FCC on Non-dominant Common Carriers, February 14, 1980.

Unnumbered. Letter to EPA on BAT Toxic Effluent Standards for Timber Processing Plants. February 15, 1980.

Unnumbered. Letter to EPA on BAT Toxic Effluent Standards for Textile Mills, February 15, 1980.

361. Council Submits Reply to the ICC on Revenue Needs Standards for the Motor Carrier Industry, February 19, 1980.

362. Council Submits Comments to USDA on the Proposed Watershed Protection Program, February 19, 1980.

363. Council Submits to EPA the RARG Report on EPA's Proposed Policy and Procedures for Identifying, Assessing, and Regulating Airborne Substances Posing a Risk of Cancer, February 21, 1980.

364. Council Submits to EPA the RARG Report on EPA's Proposed Effluent Limitation Guidelines for the Leather Tanning and Finishing Industry, February 25, 1980.

365. Letter to DOL on Proposed Definition of Plan Assets Under ERISA, February 27, 1980.

366. Council Submits Comments to USDA on Reconstituted Milk, February 29, 1980.

367. Council Submits Comments to DOL on Proposed Nondiscrimination on the Basis of Handicap Rules, March 4, 1980.

368. Letter to FERC on Incremental Pricing for Industrial Users of Natural Gas, March 7, 1980.

369. Council Submits Comments to DOE on Proposed Profit-Sharing Bidding System for Outer Continental Shelf Oil and Gas Leases, March 7, 1980.

370. Council Submits Reply Comments to the ICC on Incentive Per Diem Charges for Box Cars and Gondolas, March 10, 1980.

Mr. HEINZ. Mr. President, I yield such time as the Senator from Kansas may require.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I am pleased to join the distinguished Senator from Pennsylvania (Mr. Heinz) in offering this amendment to S. 2352. I think we are all pleased to see President Carter identify inflation as our most serious domestic problem. Inflation is coming down because we have been in a recession not because of good economic policy by the administration. The Council on Wage and Price Stability certainly has not contributed to bringing inflation rates down either.

It seems to me that this agency ought to be a candidate for the Golden Fleece award.

Reading the very interesting book the Senator from Wisconsin sent to his colleagues, this ought to be the beginning of the next chapter in the Golden Fleece series or better yet COWPS should be assigned the Platinum Fleece. This is certainly one of the biggest rip-offs of the American taxpayer, and ought to have serious consideration for the next monthly award or however often the award is given. By permitting this authorization to pass the Congress all we are doing is contributing to an effort to increase the steps by which we have in effect a back-door approach to mandatory wage and price controls which the Senator from Kansas and the Senator from Wisconsin are opposed to.

I just suggest that certainly the Council has had some positive impact, and that is why the amendment we propose is moderate in scope.

But it seems to me that it is questionable whether COWPS' track record justifies any additional appropriations, much less a tripling. It does seem to some of us a 300-percent increase is too lavish and is inconsistent with our attempts to cut not only increased spending by the Federal Government but it may be, as some have suggested, a thinly disguised move, in the direction of a mandatory wage-price control program.

There will be another amendment offered later on which will, hopefully, clarify that area as far as some of the actions taken by COWPS are concerned.

It just seems to this Senator that the amendment offered by the Senator from Pennsylvania, the Senator from Kansas, and others is meritorious. I am not certain whether we can ever prove what any agency has done to bring down inflation or what the private sector may have done to bring down inflation. Certainly recession will bring down inflation, but it will also cause widespread unemployment. The recession has already hit the Midwestern part of America. Farm prices are down, farmers have borrowed up to the limit and they are forced due to poor economic planning by the President to borrow during a period of highest interest. Farm prices in the wheat area are 40 cents less per bushel than they were prior to the embargo imposed by President Carter last December and there is little evidence to suggest that the Soviets have suffered as much as the American farmer and consumer.

We have had an overall economic failure, and I do not believe COWPS, if you give them a 300 percent or 3,000-percent increase, can do much to halt inflation unless there is some change at the top. Increasing the size of the bureaucracy is certainly not the antidote for high rates of inflation.

It is highly ironic that after all the talk in this body last week about cutting Federal spending that just 1 week later we are considering a staff increase and a 300-percent increase in the budget for the Council. President Carter campaigned on the promise of reducing the size of Government and its involvement in our daily lives, but he wants to increase COWPS' size and permit it to continue its questionable legal and economic sanctions.

It seems to me there are a lot of efforts we could point to which would be effective. I assume if you have 237 people on a staff, you could probably find something that could be listed as a plus. Maybe with an increased number on the staff there will be more pluses, but I think that is open to great debate.

No one who is at all realistic thinks that we could suspend all funding for COWPS. That would be too much of a victory for the American taxpayer. However, a number of us do feel that we can realistically hold it to current levels, as this amendment would do. Instead of tripling authorizations over the last year to a staggering $25 million, this amendment would authorize $9.7 million for fiscal year 1981. This is the same funding level COWPS had for fiscal year 1980 adjusted for inflation.

For the impressive statistics of the 1,200 firms audited, we required 6,500 essential reports, and less than 1 percent was found to not be in compliance. I think a lot of questions could be raised on whether this is a good return or a good investment of the taxpayers' money.

Mr. President, if we could be assured that COWPS would have a significant impact on checking inflation, then I think most of us would be eager to embrace the proposal before us today. But I do suggest that probably what is happening with inflation is happening because of a deep-seated recession that President Carter acknowledged as recently as yesterday on a taped program of "Face the Nation." The recession will be deep, will be severe, and not the moderate recession that Secretary Miller and others talk about from time to time.

Mr. President, I support the amendment as a cosponsor, and I hope our colleagues will take this one small step to indicate to the American people that Congress understands fiscal responsibility, that Congress understands what could be a veiled approach to the imposition of mandatory wage and price controls, and that Congress understands when we believe a request is excessive. as this one is.

I was very pleased to see President Carter correctly identify inflation as our most serious domestic problem. That assessment represents the highwater mark of his administration's efforts to combat the problem, whose effects slash across socio-economic lines. However, I feel that Mr. Carter's most recent assessment of our economy and its problems as being manageable, thereby permitting him to leave the Rose Garden and campaign during the primaries was a bit premature.

The most recent leading economic indicators also suggest Mr. Carter's assessment was a bit off the mark. Inflation has not ended. It is still with us and prospects do not look good for its quick disappearance. Inflation has been called the cruelest of taxes because it hits hardest at the poor and the elderly. But its effects are not limited to those on limited or fixed incomes. It robs all of us of buying power. It promotes uncertainty and confusion in the marketplace. It undermines long-range planning as the American consumer borrows in anticipation of constantly rising prices.

And, while the President has correctly identified inflation as our No. 1 concern, there is no evidence to suggest that the White House has developed any coherent plan to successfully combat our long-term economic problems. In January of 1976 inflation stood at 4.8 percent. After 3½ years of the Carter administration, Americans face the spectre of extended double-digit inflation.

The Council on Wage and Price Stability has stood idly by and done little more than watch the inflation figures rise. It has failed to provide the guidance and foresight necessary to lead us out of the inflationary quagmire. In all fairness I must say that this failure may be more a failure of overall Carter economic policy than simply the failure of an ill-conceived, ill-advised and unwarranted new bureaucracy. Still, it strikes me as ironic that today we are considering a staff increase and a 300-percent increase in budget for the council. President Carter campaigned on a promise of reducing the size of Government. Yet, today he wants to increase COWPS size and permit it to continue its questionably legal economic sanctions. Yet, after 3 years of failure, the governmental agency designated to fight inflation has decided that the only way to do its job is to triple its budget and increase by five times its staff.

I have spoken out strongly against the effectiveness of COWPS. I have commented on its deplorable track record in controlling inflation and suggested that additional funding for this agency would be money down the drain. It makes no sense to perpetuate ineffectiveness at any level of government, particularly in light of the current economic situation. There are also many of us in the Senate who question the legality of some of the council's actions. For that reason alone, I would prefer that the Council on Wage and Price Stability be terminated.

Instead of tripling authorizations over last year to a staggering $25 million, this amendment would authorize approximately $9.7 million for fiscal year 1981. Although I still feel that this is money ill spent, it is a vast improvement over the legislation currently before the Senate. To ask millions of Americans to cut back in their daily lives and then to ask for a 300 percent increase in staff and funding, is unconscionable. Without being redundant, I would like to take a moment to comment on what a 300 percent increase in funding would mean to COWPS. Last year COWPS monitored some 1,200 firms to determine if they were in compliance with "voluntary" wage and price guidelines. In connection with this monitoring function, the council filed nearly 6,500 reports.

Now, for the impressive statistics. Of the 1,200 firms audited—which required 6,500 "essential" reports—less than 1 percent were found not to be in compliance. It certainly seems to me that this is a very poor return on the taxpayers' investment. If funding for COWPS increases three-fold then it is logical to assume the number of firms audited will triple to 3,600; the number of reports filed will soar 300 percent to 18,000; and the Senator from Kansas is confident that the only figure which will remain constant will be the number of firms in noncompliance—about 1 percent.

In light of the administration's feeble inflation fight, I feel that the most prudent action would be one which will insure that COWPS does not get larger, more wasteful, and more costly than it already is. The only way to do this is to refuse to fuel its ineffectiveness through higher authorization levels and adapt the amendment before us today.

Inability to cope with inflation has aggravated our present crisis. Yet crisis, not stability, keeps agencies such as the council and the Department of Energy in business. Stability does not increase the bureaucratic payroll. Stability does not stimulate Federal spending.

The Federal Government itself is father to the inflation problem, since substantial and persistent Federal deficit spending is one of the root causes of inflation. When the Government runs a deficit, it pumps more money into private pocketbooks than it collects in taxes. Since more money is "chasing" the same number of goods, in the long run the price of goods must increase. Thus, inflation tends to feed on itself. It makes businessmen leery of economic expansion; it tends to depress the stock market; it encourages labor to demand extremely high wage settlement. It is a cycle of failure, and only steps more positive than padding a Federal agency payroll will stop the cycle in its tracks. For these reasons I urge my colleagues to support the Heinz-Dole amendment and to limit funding for the council to fiscal year 1980 levels as the Heinz-Dole amendment attempts.

I thank my colleague for yielding.

Mr. HEINZ. Mr. President, I compliment the Senator from Kansas for his excellent statement, and I hope that my colleagues heed it.

I just want to briefly summarize some of the arguments in favor of the amendment and to correct some of the things the distinguished chairman of the committee may have left by way of an impression.

First of all, the chairman suggested that this amendment in some way, shape, or form reduces the number of people or the authorization for the Council on Wage and Price Stability. Indeed, my amendment would allow the Council an increase. In fact, my amendment, whatever it may be, happens to be the same as President Carter's January budget request, and that budget request represented an increase over the 1979 authorization of nearly $2.5 million.

My amendment, which is the same, does the same. It represents in fiscal 1981 an increase of some roughly $300,000, which is what the President requested. I find it ironic that the chairman would so much object to the amendment when, in fact, it is what President Carter himself proposed to us just a few short months ago.

I do not know how the chairman accounts for the President's sudden dramatic change of heart. But I suppose, with the reborn fiscal conservatism of the President in March, we should look carefully at any change of heart and decide what its motivation is.

It is interesting to me that, in addition to the business groups that the Senator from Wisconsin says support this amendment, the AFL–CIO also supports it and they are not a business group. They are a labor group. So I think there is considerable balance of support for this amendment.

I wish that, were we to give the Council any additional money, there were some assurance that, as the Senator from Wisconsin intimated, some additional people might be given to the regulatory monitoring effort that Senator BENTSEN's amendment contemplates. I was delighted that the Senator from Wisconsin entered into the RECORD the list of so-called regulatory interventions by the Council on Wage and Price Stability. That was done with 19 people and touched just a fraction of the regulatory interventions made by the regulatory agencies.

It is worth contemplating, if there were in fact a reasonable number of people assigned to regulatory monitoring, just how significant the impact of the Council on Wage and Price Stability might, in fact, be on fighting costly, unnecessary Government overregulation.

And if I were the Senator from Wisconsin, I guess I would be outraged that, in spite of the mandate given by the Congress on the 1979 authorization, only three additional people have been assigned to the job that the Senator from Wisconsin and I both feel is so important.

I wish, also, Mr. President, to ask the Senator from Wisconsin one question, if he would bear with me for a minute. The Senator from Wisconsin, in his remarks, indicated that the Council on Wage and Price Stability was responsible for Mobil Oil's $43 million——

Mr. PROXMIRE. $30 million?

Mr. HEINZ. Mobil Oil's $30 million price correction.

Was it the Council on Wage and Price Stability or the Energy Department which was responsible for that? Does the Senator know?

Mr. PROXMIRE. Yes. The Council on Wage and Price Stability was responsible for the action. We have testimony on this and I will be happy to supply it to the Senator. For example, I have a COWPS statement, dated Monday, February 25, 1980. That is only 3 or 4 months ago. Here is what the statement says:

> Mobil Oil Marketing and Refining is out of compliance with the voluntary price standards, the Council on Wage and Price Stability announced today. The Council also said that Notices of Probable Noncompliance have been sent to seven other oil refiners.

This was the action taken by the Council and, as a result of that finding, there was a $30 million correction as the Senator puts it, in the prices charged, to the benefit of the American consumer and abating inflation to that extent.

Mr. HEINZ. If the Senator will bear with me further, does the Senator happen to know, or does the document state, whether it was the Council that made that discovery, or whether it was the Department of Energy that made the discovery and then referred it to the Council for a press release?

Mr. PROXMIRE. Well, the work was done by the Council. The Department of Energy, it seems to me, concurred. Let me read the first few paragraphs of the COWPS release:

> Mobil, the nation's seventh largest refiner, was sent a Notice of Probable Noncompliance with the refiners' gross margin standard on December 14, 1979. Under that standard, a company's gross margin in any quarter may exceed its base quarter margin by no more than 6.5 percent. The Council charged that Mobil exceeded its allowable gross margin during the fourth quarter of the first program year.
>
> Mobil acknowledged that its gross margin during the fourth quarter was greater than allowed, but argued that the excess should be overlooked because margins during the three preceding quarters were smaller than allowed. On a cumulative basis, Mobil said, it would be in compliance.
>
> Mobil also argued that "unusual business conditions," including retroactive crude oil price increases and the stockpiling of heating oil at the request of the Department of Energy justified the fourth-quarter excess.
>
> The Council rejected Mobil's arguments. Mobil's arguments with respect to whether the gross-margin standard is a quarterly or a cumulative annual limitation are without merit, the Council said, particularly since Mobil concedes that there is a fourth-quarter limitation and the Notice in question pertains to excesses in that quarter.

So, it was the finding of the Council and the decision of the Council and the rejection by the Council, COWPS that is, that had this effect. And the study, which I have here, which is a detailed study made by the Council, backs that up.

Undoubtedly, the Department of Energy was relied on as a source, as they should be in these cases, to be as efficient as possible. But COWPs made this study that is quite detailed and that I have available here if the Senator would like to inspect it.

Mr. HEINZ. I thank the Senator from Wisconsin.

It seems to me, Mr. President, that there was a great deal of crowing about the Council on Wage and Price Stability involving some $30 million out of, I suspect, a fairly substantial amount of revenue.

Does the Senator from Wisconsin happen to know how much revenue was involved in the base period that the $30 million represented a reduction from? I suspect it was in the hundreds of millions.

Mr. PROXMIRE. I do not know. We do not have that information. But I am sure the Senator is correct. I would say it could very well be in the billions.

Mr. HEINZ. I do not wish to denigrate the efforts of the Senator.

Mr. PROXMIRE. It is a relatively small amount. But the point is that the $25 million that the distinguished Senator from Kansas, the distinguished Senator from Utah, and the distinguished Senator from Pennsylvania all have been hitting so hard is also a modest amount. We are talking about an agency and we are fighting over whether or not they should have $25 million instead of $9 million. That difference of $16 million, I say, can have a profound effect. And I cite one case where they saved $30 million. It is modest in relation to the colossal gross revenues that Mobil has, I would agree. But, nevertheless, certainly it is clear that if we can save this kind of money and reduce inflation in this way in one company—and I cited others—it may well be worth this sort of very limited appropriation increase.

Mr. HEINZ. How does the Senator know where to stop? If they come in for $50 million next year, is that reasonable? If they come in for $100 million, which is only a doubling, is that reasonable?

Mr. PROXMIRE. That is a good question.

Mr. HEINZ. Where do you draw the line?

Mr. PROXMIRE. I think that is a very good point. I think this should be a Council on Wage and Price Stability with very limited powers, which it has, with wage-price guidelines and not an enforcement agency. You stop if you begin to go in the direction of compulsory, mandatory wage-price controls. I think that would be a very serious mistake that would be an enormous increase in staff and a huge increase in appropriations. And I would certainly oppose that. We stopped at $25 million.

Mr. HEINZ. As the Senator knows, the Council is seeking to monitor firms of what I suppose are called today middling size, $100 million.

Mr. PROXMIRE. $100 million to $250 million.

Mr. HEINZ. Between, let us say, $50 million and $100 million, there are probably twice as many firms as there are upwards of $100 million. And if the Council comes and says to us, "We would like to monitor firms between $50 million and $100 million and it is going to cost another $25 million to do that," would the Senator support such a request?

Mr. PROXMIRE. No, I certainly would not.

Mr. HEINZ. Where does it all end?

Mr. PROXMIRE. I think one can make a guess that $100 million is perhaps too low, but I think it is perhaps a reasonable compromise. I think there are many areas, many communities, and there are some industries, in which a firm with gross sales of $100 million is dominant. Not many, but there are a few. Very few, however, with less than $100 million, certainly as little as $50 million, would be a dominant firm.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. PROXMIRE. Mr. President, I ask for recognition and I shall be happy to yield to the Senator from Pennsylvania such time as he wishes.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. I thank the Senator.

Mr. President, it seems obvious to me that we really do not know where the line is going to be drawn. I do not question the sincerity of the Senator from Wisconsin when he says he would not go below $100 million, but I wonder if that is how the Council on Wage and Price Stability feels.

Mr. PROXMIRE. Let me say to my good friend we did not just pick this out of the air. This was recommended by an independent group, independent of COWPS, by the Price Advisory Committee, headed by Albert Summers, who is chairman, and who is the senior vice president and chief economist of the Conference Board. As the Senator knows, the Conference Board is a business group, a very responsible and sensitive business group. Their finding in the letter was as follows:

> The Council's budget appears to be seriously inadequate for the measuring and monitoring of compliance and the identification of noncompliance. Much of the evidence of success is on the wage side and even that record is now in jeopardy.

The date of this letter is March, and this letter, incidentally, preceded the decision on the part of the administration to ask for this very limited and modest increase in COWPS' funding. It was based very largely on the finding by this independent group of economic experts headed, as I say, by the senior vice president of the Conference Board.

Mr. HEINZ. Mr. President, I yield myself 5 minutes from the bill.

Mr. President, I ask unanimous consent that a letter from Data Resources, Inc., setting forth the record on the so-called DRI study be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DATA RESOURCES, INC.,
Washington, D.C., June 2, 1980.

DR. JAMES CLIFTON,
Economic Policy Division, U.S. Chamber of Commerce, Washington, D.C.

DEAR DR. CLIFTON: This is to confirm that Data Resources, Inc. has not undertaken any studies that estimate the impact of the Council on Wage and Price Stability on the aggregate rate of inflation.

Sincerely,
RICHARD F. FULLENBAUM,
Managing Consultant.

Mr. HEINZ. I quote from the relevant part of the letter:

> This is to confirm that Data Resources, Incorporated, has not undertaken any studies that estimate the impact of the Council on Wage and Price Stability on the aggregate of inflation.

The letter is signed by Richard F. Fullenbaum, consultant, Data Resources, Inc.

Mr. President, I remember in November 1979 when Alfred Kahn came before the Banking Committee and he set forth the administration's anti-inflation program, the centerpiece of which was the Council on Wage and Price Stability. I remember saying at the time that the greatest reservation I had about the administration's reliance on the Council on Wage and Price Stability was that because they had all the appearances of an effort to fight, if not to halt, inflation, that the administration and indeed the Congress would be lulled into a false sense of security and into believing that, in fact, we had an anti-inflation program.

We have not had an anti-inflation program. We have not done any of the kinds of things that the chairman of the various Councils of Economic Advisers have suggested to the Banking Committee this year and in previous years. We have not had much influence on the rate of inflation. Indeed, the rate of inflation is at a disastrous, all-time high.

I do not lay that at the door of the people on the Council on Wage and Price Stability, but I do lay it at the door of all in the administration and in the Congress who have taken that activity of the Council on Wage and Price Stability as the easy way out, of a way of going back to their constituents and saying:

> We have a program to fight inflation. We have hundreds of people monitoring wages, monitoring prices. Do not worry. Inflation is under control, and, oh, yes, the budget will only be $30 or $40 billion out of balance. Our deficit will only be $29 or $39 billion, and now maybe $45 billion, a deficit that large in a relatively prosperous economic period. Do not worry, we will be fiscally conservative next year when it is an election year. Do not worry, we will have something to show called a balanced budget, if we have a budget. We will have a budget where the numbers at least in the month of May, if not in the month of June, add up to $613 billion and some change, even if practically everybody says that those numbers are unrealistic. We will have regulatory reform, yes, just like we had promised in '76, '77, '78, and '79. We are going to pass that sunset legislation that everybody is for one of these days.
>
> We are going to do a lot of other very important things to get inflation under control. We are going to give incentives for savings and investment. We are going to make it profitable for business and industry to invest in capital equipment so that our auto industry might be number one.

Mr. President, I yield myself 5 additional minutes from the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. And to go on:

> So that our auto industry might be No. 1 instead of the Japanese industry, and we will give our steel industry and garment industry some incentives for investment.

Where are those incentives? I suppose to be charitable you could find them in the reports that all those firms are required to file with the Council on Wage and Price Stability. What kinds of incentives are those except to hire more lawyers and accountants to fill out forms where, in 99 percent of the cases, compliance with the so-called voluntary standards—compliance with a voluntary standard, how do you like that jargon?—has been achieved? And having seen what the Congress and the administration have together accomplished in fighting inflation, which, to sum it all up, lest I have been too subtle, is absolutely nothing, what are we now about to do?

We are about to pass an authorization, unless this amendment is agreed to, that will triple the budget of this agency and focus it for almost its totality, insofar as the increase is concerned, on monitoring business firms, 99 percent of whom are already in compliance. And those are the big guys.

Mr. President, there is a saying, we know not what we do. If this amendment is not agreed to, it will be a very apt observation to make on this distinguished body.

(Mr. EXON assumed the chair.)

Mr. PROXMIRE. Mr. President, speaking on the amendment, and I shall be very brief, the Senator is saying that those who have been arguing on this amendment——

Mr. HEINZ. Mr. President, if the Senator will yield, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. Yes.

Mr. DOLE. I wonder if it might be in order to ask unanimous consent on the amendment I am offering—2 or 3 minutes may not be enough later. On economic sanctions, may we ask that it be in order to order the yeas and nays?

Mr. PROXMIRE. I have no objection to that, but the leader does not usually like that to be done. I have no objection to that, that is fine.

In other words, the Senator from Kansas is asking unanimous consent that it be in order to ask for the yeas and nays and now notice is being served that there will be yeas and nays on that amendment?

Mr. DOLE. Yes, Mr. President.

Mr. PROXMIRE. That is fine.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kansas?

Without objection, it is so ordered.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, there is no way we can fight inflation without paying for it in some way, without making a lot of people unhappy, without causing a lot of difficulty. The Senator from Pennsylvania indicates that we have done nothing to fight inflation. I admit we have not done nearly as much as I would like or as much as some others would have liked to have done, but something has been done. For one thing, since October 6, we have had a restrained monetary policy. That is why interest rates were so high in January and February. In the last couple of months, there has been an actual drop in the available money supply. Available money has gone down—not up but down—one of the few times in our history except during depression periods when the money supply has dropped. In one of the country's worst depressions, the Great Depression, the money supply increased, and during the 1974–75 period. But this time it has gone down.

People are fighting it. It is a tough way to fight it. Farmers do not like it, homeowners do not like it, small business does not like it. It is a cruel way to fight it. But that is one of the ways you can do it and it has been done.

The Presiding Officer knows as well as anybody in the Chamber that we have tried to do it by trying to balance the budget. The Budget Committee has been working night and day on that, having an extremely difficult time. The priorities are extremely difficult. I think they have done a remarkably good job in coming forward with a budget that may or may not be balanced in some respect, but they are trying to hold down inflation.

Now we have opposition to providing for a very few aditional staff people in the Council on Wage and Price Stability, only 400 more. The total number would be 637. The total authorization for this agency would be $25 million. To listen to the opponents of this bill, those who would cut it down, who would eliminate this additional staff, you would think we were adding $25 billion. It is $25 million, not $25 billion. Twenty-five million dollars is all we are asking for.

There would be 637 people total on the staff, not the 200,000 or 100,000 that might be necessary for mandatory wage-price controls. It is a very limited number.

Furthermore, Mr. President, this bill doubles the effort on fighting the Government-caused inflation. I think we should be clear on that. Let me read from the committee report:

> While the Committee believes that the staffing decisions are best made by COWPS itself, there was a wide-spread feeling that COWPS should devote more resources to monitoring the inflationary effects of the government itself more vigorously. A doubling of the staff with responsibility for government programs and regulations would be justifiable in the Committee's view. Such an increase in the government monitoring staff would add balance to the proposed increases in the size of the Council.

That is about as explicit as we can get. Of course, we are the committee that has jurisdiction over COWPS, and we shall watch it very carefully to make sure they do provide additional resources.

Everybody in this body, especially those who favor the amendment, has been pointing out that our Government causes inflation because of its inept monetary and fiscal policies and other policies. I think if they believe that, they should put muscle in this agency to fight that cause of inflation.

I think I have as good a record as anybody in the Senate for voting against increased spending. In fact, the National Taxpayers Union has voted me No. 1, because I have the best record in the Senate for fighting increased spending, and I had that distinction in the last Congress, too. In this case, however, I am voting for a very, very limited amount of increased spending, because I believe this is an effective way to hold down inflation somewhat on one front—one of only several fronts.

We need monetary policy, fiscal policy, energy policy, and many other policies to fight inflation. Anybody who says, "Well, we are against inflation but we are not going to provide the staff to fight it," indicates that he does not really mean business. For that reason, I do hope, with all due respect for my good friend from Pennsylvania, that the Heinz amendment is not accepted.

The PRESIDING OFFICER. Who yields time?

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, has this amendment been set-aside?

Mr. PROXMIRE. In the first place, Mr. President, I shall yield back my time on the amendment if the Senator from Pennsylvania will yield back his.

Mr. HEINZ. I yield back my time, Mr. President.

Mr. PROXMIRE. I yield back my time. I ask unanimous consent that the amendment be set-aside so we can proceed to the Dole amendment.

The PRESIDING OFFICER. All time having been yielded back and the yeas and nays have been ordered and, by previous arrangement, there being no vote until 2 p.m., the amendment will be set-aside. The bill is still open to amendment. We shall now proceed with other amendments.

The Chair recognizes the Senator from Kansas.

AMENDMENT NO. 1786

(Purpose: To prohibit the imposition of sanctions to enforce wage or price guidelines)

Mr. DOLE. Mr. President, I call up my amendment No. 1786 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Kansas (Mr. DOLE) for himself and Mr. ARMSTRONG, proposes an amendment numbered 1786.
>
> At the end of the bill, add the following:
>
> SEC. 6. Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:
>
> "(d) No Federal officer or agency may use or threaten to use sanctions or deny or threaten to deny benefits to enforce compliance with any wage or price standards or guidelines. Nothing in this subsection shall be construed to prevent the publication of information or the issuance or making of statements relating to wage and price behavior.".

Mr. DOLE. Mr. President, I ask unanimous consent that the distinguished Senator from Pennsylvania (Mr. HEINZ) be made a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, today we have heard much discussion on a piece of legislation which would pump millions of dollars into a functionally inept inflation fighting organization. For a variety of reasons, on which I elaborated earlier, the Senator from Kansas is skeptical that this council should even be allowed to continue, much less benefit from additional funds. But, as I also pointed out at an earlier time during this debate, I realize that the best we can hope for is holding COWPS authorization to fiscal year 1980 levels and the Heinz-Dole amendment is the best mechanism to achieve that goal.

But I think we also have to face up to reality. In the event we should lose—we should not lose, but in the event other of our colleagues do not agree with our efforts, and assuming that, under any event, COWPS is going to remain in existence for another year, we ought to be taking a look at what its role should be in fighting inflation and insure that it does not do irreparable harm to the Nation's economy. It is this concern that leads me to offer this amendment which would prohibit the imposition of economic sanctions to enforce voluntary wage and price guidelines.

Specifically, our amendment would prohibit any Federal official or agency from imposing economic sanctions to force compliance with voluntary wage and price guidelines. In effect, this would ban the current practice of threatening to withhold Government procurement contracts from businesses which are in violation of supposedly voluntary guidelines. This amendment only prohibits the use of economic sanctions and does in no way preclude any persuasive actions which the President now has at his disposal. In other words, tactics such as jawboning, Presidential requests for truly voluntary support, and the like, will not be affected by this proposal. However, the President and the Council on Wage and Price Stability could no longer hold threats of economic sanctions over the heads of our Nation's wage earners and businesses.

LAST YEAR'S AUTHORIZATION

Mr. President, last year several of my colleagues and I intended to offer an amendment to the Treasury appropriations bill which was very similar to the amendment which we now offer.

It so happened at that time, that there was a judicial case pending before the D.C. Court of Appeals which challenged the legal right of an agency of the Federal Government to withhold procurement contracts from a corporation which was in violation of "voluntary" wage and price guidelines. Surely, we reasoned, the court would see the clear violation of the constitution, statutory authority, and the original legislative intent and prohibit this kind of punitive action by the Federal Government. Additionally, we felt it improper to possibly prejudice the court's decision by a political act in a partisan arena. Consequently, we refrained from offering our amendment.

Unfortunately, we were wrong. The court, in a totally unpredictable move, ruled that economic sanctions were legal because Congress had neglected to disapprove such action.

In fact, it is mentioned in the court's opinion that since the Congress had acted on COWPS extension legislation two times before and did not vote to disapprove economic sanctions, it must have meant it was all right to impose those sanctions which, in effect, are mandatory controls.

This "implicit ratification" theory is one which has continued to puzzle me for quite some time and I feel that it is necessary for this body to spell out, in very specific terms, what we feel is the proper authority with regards to this issue.

Mr. President, it is my belief, and I will elaborate on each of these contentions, that the threat of economic sanctions is unconstitutional, contrary to the expressed intent of Congress, and ineffective.

UNCONSTITUTIONAL

It is in this area that I feel the judicial system has made a grave error. We can correct that, and do it through adopting the Dole amendment.

As I mentioned earlier, the courts were to base their decision on the question of whether the President had the constitutional authority to do what he had done. Unfortunately, they side-stepped this issue and placed the ball in our court by saying that we had failed to act so the President could do what he wanted. Without overly criticising the courts, I would like to say that I feel they ducked the legal issue entirely.

The fact of the matter is, most legal experts agree that the President had no constitutional or statutory right to impose economic sanctions. Authorities at the Library of Congress, General Accounting Office, American Bar Association, and the AFL–CIO were in unanimity on this point. All felt that the President had over-stepped his authority when he imposed sanctions.

AGAINST INTENT OF CONGRESS

Aside from being unconstitutional, the President's actions were directly contradictory to the expressed intent of Congress. In 1974, when the Council on Wage and Price Stability was created, Congress passed statutes which mandated that the Council should "analyze, review, and monitor" Government and private sector activities which may increase inflation. Nowhere in that charter was COWPS nor any other Government agency, given the power to implement procedures which would force compliance to the Council's suggestions on controlling inflation. By enacting measures such as the withholding of procurement contracts, COWPS has been transformed into a quasi-legislative, quasi-adjudicative body. This policing activity is clearly beyond the legislative intent for this agency.

ECONOMIC SANCTIONS INEFFECTIVE

If in fact I felt that the imposition of economic sanctions was an effective tool for controlling inflation I might have no objection to the above mentioned abuses, but I doubt that. Certainly, inflation is the most significant internal threat to our country today and perhaps we should consider a variety of strategies to defeat it. But, historically, it is clear that attemps to force compliance to wage and price guidelines is not the answer.

The answer to our high inflation rate seems to be the strong recession coming on, a Carter recession, which I assume can eventually control inflation, and increase unemployment. The only problem is no one knows how long or how deep the recession will be.

With sanctions in effect, COWPS has done little to check inflation. Inflation continues to skyrocket at unprecedented rates. Furthermore, the Council through their incessant threats of punitive action has actually contributed to the "inflation psychology" which runs rampant in our society today. In addition, COWPS has even further fueled the inflationary fire by stressing the need for business to adhere to arbitrary guidelines and diverted the attention away from the true causes of inflation—excessive Federal spending and decreased productivity both directly attributable to poor economic policy by the Carter administration.

Mr. President, I feel that the evidence is unsurmountable—economic sanctions are inherently ineffective and questionably legal.

MUST ACT NOW

Mr. President it is high time Congress stopped the Council's foolishness once and for all. We can no longer sit idly by while this Government agency fritters away tax dollars, harasses the business community, and continues to have if anything a negative effect on inflation. We can no longer allow the Federal Government to selectively punish businesses for their in-house corporate decisions. We can no longer allow the President to capriciously determine "voluntary" wage and price guidelines and then to enforce these guidelines by exercising rights clearly not granted by Constitution or statute. Mr. President, I think it is imperative that we act now to eliminate this unconstitutional, ineffective, and unfounded weapon from the administration's arsenal before the economy is permanently injured.

I urge my distinguished colleagues to support this amendment offered by myself and the distinguished Senators from Colorado and Pennsylvania.

I know the distinguished chairman is opposed to wage and price controls, whether directly or indirectly; I know the ranking Republican member is opposed to them, directly or indirectly.

Mr. President, I quote from the Cabinet Economic Policy Group, a memorandum for the economic policy group deputies. One is dated March 24, the subject is, Attached CWPS paper on sanctions. It says:

Attached is a memorandum prepared by CWPS on the possible use of sanctions for violation of the price standard. Judy Johnston will be scheduling a meeting soon to review the paper. The subject raised in the memorandum will be taken up by the EPG principals at the meeting now scheduled for Friday, March 15, 1980.

Another memorandum dated March 24, 1980, the subject of which is the application of sanctions against noncompliers. I ask unanimous consent that the entire memorandum be printed in the RECORD at this point.

There being no objection, the memo was ordered to be printed in the RECORD, as follows:

COUNCIL ON WAGE AND PRICE STABILITY,
Washington, D.C. March 24, 1980.

Memorandum to the Economic Policy Group
From: R. Robert Russell and Sally Katzen
Subject: The Application of Sanctions Against Noncompliers

As you know, there was an initial decision finding Mobil out of compliance with the first-year price standards. Mobil has requested reconsideration, submitting additional data and making new arguments. Without prejudging the outcome of the reconsideration, we think the Mobile case raises again the question of the sanctions that could or should be imposed on noncompliers. A clear directive on this issue now is important, even if Mobile is exonerated or it agrees to corrective action, because we have already listed eight firms for violation of the price standard (six for violation of the pay standard) and we expect to add a number of other noncompliers over the next several months.

The advantages of imposing sanctions are clear: adverse publicity, unfortunately, has come to be perceived as the only deterrent to noncompliance, and the imposition of previously unused sanctions would be evidence that the Administration considers the wage/price program a serious matter. The only disadvantage that we can see—but it is a significant one—is that the business members of the Pay Advisory Committee (and perhaps its Chairman) believe that equality of treatment requires that sanctions not be imposed on price violators so long as the Administration adheres to its agreement with the AFL–CIO not to impose sanctions on pay violators. (The business members object not so much to the use of sanctions as a matter of principle, but rather to unequal treatment on the pay and price sides. Those members already somewhat put out, since they have urged that the second-year price standard be relaxed to take account of the relaxed pay standard and the President's speech confirms that we are to hold firm with the existing price standard.)

The sanction that is uppermost in everyone's mind is the withholding of government contracts. The existing OFPP regulations apply to contracts of $5 million or more. Mobile does not have any contracts in excess of $5 million. Nor, with the exception of Amerada Hess, has any of the companies listed had contracts in excess of $5 million. Lowering the threshold to $1 million would catch a few noncompliers; lowering it to zero would be more effective and far more dramatic.

The Executive Order authorizing the withholding of contracts has no dollar limit, so the only paperwork would be to amend the OFPP regulations to delete the dollar limit, to write a statement explaining why an immediate revision of the rules (as opposed to the normal 60-day comment period) is appropriate, and to send it off to the Federal Register. [Note: the lowering or elimination of the threshold can be only prospective, so the work should be done before the next noncomplier is added to the list.]

If the regulations are amended, consider-

> ation should be given to also changing the corporate entity that is ineligible for government contracts. Currently, OFPP and CWPS are on record as saying that, if a company disaggregates into several compliance units for purposes of complying with the standards and one of those units is out of compliance, only that unit (and not the rest of the company) is ineligible for government contracts. To change the policy, we would have to amend the OFPP regulations as set forth above.
>
> Last summer, when we first suggested a lowering of the threshold, OMB expressed reservations because of potential administrative complexities. The other members of EPG favored the change. While we continue to urge EPG to recommend the change to the President, we believe it is essential that the Administration commit in advance to using this sanction if it is available. It was difficult to explain awarding a contract to Amerada Hess when it was on the list last summer; it would be substantially more awkward to explain why we are making a fuss about lowering the threshold if we do not then invoke that sanction. In this connection, we note that the Defense Logistics Agency has just waived the certification in a large contract for Mobil Oil, apparently without any consultation with the senior economic advisers.
>
> Another type of sanction that can be applied to oil companies relates to the Executive Branch's power over prices and allocations of crude oil and petroleum products. There are certain options available to the President under the Emergency Petroleum Allocation Act, and others that would require amendments of existing regulations of DOE or other federal agencies. Since the latter course might be time consuming and meet resistance by the agencies involved, you could focus on those actions that the President could take immediately and without further regulatory proceedings. These include:
>
> Prohibiting an oil company that violates the standards from selling entitlements or earning entitlement credits;
>
> Reimposing mandatory price controls on crude oil and/or petroleum products of an oil company that violates the standards;
>
> Prohibiting the phased decontrol of crude production by an oil company violator;
>
> Reallocating relatively low-cost crude oil and/or petroleum products from violators of the standards to those that comply; and
>
> Denying import licenses for or imposing stiffer fees on oil imports by oil companies that violate the standards.
>
> In addition, we have made substantial progress in assembling from each of the Cabinet officers a list of discretionary grants and benefits—that is, benefits that may be granted or denied by the agency without any administrative standards or procedures that must be followed. If you want to increase the President's participation in the program, you could recommend that he send a memorandum to all Cabinet officers instructing them to withhold any such discretionary benefits and grants. Again, this can be done immediately and without regulatory red tape.
>
> Finally, there could be substantial escalation in the official Administration criticism of violators. More outcries from more sources would help convey the impression that the Administration is firmly behind the program. Bad publicity is a sanction only so long as the public cognizance of the company's noncompliance status persists.
>
> We recommend vigorous pursuit of all of the above.

Mr. DOLE. Mr. President, the first paragraph says, and I quote:

> As you know, there was an initial decision finding Mobil out of compliance with the first-year price standards. Mobil has requested reconsideration, submitting additional data and making new arguments. Without prejudging the outcome of the reconsideration, we think the Mobil case raises again the question of the sanctions that could or should be imposed on noncompliers. A clear directive on this issue now is important, even if Mobil is exonerated or it agrees to corrective action, because we have already listed eight firms for violation of the price standard (six for violation of the pay standard) and we expect to add a number of other noncompliers over the next several months.
>
> The advantages of imposing sanctions are clear: adverse publicity, unfortunately, has come to be perceived as the only deterrent to noncompliance, and the imposition of previously unused sanctions would be evidence that the Administration considers the wage/price program a serious matter. The only disadvantage that we can see—but it is a significant one—is that the business members of the Pay Advisory Committee (and perhaps its Chairman) believe that equality of treatment requires that sanctions not be imposed on price violators so long as the Administration adheres to its agreement with the AFL–CIO not to impose sanctions on pay violators.

That is the policy from the start. Only sanctions against price violators, but none against any pay violators.

> The sanction that is uppermost in everyone's mind is the withholding of government contracts.

I will go on and suggest some sanctions they consider they might impose against Mobil. I do not have any brief for Mobil. What I am concerned with is whether we are going to have mandatory wage and price controls. If we are, Congress ought to authorize them, the President ought to request we do so, and not be increasing the COWPS budget, as the committee suggests, and by imposing economic sanctions through the back door.

Here are some of the "sanctions" they suggested imposing on Mobil Oil Corp.:

> Prohibiting an oil company that violates the standards from selling entitlements or earning entitlement credits;
>
> Reimposing mandatory price controls on crude oil and/or petroleum products of an oil company that violates the standards;
>
> Prohibiting the phased decontrol of crude production by an oil-company violator;
>
> Reallocating relatively low-cost crude oil and/or petroleum products from violators of the standards to those that comply; and
>
> Denying import licenses for or imposing stiffer fees on oil imports by oil companies that violate the standards.

Then we have the memorandum to Alfred Kahn from Mr. O'Rourke, his counsel, and they go through the so-called laundry list of sanctions that might be imposed. Mr. O'Rourke starts by suggesting:

> To fulfill the President's commitment to vigorous and tough application of the anti-inflation guidelines, we must develop a coordinated program to penalize corporate violators of the price standards of the Council on Wage and Price Stability (Council).

Later on, it says:

> The scope of penalties for non-compliance would be strengthened considerably by a simple change in policy—hold the ultimate parent responsible for the non-compliant behavior of its affiliates and subsidiaries.

Then we go back, on page 3 of that memorandum, I will not repeat, but they go back over a number of things, sanctions that could be imposed, and they discuss the ultimate responsibility. They talk about cooperation and assistance of Cabinet officers. They discuss on page 6 of that memorandum so-called other economic sanctions, talking about Mobil. I assume they have the same list, depending on what business the company might be involved in.

But they could:

> 1. Penalize or prohibit Mobil from importing crude oil and/or petroleum products.
>
> 2. Accelerate the prosecution of Mobil for previous price gouging.
>
> 3. Eliminate Outer Continental Shelf or other Federal land leasing to Mobil.
>
> 4. Refuse to extend existing Federal leases to Mobil.
>
> 5. Eliminate Export-Import Bank credits and Maritime Administration construction and operating subsidies for Mobil's tanker fleets.
>
> 6. Urge a consumer boycott of the Mobil Corporation.

Then they make a number of recommendations for Presidential action, and they list the financial position of Mobil and other energy profits in 1979, all of which is very interesting. But so far as I am concerned, it does not have any bearing on whether or not we want sanctions and whether or not we want mandatory wage and price controls.

Mobil has increased its profits. The windfall profit tax, in addition to penalizing millions of small royalty owners and independent producers, will sop up 85 percent to 90 percent of Mobil's profits as well as those of every other energy company. Everyone in America who has stock in a major oil corporation will learn to his or her dismay that the so-called windfall profit tax is nothing but a revenue raising measure, a way to punish industry domestic producers, consumers, and royalty owners, not a way to address our energy shortage or to work our way out of it.

If, in fact, we want mandatory wage and price controls, we should vote on the question of mandatory wage and price controls. I suppose those who favor mandatory wage and price controls through the back door can vote against the amendment offered by the Senator from Kansas, the Senator from Pennsylvania, and the Senator from Colorado.

As I again look at the authorizing legislation, I think of the three magic words I referred to previously—analyze, review, and monitor. That is all the Council on Wage and Price Stability is authorized to do.

If we want sanctions, we should take some legislative action to give them that authority. Do we want sanctions for price violators? Do we want sanctions for pay violators? It seems to me that Congress has not suggested any such thing.

It is high time that Congress stops the Council's questionable legal actions once and for all.

We no longer can sit by idly while the Government fritters away tax dollars, harasses the business community, and continues to have a negative effect on inflation. We no longer can allow the Government to selectively punish businesses, to call for voluntary wage and price guidelines, and then to enforce these guidelines by exercising rights clearly not granted by the Constitution or by existing statute.

I think it is time we act, and the time is today, to eliminate any misunderstanding on the part of COWPS or on the part of any officials or anyone who writes these little memos talking about sanctions, and we should go back to what I believe was the intent of Congress.

The appeals court, by a 6-to-3 decision, overruled the district court; and one of their strongest reasons was that Congress had not spoken on the issue and that, by our silence, we must have intended that the President have the right to impose sanctions. If that is the intent of Congress, we should spell it out through some affrmative action.

Again I quote the operative portion of the amendment:

> No Federal officer or agency may use or threaten to use sanctions or deny or threaten to deny benefits to enforce compliance with any wage or price standards or guidelines. Nothing in this subsection shall be construed to prevent the publication of information or the issuance or making of statements relating to wage and price behavior.

We do not disturb the authority granted COWPS in Public Law 93-387 as amended. That is all the authority the President has. It is limited authority and I think that by distorting the law and expanding the interpretation of the authority given by Congress, we now find, in effect, a backdoor approach to mandatory wage and price controls with sanctions.

I hope this amendment can be accepted; that there will be an overwhelming vote, and that Congress will go on record in opposing this type of activity.

I yield to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator from Kansas yielding a few moments to me. I congratulate him on his perspicacity, on the persuasiveness of his arguments, and on the legal scholarship he has brought to bear on this important issue.

Wage and price controls never have worked, with the very rare exceptions of circumstances such as prevailed in World War II, when wage and price controls did appear to work for a brief period of time because of the patriotic circumstances that prompted people to perform in a way they would not willingly perform under other circumstances.

The historical record is quite clear. Wage and price controls date back hundreds of years, if not thousands of years. They have been tried over and over in different countries, under a wide variety of circumstances, and over and over they have failed.

Instead of succeeding in their intended purpose, what they have actually accomplished is the following:

The result always has been economic dislocations, shortages, and loss of quality of products which are price controlled and, eventually, a collapse of the system and a return to some kind of explicit or implicit free market pricing, but either through the repeal of wage and price controls or a black market—the kind of black market which exists today in many countries, such as the Iron Curtain countries.

We might ask, "Why is it that wage and price controls do not accomplish their intended purpose?" It is simple. If someone sets the control price and if he sets it above the market clearing price, obviously controls have no effect. But if the control price is set below the level at which there is incentive to produce a given product or to render a particular service, then that product or service is in shorter and shorter supply and finally disappears from the market altogether.

However, what we have at the present time, under the attempt of the administration to impose economic sanctions, is something that is worse than overt, explicit wage and price controls.

Here we are talking about the illegal, in my view, and the unconstitutional, in my judgment, imposition of economic sanctions which never have been approved by Congress and this raises two fundamental issues.

The first is the question of whether or not we seriously intend to remain a nation ruled by laws rather than a nation ruled by the whims of individual enforcers who have the power of selective enforcement, such as are inherent in the program of economic sanctions which is growing up in the administration at this time.

One of the greatest fears of those who framed our constitutional system was that we would lapse into a rule of men rather than a rule of laws. Believe me, it is practically a fact, in the day-to-day economic life of this country, that this so-called voluntary wage and price control program takes us a long way down the road toward the rule of men rather than the rule of laws.

The second issue is the legal issue which the distinguished Senator from Kansas has clearly set before the Senate. The question is, will Congress acquiesce in an extension of Presidential authority into the area of indirect wage and price controls, which was never contemplated by Congress, and in which, in fact, Congress attempted to make its will very clear at the time of the passage of the implementing legislation?

For these reasons, Mr. President, I join my colleague from Kansas and the others in calling for this amendment.

Although section 3(b) of the law which created COWPS is very clear that "nothing in this act authorizes * * * any mandatory economic controls," the District of Columbia Court of Appeals upheld the withholding of Government procurement contracts and other sanctions for noncompliance with the guidelines. In part, the appellate court based its ruling on the grounds that Congress never took action to disapprove the program.

A close examination of the reasons Congress did not act on the program reveals that those of us, who opposed sanctions did not offer amendments to last year's Treasury appropriation bill for two reasons. First, we felt that the court in its wisdom would certainly rule against the use of sanctions. Additionally, we felt it was improper for us to potentially prejudice the courts decision by an act of partisan politics. Consequently, we refrained from taking positive action at that time.

Unfortunately, we were wrong. The court unpredictably ruled that economic sanctions were legal because they were never disapproved by Congress. We find it hard to believe that Congress' failure to overturn the President's program is implied ratification of it since existing statute already prohibits such activity by COWPS. But since it is so construed, it is imperative that Congress act now to stop any future threat of economic sanctions for the following reasons:

First, the President has no constitutional or statutory authority to impose economic sanctions. Legal experts at the Library of Congress, the General Accounting Office, the American Bar Association, and the AFL-CIO all agree that the President overstepped his authority when he imposed procurement contract sanctions on firms which were in violation of the guidelines. Second, the President's program violates provisions of the very laws which created COWPS.

These statutes give COWPS the power to "analyze, review, and monitor" Government and private sector activities which may increase inflation. By implementing enforcement procedures to accompany voluntary guidelines, the President has transformed the Council from an advisory body into a quasi-legislative, quasi-adjudicative agency—clearly acting beyond the scope of its authority and legislative intent. Third, the use of economic sanctions will not accomplish their stated objective of reducing current inflation. With sanctions in effect, COWPS has certainly done little to halt soaring inflation and may have actually exacerbated the real causes of inflation by adding to the "inflationary psychology" that is rampant in our economy today.

In essence, the administration's threatened use of sanctions is unconstitutional, contrary to the expressed intent of Congress and wholly ineffective. Congress must act now to eliminate this weapon from the administration's arsenal before the economy is permanently injured.

Of particular concern is the administration's direct and implied threats to have COWPS impose Federal sanctions to force adherence to the President's wage and price guidelines. The administration has threatened to modify import regulations, intervene in decisions of commercial regulatory agencies and to withhold Government contracts from firms which do not comply with the "voluntary" guidelines.

The following summarizes a few of my principal objections to this program:

1. THE PROGRAM IS UNCONSTITUTIONAL; IT DOES NOT CARRY THE EFFECT OR FORCE OF LAW

President Carter initiated his wage-price control program through powers he said he derived from the U.S. Constitution and the Federal Property and Administrative Services Act of 1949.

In doing so, the President clearly overstepped his authority, according to legal experts at the Library of Congress, the General Accounting Office (GAO), the American Bar Association's Economic and Resources Committee, and the AFL–CIO.

These experts argue—and in my view, correctly—that the U.S. Constitution gives Congress, not the administration, sole authority to authorize regulation of wages and prices. Legislative history clearly shows an unbroken pattern of positive congressional action was necessary to delegate wage and price control authority to the administration. On at least three occasions since 1974, Congress has specifically chosen not to grant the executive branch such authority. Furthermore, experts point to Youngstown Sheet and Tube against Sawyer and other Supreme Court cases which hold the executive branch cannot act without an express delegation of authority from the Congress.

The GAO, which has significant expertise in procurement policy, explicitly states the President does not now have the power to impose mandatory controls through Government procurement. The GAO reached this conclusion after an exhaustive analysis of the legislative history of the 1949 Federal Procurement Act. In the GAO's opinion—

> We would say the President is not authorized to implement his program of applying wage and price standards on a mandatory basis to companies involved in Government procurement.

The Library of Congress concurs:

> [I]t leads inexorably to the conclusion that the President lacks power to establish the * * * anti-inflationary program without congressional authorization; that the (1949) Procurement Act did not give him that authorization; and that the President's action is in conflict with the manner in which the Congress has historically dealt with the matter of wage and price control.

If the President intends to promulgate any wage or price programs consisting of specific numerical wage and price guidelines, it is his prerogative to request that authority from the Congress. But it is not our intent, implied or express, to permit the President to enforce any such standards by direct, indirect, implied or informal sanctions. To do so would be to allow the Executive a power the Congress has never delegated. When Congress has granted discretionary wage and price control power to the President, it has never been with the intent that he could establish and enforce a general economic stabilization program not specifically authorized by statute. Thus, the exercise of any such power is fundamentally incompatible with our constitutional framework of divided powers, proper statutory delegation of authority, and legislative rather than executive preeminence in public policymaking.

2. THE PRESIDENT'S PROGRAM VIOLATES PROVISIONS OF THE 1974 LAWS WHICH CREATED THE COUNCIL ON WAGE AND PRICE STABILITY

To implement his anti-inflation program, President Carter gave COWPS powers beyond those specifically authorized by section 3(a) of the 1974 COWPS Act. According to this section, COWPS is solely an advisory body whose "purpose is to analyze, review and monitor" Federal procurement and private sector activities which may increase inflation.

Under the President's program, COWPS is transformed into an operating agency. COWPS now has the quasi-legislative, quasi-adjudicative characteristics of a typical regulatory agency. For example, COWPS alone determines compliance with the wage-price guideline it alone has established, and imposes severe penalties for noncompliance.

Second, and perhaps more important, the President's program creates mandatory wage and price controls expressly prohibited by section 3(b) of the COWPS Act:

> Nothing in this Act * * * authorizes the continuation, imposition or re-imposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends or any similar transfers.

We regard any possible breach of the law and of our congressional intent as grave and regret that the committee did not have time to benefit from expert legal and policy advice on this question.

We do not, by any means, wish to delay or impede the efforts of the Council from carrying out its legal mandate as an advisory body. Controlling inflation is our top priority. We support the Council's assistance in that direction. As Senator MORGAN stated in the markup:

> Even if some of the actions that were proposed by the administration * * * are illegal, there are still other things that need to be done.

Indeed, we support any contributions which COWPS can make to alert us to causes of inflation in the Federal sector and to make recommendations as to actions which would be helpful in the private sector.

3. THE PRESIDENT'S ANTI-INFLATION PROGRAM IS NOT SOLELY "VOLUNTARY"; INDEED IT CONTAINS SOME OF THE WORST ASPECTS OF MANDATORY WAGE AND PRICE CONTROLS

With some exceptions, the President's anti-inflation program says that price rises are to be less than the average of the past 2 years, while wages and most benefits are to go up no more than 7 percent annually. All companies are expected to follow the guidelines. Offenders would first be warned privately by COWPS. If that did not work, they would be publicly denounced. Also, the administration has threatened to modify import regulations, intervene in decisions of commercial regulatory agencies and to withhold Government contracts from firms which do not comply with the standards. In fact, the administration has published final rules for using Federal sanctions as leverage to force compliance with the "voluntary" wage and price standards.

Under these rules, contractors and their first tier subcontractors and suppliers must follow the guidelines, and certify their compliance with the standards to be eligible for Federal contracts in excess of $5 million. The names of those companies which do not comply will be ineligible to receive contracts unless granted a waiver.

The committee, in effect, has been requested to reauthorize the existing "voluntary" program. The very notion that the program is voluntary should and must be subject to question. As. Dr. Webber, the former Executive Director of the Cost of Living Council, testified before the House Committee on Government Operations:

> As a regulatory program, the guidelines pose important issues of procedure and due process. A recurrent problem of the ostensibly "voluntary" programs is that normal standards of due process are ignored or abused. A balky company might be brought to comply by threats to sell off a Government stockpile of a commodity, depressing the price of the company's major product; or a balky union might receive the close attention of the Department of Justice and/or the Bureau of Labor-Management Reports of the Department of Labor.

In this case, there are aspects of the wage and price guidelines which are clearly no longer voluntary, just as there are other aspects which fall in a nether world between voluntary and mandatory.

We would like to note, however, that we are not alone in our apprehensions about the possible inequities or abuses possible under a quasi-mandatory program. As Senator STEVENSON observed in the markup:

> This agency will have significant resources with which to exercise great power, and that is a power to punish, to discipline businesses, and perhaps workers * * *. There is a danger of capricious action, acting which punishes the weak, the unpopular, exonerating the powerful, causing greater uncertainties in the marketplace. There is a risk of the deprival of due process by an agency exercising judicial power, but an agency which is political.

Likewise, the chairman agreed that the program does have elements of compulsion, and indicated that he was not at all "happy about the quasi-mandatory aspect of these wage-price guidelines * * *."

4. THE PRESIDENT'S PROGRAM IS FLAWED IN ITS DESIGN, WILL BE IMPRACTICAL TO IMPLEMENT, AND IS ALREADY DOOMED TO FAILURE

In the U.S. trillion dollar economy, no single wage-price control formula would be fair to any company or group of workers. COWPS has already published many rules and regulations.

The guidelines are often inconsistent. Businessmen and labor unions surveyed by the GAO already report problems understanding the wage-price guidelines, or their application to specific situations. They also say the new guidelines create enormous reporting requirements, many of which require disclosure of what was previously considered as confidential data.

The worst aspect of the President's use of Government sanctions, however, is that it will not reduce inflation. To quote the GAO:

> A careful and objective analysis of the program structure will lead to the conclusion that it is primarily a psychological device to focus attention on the wage and price spiral. Whether intentional or not, it seems designed to spotlight the possible deviations of a very small number of Government contractors who, as a group, would probably have minimal impact on the overall trend of the economy.

The COWPS rules also create vicious catch-22 situations. For example: if COWPS debars a firm which is the lowest bidder on a Federal contract for failure to comply with the wage-price standards, COWPS must award the contract to the next highest bidder; which only increases Federal spending and, thereby, inflation. Moreover, the GAO says that withholding a contract from the lowest bidder would probably be illegal.

COWPS has already made serious errors in implementing the program. Early this year, for example, it published a list of corporations which said they would try to abide by the voluntary guidelines. In doing so, COWPS omitted a number of other firms which told COWPS in writing they would also abide by the guidelines.

Moreover, there are signs that the guidelines have already had the undesirable effect of distorting economic activity. An example of this has reportedly occurred in the aluminum industry, where the guidelines have held the domestic price of aluminum ingot below world price levels. As a result, domestic output has been discouraged, existing plants are going unutilized and the outlook for investment in new productive facilities has dimmed. This has not only resulted in lost opportunities for employment, but it has raised the prospect of increased aluminum imports, which will work against efforts to stabilize the dollar by reducing our Nation's trade deficit.

SUMMARY

Clearly, the President overstepped his authority in using Government sanctions to obtain wage and price controls. Clearly, COWPS' new powers exceed those given it by statute. Clearly, the President's program is ill-conceived. Unfortunately, however, the court did not so rule. Therefore this amendment is needed.

Putting questions about the legality and practicality of the President's "voluntary" wage and price program aside, do such economic controls ever achieve their intended purpose?

I do not believe so. Wage-price controls date back more than 4,000 years. They have never worked, and examples of their failure abound throughout history. Most Americans know the story of how George Washington's soldiers starved at Valley Forge in the winter of 1777. What most Americans do not know is that they went hungry because the Colonial Government had imposed price controls on food. Farmers in Pennsylvania could not get a fair price for their produce, so they sold it to the British instead.

This had such a sobering effect on our Founding Fathers that, in 1778, the Continental Congress passed a resolution which recommended that the States repeal all laws restraining prices.

Wage-price controls have not worked, they will not work. That is because they cannot be administered fairly, distort economic signals and retard economic growth, and distract from the real cause of inflation—the fiscal and monetary policies of the Government.

A principal cause of inflation is excessive Federal spending. Congress must reduce spending, eliminate unnecessary Federal regulations, balance the Federal budget, and reduce the national debt. Congress must make this commitment if it is ever to reduce inflation. The President and Congress must begin demonstrating their leadership in the inflation fight, and become committed to reducing Federal spending. Congress now has the perfect opportunity to begin demonstrating that leadership. And that is by slashing S. 349's proposed 300 percent budget authorization increase for the Council on Wage and Price Stability.

Moreover, Congress ought not put its implicit imprimatur on a program which has no lawful basis and is nothing more than a Presidential grab for power constitutionally denied him. We do not believe the committee is acting responsibly by permitting the Council to simply pursue its course without either competent questioning or direction by Congress. The enormous potential inequities from partial enforcement, acted upon without any authorization from the Congress, are deeply troubling to our sense of fairness.

It is our responsibility to determine what the law should be, and the executive's to carry out our expressed and delegated will. We regret the committee did not choose to exercise this responsibility in this instance, and hope that others of our colleagues will give the legal and policy implications due weight in considering this matter.

Mr. DOLE. Mr. President, a parliamentary inquiry.

Is there a time agreement on the amendment?

The PRESIDING OFFICER. There are 90 minutes on the amendment, 45 minutes per side.

Mr. DOLE. How much time remains?

The PRESIDING OFFICER. Senator Dole has 23 minutes, and Senator Proxmire has 45 minutes.

Mr. DOLE. I will take another few minutes.

Mr. President, I wish to make certain that the record reflects what authority we believe the Council on Wage and Price Stability has now. I ask unanimous consent that the Council on Wage and Price Stability Act, as amended several times—most recently, May 10, 1979—be printed in the Record.

There being no objection, the act was ordered to be printed in the Record, as follows:

THE COUNCIL ON WAGE AND PRICE STABILITY ACT, PUBLIC LAW 93-387 (AUGUST 24, 1974) AS AMENDED BY PUBLIC LAW 94-78 (AUGUST 9, 1975) AND PUBLIC LAW 95-121 (OCTOBER 5, 1977) 12 U.S.C. SECTION 1904, (NOTE) PUBLIC LAW 96-10 (MAY 10, 1979)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Council on Wage and Price Stability Act".

Sec. 2(a) The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability (hereinafter referred to as the "Council").

(b) The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President.

(c) There shall be a Director of the Council who shall be appointed by the President by and with the advice and consent of the Senate. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5, United States Code. The Director of the Council shall perform such functions as the President or the Chairman of the Council may prescribe. The Deputy Director shall perform such functions as the Chairman or Director of the Council may prescribe.

(d) The Director of the Council may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Council at rates not to exceed the highest rate for grade 15 of the General Schedule under section 5332 of title 5, United States Code. Except that the Director, with the approval of the Chairman may, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed five positions at the rates provided for grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council.

(e) The Director of the Council may employ experts, expert witnesses and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(f) The Director of the Council may, with their consent, utilize the services, personnel, equipment and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

(g) The Council shall have the authority, for any purpose related to this Act, to—

(1) require periodic reports for the submission of information maintained in the ordinary course of business; and

(2) issue subpoenas signed by the Chairman or the Director for the attendance and testimony of witnesses and the production of relevant books, papers and other documents, only to entities whose annual gross revenues are in excess of $5,000,000;

relating to wages, costs, productivity, prices, sales, profits, imports, and exports by product line or by such other categories as the Council may prescribe. The Council shall have the authority to administer oaths to witnesses. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpoena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court of any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council.

Section 3(a) The Council shall—

(1) review and analyze industrial capacity, demand, supply, and the effect of economic concentration and anticompetitive practices, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy for the purpose of controlling inflation:

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy, focus attention on the need to move toward full employment and take into consideration the need to stimulate productivity in monitoring wages and prices to determine compliance with promulgated standards;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports;

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation;

(8) intervene and otherwise participate on its own behalf in rulemaking, ratemaking, licensing and other proceedings before any of the departments and agencies of the United States, in order to present its views as to the inflationary impact that might result from the possible outcomes of such proceedings; and

(9) review information about and analyze the effects on the United States economy of—

(A) the participation of the United States in international trade and commerce;

(B) the changing patterns of supplies and prices of commodities in the world market;

(C) the investment of United States capital in foreign countries;

(D) short- and long-term weather changes in the world;

(E) interest rates;

(F) capital formation; and

(G) the changing patterns of world energy supplies and prices.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

(c) The Council is directed to review its policies with respect to the national interest in promoting greater productivity growth and shall submit a report of its findings and recommendations to the Congress by July 1, 1979. Such review shall include, but not be limited to, the need for flexibility in determining compliance with pay and price standards based upon documentable productivity gains resulting from improved efficiency of the workforce.

Section 4(a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the ecoomy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

(c) Disclosure by the Council of information obtained from a Federal, State, or local agency or department must be in accord with section 552 of title 5, United States Code, and all the applicable rules of practice and procedure of the agency or department from which the information was obtained.

(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known to the Council the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

(f) (1) Product line or other category information relating to an individual firm or person and obtained under section 2(g) or submitted voluntarily pursuant to a Council request and judged by the Council to be confidential information shall be considered as confidential financial information under section 552(b) (4) of title 5 of the United States Code. Neither the Director nor any member of the Council may permit anyone other than sworn officers, members, and employees of the Council to examine such data.

(2) Periodic reports obtained by the Council under section 2(g) or submitted voluntarily pursuant to a Council request and copies thereof which are retained by the reporting firm or person shall be immune from legal process.

Section 5. The Council shall report to the President and through him to the Congress, on a quarterly basis and not later than thirty days after the close of each calendar quarter, concerning its activities, findings and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

Section 6. There is authorized to be appropriated to carry out the provisions of this Act not to exceed—

(1) $6,952,000 for the fiscal year ending September 30, 1979; and

(2) $8,483,000 for the fiscal year ending September 30, 1980.

Section 7. The authority granted by this Act terminates on September 30, 1980.

Section 8. Notwithstanding any other provision of this Act, no payment under this Act may be made except to such extent, or in such amounts, as are provided in advance in appropriation Acts.

Mr. DOLE. Mr. President, if there is anyone who can find in the reading of the act the authority to impose sanctions, the authority for mandatory wage and price controls on wages or prices, then the Senator from Kansas will appreciate that being pointed out.

But I simply suggest that a careful reading of that act by the Senator from Kansas indicates—section 3(a) states, the Council shall review and analyze industrial capacity, the Council shall work with labor and management, the Council shall improve wage and price data bases, conduct public hearings, focus attention, monitor the economy, review and appraise the various programs, intervene and otherwise participate on its own behalf of rulemaking and ratemaking, and so forth, review information about and analyze the effect on the U.S. economy of, and a whole laundry list of whether it is interest rates or capital formation or whatever, and then subsection (b) says very specifically nothing in this act, first, authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends or any similar transfer or, second, affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

Mr. President, it seems to this Senator that there is nothing in this act that would authorize controls or economic sanctions whatever you want to call them, and I think any objective interpretation would lead anyone to conclude if you are going to impose sanctions, if you are going to say to some business or some labor union, "Unless you comply with this pay guideline or unless you comply with this price guideline you are not going to get any more Federal contracts or Federal leases or Federal allocations," that to this Senator is a mandatory program.

If we want a mandatory program, then we should vote for a mandatory program and not allow this backdoor approach to go on indefinitely.

The Senator from Kansas heard all the rhetoric from President Carter and others who have been speaking for the Carter administration. Senator KENNEDY wants a mandatory wage and price control program. He said that around the country in his campaign for the Presidency, which will probably end tomorrow, but he said it. He said he wants mandatory wage and price controls. President Carter said just as frequently he was opposed to controls, and we have asked Secretary Miller as recently, I think, as a month ago, in the Finance Committee, and he said, "We are not interested in a mandatory wage and price control program." They know the American people do not want mandatory wage and price controls. They know the bad experience that followed the imposition of controls by President Nixon in 1973.

Oh, yes, for maybe a week or maybe for a month or maybe for 6 months it may slow things down, but in the final analysis inflation is probably increased, the Government bureaucracy has increased, and you have harassment of the labor force and businesses that is not worth the effort.

As the Senator from Colorado pointed out, price controls never worked. What we have in effect is President Carter trying to have the best of both worlds, saying publicly he is against mandatory wage and price controls but saying in action rather than words through Congress and through the court's interpretation of the law that he is in favor of controls. Because that is what sanctions really are. They are a form of mandatory controls. If he can do it through the back door rather than the front door by imposition of sanctions, by holding back on procurement, by telling businesses, "If you do not live up to 'voluntary' guidelines, we are going to take away Federal contracts," the President has imposed mandatory controls.

If that is not mandatory, then the Senator from Kansas does not understand the meaning of the term.

The Senator from Kansas does not believe there is any interest in mandatory wage and price controls. The American people, American business, American labor, American farmer, and American producer have spoken out against mandatory wage and price controls. That has been reflected in polls and in primaries, in every way that it can be tested.

So I just suggest that we should do what we say publicly. We should oppose here today what we say publicly we are opposed to. If those of us who make speeches and anywhere else in the country stand up and say we are opposed to mandatory wage and price controls, then we should stand up on the Senate floor today and make very certain we are not going to have some back-door control called a "sanction" that in effect gives the Council on Wage and Price Stability the authority to bring business to its knees, harass the work force, impose heavy penalties, and to take away Government contracts. If that is what we want, then we should put it into the act. We should not leave it to the interpretation of the courts.

Again the Senator from Kansas reminds his colleagues that the appeals court said very directly that one reason they were overturning the district court's decision was that Congress had extended this law twice and had been silent on the issue of sanctions and on whether or not that amounted to mandatory controls through the back door.

So the decision is there. The court has spoken. They are confused by congressional policy or better yet the lack of congressional action. The administration is confused because of the lack of any policy and they are overreaching and stretching their authority. They are finding something in the act that the Senator from Kansas cannot find, and the memos that I assume are not confidential or top secret which came to this Senator from the White House staff would indicate that they have a laundry list a mile long of possible sanctions they can impose.

That was not the intent of the original COWPS Act. That was not the intent when we last extended the act in May 1979, and I hope that my colleagues can support the amendment.

I reserve the remainder of my time.

Mr. HEINZ. Mr. President, will the Senator yield for one comment?

Mr. DOLE. I am happy to yield to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I commend both Senator ARMSTRONG and Senator DOLE for this amendment.

There have been numerous attempts over the last year or two to clarify so that there is absolutely no question exactly how much power COWPS does or does not have.

The administration says they are against wage and price controls but, on the other hand, they have pursued a policy that would not make you think that they were opposed to them.

This amendment, which I think will prohibit any of the direct or indirect coercion that has been attempted, I think will be welcome certainly by a good number of the Senate and specifically, of course, I support the amendment and hope that it passes.

I thank the Chair.

Mr. DOLE. Mr. President, I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield myself time against the amendment, such time as I may require.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I suppose it is like Humpty Dumpty in some of these debates, where words are not what the dictionary says, but what the speaker says they are supposed to mean.

Mr. President, there is not one word about wage and price control in this bill or in this COWPS Act. In fact, the act itself says that we shall not use mandatory wage and price controls.

The Council on Wage and Price Stability develops and implements the wage-price standards. They do not use sanctions to induce compliance. They do not have such authority.

Furthermore, even the procurement sanctions which are in the Procurement Act of 1949 apply only to those firms that sell to the Government. They do not apply to the millions of firms, the overwhelming majority of firms that do not sell to the Government.

The administration has said that it would use procurement sanctions to induce compliance with wage-price standards, that withholding Government contracts from violators would be imposed by the Office of Federal Procurement. That is under the authority of the Procurement Act not in this act and not in this bill. The courts have upheld the authority to withhold such contracts.

Mr. President, what happens if we deny the procurement sanctions? In the first place, that would be inconsistent with the Procurement Act.

Let me read a section from that act because it is key.

The act gives the President discretion to protect and advance Government interest, including "the interest of the United States in all procurement to see that its suppliers are not over the long run increasing its costs."

That has been the law, as I say, since 1949. It has been in the law more than 30 years.

For us to get up on the floor of the Senate and have an amendment and repeal that law on the grounds that it constitutes wage and price controls it seems to me would be very, very shortsighted indeed.

No one argued that we had wage and price controls when President Kennedy threatened withdrawal of procurement from the steel companies and secured compliance with his wage and price guidelines back in 1961 or 1962. That action was widely hailed. A lot of people did not like it, but it worked, and it was not wage and price controls.

It did not have the colossal bureaucracy of hundreds of thousands of people. You did not have a situation in which you put the entire American business community into a straitjacket in which prices were dictated by the Federal Government.

What you have here are guidelines through which, with some very large companies that are selling to the Federal Government, the Federal Government can use sanctions, and use sanctions which give the company a discretion. They do not have to comply. They can just say they will not sell to the Federal Government. It may be a sacrifice on their part. It may be difficult for the Government. The Government may have to make a decision under the circumstances, but there is nothing that provides for a jail sentence or a kind of penalty for not complying with wage-price controls.

Mr. President, to deny threat of sanctions would take away effectiveness of voluntary program. That program has been successful in getting companies to restrain, or even rescind, price increases. The long list of price concessions printed in the committee report would not have been possible without jawboning backed up by knowledge that sanctions were available to the Government.

That jawboning would soon lose its credibility if the President has no teeth, if he could talk but it would not have any effect. Without some shotgun in the closet, some teeth for the watchdogs, the voluntary program could be a very feeble, ineffective proposition. Threat of sanctions induces voluntary compliance, it does not require it. Tax incentives don't require behavior, they induce behavior.

The amendment would bind the hands of the President, every Federal official, and every agency from even seeking to get compliance with the anti-inflation program. Back door amendment to the Procurement Act of 1949—act under jurisdiction of Committee on Government Operations, not under the jurisdiction of the Senate Banking Committee.

Mr. President, adoption of the amendment would send out clear signals to the financial markets, companies, and workers that the Senate is not really serious about fighting inflation. The only provision we have in the law—and it is not in this particular law that we are amending here, it is not in the bill—that would make enforcement mean something, command respect, would be taken out.

The U.S. court of appeals upheld the use of procurement sanctions to enforce wage and price standards (June 22, 1979).

Congress itself has frequently imposed on the procurement sanctions social and economic programs somewhat removed from a strict view of "economy and efficiency" contained in the Procurement Act: nondiscrimination; balance of payments; and exclusion from employment of certain State provisions.

The court said:

> Inflation is too serious for businessmen and workers not to understand the importance of compliance.

The Appeals Court also said this:

> The people of this country are experiencing a cruel period of economic inflation. In an effort to relieve the distress caused by that inflation, Congress has authorized the President to issue wage and price standards and to encourage voluntary compliance as an act of good citizenship. The President has pursued this goal through his statutory authority over government procurement. Given this cooperative effort by the legislative civil executive branches of our government, it would be ironic indeed for the third branch to ignore the legal basis for the program challenged here and hold that the President may not deny government contracts above $5 million to those who flout the voluntary standards.

Mr. President, I earnestly hope that this amendment is not accepted.

I would like to, if the Senator from Kansas—perhaps the Senator from Colorado, who is a supporter of the amendment, could respond to a question I have in connection with the language in the amendment. The language in the amendment says the following:

> (d) No Federal officer or agency may use or threaten to use sanctions or deny or threaten to deny benefits to enforce compliance with any wage or price standards or guidelines. Nothing in this subsection shall be construed to prevent the publication of information or the issuance or making of statements relating to wage and price behavior.

My question is, What sanctions does the bill refer to other than procurement sanctions? Are there any? Does the Senator know about that?

Mr. ARMSTRONG. Mr. President, may I respond to the chairman by asking him a question. Is it the opinion of the chairman that it would be proper and desirable for the President of the United States or other Federal officers to grant or withhold benefits such as bank charters, let us say? The President does not grant bank charters, but I cite that as an example. Could the President withhold a bank charter based on whether or not a particular company had complied with wage and price guidelines?

Let me ask the same question with respect to the licenses for radio and television broadcasting or let me mention the airline route structures which are opposed by others, but finally approved by the President of the United States.

The reason I raise these, Mr. President, is because not so long ago we had a President in this country who, if the press accounts are to be believed, in fact tried to deny to a newspaper publishing concern the renewal of a very valuable television station license in Florida because he disagreed with certain things that that newspaper was publishing and, in effect, he sought to punish this company by withholding the approval of their license to broadcast, an economic blow of great significance. It did not turn out that he succeeded in this, but that is the kind of concern, the kind of reprehensible tactic, that bothers me.

Let me also cite——

Mr. PROXMIRE. Let me respond to the Senator on those points because I think he makes a good point.

Is this wide open? Can the President use any Federal law to deny a bank charter or to deny the license to a radio or television station that was up for renewal? The answer to that is, in my opinion, absolutely and flatly no. There is nothing at all in those laws that would permit the President to use this kind of basis for denying the right for a radio station to function or for a bank to be chartered. It has never been done. There is no precedent, and there is nothing in the law that would permit it.

So my response to the Senator from Colorado, my good friend from Colorado, would be that the President, in my opinion, could not use that power.

As the Senator may know, I have been doing my best to try to end the authority of the FCC to charter radio and television because I think that is an interference that is obsolete, no longer necessary, and should end. But whatever we happen to do with that, there is no real power for the President to step in in view of the fact that there is no authority whatever in the law to do so.

The procurement act is somewhat different. The procurement act does contain general language under which the President is able to act.

Mr. ARMSTRONG. Mr. President, I think it would be useful for the chairman, if the chairman will agree, for us to make a fairly detailed record of the chairman's view of this matter, and what he has just said is reassuring to me.

I understand the chairman has said that in his opinion the President does not have the legal authority, and should not have under any existing law the authority, to interfere in the renewal process for broadcast licensing.

Would he say the same with respect to the Federal Communications Commission? In other words, is it the Senator's opinion that adherence to wage-price guidelines is not a proper consideration in that renewal process under the present law?

Mr. PROXMIRE. May I say, as the Senator knows, Presidents in the past, Republican and Democratic Presidents, have both interfered or threatened to interfere or said they would interfere, and we have a record on that, in the granting of licenses for TV and radio stations. We know that, we have documented it. It is an unfortunate fact, a deplorable fact. In my opinion, there is nothing in the law that would permit them to do so, and certainly not to enforce wage-price guidelines.

Mr. ARMSTRONG. I would try to pin down whether or not the Senator feels that also applied to the Commission itself. In other words, this amendment goes to the question of all Federal officers, not the President. The President has no legal standing at the Federal Communications Commission, as an example.

Mr. PROXMIRE. I would certainly conclude—this is an offhand opinion, I have not had a chance to look at it or consult with experts on it—but I would certainly conclude that the FCC or the Comptroller of the Currency or the Federal Reserve Board would not say that because a particular firm is violating wage-price standards that we are going to deny them a license or deny them a charter. As far as I know there is nothing in the law that would permit them to do so. The standards, as the Senator knows, are spelled out for granting licenses, and there is nothing there that indicates their actions under wage-price guidelines could be the basis for providing a charter or not providing a charter.

Mr. ARMSTRONG. Would the Senator's opinion with regard to that also extend to the question I raised a moment ago about airline route structures?

Mr. PROXMIRE. Yes, I think, as far as I know. Again, the Senator is relying on a Member of the Senate who has not had a chance to examine the law carefully. But, to the best of my knowledge, I would be very surprised if there was anything in the law with respect to the CAB or FAA that would enable them to act or to deny a particular route based on performance with respect to wage-price guidelines.

Mr. ARMSTRONG. The reason this is important and why I wanted to make this record now is because we do not know the disposition of this amendment. If this amendment passes, I think it will be perfectly clear that the abuses that I have cited and two more that I want to mention could not occur. But, in the absence of the amendment, I wanted to have it on the record that it was the intent of the chairman, as an opponent of the amendment, that all of these abuses which could be imagined and which, at some past time may have occurred, are not within the contemplation or the intent of the chairman and, presumably, of other Senators and of the Congress itself.

What I am concerned about is this possibility of what I referred to earlier as the rule of man rather than the rule of law. There are specific standards for the granting of major charters. This is not one of them and should not be one of them. And if Congress wants to make adhering to wage and price guidelines a factor in granting or withholding a charter, they should say so.

Mr. PROXMIRE. The Senator is making a very useful point. The Senator is absolutely correct. It is not in the law to give the authority to the particular agency to act to impose sanctions based on their behavior. They cannot do it. The Senator is referring—and once again, let me take a minute to read from the 1949 Procurement Act. The act gives the President discretion to protect and advance Government interest, including "the interest of the United States in all procurement to see that its suppliers are not over the long run increasing its costs."

The basis for that, of course, is that if the firm increases its prices or increases its wages, it may be violating that section of the 1949 Procurement Act and the President, under those circumstances, has the authority to withhold procurement from them.

There is nothing, as I say, in these other acts to my knowledge that would give that kind of power to an agency or to the President.

Mr. ARMSTRONG. Mr. President, may I also ask if the distinguished chairman would agree that it is not the intent of Congress that companies or individuals or labor organizations be singled out for special attention or treatment by the Internal Revenue Service or other investigating bodies based on whether or not they are or are not in compliance with the voluntary wage-price guidelines? In other words, would the Senator agree that it would be improper for a President to send the IRS out to harass or intimidate or in some other way take unusual steps with respect to persons who were thought to be violating these voluntary guidelines?

Mr. PROXMIRE. Mr. President, may I say to my good friend that I am not familiar with the Internal Revenue Service law in this respect, but it is my understanding that it does prohibit harassment or intimidation for any reason. For that reason, I would think that the answer would be that the law could not be used for that purpose.

Mr. ARMSTRONG. As the Senator is aware, I am not speculating about a hypothetical situation which has never occurred, but, in fact, I am talking about the possibility of a reoccurrence of a very serious abuse that has, in fact, occurred.

Mr. PROXMIRE. The Senator is correct.

Mr. ARMSTRONG. Finally, let me just pin down one other area, and that is the question of credit. Would it be the Senator's belief that it would be improper for those who are in a position to grant or withhold credit, say the SBA or any Federal agency that grants or withholds credit to the private sector, to do so based on whether or not there was compliance with the voluntary wage-price guidelines?

Mr. PROXMIRE. Mr. President, I would certainly say there is no question that it would be improper and illegal, unless there were language of the kind that I have read that is in the 1949 Procurement Act pertaining to an agency that does provide credit, and I know of no such language.

Mr. ARMSTRONG. Mr. President, I am very grateful to the chairman for helping to put this matter in perspective.

However, I do want to call his attention to the memorandum which I believe the Senator from Kansas referred to earlier relating to the so-called Mobil case. It is my understanding that it was proposed that among the sanctions which could be levied on Mobil were such things as prohibiting Mobil from selling entitlements or earning entitlements credit to which they might otherwise be entitled under the law.

Does the chairman wish to comment on that or leave that for resolution at another time? It seems to me that is closely parallel to this kind of action.

Mr. PROXMIRE. It may well be that the Senator did not ask me about that particular provision. I am glad he did not, because I am ignorant of it. I did not know. There may well be a legal basis for it.

Of course, Mobil is a very big company and a company that has excellent legal advice. If the law does not permit it, they can go to court and they could have won on that basis. They chose not to do so. So I presume that there are provisions there, among other things, that persuaded them and that is one of the reasons they complied, perhaps.

Mr. ARMSTRONG. Mr. President, the memo to which I referred has been put in the record earlier by the Senator from Kansas.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, how much time does the Senator desire? I yield 3 minutes on the bill to the Senator.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator yielding.

I will conclude very quickly. I believe the memorandum which I referred to has been previously inserted in the Record by the Senator from Kansas.

It has been drawn to my attention that the memorandum to which I have referred has not, in fact, been implemented, but it is only sanctions which are under consideration. I think that might explain why the company involved has not gone to court to defend its legal position. I do not pretend to know whether or not a court might uphold or overturn such sanctions if they were imposed.

But it does seem to me that, unless there were a very specific authorization, say, in the Entitlement Act for the imposition of this penalty, that is to refuse permission of a company to use or sell its entitlements, that it would be completely improper and certainly not within the intent of Congress or the President or other officials to punish a company in this way for violating the wage-price standards which are thought to be voluntary in nature.

Mr. President, I think this has been very helpful. I hope, in the event there are lawyers or judges who have occasion to wonder what Congress had in mind on this legislation and in the event this amendment is not adopted, as I hope it will be, that we have, nonetheless, made it clear that Senators do not intend that sanctions be imposed under the conditions which the chairman and I have discussed.

That then leaves the question of the Defense Procurement Act sanctions. As the chairman has properly pointed out, such sanctions could be imposed under the Defense Procurement Act if this amendment is not agreed to.

Let me explain, therefore, why, even in that circumstance, I think it would be unwise to impose such sanctions.

Most defense procurement, as the Senator knows, is under competitive bidding. The bid, presumably, goes to that firm which submits the lowest and best bid.

Let us suppose, hypothetically, that the firm which does so is actually or allegedly in violation of some wage-price guideline and is, therefore, debarred from receiving the award of such a contract. Then, in that event, a bidder which had submitted a higher bid would, therefore, be in line to receive the Federal business.

Now, I fail to see the logic in this, the justice in it, for the company—although that is not the main issue, but the most important thing we are talking about—increasing thereby the cost of procurement to the Government. This does not seem to me to serve the taxpayers well or the procuring agency well. It just seems to me to be an unnecessary interference.

So, despite the fact that we have identified some areas where we can agree about the sanctions and the inadvisability and impermissibility of imposing them, even in this one area, I personally think it would be unwise to impose such sanctions and, therefore, I renew my support for the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be taken out of neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1117

(Purpose: To provide for the termination of the Credit Control Act)

Mr. ARMSTRONG. Mr. President, I send an unprinted amendment to the desk, which I submit on behalf of myself, Mr. Helms, and Mr. Dole, and ask for its immediate consideration.

The PRESIDING OFFICER. There is an amendment pending which would have to be set aside.

Mr. PROXMIRE. Mr. President, the Senator from Kansas is not here but I am happy to yield back my remaining time if the Senator from Kansas will yield back his remaining time on the amendment.

Mr. President, I ask unanimous consent that the Dole amendment be temporarily laid aside.

Mr. ARMSTRONG. Mr. President, I will yield back the remainder of the time of the Senator from Kansas.

Mr. PROXMIRE. And I will yield back my remaining time.

The PRESIDING OFFICER. All time has been yield back.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. Armstrong) for himself, Mr. Helms, and Mr. Dole, proposes an unprinted amendment numbered 1117.

At the end of the bill, add the following new section:

Sec. . The Credit Control Act is amended by adding at the end thereof the following:

"Sec. 211. Termination.

"The authority conferred by this title expires at the close of July 1, 1981.".

Mr. ARMSTRONG. Mr. President, if you leave a loaded gun lying around, sooner or later someone is going to be hurt.

The Credit Control Act of 1969 was just such an accident waiting to happen.

Attached almost as an afterthought to an important banking bill, the Credit Control Act was sent to the White House for signature even though the full Senate had never voted on the measure.

When the President signed the Credit Control Act into law—he could not veto it without also killing the measure to which it was attached—he did not want the authority granted him under the Act, and he would not ever use it.

That authority was breathtakingly broad. Under the Credit Control Act, the President has the power to authorize the Federal Reserve Board to regulate or control extensions of credit whenever he determines that such action is "necessary or appropriate for the purpose of controlling inflation generated by the extension of credit in excessive volume."

The President may specify particular types of credit that should be the target of Federal Reserve Board regulations, or he can simply make a general request to the Board to take action to restrain credit.

The Act gives the Federal Reserve Board a broad range of powers over credit transactions once it has been given the President's authorization. They include regulation of the terms of credit contracts such as downpayments, maturties and interest rates; licensing of borrowers, and recordkeeping requirements. The Fed also may set maximum loan-to-deposit or loan-to-asset ratios for creditors and debtors.

Since ours is an economy that runs on credit, the Fed, in effect, has the power to take freedom out of free enterprise.

Like a sleeping dragon, the Credit Control Act lay for a decade tucked away on the shelf where two Presidents had wisely stashed it. But President Carter dusted it off as part of his most recent battle plan against inflation. On March 14 of this year pursuant to the President's order, the Federal Reserve Board announced a six-point credit restraint program, of which four invoked the Credit Control Act. The dragon was sleeping no longer.

In theory, the credit control plan was simple. The Fed directed bankers to clamp down on lending, but left it up to the bankers to determine where the clamps should be placed. In practice, the plan was a snafu from start to finish.

Although the program was announced March 14, complete regulations were not available until April 2. Those regulations provoked such a hue and cry among bankers and consumers alike that the Fed announced new regulations April 17.

Because of conflicts with existing statutes, the Fed preempted the laws of 17 States regarding notification of customers about increases in credit fees, and threatened to preempt certain Federal truth-in-lending rules.

Because the rules keep changing, bankers do not really know what they are—but they face fines of $1,000 a day for noncompliance.

Many consumers are in an even worse position. Families that have carefully budgeted inflation-shrunk paychecks are discovering that their credit card and other time payments are a lot higher than they expected them to be.

Credit controls are bad because they attack a symptom rather than the disease; because they substitute political for economic decisionmaking in the marketplace, and because they cannot be administered efficiently, to say nothing of fairly.

Excessive private sector borrowing unquestionably contributes to inflation. But it is a response to the principal cause of inflation—deficit spending by the Federal Government—and a very small part of the overall problem.

People are not stupid. If they know Government is debasing the currency by running up deficit after deficit, they are not going to sit idly by as inflation erodes away the value of their savings. They are going to borrow all they can to buy houses, cars and goods that will increase in value, knowing they can pay for them later in devalued dollars.

It is a vicious cycle. Government causes inflation, so people borrow to try to stay ahead of it. But excessive borrowing adds fuel to inflation. And prices go up and up.

The cycle must be broken. But it cannot be broken by making controls on borrowing by the private sector the centerpiece of an anti-inflation program. The best way to restrict excess borrowing by the private sector is to change those Government policies that cause people to have "inflationary expectations" in the first place.

In any event, putting clamps on the amount of money people can borrow to buy homes, cars, and other consumer goods will not do much to slow inflation. But it can—and is—doing a whale of a lot to deepen and prolong a recession which is already more severe than Government economists anticipated.

Maybe the worst thing is that credit controls substitute the whims of politicians for the wisdom of the marketplace in allocating scarce economic resources, of which credit may be the most important. The market makes its share of mistakes, but by and large, the market places resources where they will do the economy the most good. Politicians place resources where they think they will get them the most votes in the next election. Whatever political good this does in the short run is more than offset by economic damage in the long run.

That the credit controls program has degenerated into a hopeless bureaucratic hodgepodge should be a surprise to no one, least of all to the Federal Reserve Board. Before he became its Chairman, Paul Volcker advocated repeal of the Credit Control Act. Former Fed Chairman Arthur Burns has said there is "no higher priority" than repeal of this legislation.

The Federal Reserve finally erased the current credit control program May 22—2½ months after it was announced—claiming that it is again "patriotic" for creditors to lend, and consumers to spend. Nevertheless, the sleeping dragon lives and can be awakened on a political whim.

Congress should repeal the Credit Control Act.

The purpose of this amendment is simply to sunset the Credit Control Act of 1969 on July 1 of next year.

I am not sure that there is unanimous agreement that this should be done, but there is a very broad and deep consensus that this act in its present form has served us poorly and that it should not be left on the books.

In further support of that view, I would like to also submit, and ask unanimous consent to have printed in the Record at this point, the views of Jake Garn, Richard Lugar, John Heinz, and myself which discuss in some detail the reasons for this amendment and the reasons why we urge its adoption.

There being no objection, the minority views were ordered to be printed in the Record, as follows:

Minority Views of Senators William L. Armstrong, Jake Garn, John Tower, John Heinz, and Richard G. Lugar

Dr. Arthur F. Burns, the former chairman of the Federal Reserve Board, minces no words: "There is no higher priority of Congress than repealing the Credit Control Act of 1969."

It was this Act which the Federal Reserve invoked March 14th in creating its "Special Credit Restraint Program." Having suffered the inevitable inequities, costs and frustrations inherent in such credit controls, a coalition of business and consumers want the March 14th program stopped, and the Act repealed.

When the Senate considers S. 2352, the Council on Wage and Price Stability Authorization Act, we will offer an amendment to do so. The COWPS bill is the perfect vehicle for this amendment. It is the first bill reported by the Senate Banking Committee—which has jurisdiction over credit controls—since March 14th. Moreover, COWPS is directed by Congress to "monitor the contribution to inflation of the programs, policies and activities of the Federal Government."

The Credit Control Act never should have been enacted in the first place. It allows the Federal Reserve to "regulate any and all extensions of credit when necessary for the purposes of controlling inflation" and "to prohibit or limit any extension of credit under any circumstance the Board deems appropriate." The act is unnecessarily broad; it gives virtually unchecked authority for regulating all credit, and it offers no guidance for designing appropriate controls.

The law came into being as a rider to an urgently needed banking bill. Although the Senate Banking Committee and the full Senate never voted on the measure (most Senators probably never knew of its existence) the provision was retained in the final bill passed in the closing days of the 1969 session. It was signed into law because general consensus held that its broad authority was so alien to our form of government that it would never be invoked.

That optimistic view was dashed March 14, 1980. The Federal Reserve announced a six-point credit restraint program of which four invoked the Credit Control Act. In so doing, the Federal Reserve cast aside its role as national banker to become the nation's credit arbiter. The Federal Reserve is ill-suited for this task, and it knows it.

On paper, the credit control program was simple: direct bankers to restrain credit lending, allowing each to say how. In reality, the program has been a nightmare.

Although the program was announced March 14, complete regulations were not available until April 2. These were so unworkable that to dim the hue and cry among consumers and businesses the Federal Reserve announced new regulations April 17th. A third set of rules is now in the works.

Then, because of conflicts with state and federal laws, the Federal Reserve pre-empted the laws of states regarding notifying customers about increases in credit fees, and threatened to pre-empt some Federal Truth-in-lending rules. That stirred Congressional ire, and within days a House subcommittee approved legislation subverting these Federal Reserve efforts.

The situation is chaotic. No less than 50 requests for exemptions from the program have already been filed with the Federal Reserve. The Consumer Federation of America filed a formal petition asking the Federal Reserve to delay final rules until the public could review and comment on the propriety of each regulation.

Bankers still don't know the full rules of the new game, yet they risk fines of $1,000 a day for non-compliance. Consumers are unsure of their credit standing. Said one Consumer's Union representative:

> The family that has carefully budgeted its paychecks to handle monthy payments for several charge accounts will be in financial trouble if those payments are suddenly increased.

Even the Federal Reserve is unsure of its own rules. The board has issued four sets of questions and answers about the program: incredibly, some answers only say "This question is currently under consideration." And the program is creating economic distortions in the marketplace. Consider just two examples:

A home improvement loan issued by a savings and loan is not subject to the credit restraint program. But a home equity loan used for home improvements is subject to the credit restraint program.

Auto loans are exempt from coverage. Open-ended credit is not exempted from the program. Credit unions use open-ended credit to finance auto loans to save administrative expense. The Federal Reserve has initially denied this exemption request . . . although it is contrary to the Board's stated request to do all that it can to aid the crippled auto industry.

The lesson here is obvious. The Federal Reserve cannot make more thoughtful judgments than the marketplace can or will. The control program forces the Federal Reserve to make Olympian judgments it cannot make.

All this havoc was no surprise to the Federal Reserve. It knew, probably better than anyone, the philosophical, practical and economic objections that would follow any control program. Shortly before the credit controls were imposed, Paul Volcker, Chairman of the Federal Reserve, told Congress that he favored repeal of the Credit Control Act. And read what Federal Reserve Board Member Nancy Teeters told the Senate Banking Committee exactly one year ago:

"There is little need to risk the market distortions, administrative burdens and complexities and problems of equity that are inherent in credit controls. If credit controls are to be used, it would require circumstances when the need is clear and obvious—a national emergency such as war.

"The nature of financial markets in this country makes credit controls both unneeded—save for very exceptional circumstances—and extremely difficult to administer.

"The fungibility of money and credit makes it most difficult to administer credit controls selectively, and enhances the likelihood that one set of controls will only give rise to another.

"For this reason, a large bureaucracy would probably have to be created . . . their cost would also include paperwork and compliance burden borne by lenders and borrowers. These direct costs would likely escalate wtih the duration of controls. Furthermore, the burden of regulation is likely to fall most heavily on small businesses and households with moderate or low income."

So the Federal Reserve is dead set against credit controls unless required by "very exceptional circumstances". Do such "circumstances" exist? The Federal Reserve answer is yes; it is necessary to spread the burden of credit restraint among the entire economy, and to curb sharp growth in credit demand.

This economic rationale is unbelievably twisted. Not only are such controls discriminatory, they are self-defeating. They only harm small business and the less wealthy—the very groups they are designed to help. Unlike large businesses with easy access to commercial paper and foreign credit not subject to regulation, small firms lack the expertise to assess alternative forms of credit. Credit controls—because they reduce the supply of credit—invariably increase interest rates which the less wealthy can ill afford. These facts are acknowledged in Governor Teeters' statement, and confirmed by recent experience.

Equally illogical is the Federal Reserve's assertion that consumer and business debt is accelerating. The opposite is true. There were fewer credit transactions financed in 1979 than in the previous year. The American Bankers Association reports that, adjusted for inflation, credit demand reflected no growth the six months prior to the March 14th program. And there is simply no evidence that consumers were on a "buying binge"; reports *Consumer Trends*.

All the legal, philosophical and practical objections to credit controls could be overlooked if they achieved their intended goal: controlling inflation. They don't. Laws of economics simply cannot be avoided by Acts of Congress. Inflation cannot be brought under control unless the Federal Reserve restricts the overall growth of money and credit. Credit controls merely redistribute the flow of credit from one sector to another.

What is particularly bothersome about credit controls is that they divert attention from excessive government spending as the cause of inflation. Controls assign guilt for inflation to consumers and the financial community.

Because credit controls are so politically attractive, they will eventually be impossible to remove. That is why the authority to invoke such controls ought to be revoked, and the sooner the better. Ohio State Professor Edward Kane sums up why:

Credit allocation is attractive because it professes to help the weak and the poor without seriously penalizing the dynamic and successful elements of society. More important, but precisely for these reasons, it promises to help incumbent politicians to win reelection in difficult economic times. Credit controls represent a seductively simple answer to a treacherously difficult problem.

WILLIAM L. ARMSTRONG.
JAKE GARN.
JOHN TOWER.
JOHN HEINZ.
RICHARD G. LUGAR.

Mr. ARMSTRONG. Since the issue, Mr. President, is well understood and I think is not controversial, I will yield the floor at this time and reserve the remainder of my time.

Mr. PROXMIRE. Will the Senator yield me 2 minutes on the amendment?

Mr. ARMSTRONG. I believe under the agreement the Senator has control of half of the time anyway. I am happy to yield.

Mr. PROXMIRE. I will use my own time.

Mr. President, the Credit Control Act, as we all know, was put into effect on March 14, 1980, by the President. It has had an unfortunate effect. The New York Times carried yesterday in an article by Lacy Hunt that it was one of the most serious elements in deepening the recession we are in, and that if it had not paralyzed the use of credit, it had greatly inhibited the use of credit. It has had a very perverse effect.

Mr. President, the Senator from Colorado specified the principal reason for his amendment. Unfortunately, when the Credit Control Act was passed in 1969 it was passed, as often happens in the Congress, without the kind of careful scrutiny that we should have given it. It was a House amendment accepted in conference. I say that as a member of the Banking Committee who feels responsible for that. It provides an extraordinarily broad power for the Federal Reserve. Once the President invokes the act and gives the Federal Reserve Board the power, the Federal Reserve Board can close down the entire housing industry overnight.

How? By simply requiring that there be no new mortgages allowed, that there be cash downpayments, that cash downpayments have to be in advance. The Federal Reserve Board could close down the automobile industry. They could close down the electronic industry in Massachusetts. They could close down the tobacco industry. They can close down virtually any industry by simply taking action to stop credit to that industry.

I think this kind of sweeping power without guidelines, without restraint, is in our kind of democracy a power we do not want to give to any man or any agency. Anybody who has a chance to discuss this with the Federal Reserve Board members, particularly the Chairman, an extraordinarily talented and sensitive man, would find quickly how appallingly broad this law is that is on the books.

I think the administration and the Federal Reserve have been somewhat careful, although, as I say, I think they have had somewhat too heavy a hand in imposing the Credit Control Act to date.

Certainly, on the basis of that experience we have a duty to amend the law and change it.

Some people say, Why not just go ahead and do that?

Well, Mr. President, the Senator from Colorado has taken the one step that can assure us that we are going to act on that. That is to repeal the law. If we simply take the posture that we will get around to it perhaps next year, we have to recognize that any action we take can be vetoed by the President, it can be stalled in this body, it could not be passed for one reason or another in the House of Representatives. If we really are serious about correcting what is, if not a legislative monstrosity, at least is a real threat to the economic freedom and opportunity of the American people, and which gives an agency much too much power. Then, I think the amendment offered by the Senator from Colorado is the sensible kind of action to take.

That amendment is moderate in the sense that it does give the next administration, or this administration if President Carter should be reelected, ample time next year. It gives 5 full months. The new President would come in on January 20, and it is not until July 1 that the Credit Control Act would be taken off the books. So there would be ample time for the Banking Committees in the House and Senate to consider this, to act, and to come forward with a more reasonable and moderate kind of bill.

If we do not actually repeal the bill, if we say we are just going to come forward with something else, then my very strong fear is that, as I say, that could be blocked and might very well be blocked one way or another, either by the President or by the next Congress.

So I am very much in support of the amendment by the distinguished Senator from Colorado.

Mr. HEINZ. Will the Senator yield?

Mr. ARMSTRONG. Mr. President, I am delighted to yield to my colleague from Pennsylvania.

Mr. HEINZ. Mr. President, I rise to commend the Senator from Colorado on the excellent work he has done on this and so many other issues involved in this legislation. Indeed, as he and I have discussed, I believe he has been too modest in his efforts. He has achieved a great result in this amendment. It is a pleasure to hear the chairman of the committee supporting the Senator's efforts, and it is a pleasure to see both the majority and minority parties working in concert.

This extended an enormous amount of

power to the executive branch in the Credit Control Act.

I will not take very long, Mr. President, to say that I think this is a very responsible approach to the issue. The Senator from Colorado could have simply moved to repeal the act effective upon enactment of this legislation. He has not chosen to do so. Instead, he has adopted a sunset approach, indeed an approach which we should adopt for virtually all the legislation with which we deal. If we did that more often, I expect we would undo some of the miseries we have inflicted on a good many people.

I commend the Senator from Colorado. I think he has an excellent amendment here. The minority is certainly prepared to accept it.

Mr. HELMS. Mr. President, I commend my good friends, the distinguished chairman of the Banking Committee (Mr. PROXMIRE) and the distinguished Senator from Colorado (Mr. ARMSTRONG). Their study of the issue of the Credit Control Act of 1969 has been diligent. Their efforts to come to an equitable agreement concerning the disposition of the act have been exceedingly effective. Both Senators have exceedingly cooperated with me concerning my longheld interest in this particular law.

Mr. President, when I first offered S. 3592 at the end of the 95th Congress to repeal the Credit Control Act, I commented that the Credit Control Act is "an onerous piece of legislation which purports to be a means of 'combating inflation.' In fact, it is little more than a means of providing total Federal control over the financial system of this country."

When, on the first day of the present Congress, I offered S. 35, to repeal the Credit Control Act, I added that arguments against the repeal of this act could also be used in support of wage and price controls. And President Carter has said:

> Wage and price controls, mandatory wage and price controls would be ill-advised and also counterproductive. I don't think they would work.

During hearings on that bill (S. 35), Governor Nancy Teeters of the Federal Reserve Board said:

> The Federal Reserve position is basically that it sees no reason to repeal it. However, we have not the intention of using it in circumstances short of a national war.

That was May 24, 1979.

On February 26, 1980, the Wall Street Journal reported on a Senate Banking Committee hearing in the following way:

> Volcker opposes Wage-Price Regulation and says credit controls "don't work."

Congressman RON PAUL in the House Banking Committee asked Chairman Volcker:

> Do you think that we should consider looking at the Credit Control Act of '69 and possibly repealing that Act?.

The Chairman responded:

> I don't think it's necessary to have that Act.

Yet, credit controls were imposed.

The arguments against credit controls are convincing. Chairman PROXMIRE, in the hearings on my bill, made an excellent statement and quoted Governor Teeters. He stated:

> I want to thank you for a remarkable statement. It's a marvelous statement in many respects.
>
> You make what I think is a pretty devastating case against using controls. Let me quote part of what you say:
>
> There is little need to risk the market distortions, administrative burdens and complexities, and problems of equity that are inherent in credit controls. If credit controls are to be used, it would require circumstances when the need is clear and obvious—a national emergency such as a war.
>
> You go on to say:
>
> The nature of financial markets in this country make credit controls both unneeded—save for exceptional circumstances—and extremely difficult to administer.
>
> Imposition of controls in such a free, well-functioning market inevitably invokes a response by market participants, who attempt to circumvent the controls. Lenders seek the most profitable outlets for their funds, whether at home or abroad. And borrowers may seek funds in another. The fungibility of money and credit makes it most difficult to administer credit controls selectively, and enhances the likelihood that one set of controls will only give rise to another.
>
> Selective credit controls might be effective in holding down a narrow category of spending and might be appropriate if there were shortages of particular goods, such as automobiles during World War II. However, even if such shortages occurred, rationing or excise taxes might be a more effective means of treating the problem.
>
> If controls were imposed on one type of credit, other credit could be substituted by lenders or borrowers to support spending.
>
> The flexibility of credit markets, and the inherent fungibility of money, would tend to vitiate any form of credit control.
>
> For this reason, a large bureaucracy would probably have to be created * * * Their cost also would include paperwork and compliance burden borne by lenders and borrowers. These direct costs would likely escalate with the duration of the controls as they were extended to counter the ingenuity of the private sector.
>
> The costs of controls would substantially exceed those that could be directly measured by the labor and materials devoted to compliance. Perhaps the most important costs would be the hardest to measure—distortions to markets and resource allocation.
>
> Furthermore, the burden of the regulations is likely to fall most heavily on small businesses and households with moderate or low income. These borrowers or lenders probably would have the most limited access to alternative means of financing or to liquid assets with which to blunt the effect of the controls.
>
> I think that's about as decisive and effective an indictment of the measure that I have heard in a long, long time.
>
> Then you end up by saying:
>
> It does not appear that voluntary credit controls could be employed under such circumstances without additional statutory authority——
>
> Meaning you would have to have a new law anyway to apply this if it were to be applied in a voluntary manner as I understand it.
>
> You say:
>
> However, the Congress feels the availability of credit control measures may lead to unwise use and may want to repeal the act.
>
> I am not sure where you stand. You seem to say we may want to repeal it; on the other hand, we may want to keep it. What is the Federal Reserve position?

Most recently, Arthur Burns, former Chairman of the Federal Reserve Board, testifying before the Joint Economic Committee, stated:

> I think there is one action that is imperative. That is to rescind the Credit Control Act of 1969, a demagogic piece of legislation, one that has really put dictatorial power into the hands of the Federal Reserve Board, a power that no agency in the government should have.
>
> In passing this legislation, Congress literally abdicated, as far as financial legislation in its entirety, apart from taxes and expenditures is concerned. At the present time, Congress has no power at all over any financial institution. All the power is now vested in the Federal Reserve Board.
>
> It is stupid legislation; demagogic legislation; potentially destructive of our economic system. The sooner we get that off the books, the better off will this country be; and I don't know of any higher item of priority for congressional attention than just that.

Most recently, of course, the administration has reversed itself. The former Chairman of the Federal Reserve Board and present Secretary of the Treasury, William Miller, has advocated greater use of consumer credit because the recession is obviously deepening faster than many expected. In other words, "Tape those credit cards back together again."

It points up to the problem of such controls. It points up to the fact that bureaucrats can't make judgments about things like the allocation of credit.

It also points up to the problem that Congress causes any President who is faced with an economic situation such as that faced by President Carter earlier this year. Yes, it is a problem that Congress causes.

By leaving the Credit Control Act on the books, we make it almost mandatory that the President use it when he has a seemingly good excuse to use it. In other words, if he neglected to use it, some might say that he was not "doing all he could" to fight inflation. By leaving such an act on the books, we make the President more subject to pressures to "do something" even though "doing something" using credit controls is the wrong thing to do.

Mr. President, there are many interest groups in this Nation that advocate credit controls for various reasons. All of them have some legitimacy. It is hard to argue in favor of credit for business mergers, or against credit for housing, or any one of an infinite variety of credit uses. It is, however, right and proper to argue in favor of economic growth, and that is what we stymie when we put on credit controls. Granted, the argument is not an easy one, for the advocates of credit allocation say that they only need a billion or so here and a billion or so there, and in a multitrillion dollar economy, that is not much. As the late Senator Everett McKinley Dirksen said:

> A billion here and a billion there and pretty soon it adds up to real money.

Yes, a little credit allocation here and a little there and pretty soon, the marketplace is serving as allocator for only a portion of the credit in the economy. Pretty soon the ability to allocate resources to the most efficient use is crippled. With it, the efficiency of the marketplace.

There is one final point that should be made in this discussion. It is that the amendment before us is not a draconian one. It is not the same as the bill I offered almost 2 years ago to repeal the Credit Control Act of 1969. It is an amendment which would "sunset" the Credit Control Act after the next Congress convenes.

In other words, if the President of the United States asks for this authority to be extended, or if the next Congress wishes to extend the authority, then there will be time before July 1981 to extend it.

The amendment before us will not affect the present credit rules and regulations imposed on March 14, and which have been cut in half by an action of the Federal Reserve Board on May 22. In other words, the President's decision to invoke credit controls is not affected by this amendment.

Mr. President, for purposes of making the record on this subject more complete, I ask unanimous consent that a statement by Walter Wriston and excerpts from a statement by Alan Greenspan be printed in the RECORD, and that the Credit Control Act of 1969 annotated, be printed in the RECORD as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IS INFLATION A HANDSHAKE DEAL?

(By Walter B. Wriston)

The last time I had dinner with Tom Stoors was about five weeks ago in Boca Raton. The occasion was the annual meeting of the Reserve City Bankers Association, during which much time was spent speculating about the future of the world in general and of bankers in particular. The nature of what we heard on that occasion was such that it would not have surprised me to learn that tonight's celebration had been indefinitely postponed. I thought that Tom might have returned home and, after some reflection, decided that the honor of heading an association of bankers in these times was one he could easily forego.

Indeed, one of the speakers there suggested that maybe a bank would have to give up its banking charter if it wanted to compete across the country with 22,000 other financial intermediaries not so inhibited. He might have recalled the old story about the fellow who had been tarred and feathered and was being ridden out of town on a rail: "If it weren't for the honor of this thing," he said, "I believe I'd just as soon walk."

But then I remembered that Tom Stoors is a man who has not only survived having a destroyer torpedoed out from under him during the Normandy Invasion, but even more recently found himself trying to help Chairman Arthur Burns and the Federal Reserve Board of that day steer us through the 1974 recession. So, he is undoubtedly a man who can survive almost anything—and if he survives 1980, he might even become Time Magazine's "Man of the Year."

Time's cover story two or three weeks ago, you may recall, was devoted to the question, "Is capitalism working?" It summarized what we are all experiencing in the following words:

"The litany of U.S. economic woes at times seems endless. Week after week, interest rates crack new records; homeowners face 17 percent mortgages; and companies confront 20 percent business loans. Energy, the oxygen of industrial life, has become so costly and politically controlled that the U.S. can no longer be certain of enough fuel to keep its factories running and homes heated. The output of goods per hour worked has stagnated. From 1948 to 1973, the productivity of American employees increased 2.9 percent annually, thus permitting steadily higher real wages and higher standards of living. Last year, productivity dropped 0.9 percent. The real median income of American families jumped 64 percent from 1950 to 1970, but has crawled up by less than 1 percent a year in the past decade. Weekly real take-home pay has been declining for two years. That gauge of American economic health, the stock market, has been sharply depressed."

So much for the good news. Now for the bad news. The same article points out that what seems to be our continuously accelerating inflation is attributable in no small part to the government's attempts to create a risk free economy—an economy in which there will never be a danger of serious business slumps or steep unemployment. And it says:

"The search for a fail-safe society is also pursued by businessmen. Though they still extoll free enterprise's virtues in after-dinner speeches, American capitalists can often be the system's most dangerous opponents. Rather than embracing the marketplace and competition, many businessmen look longingly to those societies . . . in which the government intervenes to sponsor, subsidize, or otherwise ease the way for business. These U.S. 'free enterprisers' demand that their government protect sales from foreign or domestic rivals, oppose steps to remove regulations whenever it shelters their own business, and lobby hard for federal or local grants."

If it is really true that American businessmen have joined in the endless pursuit of a life without risk, and if, as the late economist Arthur Okun once remarked, Adam Smith's "invisible hand" has indeed been replaced by the "invisible handshake," then we are doomed. I, for one, would like to enter a dissenting opinion. I observe that about 300,000 small businesses are formed every year in this country, and five years later, only about 10 to 15 percent of them are still there. Yet the new businesses are still being created and some of them continue to grow to be Xeroxes and IBMs. I believe that the spirit of entrepreneurship that built this country is still there. It took Citibank 100 years to gather $8 billion of deposits. It took the money market mutual funds a single month to do likewise, by giving the customer what he or she wanted in an innovative fashion unfettered by government regulation. And I also believe that in America, business and government could not merge if they wanted to, because there is a fundamental difference between the way businesses and governments conduct their affairs.

The main difference between a business and a government is that the businessman has only a string, but the government has a stick. The businessman tries to pull income or capital in his direction, but the money moves only when its owners think he has something worth exchanging it for. He can invent new ways to pull the investors and the customers in, but they can never be pushed. The government, on the other hand, can push people and money around in an almost unlimited number of ways. In fact, there seems to be very little under the law that the government today cannot do. The difference between the largest corporation and the smallest nation is the existence and use of police power.

We are discovering this difference almost daily. The right to spend our own money or lend it to the borrower of our choice appears to enjoy no Constitutional protection comparable to the First Amendment protection for our right to say whatever comes into our minds. The thought has sometimes occurred to me that this apparent oversight on the part of the Founding Fathers may be one reason why we seem to be becoming a nation of talkers and critics rather than doers.

Government traditionally exercises its political control of the economy in two major ways: It decides how much money to print, and then it decides how much of that money to take back in the form of taxes. Most of the tax money, of course, is later pumped or pushed back into the economy in the form of government contracts, social welfare payments, or salaries to government employees. The only time when the money moves with something like its own free will is during the brief interval between coming off the printing presses and being captured by the tax collector. One might think that such cradle-to-grave control would satisfy the government and give the various bureaucracies enough to keep them busy. But the way the government has handled its two main operations—printing the money and then taxing and redistributing it—has so bollixed up the economy that the government now feels obliged to impose more controls on what happens to our money even during its brief period of freedom when it flows through the private sector between the printing press and the tax collector.

That is what the political allocation of credit is really all about and the dangerous game we are now engaged in. The present Administration has finally wielded a club that has been suspended over our heads ever since passage of the Credit Control Act of 1969. Very few Americans were even aware of the existence of that law, but it can quite properly be termed the nucleus of an economic police state, and I can assure you that what we have experienced to date is only a light tap on the head compared to what this particular bludgeon is capable of delivering. Only the total disinterest of the media has permitted such an assault on individual freedom to go unnoticed.

The Credit Control Act of 1969 armed the President of the United States with authority to license all lenders and register all extensions of credit, to prohibit credit for any purposes deemed inappropriate by the government, to prescribe maximum credits that may be extended, and to establish maximum rates of interest, as well as minimum down payments and specific conditions for the repayments of loans. These standby powers had never been invoked until now, but it appears that the government now intends to punish us for its own sins.

Adam Smith said it well some 200 years ago:

"It is the highest impertinence and presumption . . . in kings and ministers, to pretend to watch over the economy of private people and to restrain their expense, either by sumptuary laws, or by prohibiting the importation of foreign luxuries. They are themselves always and without exception, the greatest spendthrifts in the society. Let them look well after their own expense and they may safely trust people with theirs. If their own extravagance does not ruin the state, that of their subjects never will."

Credit crunches are creatures of inflation, and despite all of the sophisticated statistics pouring out of Washington, the fact remains that the only institution that can create inflation is government itself. The story is always the same. The government responds to political pressures in a way that causes it to spend continuously more money, and when it finds itself spending more than it is taking in, it solves the problem by printing more money. Our fiscal and monetary authorities, the Congress and the Federal Reserve Board, can always spare the country the disaster of inflation by simply avoiding the overspending and the overprinting.

Unable to control itself in these two critical areas, the government periodically decides to control everyone else. It goes after the borrowers and lenders in our society and uses its political clout to compel them to handle their own money in ways that run counter to their own self-interest.

This has never worked in history and we

are not likely to have better luck this time. One reason why it never works is that when it tries to allocate credit, the government is subject to the same irresistible political pressures that make it print and spend too much money in the first place.

Let me cite just one recent example. Within a few hours after President Carter announced his anti-inflation program, the Federal Reserve Board put out a regulation specifying that no bank could increase its total loans and investments by more than some 6 to 9 percent. It took the governors of the 50 states of the union about 30 seconds to realize that if commercial banks are prevented from buying their state bonds as an investment under this ruling, state governments would not be able to meet their payrolls. So the telephone lines began humming between Washington and the state capitols, and within 48 hours that particular problem disappeared. An average citizen, looking for an emergency bank loan to help meet his April 15th income tax payment, of course, might have been out of luck. His need may have been as great, and even the government would have to admit that he intended to put the money to good use, but he lacked the political clout.

Once the government reaches its hands into the credit markets, it is no longer enough to have a good credit rating—you must also have friends in government. The invisible handshake is the inevitable byproduct of allocating credit through the political process and not through the economic process.

The second reason that government credit allocation never works is that people are not stupid. The 1969 Credit Control Act may now be giving us an exceptionally strong dose of political medicine, but we have been obligated to swallow similar medicine for a good many years, and people have learned how to live with it. The public has been ripped off for decades by government regulations that prohibit banks from paying you more than 5 to 5½ percent on your savings account. This inequity in combination with various state usury laws that control the amount of interest you can be charged on a loan or installment purchase merely means the person who works hard and saves money subsidizes all who wish to borrow.

The saver has had to pay income taxes on whatever interest he did earn, while the interest he paid on his loans was deductible from his income tax. So the average American, being intelligent, pursued his own best interest—even as Adam Smith said he would—and produced the lowest savings rate in the industrialized world, plus a huge volume of installment credit. In short, Americans reacted in a highly logical fashion to the laws their government imposed on them. The government is not going to solve the problem by preaching to us about our spending habits.

Savings are the only true source of capital, and what we have in this country is a set of laws designed to penalize people for saving money. To say that America has the lowest savings rate of any industrialized nation is also to say that it is accumulating capital at a slower rate than anyone else. The longer this process continues, the worse our situation will become. Without capital, we cannot produce the goods and services necessary to soak up the output of the government's money presses. In the long run, we will lose our competitive position in the world because we cannot produce the new technologies and efficiencies necessary to Japan. where the savings rate is 13½ percent and 22 percent compared to our own 3.4 percent.

There are a number of encouraging signs that Washington has begun to get the message. The same sorts of political pressures that encouraged profligate government spending and a plethora of printing press money are now working to persuade the government that inflation is our most important problem. I regard that as a very significant plus. Furthermore, the Federal Reserve Board, under the leadership of Paul Volcker, began last October 6th a serious program to do something about the money supply. If political events do not interfere, and the Federal Reserve is allowed to continue on the course it started in a slow and steady manner, our inflation will unquestionably diminish.

I cannot offer a timetable for all this because there are just too many variables. Some of you may recall that the great financial wizard from South Carolina, Bernard Baruch, once defined an economist as "A man with a gold watchchain and no watch." Perhaps that is why the famous recession most of them have been predicting for the past two years only just now seems to be arriving. I do not know whether it will be as mild and short as President Carter now predicts, but I have enormous faith in the marketplace, which has absorbed one disaster after another—the REIT debacle, the OPEC price increases, the bankruptcy of the Penn Central Railroad—without once losing its fundamental equilibrium.

At the same time, as a veteran of the New York City financial crisis, I am acutely aware that every line in the government's budget has a constituency. Everyone in America—including those of us in this room—has by now made some kind of handshake deal with some level of government, Federal, State, or municipal. Lewis Lapham, writing in Harpers[1] recently only mildly overstated the case when he pointed out that—

"Within its own borders the United States awards nearly 50 percent of its tax revenues as transfer payments to whatever lobbies, special interests, and racial or sexual minorities hold the government hostage in Washington. The huge sums of money listed in the budget as fundings for the purposes of health, education, welfare, and social security represent only a small part of the annual ransom paid to the more successful syndicates in the society."

So, the political pressure on government to run deficits is very heavy. A government's promise to stop printing money is frequently like the alcoholic's resolution to have just one more drink.

If we are to find lasting, long-term solutions to all these problems, we must start telling ourselves the truth. As Governor Wallich of the Federal Reserve Board once remarked, "Inflation is like living in a country where everybody lies." By that he meant that the relationship of wages, prices, profits, losses, and deficits are all out of kilter—they no longer tell us the true value of anything. It is impossible to make rational business decisions when you don't know what anything is worth today, or what it is likely to be worth tomorrow.

But that is only the economic side of the problem. We know how to solve that problem—if we have the will to solve it. Whether or not we have the will is a question that lies much deeper than mere economics.

Our real task for the 1980s is to rethink our basic goals. The most hopeful sign I have seen of late is that people in all walks of life—business, labor, and government itself—are beginning to rethink the functions of the government. We are beginning to ask ourselves in a serious way what governments should do, and can do well, and what governments should not even try to do. But in a democratic society, of course, what government does is really only a reflection of what the people demand of it.

As the Nobel laureate, Frederic von Hayek[2] reminds us:

"Most people are still unwilling to face the most alarming lesson of modern history: that the greatest crimes of our time have been committed by governments that had the enthusiastic support of millions of people guided by moral principles. It is simply not true that Hitler or Mussolini, Lenin or Stalin, appealed to the lowest instincts of their people: they also appealed to some of the feeling which also dominate contemporary democracies."

We may now be standing at a crossroad in which we Americans must decide whether to shift our emphasis as a nation.

In 1899, the closing year of America's astonishing century of progress, a future president named Theodore Roosevelt captured the spirit of his times in these words:

"Far better is it to dare mighty things, to win glorious triumphs, even though checkered by failure, than take rank with those poor spirits who neither enjoy much nor suffer much, because they live in the gray twilight that knows not victory nor defeat."

We might contrast that sentiment with a description of our own times by the English journalist, Henry Fairlie, when he wrote:

"If the American people for the first time no longer believe that life will be better for their children, it is at least in part because they are beginning to think that there will be no food which their children will be able to eat without dying like rats of cancer, no form of transport that will be considered safe enough to get them from here to there, and in fact nothing that their children may safely do except sit like Narcissus by a riverbank and gaze at their vain and delicate forms as they throw the last speck of Granola to the fish."

Somewhere between those two manifestations of the American spirit lies our hope for the future. Perhaps I am an incurable optimist, but I do believe that there is light on the horizon—that we may indeed be girding ourselves to face the future by rediscovering some of our past. The man we are honoring here tonight, Tom Storrs, is himself a living example of what those old virtues can produce, and I should like to think that he also represents the wave of the future.

Thank you.

Testimony of Alan Greenspan

Dr. Greenspan. Thank you very much, Mr. Chairman. I came here to support the initiatives to repeal the Credit Control Act of 1969.

Curbing the growth of credit expansion is, in my view, the key to defusing the strong underlying inflationary forces which threaten the stability of our economy. However, rationing credit through statute or regulation is unlikely to be successful and to the extent that it is, would probably allocate credit in an undesirable manner.

Depending upon what type of controls were involved, it would cause distortions which would beget more distortions. It would also take our eye off the major explosion in credit coming directly from the Federal Government itself.

I have no doubt that should the Federal Reserve Board under the authority of the 1969 legislation choose, for example, to curb or prohibit loans for mergers or acquisitions the needed funds could be raised in the Euro-currency marketing at negligible additional expense.

The only groups in this country who would be effectively constrained from borrowing and spending would be those with limited credit standing, largely consumers and small businessmen who have few, if any, alternate sources of credit. Certainly, restrictions on auto installment credit will reduce the funds available to middle- and lower-income groups and limit their purchases of new and used cars. Similarly, restrictions on inventory loans to small business would curb their ability to expand.

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[1] May 1980.

[2] *Law, Legislation and Liberty,* page 137.

The overall impact on credit expansion of such restrictions is likely, however, to be slight. It serves no useful purpose to have credit control standby authority on the books. It can only lead to mischief and should be repealed.

Credit restraint is an essential anti-inflation tool, but it has to be implemented in a balanced manner. Mismanagement of our fiscal affairs has led us to the point where there is currently no simpler alternative to monetary tightness.

Even with the best of monetary policies at this state, however, it would be a mistake to presume that the Federal Reserve alone can contain inflation or confront the more difficult fundamentals of the inflation bias in the American economy. Interest rates are high because credit demand exceeds savings flows, and money supply growth in recent years has been excessive (and inflationary) because the Fed feels politically compelled to suppress interest rates by at least partially accommodating the excess credit requirement.

The only viable solution is to slow the monetary aggregates for a protracted period without engendering excessively high interest rates, and that can be done only by reducing the demand for funds pressing on our financial system. It has been the exceptional pressures from the credit markets that have placed the Federal Reserve in its recent unenviable situation.

The marked increase in aggregate capital market borrowing has not only driven interest rates higher but, in the process, diverted an ever-increasing amount of borrowing from the capital markets—by those who were "crowded out"—to the commercial banks. In an endeavor to accommodate the loan requirements of their customers, commercial banks attempted to obtain the reserves required to back up loans by borrowing in the Federal funds market.

The accompanying rise in the Federal funds rate placed the Fed in its typical "no win" position. It had to determine whether to stand aside, allowing the Fed funds rate to rise, thwarting some of the prospective commercial bank borrowing or, by supplying reserves to the market, temporarily hold the Federal funds rate below what it would otherwise be, thereby accommodating the expanding loan demand.

That latter path, however, enlarges the monetary base, inducing an acceleration in money supply growth with inflationary consequences. The Fed as usual straddled the issue, only partially accommodating the demand for funds. As a result, in recent years, both money supply growth and interest rates rose, but the increases in each were less than might otherwise have prevailed, at least in the short run.

Curbing the growth in Federal spending and deficits is a necessary, but not a sufficient condition to restore balance to the financial markets. If we focus wholly on the budget deficit, however, we are missing what may well be a far more inflationary set of credit-preempting policies fostered by the Federal Government.

Off-budget borrowing has risen sharply in recent years—so have mandated capital investment by business—pollution, safety equipment, et cetera—which must be financed; and matching grants, which have induced increased spending and borrowing by State and local governments. These demands have added heavily to capital market pressures, but in total have been small compared with the extraordinary expansion in mortgage credit.

Prior to the 1970s, an increase in mortgage credit on one- to four-family homes rarely exceeded $15 billion. During the past year, the increase has approached $100 billion. This veritable explosion of mortgage credit growth is a consequence of the increasing political concern that emerged in the 1950s and 1960s. Whenever short-term interest rates rose, thrift institutions withdrew from the mortgage markets, sharply contracting housing starts.

Changes in institutional structures and subsidy programs sponsored by the Federal Government from mortgage-backed bonds to the newest 6-month certificates tied to the Treasury bill rate, have apparently successfully insulated mortgage credit availability from periodic credit crunches.

The political exercise has worked all too well with the not atypical effect of overkill. The consequences of "solving the mortgage problem" has, not unexpectedly, created a different problem whose consequence may be far more profound to the structure of the American economy. It has clearly been a significant contributing factor to the excessive money supply growth and, hence, the high base rate of inflation which the United States has experienced in recent years.

By significantly increasing the financial system's capacity to supply mortgage credit in the face of rising short-term interest rates, the adjustment process of the financial markets has been markedly altered in recent years.

For the past year, households have been diverted from other forms of savings into the savings and loan's new 6-month certificates, the proceeds of which have until recently been invested in mortgages. Including indirect mortgage purchases by financial institutions through mortgage-backed bonds has come at the expense of their ability to purchase corporate issues, State and local securities, and Federal obligations. If the Federal Reserve had not created additional reserves to support the broadened credit demand, the total volume of investable resources would have been fixed, and the increase in the demand for mortgages by financial institutions have correspondingly reduced the demand for other securities.

In the past, the drying up of mortgage funds because of Federal Home Loan Bank Board limits on interest rates the S. & L.s could pay to attract funds, rapidly squeezed prospective home purchasers—and mortgage borrowers—out of the market. As a result, the excess of demand for funds for the financial system as a whole was largely eliminated by squeezing out the demand for mortgage debt. When interest rates rose in the process of bringing balance to the debt markets, a relatively small increase in interest rates was adequate to "crowd out" the amount of mortgage borrowing required to bring the overall demand for funds back into balance with the supply.

In the new mortgage-dominated financial markets, interest rates must now rise much further than they would have under comparable conditions a decade ago in order to crowd out the excess demand for funds. Because mortgage credit is becoming increasingly insulated against such pressure, the pressure must now move to other instruments as well: Business borrowing, real estate financing, municipal borrowing, foreign loans, et cetera.

And because larger interest rate increases are required to curb the demand for such credit, the supply and demand for funds can come into balance only at much higher interest rates than previously. Mortgage credit may still have to bear much, if not most, of the reduction in credit demand—only this must now occur at significantly higher interest rates than earlier.

Hence, the net effect of improving the availability of mortgages in the face of rising interest rates is to decrease, at the margin, the responsiveness of credit demand to a rise in interest rates. It means that at any given underlying demand for funds, higher rates are required than, say, 10 years ago to equate the supply and demand for funds. This would be true even in a noninflationary environment in which there was no perceptible inflation premium embodied in interest rate levels.

The institutional changes that have expanded the mortgage market explain the extreme difficulty the Fed has had in attempting to simultaneously dampen monetary growth while keeping interest rates at moderate levels. Shoring up the mortgage market clearly contributed to the underlying inflation bias in thc economy. While it may have sustained the home-building boom, this has probably been accomplished at a significant cost to the economy's overall stability.

It is probably too late in this business cycle to undo the new mortgage-based inflation bias that has been added to our financial system. The Fed has little choice but to hold a tight rein on credit availability until mortgage (and other credit) demand subsides. In fact, economic policy is unlikely to be able to significantly alter the path of an inflation-caused recession over the next couple of years.

It is not, however, too late to rest our economic priorities and policies for the 1980s. If we wish to defuse the current underlying inflationary bias which pervades our economy, we still have to reverse the Federal Government's increasing direct and indirect preemption of the nation's available credit. Only then can we expect the Federal Reserve to be able (during the next economic expansion) to hold inflationary money supply growth in check, without driving interest rates to extreme heights.

In the interim, we can do little more than hold the fiscal and monetary reins tight as the credit (and presumably the economic) expansion comes to a halt. Mandatory credit controls have no role to play.

They will merely fight the symptoms of this problem. They will not come to grips with what is required, mainly a reduction in the Federal Government support for the mortgage market and other credit-creating activities.

CHAPTER 20—CREDIT CONTROL [NEW]

Sec.
1901. Definitions.
1902. Rules and regulations by the Board of Governors of the Federal Reserve System.
1903. Interest.
1904. Credit controls.
1905. Extent of control.
1906. Reports: production of records.
1907. Injunctions for compliance.
1908. Civil penalties.
1909. Criminal penalty.

§ 1901. Definitions.

(a) The definitions and rules of construction set forth in this section apply to the provisions of this chapter.

(b) The term "Board" refers to the Board of Governors of the Federal Reserve System.

(c) The term "organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

(d) The term "person" means a natural person or an organization.

(e) The term "credit" means the right granted by a creditor to a debtor to defer payment of a debt or to incur debt and defer its payment.

(f) The term "creditor" refers to any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

(g) The term "credit sale" refers to any sale with respect to which credit is extended or arranged by the seller. The term includes any rental-purchase contract and any contract or arrangement for the bailing or leasing of property when used as a financing device.

(h) The terms "extension of credit" and "credit transaction" include loans, credit sales, the supplying of funds through the underwriting, distribution, or acquisition of securities, the making or assisting in the making of a direct placement, or otherwise participating in the offering, distribution, or acquisition of securities.

(i) The term "borrower" includes any person to whom credit is extended.

(j) The term "loan" includes any type of credit, including credit extended in connection with a credit sale.

(k) The term "State" refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(l) Any reference to any requirement imposed under this title of any provision thereof includes reference to the regulations of the Board under this chapter or the provision thereof in question.

(Pub. L. 91–151, Title II, § 202, Dec. 23, 1969, 83 Stat. 376.)

Short Title. Section 201 of Pub. L. 91–151 provided that: "This title [enacting this chapter] may be cited as the 'Credit Control Act'."

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1902. Rules and regulations by the Board of Governors of the Federal Reserve System.

The Board shall prescribe regulations to carry out the purposes of this chapter. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necesary or proper to effectuate the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith. Pub. L. 91–151, Title II, § 203, Dec. 23, 1969, 88 Stat. 376.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1903. Interest.

Except as otherwise provided by the Board, the amount of the interest charge in connection with any credit transaction shall be determined under the regulations of the Board as the sum of all charges payable directly or indirectly to the person by whom the credit is extended in consideration of the extension of credit. Pub. L. 91–151, Title II, § 204, Dec. 23, 1969, 88 Stat. 377.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1904. Credit controls.

(a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

(b) The Board may, in administering this Act, utilize the services of the Federal Reserve banks and any other agencies, Federal or State, which are available and appropriate. Pub. L. 91–151, Title II, § 205, Dec. 23, 1969, 83 Stat. 377.

References in Text. This Act, referred to in subsec. (b), is Pub. L. 91–151, which, in addition to enacting this chapter, amended sections 461, 461 note, 1425b, 1431, 1724, 1727, 1728, 1813, 1817, 1821, 1823 of this title and section 2158 of Title 50 App. and enacted provisions set out as notes under sections 1724, 1727, and 1813 of this title and section 633 of Title 15, Commerce and Trade.

Delegation of Functions. Functions of the President under section 209(a)(3) of the Economic Stabilization Act of 1970, as amended [set out as a note under this section], and functions of the Chairman of the Cost of Living Council under said Act, respecting energy matters, delegated to the Administrator of the Federal Energy Office, see section 4 of Ex. Ord. No. 11748, Dec. 4, 1973, 38 F.R. 33575, set out as a note under section 754 of Title 15, Commerce and Trade Council on Wage and Price Stability. Pub. L. 93–387, Aug. 24, 1974, 88 Stat. 750, as amended by Pub. L. 93–449, § 4(e), Oct. 18, Aug. 9, 1975, 89 Stat. 411; Pub. L. 95–121, Oct. 1974, 88 Stat. 1367; Pub. L. 94–78, § 2 (a), 3–7, 6, 1977, 91 Stat. 1091, provided:

"[Section 1.] That this Act may be cited as the 'Council on Wage and Price Stability Act.'

(Note.—Annotations relating to the Council on Wages and Price Stability Act and the Economic Stabilization Act has been deleted.)

§ 1905. Extent of control.

The Board, upon being authorized by the President under section 1904 of this title for such period of time as he may determine, may by regulation.

(1) require transactions or persons or classes of either to be registered or licensed.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens or any relevant documents.

(5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specifications or limitations of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchasing prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types.

(A) to deposits of one or more types or of all types.

(B) to assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

(Pub. L. 91–151, Title II, § 206, Dec. 23, 1969, 83 Stat. 377.)

References in Text: This Act, referred to in pars. (3) and (5), is Pub. L. 91–151, which, in addition to enacting this chapter, amended sections 461, 461 note, 1425b, 1431, 1724, 1727, 1728, 1813, 1817, 1821, 1828 of this title and sections 2158 of Title 50 App. and enacted provisions set out as notes under sections 1724, 1727, and 1813 of this title and section 633 of Title 15, Commerce and Trade.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1906. Reports; production of records.

Reports concerning the kinds, amounts, and characteristics of any extensions of credit subject to this chapter, or concerning circumstances related to such extensions of credits, shall be filed on such forms, under oath or otherwise, at such times and from time to time, and by such persons, as the Board may prescribe by regulation or order as necessary or appropriate for enabling the Board to perform its functions under this chapter. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transaction within the scope of this chapter including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.

(Pub. L. 91–151, Title II, § 207, Dec. 23, 1969, 83 Stat. 378.)

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1907. Injunctions for compliance.

Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this chapter, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other places subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Board, any such court may also issue mandatory injunctions commanding any person to comply with a regulation of the Board under this chapter.

(Pub. L. 91–151, Title II, § 206, Dec. 23, 1969, 83 Stat. 378.)

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

INDEX TO NOTES

Irreparable injury, 2
Remedies, 3.
Scope of remedy, 1.

1. Scope of remedy:

Executive order creating the construction industry stabilization committee deals only with instance in which illegal wage increase is about to be implemented; and this section providing for injunctive relief is limited to those situations in which an agency of the United States seeks such relief; and, accordingly, neither this section nor executive order authorized contractor's action to compel union to submit proposals to contractor within framework of executive order, to compel union to exhaust its available administrative remedies and to enjoin union from engaging in any work stoppage or strike. Heavy Contractors Ass'n. Inc. v. International Union of Operating Engineers, AFL-CIO, Local 571, D.C. Neb. 1971, 328 F. Supp. 897.

2. Irreparable injury:

In order to issue injunction against wage increase in excess of 5.5% without prior approval of the Pay Board, there was no need that irreparable injury be shown, and it was enough if the statutory conditions were satisfied. U.S. v. Great Atlantic & Pacific Tea Co., D.C. Md. 1972, 342 F. Supp. 272.

In view of Price Commission's order which maintained status quo and protected plaintiffs from irreparable injury by its refund and rollback provisions until final agency action, plaintiffs could not show irreparable injury required for injunctive relief against telephone company's increases in rates. Grassroots Action, Inc. v. New York Tel. Co., D.C. N.Y. 1972, 339 F. Supp. 198, affirmed 468 F. 2d 1401.

3. Remedies:

Administrative remedies provided by 1971 amendments to Economic Stabilization Act, this chapter were full and adequate to preclude injunctive relief until such administrative remedies had been exhausted. Grassroots Action, Inc. v. New York Tel. Co., D.C. N.Y. 1972, 339 F. Supp 198, affirmed 468 F. 2d 1401.

§ 1908. Civil penalties

(a) For each willful violation of any regulation under this chapter, the Board may assess upon any person to which the regulation applies, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding $1,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Board, be brought in the name of the United States.

(Pub. L. 91–151, Title II, § 209, Dec. 23, 1969, 33 Stat. 378.)

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

INDEX TO NOTES

Amendments, 1.
Defenses, 3.
Retroactive effect, 2.

1. Amendments:

Amendment of section of Economic Stabilization Act of 1970, set out as a note under section 1904 of this title, to authorize imposition of two sanctions upon violator provides both a purely penal measure intended to obtain compliance with Act and a civil penalty denominated as such with element of scienter obviated from proof of offense, and entire section as amended allows alternative means of enforcement, one with a less exacting standard of proof. U.S. 1. Futura, Inc., D.C. Fla., 1972, 339 F. Supp. 162.

2. Retroactive effect:

Defendants, who violated this chapter by negotiating and paying wage increase in excess of 5.5 percent without prior approval of the Pay Board, were subject to civil penalties, even though amendment to this chapter providing for such penalties was added after the contract had been negotiated, where the penalty was civil in nature, and the defendants continued to be in violation of the law after the amendment became effective. U.S. v. Great Atlantic & Pac. Tea Co., D.C.Md., 1972, 342 F.Supp. 272.

3. Defenses:

Contention of employer that, although it knew it was violating the law when it negotiated and paid wage increase in excess of 5.5 percent without prior approval of the Pay Board. It made the payments because there appeared to be no viable alternative to achieve a settlement of a strike did not entitle the employer to escape civil penalties where, upon measuring the culpability of the parties. It appeared that the course of conduct of each party was determined by economic considerations which best served that party's interest. U.S. v. Great Atlantic & Pac. Tea Co., D.C.Md., 1972. 343 F.Supp. 272.

§ 1909. Criminal penalty

Whoever willfully violates any regulation under this chapter shall be fined not more than $1,000 or imprisoned not more than one year, or both.

Pub. L. 91–151, Title II, § 210, Dec. 23, 1969, 83 Stat. 378.)

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

● Mr. LEVIN. Mr. President, I support the amendment of the Senator from Colorado. This amendment is straight forward. It amends the Credit Control Act of 1969 by inserting a sunset provision to that act. Under the amendment, the Credit Control Act of 1969 would expire July 1, 1981.

I support the amendment not out of opposition to all credit controls but out of concern for the current controls on the books and the sweeping authority provided the Federal Reserve by the act. As the legislative history reveals, the Credit Control Act was approved without the benefit of hearings. Legislation of such broad dimension should be subject to hearings and extensive review. This body should have the opportunity to execute this much needed analysis. It is hoped that this amendment will enhance the likelihood of such hearings.

To give one example, Mr. President, of the problems generated by the latest credit restrictions, I refer to the auto industry which was exempted from the March 14 and subsequent controls. I need not repeat the dismal condition of the auto industry. Mr. President, the credit controls have actually curtailed the issuance of auto credit. Prior to the latest changes in credit regulations, almost 40 percent of the people who wanted to buy cars were turned down because of credit refusals. After the analysis of the data, that means somewhere between one-third and one-fourth of the people who wanted to buy cars last month were unable to get the loans they needed in order to make the purchase. It is unclear whether the latest changes will improve the situation any.

Furthermore, the impact of these credit regulations of March 14 clearly have been felt by the bank card industry.

Operating losses for the bank card industry will reach $1 billion for 1980. Fraud and credit losses for the bank card industry have doubled since December 1977. Gross income has declined for the industry as a whole for the past 3 years. These statements, Mr. President, reveal the severe financial problems faced by the principal issuers of consumer credit. I hope hearings, in the very near future, can focus on the impact of these credit regulations and the efficacy of credit regulations themselves.●

Mr. PROXMIRE. Mr. President, it is my understanding the Senator from Massachusetts has an amendment to the amendment by the Senator from Colorado. In order that he may offer that amendment, I will yield back the remainder of my time if the Senator from Colorado wishes to yield back his time so the amendment would be in order.

Mr. ARMSTRONG. Mr. President, on the parliamentary situation, I have learned since I made my opening statement of the full import of the amendment to be offered by the Senator from Massachusetts. I thought there would be no controversy about my amendment. I gathered that the effect of the amendment about to be offered is, in effect, to vitiate my amendment. I would like to know, if I may inquire of the Chair, how I may retain time to debate the merits of my amendment.

Mr. PROXMIRE. If the Senator will yield, I have time in opposition to the amendment, and I will be happy to yield to the Senator.

Mr. ARMSTRONG. I appreciate the Senator's courtesy. On that basis, I will yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

Mr. HEINZ. If the Senator will yield, it is my understanding that this is a perfecting amendment.

Mr. PROXMIRE. No; it is a substitute.

Mr. TSONGAS. It would be a substitute amendment.

Mr. HEINZ. Mr. President, it is my understanding that a substitute amendment could be offered at any time. There is no particular need for either the Senator from Colorado or the Senator from Wisconsin to yield back his time.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. I believe that, in order for the Senator from Massachusetts to offer his amendment, it is necessary for us to yield back our time on the amendment of the Senator from Colorado. Is that correct?

The PRESIDING OFFICER. The Senator is correct. All time is yielded back.

Mr. HEINZ. I thank the Senator from Wisconsin.

UP AMENDMENT 1118

(Purpose: To amend the Armstrong unprinted amendment to express the sense of the Senate that the Commitee on Banking, Housing and Urban Affairs should no later than June 30, 1981, report legislation to revise and modernize the Credit Control Act of 1969)

Mr. TSONGAS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. TSONGAS) proposes an unprinted amendment numbered 1118 to unprinted amendment numbered 1117. In lieu of the language proposed to be inserted, insert the following:

It is the sense of the Senate that prior to June 30, 1981, the Committee on Banking, Housing, and Urban Affairs should report legislation revising and modernizing the Credit Control Act of 1969.

Mr. TSONGAS. Mr. President, I feel quite strongly that the Senate should avoid being a party to any attempt to repeal the Credit Control Act through the COWPS legislation now before us for several reasons. First, the act is now being used quite effectively to curb the extension of money and credit and to reduce inflationary expectations. I have sat on the Banking Committee long enough and heard enough concern expressed by parties concerned over inflation, to know that inflation is the major threat to our economy and to our lifestyle. Therefore, I find this kind of amendment rather surprising.

Any more to repeal the act while it is being used will be interpreted by the domestic and international money markets as counter to the fight against inflation.

Second, the Federal Reserve's attempts to control money growth during the past several years have mainly failed because they ignored credit expansion that was taking place. Even though money, for example, credit, became more expensive, it was generally available. Arthur Okun called it "expensive easy money." Early this year, business loans were growing at a 25-percent annual rate.

Third, we should not rely on high interest rates alone to exert monetary restraint. The costs to the economy in terms of serious stress for small business, farmers, real estate, and so forth, is clearly very high.

Finally, high inflation is likely to be with us for many years. The chairman of the Banking Committee said recently, in the committee, that he expected inflation and the fight against it to be with us throughout this decade.

As such some standby authority such as in this act is essential at least as a "club in the closet," to have if needed to stop speculative credit surges.

I find it somewhat awe inspiring that my colleagues come to us today lamenting that the Credit Control Act of 1969 authorizes powers that permit infringement upon the free market for capital and, as such, is an intrusion on the free enterprise system. Only a short 3 months ago, the prime interest rate soared to 20 percent, mortgage rates rose above 16 percent, and yet we saw both consumer and business borrowing as well as retail purchasing continuing unabated.

At that time, people spoke of the "new inflation psychology" and its effect on credit markets. We witnessed economic players who refused to accept the premise that high interest rates would slake the economy's thirst for funds and, as such, they were committed in their pursuit of credit at whatever interest rates lenders demanded, sadly convinced that tomorrow's rates would be higher. I do not think that is subject to argument.

The clamour from the business community during this period was quite clear. What was needed was swift powerful action to stem this inflationary tide. It had become apparent that price alone was not slowing the rate of borrowing down. Moreover, without strong action, our business leaders assured us that a host of disasters would be upon us. These included:

A further expansion and continuation of the depression experienced by the auto and housing markets as highly priced credit precluded households from entering these markets.

Alarming levels of small business bankruptcies due to their being priced out of the capital markets.

Significant amounts of lost agricultural productive capacity as sky-high rates prevented many farmers from securing funds to finance their spring planting.

Widespread failures of both thrift institutions and small commercial banks. Those on the Banking Committee know quite well how close we came to that eventuality.

Banks locked into low-yielding mortgages, losing thousands of dollars of deposits to money market funds daily and compelled to borrow short term at rates above 20 percent earnestly warned us that they would soon draw down their capital assets and many of them would face insolvency problems.

I cannot imagine any Member of the Senate who was not talked to by members of his banking community at home in terms of how close they came to the edge of the abyss. In short, we faced a situation where it was essential that we effect significant monetary restraint or we faced major economic dislocation.

Then the Credit Control Act was imposed in March. Most businessmen and economists feared that the actions taken would not do the job. There was genuine concern that the steps taken were not sufficient to rescue us from our inflationary expectations. Of course, the record shows that they worked. The complaints now are that they worked too well.

Retail credit was constrained and purchases slowed in concert, money market funds were required to keep reserves and their slowdown in growth provided a sigh of relief from thrifts; corporate borrowing then began to drop, and the recessionary psychology began to set in.

Recession as a cure for inflation is surely a Faustian bargain. I, for one, certainly do not advocate the levels of massive unemployment necessary to deal with our present level of underlying inflation. Nevertheless, I think everyone would agree that some cooling of the economy was necessary. Furthermore, everyone must recognize how effective actions taken under the Credit Control Act of 1969 were. To listen now to the argument from Senators on the floor about intrusion into free capital markets is to forget the nearly averted crisis of just 3 months ago.

At this point I wish to read an article from Sunday's Washington Post.

> NEW YORK.—President Carter's controversial March 14 anti-inflation program has produced visible results in mollifying at least one of the nation's more influential constituent-groups: It has eliminated the turmoil in the beleaguered financial markets.
>
> Although the administration still is not drawing any ticker-tape parades here for its handling of the economy, there is widespread agreement on Wall Street that the March 14 actions have successfully resuscitated the credit markets and averted a possible crash.
>
> The bond market, described as near collapse before the March 14 package, has bounced back smartly and is functioning smoothly again. Interest rates are plummeting from their record highs. Stock prices are up visibly from April's levels. And virtually all major financial indicators are showing relative strength.
>
> "The rebound has been dramatic," says Henry Kaufman, the respected Salomon Brothers economist whose warnings about the bond market were one of the key factors that precipitated the administration's March 14 turnabout. "The markets," he says, "are breathing a cyclical sigh of relief."

Why can we not rely on high interest rates alone? Several events have occurred, legislative actions by Congress and new policy prescriptions by the Fed, that warrant actions in addition to open market operations:

First. With the lifting of regulation Q and usury ceilings the credit markets are increasingly moving toward complete allocation of funds based only on interest rates and ability to pay.

I think we should understand the road that leads to:

This will tend to allocate credit toward big and away from small users;

This will tend to drive interest rates to higher and higher levels, if inflation is not brought under control, during each successive business cycle; and

Very high interest rates have the potential for causing serious structural damage in the economy.

Second. Federal Reserve is responsible for controlling growth of the monetary aggregates, ignoring the credit aggregates. There are times, and the past 9 months is a perfect example, when controlling money alone is not sufficient.

Jawboning by the Federal Reserve to limit credit growth does not work. A perfect example is the last October 6 request by the Fed to the banks to limit credit expansion; and

There needs to be some permanent machinery that can be used to slow the growth of the aggregates without sole reliance on interest rates.

Third. Inflation is not likely to go away quickly which means that the economy will need to have continuing disciplinary measures applied in various areas. This is especially true in the credit area because of the tax treatment of interest expenses and the low propensity to save.

There is a rather high correlation between increases in nominal income and borrowing;

The personal savings rate is low because of inflation, and it will be very difficult to stimulate savings through tax incentives because of that and because of the high budgetary cost;

Savings might be increased if the use of credit by consumers were reduced.

Fourth. The Credit Control Act as it is now written gives the Federal Reserve very broad powers, perhaps too broad. But, the act does require that the President make the decision that it be invoked. And, the March action was implemented by Presidential order which gave the Fed rather specific guidelines as to what it could do. If there is a feeling that the implementation of the Act has been abused, it is the implementation that should be corrected—not the existence of the act itself.

Mr. President, I recommend that my colleagues not join in this attempt to repeal the act. The appropriate action instead is to have hearings on the issue.

It would be bad public policy to eliminate this power, as the Armstrong amendment asks us, without a thorough review. Therefore, I send to the desk an unprinted amendment, as a susbtitute amendment to the Armstrong amendment and ask it be considered by my colleagues.

I also point out that last week and this week, as well, when we deal with the import quota fee, the Senate will show that although it is not capable of tough action, it is capable of preventing the President from tough action.

It seems to me that occasionally when I am presiding over the Senate and look at all the Members of this body who have run for the Presidency, or would like to do so, that, in fact, if any of us were to be in the Oval Office, given the times and the problems we face, we would simply have to have tools.

This body is referred to as the greatest deliberative body in the world. Perhaps that is true. It was never described as the greatest action body in the world, because that is not the way the system was set up.

It seems to me, if we are incapable of

doing what is necessary to deal with these problems, at least let us not then go ahead to prevent the President from the action necessary to deal with the economic crisis before us.

I contend that if any Members of the Senate were sitting in the Oval Office, with the responsibility to do something about the economy, they would find themselves in rather strong opposition to the removal of this weapon that the President has to deal with the problem of inflation.

Mr. President, I ask unanimous consent to have an article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

WALL STREET AGREES ANTI-INFLATIONARY MOVES HAVE HAD SOME SUCCESS

(By Art Pine)

New York.—President Carter's controversial March 14 anti-inflation program has produced visible results in mollifying at least one of the nation's more influential constituent-groups: It has eliminated the turmoil in the beleaguered financial markets.

Although the administration still is not drawing any ticker-tape parades here for its handling of the economy, there is widespread agreement on Wall Street that the March 14 actions have successfully resusciated the credit markets and averted a possible crash.

The bond market, described as near collapse before the March 14 package, has bounced back smartly and is functioning smoothly again. Interest rates are plummeting from their record highs. Stock prices are up visibly from April's levels. And virtually all major financial indicators are showing relative strength.

"The rebound has been dramatic," says Henry Kaufman, the respected Salomon Brothers economist whose warnings about the bank market were one of the key factors that precipitated the administration's March 14 turnabout. "The markets," he says, "are breathing a cyclical sigh of relief."

As usual, however, the hiatus is being spoiled by analysts' perennial worrying about how long the current stability can last. Experts caution the government's policies will face another test a few weeks from now over whether the Federal Reserve Board is willing to allow interest rates to edge up again.

"The real question," one insider muses, "is whether the rebound actually is genuine or is only a rally in the bear (weak) market. What we think is that it's a bear-market rally and nothing more. We don't have much confidence that in the long-run inflation will abate."

That the markets should have bounced back in response to the president's package is, of course, only right from Washington's perspective. After all, it was almost solely the threat of collapse in the bond market that prompted the administration to take the March 14 actions in the first place.

The turmoil came after Carter unveiled his new January budget, which showed larger-than-expected deficits for both fiscal 1980 and 1981. The markets, fearing a speedup in inflation, immediately panicked and went into a tizzy. The bond market took a sharp dive.

Carter's reaction was two-pronged: He revamped the new budget to eliminate the fiscal 1981 deficit. And he ordered the Federal Reserve Board to impose credit controls to help dampen consumer spending. The spending spree by consumers had been adding to inflationary pressures for more than a year.

The result was to push the economy more rapidly into recession and ultimately break the inflationary fever. To the surprise of most economists, consumers reacted sharply to the Fed's new restrictions and virtually stopped buying. Abruptly, the economy fell into a deeper-than-expected slide.

The resulting economic slide brought about a drop in loan demand and, eventually, a turnaround in interest rates. Within days, the bond market's slide was arrested and stock prices began rising again. Meanwhile, the Fed managed to rein in the money supply. Inflation expectations had been dealt an effective blow.

The irony is that for all the political backfilling that Carter's actions required, they are being dismissed here as "not really necessary, in retrospect"—on grounds that the economy already was headed into a recession. If anything, some now say, the steps only intensified the decline.

"The March 14 package was a lot like Ford's WIN program—it hit the cycle as it turned," says Barton M. Biggs, research director of the Morgan Stanley and Co., investment house. "The recession already had begun and the bond market was ready to turn. What this did was convert the decline into a free fall."

But others, while conceding that Carter's actions might seem unneccessary now, dismiss conjecturing as hindsight, and insist the president had no choice but to act dramatically because it still wasn't clear then that the recession was about to begin.

"To say that it wasn't really necessary is an unfair judgment," says George McKinney, senior vice president and chief economist of Irving Trust Co. "There was no way you could have been sure in March that the recession was coming in earnest. The predicted downturn had eluded us through all of 1979."

The results, in any case, have been dramatic:

Bonds: The bond market, portrayed as being on its deathbed in March, has regained its old zip and then some, with the yields borrowers pay on A-rated industrial bonds plunging from 14.25 percent in late March to 11.75 percent now and still falling.

Perhaps more important there has been a virtual explosion in the volume of new issues, with $3.2 billion worth offered in April and the May total now expected to approach $5.8 billion—far beyond the previous $4 billion record of March, 1975. (The April-May average is more than 2.3 times that of the first quarter.)

And analysts report that most of the new borrowing is long-term, designed to pay off existing short-term debt rather than to finance day-to-day operations as was the case before the recent turnaround—a far healthier pattern that ultimately could help pave the way for the next expansion.

Interest rates: The rates for 90-day Treasury bills, the most visible form of short-term interest rates, have more than halved over the past two months to 7.7 percent, down from a record 15.5 percent in mid-march. Rates on 90-day certificates of deposit have fallen to 8 percent, from 18 percent in March.

Gold and commodities: Last January's frenetic speculation in gold and commodities investments has cooled considerably in the face of the March 14 credit restrictions. Analysts say in both cases the fever seems simply to have disappeared.

Gold prices now are back into the $500-an-ounce range, from $875 at their January peak, while in commodities the key metals price index has plunged from a February peak of 760 percent of its 1967 average to 380 percent. And there's considerable speculation that they have not hit bottom yet.

Stocks: Buoyed by the sharp drop in interest rates—and the hope that that will limit the depth of the current recession—investors have begun returning to the stock market. The result: a minor rally, with the Dow Jones Industrial Average climbing from a low in April of 759.13 to 850.85 on Friday.

Commercial paper: With bank interest rates still relatively high, firms have turned to the use of commercial paper—a form of corporate IOU—to finance their transactions. The boomlet has subsided some now that banks have begun offering large borrowers a discount on the posted interest rate. But it's still strong.

Housing; Real estate: With the new drop in interest rates and the relaxation of credit restraints, there are new opportunities again for investment in real estate—albeit not at the previous pace. Analysts believe most investors—and lenders—will continue to be cautious.

The dollar: Mainly because interest rates here now are below those abroad, the dollar has declined recently. But the dip has not been as bad as some had anticipated. Expectations of a drop in the U.S. inflation rate—and continued improvement in the trade balance—are easing the slide.

The figuring now is that, except for a possible few more percentage-points on the prime, interest rates generally won't dip much below their current levels—if only because the underlying rate of inflation is expected to remain in the 9 to 10 percent range, even if consumer prices slow.

Rather, what Wall Street seems most worried about now is how the government will perform in what analysts see as the next major test for policymakers: Will the Fed allow interest rates to inch back up again later this summer, or simply "cave in" to political pressures and keep rates low?

The pressure to allow interest rates to rise is expected to come from several quarters:

The Fed now is trying to reverse the recent contraction in money-supply growth. When it finally succeeds, interest rates could begin to edge up again. And the dollar likely will continue to decline. At some point, the central bank will have to move to bolster the U.S. currency, and that means higher rates, too.

Kevin Hurley, financial markets forecaster for Chase Econometrics, predicts the government soon may have to face a time when interest rates begin edging upward before the economy actually starts recovering from the recession—an unusual phenomenon that could leave policymakers in a serious fix.

The betting among experts here is that Fed Chairman Paul A. Volcker will stick by his announced intention of tightening or easing monetary policy primarily by controlling bank reserves—and allowing interest rates to fluctuate widely as the market dictates.

But analysts fret that if the Fed intervenes and prevents rates from rising, it could be interpreted here as a signal that the government is caving in to election-year pressures and giving up the anti-inflation fight. That, in turn, could set off another spin.

There also is some concern here over what Congress will do when it finally becomes clear that the fiscal 1981 budget will not be balanced as touted and that the recession really is going to be deep. If the lawmakers move quickly to a massive tax cut, experts say the red-ink figure easily could top $50 billion.

In the meantime, however—in marked contrast to three months ago—Wall Street is finally enjoying a bit of calm. It may be, as Irving Trust's McKinney says, that the new health in the markets is more "a response to change economic conditions than a nod of approval" for Carter's policies.

But as Salomon Brothers' Kaufman concludes, although "history will record it as a kind of overkill, that's a narrow way of looking at events. An overt action was required to really shake inflationary expectations. We had reached the point where gradualism didn't work anymore."

Mr. TSONGAS. Mr. President, I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, in my time in opposition to the amendment, I say that this act has been used rather moderately, but it could have been used most abusively. It could have been used, in effect, to close down the housing industry, if that had been the disposition on the part of the Federal Reserve Board, not simply the President, he delegates the authority and the Federal Reserve does what it wants, not the President.

Mr. President, what was done was to provide for a 15-percent reserve requirement on revolving consumer credit, and 15-percent reserve requirement on the assets of money market mutual funds.

As a matter of fact, that increase immediately cut the return for savers. It was not an anti-inflationary effect. It was an effect that discouraged people from saving money, especially small savers using the money market mutual funds.

Mr. President, the most expert observers expect the credit control actions that the Federal Reserve has taken will be over, certainly, by the end of this year, maybe earlier than that.

The Board has recently cut in half the actions they have taken already since March, only a couple of months after they took their action. Conditions have changed and will continue to change.

For that reason, I think we can expect that the actions we take in closing this down by next July, that is more than a year away, would not disturb the market because, as I say, the market would expect the Credit Control Act actions would be over far earlier than that.

Mr. President, the Credit Control Act is used, in effect, as a means of allocating credit. That is what it does. Some people defend that and say that is what we should do.

We tried to get away from that and let the market do it in recent years. That is why the Banking Committee recommended, and the Congress agreed, to repeal regulation Q, which was a means of trying to allocate credit in a particular way.

I do not see how anybody can argue that the credit control actions taken under the act have had a desirable effect already on the economy. That may have deepened the recession, to some extent, by inhibiting buying.

But, Mr. President, the recession itself has certainly been the overwhelming factor, the overwhelming factor in reducing the demand for credit, and therefore, reducing the price of credit, on interest.

Interest rates have gone down. They are bound to go down. We had the sharpest drop last month, or the month before, in April, that we have ever had in the history of the country. There are 10 economic indicators. I have never seen a time when all 10 pointed either up or down. This time they did that. They all went down.

Under those circumstances, it would be a miracle if interest rates did not fall. Of course, they would. They always fall when the demand for credit diminishes. Here it diminished in a big hurry, as we all know. It virtually dried up for housing and automobiles. We can see that. When that happened, of course the interest rates fell. They are still falling.

I do not know how anybody can argue that this was the result of the Credit Control Act invocation.

I do not think anybody wants the kind of recession we are moving into. The New York Times estimated yesterday that by the fourth quarter of this year, unemployment will be 9.3 percent, probably higher than it was in the worst recession we have had since the 1930's, when it was 9 percent. This time it will be higher than 9 percent.

If that is what we want from economic policy, I would be very surprised.

At any rate, what we are trying to do is simply to reconsider an act that is far too broad, gives too much power to the Federal Reserve.

It is true it gives an extra tool to the President of the United States. We could give him all kinds of power. We could give him the power to invoke wage and price controls. We could give him much greater power over the American people. But our function as Congress is to recognize that the great genius of the Constitution is separation of powers, the limitation of powers, and the fact that we give powers carefully, under guidelines; and we have not done that in this case.

So I hope for that reason that the amendment by the distinguished Senator from Massachusetts is not accepted and that the amendment by the Senator from Colorado is adopted.

Mr. President, I yield 5 minutes to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator yielding.

I regret that the Senator from Massachusetts has brought forward his amendment, because it really puts us in a position of voting indirectly on something which it would be must better to vote on directly, and that is the question of whether or not we want to sunset the Credit Control Act of 1969. I do want to sunset that act for all the reasons previously stated.

However, the chairman has been very restrained in his characterization of the potential for abuse under this act.

It is true that in its single utilization to date—that is, the March 14 order of the Federal Reserve Board—it was done with great care and great concern for the rights of everybody concerned, and I have no particular objection to it. In fact, I do not think it had much effect on the credit situation in the country. But within the provisions of the Credit Control Act of 1969 are the tools which someone who is so minded could easily use to create an economic police state. It is that consideration that recently prompted Dr. Arthur Burns, the former Chairman of the Federal Reserve Board, to make this direct observation:

> There is no higher priority of Congress than repealing the Credit Control Act of 1969.

I do not happen to give the repeal of this act quite the very high priority that Dr. Burns does, but he underscores the importance of the issue we are dealing with here today.

This is not a technical question or a trivial question. I have not called for the immediate repeal of this act. As a matter of fact, I moved in committee to repeal the act on the effective date of this bill, and I did not have the votes to get it done.

I have been persuaded, in consultation with the distinguished chairman and others, that the way to go at this is not with a meat ax but with a scalpel and to provide time for hearings to be held and for a sunsetting procedure more than a year down the pike. That is why I have agreed to July 1 of next year, rather than calling for immediate repeal, as Dr. Burns and others have advocated.

We should not kid ourselves. This is not a technical or banking issue. It is not only of interest to economists. This affects every businessman, every bank, every financial institution, and all the consumers of the country.

In my judgment, the Credit Control Act should not have been enacted in the first place, because it gives far too much broad gauge, unguided discretion to the Federal Reserve Board. It literally provides the Federal Reserve Board the authority to regulate "any and all extensions of credit when necessary for the purposes of controlling inflation" and "to prohibit or limit any extension of credit under any circumstances the Board deems appropriate."

I believe Senators will agree that this is unnecessarily broad. Perhaps they will agree that it is not an exaggeration to say that, under the right circumstances and with someone so inclined, it is enough to virtually create an economic police state.

The chairman pointed out that this came into existence for consideration by the Senate when it was hooked on as a rider. It was believed at the time the bill was signed into law that it never would be implemented, and the President stated at the time that he had no intention of implementing it. This provision sat dormant for 11 years, until March 14 of this year.

How has the program which the Federal Reserve Board announced on March 14 actually worked out? The six-point program—four of which invoked the Credit Control Act of 1969—really has not fulfilled its intended purpose.

On paper, credit controls are simple. They simply direct bankers to restrain credit, allowing each bank to say how it is accomplished. In reality, it is a nightmare. It is so unworkable that they had a series of explanations, with questions and answers, and the answers by bankers that came back to the questions, which were put by the Federal Reserve Board, have been: "This matter is under development." In other words, "We do not have the answer yet." But the regulations are binding, and they are binding in a way which nobody can explain satisfactorily at this time.

In the meantime, the people supposedly complying with this act are subject to a fine of $1,000 a day or a year in jail for violating provisions of an act which cannot be explained by the people who promulgated the rules and are supposedly enforcing the provisions.

As a matter of fact, to date, the Board has issued four sets of questions and answers about the program. Again and again, the response that shows up in their guidelines is, "This question is currently under consideration."

It seems to me that the lesson is obvious. The Federal Reserve Board cannot make more thoughtful judgments than the marketplace can. It is ill equipped to make these judgments.

As a matter of fact, this development really should have been no surprise to the Federal Reserve Board. It knew, probably better than anyone else, the philosophical, practical, and economic objections which are certain to follow any control program.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ARMSTRONG. Will the chairman yield me time?

Mr. PROXMIRE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes on the amendment.

Mr. PROXMIRE. I yield the Senator 2 minutes.

Mr. ARMSTRONG. Shortly before he became the Chairman, Paul Volcker told Congress that he favored repeal of the Credit Control Act.

Read what Federal Reserve Board member Nancy Teeters told the Senate Banking Committee just 1 year ago:

> There is little need to risk the market distortions, administrative burdens and complexities and problems of equity that are inherent in credit controls.

Many other observers, both in Government and in the private sector—consumer groups, banking groups, business groups—have announced these controls as inherently unworkable, inherently unfair and, in their very essence, a violation of the kind of traditions of economic policymaking on which this country has relied wisely over the years.

For these reasons, I think it would be a good move for us to repeal the credit controls now, today, this minute. It never should have been enacted in the first place. I have not suggested doing that. I have suggested, as a practical accommodation to those who want to have one more go-round on this, who want time to phase this out, the sunsetting concept that will bring the act to an orderly end on July 1 of next year.

I hope my colleagues will support my amendment and defeat the substitute of the distinguished Senator.

The PRESIDING OFFICER. The time allotted to the Senator from Massachusetts has expired.

Who yields time?

Mr. PROXMIRE. Mr. President, how much time does the Senator desire?

Mr. TSONGAS. Mr. President, how much time did the proponent of the amendment have in the first place?

The PRESIDING OFFICER. Fifteen minutes.

Mr. PROXMIRE. If the Senator desires more time, I will give him time on the bill.

Mr. TSONGAS. Mr. President, a parliamentary inquiry. I assume that I did not speak for 15 minutes in my opening statement. It was about six pages long.

The PRESIDING OFFICER. According to the Parliamentarian's clock and the Parliamentarian's interpretation of his clock, it is to the contrary.

Mr. TSONGAS. Mr. President, a further parliamentary inquiry. There have been several speakers on the other side, and I am the only one who has spoken on this side. Has any of the time used by the other speakers been allocated to my time?

The PRESIDING OFFICER. It is the Chair's understanding that all the time the other speakers used was taken from the time allotted to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield the Senator such time as he may require, on the bill, if he wishes to speak.

Mr. TSONGAS. I appreciate the Senator's offer.

I perhaps am suffering from a Northern drawl, and it takes more time than I anticipated.

The PRESIDING OFFICER. We have observed that.

[Laughter.]

Mr. PROXMIRE. How much time does the Senator desire?

Mr. TSONGAS. Five minutes.

Mr. PROXMIRE. I yield 5 minutes on the bill to the Senator.

Mr. TSONGAS. Mr. President, I wish to point out two things to my colleagues.

First, in judging the Credit Control Act, the normal process around here, which is time tested and I think makes a great deal of sense, is simply to have the committee go back, hold hearings, or go through an extensive investigation and then come forth with suggestions for a more finely tuned process.

What Mr. ARMSTRONG suggests is the sort of pendulum theory of politics, swinging wildly from one extreme to another.

I believe the issue here is whether there is any room for moderation, that what we need to do is take what is good about a law and take out what is bad as opposed to throwing out the baby with the bath water.

I would be more sympathetic to Senator ARMSTRONG's approach if the credit controls that were imposed had not worked, but that is not the case. It is so easy to forget the farmers, construction workers, real estate agents and the like who comprise the group most affected by a tight money policy and the high interest rates such a policy promises.

I grant that there may be problems with the Credit Control Act. But we can deal with these problems through my substitute which instructs the Banking Committee to go back and hold hearings and come back with a refined package, if indeed that is the collective wisdom of the Banking Committee.

How are we going to indicate to the world economic community and to the business community in this country that we are serious about dealing with inflation when as soon as we do something that works we go out and willy-nilly withdraw the powers that permit operation of that mechanism.

I would argue that this is a very hamhanded approach.

The amendment by the Senator from Colorado does not become effective until next year. My amendment mandates the committee or requests the committee to go back, hold hearings, fashion a package that, if you will, removes those parts of the act that are objectionable but keeps in place those parts of the act that happen to be good for this country.

And why we insist on going ahead with this pendulum approach—now we have it, now we do not—no mechanism for moderation, no mechanism for rather thoughtful process, is beyond me.

Mr. President, I hope we will not arrive at the point when the only action available for monetary restraint is restricting the money supply and precipitating high interest rates. For then you and I will be sitting in our offices with a steady stream of farmers, small businessmen, people in construction, and real estate agents, those people who are the least likely to be able to withstand those high interest rates, demanding that we take action to help them.

What the Credit Control Act has done is to spread out, if you will, the impact of tight monetary policies to other parts of the economy.

So I say to all of my colleagues who have been making statements concerned with farmers, small businessmen, the construction industry, the auto industry, and so forth, if they are really concerned about it, here is a mechanism that happened to work to protect their constituency. I think it would be somewhat ironic, now that these controls have been demonstrated to work, that we turn around and withdraw the powers. My substitute would simply instruct the Banking Committee do its job, which it can do quite well, and come back with a package that does not throw out the baby with the bath water in a decade which will know high inflation and needs the mechanisms to deal with it.

I thank the Senator from Wisconsin for yielding me the time.

Mr. ARMSTRONG. Mr. President, I am about to make a point of order against the Tsongas amendment, but I wish to assure myself before I do so.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. PROXMIRE. Mr. President, I yield the Senator 2 minutes on the bill.

Mr. ARMSTRONG. Mr. President, I wish to assure myself before I make the point of order that the Senator from Massachusetts has completed his argument on the merits of the amendment. I gather his statement is complete.

Mr. TSONGAS. I have.

Mr. ARMSTRONG. Mr. President, I therefore make the following point of order that the amendment which is offered by the Senator from Massachusetts is not germane neither to the bill nor to my amendment for which it is a substitute.

The PRESIDING OFFICER. The point is well taken.

The amendment of the Senator from Massachusetts does introduce new subject matter and therefore is not germane.

The question recurs on the amendment of the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I ask for a division vote.

The PRESIDING OFFICER. All those in favor stand up and be counted.

Mr. TSONGAS. Mr. President, I demand the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second on the motion for the yeas and nays?

Mr. PROXMIRE. Mr. President, the Senator asks for the yeas and nays. I think out of courtesy he should have the yeas and nays.

I ask for the yeas and nays on the Armstrong amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The amendment will be set aside until after the time for voting at 2 p.m.

AMENDMENT NO. 1778

(Purpose: To require the Council on Wage and Price Stability, in calculating allowable price increases for the remainder of its second program year and during its third program year, to employ a more realistic measure of productivity changes)

Mr. HEINZ. Mr. President, I call up my printed amendment No. 1778.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an amendment numbered 1778.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following:

SEC. 6. Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(d) In calculating allowable price increases for the remainder of the current program year and for the next succeeding program year, the Council shall use, as the adjustment for productivity changes to the midpoint of the second year pay standard (8.5 per centum), the average growth in nonfarm output per man-hour in the private sector from 1973 through 1979 (0.5 per centum), as measured by the Bureau of Labor Statistics.".

AMENDMENT NO. 1778 (AS MODIFIED)

(Purpose: To specify the standard to be used by the Council on Wage and Price Stability in calculating allowable price increases)

Mr. HEINZ. Mr. President, I ask unanimous consent to modify my amendment in accordance with what I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment is as follows:

At the end of the bill add the following:

SEC. 6. Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(d) The Council shall not prescribe an annual average price increase guideline lower than the percentage obtained by subtracting the average annual growth in nonfarm output per man-hour in the private sector since 1973, as measured by the Bureau of Labor Statistics and stated as a percentage, from the average annual wage increase permitted under the voluntary wage standard, stated as a percentage.".

Mr. HEINZ. Mr. President, the amendment at the desk basically is designed to insure that the Cost of Living Council when it calculates the all-purpose price standard use a productivity estimate that is reflective and realistic of the present business cycle.

For that reason, the amendment essentially directs the Council to use an annual average figure for nonfarm output per man hour in the private sector as measured by the Bureau of Labor Statistics since 1973.

Let me review reasons for this amendment.

First. In its bipartisan annual reports of the past 2 years, the Joint Economic Committee of the Congress has identified improving productivity as the "economic linchpin of the eighties." The JEC, among numerous other observers, has cited the fact that American productivity improvement—traditionally second to none—has been poor for a number of years. In fact, during 1979 productivity growth was actually negative, declining by 1.1 percent.

Second. The best way to fight inflation, the JEC has asserted, is not to induce a recession—needlessly and wastefully throwing millions out of work. Instead, the best way to attain both lower prices and higher levels of employment is to out-produce the rate of inflation.

Third. To out-produce inflation, according to the JEC, we need to do the following things. We need stable fiscal and monetary policies—not massive budget deficits and not erratic monetary policy. We need a comprehensive export policy—so that we import jobs at the same time that we increase the sales of American goods overseas. We need comprehensive regulatory reform—including cost-benefit analysis of proposed regulations; weeding out duplicative, contradictory, and overly burdensome regulations; sunsetting all Federal regulations; and a regulatory budget to put a cap on the costs that Federal regulatory agencies can impose on the private sector. And—perhaps most importantly—we need to correct the biases in our tax system which punish rather than reward savings and investment—the savings and investment needed so that we can have higher productivity, more jobs, and less inflation.

Fourth. Despite the near unanimity of opinion that the longrun cure for inflation is increased productivity, the one Government agency dedicated to fighting inflation—our only Government anti-inflation program, the Council on Wage and Price Stability—has largely ignored the root causes of inflation: Government actions and declining productivity. Instead, the so-called anti-inflation program run by the Council on Wage and Price Stability seems largely predicated on a myth.

The myth is this: that inflation results from the wage demands of workers and their unions seeking to keep pace with the rising cost of living and from businesses raising their prices to keep pace with spiraling costs. I do not believe that either workers or businessmen are the primary cause of inflation, and it troubles me that our anti-inflation program in effect seeks to pin the blame for inflation on those people who are in fact its worst victims.

Fifth. To correct this bias in COWPS' activities, I understand that my distinguished colleague from Texas, the chairman of the Joint Economic Committee, Senator BENTSEN, will offer an amendment directing COWPS to establish an Office of Productivity. I support that effort, and as a complementary measure, I am introducing a productivity growth standard amendment, No. 1778. This amendment would require the Council on Wage and Price Stability, in calculating allowable price increases for the remainder of its second program year and during its third program year, to employ a more realistic measure of productivity.

This measure is the average annual growth in nonfarm output per man-hour in the private sector since 1973, as measured by the Bureau of Labor Statistics: 0.5 percent, the trend over the current business cycle. This compares with the productivity trend growth figure that COWPS now employs, the 10-year average from 1967 to 1977, or 1.75 percent—a figure that grossly overstates the long-term productivity trend over the current business cycle.

Sixth. Briefly, the goals of this amendment are these:

First, to acknowledge—by adopting a realistic figure in the standards themselves for productivity growth—that the decline in productivity growth is a serious problem—a problem with significant implications for the rate of inflation and for U.S. competitiveness.

Second, to provide a more equitable nexus between the pay and price standards than COWPS has rendered to date because of its unrealistic assumption of productivity growth—the figure COWPS uses, 1.75 percent, compares to productivity growth of minus 1.1 percent during 1979 and the longrun trend over the current business cycle, 0.5 percent.

Third, to adopt a realistic basic price standard so that more companies—two-thirds during COWPS' first program year—are not forced off the basic price standard and onto 1 of 13 exceptions to the basic price standard; these exceptions allow higher price increases than does the basic price standard but are extremely cumbersome and costly to comply with. Companies should not have to employ an army of accountants and lawyers to comply with a supposedly "voluntary" program—and may simply "volunteer" out of the program if the nuisances and costs associated with the program continue to escalate.

Fourth, to reduce the bias in the standards themselves against savings and investment. Because the basic price standard allows price increases which are much lower than wage increases and other cost increases, the effect of the basic price standard—for those 34 percent of the firms monitored not fortunate enough to qualify for one of the "loopholes"—is to reduce business profits. In fact, during COWPS' first program year, corporate profits as a share of national income declined from 10 percent to 9.3 percent. As profits are reduced, so are savings and investment. The result: productivity declines, and inflation accelerates.

I might add that a number of smaller firms not covered by COWPS' monitoring efforts now adhere to the basic price standard—partly out of a sense of patriotic duty and partly out of fear that they, too, will become subject to the declines. As the economy enters a recession, the cost-price squeeze which adherence to the guidelines imposes on these smaller firms could jeopardize their survival.

Point No. 1: The trend productivity growth figure employed by COWPS is unrealistic.

First. To compute the average basic price standard, COWPS subtracts from average allowable wage increases under the guidelines—8.5 percent—actually, this figure should be higher because of the way in which COWPS costs COLA provisions—an assumed average change in productivity—1.75 percent—the average annual growth rate of productivity over the 10-year period from 1967 to 1977. This yields an average price standard of 6.75 percent. This average allowable price increase compares with allowable wage increases of up to 9.5 percent under the guidelines—and, in the case of contracts with COLA provisions, wage increases as great as whatever the CPI happens to be are still allowable under the guidelines.

Second. The productivity growth figure employed by COWPS ignores the fact that since 1973, over the current business cycle, there has been a long-term downward trend in productivity growth. Since 1973, productivity growth has averaged between 0.45 percent and 0.55 percent, depending upon which Bureau of Labor statistics series one uses—see attached JEC statistics. A number of other observers have also documented this trend, which is generally acknowledged within the economics profession:

COWPS itself, in a February 27, 1980, memorandum to its Price Advisory Committee, stated:

> It should be emphasized that these (second year) calculations use last year's assumptions about employment taxes and trend productivity growth. In fact, employment tax increases should add about one-fifth of a percentage point less than last year . . .; on the other hand, evidence is accumulating that 1¾ percent is a significant overstatement of the trend productivity growth. The effect of revising these two assumptions would, on balance, be a further relaxation of the price standard.

Data Resources, Inc., completed an econometric study documenting the post-1973 decline in productivity in March 1979, well before the second year standards were constructed.

Dr. Edward Dennison and Prof. John Kendrick, the Nation's two leading productivity experts, have also acknowledged the decline in their recent work.

The Joint Economic Committee of the Congress has acknowledged the post-1973 decline, as have numerous economists testifying before various congressional committees.

Articles published in academic journals such as the Journal of Finance, and in Fortune and the Economist, have concluded that there is a new trend productivity growth figure in the post-1973 period.

Third. In short, COWPS' use of the 10-year average productivity growth figure is absolutely indefensible. In his May 21 letter to Senator PROXMIRE, R. Robert Russell, COWPS director, states:

> Trend productivity growth rather than current productivity growth is the relevant productivity factor in the pricing decisions of firms. This is correct—but the figure COWPS uses, the average from 1967 to 1977, captures two quite different long term trends, not the long term trend over the current business cycle. As Mr. Russell states in his letter, in determining how to measure trend productivity growth, ultimately, judgment plays a major role.

Point No. 2: Because of unrealistically low productivity assumptions, COWPS' pay and price standards do not bear a reasonable nor an equitable relationship to one another.

First. What COWPS has done in its second year pay and price standards may make some political sense but makes no economic sense whatsoever. With respect to wage increases allowable under the guidelines, COWPS has in effect said, "the sky—or at least the CPI—is the limit." At the same time, COWPS has clamped down heavily on price increases while also proposing to increase the costs and nuisance associated with COWPS' program by stepping up price monitoring efforts.

Wage increases of up to 9.5 percent are allowable under the guidelines. And in the case of multiyear contracts containing COLA provisions, wage increases as high as whatever the CPI happens to be are allowed under the guidelines.

In contrast, average price increases under the guidelines are held to 6.75 percent.

Second. COWPS rejected the recommendations of its own Price Advisory Committee for a relaxed, more equitable basic price standard to take into account the increased wage increases allowed under the guidelines. At the same time, COWPS accepted its Pay Advisory Committee's recommendations that allowable wage increases under the guidelines be greater than in the past.

Third. To the extent the COWPS' guidelines are not perceived to be equitable or realistic, the credibility of this agency is further reduced. Moreover, these inequities increase the possibility that the "voluntary" program will not receive the cooperation necessary for it to continue.

Point No. 3: Because the basic price standard is so unrealistically low, most companies are forced off the basic price standard and onto one of 13 complicated, cumbersome, and costly exceptions to the basic standard.

First. According to COWPS, during the second program year only 34 percent of those firms monitored by COWPS were on the basic price standard; 28 percent were on the profit margin exception: 24 percent were on one of three gross margin exceptions: and the remaining 15 percent were on one of eight exceptions to the basic price standard—percentages add up to 101 because of rounding.

Second. The basic price standard itself is costly to comply with: TRW, Inc., spends an estimated $1 million per year complying with the price—and pay—guidelines. Compliance with these various exceptions is even more costly. These added unnecessary regulatory costs are inflationary. Companies should not have to hire an army of accountants and lawyers to find loopholes in the basic standard.

Third. Liberalizing the basic price standard via a productivity adjustment would not necessarily mean higher prices on average. Instead, it would simply mean that more companies could take advantage of the basic price standard—reducing compliance costs and preserving the simplicity which the "voluntary" program was originally intended to provide.

Point No. 4: Because of the unrealistically low productivity figure factored into the price guidelines, COWPS' price guidelines are inherently biased against savings and investment—and are consistent with an anti-inflation program only if one believes that the best way to fight inflation is by inducing a recession.

First. Because the unrealistically low level of allowable price increases does not allow companies to pass on rising labor and other costs, the effect of the standards is to reduce savings and investment.

During COWPS first program year, price increases of 5.75 percent were allowed under the standards. In contrast, unit labor costs increased 10.1 percent.

The unrealistically low productivity assumption, 1.75 percent, does not allow firms to pass on the additional labor and other cost increases allowed, and in some cases, encouraged under the standards.

The result is, of course, reduced profits. In fact, during COWPS first program year, corporate profits as a share of national income declined from 10 percent to 9.3 percent.

Their profits reduced, companies thus have available fewer resources for investment in new plant and equipment—the new plant and equipment necessary to increase productivity, to provide more jobs, and to reduce inflation over the long term.

Second. As the economy enters a recession, it is especially important that adequate capital for recovery and expansion be available. The effect of the structural bias in the basic price standard will be, by reducing savings and investment, to increase the severity of the recession.

To summarize, Mr. President, quite simply, the present numbers used by the Council on Wage and Price Stability simply do not reflect reality. They are using a productivity growth rate increase of 1.75 percent when virtually every economist will tell you, including the year 1973 and since, our annual rate of increase in productivity has been running somewhere 0.45 and 0.55 percent, in other words, at one-third the rate that the Council on Wage and Price Stability says it has been running.

It is a fact that in its bipartisan annual reports the past 2 years the Joint Economic Committee has identified improving productivity as the economic linchpin of the 1980's and they have, as have many economists, identified the fact that productivity growth has been declining and indeed in 1979 it was actually negative declining by 1.1 percent.

Furthermore, the Joint Economic Committee has asserted that the way to fight inflation is not to induce a recession as the Carter administration seems to have successfully done. This is needlessly wasteful.

The PRESIDING OFFICER. The Senator from Pennsylvania will allow me to interrupt.

The hour of 2 o'clock having arrived, under the previous order, the yeas and nays were ordered for a rollcall vote at the stroke of 2 p.m.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXTENSION AND EXPANSION OF COWPS

Mr. ROBERT C. BYRD. Mr. President, the legislation reported by the Banking Committee to reauthorize and expand the Council of Wage and Price Stability as particularly important in light of recent negative news on the state of the economy.

As statistics roll in indicating that the recession might bite deeper than many analysts had predicted, the great ray of hope on the economic front is the unprecedented plummet in interest rates. Nothing is more critical to the effort of turning the economy around than keeping interest rates from skyrocketing again.

And nothing is more directly linked to the long-term pattern of interest rates than the rate of inflation. To the extent that the Council on Wage and Price Stability can encourage moderation of wages and prices, the economic impact of this small agency can be enormous.

On March 14, after extensive consultation with the congressional leadership, the President announced a series of steps, including the balancing of the Federal budget, designed to stabilize financial markets which were in near chaos. The measures were designed to break an expectation of even higher prices and interest rates, and to reassure the public that the U.S. Government was not a rudderless ship in a stormy economic sea.

One initiative announced by the President at that time was increased funding for COWPS in order for the agency to more intensively monitor pricing activity. Increased price monitoring is intended to prevent the "underlying" rate of inflation from being permanently "ratcheted up" by the spurt of inflation generated by energy and housing costs.

The series of initiatives announced on March 14 which includes balancing the budget, imposition of selected credit controls, and the COWPS funding increase has had a dramatic impact on interest rates. Rates have fallen so quickly that the Federal Reserve is currently dismantling the credit controls which helped to break the dangerous consumer psychology that one could borrow oneself into prosperity.

We are not talking about massive amounts of money for the Council on Wage and Price Stability. Under S. 2352 as reported by the Banking Committee, the funding for COWPS would increase to $13.7 million in fiscal year 1980 and to $25 million in fiscal year 1981.

There are few Federal expenditures which can be more cost-effective than this increase. If the COWPS's wage and price activity results in simply 1 percentage point less in the inflation rate, that will translate into billions of dollars of economic activity generated by the lower interest rates which a lower inflation rate will generate.

To the extent that the Council has been criticized, it has been charged with doing too little. But it can hardly be expected to have much of an impact with a price monitoring staff of 89 persons, including clerical as well as professional employees.

During a meeting with a distinguished group of America's business leaders representing the Business Roundtable, I was assured that COWPS had had a real, tangible impact on the rate wage increases. Clearly, it is easier to control wages, which are often negotiated industry-wide, than to control prices.

The bill before us will help to fortify the Government's campaign against inflation. I commend the Banking Committee for increasing funding for the Council, and urge my colleagues to support this important, modest increase in funding for the Council on Wage and Price Stability.

Mr. President, I ask unanimous consent that after the first rollcall vote the two back-to-back rollcall votes be 10 minutes each.

Mr. BAKER. Mr. President, reserving the right to object, and I will not, that request has been cleared on our side, and we have no objection.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1116

The question is on agreeing to the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Ohio (Mr. METZENBAUM), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Arkansas (Mr. PRYOR), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Delaware (Mr. ROTH), and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from Wyoming (Mr. SIMPSON) would each vote "yea."

The PRESIDING OFFICER (Mr. BRADLEY). Are there any other Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 54, nays 26, as follows:

[Rollcall Vote No. 160 Leg.]

YEAS—54

Armstrong
Baker
Baucus
Bayh
Bellmon
Boren
Boschwitz
Bradley
Burdick
Byrd,
 Harry F., Jr.
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton

Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Heflin
Heinz
Helms
Huddleston
Humphrey
Jepsen
Kassebaum
Laxalt
Leahy
Lugar
McClure
Melcher

Mitchell
Moynihan
Nunn
Percy
Pressler
Schmitt
Schweiker
Stafford
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—26

Bentsen
Biden
Byrd, Robert C.
Cannon
Chiles
Hollings
Jackson
Javits
Johnston

Levin
Magnuson
Mathias
Matsunaga
Morgan
Packwood
Proxmire
Randolph
Riegle

Sarbanes
Sasser
Stennis
Stevenson
Stewart
Talmadge
Tsongas
Williams

NOT VOTING—20

Bumpers
Chafee
Church
Cranston
Culver
Durkin
Gravel

Hatfield
Hayakawa
Inouye
Kennedy
Long
McGovern
Metzenbaum

Nelson
Pell
Pryor
Ribicoff
Roth
Simpson

So Mr. HEINZ' amendment (UP No. 1116) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Kansas. The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be a 10-minute rollcall.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Ohio (Mr. METZENBAUM), the Senator from Wisconsin (Mr. NELSON), the Senator from

Rhode Island (Mr. Pell), the Senator from Arkansas (Mr. Pryor), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Ribicoff) and the Senator from Rhode Island (Mr. Pell) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Oregon (Mr. Hatfield), the Senator from California (Mr. Hayakawa), and the Senator from Wyoming (Mr. Simpson) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) and the Senator from Wyoming (Mr. Simpson) would vote "yea."

Mr. PROXMIRE. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 39, nays 42, as follows:

[Rollcall Vote No. 161 Leg.]

YEAS—39

Armstrong
Baker
Bellmon
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Garn
Glenn
Goldwater
Hatch
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Melcher
Packwood
Percy
Pressler
Roth
Schmitt
Schweiker
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Young

NAYS—42

Baucus
Bayh
Bentsen
Biden
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
DeConcini
Eagleton
Exon
Ford
Hart
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Leahy
Levin
Magnuson
Mathias
Matsunaga
Mitchell
Morgan
Moynihan
Nunn
Proxmire
Randolph
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Williams
Zorinsky

NOT VOTING—19

Bumpers
Chafee
Church
Cranston
Culver
Durkin
Gravel
Hatfield
Hayakawa
Inouye
Kennedy
Long
McGovern
Metzenbaum
Nelson
Pell
Pryor
Ribicoff
Simpson

So Mr. Dole's amendment (No. 1786) was rejected.

Mr. HEINZ. Mr. President, what is the pending business of the Senate?

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Colorado.

Mr. PROXMIRE. Mr. President, I move to reconsider that vote by which the Dole amendment was rejected.

Mr. EXON. I move to lay that motion on the table.

Mr. HEINZ. Mr. President, I ask for the yeas and nays on the motion to table the motion to reconsider.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. What is the vote to occur?

The PRESIDING OFFICER. The vote is on the motion to table the motion to reconsider by which the amendment was rejected.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Idaho (Mr. Church), the Senator from California (Mr. Cranston), the Senator from Iowa (Mr. Culver), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Ohio (Mr. Metzenbaum), the Senator from Wisconsin (Mr. Nelson), the Senator from Rhode Island (Mr. Pell), the Senator from Arkansas (Mr. Pryor), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Ribicoff) and the Senator from Rhode Island (Mr. Pell) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Oregon (Mr. Hatfield), the Senator from California (Mr. Hayakawa), and the Senator from Wyoming (Mr. Simpson) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) and the Senator from Wyoming (Mr. Simpson) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 40, nays 40, as follows:

[Rollcall Vote No. 162 Leg.]

YEAS—40

Baucus
Bayh
Bentsen
Biden
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
DeConcini
Eagleton
Exon
Ford
Hart
Heflin
Hollings
Huddleston
Jackson
Javits
Leahy
Levin
Magnuson
Matsunaga
Mitchell
Morgan
Moynihan
Nunn
Proxmire
Randolph
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Williams
Zorinsky

NAYS—40

Armstrong
Baker
Bellmon
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Garn
Glenn
Goldwater
Hatch
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Mathias
McClure
Melcher
Packwood
Percy
Pressler
Roth
Schmitt
Schweiker
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Young

NOT VOTING—20

Bumpers
Chafee
Church
Cranston
Culver
Durkin
Gravel
Hatfield
Hayakawa
Inouye
Johnston
Kennedy
Long
McGovern
Metzenbaum
Nelson
Pell
Pryor
Ribicoff
Simpson

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The question recurs on the motion to reconsider.

Under the agreement, there will be 10 minutes on each side on the motion to reconsider.

Who yields time?

Mr. HEINZ. Mr. President, it seems to me that the issue that we have to decide on this amendment is whether or not the Congress wishes to go on record as favoring coercion.

The amendment of Senator Dole and Senator Armstrong is aimed at trying to take away de facto wage and price authority for mandatory controls from the Council on Wage and Price Stability as it occurs in the Procurement Act.

It seems to me, Mr. President, that the issue is very clearcut and this is really a test vote on wage and price controls.

The issue on the motion to reconsider before us will be whether or not we wish to reconsider the previous action by which the Senate narrowly defeated, by three votes, the Dole-Heinz-Armstrong amendment taking coercive authority away from the so-called voluntary program.

There is an opportunity, therefore, by voting "aye" on the motion to reconsider, to reverse the earlier judgment of the Senate, which may be read by many, indeed should be, as a move toward a coercive system of wage and price controls which would fall, not just on prices, but on wages, as well.

It has been my understanding, although this subject is in dispute, that the AFL–CIO does not agree with the use of procurement policy to enforce the administration's so-called voluntary program. I had been told earlier that they had strongly supported this amendment.

I hope that information is correct.

I will yield 4 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, if we may reserve our time and let Senator Proxmire——

Mr. HEINZ. Mr. President, we reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time?

The Senate will be in order.

Mr. PROXMIRE. Mr. President, I hope the Senate will vote not to reconsider and will vote "no" on the motion to reconsider this amendment.

This amendment would take out whatever teeth we have left in the voluntary wage-price standards program. It would mean that the President and the Council on Wage and Price Stability would be without any force whatsoever, without any ability to command respect.

The fact is that what this amendment would do would not be to amend the COWPS legislation we have or the bill that is before us. It would amend the 1949 Procurement Act.

What does that act do? It gives the President discretion to protect, in advance, the Government interests, including the interests of the United States in all procurement, to see that its suppliers are not, over the long run, increasing its costs. That is all it does.

This would mean that the President could not do that with respect to encouraging compliance with wage and price standards.

Nobody is required to abide by wage and price standards if they do not want to sell to the Government. Nobody is required to do this as a penalty of going to jail if they do not. This is a limited way of getting action. Moreover, there is ample precedent.

The most specific example was when President Kennedy did this back in 1962, when the steel industry was going to blow apart his guidelines. He used his procurement authority very effectively and it commanded respect and got results and helped to hold down the increase in steel prices.

The PRESIDING OFFICER. The Senate will be in order. Will Senators please take their seats?

Mr. PROXMIRE. Mr. President, it has been said that the AFL–CIO supports this amendment. There is no current evidence that they support the amendment. Whether they support the amendment or not may be important to some Senators, but I say that on the basis of the information we have at the present time, there is no evidence that they do support it.

This amendment would bind the hands of the President, every Federal official, every agency, from even seeking to get compliance with the anti-inflation program. It is a back-door amendment to the Procurement Act of 1949. That is an act under the jurisdiction of the Committee on Governmental Affairs, not under the jurisdiction of our committee.

Mr. President, I will read from the statement of the appeals court, which was asked, in a court suit, to set aside these sanctions. This was their response, and I think it is an eloquent and a thoughtful response:

> The people of this country are experiencing a cruel period of economic inflation. In an effort to relieve the distress caused by that inflation, Congress has authorized the President to issue wage and price standards and to encourage voluntary compliance as an act of good citizenship. The President has pursued this goal through his statutory authority over government procurement. Given this cooperative effort by the legislative civil executive branches of our government, it would be ironic indeed for the third branch to ignore the legal basis for the program challenged here and hold that the President may not deny government contracts above $5 million to those who flout the voluntary standards.

Mr. President, we should recognize that there is no way we can find inflation that is painless. Whatever we do is going to hurt—whether it is monetary policy that makes interest rates higher or fiscal policy that means a tighter budget and means the denial of funds to many activities of our Federal Government that are good and serve a useful purpose, or whether it is this kind of action.

If we mean to fight inflation, we should not gut and destroy the ability of this agency to get some response.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Will Senators please take their seats?

Mr. DOLE. Mr. President, anyone who is for wage and price controls should not vote to reconsider the vote. Anyone who is against wage and price controls—and I thought most everyone in this body was, as I read the RECORD over the past few months and read the statements of candidates in various States. This is a vote on wage and price controls.

You cannot have it both ways. You cannot say, "We are against wage and price controls but we want sanctions on business and labor."

This is a wage and price control vote.

I understand that Jane O'Grady, the legislative counsel of the AFL–CIO, is now on her way to the Capitol with a letter from the AFL–CIO supporting the Dole amendment. When that letter arrives, we hope it will be made available to our colleagues in the Senate.

Make no mistake about it: This is not some irrelevant amendment. It goes right to the core of our Nation's economic health. If we want wage and price control, we should say so, right now.

The distinguished chairman of the committee states that he is against wage and price controls, but he really is not against wage and price controls. He is against calling it wage and price controls.

If we can impose controls or sanctions through the back door, in some backhanded method, we will not have to worry about being for or against wage and price controls. We can say, "I'm not for wage and price controls. I'm just for economic sanctions."

What is the difference? If you are Mobil Oil Co. or Hyatt Hotels, or whatever business or labor group, and the President still can impose sanctions and withhold Government contracts, that is mandatory. What choice does one have?

I agree with the chairman that maybe there should be some teeth in the law. But we should stand up and vote for or against wage and price controls. That is really all this vote is.

Those who want wage and price controls should not support my amendment. But those who are against wage and price controls—and I have heard a lot of rhetoric coming from all over the country about opposition to wage and price controls—should support the amendment. If you are for wage and price controls, you vote against my amendment. If you are against wage and price controls, you vote for the amendment. That is all. It is really quite simple.

I think Senators will find that organized labor, small business, and large business ask Congress to say "yes" or "no." We cannot have it both ways. We cannot say we are against controls and at the same time endorse controls.

Mr. President, I yield 1 minute to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I certainly hope we will reconsider our vote and that we will proceed to adopt the Dole-Armstrong-Heinz amendment.

Wage and price controls never have worked. Whenever they have been imposed, with very rare exceptions, under patriotic circumstances, the results have been shortages, economic dislocations, and black markets.

What we have at present is worse than overt, explicit wage and price controls, because these are selective wage and price controls, wage and price controls imposed without the guidelines of statute and at the whim of administrators—and, in my view, in violation of the intent of Congress.

So, for both economic and constitutional reasons, I support the pending amendment and hope the Senate will support it.

Mr. HEINZ. I yield myself 1 minute.

Mr. President, I do not think anybody should be under any illusions as to what is involved here.

As recently as March 21 of this year, on White House stationery, Terrence O'Rourke—and this was put in the RECORD earlier by Senator GARN—sent a memo to Alfred Kahn which states at the beginning:

> Summary: To fulfill the President's commitment to vigorous and tough application of the anti-inflation guidelines. We must develop a coordinated program to penalize corporate violators of the price standards of the Council on Wage and Price Stability.

The document goes on at length to detail the variety of means by which the administration may coerce compliance with the so-called voluntary wage and price standards.

The issue is exactly as described by Senator DOLE. If you are against his amendment, you are giving the authority to the administration, carte blanche, saying, "Go ahead and use everything in your power to keep people in line on both wages and prices."

Most of us were in public office back in 1971 and 1972, and we remember the wage and price control policies then. I will say one thing about them: They worked just fine on wages, but they did not work on prices. Anybody who thinks you can really make them work on anything but the workingman is probably fooling himself.

So I hope my colleagues will vote to reconsider and will then adopt the Dole amendment.

I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, the issue before us is not mandatory wage and price controls. There is no way it is mandatory wage and price controls. It is not back door; it is not front door; it is not side door; it is not through the basement or through the ceiling.

The authority which Senator DOLE wants to abolish is the same kind of authority that we had under President Kennedy and under President Johnson which was used very sparingly but used as a club in the closet to get some kind of cooperation.

Mr. President, the Council on Wage and Price Stability develops and implements the wage-price standards, and there is nothing in the law that gives them any kind of power to impose any fine or put anyone in jail. All they can do is to appeal to people as patriotic Americans to try to cooperate.

In addition to that, I wish to read what the Procurement Act provides, "* * * the interest of the United States in all procurement to see that its suppliers are not over the long run increasing its costs."

This is what we are trying to overcome with the Dole amendment. Certainly should not every President of the United States have the right to try to work for wages and prices which will hold down the cost of his own procurement? That is all we are asking for here.

That is why the Dole amendment should be defeated and why we should not reconsider it.

The fact is, and it should be very clear to everyone, if they are against inflation they are against the Dole amendment. The Dole amendment will gut the wage-price guidelines and make inflation worse.

We documented the fact while this has been only limited and moderate in its assistance in holding down inflation it has helped some, and the Dole amendment would gut whatever little we have.

Mr. President, I hope we will not reconsider.

Mr. PERCY. Mr. President, will the Senator yield 1 minute?

Mr. DOLE. We do not have a minute remaining.

Mr. HEINZ. Mr. President, I yield 20 seconds to the Senator from Illinois. We do not have much time.

Mr. PERCY. Mr. President, this type of provision in the bill simply always implies we are going to have wage and price controls. It is inflationary in itself. If we cull it out, it will help lessen the feeling that we are going to have wage and price controls.

So I agree with my distinguished colleague from Kansas.

Mr. DOLE. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from Pennsylvania has 50 seconds remaining, and the Senator from Wisconsin has 2 minutes and 40 seconds remaining.

Mr. HEINZ. Mr. President, I reserve the remainder of my time.

Mr. DOLE. We just lost 10 seconds.

Mr. PROXMIRE. Mr. President, I am ready to yield back my time whenever the distinguished Senator uses his time.

Mr. DOLE. I am willing to yield back my time and I wish to suggest the absence of a quorum when we do that.

The PRESIDING OFFICER. Does each side yield back its time?

Mr. HEINZ. Is there anyone else who wishes to speak on our side?

Why does not the Senator use the remainder of my time?

Mr. PERCY. Mr. President, we all are certainly against standby controls. We recognize that standby controls of themselves are inflationary. Any time the business community feels there is the possibility of wage and price control, or the labor community feels that, there is always anticipatory wage demands and anticipatory price increases.

Therefore, this power which exists which is really not used is not necessary and not needed, but as long as the coercion is there then the possibility exists that we might have wage and price controls, "let us jack them up just a little bit now so we get under the wire." We should remove every single implication. The President said he does not want them. Congress said we do not want them. For heaven's sake, let us move away from them as rapidly as possible and take away the authority that has not been used.

Mr. PROXMIRE. Mr. President, using my time, I have great respect for the Senator from Illinois, but it is just nonsense to say that these are wage-price controls or pending wage-price controls.

The fact is that we have had this procurement law on the books since 1949 and no one has argued in that period that it is going to bring on wage and price controls.

Mr. President, I yield back my time and I shall suggest the absence of a quorum.

Does the Senator wish to suggest the absence of a quorum or not?

Mr. ROBERT C. BYRD. Senators will have to yield back their time first.

Mr. HEINZ. Not yet.

Mr. DOLE. Then take time off the bill. We still have time on the bill.

Mr. HEINZ. Can we on the amendment?

Mr. DOLE. Yes.

Mr. HEINZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HEINZ. Is it in order to yield time on the bill to continue the debate on the issue?

The PRESIDING OFFICER. The Senator from Pennsylvania may yield time on the bill.

Mr. HEINZ. Mr. President, I yield such time as he may require to the Senator.

Mr. BOSCHWITZ. Mr. President, I shall take only a few seconds to further the views of my colleague from Illinois to say that as soon as the price controls are lifted my experience in business, particularly remembering the last time controls were on, is that everyone goes through another round of increasing prices which they wish to make sure they get the prices up before anyone gets the idea of putting controls on again. So not only does the threat of controls, the actuality of controls cause people to raise prices, as soon as those controls are lifted the prices rise once again beyond the rate of inflation.

I yield back to the Senator from Pennsylvania.

Mr. DOLE. Mr. President, will the Senator yield to me time on the bill?

Mr. HEINZ. Mr. President, I yield up to 5 minutes' time on the bill to the Senator from Kansas.

Mr. DOLE. Mr. President, I think the record should be clear and earlier this morning when only three Senators were present we were discussing whether or not this amounted to wage and price controls, and we discussed some of the provisions in a Cabinet economic policy group memorandum dated March 24, 1980 which indicated very clearly we are talking about sanctions and very implicit sanctions against any company or anyone for that matter who violates "voluntary" wage and price guidelines.

There is nothing voluntary about it. If the Government can impose sanctions on labor or business, then, in effect, we do not have voluntary guidelines.

As the Senator from Kansas indicated this morning, he does not have any brief for Mobil Oil Co. I assume they are able to take care of themselves. But here are some of the things COWPS suggest on Mobil Oil Co.

Reimpose mandatory price controls on Mobil's crude oil and/or petroleum products. Prohibit the phased decontrol of Mobil's crude oil production. Reallocate Mobil's crude oil and/or petroleum products to other companies who comply. Deny import licenses for imposing stiffer fees on oil imports.

I just ask the questions, whether it be Mobil Oil Co. or the business down the street, if these are the sanctions that can be imposed by the President, by the Council on Wage and Price Stability, does this not make this a mandatory program? What choice does one have? What are the alternatives?

That is why the Senator from Kansas repeats that he does not care how one casts it, it is still a wage and price control vote.

If one supports wage and price controls, then he should oppose the amendment offered by myself and the distinguished Senator from Colorado and the distinguished Senator from Pennsylvania. But if one is opposed to mandatory wage and price controls, then he should support the amendment because that is all the amendment does.

It only says we are not going to do those things that they suggest should be done in this confidential memorandum that escaped the White House.

Alfred Kahn, who is the chief COWPS administrator, indicates that those guidelines were too moderate so he proposes other sanctions that should be imposed, and these are some of those.

I again talk about Mobil Oil Co. since they are the only one contained in the White House memorandum.

It prohibits Mobil from selling entitlements or earning entitlement credit, reimposes mandatory price controls on crude oil, prohibits the phased decontrol of Mobil crude production, and reallocates Mobil crude oil and/or petroleum products.

This smacks of a mandatory approach as far as this Senator is concerned and it not only applies to oil companies but to all who violate the guidelines.

There is a release from the White House suggesting that so far as the Hyatt Regency is concerned they should have been ineligible to bid on Government contracts of $5 million or more because they were found out of compliance.

This Senator does not quarrel whether or not we should have compliance. The question is do we want wage and price controls? Do we want, as the Senator from Illinois suggests, to indicate that somehow we are getting ready to impose wage and price controls and therefore one should increase his prices?

Mr. President, this is a letter from the AFL–CIO dated June 2, that just arrived at my desk:

> We also urge your support for the Dole amendment barring the use of economic sanctions to enforce wage and price guidelines. The use of such sanctions would transform a supposedly voluntary program into an illegal form of mandatory control. If the Congress is serious about an equitable program of economic controls, then it should take the responsibility of mandating such a program across the board covering all forms of prices and all forms of compensation, interest, dividends and rents.

This is the letter that just arrived.

I shall ask unanimous consent to have it printed in the Record. It is hot off the press. It is dated June 2. It is opposed to this effort by the chairman to defeat our amendment. It is from the American Federation of Labor and Congress of Industrial Organizations, signed by Ray Denison, director, department of legislation. It does add the support of AFL–CIO.

Mr. President, I ask unanimous consent that the letter to which I have made reference be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

American Federation of Labor and Congress of Industrial Organizations,
Washington, D.C. June 2, 1980.

Dear Senator: The Senate is currently debating S. 2352, a bill to increase the authorization for the Council on Wage and Price Stability and to extend the duration of the Council through September 30, 1981.

The AFL–CIO has repeatedly urged the Congress not to extend the life of the Council. Extension and large increases in the budget of the Council are simply not warranted. Throughout its existence this agency has given the public a false sense of action; narrowly focusing on wages while price increases have gone on unabated. Further, the real inflationary forces are beyond its scope.

Since, as we believe, there is no justification for the continued existence of COWPS, there is certainly no justification for the increased authorization levels in S. 2352. We, therefore, urge you to at least support the Heinz amendment to cut back those authorizations.

We also urge your support for the Dole amendment barring the use of economic sanctions to enforce wage and price guidelines. The use of such sanctions would transfer a supposedly voluntary program into an illegal form of mandatory control. If the Congress is serious about an equitable program of economic controls, then it should take the responsibility of mandating such a program across the board covering all forms of prices and all forms of compensation, interest, dividends and rents.

The AFL–CIO also urges the defeat of the Armstrong amendment to repeal the Credit Control Act of 1969. Credit controls have proven to be an effective inflationary-fighting alternative to sole reliance on tight money—high interest rate policies. Implementation of this Act in mid-March helped to reduce the prime rate from 20% to 14%, Treasury bill rates from over 17% to about 8% and mortgage interest rates from about 16% to about 12%. First use of this credit control authority, eleven years after its enactment, showed that it is a valuable tool for use at appropriate times in fighting inflation. It must not be repealed.

Sincerely,

Ray Denison,
Director,
Department of Legislation.

Mr. DOLE. Mr. President, I hope that based on this support and the focus by more Members at this point on whether or not we want mandatory wage and price controls, we will vote to reconsider our vote and then vote for the so-called Dole-Armstrong, Heinz amendments.

The PRESIDING OFFICER. The Senator's time is up.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. DOLE. On no one's time.

Mr. PROXMIRE. This is unanimous consent. The Senator cannot do that.

Mr. DOLE. We can always request a quorum. The Senator cannot deny us a quorum.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair inquires of the Senator on whose time?

Mr. HEINZ. Mr. President, I ask unanimous consent that it be on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOLE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the amendment was rejected. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Idaho (Mr. Church), the Senator from California (Mr. Cranston), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Wisconsin (Mr. Nelson), the Senator from Rhode Island (Mr. Pell), the Senator from Arkansas (Mr. Pryor), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Ribicoff) and the Senator from Rhode Island (Mr. Pell) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Oregon (Mr. Hatfield), the Senator from California (Mr. Hayakawa), and the Senator from Wyoming (Mr. Simpson) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "yea."

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote who have not voted?

The result was announced—yeas 38, nays 45, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—38

Armstrong
Baker
Bellmon
Boschwitz
Byrd,
Harry F., Jr.
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Garn
Glenn
Goldwater
Hatch
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Melcher
Packwood
Percy
Pressler
Roth
Schmitt
Schweiker
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Young

NAYS—45

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Culver
DeConcini
Eagleton
Exon
Ford
Hart
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Leahy
Levin
Magnuson
Mathias
Matsunaga
Metzenbaum
Mitchell
Morgan
Moynihan
Nunn
Proxmire
Randolph
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Williams
Zorinsky

NOT VOTING—17

Bumpers
Chafee
Church
Cranston
Durkin
Gravel
Hatfield
Hayakawa
Inouye
Kennedy
Long
McGovern
Nelson
Pell
Pryor
Ribicoff
Simpson

So the motion to reconsider was rejected.

UP AMENDMENT NO. 1117

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Colorado (Mr. Armstrong), unprinted No. 1117. The yeas and nays have been ordered and the clerk will call the roll. The rollcall is limited to 10 minutes.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Idaho (Mr. Church), the Senator from California (Mr. Cranston), the Senator from New Hampshire (Mr. Durkin), The Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Wisconsin (Mr. Nelson), the Senator from Rhode Island (Mr. Pell), the Senator from Arkansas (Mr. Pryor), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut

(Mr. Ribicoff) and the Senator from Rhode Island (Mr. Pell) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Oregon (Mr. Hatfield), and the Senator from California (Mr. Hayakawa) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

Mr. ARMSTRONG. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 43, nays 40, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—43

Armstrong
Baker
Bayh
Bellmon
Boren
Boschwitz
Cochran
Cohen
DeConcini
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Levin
Lugar
Mathias
McClure
Melcher
Percy
Pressler
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stewart
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—40

Baucus
Bentsen
Biden
Bradley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Culver
Danforth
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Leahy
Magnuson
Matsunaga
Metzenbaum
Mitchell
Morgan
Moynihan
Nunn
Packwood
Randolph
Riegle
Sarbanes
Sasser
Stevenson
Stone
Talmadge
Tsongas
Williams

NOT VOTING—17

Bumpers
Chafee
Church
Cranston
Durkin
Gravel
Hatfield
Hayakawa
Inouye
Kennedy
Long
McGovern
Nelson
Pell
Pryor
Ribicoff
Stennis

So Mr. Armstrong's amendment (UP No. 1117) was agreed to.

(The following occurred later:)

Mr. HART. Mr. President, on the previous amendment offered by my colleague from Colorado, Mr. Armstrong, relating to determination of the credit control authority of the Federal Reserve Board, I voted in the negative. I was recorded by the clerk in the affirmative through, I am sure, no fault of the clerk, perhaps because of confusion in the Chamber.

The outcome would not be changed by the record being corrected on this matter.

I ask unanimous consent that I be recorded in the negative on the Armstrong amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. ARMSTRONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1778

The PRESIDING OFFICER. The question now recurs on the agreeing to the amendment numbered 1778 as modified.

Mr. HEINZ. Mr. President, I shall briefly summarize the goals of this amendment.

First, the goal is to acknowledge, by adopting a realistic figure in the standards themselves for productivity growth, that the decline in productivity growth is a serious problem, a problem with significant implications for the rate of inflation and for U.S. competitiveness.

The second goal is to provide a more equitable nexus between the pay and price standards than COWPS has rendered to date because of its unrealistic assumption of productivity growth the figure COWPS uses, 1.75 percent, compared with what, during 1979, was a productivity decrease of 1.1 percent and a long-run trend over the current business cycle of only 0.5 percent.

The third goal is to adopt a realistic basic price standard so that more companies are not forced off the basic price standard and onto one of 13 exceptions to the basic price standard.

At the present time, already, two-thirds of the companies reporting have been forced off of the basic price standard on to a gross profit or gross margin standard. Those are very cumbersome and costly to comply with.

The fourth and final goal is to reduce the bias in the standards themselves against savings and investment. Because the basic price standard allows price increases which are much lower than wage increases and other cost increases, the effect of the basic price standard—for those 34 percent of the firms monitored not fortunate enough to qualify for one of the "loopholes"—that is one of the other 13 categories—is, quite simply, to reduce business profits and, thereby, to reduce funds for investment in the kind of investments that might ultimately decrease inflation.

The result, in sum, is that, under the present way the Council is administering its program with the unrealistic productivity numbers, productivity will continue to decline and inflation will continue to accelerate.

I hope, therefore, Mr. President, that my colleagues will vote for our amendment.

Mr. PROXMIRE. Mr. President, I reluctantly oppose this amendment—reluctantly because I do have great respect for my good friend from Pennsylvania. What this amendment does is simply substitute the judgment of the Congress for the judgment of the technical experts who are qualified to determine a very, very complicated economic issue as to what the productivity factor should be.

All of us may have different ideas on something like this, but I think we should not do it on the basis of a vote on the floor of the House or Senate, but on the basis of technical experts deciding how this decision should be made.

What COWPS does now is use a 10-year average. Why do they do that? To cover at least, if they can, two full business cycles.

The proposal by the Senator from Pennsylvania would be to make it not a 10-year average, but a 6-year average, in effect.

COWPS uses 1.75 percent as a productivity factor linking wages and prices. During the last 10 years it has been about 1¾ percent. What Senator Heinz would do is have them use 0.50 percent.

That is far below the historic average of productivity in this country. As a matter of fact, through most of our history, it has been around 3 percent.

It would increase the price guidelines by 1.25 percent, which would mean an increase in inflation, or the price allowed per capita disposable income could decline as a result, in real terms.

Mr. President, the President's Advisory Committee has the issue of which productivity factor to use on its agenda and will carefully review the entire wage-price-productivity minus in designing the third-year standards.

I have a letter from the Executive Office of the President, Mr. Robert Russell. I will read very briefly from that letter in justifying the productivity factor used by the Council:

> The trend productivity growth rate of 1¾ percentage points is the annual growth rate of productivity over the ten year period from 1967 to 1977. All available evidence as well as economic theory suggest that trend productivity growth rather than current productivity growth is the relevant productivity factor in the pricing decisions of firms. There is less of a consensus, however, about how to measure trend productivity growth; ultimately, judgment plays a major role.

It goes on to say:

> It might be argued that, under the logic of the nexus between the pay and price standards, the price standard should be relaxed to reflect the observed decline in trend productivity growth (slightly less than one-half percentage point since 1977)—

That is, of course, the one-half percentage point in 1977 which the Senator from Pennsylvania uses:

> and/or the relaxation from the interim pay standard of 8 percent to the 8½-percent midpoint of the adopted range (as recommended by the Pay Advisory Committee). On the other hand, one can justify no change in the price standard on the following grounds: (1) the elimination of the need for a ½-percentage-point employment-tax adjustment offsets the ½-percentage-point relaxation of the pay standard, and (2) there is accumulating evidence of more slippage (about half a point) on the price side than on the pay side, and this offsets the decline in trend productivity growth. In any event, we have assured the Price Advisory Committee (and the public generally) that we will carefully examine the entire nexus (including, specifically, the productivity factor) in designing the third-year standards. Indeed, at your request, the Price Advisory Committee has added this subject to its near-term agenda.

So this is not a question of whether we have one productivity factor or another, as much as it is leaving discretion to the people who have the responsibility, expertise, competence, and objectivity to make this decision, based on the facts and based on careful analysis, and not based on some implications on eloquent pleas on the floor of the House or the Senate.

It seems to me if we want an anti-inflation agency that will be able to operate in a professional way, on the basis of careful analysis, we should reject this amendment and agree that the agency can be effective, with discretion, and particularly when they can justify the productivity factor they used so well based on its longer period and the fact that productivity like inflation and unemployment, and other statistics, can vary immensely from year to year, or for even a period of 2 or 3 years.

So if we take a short period, as the Senator from Pennsylvania would do in his amendment, we are much less likely to have an accurate and honest productivity element for use here.

So I hope, Mr. President, that the Senate will reject and vote "no" on the Heinz amendment.

Mr. HEINZ. Mr. President, I yield such time as may be required by the Senator from New York.

Mr. JAVITS. Mr. President, I support this amendment. I think it is a very good one because it focuses on the real problem facing this country.

Mr. President, with all respect for budget balance, and I have joined in it and will again, and with all respect for everything else we can do, the best thing for defeating inflation here, in the industrial nations of the world, is for us to focus on productivity. Without a real increase in productivity we will be unable to avoid passing on wage increases to consumers through higher prices. We cannot mask our sharp decline in productivity growth by using unrealistic productivity growth trends lines. While the Heinz amendment would, in the short term, lead to a relaxed price standard, it would also spur us to do more for productivity.

It is true, as the chairman of the Banking Committee has said, that the present standard has been adopted by experts in the agency.

Well, we are supposed to be experts, too, and we know what is wrong. Their figuring, like the figuring of lots of others in the administration on economics, has been wrong. So we have a right and a duty to correct it.

I do not know whether the Heinz formula is precisely right or wrong. But I have some clues. One clue is that this average, which the agency applies, is a 10-year average, and that shows a much higher rate of performance than the rate of performance currently.

The reason it does is because it is a 10-year average. It covers two business cycles, not one.

Mr. President, I would rather have our people face realistically what is really wrong and possibly accept a slightly higher short-term price standard.

Furthermore, all the specialists and experts who focus on productivity, Dennison, and Kendrick break up their productivity trend lines into pre-1943 and post-1973 periods. For example, I draw now on a study of the New York Exchange of January 1979, in which they break up the productivity growth trends into different postwar periods. One period is from 1948 to 1960; a second period from 1966 to 1973; and a third from 1973 to 1977.

Rather than the 1.75 percent increase that we have between 1967 and 1977, the New York Stock Exchange study has a rate of only 7 percent annual increase between 1973 and 1977; and if carried through to 1979 it will be worse, as demonstrated by the Heinz amendment. I think we have to take some initiative in respect to painting this picture on low productivity for the American people so they can see it, understand it, and act upon that knowledge.

Increasing productivity is most critical of all, for security. It is the most critical for breaking the back of inflation. It is the most critical for the American people so that they can pull up their socks and, at long last, grasp this and deal with it.

For those reasons, Mr. President, whether this is the optimum formula or not, I am for it.

I say to my colleagues, with all respect, I think it is the most important amendment to this bill.

Mr. PROXMIRE. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. Mr. President, the Senator from New York knows that there is no Senator for whom I have more admiration and respect than the Senator from New York.

He is a brilliant man. He is particularly acute in this area. He has been an outstanding proponent of improving productivity.

But, frankly, I cannot for the life of me see anything in the Heinz amendment that would have any favorable effect on productivity.

Whether we take a 0.5-percent standard or a 1.75-percent standard, as COWPS is using, it would seem to me it will not increase productivity, by itself.

As a matter of fact, if we take the lower standard, which the Senator from Pennsylvania would do, it would be possible for a firm to increase its prices without productivity more easily.

In other words, they could go along with a 0.5 percent productivity factor and that gives them more of an opportunity to increase prices with low productivity.

So I respectfully ask the distinguished Senator from New York how this amendment would increase productivity. If it would, maybe I will switch and support it.

Mr. JAVITS. I hope the Senator will.

My answer is this. Obviously, figures do not make productivity; but figures give a perception of what is productivity, and I believe that the figures as developed by the agency give a false perception of the reality.

Therefore, I am seeking a formula. This, as I said, may not be the optimum, but it is an effort to dislodge what is existing now, obviously, in the calculations of this agency. The perception has to be more realistic. I do not regard the 10-year perception as being realistic. Therefore, I am willing to try something else which is more realistic.

Mr. PROXMIRE. Why is it not more realistic to take a 10-year period with two business cycles involved, as the Senator explained in his statement, rather than to take a much shorter period and not be able to take this over the cycle and not recognize that productivity is something that, over the long pull, has tended, throughout our economic history, to be around 3 percent? The COWPS is now down to 1.75. The Heinz amendment would lower it to 0.5 percent. It seems to me that that is an extraordinarily pessimistic projection. If our productivity is that low, God help this country. We have to do better than that.

Mr. JAVITS. I emphasize and endorse what the Senator has just said—God help this country—because our productivity is that low.

The reason is that since 1973 we have had deep structural changes—for example, the raid on money by the OPEC countries. That is a very deep structural change. The fact that the people of this country, for the first time in my lifetime, have lost a great deal of confidence in their future—that is a big structural change. The fact our allies have become a lot softer on their own security in terms of cooperating to preserve it—that is a big structural change.

In short, I think the officials of the agency have chosen to give us a false picture of where we are with respect to productivity to force a wholly unrealistic price guideline. As a result, more and more companies have opted off the guideline because it does not mesh with reality.

Mr. HEINZ. Mr. President, I should like to amplify some of the comments between Senator JAVITS and Senator PROXMIRE.

Literally, the handwriting as to where we are in productivity is on the wall. The question is whether we are literate or illiterate, whether we want to read it or not.

The fact is that a large number of distinguished observers have looked at the reality that Senator JAVITS has brought into focus, quite properly. In the case of Data Resources, they have said that there is a clear documentation of the post-1973 decline in productivity. This study was published in March of last year.

Dr. Edward Dennison and Prof. John Kendrick, two of the Nation's productivity experts, also have acknowledged a decline in their recent work.

Lest the chairman of the committee feels that we are quoting outside experts, I refer the chairman to the Joint Economics Committee of Congress, which also has acknowledged, since 1973, this significant downturn in the growth rate of productivity.

Numerous economists have testified as such before a variety of congressional committees, not to mention articles published in academic journals, such as "The Journal of Finance," and in "Fortune," and "The Economist." All conclude that there is a new trend in productivity growth in the post-1973 period.

I do not understand the arguments against this amendment. As I understand the argument of the chairman, it is that we are somehow setting an arbitrary number. It is true that history has set an arbitrary number. Taking the period of 1973 through 1978, a 6-year period, as a measure of productivity growth, history has set the arbitrary number of one-half of 1 percent. But history is really what life is all about. What we do when we ignore it is ignore it at our peril.

Those who refuse to learn from the lessons of history, it has been said, are condemned to relive it. We do not want to relive the inflationary 6 years we have been through. We do not want to relive the recessions we have been through. We do not want to relive the budget deficits. We do not want to relive the stagflation we have been living with since 1973. Those who say that that has not been the case, that they do not understand it, simply have not looked at the facts, because the facts are written on the wall. If we refuse to see the handwriting on the wall, we know what will happen, and it is not good. Indeed, if we do not heed the handwriting on the wall, we will be reduced to the motto adopted a moment ago by the chairman of our committee—namely, God help this country, because we will not be doing much to help ourselves.

Mr. PROXMIRE. Mr. President, if this amendment were to be adopted, it would be inflationary. Why? Because as prices tend to go down, or at least the price rise tends to fall as it is doing in this recession now—and we hope that that element of the recession will continue—it will permit businesses to increase their prices, because the standards will be looser. They will let prices go up.

There is no question that this amendment weakens the price standards. There is no question that all the slippage consistently has been on the price side, not on the wage side. This would make it even worse.

I quote Barry Bosworth, who was head of this agency, a man who has been quoted widely today, and an economist we respect. He said:

> The problem, somehow, with this program has been that the price we were monitoring, and the price standards, have been too loose.

This amendment would make them looser. This amendment would permit prices to rise more than they have risen in the past. That is the consequence of the amendment—plus the fact that it would take out of the hands of the agency, which has the experts, the authority to determine what the productivity factor is and use it on the floor.

I have admiration and respect for my colleagues. They are all intelligent and thoughtful. However, I do not think many of us have had the opportunity to study productivity in the kind of detail we should, as well as the relationship between productivity and prices and productivity and wages, the way the people in this agency have done it.

I have not seen any documentation to establish the fact that, over the years, this agency and other agencies in the Government have been remiss or have been careless or have been incompetent or have been unprofessional in doing this.

So that above and beyond the effect of this amendment is the precedent we set here, that on matters of this kind we—Congress—are going to establish the figure that can be used by an agency. I think that is a very serious mistake.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HEINZ. I thank the Senator for yielding.

One thing the Senator has said that concerns me is his repeated argument that if the productivity number is set on the basis of the last 6 recorded years, it somehow will result in a higher rate of inflation. To make that assumption, one has to assume, I suppose, that if there are any price increases, all the price increases are somehow nonproductive, No. 1; that none of the money from the price increases goes into increased investment; and/or No. 2, that there is no such thing in the world as competition, that competition is either totally ineffective in regulating price or that the Justice Department or the Carter administration is incompetent in enforcing the rules of competition.

I do not think we need debate these points at length. The Senator has a point of view. Others have a different point of view. But I can tell the Senator from Wisconsin who is gravely concerned about the price standard what the consequences of failing to pass this amendment are going to be. There will not be anyone—any more companies—on the price standard. Everyone will go off the price standard and on to a more complex, more complicated, more costly standard.

Already two out every three firms have opted off the price standard.

So, when the Senator says that this will simply allow people to increase their prices, they can do that already. They are doing it already. All they do is they opt for 1 of the 13 other loopholes in this law.

The only difference with those loopholes is that they have to have a battery of accountants, lawyers, and consultants to show them the way through the Federal maze of regulations, and the result is, I fear, of failing to pass this amendment that instead of two out of every three people being off the price standard we will wake up tomorrow and 4 out 5, 5 out of 6, 9 out of 10 will be off the price standard and we will have merely complicated life for everyone.

My question to my good friend from Wisconsin, and I appreciate his yielding, is why be believes that firms will simply not opt off the price standard or to some other more complicated, more complex standard simply as a means of recouping their costs in view of the fact that the price standard with the 1.75 productivity adjustment is so unrealistic?

Mr. PROXMIRE. Mr. President, as the Senator points out, the fact is that some of them have taken that option and they may take that option in the future. Neither the Senator from Pennsylvania nor the Senator from Wisconsin can predict what is going to happen to prices or productivity for that matter over the next several years.

The fact is, however, that this will result in one of the options being looser and easier than a prior price standard and an opportunity, therefore, to comply with the standard and still have higher prices if they move to the standard the Senator from Pennsylvania suggested. There is just no question about that.

As far as competition is concerned, Mr. President, if we could rely on competition, we would not need this act at all. Some people think we do not need the act at all. Those people who take that position are those who assume that we do have competition and perfect competition throughout the industry. We do not have it. Most of our firms do operate under conditions of competition and competitive price determination. Some have a little more competition than others. For some prices are determined on oligopolistic or nonopolistic or duopolistic basis. At any rate they are determined with considerable interference with the free marketplace.

Mr. President, the fact is that if we adopt the amendment of the Senator from Pennsylvania we are changing the rules in midstream. We are going immediately from a 10-year to a 6-year standard. We are taking it way from the Price Advisory Committee, which should have the option of making the determination.

That Price Advisory Committee is chaired, as I pointed out, by Albert Sommers, a highly respected business economist. He is the second vice president and the chief economist of the conference board, and he is a man who is highly respected. And the other members of the Price Advisory Committee are equally eminent and able economists, able to make this decision on a dispassionate objective basis. I say they should be the ones to make the decision and not the Senate or the House of Representatives.

Mr. President, I am ready to vote.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend.

Mr. STEWART. When are we going to vote on the legislation? That is all I am asking about.

Mr. PROXMIRE. I wish I could tell the Senator from Alabama. I am ready to vote on this amendment now. I am ready to yield back my time. We have other amendments pending. As the Senator may know, the Senator from Virginia has an amendment, and I think there may be other amendments. I am hopeful we can vote on this finally by 6 p.m., but I am not sure.

Mr. STEWART. I thank the Senator.

Mr. HEINZ. Mr. President, I am about ready to yield back the remainder of my time.

My understanding is that Mr. Sommers and the Price Advisory Committee did recommend a liberalized price standard that was rejected by the administration.

Mr. President, I ask unanimous consent to have printed in the Record Alfred Kahn's letter to Mr. Sommers, dated May 7, 1980, which is the letter which rejects the eminent Price Advisory Committee's recommendations that the Senator a moment ago said were so reasonable.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Council on Wage
and Price Stability,
Washington, D.C., May 7, 1980.

Mr. Albert T. Sommers,
Senior Vice President and Chief Economist, The Conference Board, New York, N.Y.

Dear Al: At last I am able to respond officially to the recommendations of the Price Advisory Committee on the second-year price standards.

I want to begin, however, by expressing our sincere thanks to you and your colleagues for all the time they have spent, and for the perceptive, conscientious attention to our problems that are so clearly reflected in every sentence of the reports and recommendations you have presented to us.

As you know, the principles of equity, restraints, and efficiency that you espouse in your reports are the very principles that underlie the voluntary standards, and the Committee's conclusions about the role of the Standards in the anti-inflation effort and the need for a markedly intensified monitoring effort are entirely congenial to us. We also fully agree with your position that the standards "should be arranged, to the maximum feasible extent," to keep most of the companies on the basic price limitation or modifications of it, as distinguished from the profit limitation available to companies that qualify for an exception.

Finally, we, of course, concur in your view that the standards should be reviewed periodically, and, specifically, that the recent relaxation of the pay standard called for a reevaluation of the second-year price standards.

This brings us, then, to your specific recommendations for changes in the basic price limitation and in the second part of the two-part profit limitation. (I put to one side the problems created by the explosion of interest costs, and your Committee's inclination to explore this issue further; we will, of course, cooperate in such an exploration.)

As to the first, your application of the nexus between the pay and price standards is reasonable and certainly consistent with the construction of the standards in the first program year. And your contention that evenhandedness on our part and the willingness of business to continue its present high degree of voluntary compliance both call for some recognition in the latter of the change in the former is persuasive. We therefore accept the general spirit of your recommendation that we liberalize the basic price limitation in the light of recent cost increases, such as the ones attributable to the liberalized pay standard.

We have difficulty, however, with the particular method you suggest for doing this. We do not have any data that would enable us to determine whether the blanket relaxation you recommend for companies on the price limitation is, in fact, necessary as a result of the relaxed pay standard—rather than, say, energy costs, interest costs, or declining productivity. And, to come to the ultimate test, neither of us has any means of determining whether the proposed relaxation of the price limitation would produce greater price restraint (by encouraging compliance and by avoiding resort to the profit limitation), as the Committee expects.

We are also concerned about changing the standards in the middle of the program year, and particularly liberalizing them at the present critical conjunction of accelerated inflation and apparently incipient recession. Each time we have made such a change, especially in midstream, we have encountered numerous problems, not the least of them is criticism (and the attendant loss of goodwill and credibility) from companies with monitoring plans in place that the changes impose substantial additional compliance costs.

In short, we are not convinced that the benefits of your particular recommendation outweigh the costs. Given that uncertainty, we find it difficult to accept your recommendation for a change in the price limitation, to which the proposed change in the profit limitation is pegged.

We propose instead to adopt the principles you have articulated in two other ways: first, we will adopt them as one basis for examining exception requests during the remainder of the second-program year; and, second, we will embody them in whatever standards we adopt for the third-program year. We are, therefore, going to announce that the Council will be very receptive to requests by individual companies or industries for adjustments to their own particular price limitations that they feel are required because of permissible second-year pay-rate increases. In addition, we will carefully scrutinize pending requests for an uncontrollable-cost execption to see whether increased pay is a significant part of the problem and, if so, whether an adjustment to the price limitation will be a useful substitute for a profit limitation.

Indeed, we are in one important way going beyond your specific recommendation in embodying the principles you enunciate: we are pressing forward with adjustments to industry-wide limitations to recognize uncontrollable increases in costs other than wages. We hope that our new standard for the airline industry will prove to be the first of several.

We take these steps not only because the approach is logical, but because we recognize the importance of our making every effort to ensure that the burden of restraint is fairly distributed.

I hope you and your Committee will appreciate the reasoning behind our modified acceptance of your recommendations. I would be happy to discuss the subject further with you, and thank you once again for your invaluable advice.

Sincerely yours,

Alfred E. Kahn,
Chairman.

Mr. HEINZ. Mr. President, I am prepared to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time, and I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays have been ordered on the motion to table.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from Pennsylvania, amendment No. 1778, as modified.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from California (Mr. Cranston), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from South Dakota (Mr. McGovern), the Senator from Wisconsin (Mr. Nelson), the Senator from Rhode Island (Mr. Pell), the Senator from Arkansas (Mr. Pryor), the Senator from Connecticut (Mr. Ribicoff), the Senator from Louisiana (Mr. Long), and the Senator from Idaho (Mr. Church) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "yea."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Oregon (Mr. Hatfield), and the Senator from California (Mr. Hayakawa) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The PRESIDING OFFICER (Mr. Johnston). Are there any other Senators who wish to vote?

The result was announced—yeas 35, nays 49, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—35

Baucus
Bayh
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Culver
Eagleton
Exon
Glenn
Hart
Heflin
Hollings
Huddleston
Jackson
Johnston
Leahy
Levin
Magnuson
Matsunaga
Metzenbaum
Mitchell
Morgan
Proxmire
Randolph
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Tsongas
Williams
Zorinsky

NAYS—49

Armstrong
Baker
Bellmon
Bentsen
Biden
Boren
Boschwitz
Byrd,
Harry F., Jr.
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Ford
Garn
Goldwater
Hatch
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Lugar
Mathias
McClure
Melcher
Moynihan
Nunn
Packwood
Percy
Pressler
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young

NOT VOTING—16

Bumpers
Chafee
Church
Cranston
Durkin
Gravel
Hatfield
Hayakawa
Inouye
Kennedy
Long
McGovern
Nelson
Pell
Pryor
Ribicoff

So the motion to lay on the table Mr. Heinz' amendment (No. 1778) as modified, was rejected.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the rollcall that had been ordered, if there has been a rollcall ordered, on the Heinz amendment be vitiated.

The PRESIDING OFFICER. There has been no rollcall ordered.

The question is on agreeing to the amendment of the Senator from Pennsylvania (Mr. HEINZ).

So Mr. HEINZ' amendment (No. 1778) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR., addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

UP AMENDMENT NO. 1119

(Purpose: To limit the funds authorized for the operation of Congressional offices and Committees in Fiscal Year 1981)

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment on behalf of myself and the Senator from North Carolina (Mr. HELMS), the Senator from North Carolina (Mr. MORGAN), and the Senator from Nebraska (Mr. EXON) and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) for himself, Mr. HELMS, Mr. MORGAN, and Mr. EXON, proposes an unprinted amendment numbered 1119.

At the end of the bill, add a new section "Section—

"In the fiscal year beginning October 1, 1980, the aggregrate amount of funds made available to any United States Senator or any Member of the United States House of Representatives for the operation of his office, including employment of personnel and travel, shall not exceed 85 per centum of the amount of funds available to such Senator or Representative for such purposes for the fiscal year commencing on October 1, 1979 and, in the fiscal year beginning October 1, 1980, the aggregate amount of funds made available to any standing, special, select, or joint committee of the Senate or the House of Representatives, including funds for the employment of personnel and travel, shall not exceed 85 percent centum of the aggregate amount of the funds made available to such standing, special, select, or joint committee for such purposes for the fiscal year beginning on October 1, 1979."

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 2 minutes.

Mr. President, the amendment now pending requires a reduction of 15 percent in the costs of the Congress and its committees.

Shortly the Senate will begin debate on the conference report on the first concurrent budget resolution for fiscal year 1981. This calls for outlays of $613 billion.

It is essential that there be a cutback in the huge growth in Federal spending. In my view, the total in the budget resolution is much too high—it is $65 billion above the total for the current fiscal year which was approved by the Congress just 6 months ago.

In the reduction of Federal spending, the legislative branch should set an example for the Government and for the Nation.

The amendment which I am presenting would require that the total funds made available for 1981 to any Senator or Representative for the operaton of his office, including employment and travel, or to any committee, be held to 85 percent of the level authorized for the current year.

The exact amount of savings cannot be calculated, because some Senators and Representatives—myself included—and some committees do not use their full entitlement for expenses.

The amount involved, in terms of a total Federal budget of a total budget of $613 billion, is not particularly significant.

But the step being urged here is significant, because it is a matter of the Congress setting an example in the fight against inflation.

Mr. President, this amendment is symbolic. If it is approved, it will tell the people of the United States that the Congress itself is prepared to take a significant step in reducing the cost of its own operations. I believe that would be very welcome news throughout this Nation. I think it is time that the Congress set an example, and this is an opportunity for the Congress to do so.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. HELMS. I thank the Senator.

Mr. President, I am delighted to cosponsor this amendment with my friend from Virginia. Back on March 20 of this year, I spoke in this Chamber on this precise subject. I pointed out at that time that during the past 15 years the cost of operating Congress has increased 457 percent. The legislative appropriations were $210 million in 1965; in fiscal year 1980, they were $1,170 million. The number of staff in 1965 was 25,000; today, it is 41,000.

I shall not consume the time of the Senate in reviewing the various facts that I included in my comments on March 20, but I do ask unanimous consent that this speech be reprinted in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

CONGRESS SHOULD FEEL THE BUDGET PINCH

Mr. HELMS. Mr. President, obviously, everybody's mind is on the Nation's economic crisis, but the question is whether the will to do something about this crisis is in our hearts. When I say "our hearts," I refer primarily to the distinguished Members of the U.S. Senate and to our counterparts in the House of Representatives. It boils down to this: It is up to us, each of us, to recognize the part that each of us plays in the inflation that is plaguing this Nation.

The plain and unvarnished fact is that inflation starts right here in Congress. Here is where the deficits have been approved year after year. Here is where the bloated, big spending bills are rushed through year after year. Every time Congress authorizes and appropriates extravagant amounts for Federal spending programs, inflation grows higher. When I say "extravagant," I mean any amount in excess of the money taken in by the Federal Government. Excessive Federal spending and excessive Federal borrowing have virtually destroyed the dollar and in the process have made credit in the private section unavailable.

That is why we have a Federal debt approaching $850 billion—almost a trillion.

Small wonder that the Nation's economy is on the brink of chaos. At the present time, the United States is devoting a larger share of the GNP to Government programs and handouts than at any period except at the height of World War II.

Despite the political rhetoric calling for a balanced budget next year, the fact is that the administration's proposals will actually increase spending. These proposals will actually raise taxes because of the growth in inflation in the past several weeks. As the Wall Street Journal pointed out Tuesday, the President's proposed budget cuts are scheduled only after upward revisions for inflation have been tacked on. So it is a shell game. For fiscal year 1980 and fiscal year 1981, the add-ons total $15.5 billion, and then the administration budget cutters came around and said, "We are going to cut $15.5 billion." So they added on and then they cut back, and they were exactly where they were in the first place. It is a little bit like an unscrupulous merchant who doubles his prices before marking the items "half off."

By the same token, gross tax receipts will increase by some $32.5 billion, because inflation is pushing people into higher and higher tax brackets. Taxes are up, not down. And the American taxpayer is worse off, not better.

It gets around to this, Mr. President: What are we and Members of Congress going to do about this? We can talk, we can say, "We favor a balanced budget." I doubt that there is one Senator who has not been home in the last few weeks and held up his hands and said, "I favor a balanced budget," and the people believe him. But it is not what he says when he is home that counts. It is how he votes when he is here that counts.

So I think it is time for us to demonstrate that Members of Congress personally understand the hardships that the American people are facing. We must demonstrate that when we talk about making cuts in the Federal Government we are ready to begin with that branch of Government which is closest to us; that is, our own, the legislative branch.

So, Mr. President, I propose that Congress reduce the salaries of Senators and House Members by 10 percent and reduce the overall level of legislative branch spending by 20 percent not next year. Do it now.

If we are going to limit the growth of Federal bureaucracy, let's start with our own bureaucracy.

I never have been able to see how in good conscience any Member of Congress could vote to insulate himself or herself from the inflation that is caused right here in Congress. But we have this little deal, which I vigorously oppose, of an automatic pay increase unless Congress decides overtly to vote against that automatic pay increase. So this has happened time and time again.

Let us look at what has happened to legislative appropriations, going back first 5 years and then 10 years and 15 years:

	Legislative appropriations	Number of staff	Member's salary
Fiscal year:			
1965	$210,000,000	25,000	$30,000.00
1970	345,000,000	30,000	42,500.00
1975	765,000,000	38,000	44,600.00
1980	1,170,000,000	41,000	60,662.50

It cost $210 million to operate this Congress in 1965. By 1970 the cost of operating this Congress had increased $345 million. In 1975 it cost $765 million. And this year it is going to cost $1,170,000,000 to operate Congress and all of its various entities.

How about staff members? Oh, we talk about holding the line. In 1965 there were roughly 25,000 people employed by Congress. By 1970 it had grown to 30,000. In 1975 it had gone to 38,000 and then this year it is 41,000 people employed by Congress.

The salaries of Senators and staff members have increased proportionately.

If we look at this legislative spending, and this is our own backyard, Mr. President, it represents a 457-percent increase in 15 years.

Who are we to talk? Let us ask ourselves do we need to have so many staff members around here?

Herman Talmadge so often has said that this Congress is no longer being run by Senators and Representatives; it is being run by staff members, 41,000 of them.

If we look at the legislative spending, we see a 457 percent increase in the past 15 years.

So let us ask ourselves: Do we need to have so many staff persons? Do our constituents really demand all of these services which cost so much? Would not they regard lower taxes as more important than any services Senate offices provide? Can we justify having our salary increases tied automatically to Federal wage increases generally? Why do we not stand up and demand roll call votes on salary increases?

Or better yet, why not actually cut our salaries to demonstrate that Congress means business in cutting the budget? The Senator from North Carolina has already received many letters from special interests who say they favor balancing the budget, but still demand handouts because their own pet projects are so important. If we cut our own salaries, and our own legislative appropriations, we can demonstrate a willingness to do something about inflation instead of just talking about it.

So, Mr. President, why not actually reduce our salaries as a matter of good faith to demonstrate that Congress really does mean business in cutting the Federal budget? If we do that in our own bailiwick then no Senator and no Representative should have any reluctance whatsoever to just look carefully at all of these billions upon billions of dollars in appropriations bills that have come and will come to us for consideration.

But Mr. Carter's plan to fight inflation, illusory as it is and deceptive as it is, has already set off a nervous titter all around the country among various pressure groups and beneficiaries of Federal largess.

Mr. HELMS. I thank the Chair for yielding.

Mr. BOSCHWITZ. Will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. BOSCHWITZ. I have a question of the Senator. During the past year I did not spend the entire allotment for my office. This 15 percent is from the authorized allotment, not from the amount that was spent from my office during the past year; is that correct?

Mr. HARRY F. BYRD, JR. The Senator is correct.

Mr. PROXMIRE. Mr. President, I yield the time under my control to the majority leader to handle as he wishes.

Mr. ROBERT C. BYRD. I thank the Senator. I yield to the distinguished Senator from Alaska.

Mr. STEVENS. I thank the Senator.

Mr. President, I am sorry to disagree with my good friend from Virginia on this matter.

As the ranking Republican on the Legislative Appropriations Subcommittee, I do not think this is the way to do business. In the first place, we already have a budget resolution that sets a ceiling for the Appropriations Committee. We have allocated that portion to our subcommittee that will be required. We are working, the distinguished Senator from Tennessee and myself, in trying to find a formula for what we realize is the sense of the Senate, that there should be a constriction on the amount expended by the legislature.

But I think this is the wrong way to do it. If we do it this way, we are going to find ourselves voting on sense of the Senate resolutions that deal with increasing military expenditures, decreasing expenditures for social security—we are going to have all kinds of resolutions coming out to direct us to do what the Budget Act already gives us the ability to do—that is, set sensible ceilings on expenditures throughout our Government.

As to the comments of my good friend from North Carolina, I say this: Certainly, there has been an increase in the amount of money spent by the legislative branch. In that period of time the Senator from North Carolina mentioned, we have created the budget process in the Senate and in the House and a joint budget committee and a Congressional Budget Office. As a result of what we have done, we, in fact, have brought about the discipline on our Nation's expenditures which was not there through the budget process that was created by the executive branch. It was only by the budget process that we have that we have had any possibility of bringing the expenditures of the Federal Government under control. To criticize the increased staff for Congress, which is a very minuscule proportion of the Federal expenditures and which gives us the ability to play our watchdog role on Federal expenditures, I think, is a position that should not be argued on the floor.

It is not in the sense of trying to justify an attempt like this to set a goal for a committee which has not even met yet in terms of reviewing the legislative expenditures.

There is another thing about it. We are a body that is up for election, one-third of us, every 2 years. There is a cyclical function of expenses here in terms of the first portion of a Senator's term when, if he has just been reelected or elected, he does not have much staff. He has a new staff coming in or people who have been with him for one term leaving to go on with their careers and he hires new people. There is a cyclical expenditure as far as each Senate office is concerned. We rely upon that to be counterbalancing. The people who spent more in the last 2 years will not spend as much in the next 2 years, and those who did not spend as much in the last 2 years may spend a great deal more in the next 2 years because of the changes in staff.

We, in fact, have brought about a discipline in the legislative field that I do not think my friend recognizes. There has been an increase in the number of people employed by Congress, but I think Congress is doing a better job in terms of our basic task of watching the expenditures of the executive branch and the Government as a whole.

As such, I can say to the sponsor and his cosponsor, there is no question in my mind that the legislative appropriations bill, when it is reported to the floor, will contain recommendations to the Senate which will achieve the savings that they seek. But it will be done in a way which I think will be much more fair and balanced in terms of cutting the authorizations. For instance, my friend from Minnesota mentions that he did not spend his money in the last year and turned back a substantial amount of the money that was allocated to his office. We have Senators who spent right up to the limit in the last year. They are basically the Senators from the larger and more populous States that face an increasing problem of responding to constituent mail.

In the period of time that the Senator from North Carolina has mentioned, we have gone to computers. I would like to ask every Senator who wants to vote for this right now: Do you want to cut off your computers? Do you want to cut off the increased ability to deal with your constituent mail? Do you want to cut off some of your WATS lines?

We have faced the question of what we can restrict. We have recommended Rules Committee changes that have allowed the use of funds more equitably by Senate offices. But this is no way to do it, in my opinion, to go out with a reduction in the authorized levels of expenditures. We should, rather, go to an actual reduction in expenditures, which is what the Legislative Appropriations Subcommittee will do.

(Mr. HUDDLESTON assumed the chair.)

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. STEVENS. Yes.

Mr. JOHNSTON. Mr. President, I was concerned about this language. When he speaks of 85 percent of the amount of funds available to such Senator—does that mean 85 percent of the authorized amount or of the amount actually spent by him?

Mr. STEVENS. Mr. President, it means what it says, a reduction in the authorization. For a further answer, let me say to the Senator, I turned back about 17 percent of the money that was authorized in those two accounts in my office last year. It would mean no reduction to me at all. The Senators who spent the full amount of their entitlement for clerk hire and travel would suffer a 15-percent cut.

This is not a cut that will be shared equally by Members of the Senate, because it is addressed to each Senator, not to the Senate as a whole.

Mr. JOHNSTON. One more question, [illegible] ent: With respect to the com[illegible] mmitttees are not, as I under[illegible] given an amount based upon [illegible] formula, but, rather, based on what they request. Am I correct on that?

Mr. STEVENS. That is correct, Mr. President. The Rules Committee sets the amount that they can expend and the amount of travel that is available to them. We fund that budget to the extent of our ability.

Mr. JOHNSTON. There are some committees, Mr. President, and I shall not name them, but most of us know them, who have huge staffs, with people, huge numbers of them, that are really unnecessary. There are other committees which are very skinny and tight and lean in terms of their committee staff members. I can name two of those I serve on. The Energy Committee, for example, has a very lean staff. So has the Appropriations Committee.

How does the Senator compare the lean committees, which really need their staffs—on my Subcommittee on Energy, I have two men? What do we do with those two men? Do we cut them down to 85 percent of what they received last year? How does that work?

Mr. STEVENS. Mr. President, the sponsor would have to respond to that directly, but my interpretation of this is that the frugal committees, the ones that have not spent a great deal of money, will suffer the most under this approach. Because the larger the staff, the larger the expenditures that are authorized; they will lose 15 percent of that. But if you have a committee that is just absolutely barely staffed, a skeleton staff, you are going to lease 15 percent. By definition, you cannot survive with that kind of staff.

Mr. President, I really think this is the wrong way to go at it. We have been putting a great deal of time in on this and I think the committee ought to be entitled to the opportunity to respond to the budget resolution and to report back to the Senate a legislative appropriations bill that will meet the desires of the Senate.

I think that the Senator from Virginia expresses the desire of the Senate adequately. We know there is a feeling here that we should curtail our expenses to the maximum extent possible. But to do it in this manner, I think, is wrong.

I have mentioned this to others before, Mr. PROXMIRE, but I also do not like this precedent, because I think we are going to face this kind of resolution over and over again. We are not going to get the appropriations bills this year until all in a block, and people that want to vote on anything that is going to come up here—defense, as I said, any item, abortion or anything else—we are going to start to be faced with sense-of-the-Senate amendments coming as nongermane amendments. This would be subject to a point of order, as I say, if my good friend from Virginia had not been astute enough to lock in his statement that is not germane to this bill. We are going to be faced with this on every issue that is going to be postponed now until the end of the summer, until after the convention, mind you.

We are not going to get to any of these issues during the political period, because they do not come up here until all these questions come up. I think it is wrong to set the precedent of instructing a legislative appropriations committee how it must act in August and do something on a bill that it is not germane to.

Mr. JOHNSTON. I thank the Senator.

(Mr. JOHNSON assumed the chair.)

Mr. HELMS. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield 2 minutes to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, what we have just heard could just as well have been the typical bureaucratic response to any suggestion that spending the cut in the Federal Government. If the bureacrats downtown had the privilege of the Senate floor, and could make a speech, they could make precisely the same argument that Senator STEVENS has made, and probably would.

The real question is, are we genuine in our often-professed desire to balance the Federal budget?

All of us go home, Mr. President, and say, "Oh, I am for a balanced budget, I am for cutting Federal spending." But it is like that old saying, "Cut that fellow behind the tree, but don't cut me."

Now, on March 20, Mr. President, I made the proposal that spending for the Congress be reduced. The news services picked it up, and as I told Senator HARRY F. BYRD, JR., just a few minutes ago, that except for the Panama Canal debate, and two or three other things of that nature, I have not had as much favorable response on any issue than my proposal of March 20 to cut the operating costs of Congress.

I say again, congressional spending has gone up 457 percent since 1965. We have 41,000 employees. The Senator from Georgia (Mr. TALMADGE) has often said that this Congress is not run by the Senators and the Members of the House, it is run by staff members.

Do not tell this Senator that we cannot cut back 15 percent. We could and should cut more than that.

If we want to act in good faith in this business of cutting Federal spending, we should start at our own doorsteps, because there is not a Senator in this Chamber who does not know that millions upon millions of dollars are wasted in the operation of Congress.

I talk about the so-called newsletters sent out by Senators, and how many millions of dollars that costs each year, a deluge of paper sent out across the country at the taxpayers' expense. I will not get into that today, but I will in the days to come.

I simply say again, Mr. President, that if we are genuine about wanting to cut Federal spending, we ought to start on our own doorsteps.

I thank the able Senator from Virginia for yielding to me.

Mr. HARRY F. BYRD, JR. Mr. President. I yield 3 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I have never been inclined to run the other Senators' business, or limit their activities, or to try to control a committee I was not on. But, Mr. President, these are extraordinary times, extraordinary conditions we are trying to confront, that we are confronted with.

We have asked virtually everyone who works for the Government, or is connected with a Government program, on a Government benefit allowance of any kind, to do better in saving money and take a little less.

We will argue about the budget. We have all voted in one way or another to try to have a balanced budget. I am doubtful we can get it in 1 year, anyway. But I know we made a tremendous start, going further than we have ever been able to go since I have been around.

If we keep trying as hard as we have, I feel that if we miss it this year, we will get it next year. It is something that is essential. I am fully convinced of that. It must be done if the American dollar is to be respected at home and abroad.

I can certainly live with this 15-percent reduction, if it faces my State. But I have never spent all that was allowed. It has not worked out that way.

I have the responsibility in connection with the committee. I have not had a chance to speak to the ranking minority member, but we have lived and can continue to live in our Armed Services Committee within the allowance, and 15 percent reduced.

So I think the time will come when it will amount to enough money to be more than just a pebble, a drop of a pebble in the budget.

It is the principle that is involved, and that principle applies now.

We have asked others to comply and and we can do no less than to try hard ourselves.

Any hardship that is created by it, I think without a doubt we will get a unanimous vote to remedy the hardship.

I thank the Senator for yielding.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER (Mr. TSONGAS). The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, if the Senator from Virginia would yield for a question or two, I approve of the thrust of his amendment and I want to be sure we are treating everybody alike.

As I understand it, all accounts for individual Senators' offices are included in his amendment. Is that correct?

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HEINZ. As I understand it, all Senate committee expenses, including staff salaries, are included in his amendment. Is that correct?

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HEINZ. So we have all Members' expenses and all committee staff expenses, including salaries, and in the first category we have all staff salaries for Members' offices.

Is there anything here that affects Members' pay?

Mr. HARRY F. BYRD, JR. It does not.

Mr. HEINZ. Mr. President, I would like to be clear on the logic of that.

It seems to me that someone could accuse us of reducing the expenses of the Senate at a cost to Senate employees and not to Senators. How would the Senator respond to that potential criticism?

Mr. HARRY F. BYRD, JR. Each Senator, of course, is allocated very large sums of money to operate his own office. He allocates those as he thinks best.

What this would do would be to reduce the amount that could be spent of the allocation by 15 percent. It would not affect salaries unless the Member wished for it to, which he can already do right now.

Mr. HEINZ. How does one explain to the public at large that we should not just include all expenditures made by the Senate in the 15-percent reduction? Why should we not include everything, as opposed to just these few categories?

Mr. HARRY F. BYRD, JR. Well, this does include all allocations made to the Members for the operation of their offices. It includes all.

Mr. HEINZ. But it does not include all the money that the Senate spends, does it?

Mr. HARRY F. BYRD, JR. It includes all the money that each individual is allotted, is allocated, yes.

Mr. HEINZ. So the Senator agrees that there are certain things, like Senate Members' and House Members' salaries, left out of the amendment. Is that correct?

Mr. HARRY F. BYRD, JR. Correct. It does not include Members' salaries.

Mr. HELMS. Will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. HELMS. If my friend from Pennsylvania will read the statement I made on March 20, and which I have just entered in the Record, he will see I am proposing, also, a cut in Senators' salaries. He will get the chance to vote on that proposal before this Senate adjourns this year. I guarantee him that.

I think his point is well made, but the fact is that no specific salary cut is proposed by this amendment—only a reduction in the cost of operating Congress.

Mr. HEINZ. I thank my colleague from North Carolina. I thank the Senator from Virginia.

It strikes me, however, as taking a chance that we are going to subject the employees of the Senate and the staff members of the Senate to a reduction now, and I am certain the Senator will offer his amendment later, but it strikes me——

Mr. HELMS. I can guarantee it.

Mr. HEINZ. That the right way to do it is put them both out on the——

Mr. HARRY F. BYRD, JR. Mr. President, who has the floor?

Mr. HEINZ. I think I do.

The PRESIDING OFFICER. The Senator from Virginia controls the time.

Mr. HEINZ. I apologize.

Mr. HARRY F. BYRD, JR. I am happy to have the Senator from Pennsylvania speak, but, hopefully, not on my time.

Mr. President, what time does the Senator from Virginia have left?

The PRESIDING OFFICER. The Senator has 1 minute and 51 seconds remaining.

Mr. HEINZ. Mr. President. I yield myself 3 minutes on the bill.

I thank the Senator from Virginia. I did not realize I was taking his time, and I apologize. If he needs some time, I will be happy to accommodate him.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. HEINZ. I yield to my colleague from North Carolina, if he wants to address that issue.

Mr. HELMS. I will say again to my friend that the Byrd-Helms amendment does not propose to cut any specific staff members' salaries. It addresses itself only to the total cost of operating Congress.

Mr. HEINZ. My concern is that, simply, there is one very important exception to this, as I understand the amendment, and please correct me if I am wrong. That is, we are cutting our expenses 15 percent except one group of expenditures called Members' salaries, with this amendment.

Mr. HELMS. I can assure the Senator he will get a chance to vote on the salaries of Senators.

Mr. HEINZ. Why is it not in this amendment, if it is such a good idea?

Mr. HARRY F. BYRD, JR. I say to the Senator from Pennsylvania that if he wishes to add that as an amendment, I am sure the Senate will be glad to consider it.

Mr. HEINZ. Do I correctly understand that the Senator from Virginia would accept such an amendment?

Mr. HARRY F. BYRD, JR. No. This does not deal with salaries—with staff salaries, with Senators' salaries, with any salaries. It deals with the total allocation allotted to the office of each Senator for operating expenses of his office.

Mr. HEINZ. Mr. President, I am inclined to offer a substitute which simply says that all expenses of the Senate—it would not say where they would have to be cut—but all expenses of the Senate, including the salaries of Members in that pot, should be subject to this 15-percent reduction. At the appropriate time, I will do that.

Mr. HELMS. Mr. President, if the Senator from Pennsylvania will yield, I have no objection to that. I think he may run into a parliamentary problem in offering the amendment, however.

Again, I assure him that he is going to get a chance to vote this year on the salaries of Senators and Members of the House.

Mr. HEINZ. I thank my colleague from North Carolina.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, if the Senator from Virginia will yield back his time, I will yield back mine.

Mr. HARRY F. BYRD, JR. Before yielding back the time, I should like to say that those who feel that the Senate and the House, Congress as a whole, are operating in the most economical way, those who feel that there is no room for reducing the cost of operating Congress, probably will not find the amendment too appealing. I happen to think that there is a great deal of extravagance. I feel that the allocations are greater than need be and that a 15-percent reduction would not compromise in any way or make less efficient the Congress of the United States.

I realize that maneuvering is going on. I hope that the Senator from Virginia, the two Senators from North Carolina, and the Senator from Nebraska will be permitted a vote up or down on this proposal, whichever way the Senate wishes to vote. I think the Senate is entitled to such a vote.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, does the Senator propose to yield back his time?

Mr. HARRY F. BYRD, JR. I yield back my time.

UP AMENDMENT NO. 1120

Mr. ROBERT C. BYRD. Mr. President, I yield back my time, and I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from West Virginia (Mr. Robert C. Byrd), for himself, Mr. Baker, Mr. Stevens, and Mr. Sasser proposes an unprinted amendment numbered 1120.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HELMS. Is it a lengthy amendment?

Mr. ROBERT C. BYRD. No.

Mr. HELMS. If the Senator does not mind, I would like to hear it.

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 1, line 1, strike all through "and," on line 7
>
> On page 1, lines 8 and 9 strike "any standing, special, select, or joint committee of"
>
> On page 1, lines 9 and 10, strike "or the House of Representatives, including funds for the employment of personnel and travel,"
>
> On page 1, line 10, strike "85" and insert in lieu thereof "90"
>
> On page 1, lines 11 and 12, strike "to such standing, special, select or joint committee"

Mr. ROBERT C. BYRD. Mr. President, the amendment that has been offered by the distinguished senior Senator from Virginia (Mr. Harry F. Byrd, Jr.) would dictate to the Appropriations Committee to reduce each Senator's allowance and each committee—standing, special, and select—by an arbitrary amount—to wit, 85 percent of the aggregate amount of the funds available in fiscal year 1980 to such Senator or to such committee for fiscal year 1981.

The amendment I have offered, which is cosponsored by Mr. Baker and Mr. Stevens, would leave it to the Appropriations Committee to make the reduction, and the savings would be 10 percent of the amount that was available to the Senate for fiscal year 1980.

In other words, the amendment I have offered on behalf of the distinguished minority leader, the distinguished minority whip, and myself would say to the Appropriations Committee that, overall, the funds that would be available to the

Senate in fiscal year 1981 would not exceed 90 percent of the funds available to the Senate in fiscal year 1980; so that the Appropriations Committee fairly and reasonably could make a judgment as to where the reductions could and should be made. The amount of money saved by the amendment offered by the joint leadership would be around $20 million.

It would be the fair approach, not the arbitrary approach that would ensue from the adoption of the amendment offered by the distinguished Senator from Virginia.

For example, let us take a Senator from a very large State whose maximum allowance per capita today is 0.0555—in other words, 5 cents or 6 cents per capita.

If he is using that amount, the adoption of the amendment by Mr. Harry F. Byrd, Jr. would mean that that Senator would arbitrarily be forced to make a cut in his allowance, which is already a very small allowance per capita as compared with the allowance accorded to a Senator from a small State.

Take my own State for example. I am allowed 38 cents per capita. I am not using that full amount. I could afford to take a reduction much easier than could a Senator from a very large State. I do not think that any Senator should be arbitrarily forced to make a reduction that is not fair and that would be unequal on a relative basis to the reductions required of other Senators.

So I hope that Senators will support the amendment to the amendment. It does realize a savings of $20 million in fiscal year 1981. It allows the Appropriations Committee to determine where the cuts shall be made, whether in committees, in Senator allowances, or across the board in the Senate.

It does not arbitrarily direct that each individual Senator or each committee be forced to take a reduction of 15 percent in office allowance.

I compliment the Senator from Virginia on the effort that he is making. He is motivated by a desire to reduce spending in the legislative branch. But his approach is one which would make arbitrary reductions in the allowances of Senators' offices, which would make it impossible in some instances for those Senators to adequately represent their constituencies.

I think that would be unfair. I do not think the Senator wants to be unfair. I think he wants to see the legislative branch take a reduction, and I am willing to cooperate in bringing that about.

Mr. President, I ask unanimous consent that Mr. Magnuson be joined as a cosponsor of the amendment I have proposed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the amendment I have offered makes a legislative cut, but it does not unfairly impinge on any particular Senator or State. It does not say to the State of California and their Senators: "You have to take a cut. You are only being allowed now 5 cents per constituent. You will be forced to reduce that allowance for your office and staff by 15 percent."

I think that the goal that is sought to be achieved by the distinguished Senator from Virginia, being a laudable one, would be achieved by the adoption of the amendment that I have offered on behalf of myself and other Senators, and it would be fair, because it would leave to the Appropriations Committee the discretion as to where to make the reductions for the entire Senate after careful consideration of the facts involved.

Mr. President, I yield the floor.

Mr. HELMS. Mr. President, who has control of the time in opposition?

The PRESIDING OFFICER. The manager of the bill is in charge unless he is in favor at which point it shall go to the minority leader or his designee.

Mr. HEINZ. I thank the Chair.

Mr. HELMS. Mr. President. I wonder if the Senator from Pennsylvania will yield to me?

Mr. HEINZ. How much time does the Senator wish?

Mr. HELMS. Not much.

Mr. HEINZ. The Senator may have as much time as he needs.

Mr. HELMS. I thank my friend from Pennsylvania.

The PRESIDING OFFICER. Will the Senator suspend until we resolve the time agreement?

Mr. HELMS. I beg pardon. I did not understand.

The PRESIDING OFFICER. Is the Senator from Pennsylvania yielding time on the bill?

Mr. HEINZ. Mr. President, my understanding is that I control the time in opposition to this amendment.

The PRESIDING OFFICER. It would be the Senator from Wisconsin who would control the time unless he were to be in favor of the bill at which point the minority leader or his designee would control the time.

Mr. HEINZ. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I think in fairness to the distinguished Senator from Virginia I, acting on behalf of Mr. Proxmire, will yield the time in opposition to Mr. Harry F. Byrd, Jr., of Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. I thank the majority leader.

Mr. President, will the Chair indicate the amount of time?

The PRESIDING OFFICER. Fifteen minutes.

Mr. HARRY F. BYRD, JR. No. The amount of time that has been used by the proponents of the pending amendment.

The PRESIDING OFFICER. The Senator from West Virginia has 5 minutes and 52 seconds remaining.

Mr. HARRY F. BYRD, JR. And those in opposition have 15 minutes?

The PRESIDING OFFICER. That is correct.

Mr. HARRY F. BYRD, JR. I yield 4 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank my friend from Virginia, and I thank the Chair.

Mr. President, I ask that the Parliamentarian obtain a copy of the amendment of the distinguished Senator from West Virginia and follow it as I read the text of it as I understand it to be.

Striking the language that the Senator from West Virginia proposes would reduce the Byrd-Helms amendment to the following:

> In the fiscal year beginning October 1, 1980, the aggregate amount of funds made available to the Senate shall not exceed 90 percentum of the aggregate amount of the funds made available for such purposes for the fiscal year beginning on October 1, 1979.

Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I thank the Chair and I thank the Parliamentarian.

Mr. President, I hold my friend from West Virginia in the greatest affection. He knows that. But he reminds me of the little boy in North Carolina who had a fish flopping in his hand one day and he said: "Hold still, little fish. I am not going to hurt you. I am just going to gut you."

This is a gutting amendment, if I ever saw one.

I understand why the distinguished majority leader is proposing it. But I do hope that the amendment of the distinguished Senator from Virginia, which I am delighted to cosponsor, can be given a vote. I urge the defeat of the perfecting amendment of the distinguished Senator from West Virginia.

I thank the Senator from Virginia for yielding.

Mr. HARRY F. BYRD, JR. Mr. President, I do not think that the amendment offered by the Senator from Virginia is an arbitrary one at all as has been alleged. I think the counterproposal is very likely to end up by penalizing those Membrs of the Senate who have not utilized their full allocation and rewarding those who have exhausted their allotments.

I think fundamentally it gets down to the question, does the Senate want to reduce the cost of operation or not?

I think it is pretty much that simple.

The original proposal deals with both the House of Representatives and the Senate. The original proposal is that each Member of Congress should save 15 percent of the amount allocated to him for the operating expenses of his office. I think that is a reasonable proposal, and I hope that the Senate will approve it.

The PRESIDING OFFICER. Who yields time?

Several Senators. Vote!

Mr. ROBERT C. BYRD. Mr. President, I think that the explanation of the amendment has been thorough. I am sorry that the distinguished Senator from North Carolina feels that my amendment guts the amendment of Mr. Harry F. Byrd, Jr., of Virginia.

I cannot agree with the Senator from North Carolina. I would be happy to hear him explain how my amendment "guts" the amendment of Mr. Byrd of Virginia.

Mr. HELMS. I would like to make a statement when the Senator concludes his remarks.

Mr. ROBERT C. BYRD. I yield to the Senator.

Mr. HELMS. Has the Senator finished his remarks?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. I know the Senator from West Virginia does not agree with the Byrd-Helms amendment. This is a matter on which we can disagree agreeably. The amendment of the Senator from West Virginia changes it to 90 percent instead of 85 percent specified by Byrd-Helms. The Senator's amendment strikes any reference to standing, special, select or joint committees of the House of Representatives, including funds for the employment of personnel and travel.

I think, I will say to my dear friend, that my comment is simply res ipsa loquitur, the thing does speak for itself.

I read into the RECORD the amendment as it will read, in the wake of the amendment of the distinguished Senator from West Virginia. I do think it is a gutting amendment, and I candidly said so in good humor. I compliment the Senator on his dexterity, but I cannot make anything else of his amendment. If he can explain to me why it is not a gutting amendment I will be happy to hear it.

Mr. ROBERT C. BYRD. I will use the doctrine of res ipsa loquitur myself. "The thing speaks for itself."

It applies to the Senate, and I think we should make it apply to the Senate. It would be better if we applied it only to the Senate than if we make each Member of the House take a reduction in office allowance. That is a matter for the House to determine.

First, we ought to deal with our own body.

Second, as I said before, it makes a savings of approximately $20 million, but it leaves it up to the Appropriations Committee of the Senate to determine where the reductions should be made, whether they should be made in the Sergeant at Arms' office, in the Secretary of the Senate's office, in the offices of Senators, in Senate operations generally, or in connection with any committees of the Senate—standing, select, or special.

Now, that is fair, and the Appropriations Committee can make that determination on a fair and equitable basis.

But the amendment by my distinguished friend—and he is my friend—from Virginia, HARRY F. BYRD, JR., while I applaud him for his motivation, I applaud him for his objective, his amendment simply, I think, is unfair. It is arbitrary in that it would say that the allowances for each Senator and committee will be reduced 15 percent in fiscal year 1981 as compared to the funds that were allocated to each in fiscal year 1980. I am looking at the State of Delaware, on a chart, which has an allocation of $1.22 per constituent, whereas I see the Senator from North Carolina (Mr. HELMS) is allocated only 15 cents. Now, is it fair?

Mr. HELMS. Yes. It is more than fair.

Mr. ROBERT C. BYRD. No; it is not. No; it is not fair. The Senators from North Dakota are allocated $1.08; the Senators from Ohio are allocated 9 cents per capita.

So I think that in the interest of fairness, in the interest of evenhandedness, we ought to direct the Appropriations Committee to determine where the savings should be made in Senate funds overall. It is not a "gutting" amendment when it insures a savings of $20 million. It does it in an evenhanded, fair, and just way.

I have made my case, and I yield back my time and I am ready to vote.

Mr. HARRY F. BYRD, JR., addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Virginia.

Mr. HARRY F. BYRD, JR. I think one glaring deficiency among others, in the amendment offered by my dear friend from West Virginia is that, instead of seeking to save 15 percent of the cost of operation, his proposal is 10 percent. Perhaps I take a view different from most, but I believe the cost of operating our Government in every department of Government, in the White House, in the House of Representatives, and in the Senate of the United States is much too high and has gotten out of hand. This is an opportunity to do something about it.

Fifteen percent is not unreasonable, and if for no other reason, I would prefer the amendment which I originally introduced than the substitute offered by the distinguished Senator from West Virginia, the difference between 15 percent and 10 percent, and also the amendment which was offered originally is a known quantity whereas we do not know what the results of the pending amendment may or may not be.

I yield to the Senator from North Carolina if he wishes to make a comment.

Mr. ROBERT C. BYRD. Mr. President, I yield——

The **PRESIDING OFFICER.** The Senator from West Virginia does not have any time remaining.

Mr. ROBERT C. BYRD. I yield 3 minutes.

The **PRESIDING OFFICER.** The Senator from West Virginia's time has expired.

Mr. HARRY F. BYRD, JR. I will be glad to yield 2 minutes to the Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I thank the distinguished majority leader.

As I was sitting here listening to this debate, I think the majority leader is to be commended for presenting an alternative, and one which is fairer.

Since I have previously served as the chairman of the subcommittee on appropriations that dealt with the legislative budget, I felt compelled to offer some assistance to our distinguished majority leader.

When I was chairman we had the task of trying to hold the cost of the legislative budget below $1 billion, and we managed to do that. It was a very difficult thing to do at the time. We cut out a lot of so-called perks Members get. Most of them were symbolic, not a lot of money involved.

But one thing we learned at the time was that a lot of the legislative budget has nothing to do with running the U.S. Senate or the House of Representatives, about a third of it, as a matter of fact. That is not pertinent to this particular debate.

Just in support of the amendment offered by the Senator from West Virginia, let me say his amendment applies to all of the expenditures of the Senate. The amendment by the distinguished Senator from Virginia does not apply to the entire Senate operation. So even though the percentage reduction that is proposed by the Senator from West Virginia is 10 percent as opposed to the 15 percent which is suggested by the Senator from Virginia, the actual savings are about the same, about $20 million to $22 million, very nearly the same.

If that is gutting the amendment then I do not understand what the term "gutting" means either. It is an amendment that spreads out the cut, that leaves it with the Appropriations Committee, which is the proper committee, to determine what line item expenses will be made by the Senate, but maintains the savings we are looking for.

There is one other point: These reductions are in the actual appropriations of the previous fiscal year. We are wrestling now with a budget up here and trying to balance the budget, and we throw the term around that we are cutting this program and we are cutting that program. We are not cutting those particular programs. We are cutting them back from what had been proposed for them, but actually nearly every one of them is getting an increase in appropriations over the previous fiscal year, and that is to deal with inflation.

When you take an inflation rate like we have and you cut back the actual dollar amount then the cut is not 10 percent, as the Senator from West Virginia is suggesting, but it may actually be 20 percent or even higher, depending on what the inflation rate might be.

So I urge the adoption of the amendment of the Senator from West Virginia as one that does accomplish the savings, does put the Senate on record as saying we were going to cut back on our appropriations, not just the proposed appropriations for fiscal year 1981 but on the actual appropriations for fiscal year 1980, and that we are going to do it in an evenhanded, fair way, a practical way, and probably the only practical way that it can be done, and that is to allow the Appropriations Committee to look at each line item and make the determination where the cuts ought to be.

I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

The **PRESIDING OFFICER.** Who yields time?

The Senator from Virginia has 9 minutes and 50 seconds remaining.

Mr. HELMS. Mr. President, let me ask the distinguished Senator from Virginia one question. The Senator proposed a 15-percent cut in his amendment.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HELMS. And the Senator from West Virginia is proposing a 10-percent cut.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HELMS. So what the Senator from West Virginia is doing is proposing a one-third cut in the reduction proposed by the Senator from Virginia: is that correct?

Mr. HARRY F. BYRD, JR. Yes.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 2 minutes?

Mr. HARRY F. BYRD, JR. Yes.

Mr. ROBERT C. BYRD. Mr. President, I cannot let that statement go unchallenged for the record. The distinguished Senator from Virginia's amendment says that the aggregate amount of funds made available to any U.S. Senator for the operation of his office, et cetera, or any committee for fiscal year 1981, shall not exceed 85 percent of the aggregate amount of funds made available to such committee and to such Senator for such purpose for the fiscal year beginning October 1, 1979. That is a 15-percent reduction.

The Senator from North Carolina said, "But it is only directed to each Senator and each committee."

My amendment is across the board—the Senate will be held to 90 percent in fiscal year 1981 of what the Senate was funded in fiscal year 1980.

Conceivably, that amount could be greater—conceivably—than the amount that would be saved by the amendment of the distinguished Senator from Virginia.

So we are both seeking the same objective—the objective of reducing the amount of funding for the U.S. Senate in fiscal year 1981. And, as the Senator from Kentucky points out, my amendment makes a real reduction. It is not a reduction from some proposed increase for fiscal year 1981. It is a real reduction, in that the Senate would be operating in fiscal year 1981 with only 90 percent of the funds that were allotted for fiscal year 1980; a real cut across the board for the U.S. Senate—not arbitrary, not unfair. It would direct the Appropriations Committee to determine where the cuts would come from and it would not arbitrarily, on this floor today, say that each Senator or each committee is arbitrarily and unjustly to have each individual Senator's office funds reduced by 15 percent.

Mr. President, I think the case has been made over and over, and I am willing to let the Senate decide. The reduction should be spread across the Senate's operations as a whole. It should not be a burden to be borne by some Senators over others.

Mr. HELMS. Mr. President, will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. HELMS. Mr. President, the case has been stated, but I am not sure it has been made.

The Senator from West Virginia said "across the board" and he waved his arm horizontally. Does that include the salaries of Senators?

Mr. ROBERT C. BYRD. I said for the U.S. Senate.

Mr. HELMS. Well, Senators are a part of the Senate.

Mr. ROBERT C. BYRD. Well, the Senator from North Carolina read the language back to the clerk a while ago.

Mr. HELMS. Yes. That is the reason I have a friendly difference with my friend from West Virginia.

Mr. ROBERT C. BYRD. "In the fiscal year beginning October 1, 1980, the aggregate amount of funds made available to the Senate."

Mr. HELMS. I am just trying to ask my friend from West Virginia if he will explain precisely what he meant by "across the board."

Mr. ROBERT C. BYRD. The Senate.

Mr. HELMS. Everything in the Senate?

Mr. ROBERT C. BYRD. The Senate.

Mr. HELMS. Senators included?

Mr. ROBERT C. BYRD. Let the Appropriations Committee decide. The distinguished Senator is welcome to appear before that Appropriations Committee. And if he wants to appear before that Appropriations Committee, I will be there to listen as an undistinguished member of that Appropriations Committee.

And, furthermore, I would applaud the distinguished Senator if he, at any time, elects to return part of his own salary. He may do so. And I may do so, if I elect to do so.

So any Senator who feels that he is being paid too much, any Senator who feels he is being overpaid, I say he ought to reduce his own salary. He ought to return the salary. He can do it.

Mr. HELMS. Mr. President, I wish the Senator had his fiddle here, so that he could further enliven the proceedings as he speaks.

But I would say to my friend that it is not so much a matter of what the Senators feel in terms of whether they are being overpaid. I wonder how the American people feel about it. I wonder how the American people feel about how much all of Government, including the bureaucracy of the U.S. Senate, is costing. That is the question that has been raised by the distinguished Senator from Virginia. I join the Senator from West Virginia in commending the Senator from Virginia for raising this question. I, myself, raised it on March 20 on this floor.

The Senator from West Virginia talked about fairness. Fairness to whom? I am more interested in fairness to the taxpayers, because I would say to my friend from West Virginia that if we are ever going to cut the Federal bureaucracy, we should start with our own front door.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HELMS. Certainly.

Mr. ROBERT C. BYRD. My amendment conceivably could touch the salaries of Senators, but not the amendment by the distinguished Senators from Virginia and North Carolina. Theirs would not.

His reads, directing itself to: "Funds made available to any U.S. Senator or any Member of the U.S. House of Representatives for the operation of his office, including employment of personnel and travel."

Now, I should have a convert. The distinguished Senator from North Carolina, by his own words, should now join the Senator from West Virginia, because the amendment I have offered could conceivably result in a reduction of the salary of the distinguished Senator from North Carolina and other Senators; whereas, the amendment by Mr. BYRD, my distinguished namesake, could not possibly—could not possibly—result in the reduction of the salary of any Senator.

Mr. HARRY F. BYRD, JR. If the Senator will yield, it was not an intention to deal with salaries.

Mr. ROBERT C. BYRD. Res ipsa loquitur—the thing speaks for itself.

Mr. HELMS. Yes.

Mr. President, when appropriate, I will move to table.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back my remaining time.

Mr. HELMS. Mr. President, I move to table the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion to table the amendment of the Senator from West Virginia (Mr. ROBERT C. BYRD).

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Arkansas (Mr. PRYOR), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Idaho (Mr. CHURCH), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from Connecticut (Mr. RIBICOFF) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from California (Mr. HAYAKAWA), and the Senator from New York (Mr. JAVITS) are necessarily absent.

The PRESIDING OFFICER (Mr. STONE). Is there any other Senator in the Chamber wishing to vote?

The result was announced—yeas 31, nays 53, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—31

Armstrong
Bellmon
Boschwitz
Bradley
Byrd,
Harry F., Jr.
Cohen
Danforth
Dole
Exon
Garn
Hatch
Heinz
Helms
Humphrey
Jepsen
Laxalt
Lugar
Mathias
McClure
Morgan
Nunn
Pressler
Proxmire
Roth
Schweiker
Simpson
Stennis
Thurmond
Warner
Young
Zorinsky

NAYS—53

Baker
Baucus
Bayh
Bentsen
Biden
Boren
Burdick
Byrd, Robert C.
Cannon
Chiles
Cochran
Culver
DeConcini
Domenici
Durenberger
Eagleton
Ford
Glenn
Goldwater
Hart
Hatfield
Heflin
Hollings
Huddleston
Jackson
Johnston
Kassebaum
Leahy
Levin
Magnuson
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Packwood
Percy
Randolph
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stevens
Stevenson
Stewart
Stone
Talmadge
Tower
Tsongas
Wallop
Weicker
Williams

NOT VOTING—16

Bumpers
Chafee
Church
Cranston
Durkin
Gravel
Hayakawa
Inouye
Javits
Kennedy
Long
McGovern
Nelson
Pell
Pryor
Ribicoff

So the motion to lay on the table the amendment of Mr. ROBERT C. BYRD (UP No. 1120) was rejected.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from West Virginia.

The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Inasmuch as this amendment is amended in several places, each change is subject to division, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. Mr. President, of course, I am not going to ask for that. I suggest we pass the Byrd amendment by a voice vote and have a rollcall on the Harry F. Byrd, Jr., amendment.

Mr. ROBERT C. BYRD. Mr. President, I think the Senators should vote on the amendment. I hope the Senator will not ask for a division.

Mr. HELMS. Of course not.

Mr. ROBERT C. BYRD. It would mean five rollcall votes. But I think the Senators should have a rollcall vote on my amendment. I ask unanimous consent that the rollcall vote take only 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Are the yeas and nays requested?

Mr. MELCHER. The yeas and nays are requested.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Arkansas (Mr. PRYOR), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from California (Mr. HAYAKAWA), and the Senator from New York (Mr. JAVITS) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators wishing to vote?

The result was announced—yeas 67, nays 17, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—67

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Cochran
Cohen
Culver
DeConcini
Domenici
Durenberger
Eagleton
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Heflin
Hollings
Huddleston
Jackson
Jepsen
Johnston
Kassebaum
Leahy
Levin
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Packwood
Percy
Pressler
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young

NAYS—17

Armstrong
Boschwitz
Byrd, Harry F., Jr.
Danforth
Dole
Exon
Heinz
Helms
Humphrey
Laxalt
Lugar
McClure
Morgan
Nunn
Proxmire
Stennis
Zorinsky

NOT VOTING—16

Bumpers
Chafee
Church
Cranston
Durkin
Gravel
Hayakawa
Inouye
Javits
Kennedy
Long
McGovern
Nelson
Pell
Pryor
Ribicoff

So the amendment of the Senator from West Virginia (UP amendment No. 1120) was agreed to.

(The following occurred later:)

Mr. HEINZ. Mr. President, on rollcall vote No. 167, I ask unanimous consent that my vote be changed from yea to nay.

Mr. ROBERT C. BYRD. Mr. President, will it make any difference?

Mr. HEINZ. It will not make any difference.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. The next vote, if I am correct, will be on the original Harry F. Byrd, Jr., amendment as amended by the Robert C. Byrd amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARRY F. BYRD, JR. The yeas and nays have been ordered?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARRY F. BYRD, JR. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, would the Senator want to vitiate those?

Mr. HARRY F. BYRD, JR. No.

Mr. PERCY. Is it possible to have a 10-minute rollcall?

Mr. HARRY F. BYRD, JR. A 10-minute rollcall is fine.

Mr. ROBERT C. BYRD. Could we vote immediately?

The PRESIDING OFFICER. There is no time for debate.

Has a 10-minute rollcall been asked for or not?

The question is on agreeing to the amendment as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Arkansas (Mr. PRYOR), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from California (Mr. HAYAKAWA), the Senator from New York (Mr. JAVITS), and the Senator from New Mexico (Mr. SCHMITT) are necessarily absent.

The PRESIDING OFFICER (Mr. LEAHY). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 82, nays 1, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—82

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon

Chiles
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Morgan
Moynihan
Nunn
Packwood
Percy
Pressler
Proxmire
Randolph
Riegle
Roth
Sarbanes
Sasser
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—1

McClure

NOT VOTING—17

Bumpers
Chafee
Church
Cranston
Durkin
Gravel
Hayakawa
Inouye
Javits
Kennedy
Long
McGovern
Nelson
Pell
Pryor
Ribicoff
Schmitt

So the amendment by Mr. HARRY F. BYRD, JR. (UP No. 1119), as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1121

(Purpose: To increase the Council's regulatory review functions)

Mr. PERCY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) for himself and Mr. HEINZ, Mr. DOLE, and Mr. CHILES proposes an unprinted amendment numbered 1121.

Mr. PERCY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. 6. (a) Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(d) For the fiscal year ending September 30, 1981, the Council shall increase the number of positions which involve the review of proposed and existing Federal regulations by 50 per centum, over the number of positions allocated for such purpose for the fiscal year 1980. In conducting such review, the Council shall identify those regulations which have the greatest inflationary impact on the economy or on specific industry sectors, consistent with subsection (a)(8)."

(b) Section 5 of such Act is amended by adding at the end thereof the following: "The annual report shall also contain an evaluation of the inflationary impact reviews undertaken by the Council in the previous year pursuant to section 3(d), including a listing and description of all regulatory proceedings in which the Council participated, the Council's recommended action, the projected cost of each such regulation, the cumulative inflationary impact of such regulations and the final disposition of each such regulatory proceeding.".

Mr. PERCY. Mr. President, regulation has been identified by nearly everyone as a significant contributor to inflation. And yet we are downplaying it in this legislation. My amendment directs the Council to increase by 50 percent its regulatory review program, providing the "significantly greater effort" in regulatory review that the committee urged last year.

The second part of my amendment directs the President, in his annual report to Congress, to evaluate the inflationary impact reviews undertaken by the Council. This would be a scorecard for us to see how effective the Council has been in reducing inflationary regulations.

My amendment extends existing COWPS policy of reviewing proposed Federal regulations. It does not challenge the Council to undertake something it is not qualified to do. It puts into legislative language only what the Council has been directed to do in previous years; namely, expand its review of Federal regulations. Section 3(a)(8) of the Council's statute directs it to:

> Intervene and otherwise participate on its own behalf in rulemaking, ratemaking, licensing and other proceedings before any of the departments and agencies of the United States, in order to present its views as to the inflationary impact that might result from the possible outcomes of such proceedings.

Furthermore, the 1979 Senate Banking Committee report on the COWPS reauthorization stated:

> It is the committee's opinion that a significantly greater effort ought to be undertaken by the Council to study the inflationary impact of the policies and regulations of the Federal government. At present, the Council's limited staff has allowed it to undertake only cost-benefit analysis of prospective Federal regulations. We would expect that with the availability of new staff as authorized by this bill, the Council would assume the task of analyzing the inflationary impact of Federal government regulations already in effect.

In last year's Council reauthorization, I joined with Senator JAVITS to add language to the bill requiring COWPS to submit a report to Congress on the slowdown in U.S. productivity. In that report, submitted last summer, COWPS notes:

> Government can also improve productivity growth through regulatory reform. The Council plays a major role in the regulatory review process. Through a formal filings procedure with regulatory agencies, the Council has repeatedly stressed the need to make the regulatory process more economically rational. In addition, the Council participates in the Regulatory Analysis Review Group (RARG), which selectively analyzes the more important regulations of various regulatory agencies before final rulemaking.

But COWPS has not fulfilled the expectations Congress has had for its regulatory review. In this year's Banking Committee report on the Council, Senator HEINZ and the other Republican members criticize COWPS for not concentrating "more of its resources on monitoring effects of Government actions."

A look at the Council's staffing bears this out.

Mr. President, I ask unanimous consent that a table from the Banking Committee report, showing the Council's staff resources and their growth since fiscal year 1979, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD as follows:

MAXIMUM STAFF EMPLOYMENT BY DIVISION

	Fiscal year 1979	Original fiscal year 1980	Revised fiscal year 1980	Fiscal year 1981	Increase 1981 over original 1980
Chairman	12	17	18	18	1
Director's Office	5	5	6	6	1
General Counsel	10	17	44	50	33
Planning and Policy	10	13	18	20	7
Government Programs	19	22	22	22	
Price Monitoring	49	89	299	436	347
Pay Monitoring	16	31	34	34	3
Public Information	14	9	10	10	1
Legislative/Congressional	3	5	5	5	
Administrative/Management and Communications	5	25	27	32	7
Pay Advisory Committee		3	3	3	
Price Advisory Committee		1	1	1	
Total	143	237	487	637	400

Source: Senate Banking Committee.

Mr. PERCY. In fiscal year 1979, the Council's regulatory review unit—the Division of Government Programs and Regulation—had 19 staff members, or about 13 percent of the total Council staff. In fiscal year 1980, under the original appropriation and after the committee directed the Council to increase its regulatory review programs, the staff went up by only 3 to 22, while dropping to 9 percent of total staff. Meanwhile, price and pay monitoring staffs doubled. My amendment reverses this regrettable course, and maintains regulatory review staffing at about 14 percent of total staff.

Mr. President, we should redue the inflationary inpact of regulation on the economy. One of the best ways we have of doing this is through the Council on Wage and Price Stability. Rather than diminishing its efforts in this area, COWPS should at least maintain its commitment to analyze Federal regulations.

Mr. President, for the benefit of my colleagues, I understand the amendment will be accepted by the managers of the bill.

Mr. President, I offer this amendment on behalf of myself, Mr. HEINZ, Mr. DOLE, and Mr. CHILES.

Mr. PROXMIRE. Mr. President, I have discussed the amendment with the Senator from Illinois, and I am happy to accept the amendment.

Mr. HEINZ. Mr. President, I am happy to accept the amendment.

Mr. PROXMIRE. Mr. President, I yield back my time on the amendment.

Mr. HEINZ. Mr. President, I yield back our time on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient sceond? There is a sufficient second.

The yeas and nays were ordered.

The bill having been read the third time, the quesiton is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Arkansas (Mr. PRYOR), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from California (Mr. HAYAKAWA), the Senator from New York (Mr. JAVITS), and the Senator from New Mexico (Mr. SCHMITT) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there any other Senator wishing to vote?

The result was announced—yeas 72, nays 11, as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—72

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Glenn
Goldwater
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Leahy
Levin
Magnuson
Mathias
Matsunaga
Mitchell
Morgan
Moynihan
Nunn
Packwood
Percy
Pressler
Proxmire
Randolph
Riegle
Roth
Sarbanes
Sasser
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—11

Cochran
Garn
Hatch
Helms
Laxalt
Lugar
McClure
Melcher
Metzenbaum
Thurmond
Tower

NOT VOTING—17

Bumpers
Chafee
Church
Cranston
Durkin
Gravel
Hayakawa
Inouye
Javits
Kennedy
Long
McGovern
Nelson
Pell
Pryor
Ribicoff
Schmitt

So the bill (S. 2352), as amended, was passed as follows:

S. 2352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(a) of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following: "The Council shall be headed by a Chairperson who shall be appointed by the President, by and with the advice and consent of the Senate.".

(b) The amendment made by subsection (a) shall apply to an individual appointed on or after the date of enactment of this Act to chair the Council on Wage and Price Stability.

SEC. 2. Section 3(c) of the Council on Wage and Price Stability Act is amended to read as follows:

"(c) The Council shall review proposals which have been made for reducing inflation through tax-based income policies and shall submit a report containing its findings, along with recommendations and legislative proposals for such policies, to the Congress not later than September 1, 1980. Such review shall include, but not be limited to, tax-based incomes policies designed to provide incentives for compliance with wage, price, or profit-margin guidelines that could be provided through changes in personal income taxes, corporate income taxes, investment tax credits, or depreciation allowances. The Council shall also review the impact on inflation that might result from supply side income tax reductions and include in the report required by this subsection its findings pursuant to such review.".

SEC. 3. Section 5 of the Council on Wage and Price Stability Act is amended by striking out "on a quarterly basis and not later than thirty days after the close of each calendar quarter" and inserting in lieu thereof "on an annual basis".

SEC. 4. Section 6 of the Council on Wage and Price Stability Act is amended by striking out—

"(1) $6,952,000 for the fiscal year ending September 30, 1979; and

"(2) $8,483,000 for the fiscal year ending September 30, 1980"

and inserting in lieu thereof

"(1) $9,473,000 for the fiscal year ending September 30, 1980; and

"(2) $9,770,000 for the fiscal year ending September 30, 1981".

SEC. 5. Section 7 of the Council on Wage and Price Stability Act is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1981".

SEC. 6. Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(d) The Council shall not prescribe an annual average price increase guideline lower than the percentage obtained by subtracting the average annual growth in nonfarm output per man-hour in the private sector since 1973, as measured by the Bureau of Labor Statistics and stated as a percentage, from the average annual wage increase permitted under the voluntary wage standard, stated as a percentage.".

SEC. 7. (a) Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(d) For the fiscal year ending September 30, 1981, the Council shall increase the number of positions which involve the review of proposed and existing Federal regulations by 50 per centum, over the number of positions allocated for such purpose for the fiscal year 1980. In conducting such review, the Council shall identify those regulations which have the greatest inflationary impact on the economy or on specific industry sectors, consistent with subsection (a)(8).".

(b) Section 5 of such Act is amended by adding at the end thereof the following: "The annual report shall also contain an evaluation of the inflationary impact reviews undertaken by the Council in the previous year pursuant to section 3(d), including a listing and description of all regulatory proceedings in which the Council participated, the Council's recommended action, the projected cost of each such regulation, the cumulative inflationary impact of such regulations and the final disposition of each such regulatory proceeding.".

SEC. 8. The Director shall establish an Office of Productivity which shall have as its prime responsibility improving private-sector productivity in the United States. Such office shall evaluate the impact of government regulations on productivity, shall inventory and evaluate Federal programs designed to improve productivity, and shall annually issue a report to Congress containing the results of such evaluations, steps appropriate to improve the effectiveness of such Federal programs, and recommendations of new Federal programs and policies to increase private-sector productivity growth.

SEC. 9. The Credit Control Act is amended by adding at the end thereof the following:

"SEC. 211. TERMINATION

"The authority conferred by this title expires at the close of July 1, 1981.".

SEC. 10. In the fiscal year beginning October 1, 1980, the aggregate amount of funds made available to the Senate shall not exceed 90 per centum of the aggregate amount of the funds made available for such purposes for the fiscal year beginning on October 1, 1979.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for transaction of routine morning business not to extend beyond

30 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

GEN. DAVID JONES

Mr. MORGAN. Mr. President, public attention to the strategic balance was stimulated by last year's SALT II hearings and has been heightened further by the current debate on the 1981 budget. This has been a valuable opportunity for examining old assumptions and should also be a time to set to rest old misconceptions. One of the most persistent of these misconceptions on strategic programs is the role played by Gen. David Jones in supporting the B-1 program while he was Chief of Staff of the Air Force.

I have never heard a more articulate and persuasive speaker on the requirement for a new manned bomber in general and, while the program was alive, for the B-1 in particular. Up to the day the President decided to cancel the program under specific authority given to him by the Congress, General Jones argued eloquently and resolutely that the B-1 was needed and would make a unique contribution to our strategic forces. The cancellation of the program 3 years ago was a deep disappointment to him, as it was to me.

I believed then that we should have built the B-1. Because the B-1 was canceled, however, it is no longer a good idea to build it today. As General Ellis, Commander of Strategic Air Command, has testified, the B-1 could not now be built in time to redress this critical period of strategic vulnerability. Even if it could be built in time, it is not a good idea because it could not penetrate the Soviet air defense threat of the 1990's, but would use up so much of the defense effort that we would never get the system we really need for that time period.

The real need now is for the FB-111 stretch that General Ellis recommends as an interim affordable strategic solution. This will correct the strategic deficiency but leave enough funds and political support so we can design and build the system we really need for the 1990's.

After the cancellation of the B-1, there were some Members of Congress who shared General Jones' views on the value of the B-1 and who wanted to enlist his support in overturning the President's decision. He declined to be a party to any such attempt. Moreover, he would not support a move to spend three-quarters of a billion dollars of scarce defense funds on two additional R. & D. prototypes for a dead program. I did not support it either, since I recognized it as a futile and wasteful effort, motivated solely as a financial bailout for the B-1 contractors. Because of this principled stand, some have labeled him as "soft" on the B-1 and implied his actions indicated lack of resolve concerning defense issues. I think it indicates something else.

In my view, General Jones' actions illustrate precisely the qualities this Nation expects of its military professionals, from the Chairman of the Joint Chiefs of Staff down to the newest recruit. They owe candid, thoughtful advice to their superiors on the best course of action until a decision is reached. Once the superior makes a decision, he must have confidence that his subordinates will carry out that decision loyally and conscientiously. That applies to tactical decisions in the field as well as to weapons system decisions in Washington.

If we are to hold to our vital principle of civilian predominance over military policy, there can be no other course than that chosen by General Jones.

There is, of course, a special responsibility for the Chiefs to provide their unfettered views on military issues when questioned in Congress. General Jones has always been completely forthright in this regard. Nevertheless, although he has never retreated from his views on the need for a manned bomber, to his credit, he has never tried to end-run the B-1 or any other decision by the President.

In cases where his judgment on defense has differed from the President's, he has always given to Congress a balanced and objective appraisal of the difference, as he did last Thursday before the House Armed Services Subcommittee on the question of the adequacy of the 1981 defense budget. I have the utmost confidence in General Jones' professionalism and integrity and I strongly support his nomination for a second term as Chairman of the Joint Chiefs of Staff.

RAMSEY CLARK

Mr. GOLDWATER. Mr. President, I just had the misfortune of reading the evening paper, not that I do not like the evening paper, but there is an unfortunate article about Ramsey Clark being in Tehran. I think we should change his name to Clark Ayatollah and figure on some way to leave him over there.

Any person who goes to a country like that and apologizes for what the United States did in trying to release the prisoners in my opinion need no longer be honored by the name "American," and I suggest he stay there. If he wore a beard he would fit right in.

EFFECTS OF THE WINDFALL PROFIT TAX

Mr. BOREN. Mr. President, people most often associate the recently passed windfall profit tax with the effect it will have on major oil companies. What many people are just now realizing is that this unfair tax is having a major impact on royalty owners who actually own the land from which oil is drilled.

Many of these royalty owners are farmers and ranchers, or are retired persons who depend on their monthly royalty checks to supplement social security.

Yet, under the provisions of the windfall bill, royalty owners are taxed at exactly the same rate as the major oil companies.

Recently, Senator Robert Dole and I held hearings in Oklahoma City and in Great Bend, Kans., to take testimony on the need for providing relief from this tax on royalty owners.

We have previously commented on a bill, S. 2521, which we introduced on April 2, the same day President Carter signed the windfall profit tax bill, to exempt the first 10 barrels per day of royalty owner production.

Over 1,700 persons attended the hearing which we held in Oklahoma City, and over 1,000 attended the hearing in Kansas. Many more have written or contacted our offices telling us of the extreme hardships they are facing because of this heavy tax on royalty production.

In a recent series of articles in the Oklahoma City Times, Mary Jo Nelson discussed some of the problems which royalty owners are having with this tax.

Mr. President, I ask unanimous consent that Ms. Nelson's articles, which ran as a three-part series on May 6, 7, and 8, 1980, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Oklahoma City Times, May 6, 1980]

WINDFALL TAX CUTS INCOME OF ROYALTY OWNERS

(By Mary Jo Nelson)

Beatrice Wright lives less than luxuriously on $175 a month in oil royalties and a small Social Security check

The Pauls Valley widow supplements her income teaching piano and playing the organ at the Methodist church, giving her more than many elderly Americans have.

Her sense of justice was outraged, however, with notice that her $2,180 per year in oil money places her in the same category as Texaco and Standard Oil.

The government says Mrs. Wright is making a windfall profit from the small royalty holding she and her late husband put away. She will be taxed exactly the same rate as Phillips Petroleum Co., Exxon and the rest of big oil—70 percent of her "windfall."

That the new windfall tax law lumps farmers and small royalty owners in the same category as major oil companies is one of its weaknesses, Oklahoma City attorney Charles Nesbitt says.

"There are literally thousands of small Oklahoma royalty owners in the same boat. It will wipe many of them out.

"Everybody had their lobbyists there in the halls of Congress except the royalty owners. Well, the administration and the bill drafters didn't know what to do with the royalty owners. So they just sock it to them with impunity, at the highest rate, 70 percent.

"So the independents pay only 30 percent (on the first 1,000 barrels per day)."

He said Indians, Eskimos and lands owned by federal, state and city governments are exempt.

"All producers have a gimmick which reduces the impact on them somewhat.

"There are no gimmicks in the law for the widows whose husbands left them a few acres of royalty.

"They just pay through the nose. The royalty owner has no loopholes at all."

Bill Parker, accounting manager for an independent company in Oklahoma City, said, "It's the poor little guy who's really getting hit. The government is confiscating private property with this law, and that's frightening.

"The government got magnanimous in one respect. They graciously say they will not take more than 90 percent of the net profit from any property."

Lease brokers in dozens of Oklahoma towns can call off hundreds of names—farmers, retired people, small investors—who will lose a third or more of their income to the windfall profits tax, although some of them had "barely enough to live on."

Mrs. Bertha Main, of Banner, discovered the new law cut her check by one-fourth, about $200.

"I know one thing. They're (government) getting so greedy the little guy can't make it." she said.

An Oklahoma City woman's check totaled $15.97 before her tax was deducted. She paid $5.45 in taxes for her "windfall," leaving her $10.42. "See how the windfall profits tax hurts 'Big Oil,' " she said.

"It's gonna wipe us out," said Mrs. Joe Thompson of Cushing, who later expressed relief that her $372 per month check dropped by "only" $61.

A Mustang widow who asked not to be identified estimates the tax law will reduce her $2,700 per month income by $500. Her producing wells come under the category of "new oil," and are taxed at only 30 rather than 70 percent.

She noted the windfall tax is in addition to the wellhead tax owners pay along with state and federal income taxes.

"This is a double, no, a triple tax," she said.

H. E. Bemhoff, Calumet, has received no check since the law went into effect March 1, but has learned his small income will be reduced at least 30 percent.

"Time I get through paying taxes, I don't have anything left," Bemhoff said. "I guess when the government gets every cent, they can't hurt me any more. The tax us to death and give it to foreign countries."

Mrs. Maud Hyre is losing more than a third of her income from royalty holdings southwest of Whitebead in Garvin County. Her check dropped by $139 per month, down to $260.

Arnold Park, Elmore City, said he can't tell yet what will happen to his earnings, but said, "The royalty owners are being punished. I was under the impression the purpose was to hurt the big oil companies. But somebody outsmarted them in Washington."

Huff Kelly, Elk City, will lose $60 of a $200 oil check to the new tax.

The tax on royalties is not assessed against the total oil income. It is charged against whatever part the government determines is a windfall profit.

The windfall is arrived at by a formula so complex a "description" by Mid Continent Oil and Gas Association fills (several) books.

"There are no experts on this law," Parker said.

John A. Taylor, Oklahoma City oil man, said the law is "terribly mixed up and hard to administer." A lot of operators simply don't know how to distribute payments.

"Some are hiring outside experts but there aren't too many of those and they're in such demand they can't begin to fill it." Taylor said when you see what is involved in the complicated tax formula, "you get some idea of the immensity of the problems."

Nesbitt predicts this will confound federal employees in the Internal Revenue Service and Department of Energy who are responsible for enforcement.

"Their accountants will have a difficult time merely computing the intricate calculations," he said.

"It's one huge, gyrating mess," Taylor concluded.

[From the Oklahoma City Times, May 7, 1980]

Oil Tax Called Big State Economic Loss

(By Mary Jo Nelson)

A three-pence per pound tax touched off the Boston Tea Party in 1773 and led to the Revolutionary War.

More than 200 years later, President Jimmy Carter has signed into law a tax on windfall oil profits. One sentence in the act states casually, "The windfall profit subject to tax is limited to 90 percent of the net income from a property."

"Yet nobody will start a revolution over this tax, which is historically incredible," said Oklahoma City oil producer W. R. Yinger.

"It is the greatest tax ever assessed on any industry in the history of our nation.

"It will cost us several million barrels a day (in production) at one of the most critical times in our history, a time when we urgently need to increase production."

Oklahoma historian Odie B. Faulk predicts the new tax "will cripple Oklahoma's economy worse than the dust bowl."

He sees it as "the stupidest tax ever assessed," stupid that the government intends "to halt use of petroleum products instead of solving the energy shortage."

Asking to remain anonymous, an Oklahoma City investor predicts the act will shut down a majority of small drilling operations, those which produce from five to 10 barrels a day.

"They will lose money with this tax, so they will have to shut down. There are a lot of shallow drillers who go around in leather jackets and drive pickups. They will be forced out of business. And when their output is totaled, it means a lot of plastic bottles in the drug store and a lot of home heating oil," he said.

The tax is labeled "nothing more than an outright, direct income transfer from Oklahoma residents to people in the northeastern United States" by U.S. Sen. David Boren.

Yinger, Faulk, the investor and Boren are among many outraged by what the tax act will cost Oklahomans. State royalty owners, independent and major oil producers will pay at least $11 billion in direct windfall taxes before 1990, they say.

That figure doesn't include what car owners will pay in increased prices at the gas pump, Oklahoma City attorney Charles Nesbitt said.

No matter how little they own or how small their oil income, royalty owners will pay at the same rate as major oil companies, 70 percent of their "windfall" gain.

Boren estimates 200,000 small mineral owners in Oklahoma will be directly affected, a majority of them retired persons with limited incomes.

He cited a terminally-sick nursing home resident whose only income is less than $100 a month from oil royalty. The windfall profits tax will take $35 per month.

Typical is Mrs. Bill Pope, retired Oklahoma City woman, whose $107 per month check was reduced by $37.

Calling the tax a "fraud," Boren said, "backers claim it is aimed at big oil companies. Yet it is nothing more than an income transfer from people in the (oil) producing states to people in the eastern and northern states."

Boren and Sen. Henry Bellmon said the law is "aimed directly at Oklahoma" and the handful of producing states.

"This act forces Oklahomans to directly finance whatever welfare programs congress chooses to bestow on other states," a member of Bellmon's Washington staff said.

Boren said during Senate debate, he and Bellmon vainly tried to explain how the law would damage Oklahoma's economy.

He said senators from the north and east argued that since "the northeastern part of the country is suffering more because of higher prices and higher unemployment, that such a transfer was appropriate."

Boren said the tax "falls heaviest on royalty owners and independent drillers. It doesn't hurt the big oil companies." With the big international companies, "the big profits are in overseas operations and those are all exempt from the tax. Only domestic production is taxed," he said.

"Companies like Aramco is where the big money is and they aren't even affected."

Every barrel of oil produced in the United States, except some newly-discovered Alaskan oil, will be taxed at 30 to 70 percent, Bellmon aide Dick Hargis said.

Oklahoma produces 5 percent of the nation's oil, ranking fifth after Texas, Louisiana, Alaska (partly exempted) and California.

The law provides the tax phase out when $227.7 billion is collected. Congress anticipates that will occur about 1990.

That means Oklahomans will pay $11.7 billion to the federal government in the next decade or sooner, Oklahoma City driller John A. Taylor said.

Using numbers in official summaries of the law, Taylor said the government will collect $750 million from Oklahoma this year. That will climb to $2 billion in 1981.

Citing the standard economic principle that $1 in new business "dislodges" $2 to $3, Taylor estimates Oklahoma's economy could lose $1.2 billion this year and $3.5 billion by December 1981 as the tax impact is felt.

He is only one expert who predicts the tax will slow U.S. exploration.

"The attractiveness of oil will decrease, causing drillers to shift to gas production. What we need is crude oil."

Taylor said the nation is drilling only half as many wells as it was in the middle 1950s, when heavy taxes on petroleum production began.

Elk City leasebroker Mark Stansberry predicts the tax will devastate the oil industry. "It comes at the very time we need to end our reliance on foreign imports."

Boren said, "The money was supposed to be used to solve the fuel crisis, but very little of the tax revenue will be used for energy research.

"I get letters every day from parents very worried about the Middle East situation. People don't want their sons to have to fight for oil supplies.

"With this (tax), we're doing nothing but increasing the risks of having to fight for oil."

Counting windfall, gross production, severance and other taxes already assessed on oil, and the increase in income taxes, Boren predicts Oklahoma could suffer a $100 billion loss "before we're through with this."

[From the Oklahoma City Times, May 8, 1980]

Oil Tax "Confiscates" Property

(By Mary Jo Nelson)

Tom Berry, an oil explorer, and Tom Biery, a petroleum engineer, have more in common than similar names and related professions.

Berry of Stillwater and Biery of Washington, D.C., hold parallel views on the windfall profits tax which will take an estimated $11.7 billion out of Oklahoma in this decade.

Berry said with this act "the government is confiscating private property."

The two and others questioned fear the windfall tax could be the first step to nationalizing oil, "and who knows what industry is next?" Berry said.

"Let's say you own 100 acres of royalty in Woods County. You got it by saving your money and buying it, by inheritance or trading for it. Today, those minerals are no longer worth what they were prior to the passing of this legislation.

"The government in reality has taken a deed to 70 percent of that rather than taxing you. If there is ever any income obtained from your royalty, the government takes the bigger part of it. It is no longer yours. It is confiscation of property. That is the disaster of this whole thing. It is unbelievable.

"I'm not trying to be cynical. But the fact is, if you believe in private property rights, this takes away your right to such ownership."

"I think it's sinful," said Biery, a University of Oklohoma graduate with Mid-Continent Oil and Gas Association.

"It gives government an economic interest in private property and that is a dangerous principle.

"From an historical perspective, it will have a negative effect on production. Many people will get out of the business and we will have less crude oil."

Berry believes "They have nationalized the oil industry with this act.

"Now, with this precedent, they can nationalize any damn industry they decide to. Maybe the American people will wake up some day."

Biery and others contend the complicated formula for arriving at the windfall profit will prove impossible to administer.

Homer Hulme, a Chickasha certified public accountant, calls it "tragic."

And Frank M. Burke Jr., a Dallas CPA, said, "The complexities will make administration and enforcement chaotic for both producers and the government."

The windfall levy is charged against every barrel of crude produced within the United States, beginning last March 1, except some Alaska oil where some new discoveries are exempt. Also exempt is oil from land owned by federal, state and city governments, those held by Indians, Eskimos and some charities.

Elsewhere, old oil generally is taxed more heavily than new discoveries.

The tax is assessed on that part of income the government decides is a windfall profit. The windfall is arrived at by a formula so complex a "description" by Biery's association fills 45 charts and two books.

There are different rates for "new" and "old" oil. New is petroleum discovered in 1979 or later. Old refers to that discovered before 1979.

Various "tiers" identify oil discovered before 1972, that discovered between 1973 and 1979, and new oil.

The tax rate can vary for each tier and for other categories, such as stripper, secondary and tertiary, front-end tertiary, incremental tertiary and heavy crude.

Independent producers get one break. They pay only 30 percent on the first 1,000 barrels per day, and up to 70 percent for all over that.

Major companies and royalty owners pay 70 percent of their windfall on old oil, and 30 percent on new oil, heavy crude and tertiary oil. Stripper oil is assessed at 60 percent of the windfall profit.

Jack Garber, Stillwater accountant, said producers and owners will give up about 16.7 percent of their total income for tier 1 oil, 35 percent of their income for tier 2 and 16.2 percent for tier 3 or newly-discovered oil.

Further complicating accounting will be quarterly changes in the adjusted base price, a provision for inflation in some instances, and that Oklahomans will be permitted to count part of the 7 percent severance tax they already pay. Gross production and other oil taxes, as well as income taxes, will continue at present rates.

Dick Robinson, a spokesman for Phillips Petroleum Co., Bartlesville, said such large companies will not feel the full effect of the law for about a year. But Phillips expects eventually to hire about a dozen extra employees, Robinson said.

So far, Phillips is using a lot of extra staff time, has reassigned some employees to its computer division and has contracted for some extra personnel.

A major factor Robinson cited is extra mailings required to send windfall forms to lease holders and mineral owners.

U.S. Sen. David Boren, who with Sen. Henry Bellmon unsuccessfully fought to exempt royalty owners, finds it "maddening" that they are the hardest hit.

"Royalty owners probably are the only group in the United States without a full-time lobbyist in Washington.

"I tried so hard to find these people and there isn't even a list of them anywhere."

One small owner is Mrs. Thelma Cullen, Oklahoma City. She paid a total of $27 windfall tax on two small checks received last week. Together the payments came to $79 before windfall tax. After it, she got $51.

"This is the most devilish thing a president and congress have ever perpetrated," she said.

"I can't believe nobody in Washington put a pencil to how many boxes of cereal or pounds of hamburger this will mean to people who have no other income."

Mrs. Joe Thompson, Cushing, said she and her husband thought about writing their Washington representatives during debate on the bill.

"But they (Oklahoma congressmen) were all against it and we don't have any clout with the others," she said.

Attorney Charles Nesbitt, former member of the Oklahoma Corporation Commission, is convinced the tax was passed not to get money for new energy development as backers claimed, but to finance "more government bureaucracy.

"The tax is supposed to produce $227.7 billion in the next decade. Now the Department of Energy will spend $25 billion this year alone.

"You could assume it would never increase spending another nickel. But don't be ridiculous. Even so, if it never went beyond that, this tax would not even cover what DEO will spend by 1990."

Nesbitt said the royalty owner "pays the maximum tax with no loopholes at all. So the little widows will suffer about a 35 percent cutback in their checks."

But they aren't in the worst category, Nesbitt said. "The worst impact will be felt by all the rest of us, we consumers who are going to pay $2 or more for gas.

"We're going to have $2 gasoline and it will work a terrible hardship on the average citizen."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON FEDERAL MINE HEALTH PROGRAM—MESSAGE FROM THE PRESIDENT—PM 210

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 511(b) of the Federal Mine Safety and Health Act of 1977, as amended (30 U.S.C. 958(b)), I transmit herewith the 1979 Annual Report on health activities under the Federal Mine Safety and Health Act of 1977 as submitted by the Secretary of Health and Human Services.

JIMMY CARTER.

THE WHITE HOUSE, *June 2, 1980.*

REPORT ON ADMINISTRATION OF THE GENETIC DISEASES PROGRAM—MESSAGE FROM THE PRESIDENT—PM 211

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 1106 of the Public Health Service Act, as amended, I herewith transmit the Fourth Annual Report on the Administration of the Genetic Diseases Program (42 U.S.C. 300b–5).

JIMMY CARTER.

THE WHITE HOUSE, *June 2, 1980.*

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on May 30, 1980, he had approved and signed the following act:

S. 2253. An act to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes.

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED BILL SIGNED

Under authority of the order of the Senate of May 30, 1980, the Secretary of the Senate, on May 30, 1980, during the recess, received a message from the House of Representatives reporting that the Speaker has signed the following enrolled bill:

H.R. 7471. An act to extend the present public debt limit through June 5, 1980.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. ROBERT C. BYRD).

MESSAGE FROM THE HOUSE

At 12:15 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill and joint resolution in which it requests the concurrence of the Senate:

H.R. 4046. An act to amend the Clayton Act to promote enforcement of the antitrust laws and conservation of judicial resources by clarifying the application of the common law doctrine of collateral estoppel in antitrust litigation, and for other purposes; and

H.J. Res. 472. Joint resolution designating

October 19, 1981, as a "Day of the National Observance of the 200th Anniversary of the Surrender of Lord Cornwallis to Gen. George Washington at Yorktown, Va."

The message also announced that the House failed to agree to the resolution (H. Res. 624) to disapprove Reorganization Plan Numbered 1 transmitted by the President on March 27, 1980.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were read twice by their title and referred as indicated:

H.R. 4046. An act to amend the Clayton Act to promote enforcement of the antitrust laws and conservation of judicial resources by clarifying the application of the common law doctrine of collateral estoppel in antitrust litigation, and for other purposes; to the Committee on the Judiciary.

H.J. Res. 472. Joint resolution designating October 19, 1981, as a "Day of the National Observance of the 200th Anniversary of the Surrender of Lord Cornwallis to Gen. George Washington at Yorktown, Va."; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3905. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Rural Electrification Administration Loans to Electric Distribution Systems: Policy Changes Needed," May 30, 1980; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3906. A communication from the Assistant Secretary for Resource Applications, Department of Energy, reporting, pursuant to law, that a report on activities to implement the alternative fuels appropriation will be submitted by June 6, 1980; to the Committee on Appropriations.

EC-3907. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on a construction project to be undertaken by the U.S. Army Reserve; to the Committee on Armed Services.

EC-3908. A communication from the President, National Corporation for Housing Partnerships, transmitting, pursuant to law, the corporation's annual report for 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3909. A communication from the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, final rule, 14 C.F.R. Part 159, "Solicitation and Leafletting Procedures at National and Dulles International Airports," published in the Federal Register on May 27, 1980; to the Committee on Commerce, Science, and Transportation.

EC-3910. A communication from the Director, Office of Hearings and Appeals, Department of Energy, transmitting, pursuant to law, as quarterly report on private grievances and redress, January 19, 1980, through March 31, 1980 (second quarter of fiscal year 1980); to the Committee on Energy and Natural Resources.

EC-3911. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and National Resources.

EC-3912. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to clarify the authority of the Secretary of the Interior, exercised through the Geological Survey of the Department of the Interior, to issue warnings of geological hazards; to the Committee on Energy and Natural Resources.

EC-3913. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "A Study of the Administrative Effectiveness of Department of Transportation Ridesharing Programs," May 1980; to the Committee on Environment and Public Works.

EC-3914. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Need to Prevent Windfall Benefit to Supplemental Security Income Recipients," May 30, 1980; to the Committee on Finance.

EC-3915. A communication from the Acting Assistant Secretary for International Organization Affairs, Department of State, transmitting, pursuant to law, a report of the United Nations Joint Inspection Unit, March 1980; to the Committee on Foreign Relations.

EC-3916. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-189, "Trinity College Charter Amendment Act of 1980," and report, adopted by the Council on April 22, 1980; to the Committee on Governmental Affairs.

EC-3917. A communication from the Acting Director, Community Services Administration, transmitting, pursuant to law, the first semiannal report of CSA's Inspector General covering the period from October 1, 1979, to March 31, 1980; to the Committee on Governmental Affairs.

EC-3918. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-190, "Museum of the City of Washington Act of 1980," and report, adopted by the Council on May 6, 1980; to the Committee on Governmental Affairs.

EC-3919. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-191, "Families With Children Equal Rights Act of 1980," and report, adopted by the Council on May 6, 1980; to the Committee on Governmental Affairs.

EC-3920. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a semiannual report of the Inspector General of NASA for the period ending March 31, 1980; to the Committee on Governmental Affairs.

EC-3921. A communication from the Acting Deputy Assistant Secretary for Indian Affairs, Department of the Interior, transmitting in draft form a response to Mr. Norman M. Crooks, Chairman of the Shakopee Mdewakanton Sioux Community, concerning the distribution of the Mississippi Sioux judgment funds; to the Select Committee on Indian Affairs.

EC-3922. A communication from the Associate Administrator for Administration, Department of Transportation, transmitting, pursuant to law, a report of a new system of records; to the Committee on the Judiciary.

EC-3923. A communication from the Secretary of Labor, transmitting, pursuant to law, a report entitled "Groups With Historically High Incidences of Unemployment"; to the Committee on Labor and Human Resources.

EC-3924. A communication from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

EC-3925. A communication from the Architect of the Capitol, transmitting, pursuant to law, a report of all expenditures during the period October 1, 1979, through March 31, 1980, from moneys appropriated to the Architect of the Capitol; ordered to lie on the table and to be printed.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and referred as indicated:

POM-745. A resolution adopted by the Legislature of the State of New York; to the Committee on Agriculture, Nutrition, and Forestry:

"LEGISLATIVE RESOLUTION, ASSEMBLY No. 526

"Whereas, It has come to the attention of this Legislative Body that there are six hundred eighty-one thousand households consisting of one million seven hundred ten thousand persons in this State who are dependent upon the Federal Food Stamps Program for basic nutritional sustenance; and

"Whereas, The Honorable Barbara B. Blum, Commissioner of Social Services of this State has warned that New York State's poor are facing a suspension of food stamps benefits for the months of June and July, nineteen hundred eighty due to the inaction of the Congress of the United States in raising the nationwide ceiling of food stamps expenditure for the Federal Fiscal Year which ends on June thirtieth, nineteen hundred eighty; and

"Whereas, Commissioner Blum has admonished that we must think of this problem in human terms as many of the certain to-be-deprived recipients will endure extreme hardship, especially those households with children, where not just food, but the right food is so important, if there is any hiatus in this program or even any slight diminution in the benefits to be expected therefrom; and

"Whereas, The Honorable Hugh L. Carey, Governor, has made known his concern over this issue to the Honorable Robert Bergland, Secretary of Agriculture of the United States whose Department administers the Federal Food Stamps Program; and

"Whereas, Suspension of food stamps benefits to the eligible persons in this State will beyond peradventure of doubt drive the incomes of their households drastically below the poverty level; and

"Whereas, There is proposed legislation before the Congress of the United States which will remedy this alarming problem such as United States Senate Bill 1309, a supplemental appropriations bill, which would add two and one-half billion dollars to the Food Stamps Program for the nineteen hundred eighty Federal Fiscal Year; now, therefore, be it

"*Resolved*, That this Legislative Body memorializes and respectfully exhorts the Honorable Jimmy Carter, President of the United States, the Congress of the United States to join forces and to convey to the members of the Congress of the United States and the Secretary of Agriculture of the United States that it is the mind of the majority of the citizens of this great Empire State that the threatened suspension of food stamps benefits should be averted by the introduction and passage of remedial Federal legislation; and be it further

"*Resolved*, That copies of this Resolution, suitably engrossed, be transmitted to the Honorable Jimmy Carter, President of the United States, to the President Pro Tempore of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each Member of the Congress of the United States from the State of New York and to the Honorable Robert

Bergland, Secretary of Agriculture of the United States."

POM-746. A resolution adopted by the Legislature of the State of New York; to the Committee on Environment and Public Works:

"LEGISLATIVE RESOLUTION, ASSEMBLY NO. 502

"Whereas, Acid precipitation has increasingly become a major national and international pollution problem resulting in serious environmental damage; and

"Whereas, Over the past twenty to thirty-five years, precipitation in the Northeast has, on the average shown a forty-fold increase in acidity; and

"Whereas, Acids in rain and snowfall as well as dry particles have damaged aquatic systems by destroying the buffering capacity of water in lakes and ponds and by furthering the leaching of heavy metals including lead and mercury from rocks into water sources; and

"Whereas, In New York State alone, more than one hundred seventy lakes and ponds totaling more than seven thousand acres have become biological wastelands as a result of acid precipitation; and

"Whereas, The despoliation of lakes and ponds caused by acid precipitation has been extensive within the Adirondack Park, one of the nation's major wilderness preserves; and

"Whereas, Acid precipitation has also been determined to cause reduction in forest growth, damage to crop land, erosion of stone buildings and monuments, and the leaching of heavy metals from water pipes into drinking water, as well as other health effects; and

"Whereas, The problem of controlling the sources and the causes of acid precipitation transcend state as well as international boundaries and, therefore, require Federal action; and

"Whereas, Existing programs like the Federal Clean Air Act can be more effectively utilized to solve the problems of acid precipitation at its source; and

"Whereas, The state of Ohio has petitioned the Environmental Protection Agency, seeking relaxation of air quality standards set forth in their State Implementation Plan, thus allowing coalfired power plants in the State of Ohio to continue to emit damaging levels of sulfur dioxide, a proposal which is the subject of much controversy; and

"Whereas, The relaxation of air quality standards in Ohio might serve to create a dangerous trend of inequitable, quasi-compliance with existing Federal clean air regulations; and

"Whereas, The Director of the Environmental Protection Agency's Air Quality Planning and Standards Office states that the State of Ohio's request should be denied, as it would substantially increase the amount of sulfur dioxide pumped into the atmosphere; and

"Whereas, Further emissions of sulfur dioxide and nitrous oxide from coal fired power plants and other industries of the midwest industrial belt will most certainly have a disastrous effect on the remaining lakes and ponds of the Adirondack Park still capable of supporting life; and

"Whereas, If the acidification is allowed to continue in the Adirondack Park, the economic effects will be stifling, as the mainstays of the Adirondack economy, tourism and forestry, will surely suffer irreparable damage; now, therefore, be it

"*Resolved*, That the Legislature of the State of New York calls upon the President of the United States, the United States Congress and the Administrator of the United States Environmental Protection Agency to take full and effective action to control the causes of acid precipitation including the maintenance of federal clean air standards to prevent further degradation of the environment; and be it further

"*Resolved*, That this Legislature opposes any relaxation of the promulgated air quality standards and regulations designed to minimize sulfur dioxide and nitrous oxide discharges, which might deleteriously affect the air quality of states downwind and in particular the airshed of the Adirondack Park; and be it further

"*Resolved*, That this Legislature urges the United States Congress to develop and implement a nationwide standard for regulation of existing coal-fired power plants; and be it further

"*Resolved*, That this Legislative Body urges the United States Congress to develop and implement nationwide ambient air quality standards and to also require the utilization of "coal washing" for all coal mined in this country; and be it further

"*Resolved*, That this Legislature urges the President and the Congress to work together to see that more resources are applied to solve the acid precipitation problem in an expeditious fashion; and be it further

"*Resolved*, That copies of this resolution, suitably engrossed, be transmitted to the Speaker of the House of Representatives of the United States, to the President Pro Tempore of the United States Senate, to each member of the Congress of the United States from the State of New York, and to the Honorable Jimmy Carter, President of the United States."

POM-747. A resolution adopted by the Legislature of the State of New York; to the Committee on the Judiciary:

"LEGISLATIVE RESOLUTION ASSEMBLY NO. 341

"Whereas, The sovereign State of New York is the home of more than two and one-half million veterans who served their country in time of need; and

"Whereas, The Thirtieth Day of May has for over one hundred years been recognized as Memorial Day, to honor the men and women who made the supreme sacrifice for their country; and

"Whereas, There now exists an erosion of this time honored memorial; now, therefore, be it

"*Resolved*, That this Legislative Body respectfully memorializes the Congress of the United States of America to designate May Thirtieth as Memorial Day, as a fixed date to honor the nation's war dead; and be it further

"*Resolved*, That copies of this resolution, suitably engrossed, be transmitted to the President Pro Tempore of the Senate of the United States and to the Speaker of the House of Representatives of the United States at Washington, D.C."

POM-748. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Appropriations:

"LEGISLATIVE RESOLVE NO. 13

"Whereas Congress is considering the passage of H.R. 5872 which contains an $8,579,000 appropriation to the U.S. Army Corps of Engineers and authorizes the construction of a boat harbor at Dog Bay for Kodiak, Alaska; and

"Whereas this boat harbor project is known to Congress and the U.S. Army Corps of Engineers as "S.D. 96-6 Kodiak Harbor, Alaska"; and

"Whereas this proposed boat harbor will relieve the serious overcrowding of the existing Kodiak boat harbor where approximately 225 mooring spaces are available to serve the needs of a fleet of over 1,600 vessels having an estimated value of $100,000,000; and

"Whereas the safe moorage of vessels is necessary not only to serve the needs of vessels currently using Kodiak as home port but also to attract and serve the needs of additional vessels as Kodiak continues to grow and develop as one of the major fishing ports of the world;

"Be it resolved that the Alaska State Legislature urges Congress to pass the $8,597,000 appropriation contained in H.R. 5872 to pay for the construction of the Dog Bay boat harbor project "S.D. 96-6 Kodiak Harbor, Alaska".

"Copies of this resolution shall be sent to the Honorable Jimmy Carter, President of the United States; the Honorable Walter F. Mondale, President of the U.S. Senate; the Honorable Thomas P. O'Neill, Jr., Speaker of the House of Representatives; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress."

POM-749. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE RESOLUTION NO. 668

"Whereas, Wood and paper products are one of the necessities of the American style of life, and an essential component of our Nation's industry, and therefore a continuous and reliable supply of them is vital to us all; and

"Whereas, The demand for such products is expected to double within the next 40 years, and unless the supply is expended proportionately we will face shortages and severe economic consequences; and

"Whereas, The forests that produce such products are one of this country's most valuable resources, with the potential to provide an infinitely renewable supply; and

"Whereas, The long lifetime of trees and the long periods required between the planting and harvesting of a tree make the most careful advance planning and management necessary; and

"Whereas, Foresters have proven that sound management can dramatically improve the yield of our forests, having increased net timber growth by nearly 400 percent in the last 60 years; and

"Whereas, Poor forest management is extremely costly to our Nation yet continues to be widespread, in large part because the management of public forest lands is more often political than scientific; and

"Whereas, The Federal Government is the principal source of the funding and direction upon which further progress in forestry management and research depends, and by its oversight of public land controls and regulates the timber industry; and

"Whereas, Increased funding is urgently needed for research and development of new and better forestry management techniques; and

"Whereas, Increased and more productive utilization of America's timber resources would further American industry and make our future more secure; and

"Whereas, The preservation as Wilderness of this Nation's most beautiful and unspoiled public lands is a worthy goal, but benefits only the few who are able to appreciate such wild and remote sites; whereas public lands devoted to forestry not only produce much-needed timber, but also provide wildlife habitants, scenic beauty, soil and water conservation, hunting and fishing, and forms of recreation that are more accessible and better suited to the general population; therefore, be it

"*Resolved by the House of Representatives of the Eighty-first General Assembly of the State of Illinois*, That it is the sense of this House that forestry should be encouraged; and, be it further

"*Resolved*, That the House of Representatives of the Illinois General Assembly strongly urges the Congress of the United States to take all actions available to further foster forestry and encourage the productive use of timberlands, including substantially increasing both the amount of lands available for timber production and the amount of funding for research into ecologically sound methods of forest management; and, be it further

"*Resolved*, That the Clerk transmit a suitable copy of this preamble and resolution to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to each member of the Illinois Congressional Delegation, and to The American Legion, Department of Illinois."

POM–750. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance;

"H.R. No. 408

"Whereas, the U.S. House of Representatives has recently passed H.R. 5741, which would limit federal tax exemptions on state bonds that finance mortgages for low and moderate income families; and

"Whereas, the legislature of the State of Hawaii found in 1979 that a major factor in the continuing housing problem in Hawaii is the lack of long term mortgage financing at affordable interest rates available from lending institutions within the State of Hawaii; and

"Whereas, this lack of affordable long term mortgage financing has made it particularly difficult for first time buyers, younger families, persons and families of lower and moderate income, and the elderly to purchase residences; and

"Whereas, the future demand for affordable financing will not be met by existing programs; and

"Whereas, the housing market in Hawaii has experienced a thirty percent increase in home sale prices between 1979 and 1980, while the median family income has increased by only three and one-half percent during the same period; and

"Whereas, recent statistics indicate that the intermediate cost of living expense for a family of four in Hawaii is twenty-four percent higher than the corresponding urban United States average; and

"Whereas, the escalation of prices in Hawaii's housing market has been partly attributed to Hawaii's limited land area and the rising demand for housing; and

"Whereas, the net result of these factors has been that more and more Hawaii residents are priced out of the housing market, thus increasing the number of low and moderate income families unable to purchase their own homes; and

"Whereas, the Hawaii State Legislature, in 1979, enacted legislation known as the Housing Loan and Mortgage Act ('Hula Mae') which authorizes the issuance of state revenue bonds to make funds available to mortgage lenders so that they, in turn, may make loans to individuals for the purchase of an interest in residential property and residential improvements; and

"Whereas, the primary intent of the Legislature of the State of Hawaii in instituting the 'Hula Mae' program was to help families with low and moderate incomes and limited assets who would not otherwise be able to afford their own homes to buy homes for the first time; and

"Whereas, mortgage lending institutions in the State have been highly cooperative and supportive of the 'Hula Mae' program; and

"Whereas, the Legislature of the State of Hawaii is confident that the provisions of 'Hula Mae' impose sufficient safeguards to prevent any potential abuse of the program, and that these provisions encourage both private and public development of housing while offering an opportunity for low and moderate income families to purchase their own homes; and

"Whereas, H.R. 5741, if passed, would effectively eliminate the 'Hula Mae' program in 1982; and

"Whereas, the collapse of the 'Hula Mae' program, in addition to an existing shortage of rental units in Hawaii, would aggravate Hawaii's housing, economic and social problems: Now, therefore, be it

"*Resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1980*, that the Senate of the United States is respectfully requested to defeat H.R. 5741 which would amend Section 103 of the Internal Revenue Code of 1954; and be it further

"*Resolved*, That certified copies of this Resolution be transmitted to the President of the United States, to the President of the U.S. Senate, to the Speaker of the U.S. House of Representatives, and to each member of the Hawaii delegation to the U.S. Congress."

POM–751. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance;

"H.C.R. No. 116

"Whereas, the U.S. House of Representatives has recently passed H.R. 5741, which would limit federal tax exemptions on state bonds that finance mortgages for low and moderate income families; and

"Whereas, the legislature of the State of Hawaii found in 1979 that a major factor in the continuing housing problem in Hawaii is the lack of long term mortgage financing at affordable interest rates available from lending institutions within the State of Hawaii; and

"Whereas, this lack of affordable long term mortgage financing has made it particularly difficult for first time buyers, younger families, persons and families of lower and moderate income, and the elderly to purchase residences; and

"Whereas, the future demand for affordable financing will not be met by existing programs; and

"Whereas, the housing market in Hawaii has experienced a thirty percent increase in home sale prices between 1979 and 1980, while the median family income has increased by only three and one-half percent during the same period; and

"Whereas, recent statistics indicate that the intermediate cost of living expense for a family of four in Hawaii is twenty-four percent higher than the corresponding urban United States average; and

"Whereas, the escalation of prices in Hawaii's housing market has been partly attributed to Hawaii's limited land area and the rising demand for housing; and

"Whereas, the net result of these factors has been that more and more Hawaii residents are priced out of the housing market, thus increasing the number of low and moderate income families unable to purchase their own homes; and

"Whereas, the Hawaii State Legislature, in 1979, enacted legislation known as the Housing Loan and Mortgage Act ('Hula Mae') which authorizes the issuance of state revenue bonds to make funds available to mortgage lenders so that they, in turn, may make loans to individuals for the purchase of an interest in residential property and residential improvements; and

"Whereas, the primary intent of the Legislature of the State of Hawaii in instituting the 'Hula Mae' program was to help families with low and moderate incomes and limited assets who would not otherwise be able to afford their own homes to buy homes for the first time; and

"Whereas, mortgage lending institutions in the State have been highly cooperative and supportive of the 'Hula Mae' program; and

"Whereas, the Legislature of the State of Hawaii is confident that the provisions of 'Hula Mae' impose sufficient safeguards to prevent any potential abuse of the program, and that these provisions encourage both private and public development of housing while offering an opportunity for low and moderate income families to purchase their own homes; and

"Whereas, H.R. 5741, if passed, would effectively eliminate the 'Hula Mae' program in 1982; and

"Whereas, the collapse of the 'Hula Mae' program, in addition to the existing shortage of rental units, would aggravate Hawaii's housing, economic and social problems: Now, therefore, be it

"*Resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, the Senate concurring*, That the Senate of the United States is respectfully requested to defeat H.R. 5741 which would amend Section 103 of the Internal Revenue Code of 1954; and be it further

"*Resolved*, That certified copies of this Resolution be transmitted to the President of the United States, to the President of the U.S. Senate, to the Speaker of the U.S. House of Representatives, and to each member of the Hawaii delegation to the U.S. Congress."

POM–752. A concurrent resolution adopted by the Legislature of the State of Iowa; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION 110

"Whereas, section 103 of the United States Internal Revenue Code provides for the issuance of industrial revenue bonds by a political unit for the construction of private or public facilities; and

"Whereas, the majority of these tax-exempt bonds are limited to ten million dollars in any one instance; and

"Whereas, certain facilities have been deemed to have a public purpose and are therefore not subject to the ten million tax exempt limit; and

"Whereas, these exempt facilities include airports, docks, wharves, mass commuting, parking, and other transportation facilities; and

"Whereas, the construction, repair, and upgrading of railbeds, trackage, and appurtenances, but not rolling stock, are also deemed to have a public purpose: Now, therefore, be it

"*Resolved by the House of Representatives, the Senate concurring*, That the Iowa General Assembly urges the Congress of the United States to amend the United States Internal Revenue Code, section 103, to provide for unlimited exemptions on obligations issued to finance certain railroad improvement projects; and be it further

"*Resolved*, That copies of this Resolution be forwarded to members of the Iowa Congressional Delegation, the Speaker of the United States House of Representatives, the President of the United States Senate, and the chairpersons of the Ways and Means Committees of the United States House of Representatives and Senate."

POM–753. A resolution adopted by the Town Board of the Town of Islip, N.Y., memorializing the U.S. Congress and the President to enact into law H.R. 7020 and S. 1480; to the Committee on Environment and Public Works.

POM–754. A resolution adopted by the City Council of Elizabeth, N.J., urging that the Elizabeth River flood control project continue uninterrupted and that with respect to any moratorium which may be contemplated in connection with a national anti-inflation program, that an "exception to the suspension" be obtained for the Elizabeth River flood control project; to the Committee on Environment and Public Works.

POM–755. A resolution adopted by the American War Dads and Auxiliary, Topeka, Kans., approving the President's attempt to rescue the hostages, that our country is too far behind in our military preparedness and military strength, and approving the drafting of women, but not for combat duties; to the Committee on Armed Services.

POM-756. A petition from a private citizen, relative to military preparedness and military strength; to the Committee on Armed Services.

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REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MORGAN, from the Committee on Armed Services, without amendment:

H.R. 5580. An act to amend title 10, United States Code, to authorize the Secretary of Defense to enter into certain agreements to further the readiness of the military forces of the North Atlantic Treaty Organization. (Rept. No. 96-795.) Referred to the Committee on Foreign Relations for 30 days.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER WITH THE CODEL BIDEN/BAKER DELEGATION TO THE PERSIAN GULF-GREECE, TURKEY, AND ITALY, FROM APR. 3 TO 13, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Walter J. Stewart:									
Oman	Rial	36,935	108.00					36,939	108.0
Greece	Drachmae	12,750	300.00					12,750	3C0.00R0
Turkey	Lira	5,500	75.00					5,500	75.00
Italy	Lire	169,200	184.30					169,200	184.30
Total			667.30						667.30

May 13, 1980

ROBERT C. BYRD,
Majority Leader.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR THE PERIOD FROM JAN. 2 TO 10, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Benjamin S. Cooper:									
Venezuela	Bolivar	1,265.70	295.72						295.72
Brazil	Cruzeiro	15,432	364.57						364.57
Argentina	Peso	213,958	136.22						136.22
Air transportation for above					2,090.00				2,090.00
James T. Bruce:									
Venezuela	Bolivar	1,284	300.00						300.00
Brazil	Cruzeiro	13,814.44	328.51						328.51
Argentina	Peso	212,608	135.44						135.44
Air transportation for above					2,090.00				2,090.00
Total			1,560.46		4,180.00				5,740.46

May 12, 1980

HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself, Mr. TALMADGE, Mr. MOYNIHAN, Mr. BAUCUS, Mr. DOLE, Mr. CHAFEE, and Mr. WALLOP):

S. 2775. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of retirement and similar plans maintained for nonresident aliens; to the Committee on Finance.

By Mr. HATCH:

S. 2776. A bill for the relief of Jose Ramon Beltron Aivenda Ostler; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 2777. A bill to amend 28 U.S.C. 456; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. TALMADGE, Mr. MOYNIHAN, Mr. BAUCUS, Mr. DOLE, Mr. CHAFEE, and Mr. WALLOP):

S. 2775. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of retirement and similar plans maintained for nonresident aliens; to the Committee on Finance.

U.S. TAX TREATMENT OF FOREIGN PENSION PLANS

● Mr. BENTSEN. Mr. President, I am today introducing legislation to modify the tax law concerning contributions made by U.S. companies with respect to pension plans maintained abroad primarily for foreigners.

In 1974 the Employee Retirement Income Security Act (ERISA) was enacted to prevent pension abuses and to insure that retirees received their earned pension benefits. Foreign pension plans were specifically exempted from the labor law portions of ERISA (title I). The legislation that I am introducing today would exempt these same plans from the tax portions of ERISA (title II) under specified conditions. Under the bill, a taxpayer would be allowed a tax deduction for reasonable contributions made with respect to pension plans for foreigners. Pension plans in countries like Canada are regulated by the home country. U.S. businesses should not be disallowed a deduction merely because the pension rules in a foreign country are different from the standards specified in ERISA.

Mr. President, I urge the Senate to approve this legislation expeditiously.●

By Mr. DeCONCINI:

S. 2777. A bill to amend 28 U.S.C. 456; to the Committee on the Judiciary.

● Mr. DeCONCINI. Mr. President, I am introducing today a bill to adjust the per diem rates of Federal justices and judges while they are in a travel status.

Presently judges receive the same per diem rates as other Federal employees and while this may have been justified in the past its present effect is to work a severe hardship on members of the Federal bench. The bill I am proposing today would increase the per diem allowance in lieu of actual expenses of subsistence from $35 to $50 per day. It would also increase that amount of actual expenses that could be reimbursed from $50 to $75 per day. These increases reflect the fact of life in 1980 that it is next to impossible to be in a travel status in most parts of our country and get by with less than $75 a day in expenses for food, housing and miscellaneous nontravel expenses.

The hardship of an inadequate per diem allowance falls particularly heavily on the judiciary and has a very direct impact on judicial administration and the quality of justice in our Federal courts. All too often in recent years as society has become more litigious and caseloads and complexity of cases has increased, it has been necessary to call on the services of judges from throughout the country to leave their district temporarily to assist their colleagues in districts where the caseload has reached crisis proportions.

Often, these visiting judges are gone for weeks and even months at a time. It is most often the metropolitan districts that have had caseload crunches, and, of course, it is these districts where cost of living is usually also the highest. It has been the experience of too many visting judges that to follow the call to assist a judge in another district has meant significant economic loss. This is a loss that is clearly not justified. As more and more judges have felt the financial pinch, they have declined to travel outside their districts for long periods of time to visit other districts.

I recently spoke with our distinguished former colleague, the Senator from Montana, Paul Hatfield, who is now a U.S. district judge for that State. He had accepted the request of the Chief Judge of the Ninth Circuit Court of Appeals to assist with a complicated trial in Los Angeles. It was clear from his comments that it was simply impossible to make ends meet when forced to live in temporary quarters in Los Angeles over an extended period on $50 per day expense money. The predicament of Judge Hatfield is recurring every day throughout the country to other judges, and its continuance can only hurt the administration of justice.

I urge my colleagues to support this bill that will prevent undue economic loss for members of the Federal bench.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 456 of title 28, United States Code, is amended by striking the first paragraph and inserting the following:

"Each Justice or judge of the United States and each retired Justice or judge recalled or designated and assigned to active duty, while attending court or transacting official business at a place other than his official station, shall, upon his certificate, be paid by the Director of the Administrative Office of the United States Courts all necessary traveling expenses, and also a per diem allowance in lieu of actual expenses of subsistence (as defined in the Travel Expense Act of 1949, as amended, 63 Stat. 166; 5 U.S.C. 835) at a rate of $50 or, in accordance with regulations prescribed by the Director of the Administrative Office of the United States Courts with the approval of the Judicial Conference of the United States, reimbursement for his actual expenses of subsistence not in excess of $75 per day." ●

ADDITIONAL COSPONSORS

S. 619

At the request of Mr. Mathias, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 619, a bill to prohibit taxation by a State of electricity generated in that State and transmitted to and consumed in another State.

S. 938

At the request of Mr. Mathias, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 938, a bill to revise section 1 of the Clayton Act to expand the scope of the antitrust laws, and for other purposes.

S. 1010

At the request of Mr. Mathias, the Senator from New Jersey (Mr. Bradley) and the Senator from South Carolina (Mr. Hollings) were added as cosponsors of S. 1010, a bill to establish a Commission on the International Application of Antitrust Laws.

S. 1945

At the request of Mr. Levin, the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 1945, a bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies.

S. 2079

At the request of Mr. Bayh, the Senator from Tennessee (Mr. Sasser) was added as a cosponsor of S. 2079, a bill to improve the administration of the patent and trademark laws by establishing the Patent and Trademark Office as an independent agency, and for other purposes.

S. 2512

At the request of Mr. Mathias, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 2512, a bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for service liability losses and expenses of design professionals, to provide a deduction for certain amounts paid to captive insurers, and for other purposes.

S. 2623

At the request of Mr. Goldwater, the Senator from Illinois (Mr. Percy), the Senator from Alabama (Mr. Stewart), the Senator from Nebraska (Mr. Zorinsky), and the Senator from Kentucky (Mr. Ford) were added as cosponsors of S. 2623, a bill to incorporate the U.S. Submarine Veterans of World War II.

S. 2630

At the request of Mr. Jackson, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 2630, a bill to establish the Martin Luther King, Jr., National Historic Site in the State of Georgia, and for other purposes.

S. 2722

At the request of Mr. Wallop, the Senator from Mississippi (Mr. Cochran), and the Senator from Nebraska (Mr. Zorinsky) were added as cosponsors of S. 2722, a bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to inmates of penal institutions or facilities for the criminally insane.

S. 2736

At the request of Mr. Simpson, the Senator from Utah (Mr. Hatch) and the Senator from Utah (Mr. Garn) were added as cosponsors of S. 2736, a bill to exclude certain lands from the Grand Teton National Park.

SENATE CONCURRENT RESOLUTION 94

At the request of Mr. Huddleston, the Senator from Louisiana (Mr. Johnston) and the Senator from Mississippi (Mr. Stennis) were added as cosponsors of Senate Concurrent Resolution 94, a concurrent resolution to express the sense of the Congress that the United States not admit more than 650,000 immigrants in fiscal year 1980.

AMENDMENT NO. 1777

At the request of Mr. Heinz, the Senator from Utah (Mr. Garn) was added as a cosponsor of amendment No. 1777 intended to be proposed to S. 2352, a bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes.

AMENDMENT NO. 1778

At the request of Mr. Heinz, the Senator from Utah (Mr. Garn) was added as a cosponsor of amendment No. 1778 proposed to S. 2352, a bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes.

AMENDMENT NO. 1786

At the request of Mr. Dole, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of amendment No. 1786 proposed to S. 2352, a bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes.

SENATE CONCURRENT RESOLUTION 98—SUBMISSION OF A CONCURRENT RESOLUTION URGING REFUGEE STATUS TO RECENTLY ARRIVED CUBANS

Mr. HEINZ submitted the following concurrent resolution, which was referred to the Committee on the Judiciary:

S. Con. Res. 98

Whereas President Carter has declared for all Americans that he welcomes the Cuban immigrants to the United States with open arms and heart; and

Whereas these immigrants will create substantial financial burdens on the States and local governments where they are sent upon arrival in the United States; and

Whereas these State and local governments will be called upon to provide such services as emergency and other health care, education of school age children, voluntary protective services, public assistance and welfare, all necessitating significant expenditures; and

Whereas many State and local governments are already financially overburdened due to the state of the economy and anticipated reductions in Federal funding; and

Whereas the decision to accept the Cuban immigrants in the United States is truly a national decision in which all must share equally: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it calls upon the President to designate as refugees those Cubans who have arrived in the United States in the last sixty days so that State and local governments currently responsible for them can qualify for Federal assistance pursuant to the Refugee Act of 1980.

AMENDMENTS SUBMITTED FOR PRINTING

NATIONAL SMALL HYDROELECTRIC POWER DEVELOPMENT ACT OF 1980—S. 1641

AMENDMENT NO. 1792

(Ordered to be printed and to lie on the table.)

Mr. STAFFORD (for himself, Mr. CHAFEE, Mr. HATFIELD, Mr. LEAHY, Mr. MOYNIHAN, and Mr. PRESSLER) submitted an amendment intended to be proposed by them to S. 1641, a bill authorizing the Secretary of the Army, acting through the Chief of Engineers, to plan, design and construct small hydroelectric power projects not specifically authorized by the Congress.

• Mr. STAFFORD. Mr. President, I am today submitting an amendment to S. 1641. I am particularly pleased that this amendment is cosponsored by several of my distinguished colleagues: the Senator from Rhode Island (Mr. CHAFEE), the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. LEAHY), the Senator from New York (Mr. MOYNIHAN), and the Senator from South Dakota (Mr. PRESSLER).

Our amendment would allow those States that wish to do so to operate a billboard control program outside both the restrictions and the Federal assistance now provided under the mandatory Federal highway beautification program.

This amendment is identical to S. 344, which I introduced last year. At committee hearings last year, S. 344 won broad support among the States, as well as from every group that has shown an interest in the billboard issue, with the exception of the billboard industry itself. Billboard advertisers supported this bill, as did the States and a variety of farm and environmental groups. Only the billboard industry argued that Congress should perpetuate the mandatory Federal regulation of billboards.

It is the belief of this Senator that we have reached a point when we must recognize the abject failure of the present Federal billboard program. It infringes on State and local zoning authority. It has failed to produce billboard-free highways, as it has failed to serve the interest of potential billboard advertisers. Its Federal cost is estimated in the range of $1.5 billion. And what is being spent on the program? There may be up to $2 million available for billboard removal this year, and probably nothing in fiscal year 1981. At that rate, it will take a minimum of 750 years to complete this program. And with billboard removal unlikely ever to receive a very high priority in our national budget, this Senator can see no possibility of major progress or spending under the present Federal law.

Therefore, the only viable option to this Senator is to make the decision to return this program, which has great interest in many areas, to those States that wish to assume responsibility. Other States would continue under the Federal program.

When the Committee on Environment and Public Works took up S. 344 last fall, it failed to win a majority vote. Six members voted in favor of S. 344; six members voted against it. Therefore, it cannot be reported as a separate bill.

When S. 1641 is called up on the Senate floor, I intend to offer this amendment, thus enabling the Senate to have a vote on whether or not the Nation should continue a program that is failing to work and is never likely to work.

While it is unusual to add highway-related legislation to a water resources bill, this action is necessitated because there is no bill on the calendar that is more germane, one that would be referred to the proper committee on the House side, and one where those Members of the Senate who are most knowledgeable on this issue would be potential conferees with the House.

Mr. President, I ask unanimous consent that my "nonprevailing views," as they appeared in the S. 344 report of the Committee on Environment and Public Works and explain that bill and this amendment in detail, plus the text of this amendment, be printed at this point in the RECORD.

There being no objection, the amendment and views were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1792

On page 17, after line 12, insert the following:

TITLE III

SEC. 301. This title may be cited as the "Federal Highway Beautification Act of 1980."

SEC. 302. Section 131 of title 23, United States Code is amended to read as follows:

"§ 131. Control of outdoor advertising

"(a) The Congress hereby finds and declares that it is in the public interest for the Federal Government to assist the States in controlling the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System and the primary system in order to protect the public investment in such highways, to promote the safety and recreational value of public travel, and to preserve natural beauty.

"(b) A State may establish a statewide system to control the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to the Interstate and primary systems. Whenever a State which has established an effective statewide system of control, as defined in subsection (c) and determined by the Secretary, shall acquire by purchase or condemnation signs, displays, or devices lawfully erected and maintained adjacent to the Interstate or primary system, the Federal share of such acquisition shall be 80 per centum, subject to appropriations acts. Any State electing to provide such compensation shall provide (1) compensation for the taking from the owner of such sign, display, or device; and (2) compensation for the taking from the owner of real property on which the sign, display, or device is located, of the right to erect and maintain such sign, display, or device thereon.

"(c) An effective statewide system of control is one which provides that signs, displays, or devices, if located within six hundred and sixty feet of the right-of-way within urban areas or if located outside urban areas and visible from the main traveled way of the system, shall be limited to (1) directional and official signs and notices, which signs and notices shall be limited to official signs and notices, public utility signs, service club and religious notices, public service signs and directional signs consistent with the national standards as in effect on the date of enactment of this section, (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, (3) signs, displays, and devices advertising activities conducted on the premises on which they are located, (4) signs lawfully in existence on October 22, 1965, determined by the State, subject to the approval of the Secretary, to be landmark signs, including signs on farm structures or natural surfaces, of historic or artistic significance the preservation of which would be consistent with the purposes of this section, and (5) signs, displays, and devices in areas zoned industrial or commercial under authority of State law and actually developed for such use or in unzoned commercial or industrial areas.

"(d) The Secretary shall, in consultation with the States, provide within the right-of-way for areas at appropriate distances from interchanges on the Interstate System on which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained. The Secretary may also, in consultation with the States, provide within the rights-of-way of the primary system for areas in which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained. Such signs shall conform to national standards to be promulgated by the Secretary.

"(e) In order to provide information in the specific interest of the traveling public, the State highway departments are authorized to maintain maps and to permit information directories and advertising pamphlets to made available at safety rest areas. Subject to the approval of the Secretary, a State may also establish information centers at safety rest areas and other travel information systems within the rights-of-way for the purpose of informing the public of places of interest within the State and providing such other information as a State may consider desirable. The Federal share of the cost of establishing such an information center or travel information system shall be that which is provided in section 120 for a highway project on that Federal-aid system to be served by such center or system.

"(f) Any State highway department which has, under this section as in effect on June 30, 1965, entered into an agreement with the Secretary to control the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System shall, subject to appropriations acts, be entitled to receive the bonus payments as set forth in the agreement, but no such State highway department shall be entitled to such payments unless the State maintains the control required under such agreement."

NON-PREVAILING VIEWS

The Committee on Environment and Public Works declined, on a tie vote of 6–6 on November 14, 1979, to report S. 344 to the Senate for action. That decision represents another victory for those who have converted the Federal Highway Beautification Act of 1965 into the Billboard Protection and Compensation Act.

When Congress passed the Federal Highway Beautification Act in 1965, the Nation thought it was the beginning of an effort to remove those billboards that scarred the horizon. In fact, the goals of the new law were more modest than generally perceived. The Act was designed to merely reduce the number of highway signs permitted on the rural landscape and to provide limited control of signs in urban areas.

But, the law has failed to achieve even those modest goals. The aims of the Act have been perverted by amendments, by the influence of the billboard lobbyists and by the neglect of environmentalists who once supported the concept. The noble intentions have long since fallen prey to the industry.

The law, as it stands at present, not only protects almost all standing billboards that have any commercial value, but it also permits new signs to be erected across our land.

After 14 years of the program's existence, 100,000 nonconforming signs have been removed. But, 200,000 nonconforming signs remain standing. Most of the signs that have come down were removed in the early, enthusiastic days of the present law, and along little used roads where the signs no longer had much value. Thus, the signs that have come down have generally been those that had lost their commercial value and were offered—for a price—by an industry that has been able to eat its cake and have it, too.

The Department of Transportation, in testimony to the Committee, admitted that most of the signs removed to date have been ones "along less traveled roads where the industry no longer finds these signs profitable."

The most devastating success of the billboard industry has been its undiminished ability to get congressional support for provisions that make cash compensation mandatory for the removal of all nonconforming signs—and its equally remarkable ability to have that concept extended to shelter more and more signs, even ones beyond the scope of the 1965 Act.

The 1968 amendments granted local governments greater flexibility to allow more billboards to remain standing or to erect new billboards. In 1974, the billboard industry won legislative language that assured cash compensation for more signs than had been covered in the original law. The Congress loosened the law further to permit signs in areas where their removal would cause an undefined "economic hardship."

The 1978 amendments represent the ultimate achievement for the owners of billboards. The most recent amendment says cash compensation must be paid for any sign removed anywhere along the 300,000 miles of the Interstate and Primary Highway Systems, even if the sign is removed for a reason totally unrelated to the Federal billboard control law.

That amendment represents both a windfall to the billboard industry and an unacceptable Federal intrusion into the traditional zoning and police powers of State and local jurisdictions. How does any of this promote highway beautification?

Signs that in the past would have been legally removed by State and local governments using the concept of amortization, rather than cash payments, will now command cash compensation if they are to come down. Unable to win in the courts, the industry succeeded once again in the Congress.

So, even fewer signs will come down in the future because of the Catch-22 situation that has been created. There is no money in the 1980 or 1981 Federal budgets for billboard removal. If there is no money available for that purpose, no billboards can come down. That is the Catch-22, because the government must pay cash when a sign is taken down. If there is no money available to pay for the sign, the sign cannot be taken down—even though it is nonconforming.

Industry arguments that cash compensation is the principle involved deflect attention from the real issue. Many courts ruled against the billboard industry, until the Congress changed the law. Billboards produce revenues when they remain standing, delivering their commercial messages. The industry's true goal is to keep the billboards standing—and producing revenues—and not to be paid the relatively small sums that come with billboard removal.

The industry has been able to achieve Federal legislation that guarantees that its billboards will remain standing.

Before passage of the 1978 amendments, the Federal Highway Administration estimated that State and Federal governments would have to pay at least $500 million, in the 75–25 ratio specified by current law, to remove those nonconforming signs still standing 13 years after passage of the law. The 1978 amendments are estimated to have more than doubled that potential liability—to well over $1 billion.

Even if by some miracle the Federal and State governments decided to provide enough money to remove all the billboards targeted by the law, the program would produce little in the way of beautification. In fact, it would be hard to notice any change.

Signs would remain, and new signs would rise in so-called commercial and industrial zones. The number, size and shape of these zones vary, depending upon individual State law. In many States, these "commercial" and "industrial" ones occur in rural areas, apparently for the sole benefit of the billboard industry.

Customary spacing practices permit up to 212 signs to be legally erected alongside each mile of a Federal primary highway inside the limits of a municipality. Even the industry should be willing to concede that kind of visual clutter is self-defeating.

The General Accounting Office has estimated that the State of Oregon will still have 40 percent of its billboards in place even if it is able to complete its removal program. In an environmentally oriented state like Maine, the number of billboards "conforming" to the Federal law increased by more than 20 percent in a recent three-year period.

The Committee received testimony that 21,000 billboards have been erected in Georgia since the Highway Beautification Act was passed in 1965, while only 506 signs were removed during that period. Along one 23-mile stretch off Interstate Highway in Georgia, 300 billboards may be seen. If all the nonconforming signs were removed, 189 signs would still remain.

The present law has created this situation. S. 344 would provide a reasonable remedy.

Specifically, S. 344 would repeal the mandatory provisions of the current law. It would permit a State, at its option, to remain in a Federal program or to assume responsibility of its own program of billboard control.

A State that prefers Federal regulation would have the option to continue to participate in a Federal program that would provide 80 percent Federal aid for billboard removal and for other programs designed to assist tourists.

A State that elects to run its own program would not face the threat, mandated in current law, of the loss of 10 percent of its Federal-aid highway construction funds. It is that big Federal stick that prevents States at present from pursuing their own programs of highway beautification.

Phasing out Federal controls, of course, carries with it some potential hazards. Some States may be tempted to let billboards flourish along their roadways. But, those are the same States that have taken little or no action to control billboards under existing law. At least two States have not removed a single nonconforming billboard under the 1965 law. In those States, roadsides might remain ugly—but the Federal taxpayers would be relieved of at least one current tax burden.

Federal decontrol would, however, provide greater freedom for States interested in achieving highway beautification. In recent years, the most productive anti-billboard battles have been waged at the State and local level. Those battles will be more productive when the Federal Government is prevented from acting as an ally of the billboard industry.

A State that fears injury to its tourist industry from sign removal would be able to determine which signs should remain standing. Under current Federal law, consideration of such hardship cases must be dealt with through costly and complex Federal regulations. S. 344 would also permit and encourage more experimentation with alternative tourist information systems. Innovation is inhibited by current Federal policy.

The Committee held two days of hearings on S. 344 on July 17 and 18, 1979. The bias of the present Federal law was demonstrated when the only group to testify against S. 344 was the billboard industry. The billboard industry wants to remain a regulated industry because it controls the regulations.

The American Association of State Highway and Transportation Officials (AASHTO) testified in favor of S. 344 after 38 of its member States voted to support the bill. The list of other organizations that endorsed S. 344 is long and varied. It includes

The American Farm Bureau.

The American Institute of Architects.

The Garden Clubs of America.

The National Conference of State Legislatures.

The National Wildlife Federation.

The National Restaurant Association, and Enviromental Action.

S. 344 has received local endorsements from interests as varied as the Black Hills-Badlands (S. Dak.) Association, various State Roadside Councils, and campgrounds and conservation groups. The only independent witness heard by the Committee—Dr. Charles Floyd of the University of Georgia—endorsed S. 344.

Only the billboard industry and its friends like the present law. Surely that provides the clearest evidence about the benefits provided by the present law.

The present law runs contrary to the original intent of the Highway Beautification Act of 1965, and it actually prevents compliance with the spirit of that Act.

The Congress needs to do something to rescue this situation—to keep faith with the intent of the 1965 Act. Americans do not want laws that promise one thing, but produce the opposite. That circumstance is one reason the public is losing confidence in the Federal Government. We can renew our faith with the public by admitting what has happened and by freeing the program from the combined grip of the industry and Federal regulation. We can return the effort to those States that want to assume the responsibility.

The sponsors of S. 344 are unable to bring this proposal to the floor as a bill because of the tie vote in the Committee, but I intend to bring it to the floor as an amendment to other legislation during this session of Congress.●

FEDERAL TRADE COMMISSION APPROPRIATIONS (H.J. RES. 554)

AMENDMENT NO. 1793

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted an amendment intended to be proposed by him to House Joint Resolution 554, a joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I would like to announce that the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs will hold a hearing on Continued Oversight of Grant Administration in the Community Services Administration, the Department of Health and Human Services, the Department of Labor and the Department of Agriculture.

The hearing will take place on Thursday, June 5, 1980, in room 3302, Dirksen Senate Office Building, and will begin at 10 a.m.

Anyone having questions regarding this hearing should contact the Subcommittee Office in room 44, 128 C Street N.E., or phone 224–0211.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Thursday, June 5, 1980, at 11 a.m. in room 4232, Dirksen Senate Office Building, on the following nominations:

Martha Keys, of Kansas, to be Assistant Secretary of Education for Legislation.

Daniel B. Taylor, of Massachusetts, to be Assistant Secretary for Vocational and Adult Education, Department of Education.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Select Committee on Indian Affairs.

A hearing is scheduled for June 4, 1980, beginning at 11 a.m. in room 5110 of the Dirksen Senate Office Building. Testimony is invited regarding S. 2767, a bill to provide that per capita payments to Indians may be made by tribal governemnts, and for other purposes.

For further information regarding this hearing you may wish to contact Susan Long of the committee staff on extension 224–2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY REGULATION

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Energy Regulation Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a hearing on emergency motor fuel demand restraint.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a hearing on the administration's proposals on military compensation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MORGAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate tomorrow to consider S. 2284, the Intelligence Oversight Act of 1980, nominations and other pending committee business.

The PRESIDING OFFICER. Without objection, so ordered.

ADDITIONAL STATEMENTS

EMPLOYEE RETIREMENT INCOME SECURITY ACT

● Mr. TALMADGE. Mr. President, last year, along with Senator Bentsen and Senator Boren, I introduced S. 1090 and S. 1091 regarding the definition and treatment of certain church pension plans under ERISA.

Working closely with representatives of 27 major church denominations from across the Nation, I introduced these measures to protect the viability of church retirement pension plans.

Recognizing the importance of these bills, the Subcommittee on Pension Plans of the Senate Finance Committee held hearings late last year. I am hopeful that the full committee will consider these proposals later this month. The constitutional right of our Nation's churches against intrusion by the Federal Government in the church pension area must be insured.

Mr. President, I submit for the benefit of my colleagues a resolution recently adopted by the Southern Baptist Convention in support of S. 1090 and S. 1091, and ask that it be printed in the Record at this point.

The resolution follows:

Resolution in Support of the Talmadge Church Plan ERISA Amendment to S. 1076

Whereas, the Southern Baptist Convention was organized in the State of Georgia in 1845 by "the messengers from missionary societies, churches and other religious bodies of the Baptist denomination in various parts of the United States for the purpose of eliciting, combining, and directing the energies of the Baptist denomination of christians for the propagation of the gospel, any law, usage or custom to the contrary notwithstanding;" and

Whereas, the Home Mission Board of the Southern Baptist Convention was organized in Marion, Alabama in 1845 as a part of the Southern Baptist Convention and carries out programs of Personal Evangelism, Mass Evangelism, Chaplaincy Ministries, Metropolitan Missions, Associational Administrative Services, Financing for Church Building Construction, Rural Urban Missions, Christian Social Ministries, Church Extension, Cooperative Ministries with other denominations of Baptists, Interfaith Witness, Language Missions, Pioneer Missions, and Programs of Ministry to the Aged; and

Whereas, the congregational form of government of the Southern Baptist Convention utilizes separately incorporated units rather than divisions of a hierarchically organized church; and

Whereas, the Annuity Board of the Southern Baptist Convention serves churches as a conduit which enables the congregations of the Southern Baptist Convention to most effectively carry out one of the essential parts of their respective ministries: the retirement compensation of preachers and layworkers who serve the Southern Baptist Convention, the funds for such compensation coming from the tithes, offerings and other contributions received from the congregations at large; and

Whereas, the "church plan" definitions of the Employee Retirement Income Security Act of 1974 (ERISA) and of the Internal Revenue Code as amended by ERISA, distinguish between a church and an agency of the church or convention of churches, and provide that church agency employees cannot participate in "church plans" after December 31, 1982; and

Whereas, ERISA's "church plan" definition is having and will have a disturbing and adverse impact on the missions of the Southern Baptist Convention and on the continuity of benefits for denominational workers and ministers serving in local congregations and in church agencies carrying out the missions of the Southern Bapist Convention; and

Whereas, ERISA, if not amended and clarified, will deny certain ministers and denominational workers within the bounds of the Southern Baptist Convention their rights to continue to participate in "church plans" established and maintained through the Annuity Board of the Southern Baptist Convention; and

Whereas, many ministers and layworkers of the Southern Baptist Convention are employed throughout their careers by churches and by church related agencies which contribute to "church plans" maintained with the Annuity Board of the Southern Baptist Convention to provide retirement annuity benefits; and

Whereas, the first amendment to the United States Constitution provides fundamental rights and protections through the "free exercise" and the "establishment" clauses; and

Whereas, the Southern Baptist Convention has consistently opposed excessive government interference with ministries of the local churches and the agencies which help and support them to promote and carry out their mission and ministry; and

Whereas, the United States Treasury Department and the Internal Revenue Service have taken positions through their decisions and regulations, since the enactment of ERISA, that numerous organizations which individually are an integral part of a "church or convention or association of churches", such as a mission board or a church pension board, are not engaged in the mission of the church; and

Whereas, the messengers to the Southern Baptist Convention in its annual meeting in Norfolk, Virginia in 1976 formally urged support for legislation to clarify the "church plan" definitions of ERISA and of the Internal Revenue Code as amended by ERISA so that employees of church related agencies will not be forced out of "church plans" by law; and

Whereas, Senators Herman Talmadge of Georgia, Lloyd Bentsen of Texas, David Boren of Oklahoma and other legislators are sponsoring legislation—S. 1090 and S. 1091 (H.R. 1576 and H.R. 1578)—to clarify the ERISA "church plan" definitions, and such legislation is supported by members of over 27 religious denominations in the United States acting individually and together through the Church Alliance for clarification of ERISA;

Therefore, be it resolved that we, the Directors of the Home Mission Board of the Southern Baptist Convention in our regular meeting on May 13, 1980, formally express our alarm about the constitutionally excessive government entanglement in the missions of the Southern Baptist Convention through the ERISA "church plan" definitions and related regulations;

Be it further resolved that we, the Directors of the Home Mission Board of the Southern Baptist Convention, support S. 1090 and S. 1091 (H.R. 1576 and H.R. 1578) which will be known as the "Talmadge Church Plan ERISA Amendments to S. 1076";

Be it further resolved that we, the Directors of the Home Mission Board of the Southern Baptist Convention, urge the members of the US House and Senate to support the "Talmadge Church Plan ERISA Amendments to S. 1076" in the Conference Committee and in the Floor votes;

Be it further resolved that we, the Directors of the Home Mission Board of the Southern Baptist Convention request the Executive Director of the Home Mission Board to send copies of this resolution to Senator Herman Talmadge of Georgia, to Senator Russell Long, Chairman of the Senate Finance Committee, to Senator Harrison Williams, Chairman of the Senate Human Resources Committee, Congressman Carl Perkins, Chairman of the House Education and Labor Committee, Congressman Frank Thompson, Jr., Chairman of the House Education and Labor Task Force on Welfare and Pension Plans Sub-committee on Labor Management Relations, and to Congressman Al Ullman, Chairman of the House Ways and Means Committee.●

IT IS TIME TO CREATE A FIRST-RATE PATENT AND TRADEMARK OFFICE

● Mr. BAYH. Mr. President there is no more troubling problem confronting the United States as we enter the 1980's than the slippage that has been experienced in the past 15 years in American innovation and productivity.

The United States is no longer the No. 1 exporter of manufactured goods in the world—we lost that distinction years ago to West Germany—but is now being hard pressed by Japan to hold on to second place. We have one of the lowest productivity growth rates in the industrialized free world and find ourselves importing products that only a few years ago were commonly made in the United States. There are many causes of this problem but one area that has been pinpointed in every study which I have seen are the weaknesses in our patent and trademark system. I have placed another statement in today's CONGRESSIONAL RECORD outlining the types of problems that the Office now faces. One additional factor that must be recognized as a part of the problem is the continued underfunding of the Patent and Trademark Office which has contributed to the present crisis. The Office is simply unable to fulfill its duties to the American inventor and innovative businesses.

I shall place in the RECORD a copy of a letter that I sent to the Senate Appropriations Committee asking for an additional $2.1 million for the fiscal year 1981 Patent and Trademark Office budget. From reading the explanation of this expenditure it becomes obvious that each of the four items listed is very important and requires only a modest expenditure to improve. The returns to the economy could be enormous.

I urge my colleagues to study these items and to join me in giving the American patent and trademark system the support that it—and our innovative businesses—deserve.

The letter follows:

COMMITTEE ON APPROPRIATIONS.
Washington, D.C., May 21, 1980.

Hon. ERNEST F. HOLLINGS,
Chairman, Senate Subcommittee on State, Justice, and Commerce, Senate Appropriations Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR FRITZ: As you know there is a great deal of concern that American innovation and productivity rates are lagging farther and farther behind our international competition in a number of fields. Many recent studies have confirmed this trend. Experts point to the present weaknesses in our patent and trademark system as a dead weight tied around the legs of our companies as they try and compete in an increasingly competitive international marketplace.

A great deal of work remains to be done if the United States is to have the kind of Patent and Trademark Office that our inventors and businesses deserve. Patent and trademarks are cornerstones of innovation. Presently there is an increasing lack of faith in the system. This, of course, further erodes our innovative capabilities, costs American jobs, and worsens inflation.

There are a number of things that can be done immediately to strengthen the patent system at a very modest cost. On November 30, 1979 I asked Patent and Trademark Commissioner Sydney A. Diamond to provide me with a detailed list of the needs of his office for the coming years. Many of these recommendations were included in this year's budget, but four important items were left out. Cumulatively these four additions to the FY 1981 appropriation would cost just $2.1 million, yet they would return many times that amount to the economy.

The four items are:

1. An additional $1 million for hiring new patent examiners. One of the greatest problems in the Patent and Trademark Office is that the patent examiners are facing an ever increasing workload but must still try to make as rapid a determination as possible about a patent application. Patent pendency times are gradually rising and, according to the Commerce Department's own figures, will continue to rise in the foreseeable future. This makes it more difficult to develop new products and processes.

The present budget authorizes the hiring of 150 new examiners. Even with these new examiners, pendency times will continue to rise. The Office has stated that it could handle 180 new examiners this year. The addition of $1 million to the Office's appropriation will enable the PTO to add thirty more badly needed examiners and provide better services to our inventors.

2. Patent examiners now frequently have to write their opinions in longhand because there is not enough support staff to type them up. These vitally important decisions are then distributed to the public, and even filed in foreign patent offices, still in the examiner's handwriting. For an additional $400,000, the Office could hire thirty typists and purchase needed equipment so that each of the fifteen patent examining groups would have an additional two typists to end this ridiculous state of affairs.

3. One of the most troubling problems facing the Office is the fact that many of the patent files are misfiled or missing. The Office now has just twenty-one staff members going through their massive files looking for this missing material. For an additional $200,000, the Office could double this workforce and help bring the files back up to date.

4. There are now thirty depository libraries around the country which maintain copies of the 4,000,000 patents now on file. At the main search room, in Arlington, Virginia, inventors can use a computer terminal to find out what inventions exist in a given area. Inventors using the depository libraries have no such device and must actually look through the files to see what relevant technology has already been patented.

For $500,000, computer terminals can be set up in these depository libraries so that inventors around the country can find what they need easily without having to actually sift through the files.

As mentioned before, the total cost of these four items is just $2.1 million. There is no better way for battling inflation than to increase innovation and productivity. Strengthening the patent and trademark system is one concrete means for accomplishing this important goal. I hope you can give favorble consideration to the request.

Best personal regards,
Sincerely,

BIRCH BAYH.●

THE CUBAN REFUGEE DISASTER

● Mr. DOLE. Mr. President, there is a situation which appears to be of increased cause for concern and alarm among the people of the United States, and particularly since the administration does not seem quite sure what to do about it. I am speaking of the current exodus of refugees from Cuba into the United States. Yesterday, the extreme overcrowding of the processing camps where the Cubans had been sent exploded in violent and destructive rioting. The citizens of Barling, adjacent to the Fort Chaffee Processing Center in Arkansas, were understandably alarmed last night when up to 1,000 refugees burst over the gates and threatened to overrun the town. Only by the use of force, tear gas, and at some injury to themselves, were State police and Army troopers able to turn back the rioters. This is an intolerable situation and the people of the United States rightly demand action.

CALL FOR IMMEDIATE HEARINGS

It is imperative that we head off further rioting. The Senator from Kansas as a member of the Judiciary Committee charged with oversight of immigration affairs has requested in a letter to the chairman that the chairman convene hearings as soon as possible. We need to determine if the United States is operating on a policy to deal with this massive influx of Cubans, or if it is floundering from 1 day to the next. A House Intelligence Committee report indicates the CIA warned the administration about the possibility of Cubans leaving in vast numbers. Yet, 1 month later the Carter administration reacted to the actual event with a closed door policy, then reversed it to an open door policy, and is now evidently using the leaking door theory—we still have thousands of Cubans arriving every day even though the Fort Chaffee riots show we are unable to cope with them.

It seems to me we need to find out just what our policy is, according to this administration. Do we need to make changes? It is increasingly clear that we do. The Senator from Kansas recently returned from a trip to his State, and the reaction among the people is clear. They do not want to see America become the dumping ground for criminals and potential welfare cheats. The riots and breakouts in the processing centers set up to handle this huge flow of people make our citizens understandably nervous and hostile. If these Cubans want to remain in this country, they should start by obeying our laws.

Mr. President, it is certainly not the intention of this Senator to begin a witch hunt. I believe most Americans recognize that most of these recent Cuban arrivals are decent, law-abiding people. Of the 18,000 refugees assigned to Fort Chaffee, 17,000 did not participate in Sunday's riot, and many helped the authorities to calm the rioters and put out the fires that had been started. But while I take great pride in seeing that our Nation attracts hard-working, decent people and more immigrants than any other nation on Earth, seeking a better future for themselves and their children, I am very concerned by repeated accounts which suggest that serious problems are resulting to our citizens from this haphazard and poorly controlled influx of refugees.

One thing this country does not need is a new class of criminals. We are not ready to enfranchise a group of people whose first thought is to break the laws that do not suit them, or who riot when they do not immediately get what they want.

SEND THE CRIMINALS BACK

The overwhelming sentiment of the constituents of this Senator, and most others I have spoken with, is to quickly isolate the criminals, the unfit, and the intelligence agents sent in by Cuba and their Russian sponsors. Processing delays may be inevitable, but the President should announce now plans to ship these ersatz refugeees back to Cuba. Furthermore, regardless of the eventual disposition of the thousands of refugees that have arrived so far in Florida, it should be made clear immediately as our firm policy that any of the refugees indulging in riots or demonstrations, breaking out of or avoiding processing centers and the directions of immigration officials, or otherwise breaking our laws, will also be shipped back to Cuba.

This crisis, originating when some 10,000 Cubans crammed into the Peruvian Embassy in Havana, has grown into a situation of critical proportions. Our country, along with several other hemispheric nations, had agreed to take some of the refugees; our total intake was to be 3,500.

However, Castro, whose government faced low morale from rising unemployment and a poor economy, agreed to allow all citizens who wished to leave Cuba to do so. He then proceeded to try and unload all the criminals, mentally ill, and unskilled unemployed that he could, even to the point of preventing those with families in the United States from leaving, over 90,000 Cubans have fled in a perilous voyage across the Florida Straits from Cuba since April 21. It is imperative that we take certain measures and precautionary steps to guard against the dangers that this situation can have upon our country and out citizens.

It is, indeed, unfortunate that President Carter waited so long to implement any plan to bring some order to this mass immigration. Only after continuing complaints from people across the country and on the scene in Florida, and pressures from many in Congress, has the President acknowledged certain realities about this exodus and begun to take some measures to cut off the flow.

AMERICAN PUBLIC RECOGNIZES DANGER

The primary concern is dealing with the problem of overpopulation and the resulting impact on unemployment and the welfare burden which this situation would have on our country. The United States cannot absorb all the world's excess population for the number of people who would like to come and live here.

If we give special consideration to illegal Cuban immigrants, will we not face new demands for special treatment by Chinese, Vietnamese, Cambodians, other Latin Americans, and more eastern Europeans? Already there are many advocating special status for the thousands of illegal Haitians who have also sought refuge in Florida. While Cubans are termed "political" refugees, the Haitians are considered "economic" refugees.

Yet most of the Cubans in this recent group are here as much for economic gain as they are for potential freedom. With the possibility of more pressure from refugees of other nations to be allowed entrance into this country, we must maintain a firm immigration policy now, expressly indicating the number per year we can allow to enter, and sticking to it. Former Secretary of State, Cyrus Vance, while testifying before the Judiciary Committee on refugee plans for fiscal year 1980, stated that a total of 230,700 refugees would be allowed to enter the country this year.

We cannot continue to be an unlimited haven for all the world's refugees without a serious disruption of our economy and a harmful impact on the lives of our citizens. We must seek to garner the assistance of other countries in taking in some of these people.

Americans need feel no guilt for raising practical objections to the mass influx of indigent peoples to our shores, even though we are originally a Nation of immigrants. Last year—and every year—we accepted more immigrants and refugees than the rest of the world combined. Every year we receive 4 million visa applications from those who would like to immigrate to the United States. Only through a nonemotional, rational process can we make a fair decision on who may enter out of so vast a number. Congress recently authorized a limit of 270,000 immigrants per year, plus up to 50,000 refugees for special humanitarian reasons—mainly for sudden and violent political upheavals or tragic natural disasters, and not as substitutes for long-term economic and political dissatisfaction.

THE COST OF REFUGEE AID

Another consideration must be the cost incurred by this operation. During his address before the Judiciary Committee, Mr. Vance reported that the cost to the Federal Government of processing, transporting and initially resettling refugees in the United States would be $267 million for fiscal year 1980. It is further estimated by the Federation for American Immigration Reform that domestic assistance, funded through HEW, will cost an additional $243 million, and a number of other Federal agencies will incur lesser expenses for providing services to these refugees.

These figures, however, do not even begin to include the funds necessary to take care of the Cuban influx. This added cost is an especially crucial concern, as the initial claim by the administration that these Cuban refugees had family members already in this country, able to offer them substantial financial aid, has now been proved incorrect. The White House now understands and acknowledges that this is not the case and most do not have family members in this country.

Castro has been using the mass exodus of those legitimately seeking refuge in our country as a cover to empty his island of "undesirables," over 400 "hardened criminals" have already been detained by U.S. immigration authorities. However, FBI Director William Webster has stated that the total number of criminals or intelligence agents will never be known. He further stated that as many as 1,000 Cubans were screened in 1 day, and "you can figure out how intensive the inquiry can be on that basis."

It is imperative that we create an orderly and effective system of processing to weed out the criminal elements, so that our country will not be used as a dumping ground for those "refugees" who represent a danger to our society. Further, the system must give top priority to those who truly are rejoining family members already here.

A further concern of this administration must be the economic impact these refugees could have on our society. The present rate of unemployment as of April in the United States was 7 percent. Many of our citizens, especially members of the black community, are expressing their fear and anger that they may lose their jobs to these refugees. Industry executives and union specialists have backed up these perceptions.

In the auto industry alone, industry spokesmen state that illegal aliens may account for over half the assembly-line work force in and around the southern Los Angeles area. This is a clear and alarming example of illegal immigrants displacing American workers and causing wage depression in an industry. At a time when our economy is in recession and unemployment is rising, we must take steps to prevent this from becoming a widespread occurrence.

A FAILURE OF LEADERSHIP

It is apparent that the President has been slow to act in reaction to this crisis, and he initially aggravated it by his "open hearts and open arms" speech. Believing such a policy was good American propaganda, Mr. Carter played into Castro's hands without realizing the ramifications of the problem. While Carter's recent efforts in establishing official sealifts or airlifts are certainly essential to bring some order to the dangerous and chaotic refugee run, more must be done. There will always be difficult—but wholly practical and legitimate—decisions that must be made regarding immigration policies.

There are some 14 million refugees in the world today with little indication that the flow of refugees will abate. The United States will not solve the refugee problem by becoming the haven for the unwanted citizens of other nations or the economic safety valve for nations whose economic affairs are in disarray.

The Congress, after much deliberation, established a structure through the Refugee Act of 1980 by which the United States could effectively play a humanitarian role and do its share in responding to the problems of refugees. Signed into law by President Carter, this legislation requires the President to observe certain limitations on the number of refugees admitted into the United States and to consult with Congress if these ceilings must be raised for humanitarian reasons. Assured by the administration that the Refugee Act was not merely an open door for unlimited immigration, the Senator from Kansas supported it.

The Refugee Act is not an open door, but the President by his own actions has ignored the provisions of that law and opened the door without thought or concern for the results. The new machinery we passed for the systematic and careful admission of refugees has been disregarded, abused any may well be brought down in a ruin about us.

Over 90,000 Cubans have been admitted into the United States on a supposedly temporary basis as so-called applicants for asylum. This has been done even though there is no such status in the immigration law as "applicant for asylum." Think of it: If merely applying for a recognized status under the immigration laws could gain entry for an alien, over 4 million people, the number who apply to enter the United States each year, could immediately enter this country.

The administration's action is even more striking when one notes that the Refugee Act puts a 5,000 cap on the number of aliens who can be granted asylum each year. Clearly, the administration has completely ignored the law by essentially giving over 90,000 Cubans the legal rights of asylees.

Of course, one can criticize the Congress for leaving a loophole in the Refugee Act. That loophole is, quite simply, the assumption that the President would not ignore the law. Yet, based on his experience in both Houses of Congress, the Senator from Kansas can only conclude that this is a loophole in many, if not all, statutes.

It appears that the administration, by its irresponsibility, or confusion over immigration policy, is relentlessly forcing the Congress to take a firmer control of the ship of state in dealing with the refugee problem. Perhaps Congress must set an absolute limit on the numbers of all aliens admitted.

America has been a "land of immigrants." But in noting that, we must recognize the fact that the largest waves of immigrants came here when our country needed them as much as they needed a new land. This is not quite the situation today and our capacity to absorb aliens has become limited. Our citizens expressing concern over the exodus of Cuban or Haitian refugees to Florida are not betraying a permanently ingrained tradition of our country.

As best as we are able, we will respond to the humanitarian needs of those who are fleeing their homelands due to political persecution. We cannot serve as a source of economic salvation for those who leave their countries due to economic difficulties there. These policies have been established by law by the Congress. We should use that law to respond to the legitimate needs of both refugees and of Americans. The President can continue to ignore this law only at his own peril.●

GASOHOL PIPELINE TEST SUCCESSFUL

● Mr. BAYH. Mr. President, gasohol recently passed a major technical milestone that promises faster and more efficient distribution of the fuel and a significant reduction in its cost. On April 26, Amoco began pumping 10,000 barrels of gasohol through a 250-mile pipeline from the company's Sugar Creek refinery in Kansas City to Des Moines, Iowa. Amoco conducted a second test on May 12 with another 10,000 barrels and a third one is scheduled for next week.

The test proved that gasohol, the clean-burning and octane-boosting mixture of 90-percent gasoline and 10-percent alcohol, can be successfully transported by pipeline without significant losses. This will reduce shipping costs sharply. Most fuel ethanol is now shipped by tank car to terminals where it is blended with gasoline to form gasohol, adding transport costs of up to 10 cents a gallon. By contrast, the cost of shipping by pipeline is only 1 to 2 cents a gallon. Pipeline shipping also will make it easier to distribute gasohol since it will be able to follow conventional gasoline distribution routes.

Some experts had been concerned that the shipment of gasohol through a pipeline might not be possible because the cleansing action of the alcohol would contaminate the fuel with water and other residues in the pipeline. But the Amoco test, which was repeated a few days later with 20,000 barrels, did not encounter any significant problems—less than 2 percent of the shipment was contaminated. Once the leading portion of the gasohol had cleared the dirt and water from the pipeline, the rest of the fuel was pumped through without further contamination.

Mr. President, this is one more example of how purported problems facing alcohol fuels can be resolved through the efforts of American industry. As we push forward to develop our own domestic energy supplies to free us from foreign dependence, many of the adverse consequences predicted by doomsayers simply will not come to pass. If problems do arise as we develop new energy sources, I for one still believe that the technological genius of American industry will be able to solve them.

Our country has faced new and difficult enterprises before that were fraught with potential difficulties, but instead of backing away we went ahead and got the job done. We did not postpone going to the Moon when experts said those efforts would run into problems. We wrestled with the problems and overcame them. The same thing will happen as we develop alcohol fuels and other new sources of energy. But we must get on with the job as soon as possible to eliminate our dangerous dependence on foreign oil. We cannot afford to wait any longer.●

GROWTH IN AGRICULTURAL EXPORTS

● Mr. STONE. Mr. President, I call the attention of this body to the Journal of Commerce and Fortune magazine articles of May 19 on our rapidly growing agricultural exports.

The Journal of Commerce article by Florida's distinguished commissioner of agriculture, Mr. Doyle Conner, pointed out how our State's agricultural exports have increased sharply in the past decade. Prospects appear good that agricultural exports will soon reach $1.5 billion, putting it on a matching basis with Florida's tourist industry.

The article also pointed out the important role of the Southern United States Trade Association, SUSTA, in promoting agricultural exports. This organization, and others like it, receives some funding from the Foreign Agricultural Service of the Department of Agriculture to promote agricultural export sales.

The Fortune article provides some insights on how our agricultural counselors and attaches go about promoting agricultural exports abroad. I might point out that my Subcommittee on Foreign Agricultural Policy developed the Agricultural Trade Act of 1978 which took a number of steps to promote agricultural exports including the requirement that "not less than ten Agricultural Counselors shall be appointed * * *."

The article also indicates that one of the main reasons our agricultural exports have grown so rapidly is because good people were hired and they were given strong support from Washington. It also is clear that drawing on the expertise of particular commodity groups helped greatly in increasing the effectiveness of the program. For this reason, FAS is being looked on as a possible model for promoting industrial exports.

The article seems to indicate that the appointment of Thomas Hughes as Administrator and Thomas Saylor as Associate Administrator was a case of playing politics. This is hardly the case since both are very well qualified, and they have brought forth new ideas and energy to encourage further gains in our agricultural exports.

These two articles again highlight the importance and range of our agricultural exports, the room for continued growth, and the need to continue to work to fulfill this potential. I submit them for printing at this point in the RECORD.

The articles are as follows:

Foreign Business Plays Big Role in State's Agriculture Industry

(By Doyle Conner)

TALLAHASSEE, FLA.—Financial figures reflect the significant role foreign business has played in the growth of Florida's agricultural industry in the last decade. Exports increased from 8.1 percent to 15 percent of the farmer's total cash receipts.

At the start of the decade, when cash receipts were slightly less than $1.5 billion, exports were valued at just $118.3 million. By the time 1979 rolled around, cash receipts had reached $3.26 billion and exports accounted for $387.8 million.

BRIGHT PROSPECTS

With prospects extremely good for a $4 billion year in cash receipts just ahead for the Florida farmer, it's realistic to expect that agribusiness will soon become a $15 billion-a-year industry, and that exports would account for about $1.5 billion of that total.

That would put agriculture on a matching basis with the state's tourist industry as the leading economic factor in the state.

A significant factor in Florida's export growth in recent years has been the development of the Southern United States Trade Association, the non-profit association of state departments of agriculture of 15 southern states and Puerto Rico.

In addition to Puerto Rico, SUSTA members include Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

EXPORT PROMOTION

SUSTA's prime objective of promoting the export sales of agricultural products from the Southeast area is meeting with greater and greater success.

At this year's fifth annual trade show in New Orleans, a record 42-countries sent more than 200 buyers to take part in the two-day event that has earned the reputation as the largest U.S. food exhibition devoted exclusively to the foreign market.

The show provides a forum where both old and new exporters can meet directly with importers and discuss such specifics as foreign language labeling, special packaging needs, ingredient specifics and other details of interest to those dealing in the international market. Bank representatives also are on hand to explain financing for both U.S. exporters and foreign buyers.

The show meant about $3.25 million in first-year sales for the 14 Florida firms represented, and it has been estimated the show will generate about $7.5 million in future sales for the Florida firms.

That's a bigger sales slip than last year when the association estimated $5 million in sales for Florida and $44 million for SUSTA area merchants.

With international marketing personnel using SUSTA contacts and traveling around the world, the agricultural exports from SUSTA area states last year were approximately $10 billion, or about one-third of the total agricultural exports for the United States.

Therein lies another very important dimension to the agricultural export business, which keeps our balance of trade from total bankruptcy. Some economists have been telling us for a long time now that a favorable balance of trade would go a long way toward reducing our staggering rate of inflation.

While productivity has stood still or even declined in the industrial sector of the economy in recent years, agriculture has been carrying on a heroic fight while striving to maintain a high level of production efficiency in farming and the agribusiness industries.

Without the $18 billion surplus in agricultural trade last year, the U.S. balance of trade would have been in the red by a whopping $46.7 billion instead of the $28.7 billion deficit.

But, then again, agriculture has been softening the blow on our national trade deficit for a number of years now. It has been on the surplus side since the start of the decade of the '60s, and took a significant jump in the 1973–74 trading year, when export values jumped from $14.08 billion to $21.61 billion. Even with the embargo of grain and other commodities to the Soviet Union, the U.S. Department of Agriculture is still estimating that the American farmer can expect another big jump this year, with a forecast of about $40 billion. That would top by a considerable margin the record $34.7 billion in farm product exports last year.

So it is easy to see how significant U.S. agricultural export trade is to the health of the nation and what a major factor it has been in the growth of agribusiness in Florida and America in the last decade.

The council also publishes a weekly list of trade leads, a quarterly newsletter and an annual membership directory, and sponsors luncheon programs, seminars and other gatherings.

Our Butter-and-Egg Men Are Winning Big Abroad

(By Martin Mayer)

Ten years ago, the idea of eating a piece of chicken with the bone still in it would have been distasteful to Japanese; German hausfraus cooked with bland and expensive domestic vegetable oils; and Danish cattle fattened just about entirely on good Danish grass. Today, Kentucky Fried Chicken flourishes in the Ginza, with bucketed drumsticks just like those back home; U.S. soybean oil takes a quarter of the German market for cooking oil; and American feedstuffs give Danish cows a more interesting and nourishing cud to chew. They also give the United States, for the first time in history, a surplus in its balance of agricultural trade with Denmark.

Multiplied through the industrial world and the successfully developing countries, such changes have produced an immense increase in U.S. agricultural sales abroad—from less than $7 million in 1970 to about $35 billion in 1979. Since the early 1950's, the U.S. share of world industrial and mineral exports has dropped from about 20 percent to about 10 percent; its share of world agricultural exports has risen from 13 to more than 17 percent. It is frightening to consider what the American trade balance would look like—or what would have happened to the American rural economy—without this burst of productive and marketing efficiency.

ECONOMISTS WHO CAN SELL

The triumphant expansion can be credited in large part to the work of an obscure branch of the Agriculture Department that is probably the most highly educated cadre of line officers in the U.S. government: the 101 agricultural counselors and attachés in seventy-odd posts abroad, and their backup staff of analysts and programmers in the Foreign Agricultural Service (FAS). The typical ag counselor in one of the larger countries is a farm boy now in his forties or fifties, with a Ph.D. in agricultural economics, fluency in the local language, and a strong sense of what the service calls market development. Says Larry Thomasson, administrator for attachés, who has served in Brazil, Portugal, and Japan: "We are basically economists—economists and salesmen."

The selling effort is exerted mostly through scores of marketing programs, which bring together under an attaché's aegis the food producers back home and the foreign importers and processors of American farm output. Though plans and promotion budgets are formally proposed by the American farm groups for approval by the Department of Agriculture, the initiative for a project may come from some local importer or from the attaché himself, who keeps an eye on the details of the local food markets and stays in one post long enough to master them; normal terms are four years. The department backs up the operation with acute intelligence reports on the supply and demand of various crops at home and abroad.

"A guy wants to sell blueberries from New Jersey," says Turner Oyloe, a tall, gray-maned, professorial South Dakotan, who wrote his Ph.D. dissertation on vertical integration of the turkey industry in Minnesota and is now agricultural counseler in Paris. "The department sends out word: blueberries are in supply, looks like prices are competitive. The blueberry guys come over. Sometimes we pay their way—we can make travel money available. You tell them, 'Here are the users and the prices.' You go with them, send bilingual people, visit the process users, fresh users. You tell them about sanitary regulations, work out with them the key questions—should we fly over fresh? Send by ship? Can? Would it be best to send fresh and can here, because of taste factors? Is there a firm here that will join in promotions? That's the way it happened with almonds. Twenty years ago the U.S. was a net importer of almonds. This year we will export $500 million of almonds from California."

Agricultural attachés, living on the spot, have sensed the rising popular pressures in many countries for more meat in the diet. They advise local entrepeneurs on how to run feedlots, because the lots need feed grains, in which the U.S. has the dominant export position. Other dietary changes may require an intelligent nudge. It was the agricultural attaché in Tokyo, for example, who insisted that the Japanese were not so wedded to rice as the anthropologists thought. He argued that they would buy a lot of baked goods if the products were well prepared and properly promoted. Today wheat accounts for almost a third of the grain consumption in the Japanese diet (and Japanese warehouses are stuffed with surplus, price-supported domestic rice). Meanwhile, in Korea, a seven-year technical-assistance project operated by a growers' association, U.S. Wheat Associates, has improved the quality of Korean cookies and crackers and boosted Korean wheat imports for this purpose from 16,000 to 140,000 tons a year.

USING THE FLAG

In effect, the Foreign Agricultural Service drapes an American flag around these mostly private efforts. When the Poultry and Egg Institute stages one of its fifty tastings a year around the world, for example, the invitations go out on embassy stationery. Recently, Agriculture Secretary Bob Bergland sat in personally at the signing ceremonies in Washington for an $80-million-plus sale of 177,000 tons of edible beans to Mexico. Fresh from this experience, John A. McGill Jr., of the Michigan Bean Shippers Association, explained: "When we sell to governments, just the agency's presence in or near a seller-buyer situation provides creature comfort to the customer. The attachés are very helpful. They aren't thinking beans all the time, but with our status as a participant in the program we can jog them out of their complacency, get them thinking about beans."

This year the cooperative program for a much more important bean, the soybean, will spend about $12.5 million, of which $2.8 million is kicked in by FAS. The rest is made up of equal contributions from the foreign importers and the American Soybean Association, which raises its $5-million contribution from a small levy on soybean deliveries, voted by state legislatures and approved by a farmers' referendum. Some of this money goes to maintain the association's ten offices abroad, some of it to help pay for the advertising programs that are luring European housewives to imported soybean oil. Last year some went for the travel expenses of a Japanese television crew that came to the U.S. to make a program on American soybean farms and farmers. Of the $81.7-billion total value of the American soybean crop in the 1970's, no less than $43 billion was exported, at a promotion cost to the government of $13.1 million.

"The newest thing is beef promotion," says Jimmy Minyard, FAS director of market development. "The packers are buying memberships for $5,000 apiece; they generate about $175,000. This year we're putting in $500,000. The export market is about 3 percent of meat sales now, but there's good potential for livers, kidneys, and hearts. Europe is a market for high-quality beef, and we got a quota there in the Multilateral Trade Negotiations."

One of the oldest and most successful programs is for wheat. "We have the advantage of five different kinds of wheat that are used in many different kinds of products," says Minyard. "Our position is that if you can introduce doughnuts, introduce them. Takes a lot of flour, and some shortening—export products. Outside Europe, it's usually governments that buy the wheat, which makes a joint government-industry program very useful—the government buyer relates to the embassy, and the industry is there to sell."

Some FAS programs flourish in countries where the U.S. has no diplomatic relations. An FAS-sponsored training program for rice-grading helped boost Iraqi imports of U.S. rice from 9,000 tons in 1973–74 to 148,000 tons in 1978–79.

These programs are popular in Congress, where the budget request for FAS is more likely to be increased than cut. (The request for fiscal 1981 is $18.5 million for attachés, $27.5 million for market development.) One reason for this popularity was explained by Rolland Anderson, director of the Dairy, Livestock, and Poultry Division: "We have this constituency on the farms. We scratch their backs and they scratch ours."

Perhaps the most striking recent legislative victory for FAS was the elevation of the attachés in the most important posts to the rank of counselor. There was a bit of a squabble over that one. FAS argued that it, not the State Department, was paying for the program and that the higher rank would give its people access to more important personages in the host governments, plus invitations to better parties. State insisted that only a bona fide diplomat should hold so distinguished a title. In 1978, at the FAS's urging, Congress bulldozed State out of the way and ordered the appointment of "at least ten" agricultural counselors. (There are now eleven.)

A TORRENT OF RUPEES

The FAS program got its start from a once-horrendous problem: the large U.S. crop surpluses produced by price supports and acreage controls. Under Public Law 480 we sold this "Food for Peace" to needy foreign countries, which paid for it in local currencies. By treaty, the money could not be converted to dollars and use in the U.S., but some fraction could be spent in third countries: Indian rupees and Polish zlotys paid for programs in South America. Even now, after spending or writing off most of these funds, the Treasury has about $100 million of foreign currencies, which must by law be spent for developing agricultural markets overseas.

Meanwhile, the department pushed the nation's farmers to plant what could be sold to the private market—especially abroad. Money was invested to create marketing co-ops. Ray Ioanes, who was the FAS administrator from 1962 to 1973, believes his agency's steady pressure on the farmers to seek volume sales abroad produced "the biggest change in American agriculture in my lifetime. Farmers came to see there was more to farming than growing wheat and selling it to the government. High supports had masked an efficiency that was always there."

As a separate cadre, the agricultural attachés date back only to 1954, when Congress moved the job from State to Agriculture. The driving force behind the professionalization of the attachés was Orville Freeman, Agriculture Secretary for Kennedy and Johnson, who arrived to find State pressing the White House to undo the transfer of personnel. "People at State had impressed Kennedy that there had to be a unified political and economic foreign service," Freeman says." I told him that the State Department had as much chance of getting this through Congress—through Wilbur Mills and Al Ellender and Richard Russell—as I have of being elected Pope. Kennedy said to Rusk, 'There's your answer—Orville is right.' "

Ray Ioanes had come to the FAS from the Allied Military Government in Germany, where he was head of food and agriculture for General Lucius Clay. Ioanes was Freeman's choice as administrator, and he set to work recruiting. "What you look for," he says," is basic intelligence. When I started out in 1962, *everybody* did recruiting. We'd give speeches at Texas A.&M. or the University of California at Davis. Freeman made himself available. Soon we had the professors calling—'We've got this good guy here you ought to consider . . . and by the way, he speaks Japanese . . .' "

The job is complicated, and in most posts the attaché does it alone. Though an employee of Agriculture, he is still a diplomat accredited to a host government. That means he is part of an ambassador's staff, stuck with the usual meetings and social duties—and with receiving official visitors from home in numbers that may run into the thousands in the more important posts. He gathers information about local crops for the monthly Agriculture Department forecasts of world production, which are the standard source for such data in all countries. This puts him out in the countryside in a jeep, in clothing not normally worn by diplomats. Some ambassadors like to come along on these trips once a year or so, to find out more about what is really happening out there than they can hope to learn from their foreign-ministry and cocktail-party contacts.

In both the East bloc and the Third World, the agricultural attaché often serves as a kind of unpaid consultant, bringing tips on farm management and technology. Until the invasion of Afghanistan and Carter's riposte of the grain embargo, which savaged Soviet-American relations, the agricultural attaché in Moscow was exempt from some of the travel restrictions that hedge the movements of foreigners in the Soviet Union, and was sometimes treated as a colleague rather than as a spy by the directors of the collective farms.

Such visits can have sales value, too. Nicholas Thuroczy, for example, a University of California Ph.D. who covers Austria, Czechoslovakia, and Hungary from the U.S. embassy in Vienna, took advantage of inspection visits to Hungarian state farms to interest them in American breeding cattle. That led to a contract worth $2 million to $3 million a year to the members of the Holstein-Friesian Association. It helped, of course, that Thuroczy speaks Hungarian.

A LESSON FROM JAPAN

On a more exalted plane, the agricultural attaché works with the host government on issues of "trade policy," which means not only tariffs and quotas but all the little health and safety requirements that can be manipulated to bar American food. The American producer believes these standards *always* discriminate against the U.S., and sometimes the attaché's job is to convince the folks at home that they're wrong. California citrus producers once insisted that Japanese tests for chemicals set tolerance levels lower than what was measurable. "I arranged for a California chemist to come over and work in their labs for a week," administrator Larry Thomasson recalls from his time in Tokyo. "He was very impressed—sophisticated equipment. Damn right they could measure to these tolerances, and they did."

In countries that export agricultural produce to the U.S., the attaché enforces American health and safety standards, which the locals always consider an unfair means of protecting U.S. farmers. The worst such dispute erupted in 1967 with the passage of the Wholesome Meat Act, which supplanted state regulation with federal standards that virtually eliminated American imports of Australian beef. When the dust had cleared, however, the Australians had a modernized meatpacking industry, 51 percent of the American beef quota—and the chance to advertise worldwide that Australian beef "exceeds American standards." Three American veterinary inspectors are now permanently stationed in Australia, part of the ag attaché's staff.

These health and safety functions frequently bring the attaché into conflict with the State Department, which tends to see merit in the claims of foreign countries that the U.S. has been mean to them. More serious are the disagreements that can arise when Agriculture wants to lower the boom on a "friendly" government that is subsidizing its growers or processors so that they can cut American farmers out of a third-country market. These disputes can run deep and long. The most important has been Agriculture's fight against the "variable import levies" in the Common Agricultural Policy of the European Community, a scale of duties recalculated periodically to raise the prices of American food exports to the high price-support levels that sustain the most inefficient European farmers. Some at the FAS complain that the Carter Administration explicitly recognized this restrictive system, without getting much in return. during the Multilateral Trade negotiations.

THE TEXAN VERSUS THE SACRED COW

The man who lives every day with the most important trade-policy questions—affecting the sale of $7.5 billion a year of American agricultural commodities—is Wayne Sharp, counselor at the U.S. mission to the Common Market in Brussels. The telephone rings incessantly ("It's not like this all the time," Sharp says cheerfully, "only weekdays"). Most of his time goes into siphoning out information about what has been dropped into the channels of the European Commission. There are also monthly trips to Strasbourg to lobby in the corridors of the European Parliament, meetings and phone calls with the American attachés in the member countries, with Washington, and with the thirty-one producer offices in Europe.

Sharp is a Texan, just forty, a round-faced man who works in shirtsleeves with a bit of a farmer's belly over his belt, and who smokes cigarillos. His master's thesis at Texas A.&M. in 1962 won the national prize for the best such in econometrics, and he later acquired a Ph.D. at Michigan State with a dissertation on agricultural trade relations between the Common Market and the East bloc. For this purpose he learned Russian, which he doesn't like to talk about because that's not where he wants to go.

Through four years of the Multilateral Trade Negotiations, Sharp was attaché in Paris, "involved in keeping the French from blowing the whole thing out of the water." He became a controversial figure in France, where he gave lectures (in French) trying to prove that the Common Agricultural Policy was no longer beneficial for French farmers. "It's a sacred cow in France," he says ruefully. "Even to raise the subject means you're against it. But the result of the high support prices has been that the Germans are planting wheat on Bavarian hillsides. The French pile up these grain surpluses, but they've now got a shortage of pork because meat prices aren't supported. France in 1978 became a net importer of meat."

How much of this expertise funnels back into decision-making in Washington is hard to tell. When the Common Market threatened to slap a duty on soybean imports—a threat that persists—Sharp was able to persuade Agriculture Secretary Bergland to schedule a visit to Brussels to meet with the E.C. commissioner responsible for agriculture. On many issues, of course, the American position is divided. The Common Market is now heavily subsidizing the export of chickens to what have been American markets—especially in Caribbean and Asian countries—but the anguish of the U.S. chicken farmer is at least matched by the glee of the corn and soy farmer at the prospect of selling all that chicken feed to Europe.

For all their strong feeling that they are doing a useful job well, the FAS cohort is not an entirely happy crew right now. Senior counselors are squeezed against the government salary ceiling at a time when agribusiness is shopping for people. Control from Washington has been tightened. Worst of all, the administration of this as of so many other programs has been politicized under Carter.

From 1960 to 1977, the FAS administrator had always been a career man, but Secretary Bergland gave the job to Thomas Hughes—Walter Mondale's college roommate and long an aide-de-camp to Orville Freeman—while the associate administrator's job went to Thomas Saylor, from the late Senator Hubert Humphrey's staff. The professionals resent the change—and worry that it may lead to weaker programs as political considerations override technical judgment. For example, the career hands at the FAS are dubious about a proposal from the top to redirect selling efforts away from the large ("saturated") markets, where a minor gain means big sales, to markets in low-income countries, where a doubling or tripling of existing sales would be scarcely visible in the totals.

CAN IT WORK FOR INDUSTRY TOO?

Meanwhile, the White House has been looking rather wistfully at the FAS as a possible model for a new industrial export program. As the agricultural attaché posts were taken away from State in 1954, the commercial attaché posts are being moved over to Commerce in 1980, and there is some thought that programs parallel to FAS could be created for the new Foreign Commercial Service.

Most attachés are skeptical. "To function in market development," says Turner Oyloe in Paris, "you have to have a strong base in Washington. Also, our guys know their world market. This year France is going to take a million tons of soybeans, up from 800,000 tons last year. Our share should be X; if we're not getting it, the dealers go in. Commerce doesn't have that kind of information on industrial products. And our turnaround time if we have a real problem is a matter of minutes. If I have to know something about fruits and vegetables, I get on the phone. At State or Commerce, it's days and weeks and months." Still, the FAS didn't have such capabilities either a quarter of a century ago; its success argues that the American government need not be clumsy. Given the right skills in the right places, it can cooperate with producers and help sell their goods to the world.●

CONGRESS MUST REASSERT CONTROL OVER TAX POLICY

● Mr. DOLE. Mr. President, on May 29, the Joint Economic Committee continued hearings on the state of the American economy. A major portion of the testimony delivered on May 29 was devoted to tax policy and the prospects for meaningful tax reduction this year.

The Senator from Kansas was particularly interested in the testimony of Prof. Alan S. Blinder, of the economics department at Princeton University. Professor Blinder suggests that the only way we can avoid a serious recession is through a sizable cut in personal income taxes. What is more, Professor Blinder believes that such a cut must be permanent in order to have the necessary impact.

Mr. President, the only way to guarantee that a tax cut is permanent is to require annual adjustments to offset the effects of inflation, which rapidly increases tax rates. Acknowledging this fact, Alan Blinder told the Joint Economic Committee that personal and business income taxes should be indexed to inflation. This action would guarantee that only real income, whether from personal service, investment, or return to capital, is taxed at the stated rates.

I am extremely sympathetic to Professor Blinder's proposal. As my colleagues know, in January of 1979 I introduced the Tax Equalization Act, S. 12. This legislation would provide automatic adjustments in personal income tax rates, the zero bracket amount, and the personal exemption, in order to offset the impact of inflation. My bill would implement Professor Blinder's recommendation to guarantee the permanency of a significant tax rate reduction. Last December the Senate had an opportunity to adopt tax equalization as an amendment to the windfall profit tax legislation, but unfortunately the Senate passed up this chance to undertake meaningful tax reform. However, the amendment was defeated by a slim margin: Only six votes. Next time I expect the Senate to take a more enlightened position.

Mr. President, I was disturbed by the fact that Professor Blinder stated that he understood the indexing idea was "dead politically." Support for indexing is growing, and I do believe that Congress will adopt my proposal in the not-too-distant future. A recent survey by the U.S. Chamber of Commerce shows that 61 percent of the American people support tax indexing. Congress would do well to heed this expression of public sentiment.

In recommending that Congress index taxes for inflation, Professor Blinder made an important point that has previously been made by the Senator from Kansas. On October 31, 1979, I stated in the Record that "taxflation represents an abdication of Congress power and responsibility to lay taxes. Instead of adjusting the real rate of tax, Congress allows the effective rate to rise due to inflation * * * this is not in the spirit of the Constitution, nor is it consistent with our best tradition." Alan Blinder picks up this theme and elaborates it in an argument that I find quite compelling. As Professor Blinder says—

> Regardless of what the statute books say, the rate of taxation on capital income is now determined almost entirely by the rate of inflation, not by any act of Congress. I believe that Congress should reassert its constitutional authority to set taxes by indexing the corporate and personal income tax codes for inflation.

Professor Blinder goes on to say that—

> The argument I am presenting here is really a brief for exercising Congressional control over tax rates, not necessarily cutting them. . . . High inflation rates have carried the rates of taxation on dividends, interest, and profits well beyond the rates that Congress presumably intended. Thus a decision by Congress to reassert its constitutional authority to set tax rates by indexing the tax code would probably also be a decision to cut taxes on capital quite drastically. On equity grounds, therefore, I would urge the tax treatment of income from labor also be indexed.

Mr. President, the remarks quoted above show why tax indexing must be adopted. To further postpone action on this issue can only mean a continuing abdication by Congress of its constitutional responsibility to levy taxes and set rates. The Blinder testimony points up the additional fact that most of the major problems of our tax system—the problems which are the subject of most major tax bills pending in Congress—are due to inflation. The least we can do, to make a beginning, is to correct the obvious inequities caused by the effects of inflation on the personal income tax. I urge my colleagues to heed Professor Blinder's testimony, and to prepare to address the indexing issue head on this year.●

WHERE'S THAT GOOD OLD AMERICAN INGENUITY?

● Mr. BAYH. Mr. President the Chicago Sun-Times recently concluded a three part series on American innovation and how it is affected by the U.S. patent and trademark system. The article runs through the familiar litany of problems that we face when our companies encounter increasingly sophisticated foreign competition. What may not be so familiar is a growing consensus that the weaknesses in the Patent and Trademark Office are hamstringing our companies in their innovative efforts.

The Patent and Trademark Office has been neglected and underfunded for years. Now we are faced with an Office that is becoming increasingly unable to fulfill its mission. The U.S. Trademark Office for example, has virtually shut down operations for the remainder of the year because it has run out of money to publish trademark registrations. Not long ago the Trademark Office asked local trademark lawyers to come into the Office on a Saturday and perform volunteer work to help locate missing files.

The Patent Office has not been able to hire the patent examiners that it needs. The result has been that it takes longer each year to obtain a patent which becomes of dubious value because the overworked and understaffed Office cannot put the same amount of time into patent searches that it did 15 years ago. From 2 to 28 percent of the patents are missing in many files. Some patent examiners have to prepare their determinations in longhand because there is a shortage of typists. The opinions still in the examiners' handwriting are then made public and even filed overseas in foreign patent offices. This type of situation simply cannot be tolerated any longer. It is unfair to the businesses and inventors who must rely on patents and trademarks to protect their ideas and products; it is unfair to the American public which is losing valuable products that are mired down in redtape; it is unfair to workers who see a loss of jobs overseas as innovative technologies that can no longer be made competitively in the United States are manufactured in foreign countries; and it is unfair to the professionals in the Patent and Trademark Office who are struggling to do their jobs as best they can with inadequate support and appreciation of their efforts.

The Senate recently passed a bill, S. 2446, which I introduced to allow many challenges that must now be settled in costly litigation to be sent back to the Patent Office for a reexamination. This will prevent these expensive suits from being used to "blackmail" small businesses and independent inventors. This is a very important step. Still, I am convinced from my study of the problem that the only permanent solution is to remove the Patent and Trademark Office from within the Commerce Department where it now lies and to make it an independent agency with a 6-year term of office for the Commissioner. This concept is embodied in my bill S. 2079, the Independent Patent and Trademark Office Act, which is now pending in the Senate Governmental Affairs Committee.

The bill has been endorsed by the American Patent Law Association, the American Bar Association, the U.S. Trademark Association, the National Small Business Association, and by every business and independent inventor who has written to my office. The independent agency idea was endorsed at hearings held on S. 2079 by every former Commissioner who has served in the past 25 years. Unless this fundamental step is taken—which will cost less than $150,000 and simply remove an unnecessary layer of bureaucracy from the Office—I am afraid that the Office will continue to be a deadweight that we permit to be tied to the legs of our innovative efforts.

I ask to place in the RECORD the articles from the Chicago Sun-Times which are an excellent summary of the problem. I hope that my colleagues will give these issues serious consideration and join me in strengthening the American patent and trademark system.

The articles follows:

[From the Chicago Sun-Times, May 25, 1980]

WHERE'S THAT GOOD OLD AMERICAN INGENUITY?

(By Richard Bonner)

Americans, for decades smug in the assurance of their industrial leadership, have in recent years begun to sense a disquieting slippage of that once unquestioned might.

At first, there were the losses in such markets as shoes and apparel to countries—usually less-developed ones—that could make the products more cheaply. However, America's economic strengths, particularly its manufacturing strengths, lay in heavy or more sophisticated industries. Yankee inventiveness and innovation seemed to assure a continued place in the sun for the United States.

But will they?

Challenges have mounted to the heavy and more sophisticated industries, too. As steel imports have grown, domestic steel companies have closed plants, reduced capacity and trimmed thousands of workers from the payroll. Major U.S. steelmakers have even called in Japanese technical experts as consultants on various problems and projects.

Domestic television manufacturers have all but renounced efforts to conduct all their manufacturing within the United States, deciding instead to ship much of the work out of the country to cut expenses and at least hold on to what markets they still have.

Chrysler, the weakling of the Big Three U.S. automakers, required a $1.5 billion federal loan guarantee to stave off a still-threatened bankruptcy and Ford Motor Co. lost a billion dollars on its North American car and truck operations last year and expects another bad year in 1980. Even General Motors has suffered a sharp profit slide for the past three quarters. Imports have captured 26 percent of the domestic market and 200,000 production workers are on layoffs.

Meanwhile, robots at a Datsun assembly plant in Japan weld car bodies together and bolt doors in place while TV cameras tell computers when parts—delivered automatically—are running low, says Sen. Adlai E. Stevenson (D-Ill).

What's more, he laments, even America's leadership and trade surplus in high technology is waning. At a U.S. electronics conference earlier this year Japanese technologists, chided in the past for an alleged proclivity to copy American innovation, unveiled new devices and manufacturing processes that equal or surpass any in this country's semiconductor industry. "Today," says the senator, "there is scarcely a sector in which the United States does not face a vigorous challenge from abroad."

And it faces those challenges, in part, because American inventiveness and technological innovation have lost their storied vigor. America still leads the world in productivity, or output per man-hour, but other countries are gaining on that lead. While the number of patents granted in the United States has held fairly constant since 1966, the percentage granted to foreigners since then has risen steadily from 20 percent to 39 percent. Inventions and innovations make products that are not only more attractive but often cheaper. Innovation also boosts productivity, which also means more competitive prices.

That benefits American consumers and improves the country's prospects in international trade. If the United States lags in innovation and productivity improvements, it also loses out in world trade. The country tends to import more than it exports and the resulting negative balance of trade can cause the loss of U.S. jobs, devaluation of the currency and inflation. The U.S. balance of trade has shown a continuous deficit since 1976, including a $33.78 billion shortfall in 1978 and $29.45 billion last year.

"It's not written in heaven that America will stay No. 1," warns Donald W. Banner, commissioner of the Patents and Trademark Office in 1978–79. "You keep earning it or you lose it. There are no special considerations. When you compete in a tough world, economically and militarily, you'd better be ready." Saying Americans have been living too heavily off their "grandfathers' technology," Banner adds that the country has forgotten the importance of innovation as the "lifeblood of technological strength, our technological seed corn."

But invention and innovation in the United States have encountered growing obstacles in recent years.

Mandated government regulation for environmental and worker health-safety programs now diverts investment from new plant and equipment and research and development, slowing productivity growth by about 25 percent, according to a Washington productivity expert.

For 1973–78, U.S. manufacturing productivity grew at an average annual rate of only 1.5 percent, according to the American Productivity Center in Houston. By comparison, Japan's grew 3.3 percent, West Germany's 5.1 percent, France's 5.1 percent and Denmark's 4.5 percent. Although the United Kingdom posted only a three-tenths of 1 percent gain, troubled Italy managed 2.5 percent. Moreover, U.S. productivity last year was negative for only the second time since the government began monitoring the figures.

West Germany has already replaced the United States as the world export leader in manufactured goods and threatens to overtake the lead in the export of all goods. Japan is moving up fast on the No. 2 spot in manufacturing exports too. The U.S. share of world exports fell from 21 percent in 1957 to 16 percent in 1967 to 12 percent last year.

Regulation and various government policies also have directly raised the expense and slowed the introduction of products to the market, especially in the pharmaceutical industry.

Consider G. D. Searle and Co., for example. The company developed a low-calorie, no-aftertaste sugar substitute called aspartanie in the mid-1960s and, after several years of testing, patented the product in 1970. But because of challenges to the sweetener's safety, the Food and Drug Administration withdrew initial approval in 1974 and the product has yet to reach the market.

Searle says it has meanwhile spent $10.000

a day—not to mention lost sales and profits—for legal fees, further testing and related activities. And even though the company feels confident about eventual FDA approval, the sweetener's patent runs out in 1987, leaving doubts about whether all the time and money spent will prove worthwhile.

But the Patent and Trademark Office deserves much of the blame for the country's deteriorating climate of inventiveness and innovation today, say some observers, including several legislators. "It's operating in the 1800s," says Michael W. Blommer, executive director of the American Patent Law Association.

"The Patent and Trademark Office has been going downhill since about 1960," adds Eric Schellin, executive vice president of the National Patent Council and chairman of the board of trustees of the National Small Business Association. "It's considered a backwater federal agency."

It comes as no surprise, then, that the Patent Office has acknowledged that 2 to 28 percent of its files in every patent subclass are missing, hence increasing the likelihood of legal challenges to subsequent patents issued, challenges that cost both plaintiffs and defendants an average of $250,000 today. Examiners today have 20 to 30 percent less time to deal with each patent application, despite the growing body of prior technology that must be studied before passing on the applications, says former patent commissioner Banner. He says the time for getting a patent grant has risen to two years, up from about 2–9 months about two years ago. Because of budgetary problems, he added, the patent office will issue more than 20 percent fewer patents that last year.

The budgetary restrictions are so severe that some examiners lack typewriters and must file their reports in longhand, according to Joe Allen, an assistant to Sen. Birch Bayh (D-Ind.). Compounding the embarrassment, photocopies of such reports are even sent to foreign patent offices. In financial desperation, the trademark office once appealed for volunteer lawyers to come in on a Saturday and help get the files up to date, according to Allen.

Necessity is said to be the mother of invention, and perhaps the threat of a crisis in the country's international economic standing might offer the necessary spark. But before that can come about, says Banner, Americans' vague impression that something is amiss with U.S. productivity must sharpen into a clear awareness of the specific problems, their causes and possible solutions. That's imperative now, he says, with the nation's heavy dependency on foreign oil, the pressing demands for pollution abatement and the growing world demand for food.

[From the Chicago Sun-Times, May 26, 1980]

Patent Office Caught in "Confidence" Game

(By Richard Bonner)

The spirit of invention and innovation in the United States seems to be flagging, and the question arises: Why?

"If you had to bring the explanation down to one word, the word would be 'confidence,'" says Eric Schellen, executive vice president of the National Patent Council. That is, there's a growing *lack* of confidence that the money and effort expended in technological innovation will pay off.

Government regulations that require spending on pollution-abatement and safety equipment—spending that might otherwise have gone for productivity-boosting new plants, equipment and research—have prompted considerable comment in recent years. But there are other, perhaps equally important but barely noted causes for the discouragement of innovation and productivity.

With the problems of the Patent and Trademark Office, for example, the likelihood increases that questionable or downright invalid patents will be issued, a chilling thought, indeed, to applicants unable to bear expensive legal challenges. "Confidence in the patent system is so terribly important," affirms Donald W. Banner, former commissioner of the Patent and Trademark Office. "It would make companies a lot more willing to take a chance on an invention, either theirs or one they might license from someone else. The same thing applies to banks, which would show a greater inclination to back a project."

Michael W. Blommer, executive director of the American Patent Law Association, adds that Thomas Edison wanted to make money, and, confident in the U.S. patent system, went about concocting inventions that could make the money and then took out patents on them.

The state of the Patent Office today, however, reflects years of neglect and indifference from both the executive and legislative branches of government, says Schellen. "It's an ancient agency," he says, "and it has no sex appeal for anyone."

Schellen notes that the office hasn't raised its fees since 1965. That now allows for recovery of only 30 percent of costs, down from 74 percent in 1965, and has caused a deterioration in services. The National Patent Council executive says people who use the patent system "are more than willing" to pay for a major share of the operating costs, "but in return they want good service. That way they, the economy, everyone benefits."

Banner, who resigned in despair as commissioner, says the patent office can never become a "first-class operation" so long as it remains part of the Commerce Department.

The short shrift given the Patent Office began with the Legislative Reform Act of 1948, according to Blommer. He says that from 1836 to 1948, standing committees on patents operated in both houses of Congress to assure the patent system appropriate contact with the legislature, both for funding and keeping the appropriate law up-to-date and vital.

However, the reorganization act gave jurisdiction over patents, trademarks and copyrights to judiciary committees, "which were more interested in constitutional questions, therefore not geared up to uphold the interests of the business community," says Blommer. "So patents got lost in the shuffle." Then in 1962 the Patents and Trademark Office was nudged even further into obscurity, with the creation of an assistant secretary of commerce for productivity, technology and innovation. By reporting to an assistant secretary, the patent commissioner suffered a defacto demotion.

"So now the patent office is not just cut off from Congress but from effectively dealing even with the secretary of commerce," says Blommer. "The result has been a [relative] decline in manpower and funding for the office. There's been no meaningful work or legislative interest in patent law since 1952, when it was codified." Banner says the excessive time he spent trying to communicate with the hierarchy led to his theory of government as: "pushing the infinite marshmallow."

Congress even has a bill pending to create the post of assistant secretary of commerce for public relations, grumbles Blommer, noting that the patent commissioner bears responsibility for 2,700 employees and an annual budget of $113 million.

But the major blame for inhibiting inventiveness and innovation also lies outside the Patent Office. Sens. Birch Bayh (D.-Ind.) and Robert Dole (R.-Kan.), for example, have discovered that various government agencies require that they retain ownership rights to all patents they help back with funding. The agencies then offer to license the invention to all takers on a non-exclusive basis.

That discourages the acceptance of government funding, says Bayh assistant Joe Allen. A company that risks the time, effort and even some of its own money to develop an invention must then be willing to watch another company, sitting on the sidelines free of risk, come in and pick up a license to market the invention or innovation. But the policy often discourages any company from picking up a license, because without exclusive marketing rights, a company might see its potential profits drained off by its own development costs and too many competitors.

No surprise then, says Allen, that only 4 percent of the 30,000 patents owned by government agencies are ever licensed. Hence, a lot of innovation gathers dust on the shelves, innovations that might well be making life less burdensome, healthier or otherwise more enjoyable. It took a year's effort for Bayh to persuade the Department of Energy to waive its rights to a process that a Purdue University researcher had patented to derive from corn stalks twice the amount of alcohol used in the production of gasohol.

Bayh and Dole also compiled a list of 30 important pharmaceutical patents the now-renamed Department of Health, Education and Welfare had delayed waiving, because of a cumbersome case-by-case review. The patents included a serious-burn ointment developed by a Columbia University researcher to overcome the bacterial resistance that developed to an earlier ointment of his. There was also a process patented by two Arizona State University researchers that could determine through blood samples the appropriate chemotherapy for cancer patients, hence possibly avoiding painful and ugly side effects from the wrong chemotherapy.

The day after the two senators published their list, HEW waived its rights to 29 of the 30 patents.

[From the Chicago Sun-Times, May 27, 1980]

Taking the Leash Off Innovation

(By Richard Bonner)

American inventors Ben Franklin and Thomas Edison described the inventive process as looking for a problem, then developing a product to solve the problem.

In the effort to re-invigorate America's spirit of inventiveness and innovation, it would thus seem appropriate to look at some of the major reasons why the spirit has waned, then take corrective steps. And in taking those steps, says Donald W. Banner, former commisisoner of the Patent and Trademark Office, the country should "bend over backwards" to assure a climate that not only fosters but stimulates innovation.

Mindful of the nation's eroding technological leadership, President Carter in 1978 ordered just such a look at the causes, and late last year announced recommendations for a cure. The recommendations would revise patent, regulatory, antitrust and other policies in an effort to to "unleash America's creative genius" and loosen the "stifling constraints" government has imposed on industry.

Although the "President's Industrial Innovation Initiatives" drew sharp criticism for not including much-discussed tax incentives to promote investment in research and development or for new plants and equipment, the administration emphasized it has not ruled such incentives out for recommendation later.

The initiatives, which Carter called a modest first step, included recommendations for: a uniform policy on patent-ownership rights in cases involving government-funded research by universities or business; promoting research by small business, which contributes a disproportionately large part of American innovation; clarification of how companies in the same industry can cooperate to bring about innovations without violating antitrust laws; creating a system of technical centers at universities to promote and develop commercially significant technologies; more flexible regulatory policies; and legislation giving the patent office authority to reexamine challenged patents, thus relieving the need for resorting to the much costlier and time-consuming court system, which often lacks necessary technological expertise.

Some of the initiatives have already reached the form of bills in Congress. For example, Sen. Birch Bayh (D–Ind.) has introduced Senate bill 1679, which provides for an expedited and relatively inexpensive patent re-examination process by the Patent and Trademark Office at a cost of only about $1,500, according to his office. Decisions would be final for the challenger but open to appeal by the challenged patent holder.

Re-examination would discourage patent infringement and let investors know quickly whether they have an infringement case worth fighting. Too often the small patentholder either allows the infringement to continue with impunity or is "blackmailed" into settling for an inadequate license fee.

Consider the case of John A. Henricks. He's the only person ever to win a patent-infringement suit against General Motors, but his legal battles have dragged on for 23 years and he still hasn't recovered a penny. Expenses have eaten up much of what he might have recovered, too—and he's 73 years old.

Sens. Bayh and Robert Dole (R-Kan.) have also introduced Senate bill 414 to give universities and small businesses exclusive rights to patents they develop with federally funded research. Similar legislation has also been introduced in the Senate by Adlai Stevenson (D-Ill.) and New Mexico Republican Harrison Schmitt, a former astronaut, and in the House by Rept. Robert Kastenmeier (D-Wis). Kastenmeier's bill also includes a provision for re-examination and raising patent filing fes to cover 60 percent of costs.

Under the present system, the government can license several companies to commercialize the invention and even allow them to use the background rights that the inventor used to develop the patent. That discourages small companies from risking their patents to federal development funding.

Therefore, adds Bayh, "numerous developments, including cancer-related drugs and procedures, remain at a very early stage of development and unavailable to the public." Critics of proposals to waive government patent ownership, notably Adm. Hyman Rickover, argue that taxpayer-funded inventions should be available to everyone, but the Bayh-Dole bill provides for government reimbursement after the inventions return a certain level of profits.

Another Bayh-sponsored patent bill—not included in the President's initiatives—calls for an independent Patent and Trademark Office with a six-year statutory term for the commissioner. Supporters of the bill contend it would free the office from its stifling domination by the Commerce Department and would end the "revolving door" of discouraged commissioners. All of the last eight commissioners have testified in favor of the bill.

However, present commissioner Sidney Diamond counters that the office would no longer have a "cabinet-level department to fight its battles," and another independent office would just add to the growing unwieldiness of the executive branch. Besides, he adds, the Commerce Department has taken note of its past shortcomings and has already taken considerable steps to improve them, including calling for a $7 million increase in the office's budget.

These steps include upgrading and further computerizing the patent-search files, according to a Commerce spokesman. But Bayh's office says the Commerce Department has periodically made token moves to improve the patent office, only to backslide shortly afterwards.

The spirit of American innovation needs more than patent reforms, however, says former patent commissioner Banner: "It needs a much stronger appreciation of innovation in general and its benefits to the American people. America's jobs, today and for the future, are [at stake]. Clearly we've been slipping, and if you don't believe it, ask the people who aren't working anymore. The Japanese teach innovation from the time their children are in grade school. They have about 50 quasi-governmental offices up and down the countryside to promote innovation."

Indeed, the Japanese government has established a complex system of interlocking agencies, advisory councils and industrial research and development laboratories, says George Sadler, senior economist at the American Productivity Center in Houston. Every ministry in Japan to some degree promotes science and technology, he adds.

Along those lines, Sen. Stevenson has introduced Senate bill 1250, which would set up an Office of Industrial Technology as a research and development liaison between universities and private industry, similar to the president's proposal.

To minimize the losses from frequently long and costly regulatory delays in getting pharmaceuticals approved for marketing, some observers have suggested "freezing" the 17-year patent life during the time a product is held up in proceedings. The American Pharmaceutical Manufacturers Association, acknowledging that it's studying such a freeze, says the average pharmaceutical loses seven to eight years of patent life while undergoing testing and regulatory approval, at an average cost of $54 million.

That often results in a higher introductory price to the public, according to the association, which also recommends more informal approval hearings by panels of experts as a means of expediting the hearings.

And noting that salesmen and executives get incentive bonuses in addition to salaries, Erwin Frand, a columnist for Industrial Research & Development magazine, asks why research and development scientists shouldn't get the same. "We have a hall of fame for athletes and rock stars, but when was the last time you heard anything about any American inventor today?" asks Banner.●

ADDRESS BY SENATOR TSONGAS TO THE ASSOCIATION FOR PUBLIC TRANSPORTATION

● Mr. METZENBAUM. Mr. President, I wish to call to the attention of my colleagues a transportation address given by Senator Tsongas in Boston. I feel his ideas are timely and should be shared with the Members of the Senate. I ask that his statement be printed in full in the Record.

The address follows:

Address by Senator Paul E. Tsongas

Recently I announced "The Massachusetts Plan". It's a wide-ranging outline of what Massachusetts must do in the areas of housing, transportation, business and energy, to protect ourselves from the economic shocks of energy scrcity. I don't need to outline the impact of our energy situation to you professionals in the field of transportation. You are painfully aware of rising gasoline and diesel fuel costs. But while the energy situation looks bad, this is an exciting time to be involved in the transportation field. It is a time when energy costs are changing the patterns of our lives, a time when our transportation systems must be at the heart of that change. I intend to work with you to promote that exciting change.

Those of you who have read the Massachusetts Plan know that without mass transit, there would be little hope of achieving its goals. We in Massachusetts and people around the country are the victims of suburban sprawl caused by cheap energy sources. Our whole lifestyle has been molded around the automobile for getting to work, entertainment, education, and friends and family. Our problems began when the automobile replaced the subway car:

Families and businesses moved out of central cities.

Suburbs grew rapidly.

Our highway system expanded.

Shopping malls sprang up around the state.

Our central cities were abandoned despite their valuable physical, economic, human, and historic infrastructures.

The valuable assets of the central city may not have been recognized during the era of the automobile (from 1940 to 1975). But today Boston stands as one of the exciting examples of the revitalization and return of cities.

MASS TRANSIT

The MBTA is the backbone of Boston's development. The "T"—America's oldest subway line—has real problems. It requires considerable repair. The MBTA needs to resolve the funding mechanism and its labor-management disputes, increase productivity, and raise its image from the depths—nonetheless, the MBTA is the foundation of Boston's future.

Before I go into the development importance of the "T", let me speak for a moment on its problems. As a member of the Senate Banking, Housing, and Urban Affairs Committee—which has jurisdiction over the Urban Mass Transportation Administration—I am becoming too familiar with them. While I enjoy working on mass transit issues, the MBTA has become a bit of an albatross. Every time I meet with Ted Lutz, the UMTA Administrator, the problems of the "T" are raised. He and I agree that rail transit is an important tool for urban development, and that the value of building a system cannot be judged merely on a cost per passenger basis. But then the albatross appears again—the MBTA, the nation's oldest rail system, with the highest operating cost per passenger! Together we are committed to resolving these problems so that the MBTA is not an example of why rail transit is unaffordable. Earlier this week I discussed these problems in a meeting with representatives from the labor unions and the Governor's office. I think we can work together to resolve them.

Let me address one important issue raised in the Task Force Report: the issue of a stable funding source for the MBTA. In the Massachusetts Plan, I endorse a 5% gas tax earmarked for mass transit. The current system of property tax funding doesn't work and isn't fair. While it's not reasonable to expect homeowners to finance mass transit, it is reasonable to expect car owners to fund the MBTA and regional transit authorities. This would encourage people to leave their cars and take mass transit—and would place the financial burden on those who don't. The payoff is that for each person not driving, there is more gasoline available for those who choose to drive or who *must* drive. Joining the MBTA was a financial burden under the property tax system, discouraging entry. Gas tax funding would encourage expansion of the system by discouraging automobile use.

I concede that trust funds tend to become self-fulfilling budget requests—for example, our highway system. But in this case it is crucial. An investment in mass transit will always be money well spent. And without the trust fund mechanism to protect the revenues for transit, we could see our good intentions gone astray, as happened to the windfall profits tax revenues. Two billion dollars intended for transit was cut from the President's budget by the Senate Budget Committee because it wasn't earmarked in a trust fund. We cannot afford an unstable funding source: a gas tax based trust fund is the answer.

Any funds, whether from a gas tax, new federal aid, or other source should be tied to increased productivity. The Task Force Report states: "It has become clear to the Task Force that increased productivity is a common and significant interest of both labor and management." I would only add that productivity is of interest to the riders and taxpayers as well. The principle of an effective work place is: "A full day's work for a full day's pay." The MBTA and those of us who pay for it should expect no less. From my conversation with representatives from the union and from the Governor's Office, I believe there is a common understanding that increased productivity is in everyone's best interest.

Further, the Task Force and I agree that the "T" should increase the development of its land. The MBTA should offer land at a reduced cost for development, in exchange for a percentage of the revenue from the resulting development. This promotes more city development and transportation-related development. The Massachusetts Plan recommends further that in government evaluation of housing, commercial, and industrial projects, "bonus points" be given to transit-related, energy efficient projects. From section 8 housing grants to Urban Development Action Grants for commercial development, all would be judged by that standard. Linking that policy with an aggressive development policy by the MBTA would promote growth where we need it, and aid the "T's" financial picture.

Developments like South Station, near here or the Gallagher terminal in Lowell, or Wellington Station in Medford will be the future of the MBTA if it will act as a development entity as well as a transit agency.

Our regional transit authorities have been innovative and aggressive in transportation, but constrained by the same problems of funding and operating costs that the "T" has. One way to increase the ability to provide service is by providing more rolling stock for their bus fleets. There is an untapped resource that could do so—the school bus. During the blizzard of 1978 school buses were used to provide commuter service. Governor Dukakis used emergency powers to waive the DPU regulation against school bus use. Governor King has used his emergency powers for the MBTA. By extension of those powers, he could expand the bus fleet with school buses in non-school hours to supplement or expand transit service.

All these efforts in construction, development, and operation will require additional money. Increased gas taxes, and development revenue are two sources. A third is increased federal aid. I have been working in recent weeks with UMTA staff, the administration, and transit operators to move toward a more equitable formula for federal transit assistance. We have to find a way to give more help to cities like ours that have made a great commitment to mass transit.

HIGHWAYS

We have a twin problem in considering highways as part of an overall transportation policy. First, federal funding for highways is decreasing; second, there will certainly be less fuel for highway vehicles. The era of the big road project that encourages sprawl is over: we must decide which road projects are consistent with an energy-scarce future and which are not. Roads that will reinforce the core city and create economic growth—like the road projects associated with the Crosstown Industrial Park in Boston—are where limited federal funds should be directed.

Given limited energy, and limited funds, I cannot support federal assistance for a third harbor tunnel. The tunnel would only encourage more automobile use at a time we need to discourage use. It would also not encourage economic growth and development in the city. I support transferring the tunnel funds under the interstate transfer provisions to the extension of the Blue Line north, or the Green Line relocation and upgrading the commuter rail on the north shore. The Blue Line extension would generate over $100 million in private investment—permanent, tax producing investment for our economy. That, to me, seems a better use of limited federal funds.

BICYCLES

This week, I bicycled to work in Washington to show my personal and legislative support for increased use of bicycles as a method of transportation. We must go farther than we have in supporting bicycle use. I strongly recommend:

More bicycle paths, particularly to and within tourist areas.

Inclusion of bicycle lanes in highway improvements and new construction.

Bicycle racks at transit stations and terminals.

Bicycle transport capability on commuter trains and buses.

Provision of showers and changing room near bicycle storage in public buildings.

I will work with local and state officials to implement these recommendations. I will need your help and involvement if we are to begin to make the bicycle a part of our transportation policy.

TOURISM

Too often, we consider travel and tourism as a frill, and not as the essential part of our economy that it is. Travel is the No. 2 industry of our state, generating almost $2 billion in revenue. Too often, tourist travel is auto-dependent—in fact over 80 percent of our tourist travel is by car. If we don't develop mass transit alternatives to our tourist industry, it cannot survive the energy shocks that are inevitable. My host today, the Association For Public Transportation, has made an excellent first step by expanding its book Car Free in Boston to Car Free in Massachusetts in the third edition. But we must do more to help them, and to help our tourist industry wean itself from the auto:

We must increase the use of water transportation to our island and shore attractions. Last summer, the use of the commuterboat for weekend trips to Boston's harbor island made those islands available for recreation for more of our citizens.

We must integrate regional transit and tourist attractions, co-ordinating schedules with hours of operation.

We must give high priority in state rail planning to the restoration of Cape Cod train service both Boston-to-Cape Cod and New York-to-Cape Cod. Moreover, restoration of the Inland Route, and a link to the Berkshires would help both commuting and tourism.

INCENTIVES

Our travel industry is like parts of the private sector: it will respond to the challenge out of need, and if given incentives. We must create and support those incentives that will increase the use of public transit and transportation alternatives. For example:

Tax credits to those firms that subsidize transit passes for their employees, or participate in a carpool/vanpool program.

Free tolls on bridges, tunnels, and the turnpike for car/vanpools.

Increased application of the insurance reduction for transit users.

Reduced parking fees in public garages, particularly those at transit stops, for car/vanpools.

These are only a few of the ways we can encourage individuals to use alternative forms of transportation. Collectively, these countless individual decisions, will begin to prepare the state for the future.

THE NORTHEAST CORRIDOR

The Northeast Corridor Project is a good example of the new wave in transportation, or better, the revival of the old wave. When the Northeast Corridor Project is complete, travel time from Boston-to-Washington will be 6 hours as compared with 10 hours now.

The economic development anticipated along the corridor is substantial. Boston's South Station is the model on which other cities are basing their expectations. The $100 million intermodal transportation facility should lead to massive private investment at the terminal and in the surrounding neighborhood. Already we have a commitment from UMTA for $3 million for structural engineering to prepare for the development of the facility's air rights: 3 levels of parking, office space, restaurant space, and possibly hotel space. This kind of development is just what we need to respond to our energy situation.

The Northeast Corridor Project is the catalyst for this type of development. Right now it faces the test of all federal projects—making it through the budget process in Congress. The Northeast Senators together must get the point across to the rest of our colleagues—that this is an important project. Without adequate funding, major changes will have to be made in the project. I will be working with other members of the New England delegation to get the Northeast Corridor the funding it needs.

RAIL

Earlier I mentioned improved commuter rail and restoration of Cape Cod service as priorities. We must remember that our rail system moves goods as well as people. Over ⅓ of the jobs in this state are affected by railroads: increased use of rail for commerce helps our economy as well as our energy conservation efforts. In the past, the Commonwealth along with the New England Regional Commission has made a major effort to assist railroads and rail shippers. Those efforts should be continued, and expanded.

However, I think we can and should go farther in our rail policy. Public ownership of the rail rights of way is an idea worth considering. The government would own, maintain and repair the rail beds, (as it does the state's highways), and the private sector would operate the vehicles. Lines that would help retain jobs, or expand industry would be preserved. Smaller innovative rail operators could provide the service needed if larger rail companies discontinued service.

Moreover, linking a revitalized rail system with expanded port facilities would help our ability to export goods made inland. Massport's efforts to expand its containerport facility will give us the capability to increase exports—part of a new future for our port authority.

MASSPORT

Massport is a critical link in the relationship between our transportation policy and our ability to create and sustain economic growth. The authority has shown an ability to bridge the gap between the public and private sectors, and to be sensitive to community needs. The collaborative effort among Massport, elected officials, regulatory agencies, and residents to develop the over-the-water air departure route is an example of the co-operation needed. There are two other aspects of the noise issue which require this kind of cooperation—CAB route decision-making, and airplane towing.

Recently, I met with residents of East Boston who have been in the forefront of the struggle against airplane noise. They asked for my support in their efforts to be involved in Civil Aeronautics Board decisions on route awards. The CAB should be making decisions on new carriers based on carriers that are making environmentally sound decisions and attempting to tackle the problem of airline noise at its source—the airplane. There is no greater problem for the people who live around Logan, and they have my support.

The second matter of current concern is the policy of towing airplanes—particularly those of Eastern Airlines—to provide some noise relief. The residents want the towing because they feel it has been effective in reducing noise levels. While the policy is under consideration at the state level, I want to indicate my support for the residents, and my desire to see the planes towed.

Logan airport can, and will, continue to be a major center for air cargo and exporting, particularly if the Bird Island flats are developed for cargo use. But Logan is not the only airport in our state that could play a role in handling cargo. The Worcester airport—particularly with the airport industrial park located nearby—could be a cargo center. Our high technology firms, those in the route 128 and route 485 area in particular could use Worcester airport for travel and shipping. I have worked with Worcester officials and the FAA to help keep jet passenger service at Worcester, and I will work with them to find ways to develop freight service.

Logan, Worcester, and the regional airports must look beyond their transportation role and think of their land development possibilities. Developing land around regional airports for industrial use will create noise barriers and improve cargo use. While the era of Logan's expansion is over, Massport could develop some of its other resources. For example the land around Commonwealth Pier could be a new, intown center for housing, commercial and retail development, supplementing their successful project at the Fish Pier.

HAZARDOUS MATERIALS

Finally, there is one transportation issue that should concern us all: the transportation of hazardous materials. The gasoline, pesticides, chemicals, and LNG that are essential to our commerce, and lifestyle, will not simply disappear. They won't be wished away. We must enact strict policies for the storage, transportation, and disposal of these substances. The recent Somerville accident shows that we need new programs for transporting hazardous materials.

The Somerville accident is only one of a series that have occurred on our nation's highways and rail lines. One reform that would help during any future accident is an identification system for the hazardous cargo containers. There are over 1,500 materials that are classified as hazardous. In case of an accident, the substance can be contained with the appropriate material—water, foam, other chemicals or materials. The key, of course, is knowing what you are dealing with at the scene of the accident. The D.O.T. is in the process of writing regulations to identify tank trucks and cars transporting hazardous cargo. I will make every effort to speed up the development of these regulations. That system will immediately let a big city fire department, or a small county civil defense force know what type of material they are dealing with. It would save precious time for workers on the scene, and prevent making a bad situation worse by adding a substance that would react with the spilled, or leaking material.

Today I have outlined some of my concerns—and I hope yours—for the transportation future of our state. There will be others that you and I will raise in the future. However, none of these new directions will be taken without a great deal of effort. If you want the underutilized resources of the bicycle and school bus as part of a transportation package, you must convince those who can make that decision. If you want a Blue Line built instead of a tunnel, you have to make your support for that choice clear. If you want development around transit stops to be a greater part of our land use policies, you will have to help me change the laws and regulations that prevent it. If you want a Northeast Corridor rail project, or a new Orange Line completed in the ways that you want, you will have to fight for the money.

Our state has made a commitment to conservation, and public transit. While other states have not. The energy scarce future may be brighter for us and darked for them. But only if we can make the administration commit federal resources clearly to transit, and to cities. Funds for the programs we need are being cut, and I need your help to try and turn that around.

All of you have come today because of an interest in transportation—either as advocates, officials, or users. I may have been preaching to the converted today, but there are others we must convince tomorrow. To carry the message to Beacon Hill and to Washington, you have many vehicles: you may use your professional associations, alumni clubs, political party, church group, civic association—even your softball team. The Massachusetts message is more mass transit not less, and more innovative development in core cities.

We cannot sit back and hope that someone else will create the types of policies and programs we need. We cannot believe that the days of cheap and plentiful gasoline will return through some new miracle or discovery. We cannot assume that our views on the importance of better transportation policy will be shared by all our fellow citizens without our effort to make our views known. We must assume the worst and prepare for it.

Prepare by helping your town join or form a regional transit authority.

Prepare by asking your employer to participate in the MBTA pass program or to set up a vanpool program.

Prepare by taking mass transit to your local museum if there is none available, ask the museum or the transit authority why.

Prepare by asking your auto insurance company, if you have one, about credits for MBTA pass use.

If you already do this, and more, then help your neighbor to do the same.

We will all share in the result of the wisdom or the folly of our decisions. We must decide where our future lies and begin the effort to get there together. I ask for your help, and offer you mine.●

GENERAL AVIATION ACCIDENTS

● **Mr. CANNON.** Mr. President, I submit for the RECORD an article which appeared recently in the Columbus, Ohio, Dispatch. It addresses the matter of general aviation accidents and clearly underlines the rationale behind the Senate's version of the ADAP reauthorization bill which favors shifting emphasis and funding from the larger airports to the smaller airports and increasing the facilities and equipment funds which go to control towers and landing systems.

The article follows:

LANDING MISHAPS VIEWED

(By Mario Cappelli)

For the most part, air machines do not simply fall apart. Investigations have revealed that a high percentage of accidents occur under controlled circumstances.

A study of approach and landing accidents in general aviation over a four-year period (1974–77), for example, identified 99 accidents where below minimum operations were a major factor. About two-thirds of these accidents were of a "look-see" nature—an approach in the absence of on-site weather data or when the weather was reported to be below landing minimums.

While "look-see" is prohibited to air carriers on air taxi aircraft, it is perfectly legal and safe for general aviation pilots operating under part 91 of the Federal Air Regulations (FAA). When the pilot reaches the decision height or the missed approach point, he is required to discontinue the approach unless the runway environment is clearly and continuously in sight and the aircraft is in a position to execute normal landing.

The decision to land or execute a missed approach is made in the cockpit, and this is where the trouble can begin, if the pilot decides to bend the rules.

The safety margin of weather minimums for instrument approaches is not as generous as many pilots might imagine. Some entertain the erroneous notion that something like a 50 percent safety factor is added to all approach minimums.

Accident files show that most such "stolen landings" take place at airports without control towers or at hours when the tower is not functioning. Thirty-eight of the "below minimum" landing accidents occurred at non-controlled airports. In fact, 28 of these accidents occurred following a landing attempt without any ground radio contact at the destination point. In 35 of these accidents the pilot was alone in the cockpit with no one to assist him in continuing the approach.●

REBUILDING AMERICA

● **Mr. GLENN.** Mr. President, the State of Ohio is honored that one of its prominent citizens has become chairman of the U.S. Chamber of Commerce, Mr. C. William Verity, chairman of the board of Armco, Inc., was recently installed as chamber chairman at its 68th annual meeting. At that time, Mr. Verity delivered a very thoughtful and well-reasoned address on the problems facing our country, and suggestions for addressing those problems.

Mr. Verity's remarks elaborated on three basic themes. First, he points out the need to rebuild the Nation's economic base and improve our domestic economy by reducing Federal spending and creating incentives to save and invest. Second, he recognizes the importance of expanding America's role in world markets, to stimulate productivity, create jobs, and increase our overall economic strength. Third, he emphasizes the importance of building people's confidence in the institutions—family, church, school, community, government—that have been so much a part of the fabric of America.

Mr. President, I subscribe to these remarks, commend them to the attention of my colleagues, and ask that they be printed in the RECORD.

The remarks follow:

LET'S REBUILD, AMERICA

(Address to U.S. Chamber 68th annual meeting by C. William Verity, chairman)

Assuming this new position is an enormous challenge for me. I believe, indeed I know. America is in danger. Economically, politically and militarily, we're in real trouble. And I'll be quite frank with you—near 20 percent interest rates and inflation are so new, and so high, that I don't know just how frightened I am.

I see an America threatened abroad by foreign ideologies—one holding Americans prisoner because they are Americans, another rolling over a primitive people sitting astride our energy lifelines.

I see our economy threatened by an unfriendly oil cartel, OPEC.

I see an industrial plant whose major sectors are plagued by sagging productivity, under siege by foreign competitors, with unemployment spreading.

I see a shrunken defense capability, lacking manpower, starved for new defense systems and anything but ready to confront the challenges which face us today.

I don't believe in sitting back and talking about how things are getting worse. And I don't believe in hand wringing—silent or otherwise.

I do believe in what you and I can do as U.S. Chamber members, through our national officers and staff, through our local chambers and through Associations.

We can't afford the luxury of blaming others for our plight. It is not "them" that are to blame—it is us.

We have been on the defense too long. We have reacted—rather than led. We must go on the offensive with positive programs—positive programs aimed directly at solving the major problems of America. We must turn our country around.

So let's talk, ladies and gentlemen, about why we are all here, about what our country urgently needs most. We must rebuild America. We need to focus on these three fundamental tasks.

First, we must rebuild the economic base of the nation and get our domestic economy back on track by cutting federal spending and providing incentives to save and invest.

Second, we must become again the Yankee Trader of old and increase our ability to excel in world markets. That will allow us to create jobs, eliminate trade deficits and strengthen our economy.

Third, we must rekindle people's confidence in their institutions—family, church, school, community and government—by reasserting each individual's, each chamber member's role and personal involvement in the political process—especially in 1980.

Now, let me touch briefly on these three major areas.

The first, rebuilding the economic base of America, requires putting our domestic house in order. This, in turn, will require six dramatic changes from present policy. They include the need to: Lower inflation through reduced federal spending and close control over the money supply; re-industrialize, recapitalize and innovate; reduce individual tax burdens and encourage savings and investment; eliminate regulatory waste and confusion; develop our rich resource base, and, finally, rearm and lead the free world through strength and resolve.

First, curing the cancer of 19 percent inflation means the federal budget must be balanced by real, and not phony, spending cuts. Unfortunately, Federal Reserve Chairman Paul Volcker—God bless him—is currently the only one doing anything about inflation. We must support him, because his medicine of controlling the money supply is the surest, although painful, way to cure the cancer of inflation.

One way to make his job easier is to insist the Administration and Congress cut the 1981 budget by $25–30 billion. Then, to control future deficits, they must put a cap on federal spending and gradually reduce it by 1 percent per year, until it reaches 18 percent of GNP.

By reducing spending, we can leave more money in private hands and increase productivity with the second and third changes needed to rebuild America's economic base: modernization of our plant and equipment, and reductions of individual tax burdens to encourage greater saving and investment.

America, the can-do country, the pioneer in technological innovation and the leader of the western world, now risks becoming none of the above unless it moves fast to arrest and reverse its plunging rate of productivity. We know that productivity can only be increased through capital investment. That's the engine that makes our system go. So how do we increase capital investment?

Reform of depreciation through a simplified capital cost recovery system and schedules, reduced rates of taxation on all business—large and small—will help provide more investment capital for modernization and expansion, and with that, new jobs.

But just as clearly, we must also reduce the tax burden on individuals and encourage a higher level of personal savings and investment.

A country's rate of savings measures its economic readiness for the tomorrows. But by any standard of measurement, we're not ready. The U.S. now has the lowest rate of savings in the industrialized world. Small wonder when you consider the government punishes savers by taxing interest as income. Small wonder when you consider Washington will soon tax away the largest share of this nation's wealth since 1944, when we were fighting the Germans and the Japanese on two continents. Isn't that what they call winning the war, only to lose the peace? In fact, were Will Rogers alive today, I think he would have to conclude that this government never set a tax it did not hike!

We in the business community must make it absolutely clear that we stand shoulder to shoulder with the American taxpayer. For too long, the family budgets of working America have been sacrificed so spending on the federal budget could remain high. We must insist that priority be reversed and that family budgets be saved.

Reducing the maximum personal rate of taxation from 70 percent to 50 percent, and raising the interest income exclusion to $400 are two important steps. We must also work to end the double taxation of dividends and reduce the capital gains tax further. Taken together, these measures could generate significant supplies of desperately needed capital into our economy—especially into small business which is such a vital, dynamic source of job creation and technological innovation.

Fourth, reducing the burden of taxation should be reinforced by genuine efforts to eliminate regulatory waste and confusion. As it now stands, the government spends more than $100 billion each year to provide us with regulatory protection. This expense is simply added to the costs of goods and services and translates into approximately $500 for every man, woman and child in the country. I think this great nation might be able to scrape by, and even survive, with just a little less protection. That's why the Chamber favors freezing regulatory budgets; granting industry greater latitude in deciding how to comply with what government insists must be done, like in the Bubble concept; granting Congress power to veto unnecessary regulations, to mandate cost-benefit analysis, and to review systematically the purpose, scope and effectiveness of agencies.

An omnibus bill to curb regulation is on the way through Congress. We must help make this bill the beginning to the end of unnecessary and arrogant over-regulation.

Fifth, we must develop our own, I repeat our own unbelievably rich energy resources. I'm all for more conservation, as long at it's a function of the market, not government mandates and higher taxes. But the real question, and it is one that can no longer be dismissed, is this: What will America do if, one morning, it wakes up to learn its energy imports have been totally cut off? Period. How will we grow crops, transport food, manufacture goods, run the military and prevent millions of people from freezing to death?

We are talking about nothing less than this nation's security and survival. We are the Saudi Arabia of coal. It's time to get it out of the ground. We know we have stupendous reserves of oil and gas. But the federal government has got much of it all locked up. Why shouldn't the federal government make more government land available for exploration and development?

We have 91 nuclear power plants just sitting on hold. It's time to find a safe way to get those plants operational just as France has done, and Sweden and Japan and Brazil.

It's time to stop playing politics with energy, pleading with OPEC, pouncing on oil companies, and praying for miracles, and to start producing energy before it really is too late.

Finally, as the last part of our major rebuilding program, I believe we must rearm America.

You and I know that America is the greatest country in the world. But unfortunately in the world we populate, as in the jungle, the king must be able to defend himself. That is just a very unpleasant fact of life.

The Soviets are engaged in the most massive military buildup in world history. And I haven't seen much evidence lately that we are able to defend ourselves. This capability, to defend ourselves in any confrontation not of our making, must be restored—and restored quickly.

Some say businessmen should not become involved in military policy. I agree, we should not be making decisions that are better left to military experts.

But I believe we can and must personally take a stand, and should support a policy, that places the preservation of freedom as its top priority. If we lose our freedom, we have lost everything. That is why I'm willing to support whatever is necessary to protect it.

Our second major task is to become again the Yankee Trader of old and to expand exports. Our sagging performance in world markets has much to do with a seriously weakened dollar, strained relations with allies and a general loss of diplomatic leadership. Export led growth must become the cornerstone of an expanding job-creating U.S. economy.

Exports do create jobs. They currently support one of every eight jobs, and each additional $1 billion in orders translates into 40,000 new jobs. Also, when more people want more American products, they bid up the value of the dollar.

If we want to excel as traders again, we must start viewing the world as it is—not as we wish it—or as it once was.

We must rid ourselves of what I call the "Marshall Plan Mentality."

It holds that the U.S. has unlimited resources, all the technology, and an economy so strong that we can afford to subsidize the rest of the world through trade policies which produce mammoth trade deficits at home.

I am convinced we must encourage enactment of legislation providing a major overhaul of export policy. This must be done in 1980.

It must remove present export disincentives; increase the size and breadth of export financing programs; clarify all too confusing antitrust laws; redirect the efforts of government to help, rather than hinder, small and medium-sized businesses and allow American exporters, through creation of trading companies, to aggressively and competitively pursue business.

In addition to fighting for these major changes in government policy, the Chamber will, in cooperation with the United States Trade Representative and the Department of Commerce, play an aggressive, active role in building export awareness and sharing knowledge in the private sector.

Let us never forget two things:

First, America's future is in our hands, individually as Americans, as business managers, chamber members and community leaders. That's because the business of America is still business.

Second, let's remember that issues may be discussed nationally, and discussed . . . and discussed . . . and discussed, but answers and action come from the people at the local level.

Not too long ago, America's most respected commentator Walter Cronkite said: "If we can get the American people behind an idea they'll respond with personal dedication. I'd like us to get behind the idea that it's time to take a hard look at ourselves, the world we live in, and how we are living in it. I'd like us to quit looking for voices of leadership from other people, other places—the President or Washington. Our best voices have always come from ourselves."

Politically, 1980 is all-important; it is crucial. In fact, it is the single most important election for our economy and the integrity of our Enterprise System in post-war history. It represents the opportunity of a lifetime—an opportunity we cannot, we must not waste. If we do, we may never have another. At stake, is the election of a President, 34 Senators, 435 Congressmen, and state elections which will set the political landscape for the next ten years.

In the 1978 elections, U. S. Chamber Political Action Committees were heavily involved. We did well. We won more than 60 percent of our races. But that was just a start. We must do even better in 1980.

The Chamber has pinpointed 17 Senate and 73 House "opportunity races" for 1980—races where we want to hold good people and replace others. We need your involvement, your input, your time.

Form with others in your community or chamber a legislative or Congressional Action Committee. Use it to communicate your point of view to your representatives, to examine their records as well as their rhetoric.

If you can't educate them, replace them. Join with your fellow business leaders in taking effective political action. Identify a candidate who is right on the issues . . . and who can win. Support him with your dollars, your talent and your time. In 1978, six Iowa businessmen badly wanted a pro-enterprise candidate, and did just that. They pooled their resources, they raised the needed money, they even helped run the campaign of Tom Tauke. Now he's their Congressman.

That's one example. There are others. The Royer race in California, Porter in Illinois, Hopkins in Kentucky. But just imagine what could happen to America in the Eighties if we had a majority in Congress who would initiate and support the program I have just outlined.

It would rekindle the spirit of Enterprise—new jobs would be created for the young; incentives provided to the 82 million men and women working in the private sector; security provided for our senior citizens.

It would prove that our great experiment in freedom—called America—can work—and will work—when we work.

You and I, individually, are America.

You and I, individually, are the Chamber.

You and I, in 1980, have the greatest opportunity of our lives.

What I have outlined in the way of a positive program—for all Chambers—and all of you—can be the most important and meaningful contribution we can ever make for the betterment of our communities—and our country.

Let's get our domestic economy on the track with our six initiatives.

Let's "breathe life" into the Yankee Trader of old by pushing for major export trade expansion legislation.

Let's rekindle our faith in our institutions by becoming personally involved in the political process. Let's Rebuild America.

Would you today—right now—join with me in a commitment to Rebuild America? ●

DRUG CRISIS AND STRATEGY

● Mr. BIDEN. Mr. President, I am sure my colleagues are aware of the increasing urgency felt by the members of the international health and law enforcement communities, and underlined by recent articles in the press, about a dramatic resurgence in the international trade in illegal drugs. Our Nation, and the nations of Western Europe, are faced with the immediate threat of a heroin epidemic. Evidence from concerned professionals here and abroad, as well as recurring danger signals in the international press, point to a new center of drug production in the unpoliced tribal areas of Iran, Afghanistan, and Pakistan—an area where grinding poverty has made the cultivation of highly profitable drugs attractive and where continuing political instability has made law-enforcement efforts difficult.

This international evidence led me, as chairman of the Senate Subcommittee on Criminal Justice with oversight jurisdiction over the Drug Enforcement Administration, to pay a personal visit to the officials in the countries of the eastern Mediterranean—Turkey, Greece, and Italy—which form the way-stations of the westward flow of Southwest-Asian heroin and opium. My interviews there only reinforced what preliminary investigation had indicated—the massive new supply of narcotics and other illegal drugs is heading straight to the Western nations, through a reconstruction of the infamous "French Connection" which was successfully broken by international cooperation only a few years ago.

Through this new "Sicilian Connection," named after the Mediterranean island which seems to be the staging area for the drugs that end up on American streets, the flow of drugs into this country is coordinated—at great profit—by organized crime networks on both sides of the Atlantic. Unless we prepare concerted action among law enforcement, social service, and health agencies—both here and abroad—we may witness an epidemic of drug abuse as bad or worse than that of the early seventies. Such a disaster threatens the safety of every citizen that walks the streets and the health and future—indeed, the survival—of every young American.

In light of this growing drug danger, I find an article such the one entitled "Drug Crisis and Strategy" from the New York times of May 22, 1980, frightening. This article, written by two experts in the field of drug abuse and its effects, especially on young people, substantiates a glaring problem which my subcommittee investigation had revealed: That we have failed to develop an effective strategy on every level of government—local, State, and Federal—to prepare for this epidemic.

The Subcommittee on Criminal Justice is presently preparing a report on the findings of our trip to the eastern Mediterranean. In this report we hope to outline the seriousness of the problem and the necessary elements that must be coordinated for an effective response to the threat. Such action depends not only on fighting drug abuse at home, but on using international cooperative efforts to stem the tide at its source. Until our report can be released, I ask that my colleagues consider carefully the points raised in "Drug Crisis and Strategy." I ask that the article be printed in the RECORD.

The article follows:

DRUG CRISIS AND STRATEGY

(By Joyce H. Lowinson and David F. Musto)

The rising volume of heroin entering the United States and the increasing rate of addiction and narcotics-related deaths among young people raised serious doubts about the nation's ability to meet new demands for treatment.

Both of us come to this concern from a special and unexpectedly frustrating perspective. We serve on the White House Strategy Council on Drug Abuse, whose members were appointed by President Carter in November 1977. At that time, he expressed concern about the prevention of drug abuse and directed us to carry out our statutory responsibilities. The council is composed of six person from outside the Government and seven Federal members: the Secretaries of State, the Treasury, Defense, Health and Human Services, and the Attorney General, Administrator of Veterans Affairs, and the Director of the Office of Management and Budget. The Federal members send lower-ranking officials to the meetings.

Congress established the council to determine Federal strategy for prevention of drug abuse and drug trafficking, and to monitor Federal compliance with the strategy, and to decide upon modifications based upon experience and new research.

We regret to say that the council has not functioned as Congress intended, nor, indeed, as it was described to us when we accepted membership. As public representatives, we are distressed that despite the crisis in heroin addiction, the council has not met, in spite of our urgings, since Oct. 3.

Our requests for information that by law we are entitled to receive have been met in some instances by delays of years, at other times with only superficial responses. The council has working groups and subcommittees about which we are given only the sketchiest information.

Since November 1977, we have never received classified information, although we cannot understand how we can serve any supervisory function without it. For example, we worry about the growing of opium poppies in Afghanistan and Pakistan by rebel tribesmen who apparently are the chief adversaries of the Soviet troops in Afghanistan. Are we erring in befriending these tribes as we did in Laos when Air America (chartered by the Central Intelligence Agency) helped transport crude opium from certain tribal areas?

It is our opinion, after two years of patiently asking for information, requesting more-frequent meetings, repeatedly seeking from the White House staff some explanation of why the council is not functioning as it should, that the executive branch and Congress should agree either to revise the law and declare the council an advisory body that meets at the convenience of the White House secretariat or to abolish the council altogether. We have grave doubts that the council can work as Congress and the President originally intended. The council apparently is a facade behind which bureaucrats alone continue to establish policy. The public is not well-served by interposing an impressive-sounding "strategy council" between Congress and the officials in various departments who are truly responsible for developing policy.

In the seven months since the last council meeting, the Administration has proposed cuts [illegible]40 million in a $160 million national drug abuse treatment program and would require local and state governments to absorb all the costs of inflation in the remaining programs. There are now, and certainly will be in the immediate future, thousands of addicts seeking treatment who cannot be accommodated.

The heroin crisis is a bipartisan concern. Recently, Representative Lester L. Wolff, a Democrat and chairman of the House Select Committee on Narcotics Abuse and Control, and State Senator Frank Padavan, a Republican and chairman of the New York State Senate Committee on Mental Hygiene and Narcotics Control, have held hearings at which the treatment quandry has been documented. According to the New York State Division of Substance Abuse Services, in 1979 drug-related deaths in New York City rose 77 percent.

Heroin entering the United States originates increasingly from opium produced in Iran, Afghanistan and Pakistan. On the streets, this drug is more potent, cheaper and more available than at any time in the last 20 years. Young teenagers are appearing at treatment centers. Seizures of heroin have increased dramatically. Julio Martinez, director of the New York State Division of Substance Abuse Services, warns that this crisis is bound to worsen.

It is difficult to believe that the need for treatment can be less in 1980 than in earlier years. The cost of jailing drug users is far higher and less effective than the cost of treatment. It is economically unsound to cut funds for treatment. We urge reconsideration of these cuts.●

INDIAN HEALTH CARE AMENDMENTS OF 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar Order No. 808, S. 2728.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2728) to amend the Indian Health Care Improvement Act and the Public Health Service Act with respect to Indian health care, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Without objection, the Senate proceeded to consider the bill.

● Mr. MELCHER. Mr. President, the 94th Congress reviewed the state of Indian health to find that the health status of Indians and Alaska Natives was still far below that of the general population and that Indian communities and Alaska Native villages were plagued with health concerns other American communities had forgotten 25 years previously. The 94th Congress passed the Indian Health Care Improvement Act, Public Law 94-437, to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian programs and encouraging maximum participation of Indians in such programs, and for other purposes.

The Indian Health Care Improvement Act established a 7-fiscal-year program, among other things, to provide scholarships to address the shortage of Indian health professionals, to provide additional authorizations for appropriations to eliminate the backlogs in health services and facility construction and renovation, and to authorize resources to establish health referral or care programs in urban centers having a sufficient Indian population with unmet health needs. In addition, Public Law 94-437 authorizes medicare and medicaid reimbursements for services provided in certain Health Service and tribally operated health care facilities.

The Indian Health Care Improvement Act provides authorizations for appropriations for the various programs for the first 3 fiscal years of the 7-year program and provides that appropriations for fiscal years 1981 through 1984 must be specifically authorized in an act enacted after the Indian Health Care Improvement Act. The purpose of S. 2728 is to amend the Indian Health Care Improvement Act and the Public Health Service Act to provide the authorizations for fiscal years 1981 through 1984 for the programs provided in the Indian Health Care Improvement Act and to make substantive amendments to the Indian Health Care Improvement Act to eliminate problems encountered during the first 3 fiscal years of program operation under the act.

A section-by-section analysis of S. 2728 is as follows:

SECTION-BY-SECTION ANALYSIS

Section 1:

Section 1(a) provides the short title of the bill, the Indian Health Care Amendments of 1980.

Section 1(b) provides that except where specifically provided otherwise, any amendment or repeal in the bill shall be considered to be made to a section or provision of the Indian Health Care Improvement Act (90 Stat. 1400).

Section 2:

Section 2(a) amends the definition of "Secretary" contained in section 4(a).

Section 2(b) amends the definition of "urban Indian organization" contained in section 4(h).

Section 3:

Section 3(a) amends section 102(c) to provide authorizations for appropriations to carry out the section for fiscal years 1981, 1982, 1983, and 1984.

Section 3(b)(1) amends section 103(b) to provide two-year preparatory scholarship grants as well as four-year pregraduate education scholarship grants for grantees in an approved premedicine, predentistry, pre-osteopathy, preveterinary medicine, pre-optometry, or prepodiatry curriculum leading to a baccalaureate degree.

Section 3(b)(2) amends section 103(c) to provide that scholarship grants made pursuant to that section shall be awarded by a day certain that such money will be received by the grantee at least 15 days prior to registration for classes.

Section 3(b)(3) amends section 103(d) to provide authorizations for appropriations to carry out the section for fiscal years 1981, 1982, 1983, and 1984.

Section 3(c) amends section 105(d) to provide authorizations for appropriations to carry out the section for fiscal years 1981, 1982, 1983, and 1984.

Section 3(d)(1) amends section 757(a) of the Public Health Service Act (reenactment of portion of section 104 of the Indian Health Care Improvement Act) to provide authorizations for appropriations for fiscal years 1981, 1982, 1983, and 1984.

Section 3(d)(2) amends section 757(b)(1) of the Public Health Service Act (reenactment of portion of section 104 of the Indian Health Care Improvement Act) to provide that scholarships made pursuant to that section shall be awarded by a day certain that such money shall be received by the grantee at least 15 days prior to registration for classes.

Section 3(d)(3) amends section 757(b)(2) of the Public Health Service Act to make some technical corrections.

Section 4

Section 4(a)(1) amends section 201(c)(1) to provide authorizations for appropriations and positions for fiscal years 1981, 1982, 1983, and 1984.

Section 4(a)(2) amends section 201(c)(2) to provide authorizations for appropriations and positions for fiscal years 1981, 1982, 1983, and 1984.

Section 4(a)(3) amends section 201(c)(3) to provide authorizations for appropriations and positions for fiscal years 1981, 1982, 1983, and 1984.

Section 4(b)(1) amends section 201(c)(4)(A) to provide authorizations for appropriations and positions for fiscal years 1981, 1982, 1983, and 1984.

Section 4(b)(2) amends section 201(c)(4)(B) to provide authorizations for appropriations and positions for fiscal years 1981, 1982, 1983, and 1984.

Section 4(b)(3) amends section 201(c)(4)(C) to provide authorizations for appropriations and positions for fiscal years 1981, 1982, 1983, and 1984.

Section 4(b)(4) amends section 201(c)(4)(D) to provide authorizations for appropriations and positions for fiscal years 1981, 1982, 1983, and 1984.

Section 4(b)(5) amends section 201(c)(4)(E) to provide authorizations for appropriations for fiscal years 1981, 1982, 1983, and 1984.

Section 4(c)(1) amends section 201(c)(5) to provide authorizations for appropriations for fiscal years 1981, 1982, 1983, and 1984.

Section 4(c)(2) amends section 201(c)(6) to provide authorizations for appropriations and positions for fiscal years 1981, 1982, 1983, and 1984.

Section 4(c)(3) strikes out section 201(c)(7) in its entirety.

Section 5:

Section 5 adds a new section 305 to title III which authorizes such funds as may be necessary to carry out the purposes of sections 301 and 302 for fiscal years 1981, 1982, 1983, and 1984.

Section 6:

Section 6 adds a new section 404 to title IV. Such new section provides for the Secretary to make grants to or contract with tribal organizations to assist such organizations in establishing and administering programs on Federal Indian reservations, trust areas, and in Alaska Native villages, to assist individual Indians in enrolling in Medicare, in paying monthly premiums for coverage under Medicare, and in applying for medical assistance through Medicaid. The section also enumerates certain requirements which the Secretary must include, among others, in any contract or grant made pursuant to this section. Authorizations for appropriations for fiscal years 1981, 1982, 1983, and 1984 are provided to carry out this section.

Section 7:

Section 7(a) amends section 506 to provide authorizations for appropriations for contracts with urban Indian organizations for fiscal years 1981, 1982, 1983, and 1984.

Section 7(b) amends section 507 to authorize the Secretary to provide assistance as he deems necessary to make health services more accessible to any individual Indian or group of Indians who are not receiving health services from the Service nor are entitled to receive services from an urban Indian organization under a contract made pursuant to this title. Section 507 also provides authorizations for appropriations for fiscal years 1981, 1982, 1983, and 1984 to carry out the section.

Section 7(c) amends section 508 to require a review by the Secretary of the programs established under this title and submission to the Congress of his assessment thereof and recommendations for any further legislative efforts he deems necessary to meet the purpose of this title, including section 507. Such report must contain an assessment of the unmet health needs of the urban Indian population and the Indian population in other nonreservation areas, including the needs of urban centers not previously served by an urban Indian organization under a contract made under this title.

Section 7(d) amends the heading of title V to read "TITLE V—HEALTH SERVICES FOR URBAN AND OTHER NONRESERVATION INDIANS".

Section 8:

Section 8(a) amends section 704 to provide authority for the reconstruction and renovation by the Secretary of any facility leased by the Secretary from an Indian tribe.

Section 8(b) amends title VII to add a new section 706. Such section requires the Secretary to submit to Congress a resource allocation plan within one year from the date of enactment of this section.

Section 8(b) also amends title VII to add a new section 707. Such section requires the Secretary to conduct, in conjunction with other appropriate Federal agencies in consultation with concerned Indian tribes and organizations, a study of the health hazards to Indians on or near Indian reservations and in Indian communities as a result of nuclear resource development, such study to be submitted to the Congress no later than the date eighteen months after the date of enactment of this section. The section provides an authorization for appropriations for the purposes of preparation of the study and with a requirement that the funds so appropriated must be expended within the eighteen-month period from the date of enactment.

Section 707 further provides for the Secretary and the Service to develop a plan to address the health problems identified in the study and submit such plan and a report, including recommended activities for implementation of the plan as well as an evaluation of any activities previously undertaken by the Service to address such health problems. The plan and report must be submitted within one year after the submission of the study.

Section 707 established an Intergovernmental Task Force composed of the Secretary or Administrator of specified Federal agencies to identify existing or potential operations related to nuclear resource development that affect or may affect the health of such Indians, enter into activities to correct existing health hazards, and insure that current and future health problems resulting from nuclear development activities are minimized or reduced.

The section designates a chairman for the task force and provides a minimum number of meetings of such task force to be held each year. The section further provides that the Service may recover from a mine or mill operator certain costs of any diagnosis and treatment rendered to an Indian who is eligible for health services from the Service, who by reason of his employment is entitled to medical care at the expense of his employer, and who, as a result of employment in a uranium mine or mill, suffers from a work-related illness or condition.

Section 8(b) further amends title VII to add a new section 708. Such section directs the Service to designate the State of Arizona as a contract health service delivery area and provides that the Service shall not curtail any health care services provided to Indians residing on reservations in the state if such curtailment is due to provision of contract services in the state pursuant to such designation.

S. 2728 provides authorizations for appropriations for fiscal year 1981 totaling $105,560,000, authorizations for fiscal year 1982 totaling $120,545,000, authorizations for fiscal year 1983 totaling $138,807,500, and authorizations for fiscal year 1984 totaling $159,660,000. The group total for fiscal years 1981 through 1984 is $524,572,500.

The Indian Health Service, tribes, and urban Indian organizations with health projects have developed tribal and urban specific health plans to identify the unmet health needs of these Indian populations.

The plans indicate unmet health needs as follows:

Health Manpower	$293,104,000
Health Services	637,798,000
Health Facilities	1,806,996,000
Urban Health	111,403,000
Total Unmet Needs	2,849,301,000

Although S. 2728 does not provide authorizations for appropriations which total the level of documented unmet needs as indicated in the tribal and urban specific health plans, other resources available will assist in ameliorating the deficit. For example, Medicare and Medicaid reimbursements pursuant to title IV of the Indian Health Care Improvement Act are estimated as follows:

	Medicare	Medicaid
Fiscal year 1980	$8,452,000	$7,637,000
Fiscal year 1981	9,959,000	8,124,000
Fiscal year 1982	10,771,000	8,796,000
Fiscal year 1983	11,730,000	9,435,000
Fiscal year 1984	12,717,000	10,103,000
Total	53,629,000	44,095,000

The total estimated Medicare and Medicaid reimbursements for fiscal years 1980 through 1984 will provide an additional $97,724,000 to be utilized by the Indian Health Service and tribal entities which operate tribally-owned health facilities in correcting deficiencies in health facilities and services to bring such health facilities up to standard. Other health resources from federal, state, and local sources will be utilized by tribes and urban Indian organizations to supplement the resources provided under the authority of S. 2728 in order to meet the total unmet health needs of the Indian population.

Mr. President, the Select Committee on Indian Affairs believes that S. 2728, an original bill drafted by the committee, will go far in bringing the health status of the Indian population up to the level of that of the general American population. I urge the support of my colleagues in the Senate for passage of this most important measure.●

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Indian Health Care Amendments of 1980".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Indian Health Care Improvement Act (90 Stat. 1400).

DEFINITIONS

SEC. 2. (a) Section 4(a) is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(b) Section 4(h) is amended by striking out "composed of urban Indians" and inserting in lieu thereof "governed by an Indian controlled board of directors".

INDIAN HEALTH MANPOWER

SEC. 3. (a) Section 102(c) is amended by striking out the last sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out this section $2 300,000 for the fiscal year ending September 30, 1981, $2,600,000 for the fiscal year ending September 30, 1982, $3,000,000 for the fiscal year ending September 30, 1983, and $3,500,000 for the fiscal year ending September 30, 1984.".

(b) (1) Section 103(b) is amended to read as follows:

"(b) Scholarship grants made pursuant to this section shall be for the following purposes:

"(1) Compensatory preprofessional education of any grantee, such scholarship not to exceed two years.

"(2) Pregraduate education of any grantee leading to a baccalaureate degree in an approved premedicine, predentistry, preosteopathy, preveterinary medicine, preoptometry, or prepodiatry curriculum, such scholarship not to exceed four years.".

(2) Section 103(c) is amended by adding the following new sentence at the end thereof: "Scholarship grants made pursuant to this section shall be awarded by such day certain that grant money shall be received by each grantee at least fifteen days prior to the date such grantee shall register for classes.".

(3) Section 103(d) is amended by striking out the last sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out this section $3,510,000 for the fiscal year ending September 30, 1981, $4,000,000 for the fiscal year ending September 30, 1982, $4,620,000 for the fiscal year ending September 30, 1983, and $5,300,000 for the fiscal year ending September 30, 1984.".

(c) Section 105(d) is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out this section $990,000 for the fiscal year ending September 30, 1981, $1,140,000 for the fiscal year ending September 30, 1982, $1,310,000 for the fiscal year ending September 30, 1983, and $1,510,000 for the fiscal year ending September 30, 1984.".

(d) (1) The first sentence of section 757(a) of the Public Health Service Act is amended by striking out "and for each of the succeeding four fiscal years such sums as may be specifically authorized by an Act enacted after the date of enactment of this section", and inserting in lieu thereof "$9,000,000 for the fiscal year ending September 30, 1981, $10,300,000 for the fiscal year ending September 30, 1982, $11,800,000 for the fiscal year ending September 30, 1983, and $13,600,000 for the fiscal year ending September 30, 1984".

(2) Section 757(b)(1) is amended by adding the following new sentence at the end thereof: "Scholarship grants made pursuant to this section shall be awarded by such day certain that grant money shall be received by each grantee at least fifteen days prior to the date such grantee shall register for classes.".

(3) Section 757(b)(2) is amended—

(A) by striking out "his" and inserting in lieu thereof "the applicable"; and

(B) by striking out "him" and inserting in lieu thereof "the Secretary".

INDIAN HEALTH SERVICES

SEC. 4. (a) (1) Section 201(c) (1) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $20,250,000 for the fiscal year ending September 30, 1981, $23,000,000 for the fiscal year ending September 30, 1982, $26,500,000 for the fiscal year ending September 30, 1983, and $30,500,000 for the fiscal year ending September 30, 1984, and such further additional positions are authorized as may be necessary for each such fiscal year.".

(2) Section 201(c) (2) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $6,400,000 for the fiscal year ending September 30, 1981, $7,350,000 for the fiscal year ending September 30, 1982, $8,450,000 for the fiscal year ending September 30, 1983, and $9,700,000 for the fiscal year ending September 30, 1984, and such further additional positions are authorized as may be necessary for each such fiscal year.".

(3) Section 201(c) (3) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $1,875,000, for the fiscal year ending September 30, 1981, $2,150,000 for the fiscal year ending September 30, 1982, $2,500,000 for the fiscal year ending September 30, 1983, and $2,875,000 for the fiscal year ending September 30, 1984, and such further additional positions are authorized as may be necessary for each such fiscal year.".

(b) (1) Section 201(c) (4) (A) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $2,500,000 for the fiscal year ending September 30, 1981, $2,875,000 for the fiscal year ending September 30, 1982, $3,300,000 for the fiscal year ending September 30, 1983, and $3,800,000 for the fiscal year ending September 30, 1984, and such further additional positions are authorized as may be necessary for each such fiscal year.".

(2) Section 201(c) (4) (B) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $750,000 for the fiscal year ending September 30, 1981, $870,000 for the fiscal year ending September 30, 1982, $1,000,000 for the fiscal year ending September 30, 1983, and $1,150,000 for the fiscal year ending September 30, 1984, and such further additional positions are authorized as may be necessary for each such fiscal year.".

(3) Section 201(c) (4) (C) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $2,350,000 for the fiscal year ending September 30, 1981, $2,700,000 for the fiscal year ending September 30, 1982, $3,100,000 for the fiscal year ending September 30, 1983, and $3,600,000 for the fiscal year ending September 30, 1984, and such further positions are authorized as may be necessary for each such fiscal year.".

(4) Section 201(c) (4) (D) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $460,000 for the fiscal year ending September 30, 1981, $525,000 for the fiscal year ending September 30, 1982, $600,000 for the fiscal year ending September 30, 1983, and $690,000 for the fiscal year ending September 30, 1984, and such further additional positions are authorized as may be necessary for each such fiscal year.".

(5) Section 201(c) (4) (E) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $250,000 for the fiscal year ending September 30, 1981, $285,000 for the fiscal year ending September 30, 1982, $325,000 for the fiscal year ending September 30, 1983, and $375,000 for the fiscal year ending September 30, 1984.".

(c) (1) Section 201(c) (5) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $16,500,000 for the fiscal year ending September 30, 1981, $19,000,000 for the fiscal year ending September 30, 1982, $22,000,000 for the fiscal year ending September 30, 1983, and $25,100,000 for the fiscal year ending September 30, 1984.".

(2) Section 201(c) (6) is amended by adding the following sentence at the end thereof: "There are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1981, $5,750,000 for the fiscal year ending September 30, 1982, $6,600,000 for the fiscal year ending September 30, 1983, and $7,600,000 for the fiscal year ending September 30, 1984, and such further additional positions are authorized as may be necessary for each such fiscal year.".

(3) Section 201(c) is amended by striking out paragraph (7).

INDIAN HEALTH FACILITIES

SEC. 5. Title III is amended by adding the following new section at the end thereof:

"SEC. 305. There are authorized to be appropriated to carry out sections 301 and 302 for fiscal year ending September 30, 1981, for the fiscal year ending September 30, 1982, for the fiscal year ending September 30, 1983, and for the fiscal year ending September 30, 1984, such sums as may be necessary.".

ACCESS TO HEALTH SERVICES

SEC. 6. Title IV is amended by adding the following new section at the end thereof:

"GRANTS TO AND CONTRACTS WITH TRIBAL ORGANIZATIONS

"SEC. 404. (a) The Secretary, acting through the Service, shall make grants to or enter into contracts with tribal organizations to assist such organizations in establishing and administering programs on Federal Indian reservations and trust areas and in Alaska Native villages to assist individual Indians to—

"(1) enroll under section 1818 of part A and sections 1836 and 1837 of part B of title XVIII of the Social Security Act;

"(2) pay monthly premiums for coverage due to financial need of such individual; and

"(3) apply for medical assistance provided pursuant to title XIX of the Social Security Act.

"(b) The Secretary, acting through the Service, shall place conditions as deemed necessary to effect the purpose of this section in any contract or grant which the Secretary makes with any tribal organization pursuant to this section. Such conditions shall include, but are not limited to, requirements that the organization successfully undertake to—

"(1) determine the population of Indians to be served that are or could be recipients of benefits under titles XVIII and XIX or the Social Security Act;

"(2) assist individual Indians in becoming familiar with and utilizing such benefits;

"(3) provide transportation to such individual Indians to the appropriate officers for enrollment or application for medical assistance;

"(4) develop and implement a schedule of income levels to determine the extent of payment of premiums by such organization for coverage of needy individuals; and

"(5) make recommendations to the Secretary and Federal, State, and local agencies with respect to methods of improving the participation of Indians in receiving the benefits provided pursuant to titles XVIII and XIX of the Social Security Act.

"(c) There are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1981, $5,750,000 for the fiscal year ending September 30, 1982, $6,615,000 for the fiscal year ending September 30, 1983, and $7,610,000 for the fiscal year ending September 30, 1984.".

HEALTH SERVICES FOR URBAN AND OTHER NONRESERVATION INDIANS

SEC. 7. (a) Section 506 is amended to read as follows:

"AUTHORIZATIONS

"SEC. 506. There are authorized to be appropriated for contracts with urban Indian organizations under this title $18,750,000 for the fiscal year ending September 30, 1981, $21,500,000 for the fiscal year ending September 30, 1982, $24,725,000 for the fiscal year ending September 30, 1983, and $28,500,000 for the fiscal year ending September 30, 1984.".

(b) Section 507 is amended to read as follows:

"OTHER NONRESERVATION HEALTH PROJECTS

"SEC. 507. (a) The Secretary, acting through the Service, is authorized to provide such assistance as deemed necesary to make health services more accessible to any individual who is an Indian, or any group of individuals who are Indians, within the meaning of section 4(c) and who are not currently receiving health services from the Service nor are entitled to receive services from an urban Indian organization under a contract made pursuant to section 502 of this title.

"(b) There are authorized to be appropriated to carry out this section $9,375,000 for the fiscal year ending September 30, 1981, $10,750,000 for the fiscal year ending September 30, 1982, $12,362,500 for the fiscal year ending September 30, 1983, and $14,250,000 for the fiscal year ending September 30, 1984.".

(c) Section 508 is amended to read as follows:

"REVIEW OF PROGRAM

"SEC. 508. Not later than the date six months after September 30, 1983, the Secretary, acting through the Service and with the assistance of the urban Indian organizations that have entered into contracts under this title and other nonreservation Indians, shall review the program established under this title and submit to the Congress an assessment thereof and recommendations for any further legislative efforts the Secretary deems necessary to meet the purpose of this title, including section 507. Such report shall contain an assessment of the unmet health needs of the urban Indian population and the Indian population in other nonreservation areas, including the needs of urban centers not previously serviced by an urban Indian organization under a contract entered into under this title.".

(d) The heading of title V is amended by inserting "AND OTHER NONRESERVATION" after "URBAN".

MISCELLANEOUS

SEC. 8. (a) Section 704 is amended by adding the following new sentence at the end thereof: "Property leased by the Secretary from an Indian tribe may be reconstructed or renovated by the Secretary pursuant to an agreement with such Indian tribe.".

(b) Title VII is amended by adding the following new sections at the end thereof:

"RESOURCE ALLOCATION PLAN

"SEC. 706. Within one year from the date of the enactment of this section, the Secretary shall submit to the Congress a resource allocation plan. Such plan shall explain the future allocation of services and funds among the service population of the Service and shall provide a schedule for reducing deficiencies in resources of tribes and nontribal specific entities.

"NUCLEAR RESOURCE DEVELOPMENT HEALTH HAZARDS

"SEC. 707. (a) The Secretary and the Service shall conduct, in conjunction with other appropriate Federal agencies and in consultation with concerned Indian tribes and organizations, a study of the health hazards to Indian miners and Indians on or near Indian reservations and in Indian communities as a result of nuclear resource development. Such study shall include—

"(1) an evaluation of the nature and extent of nuclear resource development related health problems currently exhibited among Indians and the causes of such health problems;

"(2) an analysis of the potential effect of ongoing and future nuclear resource development on or near Indian reservations and communities;

"(3) an evaluation of the types and nature of activities, practices, and conditions causing or affecting such health problems, including uranium mining and milling, uranium mine tailing deposits, nuclear powerplant operation in construction, and nuclear waste disposal;

"(4) a summary of any findings and recommendations provided in Federal and State studies, reports, investigations, and inspections during the five years prior to the date of the enactment of this section that directly or indirectly relate to the activities, practices, and conditions affecting the health or safety of such Indians; and

"(5) the efforts that have been made by Federal and State agencies and mining and milling companies to effectively carry out an education program for such Indians regarding the health and safety hazards of such nuclear resource development.

"(b) Upon completion of such study the Secretary and the Service shall take into account the results of such study and develop a health care plan to address the health problems studied under subsection (a). The plan shall include—

"(1) methods for diagnosing and treating Indians currently exhibiting such health problems;

"(2) preventive care for Indians who may be exposed to such health hazards, including the monitoring of the health of individuals who have or may have been exposed to excessive amounts of radiation, or affected by other nuclear development activities that have had or could have a serious impact upon the health of such individuals; and

"(3) a program of education for Indians who, by reason of their work or geographic proximity to such nuclear development activities, may experience health problems.

"(c) The Secretary and the Service shall submit to Congress the study prepared under subsection (a) no later than the date eighteen months after the date of enactment of this section. The health care plan prepared under subsection (b) shall be submitted in a report no later than the date one year after the date that the study prepared under subsection (a) is submitted to Congress. Such report shall include recommended activities for the implementation of the plan, as well as an evaluation of any activities previously undertaken by the Service to address such health problems.

"(d)(1) There is established an Intergovernmental Task Force to be composed of the following individuals (or their designees): The Secretary of Energy, the Administrator of the Environmental Protection Agency, the Director of the Bureau of Mines, the Assistant Secretary of Occupational Safety and Health, and the Secretary of the Interior.

"(2) The Task Force shall identify existing and potential operations related to nuclear resource development that affects or may affect the health of Indians on or after an Indian reservation or in an Indian community and enter into activities to correct existing health hazards and insure that current and future health problems resulting from nuclear resource development activities are minimized or reduced.

"(3) The Secretary shall be Chairman of the Task Force. The Task Force shall meet at least twice each year. Each member of the Task Force shall furnish necessary assistance to the Task Force.

"(e) In the case of any Indian who—

"(1) as a result of employment in or near a uranium mine or mill, suffers from a work related illness or condition;

"(2) is entitled to receive diagnosis and treatment services from a Service facility; and

"(3) by reason of such Indian's employment, is entitled to medical care at the expense of such mine or mill operator;

the Service shall, at the request of such Indian, render appropriate medical care to such Indian for such illness or condition and may recover the costs of any medical care so rendered to which such Indian is entitled at the expense of such operator from such operator. Nothing in this subsection shall affect the rights of such Indian to recover damages other than such costs paid to the Service from the employer for such illness or condition.

"(f) There is authorized to be appropriated $300,000 to carry out the study as provided in subsection (a), such amount to be expended by the date eighteen months after the date of the enactment of this section.

"ARIZONA AS A CONTRACT HEALTH SERVICE DELIVERY AREA

"SEC. 708. (a) The State of Arizona shall be designated as a contract health service delivery area by the Service for the purpose of providing contract health care services to Indians in such State.

"(b) The Service shall not curtail any health care services provided to Indians residing on Federal reservations in the State of Arizona if such curtailment is due to the provision of contract services in such State pursuant to the designation of such State as a contract health service delivery area pursuant to subsection (a).".

EFFECTIVE DATE

SEC. 9. The provisions of this Act shall become effective October 1, 1980.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER THAT HOUSE JOINT RESOLUTION 554 BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that House Joint Resolution 554, the FTC bill, be held at the desk pending further disposition on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow the Senate will be taking up one or more of the following three measures: House Joint Resolution 554, the FTC bill; Calendar Order No. 780, S. 2284, the intelligence bill; and calendar order No. 841, House Joint Resolution 521, the military registration bill.

It is possible that the Senate will take action on all three of these measures, not necessarily completing action on all three. But I would hope that it would be possible to get a time agreement tomorrow morning on the intelligence bill, which would allow Senate action on it tomorrow and action on the FTC bill and at least begin the debate on the military registration bill.

Mr. BAKER. Mr. President, I might advise the majority leader, in connection with the intelligence bill, that it is my understanding that the Intelligence Committee, or representatives from the Intelligence Committee, will meet with the Foreign Relations Committee on tomorrow at 10 o'clock. It is my hope, indeed, I am optimistic, that we can obtain clearance on our side for a time limitation by unanimous consent on that measure after the Foreign Relations Committee meeting. I will be happy to advise the majority leader in that respect shortly after we convene on tomorrow.

With respect to the FTC bill, I am sure, from the remarks of the majority leader, that the matter of the budget waiver or some other device to accommodate the requiremens of the Budget Act has been or will be arranged in advance of consideration of that measure on tomorrow.

Mr. ROBERT C. BYRD. It is the expectation of the distinguished Senator from South Carolina (Mr. HOLLINGS) that that is true; that one or the other approaches will be available tomorrow.

Mr. BAKER. I thank the majority leader.

On the draft registration bill, we have been previously advised by the majority leader that cloture would not be filed on that measure immediately. So it is unlikely that we will do more than give preliminary consideration to that measure, if it is taken up.

Mr. ROBERT C. BYRD. The minority leader is correct, if that measure is taken up tomorrow, a cloture motion will not be offered tomorrow.

Mr. BAKER. Mr. President, I thank the majority leader. I will be happy to report to him further on the efforts to gain a consent agreement on the intelligence bill as soon as possible.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader. I know that he will pursue such an agreement and I am hopeful that he will be successful in helping to obtain such an agreement.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I understand there is a Senator coming to the floor with a statement. I will suggest the absence of a quorum.

I ask unanimous consent that following Mr. HUDDLESTON's statement, or morning business, whatever he wishes to transact, that the Chair, if no other Senator seeks recognition, recess the

Senate over until tomorrow at 11 a.m. under the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY

Mr. HUDDLESTON. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Reciprocal Fisheries Agreement with the Government of the United Kingdom of Great Britain and Northern Ireland, 1979, with its Agreed Minute (Executive L, 76th Congress, second session), transmitted to the Senate today by the President of the United States, and ask that the treaty be considered as having been read the first time, that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Reciprocal Fisheries Agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, 1979, with its Agreed Minute, done at London, March 27, 1979. The report of the Department of State is enclosed for the information of the Senate in connection with its consideration of the Agreement.

The Reciprocal Fisheries Agreement, which pertains to reciprocal fishing activities in the waters off the United States Virgin Islands and the British Virgin Islands, was concluded in order to replace the Reciprocal Fisheries Agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, 1977, which expired on December 31, 1978. The purpose of the Agreement, like that of its predecessor, is to permit traditional, small-scale fishing operations in the Virgin Islands area to continue undisturbed. The United States will retain exclusive authority to enforce the provisions of the Agreement and applicable national fisheries regulations within the Fishery Conservation Zone, and the United Kingdom will retain similar authority within the exclusive fisheries zone of the British Virgin Islands. Without this Agreement, and as a consequence of the entry into force of the Fishery Conservation and Management Act of 1976 and of similar British legislation, such traditional fishing activity would have to cease. I therefore recommend that the Senate give early consideration to the Reciprocal Fisheries Agreement and its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *June 2, 1980.*

ANNUAL REFUGEE ASSISTANCE PROGRAM—$2 BILLION

Mr. HUDDLESTON. Mr. President, the recent pattern of immigration to the United States indicates that it is out of control. If we count illegal aliens, normal immigrants and refugees, immigration is at its highest in our history as a nation. Although there are some who claim that each new influx is unique and will not be repeated, there is clearly no end in sight. Hundreds of thousands of foreign citizens have demonstrated that they are willing to become illegal aliens or refugees if there is a chance that they will get into the United States. A recent Kettering Foundation Poll found that one of every three South Americans wants to come to the United States. The massive Cuban influx and the continuing flow of Haitians is proof of the magnitude and permanency of the problem.

The direct cost of this massive movement of people into the United States is growing steadily. Last year I introduced an amendment which, for the first time, required the administration to prepare a total refugee cost estimate. The reason for this legislation was that the cost was spread throughout various agencies and programs and it was thus almost impossible to assess the true cost. When issued earlier this year, the report concluded that our total refugee assistance efforts would cost the American taxpayers $1.7 billion in fiscal year 1980 and would increase to $2.1 billion in fiscal year 1981. By way of comparison, the Federal Government will only spend $770 million for the special supplemental food program for women and children and $264 million for preventive health services.

Within the space of a few weeks, these high estimates have been outdated. On May 25, 1980, the Washington Post reported that the administration had released some very tentative estimates which indicated that we would need an additional $300 million during the next 4 months for the care of the Cubans.

Since the Cuban arrivals have not been officially classified as refugees and therefore do not now qualify for the many refugee assistance programs, the funds for maintaining them are presently coming from the Federal Emergency Management Agency. If we include the approximately $50 million FEMA has already spent for the Cuban "disaster," the total cost for refugee assistance will be over $2 billion in fiscal year 1980.

This cost could be further driven up should these 95,000 people, or whatever the figure might be, be given some sort of official status in this country, assuming President Carter allows them to remain, as he asserts. The most likely status to be granted to them is that of "refugee." Prior to the Cuban influx, the Senate Budget Committee found that 435,000 refugees would be receiving Federal assistance in fiscal year 1981. Accepting an additional 95,000 individuals under "refugee" status could conceivably thwart Congress' budget-balancing initiative, as well as result in cuts to other urgent social programs in this country.

An additional cost which is more difficult to assess is the cost of new unemployment. When the unemployment figures come out this month, there will probably be over 7½ million people unemployed in this country. This number is expected to increase by another 1 or 2 million by the end of the year. The CBO estimated that every 1 percentage point increase in unemployment costs the Federal Treasury $29 billion. Uncontrolled immigration into this country will have a detrimental impact upon unemployment and exacerbate the associated costs.

The adverse impact on unemployment and wages was confirmed by the findings of the President's Interagency Task Force on Immigration last year. This problem will be graphically demonstrated by the new Cuban arrivals, since a substantial portion of these are young males who will compete aggressively in the job market. The type of destructive social pressures this can generate is exemplified in the recent Miami rioting.

Mr. President, I ask unanimous consent that the article from the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REFUGEES COULD COST $300 MILLION, HILL TOLD

(By Charles R. Babcock)

The White House has told Congress that the massive influx of Cubans into south Florida could cost $300 million in the next four months, according to administration officials.

The estimate, in a letter sent to the Budget committees last week, would cover the expenses of the government agencies that have processed, housed and fed the nearly 75,000 newcomers as well as a full range of resettlement benefits comparable to those available to Indochinese refugees, one highly placed official said. It assumes that about 100,000 Cubans will arrive eventually.

The administration has been wrestling for weeks with the budgetary implications of how to treat the new arrivals and the message to Congress is the first indication of the likely costs.

The $300 million price tag is for the fiscal 1980 budget, which already is deep in deficit. Administration officials said they have no way of knowing yet what the Cubans' impact will be on the fiscal 1981 budget, which the White House and Congress have been struggling to balance.

A decision on how to handle the Cuban exiles may come by the end of this week, one official said. The main options seem to be narrowing down to a choice between using the emergency provisions of the new Refugee Act—which would be more expensive since it calls for full federal reimbursement of state and local expenses—or sending up special legislation to create a new category for the Cubans. This path could run into political problems in Congress from members concerned about the new tide of refugees.

So far, the administration has been careful not to call the Cubans "refugees" in the technical sense because of the fiscal impact. Instead, they are being processed as applicants for asylum.

But Jack Watson, the White House aide coordinating the logistical response to the flow of boats from Cuba, told reporters at a breakfast last week that it would be "impracticable" to process such applications case-by-case the law calls for. That is why the special legislation route is being considered, he said.

While the policy planners struggle with the long-range impact, resettlement workers are at work trying to untangle a backlog of Cubans who have been procesed but are unable to leave camps at Eglin Air Force Base, Fla., and Fort Chaffee, Ark., because of delayed security checks.

George Wagner, assistant director of refugee services for the U.S. Catholic Conference, which will resettle at least 70 percent of the Cubans, said Friday that he had 3,000 sponsors—mostly Cuban relatives—ready to take people from Eglin. But the final clearances from federal authorities hadn't been received.

Wagner also expressed some concern about the ability of the volunteer agencies to find enough sponsors for all the single, unattached men who have showed up in the boat flow. "The singles will be more difficult to resettle, but we're not alarmed yet," he said.

At week's end, more than 31,000 of the Cubans had been temporarily resettled, most with relatives in the Miami area. Eglin was at its capacity of 10,000, but only about 1,050 had been resettled, with the rest waiting.

Chaffee was close to its 20,000 capacity, with about 4,500 processed and awaiting sponsors and some 14.500 waiting processing. Only 44 had been resettled.

Another 7,500 refugees had arrived at Fort Indiantown Gap, Pa. for processing, and federal authorities were setting up another center at Fort McCoy, Wis.

Meanwhile, a spokeswoman for the Federal Emergency Management Agency said yesterday in Miami that officials from Argentina had found 80 Cubans at Eglin who volunteered to resettle in that South American country. Other Latin American countries and Australia have pledged to take small numbers of the refugees, she said.

Wagner noted that his organization has not received any federal money yet to offset the cost of resettling the Cubans because they haven't been declared refugees. The volunteer groups are getting $500 for each Indochinese they resettle.

He said he feels pressure will build on the administration to agree to a full benefits package for the Cubans, too.

One official involved in the policy deliberations acknowledged that the government is taking the chance of being "penny wise and pound foolish" in dealing with the Cubans. This is because studies have shown that money invested to aid refugees when they arrive pays off later by helping them get productive jobs.

There is some feeling in policymaking circles, officials said, that special legislation is attractive because many of the Cubans simply aren't real "refugees" facing persecution and might not need full benefits like the Vietnamese and Cambodians, because they have the support of relatives in the relatively prosperous Cuban-American community.

Declining to use the Refugee Act—Carter's presidential challenger, Edward M. Kennedy (D-Mass.), has urged its use—would make it easier to deal with the Haitians who have come to Florida by the thousands in recent years, some officials feel. After a history of uneven treatment, the administration has pledged now to treat the Cubans and Haitians equally.

The problem with special legislation, though, is that there is no guarantee Congress is in the mood to authorize or appropriate millions of dollars for a whole new category of newcomers.

"It's going to be a real tough call for us," one official said.

REFUGEES TRYING TO LEAVE TENT CITY CAUSE DISTURBANCE

A "large-scale disturbance" involving about 2,000 Cuban refugees erupted at Eglin Air Force Base, Fla., last night and from 25 to 100 refugees escaped, Air Force officials said.

The tent city "Camp Liberty" was calm a few hours later and most of the escapees had returned, officials said.

The trouble broke out after a dozen federal officials met with the refugees who were angry about delays in resettling them in new homes. Unsatisfied by the meeting, the Cubans headed for the gate after the meeting and tried to force their way out, an official said.

As military police tried to stop them, some refugees began throwing tent poles, cinder blocks and punches.

Meanwhile, there was an unexpected lull in the number of refugee boats arriving in Key West, Fla., yesterday and an even more unexpected arrival—in Galveston, Tex.—of a refugee boat that overshot Key West by 1,000 miles.

By noon yesterday, only two boats carrying 264 Cubans had reached Key West, bringing the 34-day total for the boat lift to 73,069.

A spokeswoman for the Federal Emergency Management Agency in Miami said the boatload of 20 Cubans that landed in Galveston was bused yesterday to Fort Chaffee, Ark., to join other refugees.

Administration officials said the estimates of boats still in Mariel, Cuba, range from 300 to 600, so it is considered likely that at least another 15,000 exiles will be arriving in Key West this week.

At week's end 526 of the newcomers—fewer than 1 percent—were being detained because of serious criminal records, authorities said, included was a man wanted for hijacking a plane from Florida to Cuba in 1964. Enrique Castillo Hernandez, 41, was arrested Thursday at Fort Chaffee after being identified from FBI fingerprint files.

Mr. HUDDLESTON. Mr. President, I have introduced and there is now pending before the Committee on the Judiciary Senate Concurrent Resolution 94. This is an effort to bring the attention of the Senate and the House to the refugee and immigration problem and a recognition that, while we do not need to forsake the tradition of this country as being a haven for refugees from throughout the world, we do need to recognize that there are some limits, particularly at this time, when our people are straining under the inflationary spiral that we suffer from in this country, when our economic resources are being sorely tested, when our energy supplies are in short supply. There is a limit to how many this country can take in in any one period of time and can reasonably assimilate into our society. That resolution sets a limit for 1980 of 650,000 legal immigrants into this country.

Many would agree that that is a substantial figure. It is somewhat higher than last year. This would include, of course, all of our normal immigration into the country and all of our refugee effort. By establishing that limit, at least Congress would have some idea of how many we are to deal with and what the costs would be.

Many of my colleagues have indicated that that figure is much too high, but I think, as a practical matter, having a figure that is somewhat above last year's, when we take into account the fact that most of last year, we had a commitment to the Indochinese refugees of 7,000 per month—which, late in the year, was doubled to 14,000 a month and it is that figure that we are dealing with now—and taking into account the influx from Cuba at the present time and recognizing that we must address that problem to some extent, to me, seems reasonable.

That would require that if the Cuban influx—and we have no idea what the number might be. It is right now approaching 100,000 persons. We have no control over that. Unfortunately, the way our immigration and refugee laws work, we have abdicated the control over the numbers and who will come into the country to such despots as Fidel Castro and others who may exist around the world.

So while we cannot predict the number that may want to come here from this upheaval of the people of Cuba, we can put total limitations, which may mean that we will have to adjust some of the other immigrants or refugees who come into the country if the Cuban totals reach substantially higher figures.

At any rate, it is my judgment that that is a reasonable approach. Even those editorial writers who have written saying that we must maintain our great tradition as a country of refugees and a country of immigrants, almost all of them also point out that there are limits and we must recognize what those limits are and that we must operate in a reasonable and practical way, a way that is consistent with the interests of our citizens who are already here and consistent with the interests of the country generally. I think that is a reasonable way to approach the problem. That resolution is still in the Committee on the Judiciary. I hope they will act on it at an appropriate time.

I also say that there will be other legislation relating either to the funding of the refugee programs or to some other aspect of it that will offer an opportunity to present that resolution as an amendment.

Mr. President, I ask unanimous consent that my colleague, the distinguished Senator from Mississippi (Mr. Stennis) and the distinguished Senator from Louisiana (Mr. Johnston) be added as cosponsors of that resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL TOMORROW, JUNE 3, 1980, AT 11 A.M.

The PRESIDING OFFICER. Under the previous order, there being no further morning business, the Senate will stand in recess until the hour of 11 a.m. tomorrow.

Thereupon, the Senate, at 7:16 p.m., recessed until tomorrow, Tuesday, June 3, 1980, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 2, 1980:

THE JUDICIARY

Earl H. Carroll, of Arizona, to be U.S. district judge for the district of Arizona, vice a new position created by Public Law 95-486, approved October 20, 1978.

Alfred C. Marquez, of Arizona, to be U.S. district judge for the district of Arizona, vice a new position created by Public Law 95-486, approved October 20, 1978.

George Howard, Jr., of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas, vice Richard S. Arnold, elevated.

Charles P. Kocoras, of Illinois, to be U.S. district judge for the northern district of Illinois, vice Alfred Y. Kirkland, retired.

John E. Sprizzo, of New York, to be U.S. district judge for the southern district of New York, vice Charles H. Tenney, retired.

SPECIAL PANEL ON APPEALS

James E. Jones, Jr., of Wisconsin, to be chairman of the Special Panel on Appeals for a term of 6 years (new position, Public Law 95-454).

FEDERAL COUNCIL ON THE AGING

Charles J. Fahey, of New York, to be a member of the Federal Council on the Aging for a term expiring June 5, 1982 (reappointment).

WITHDRAWAL

Executive nomination withdrawn from the Senate June 2, 1980:

Charles J. Fahey, of New York, to be a member of the Federal Council on the Aging for a term expiring December 19, 1982, vice Nelson H. Cruikshank, term expired, which was sent to the Senate on May 2, 1980.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 3, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 4

9:30 a.m.

Judiciary

Constitution Subcommittee

Business meeting, to consider S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.

2228 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to resume consideration of S. 2470, authorizing funds for fiscal years 1980 through 1982 to provide for the conversion of coal use by electric utilities.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider S. 1480, to provide for the adequate and safe treatment of hazardous substances released into the environment.

4200 Dirksen Building

Foreign Relations

To receive testimony, in closed session, from U.S. Ambassador Thomas J. Watson, Jr., on the current state of United States-Soviet relations.

S-116, Capitol

Governmental Affairs

Business meeting, to consider S. 333, to strengthen Federal programs and policies for combating international and domestic terrorism; S. 2160, to require public disclosure of certain lobbying activities to influence issues before the Congress; and S. 2, to provide for a review of Government programs every 10 years.

3302 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of the Judgment Fund Distribution Act.

5110 Dirksen Building

Select on Small Business

To hold oversight hearings on the implementation of the Small Business Administration's loan assistance programs as they apply to veterans of the Armed Forces (Public Law 93-237).

424 Russell Building

11:00 a.m.

Select on Indian Affairs

To hold hearings on S. 2767, to provide that per capita payments to Indians may be made by tribal governments.

5110 Dirksen Building

1:00 p.m.

Judiciary

To hold hearings on the nominations of Ruth B. Ginsburg, of New York, to be U.S. Circuit Judge for the District of Columbia Circuit; Hipolito F. Garcia and Clyde F. Shannon, Jr., each to be a U.S. District Judge for the Western District of Texas; and Filemon B. Vela, to be U.S. District Judge for the Southern District of Texas.

2228 Dirksen Building

2:00 p.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.

235 Russell Building

JUNE 5

10:00 a.m.

Armed Services

To resume closed markup of S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the Department of Defense.

212 Russell Building

Banking, Housing and Urban Affairs

To hold hearings on S. 2236, to provide Federal law enforcement agencies full authority to investigate certain criminal activities, focusing on the illegal flow of money in south Florida due to narcotics trafficking.

5302 Dirksen Building

Energy and Natural Resources

Energy Regulation Subcommittee

To hold oversight hearings on the implementation of the Department of Energy's Building Energy Performance Standards (BEPS) program.

3110 Dirksen Building

Foreign Relations

To resume hearings on U.S. population policy and programs.

4221 Dirksen Building

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To resume oversight hearings on alleged fraud and mismanagement practices in Federal agencies performing community services, including the Departments of Health and Human Services, Labor and Agriculture.

3302 Dirksen Building

11:00 a.m.

Labor and Human Resources

To hold hearings on the nominations of Martha Keys, of Kansas, to be an Assistant Secretary of Education (Legislation); and Daniel B. Taylor, of Massachusetts, to be Assistant Secretary for Vocational and Adult Education, Department of Education.

4232 Dirksen Building

Select on Intelligence

Closed business meeting.

S-407, Capitol

JUNE 6

9:30 a.m.

Labor and Human Resources

*Health and Scientific Research Subcommittee

To hold hearings on the possible health effects caused by inadequate disposal of toxic waste.

4232 Dirksen Building

10:00 a.m.

Banking, Housing and Urban Affairs

To continue hearings on S. 2236, to provide Federal law enforcement agencies full authority to investigate certain criminal activities, focusing on the illegal flow of money in south Florida due to narcotics trafficking.

5302 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment situation for May.

2128 Rayburn Building

10:15 a.m.

Judiciary

To hold joint hearings with the Labor and Human Resources' Subcommittee on Health and Scientific Research on the possible health effects caused by inadequate disposal of toxic waste.

4232 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold joint hearings with the Committee on the Judiciary on the possible health effects caused by inadequate disposal of toxic waste.

4232 Dirksen Building

JUNE 9

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings to review the current Federal gasoline allocation process.

3110 Dirksen Building

JUNE 10

9:30 a.m.

Judiciary

To hold joint hearings with the Labor and Human Resources' Subcommittee on Health and Scientific Research on S. 1865, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold joint hearings with the Committee on the Judiciary on S. 1865, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.

5110 Dirksen Building

JUNE 11

9:30 a.m.

•Veterans' Affairs

To hold oversight hearings on the activities of the Office of the Inspector General of the Veterans' Administration.

412 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

JUNE 12

9:30 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 2490, proposed Infant Formula Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold oversight hearings on the implementation of the Federal coal leasing program.

6226 Dirksen Building

Energy and Natural Resources

Parks, Recreation and Renewable Resources Subcommittee

To hold hearings on S. 2686, to provide for the protection of the Barrier Islands off the Atlantic and gulf coasts by reducing federal spending on hazardous development projects.

3110 Dirksen Building

JUNE 16

10:00 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on the evaluation process of the drug dimethyl sulfoxide (DMSO) by the Food and Drug Administration, to determine its application and effectiveness.

4232 Dirksen Building

2:00 p.m.

Conferees

On S. 932, authorizing funds to establish the production of synthetic fuels, gasohol, solar energy, renewable resources, geothermal energy, to establish an energy conservation program and energy supply targets, and to extend the Defense Production Act until September 30, 1986.

345 Cannon Building

JUNE 17

9:30 a.m.

Veterans' Affairs

To hold hearings on S. 2649, to increase the rates of compensation for disabled veterans, and to increase the rates of dependency and indemnity compensation for their survivors; S. 1212, to extend from 1 to 7 years the presumptive period during which a veteran suffering from the neurological disorder syringomyelia can obtain service-connected disability benefits if determined that the disease was brought on by active wartime military service; S. 2755, to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private, or local cemetery; S. 2758, to expand the eligibility for specially adapted housing benefits; and S. 2330, to provide for the confidentiality of the medical review process in VA hospitals.

412 Russell Building

10:00 a.m.

Energy and Natural Resources

To hold hearings on S. 2695, to limit the severance tax percentage that a State may impose on coal shipped in interstate commerce.

3110 Dirksen Building

Labor and Human Resources

•Education, Arts, and Humanities Subcommittee

To resume hearings on Title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen building

2:00 p.m.

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Railway Association and the Washington Metropolitan Area Transportation Authority.

1224 Dirksen Building

JUNE 18

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on Title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building

JUNE 19

9:30 a.m.

Energy and Natural Resources

To hold hearings on prospects for developing hydrocarbon resources in the western hemisphere.

3110 Dirksen Building

Veterans' Affairs

To hold hearings on S. 2020 and 2596, bills to provide educational assistance programs for those individuals who enlist in the Armed Forces, and to hold oversight hearings on the implementation of current educational incentive programs to promote an All Volunteer Force

412 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 1957 and H.R. 4310, bills to promote increased use of U.S. waterways and provide for continued recreational boat safety programs.

235 Russell Building

JUNE 24

10:00 a.m.

•Labor and Human Resources

Business meeting, to mark up S. 2375, authorizing funds for fiscal years 1982, 1983, and 1984 to provide support for the training of professionals in health service needs.

4232 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Transportation.

1224 Dirksen Building

Office of Technology Assessment

The Board to hold a meeting on pending business items.

EF-100, Capitol

JUNE 26

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on the administration's transition plans to develop an operational land remote sensing satellite system.

235 Russell Building

Labor and Human Resources

•Health and Scientific Research Subcommittee

To hold hearings on S. 1424, authorizing funds for fiscal years 1981-84 for the advancement of international cooperation and assistance in health matters.

4232 Dirksen Building

JULY 1

10:00 a.m.

Veterans' Affairs

To hold oversight hearings on the implementation of small business loan programs for veterans recommended by the White House Conference on Small Business.

412 Russell Building

JULY 24

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on the administration's transition plans to develop an operational land remote sensing satellite system.

235 Russell Building

JULY 29

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To hold hearings to review the Subcommittee's jurisdiction on civil space activities with regard to the proposed Agreement Governing Activities of States on the Moon and Other Celestial Bodies, pending receipt by the Senate.

235 Russell Building

10:00 a.m.

Select on Indian Affairs

To hold hearings on S. 2166, to establish a National Institute of Native American Culture and Arts Development.

6226 Dirksen Building

JULY 31

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings to review the Subcommittee's jurisdiction on civil space activities with regard to the proposed Agreement Governing Activities of States on the Moon and Other Celestial Bodies, pending receipt by the Senate.

235 Russell Building

HOUSE OF REPRESENTATIVES—*Tuesday, June 3, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Restore us, O God; let Thy face shine, that we may be saved.—Psalms 80: 3.

O God, King of the universe and Protector of all who turn to You, breathe into us Your spirit that we may be filled with Your heavenly peace. We admit, O God, that we have often followed the easy path and have allowed selfishness and vanity to cloud our efforts for good. Restore us to be the people You would have us be and let Your face shine before us that we may glorify Your name and reflect that glory in deeds of love and good will to our neighbors. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1181. An act to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country;

S. 1858. An act to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes;

S. 2238. An act to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; and

S. 2698. An act to provide authorizations for the Small Business Administration, and for other purposes.

RESIGNATION FROM HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication, which was read:

JUNE 3, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
House of Representatives.

DEAR MR. SPEAKER: I hereby resign from the Office of the Representative for the 13th Congressional District of Michigan, effective immediately.

In further compliance with applicable statutes, I have also sent the same letter of resignation to the Honorable William Milliken, Governor of the State of Michigan.

CHARLES C. DIGGS, Jr.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO MEET DURING 5-MINUTE RULE ON JUNE 4, 5, AND 6, 1980

Mr. DRINAN. Mr. Speaker, at the request of the chairman, the gentleman from New Jersey (Mr. RODINO), and the gentleman from Illinois (Mr. McCLORY), the ranking minority member of the Committee on the Judiciary, I ask permission for the Committee on the Judiciary to meet during the 5-minute rule on June 4, 5, and 6, 1980.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. KAZEN. Mr. Speaker, reserving the right to object, what is the purpose of meeting?

Mr. DRINAN. The purpose of the meeting is to finish the present business of the Criminal Code and Government regulations.

The gentleman from New Jersey (Mr. RODINO) was unable to meet today because of the primary. He wants to try to move the business of the committee along.

Mr. KAZEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RALPH R. LOWELL AWARD

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VAN DEERLIN. Mr. Speaker, having chaired the Communications Subcommittee for several years now, I have doubtless had occasion to look more deeply into the history of public broadcasting than most Members of Congress.

One cannot study this record of achievement without being impressed by the contribution of the distinguished Senator from the State of Washington, WARREN MAGNUSON. Last night, the Corporation for Public Broadcasting recognized his support by honoring him with the Ralph R. Lowell Award.

Senator MAGNUSON realized early the promise of educational broadcasting and the value of Federal investment in its development. The return on that investment has been enormous. Every child who has learned the alphabet from Big Bird, every adult who has gained a clearer understanding of the stock market by watching "Wall Street Week," every student who has had the opportunity to attend college without leaving home is indebted to the Senator from Washington.

I am pleased to join the public broadcasting community in honoring Senator MAGNUSON's foresight and leadership.

APPALLING CONDUCT OF RAMSEY CLARK

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, on this the 213th day of captivity for American hostages in Iran, it is appalling that once again Ramsey Clark, awash with a perceived collective guilt complex over our past relations with Iran, has galloped forth with all of the flair of the north end of a southbound mule. As one of the earliest supporters of the authoritarian theocracy which is the stillborn offspring of the Iranian revolution, Mr. Clark has taken it upon himself to confess U.S. shortcomings, real and imagined.

It is a sad commentary on Mr. Clark, as a lawyer and former U.S. Attorney General, that he is willing to play such a demeaning, all expenses paid, role in the Iranian Government's latest theater of the absurd political soap opera. He did not even have the good taste to follow the example of a number of delegations to the Iranian "conference" who kept their faces covered with scarves and dark glasses. Clark's sympathetic cooperation with this fanatical regime which has compiled a formidable record of human rights violations, including many summary executions, during its short existence is appalling. His trip not only flaunts U.S. policy and regulations, it also undermines respect for the recent opinion of the International Court of Justice, which condemned the holding of the hostages as a violation of international law and called for their immediate release. The Justice Department has yet to decide whether to prosecute Mr. Clark for this unauthorized trip. Of course, based on his outrageous conduct in this whole sordid matter, perhaps he can beat the rap by pleading temporary insanity.

IRANIAN "CONFERENCE ON U.S. CRIMES" IS A KANGAROO COURT

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. ROTH. Mr. Speaker, the Iranian "Conference on U.S. Crimes" is a kangaroo court. The United States will be given a trial, and then taken out and hung. The rope was ready before the trial began.

Nothing Ramsey Clark is doing in Iran will speed the release of the 53 Americans being held hostage.

I have talked to the State Department. I have talked to the Justice Department. I have talked with the Foreign Affairs Committee. I cannot find anyone who thinks Ramsey Clark is helping the hostages.

The purpose of the Iranian "Conference" is to whip up the new Parliament against the United States. For Ramsey Clark, or any other American, to lend dignity to these proceedings is a slap in the face to the hostages.

RAMSEY CLARK AND OTHER AMERICANS IN IRAN ARE CRIMINALS THEMSELVES

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, Ramsey Clark and the other nine Americans in Iran attending the Iranian Conference on U.S. Crimes Against Iran are, in my mind, criminals themselves. They have defied the U.S. ban on travel to Iran, and, in effect, are aiding and abetting the terrorists holding American hostages.

Ramsey Clark is demonstrating once again, as he did during the Vietnam war, that America's honor and prestige have no meaning for him, and his sympathies lie with our enemies, not with us. His conduct is all the more reprehensible inasmuch as he served as this Nation's top law enforcement official.

The White House has said there are civil and criminal penalties available to use against Clark and the others. I strongly urge the President to investigate their conduct and bring appropriate charges against them for this demonstrated contempt for American interests during this period.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, the gentleman is correct when he states there are criminal penalties; but there is an old adage when I was back in law school which went like this: "Failure to enforce the law breeds disrespect for the law and if laws are not enforced they should be removed from the books."

The particular law of which the gentleman speaks has not been enforced time and time again during not only this administration, but the previous Ford administration and also the Nixon administration.

The gentleman is correct. It is a crime and Ramsey Clark is guilty of a crime, but I doubt that this administration has the intestinal fortitude to enforce the law just as previous administrations. The tragedy of the situation is that the law is not enforced because it is unenforcible. It is not enforced for political reasons. However it may well be that Ramsey Clark took the necessary precautions to evade the law. This particular law is easily evaded. I would note as one who has been long acquainted with the problem.

Mr. LAGOMARSINO. Well, I think we should call on the President right now to have the guts to enforce the law; although I share the gentleman's concerns and doubt that he will do that.

□ 1210

THE CRIMES AGAINST IRAN CONVENTION

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, yesterday, "CBS News" reported that a Crimes Against Iran Conference has opened in Tehran and that several well-known Americans are taking part. Included in this group is former Attorney General Ramsey Clark who most recently served as an envoy of the Carter administration to serve as a middleman between us and Iran, through the PLO to try to obtain the release of our hostages. It was reported on "CBS News" that Clark was quoted as saying that our rescue attempt "was a violation of international law" and "an act bordering on criminality." All this from a man who served as a U.S. Attorney General, was a candidate for the U.S. Senate, and a special envoy from President Carter. It is simply unbelievable that with our hostages still held captive being threatened with spy trials again and just 2 weeks after we buried the casualties of our rescue effort, that Mr. Clark and his entourage jumped at the first opportunity to totally reverse the roles of who is the victim and who is the terrorist. For the benefit of Mr. Clark and for the edification of those who think like him, it is the Americans being held hostage who are the victims and the Government of Iran, with its sadistic charade of noninvolvement in the matter, who are the terrorists.

It was my belief that the President had called for a ban on travel to Iran. I would be curious to know how he got there and who is underwriting the costs of this effort to hurt us and the hostages. Thank you, Mr. Speaker.

ORGANIZATION OF AMERICAN STATES SHOULD HELP WITH CUBAN REFUGEE PROGRAM

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, today I am asking President Carter to call an emergency meeting of the Organization of American States to seek the help of its member nations in resettling the Cuban refugees now entering the United States.

Public opposition to acceptance of the Cubans in this country is growing, and the exiles are growing restive and violent. The combination is producing a mutual threat to Cubans and Americans alike, and it is lessening the chances for their successful resettlement here.

Therefore, I am suggesting the relocation of some of the refugees in other OAS nations. I believe this would be a wise move for several reasons.

First, it would defuse the explosive situation here in this country.

Second, it would relieve the United States of the entire burden of the refugees, which seems appropriate given our economic and resource problems.

Third, it would place the Cubans in environments presenting fewer cultural barriers to them.

Fourth, it would help our foreign policy by placing more anti-Castro voices in the very countries he is trying to subvert for the Soviet Union.

Mr. Speaker, I urge my colleagues to join me in calling for OAS involvement in the refugee problem, and pledging our cooperation to the President in securing that involvement. Thank you.

STATE DEPARTMENT SHOULD EXPLAIN PRESS LEAKS

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, I am very deeply concerned by the accounts in yesterday's newspapers by Ross Perot, head of the EDS Systems, concerning the raid which he had conducted to free two employees of his company who were held in captivity in Iran. He is quoted as saying:

> The State Department almost got them killed because Washington leaked a report to the press about our operation. But I'm not mad at the press. I'm mad at the girl in the State Department who mindlessly leaked it to the press.

Mr. Speaker, I have written to the Secretary of State for an explanation on this matter. It is one thing for the State Department not to help free Americans. It it quite another for them to jeopardize the live of American citizens.

IF HOUSE MUST DECIDE PRESIDENTIAL ELECTION, POPULAR VOTE CANDIDATE SHOULD WIN

(Mr. PRITCHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRITCHARD. Mr. Speaker, there are growing indications that the 1980 Presidential election could end with no candidate obtaining the necessary majority of votes in the electoral college. If this happens, selection of the next President would be the responsibility of the House of Representatives.

The possibility of the House selecting the next President has become a source of increased speculation in the national news media. Concern has been expressed about the potential for divisive struggles occurring in this Chamber, if the election is ours to decide.

Today, I am introducing a resolution which attempts to put an end to this unproductive speculation. The resolution expresses a sense of the House that, if the 1980 Presidential election must be decided by the House of Representatives, the Members should choose as President the person receiving the greatest number of popular votes in the November election.

The purpose of this resolution is twofold. First, it recognizes that the vote of the American people on election day should not be disregarded by the House. Second, by pledging ahead of time that they will select the candidate with the largest popular vote nationwide, Members can provide an assurance that the next President will be chosen by the most legitimate method possible. This sense of legitimacy is absolutely essential if the President is to provide strong and effective leadership. Simply stated, this resolution is a commitment to fair play in the Presidential selection process.

LAWLESSNESS FROM CUBAN REFUGEES CANNOT BE TOLERATED

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the rioting by Cuban refugees at Fort Chaffee, Ark., last weekend was most regrettable and deplorable.

The some 100,000 Cubans who have fled Fidel Castro's communist tyranny and flocked into the United States over the past several weeks must be processed and relocated in an orderly manner.

The Cuban malcontents must understand the need for patience while this processing takes place.

If they cannot conform to or respect our laws, they should leave our country.

They are not American citizens, and do not have citizen rights.

There is no reason why the United States should be expected to provide new homes for all the Cuban refugees.

Our Government's immediate efforts should be directed toward diplomatic inquiries to see if friendly neighboring Latin countries are willing to accept some of the Cubans seeking new homes in a free society.

BUDGET FIGURES FOR 1981 ARE HOGWASH

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, let us understand this Nation's budget. This tentative 1981 budget is not balanced nor is it realistic. In 1980, Congress will load a $69 billion increase in the national debt on America. This is the bottom line—how much has the U.S. debt gone up?

This new budget is a hodgepodge of wishful thinking, dreams and political expediency. We should be honest with ourselves. We should be honest with the American people. This Congress is still the big spending Congress. Congress will probably spend more in 1981 than in 1980. The present mood of Congress is to cut taxes by $25 billion. America can anticipate another $69 billion increase in the national debt in 1981.

This deficit spending is causing the Nation's 18-percent inflation. This deficit spending makes it difficult for Americans to live on the 57 cents left after taxes get 43 cents out of every dollar.

We must have a balanced budget, but these 1981 budget figures are just plain hogwash. We know this target budget is not realistic for the second binding budget resolution in September.

If a businessman kept his books like Congress keeps its budget, the IRS would send the businessman to Leavenworth.

America has more government than it needs. For a balanced budget, let us cut the spending and cut the taxes.

RAMSEY CLARK SHOULD BE PROSECUTED

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, former Attorney General Ramsey Clark, by supposedly representing the United States at the anti-American conference called by the Ayatollah Khomeini in Iran, has apparently violated American laws and may well have set back this country's efforts to force the release of our hostages. Since Mr. Clark is seen by the world as our former top law enforcement officer and by direction of the President a current member of the diplomatic service, it is critical that the Carter administration immediately disavow his mission and indicate to the world that Mr. Clark will be prosecuted to the fullest extent of the law on his return to the United States.

Not only has Mr. Clark violated the President's travel ban, which carries a penalty of up to 10 years in prison and fines of up to $50,000, but he also appears to be violating the Logan Act, which prohibits private citizens from carrying on diplomatic activities without the authority of the United States.

Thus, either Mr. Clark is acting with the authority of the administration in attending this propaganda circus in Iran, or he is violating the law. The administration, in order to clear up any misunderstanding either here or abroad, should immediately state either that Mr. Clark has their support, or that he will be served with an arrest warrant upon his return to U.S. soil.

Mr. Speaker, this country must speak with one voice on Iran. We cannot have self-appointed Secretaries of State like Ramsey Clark running around the world attending anti-American diplomatic extravaganzas and endangering not only the chance for a resolution of this matter, but the hostages' lives as well.

As long as the Iranian hoodlums think they can count on misguided Americans to serve as props for their propaganda shows, then they have absolutely no reason to give up the hostages.

PRESIDENT SHOULD DISAVOW ACTIONS OF DAMAGING DELEGATION TO IRAN

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KRAMER. Mr. Speaker, yesterday we learned that Ramsey Clark, a former Attorney General of this country, and nine other American citizens have defied a Presidential ban on American travel to Iran to participate in a conference designed to condemn the United States.

This flagrant disregard of our national interests is appalling from a man who once had the responsibility for enforcing the laws of the United States.

I am also appalled by the absence of any forthright administration disavowal of this self-appointed mission. Considering that the action of this group poses a major threat to the ability of the United States to secure the early and safe release of the American hostages, the President should have immediately and unequivocally announced that the group was acting in contravention of U.S. policy and in violation of the President's ban on travel to Iran. Instead, the administration responded to inquiries by my office yesterday with a bureaucratic shuffle. And, today, an unidentified State Department spokesman is quoted as saying that the Carter administration would "decide in due course" whether to prosecute the 10 Americans.

In the meantime, the militant Iranians are using the presence of the Americans as propaganda to legitimize their claims of U.S. aggression. This can only whet the militant fervor of the Iranians, thus further jeopardizing the release of the American hostages and future stability in that part of the world.

Thus, today I am urging the President to publicly disavow the actions of this damaging delegation and to announce that the administration will pursue a prompt and vigorous investigation of the possible violation of U.S. law. Any further delay or vacillation on his part will only compound the damage.

☐ 1220

IN MEMORY OF ORMAN S. FINK

(Mr. STANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANTON. Mr. Speaker, it is with deep regret that I inform my colleagues of the passing away Monday night of our longtime friend and veteran staff member, Mr. Orman S. Fink. Orm first came to Congress as legislative assistant to the Honorable Charles Dewey of Illinois in 1942. Since February of 1947, he served on the staff of the Banking Committee and was staff director during the years of Republican control of the Congress.

Orm was well known and respected as an authority on the banking and thrift industries, the stock and bond markets, and the financial markets. Members on both sides of the aisle, as well as industry leaders and administration officials, respected Orm's judgment in this field.

Widowed nearly 25 years ago, Orm devoted his personal life to raising his daughter and two sons. He was justly proud of them, and our sympathies go out to them.

I know that many Members will join me in this tribute to the memory of Orman Fink. He was a good friend, devoted to serving his country and the Members of this body.

Mr. EVANS of Delaware. Mr. Speaker, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank the gentleman for yielding.

Mr. Speaker, it was indeed a privilege to have known Orman Fink. No one could say it any better than the gentleman from Ohio (Mr. STANTON), but I would like very much to associate myself with his remarks. Those plaudits are most deserved as Orman did in fact contribute substantially to the development of good public policy on behalf of all Americans. We will all miss him but his good works will survive for many years to come.

Mr. STANTON. I appreciate the gentleman's remarks.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted the Speaker on Friday, May 30, 1980, the Speaker did on that day sign the following enrolled bill: H.R. 7471, an act to extend the present public debt limit through June 5, 1980.

THE HOUSE HAS A RIGHT TO VOTE ON A DEBT LIMIT BILL WITH AN AMENDMENT TO REPEAL THE OIL IMPORT FEE; THAT WAS THE AGREEMENT

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I believe that the great majority of Americans are opposed to the imposition of the oil import fee that will result in an immediate tax of 10 cents a gallon on all gasoline and home heating oil and other products. Last week the House repeatedly by overwhelming majorities demonstrated its desire to vote directly on this issue. I would direct the attention of the Members of the House to page 12785 of the proceedings of the other body of last Friday, May 30, wherein remarks by the majority leader and the minority leader of the other body, and the Senator from Kansas, Mr. DOLE, accurately portray the agreement that was conveyed to them by the Speaker of the House. That agreement stated that the House would have the right to vote this week on the debt increase bill with an amendment that would repeal the import fee. There was no agreement to vote separately on the two different pieces of legislation. That the oil tax amendment would be offered to the debt limit was the basis on which no amendment was offered in the other body on Friday. I hope that that agreement will be honored in every respect this week. It is my understanding that there may be an attempt to bring up the two separate legislative matters tomorrow, and that in no way would fulfill the commitment that was given.

COMPLAINT THAT THE PRESIDENT HAS REVERSED HIS OWN COURSE ON NATIONAL DEFENSE

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, a lot of people have been saying lately that the Nation is floundering from indecision and lack of leadership. Today in the paper we see where a very influential Senator from Georgia, the home State of our President, has complained that the President (in declaring how much money was needed for the military), has reversed his own course on national defense at least four times since last November. This comes on top of an attack by Senator HOLLINGS of South Carolina who has also said that the President has demonstrated the height of hypocrisy by promising higher pay to the men on the *Nimitz* and then opposing higher defense budgets. Obviously, the Senators from South Carolina and Georgia recognize the fact that the President cannot have things all ways, and are calling upon Mr. Carter to stop changing signals at a time when we recognize that we are floundering from a lack of leadership, the Senators are merely saying what most Americans have been thinking.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding. In explaining the statement that the Senator from Georgia made, he actually counted five times that the President has changed his position on spending for defense.

Mr. CAMPBELL. That is correct.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MOAKLEY) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
June 3, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 12:10 p.m. on Monday, June 2, 1980 and said to contain a message from the President wherein he transmits the 1979 Annual Report on health activities under the Federal Mine Safety and Health Act of 1977 as submitted by the Secretary of Health and Human Services.

(2) At 12:10 p.m. on Monday, June 2, 1980 and said to contain a message from the President wherein he transmits the Fourth Annual Report on the Administration of the Genetic Diseases Program.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

THE 1979 ANNUAL REPORT ON HEALTH ACTIVITIES UNDER FEDERAL MINE SAFETY AND HEALTH ACT OF 1977—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with Section 511(b) of the Federal Mine Safety and Health Act of 1977, as amended (30 U.S.C. 958(b)), I transmit herewith the 1979 Annual Report on health activities under the Federal Mine Safety and Health Act of 1977 as submitted by the Secretary of Health and Human Services.

JIMMY CARTER.

THE WHITE HOUSE, *June 2, 1980.*

FOURTH ANNUAL REPORT ON ADMINISTRATION OF THE GENETIC DISEASES PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In accordance with Section 1106 of the Public Health Service Act, as amended, I herewith transmit the Fourth Annual Report on the Administration of the Genetic Diseases Program (42 U.S.C. 300b–5).

JIMMY CARTER.

THE WHITE HOUSE, *June 2, 1980.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes if postponed, will be taken on Wednesday, June 4.

☐ 1230

AUTHORIZING APPROPRIATIONS FOR INTERNATIONAL NATURAL RUBBER AGREEMENT

Mr. BINGHAM. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2666) to authorize appropriations for the International Natural Rubber Agreement for fiscal year 1981.

The Clerk read as follows:

S. 2666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to meet the obligations of the United States as a member of the International Natural Rubber Organization established by the International Natural Rubber Agreement, there is authorized to be appropriated for the fiscal year 1981 $88,000,000 for the payment of contributions by the United States to the buffer stock account established by the agreement. Funds appropriated under this Act are authorized to remain available during the period in which the International Natural Rubber Agreement remains in effect with respect to the United States.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. BINGHAM) will be recognized for 20 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation—which is requested and strongly supported by the administration—would authorize a one-time, reimburseable U.S. contribution to an International Natural Rubber Organization.

The International Natural Rubber Agreement has been reached after long negotiations between rubber consuming and producing nations. Its purpose is to stabilize very volatile world rubber prices and help stimulate greater international natural rubber production which will benefit particularly the United States as the world's largest consumer of natural rubber. The agreement will not artificially control the world rubber market. Instead, by means of an international buffer stock and production incentives, it will help to reduce the peaks and troughs in prices which have contributed to inflation and have severely undermined the economic well-being of producing countries—which are for the most part developing nations.

The international buffer stock created by this legislation is in addition to our own national security stockpile of rubber, which is in no way affected by this legislation.

Agreements like this one, in which consumers and producers cooperate to moderate prices around basic market levels, are far preferable to OPEC-type producer cartels, and the way to avoid new OPEC's for commodities like rubber.

This legislation authorizes a one-time $88 million U.S. contribution to the International Natural Rubber Agreement. This authorization is required if the United States is to meet its commitments under the now ratified agreement, and the amount is fully within the President's budget. Only about $5 million is expected to be expended in fiscal year 1981 under the present administration and CBO estimates of international economic trends, the balance to remain upon call from the Rubber Buffer Stock Manager if and when needed to purchase rubber for the buffer stock.

At the United States' insistence, the International Natural Rubber Agreement requires that each member make available its full contribution. This way, consumers can be assured that the buffer stock will be sufficiently large to serve its price stabilizing purpose, and producers can have the confidence and security they need to make larger investments in natural rubber production—without fearing that the market will collapse. And this is a very real fear since, as the World Bank has estimated, rubber is the seventh most volatile of all commodities. Within a 2-year period in the 1970's, prices ranged from 27 to 50 cents a pound. This could easily happen again.

The Senate has ratified the International Natural Rubber Agreement—by a vote of 90 to 1. The Senate has also recently approved by unanimous-consent legislation virtually identical to the bill reported unanimously by the House Foreign Affairs Committee and placed on the suspension calendar.

I would like to emphasize three features about this legislation and U.S. participation in the International Natural Rubber Agreement:

First, it is in the U.S. economic self-interest to participate fully in this agreement. U.S. rubber imports were $800 million in 1978 and are likely to grow in the 1980's, particularly as skyrocketing energy prices make natural rubber a more attractive proposition than synthetics. To the extent that rubber producers can maintain stable export earnings from natural rubber exports, the United States can also expect to export over $5 billion of goods to the four largest producers, Malaysia, Thailand, Indonesia, and Singapore. Not only is natural rubber militarily essential—there is no substitute, for example, for natural rubber in aircraft tires—its increased use replaces synthetic rubber—a petroleum-based product which adds to our energy dependence. Lower rubber prices would directly help reduce inflation. Testimony from the Commerce Department and rubber industry representatives confirmed that the agreement will in no way harm the domestic U.S. rubber industry.

Second, the International Natural Rubber Agreement is an equitable agreement, according to the State, Commerce, and Treasury Departments, as well as the U.S. rubber traders and manufacturers. The agreement provides for equal representation for both producers and consumers and insures there will be a sufficiently large buffer stock. The agreement has no provision for export or production controls—a great shortcoming of other agreements from the consumer point of view. The agreement codifies for the first time a joint producer-consumer commitment to expand world rubber production which will replace the nascent producers-only cartel arrangement. Producers have, in effect, committed themselves by the agreement to refrain from the kind of unilateral rubber production cutbacks which have been so damaging in the past. Moreover, Malaysia—the largest rubber producing country and a recent signatory of the agreement—has already taken steps to encourage production by reducing export taxes on rubber by about 20 percent. Other such measures are necessary, but this early act of good faith by a producing country demonstrates the benefits of working cooperatively within the framework of a producer-consumer agreement.

Third, full participation in the International Natural Rubber Agreement is supportive of U.S. foreign policy and international economic interests.

This agreement is a product of the dialog begun several years ago between developed and developing countries know as the North-South dialog—on the prospects for a New International Economic Order. That dialog, of course, began with developed and developing countries far apart on a variety of key economic issues—economic assistance, debt financing, commodity pricing, and so forth. That such an agreement as the one now before us could emerge from the North-South dialog is evidence both of the sincerity and flexibility of at least some of the nations in this dialog. We should encourage such moderation by participating fully and promptly in this agreement.

Even the U.S. rubber manufacturers, who have called for a delay in authorizing funds for this agreement, have called it a "model" of consumer-producer cooperation. The United States played a key role in negotiating the agreement. Our participation would confirm our commitment to fair and practical solutions to the North-South differences, and would strengthen the hand of those countries within the Group of 77 that have advocated serious negotiations and compromise with us and other developed countries. To reject full participation, on the other hand, would cast doubt upon our reliability and sincerity, and would strengthen the more radical confrontational elements of the G–77.

Moreover, this would undermine our interests in improved relations with the economically and strategically important ASEAN countries such as Malaysia, Indonesia, Thailand, and Singapore.

In summary, Mr. Speaker, I believe the International Natural Rubber Agreement is a good agreement. Full U.S. participation therein is anti-inflationary. Our contribution is reasonable and within the President's budget. The agreement is energy conserving. It is fair to the interests both of consumers and producers. It does not interfere unduly with free market forces. It is an important element and signal in our political relations with the developing world. It directly benefits consumers and the small holders who are the major producers of rubber in the developing world. I urge that the House approve the legislation now before us to implement the International Natural Rubber Agreement.

Mr. Speaker, at this time I am happy to yield such time as he may consume to the chairman of the full Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, I rise in support of S. 2666, to authorize appropriations for the fiscal year 1981 to meet the obligations of the United States under the International Natural Rubber Agreement. This measure which was passed by the Senate on May 22, is identical to the House version, H.R. 7219, which was considered by the Committee on Foreign Affairs, and favorably reported by a voice vote on May 8.

At this time I wish to commend my colleague on the committee, the Honorable Jonathan B. Bingham, chairman of the Subcommittee on International Economic Policy and Trade and ranking member of the subcommittee, our colleague the gentleman from California, the Honorable Bob Lagomarsino for their efforts in the pending legislation. Congressman Bingham's subcommittee, which conducted hearings and markup on U.S. participation in the International Natural Rubber Agreement, has in the past considered other commodity agreements to which the United States is a party, such as tin.

That agreement was both ratified and legislation for it authorized by the Senate on May 22. The Rubber Agreement, which was negotiated within the United Nations Conference on Trade and Development by 60 rubber consuming and producing nations, presents a means to stabilize the world's natural rubber prices. The plan devised would not only moderate vast price fluctuations, but also would help assure a continuous supply. Under the agreement, a price range is established within which purchases and sales will be made for the natural rubber buffer stock. The Interational Natural Rubber Council, which is established under the agreement, will monitor activities and propose marketing strategies.

The duration of the International Natural Rubber Agreement is 5 years, with a proviso enabling extension for an additional 2 years. The $88 million authorized now would be available for expenditure throughout the 5- to 7-year lifetime of the agreement. It is anticipated that only $5 million will actually be spent in fiscal year 1981. Upon termination of the agreement, the assets will be divided and distributed to the donors on a proportionate basis.

Voting privileges on the International Natural Rubber Council will be split between the producing and consuming country blocs, with each group having a 50-percent share. The U.S. portion of the consumer votes is figured at 25 to 31 percent depending on the number of nations which ratify the Rubber Agreement. Similarly, its financial contribution to the rubber buffer stock is based on its proportionate consumption of the natural rubber supply.

Specific benefits to the United States, through our participation, will be in assuring a continuous supply of rubber at reasonable rates for the tire industry which, further, will favorably impact on our oil consumption. Use of radial tires in the United States, which use more natural rubber, has been on the rise. Radials improve mileage efficiency in cars by 6 percent, thus resulting in a savings of not only auto fuel, but also of petroleum products used to manufacture the alternative synthetic tires.

Mr. Speaker, I urge the adoption of S. 2666.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Subcommittee on International Economic Policy and Trade and the full Committee on Foreign Affairs have completed their consideration of the International Rubber Agreement and the legislation authorizing an $88 million appropriation for U.S. participation in the agreement.

During consideration of that legislation several questions were raised as to the need for appropriating $88 million at this time, when it is not at all clear that all of those funds will be needed anytime in the near future, perhaps not even during the life of the agreement. Other issues were also raised by representatives of U.S. rubber manufacturers who believe that finalizing an agreement now will lessen the pressure on the natural rubber producing countries to increase their production. I believe it is important to, at least, raise these issues for the record.

On the positive side, this agreement provides the United States with significant economic and foreign policy benefits. The main rubber exporters are Malaysia, Thailand, and Indonesia. If the agreement functions as it is intended, it will help stabilize prices for natural rubber, which has traditionally been subject to extremely volatile price fluctuations. Stabilized prices are a benefit for the consumer and also for the producer.

I received a letter from the State Department describing the benefits of the Natural Rubber Agreement. I include the letter in the Record at this point:

Department of State,
Washington, D.C., May 7, 1980.

Hon. Robert J. Lagomarsino,
House of Representatives,
Washington, D.C.

Dear Mr. Lagomarsino: During recent hearings of the International Economic Policy and Trade Subcommittee, the Administration testified in favor of the International Rubber Agreement and HR 7219 authorizing an $88 million appropriation for the US contribution to the buffer stock. I would like to emphasize the importance which the Administration attaches to obtaining early approval of HR 7219 including the full amount of the appropriation request.

As Under Secretary Cooper explained in his statement before the Subcommittee, we believe that the Agreement is especially well designed and balanced affording the United States substantial economic and foreign policy benefits. It effectively protects the interests of consumers; and contains features designed to stabilize the price and expand supplies of natural rubber. Under these circumstances, we believe delay or reduction in the authorization of funds necessary for U.S. participation would have seriously adverse consequences for our own economic and foreign affairs interests.

The Agreement provides for an international buffer stock of 550,000 tons financed by mandatory contributions by members. The Administration reviewed very carefully the amounts of authorization and appropriation which should be requested from Congress to meet our pending Treaty commitment. The $88 million figure is our best estimate of the resources which the U.S. might have to contribute over the life of the Agreement for buffer stock transactions required by adverse economic conditions in Natural Rubber markets. It reflects our analysis of several considerations including actual acquisition costs, warehouse expenses, and the number of countries likely to join the Agreement. An FY 81 authorization and appropriation for this amount would provide for timely and responsible US participation in the Agreement.

The Administration believes that the buffer stock size, wide band widths, and price range structure will effectively stabilize prices over the life of the Agreement without distorting normal natural rubber market activities. Although the current market price is about 25 cents above the Agreement's initial reference price, our econometric and economic analyses show clearly that substantial buffer stock purchases would be required in a severe recession. In this connection, the experience of 1974 should be recalled. Natural rubber prices dropped more than 60 percent in about 10 months and began to rise again only after Malaysia imposed supply restrictions which limited natural rubber availabilities the following year. Under the initial price range in the Agreement, buffer stock purchases could begin at the lower-intervention price of 38 cents/lb. which would represent a decline of about 45 percent from current natural rubber price levels. Furthermore, as you are aware, the price range would gradually rise over the life of the Agreement if underlying market trends justify. Thus we see no reason to conclude that buffer stock purchases would not occur early in the life of this agreement. Indeed, given the past volatility of natural rubber prices and the current uncertain economic outlook, we believe the Agreement's buffer stock should be established as promptly as possible.

I also want to emphasize the U.S. interest in ensuring expanding natural rubber supplies to meet anticipated shortages in the 1980s. Establishment of the buffer stock with firm member contribution commitments would ensure effective price stabilization and would provide producers with the security they believe they need to move forward with programs to expand natural rubber supplies. Since natural rubber crops take 6–7 years to reach maturity, the additional price security afforded by the buffer stock is important. This basic objective cannot be achieved, however, if the contribution of the United States, or any other member, is left vague or uncertain. Moreover, our ability to implement the supply expansion provisions of the Agreement and to influence producer natural rubber supply policies would be greatly reduced if that should occur.

There also is an operational aspect of the Agreement which caused the Administration to seek an authorization and appropriation request for the full $88 million. As you know, the Agreement provides for an initial contribution of which the U.S. share would be about $5 million due in FY 1981. The remaining funds would be held by the United States and contributed to the buffer stock account when called up by the Executive Director for buffer stock transactions. However, the additional call ups would be due from all members on 30 days notice and severe penalties would be imposed on late payments, including initially interest charges and later loss of voting and other rights in the Agreement. In view of these considerations, the Administration felt it would be difficult, and probably unworkable, to seek to obtain a separate authorization appropriation for each U.S. contribution.

Finally, I want to emphasize our shared concern to keep federal spending to a minimum and to promote fiscal discipline wherever possible. In helping to design this Agreement, the U.S. delegation had those considerations very much in mind. For example, the U.S. sought to keep the initial contributions for buffer stock startup purposes to the minimum necessary. We ensured that additional U.S. contributions to the Agreement would not be required until necessary for buffer stock transactions. And our contribution to the administrative costs of the Agreement should be quite small—about $100,000–$200,000 per annum. In view of the potential anti-inflationary benefits of natural rubber price stabilization and expanded supplies, we believe the proposed authorization and appropriation is fully justified.

I hope these comments have been helpful and I again urge your support for the Rubber Agreement and H.R. 7219.

Sincerely yours,

J. Brian Atwood,
Assistant Secretary for
Congressional Relations.

Rubber Bounces Back

In the next month or so, Congress is going to get around to authorizing or rejecting the latest in a series of international commodity agreements. The focus of this particular accord, which took 60 countries nearly two years to hammer out, is natural rubber. A number of economic and political conditions exist which say it should be ratified.

As a rule, we tend to think these types of arrangements are more trouble than they're worth. The motivating concept behind their existence is fine—avoiding wild fluctuations in commodity prices not only makes corporate planning easier, but removes some of the feast-or-famine potential built into the economies of developing countries dependent on the fortunes of a particular primary product. The vehicle constructed to render stable what by definition the free market would rather see swing is the buffer stock, which moderates the supply available to the market and thereby reduces fluctuations in price.

In spite of their good intentions, the success of commodity agreements has been mixed. Without getting into an elaborate economics lecture, four elements are needed to give commodity agreements a good chance of working: The price of the good in question can't be depressed by sudden increases in supply; in other words, demand should be highly inelastic. There shouldn't be a readily available substitute for the commodity; if one exists, its production costs must be high. In order to insure producer cooperation, prices for the good should be low when the agreement takes effect; if they aren't, the temptation to cheat is great. Finally, the size of the buffer stock has to be big enough to have an effect on price fluctuations. Other commodity arrangements, most notably the one covering tin, have not been successful in keeping prices down because buffer stocks haven't been big enough.

The agreement currently before Congress covers a commodity and a market characterized by some of these criteria. The natural rubber market is controlled by a small number of producers—four countries, Malaysia, Indonesia, Thailand and Singapore generate roughly 90 percent of the world total—and could stabilize the market by themselves. The possibility of a natural rubber cartel surfaced about five years ago, when a producers' agreement to control the supply of rubber was reached. It was never put into effect, largely because the cost of producing a substitute—synthetic rubber—was still significantly below the price of the real stuff.

That condition still exists, but just barely. Synthetic rubber, like so many other chemically-derived substitutes for natural goods, was an economically attractive substitute as long as the price of a major component—petroleum—remained low. OPEC and blue-eyed Arabs around the world have changed all that, and sent economists, agronomists, chemists and inventors back to the drawing boards to look for alternatives. If synthetics are on their way out, something has to take its place. For the foreseeable future, the most attractive option seems to be natural rubber.

There isn't much question the U.S. needs natural rubber, either. Radial tires have a much higher natural rubber content than other types. And America has always been the world's largest purchaser. In 1978, the United States imported roughly one-quarter of total world production, about $800 million worth. There isn't much cause to think the bill has gone down since then. Two years ago natural rubber was selling at about 45 cents a pound. Today the price is roughly half again that much.

With prices hovering around 70 cents a pound, and the number of producers limited to a few small countries, why should we urge the United States to support an agreement that seems unlikely to bring the price down or insure stable supply levels? These were the types of questions spokesmen from the U.S. tire industry and other skeptics were posing before House and Senate subcommittee hearings recently.

There are several reasons, some cynical, some embodied in the agreement itself, which tend to suggest the market will become stabilized and then remain that way. America's recession and the shock waves it will produce throughout the rest of the industrialized—and natural rubber consuming—world are apt to depress the price for this commodity substantially. Rather than express the hope that economic failure will insure success for the agreement, administration officials point out other factors which suggest the price will come back. Because of the small number of producers, the agreement will be easy to police. Moreover, with an international agreement in sight, the four largest producers have made commitments to increase production levels. For the past few years, the reverse has been the case.

The last reason involves the size and location of the buffer stocks. Initially, the producing countries wanted a buffer stock of 100,000 million metric tons. The United States and other major consuming countries were pushing for a stock seven times that large when the negotiations began. The final solution was a compromise, but one which favors the consumers: 550,000 million metric tons. These stocks will be located in both consuming and producing countries, which removes the possibility of the latter group acting like a cartel somewhere down the road.

Supporters of the agreement admit it isn't 100 percent air tight. They do argue it is an improvement over other international commodity treaties in terms of policing and quality control. The size of the market and the type of commodity tend to support that view.

American support for the agreement isn't going to cost us very much: $5 million in initial outlays, an additional $83 million in U.S. contributions for the life of the agreement. That seems a reasonable price to pay for something that has a good chance of stabilizing the price of an increasingly important commodity, and isn't likely to do us any harm politically in either East Asia or the Third World. Buffer stocks and commodity agreements don't usually seem to work. We are inclined to think rubber may well be the exception to the rule.

Mr. Speaker, I do not have further requests for time, and I yield back the balance of my time.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I do yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I would simply like to concur in what the gentleman has said about the importance of production and our anticipation that this agreement will lead to greater production. I would also like to recall that it was at the insistence of the United States that the International Natural Rubber Agreement which was negotiated and agreed to and ratified now by the other body does require that each Member make available its full contribution.

Mr. LAGOMARSINO. That is correct.

Mr. BINGHAM. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Bingham) that the House suspend the rules and pass the Senate bill (S. 2666).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7219) was laid on the table.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL MUSEUM ACT REAUTHORIZATION

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1786) to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said act.

The Clerk read as follows:

S. 1786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(b) of the National Museum Act of 1966 (20 U.S.C. 65a) is amended to read:

"(b) There are hereby authorized to be appropriated to the Smithsonian Institution for the fiscal year 1981, the sum of $803,000, and for the fiscal year 1982, the sum of $1,000,000.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan (Mr. NEDZI) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Speaker, a parliamentary inquiry.

To which rule does the Chair refer and why is a second not required?

The SPEAKER pro tempore. A second is not required if the bill is available in the form in which it is sought to be passed under suspension. The pending bill has been available for the required amount of time; that is, for one legislative day prior to the motion.

Mr. FRENZEL. I thank the Speaker.

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1786 authorizes $803,000 in fiscal 1981 and $1,000,000 in fiscal 1982 for the Smithsonian Institution to administer the program called the National Museum Act.

The National Museum Act of 1966 is a grant program intended to assist and upgrade museum professions, through funding of trained programs of museum staffs, development of museum techniques and conservation, and stipend support to individuals sponsored by eligible institutions to pursue professional careers in museology and museum conservation.

The National Museum Act is the only grant program among the several museum-related Federal assistance programs which focuses solely on the upgrading of the professionals who are responsible for museum operations and administration. It is a modest but highly regarded program among the museum community.

The National Museum Act was reauthorized in 1970, 1974, and 1977. During the Senate committee considerations, it was the opinion of the committee that a 2-year extension rather than a 3-year extension would be in keeping with similar extensions proposed for funding other museum-related programs which would enable a review of museum-related activities at the same time.

Mr. Speaker, I urge favorable consideration of S. 1786.

☐ 1240

Mr. Speaker, I reserve the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, S. 1786 is a bill which I believe this House should not pass. I had some difficulty identifying the bill, Mr. Speaker, because, as the Members may be aware, there is no committee report on it. Some of the Members may have less difficulty keeping up with the business of the House than I do, but it seems to me the fact of that omission is illustrative of some of the problems that I see in this particular bill.

Mr. Speaker, this bill authorizes for fiscal year 1981 $803,000; and for fiscal year 1982 $1 million to the Smithsonian Institution for carrying out the purposes of the National Museum Act. That sounds pretty good, I think, to most people, until they would begin to scrutinize carefully the grants that have been given under this act.

The distinguished subcommittee chairman, the gentleman from Michigan (Mr. NEDZI), mentioned in his remarks that this was only one of the programs operative under the giant Federal umbrella intended to assist museums, and I suppose that some of the others would be the Institute of Museum Services, the Endowment for the Arts, the Endowment for the Humanities, and probably some more hidden in the vastness of the Federal bureaucracy.

Mr. NEDZI. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I do yield to the gentleman from Michigan.

Mr. NEDZI. The gentleman from Michigan did not say it was the only program. He said it was the only grant program.

Mr. FRENZEL. I thank the gentleman for the additional specificity, which I had not correctly put into my discussion.

Mr. Speaker, this $803,000 for this year and $1 million for the following year, in my judgment, does represent an overlap of Federal services with respect to museums. While the House committee did not publish a committee report, by a certain amount of investigation and low cunning I have been able to find the Senate committee report on the same bill, and that of course expresses some Senate concern about overlap as well, and I quote from the Senate committee report:

> Concern was expressed during consideration by the Committee that there might be a duplication of programs and funding with other Federal offices involved with museum support and programs even though the offices do consult. It was the opinion of the committee—

That is, the Senate committee—

> that a two-year extension, in keeping with a similar extension proposed by the Senate for funding of the Institute of Museum Services, would be appropriate at this time to permit focus on both activities at the same time.

As I understand it, the Senate knew that there was duplication and overlap, and was unwilling to take on an investigation of that overlap. I guess I must conclude that the same is true of the House committee, because we were simply willing to rubberstamp the Senate bill. That means that the bill before us, S. 1786, is a fait accompli after passage here since it is a Senate bill and it will go directly to the President.

Now, in addition to the overlap, there are some other problems with it. The Smithsonian Institution is a wonderful institution, and one that Congress has perceived fondly, and has nurtured it carefully. It is, however, not a very good institution to be indulging in grantmaking. Its administration and its organization is not well suited to the receipt of grants and the discrimination of making these particular grants.

To be sure, it has the group to which it refers applications, and of course, like many other agencies of the Government the group is, of course, the foxes who divide up all the chickens in the coop among themselves as best they can, depending on who is on that advisory committee.

The Smithsonian Institution, as a result, incurs a fairly high degree of overhead. They estimate, of the $803,000 authorized in fiscal year 1981, that about 10 percent, or $80,000, will go into overhead. My own personal estimate is that it is probably a great deal higher than that; perhaps twice as much, making it an inefficient grantsmanship manipulatory organization by anyone's standards.

One of my big problems with these grants is that they are mostly going to institutions, that is, museums or colleges, to fund the advanced degree in museology. There are plenty of candidates of museology degrees, as near as I can figure, but there are not plenty of jobs in museology. It seems to me not a very good use of Federal resources for us to give grants in areas where people can afford their own education, particularly when there is a paucity of jobs for those people when they complete their degrees.

In fact, the degrees seem to me to be simple capitation grants to a favored few institutions over all of the rest of the institutions that are involved in the same kind of operation. If we were to defeat this bill, it would save the taxpayers of this country only $1,803,000. It does not seem like very much money. On the other hand, most of us are sworn to some kind of economy and budget cuts this year, and here we have an opportunity to make a modest budget cut that does not take food stamps away from any starving child; that does not remove unemployment compensation from any out-of-work and disadvantaged automobile worker; that does not take the welfare job away from any disadvantaged mother on AFDC. It does not take any nutrition away from a child getting a subsidized lunch.

In short, it does not do many of those awful things that we have been accused of doing in some of our budget-cutting process. What it does do is remove from some museums some very nice grants, and some specially favored people studying under those grants, an opportunity to study at Government expense, and would require instead those museums to fund their own studies or those individuals to fund their own studies.

I am going to look into a couple of grants. The most recent year I have is 1978. It is not on purpose that I have that, but that is all the committee was given. We do not know what they did in 1979; we do not know what they did in 1980. We do know from this, vaguely, what they did in the years 1972 through 1977—but only vaguely.

We know the total amount of grants in certain categories, and we know the recipients. Mostly, as I have stated, they are museums, and mostly to the museums they are travel grants.

Here is one to Denver, for Imelda DeGraw, to study management and conservation of textile collections at museums in the United States. How is that for specificity? I suspect Imelda may still be traveling under that grant at least with the restrictions as described.

We have a couple more. One is in my own hometown of Minneapolis, the Minneapolis Institute of Arts; internship for graduate-level students in conservation, curatorial practice, or education.

☐ 1250

And, in addition, there is a travel grant for Lotus Stack to study textile conservation again. My gosh, textiles must have been big in 1978.

Undoubtedly these are good programs, undoubtedly they are good students, and undoubtedly this is valuable work. On the other hand, are these the kinds of things for which we should make cuts in other areas and perhaps deny ourselves the possibility of giving a raise to a serviceman or servicewoman that might keep him or her in the military service or more money for weapons development or for educational programs? I think not.

I notice one here in 1978, and this is one to the Museum of African Art to support Frederick Lamp in doctoral studies in African art history at Yale University. I found the same in 1977. I did not dare look in 1976 or 1975 because I was afraid I might have seen the same thing. I am sure he is a fine scholar and that this is a fine program, but I wonder why he of all people who might be studying in that area or in that college or perhaps from this town would be the favored person.

I also find that there was a grant to the New York Botanical Garden in New York for Stephen Crisafulli to visit major herbaria in the United States to study general operating and recordkeeping procedures for specimen preparation and packing.

I notice also, Mr. Speaker, that we have many grants to foreign universities. Here is one to Queen's University in Kingston, Ontario, Canada, and there is another one to the University of Cambridge in England. To be sure, those grants are for American scholars who are studying at foreign institutions to develop the range of their capabilities and their studies; nevertheless, it seems to me to be an unusual practice for us, in our desire to be the perfect, complete grantsman, to be giving grants to foreign institutions. I suspect that I would feel a lot better about it if we were giving these grants to individuals. But what we have done is, we have given them to foreign universities.

Here is one that we have given to the Rosary College, Graduate School of Fine Arts, in Florence, Italy, to support Alexander Katlan for graduate studies in art conservation and restoration. I would like to have received that one myself, Mr. Speaker.

We have been nice to the museum of the University of Delaware in Newark, and we have taken care of the Rensselaer Polytechnic Institute and the Alaska State Museum in Juneau. Mr. Speaker, we have spread these grants all over the country, and heaven knows to whom.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I thank the gentleman from Minnesota for yielding, and I wish to commend him for his incisive query, to say the least, into this program.

This bill has just been brought out without proper explanation as to what the $803,000 will do next year and what the $1 million will do in 1982. Certainly the bill should not be brought out under suspension.

What the distinguished gentleman from Minnesota has said with regard to the various grants that have been made by the Smithsonian leaves a doubt in my mind as to the wisdom of this bill, especially in view of the fact that recently a museum in my home State, although not in my district, the Hall of Flame, had requested the Smithsonian to accept the museum in toto. The museum would be totally funded at no cost to the taxpayers, not only today but in perpetuity, because of sufficient trust funds available to support that beautiful museum, which contains delicately restored machinery dating back to the 14th century, for the benefit of people in this area. It seems to me that where no grant at all would be advised or would be necessary, in that case at least some attention should have been given to a proposal such as this to bring a historic collection under the Smithsonian umbrella without any cost to the taxpayers.

But this bill is being brought up for consideration certainly without any explanation as to what it provides. It says that the $803,000 for 1981 and the $1 million for 1982 will go to programs under the National Museum Act. The National Museum Act, so far as I know, says that the awards are to develop the skills of the Nation's museums, not for foreign museums, in such areas as conservation and exhibition. The example of the Arizona museum which I gave the gentleman would fall perfectly in that category.

Mr. Speaker, I thank the gentleman for yielding, and I, too, oppose this piece of legislation as it stands, without proper explanation and further inquiry.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, I would suggest that probably the Smithsonian could have given more consideration to the request of the Arizona museum if it had not been so busy sorting out all these grants.

Mr. Speaker, I have been much too long in discussing a bill that probably does not deserve this much discussion. If I were to give these grants, I might be giving them to the same kinds of people. Nevertheless, it is in my judgment an unwise and duplicative use of the taxpayers' money.

I would submit that there is a very small number of applications that are actually made, and the numbers of those which are granted represent quite a high total. I believe that one-third of the total applications are given, so there is not an overwhelming demand for these particular applications.

Perhaps, as I suggested earlier, it is known just how many are going to be granted, and perhaps the luckier recipients, whether they are the Sedgwick County Zoological Society of Wichita, Kans., or the Pacific Regional Conservation Center in Honolulu, Hawaii, know when they are going to get a grant. I do not know that.

Mr. Speaker, I think this is just an amount of money that we can save without hurting a single poor person or a single disadvantaged person, and I suggest that we defeat the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the arguments of the gentleman from Minnesota (Mr. FRENZEL) are not easy to respond to because the basic question is whether we want to spend any money in this area of improving our museum capabilities. It is a question of how high we regard those things in our past and how much we may want to preserve them.

I can perhaps best respond to the gentleman's comments by reading a letter which I just received on May 30 from Phillip S. Hughes, the Acting Secretary of the Smithsonian, with regard to this particular piece of legislation.

This is the letter from Mr. Hughes:

SMITHSONIAN INSTITUTION,
Washington, D.C., May 30, 1980.

HON. LUCIEN N. NEDZI,
Chairman, Subcommittee on Libraries and Memorials, Committee on House Administration, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that S. 1786, the National Museum Act reauthorization, may be considered by the House next week, and am writing in an effort to resolve, insofar as possible, concerns you and others may have about its programs.

The essence of the Act (U.S.C. 65a) is its mandate "for training career employees in museum practices . . ." and the programs developed to carry this out are, indeed, designed to provide training in skills and techniques needed to improve and strengthen the staff capabilities of the Nation's museums. Over the past two decades museums have had increasing responsibilities for the care of collections and for the quality of informational programs offered to the American public. These responsibilities can be met only by reinforcing and expanding the availability of competent, trained museum professionals. Emphasis has been placed particularly on the training of museum conservators who must preserve art, history and science collections and protect them against loss through deterioration. Conservation training is complex, requiring unusual skills and many years of study and apprenticeship.

National Museum Act programs are subjected to continuous review. Several years ago a very small number of grants were made for academic degree studies. However, it was decided subsequently that such grants, while relating in a general way to museum disciplines, did not apply specifically to museum practices and techniques, and in 1978 this program was discontinued. Current programs under the Act provide for internships, seminars and workshops on conservation and other museum-related matters, graduate professional studies, and the training of museum conservators.

I hope this is helpful and shall, of course, be happy to provide any additional information you may require.

Sincerely yours,

Phillip S. Hughes,
Acting Secretary.

Mr. Speaker, I think that sums up the case for the National Museum Act. I do not know that I can persuade the gentleman from Minnesota (Mr. Frenzel) that this additional $1 million in 1982 and $803,000 in 1981 is worth the expenditure. He seems to have his mind made up, and I certainly continue my great respect and high regard for the gentleman; he knows that I think the world of him. Unfortunately, on this particular issue, we disagree.

Mr. Speaker, I would hope that at least two-thirds of this House would go along with me and pass S. 1786.

☐ 1300

Mr. FRENZEL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the distinguished gentleman from Michigan (Mr. Nedzi) knows that his warm feelings are reciprocated in spades, and the gentleman has done a fine job of working on this bill. I must say that the reading of the letter from Mr. Hughes of the Smithsonian does make me feel a little better. If they have gone out of the capitation grant business and discontinued funding of the advanced education of museology students, I feel the money is probably being better spent. Nevertheless, I feel the bill should be defeated.

Mr. Speaker, I gave a number of examples. I did not mean to denigrate any of the institutions or the individuals. I merely wanted to give the House the flavor of the kinds of grants to which I objected and the nature of the selectivity and what I thought was a very small impact on the development of museum conservation practices through the issuance of these grants. I still believe, despite the reassurances of the gentleman from Michigan, that the bill should be defeated.

Mr. Speaker, I yield back the balance of my time.

Mr. NEDZI. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. Nedzi) that the House suspend the rules and pass the Senate bill, S. 1786.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TRANSFERRING TO THE SUPERINTENDENT OF DOCUMENTS THE FUNCTION OF DISTRIBUTING GOVERNMENT PUBLICATIONS TO CERTAIN FOREIGN GOVERNMENTS

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7302) to amend section 1719 of title 44, United States Code, to transfer to the Superintendent of Documents the function of distributing Government publications to certain foreign governments.

The Clerk read as follows:

H.R. 7302

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1719 of title 44, United States Code, is amended by striking out "Smithsonian Institution" and by inserting in lieu thereof "Superintendent of Documents".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan (Mr. Nedzi) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. Frenzel) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. Nedzi).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7302 amends section 1719 of title 44, United States Code, to transfer from the Smithsonian Institution to the Superintendent of Documents the function of distributing Government publications to certain foreign governments.

The international exchange program formalized by the Brussels Convention of 1886 provides for the exchange by the Library of Congress of U.S. Government publications in return for official publications of those participating foreign governments for delivery to the Library of Congress. Because the Smithsonian Institution's International Exchange Service was in operation at that time, the Smithsonian was by law assigned the task of distributing international exchange documents for the Library. The Smithsonian receives no benefits from participating in this program.

This international exchange program is still in existence today with 197 governments participating and over 1 million Government documents were sent out in fiscal year 1979. With the increased volume of publications sent in recent years, the Smithsonian is simply not equipped to physically handle the program.

In December 1977, in an agreement with the Smithsonian Institution, the Superintendent of Documents took over the distribution function of this exchange program and is reimbursed annually by the Smithsonian. The Superintendent of Documents had in place a system of distribution to U.S. depository libraries which could readily accommodate this international exchange program.

H.R. 7302 would permanently transfer the distribution function to the Superintendent of Documents, who has both the physical facilities and capability to provide a more efficient and potential cost-saving distribution service.

Furthermore, there is no logic in the Smithsonian Institution continuing to budget for a program in which it has no direct participation.

As the cost estimate provided by the Congressional Budget Office states:

> This bill would eliminate the need to transfer appropriated funds, and would necessitate instead a direct appropriation to the Government Printing Office for this purpose. However, enactment of H.R. 7302 would not result in any additional cost to the Federal Government.

Mr. Speaker, the Committee on House Administration gave its unanimous support for H.R. 7302. The Senate passed similar legislation in the 95th Congress.

H.R. 7302 would rectify a situation wherein a Government agency—the Smithsonian—is currently funding a program over which it has no control. Passage of H.R. 7302 would require a one-time lateral transfer of funds, with no increase in the cost of the program.

I urge favorable consideration of H.R. 7302.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished gentleman from Michigan has described the bill accurately, in my judgment There is a function which is being carried on by one agency and yet the responsibility for that function is by law designated to another agency. The result is that the work gets done, as you might expect it to, but we have to play the shell game to decide where the appropriation goes. This bill will straighten out the responsibility and place the budget function where the actual working function is done I urge its speedy passage.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. NEDZI. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill, H.R. 7302.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TO RENAME CERTAIN BUILDINGS OF THE LIBRARY OF CONGRESS

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2517) to rename certain buildings of the Library of Congress.

The Clerk read as follows:

S. 2517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building in the block bounded by East Capitol Street, Second Street Southeast, Independence Avenue Southeast, and First Street Southeast, in the District of Columbia (commonly known as the Library of Congress Building or the Library of Congress Main Building), shall hereafter be known and designated as the "Library of Congress Thomas Jefferson Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the Library of Congress Thomas Jefferson Building.

SEC. 2. The building in the block bounded by East Capitol Street, Second Street Southeast, Third Street Southeast, and Pennsylvania Avenue Southeast, in the District of Columbia (commonly known as the Library of Congress Thomas Jefferson Building or the Library of Congress Annex Building), shall hereafter be known and designated as the "Library of Congress John Adams Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the Library of Congress John Adams Building.

SEC. 3. The Act entitled "An Act to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building", approved April 13, 1976 (90 Stat. 329), is hereby repealed.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan (Mr. NEDZI) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 2517 renames the so-called main building and annex building of the Library of Congress.

Quite simply, S. 2517 would rename the main building of the Library of Congress the "Library of Congress Thomas Jefferson Building" in recognition of his status as "father of the Library of Congress." This bill could rename the Library of Congress Annex Building (presently named after Thomas Jefferson) the "Library of Congress John Adams Building," since it was President Adams, who, on April 24, 1800, signed the legislation establishing the Library of Congress. The new Madison Memorial Building would not be affected by this legislation.

As many of you know, it is the custom to name Federal buildings by an act of Congress. In addition, S. 2517 repeals the 1976 act which named the Library Annex the "Thomas Jefferson Building."

A review of the legislation by the Congressional Budget Office revealed that no significant additional cost to the Government would be incurred as a result of enactment of this legislation.

With the completing of the Madison Building and the renaming of the two buildings affected by this legislation, there would be a trio of memorials honoring the memory of those Presidents having the most to do with the establishment of the Library of Congress.

Mr. Speaker, S. 1517 passed by unanimous voice vote in the Senate on May 14. It received unanimous support in the Committee on House Administration. This is a noncontroversial matter. I urge favorable consideration of S. 2517.

Mr. Speaker, I have no further requests for time.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again the gentleman from Michigan, the distinguished chairman of the Subcommittee in Libraries and Memorials, has described S. 2517 accurately, in my judgment. It does provide for the renaming of what we have come to know around here as the Library of Congress Building as the Thomas Jefferson Building, the annex behind it, the John Adams Building, and, of course, the new building, of which we are so justly proud, maintains its name as the James Madison Building.

Mr. Speaker, this designation completes the honoring of three giants of our history whose work is associated with the creation and the development of the Library of Congress. It is absolutely appropriate. I hope the bill is passed. I know of no objection to it.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the Senate bill, S. 2517.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTOMOBILE FUEL EFFICIENCY ACT OF 1980

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2475) to amend title V of the Motor Vehicle Information and Cost Savings Act, "Improving Automotive Efficiency," to exempt very low-volume automobile manufacturers from certain requirements of the act, to encourage increase of the domestic value added content in labor and materials of foreign automobiles sold in the United States, to extend the time available to all manufacturers for carry forward or carry back of credits earned under the act, and for other purposes, as amended.

The Clerk read as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Automobile Fuel Efficiency Act of 1980".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Fuel efficiency standards applicable to small manufacturers.
Sec. 4. Modification of local content requirements to encourage domestic production of fuel efficient automobiles.
Sec. 5. Adjustments regarding standards for light-duty trucks.
Sec. 6. Determinations of unlawful conduct; 3-year carryforward and carryback.
Sec. 7. Exemptions for emergency vehicles.
Sec. 8. Technical, clerical, and conforming amendments.
Sec. 9. Effective date.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the United States is currently importing significant quantities of the petroleum used in the United States;

(2) automobile fuel usage accounts for a major portion of petroleum use within the United States; and

(3) the manufacture and use of more fuel efficient automobiles would reduce the dependence of the United States on imported petroleum.

(b) PURPOSES.—It is the purpose of this Act—

(1) to amend certain Federal automobile fuel economy requirements to improve fuel efficiency, and thereby facilitate conservation of petroleum and reduce petroleum imports, and

(2) to provide full employment in the domestic automobile manufacturing sector.

SEC. 3. FUEL EFFICIENCY STANDARDS APPLICABLE TO SMALL MANUFACTURERS.

(a) STANDARDS.—(1) Section 502(c) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(c)) is amended by inserting "(1)" after "(c)", and by adding at the end thereof the following new paragraph:

"(2) Any manufacturer may elect in any application submitted under paragraph (1) to consolidate the applications for, and administrative determinations regarding, exemptions and alternative average fuel economy standards for two or more of the model years after model year 1981 and before model year 1985.".

(2)(A) The Secretary of Transportation shall review the requirements and procedures established pursuant to section 502(c)(1) of such Act (as redesignated by this subsection) as soon as practicable after the date of the enactment of this Act and modify such requirements and procedures to the maximum extent practicable in order to further reduce administrative burdens on such applicants and the Secretary, and expedite determinations regarding such applications.

(B) The Secretary shall notify the Congress of the review and actions taken or to be taken under this paragraph in the first annual report to the Congress which is made under section 512 of such Act after the completion of such review.

(b) CERTAIN REPORTING REQUIREMENTS.—Section 505(a) of such Act (15 U.S.C. 2005(a)) is amended by inserting at the end thereof the following new paragraph:

"(4) The provisions of this subsection shall not apply to any manufacturer for any model year for which that manufacturer is subject to alternative average fuel economy standards under section 502(c).".

SEC. 4. MODIFICATION OF LOCAL CONTENT REQUIREMENTS TO ENCOURAGE DOMESTIC PRODUCTION OF FUEL EFFICIENT AUTOMOBILES.

(a) CERTAIN NEW DOMESTIC MANUFACTURERS.—(1) Section 503(b) of such Act (15 U.S.C. 2003(b)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) After consideration of a petition (and comments thereon) for an exemption from the provisions of paragraph (1) filed by a new domestic manufacturer, the Secretary shall, by order, grant an exemption from such provisions for passenger automobiles manufactured by that manufacturer during the period provided for in such order, if the Secretary finds, after notice and reasonable opportunity for written or oral comment, that the manufacturer has demonstrated for such period that the proposed exemption—

"(i) would promote employment in the United States related to motor vehicle manufacturing, and

"(ii) would reduce the volume of parts and supplies imported into the United States and used in automobiles manufactured by that manufacturer.

"(B) In making any finding under subparagraph (A), the Secretary shall take into consideration any benefits available under the amendments made by the Automobile Fuel Efficiency Act of 1980.

"(C) For purposes of this paragraph, the term 'new domestic manufacturer' means—

"(i) any manufacturer which began automobile production or assembly in the United States after December 22, 1975, and before May 1, 1980; or

"(ii) any manufacturer which began automobile production or assembly in the United States on or after May 1, 1980, and has engaged in such production or assembly in the United States for at least one model year ending on or before December 31, 1985.

"(D) Any decision by the Secretary to grant or deny an exemption under subparagraph (A) shall be made, and notice thereof published in the Federal Register, not later than 120 days after the date of the petition for that exemption. The Secretary may extend such period to a specified date if the Secretary publishes notice thereof in the Federal Register, together with the reasons for such extension. Any decision by the Secretary on such exemption shall become final 30 days after the publication of such notice unless a petition for judicial review is filed under subparagraph (E).

"(E) Any person adversely affected by a decision on such an exemption may, not later than 30 days after publication of notice of such decision, file a petition for review of such decision with the United States Court of Appeals for the District of Columbia or for the circuit in which such person resides, or in which the principal place of business of such person is located. The United States court of appeals involved shall have jurisdiction to review such decision in accordance with section 706(2) (A) through (D) of title 5, United States Code, and to affirm, remand, or set aside the decision of the Secretary. Except as otherwise provided in this subparagraph, section 504(c) and (d) shall apply to such review to the same extent and manner as it applies with respect to review of any rule prescribed under this section or section 501, 502, or 506.

"(F) Notwithstanding section 502(j), in the case of any model year for which an exemption has been granted to any new domestic manufacturer under this subsection—

"(i) no credit may be earned under section 502(j)(1)(B) by the manufacturer; and

"(ii) no credit may be made available under section 502(j)(1)(C) for the manufacturer.".

(2) Section 512 of such Act (15 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(c)(1) After an exemption has been granted under section 503(b)(3), the Secretary and the Secretary of Labor shall annually conduct a joint examination of the extent to which the amendment made to section 503(b)(3) by section 4(a)(1) of the Automobile Fuel Efficiency Act of 1980—

"(A) achieves the purposes of that Act and this part, including whether such amendment has promoted employment in the United States related to motor vehicle manufacturing,

"(B) has not caused undue harm to the motor vehicle manufacturing sector in the United States, and

"(C) has permitted any manufacturer that has assembled passenger automobiles which are considered domestically manufactured under section 503(b)(2)(E) to thereafter assemble in the United States passenger automobiles of the same model type which have less than 75 percent of their value added in the United States or Canada, together with the reasons for such action.

"(2) The Secretary shall include the results of such examination in each annual report that is made to the Congress under subsection (a) more than 180 days after an exemption has been granted under section 503(b)(3) of this subsection, or transmit the results of such examination directly to the Congress before such a report in any case in which circumstances so warrant.".

(b) TRANSITION PROVISIONS FOR CERTAIN NEW DOMESTIC PRODUCTION.—Section 503(b) of such Act (15 U.S.C. 2003(b)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) If a plan has been submitted by a manufacturer and approved by the Secretary under subparagraph (B), the EPA Administrator shall for each of the four model years covered by such plan include under paragraph (1)(A) (and exclude under paragraph (1)(B)) with respect to that manufacturer not more than 150,000 passenger automobiles which are manufactured by that manufacturer but which do not qualify as domestically manufactured if—

"(i) the model type or types involved have not previously been domestically manufactured;

"(ii) at least 50 percent of the cost to the manufacturer of each such automobile is attributable to value added in the United States or Canada;

"(iii) in the case of any such automobile the assembly of which is completed in Canada, that automobile is imported into the United States not later than 30 days following the end of the model year involved; and

"(iv) such automobile model type or types are domestically manufactured before the close of the fourth model year covered by such plan.

"(B)(i) A manufacturer may submit to the Secretary for approval a plan, including supporting material, which shall set forth the actions, and the dates by which such actions are to be taken, which will assure that the automobile model type or types referred to in subparagraph (A) will be domestically manufactured before the end of the fourth model year covered by such plan.

"(ii) The Secretary shall promptly consider and act upon any plan submitted under this subparagraph. The Secretary shall approve any such plan unless—

"(I) the Secretary finds that the plan is inadequate to meet the requirements of this paragraph, or

"(II) the manufacturer has previously submitted a plan which has been approved by the Secretary under this paragraph.

"(C) This subparagraph shall only apply with respect to model years beginning after model year 1980.".

(c) CONFORMING AMENDMENTS.—(1) Section 501(8) of such Act (15 U.S.C. 2001(8)) is amended by adding at the end thereof the following new sentence: "Such term also includes any predecessor or successor of such a manufacturer to the extent provided under rules which the Secretary shall prescribe.".

(2) Section 503(b)(1) of such Act (15 U.S.C. 2003(b)(1)) is amended—

(A) in subparagraph (A), by inserting "and passenger automobiles which are included within this category pursuant to paragraph (3)" after "manufactured by such manufacturer"; and

(B) in subparagraph (B), by inserting "and which are not included in the domestic category pursuant to paragraph (3)" after "manufactured by such manufacturer".

(3) Section 503(b)(2)(F) of such Act (15 U.S.C. 2003(b)(2)) is amended by striking out "or 1979," and inserting in lieu thereof "or any subsequent model year,".

SEC. 5. ADJUSTMENTS REGARDING STANDARDS FOR LIGHT-DUTY TRUCKS.

Section 502 of such Act (15 U.S.C. 2002), as amended, is further amended by adding at the end thereof the following new subsection:

"(k)(1) On the petition of any manufacturer for any model year beginning after model year 1981 and before model year 1986, the Secretary may conduct an examination of the impacts of any standard under subsection (b) on that manufacturer or a class of manufacturers. If after consideration of the results of that examination the Secretary finds in accordance with paragraph (2) that the manufacturer has demonstrated that such manufacturer or class of manufacturers would not otherwise be able to comply with such standard for that model year without causing severe economic impacts, such as plant closures or reduction in employment in the United States related to motor vehicle manufacturing, the Secretary shall, by order, make an adjustment or otherwise provide relief regarding—

"(A) the manner by which the average fuel economy of that manufacturer or class of manufacturers is calculated for purposes of that standard, or

"(B) other aspects regarding the application of that standard to the manufacturer or class of manufacturers to the extent consistent with the provisions of this title.

"(2) Any finding by the Secretary under paragraph (1) shall be made (A) after notice and a reasonable opportunity for written or oral comment, and (B) after consideration of the benefits available under the amendments made by the Automobile Fuel Efficiency Act of 1980.

"(3) The authority of the Secretary under this subsection to make any adjustment or provide other relief shall not be effective for any model year after model year 1985.

"(4) The Secretary shall notify the Congress of any adjustment or other relief provided under this subsection in the first annual report submitted to the Congress under section 512 after the order is issued providing for that adjustment or relief.

"(5) Any final decision of the Secretary under this subsection shall be made, take effect, and be subject to judicial review to the same extent and in the same manner as is provided for under section 503(k) in the case of new domestic manufacturers.

"(6) The availability of any adjustment or other relief under this subsection shall not be taken into account in prescribing standards under subsection (b).".

Sec. 6. Determinations of Unlawful Conduct; 3-Year Carryforward and Carryback.

(a) Unlawful Conduct.—Section 507 of such Act (15 U.S.C. 2007) is amended—

(1) by striking out "The" and inserting in lieu thereof "(a) Subject to subsection (b), the"; and

(2) by adding at the end thereof the following new subsection:

"(b) A manufacturer shall not be considered to have engaged in unlawful conduct, or to have failed to comply with any fuel economy standard applicable to such manufacturer under section 502, if the average fuel economy of such manufacturer, after taking into account the credits then available to the manufacturer under section 502(j), would result in the applicable standard being met or exceeded.".

(b) 3-Year Carryforward and Carryback of Credits.—Section 502 of such Act (15 U.S.C. 2002) is amended by adding at the end thereof the following new subsection:

"(j)(1)(A) For purposes of this part, credits under this subsection shall be considered to be available to any manufacturer upon the completion of the model year in which such credits are earned under subparagraph (B) unless under subparagraph (C) the credits are made available for use at a time prior to the model year in which earned.

"(B) Whenever the average fuel economy of the passenger automobiles manufactured by a manufacturer in a particular model year exceeds an applicable average fuel economy standard established under subsection (a) or (c) (determined by the Secretary without regard to any adjustment under subection (d) or any credit under this subsection), such manufacturer shall be entitled to a credit, calculated under subparagraph (C), which—

"(i) shall be available to be taken into account with respect to the average fuel economy of that manufacturer for any of the three consecutive model years immediately prior to the model year in which such manufacturer exceeds such applicable average fuel economy standard, and

"(ii) to the extent that such credit is not so taken into account pursuant to clause (i), shall be available to be taken into account with respect to the average fuel economy of that manufacturer for any of the three consecutive model years immediately following the model year in which such manufacturer exceeds such applicable average fuel economy standard.

"(C)(i) At any time prior to the end of any model year, a manufacturer which has reason to believe that its average fuel economy for passenger automobiles will be below such applicable standard for that model year may submit a plan demonstrating that such manufacturer will earn sufficient credits under subparagraph (B) within the next 3 model years which when taken into account would allow the manufacturer to meet that standard for the model year involved.

"(ii) Such credits shall be available for the model year involved subject to—

"(I) the Secretary approving such plan; and

"(II) the manufacturer earning such credits in accordance with such plan.

"(iii) The Secretary shall provide notice to any manufacturer in any case in which the average fuel economy of that manufacturer is below the applicable standard under subsection (a) or (c), after taking into account credits available under subparagraph (B)(i), and afford the manufacturer a reasonable period (of not less than 60 days) in which to submit a plan under this subparagraph.

"(D) The amount of credit to which a manufacturer is entitled under this paragraph shall be equal to—

"(i) the number of tenths of a mile per gallon by which the average fuel economy of the passenger automobiles manufactered by such manufacturer in the model year in which the credit is earned pursuant to this paragraph exceeds the applicable average fuel economy standard established under subsection (a) or (c), multiplied by

"(ii) the total number of passenger automobiles manufactured by such manufacturer during such model year.

"(E) The Secretary shall take credits into account for any model year on the basis of the number of tenths of a mile per gallon by which the manufacturer involved was below the applicable average fuel economy standard for that model year and the volume of passenger automobiles manufactured that model year by the manufacturer. Credits once taken into account for any model year shall not thereafter be available for any other model year. Prior to taking any credit into account, the Secretary shall provide the manufacturer involved with written notice and reasonable opportunity to comment thereon.

"(2) Credits for manufacturers of automobiles which are not passenger automobiles shall be earned and be available to be taken into account for model years in which the average fuel economy of such class of automobiles is below the applicable average fuel economy standard established under subsection (b) to the same extent and in the same manner as provided for under paragraph (1). Not later than 60 days after the date of the enactment of this subsection, the Secretary shall prescribe regulations to carry out the provisions of this paragraph.

"(3) Whenever a civil penalty has been assessed and collected under section 508 from a manufacturer who is entitled to a credit under this subsection, the Secretary of the Treasury shall refund to such manufacturer the amount of the civil penalty so collected to the extent that penalty is attributable to credits available under this subsection.

"(4) The Secretary may prescribe rules for purposes of carrying out the provisions of this subsection.".

(c) Conforming Amendments.—(1) Subsections (a) and (b) of section 508 of such Act (15 U.S.C. 2008) are each amended by striking out "507(1)", "507(2)", "507(3)", and "507 (1) or (2)" each place such terms appear and inserting in lieu thereof "507(a)(1)", "507(a)(2)", "507(a)(3)", and "507(a) (1) or (2)", respectively.

(2) Section 508(a) of such Act (15 U.S.C. 2008(a)) is amended by striking out paragraph (3).

(3) Subparagraphs (A) and (B) of section 508(b)(1) of such Act (15 U.S.C. 2008) are each amended—

(A) by striking out "(i) $5 for each tenth" and inserting in lieu thereof "the amount obtained by multiplying $5 by (i) the number of tenths";

(B) by striking out "by (ii) the total" and inserting in lieu thereof "by the"; and

(C) by striking out the period at the end thereof and inserting in lieu thereof ", reduced by (ii) the credits then available under section 502(j) for such model year".

(4) Section 508(d) of such Act (15 U.S.C. 2008(d)) is amended by striking out paragraph (4).

(d) Effective Date.—Under such regulations as the Secretary of Transportation shall prescribe, the amendments made by this section shall apply to the 3 model years preceding the model year during which this Act is enacted.

Sec. 7. Exemption for Emergency Vehicles.

Section 502 of such Act (15 U.S.C. 2002) is amended by redesignating subsection (g) and the following two subsections as subsections (h), (i), and (j), respectively, and by inserting after subsection (f) the following new subsection:

"(g)(1) At the election of any manufacturer, the fuel economy of any emergency vehicle shall not be taken into account in applying any fuel economy standard prescribed by or under subsection (a), (b), or (c). Any manufacturer electing to have the provisions of this subsection shall provide written notice of that election to the Secretary and to the Environmental Protection Agency Administrator.

"(2) For purposes of paragraph (1), the term 'emergency vehicle' means any automobile manufactured primarily for use—

"(A) as an ambulance or combination ambulance-hearse,

"(B) by the United States or by a State or local government for police or other law enforcement purposes, or

"(C) for other emergency uses prescribed by the Secretary of Transportation by regulation.".

Sec. 8. Technical, Clerical, and Conforming Amendments.

(a)(1) The table of contents for such Act is amended by striking out the item relating to part A.

(2) Section 2 of such Act (15 U.S.C. 1901) is amended by striking out "except part A of title V" and inserting in lieu thereof "except title V".

(3) Title V of such Act is amended by striking out the designation relating to part A.

(b) Section 501(9) of such Act (15 U.S.C. 2001(9)) is amended by striking out "manufacturer" and inserting in lieu thereof "manufacture".

(c) Section 502(b) of such Act (15 U.S.C. 2002(b)) is amended by striking out "and shall be" and inserting in lieu thereof "and such standards shall be".

(d) Section 502(d)(3)(E) of such Act (15 U.S.C. 2002(d)(3)(E)) is amended by striking out "subparagraph," and inserting in lieu thereof "subsection,".

(e) Section 503(b)(2)(A)(ii)(I) of such Act (15 U.S.C. 2003(b)(2)(A)(ii)(I)) is amended by striking out "base" the last place it appears.

(f) Section 508(b)(1)(A) of such Act (15 U.S.C. 2008(b)(1)(A)) is amended by inserting before ", shall be" the following "with respect to any model year".

SEC. 9. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan (Mr. DINGELL) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. STOCKMAN) will be recognized for 20 minutes.

The Chairman recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, the bill before us, S. 2475, the Automobile Fuel Economy Amendments of 1980, is a bill designed to provide manufacturers with the necessary flexibility to improve fuel economy and to increase employment in the domestic automobile industry. Many of the bill's provisions were recommended by the Department of Transportation. The bill passed the Senate on April 16. The bill was reported by the committee on May 14 and received bipartisan support.

Mr. Speaker, I want to make clear at the outset that this legislation is not designed to alter the fuel economy standards established in 1975, nor should it result in decreased fuel economy. I am proud of the forward looking standards established in 1975 and I have no intention to retreat from those goals. The recent market trends make clear that the American consumer wants greater fuel efficiency, and there is no reason to reduce our commitment to doubling fuel economy over the 10-year period ending in 1985.

The legislation is crafted to achieve three major purposes. First, the bill would expand the flexibility provided to manufacturers to meet fuel economy standards. The 3-year carryforward/carryback provision, which was recommended by the Department of Transportation will permit a manufacturer to meet standards based upon an appropriate schedule. The Transportation Department states that this provision will not reduce fuel economy, particularly in light of present market pressures to produce fuel efficient vehicles. Some manufacturers probably will never need this provision. But others may need it.

Second, the bill makes several technical changes in the law which will reduce administrative burdens. The provisions of the Energy Policy and Conservation Act were enacted nearly 5 years ago. Since then, we have learned much about its operation, and are now able to modify its provisions to make the law more workable.

Third, the bill will increase employment in the domestic auto industry by removing unintended barriers for foreign manufacturers who have chosen to begin manufacturing in the United States. Unemployment in the automobile industry is reaching 300,000 and we can do something about that problem today by approving provisions in this legislation which will encourage manufacturers to increase the local content in their automobiles.

Mr. Speaker, in conclusion, I wish to point out that while I endorse these amendments to the fuel economy provisions of the Energy Policy and Conservation Act, I will be reluctant to support amendments in the future. With these amendments, manufacturers should have sufficient flexibility to meet and exceed automobile fuel economy standards and I expect them to do so. I will not look kindly on later attempts to modify the statute, because of any professed inability to meet a standard, or because of a concern that a penalty will hurt in the marketplace.

The following is a more detailed explanation of the provisions of the bill as reported by the committee, as well as background for the bill:

BACKGROUND AND NEED

In 1975, the Energy Policy and Conservation Act was enacted. Included among its provisions was a fuel economy program. The program operates by establishing Corporate Average Fuel Economy (CAFE) standards for all automobile manufacturers. These standards, which are based upon the average fuel economy of the automobiles sold by a manufacturer in the United States, were established on a year-by-year schedule, raising fuel economy from an average of 14 mpg in 1975 to 27.5 mpg in 1985.

To date, the manufacturers have been meeting the standards. In its third annual report, the Department of Transportation, which administers the program, requested that Congress adopt several amendments to the program to improve fuel economy and to modify certain provisions to increase employment in the domestic automobile manufacturing sector. The bill incorporates these recommendations with additional modifications. The DOT staff has reviewed the Committee Print and have indicated that it is generally consistent with the DOT recommendations.

SECTION-BY-SECTION ANALYSIS OF THE COMMITTEE ACTION

SECTION 1—SHORT TITLE: TABLE OF CONTENTS

The Act is entitled the "Automobile Fuel Efficiency Act of 1980".

SECTION 2—FINDINGS AND PURPOSES

The findings and purposes relate to the need to improve automobile fuel efficiency to reduce the Nation's dependence on imported petroleum and to provide full employment in the domestic automobile manufacturing sector. It is the intent of the Committee that improvements in fuel economy not be reduced.

SECTION 3—FUEL EFFICIENCY STANDARDS APPLICABLE TO SMALL MANUFACTURERS

Under present law, standards are applicable to all automobile manufacturers. However, small manufacturers (producing less than 10,000 autos per year) may apply each year for an exemption. If the Secretary of Transportation exempts a manufacturer, he must establish an alternative standard, which can be the same each year or a different standard each model year. Both DOT and small manufacturers have testified that the process involves an undue administrative burden. DOT recommended deletion of the requirement. The Senate bill adopted that recommendation.

In a May 6, 1980 letter to the Subcommittee on Energy and Power, DOT said:

"The current provisions for establishment of alternative standards for low volume manufacturers have minimal potential for saving any fuel. Further, the implementation of the current provisions places a disproportionate administrative burden on us, and more importantly, on these small companies. While we understand the desire to induce the manufacturers to improve the fuel economy, the gas guzzler tax will have much more impact on them than do the fuel economy standards. In the absence of any significant benefits, we believe that the unproductive regulatory burden on these low volume manufacturers should be eliminated. The Administration bill eliminates this burden is therefore preferable in our view to the subcommittee print which would continue the current standard-setting process."

The Committee did not agree with DOT that this requirement should be deleted entirely. The Committee believed that the wrong signals would be provided to the public and the manufacturers if these vehicles, even in small number, are allowed to avoid the standards as recommended by DOT. Some are luxury cars, such as the Rolls-Royce, and others are heavy duty taxicabs, like Checker. The gas guzzler tax will have some, but not a great effect on their buyers. The Committee's report (H. Rept. 96–1026) discusses this point in greater detail (pp. 13–14).

Instead, in order to reduce the burden on both DOT and the small manufacturers, the bill permits DOT to combine model years after 1981 and before 1985 into a single proceeding upon request of the manufacturer and adopt standards for those years in the one proceeding: neither DOT nor the manufacturer would be required to act each year. In addition, small manufacturers are exempted from certain reporting requirements.

This approach is sounder than an absolute repeal, because it ensures that a reasonable fuel economy standard will apply to these domestic and foreign small manufacturers.

SECTION 4.—MODIFICATION OF LOCAL CONTENT REQUIREMENTS TO ENCOURAGE DOMESTIC PRODUCTION OF FUEL EFFICIENT AUTOMOBILES

Subsection (a) is designed to provide incentives to new domestic manufacturers to increase the local content of their vehicles. It is a "jobs related" provision. Under present law, manufacturers must separate their domestically manufactured fleet from their imports for purposes of fuel economy standards. "Domestically manufactured" is defined to mean 75 percent local content. A foreign manufacturer which begins domestic production of passenger automobiles can therefore combine his domestic and foreign fleets only if he keeps the local content of his U.S. automobiles at less than 75 percent. Existing law, therefore, has thus discouraged the use of U.S. materials in these autos.

The DOT recommended an amendment to permit all foreign manufacturers to combine their domestic and imported autos in a single average fuel economy calculation. The Senate adopted the DOT proposal.

This subsection, as adopted by the Committee, amends the law to provide that in the case of a manufacturer who began domestic production of passenger autos after the enactment of EPCA, but before May 1, 1980, the manufacturer can increase the local content of the domestic automobiles while still maintaining a single fleet for purposes of fuel economy standards. It is believed that only Volkswagen Motors would benefit from this provision, as noted in the Committee's report (p. 15).

Several domestic manufacturers testified in opposition to the provision as passed by the Senate and recommended by DOT. They were concerned that it will encourage foreign automakers to import more vehicles into the U.S. of the less fuel efficient type, while manufacturing the more fuel efficient autos in the U.S. The Committee noted, however.

that under present law, they can do this so long as the local content is below 75 percent.

The Committee agreed with DOT and the United Auto Workers that the provision is needed to help attract jobs and that it should not benefit one firm, namely Volkswagen. However, the Committee also believed that the concerns of the U.S. firms were not totally unfounded, particularly since only Volkswagen has actually begun manufacturing in the U.S. and provided jobs.

Thus, the section applies to a second category of manufacturers.

The second category includes those that commence domestic production or assembly of passenger autos on or after May 1, 1980 and actually engage in such production or assembly for at least one model year by December 31, 1985. This provision could apply to Japanese manufacturers. It will also ensure that they not be able to apply for the benefits of the section until they actually produce with U.S. employees just as Volkswagen did. The provision in the bill can be utilized only if a manufacturer petitions DOT to make the provision effective for a period of time, as determined by DOT, with respect to the manufacturer's operations. The petitioner must demonstrate that making the provision effective will increase employment and decrease imports of supplies for its automobiles. DOT and Labor are required to monitor the effects of the provision annually and to report to Congress, to the end that Congress could terminate the provision if it is not utilized as expected. The bill also provides that the DOT must consider the other benefits of this bill before granting the petition. If they are adequate, the petition probably should not be granted by DOT. Lastly, the bill provides that for the period of the exemption, the new manufacturer is not able to utilize the carryback-carryforward provisions of the law provided by this bill. The limitation on the eligible manufacturers, the requirement for a finding by DOT, the elimination of the carryback-carryforward benefits for those manufacturers, the period of time, and the annual report requirement are designed to meet some of the valid concerns of domestic manufacturers.

The DOT's letter objected to the petition requirement because of the administrative burden. The Committee thinks that the benefits outweigh the burden, if any.

Subsection (b) provides an opportunity for any manufacturer to import up to 150,000 passenger automobiles for inclusion in the company's CAFE provided certain conditions are met. The model type must never have been domestically manufacturered, at least 50 percent of the content of the autos must be domestic, and within four model years the automobiles must be domestically manufactured (at least 75 percent). The manufacturer must set out its program in a plan subject to DOT's approval. The subsection provides a transition mechanism for domestic manufacture of certain automobile model types.

This provision is similar to one in the Senate bill. The differences are largely for technical and clarifying purposes.

In its letter, the DOT said:

"The subcommittee print would add a provision to the law intended primarily to permit American Motors Corporation to include in its calculation of domestic average fuel economy certain vehicles which it will be producing in conjunction with Renault. We believe that the proposed provision for three-year carryback/carry forward of credits should be sufficient to reach any problem that AMC faces as a result of their new relationship with Renault. However, if the committee incorporates a provision to deal with the AMC problem in a final bill, the burden of proof with respect to approval of the manufacturer's plan should be with the company requesting to take advantage of this special exemption since the company, not the Secretary, would be in possession of all the relevant information."

The Committee bill adequately meets the DOT objection regarding the obtaining of information. Moreover, the DOT need not approve the plan if it is "inadequate". It is not intended that this burden be great.

SECTION 5—ADJUSTMENTS REGARDING STANDARDS FOR LIGHT-DUTY TRUCKS

Congress did not set truck standards. Instead, Section 502(b) of the Act directs the DOT to prescribe "average fuel economy standards" for trucks and vans. The law allows DOT to provide for separate standards for different classes of trucks. It also provides that the standard be set at a level the DOT determines is the "maximum feasible average fuel economy level which such manufacturers are able to achieve in any model year" considering the matters referred to in section 502(e) of the Act. The DOT has established these standards by rule.

In establishing the standards, the DOT recognized that they may be at a level that is too high for the "least capable manufacturer" such as Chrysler. But the DOT did not believe it wise or consistent with the Act's conservation purpose to set the standard at the level Chrysler could achieve, since it would, according to the DOT, "be below the maximum level which the other manufacturers can meet". To meet the Chrysler problem, DOT notes that its only other course is to assess a civil penalty against Chrysler for any violation and thereafter compromise, modify, or remit it, with or without conditions, to the extent—

(A) necessary to prevent the insolvency or bankruptcy of Chrysler;

(B) Chrysler shows that violation resulted from an act of God, a strike or fire; or

(C) the Federal Trade Commission certifies that modification is necessary to prevent a substantial lessening of competition.

The DOT states that it prefers this approach. Indeed, DOT said that given Chrysler's "current financial troubles, it is likely that such a (FTC) finding would be made and potential penalties waived". However, no one can predict that the FTC which is an independent agency will do this, nor can one predict what impact the assessment of a penalty after a determination of a violation will have on Chrysler's sales generally.

Section 5 of the bill seeks to give DOT added flexibility to deal with this problem prior to such a finding of violation and assessment. It is limited to trucks only. It is generic. The manufacturer must petition DOT to examine the impacts of the standard. The DOT may reject such a request. Even if DOT does examine the matter, the manufacturer must show severe economic impacts, such as plant closures or reduction of employment as a result of the standard, not the penalty. Also, the DOT must consider the other benefits of this Act to see if they adequately deal with the matter. If the DOT grants the petition, it has the added flexibility to fashion the limited relief needed without changing the standard and consistent with the Act's purposes. The DOT does not have this flexibility now. The section provides an opportunity for a hearing, and the decision is subject to judicial review.

The DOT recommended that there be a sunset provision on this section. The bill terminates this authority at the end of model year 1985. Finally, these provisions shall not be considered by DOT in setting future standards.

SECTION 6—DETERMINATIONS OF UNLAWFUL CONDUCT; CARRYFORWARD AND CARRYBACK

This section was recommended by DOT.

This section modifies provisions in existing law with respect to credits given to manufacturers who have exceeded CAFE standards for either passenger automobiles or light-duty trucks. The provision is designed to provide greater incentives for exceeding standards and to provide greater flexibility to manufacturers in developing plans to meet standards. The carryforward/carryback provision was recommended by the Department of Transportation and passed the Senate. It has been revised by the Staff to meet a number of technical problems in the Senate and DOT approach. The DOT supports the revised version. The DOT assured the Subcommittee that it will not adversely affect the present drive for fuel economy.

Under existing law, a manufacturer who exceeds a CAFE standard in a given model year may apply the credits he has earned towards any penalties incurred in either the previous model year or the subsequent model year. Section 5 modifies this provision in two ways. First, the period for carrying forward or carrying back credits is extended from one to three model years. Second, the provisions defining unlawful conduct are amended to make clear that a manufacturer which has otherwise failed to have met a standard may nevertheless be considered to meet the standard, and to be engaged in lawful conduct, if it has a plan approved by DOT which describes how it intends to earn sufficient credits in future years, and then actually earns the credits.

SECTION 7—EXEMPTION FOR EMERGENCY VEHICLES

This section amends existing law to exempt emergency vehicles from the calculation of a manufacturer's average fuel economy. The definition of emergency vehicles is identical to the definition used in the Energy Tax Act of 1978 which exempts such vehicles from the Gas Guzzler Tax. This provision was recommended by the witness for the United Auto Workers. The DOT does not object to it.

SECTION 8—TECHNICAL, CLERICAL, AND CONFORMING AMENDMENTS

The staff has identified several technical problems in the existing law. These problems are not substantive, and include such things as typographical errors. This section remedies these errors.

SECTION 9—EFFECTIVE DATE

Except as otherwise provided, the amendments shall take effect on the date of enactment.

Mr. Speaker, I urge support for this bill, as amended, and urge an "aye" vote.

□ 1310

Mr. STOCKMAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the legislation before us might best be described as a series of necessary technical corrections and adjustments. In no way is the legislation represented as a basic departure in terms of policy or any major changes in terms of the thrust of our fuel efficiency program. But the two significant changes I think are important, and it is important that the House adopt them and send them to the President for his signature very expeditiously.

The first permits flexibility in terms of year-to-year compliance with the improvement timetable that has been established under the law and implemented by DOT.

This in no way reduces or erodes the goal of 27.5 miles per gallon in 1985 but simply permits each manufacturer to have some flexibility along the way so that their own product development and product improvement plans might be done at the least cost and most efficiency.

Second, the changes deal with the question of the domestic manufacturing concept. In no way do they undermine the goal of improving the fuel efficiency of cars marketed in this country, but these provisions are designed to insure that more of these fuel-efficient cars are manufactured here and that more of their components and parts will be manufactured here in the future.

I think that this is a very constructive piece of legislation. I would urge that it be adopted by the House.

Mr. Speaker, I rise in support of S. 2475, the Automobile Fuel Efficiency Act of 1980.

This bill, reported out of the Committee on Interstate and Foreign Commerce by voice vote, is an important first step in realining the fuel efficiency regulations of the Department of Transportation with the very real hardships now facing the automobile industry. This bill will make it easier for the industry to meet the demands of the market, namely, producing more fuel efficient cars and trucks.

Mr. Speaker, it is important to note that S. 2475 enjoys a broad consensus of support among Republicans and Democrats, among labor and industry, and among the officials of the Department of Transportation. My colleagues on the Subcommittee on Energy and Power and I worked together well to draft this legislation. The Automobile Fuel Efficiency Act of 1980 amends the Motor Vehicle Information and Cost Savings Act to:

First, reduce administrative burdens on both manufacturers and on Government;

Second, encourage domestic employment in the industry;

Third, expand the manufacture of fuel-efficient cars in this country;

Fourth, provide an administrative procedure for adjustments in the application of fuel economy standards on light-duty trucks;

Fifth, extend the present 1-year carryforward-carryback provision to a more flexible 3-year period; and

Sixth, exempt police cars, ambulances, and other emergency vehicles from the strictures of the fuel economy regulations.

Mr. Speaker, the best description of this bill is that it is a collection of essential but technical changes in the present regulations. With these technical changes, the industry will be better able to produce more efficient automobiles, and to produce them domestically. We all can agree that these are admirable and necessary goals. The distinguished chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL), is fond of saying that this bill does not compromise the goal of fuel efficiency at all. In fact, the only exemption from the regulations which S. 2475 provides is for police cars and ambulances—and is itself a technical change to reflect a similar exemption we adopted for such vehicles from the so-called gas guzzler tax.

Sections 1 and 2 of the bill contain the short title and the findings and purposes. As I have already noted the purpose of the bill, I will briefly describe the five technical amendments.

Section 3 is designed to reduce the administrative burdens on both small manufacturers—those producing less than 10,000 vehicles per year—and on the Government in the application of fuel economy regulations.

The Department of Transportation has processed eight exemption applications by small manufacturers since 1975, and has granted all of them. This technical amendment will allow the Department to combine into one proceeding similar applications for all model years through model year 1985.

This section does not exempt these small manufacturers, as does the Senate bill, but rather provides an expedited procedure to permit the Secretary of Transportation to adopt alternative fuel efficiency standards for this class of manufacturers.

It reduces, therefore, the administrative burden without having a negative impact on fuel economy.

Section 4(a) of the bill is designed to remove an unintended and technical disincentive now in the regulations which is holding down the domestic manufacture of automobiles by companies which previously imported their entire fleet. This section, therefore, seeks to expand employment in the United States by new domestic manufacturers.

Mr. Speaker, under present law, manufacturers must separate their domestically manufactured fleet from their imports for purposes of fuel economy standards. "Domestically manufactured" is defined to mean 75 percent local content. A foreign manufacturer which begins domestic production of automobiles can therefore combine his domestic and foreign fleets only if he keeps the local content of his U.S. automobiles at less than 75 percent. Existing law, therefore, tends to discourage the use of U.S. materials in these autos.

This technical amendment will give the go-ahead to Volkswagen of America to increase the domestic content of the Rabbits it now manufactures in Pennsylvania. Volkswagen also plans to open new plants in the United States, including one in Michigan, if this technical disincentive is removed.

The committee also provided that other new domestic manufacturers can take advantage of this change if they plan to produce domestically a full model year prior to the end of 1985. This provision was added without controversy by my colleague, the gentleman from Ohio (Mr. BROWN). The Honda Motor Co. has announced its intention to begin manufacturing cars in the United States, and the committee did not want to discourage this expansion of employment by leaving the same technical obstacle in place.

Section 4(b) of the bill removes a different set of technical obstacles from the chosen path of the American Motors Corp., AMC, as my colleagues know, began a new relationship with the Renault Corp. of France. Under this relationship, AMC will, over the course of the next several years, manufacture Renaults in the United States. To allow this to occur, requires this technical amendment. The twin goals of fuel efficiency and domestic manufacture are hereby advanced.

Section 5 is a technical change adopted by the subcommittee at my request. It grants the Department the administrative flexibility to make adjustments in the application of fuel economy standards on light duty trucks for a manufacturer which can demonstrate that severe economic consequences will result without such relief. This new procedure is generally applicable to all manufacturers, and will not result in a lowering of the actual regulated efficiency standard.

The present need for this procedure is the dire circumstances of the Chrsyler Corp. The fuel economy standard for light duty trucks poses a particularly painful effect upon Chrysler. This company may be unable to meet the standard without this relief but also unable to withstand the civil penalty, with its attendant publicity, of missing the standard. This amendment grants the Department the authority to provide relief to Chrysler, if it applies and meets the criteria, without relaxing the actual fuel economy standard.

Section 6 of the bill extends the present carryforward-carryback provision from a 1-year period to a 3-year period. This technical change is supported by manufacturers and regulators alike. As it will result in greater flexibility to the manufacturers but not a relaxation of the regulations, it will result in the more economic production of fuel efficient automobiles.

Section 7 is the last of the technical amendments and the only provision of the bill containing an outright exemption from the fuel economy regulations. Exempted from the CAFE standards are vehicles sold by manufacturers for emergency purposes. These include police cars and ambulances, and other similar vehicles as the Secretary may by rule prescribe.

This corrects an oversight in the original regulatory statute and is identical to the exemption we provided in the so-called gas guzzler tax. Clearly, there is no controversy over this amendment.

Mr. Speaker, the remaining two sections contain clerical amendments and that the effective date of this bill is the date of enactment.

Mr. Speaker, I join with my colleagues on both sides of the aisle in wholehearted support of this bill and ask the House to adopt S. 2475 without reservation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Speaker, I was a bit disappointed to read in the committee report in the additional views of our colleague, the gentleman from New York (Mr. SCHEUER), that the House committee did not choose to adopt the amendment that the administration recommended, and which I understand that the Senate did adopt, which would have totally exempted small car manufacturers from complying with the reporting requirement and the fuel economy standard. The testimony before the committee evidently demonstrated amply that it was in the national interest to provide substantial relief to these small manufacturers. I certainly do hope that, as this bill moves forward to conference, the conferees from the House of Representatives will seriously consider receding from the House version and going along with the executive branch and the Senate in totally exempting very small manufacturers. I represent one small auto manufacturer. Life is very difficult for these people. We know this is a time when we hear more and more complaints about needless paperwork, redtape, and discrimination by Government requirements of one sort or another against small business.

It does not seem to me that the House ought to be out ahead of both the administration and the other body in adopting paperwork requirements that will end up being a burden, and a needless burden, on small business.

Mr. STOCKMAN. I would just say to the gentleman I appreciate his point. We did attempt to address that in the House bill, because we have made it far more expeditious for a manufacturer to petition for an exemption. It would not have to be done on a year-to-year basis, but the remaining years of the program could be consolidated into one proceeding.

Now if the gentleman feels that that is not enough and we ought to go further and make a total exemption, it seems to me that something ought to be considered and discussed in conference, and perhaps we could come to a better resolution.

Mr. Speaker, I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan

Mr. WOLPE. Mr. Speaker, first I would like to begin by commending my colleague from Michigan and the gentleman from Indiana for their usual fine and distinguished craftsmanship in this very important legislation. The bill is an important bill, and I am pleased to see that it will be moving to conference as expeditiously as it is.

I, too, have a particular interest in the provision that was being addressed a moment ago by the gentleman from Wisconsin. I would like to address a question to the manager of the bill, the chairman of the Subcommittee on Energy and Power.

As the chairman knows, the concern that is raised in this provision of the bill relates to fuel-efficiency standards for small manufacturers. This is a provision I testified on before the Subcommittee on Energy and Power. As I understand the provision, the Secretary of Transportation may consolidate the rulemaking proceedings establishing alternative fuel economy standards for a small manufacturer for the model years 1982, 1983, and 1984. Section 3 would appear to permit the Secretary to establish the identical standards for all 3 model years for a manufacturer.

Can the gentleman tell me if that interpretation is correct, or must the Secretary of Transportation establish increasing standards for each of the 3 model years?

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman's interpretation is correct. The Secretary of Transportation could establish a single standard which would be applicable for all of the 3 years. The bill before us merely amends the procedures for establishing the standards. The criteria for those standards remains the same as in existing law. Therefore, if the Secretary determined that under the criteria of the law it was appropriate to establish the same standards for all 3 years, he could do so.

I would like to commend the gentleman from Michigan for his help to the subcommittee and for the hard work he engaged in on behalf of the small manufacturers and to observe that in very large part due to his labors, the change that is embodied in the law is before us, and of course to observe also in part, by reason of the gentleman's interest, we have eliminated the reporting requirements also. I do commend the gentleman for his work and assistance to the committee.

Mr. WOLPE. I do thank the chairman of the committee for the very kind remarks and for the helpful clarification.

I, too, as the gentleman knows, would much prefer to see embodied in this provision of the bill the total exemption that is embodied within the Senate's language, or in the alternative, at least to see the expansion of the number of years for which a fixed standard could be granted.

□ 1320

I believe that the language that has been developed under the leadership of the gentleman is really a very important step forward.

I happen to represent a district in which there is located the Checker Motors Co. The Checker Motors Co. and other companies specializing primarily in one model car simply cannot average their fleet or make major modification designs in order to meet the Federal fuel economy standards. That is why the Department of Transportation and Joan Claybrook, head of the National Highway Traffic Safety Administration, have testified in support of a modification of the present waiver provision.

Indeed, to quote from the DOT's own analysis:

> The Department has processed eight applications from eligible manufacturers for lower fuel economy standards since 1975 and has denied none of them. In actuality the resources of these manufacturers are not sufficiently great to justify substantial commitment of resources to increasing fuel economy. An insignificant amount of fuel is saved by establishing alternate standards for these manufacturers instead of simply allowing them a complete exclusion from Title V.
>
> The burdens of filing applications and reports required by Title V is also disproportionately large to these manufacturers.

Mr. Speaker, unquestionably it will be in the self-interest of Checker and all other low-volume car manufacturers to produce even more efficient automobiles. Given the very specialized focus of most limited production auto makers with little flexibility in changeovers, design, or intended use, the rigid requirements of the fuel economy standards and reporting procedures just do not make sense. Checker Motors is not a luxury car producer but instead provides an important component in the overall public transportation system—the Checker taxi. Checker cabs have the ability to transport up to seven people per trip with the consequent fuel savings derived from such mass transit.

The SPEAKER pro tempore. The time of the gentleman from Michigan (Mr. WOLPE) has expired.

Mr. DINGELL. Mr. Speaker, just for the purpose of responding to my good friend, the gentleman from Michigan, I yield myself 1 minute.

I do commend the gentleman from Michigan for his labors on this. I would observe that this matter was the subject of litigation between such modest corporations as Rolls Royce, Masserati, and Excalibur. It involved an attempt by consumer representatives to see to it that those high costs and very expensive automobiles were covered under the fuel-efficiency standards. They failed, but the report is quoted from at some length, so the gentleman can understand why it is that the committee felt as strongly as it did that we should at least see to it that luxury cars are included under this legislation, while we try at the same time to give relief to the Checker Co., which the gentleman is concerned about.

Mr. WOLPE. Well, if the gentleman will yield for a very brief response.

Mr. DINGELL. Certainly.

Mr. WOLPE. If we can make the modification being sought in this provision with respect to the present waiver procedure, we will really be taking a major action to begin to reduce some of the costly, ineffective regulation which simply does not make sense when applied to very small manufacturerers.

We need to quickly put an end to unnecessary and wasteful regulation. In this instance tremendous costs are being borne by both the Department of Transportation and the low-volume manufacturers which simply are not justified nor in the interest of consumers, the Government, or these businesses.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana (Mr. SHARP), the originator of the standards, who has provided valuable leadership in this matter.

Mr. SHARP. Mr. Speaker, I rise in support of these amendments today.

The basic program we are amending, the automobile fuel economy standards, I believe, has been a valuable one to the country so far in that it has helped to focus American industry's attention on the long-term need to improve fuel economy in the American auto fleet.

I believe it is fair to say that it has helped to move American industry forward more rapidly than they assumed the American consumers would move toward more fuel-efficient cars and, therefore, has helped to anticipate what, in fact, turned out to be a very rapid shift in American consumer buying habits over the last year.

Regrettably, of course, we are facing very serious difficulties in the American economy at this time, particularly in the auto production sector.

I think it is important to note that some of the valuable aspects of this regulatory system are that, first of all, we made a point of establishing performance goals, rather than specific rules or prescriptions that the industry had to follow. This, coupled with the nature of the standards as being corporate wide or fleet average standards, allowed the industry a considerable flexibility in making the move toward more fuel-efficient cars.

The fuel economy standards legislation also called for an annual monitoring of the program, so that we would be informed and aware of any problems with it, since most of us know that we rarely are able to foresee with absolute clarity what the future will bring.

It is out of this annual monitoring that this legislation today originates. Most of the changes in the bill before us were actually recommended by the Department of Transportation, which has the first responsibility for examination of the program.

I believe that these changes that we are looking at today, as the gentleman from Michigan (Mr. Stockman) and the gentleman from Michigan (Mr. Dingell) have indicated, do not sacrifice the basic progress which the country needs in terms of its energy policy. Frankly, the American automobile industry is more keenly aware than most citizens, progress on fuel economy is needed in order for them to be competitive and to sell their automobiles to Americans.

I believe that the amendments proposed here today also will enhance the flexibility of the industry and, therefore, contribute to having a healthy automobile industry. We should make no mistake—we need a healthy automobile industry in this country. We have so many citizens whose lives are directly tied up in it. Our national economy is very greatly affected by what happens in the automobile sector, and certainly in my State and in the State of the two gentlemen from Michigan, what happens in the automobile industry is of particular importance to the wellbeing of the vast majority of our citizens.

So I would hope, Mr. Speaker, that while this is only one small step in helping to contribute to a more healthy climate for the production of automobiles, I would hope that we will look very carefully at a whole range of proposals that are needed to enhance the American private sector in general and the automobile sector in particular.

The SPEAKER pro tempore. The time of the gentleman from Indiana (Mr. Sharp) has expired.

Mr. DINGELL. Mr. Speaker, I yield 1 additional minute to the gentleman from Indiana.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding. I want to commend the gentleman from Indiana (Mr. Sharp), the gentleman from Michigan (Mr. Dingell), the gentleman from Michigan (Mr. Stockman) and others who have worked on this for their efforts.

I frankly want to associate myself with the remarks of the gentleman from Indiana.

I think, obviously, that the fuel efficiency standards have been prophetic in terms of moving along the industry and the public in general to face up to the issue of conservation.

I think that the carryforward and carryback provisions that we have here are eminently reasonable and I think demonstrate the willingness of legislators and policymakers to go an extra step to address unforseen consequences. I commend the gentleman for his efforts.

Mr. SHARP. Mr. Speaker, I appreciate the gentleman's remarks and his efforts on behalf of this legislation.

I think that we have so far got a balance in this program that is wanting in other programs, in that we have recognized that change is inevitable and necessary and that we can accommodate that; but at the same time, we have not gotten into the business of annually switching and changing standards and all kinds of rules and regulations, which sometimes only compound the difficulties of the American economy.

Mr. STOCKMAN. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I yield 6 minutes to the gentleman from Kansas (Mr. Glickman).

Mr. GLICKMAN. Mr. Speaker, first of all, I want to thank my friend, the gentleman from Michigan, for yielding. He, more than anybody else, is probably more well versed than any other Member of this House on this subject.

Mr. Speaker, I rise in opposition to S. 2475. I do so reluctantly because I recognize the problems facing our domestic automobile industry and the serious unemployment problem that has developed in that sector of our economy. But, on the other hand, I do so quite vigorously because I am seriously troubled that we will be sending out the wrong message—both to the rest of the world and to our auto manufacturers—if we adopt this legislation in its present form. The fact that the bill is being considered today under suspension of the rules only adds to the impression that we are not taking this issue of automobile fuel efficiency very seriously.

Quite frankly, I can understand the need for some short-term flexibility to help this vital industry make it through a difficult time, but I think it only makes sense for us to couple the added flexibility provided in the committee bill with provisions to set more stringent post-1985 standards.

One of the main complaints we have heard from the automobile industry is that we did not give them enough time to gear up to meet the standards now on the books. As a result, there have been requests for extensions and postponements which have led to S. 2475. And we have heard arguments that asking too much in too short a time has forced our auto companies into their present economic situation. On the second point, I would have to differ with the industry, but, with the benefit of that background, I think it only makes sense for us to give them more than enough time to plan by setting post-1985 standards now, in 1980 instead of 1982, 1983, or 1984. And it certainly makes sense to do so on this piece of legislation in the interest both of a balanced bill and of sending the right kind of message.

Doing so would make it clear both to our American auto manufacturers and to other nations that we are serious about pursuing development of more fuel efficient vehicles. And there is no question in my mind that we need to send that message to both. We need to show the world, particularly those in the OPEC cartel: That we are not going to be blackmailed; that we are not going to let them create economic havoc for us by continually pushing up oil prices. And we need to prod our auto manufacturers into making plans for building the fuel efficient cars that Americans are seeking in greater and greater numbers. They need to know that, yes, we want Americans to buy American-made cars, but the way to achieve that is to produce the kind of cars they want, not to block efficient imported cars out of the market. In short, we cannot let ourselves be pushed into a posture of protectionism which would only tie the hands of American motorists looking for a way to conserve.

As I mentioned earlier, it particularly troubles me that this legislation is coming before the House under suspension of the rules. When the Senate considered the bill in April, it acted without debate in just a matter of minutes. I am greatly disturbed that we might be about to acquiesce in a very similar manner with virtually no discussion.

There are issues relating to the efficiency of our automobiles that the House should consider. There have been reports which indicate that the efficiency standards set by EPA are in effect meaningless as they presently stand with vehicles rated significantly above the mileage standards which they can actually achieve. If that is indeed the case, we need to see that the problem is corrected as a part of any legislation dealing with this issue. Otherwise, we are passing legislation which will be rendered meaningless by bureaucratic calculations.

And we need to look at ways to encourage people to replace old, inefficient vehicles with the more energy efficient cars that are mandated by statute. Recently, a number of bills have been introduced in the House to provide tax credits for the purchase of cars as a means of encouraging people to buy new cars. That concept has the endorsement of the United Auto Workers. I am working on a variation of that legislation. My bill—which is now being drafted—would provide sizable tax credits for the purchase of vehicles over the next 7 years which have fuel economy ratings in excess of those mandated as fleet averages under the Energy Policy and Conservation Act, as amended. My bill, if enacted, would help the American auto industry and it would help our national goal of energy independence by getting fuel efficient cars on the road without undue delay. Other proposed amendments would give even more flexibility to auto manufacturers by giving credits for vehicles running on alcohol, gasohol or liquefied natural gas in the same way as we have given preferential treatment, which I support, to fuel economy measures relating to electric vehicles. Those amendments will not be permitted today.

Once again, I understand the need for short-term flexibility as envisioned in the committee version of S. 2475, but I will oppose it because I am convinced that we cannot afford to send the wrong messages and that, instead, we should seize this opportunity to consider the whole range of issues involving fuel efficiency so we can respond to real needs and send the right messages. There is no greater area to reducing oil imports than in reducing gasoline use. Perhaps, and hopefully, the market itself will encourage fuel-efficient vehicles, but passing legislation which even inferentially implies an easing of fuel-efficiency standards, without any assurance of more stringent fuel economy standards after 1985, may not be in the public interest. Let us hope that I am wrong.

□ 1330

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Michigan.

Mr. DINGELL. First of all I want to make very clear to the gentleman we are not in any fashion cutting back on fuel efficiency. The requirements for fuel efficiency remain the same with the exception of the modifications which we make to carry forward and carry back. The same total amount of fuel will be used, but capital will be expended more efficiently.

Second of all, I want to assure my friend if he has legislation relating to auto fuel efficiency which should come before the subcommittee which I chair, I will be happy to look into it and hold hearings when it is appropriate. I have never sat on legislation that has come before the committee and I have no intention to commence that now.

Mr. GLICKMAN. No, I know that, and I appreciate that. This does give some flexibility to the automobile manufacturers on fuel economy, which is a critical issue, and gasoline consumption, and I am concerned that we are adopting an issue of this significance under suspension of the rules when we cannot amend the bill. That is primarily why I came down to the floor.

Mr. DINGELL. If the gentleman will permit, with 300,000 auto workers unemployed, with the auto industry in the largest depression it has known since 1929, the prospects of things getting worse, increased imports coming in from Japan and the need to provide employment, I think we should try every remedy we can possibly make to assist the industry without jeopardizing our fuel efficiency goals and help with jobs, which I think is quite urgently important.

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Indiana.

Mr. SHARP. If I can respond very quickly to an important point the gentleman raised about people's concerns about whether the numbers really mean anything, I think it is important to understand that when the program was established in 1975 a testing procedure was in existence through EPA. In order that we would have something rational on which to base standards, that was adopted. As a result, the standards do mean something. They relate very clearly to how things were in 1975 and are based upon that foundation.

I might say because there has been a differential between the testing number and the on-road performance, EPA has moved to a different posting of numbers which has brought that more in line than what it was a couple of years ago.

The gentleman is not wrong that there are problems related to what information the consumer receives versus how the average automobile may be performing, but I think it is not as serious as some critics suggest. Also, there has never been any intent and never been any effort to disguise what the numbers should mean.

Mr. GLICKMAN. I would just respond that I was not making that a big part of the issue. I am just saying as far as I am concerned the issue of gasoline consumption and fuel economy is the most critical part of the battle that we can use on the discretionary use of petroleum. The gentleman from Michigan (Mr. DINGELL) I think has made some significant amendments and changes in this bill which I support. My only point is, as he points out, it affects 300,000 automobile workers and it is of immense significance. It is not coming to the floor in a position where I think it can be fully debated. I do not think that is right and I thank the gentleman.

● Mr. SCHEUER. Mr. Speaker, as my colleagues are well aware, the domestic automobile industry is currently suffering through one of its worst periods in history, with auto sales way down and unemployment rising. To help alleviate this situation, I would like to express my support of S. 2475, the Automobile Fuel Efficiency Act of 1980. This is a bill calculated to give the hard-pressed automakers some flexibility in meeting the Nation's fuel economy standards, without having any overall impact on this country's vital efforts to conserve fuel. Furthermore, the bill will give small auto manufacturers of 10,000 vehicles or less a partial exemption from the requirements of the fuel economy standards. This is a provision these small businesses badly need in order to reduce what is for them a significant paperwork burden in complying with the standards, and yet it is not expected to have any effect on fuel economy. The bill also encourages foreign auto manufacturers to relocate their operations in the United States within the next 5 years, thereby increasing automobile industry employment levels and consumption of U.S.-produced materials and supplies.

Mr. Speaker, this is a bill which is identical to one the Subcommittee on Consumer Protection and Finance, which I chair, has recently held hearings on. The Subcommittee on Consumer Protection and Finance shares jurisdiction of this issue with the Commerce Committee's Subcommittee on Energy and Power. Because of the pressures of time and the very desperate situation in Detroit, I did not insist that the full Commerce Committee also consider the bill reported by the Consumer Protection Subcommittee. Nevertheless, I wanted to share with my colleagues the benefit of the conclusions our subcommittee drew from its hearings on this important issue.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and pass the Senate bill, S. 2475, as amended.

The question was taken.

Mr. GLICKMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Federal automobile fuel efficiency program established under title III of the Energy Policy and Conservation Act for the purpose of facilitating conservation of petroleum and reducing petroleum imports, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ATLANTIC TUNAS CONVENTION ACT AUTHORIZATION

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6310) to authorize appropriations for fiscal years 1981, 1982, and 1983 to carry out the Atlantic Tunas Convention Act of 1975 as amended.

The Clerk read as follows:

H.R. 6310

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO ATLANTIC TUNAS CONVENTION ACT OF 1975.

The Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971 et seq.) is amended as follows:

(1) Section 4 is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(B) by striking out "paragraph (1)" in subparagraph (B) (as so redesignated) and inserting in lieu thereof "subparagraph (A)"; and

(C) by amending the first and second sentences to read as follows:

"There is established an advisory committee which shall be composed of—

"(1) not less than five nor more than twenty individuals appointed by the United States Commissioners who shall select such individuals from the various groups concerned with the fisheries covered by the Convention; and

"(2) the chairman (or their designees) of the New England, Mid-Atlantic, South Atlantic, Caribbean, and Gulf Regional Fishery Management Councils established under section 302(a) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1852(a)). Each member of the advisory committee appointed under paragraph (1) shall serve for a term of two years and shall be eligible for reappointment.".

(2) Section 10 is amended by striking out "and 1980" and inserting in lieu thereof "1980 and 1981".

SEC. 2. OBSERVER PROGRAM REGARDING CERTAIN FOREIGN FISHING.

(a) DEFINITIONS.—As used in this section—

(1) The term "Act of 1976" means the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 et seq.).

(2) The term "billfish" means any species of marlin, spearfish, sailfish or swordfish.

(3) The term "Secretary" means the Secretary of Commerce.

(b) OBSERVER PROGRAM.—The Secretary shall establish a program under which a United States observer will be stationed aboard each foreign fishing vessel while that vessel—

(1) is in waters that are within—

(A) the fishery conservation zone established under section 101 of the Act of 1976, and

(B) the Convention area as defined in Article I of the International Convention for the Conservation of Atlantic Tunas; and

(2) is taking or attempting to take any species of fish if such taking or attempting to take may result in the incidental taking of billfish.

The Secretary may acquire observers for such program through contract with qualified private persons.

(c) FUNCTIONS OF OBSERVERS.—United States observers, while aboard foreign fishing vessels as required under subsection (b), shall carry out such scientific and other functions as the Secretary deems necessary or appropriate to carry out this section.

(d) FEES.—There is imposed for each year after 1980 on the owner or operator of each foreign fishing vessel that, in the judgment of the Secretary, will engage in fishing in waters described in subsection (b)(1) during that year which may result in the incidental taking of billfish a fee in an amount sufficient to cover all of the costs of providing an observer aboard that vessel under the program established under subsection (a). The fees imposed under this subsection for any year shall be paid to the Secretary before that year begins. All fees collected by the Secretary under this subsection shall be deposited in the Fund established by subsection (e).

(e) FUND.—There is established in the Treasury of the United States the Foreign Fishing Observer Fund. The Fund shall be available to the Secretary as a revolving fund for the purpose of carrying out this section. The Fund shall consist of the fees deposited into it as required under subsection (d). All payments made by the Secretary to carry out this section shall be paid from the Fund, only to the extent and in the amounts provided for in advance in appropriation Acts. Sums in the Fund which are not currently needed for the purposes of this section shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

(f) PROHIBITED ACTS.—(1) It is unlawful for any person who is the owner or operator of a foreign fishing vessel to which this section applies—

(A) to violate any regulation issued under subsection (g);

(B) to refuse to pay the fee imposed under subsection (d) after being requested to do so by the Secretary; or

(C) to refuse to permit an individual who is authorized to act as an observer under this section with respect to that vessel to board the vessel for purposes of carrying out observer functions.

(2) Section 308 of the Act of 1976 (relating to civil penalties) applies to any act that is unlawful under paragraph (1), and for purposes of such application the commission of any such act shall be treated as an act the commission of which is unlawful under section 307 of the Act of 1976.

(g) REGULATIONS.—The Secretary shall issue such regulations as are necessary or appropriate to carry out this section.

SEC. 3. REPORTS REGARDING BLUEFIN TUNA.

The Secretary of Commerce shall prepare, for each biennial period commencing with the period covering calendar years 1981 and 1982, and submit to the Congress a report setting forth, with respect to such biennial period—

(1) the level of taking of bluefin tuna by United States fishermen in the Convention area as defined in article I of the International Convention for the Conservation of Atlantic Tunas;

(2) the status of bluefin tuna stocks within such Convention area and the trends in their population level; and

(3) related information resulting from the implementation of the observer program under section 2 of this Act.

The report required under this section shall be submitted to the Congress within sixty days after the close of the biennial period covered by the report. There are authorized to be appropriated such sums as may be necessary to carry out this section.

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. BREAUX) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before use today would extend for 1 fiscal year the authorizations for the Atlantic Tunas Convention Act of 1975 as well as to require new programs to more closely monitor and report on fisheries which the Tunas Convention regulates.

The Atlantic Tunas Convention Act of 1975 was the implementing legislation for the International Convention for the Conservation of Atlantic Tunas (ICCAT). This international fisheries agreement is presently agreed to by 19 nations and its purpose is to conserve tunas in the Atlantic Ocean and adjacent seas. An international Commission which is established by the Convention has recommended measures for the conservation of yellowfin, bluefin, and bigeye tunas. While there has been some question raised as to the effective enforcement of the conservation measures adopted by the Convention—most especially with enforcement of foreign nations fishing within our fisheries zone—most people recognize that the work of the Commission has been very positive for the protection and enhancement of tuna species in the Atlantic Ocean.

If the United States is to continue to meet its obligations under this international treaty, this authorizing legislation before the House today is necessary. In addition to authorizing funds for the continuation of U.S. ICCAT membership, the bill contains some additional provisions to more adequately obtain data and enforce the regulatory provisions of the Convention.

Some question was raised in the committee's deliberations concerning enforcement of the Convention with respect to other nations, specifically Japan. In order to more closely monitor the activities of member nations, our committee adopted a provision to require a 100-percent U.S. observer program aboard all foreign fishing vessels operating within the U.S. 200-mile zone, when such vessels are fishing for species which may result in the incidental taking of billfish.

Tuna longliners fishing for bluefin tuna incidentally take billfish in the course of their operations. The United States does not have authority to regulate tuna vessels within our 200-mile zone, but we clearly do have the authority to regulate vessels fishing for billfish off our coasts. Therefore, the committee adopted this observer program for all foreign fishing vessels which are incidentally taking billfish. This observer program will not cost the American taxpayer any money since the fees for the observers will be charged to the foreign fishermen within our zone.

In addition, the bill attempts to obtain better data on the actual taking of bluefin tuna by foreign fishermen in our waters. The bill requires that the Secretary of Commerce report to the Congress every 2 years on the number of bluefin tuna and billfish taken within our zone and to supply a status report on the trends of population of Atlantic bluefin tuna stocks.

In order to permit recreational and commercial fishermen along the east and gulf coasts better input to the U.S. negotiating position taken at ICCAT, the bill mandates that each of the Chairmen of the Regional Fishery Management Councils along the Atlantic, gulf, and Caribbean be represented on the Advisory Committee to the U.S. ICCAT Commissioners.

The committee has made a concerted effort to allow the United States to get a better handle on the status of tuna stocks which are governed by the International Convention. In this way, it is the desire of the committee to exert more prominent U.S. leadership in the area of the conservation and enhancement of these very important recreational and commercial fishery resources.

By carrying out the programs adopted in this legislation, the United States will be taking a step toward the further protection of billfish as well as tuna stocks. This action will be received very positively by the hundreds of thousands of recreational fishermen within our country who can look forward to the day when all species of tuna and billfish will be positively and effectively protected against depletion.

I and other members of the committee feel the provisions in this bill deal with the bluefin and billfish conservation problems in a responsible manner for all parties without any substantial cost to the U.S. Government. I urge the adoption of this very responsible piece of conservation legislation.

● Mr. MURPHY of New York. Mr. Speaker, the purpose of H.R. 6310 is to extend the authorization of appropriations for the Atlantic Tunas Convention Act of 1975 for 1 additional year and to require certain new programs to be carried out by the Secretary of Commerce to more closely monitor and report on matters regulated by the International Convention for the Conservation of Atlantic Tunas better known as ICCAT.

ICCAT, which was negotiated in 1962 is an agreement signed by 19 nations to conserve Atlantic tunas and tuna-like fishes, such as billfish, in the Atlantic Ocean and its adjacent seas. This convention entered into force in 1969 and the Atlantic Tunas Convention Act, which implements the convention on the part of the United States, came into being in 1975.

In 1975, the ICCAT Commission recommended two regulatory measures which concern the Atlantic bluefin tuna, a magnificent fish which is highly fished by sportsfishermen as well as commercial fishermen. Those conservation recommendations, which have been extended to 1982, include a 14-pound minimum size regulation and a limit on annual fishing mortality of bluefin tuna to recent levels.

While these measures have helped the bluefin, it is generally agreed among U.S. fishermen that there has been over-fishing of bluefin tuna in recent years. There has not been general agreement on the status of the stocks or the number of stocks. More data are needed.

Because of these concerns for overfishing and diminished populations of bluefin and in response to the many letters the committee had received, on May 1 of this year I scheduled oversight hearings on the future management and protection of the bluefin tuna so that all aspects of this matter could be fully aired. On that day, the committee heard from 19 witnesses representing virtually every interest concerned with the welfare of the bluefin tuna.

Much of the testimony centered on the issue of whether or not the Atlantic bluefin tuna while in the 200-mile fishery zone of the United States should be regulated exclusively by U.S. authorities or by ICCAT.

The advocates of such inclusion under the exclusive Fisheries Management Authority argued that ICCAT has not worked in the management and conservation of bluefin tuna and that the only way U.S. fishermen are going to obtain a fair share of the catch is to have the bluefin managed by U.S. authorities while the fish are in the fishery zone of the United States.

Opponents of such inclusion under U.S. exclusive Management Authority argued that bluefin tuna are a highly migratory species which migrate throughout the range of the Atlantic Ocean and adjacent seas and do not lend themselves to unilateral management within our country's fishery zone. Moreover, they contended that the only way to manage properly Atlantic bluefin tuna is by an international convention such as ICCAT.

I am delighted to report that on May 13, 1980, an amendment was offered by Mr. Studds at the committee markup session on H.R. 6310, an amendment I support. It was unanimously adopted by the committee and is included in H.R. 6310, as reported by the committee. The Studds amendment will allow the United States to stay in ICCAT and to seek a solution to the bluefin tuna problem within that framework.

Briefly explained, the amendment would rewrite H.R. 6310 in its entirety and do the following:

First. Extend the funding authorization under the Atlantic Tuna Convention Act for only 1 year, rather than for 3 years as provided in the bill when it was introduced.

Second. Add five new positions to the existing advisory committee to the U.S. ICCAT Commissioners which would consist of the five chairmen or their designees of the New England, mid-Atlantic, south Atlantic, Caribbean, and gulf fishery management councils.

Third. Require U.S. observers to be placed on all foreign fishing vessels operating within that part of the U.S. fishery zone in the Convention area when such vessels are fishing for species which may result in the incidental taking of billfish, which is to say that all Japanese long-liner fishing vessels fishing in this area will be required to have U.S. observers on board. All observer expenses would be borne by the foreign fishermen.

Fourth. Require U.S. observers to report their scientific findings to the Secretary of Commerce.

Fifth. Require the Secretary of Commerce to submit a report to the Congress every 2 years concerning the status and trends of populations of the Atlantic bluefin stock or stocks.

Mr. Speaker, I think H.R. 6310, as amended by the Studds amendment, is an excellent piece of legislation and I urge my colleagues to give it their wholehearted support. I want to assure my colleagues, sportsfishermen, and all other interested groups that my committee will monitor this situation closely and will be looking into this matter again next year when new data gathered by the observers have been analyzed. Only through constant oversight and responsiveness can we insure the preservation of this magnificent fish for generations to come.●

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 6310, which will permit the United States to continue as a contributing member of the International Convention for the Conservation of Atlantic Tunas, commonly known as ICCAT. This convention, which was signed in 1966, has 19 member nations which are dedicated to the conservation and management of those species of tuna found within the Atlantic Ocean. Because these species migrate across the boundaries of numerous nations, their effective conservation and management demands international cooperation—and ICCAT provides the forum for that cooperation.

Although the ICCAT recommendations to the member nations have not been as strong as some would hope, the plain truth is that international management is the only truly effective way to conserve highly migratory species and international conventions usually require some time in order to achieve the consensus necessary for strict conservation. Without H.R. 6310 the United States would be unable to pay our membership dues and would lose our voting privileges. For all practical purposes that would mean the end of U.S. participation in ICCAT, an organization which this country was instrumental in establishing—an organization without which Atlantic tunas cannot be properly managed.

In addition to authorizing additional funds for ICCAT, H.R. 6310 recognizes the interaction between the Convention and the U.S. Fishery Conservation and Management Act. Pursuant to the FCMA, the United States exercises management authority over billfish. The management of billfish, however, requires a detailed knowledge of the nature and extent of the taking of billfish. Complete information cannot be gathered unless U.S. observers are placed aboard those foreign fishing vessels which engage in fishing operations which may result in the incidental harvest of billfish. H.R. 6310 meets the management needs of billfish by requiring the placement of U.S. observers aboard all such vessels—all of which are fishing in the U.S. 200-mile zone under ICCAT authority.

Finally, the legislation before us today directs the Secretary of Commerce to undertake a detailed study of the status of bluefin tuna, including its population level and trends and the extent of taking by U.S. fishermen. Such data will provide significant assistance to fishery managers interested in the conservation of the Atlantic bluefin.

Mr. Speaker, H.R. 6310 provides necessary funding for a significant international convention and I urge its adoption.

□ 1340

Mr. EVANS of Delaware. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank the gentleman from New Jersey for yielding.

Mr. Speaker, I rise in support of H.R. 6310, the Atlantic Tunas Convention Act authorization. This legislation would authorize funds, estimated to be about $500,000, in fiscal year 1981 so that the United States can continue its participation in the International Convention for the Conservation of Atlantic Tunas.

The convention, ICCAT as it is commonly called, represents an attempt to manage Atlantic tunas on a cooperative, international basis. While there has been some criticism of ICCAT and the extent to which it is effectively conserving tuna and the billfish which are caught incidentally to longline tuna fisheries, there is no question that international cooperation in the management of most tuna species is essential and that such efforts require patience and time.

I am among those who believe there is substantial evidence justifying the regulation of one tuna species, the Atlantic bluefin tuna, within our 200-mile fishery conservation zone, an action not presently allowed under the Fishery Conservation and Management Act. In my view, an assertion of U.S. jurisdiction over the bluefin tuna within our 200-mile limit is not, in the long run, necessarily incompatible with international management. Unfortunately, in reauthorizing ICCAT the Committee on Merchant Marine and Fisheries, of which I am a member, did not choose this course of action.

Mr. Speaker, the committee did amend the Atlantic Tunas Convention Act and the Fishery Conservation and Management Act in several ways which I think will benefit both commercial and recreational industries on our Atlantic and gulf coasts. As a result of the committee action, our regional fishery management councils will have a greater voice in shaping the U.S. negotiating position at ICCAT sessions. Foreign vessels engaged in the longline tuna fishery within our fishery conservation zone will be required, at their expense, to carry U.S. observers, thus giving us a much better grasp of the foreign catch of tuna as well as the billfish which are caught incidentally to the tuna fishery. In the committee report we have clarified our understanding of the extent to which our regional fishery management councils can adopt billfish fishery management plans which restrict the foreign longline tuna fishery.

Over time, these and other changes adopted by the committee will significantly benefit U.S. fishing interests. Further, in reauthorizing this legislation for only a single year, we can be assured that in the next Congress we can examine any new information which has developed and once again evaluate the most appropriate management system for the Atlantic Bluefin tuna.

Mr. Speaker, I fully support H.R. 6310, and I urge that my colleagues do also.

Mr. FORSYTHE. Mr. Speaker, I yield back the remainder of my time.

Mr. BREAUX. Mr. Speaker, I have no further requests for time, and I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. BREAUX) that the House suspend the rules and pass the bill, H.R. 6310, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended, and the bill, as amended, was passed.

The title was amended so as to read: "A bill to authorize appropriations for fiscal year 1981 for the Atlantic Tunas Convention Act of 1975, and for other purposes.".

A motion to reconsider was laid on the table.

Mr. BREAUX. Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate bill (S. 2549) to authorize appropriations for fiscal years 1981, 1982, and 1983 to carry out the Atlantic Tunas Convention Act of 1975, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2549

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971h), is amended by striking out "and 1980" and inserting in lieu thereof "1980, 1981, 1982, and 1983".

MOTION OFFERED BY MR. BREAUX

Mr. BREAUX. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BREAUX moves to strike out all after the enacting clause of the Senate bill, S. 2549, and insert in lieu thereof the provisions of H.R. 6310, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to authorize appropriations for fiscal year 1981 for the Atlantic Tunas Convention Act of 1975, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill, H.R. 6310, was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

TRUTH IN LENDING ACT AMENDMENTS

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7340) to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

The Clerk read as follows:

H.R. 7340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cash Discount Act".

SEC. 2. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

"(b)(1) With respect to any sales transaction, any discount offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of an open end credit plan or a credit card shall not constitute a finance charge as determined under section 106.

"(2) A seller shall make known to buyers the availability of a discount the seller offers for the purpose of inducing payment by cash, check, or other means not involving the use of an open end credit plan or a credit card.".

SEC. 3. The first sentence of section 105(a) of the Truth in Lending Act (15 U.S.C. 1604(a)) is amended to read as follows:

"The Board shall prescribe regulations to carry out the purpose of this title, except with respect to section 167(b) and section 171(c).".

SEC. 4. Section 103 and the Truth in Lending Act (15 U.S.C. 1602) is amended by redesignating subsections (x) and (y) as subsections (y) and (z), respectively, and by adding after subsection (w) the following:

"(x) The term 'regular price' as used in section 103 and section 167 means the tag or posted price charged for the property or service if a single price is tagged or posted; or the price charged for the property or service when payment is made by use of an open end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open end credit plan or a credit cardholder's open end account shall not be considered payment made by use of the plan or the account.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Delaware (Mr. EVANS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, the Cash Discount Act, H.R. 7340, is a bill that will both fight inflation and reduce regulation. It does something very simple—it permits merchants to decide for themselves the conditions under which they will offer customers discounts for paying by cash rather than credit.

For a very long time business was conducted on a cash-and-carry basis. Credit was the exception—not the rule. In the past 10 or 15 years, however, the use of credit cards exploded like Mount St. Helens, casting a haze of debt over the country. This explosion of credit has grown so much that in some large retail stores over 50 percent of sales volume is made through credit sales.

Under existing laws, merchants who want to offer a cash discount can only offer a discount of up to 5 percent from the regular selling price. In addition, the merchant must place signs at every entrance and exit of his business and on every cash register notifying customers of the availability of such discounts.

When this legislation originally passed the House there was no ceiling on the amount of the discount, but the Senate insisted that a ceiling of 5 percent be added. Under truth-in-lending laws, a discount to a cash customer must be disclosed as part of the credit cost to a credit customer. The legislation today removes all of those requirements and takes off the 5-percent ceiling. In short, what we are doing today is deregulating cash discounts.

Under existing law with its 5-percent ceiling and notification requirements the cash discount program has not worked. Too many merchants feel that the 5-percent discount is not enough of an inducement to pay cash. And, many merchants have complained that they can be fined or subject to lawsuits if they do not put up the proper signs.

In addition, a merchant was required to give the same type of discount for a person who bought a $300 item or a 10-cent item. And, a merchant who offered a discount of more than 5 percent thinking he was doing his customer a favor, might well have faced a fine or a one-half-million-dollar lawsuit.

These roadblocks, no matter how well intended, have blocked the cash discount program from becoming successful. Today we are removing those roadblocks in order to give both merchants and their customers an opportunity to participate in the cash discount program.

This bill will aid the merchant and the consumer alike. Merchants will save the bookkeeping, accounting and personnel expenses associated with handling credit transactions. They will receive immediate payment. They will not have to pay the fees imposed on merchants by credit card issuers. They will attract new customers.

The consumer benefits because the merchant will pass these savings along to consumers to encourage customers to use cash.

Both benefit because less credit card use means lower costs and less outstanding debt. In turn, this reduces inflationary pressures.

Current law imposes so many restrictions on merchants who wish to offer cash discounts that it effectively discourages merchants from offering these discounts. While those restrictions were well-meaning and meant to protect consumers, they are like medicine that cures a disease by killing the patient. This bill will revive the cash discount patient without the fatal, overregulatory, side effects of the present law.

To assure that cash discounts are not once again killed by an overdose of regulation, the bill expressly prohibits the issuance of regulations by the Federal Reserve Board. It was regulations issued by the Board that hindered merchants who had wanted to offer cash discounts. The Cash Discount Act is simple and easy to understand. It is easy for merchants to comply with. Since implementing regulations are totally unnecessary, they are prohibited.

Although it will be up to the merchant to determine the use of cash discounts. I sincerely hope that merchants who use this program will make its availability known to all customers so that everyone will have an opportunity to share in the program. I foresee this not as a program that will cost a merchant money, but rather a program that will help merchants attract cash paying customers into their business.

The cash discount program can work if it is given a fighting chance. Even given the current problems with the program it has been successful in several areas, and I think it can be even more successful when we throw out the redtape.

H. R. 7340 combines deregulation with the fight against inflation. It benefits both merchants and consumers. It has bipartisan sponsorship and was reported by the Banking Committee by unanimous vote, 37 to 0.

I urge passage of this bill.

Mr. EVANS of Delaware. Mr. Speaker, as a cosponsor of the Cash Discount Act, I would like, first of all, to say that it is not often that we have an opportunity to pass out a bill from the Committee on Banking, Finance and Urban Affairs on a unanimous vote. I would like to congratulate the chairman, the gentleman from Illinois (Mr. Annunzio) for expeditiously moving this bill through the subcommittee and full committee and here to the floor today.

The cash discount legislation that is before us today would eliminate from the law the 5-percent ceiling that is currently imposed upon merchants who may choose to offer a discount for a cash purchase as opposed to charging the purchase with a credit card. The legislative proposal of the chairman, the gentleman from Illinois (Mr. Annunzio) is most timely, given the Federal Reserve Board's current efforts to cut back on the use of credit cards, and given the fact that today's charges for the use of credit cards are rapidly increasing.

Mr. Speaker, rather than forcing merchants to operate under a statutory, artificial ceiling on the amount of a discount that is allowed for cash purchases, H.R. 7340 would allow the marketplace to set the appropriate amounts on discounts for cash purchases.

Under the provisions of the Cash Discount Act, merchants would have the flexibility to set discounts for cash purchases at their own discretion.

Consumers are more than able to judge for themselves what is the best deal—cash or credit. If merchants give discounts for cash purchases that effectively compete with the added gain of a credit card's "free ride" period, then consumers could choose the cash discount and merchants would save ultimately through reduced credit processing costs.

Following subcommittee hearings, this legislation was revised to provide a definition of "regular price" in order to establish a clear intermediate, benchmark price from which the discount could be drawn. For example, if the tagged price of an item is $100, but a cash customer is only charged $90 for that item, would the $10 difference be considered a "discount" for cash or a "surcharge" for credit. Credit surcharges are illegal. To get around this problem, the term "regular price" was defined to coincide with the Federal Reserve Board's definition. That is, the "regular price" is to be the tagged price of an item, or if a tag is not present, it is to be the price that a customer would pay using a credit card. That same price would then serve as the benchmark from which the discount would be drawn for a cash purchase.

Another provision was included to address the possible situation where a merchant gives a discount for a purchase made by a check. However, that check, through an overdraft protection plan, serves to draw down on a personal line of credit. Technically, it could have been argued in such a case that the merchant violated the law by offering a discount for a credit purchase since the overdrawn check did trigger a credit mechanism. Therefore, in order to avoid the possible problem of merchants refusing to accept checks on a par with cash, it was decided that the check overdraft protection mechanism, for the purpose of this act, would be exempt from being classified as a credit transaction. A purchase, by check therefore, with or without overdraft protection, would still qualify for a cash discount.

Mr. Speaker, I feel strongly that by supporting this legislation today, we in the Congress will be supporting unlimited discounts which will ultimately lead to more competitive pricing in the marketplace.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. Centainly I will yield to my friend from Illinois.

Mr. ANNUNZIO. I thank the gentleman from Delaware for yielding. I want to pay tribute to the gentleman for his cosponsoring this legislation, for working hard in the subcommittee and for his diligence and his great effort in having this legislation come to the floor. I am sure that the consumers of America will reap the reward of the hard work the gentleman has put into this legislation.

Mr. EVANS of Delaware. Mr. Speaker, my friend from Illinois is entirely too kind. I appreciate the gentleman's remarks nevertheless. It has been a pleasure working on this legislation with Chairman Annunzio. People all across the Nation will benefit from his relentless efforts to promote unlimited discounts for all cash purchases. Chairman Annunzio is truly a champion of the American consumer.

I would like to add to what our good friend, the gentleman from Illinois (Mr. Annunzio) has said regarding regulation. I think if there is a general consensus in America today it is that we have entirely too many Federal regulations. A very important aspect of this bill is that the Federal Reserve Board is expressly prohibited from issuing regulations. This is a very simple, direct rational approach to the problem. I think that it is in the finest tradition of our American free enterprise system. The bill will help the merchant and the consumer alike and it is indeed a privilege and an honor to have worked with my friend, the chairman of the Subcommittee on Consumer Affairs, the gentleman from Illinois (Mr. ANNUNZIO), and I strongly support the bill.

I yield such time as he may consume to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I thank my colleague from Delaware, the distinguished ranking Republican on the Consumer Affairs Subcommittee for yielding me this time.

Mr. Speaker, I rise in support of H.R. 7340. The merits and purpose of this bill are so obvious that you might ask how we got here. Why should not a merchant be able to offer an item for sale for cash at a discount if he wants to offer it. It is his. He can offer it for sale at a discount or he can even give it away if he wants to.

Back in 1968 we passed the truth-in-lending law to provide for the disclosure of finance charges to disclose credit terms so people could comparison shop. During the development of the regulations on that bill, regulation Z, the Federal Reserve Board raised the question as to whether a discount for cash amounted to credit under the truth-in-lending disclosure provisions.

Mr. Speaker, it is hard for me to follow the logic that a discount for cash is credit under the truth-in-lending law, but nonetheless the Federal Reserve Board suggested that persons who offered a product for sale for cash at a discount had to comply with the disclosure provisions of regulation Z as part of the truth-in-lending law.

In 1974, this House passed a bill which the gentleman from Illinois and I cosponsored—again, I want to commend the gentleman for his excellent work in this area. That bill passed the House. The bill went over to the other body. The other body passed an amendment as part of a larger package that a discount for cash up to 5 percent would be excluded from the truth-in-lending law, but that a discount for cash of over 5 percent would have to be disclosed within the truth-in-lending law and regulation Z and that is precisely why we are here again today. We want to pass a law which will say once and for all that a merchant may be permitted to offer an item at any discount rate he wants to for cash, 5 percent, 10 percent, 50 percent, or he can give it away if he wants to, although this bill does not go to that. It simply says a discount may be offered for a cash purchase by currency or by check.

Mr. Speaker, this amendment then would remove all of the present statutory restrictions on discounts for cash purchases. Two of the economic dislocations plaguing our country today will be partially corrected by this legislation; namely, too much consumer debt outstanding on credit card purchases, which adds to inflation, and two, elimination of some paperwork which adds to the cost of doing business for small businessmen.

After passage of this bill, I perceive that many merchants will offer to sell retail goods for considerably less than the regular price to those customers who are willing to pay by currency or check for the items being bought.

Mr. Speaker, since the discounted price for cash-and-carry customers will be less than the regular price, the effect will be to tend to lower the rate of inflation. In addition, since most customers are hard pressed by the effects of inflation and recession, many of them, indeed many of us, will take advantage of the opportunity and pay cash to obtain a lower price.

Savings of roughly 10 percent off the regular price should be possible for many so-called household durables such as food processors, lawnmowers, and so forth. In addition, cash discounts off the regular price should be available in many restaurants, department stores, furniture stores, and apparel outlets. This is the sort of bill we are all likely to vote "yes" on because it does benefit our constituents, our country, and it even benefits ourselves. Indeed a "no" vote would be very hard for me to explain to my constituents, and I submit the proper vote today is a "yes" vote.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I will be glad to yield to the gentleman from Illinois.

Mr. ANNUNZIO. I want to commend the gentleman from Ohio. In the last two Congresses, the gentleman served as the ranking minority member on the Subcommittee on Consumer Affairs. As the gentleman mentioned, the Senate imposed that 5-percent surcharge on our legislation and I am delighted today that the House will go on record repealing what the Senate had done because it is much needed. I want to say to the gentleman from Ohio that I am grateful for the gentleman's cosponsorship and his hard work in this field.

Mr. Speaker, it has been through the cooperative effort of the Republicans as well as the Democrats on the subcommittee that we have been able to present this legislation here today that the full committee passed 37 to 0.

I thank the gentleman for his help and I hope this time we overcome the Senate.

□ 1400

Mr. WYLIE. I thank the distinguished chairman of the Consumer Affairs Subcommittee, the gentleman from Illinois, for his compliment. It has always been a pleasure to work with him. We worked together on many pieces of consumer-oriented legislation, and he certainly has made a significant contribution in behalf of consumers all across the country.

I also want to say that the gentleman from Delaware, Mr. EVANS, the new ranking minority member of the Consumer Affairs Committee since I went over to the Financial Institutions Subcommittee as ranking minority member, is also to be complimented for his hard work on this legislation. It is indeed a bill which will benefit the consumers of America and will also, I think, benefit everyone because it does have the prospects of reducing inflationary pressures and reducing, as I said, regulatory costs of small business.

Mr. EVANS of Delaware. Mr. Speaker, I have no further requests for time.

Mr. ANNUNZIO. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO), a member of the Consumer Affairs Subcommittee.

Mr. VENTO. Mr. Speaker, I want to rise in support of H.R. 7340, and commend the chairman of the subcommittee and ranking minority members for their work on this issue. I think that this will go a long way toward permitting the free enterprise system to work with the price of various commodities that consumers purchase.

Frankly, the need for this, I expect, arose out of the feeling that there would be a bias against those who were purchasing things on credit, and therefore in order to have fair credit terms—and to eliminate a back door approach to raising interest rates—would be to simply limit this to a 5-percent cash discount so that those that were extended credit were not inordinately saddled with a high interest rate that was not reflected under the Truth in Lending Act. I believe that was the purpose of it.

Frankly, I do not think that this problem has arisen with regard to the Truth in Lending Act, and therefore the 5-percent limit that existed in the law can be eliminated. But this issue will require our continued vigilance to insure that indeed it is not a back door approach to raising the interest rates on consumer credit. The credit card industry is well established, and was extending credit in even higher levels in March, when supposedly consumer credit had been curtailed. It will be interesting to see the April figures with regard to that credit extension.

I would point out further reasons that we addressed this issue was because of our disappointment with the administration of the Credit Control Act, and the fact that it did not deal with all the alternatives, or at least some of the most viable alternatives, to limit our consumer credit. Perhaps one of the more meaningful methods, rather than some of the methods used, such as permitting interest rates to rise and suspending other consumer rights would have been cash discounts or required downpayments on consumer transactions and would have been a more preferable means to address the problem, and much more effective, rather than the means and alternative that was pushed by the Federal Reserve Board.

So, I rise in support of the bill and urge its passage.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 7340.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TREASURY DEPARTMENT INTERNATIONAL AFFAIRS AUTHORIZATION

Mr. NEAL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7051) to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1981 and 1982, and for other purposes, as amended.

The Clerk read as follows:

H.R. 7051

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10(d) of the Gold Reserve Act of 1934, as amended (48 Stat. 341; 31 U.S.C. 822(d)), is further amended by inserting after the word "provide" the words "to employees of the Department of State" and deleting the period at the end and adding ", and by section 5924(4)(B) of title 5, United States Code.".

SEC. 2. Section 5 of the Act of November 8, 1978, as amended (92 Stat. 3092), is further amended by—

(a) in subsection (a)—

(1) deleting the word "and" after "1979" and inserting a comma in lieu thereof, and inserting "and $23,671,000 for fiscal year 1981," after "1980,"; and

(2) deleting the comma after "representation expenses" and inserting thereafter "and for payments under an agreement with the Asian Development Bank for a salary equalization program for United States nationals employed by the Bank who are subject to United States income taxes,"; and

(b) in subsection (b), inserting after "$800,000" the words "and for fiscal year 1981 not to exceed $1,100,000,".

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. NEAL) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. NEAL).

Mr. NEAL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is a routine authorization of the administrative expenses for the carrying out of the international affairs functions of the Department of Treasury. Those expenses encompass staff salaries, office and equipment supplies, travel, communications, research, and representation in international organizations and foreign countries.

The Treasury had originally requested an authorization of $24,271,000, plus $1,100,000 for mandated cost-of-living expenses. The committee reduced the request for administrative expenses by $600,000, down to $23,671,000, and left the cost-of-living category unchanged. As amended, this authorization would represent an increase of about 7 percent over the authorization for fiscal 1980. The committee report provides a breakdown of the expenses into various categories. Over half of the funds will be spent on salaries and other personnel compensation. I might point out that the increase in funds, from fiscal year 1980 to fiscal year 1981, for the salaries of Treasury staff working on international affairs is minuscule. The Treasury has kept the size of its international affairs staff virtually constant.

The bill contains two minor provisions for new types of payments. It authorizes the Treasury to provide its overseas employees allowances for educational travel for dependents equal to those provided State Department employees. And it authorizes the Treasury to enter into a "salary equalization program" with the Asian Development Bank so that Americans employed at the ADB will receive roughly the same real salaries as other nationals. ADB salaries are calculated on the assumption that the employees' salaries will not be taxed by their national governments. But Americans employed at the ADB must pay U.S. income tax on their salaries, unlike any other nationals, so they suffer a real after-tax discrimination in their pay levels. For that reason, many have quit the ADB. A program of compensatory payments is necessary to remove that discrimination, and enable the ADB to attract and retain Americans.

The committee report provides more detail on each of these special types of payments authorized by H.R. 7051. I would like to emphasize that these payments are not additional to the basic authorization, but are included within the $23,671,000 authorization for administrative expenses. The Treasury estimates the payments for dependents' travel allowances will not exceed $10,000. It requests $700,000 for the "salary equalization program" with the ADB.

Finally, I want to conclude by pointing out that this is only the second annual authorization we have given the Treasury for these expenditures. Prior to fiscal year 1980, all these expenses were paid out of the resources of the Exchange Stabilization Fund (ESF), and thus were not in the budget, and not subject to the congressional budgetary process. In 1978 we passed legislation prohibiting that off-budget practice, and putting all these expenditures in the budget, subject to our annual scrutiny. These are normal administrative expenditures. They are not in any way what I would call "policy expenditures." That is, these funds are not used for foreign loans, or U.S. contributions to international organizations. They just pay the salaries of the staff who work on Treasury's international policies, as well as other routine administrative expenses.

□ 1410

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the committee's majority leadership in strong support of this measure. This bill represents a lean budget for a very busy and effective arm of our Government. Treasury's International Affairs Department plays an important role in assuring that U.S. international economic policies support the needs of our domestic economy. Treasury has major international responsibilities: The Secretary is Governor of the International Monetary Fund, the World Bank and other multilateral development banks; Cochairman of the Saudi Arabian-United States Joint Commission on Economic Cooperation; Cochairman of the U.S.-U.S.S.R. Commercial Commission; and Cochairman of the United States-China Joint Economic Commission. The Secretary oversees U.S. international monetary policy and operations, represents the United States in discussions and negotiations on financial issues with other countries, and closely assists the President at economic summit meetings.

Our fight against inflation, in particular, includes international as well as domestic policy initiatives. A stable dollar, and a fair and open system of international trade and investment, are essential aspects of our efforts to avoid additional inflationary pressures here at home. Smoothly functioning international monetary arrangements are equally important. Such activities as these, on the part of the Secretary and other senior Treasury officials, obviously require highly professional staff support.

The authorization for fiscal year 1981 for the international affairs function is $24.8 million—comprised of $23.7 million for the basic expenses and $1.1 million which would be available only for the payment of authorized cost of living increases in pay and overseas allowances and benefits. This represents a 7-percent increase over last year for Treasury's 460-person office.

While I fully support this legislation and feel it should pass, I feel it is important to take a minute to dispell a myth which continues to surround the history of this bill and the Exchange Stabilization Fund.

There is a great myth that this administration gave in to congressional pressure to bring these functions "on budget." My colleagues will remember that until last year these authorizations were funded out of profits from the "off-budget" Exchange Stabilization Fund. The ESF is Treasury's $4 billion war chest (some call it slush fund) with which they defend the value of the dollar in international exchange markets.

Now you do not have to be a speculator like Bunker Hunt to know that when you have the ESF intervene to stabilize the dollar and the dollar's value goes up—you make a profit. But if the dollar declines, the Exchange Stabilization Fund meets the same fate the Hunt brothers met in the silver market—big losses.

We could debate ad nauseum the causes of the dollar's continued decline in recent years. Certainly part of the blame must rest on this administration's shoulders. It tried to arrest the dollar's slide too late in the game, after much of the damage was done. In addition, it failed to inspire the sort of confidence in U.S. leadership around the world that is central to a stable dollar.

The net result of this has been significant paper losses to the Exchange Stabilization Fund over recent years—losses which would have made funding of Treasury's international operations impossible. I find it amusing to see Treasury attempting to collect kudos for bowing to the will of Congress while in fact it had little choice but to seek open authorizations for its operating expenses.

Motivations aside, Treasury's international operations are crucial to the smooth operation of the international monetary system on which rides our continued prosperity and the health of all economies. These authorizations have been cut back by the committee to what we feel is a barebones budget in line with overall budget stringency. The bill deserves our support.

Thank you.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to my colleague, the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we have talked in general terms about the questionable need for this bill.

I would like to know, if the gentleman from North Carolina would please respond, just what employees are we talking about who need additional cost-of-living increases, and I would like to know just what travel is involved under this legislation.

Mr. NEAL. I am sorry, Mr. Speaker, but I did not hear the gentleman's question.

Mr. RUDD. Mr. Speaker, I say, we have talked about the need in general terms of the $23.67 million in funding and the $1.1 million for cost-of-living increases in pay and overseas allowances for employees engaged in carrying out the international functions of the Treasury Department.

This is very general, and I am just wondering what the Treasury Department has requested in the way of funding for the employees involved, and what travel is involved.

Mr. NEAL. Mr Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Speaker, I would like to refer the gentleman from Arizona (Mr. RUDD) to page 2 of the committee report which gives the detailed breakdown of the budget we are requesting.

Mr. RUDD. Mr. Speaker, let me ask the gentleman if that applies to employees who are involved with the international banking agencies.

Mr. NEAL. No, it does not. This authorization is only for the International Affairs Function of the Department of Treasury. One of the responsibilities of the Treasury Department is the management of this exchange stabilization fund, but this is in no way related to the development banks or any of those items.

Mr. RUDD. Mr. Speaker, it seems to me that the general nature of the statements made and the issues involved here need to be made more specific, and perhaps this is not an appropriate piece of legislation to come up on suspension.

Mr. Speaker, I thank the gentleman for yielding.

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. NEAL. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. ANNUNZIO). The question is on the motion offered by the gentleman from North Carolina (Mr. NEAL) that the House suspend the rules and pass the bill, H.R. 7051, as amended.

The question was taken.

Mr. RUDD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. NEAL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous matter, on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AGRICULTURAL SUBTERMINAL FACILITIES ACT OF 1980

Mr. DASCHLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7141) to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes, as amended.

The Clerk read as follows:

H.R. 7141

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Subterminal Facilities Act of 1980".

FINDINGS

SEC. 2. Congress finds and declares that—

(1) an adequate system for the efficient transient storage and movement of bulk agricultural commodities is essential to the overall success of the agricultural industry of the Nation, the development of rural areas of the Nation, and the economic stability of the Nation;

(2) the movement and storage of bulk agricultural commodities has been seriously and repeatedly impeded by shortages of transient storage facilities, adequate rail rolling stock, and the deterioration of many railroad track beds and rural highways throughout the United States;

(3) the efficient movement and storage of bulk agricultural commodities may be achieved and facilitated by the joint location at strategic points throughout the United States of transient storage facilities and multimodal terminal facilities constructed especially for the efficient shipment and receipt of agricultural commodities; and

(4) the location of such facilities must be carefully planned to assure maximum benefits to producers of agricultural commodities and unprocessed agricultural products and utilization of the most efficient means of transporting bulk agricultural commodities for domestic and export markets.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "bulk agricultural commodity" means any agricultural commodity that can be transported in bulk and can be temporarily stored in bulk quantities without undergoing processing or packaging. Such term also includes any commodity or product that is used by producers in the production of agricultural commodities and that can be stored or shipped in bulk, such as fertilizer and fuel;

(2) "unprocessed agricultural products" means food, fiber, and other agricultural products that have not been packaged or otherwise prepared for retail sale, including animal products and unfinished cotton, wool, leather, or any other unfinished natural material;

(3) "Secretary" means Secretary of Agriculture;

(4) "subterminal facility" means any facility that is located in the area of production or consumption of agricultural commodities or any major storage or major export point for such commodities and is located at a place that conveniently serves the needs of producers, purchasers, and consumers of bulk agricultural commodities, and is—

(A) used for the transient storage of bulk agricultural commodities and may include equipment or structures necessary for the transportation, upgrading, receiving, drying, or loading out of such commodities; or

(B) any rail siding, loading, or unloading facility that can accommodate unit railroad trains or multiple car trains and other appropriate transportation modes designed for the transport of bulk agricultural commodities and production materials; and

(5) "region" means two or more States acting together to develop a coordinated regional subterminal facilities plan.

STATE AND REGIONAL PLANS; PLANNING GRANTS

SEC. 4. (a) (1) The Secretary shall, beginning not more than one hundred and eighty days after the effective date of this Act, make financial assistance available to any State that makes application therefor, and that otherwise meets the requirements of this section, for the purpose of assisting such State in the development of a subterminal facilities plan (hereinafter in this Act referred to as the "State plan") for such State. Assistance under this section shall be made available in the form of a grant. No grant may be made to any State unless the Governor of such State of the appropriate agency of such State makes an application therefor as provided in this section. To the maximum extent practicable, the personnel and resources of the colleges or universities in the State which are eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee Institute, shall be utilized in developing the subterminal facilities plan for that State pursuant to this section.

(2) The Secretary may also make grants under this section available to two or more States acting together to develop a coordinated regional subterminal facilities plan (hereinafter in this Act referred to as the "regional plan") for such region.

(3) Grants made under this section to any State or region may not exceed 80 per

centum of the cost of preparing the State or regional plan.

(4) The State or regional plan shall prescribe in detail the actions such State or region proposes to take in order to (A) facilitate the efficient and competitive movement of bulk agricultural commodities from the points of production within such State or region to major market or export points, (B) provide adequate storage facilities for such commodities between points of production and market, (C) provide adequate receiving, storage, and loading facilities for any bulk agricultural commodity, and (D) assure that such facilities will be located at sites that will result in maximum benefits to local producers.

(5) Each State or regional plan shall include the following:

(A) an analysis of the marketing, shipping, storage, and production of bulk agricultural commodities produced in that State or region and the short- and long-range projections with respect to the marketing, shipping, storage, and production of such commodities in that State or region;

(B) a determination, on the basis of the analysis and projections required under clause (A) of this paragraph, of the needs of the State or region for subterminal facilities;

(C) an assessment of the use of existing on-farm storage facilities located within the State or region and an assessment of the ways in which subterminal facilities can benefit the continued use of on-farm storage facilities;

(D) an evaluation of the effect of the development of new subterminal facilities on small capacity rural shipping and storage facilities within the State or region;

(E) an evaluation of ways to ensure adequate rail service for subterminal facilities described in clause (D) of this paragraph, including an evaluation of the use and feasibility of contract rates;

(F) an assessment of the ways that subterminal facilities can enhance the operation of small capacity shipping and storage facilities within the State or region;

(G) an assessment of other actions being taken or considered in such State or region for the improvement of agricultural transportation, including an evaluation of the use being made of shuttle or collector trains and combinations of rail and barge service;

(H) an evaluation of the potential benefits of subterminal ownership and leasing arrangements for rail rolling stock (including locomotive power), motor trucks, barge equipment, and other bulk agricultural commodity transport equipment that may help achieve maximum benefits from the operation of subterminal facilities within the State or region;

(I) an assessment of the overall transportation system in the State or region and future plans for that overall system, including the adequacy of highways and bridges; and

(J) consideration of the feasibility and advisability of the ownership and operation of rail branch lines by farmer-owned cooperatives, and the role that such cooperatives might play in any overall planning for the restructuring and rehabilitation of rail service and marketing facilities within the State or region.

(b) Funds made available to a State or region under this Act for the purposes of assisting such State or region to develop a plan shall be subject to the condition that the State or region establish a plan review commission composed of local producers, local elevator operators, representatives of affected motor and rail carriers, other interested individuals, and, when appropriate in the judgment of the Secretary, consumers of bulk agricultural commodities used in the production of unprocessed agricultural products. A majority of the members of any plan review commission must be local producers or, when appropriate in the judgment of the Secretary, consumers of bulk agricultural commodities used in the production of unprocessed agricultural products. The plan review commission shall consider the information and analyses developed by the State or region in the development of a State or regional plan and make appropriate recommendations regarding the State or regional plan. The plan review commission shall also make recommendations, based on information developed in the plan, for the most beneficial location of subterminal facilities.

(c) No application for planning assistance authorized pursuant to this section may be submitted by a State or region until the appropriate plan review commission established in accordance with this Act has had the opportunity to make recommendations to the Governor or Governors that a need exists for the development of a State or regional plan, and a majority of the members of such plan review commission concur that such application should be submitted.

(d) No State or region may receive a grant under this section unless—

(1) an application therefor has been submitted that complies with the provisions of this Act;

(2) the average annual production of bulk agricultural commodities produced within such State or region, or shipments of such commodities transported into such State or region, meets minimum levels established by the Secretary for a period the Secretary considers appropriate preceding the year in which application for such grant is made;

(3) the Governor of such State or the Governors of the States in such region certify to the Secretary that producers of agricultural commodities have experienced serious storage and transportation problems within such State or region during the three years preceding the year in which application for such grant is made; and

(4) such State or each State within such region has established an adequate plan, as described in section 5(j) of the Department of Transportation Act (49 U.S.C. 1654(j)), for rail service in such State or States, or such State or each State in such region is actively developing such a plan.

(e) Whenever any State or region has submitted a State or regional plan under this section, the Secretary shall approve such plan only if it has been approved by a majority of the members of the appropriate plan review commission established pursuant to this Act, and it meets the other conditions specified in this Act and those prescribed in regulations issued by the Secretary to carry out this Act. When a plan is approved by the Secretary, such plan shall be known as an "approved State plan" or an "approved regional plan," as appropriate.

(f) To carry out the purposes of this section, there are authorized to be appropriated not to exceed $3,300,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, and September 30, 1983.

LOANS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 5. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end thereof a new subsection (e) as follows:

"(e)(1) The Secretary may also insure and guarantee loans under this section to public, private, or cooperative organizations organized for profit or nonprofit, or to individuals for the purpose of constructing or improving subterminal facilities if—

"(A) the construction or improvement of such facilities is consistent with the appropriate approved State or regional plans and the recommendations of the local plan review commission established pursuant to the Agricultural Subterminal Facilities Act of 1980;

"(B) the Secretary determines that the ownership and operation of such subterminal facilities will result in the efficient and competitive movement of bulk agricultural commodities and will return increased benefits to the local producers served by such facilities; and

"(C) the Secretary determines that the rail carrier designated to provide service to any such facility will be able to provide adequate service.

Such loans may be made available for purchase of rail rolling stock (including locomotives), motor trucks, barges, and other bulk agricultural commodities transport equipment to be used in conjunction with the operation of subterminal facilities.

"(2) The Secretary may only insure or guarantee loans under this subsection if the Secretary finds that applicants are unable to obtain credit from commercial lending institutions (including specialized lending institutions established to provide credit to agricultural producers) on reasonable terms and conditions.

"(3) In order to preserve local ownership and control of agricultural transportation facilities, the Secretary shall give preference under this subsection to existing agricultural elevator operators and local producers in areas in which subterminal facilities are proposed to be located.

"(4)(A) The total amount of loan authority made available for use for the purpose of this subsection for any fiscal year shall be allocated by the Secretary on the basis of need among those States that have approved State or regional plans as defined in the Agricultural Subterminal Facilities Act of 1980. Such allocation shall be based on such formula as the Secretary shall prescribe by regulation.

"(B) Any loan authority available for use in any State in any fiscal year that is not used by such State shall be reallocated, to the extent practicable, among other States eligible for the assistance provided under this section, in accordance with the same formula developed by the Secretary for the initial allocation of loan authority under this subsection.

"(5) As used in this subsection, the term 'subterminal facility' has the same meaning as provided in the Agricultural Subterminal Facilities Act of 1980.

"(6) Within one hundred and eighty days after the effective date of the Agricultural Subterminal Facilities Act of 1980, the Secretary shall establish such rules and regulations as may be necessary to implement the provisions of this subsection.".

EFFECTIVE DATE

SEC. 6. The provisions of this Act shall become effective October 1, 1980.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from South Dakota (Mr. DASCHLE) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to urge the support of my colleagues for H.R. 7141, the Agricultural Subterminal Facilities Act of 1980. This bill has received the unanimous support of both the Subcommittee on Family Farms, Rural Development and Special Studies and the full Agriculture Committee. It has passed the Senate and, in addition, is supported by

Major structural changes are occurring throughout much of the Nation's rail system. These changes reflect the national policy goad of revitalizing a key industry which is largely and chronically beset with financial and operational problems that have forced many lines into bankruptcy or to the brink of it.

Wholly inadequate rail service, characterized by poorly maintained main lines and branch lines, obsolete storage and loading facilities, insufficient delivery of railcars, and unreliable scheduling, have been longstanding conditions confronting the Nation's grain and other bulk agricultural producers as well as agricultural producers such as poultry operators who depend on such commodities. Now, with inevitable and necessary restructuring of the rail system, these producers are threatened with further curtailment and even the complete loss of rail transport opportunities.

The dimension of the problem and its impact on the Nation's economy are indicated by the fact that 60 percent of all grain is shipped by rail and that nearly half of all export grain moves by train. Furthermore, most long haul shippers of grain and many other bulk agricultural commodity shippers are "captives" of railroads. No other means of shipping is economically feasible for them.

These elements should be considered against recognition of the well established trend in rail shipping toward long trains, hauling a single cargo over long distances, to a single destination. The pattern reflects the widely accepted conviction that this is the most efficient way in which to utilize railroad facilities and equipment.

It is in response to these circumstances and problems that the Agricultural Subterminal Facilities Act of 1980 was developed. In essence, the legislation provides bulk agricultural commodity producers and shippers and other agricultural producers who depend on such commodities, with the tools with which they can establish and operate modern, efficient storage and transportation facilities in conformance with the changing structure of the national rail system. The result will benefit both the producers and the railroads which serve them.

The bill is patterned after the successful, but limited experience of grain producers in Iowa and some other grain States. There cooperatives, existing small capacity elevator operators and others, have constructed new or have improved existing storage facilities geared to production on carefully chosen main line and viable branch line points and have the capacity to receive grain by truck and to load multiple-car and unit trains for nonstop delivery to domestic processors or to export terminals. On-farm storage and unimproved country elevator facilities serve as satellite feeders to the subterminal. With these facilities, producers and shippers are able to bypass large middlemen grain handlers and deal directly with processors and export purchasers. The result is adequate, reliable rail service, greater competitive ability, reduction of transportation costs through economies of scale and improved car utilization, and increased income for both grain producers and railroads.

Two requirements are essential to assure the widest, most efficient application of the subterminal concept providing maximum benefits to producers. The first is comprehensive State or regional planning to strategically designate such facilities in conformance with State rail plans conducted to identify lines essential to the State economy. In the interests of competitive flexibility subterminals should have the capacity to fully utilize not only rail but barge and truck transportation options and to receive and temporarily store bulk commodities used in agriculture production, such as fertilizer and fuel.

The State or regional subterminal planning effort should include a participatory role for local producers, shippers, representatives of transportation modes serving the area, and local residents who have a direct interest in the program. The second requirement is the provisions of loan assistance to local producers and shippers who wish to construct subterminals on sites identified in the State or regional plan but are unable to obtain adequate funds on reasonable terms and conditions.

The Agricultural Subterminal Storage Facilities Act responds to these requirements by providing Federal matching grants for State or regional planning programs which require the establishment and participation of local plan review commissions, and by providing insured and guaranteed loans under the Farmers Home Administration rural development and business and industrial loan program. Needed Federal financial assistance can be provided only for facilities designated in a plan approved by the commission. Thus, the planning and funding initiatives are originated and completely controlled on the State and local levels. Local producers and shippers are given priority status under the legislation for loan assistance to assure that those directly impacted by subterminals will have ample opportunity to own and operate such facilities.

I urge the House to pass what I consider to be milestone legislation in an effort to improve rural America's sadly neglected and discouragingly inadequate transportation system. With this bill we will be providing the Nation's agriculture community with the leverage it needs to tailor its transportation requirements to the developing share of a restructured rail system.

Mr. DASCHLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation is being considered under suspension of the rules because we believe the House will readily agree with the Agriculture Committee as to the merits of the bill and the need for it. It was reported from our committee by a vote of 36 to 0.

Transportation is critical to the agri- a wide cross section of farm and farm-related organizations.

cultural economy, and we are all familiar with the kinds of transportation problems being faced by the agricultural sector now. Railroad bankruptcy, deteriorating roadbeds, loss of branch lines, railcar shortages, undependable scheduling, and inadequate storage and loading facilities are creating serious inefficiencies that are costly to producers and consumers alike.

We are not going to solve all these problems with this bill, but it is a step in the right direction. It focuses specifically on the need for adequate storage and handling facilities in the most practical locations. It proposes to build on the experience already gained in Iowa and some other States in the construction of subterminal facilities for bulk farm commodities—facilities located on viable lines, capable of servicing multiple-car and unit trains, and having enough storage capacity to meet the needs of the area.

This legislation does not mandate the building of such facilities. It offers increased opportunity for determining what is needed and obtaining assistance through loans for construction or improvement of subterminal facilities. The bill authorizes cost-sharing planning grants to States for the development of subterminal facilities plans. A plan review commission made up of local producers, elevator operators, representatives of area motor and rail carriers and other interested individuals would determine if there is need for a State or regional plan, and would make recommendations to the Governor or Governors as to what that plan should include. A plan that has been approved by the review commission and accepted by the Secretary of Agriculture can serve as the basis upon which loan assistance may be provided for the construction of facilities.

This bill should be of help not only to producers who need to get their commodities shipped out of the area, but also to agricultural producers who are consumers of commodities that must be shipped into an area, such as fertilizer, fuel, or feed grains in New England, for example. It should be helpful as well to those who presently have outmoded or inadequate facilities on branch lines that cannot be kept open, for it will provide them with a greater opportunity to obtain the necessary financing to build improved facilities in a better location in the area.

Mr. Speaker, this legislation is a small step toward dealing with some of the serious problems facing the agricultural community and rural areas today. I urge my colleagues to give it their support.

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Mr. DASCHLE. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. Bedell).

Mr. BEDELL. Mr. Speaker, I rise in support of this legislation, and I want to particularly commend my colleague, the gentleman from South Dakota (Mr. Daschle), on this legislation. I need not reiterate the problems that we have with our rail systems serving all of the Midwest, and I certainly believe this is a real step forward. I commend my colleague.

Mr. Speaker, I would like to take this opportunity to indicate my support for the bill currently before us, H.R. 7141, the Agricultural Subterminal Facilities Act of 1980.

At the outset, Mr. Speaker, I would like to commend the author of the bill, my good friend from South Dakota, TOM DASCHLE, for his leadership in addressing the rail transportation problems which plague the Midwest. This measure he has brought before the House today is an important effort to reverse the decline in rail service which our rural economy has suffered. As one who has been actively involved since coming to the Congress in attempting to alleviate our rail problems, I urge my colleagues to give this legislation their full support.

This legislation seeks to provide producers of agricultural commodities and shippers with the tools needed to establish and operate modern, efficient storage and transportation facilities in response to the problems created by declining rail service. These problems are particularly acute in Iowa and the other northern Midwest States where the bankruptcies of the Milwaukee and Rock Island Railroads have raised the question of whether adequate rail service will continue to be provided so that grain can be moved to market. In addition, a great many rural grain elevators are located on rail branch lines that have been abandoned or soon will be abandoned. Also, many of the smaller grain elevators are not equipped to load unit trains, and the railroads are often unwilling to provide cars to these small elevators.

The construction of modernized grain elevators at selected locations in the grain producing areas could serve as collection points for smaller elevators insuring their continued viability while at the same time greatly facilitating grain handling. This approach is patterned after the already successful effort by many Iowa grain producers, grain cooperatives and small elevator operators, who have found that the subterminal approach has merit, and has enabled them to solve the problem of dependence on obsolete storage and loading facilities often located on inadequately maintained branchlines threatened with abandonment. The Iowa experience has established that the development of modern, strategically placed subterminals on mainlines and economically viable branchlines, coupled with the use of multiple-car and unit trains, leads to increased railcar service and the ability to ship more grain at better prices with schedules determined by the local shippers. Similarly successful efforts based on the Iowa success could be developed for the rest of the grain producing area of the Midwest, and is one reason why I am so enthusiastic in my support for this bill.

The bill as reported by the House Agricultural Committee on May 8, by a vote of 36 to 0, has two main provisions. First, the bill would authorize $3.3 million for each fiscal year from 1980 through 1983 to provide cost-sharing planning grants to States or regions for the development of State and regional subterminal facilities plans, to determine the need for and the best location for grain subterminal facilities on mainlines and viable branchlines. Second, the bill would authorize the Secretary of Agriculture to insure and guarantee loans for the construction and improvement of subterminal facilities to applicants within States or regions which have developed plans approved by local review commissions. Loans would be made and insured under the Consolidated Farm and Rural Development Act and included as part of the loan activity of the Rural Development Insurance Fund of the Farmers Home Administration. Loan preference would be given to existing agricultural elevator operators and local producers in the area to be served by the substantial facility.

Mr. Speaker, this legislation is a reasonable effort to provide adequate and reliable rail service, reduction of transportation costs through economies of scale and improved car utilization, and increased income for our financially hard-hit grain producers and railroads. I strongly urge my colleagues to join in support of this important and needed legislation.

Mr. DASCHLE. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON. Mr. Speaker, first, let me commend my friend, the gentleman from South Dakota (Mr. DASCHLE), for the leadership he has displayed in bringing this legislation through this committee and to the House.

Mr. Speaker, I rise in support of H.R. 7141, a bill authorizing the Secretary of Agriculture to create a grant program to assist States in developing subterminal storage and transportation facilities plans and to provide loans for the construction of such facilities.

As you know, railroads account for approximately 60 percent of all grain movement in the United States. The railroad system is a major key for agricultural transportation in my congressional district. In addition, as my colleagues are aware, much of the Nation's rail industry is facing an immediate crisis and several railroads are presently in bankruptcy or operating with marginal profitability. My district is one that in recent years has lost grain transportation facilities relative to subterminal closings and this action has had a very serious impact on the avenues available to my farmers for moving their commodities.

H.R. 7141 responds to a major problem and would provide producers of bulk agricultural commodities with the proper tools needed to establish and operate modern, efficient storage and transportation facilities consistent with the present changing structure of the national rail system. The end result will benefit both the producers and the railroads which serve them.

The legislation provides for Federal matching grants for State or regional planning programs which involve the participation of local plan review commissions, and by providing insured and guaranteed loans under the Farmers Home Administration business and industrial loan program. Qualifying States with serious agricultural transportation problems will have a means by which to plan and develop funding initiatives to remedy their situation.

Our farmers' burdens are many without having the additional problems which impede the flow of grain. The Agriculture Committee tells us that the subterminal facilities would enable producers and shippers to bypass large middlemen grain handlers and deal directly with processors and export purchasers. The result will be reliable rail service, greater competitive ability, reduction of transportation costs through economies of scale and improved car utilization, thus allowing increased income for both grain producers and railroads.

Mr. Speaker, I am sorry to say that farmers are still paying for the ill-advised grain and soybean embargo. Back on January 4 our farmers were promised that they would not have to bear the financial burden of this foreign policy initiative. Unfortunately, this commitment has not been kept. Enactment of this bill is just a small thing that we can do to begin to alleviate one of the many problems of our farmers.

Mr. Speaker, with considerable confidence I assure my colleagues that our Subcommittee on Agriculture Appropriations, on which I am privileged to serve as ranking member, will fund this program if and when it becomes law.

● Mr. FOLEY. Mr. Speaker, I rise in support of H.R. 7141, the Agricultural Subterminal Facilities Act of 1980. H.R. 7141 will provide urgently needed planning assistance on a cost-sharing basis to States and groups of States to assist them in developing comprehensive State or regional plans promoting the construction and improvement of subterminal storage and transportation facilities.

Subterminal facilities are generally located on carefully chosen main lines and viable branch line points and have the capacity to receive grain by truck and to load multiple-car and unit trains for nonstop delivery to domestic processors or to export terminals. Onfarm storage and unimproved country elevator facilities serve as satellite feeders to the subterminal. With these facilities, producers and shippers are able to bypass large middlemen grain handlers and deal directly with processors and export purchasers. The result is adequate, reliable rail service, greater competitive ability, reduction of transportation costs through economies of scale and improved car utilization, and increased income for both grain producers and railroads.

H.R. 7141 authorizes appropriations of $3.3 million for fiscal years 1981, 1982, and 1983 to be provided States and groups of States on a cost-sharing basis for the development of substantial facilities plans. To insure the need for the development of such plans the bill provides that no State or region can apply for a planning grant unless a plan review commission consisting of local producers, local elevator operators, representatives of the affected motor and rail carriers, and other interested parties, concurs in the need for such plan.

Once a plan has been prepared and after it is approved by the local plan review commission, it can serve as the basis upon which the Secretary can make guaranteed and insured loans available for the construction and improvement of subterminal storage and transportation facilities. Loans would be provided under the existing authorizations for the Farmers Home Administration pursuant to the business and industrial loan program. To insure that the needs of local affected persons are met, loan preference would be given to existing agricultural elevator operators and local producers in the area to be served by the subterminal facility.

H.R. 7141 will provide greatly needed assistance to States anxious to resolve their serious agricultural transportation problems. Throughout the entire process the efforts will be carried out at the State and local level thereby insuring that the producers most affected by the problem will be instrumental in developing and implementing the solution.

I urge all Members to join me in support of the bill, H.R. 7141.●

Mr. DASCHLE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from South Dakota (Mr. DASCHLE) that the House suspend the rules and pass the bill, H.R. 7141, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to provide for the development of State plans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities within the State or within a group of States acting together on a regional basis, and to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of such facilities, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DASCHLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. DASCHLE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from the further consideration of the Senate bill (S. 261) to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Subterminal Storage Facilities Act of 1979".

FINDINGS

SEC. 2. Congress finds and declares that—

(1) an adequate system for the efficient transient storage and movement of bulk agricultural commodities is essential to the overall success of the agricultural industry of the Nation, the development of rural areas of the Nation, and the economic stability of the Nation;

(2) the movement and storage of bulk agricultural commodities has been seriously and repeatedly impeded by shortages of transient storage facilities, adequate rail rolling stock, and the deterioration of many railroad track beds, and rural highways throughout the United States;

(3) the efficient movement and storage of bulk agricultural commodities may be achieved and facilitated by the joint location at strategic points throughout the United States of transient storage facilities and multimodal terminal facilities constructed especially for the efficient shipment and receipt of agricultural commodities; and

(4) the location of such facilities must be carefully planned to assure maximum benefits to producers of agricultural commodities and the most efficient means of transporting bulk agricultural commodities to domestic and export markets.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "bulk agricultural commodity" means any agricultural commodity that can be transported in bulk from the farm where it is produced and can be temporarily stored in bulk quantities without undergoing processing or packaging. Such term also includes any commodity or product that is used by producers in the production of agricultural commodities and that can be stored or shipped in bulk, such as fertilizer and fuel;

(2) "Secretary" means the Secretary of Agriculture; and

(3) "subterminal facility" means any facility that is—

(A) used for the transient storage of bulk agricultural commodities or for the transporting, upgrading, receiving, drying, or loading out of such commodities;

(B) located in the area of production of bulk agricultural commodities and any major storage or major export point for such commodities;

(C) located (or after construction, will be located) at a place that conveniently serves the needs of producers and purchasers of bulk agricultural commodities.

Such term also means any rail siding, loading, or unloading facility that can accommodate unit railroad trains or multiple car trains of twenty cars or more and other appropriate transportation modes designed for the transport and storage of bulk agricultural commodities and production materials.

STATE AND REGIONAL PLANS; PLANNING GRANTS

SEC. 4. (a)(1) The Secretary shall, beginning not more than one hundred and eighty days after the effective date of this Act, make financial assistance available to any State that makes application therefor, and that otherwise meets the requirements of this section, for the purpose of assisting such State in the development of a subterminal facilities plan (hereinafter in this Act referred to as the "State plan") for such State. Assistance under this section shall be made available in the form of a grant. No grant may be made to any State unless the Governor of such State or the appropriate agency of such State makes an application therefor as provided in this section.

(2) The Secretary may also make grants under this section available to two or more States acting together to develop a coordinated regional subterminal facilities plan (hereinafter in this Act referred to as the "regional plan") for such region.

(3) The amount of the grant made under this section to any State, or to any two or more States acting together (as provided in paragraph (2) of this subsection), shall be proportionate to the amount to which such State, or States acting together, would be entitled for the purpose of implementing an approved State plan or an approved regional plan under the provisions of section 310B(e) of the Consolidated Farm and Rural Development Act, except that in no case may the amount of the grant exceed an amount equal to 80 percent of the cost of preparing the State plan or regional plan, as the case may be.

(4) The State or regional plan shall prescribe in detail the actions such State or group of States proposes to take in order to (A) facilitate the efficient and competitive movement of bulk agricultural commodities from the points of production within such State or region to major market or export points, (B) provide adequate storage facilities for such commodities between points of production and market, (C) provide adequate receiving, storage, and loading facilities for any bulk agricultural commodity, and (D) assure that such facilities will be located at sites that will result in maximum benefits to local producers.

(5) The State plan of any State or the regional plan of any group of States shall include the following:

(A) An analysis of the trends in the marketing, shipping, storage, and production of bulk agricultural commodities produced in that State or region and the short- and long-range projections with respect to the marketing, shipping, storage, and production of such commodities in that State or region.

(B) A determination, on the basis of the analysis and projections required under clause (A) of this paragraph, of the needs of the State or region for subterminal facilities.

(C) An assessment of the use of existing on-farm storage facilities located within the State or region and an assessment of the ways in which subterminal facilities can benefit the continued use of on-farm storage facilities.

(D) An evaluation of the effect of the development of new subterminal facilities on small capacity rural shipping and storage facilities within the State or region.

(E) An evaluation of ways to ensure adequate rail service for subterminal facilities described in clause (D) of this paragraph, including an evaluation of the use and feasibility of contract rates.

(F) An assessment of the ways that subterminal facilities can enhance the operation of small capacity shipping and storage facilities within the State or region.

(G) An assessment of other actions being taken or considered in such State or group of States for the improvement of agricultural transportation, including an evaluation of the use being made of shuttle or collector trains and combinations of rail and barge service.

(H) An evaluation of the potential benefits of subterminal ownership and leasing arrangements for rail rolling stock (including locomotive power), motor trucks, barge equipment, and other bulk agricultural commodity transport equipment that may help achieve maximum benefits from the operation of subterminal facilities within the State or region.

(b) Funds made available to a State or region under this Act for the purpose of assisting such State or region to develop a State or regional plan shall be subject to the condition that the State or region establish a plan review commission composed of local producers, local elevator operators, representatives of affected motor and rail carriers, and other interested individuals. A majority of the members of any plan review commission must be local producers. The plan review commission shall consider the information and analyses developed by the State or region in the development of a State or regional plan and make appropriate recommendations regarding the State or regional plan. The plan review commission shall also make recommendations based on information developed in the plan for the most beneficial location of subterminal facilities.

(c) No State or region may receive a grant under this section unless—

(1) the average annual production of bulk agricultural commodities within such State or region meets minimum levels established by the Secretary for a period the Secretary considers appropriate preceding the year in which application for such grant is made;

(2) the Governor of such State or the Governors of such States acting together on a regional basis certify to the Secretary that producers of agricultural commodities have experienced serious storage and transportation problems within such State or region during the three years preceding the year in which application for such grant is made; and

(3) the State or group of States acting together on a regional basis has established an adequate plan, as described in section 5(j) of the Department of Transportation Act (49 U.S.C. 1654(j)), for rail service in such State or States, or such State or group of States is actively developing such a plan.

(d) Whenever any State or group of States acting together on a regional basis has submitted a State or regional plan under this section, the Secretary shall approve such plan if it meets the conditions specified in this Act and those prescribed in regulations issued by the Secretary to carry out this Act. Such a plan when approved by the Secretary shall be known as an "approved State plan" or an "approved regional plan," as appropriate.

(e) To carry out the purposes of this section, there are authorized to be appropriated not to exceed $3⅓ million for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.

LOANS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 5. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end thereof a new subsection (e) as follows:

"(e)(1) The Secretary may also insure and guarantee loans under this section to public, private, or cooperative organizations organized for profit and nonprofit, or to individuals for the purpose of constructing or improving subterminal facilities if—

"(A) the construction or improvement of such facilities is consistent with the approved plans and recommendations of the local plan review commission established under the Agricultural Subterminal Storage Facilities Act of 1979;

"(B) the Secretary determines that the ownership and operation of such subterminal facilities will result in the efficient and competitive movement of bulk agricultural commodities and will return increased benefits to the local producers served by such facilities; and

"(C) the Secretary determines that the rail carrier designated to provide service to any such facility will be able to provide adequate service.

Such loans may be made available for long-term lease or purchase of rail rolling stock (including locomotives), motor trucks, barges, and other bulk agricultural commodity transport equipment to be used in conjunction with the operation of subterminal facilities.

"(2) The Secretary may only make loan assistance available under this subsection if the Secretary finds that applicants are unable to obtain credit from commercial lending institutions (including specialized lending institutions established to provide credit to agricultural producers) on reasonable terms and conditions.

"(3) In order to preserve local ownership and control of agricultural transporation facilities, the Secretary shall give loan assistance preference under this subsection to existing agricultural elevator operators and local producers in areas in which subterminal facilities are proposed to be located.

"(4)(A) The total amount of loan authority made available for the purpose of this subsection for any fiscal year shall be allocated by the Secretary among those States or groups of States that have approved State plans or approved regional plans. Such allocation shall be made among such States and groups of States on the basis of such formula as the Secretary shall prescribe by regulation, except that any such formula shall include the following factors: the total railroad mileage in each such State or States, the annual production of bulk agricultural commodities in each such State or States, and the existing storage capacity for bulk agricultural commodities within each State or States. In no event may the amount of loan authority allocated to any such State or States in any fiscal year be less than an amount equal to 1 percent of the total loan authority available for allocation in such fiscal year.

"(B) Any loan authority available for use in any State or group of States in any fiscal year that is not used by such State or group of States shall be reallocated, to the extent practicable, among other States eligible for the assistance provided under this section, in accordance with the same formula developed by the Secretary for the initial allocation of loan authority under this subsection.

"(C) The total railcar mileage, bulk agricultural commodity production, and storage capacity within any State or group of States shall be determined by the Secretary in consultation with the Interstate Commerce Commission.

"(5) As used in this subsection, the terms 'subterminal facility', 'approved State plan', or 'approved regional plan' shall have the same meanings as provided in the Agricultural Subterminal Storage Facilities Act of 1979.

"(6) Within one hundred and eighty days after the effective date of the Agricultural Subterminal Storage Facilities Act of 1979, the Secretary shall establish such rules and regulations as may be necessary to implement the provisions of this subsection.".

EFFECTIVE DATE

SEC. 6. The provisions of this Act shall become effective October 1, 1979.

MOTION OFFERED BY MR. DASCHLE

Mr. DASCHLE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DASCHLE moves to strike out all after the enacting clause of S. 261 and insert in lieu thereof the text of H.R. 7141, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to provide for the development of State plans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities within the State or within a group of States acting together on a regional basis, and to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of such facilities, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7141) was laid on the table.

CHANGING DATES FOR ANNOUNCEMENT FOR WHEAT AND FEED GRAINS SET-ASIDES

Mr. BEDELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 118) to amend the Agriculture Act of 1949 to require that the proclamation made by the Secretary of Agriculture with respect to the national program acreage for feed grains to be made no later than October 15 of each year for crops harvested in the next succeeding calendar year, as amended.

The Clerk read as follows:

H.R. 118

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105A(f)(1) of the Agriculture Act of 1949 is amended by striking out "November 15" and inserting in lieu thereof "November 1".

SEC. 2. Section 107A(f)(1) of the Agriculture Act of 1949 is amended by striking out "August 15" and inserting in lieu thereof "August 1".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Iowa (Mr. BEDELL) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill (H.R. 118) as amended, a bill to require that the announcement by the Secretary of Agriculture with respect to a set-aside of cropland under the wheat and feed grains program be made no later than August 1 and November 1 of each year, respectively, for crops harvested in the next calendar year.

The purpose of the bill is to move forward by 2 weeks the date by which the Secretary of Agriculture is required to announce any set-aside of cropland under the wheat and feed grains program.

The final dates currently are fixed by law at August 15 in the case of wheat, and November 15 in the case of feed grains, of the year preceding the year in which the crop will be harvested. The bill would change those dates to August 1 and November 1, respectively.

Some farmers have found that announcements of set-asides under the wheat and feed grains program as late as August 15 and November 15 have given them problems. For example, producers of winter wheat in areas such as Texas and Oklahoma may, depending upon circumstances, begin planting wheat in early September. If an announcement of any set-aside for wheat is not made until August 15, there is insufficient time for planning their operations for the crop to be harvested in the next year. Further, it may deprive them, as a practical matter, of the opportunity to participate in a set-aside program. Similarly, corngrowers in the Midwest may need to apply fertilizer for the next year's corn crop before November 15. Thus, an announcement of any set-aside for feed grains as late as November 15 may be ineffective as it applies to their operations.

With respect to administration of the program by the Secretary, crop estimates are generally available by the 10th of the month. In these circumstances, the Department would have nearly 3 weeks to consider current data bearing on a set-aside decision if the final date for announcement were fixed at August 1 in the case of wheat and November 1 in the case of feed grains. The likelihood of significant changes in estimates from one of the crucial months to the next is small. Over the last 6 years, the July wheat estimates have differed from August estimates by between zero and 4 percent. During that period, the October corn estimates have differed from the November estimates by between 1 and 3 percent. The establishment of the final date for announcement of wheat and corn set-asides of August 1 and November 1, respectively, would take into consideration both the Department's need to base its decisions on current and complete data and the farmers' need to know of such decisions at an earlier date.

Both the Committee on Agriculture and the Congressional Budget Office have concluded that enactment of H.R. 118, as amended, will result in no additional cost to the Government. The bill will relieve a problem with the set-aside program which has been experienced by farmers. It was ordered reported by the Committee on Agriculture by a vote of 40 to 0.

I urge the Members to support the prompt enactment of this bill.

□ 1430

Mr. Speaker, as the author of H.R. 118, the legislation now before us which would move up the announcement dates for the wheat and feed grain set-aside programs, I would like to take this opportunity to underline the need for this measure.

Under a crop set-aside program, a farmer is asked to let some of his land lay fallow as a condition of qualifying for Government farm program benefits. The purpose of implementing a set-aside program is to bring supply and demand back into balance during a time of agricultural commodity surpluses. Often, the program serves a second purpose by encouraging soil conservation, as the land which is usually taken out of production is the more marginal land that frequently is more susceptible to erosion.

Why is it so important that farmers know as soon as possible about the scope of the following year's acreage set-aside? Farmers commonly do some of their fieldwork in the fall, just after harvest, in preparation for the planting of next year's crop the following spring. Often during the fall fieldwork many farmers will apply costly fertilizer, and thereby commit themselves to planting a crop on those acres in the spring. If the set-aside program is announced after the farmer has applied fertilizer, it is not likely that he will then choose to forfeit this investment and let that land lay idle. Poor participation in the program could, under certain conditions, lead to increased governmental farm support costs.

In the fall of 1978, just as in most previous years, the Department of Agriculture assured farmers that it would strive to make an announcement about the size of the following year's set-aside program at the earliest possible date. In fact, the Secretary of Agriculture gave repeated assurances that it was his intention to announce the following year's set-aside by mid-October of 1978. However, the set-aside was not announced until November 15—the last possible day, under current law, for USDA to announce the program.

The bill would move up the announcement dates for the wheat and feed grain set-aside programs to August 1 and November 1, respectively.

Lest there be continued concern that the Department of Agriculture will not have sufficient information by November 1 on the size of the current year's crop or existing stocks before determining whether or not to implement a set-aside, the table below is provided to demonstrate that the crop estimates for feed grains which USDA has formulated by early October of each year are extremely close to the estimates which USDA again calculates in early November. The November estimates have been used as a basis for determining whether USDA announced a set-aside by November 15.

USDA FALL CROP ESTIMATES

[Estimates are generally made around the 10th of each month]

	Corn—in billions of bushels		Percent Change
	October	November	
1974	4.718	4.621	−2
1975	5.737	5,804	+1
1976	5.865	6.063	+3
1977	6.303	6.367	+1
1978	6.824	6.890	+1
1979	7.390	7.586	+3

I believe that the foregoing sufficiently demonstrates that we can move ahead the announcement date for a set-aside program—and thereby allow farmers to make a more fully informed decision about the extent of their plantings and encourage farm program participation—without threatening to create an imbalance between farm commodity supply and demand.

Also, Mr. Speaker, I think that it is important to note that, with the agricultural marketplace in continued disarray because of the Soviet grain embargo imposed last January, passage of this legislation would be a signal that we are determined to restore order to the agricultural marketing and distribution system by providing producers with more useful information about Government farm policy.

Finally, I wish to commend the chairman of the committee for his leadership in recognizing the need for this bill and providing for the committee expeditious considerations of the measure.

I hope that my colleagues will recognize the importance of this bill, and I urge its prompt adoption.

Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. I compliment the gentleman on the bill. As the author of the amendment that set the November 15 date on corn, I have been disappointed that the Department on at least 20 occasions since that time has announced a decision which they said might be changed later, and in one instance I believe it was changed later.

My point is that it is not the intention of the committee, I take it, that this just be a temporary decision. Just a temporary announcement does not really comply with the intent of this law, does it?

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Iowa.

Mr. BEDELL. I appreciate the gentleman bringing up this matter. Certainly the intent of the committee is that we should have a meaningful announcement about the date, otherwise, there is no point in even setting a date. I appreciate very much that the gentleman has brought up that problem in the past.

I hope the record will show that it is the intent of the committee and of the Congress that the announcement should be an announcement of what is to be done, not simply an announcement which is likely to be changed.

Mr. DASCHLE. Mr. Speaker, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from South Dakota.

Mr. DASCHLE. I thank the gentleman for yielding.

I only want to take a minute to commend the gentleman and certainly the chairman of the House Committee on Agriculture for bringing this bill up at an early date, because I think what we need now more than anything, given the predictions of a bumper crop again this year certainly, we need the kind of confidence that this legislation will provide the farmers in setting their plans out at an early date for next year. That is what this does without forcing the hand of the Department of Agriculture.

I certainly join with the distinguished gentleman from Iowa in urging its speedy passage.

Mr. BEDELL. Mr. Speaker, I reserve the balance of my time.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us today could well be considered as is as simple housekeeping. As my esteemed colleague from Iowa (Mr. BEDELL), the author of the bill, has pointed out, this bill simply moves forward by 2 weeks the dates by which the Secretary of Agriculture must announce his set-asides for wheat and feed grains. For the past few years, farmers have complained they need more time, and the 1977 act did not give them enough. This is basically a compromise. The USDA has gone along with it. It is, though, sort of a sad commentary that here we are in the House patting ourselves on the back a little bit—I am not belittling the efforts of the gentleman from Iowa, and I congratulate him in his efforts—but it is kind of a sad commentary here, and our agriculture bills we have been able to get in here, we have only brought a few. They have been sort of certified $99\frac{11}{100}$ percent pure by the USDA. We have not had anything of any substance that we would go along with as far as they were concerned in the very many, many things that need to be responded to going on out in the Plains area right now.

Although I urge the passage of this bill, and I think it is fine for its purpose, it certainly is one peanut when we should have a whole load of things coming through here.

Mr. Speaker, for the past few years, farmers have complained that they need to know what the farm program is going to be as soon as possible. They felt that the dates in the 1977 farm bill did not give them enough time to plan production.

This bill represents a modest effort to address this problem. It is a compromise with the administration, which felt that it could not work within the confines of an earlier announcement date for either wheat or feed grains.

I would like to point out that the Congressional Budget Office has indicated that this bill will not add to Federal expenditures because farmers' decisions to participate in any future set-asides would be based on factors other than the announcement date.

Mr. Speaker, I intend to vote for this bill and urge my colleagues to support passage.

Mr. BEDELL. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON. Mr. Speaker, my colleagues on the Agriculture Committee are due high commendation for bringing forth this bill. Not only will it assure farmers an additional 2 weeks' notice for mechanically getting seed into the ground after a set-aside decision is made. Perhaps more importantly, farmers will have an additional 2 weeks for planning their crop rotations.

Maybe this is an appropriate time, Mr. Speaker, for me again to emphasize my disappointment that the Secretary of Agriculture did not proclaim a set-aside or diversion program for this crop year. The Speaker will recall that I forcefully called for such a program after the ill-fated decision of the President on January 4 to invoke the Russian grain and soybean embargo. This would have been the simple, effective, and efficient way of insuring that all taxpayers pay for this foreign policy initiative. Instead, contrary to the pledge of the President, our grain and soybean farmers are paying for the embargo through lower commodity prices.

Enactment of this bill is just another relatively meager thing that we can do for the farmer and I thus urge its passage.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. BURLISON. I am pleased to yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentleman for yielding.

I certainly agree with the gentleman in regard to the urgent need we have this year for a set-aside program.

The people in my area feel that the most important thing it could have done to help us with the problems that resulted from the embargo was to have had a meaningful set-aside program this year, because until we get our production and consumption in balance, we are going to continue to fight this battle. I hope we realize that by the Government buying corn and wheat, which they are doing at this time at considerable expense to the taxpayers, all we are doing is moving it from one place to another. It still hangs over the market. It actually would have been, in my opinion, much less expensive for the taxpayer for them to have had a meaningful set-aside program than to do what they are having to do now, and sooner or later we are going to have to do it anyway in order to make up for the tremendous surpluses we have.

Mr. BURLISON. I thank the gentleman for his remarks. The gentleman will recall that when the President proclaimed on January 4 the soybean embargo and when he sent his budget message to the Congress shortly thereafter, he said that farmers will not pay disproportionately to other taxpayers for the financial burden of the embargo. It is my feeling, Mr. Speaker, that at this point, the President has not been true to that commitment, because I am firmly convinced that commodity prices are lower now than they were on January 4 and lower than they would have been had there been no grain embargo. I think it was incumbent upon the President to take the steps necessary to insure that the cost of this important foreign policy initiative, whether we agree with the initiative itself or not, be borne by all taxpayers and not by the farmer. It should be borne by the farmer only to the degree that that farmer is a tax paying citizen. The initiation of a paid diversion or set-aside program would have been the efficient, effective, way to insure that the farmers not be required to pay a disproportionate share for this expensive foreign policy decision.

Mr. BEDELL. If the gentleman would continue to yield, the gentleman has again made a most important statement, and that is that we should not be looking at what prices are today compared to what they were at the time of the embargo. What we should be looking at is what the future prices were at the time of the embargo, which is to say what the prices would have been, for example, for July corn at that time or June corn and what it is at this time; and there we find them not even close to where they would be. So that when we say that the embargo is not hurt particularly, I think we have not looked at the whole picture.

☐ 1440

Mr. BURLISON. Mr. Speaker, the gentleman is eminently correct.

Mr. Speaker, I yield back the balance of my time.

Mr. BEDELL. Mr. Speaker, I yield such time as he may consume to the honorable chairman of the committee, the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I rise in support of this bill and the motion to suspend the rules and pass the bill.

I want to congratulate the gentleman from Iowa for the bill which he introduced. I think it is a reasonable and significant action to take in order to give encouragement for the earliest possible announcement of farm programs that affect so many of our wheat and feed grain producers. In this respect, I think it will assist farmers in making appropriate decisions.

Mr. Speaker, I hope that the House will accept the legislation by an overwhelming vote.

I thank the gentleman for yielding.

● Mr. GLICKMAN. Mr. Speaker, reviewing the amount of farm legislation we have managed to get through the Congress this year, I wish I could say that we had done more. H.R. 118 represents a small improvement, but it does not really address the basic dilemma in the farm economy, depressed prices and skyrocketing production costs.

H.R. 118 would move up the dates by which the Department of Agriculture has to announce whether there is to be an acreage set-aside program for the wheat and feed grains programs. While 2 weeks may not seem like a lot of time, it gives farmers that much more time to plan for the next year's crop. With a decision as critical as that on set-aside, the extra time can be most important.

The committee has worked on considerable legislation in addition to H.R. 118. We have reported a very significant bill introduced by the distinguished chairman of the committee, Mr. FOLEY, to increase loan rates for wheat and feed grains for the 1980 and 1981 crop years. Also reported and awaiting floor action is legislation to raise loan rates for soybeans in those same years. These bills could be very beneficial in injecting vitally needed capital into the farm economy. The loan rate approach reduces budget exposure and taxpayers end up paying a minimal amount on the program because loans are either paid back—with interest, I might add—or the grain on which the loan was made is assumed in the event of default, which is rare.

We have to recognize that if we are to restore good health to the farm economy we have to take firm, meaningful action. As anyone who has run a business or a household knows, if your expenses are larger than your intake, you are going to have problems. This is what our Nation's farmers are facing as they try to meet our Nation's needs for food and fiber. A strong farm economy is essential to the health of the overall economy and I feel strongly that we must move ahead as soon as possible on these loan rate increase bills.

And, today, I strongly urge my colleagues to support H.R. 118.●

Mr. BEDELL. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. BEDELL) that the House suspend the rules and pass the bill, H.R. 118, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to require that the announcement by the Secretary of Agriculture with respect to a set-aside of cropland under the wheat and feed grains program be made no later than August 1 and November 1 of each year, respectively, for crops harvested in the next calendar year.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BEDELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MISCELLANEOUS SMALL BUSINESS AMENDMENTS

Mr. SMITH of Iowa. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7297) to amend the Small Business Investment Act of 1958 to provide for the investment of temporarily unneeded funds, to modify the authority of the Small Business Administration regarding financing, and to statutorily establish the eligibility of Asian Pacific Americans to participate in programs under section 8(a) of the Small Business Act.

The Clerk read as follows:

H.R. 7297

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

MISCELLANEOUS PROVISIONS; INVESTMENT OF IDLE FUNDS

SECTION 1. The last sentence of section 412 of the Small Business Investment Act of 1958 is repealed.

SEC. 2. Section 405 of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.".

REGULAR BUSINESS LOAN REFORM

SEC. 3. Section 5(b)(7) of the Small Business Act is amended to read as follows:

"(7) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions (including the procurement of the services of attorneys by contract in any office where an attorney or attorneys are not or cannot be economically employed full time to render such services) when he determines such actions are necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans made under the provisions of this Act: *Provided*, That nothing herein shall be construed as authorizing the Administrator to contract or otherwise delegate his responsibility for loan servicing to other than Administration personnel, but with respect to deferred participation loans he may authorize participating lending institutions, in his discretion pursuant to regulations promulgated by him, to take such actions on his behalf, including, but not limited to the determination of eligibility and creditworthiness, and loan monitoring, collection, and liquidation;".

ASIAN PACIFIC AMERICANS

SEC. 4. (a) Section 2(e)(1)(C) of the Small Business Act is amended by inserting "Asian Pacific Americans," after "Native Americans,".

(b) The last sentence of subparagraph (C) of the clause contained in section 8(d)(3) of the Small Business Act is amended by inserting "Asian Pacific Americans," after "Native Americans,".

(c)(1) The amendment made by subsection (a) shall apply as if included in the amendment made by section 201 of the Act entitled "An Act to amend the Small Business Act and the Small Business Investment Act of 1958", approved October 24, 1978 (Public Law 95-507).

(2) The amendment made by subsection (b) shall apply as if included in the amendment made by section 211 of the Act so entitled.

SEC. 5. This Act shall become effective October 1, 1980.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Iowa (Mr. SMITH) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. MCDADE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. SMITH).

GENERAL LEAVE

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 7297 and urge the immediate passage of this legislation.

The provisions of this bill are very simple. It would do three things:

First, the bill will extend the authority of the SBA in the area of loan making and administration by authorizing the SBA to transfer limited loan processing functions from the agency to qualified financial institutions, but it prohibits SBA from delegating any authority regarding the processing or servicing of direct loans. This will allow borrowers to get a quicker response on their guaranteed loan application and will allow SBA to shift some loan officers to other duties which will assist small businesses with other problems.

Second, the bill will provide that Asian Pacific Americans be afforded the same presumption of "social disadvantage" as extended under present law to "black Americans," "Hispanic Americans," and "native Americans" for purposes of SBA's 8(a) program. Under this program, SBA contracts to provide goods and services to Federal departments and agencies and then subcontracts the work to socially and economically disadvantaged individuals.

Third, the bill will give SBA the authority to invest temporarily idle funds received as fees from the pollution control guarantees program. These moneys will ultimately be needed to pay claims but in the meantime can be earning interest. In addition, the bill will repeal an unnecessary provision authorizing the investment of idle funds in the surety bond guarantees program. There are no such funds to invest as the program is paying claims as expected.

The provisions of this bill were previously included in the conference report on S. 918 which was agreed to in the House on December 19, 1979, by voice vote; however, the Senate disagreed due to other unrelated provisions. Subsequently the House concurred in Senate amendments with further amendments to the disputed matter, again retaining the contents of H.R. 7297, by a recorded vote, 384 to 17, on February 6, 1980. The Senate has yet to act on S. 918.

I want to thank the gentleman from Pennsylvania (Mr. MCDADE), the ranking minority member, for his cooperation and assistance in facilitating the development of this bill, as did other members of this committee on both sides of the aisle. I also want to thank Mr. MINETA for his contribution and participation in working with us on the provision of the bill dealing with the eligibility of Asian Pacific Americans to participate in SBA's 8(a) program.

In conclusion, I want to state that the committee unanimously reported the bill on a bipartisan basis by a vote of 28 to 0 and I urge its support.

Mr. MCDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Iowa, the chairman of the subcommittee, has explained in detail the three minor measures that this bill addresses itself to. I know of no controversy surrounding it. As the gentleman has so ably pointed out, we have reported this bill unanimously from our subcommittee.

I join with the chairman in supporting H.R. 7297. This bill makes several changes in the Small Business Act to allow SBA to make greater use of funds it receives through its pollution control and surety bond guarantee programs. In addition, it allows SBA to delegate a greater share of the review and processing responsibility for its guaranteed loan progam to paticipating banks.

While these amendments are basically bookkeeping changes, they are needed to improve SBA's internal operations. Allowing the investment of idle funds which the agency receives from fees it obtained from the pollution control program is prudent management. Such funds must be available to cover any defaults that may occur, but permitting the investment of surplus funds meets this responsibility and reduces the amount of public appropriations Government money required for this program.

SBA has been conducting a pilot program to test the feasibility of giving banks the primary role in processing and serving the SBA/bank guaranteed loan program. This has been a successful project, and based upon its success this bill expands the banks' participation. The additional bank responsibility for the servicing of the guaranteed loans will free a number of SBA loan officers for other duties. Utilizing the existing bank expertise in this field should cut down on loan processing time, which will benefit the small business community. Hopefully, CBA employees will be available for greater oversight of the direct loan program and to improve the quality of services offered to the small business community.

The language contained in this bill is identical to that passed by the House earlier this year as part of the conference report on S. 918. I urge the adoption of this bill.

Mr. SMITH of Iowa. Mr. Speaker, I have no further requests for time.

Mr. McDADE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 7297.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 2698) to provide authorizations for the Small Business Administration, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AUTHORIZATIONS AND MISCELLANEOUS AMENDMENTS

Part A—Program Levels and Authorizations

Sec. 101. Section 20 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(h) The following program levels are authorized for fiscal year 1981:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $300,000,000 in direct and immediate participation loans, and $4,000,000,000 in deferred participation loans.

"(2) For the programs authorized by section 7(h) of this Act, the Administration is authorized to make $25,000,000 in direct and immediate participation loans and $12,000,000 in guaranteed loans.

"(3) For the programs authorized by section 7(i) of this Act, the Administration is authorized to make $76,000,000 in direct and immediate participation loans and $90,000,000 in guaranteed loans.

"(4) For the programs authorized by section 7(l) of this Act, the Administration is authorized to make $45,000,000 in direct and immediate participation loans and $33,000,000 in guaranteed loans.

"(5) For the programs authorized by sections 501, 502, and 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $55,000,000 in direct and immediate participation loans and $115,000,000 in guaranteed loans and guarantees of debentures.

"(6) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $42,000,000 in direct purchase of debentures and preferred securities, and to make $228,000,000 in guarantees of debentures.

"(7) For the programs authorized in part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,530,000,000.

"(8) For the programs authorized by sections (7)(b)(3) through 7(b)(9) and 7(g) of this Act, the Administration is authorized to enter into $110,000,000 in loans, guarantees, and other obligations or commitments.

"(9) For the programs authorized by sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $250,000,000.

"(10) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b) and 7(g) of this Act; and there are authorized to be transferred from the disaster loan revolving fund such sums as may be necessary and appropriate for such administrative expenses.

"(i) There are authorized to be appropriated to the Administration for fiscal year 1981, $1,187,000,000. Of such sum, $865,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (h), paragraphs (1) through (6); $76,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $242,000,000 shall be available for salaries and expenses of the Administration of which amount—

"(1) $13,200,000 shall be available for procurement and technical assistance; of which amount not less than $2,000,000 shall be available for technical assistance, and of this amount not less than $629,000 shall be used to pay for the continued development of a procurement automated source system, and not less than $825,000 shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a maximum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain, and interpret the appropriate technology for such small businesses and not more than $200,000 shall be available for a study the purpose of which shall be to define and describe the forest products industry and, in particular, to define and describe that portion of the forest products industry which consists of small businesses, to identify the trends and conditions affecting the survival of small businesses as a viable portion of the forest products industry, and to propose actions and programs to assist and promote a broadly based, nonconcentrated, healthy forest products industry.

"(2) $23,100,000 shall be available for management assistance, of which amount not less than $880,000 shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist.

"(3) $8,800,000 shall be available for economic research and analysis and advocacy, of which amount not less than $2,200,000 shall be used to employ at least sixty-nine staff people for the Office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94–305; not less than $1,650,000 shall be used to develop an external small business data bank and small business index; and not less than $1,650,000 shall be used for research.

"(4) $27,500,000 shall be available for the Office of Minority Small Business and Capital Ownership Development, $12,414,000 of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act.

"(5) $9,900,000 shall be available for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, to the installation of terminals in Administration field offices, and to the development of an indicative small business data base comprised of names and addresses and related information, of which amount not less than $1,100,000 shall be used to pay for development of such indicative small business data base.

"(6) $20,000,000 shall be available for matching grants to small business development centers, and an additional $550,000 shall be available for the administration of the small business development center program.

"(j) The Administrator may transfer no more than 10 percent of each of the total levels for salaries and expenses authorized in paragraphs (1) through (6) of section 20(i) of this Act: *Provided, however*, That no level authorized in such paragraphs may be increased more than 20 percent by any such transfers.

(k) The following program levels are authorized for fiscal year 1982:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $330,000,000 in direct and immediate participation loans, and $4,400,000,000 in deferred participation loans.

"(2) For the programs authorized by section 7(h) of this Act, the Administration is authorized to make $28,000,000 in direct and immediate participation loans, and $14,000,000 in guaranteed loans.

"(3) For the programs authorized by section 7(i) of this Act, the Administration is authorized to make $83,000,000 in direct and immediate participation loans, and $99,000,000 in guaranteed loans.

"(4) For the programs authorized by section 7(l) of this Act, the Administration is authorized to make $45,000,000 in direct and immediate participation loans, and $37,000,000 in guaranteed loans.

"(5) For the programs authorized by sections 501, 502, and 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $61,000,000 in direct and immediate participation loans, and $125,000,000 in guaranteed loans and guarantees of debentures.

"(6) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $47,000,000 in direct purchases of debentures and preferred securities and to make $251,000,000 in guarantees of debentures.

"(7) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,780,000,000.

"(8) For the programs authorized by sections 7(b)(3) through 7(b)(9) and 7(g) of this Act, the Administration is authorized to enter into $121,000,000 in loans, guarantees, and other obligations or commitments.

"(9) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into gaurantees not to exceed $300,000,000.

"(10) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses of sections 7(b) and 7(g), of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(l) There are authorized to be appropriated to the Administration for fiscal year 1982, $1,375,000,000. Of such sum, $1,022,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (k), paragraph (1) through (6); $83,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $266,000,000 shall be available for salaries and expenses of the Administration of which amount—

"(1) $14,520,000 shall be available for procurement and technical assistance; of which amount not less than $2,100,000 shall be available for technical assistance, and of this amount not less than $692,000 shall be used to pay for the continued development of a procurement automated source system, and not less than $907,500 shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of thirty technology data banks to define the technolcgy problems or needs of small businesses by searching technology data banks or other sources to locate, obtain and interpret the appropriate technology for such small businesses.

"(2) $25,400,000 shall be available for management assistance of which amount not less than $968,000 shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist.

"(3) $9,680,000 shall be available for economic research and analysis and advocacy, of which amount not less than $2,420,000 shall be used to employ at least sixty-nine staff people for the Office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94–305; not less than $1,815,000 shall be used to develop an external small business data bank and small business index; and not less than $1,815,000 shall be used for research.

"(4) $30,250,000 shall be available for the Office of Minority Small Business and Capital Ownership Development, $13,655,000 of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act.

"(5) $10,900,000 shall be available for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, to the installation of terminals in Administration field offices, and to the development of an indicative small business data base comprised of names and addresses and related information, of which amount not less than $1,210,000 shall be used to pay for development of such indicative small business data base.

"(m) The Administrator may transfer no more than 10 percent of each of the total levels for salaries and expenses authorized in paragraphs (1) through (5) of section 20(l) of this Act: *Provided, however,* That no level authorized in such paragraphs may be increased more than 20 percent by any such transfers.".

PART B—MISCELLANEOUS AND TECHNICAL AMENDMENTS

Sec. 110. Section 20(a) of the Small Business Act is amended to read as follows: "For fiscal years 1981 and 1982 there are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act other than those for which appropriations are specifically authorized. For fiscal year 1983 and every year thereafter, there are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act other than those for which appropriations are specifically authorized. All appropriations whether specifically or generally authorized shall remain available until expended.".

INVESTMENT OF IDLE FUNDS

Sec. 111. The last sentence of section 412 of the Small Business Investment Act of 1958 is repealed.

Sec. 112. Section 405 of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.".

DEVELOPMENT COMPANY DEBENTURES

Sec. 113. (a) Title V of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"DEVELOPMENT COMPANY DEBENTURES

"Sec. 503. (a)(1) Except as provided in subsection (b), the Administration may guarantee the timely payment of all principal and interest as scheduled on any debenture issued by any qualified State or local development company.

"(2) Such guarantees may be made on such terms and conditions as the Administration may by regulation determine to be appropriate.

"(3) The full faith and credit of the United States is pledged to the payment of all amounts guaranteed under this subsection.

"(4) Any debenture issued by any State or local development company with respect to which a guarantee is made under this subsection, may be subordinated by the Administration to any other debenture, promissory note, or other debt or obligation of such company.

"(b) No guarantee may be made with respect to any debenture under subsection (a) unless—

"(1) such debenture is issued for the purpose of making one or more loans to small business concerns, the proceeds of which shall be used by such concern for the purposes set forth in section 502;

"(2) necessary funds for making such loans are not available to such company from private sources on reasonable terms;

"(3) the interest rate on such debenture is not less than the rate of interest determined by the Secretary of the Treasury for purposes of section 303(b);

"(4) the aggregate amount of such debenture does not exceed the amount of loans to be made from the proceeds of such debenture (other than any excess attributable to the administrative costs of such loans);

"(5) the amount of any loan to be made from such proceeds does not exceed an amount equal to 50 percent of the cost of the project with respect to which such loan is made; and

"(6) the Administration approves each loan to be made from such proceeds.

"(c) The Administration may impose an additional charge for administrative expenses with respect to each debenture for which payment of principal and interest is guaranteed under subsection (a).

"(d) For purposes of this section, the term 'qualified State or local development company' means any State or local development company which, as determined by the Administrator, has—

"(1) a full-time professional staff;

"(2) professional management ability (including adequate accounting, legal, and business-servicing abilities): and

"(3) a board of directors, or membership, which meets on a regular basis to make management decisions for such company, including decisions relating to the making and servicing of loans by such company.".

(b) The table of contents of the Small Business Investment Act of 1958 is amended by inserting after the item relating to section 502 the following new item:

"Sec. 503. Development company debentures.".

REGULAR BUSINESS LOAN REFORM

Sec. 114. Section 5(b)(7) of the Small Business Act is amended to read as follows:

"(7) in addition to any powers, functions, privileges and immunities otherwise vested in him, take any and all actions (including the procurement of the services of attorneys by contract in any office where an attorney or attorneys are not or cannot be economically employed full time to render such services) when he determines such actions are necessary or desirable in making, servicing, compromising, modifying liquidating, or otherwise dealing with or realizing on loans made under the provisions of this Act: *Provided*, That nothing herein shall be construed as authorizing the Administrator to contract or otherwise delegate his responsibility for loan servicing to other than Administration personnel, but with respect to deferred participation loans he may authorize participating lending institutions, in his discretion pursuant to regulations promulgated by him, to take such actions on his behalf, including, but not limited to the determination of eligibility and creditworthiness, and loan monitoring, collection and liquidation;".

SURETY BOND GUARANTEE

SEC. 115. Section 411(c) of the Small Business Investment Act of 1958 is amended to read as follows:

"(c) Any guarantee or agreement to indemnify under this section shall obligate the Administration to pay to the surety a sum not to exceed (1) in the case of a breach of contract, 90 percent of the loss incurred and paid by the surety as the result of the breach; or (2) in a case in which (b) applies, the amount determined under (b).".

PROCUREMENT SYSTEMS

SEC. 116. Section 15(c) of the Small Business Act is amended to read as follows:

"(c)(1) During fiscal years 1981, 1982, and 1983, public and private not-for-profit organizations eligible for assistance under section 7(h) of this Act shall be eligible to participate in programs authorized under this section in an aggregate amount not to exceed $100,000,000 for each such year: *Provided*, That the Administrator shall monitor and evaluate such participation and in any case where the Administrator and the Executive Director of the Committee for the Purchase from the Blind and Severely Handicapped find that the participation of such organizations has or may cause severe economic injury to for-profit small businesses, the Administrator shall and is hereby authorized to direct and require every agency and department having procurement powers to take such actions as the Administrator and the Executive Director of the Committee for the Purchase from the Blind and Severely Handicapped may deem appropriate to alleviate the economic injury sustained or likely to be sustained by such for-profit small businesses.

"(2) The Administration shall, not later than January 1, 1982, prepare and transmit to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives, a report on the impact of contracts awarded to such organizations on for-profit small businesses.".

SEC. 117. (a) The first sentence of section 15(d) of the Small Business Act is amended by inserting "small business" before "concerns";

(b) Subsections (e) and (f) of section 15 of such Act are amended to read as follows:

"(e) In carrying out small business set-aside programs, departments, agencies, and instrumentalities of the executive branch shall award contracts, and encourage the placement of subcontracts for procurement to the following in the manner and in the order stated:

"(1) concerns which are small business concerns and which are located in labor surplus areas, on the basis of a total set-aside.

"(2) concerns which are small business concerns, on the basis of a total set-aside.

"(3) concerns which are small business concerns and which are located in a labor surplus area, on the basis of a partial set-aside.

"(4) concerns which are small business concerns, on the basis of a partial set-aside.

"(f) After priority is given to the small business concerns specified in subsection (e), priority shall also be given to the awarding of contracts and the placement of subcontracts, on the basis of a total set-aside, to concerns which—

"(1) are not eligible under subsection (e);

"(2) are not small business concerns; and

"(3) will perform a substantial proportion of the production on those contracts and subcontracts within areas of concentrated unemployment or underemployment or within labor surplus areas.".

ASIAN PACIFIC AMERICANS

SEC. 118. (a) Section 2(e)(1)(C) of the Small Business Act is amended by inserting "Asian Pacific Americans," after "Native Americans,".

(b) The last sentence of subparagraph (C) of the clause contained in section 8(d)(3) of the Small Business Act is amended by inserting "Asian Pacific Americans," after "Native Americans,".

(c)(1) The amendment made by subsection (a) shall apply as if included in the amendment made by section 201 of the Act entitled "An Act to amend the Small Business Act and the Small Business Investment Act of 1958", approved October 24, 1978 (Public Law 95-507); and

(2) The amendment made by subsection (b) shall apply as if included in the amendment made by section 211 of the Act so entitled.

DISASTER LOAN INTEREST RATES

SEC. 119. (a) Section 7(c)(3) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(C) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is able to obtain sufficient credit elsewhere, the interest rate shall not exceed the current average market yield, on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest one-eighth of 1 percent, and an additional amount as determined by the Administration, but not to exceed 1 percent: *Provided*, That three years after such loan is fully disbursed and every two years thereafter for the term of the loan, if the Administration determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Administration, apply for and accept such loan in sufficient amount to repay the Administration: *Provided further*, That no loan under subsection (b)(1) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under such subsection would exceed $500,000 for each disaster, unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation.".

(b) Section 18(a) of the Small Business Act is amended by striking the comma after the phrase "agricultural related industries" and inserting the following: *Provided*, That prior to October 1, 1982, an agricultural enterprise shall not be eligible for loan assistance under paragraph (1) of section 7(b) to repair or replace property other than residences and/or personal property unless it is declined for, or would be declined for, emergency loan assistance at substantially similar interest rates from the Farmers Home Administration under subchapter III of the Consolidated Farm and Rural Development Act,".

(c) Section 18(b) of the Small Business Act is amended to read as follows:

"As used in this Act—

"(1) 'agricultural enterprises' means those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries; and

"(2) 'credit elsewhere' means the availability of sufficient credit from non-Federal sources at reasonable rates and terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time.".

(d) The amendments made by this section to sections 7(c)(3)(C) and 18 (a) and (b) of the Small Business Act shall not apply to any disaster which commenced on or before the effective date of this Act.

AMENDMENTS TO CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 120. (a) Section 321 of the Consolidated Farm and Rural Development Act is amended by striking out in the first sentence all that follows after "with the assistance of such loan" through the end of the sentence and inserting in lieu thereof a period.

(b) Section 324(a) of the Consolidated Farm and Rural Development Act is amended by—

(1) striking out the first sentence and inserting in lieu thereof the following: "Loans made or insured under this subtitle shall be at rates of interest as follows:

"(1) with respect to loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, (A) if the applicant is unable to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, the interest rate shall be a rate prescribed by the Secretary not in excess of 5 percent per annum, and (B) if the applicant is able to obtain sufficient credit elsewhere, the interest rate shall be the rate prescribed by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 percent, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 percent: *Provided*, That the total amount outstanding and committed to the borrower under this paragraph (1) shall not exceed $500,000 for each disaster; and

"(2) with respect to loans or portions of loans exceeding the amount of actual loss caused by the disaster, the interest rate shall be that prevailing in the private market for similar loans, as determined by the Secretary."; and

(2) inserting in the second sentence after "*Provided*, That" the following: "for loans approved under subsection (a)(1)(B), three years after such loan is made or insured and every two years thereafter for the term of the loan, if the Secretary determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary: *Provided further*, That".

BORROWING AUTHORITY FOR SMALL BUSINESS ADMINISTRATION REVOLVING FUNDS

SEC. 121. Section 4(c) of the Small Business Act is amended by deleting subsections (2) through (5) and inserting the following:

"(2) The Administration is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under the revolving funds created by section 4(c)(1) of this Act and for authorized expenditures out of the funds. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Administration with the approval of the Secretary of the Treasury. The rate of interest on such notes shall be determined by the Secretary of the Treasury, and shall be not less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of loans made or guaranteed from the funds. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administration issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administration. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States. All borrowing authority contained herein shall be effective only to such extent or in such amounts as are provided in advance in appropriation Act.

"(3) There are authorized to be appropriated, in any fiscal year, such sums as are necessary for losses incurred by the funds established by subsection (c)(1) during the preceding fiscal year.

"(4) Upon the enactment of the first appropriation providing borrowing authority for the funds established pursuant to subsection (c)(1), all unobligated amounts in the funds and those received by the funds thereafter as repayments of principal on loans then outstanding shall be deposited into the General Fund of the Treasury to be credited as miscellaneous receipts.

"(5) The Administration shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the average of cash disbursements outstanding throughout the year from amounts appropriated before the enactment of this Act and this interest shall be calculated solely on the amount of loan disbursements net of defaults. The rate of such interest shall be determined by the Secretary of the Treasury, and shall be not less than a rate determined be taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of loans made or guaranteed from the fund.".

TITLE II—SMALL BUSINESS DEVELOPMENT CENTERS

SHORT TITLE

SEC. 201. This title may be cited as the "Small Business Development Center Act of 1980".

PROGRAM AUTHORIZATION

SEC. 202. The Small Business Act is amended by redesignating section 21 as section 30 and by inserting the following new section:

"SEC. 21. (a)(1) The Administration is authorized to make grants (including contracts and cooperative agreements) to any State government or any agency thereof, any regional entity, any State-chartered development, credit or finance corporation, any public or private institution of higher education, including but not limited to any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, community college or junior college, or to any entity formed by two or more of the above entities (herein referred to as "applicants") to assist in establishing small business development centers and to any such body for: small business oriented employment or natural resources development programs; studies, research, and counseling concerning the managing, financing, and operation of small business enterprises; delivery or distribution of such services and information; and providing access to business analysts who can refer small business concerns to available experts.

"(2) The Administration shall require, as a condition to any grant (or amendment or modification thereof) made to an applicant under this section, that an additional amount (excluding any fees collected from recipients of such assistance) equal to the amount of such grant be provided from sources other than the Federal Government: *Provided*, That the additional amount shall not include any amount of indirect costs or in-kind contributions paid for under any Federal program, nor shall such indirect costs or in-kind contributions exceed 50 percent of the non-Federal additional amount: *Provided further*, That no recipient of funds under this section shall receive a grant which would exceed its pro-rata share of a $65,000,000 program based upon the population to be served by the small business development center as compared to the total population in the United States, or $200,000, whichever is greater.

"(b)(1) During fiscal years 1981, 1982, and 1983, financial assistance shall not be made available to any applicant if approving such assistance would be inconsistent with a plan for the area involved which has been adopted by an agency recognized by the State government as authorized to do so and approved by the Administration in accordance with the standards and requirements established pursuant to this section.

"(2) An applicant may apply to participate in the program by submitting to the Administration for approval a plan naming those authorized in subsection (a) to participate in the program, the geographic area to be served, the services that it would provide, the method for delivering services, a budget, and any other information and assurances the Administration may require to insure that the applicant will carry out the activities for assistance. The Administration is authorized to approve, conditionally approve or reject a plan or combination of plans submitted. In all cases, the Administration shall review plans for conformity with the plan submitted pursuant to paragraph (1) of this subsection, and with a view toward providing small business with the most comprehensive and coordinated assistance in the State or part thereof to be served.

"(3) At the discretion of the Administration, the Administration is authorized to permit a small business development center to provide advice, information and assistance, as described in subsection (c), to small businesses located outside the State, but only to the extent such businesses located within close geographical proximity to the small business development center, as determined by the Administration.

"(c)(1) Applicants receiving grants under this section shall assist small businesses in solving problems concerning operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting, business strategy development, and other disciplines required for small business growth and expansion, innovation, increased productivity, and management improvement, and for decreasing industry economic concentrations.

"(2) A small business development center shall provide services as close as possible to small businesses by providing extension services and utilizing satellite locations when necessary. To the extent possible, it also shall make full use of other Federal and State government programs that are concerned with aiding small businesses. A small business development center shall have—

"(A) a full-time staff director to manage the program activities;

"(B) access to business analysts to counsel, assist, and inform small business clients;

"(C) access to technology transfer agents to provide state of art technology to small businesses through coupling with national and regional technology data sources; and

"(D) access to information specialists to assist in providing information searches and referrals to small businesses.

"(3) Services provided by a small business development center shall include, but shall not be limited to—

"(A) furnishing one-to-one individual counseling to small businesses;

"(B) assisting in technology transfer, research, and coupling from existing sources to small businesses;

"(C) maintaining current information concerning Federal, State, and local regulations that affect small businesses and counsel small businesses on methods of compliance. Counseling and technology development shall be provided when necessary to help small businesses find solutions for complying with environmental, energy, health, safety, and other Federal, State, and local regulations;

"(D) coordinating and conducting research into technical and general small business problems for which there are no ready solutions;

"(E) providing and maintaining a comprehensive library that contains current information and statistical data needed by small businesses;

"(F) maintaining a working relationship and open communications with the financial and investment communities, legal associations, local and regional private consultants, and local and regional small business groups and associations in order to help address the various needs of the small business community;

"(G) conducting in-depth surveys for local small business groups in order to develop general information regarding the local economy and general small business strengths and weaknesses in the locality; and

"(H) maintaining lists of local and regional private consultants to whom small businesses can be referred.

A small business development center shall continue to upgrade and modify its services, as needed, in order to meet the changing and evolving needs of the small business community.

"(4) A small business development center is authorized to utilize and compensate consultants, engineers and testing laboratories for services provided to small businesses on behalf of such small business development center.

"(5) The assistance provided by small business development centers as described in this subsection shall, to the extent practicable and feasible, be provided by qualified small business vendors, including but not limited to, private management consultants, private consulting engineers, and private testing laboratories.

"(d) Laboratories operated and funded by the Federal Government are authorized and directed to cooperate with the Administration in developing and establishing programs to support small business development centers by making facilities and equipment available; providing experiment station capabilities in adaptive engineering; providing library and technical information processing capabililites; and providing professional staff for consulting. The Administration is authorized to reimburse the laboratories for such services.

"(e) The National Science Foundation and innovation centers supported by the National Science Foundation are authorized and directed to cooperate with small business development centers participating in this program. The National Science Foundation shall report annually on the performance of such innovation centers with recommendations to the Administration and the Congress on how such innovation centers can be strengthened and expanded. The National Science Foundation shall include in its report to Congress information on the ability of innovation centers to interact with the Nation's small business community and recommendations to the Administration on continued funding.

"(f) The National Aeronautics and Space Administration and industrial application centers supported by the National Aeronautics and Space Administration are authorized and directed to cooperate with small business development centers participating in this program. The National Aeronautics and Space Administration shall report annually on the performance of such industrial application centers with recommendations to the Administration and the Congress on how such industrial application centers can be strengthened and expanded. The National Aeronautics and Space Administration shall include in its report to Congress information on the ability of industrial application centers to interact with the Nation's small business community and recommendations to the Administration on continued funding.

"(g)(1) The Administrator shall appoint a Deputy Associate Administrator for Management Assistance who shall report to the Associate Administrator for Management Assistance and who shall serve without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at a rate not less than the rate of GS–17 of the General Schedule.

"(2) The sole responsibility of the Deputy Associate Administrator for Management Assistance shall be to administer the small business development center program. Duties of the position shall include, but are not limited to, recommending the annual program budget, reviewing the annual budgets submitted by each applicant, establishing appropriate funding levels therefor, selecting applicants to participate in this program, implementing the provisions of this section, maintaining a clearinghouse to provide for the dissemination and exchange of information between small business development centers and conducting audits of recipients of grants under this section. The Deputy Associate Administrator for Management Assistance shall confer with and seek the advice and counsel of the Board in carrying out the responsibilities described in this subsection.

"(h)(1) There is established a National Small Business Development Center Advisory Board (herein referred to as 'Board') which shall consist of nine members appointed from civilian life by the Administrator and who shall be persons of outstanding qualifications known to be familiar and sympathetic with small business needs and problems. No more than three members shall be from universities or their affiliates and six shall be from small businesses or associations representing small businesses. At the time of the appointment of the Board, the Administrator shall designate one-third of the members and at least one from each category whose term shall end in two years from the date of appointment, a second third whose term shall end in three years from the date of appointment and the final third whose term shall end in four years from the date of appointment. Succeeding Boards shall have three-year terms, with one-third of the Board changing each year.

"(2) The Board shall elect a Chairman and advise, counsel, and confer with the Deputy Associate Administrator for Management Assistance in carrying out the duties described in this section. The Board shall meet at least quarterly and at the call of the Chairman of the Board. Each member of the Board shall be entitled to be compensated at the rate not in excess of the per diem equivalent of the highest rate of pay for individuals occupying the position under GS–18 of the General Schedule for each day engaged in activities of the Board and shall be entitled to be reimbursed for expenses as a member of the Board.

"(i)(1) Each small business development center may establish an advisory board.

"(2) Each small business development center advisory board shall elect a chairman and advise, counsel, and confer with the director of the small business development center on all policy matters pertaining to the operation of the small business development center, including who may be eligible to receive assistance from, and how local and regional private consultants may participate with the small business development center.

"(j) The Administration, with the advice of the Board, shall establish a plan for evaluation of the small business development center program which may include the retaining of an independent concern to conduct such an evaluation. The evaluation shall be both quantitative and qualitative and shall determine—

"(1) the impact of the small business development center program on small businesses, including private consultants, and the socio-economic base of the area served;

"(2) the multidisciplinary resources the small business development center program was able to coordinate to assist small businesses; and

"(3) the extent to which various types of small businesses engaged in areas such as manufacturing, retailing, wholesaling and services have been assisted by the small business development center program.

For the purpose of this evaluation, the Administration is authorized to require any small business development center or party receiving assistance under this section to furnish it with such information annually or otherwise as it deems appropriate. Such evaluation shall be completed and submitted to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives by January 31, 1983.

"(k) The authority to enter into contracts shall be in effect for each fiscal year only to the extent or in the amounts as are provided in advance in appropriations Acts.".

SEC. 203. Section 7(d)(1) of the Small Business Act is amended to read as follows:

"(d)(1) On or after October 1, 1980, the Administration shall not fund any small business development center or any variation thereof, except as authorized in section 21 of this Act: *Provided*, That in fiscal year 1980 nothing in this section or in section 21 shall be deemed to affect the operation of any small business development center which was funded by the Administration prior to October 1, 1979: *Provided further*, That no small business development center which was funded in fiscal year 1979 may be funded in excess of $300,000 in fiscal year 1980.".

SEC. 204. Sections 201 and 202 of this title are repealed effective October 1, 1984.

TITLE III—SMALL BUSINESS ECONOMIC POLICY

SHORT TITLE

SEC. 301. This title may be cited as the "Small Business Economic Policy Act of 1980."

DECLARATION OF SMALL BUSINESS ECONOMIC POLICY

SEC. 302. (a) For the purpose of preserving and promoting a competitive free enterprise economic system, Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practical means and to take such actions as are necessary, consistent with its needs and obligations and other essential considerations of national policy, to implement and coordinate all Federal department, agency, and instrumentality policies, programs, and activities in order to: foster the economic interests of small businesses; insure a competitive economic climate conducive to the development, growth and expansion of small businesses; establish incentives to assure that adequate capital and other resources at competitive prices are available to small businesses; reduce the concentration of economic resources and expand competition; and provide an opportunity for entrepreneurship, inventiveness, and the creation and growth of small businesses.

(b) Congress further declares that the Federal Government is committed to a policy of utilizing all reasonable means, consistent with the overall economic policy goals of the Nation and the preservation of the competitive free enterprise system of the Nation, to establish private sector incentives that will help assure that adequate capital at competitive prices is available to small businesses. To fulfill this policy, departments, agencies, and instrumentalities of the Federal Government shall use all reasonable means to coordinate, create, and sustain policies and programs which promote investment in small businesses, including those investments which expand employment opportunities and which foster the effective and efficient use of human and natural resources in the economy of the Nation.

STATE OF SMALL BUSINESS

SEC. 303. (a) The President shall transmit to the Congress not later than January 20 of each year a Report on Small Business and Competition which shall—

(1) examine the current role of small business in the economy on an industry-by-industry basis;

(2) present current and historical data on production, employment, investment, and other economic variables for small business in the economy as a whole and for small business in each sector of the economy;

(3) identify economic trends which will or may affect the small business sector and the state of competition;

(4) examine the effects on small business and competition of policies, programs, and activities, including, but not limited to the Internal Revenue Code, the Employee Retirement Income Security Act, the Securities Act of 1933, and the Securities Exchange Act of 1934, and regulations promulgated thereunder; identify problems generated by such policies, programs, and activities; and recommend legislative and administrative solutions to such problems; and

(5) recommend a program for carrying out the policy declared in section 302 of this Act, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President also shall transmit simultaneously as an appendix to such annual report, a report, by agency and department, on the total dollar value of all Federal contracts exceeding $10,000 in amount and the dollar amount (including the subcontracts thereunder in excess of $10,000) awarded to small, minority-owned and female-owned businesses.

(c) The President may transmit from time to time to the Congress reports supplementary to the Report on Small Business and Competition, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 302 of this Act.

(d) The Report on Small Business and Competition and all supplementary reports transmitted under subsections (b) and (c) of this section shall, when transmitted to Congress, be referred to the Senate Select Commitee on Small Business and the Committee on Small Business of the House of Representatives.

TITLE IV—SMALL BUSINESS ECONOMIC RESEARCH AND ANALYSIS

SEC. 401. The Small Business Act is amended by redesignating subsection 4(b) as subsection 4(b)(1) and inserting thereafter the following:

"(2) The Administrator also shall be responsible for—

"(A) establishing and maintaining an external small business economic data base for the purpose of providing the Congress and the Administration information on the economic condition and the expansion or contraction of the small business sector. To that end, the Administrator shall publish on a regular basis national small business economic indices, which shall include, but need not be limited to, data on—

"(i) employment, layoffs, and new hires;

"(ii) number of business establishments and the types of such establishments such as sole proprietorships, corporations, and partnerships;

"(iii) number of business formations and failures;

"(iv) sales and new orders;

"(v) back orders;

"(vi) investment in plant and equipment;

"(vii) changes in inventory and rate of inventory turnover;

"(viii) sources and amounts of capital investment, including debt, equity, and internally generated funds;

"(ix) debt to equity ratios;

"(x) exports;

"(xi) number of dollar amount of mergers and acquisitions by size of acquiring and acquired firm; and

"(xii) concentration ratios; and

"(B) publishing annually a report giving a comparative analysis and interpretation of the historical trends of the small business sector as reflected by the data acquired pursuant to subparagraph (A) of this subsection.".

SEC. 402. Section 634d(1) of title 15, United States Code, is amended by striking the word "Schedule;" and inserting in lieu thereof "Schedule: *Provided, however,* That not more than ten staff personnel at any one time may be employed and compensated at a rate not in excess of GS-15, step 10, of the General Schedule;".

SEC. 403. Section 5315 of title 5 of the United States Code is amended by adding the following new paragraph:

"(128) Chief Counsel for Advocacy, Small Business Administration.".

SEC. 404. In consultation with the Administrator of the Small Business Administration and the Bureau of the Census, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation shall conduct such studies of the credit needs of small business as may be appropriate to determine the extent to which such needs are being met by commercial banks and shall report the results of such studies to the Congress by January 1, 1982, together with their views and recommendations as to the feasibility and cost of conducting periodic sample surveys, by region and nationwide, of the number and dollar amount of commercial and industrial loans extended by commercial banks to small business. Reports shall, when transmitted to the Congress, be referred to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives.

TITLE V—EMPLOYEE OWNERSHIP

SEC. 501. This title may be cited as the "Small Business Employee Ownership Act of 1980."

SEC. 502. The Congress hereby finds and declares that—

(1) employee ownership of firms provides a means for preserving jobs and business activity;

(2) employee ownership of firms provides a means for keeping a small business small when it might otherwise be sold to a conglomerate or other large enterprise;

(3) employee ownership of firms provides a means for creating a new small business from the sale of a subsidiary of a large enterprise;

(4) unemployment insurance programs, welfare payments, and job creation programs are less desirable and more costly for both the Government and program beneficiaries than loan guarantee programs to remain employment in firms that would otherwise be closed, liquidated, or relocated; and

(5) by guaranteeing loans to qualified employee trusts and similar employee organizations, the Small Business Administration can provide feasible and desirable methods for the transfer of all or part of the ownership of a small business concern to its employees.

SEC. 503. (a) The purposes of this title are—

(1) to provide that a qualified employee trust shall be eligible for loan guarantees under section 7(a) of the Small Business Act with respect to a small business concern, regardless of the percentage of stock of the concern held by the trust, and

(2) to provide in section 605 of this Act authority to address the specific case in which the Small Business Administration guarantees loans under section 7(a) of the Small Business Act for purposes of providing funds to a qualified employee trust (and other employee organizations which are treated as qualified employee trusts) for the purchase, by at least 51 percent of the employees, of at least 51 percent of the stock of a business which is operated for profit and which is—

(A) a small business concern, or

(B) a corporation which is controlled by another person if, after the plan for the purchase of such corporation is carried out, such corporation would be a small business concern.

(b) Nothing in this title shall be construed to prohibit the Small Business Administration from making loan guarantees under section 7(a) of the Small Business Act to qualified employee trusts which own less than 51 percent of the stock of a continuing business.

SEC. 504. Section 3 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(c)(1) For purposes of this Act, a qualified employee trust shall be eligible for any loan guarantee under section 7(a) with respect to a small business concern on the same basis as if such trust were the same legal entity as such concern.

"(2) For purposes of this Act, the term 'qualified employee trust' means, with respect to a small business concern, a trust—

"(A) which forms part of an employee stock ownership plan (as defined in section 4975(e)(7) of the Internal Revenue Code of 1954)—

"(i) which is maintained by such concern, and

"(ii) which provides that each participant in the plan is entitled to direct the plan as to the manner in which voting rights under qualifying employer securities (as defined in section 4975(e)(8) of such Code) which are allocated to the account of such participant are to be exercised with respect to a corporate matter which (by law or charter) must be decided by a majority vote of outstanding common shares voted; and

"(B) in the case of any loan guarantee under section 7(a), the trustee of which enters into an agreement with the Administrator which is binding on the trust and on such small business concern and which provides that—

"(i) the loan guaranteed under section 7(a) shall be used solely for the purchase of qualifying employer securities of such concern.

"(ii) all funds acquired by the concern in such purchase shall be used by such concern solely for the purposes for which such loan was guaranteed.

"(iii) such concern will provide such funds as may be necessary for the timely repayment of such loan, and the property of such concern shall be available as security for repayment of such loan, and

"(iv) all qualifying employer securities acquired by such trust in such purchase shall be allocated to the accounts of participants in such plan who are entitled to share in such allocation, and each participant has a nonforfeitable right, not later than the date such loan is repaid, to all such qualifying employer securities which are so allocated to the participant's account.

"(3) Under regulations which may be prescribed by the Administrator, a trust may be treated as a qualified employee trust with respect to a small business concern if—

"(A) the trust is maintained by an employee organization which represents at least 51 percent of the employees of such concern, and

"(B) such concern maintains a plan—

"(i) which is an employee benefit plan which is designed to invest primarily in qualifying employer securities (as defined in section 4975(e)(8) of the Internal Revenue Code of 1954),

"(ii) which provides that each participant in the plan is entitled to direct the plan as to the manner in which voting rights under qualifying employer securities which are allocated to the account of such participant are to be exercised with respect to a corporate matter which (by law or charter) must be decided by a majority vote of the outstanding common shares voted,

"(iii) which provides that each participant who is entitled to distribution from the plan has a right, in the case of qualifying employer securities which are not readily tradable on an established market, to require that the concern repurchase such securities under a fair valuation formula, and

"(iv) which meets such other requirements (similar to requirements applicable to employee stock ownership plans as defined in section 4975(e)(7) of the Internal Revenue Code of 1954) as the Administrator may prescribe, and

"(C) in the case of a loan guarantee under section 7(a), such organization enters into an agreement with the Administration which is described in paragraph (2)(B).".

SEC. 505. Section 7(a) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(8)(A) The Administration may guarantee under subsection (a) a loan to a qualified employee trust with respect to a small business concern for the purpose of purchasing stock of the concern under a plan approved by the Administrator which, when carried out, results in the qualified employee trust owning at least 51 percent of the stock of the concern.

"(B) The plan requiring the Administrator's approval under subparagraph (A) shall be submitted to the Administration by the trustee of such trust with its application for the guarantee. Such plan shall include an agreement with the Administrator which is binding on such trust and on the small business concern and which provides that—

"(i) not later than the date the loan guaranteed under subparagraph (A) is repaid (or as soon thereafter as is consistent with the requirements of section 401(a) of the Internal Revenue Code of 1954), at least 51 percent of the total stock of such concern shall be allocated to the accounts of at least 51 percent of the employees of such concern who are entitled to share in such allocation,

"(ii) there will be periodic reviews of the role in the management of such concern of employees to whose accounts stock is allocated, and

"(iii) there will be adequate management to assure management expertise and continuity.

"(C) In determining whether to guarantee any loan under this paragraph, the individual business experience or personal assets of employee-owners shall not be used as criteria, except inasmuch as certain employee-owners may assume managerial responsibilities, in which case business experience may be considered.

"(D) For purposes of this paragraph, a corporation which is controlled by any other person shall be treated as a small business concern if such corporation would, after the plan described in subparagraph (B) is carried out, be treated as a small business concern.

"(E) The Administrator shall compile a separate list of applications for assistance under this paragraph, indicating which applications were accepted and which were denied, and shall report periodically to the Congress on the status of employee-owned firms assisted by the Administration.".

SEC. 506. (a) The Administrator of the Small Business Administration shall enter into a contract with an independent consultant which provides for a study by such consultant of the feasibility of making loan guarantees under section 7(a) of the Small Business Act directly to the seller of a small business concern in connection with the installment sale of such concern. Such study shall include an analysis of at least the following:

(1) the extent and nature of the use of installment sales for the sale of small business concerns,

(2) the ability of the Small Business Administration to make credit judgments in connection with installment sales,

(3) the need for Small Business Administration loan guarantees to facilitate installment sales,

(4) the willingness of banks and other financial institutions to participate in the evaluation of installment sales, and

(5) the anticipated cost of such a guarantee program in comparison to other loan guarantee programs of the Small Business Administration.

Nothing in this section shall be construed as authorizing the Administrator to enter into contracts or incur obligations except to such extent and in such amounts as are provided in appropriations Acts.

(b) Not later than April 1, 1981, the Administrator of the Small Business Administration shall transmit the findings of such study, along with his recommendations, to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives.

SEC. 507. This Act shall take effect October 1, 1980.

MOTION OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SMITH of Iowa moves to strike out all after the enacting clause of the Senate bill, S. 2698, and insert in lieu thereof the provisions of H.R. 7297, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Small Business Investment Act of 1958 to provide for the investment of temporarily unneeded funds, to modify the authority of the Small Business Administration regarding financing, and to statutorily establish the eligibility of Asian Pacific Americans to participate in programs under section 8(a) of the Small Business Act.".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7297) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 2698

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill (S. 2698) and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

The Chair hears none, and appoints the following conferees: Messrs. SMITH of Iowa, ST GERMAIN, NOLAN, ICHORD, EVANS of Georgia, BARNARD, LEACH of Louisiana, HALL of Ohio, MCDADE, MARRIOTT, ROTH, and BETHUNE.

CIVIL RIGHTS COMMISSION AUTHORIZATION ACT OF 1980

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6888) to amend section 106 of the Civil Rights Act of 1957 to authorize appropriations for the Commission on Civil Rights for the fiscal year 1981.

The Clerk read as follows:

H.R. 6888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Commission Authorization Act of 1980".

SEC. 2. Section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) is amended by striking out "1980" and inserting "1981" in lieu thereof.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. EDWARDS) will be recognized for 20 minutes, and the gentleman from Wisconsin (Mr. SENSENBRENNER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6888 would authorize to be appropriated, for the U.S. Commission on Civil Rights, an amount not to exceed $14 million for fiscal year 1981. This amount is identical to that set by this Congress for the Commission in fiscal year 1980 (Public Law 96–81).

Since its creation in 1957, the Commission, through its reports and recommendations, has served as our conscience when we assess the state of civil rights in this country. Their reports and recommendations have provided useful guidance to the public and to the policy makers in each branch of Federal, State and local government.

In the ongoing quest for social justice in America, the Commission must be commended for its diligence in identifying and criticizing our failures, as well as, for pointing to and applauding our successes. In recognition of the importance of the Commission's efforts, the 95th Congress expanded the Commission's jurisdiction to include the areas of discrimination on the basis of age and handicap status.

It is our finding that the Commission still has not received the resources necessary to adequately address its expanded jurisdiction, regarding age and handicap status, as well as its previous jurisdiction.

Consistent with our findings and actions during the 95th Congress and last year, the committee recommends that we again authorize a ceiling of $14 million for fiscal year 1981. In the committee report, we once more recommend that any amount appropriated above the amount requested by the Commission be used only in the areas of expanded jurisdiction or for the legislative study mandated under the 1978 Amendments to the Older Americans Act. The committee, by voice vote, ordered H.R. 6888 favorably reported to the House on May 6, 1980. It is our belief that without adequate funding of the areas of expanded jurisdiction the intent of Congress in mandating such expansion will be frustrated.

Mr. Speaker, I urge my colleagues to join me in supporting this legislation.

□ 1450

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Maryland.

Mr. BAUMAN. The gentleman recalls, it may have been 2 years ago, my memory is not quite clear, the House took certain actions regarding the Civil Rights Commission's lobbying activities and also adopted the Treen amendment dealing with the Commission's investigation reports on the issue of abortion. Can the gentleman bring us up to date on what the status of the law is in those two areas? I vaguely remember the other body accepted in some form these prohibitions. Are they still in effect and does this bill continue that?

Mr. EDWARDS of California. The Commission has never been authorized or permitted by law to lobby. In the renewal of the laws regarding the Civil Rights Commission, investigations on abortion were forbidden. So they cannot conduct investigations in that area.

Mr. BAUMAN. So that prohibition, the so-called Treen amendment, is still in law and would continue?

Mr. EDWARDS of California. It is in the law presently.

Mr. BAUMAN. We did not finally adopt any strict prohibition against lobbying?

Mr. EDWARDS of California. That is already in the law and has been in the law all of the time.

Mr. BAUMAN. I thank the gentleman.

Mr. EDWARDS of California. Mr. Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill deserves the strong support of this House. There is no increase in the authorization requested either by the Commission or approved by the Committee on the Judiciary. In this time of tight budgets and fiscal austerity, which all of us subscribe to, I think it is remarkable that an agency of Government is not coming into the Congress asking for more.

For that reason I believe this bill should be passed overwhelmingly.

I have no further requests for time and yield back the balance of my time.

Mr. EDWARDS of California. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

The SPEAKER pro tempore (Mr. ANNUNZIO). The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the bill, H.R. 6888.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES FROM SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, NOTWITHSTANDING ADJOURNMENT

Mr. McDONALD. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Wednesday, June 4, 1980, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

A FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

THE RIOTS AT FORT CHAFFEE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, over this past weekend, riots erupted at the Fort Chaffee, Ark., Cuban refugee resettlement center. Refugees, reportedly angered by delays in processing, stormed the main gate at the fort and were turned back by State police and sheriff's deputies.

In the affray, about 2 dozen persons —refugees and law enforcement officials were injured. Apparently, shots were fired by police but fortunately there were no fatalities.

Instances such as this one go far beyond the local threat to civil order. Although the dislocations to communities like Fort Smith are considerable, these disturbances are symptomatic of the flaws in our immigration policy.

Present policy and practice have created conditions which impose few constraints on the numbers of refugees that will be admitted to this country but more important, do not address the many economic and social problems that arise as a consequence of a massive influx of unsponsored refugees into communities which have problems of their own.

Estimates of the cost of this most recent influx of Cubans range as high as $300 million—without including long-term costs of welfare benefits and tax revenues lost as Cuban workers displace Americans. In addition, disturbances at Fort Chaffee in Arkansas and Eglin AFB, Fla., have created an atmosphere of fearfulness and uncertainty in the affected communities.

In a climate characterized by a genuine effort to restore fiscal responsibility to government while minimizing the economic impact on the poor, elderly, and disadvantaged, it makes little sense to practice a policy which does not represent a judicious balance between our traditional values and our economic realities.

Since we share some of those values with our Latin neighbors in the Western Hemisphere, I believe we ought to move to seek hemispheric cooperation in developing an immigration policy which accounts for all the realities that face us in this situation.

The central reality is—Castro's communism has failed. When the massive boatlift has finally ended, more than 100,000 refugees will have fled Fidel's socialist paradise.

For the most part, the Cuban refugees are family people who want and deserve better than the Castro regime can give them.

However, it is not the exclusive responsibility to the United States to provide refuge. Rather, it seems to me that that is an obligation which is shared by the other democratic republics of this hemisphere.

Tomorrow, I will confer with Gale McGee, American Ambassador to the Organization of American States, with a view toward achieving a concerted U.S. plan to establish refugee reception centers elsewhere in Latin America. I hope also that we will undertake negotiations to arrive at a hemispheric system of immigration quotas which recognizes the shared responsibility of our Hispanic allies.

For years, Castro has tried to export the successes of his revolution. Now he is forced to export his failures. By adopting a joint hemispheric immigration policy, we can expect the Cuban refugees to serve as articulate and effective opponents of the Castro regime where opposition is most needed—in those nations where Castro has sought to foment dissent and has supported insurgency.

In that way, the animosity toward Castro of the refugees can become a counterweight to Fidel's cynical attempt to spread his bankrupt system to other Hispanic republics.

This Friday, I will depart for Nicaragua and Costa Rica to discuss foreign aid matters with the Heads of State of those two nations. It is my intention to make this matter of immigration a part of the considerations respecting the according of foreign aid.

Mr. Speaker, I urge my colleagues to join me in calling for new directions in hemispheric immigration policy to insure that the problems arising from the presence of 20,000 Cubans at Fort Chaffee, Ark., do not recur as communism in this hemisphere continues to crumble.

MILITARY COMPENSATION

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ICHORD. Mr. Speaker, during debate on the issue of selective service registration and more recently on H.R. 6974, the fiscal 1981 Department of Defense authorization bill much has been said regarding the issue of recruiting and retention of our military personnel.

While I was an original skeptic of the All-Volunteer Force concept and remain a skeptic today, I believe that when we chose the All-Volunteer Force we did so on the belief that adequate compensation could fill the ranks with adequate numbers of quality personnel. Regrettably, we have neglected this vital ingredient of the All-Volunteer formula.

Mr. Speaker, on this issue of military compensation, I am in receipt of a copy of a letter sent by one of my constituents, a 9-year veteran, to President Carter. Candidly, I must admit that this excellent letter far surpasses in clarity and effect the testimony of any defense witness on his subject. I would like to quote briefly from that letter: First—

> Wages are not one of the difficulties and hardships which may be expected to be overcome by a patriotic sense of duty—

Second—

> military pay is not the cause of budgetary red ink and focusing on those options is analogous to whipping the children for the sins of their parents—

And finally—

> the military, and in particular the people that make it work, are not canned goods purchased on a one time cost basis with an unlimited shelf life. We are, in fact, quite perishable.

Mr. Speaker, I would urge my colleagues to read this letter in its entirety and insert it at this point in the RECORD:

SEATTLE, WASH., *May 6, 1980.*

The PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The endless controversy over military compensation, most recently the dispute between 11.7 and 7.4 percent pay hikes in an era of 18% inflation compells me to make public comment. Mine is only one voice, but I sincerely believe that my feelings echo those of untold thousands of career military personnel.

Those of us who are qualified and elect to pursue the military as a profession do so for a variety of reasons, of which patriotism still remains a surprisingly potent factor in many cases. However, the motivational powers of patriotism are not unlimited and should, at the most, be expected only to help enable the individual to overcome certain difficult, unyielding, yet absolutely necessary, aspects of military life, such as; arduous drills, maneuvers, exercises, erratic hours, alerts, less than perfect living accommodations, and significantly the long, almost unbearable, family separations. Last, but positively the most crucial aspect, is that which differentiates the military from practically every other profession on earth, with the exception of fire and police protection; when and if the Commander in Chief so decides, we stand ready to give our very lives. Neither I nor my colleagues of the military profession harbor any desire to die earlier than nature and God has intended, but, we will if necessary. Few other professions carry with them a responsibility of such magnitude that, should conditions warrant, the ultimate sacrifice is expected and required.

Mr. President, members of the House, Senate, and the American people, I appeal to your logic and sense of justice; the military members financial compensation should not, and cannot continue being a pawn, to be traded off during the annual budget bargaining sessions. Wages are not one of the "difficulties and hardships" which may be expected to be overcome by a patriotic sense of duty. Career military personnel have their own lives to lead and futures for which most would care to plan and save. How, in all honesty, can a young person even consider a future in an organization that is paying many of its people such meager sums that they are often eligible for food stamps, and in countless cases are forced to seek second or third jobs in order to ensure a respectable standard of living for their families. It is simply not realistic to expect qualified men and women to choose the military as a career if the pay is grossly inadequate, as it is now. Quite frankly, even the proposed 11.7% pay hike is not nearly enough to make the wage scales competitive. The most sophisticated aircraft, ships, weapons, logistic and medical systems known to modern technology make up much of our defense arsenal. It is ludicrous to expect that personnel trained in their operation, maintenance, and repair will continue doing so, for entire careers, when paid wages equivalent to that of unskilled labor in the civilian job market. Thirty percent across the board (the absurd separation of "pay" and "allowances" is yet another problem) would be much closer to the mark.

The options to do nothing, or to repeatedly "cap" military pay raises will, of course, remain. They are the easy methods of giving the appearance of attempting to control federal deficit spending. However, military pay is not the cause of budgetary red ink and focussing on those options is analogous to whipping the children for the sins of the parents. What must be considered and apparently has not been, is that regardless of how generous a wage is offered, only a select, rather small, group of people will volunteer to make the military a career. Remember, their lives are on call for the duration! However, if the pay scales are cumbersome, unrealistic, and inadequate, as they presently are, far fewer of those qualified will make the decision in favor of the military. Of those that do, many will inevitably change their minds during the eight to twelve year phase in order to earn a living commensurate with their qualifications. Those leaving are precisely the people we cannot afford to lose; the well trained, seasoned technicians and middle managers (E-5, E-6, and E-7 from the enlisted ranks, O-3 and O-4 from the officer corps).

Conscription will not fill this crucial gap and, unless corrective measures are soon taken, what is now a severe problem may well develop, within the decade, into a very real crisis, if not disaster. The Navy has already sidelined a major ship, and warned that others may follow, due to a lack of experienced personnel. Similar problems abound within the other services.

In conclusion, the military, and in particular the people that make it work, are not "canned goods" purchased on a "one time" cost basis, with an unlimited shelf life. We are, in fact, quite perishable.

Sincerely yours,

KEVIN M. KELLY,
Concerned 9-Year Veteran.

AID TO SYRIA OPPOSED

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McHUGH. Mr. Speaker, when the House resumes consideration of the foreign aid authorization bill later this week, an amendment will be offered to eliminate U.S. assistance to Syria. I intend to support that amendment and urge all of our colleageus to do the same.

As you may recall, Mr. Speaker, the House adopted a similar amendment to the foreign aid bill in 1978. The House vote occurred just before the breakthrough at Camp David. In the wake of Camp David, and at the President's express request, the Senate voted to restore aid to Syria unconditionally. When House and Senate conferees then met to resolve the issue, I joined a majority of conferees in giving President Carter the discretion he requested to provide some economic assistance to Syria. However, we imposed a condition, namely, that the aid be provided only if the President concluded that providing such assistance would contribute to the process of peace in the Middle East.

At the time, this seemed like a reasonable compromise. With the President serving as mediator, Israel and Egypt had just signed the Camp David accords and many of us hoped that this first step toward peace would be followed by others. We believed that the President's success justified an affirmative response to his plea that we provide him some flexibility in dealing with Syria. Although to many of us Syria had not shown any real interest in peace, we did agree to provide the President with some leeway on economic aid if he could determine that providing such aid would contribute to the peace process.

In 1979, Secretary of State Vance appeared before our appropriations Subcommittee on Foreign Operations, and I asked him about Syria. In my judgment, he was unable to provide any concrete examples to demonstrate that Syria was contributing to the Middle East peace process. Nonetheless, on behalf of the President, he asked for continued discretion to provide economic aid to Syria should its government have a change of heart.

Although many of us were discouraged by the continued intransigence of the Syrian Government, we satisfied our misgivings in 1979 by substantially reducing the amount of economic aid that could be provided and by again instructing the President to withhold aid unless he concluded that Syria was contributing to the process of peace.

It is now 1980, and we must decide whether this approach is still feasible. The Carter administration has again requested funds for Syria. In my opinion, it still cannot point to any evidence that Syria is interested in peace. Therefore, I believe the time has come to abandon the approach we adopted in 1978 and 1979.

For 2 years the United States has not only actively worked for peace, but has provided a modest economic incentive to promote it. We have held open the door of friendship and invited Syria to participate in the peace process. So far as I can tell, Syria has done nothing to indicate that it is prepared to respond to our initiative and live in peace with Israel. Until it does so, we should withdraw even this modest offer of economic aid that the administration is requesting.

In my view, Mr. Speaker, the time has come for Syria to cease its obstructionism and to demonstrate its willingness to join the peacemakers in the Middle East. That is the mesage this House can convey by voting to eliminate economic aid to Syria. We have no idea whether our message will be received or responded to in Damascus, but this year we should send it.

TERROR IN THE WEST BANK

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, wanton acts of violence have tragically maimed two West Bank mayors, Bassam Shaka of Nablus and Karim Khalaf of Ramallah. Another mayor, Ibrahim Tawil of El Bira, narrowly escaped death from the boobytrap bomb intended for him. Instead, an Israeli demolitions expert sent to disarm the bomb was blinded as it detonated. And a handgrenade thrown into the crowded marketplace in Hebron injured seven Palestinians.

There is the personal tragedy of such abhorrent terrorism which saddens us. And there is also the greater tragedy of this violence with its negative impact on the peace process and the resulting adverse implications for all of us. For it is these very men, Mayor Shaka and Khalaf as well as Mayors Milhem of Halhoul and Kawasmeh of Hebron unfortunately and rudely deported by Israel on whom so much hope has been placed. They form part of that indigenous West Bank leadership that is to play a central role in deciding the Palestinian issue and bringing peace to the Middle East. These tragic events could, if we permit them, derail the peace process in the Middle East. At best, they will make peace all the more difficult.

I urge the Israeli authorities to undertake all possible measures to determine who is responsible for these horrendous crimes and to render justice. And it is also imperative for the United States, Israel, and the Palestinians to take steps immediately to reverse the trend toward violence in the West Bank and to reduce the hatred that now openly expresses itself after simmering for so long. No one gains from such senseless destruction other than a few extremists who prefer conflict to peace and care little for human well-being and happiness.

I deplore terrorism on both sides. It helps no one. This latest terrorism will not lead to armed invasion or bombardment of southern Lebanon in reprisal. For this time, the terrorist attackers seem not to have been Palestinians.

Israeli extremists have vowed revenge for last month's ambush-slaying of six Jewish settlers in Hebron. The attempted murder of the three mayors and maiming of two of them will cause many to suspect that Israeli terrorists are carrying through with their threat. Even Labor Party leader Shimon Peres observed that the terrorists were probably Israelis.

I would hope that we might all express our hopes and wishes for the improved health and welfare of all those injured by terrorist acts in the West Bank and their families. And I would also hope that Members of Congress would join together to express their support for a renewed effort to bring a just peace to the Middle East, a peace that will assure the security and well-being of both Israelis and Palestinians.

Today's Washington Post editorial page puts the issue succinctly and accurately:

> It is in no way to suggest that Mr. Begin condones the awful actions to observe, however, that there is a particular place where his policy and the policy of the terrorists touch. They are both committed to suppressing Palestinian resistance to Israeli rule. There is a difference between ruling in the West Bank by official force and the occupier's law, and ruling by individual criminal terror. But it is a difference that means more to the occupier than to the occupied.
>
> The meaning of this latest day of violence is plain: it is necessary to end Israeli rule over Palestinians in a way that satisfies Israeli security and Palestinian dignity.

I have stood on this spot time and again to decry the cycle of terrorism and violence that spirals out of control in the Middle East. Unfortunately, our own Government is so preoccupied with quadrennial politics that it is unable to move decisively to break that cycle and end the terrorism on both sides.

EXCITING NEWS ABOUT THE LAFFER CURVE IN PUERTO RICO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

Mr. KEMP. Mr. Speaker, the debate over cutting marginal income tax rates in this country has hinged on the following exchange.

Those who advocate cutting marginal income tax rates, like myself, argue that, because of the collision of inflation and our steeply progressive Tax Code, employment, saving and productive activity of all kinds are being progressively penalized relative to leisure, consumption, debt and tax avoidance. Cutting marginal tax rates would restore incentives for employment and initiative relative to leisure, and encourage saving relative to consumption. The result would be higher productivity, greater employment, investment and real growth, and lower inflation.

Opponents have not succeeded in refuting this argument. Instead, they raise a different one. We cannot cut income tax rates, however great the potential benefits, they say, because it would lose Federal revenue, increase the deficit and—assuming the Federal Reserve finances increased Government borrowing—cause inflation.

The weight of the historical evidence, however, contradicts this analysis. There are numerous examples, notably the Mellon and Kennedy tax cuts, of tax-rate reduction without a subsequent decline in revenue.

The most recent, and one of the most impressive, examples of this phenomenon is the economic policy of Gov. Carlos Romero Barcelo of Puerto Rico. On the advice of Prof. Arthur Laffer of U.S.C., Romero has cut the Puerto Rican personal income tax rates 5 percent each year since 1977, with a combined 30-percent rate reduction scheduled by 1982.

In a recent interview with the San Juan Star, Romero noted that despite the most recent series of tax-rate reductions, tax collections in 1980 are 13.5 percent above last year's.

The interviewer quoted Romero:

> It is extremely difficult to say it is all due to the tax cuts, but the things Laffer told us would happen are happening. In fact, he guaranteed it would happen.

According to the article, the Puerto Rican economy is booming and employment is growing at a record pace—but the number of taxpayers has grown even faster. The President of the Government Development Bank attributes this to a decline in tax evasion and tax avoidance as a result of the tax-rate reduction.

I commend this excellent article to my colleagues, to support a point I have often made: The case for cutting tax rates rests on the need to improve the well-being of all Americans; but experience shows that even the Government's finances can be strengthened.

The article follows:

REVENUE INCREASE BOLSTERS ROMERO TAX-CUT POLICY

(By John Simon)

Gov. Romero, bouyed by reports that income tax collections are running 13.5 percent ahead of the 1979 rate, admits that he is now a confirmed disciple of Arthur B. Laffer, the economist who has gained nationwide prominence by advocating that government revenues can be increased by cutting tax rates.

Romero, in a lengthy interview at La Fortaleza last week, conceded that there is evidence to support Laffer's theory in the most recent Treasury report.

Ricardo Muñiz, assistant secretary of Treasury for internal revenue, said income tax collections as of April 30 were $654.5 million, a 13.5 percent increase over the $576.4 million in the till on that date in 1979.

Muñiz noted that the increase was achieved despite the 5 percent lower tax rate and tollgate tax collections that were lagging behind 1979—$26 million vs $33 million.

While Muñiz said flat out that the figures prove you can reduce taxes and increase revenues, Romero was a bit more cautious.

TAX CUT CHRONOLOGY

1977: 5 percent; eliminated "Vampirita" of 1975.

1978: 5 percent; eliminated World War II Victory Tax.

1979: 5 percent; flat reduction but withholding tables remained unchanged.

1980: 5 percent; flat reduction with new withholding tables issued to reflect 1979–80 cuts.

1981: 5 percent; flat reduction approved two weeks ago.

1982: 5 percent; flat reduction approved two weeks ago.

"It is extremely difficult to say it is all due to the tax cuts," the governor said, "but the things Laffer told us would happen are happening. In fact, he guaranteed it would happen."

Romero adopted the Laffer concept early on in his administration, first eliminating the notorious "la vampirita" 5 percent tax that was imposed during the Hernandez Colon administration. That tax, incidentally, was levied on the counsel of James Tobin, a Yale economist who headed a group commissioned by Hernandez Colon in 1974 to analyze the island's economic ailments and prescribe remedies.

Romero then followed with the elimination of the 5 percent surcharge (World War II victory tax) in 1978 and a straight 5 percent reduction in 1979. He has approved another 15 percent slash in three increments of 5 percent this year, 1981 and 1982.

"I'm sold that the (Laffer) theory is correct," the governor said. "He wanted me to take a much bigger step initially but I couldn't. I felt I was charged with the responsibility of balancing the budget and I couldn't gamble on a 15 percent cut in one chunk. I said if it is going to show results with 15 percent it will show results with 5 percent."

Laffer, incidentally is due in San Juan this weekend and is scheduled to have lunch with Romero and his top economic aides at La Fortaleza Monday, an informed source said.

THE LAFFER CURVE

Laffer is a 38-year-old professor of business and finance at the University of California. His theory on taxation, in simplistic terms, is that there are two tax rates that produce zero revenue: zero percent and 100 percent. Between those extremes is a range which he expresses in a curve. As tax rates move toward the high side of the curve, revenues decrease after reaching a certain level under lower rates.

Laffer's philosophy, which author Jude Wanniski says reflects that of the 19th century French economist Jean-Baptiste Say, argues that the supply of goods creates a demand for goods and that supply can be increased by removing government impediments to commerce and industry; i.e. taxes.

That notion, of course, is the opposite of the one that has dominated Western economics for 40 years; demand creates supply and demand can be increased by raising consumer purchasing power through deficit financing or money creation.

Another factor that contributes to higher revenues when tax rates are lowered is what Government Development Bank President Julio Pietrantoni calls the honesty factor. "Tax payers are honest up to a point," he said. "But once the rates go higher than they feel is fair, they are going to take steps to avoid payment."

Pietrantoni, also a Laffer advocate, said he had been told by Treasury Secretary Julio Cesar Perez that there are 100,000 more taxpayers on the books this year than last.

Since that many jobs were not added to the economy, he noted, the explanation must be better enforcement and a decline in the number of taxpayers who have been rebelling against the high rates.

JOINT RETURNS MAY GO

In other tax areas, Romero said he is definitely studying the possibility of eliminating the joint return for husband and wife requirement and also lowering the levies on estates and gifts.

"We are giving the estate and gift taxes very careful study because it can be a definite incentive to attract wealthy persons in retirement and discourage our people from making heavy investments outside Puerto Rico," he said. "I know a lot of people over the years have been moving their money to Florida so if lowering the rates here will produce revenues and stimulate the economy, I'm all for it."

On the underground economy, the governor emphatically declared there would be no tax amnesty under his administration, as was offered in previous Popular Democratic Party reigns.

"The basic thing such a tax amnesty does is it keeps people hoping there will be another one. The minute they feel that way they'll say, 'I'll wait for the next one. I don't have to pay now.'

"Tax amnesties that don't include requirement that all penalties and interest be paid reward those who don't pay but penalize the honest taxpayer who has to carry the burden.

"The way to get that money into the economy is to increase our efforts to find the violators," he said.

CONSTRUCTION JOBS RISE

Romero and his economic advisers chalked up another victory in April when employment in the construction industry soared to 15,000 jobs, the highest level in that industry since the 1973–74 recession.

"In early 1979 I met with my economic advisors to analyze the recession that was being predicted," he recalled. "We came to the conclusion that there was nothing we could do about inflation since 80 percent of all the food and goods we consume are imported.

"So we concentrated on trying to alleviate the impact of the recession. We decided that it would hit in late 1979 or early 1980 so we devised a plan to counteract it.

The governor said the group outlined all the capital improvement projects that were on the books and then postponed a number of them so that they would be under way within the current fiscal year, particularly at the end of 1979 and the beginning of 1980.

"By doing that," he said, "we felt we could create jobs in the construction industry, if not in the housing industry. It has apparently worked, he added as he cited the April job total in the industry.

RECESSION-PROOF IS CRITERION

"We are also concentrating our efforts in industrial promotion on those industries that are recession-proof such as pharmaceuticals, electronics, chemicals and medical and scientific instrument making."

Romero ticked off Hewlett-Packard—opening a computer manufacturing plant in Aguadilla this year—and major expansions at Digital and Wang Laboratories.

Romero, still fresh at the end of a long day at La Fortaleza, warmed to the subject of bright signs for the future even as dinner was getting cold in the family quarters.

"We are making ground in bringing up agriculture," he noted. "Since 1977, when we began the diversification program we have seen an increase in the number of jobs in that industry for the first time in 20 years.

Romero's diversification program involves taking acreage out of sugar cane and dedicating it to general crops and produce.

"My target is to reduce sugar planting to 7,000 acres which will yield about 200,000 tons, enough to cover our domestic needs. At that volume, we should be able to bring our sugar mills to higher efficiency and show a profit on sugar production."

TELCO, NAVIERAS OFF BLOCK

The governor put to rest once and for all his original intention to unload the telephone company and the maritime fleet that had been purchased by the government under Hernandez Colon.

"Yes, I have had a change of heart and it has to be a permanent change of heart because you cannot have efficient administration of agencies like that without giving them a sense of permanence.

"I thought it was a bad thing for Puerto Rico to get into and they were bad purchases because we definitely paid more than their worth at the time," he said. "It was precisely because of that that we could not sell them at a price that was reasonable or could be publicly defended. We tried to sell them but the offers were completely unsatisfactory. "We then made the decision that we would make the best of it and since we made that decision the telephone company has improved tremendously, so much that it is now able to finance most of its capital improvement projects out of revenues it earns," Romero said. "So when we do have to sell bonds, the buyers will find them attractive."

The governor said Navieras' problems have been resolved largely by refinancing its long term debt so that it is not burdened by heavy debt retirement payments.

"The original payment schedule on promissory notes and carrying charges allowed Navieras little surplus for working capital and it is difficult to operate that way.

NAVIERAS PROFIT EXPECTED

He revealed that Navieras will go into the black when the current year's final figures are in.

Fiscally, the island is in greatly improved condition over past years, Romero said.

"Our long-term debt when I took office was $1.445 billion and that has been reduced to $1.352 billion (against a gross national $322 million of $6.4 billion) and our short-term debt that was $322 million will be completely erased by July 1.

"My policy has been to see that the long-term debt increases at a lower rate than the GNP increase rate. This has happened in each of the past three fiscal years and will continue when this year ends June 30."

Turning to tourism, the governor conceded that it is an important industry but it doesn't rank with manufacturing, agriculture or construction on his list of priorities.

CITES MIAMI EXPERIENCE

"For one thing, tourism is not recession proof," he noted. "We have to be careful that it develops in a steady fashion so that what happened to Miami will never happen here. When all those hotels and other facilities deteriorated and went to pieces it caused a tremendous increase in unemployment.

"We have the things that attract the middle class family rather than the jet set who are very fickle. We have the sun, the beaches, our people, our music and these are the things that tourists come to enjoy.

"On the slot machines, I notice that the hotels that don't have them show no significant differences in occupancy from those that do," he said as he turned to the day's "burning controversy."

The governor declined to go along with Sen. Nicolas Nogueras' characterization of slot machines as immoral but he made it clear that he dislikes them by any definition.

"I'm not a gambler but from what I have seen of casinos without slot machines they seem more sociable," he said. "Players are socializing, talking with each other, the dealer or the spectators. But with a slot machine you are not speaking to anybody, just playing a machine that is programmed to win so many times and lose so many times. I think that is demeaning."

MAFIA CONNECTION FEARED

Romero also expressed concern about the genesis of slot machines which are widely believed to be linked from the manufacturing end on down to Mafia interests.

"Why allow that element to get a foot in the door? They start coming down to look after their interests and then they gradually expand into other businesses until you have let them all the way in the door."

☐ 1500

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding. I wonder, since the gentleman talks about people evading their taxes through loopholes, why should we not then just close the loopholes in the tax statutes—not new agents.

Mr. KEMP. The gentleman sounds a lot like IRS Commissioner Mortimer Caplin when he says that the answer to the relative attractiveness of loopholes and inefficiency is to tighten up and just punish all of our people even more than they are being punished today. But I would make the case to my friend, the gentleman from Oregon (Mr. WEAVER), that if the rates were lowered, we would remove the incentive that now exists in the Tax Code for going off into shelters, to avoid clearly excessive and counterproductive 70 percent rates on dividends and interest from savings accounts. If you got that down to 50 or 40 or 30 percent, you would increase the after-tax reward for more productive and taxable uses of capital, time and effort. That is the point I am making here.

Mr. WEAVER. Will the gentleman yield further?

Mr. KEMP. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding. Then the oil industry ought to be awfully efficient because their tax rates are just a few percent of their income. The last figures I read, the general tax rate was somewhere around 14 percent.

Mr. KEMP. I will reclaim my time because I did not take the well to talk about business taxes. I am advocating reducing the progressivity of the marginal tax rates on all individual American working men and working women. Capital is not only formed by the Fortune 500, as the gentleman's question seems to imply; it is formed by people who have the incentive and opportunity to save some of their income. In the last 4 years under a President of the gentleman's own party the real disposable purchasing power of Americans' income has dropped by 9.6 percent. With 16 percent inflation and rising marginal tax rates, the opportunity to save is being steadily removed. I am glad to join with the gentleman in this debate; clearly he has the idea that it is the oil companies' fault when, as I am suggesting, it is largely the income tax system. It is a tax on production. It is a tax on men and women who work. It is a tax on savers. It is a tax on investors. It is a tax that ought to be reduced. We ought to emulate what is going on in Puerto Rico and elsewhere.

I saw the other day where Anwar Sadat, the President of Egypt, took off a 10-percent surtax that had been placed on the income tax schedule in Egypt. I think it is progressive economic policy today to boost capital formation, production, the creation of new jobs and more savings by reducing the progressivity of the graduated income tax.

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to my friend.

Mr. WEAVER. I ask the gentleman, does he know what the actual effective tax rate is on people making more than $50.000 a year? I know what the statute book says, but what actually do they pay on an average?

Mr. KEMP. Probably somewhere around 30 percent on the average. Unfortunately, decisions are made at the margin. I am glad my friend asked that question. Incidentally, let me say parenthetically that I do not advocate not only cutting the tax rates at the top, but lowering the rates on all Americans. Everybody needs greater incentive for additional effort, additional production, and additional savings. But I would say to my friend that the reason that people with incomes above $100,000 seek to avoid paying a 70-percent rate is clearly because when you get over 30 or 40 percent our tax system makes it more sensible to reduce than to augment your taxable income. That incentive to lower than increase taxable income rises every year as inflation pushes us into higher tax brackets.

An excessively high marginal tax rate is the best way to assure a low effective tax or average tax collected by the Government. The disincentive is not the effective tax. The disincentive to an additional dollar of investment is the marginal tax rate of 70 percent.

□ 1510

It is the marginal straw that is breaking the camel's back. The gentleman's strategy would simply guarantee that such investment could not be made at all. What we ought to do is bring that money back into productive investment by getting the rate back down. I do not think there is anyone on either side of the aisle that really thinks very much money is raised for the U.S. Treasury through a tax of 70 percent on anybody's income.

Mr. WEAVER. If the gentleman will yield further, if the effective tax on someone making $50,000, $75,000, or $100,000 is 25 percent—in other words, what he actually ends up paying—the gentleman's idea of cutting taxes by 30 percent——

Mr. KEMP. Cutting the rate, I say to my friend. I wish the gentleman would understand I am not talking about cutting effective tax rates. We are talking about reducing marginal tax rates.

Mr. WEAVER. Then I have a question: Would there actually be any tax reduction, because if you did not get it down to that effective rate of 25 percent then there would be actually no tax reduction?

Mr. KEMP. The premise of the gentleman's question appears to agree that high marginal tax rates do not necessarily produce revenue. That is what I am trying to point out with the article from the San Juan Star. You would see the level of prosperity grow, the level of employment expand, the tax base of the Nation rise; thus the revenue at the lower rate could equal or surpass the revenue at the higher tax rates.

I would say there is much evidence that you could raise more tax revenue from wealthy Americans by lowering their marginal tax rates, while simultaneously encouraging them to, say, invest in a widget factory in New York City, which would put people to work, or maybe to expand the energy supplies of our country, instead of buying tax-free municipal bonds.

I am making the case that our tax code is inefficient and is discouraging the investment that is so necessary to make this Nation more competitive, more productive and more fully employed.

Mr. WEAVER. If the gentleman will yield further, that may be the case and I would like to explore that.

Mr. KEMP. The gentleman says it may be. I am presenting an actual case in which an enlightened progressive neoconservative leader has, while lowering tax rates, helped the bond rating of Puerto Rico, lowered the unemployment rate of Puerto Rico, helped capital formation and yet is getting 13.5 percent more revenue for his people and their social needs than last year. No longer are so many people spending their time and ingenuity cheating, evading, and avoiding taxes.

Mr. WEAVER. Will the gentleman yield for a question?

Mr. KEMP. I will be happy to yield.

Mr. WEAVER. Someday I might be called upon to vote on the gentleman's proposal and I want to get it straight in my mind.

Let us say the tax rate is now 70 percent on incomes, quite high incomes. The gentleman would lower that, let us just say, to 40 percent.

Mr. KEMP. Well, the Kemp-Roth bill, the bill that the gentleman says he may have to vote on, and which seems to be an issue in the 1980 campaign, would actually lower the top rate from 70 to 50 over 3 years, 10 percent a year. I would also tell the gentleman, just so the gentleman is clear on this point, that not only the top rates but all rates would come down by 30 percent. I want to take the 14-percent rate and lower that by 30 percent, too, because I think every single working man and working woman, all those who want to save and invest and engage in entrepreneurship, need an increase in the rate of return on their additional effort. I am not interested in rewarding past effort with a tax rebate. We are trying to encourage more effort, more savings investment and work opportunities for people.

Mr. WEAVER. If the gentleman will yield, of course it is obvious that 30 percent of 70 percent is a lot more than 30 percent of 14 percent.

Mr. KEMP. Yes, for exactly the same reason that, in 1975, for every $1 of tax paid by the lowest 10 percent of the taxpayers, $187 was paid by the top 1 percent. Obviously, all Americans who pay taxes have an interest in getting the rate down. But equally clearly, if you cut tax rates throughout all brackets as President Kennedy proposed in 1963, the after-tax incentive will have to do with how much tax is now being paid at each income level.

But, in addition, if people at the bottom feel that they, too, someday may have an income which would be taxed at 70 percent—whether through their effort or through inflation—I think, frankly, whether they are steelworkers or small shopkeepers or small savers, I think all Americans have a stake in making our Nation more incentive oriented at all levels.

Mr. WEAVER. Very, very good. If the gentleman would just simply, however, address this one question: If the tax rate is now 70 percent, and the gentleman's proposal reduced that to 50 percent, yet the effective rate on these high incomes is only 25 or 30 percent, what tax reduction is that? I do not see it as a real tax reduction.

Mr. KEMP. As I tried to point out to the gentleman earlier, he has surely never heard Jack Kemp on the floor of the House or out in his district talking about tax cuts whose main intent is to lose revenue, just to throw money out into the economy. The whole purpose of lowering the marginal rates is to lower the burden on additional effort, to restore the reward for additional savings and investment, to make the system more efficient and effective.

I would say to the gentleman, again, going back to the Kennedy experience, that Michael Evans, formerly of Chase Econometrics, did a study pointing out what happened when President Kennedy lowered the top 91 percent rate to 70. The amount of income tax paid by Americans at those rates of income went up, not down, even though they did not get a tax cut, in the gentleman's reasoning. To be precise, taxpayers earning more than $100,000 a year increased their tax payments to the Government from $2,459 million in 1963 to $3,763 million in 1965. They got both lower tax rates and actually paid more revenue; so it was good for Government, it was good for all the people, for the wealthy as well as the poor.

Mr. WEAVER. Let me ask the gentleman this question: Let us say, given all the data, it is already in the bag for 1979: How much money people make, et cetera, but we just superimposed on that 1979 data on tax collections your proposal of lowering from 70 to 50 percent.

What effect in actual dollar revenues would that have had on the U.S. Treasury?

Mr. KEMP. Well, the gentleman asks a hypothetical question because I did not advocate a 30-percent cut in one year.

Mr. WEAVER. What would happen?

Mr. KEMP. I am talking about phasing it in just as Carlos Romero did over 4 years.

Mr. WEAVER. I understand, but what would have actually happened in 1979 if we had lowered it? Would there have been any less taxes collected?

Mr. KEMP. If you did it now or had you done it when I introduced it in 1976?

Mr. WEAVER. No, I understand what the gentleman says——

Mr. KEMP. I mean the longer we stand here, the more the industrial base of our country declines, the faster the dollar declines, the faster our savings rates decline and the higher the unemployment rate. If the gentleman has his way, we would be standing here in 1984, debating.

I want to point out something. If you live in New York City today at the poverty level of $6,500, and keep up with inflation, a family of 4, within 8 years of inflation at the current 14 or 15 percent rate, will be in the 50 percent marginal tax bracket—counting the Federal, State, and local income and payroll taxes.

You see what we are doing, we are taking all the American taxpayers and inflating them up into higher brackets. I think it is immoral.

I would say to my friend, even if we had lowered the marginal income tax rates 30 percent in 1979, we would have undone the damage caused by inflation and the tax system for only about the last 5 years.

☐ 1520

The gentleman knows what I am talking about.

Mr. WEAVER. I understand.

Mr. KEMP. The factory workers in my district are actually making less today than in 1967. If you want to know why the American people might feel this celebrated malaise and this pessimism that their children's lives are going to be worse off than theirs, it is because today they have to work longer and harder just to keep up with the decline in the value of the U.S. dollar.

You and I have a moral obligation to index the tax brackets of the American people to protect them. Had we indexed the tax brackets in John F. Kennedy's day, you and I would not now have to either adjust the thresholds of all American taxpayers by 120 percent, or cut some marginal tax brackets by 50 percent to get them there. The Kemp-Roth bill is a modest attempt to undo the damage of the last 4 or 5 years.

Mr. WEAVER. Does the gentleman think if he had cut the rates of Congressmen, who are above the $50,000 bracket, there would be more productivity among Congressmen?

Mr. KEMP. Perhaps Congress stands alone in obeying a backward-bending supply curve. I saw recently that Dublin, Ireland, completely abolished the income tax for all artists, composers, musicians, and painters.

"Sixty Minutes" says that during the last 3 years there has been a renaissance of art, music, books being written, painting from Dublin.

I do not want to cut taxes only for artists; I do not want to cut taxes only for Congressmen; I do not want to cut taxes only for quarterbacks of football teams. I want to do it for everybody.

I think the American people deserve to get a reward commensurate with their effort. That reward has been steadily diminished by inflation and high tax brackets. I want to reintroduce into the tax debate the idea that progressivity in our tax code is a detriment, a deterrent, a barrier, to production. If you really want more productivity and more growth in our economy to fight inflation, then join me, and reserve criticism of an attempt which is achieving success in Puerto Rico, and other parts of the world.

Mr. WEAVER. I have only asked questions. I have not really criticized.

Mr. KEMP. The gentleman keeps voting for Democratic budgets that raise taxes.

Mr. WEAVER. I voted—as a matter of fact, if the gentleman would yield further, I voted for sharper cuts in Federal spending than the gentleman from New York did.

Mr. KEMP. In what area? We are just talking about tax policy; I know the gentleman would like to deflect it.

Mr. WEAVER. I think what the gentleman says has merit. I think we should revise our tax laws. I think that they have the effect of stultifying free enterprise. I agree with the gentleman. I am not sure I agree, however, with the way the gentleman goes about it. The gentleman told us on an airline trip one time that we possibly could come to an agreement sometime.

Mr. KEMP. Did the gentleman vote for the capital gains reduction? The tax on capital gains?

Mr. WEAVER. Absolutely not.

Mr. KEMP. The Jones-Steiger amendment?

Mr. WEAVER. Absolutely not.

Mr. KEMP. That is interesting. Perhaps the gentleman who is on the floor at this time, Mr. JONES of Oklahoma, who had a prominent role, and I give him credit for it as a cosponsor—can he tell us what the revenue effect was on the U.S. Treasury from reducing the maximum tax on capital gains from 49 percent down to 28 percent, and from the resultant expansion of venture capital markets? Could the gentleman tell us?

Mr. JONES of Oklahoma. If the gentleman will yield, the fears of those who were opposing the capital gains reductions was that it would result in a $3 billion loss to the Treasury. Although we do not have the final figures, all indications are that capital gains tax revenues will actually increase to the Treasury rather than there be any decrease.

Mr. KEMP. I am absolutely shocked at that evidence. I would say to my friend from Oklahoma, he and I have not only helped expand venture capital markets of America which lead to technological improvements and new enterprises and entrepreneurships, but in effect Government is getting more revenue at the lower rate.

Mr. WEAVER. I have the Weaver proposal, and I would like the gentleman's comment on that. Let us eliminate all corporate taxation, or taxation on corporations.

Mr. KEMP. All right.

Mr. WEAVER. But, require them to pay out every penny of earnings——

Mr. KEMP. That would be silly.

Mr. WEAVER (continuing). In dividends, so that they have to go back into the capital markets instead of having to——

Mr. KEMP. There are three ways to generate capital. You can borrow; you can use retained earnings, or you can go to the equity market. Why would the gentleman cut off one of the most important sources of capital?

Mr. WEAVER. For a simple reason. That is, boards of directors make the decisions, not the market. That is one of the reasons we have such stultifying, huge corporations.

Mr. KEMP. The gentleman's argument is with the philosophy that what is good for business will be good for America. It is my contention that what is good for all the American people will be good for business—and labor, savers, investors. We ought to do something for the working men and women.

Mr. WEAVER. I am talking about the individual investors.

Mr. KEMP. I say to the gentleman, why just cut tax rates for investors? Why not do it for all the American people and get America moving again?

MARINES IN DOUBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, recent actions taken by this Congress on the Department of Defense authorization bill and the Budget Act have shown a determination on the part of many Members of this body to reestablish and reinvigorate our military capabilities and preparedness.

The following article describes the situation in one of our military services,

the U.S. Marines. The Marines, after a short period of decline, are on the rise again and once more are the elite of the U.S. fighting force. This Congress would do well to remember the value of the Marines. In this day of rapid deployment forces, proxy wars and governments led by international terrorists the worth of a force like the Marines can only rise in value. The following article written by Mr. Owen Edwards examines the recent history of the Marines and concludes that the U.S. Marine Corps will only grow more valuable as we enter the 1980's. The first half of the article, which appeared in the Saturday Review, follows:

Marines in Doubt: Are We Ready for a Crisis?

(By Owen Edwards)

Dusk is falling fast on Landing Zone Albatross, a 10-acre abrasion of sand and sawgrass on the North Carolina pine barrens. If the name of the place evokes Coleridge, the scene about to be played is pure Hemingway.

Several men wearing camouflaged field uniforms have turned to watch the edge of the woods where a black bear and her cubs are browsing in the undergrowth. After the bears amble away, the men turn back toward the empty field. Cigarettes alternately glow bright and dim with a regular, meditative rhythm.

Then comes the thumping, unmistakable sound of a helicopter, and suddenly like a malevolent night bird, a Cobra gunship swoops in low over the trees and circles the field. Moments later a second gunship follows. (Earlier, a pilot had explained the tactic to me with a perfect smile and a rare lapse of military euphemism: "My wingman goes in first, sir, and if he draws fire I come right in behind him and leave a lot of stuff dead down there.")

The Cobras search low and noisily over the perimeter of the landing zone, then climb to a few hundred feet and keep their vigil. With a deeper, thudding sound a larger helicopter appears, setting down in a swirl of sand. Through the rear door emerges a reconnaissance party, fanning out to provide cover. Another helicopter brings in—improbably—an industrial forklift. As the Cobras circle anxiously, a stream of helicopters shuttles in more marines, boxes of ammunition, and finally the payload that matters, a 105-mm howitzer, familiar looking and ominous in the fading light. With fussy efficiency, the forklift scrambles over and wheels the gun to the edge of the field, where its crew waits to secure it.

Within minutes, two more 105s arrive and are set into place alongside the first. There are few orders and no signs of confusion. In full darkness the "fire base" is established, its guns sighted in on some imaginary enemy in the Carolina boon-docks. The maneuver has taken about 15 minutes. From the group of observers a general emerges to congratulate a gray-haired colonel on a nice-looking operation. The Cobras make one more pass, like nervous chaperones, and are gone.

Amid clouds of doubt and rumors of war, with weathered eyes cast on the sands of a surprising number of foreign shores, the marines are getting in shape. Military exercises must be as old as Ur, and they seldom mean much to anyone but generals. But at this writing, with international tensions suddenly at a heightened pitch, the condition of the Marine Corps has become a matter of urgent concern.

The war-weariness and revulsion that followed Vietnam tended to make Americans close their eyes to much of the global fractiousness that since then has seemed not to involve us directly. Now, with awesome swiftness, we are right back in the middle of it. With more than the usual fervor, nations are beating their plowshares into swords. Oil has become a weapon of seige, with the U.S. in the role of crumbling fortress. Latter-day Mahdis rail against the infidels of the technological West; diplomats are held hostage with a heady, reckless disdain for America's legendary might. And as television interviewers push their microphones into the faces of frustrated citizens in the street, asking what ought to be done to reestablish that might, the answer often comes back: "Send in the marines."

That response is so deeply fixed in the American psyche that by now it is close to pure reflex. It has become ingrained that deep through countless movies and novels and beery bar tales—and through an actual history of bloody courage that needs no hyperbole. With true grit and prodigious public relations (a propaganda machine Harry Truman once compared favorably to Stalin's), the marines have created an image of something more than a fighting unit; for better and worse, they have come to symbolize inevitable victory.

On October first last year, when Jimmy Carter decided to use the Marine Corps to counter—at least psychologically—the supposed threat of a Soviet brigade in Cuba, he was exercising both the discretionary powers of the commander-in-chief and the Mom-and-apple-pie traditionalism of the irate American. The reactions of legislators and voters seemed uniformly positive: Something was being done at last. But by the time the 3rd Battalion, 6th Regiment, 38th Marine Amphibious Unit came ashore at Guantanamo Bay 16 days later, the symbolically reassuring lightning stroke had veered close to laughing stock, with the media itself deriding the affair as a media event. In fact, the Corps had met its planned deadline, but the elapsed time made for mediocre theater (a colonel at marine headquarters in Washington grumbled to me that Americans think you can do everything overnight and that this public discontent came from "a fast-food mentality").

Doubts about the Corps are not unprecedented. Writers and historians have frequently suggested that the marines were less than fully effective in Vietnam, even occasionally self-destructive, during the war's later years. Top marine officers argue that their troops had the toughest area in the war, I Corps (the northern section of Vietnam along the demilitarized zone), where they had to fight guerrillas as well as regular units of the North Vietnamese army; whatever the reasons, the record was not splendid.

More recently, debate over the SALT II treaty has led to questions about our conventional military power, particularly about our ability to react quickly and effectively. Committee hearings have divined that the current state of readiness of all the military services is not as it should be. Moreover, the Marine Corps, a seaborne armored infantry with its own air force, can easily seem to duplicate the special capabilities of the other services, and it stands to suffer the most from the disaffection of official and unofficial military policy planners.

The Corps is so accustomed to being liked and admired that it can perhaps be forgiven for presuming itself indispensable. After all, as the flag was being raised on Iwo Jima in 1945, Navy Secretary James Forrestal predicted there would be a Marine Corps "for the next 500 years," and the Corps has spared no effort to prove Forrestal correct. Former marines tend to take pride in the Corps, and the fact that 40 congressmen are former marines can't hurt the propaganda machine. But this old-boy network has not kept doubters at bay, and during the past few years the Corps has found itself under a critical crossfire from a variety of groups and for sometimes conflicting reasons.

A 1976 Brookings Institution study strongly questioned Marine Corps effectiveness, while the Boston Study Group, an ad hoc committee of Pentagon-baiting scientists and academics, declared in 1979 that the mere existence of intervention forces like the marines tempts the U.S. government to engage in questionable military adventures. Even Senator Sam Nunn, a strong ally of the military establishment, worries that the marines, by definition and tradition amphibious, cannot be deployed quickly enough for the needs of today's fluid geopolitics. Pointing out that naval transport is woefully inadequate for moving large numbers of troops, Nunn said not long ago that "If the U.S. Marines were called upon to undertake a major landing in the Persian Gulf or elsewhere in the Middle East they would probably have to walk on water to get ashore."

The present-day Corps cannot be judged without taking into close account its last decade. Indeed, the marines today are as much a product of that trying period as of their entire previous history. The Vietnam War probably came closer to destroying the Corps than any enemy ever has. Drugs, racial enmity, and the weariness and dispiriting frustration of a long, ill-defined war were visited on the Corps just as they were on the country at large. Although thousands of miles separated the battle of Khe Sanh and the demonstrations at Kent State, both places epitomized the same profound disconsolation. Khe Sanh epitomized, too, the larger malaise into which the marines had drifted.

In the crystalline world of military logic, the decision to build up the plateau outpost of Khe Sanh in the midst of a massive concentration of North Vietnamese troops and artillery was appropriate. By placing a couple of thousand marines in the base as bait, the high command in Saigon hoped to lure the North Vietnamese into attempting a Dien Bien Phu style assault, drawing the elusive foe finally out into the open, where massive U.S. airpower could be used to terrible effect. The Vietnamese didn't take the bait; instead they stayed in hiding and used artillery to punish the defenders.

Today, marine commanders consider Khe Sanh a signal victory, largely because an enormous force of North Vietnamese regulars failed to dislodge the marines and lost two divisions in the effort. At the time, however, the photographs in the newspapers and on television depicting dazed, exhausted marines hunkered down under a daily barrage of artillery and mortar fire, didn't fit the public image of marines, always on the offensive, taking the fight to the enemy—and, of course, winning. In *Dispatches*, author Michael Herr described a critical identity crisis lurking inside the Khe Sanh "victory": "More than any other Americans in Vietnam, Khe Sanh's defenders became hostages. . . . They were made to sit and wait, and marines defending are like anti-christs at vespers. Somehow, digging in seems a soft thing to do, fighting from a hole is like fighting on your knees."

When the siege of Khe Sanh was over, 205 marines had been killed, compared to thousands of their attackers—victory by any historic measure. But logic counted for nothing in Vietnam, and the effects of the battle, like the effects of the war itself, were devastating. What General Robert L. Barrows, the new commandant of the Marine Corps, described to me as "a kind of fatalism"—and the word-benders in Saigon termed "acute environmental reaction"—had undeniably set in. The Corps got weird and sloppy; with the highest casualty rate of all the U.S. services week after week, it came to be known as the finest instrument ever devised for killing young Americans. "At Khe Sanh . . . the defenses were a scandal," wrote Herr, "and everywhere you could smell that sour reek of obsolescence that followed the marines all over Vietnam."

The siege was a central event in what was a kind of mass organizational nervous breakdown. Leadership went bad. Officers pretended that everything made sense, while the "grunts" knew that things were out of hand.

With the decline in leadership came a rise in racial tensions. The Corps had few black officers but many black enlisted men, and an unpopular order might be interpreted as a racial putdown. Officers who gave too many often ended up with grenades in their tents. (Even after Vietnam, racial animosities worsened, with black/white marine rumbles almost commonplace. Desertion and AWOL rates were far higher than those in other branches of service. Recalling this period, Brigadier General John Phillips, now logistics chief of Fleet Marine Force Atlantic, told me he'd thought about "just crawling out.")

The Corps was badly wounded when it got out of Vietnam, and though the bleeding stopped the problems persisted. During the war the number of marines rose from about 180,000 to almost 320,000, with many of the new men recruited under a Defense Department program that mandated lower intelligence standards. By 1974 only 55 percent of all recruits had high school diplomas—and the quality of the Corps was drastically diminished.

The agonies of the Corps were far from private. Congressional watchdog committees were beginning to uncover confusion and apathy at every level, and pressure mounted for reform. Changes came at the top in the spring of 1975, with early retirement of the commandant, General Robert E. Cushman, Jr. General Louis H. Wilson, a Medal of Honor winner on Guam, was given command.

A few months later, a recruit was beaten to death by two of his fellow recruits under the presumably controlled conditions of a simulated bayonet drill. Then the locus of change swiftly moved from the high command to the lowest rungs of the ladder at the two marine recruit training depots, Parris Island and San Diego. The grand old Corps had touched bottom, and had started back up.

No one who has ever come to Parris Island, South Carolina, as a thoroughly frightened recruit—an experience I share with a couple of million other Americans—can again cross the long causeway that connects the 7,800-acre island to the savannah-fringed mainland without feeling vestigial twinges of anxiety. Nobody ever forgets the place or stays unchanged by it. My memories of the island are of being the object of fury, day after day, for weeks; of my platoon crawling on all fours across the blistering hot blacktop of the parade ground, mooing like cows while our hands fried; of the feared "Shaker," a drill instructor (DI) whose penalty for errant ways was a dose of Tabasco shaken onto the back of the throat. There was an unspoken understanding that DIs were born to punish and recruits were born to receive punishment. The object was not so much to learn as to survive.

In Washington I was told that the island has changed, and apparently it has. Without hiding in the barracks, it is hard to know these things for sure, but the lunatic hazing of the old days does seem to have stopped. Drill instructors seem no less awesome, but recruits aren't yanked out of line and made to do numberless pushups while a furious sergeant screams "Now gimme 50 *more*, you scuzzy maggot!"

The new physical training—a kind of running drill that moves recruits through a circular course of weight lifts and calisthenics—is more rigorous and more scientific than it used to be, thanks to a greater sophistication about conditioning that prevails in civilian athletics and to the dour fact that it's harder to get today's teenagers in shape. ("We get kids down here," an instructor told me, "who have never walked a mile in their lives.") Typical of the new approach is the fact that DIs now do everything their platoons do, and that may be as salutary a change as the scientific advances. At a recruit graduation during my stay, the recruits looked in better shape mentally and physically than had my exhausted platoon. General Barrows, who has been at Parris both as a recruit and as an island commander, assured me that "it is more difficult to go through recruit training now than it was when you were there." Whether or not the training is harder, there seems little question that it's entered the 20th century.

Whatever sort of marines Parris Island and San Diego are producing, it is only at bases like Camp Lejeune in Jacksonville, North Carolina, where the 20,000 men and women of the 2nd Marine Division are permanently headquartered, that the readiness of the Marine Corps can be assessed. In the military, a unit that looks good gives at least one indication that it *is* good. By this measure, the 2nd Mar Div at Camp Lejeune is good. The uniform of the day is camouflaged field fatigues, so that clerk/typists and artillery men alike look ready to go into action at an hour's notice. (The effect of this change is symbolic as well as practical: Though the basic Corps concept that every marine is a rifleman first has fallen into some disrepair given the sophisticated specialization of modern armaments, the combat uniform reminds everyone that when things go wrong, cooks and radar operators have to fight, too.)

Since the early Seventies, the Corps has grown lean in a couple of important ways. First, the number of men and women on active duty has dropped from an unwieldy post-Vietnam high of over 300,000 to under 190,000, all volunteers, with a goal of 179,000 within the next five years. Second, those in the Corps must now pass yearly fitness tests in order to qualify for promotion. If there is anyone out of shape in the 2nd Mar Div, I didn't see him at Camp Lejeune.

The look and attitude of the division are a direct reflection of its commander's concerns. Lieutenant General David M. Twomey, a tall, powerfully built man, is the incarnation of the fighting general of movies. Behind his desk, Twomey seems chronically restless, like a man who would gladly trade in his stars to lead a rifle company into action again. Indeed, he frequently leaves his office to make unannounced visits to the units of his command, or sends his equally imposing second-in-command, Brigadier General Dennis Murphy, to have a look around for him.

Twomey's approach to revitalizing his combat division has been nothing more revolutionary than a return to basic Marine Corps style—a kind of first-things-first functionalism, and a deep, sometimes almost pathological, belief that the Corps is indomitable. "Ten years ago we were in sad damn shape," he said as we drove toward one of his mortar training areas. "After eight years of war we had lost sight of what it was to be a marine, of what made us different. There was a lack of leadership from the top down. Lou Wilson pulled the Corps up by its boostraps."

In order to rekindle a sense of unit identification, Twomey has revived morning parades and inspections. (Permanent personnel generally regard this sort of thing as "Mickey Mouse," but it keeps people from thinking of themselves as civilians in uniform.) He has also established a commanders' training school and a field training camp for noncommissioned officers that looks, as he says, like a "proper camp for one of Caesar's legions." The visible result of all this is a kind of edge, a sharpness that one associates with elite troops who value themselves highly. "We're as good as we were 20 years ago," Twomey contends, "and in four years we'll be better."

It might be expected that a Marine Corps general would see things that way, but even the outfit's critics tend to agree. Jeffrey Record, co-author of the Brookings Institution study that took the Corps to task less than four years ago, acknowledges that "the marines have made enormous progress since that study was done."●

SUBCOMMITTEE ON CRIME TO HOLD HEARINGS ON FIREARMS ENFORCEMENT EFFORTS OF THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, I wish to announce that the Subcommittee on Crime, which I chair, will hold an oversight hearing on the firearms enforcement efforts of the Bureau of Alcohol, Tobacco and Firearms on June 10 at 9:30 a.m., in room 2237, Rayburn House Office Building.

Witnesses will include Mr. G. R. Dickerson, Director, Bureau of Alcohol, Tobacco and Firearms; Mr. Samuel S. Fields, field director, National Coalition to Ban Handguns, and Don B. Kates, Jr., Esq. O'Brien Hallisey, San Francisco, Calif.

Individuals wishing to testify or to submit a statement for the record should address their requests to the Subcommittee on Crime, House Committee on the Judiciary, 207-E Cannon House Office Building, Washington, D.C. 20515 or telephone (202) 225-1695.●

NATIONAL EXPORT POLICY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker during the last 3 years of the past decade, the United States managed the dubious distinction of amassing approximately $90 billion in trade deficits, which has had far-reaching implications for our economy and the soundness of the world economy and world financial markets. Without massive food exports, those deficits would have been much greater.

Although restrictions on imports into the United States might temporarily reduce the trade deficit, they would be truly disastrous in the long run. Other countries would surely retaliate, by constructing their own tariff walls against

U.S. goods and services. The last time the world engaged in widespread tariff and trade wars was the 1930's and that helped produce the Second World War.

Since restrictions on imports are not the answer, the solution must be found on the export side of the ledger. Although the importance of exports is undeniable, there has from a historical perspective never been much awareness of the key importance of exports in this country. This lower level of consciousness was generally due to the fact that U.S. manufacturers and merchants enjoyed a seemingly limitless domestic market, unlike our Japanese and European competitors. The Japanese and the Europeans have pursued vigorous export policies, because the basic health and vitality of their economies were at stake.

At the national level, there is a similar vacuum. There has never been a comprehensive, meaningful and national policy for boosting exports in a coherent manner. Almost all of the major trading partners have such policies, which clearly assist them in the field of international trade.

Today, I and a number of my colleagues have joined together to introduce the National Export Policy Act, in order to firmly establish export expansion as a No. 1 national priority and to fashion an environment which will encourage the exportation of goods and services.

The U.S. loss of leadership in the field of international trade has been due to failures in Government, in the private sector, and among labor leaders. Basic attitudes in all three sectors must be changed, and the National Export Policy Act is an attempt to address all of the major problems confronting actual or potential U.S. exporters.

The bill addresses problems in the following fields: Export financing, export-related tax policies, antitrust regulations, adjustment of regulations and laws that hinder U.S. exports, export awareness and promotion programs, agricultural export programs, international trade agreements, and Government support of export goals.

To some, this may seem to be too formidable an agenda; but it is exactly appropriate to the seriousness of the situation. This country cannot afford a continuation of the present circumstances; this country cannot afford to address itself to the question of exports in a piecemeal and halfhearted manner; this country must simply jettison policies which have clearly failed and adopt a comprehensive strategy for exporting in the 1980's and 1990's. The National Export Policy Act is an attempt to provide that strategy, to provide for increased exports, a healthier trade balance, and increased employment opportunities. I urge all of my colleagues to support this important export bill.●

CONTROLLING CUBAN IMMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, the freedom flotilla which has brought approximately 100,000 Cubans illegally into the United States raises a number of very disturbing issues concerning this Nation's ability to control immigration. The simple fact is that our economy cannot absorb an unlimited number of immigrants from around the world. The exodus from Cuba has operated outside the bounds of the New Refugee Act's prescription that prior screening on foreign soil is necessary for the admittance of refugees.

In addition, the notion that political asylum can be applied indiscriminately to any large number of refugees stretches that concept beyond recognition. Add to this the recent disturbances and violence that not only resulted in injuries and property damage, but also taxed the ability of State and local governments to provide effective law enforcement, and the obvious result is a desperate need to reevaluate where we are going on this issue.

We recognize that we are faced with a steady stream of people who look to the United States as the last bastion of freedom and as the promised land of opportunity. As Americans, we are proud that this Nation is so regarded. But we must also be wary of being so taken by the compliment that we are made blind to the problems of uncontrolled immigration. With unemployment rates increasing and with a projected recession that will be longer and deeper than previously predicted, our country has to establish priorities and to translate these into sound policy. At a minimum, the following steps are essential:

First. We should establish an upper limit on the number of Cubans we will accept, a limit near to the present figure on refugees, with the clear message that those in excess of that limit will be relocated to other countries or repatriated to Cuba;

Second. We should work diligently to have other nations accept some responsibility for the relocation of the Cubans;

Third. We should involve the United Nations High Commissioner for Refugees more actively in an effort to find a solution and to assist in relocation logistics. This is not simply a bilateral issue between Cuba and the United States, but involves refugee policies with international implications; and

Fourth. We should investigate very thoroughly the recent uprising at Fort Chaffee, Ark., and take immediate steps to return those involved in the rioting back to Cuba. This Nation should not tolerate lawlessness on the part of those who have no regard for the lives and property of others.

As indicated, these steps are an absolute minimum to help cope with a crisis. Longer ranged review of our immigration and refugee policies is required so that we can avoid a repetition of this problem in the future. Our Nation is a compassionate one, and I would resist any effort to adopt a dogmatic policy of barring any immigration into the United States. But at the same time, we need to recognize our own limitations as a nation and to set reasonable limitations on those we permit to enjoy the benefits of life in America. Only through such a policy can this Nation hope to survive economically and politically.●

TESTIMONY OF MARVIN MEEK BEFORE COMMITTEE ON AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, the House Agriculture Committee, of which I am a member, recently concluded 3 days of public hearings regarding the crisis in the agricultural sector. During those 3 days of testimony, the committee heard from farmers, farm group organizations, small rural banking concerns, as well as the administration regarding the steps which should be taken to alleviate this situation.

One of the most eloquent and startling witnesses during the hearings was Mr. Marvin Meek, chairman of the American Agriculture Movement, who relayed to the committee some very startling economic statistics concerning the agricultural sector, as well as the disastrous effect that our country's grain export policies are having on the agricultural economy.

Because I feel that Mr. Meek's testimony will be very enlightening both to those acquainted with agriculture, as well as those unfamiliar with the farming community and the current crisis in the agricultural economy, I insert the text of his statement in the RECORD at this point:

STATEMENT OF MARVIN MEEK, CHAIRMAN AMERICAN AGRICULTURE MOVEMENT

Mr. Chairman, I commend you and the committee for scheduling these hearings. Quick action is needed to prevent an economic disaster in American agriculture.

One immediate cause of distress is the effects of the President's embargo on sales of American farm commodities to the Soviet Union.

Another immediate cause of distress is the sharp rise in interest rates and the curtailment of credit for farmers and others in rural areas.

Both are serious. But it would be a mistake to concentrate on these details and lose sight of the fact that the general agricultural situation is on the brink of economic disaster. If we don't pay attention to the dangerous spot we're in, we might stumble in trying to cope with these immediate problems and fall over the edge.

American farmers are in the beginning stages of a serious depression.

The prices received by farmers during the first three months of 1980 averaged only 64 percent of parity. Present farm prices are about the worst ever known, on all counts.

Sixty-four percent of parity is very nearly the worst in the entire history of the United States, going all the way back to the earliest records that were kept beginning seventy years ago in 1910.

The only year in history when the purchasing power of farm commodities was lower than it is now, was in 1932, the very worst year of the great depression.

That's count one. Present farm prices are worse on another count also. The prices now being received by farmers in the United States are the very cheapest in the entire world.

FOREIGN FARMERS GET MORE

Farmers in other countries received prices in 1978 up to ten times as high for wheat and up to four and a half times as high for corn as American farmers were getting at that time.

Attached to my statement are lists of the main grain producing countries of the world and the prices that their farmers received for wheat and corn in 1978. Also shown are the government price support levels and the prices at which both domestic and imported grains are bought by the flour and feed millers.

This price information was compiled by the U.S. Department of Agriculture last year. We have asked U.S.D.A. to supply information on 1979 prices also, but were told it is not available. The officials in the Foreign Agricultural Service of U.S.D.A. who compiled this information last year tell us that higher officials in the Department have instructed them not to do it this year.

I can understand why Secretary Bergland would be embarrassed to have American farmers find out that they're getting the cheapest prices on earth. But I think this is valid and important information for American farmers to have. I think it is important for the Congress and the American people to know, when they are considering agricultural policies.

I request you, Mr. Chairman, to add your voice to ours in demanding that the U.S.D.A. continue to compile and publish this information, and that it be expanded to cover other important agricultural commodities as well.

On a third count also, the prices now being received by American farmers are worse. In terms of the returns realized by farmers on their labor and investment, the prices received by American farmers are the worst of any important segment of the American economy. The return that the farmers get for their labor is below the wage rates of workers with comparable skills and responsibility, even if little or nothing is charged-off as a return on their investment. The return the farmer gets on his investment is far below the returns on investment in regulated utility companies and manufacturing corporations, even if little or nothing is charged-off as a payment for their labor.

It is not the embargo that is the basic cause of the farmer's bad situation. It is not high interest rates.

The basic cause of the farmer's terrible economic condition is the present farm policy of the U.S. government.

The farm situation has been growing steadily worse for the past five years.

FEAR EMBARGO TO BE EXTENDED

The embargo merely made it still worse. The price of wheat has dropped 18 cents a bushel below the price received in December 1979. Corn is down 7 cents and soybeans are down 35 cents.

Now record-high interest rates have made the situation even worse than that by greatly increasing the expenses farmers will have to try to pay out of lower prices for their products.

But even this may not be the worst. There are reports circulating in the trade that President Carter is likely to cut off grain exports to the Soviet Union altogether in 1981. This would add another six to eight million tons of grain to the surplus that is beating down our prices.

Foreign policy is not our business. Farming is. If the United States needs to punish the Russians, the American farmers should not be used as economic cannon fodder in the dispute. The whole country ought to share the burden, fairly and squarely. The Carter Administration's policies have not been fair to the farmers all along. Now farmers are being made to pay more than a fair share of the price for the embargo. We view the threat of further embargo action with apprehension. We have little confidence that it will be handled with fairness to us.

American farmers are patriotic. We do not doubt that there is a need for strong leadership and positive, decisive action by the United States in these times.

GRAIN GIVE-AWAY HURTS NATION

But here again, we think it would be a mistake to look no further than the immediate, short-run issues of the day. Before we resort to impulsive, warlike action, we ought to correct the weakness that has been evident for a long time in the way we have squandered this nation's one outstanding and unmatched strength—our food power. The way we have squandered our national advantage as food producers probably has had a lot to do with our present economic and political weakness in the world.

We have been giving away our grain—to the Russians and everyone else, for less than it costs American farmers to produce it.

The Russians' main exports are gold and oil. They're getting paid about 15 times as much for their gold and oil as 10 years ago. Yet the U.S. Government manipulates the price of our grain down to the cheapest in our history, to the cheapest price of any country in the world!

The U.S. dollar has sunk to the lowest value since the Civil War. Our competitors in world trade are taking away our markets for manufactured products. Yet we've been subsidizing the governments of our main economic rivals and of our greatest military adversary, to the tune of billions of dollars a year with our cheap grain.

ENRICHES FOREIGN GOVERNMENTS

Last week the European Economic Community levied a tax of $3.18 per bushel on every bushel of American corn they bought from us. That's 87 cents a bushel more than the total average price that American farmers got for corn last month.

The tax levied by the European Community on American wheat last week was $3.27 per bushel—just short of the $3.62 average price received by the American farmers who grow it. The European countries skim off comparable profits on other grains from America too—$2.85 a bushel for sorghum and $2.29 a bushel for barley. They pay their own farmers prices that are about double what American farmers get.

The Europeans do not tax the soybeans that American farmers sell to them. Instead, they pay huge subsidies to their own farmers to encourage them to compete against us. Farmers in France are getting a straight subsidy of $7.51 per bushel, plus their market price of about $6. That gives them a total income of $13.50 a bushel—about a full dollar more than double the price American farmers are getting.

The skim-off by the Japanese government's food agency is even bigger. They triple the price that American farmers get paid when they re-sell our grain to their own flour millers and feed manufacturers. The profit goes into the Japanese Treasury.

Almost every other country that buys our cheap grain skims-off big profits too, before they pass it along to their consumers at higher prices. They all pay higher prices to their own farmers for all they can grow. American farmers get only the business that's left over.

All this profiteering by other countries on the American farmers' grain adds up to billions of dollars a year. That's money that ought to come back to the U.S.A. It hurts all American citizens, as well as the farmers, to give it away. It cheapens our dollar, making the price we have to pay for imported oil and other things go up.

The give-away of grain at cheaper and cheaper real prices throughout the past five years probably has contributed more to inflation by cheapening our dollar and raising the cost of imported oil and other imports than moderately higher grain prices would have done.

American farmers are beginning to see through the excuses we've heard so often. We've been told that farm commodity prices are made by the forces of supply and demand in a competitive marketplace, and there's nothing the American Government can do about it.

WORLD GRAIN MARKET IS RIGGED

The fact is that the world market for grains is rigged against the farmers of the United States, and the U.S. Government is an accomplice in the deed.

The countries of the world that guarantee higher prices to their farmers account for about 80 percent of the world's total consumption of grain. They pay higher prices to their own farmers for all they can grow. American farmers are totally locked-out of these markets until all of the higher priced domestic production is absorbed.

The grain exporting countries—United States, Canada, Australia, and Argentina account for only 20 percent of world consumption of grain. But they produce about 35 percent of total world production. Practically the entire world surplus of grain is concentrated in these few countries.

This situation is made-to-order to guarantee that the entire world surplus will be concentrated on the backs of farmers in the United States and the other exporting countries. And this guarantees that the prices they get will be depressed most of the time, unless there's a worldwide shortage as happened in the mid-1970's.

EXPORT RESTRICTIONS USED TO CONTROL PRICES

But even when world demand and world supply do come into balance, the American farmers are not allowed to recover their losses from the years of surpluses.

We get export restrictions, by one name or another.

In 1973, it was an export embargo. In 1974, exports were restricted under another name and, in 1975, under still another. And then we got a stand-by embargo agreement with the Soviet Union, by which the U.S. Government takes it upon itself to tell the Russians how much grain they could buy from American farmers. Now we have another grain embargo. Tomorrow the embargo may be made total, prohibiting all sales to the Russians.

This puts American farmers in a no-win situation. The world grain economy is rigged against the farmers so as to guarantee almost perpetual price-depressing surpluses. Whenever the surplus does disappear, our own government steps in with export restrictions to keep the price down.

American farmers are not unreasonable to ask that their own government would intervene in this rigged world/grain economy to protect them against injustice. But they do not now receive such help from their government.

The trade barriers that other countries have raised against American farmers are the highest that exist against any commodities or goods.

Import levies and other such measures amount to the equivalent of tariffs up to 100 percent and more of the price received by the American producer.

Yet in the trade negotiations concluded last year, not one bit was whittled off of these trade barriers of other countries against American grain.

In contrast, the tariffs against American manufacturers averaged only 8 percent before the negotiations started. Yet even these low tariffs were reduced further, almost to the vanishing point of 4 or 5 percent.

"CHEAP FOOD" POLICY ARISES

American farmers were protected against the worst effects of price-depressing world grain surpluses for nearly 40 years through the bi-partisan farm program legislation adopted along with other economic reforms in the recovery from the depression of the 1930's.

But now the legislative goal of fair prices for farmers has been repudiated. In its place, we have a cheap food policy. The policy is to hold down the farmers' prices as an off-set to higher prices, higher wages, higher salaries, higher profits, and higher taxes in other sectors of the economy. The farmer is being used as a scapegoat for everybody else's inflation.

It is no accident that the purchasing power of farm commodities has sunk to the lowest point since 1932. Government farm policy has returned to the pre-depression era and the results are the same as then. We are again hearing about farm liquidation sales and falling land prices. This fits right in with the 1930's level farm commodity prices farmers are getting.

The cheap food policy has brought us to the brink of an economic disaster for agriculture. We have been eating up the golden goose and soon there will be no more golden eggs. It is our younger and most productive farmers who are hardest hit. It has become impossible for a beginning farmer to earn enough from farming to make payments of interest and principal on a farm and the livestock and equipment that's needed, and cover his production expenses, and his family's cost of living.

The older and middle-aged farmers, who have accumulated enough equity to weather the storm a little longer, won't last forever. Where are their replacements going to come from? That's a problem for the nation, as much as it is for farmers.

CONGRESS MUST ACT

It's up to Congress to start America moving away from that brink. And nothing less than a positive, direct step away from the brink will do. This is no time to quibble and maneuver about just how we might manage to stay precisely in the same place where we were just before the January embargo.

That's a dangerous place to be. If we aren't careful the ground might start to crumble under our feet.

As a modest first step away from the brink of agricultural disaster, Congress should enact H.R. 6815 at once, to raise the minimum price support loan rates for the main storable commodities to 65 percent of parity.

Sixty-five percent of parity! What a small move that would be!

But it would take us in the right direction. It would give farmers a better chance to get their production loans approved that many still need to carry out efficient operations this summer. It would give the country some time to get ready for the further necessary steps that must be made before farmers will be compensated fairly for their labor and investment.

Most of the storable commodities that would be affected immediately by this legislation are now bringing prices lower than average purchasing power of farm products. Prices of other crops and livestock would gradually adjust themselves to the improved prices of the price-supported crops, with which they compete for use of land and which provide the raw materials for producing meat and milk and poultry.

This would have some short-run impact on food prices, but it would be small. The cost of farm products represents only about one-third of the retail cost of food.

And the long-run effect would be beneficial for consumers in comparison to the shortages and instability of both prices and supplies that are sure to result if agriculture continues to crumble at the brink of economic disaster.

In fact, serious damage has already been done. Hog prices are the lowest in real purchasing power for more than 30 years. Breeding herds are being cut back. There will be less pork by the end of the year.

Beef cattle herds have been cut back during the past several years more sharply and more deeply than ever before in history. Even so, the drastic increase in interest rates and the collapse of cattle prices of the past few months, is forcing still more bulls and cows and heifers off to the butcher, instead of being held back to re-build the beef breeding herds. The result is that there is almost no chance that the American people will have as much beef to eat per person at any time during the 1980's as they enjoyed all through the 70's.

We live in a dangerous world. It is full of hungry and angry people. To allow the American farming system to dribble away in chronic depression is the worst thing that could happen to the American economy in these dangerous times.

CORN: SUPPORT, PRODUCER AND MILL PRICES FOR OCTOBER 1978

[U.S. dollars per bushel]

Country	Producer prices		Mill purchase price	
	Support or guaranteed	Selling or total return	Domestic corn	Imported corn
Argentina	NA	$2.34	$2.34	NA
Australia	NA	3.07	3.07	....
Austria	NA	6.07	6.48	NA
Belgium	$5.36	....	....	$6.43
Brazil	1.70	2.82	2.82	2.82
Canada	NA	2.29	2.29	....
Chile	NA	....	....	....
Colombia	4.72	4.34	5.05	NA
Costa Rica	5.31	....	....	....
Czechoslovakia	3.86	NA	NA	....
Denmark	NA	NA	NA	6.22
Dominican Republic	3.76	3.07	3.63	....
Ecuador	3.94	....	6.48	6.48
Egypt	NA	NA	NA	1.19
El Salvador	5.16	4.19	NA	NA
European Community	5.05	NA	NA	5.84
France	4.70	5.33	5.33	....
Democratic Republic of Germany	NA	NA	NA	....
Federal Republic of Germany	5.84	6.38	6.53	6.86
Greece	4.95	....	3.18	3.18
Guatemala	4.72	3.99	4.04	3.02
Hong Kong	NA	NA	NA	....
Hungary	3.73	NA	5.23	NA
India	2.69	NA	NA	NA
Indonesia	2.74	....	....	....
Iran	4.32	....	3.43	3.43
Ireland	NA	NA	NA	....
Israel	NA	NA	NA	....
Italy	4.57	5.21	5.33	5.66
Japan	NA	NA	NA	3.18
Kenya	$3.35	....	....	....
Republic of Korea	8.89	....	....	....
Lebanon	NA	$3.66	$3.66	....
Malaysia	NA	....	NA	$3.23
Mexico	3.25	4.04	2.62	....
Morocco	4.14	5.20	5.33	3.78
Netherlands	5.13	NA	NA	6.05
New Zealand	2.85	NA	3.20	NA
Nicaragua	3.15	3.15	3.15	....
Nigeria	5.92	NA	NA	....
Norway	NA	NA	NA	8.13
Pakistan	2.21	....	....	NA
Peru	2.77	....	3.96	3.96
Philippines	3.10	NA	3.94	3.94
Poland	4.83	....	....	....
Portugal	3.33	NA	3.33	3.33
South Africa	....	2.34	2.44	NA
Spain	....	....	....	4.55
Sweden	NA	NA	NA	....
Switzerland	10.57	13.28	13.28	10.06
Syria	5.21	5.39	....	5.23
Taiwan	5.64	NA	3.96	3.02
Thailand	NA	2.00	2.49	NA
Turkey	NA	4.52	4.52	NA
United Kingdom	NA	NA	NA	4.83
United States	2.00	1.93	2.21	NA
Uruguay	2.00	2.44	2.44	NA
U.S.S.R	2.69	NA	....	....
Venezuela	5.44	5.44	3.78	3.78
Yugoslavia	2.90	5.21	5.21	3.43

Source: U.S. Department of Agriculture, Foreign Agriculture Service, Washington, D.C., Foreign Agriculture Circular-Grains, FG-6-79, Apr. 18, 1979.

Key: NA—Not applicable. Leaders ....—Not available.

WHEAT: SUPPORT, PRODUCER AND MILL PRICES FOR OCTOBER 1978

[U.S. dollars per bushel]

Country	Producer prices		Mill purchase price	
	Support or guaranteed	Selling or total return	Domestic wheat	Imported wheat
Argentina	$2.72	$3.54	$3.54	NA
Australia	2.37–2.56	3.16	3.68	NA
Austria	6.53	6.64	7.11	....
Belgium	5.74	6.29	6.75	$8.25
Brazil	7.49	NA	2.18	2.18
Canada	3.02	3.27	3.46	NA
Chile	4.08	3.97	4.82	4.98
Colombia	5.96	5.23	6.13	6.75
Costa Rica	NA	NA	NA	....
Czechoslovakia	4.63	NA	....	....
Denmark	6.34	6.10	6.10	7.35
Dominican Republic	NA	NA	NA	....
Ecuador	5.99	NA	....	3.76
Egypt	1.82	NA	1.14	1.14
El Salvador	NA	NA	NA	....
European Community	5.42–6.64	NA	NA	6.13
France	5.04	5.74	5.74	....
Democratic Republic of Germany	3.05	NA	....	4.57
Federal Republic of Germany	7.02	6.51	7.02	9.01
Greece	5.39	NA	4.55	NA
Guatemala	7.11	6.89	7.11	4.90
Hong Kong	NA	NA	NA	....
Hungary	4.38	NA	5.69	....
India	3.84	NA	4.25	4.25
Indonesia	NA	NA	NA	3.81
Iran	5.39	....	2.89	2.89
Ireland	4.93	4.93	....	6.04
Israel	3.76	NA	3.59	3.59
Italy	5.53	6.02	6.15	7.87
Japan	22.98	NA	6.20	9.23
Kenya	$4.95	....	....	....
Republic of Korea	10.48	....	NA	$4.11
Lebanon	4.46	$4.36	....	2.50
Malaysia	NA	NA	$NA	4.44
Mexico	3.13	4.30	2.50	....
Morocco	5.80	5.80	5.96	3.86
Netherlands	5.50	5.77	5.77	6.56
New Zealand	3.87	NA	4.08	NA
Nicaragua	NA	NA	NA	....
Nigeria	9.99	NA	9.99	....
Norway	9.58	9.75	NA	3.57
Pakistan	2.72	NA	2.37	2.37
Peru	3.97	....	....	3.86
Philippines	NA	NA	NA	6.32
Poland	4.93	4.63	....	....
Portugal	4.57	NA	3.65	3.65
South Africa	....	4.17	4.36	NA
Spain	4.93	NA	....	NA
Sweden	4.55	NA	4.55	....
Switzerland	17.53	NA	13.37	11.90
Syria	4.22	5.09	5.93	4.90
Taiwan	7.57	NA	NA	3.81
Thailand	NA	NA	NA	....
Turkey	3.13	3.13	2.86	NA
United Kingdom	4.08–4.60	4.27–4.49	4.49	6.53
United States	2.34	3.05	3.43	NA
Uruguay	4.79	NA	....	5.09
U.S.S.R.	3.89	NA	....	....
Venezuela	NA	NA	NA	....
Yugoslavia	3.97	NA	39.7	....

Source: U.S. Department of Agriculture, Foreign Agriculture Service, Washington, D.C., Foreign Agriculture Circular-Grains, FG–6–79, Apr. 18, 1979.

Key: NA—Not applicable. Leaders ....—Not available.

NATIONAL EXPORT POLICY ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, the need to establish export expansion as a national priority and create a favorable environment for stimulating increased exports of American goods and services has long been apparent. Today, I am introducing the National Export Policy Act of 1980 to meet this need.

This legislation is a companion bill to one introduced in the Senate last Thursday by the distinguished Senator from Delaware, Senator Roth, and his colleagues from the Senate Export Caucus. I want to compliment the members of the caucus and their staffs for the diligent and cooperative effort that has been put into this legislation. I am pleased to be able to sponsor the product of these labors in the House.

Frequently, we have decried American export performance in the world marketplace and expressed the need for congressional action to help improve this performance. This Congress has been responsive to these concerns, for example, by passing the Multilateral Trade Agreements Act and approving most-favored-nation status for the People's Republic of China. Prospects for approval of legislation to encourage the formation of American trading companies are bright.

But these are only piecemeal efforts to address our export problems at a time when a more comprehensive approach is needed. The National Export Policy Act is a major step toward a strong, cohesive export policy that touches all aspects of American export efforts. It is designed to enlist maximum cooperation among government, industry and labor toward a common national economic objective. If we are ever to regain our preeminence as an economic leader in the international marketplace, building a cohesive export policy and achieving this common economic goal is vital.

Should anyone doubt our grave position in world trade, consider these startling facts:

The U.S. share of world exports has fallen from 50 percent in 1947 to around 13 percent in 1979, and the decline continues;

We continue to run a trade deficit, last year in excess of $25 billion;

U.S. export growth has been negligible since 1974. In real terms, U.S. exports in 1977 were only 1 percent greater than in 1974;

The United States has lost its technological lead in countless areas and holds but a slim lead in high technology electronics, and

Productivity growth—an essential ingredient in our export performance—continues to decline. In 1977, productivity expanded by only 1.7 percent and by only 0.8 of 1 percent the following year.

But the consequences from this decline go beyond the recitation of statistics, they go beyond lost jobs and vanishing profits, and they go beyond lost leadership in technology and innovation. They go to the heart of our national security. For so long, we have conveniently interpreted national security solely in terms of military might. We have forgotten, if indeed we ever understood, that economic might in itself is one of the greatest guarantees of national security.

For so long, U.S. international trade has been used as a tool of national political and security goals rather than as a goal itself. It has become the club by which we bring other nations to heal—or so we thought. But the truth is, there are few, if any, monopolies left in today's world and the United States has no stranglehold over any sector of the international marketplace. We must compete, and we must compete vigorously.

Mr. Speaker, I am confident that we are up to the challenge. A fair examination of history reveals that the source of our world leadership comes not just from our military might but from our economic success. People around the world do not emigrate to the United States to cower behind our missiles. They come looking for economic opportunity.

Meeting this challenge begins with fundamental changes in our export practices and the laws that govern them. It begins with a new national export policy that capitalizes on our traditional economic strength and taps the innovative and creatives resources of the American business community.

The fundamental changes proposed in the National Export Policy Act promise significant gains for the United States. A recent study by the Center for Strategic and International Studies of Georgetown University shows that a $15 billion growth in manufactured exports can be expected to increase U.S. consumption by $20 billion a year and boost employment by 1 million jobs. Our gross national product should increase by around $37 billion annually, with a gain of $4 billion in private investment.

To realize these gains, however, we must begin our work today. I look forward to active consideration of this legislation in the House and encourage my colleagues to participate in our efforts to reconstruct our national export policy.

At this point, Mr. Speaker, I insert a summary of the National Export Policy Act of 1980 in the RECORD:

SUMMARY OF THE NATIONAL TRADE POLICY ACT OF 1980

TITLE I—GENERAL FINDINGS AND PURPOSES

This title presents the importance of exports to the U.S. economy and the need for aggressive action to be taken to improve the U.S. export performance; and calls for export expansion to be a principal national goal.

TITLE II—EXPORT FINANCING

This title recognizes the importance of adequate, competitive export financing to U.S. exports; provides authority for the U.S. Export-Import Bank to provide additional funds on a competitive basis; adjusts the terms of the directors of the Export-Import Bank; and removes Export-Import Bank appropriations from consideration with the foreign aid program.

TITLE III—EXPORT RELATED TAX POLICY

This title concludes that the Tax Code should work to encourage rather than discourage exports; provides for certain tax exemptions for American nationals living abroad and engaged in export activities; adjusts provisions of the Tax Code on bad debts resulting from exports, research and experimental expenditures and foreign currency losses on export receivables; removes unfair penalties on U.S. exporters whose business is adversely affected by war and civil unrest in foreign nations; and allows duty-free entry of machinery, materials and fuels for use in export manufacture in foreign trade zones.

TITLE IV—ANTITRUST REGULATIONS

This title finds that current application of U.S. antitrust laws to international trade laws is complex and ambiguous, resulting in restraints on exports rather than encouragement of competition overseas; amends Webb-Pomerene law to allow business associations engaged in export to obtain preclearance that will grant antitrust immunity for certified activities; and simplifies antitrust procedures to avoid conflicting demands by several U.S. agencies applying antitrust laws and to clarify application of the laws to extraterritorial activities.

TITLE V—ADJUSTMENT OF LAW AND GOVERNMENT REGULATIONS THAT HINDER EXPORTS

This title finds that a number of U.S. laws, regulations, controls and policies that have been instituted to serve legitimate domestic economic, political and ethical needs have inadvertently acted as restraints on exports because of the unpredictable and unclear nature of their enforcement, interpretation and jurisdiction; amends the Foreign Corrupt Practices Act of 1977 and the Securities and Exchange Act to remove these restraints; calls for an international agreement on foreign business practices and a full review of the Foreign Corrupt Practices Act; and calls for a reduction in the amount of export paperwork.

TITLE VI—EXPORT AWARENESS AND EXPORT PROMOTION PROGRAMS

This title provides for the formation of export trading companies; creates special grant and loan programs to help small businesses enter the export market; creates the Joint Export Marketing Assistance Program; establishes international education programs for exporters; and calls for special assistance for exporters of services.

TITLE VII—AGRICULTURAL EXPORT PROGRAMS

This title amends the Commodity Credit Corporation Charter Act to create an Agricultural Export Credit Revolving Fund; amends the Farm Credit Act of 1971 to authorize banks for cooperatives to engage in export financing; calls for adequate financing of agricultural commodity exports through the U.S. Export-Import Bank; and establishes an International Wheat Exporting Commission.

TITLE VIII—INTERNATIONAL AGREEMENTS

This title finds that multilateral negotiations and agreements are a preferable solution to many U.S. trade problems but multinational trade agreements and codes reached so far have not achieved adequate removal of artificial barriers to U.S. products abroad; calls for strong implementation of the Multilateral Trade Agreements and continued stronger efforts to remove foreign tariff and non-tariff barriers; encourages implementation of the Subsidies Codes on Agricultural products by creating a standby export subsidy program for agricultural commodities that neutralizes the effects of other countries' export subsidy programs if they fail to follow the Code; calls for international codes on financing, business conduct, reciprocity on enforcement of antitrust laws and services and investment.

TITLE IX—GOVERNMENT SUPPORT OF EXPORT GOALS

This title concludes that all the available resources of the U.S. Government must be used to assist and promote the export of U.S. goods and services, except where contrary to the national security or national economic interests; calls upon all government departments, agencies and organizations not directly involved in export policy, in particular the Office of Management and Budget, the Department of Justice, the Overseas Private Investment Corporation, the International Development Cooperation Agency, the Department of Energy, the Small Business Administration and the Congress, to consider the impact of their policies, decisions and programs on exports and, where possible and appropriate, to take steps to help export expansion goals.●

☐ 1530

THE MIAMI RIOTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. MCDONALD) is recognized for 60 minutes.

Mr. McDONALD. Mr. Speaker, in the aftermath of the riots, lootings, burnings, and killings that took place in Miami on the weekend of May 17–18, assorted "experts" have assigned the riot's causes to economic conditions, the present recession, to allegedly widespread racism against blacks in Miami, to shortages of new public housing projects and a myriad of other social and economic conditions. For its part, the Department of Justice has opened investigations of Miami's law enforcement officers who are alleged to have used excessive force and so violated the civil rights of rioters and looters during the outburst.

I believe the evidence will indicate that Congress should hold hearings to examine the causes of the Miami riot, whether Federal social programs have really had any impact on the causes of such violence, and the specific actions of individuals—both city officials and members of the community—during the violence. This country does not need repeated the violence of 1967 and 1968.

Toward that end, I have assembled from public sources the following information concerning this tragic violence that brought about the deaths of at least 16 people, serious injuries to more than 400 individuals, and the destruction of more than $200 million in property.

According to the statements of Miami Police Chief Kenneth Harms and Dade County Public Safety Director, Sheriff Bobby Jones, the riot that erupted early in the evening of May 17 was brought about by "social and economic" conditions. Dr. Marvin Dunn, a psychologist at Florida International University and a "community leader," and to radio WEDR newscaster, Clyde MacDonald, the causes of the violence were more complex and included distrust of the criminal justice system and the law enforcement community on the part of Miami's black community.

While the indirect causes of a riot of such severe proportions may be complex, the triggering event was the acquittal of four Dade County police officers who were variously charged with second degree murder, manslaughter, aggravated battery or being an accessory after the fact in the death of Arthur McDuffie in December 1979. According to trial testimony, McDuffie was severely beaten by nine police officers following a high speed chase through many red light intersections. Witnesses stated that when McDuffie eventually stopped his motorcycle and surrendered, the beating commenced. He died of brain injuries 4 days later.

Sources close to the trial believe that the jury reached its verdict because of contradictory evidence from three officers involved in the beating who had been granted immunity in exchange for their testimony. It is believed, and not unlikely, that the jury may have decided that the contradictory testimony combined with the fact that the three have also been participants in the death of McDuffie, imprecise instructions on the charges against the four officers and the trial judge's instructions required a verdict of acquittal.

As in the Watts, Detroit and Newark riots of the mid-1960's, a "climate" conducive to riot had been created in Miami by community activists over a period of time who attacked law enforcement and other local government agencies as brutal and racially discriminatory. In October 1976, the Florida Advisory Committee to the U.S. Commission on Civil Rights issued a report with the technically accurate, yet clearly inflammatory title, "Policed by the White Male Minority: A Study of Police-Community Relations in Miami and Dade County, Florida."

Subsequently both rational criticism and irrational hostility against the law enforcement agencies was generated on radio talk shows and in organizations as diverse as the National Association for the Advancement of Colored People (NAACP), the Miami Association of Black Social Workers, the radical National Lawyers Guild, American Civil Liberties Union, the United Faculty of Florida, the Nation of Islam (Black Muslims), the Coalition for Human Rights for Haitian Refugees, a pro-Castro Cuban exile group, the Antonio Maceo Brigade, and a support group for the Marxist terrorists who now comprise the Government of Nicaragua, the Nicaraguan Support Committee.

On Saturday afternoon in traditional "riot weather" of humid 85° temperatures, Miami television stations carried the jury verdict which ended the 7-week trial of the former Dade County police officers charged in the death of Arthur McDuffie.

As permitted by the State of Florida, full television coverage had been given to the courtroom proceedings during the trial. Norman Davis, vice-president of WPLG-TV, said:

> What the camera did was to provide a window through which people could be spectators at the trial. The community didn't like what it saw.

However the Miami television stations did not broadcast the trial in its entirety or even in substantial segments. Rather short, edited segments of up to 6 minutes duration were broadcast each night. These segments stressed the most dramatic or violent and sensational aspects of the day's proceedings and downplayed coverage of the conflicts in the testimony of the three prosecution police witnesses.

As television and radio stations in Miami broadcast live footage of Mrs. Yula Bell McDuffie screaming:

> They murdered my child. They beat him like a dog. But in God's eyes they're guilty. God will take care of them.

The local Miami chapter of the NAACP called for a protest rally at the Dade County Justice Center, a complex of buildings housing the police, courts and related agencies that had been the focal point of prayer vigils during the McDuffie trial that attracted an average of 50 individuals.

By about 5:30 p.m. on May 17, an estimated 5,000 black demonstrators had gathered at the Justice Center. According to John Due, an employee of the Miami Human Relations Board:

> It was completely disorganized and uncontrolled. They didn't even have any loudspeakers. Nobody could hear what the speakers were saying. They [the demonstrators] just spontaneously walked around and blocked traffic. Then when two police cars tried to drive right through the group, I just knew what would happen once they started provoking it. First people tore down the flag and burned it. Then they turned over the cars and torched them. [Quoted by Liberation News Service, Issue No. 991, published late but dated 5/16/80].

The disturbances at the Justice Center received full and immediate coverage on two local black community-oriented radio stations. Acts of violence spread at once to the predominately black Liberty City area of Miami, initially in the vicinity of African Square Park.

According to Roy Greenwood, a member of the National Lawyers Guild (NLG):

> The first really violent incident I know of came when some white guy was driving past on Martin Luther King Boulevard. People were throwing rocks and bottles and then all of a sudden his car swerved up on the sidewalk and creamed a little [black] girl who was standing there. That was when people pulled him out of his car and beat him. [LNS, op. cit.]

The same incident as reported in Newsweek, June 2, 1980, stated that the vehicle occupants, Michael Kulp, 18, the driver; his brother Jeffrey, 22; and a friend, Debra Getman, 23; were dragged out of the car when Michael Kulp lost control after being hit by a "hail of bricks and bottles" that shattered the windshield. Reported Newsweek:

> Michael's skull was fractured. Jeffrey was shot in the back, stabbed and repeatedly run over by a car as the crowd cheered. His face was mutilated (his ears were pulled off and his tongue slit), and in a final grotesque touch, a red flower was stuffed down his throat.

Police trying to rescue the Kulps were met with shotgun and rifle fire which they returned. Debra Getman was rescued by a black man in the crowd and escaped from the area. The 11-year-old child hit by the car was seriously injured and doctors were forced to amputate one of her legs to save her life.

At the Justice Building, a group of about 500 stormed the county court offices on the first floor chanting "We're fired up; can't take it no more." Others set fire to an adjacent State office building and smashed or burned dozens of automobiles. Another section of the mob seized the public safety department headquarters which they contained to hold for some six hours. The police headquarters was retaken by police reinforcements using dogs, with no shots being fired by police.

At this stage the normal pattern of a riot developed: Liquor stores were looted and burned, followed by the looting of gun, jewelry, clothing, furniture, appliance, camera and food stores.

According to Greenwood and Due:

> Police cars, mail trucks, anything identifiable with the government became a target; any white-owned business was likely to be up in flames. But smaller, black-owned businesses often escaped unscathed. [LNS, op cit.]

All reports of the Miami riots cite the gross brutality of the rioters toward whites they caught on the streets. According to Dr. Bernard Elser, medical director of the Jackson Memorial Hospital emergency rooms:

> Saturday night when it first started, it was total mayhem, like a big battlefield with many patients being brought in * * * overwhelming beatings [of] blacks, whites, all sorts of people. [There were] atrocities of all types—ears cut off, tongues cut out, and some other really gross things."

Late on Saturday, Florida Governor Bob Graham ordered in a National Guard unit who were deployed by 1 a.m. on Sunday morning, as were 300 members of the riot squad from the Florida State Highway Patrol. The role of law enforcement at this time was to contain the riot in the city's northwest region, the Coconut Grove area and part of suburban Opa-Locka—a 250-square-block area. Because of sniping and gunfire, this became a no-go area for fire and ambulance services, with an estimated 200 fires being set.

On Sunday, May 18, an 8 p.m. to 6 a.m. curfew was imposed and the National Guard was reinforced to a total of 3,600. Public transit was suspended, and the sales of gasoline by the can, guns and ammunition were prohibited. Schools were closed.

Also on Sunday, the Mayor of Miami called on prominent national black leaders asking them to come to the area. Among those who responded were Andrew Young; Jesse Jackson of Operation PUSH; Urban League director Vernon Jordan and Benjamin Hooks, executive director of the NAACP. They had little effect.

Also present to meet local leaders was Dr. Joseph Lowrey, president of the Southern Christian Leadership Conference who told a cheering audience:

> President Carter needs to come to Miami because the crisis is in Miami, not Afghanistan.

He continued:

> We have to boycott the Klan, boycott racism, boycott economic exploitation, not boycott the Olympics! [Daily World, 5/21/80]

On May 22, 2,000 National Guardsmen were withdrawn from the city; schools were reopened and conditions became relatively normal.

During and following the riot, a number of national revolutionary organizations dispatched cadre to the Miami area. These included the Moscow-line Communist Party, U.S. (CPUSA), the Workers World Party (WWP), the Socialist Workers Party (SWP), the Communist Party, Marxist-Leninist (CPML) and the Revolutionary Communist Party (RCP). The revolutionary organizations are seeking to influence members of the Citizens Coalition for Racial Justice, described by the official newspaper of the militant Marxist-Leninist WWP as "an alliance of progressive groups and individuals formed during the rebellion to rally multinational support for the Black people of Miami."

Approximately 35 groups, mainly Hispanic, Caribbean, Central American and white North American revolutionary support groups, have endorsed the coalition which is demanding suspension of State Attorney Janet Reno pending a Federal investigation of her office; amnesty for all those arrested during the riot; and various revolutionary changes in Miami's economic, political and justice systems.

Within the black community in Miami, two groups have emerged, the Black

Leadership Council (BLC) and the Concerned Black Organizations for Justice (CBOJ). A spokesman for the latter group, Bill Robinson Parks, said:

> We want the white media to immediately discontinue calling our legitimate black rebellion a riot. [The Guardian, an electic Marxist-Leninist weekly, 6-4-80.]

A manifesto issued by the CBOJ lists a series of demands, "the right of free assembly and speech, the right to bear arms, an end to curfew restrictions, and economic self-determination for blacks within their own community" which sounds rather like a call for self-segregation and ghettoization.

> [In These Times, a newspaper published by the Marxist Institute for Policy Studies, 6-3-80.].

A spokesman for the CBOJ, Prof. Brian Peterson of the United Faculty of Florida said, "We also support amnesty for all demonstrators." When asked about "amnesty" for the police officers involved in the violence, Professor Peterson said they should not be included because—

> Sworn officers of the law have a special obligation to the law and should be held responsible. [Daily World, official newspaper of the Communist Party, U.S.A., 5-23-80.]

At a May 20 press conference called by the CBOJ, the following organizations were represented: the Communist Party, U.S.A. (SPUSA), the Moscow-line revolutionary party; the CPUSA's principal front for recruiting among civil rights activists and the black community, the National Alliance Against Racist and Political Repression (NAARPR) led by Angela Davis; the American Civil Liberties Union (ACLU); the National Lawyers Guild (NLG), a CPUSA legal action front with intimate ties to the Cuban government; the Gray Panthers; American Friends Service Committee (AFSC); the pro-Castro Antonio Maceo Brigade; and the Women's International League for Peace and Freedom (WILPF), an organization thoroughly penetrated by the CPUSA and which works in cooperation with the major Soviet-controlled international fronts.

The more moderate BLC "represents local leadership groups including the NAACP, SCLC, government officials and the "street people" reported African-American News, May 25, 1980. The BLC sought and obtained the lifting of the curfew and asked for—

> Emergency services for the community increased representation of blacks on the police force, the lifting of bilingual requirements for job opportunities, and securing the resignation of States Attorney Reno, whose office failed to secure a conviction in the McDuffie case [African American News, op cit.]

According to NAACP leader Benjamin Hooks, the BLC has "got the top white leaders and the top black leaders to work together to create jobs and find the money to rebuild."

In evaluating the Miami riot, it must be evident that a considerable responsibility rests with the Miami NAACP chapter in calling for a rally at what manifestly was a time of intense community excitement and unrest.

The possibility that disorders were at least expected, if not premeditated, by the NAACP rally organizers cannot be discounted. In this context, the remarks of Dr. William Perry, a local NAACP leader, are noted:

> As long as the heat is on, there is a possibility we can negotiate and get something out of this foolishness. [National Public Radio "All Things Considered" special broadcast report, May 30, 1980].

In discussing the events of May 17–22 with members of the south Florida law enforcement community, many concerns were expressed related to the slow reaction to the early stages of the riot. Many were of the opinion that firm action taken at that time to disperse the disorderly assemblage would have contained the situation. Others stated their belief that the 8 hours that elapsed before the first deployment of the National Guard allowed the riot situation to spread virtually unchecked.

In evaluating the patterns of violence and destruction, it is noted that buildings set on fire and destroyed apparently were carefully selected. According to In These Times, "several warehouses that employed large numbers of black workers were spared. One meat market formerly owned by blacks, but only 2 months before purchased by Cubans was destroyed." This account quoted Zandra Tompkins, a reporter for the Miami Times, a black community newspaper, as saying, "the rebellion was both spontaneous and sophisticated."

For decades U.S. revolutionary organizations have encouraged outbursts of violence by ethnic and racial minorities as a preliminary to insurrection, and their propaganda always tried to present riots as including members of the middle classes as heartily joining in the mayhem. Typical was the Institute for Policy Studies newspaper's statement:

> People who stood on the sidelines objecting to violence 12 years ago, such as black schoolteachers and para-professionals, were sometimes found among the looters on Sunday and Monday.

"They know why it had to happen. Blacks are tired of this bull ———. They've let too many crimes go unpunished. When they let them cops go they gave the police a license to kill any of us," said Sharett Wright, 28, a resident of the Liberty City riot area, Baltimore Sun, May 22, 1980. Another black community activist, Francena Thomas, had a differing viewpoint:

> In 1968, you had a black population that wanted to hear some promises of reform.

She charged that the white-dominated establishment is "moving those of us who believe in this system. We have begun to see that the promise of racial justice and nonviolent reform is a lie."

It is noted that the Communist countries have given considerable attention to the Miami riots. TASS, the official Soviet news agency, denounced "the slaughter of Miami's black population. The Soviet Communist Party newspaper Pravda charged that the United States violated the human rights provisions of the Helsinki accords by "repressing" the "Miami rebellion." The Ethiopian Herald wrote that—

> The verbiage about humanism is accompanied in the West with a growing oppression of the national minorities, using the most brutal measures for suppressing social protests.

In Iran, militants held a demonstration "in solidarity with the Black rebellion in Miami." According to the New York Daily News, May 24, 1980, the Iranian demonstrators "called on American blacks to 'rise up' against the government in the wake of the Miami rebellion."

On May 22, 1980, Vasily Balshakov commenced a Russian language broadcast on Moscow's Domestic Service on "lynch law in Miami" in which he predicted further riots in the United States. His commentary began:

> The term "hot summer," which first appeared in the sixties when Negro ghettoes throughout the United States blazed, has reentered the country's political vocabulary. The hot summer has begun this time in Miami, Florida * * *.

I am appending other broadcast material as follows:

[From the U.S.S.R.]

ORLOV COMMENTS ON RACIAL DISTURBANCES IN FLORIDA

[Text] Moscow, May 19, TASS—TASS political observer Igor Orlov writes:

Just like in the 60's, the world public is again disturbed and outraged by reports coming from the United States of mass repressions against the dissatisfied black population, 19 killed and about 350 wounded are reported in Miami, now living in an emergency situation, with its black ghetto declared "a military zone."

The current events are very similar in their scale to the uprising in Watts, a black ghetto, in 1965, when Los Angeles, for six days, looked very much like a front-line city, with submachine and automatic-gun rattle, grenade explosions and fires. Here are some tragic figures of those days: 36 killed, 1,032 wounded and nearly 4,000 arrested. The rebellion in Watts triggered off a whole series of mass disturbances involving the black population, which swept many U.S. cities during 1965–1967. The suppression of the protests resulted in 130 killed, thousands of wounded and arrested.

The current racial disturbances in Miami were caused by the indignation of the black population at the acquittal by the all-white jury of the four policemen who had beaten to death a 33-year-old black, Arthur McDuffie. The incident proved to be the last drop which overbrimmed the patience of the black population.

The racial explosion in Miami, just like in many other U.S. areas, has been brewing for a long time. Racial disturbances in the recent months took place not only in Florida, but also in California, Oklahoma, New Mexico, North Carolina, Georgia and other states. The reasons for the current racial disturbances are quite clear. The main one is to be found in the [word indistinct] that the situation in the United States for the 25 millions of the black population has not improved in the least, but deteriorated still further since the presidential commission investigating civil disturbances drew conclusions in 1968 which presented an indictment of the American way of life.

The commission report said that the dissatisfaction of the black population in all cities was caused by the prejudices, discrimination, unfavourable living conditions and the general sense of helplessness to change the conditions. It is white racism that underlies the explosive situation present in American cities, the report continued.

None of the previous governments, to say nothing of the current administration, did anything to alleviate the plight of the black population. On the contrary, inflated military budgets and the accompanying cuts in social and economic expenditures led to a further deterioration in such international problems, as unemployment, inflation, cuts in education and health care, which affect primarily the interests of the working people and particularly the black population. The system of discrimination and oppression of the black population is safeguarded by the ruling U.S. circles which today resort yet again to brutal repressions against the rebels fighting racial oppression.

[From the People's Republic of China]

Xinhua: Blacks in Miami Wage Heroic Struggle

[Text] Beijing, 19 May—News from Miami: Several thousand blacks in Miami and its suburbs in Florida in the United States angrily surged into the streets on the evening of 17 May and on 18 May. They protested against the authorities for brazenly acquitting four white murderers involved in the death of a black man and waged a heroic struggle against the police and national guardsmen who suppressed them.

The four murderers are Miami ex-policemen. In December last year, they arrested a black man for speeding in violation of the traffic law and later beat him to death. On 17 May, the judicial authorities unexpectedly declared them innocent and released them. Upon hearing the news, large numbers of blacks stormed the judicial office and the building which housed the county's public security department, but they were dispersed by the police. At the same time, large crowds of angry blacks gathered on street corners, throwing stones at cars and setting buildings afire. They also threw rocks, bricks and bottles at the policemen and exchanged fire with them.

In the face of the serious situation brought about by the people's anger, Florida Governor Robert Graham on 18 May ordered 500 national guardsmen into the riot-torn areas to stiffen suppression. According to UPI, by the night of 18 May, at least 10 people were reported killed in the clashes and another 150 people injured and 175 blacks arrested, filling up the prisons in the city and in nearby areas.

The authorities declared a dusk-to-dawn curfew in the riot-torn areas from the night of 18 May to the morning of 19 May, and also ordered a ban on the sale of guns and gasoline. The schools were ordered closed on 19 May. Local officials responsible for the maintenance of law and order admitted that the situation remained turbulent by the time curfew was declared.

[From the U.S.S.R.]

Commentator Bolshakov Views Miami Racial Disturbances

[PRAVDA observer Vasiliy Bolshakov commentary: "Lynch Law in Miami"]

[Excerpt] The term "hot summer," which first appeared in the sixties when [word indistinct] Negro ghettoes throughout the United States blazed, has re-entered the country's political vocabulary. The hot summer has begun this time in Miami, Florida. Police detachments with armored personnel carriers and Alsation dogs specially trained for reprisals against demonstrators have been hurled against the insurgent inhabitants of the Negro ghetto in this city, which is laughingly called the "city of freedom". More than 20 people have been killed already. Hundreds of Negroes have been injured and thousands arrested. Fires are blazing in Miami, and U.S. racism in all its revolting nakedness, the primary reason for all the stormy demonstrations by poor Negroes in both the sixties and seventies, stands out again in the reflection of these fires.

The uprising in Miami was caused by very specific reasons. In December last year policemen from Miami killed the Negro Arthur McDuffie. While driving through the city he was stopped on a trumped-up charge of exceeding the speed limit. And then, according to eyewitnesses of this crime, he was brutally beaten up. A report was subsequently drawn up in which the authors alleged that McDuffie died in a car accident. But everyone knew that he had been killed.

Why was McDuffie killed? Above all, of course, because he was active in a Negro organization helping blacks in the local ghetto. His speeches in defense of Negro civil rights were the basis for the death sentence imposed and executed by the local [word indistinct] in full accordance with the traditions of the racist lynch law.

The official panel of jurors acquitted the murderers, as might have been expected. This exhausted the patience of the Negroes in the "city of freedom." An uprising flared up. However, the rebellion in Miami cannot be explained by local circumstances alone, as Prof (Marvin Dunn) of the international university of Florida rightly noted the other day. They should be sought in the general national problem of civil rights in the United States, rights which racist Americans constantly and persistently refused to grant to national minorities. Andrew Young, the former U.S. representative at the United Nations, who was removed from this high post for his criticism of the present administration, say that not only the killers of McDuffie should be tried.

The entire system existing in the United States should be tried. Young, who personally experienced the nature of racism in the United States, has every reason to make such a statement. As the Los Angeles TIMES wrote the other day, the life of blacks in the United States began as a tragedy and continues to be a tragedy.

Let us look at the facts: One of the biggest Negro organizations in the United States, the National Urban League, noted in its recent annual report on the position of blacks in the United States that the majority of black Americans are still compelled to drag out a difficult life. In many cases people think only of basic survival. Too many Negroes are unemployed or poor, the authors of the report conclude. Whereas the number of white families officially listed as poor fell by 20,000 during 1976–77, the number of poor Negro families rose by 20,000 during the same period. The total number of poor Negro families has increased by 124,000 since the 1975 economic recession. It has now reached more than 1.5 million families. By 1979, the International Year of the Child, the number of Negro children living in poverty also increased and reached almost 2 million. In 1978, when the number of unemployed whites fell from 5.5 million to 4.7 million, the number of unemployed Negroes remained the same and amounted to 1.5 million.

In other words, it remained at the level of the 1975 year of crisis. Official statistics now say that the level of unemployment among black males is 3 and ½ times higher than among whites, and 10 times higher among young blacks. According to the National Urban League the actual number of unemployed Negroes in 1977 and 1978 remained at a level in excess of 3 million and it is now approaching the 4 million mark. Almost one Negro in four in the United States is without a job. In 1978 Negro unemployment exceeded the level in the 1975 year of crisis. As a result the income of black families fell in comparison with that of white families in both absolute and relative terms.

So, the economic facts of racial discrimination are as plain as daylight. Negroes often receive two or three times less for doing the same work as white. And in conditions of rising unemployment, especially among young negroes—it reached the record level of 35–40 percent last year, for example—living standards among Negroes in the United States are falling all the time. Of course, this is not because Negroes do not want to work or because they are lazy, as racist propaganda alleges. Recall the summer of 1978 when thousands of young Negroes, Puerto Ricans and Mexicans filled the square in front of New York City Hall from early morning. The city authorities had announced that they would be giving summer jobs to 55,000 young men and women on that day. Double that number turned up. What, in fact, was awaiting those on whom a transient happiness had smiled on that summer morning? Life in the ghettos, America's rat-infested slums which are unfit for human habitation, the home of its 25 million black citizens. Or the lot of a seasonal laborer on the plantations in the southern states or the pitiful plight of the small-time thief who commits crimes simply because it is his sole means of survival.

The much advertised assistance from the government's social program does not help Negroes escape the circle of desperation and poverty. Spending on these programs is being cut anyway because of the unceasing arms race. U.S. economists estimate that in 1966 there were 6 million people in the United States living on benefits. This figure has now more than doubled. Those who have no opportunity to receive benefits because of the complicated claims procedure are in a very difficult situation, and they have to struggle unaided against poverty. TIME magazine once wrote: Though it may appear paradoxical, the state of general prosperity gives least help to those who need it most.

The overwhelming majority of poor people do not enjoy social security benefits, unemployment payments or the right to join a labor union. The smart operators even manage to make themselves rich off help intended for the poor. As a result of the fact that the state helps the rich to become richer and the poor poorer, the number of poor families in the United States is increasing all the time. Almost 14 million children up to 15 years old live in needy families. Every year 1,500 people die of undernourishment in the richest country on earth, the United States. This is only the official estimate. It is natural that the presence of so many people in the breeding grounds of poverty, which has disfigured like smallpox the much-publicized features of the society of general prosperity, leads inevitably to social explosions, like the present one in Miami.

[From the German Democratic Republic]

Human Rights Committee Condemns Miami Rioting

[ADN dispatch from Berlin: "GDR Committee on Racial Unrest—Miami Actions Condemned"]

[Text] The GDR Human Rights Committee condemns the disgusting bloody acts of terror against the Afro-American population in Miami (Florida).

"Yet again it has been confirmed how brutal the ruling circles and their minions in the United States tread on the constitutional rights of the oppressed and exploited black Americans and other minorities in the interest of power and profit," the committee says in a statement published on Thursday, 22 May. "The world public had yet another opportunity to see that Washington haughtily disregards the international law principles of respect for human rights and prevention of any racial discrimination."

This policy, too, the statement says, is characteristic of the morbid imperialist system in which inhumanity is inherent, characteristic of racism growing in the United States like a cancer and forever bringing forth new crimes.

"Whatever is done by the White House to assuage and manipulate them, the struggle of the oppressed black and white Americans for their right to a dignified existence continues," the statement emphasizes. "The GDR Human Rights Committee will always stand on the side of those courageous fighters for freedom and social progress."

[From Cuba]

INTERNATIONAL ORGANIZATIONS CONDEMN MIAMI RIOTS

[Text] Bloody police repression of the black community in the United States, which last weekend claimed a toll of 20 dead, 500 injured and upwards of 1,000 arrests in Miami, is still being criticized by the international public.

The WPC has stated that the U.S. military apparatus won't spare any efforts when it comes to defending the system generating racism. It stressed that the bloody repression of blacks in Miami unveils the falsehood and hypocrisy of the U.S. government's human rights propaganda.

In Moscow, the Soviet Committee for European Security and Cooperation condemned that brutal repression which it called further proof of the massive violations of the Helsinki agreements by the U.S. Government. In turn, the WFTU, repudiating the bloody Miami incidents, underscored that these crimes bare the falsehood and hypocrisy of U.S. President James Carter's remarks defending human rights.

The WIDF [Women's International Democratic Federation] made a similar statement asking the United Nations to take action so the violation of the human rights of the black population in the United States can stop.

[From Iran]

MARCH SUPPORTING U.S. BLACKS

[Text] During a huge march yesterday the people of Shiraz, while expressing all-round support for the black movement in the United States, strongly condemned the aggression by racist imperialism against American blacks. The large march by Shiraz citizens took place after the Friday march from the Vakil Mosque to Revolution Square in Shiraz.

The participants' banners and placards declared Iran's and its Islamic Revolution leader's full support for the anti-Carter movement of U.S. blacks. At the end of the march in front of the location where the U.S. spies are kept in Shiraz the marchers affirmed and supported the revolutionary move by the student followers of the imam's line and called the great movement of U.S. blacks a struggle by the world's oppressed against oppressors.

During the same ceremonies, the Fars governor, stressing that martyrdom is part of a Muslim's life, reminded the audience that whoever is killed while following the line of the nation's imam is indeed a martyr in following the line of Imam Mehdi. The Shiraz citizens' march yesterday ended amid shouts of "God is great; Khomayni the leader."

[From the U.S.S.R.]

RACIAL DISTURBANCES IN MIAMI, FLORIDA

[Volskiy] Boris Vasilyevich, while you were speaking about South Korea I was thinking this. South Korea and the south of the United States, Miami, are far away from one another. But on the television screens, when we saw reports from there, the events taking place in the one place and the other are, on the surface, very similar to each other: The same overturned vehicles, burning houses, and it is obvious that many young people are taking part in that movement—both in South Korea, in the movement for democratization, and in the southern United States, where the Negro movement is also essentially one for the democratization of social and political life. And the main thing is that they have yet another thing in common—a common enemy, the ruling circles of the United States with its neocolonialist policy on the world scene and its racism at home.

[Nekrasov] Our listeners, of course, have read in the press and have seen much about what is going on in Miami and other areas in Florida, and have read about the causes of these events, but I should like to relate an episode, or rather a fact that I witnessed myself. It was about 8 years ago. I and a Soviet journalist colleague found ourselves in New Orleans, and naturally we wanted to meet representatives of the Negro public.

This was soon after the very active and bloody demonstrations by the Negro masses in the United States. The meeting, it must be said, was not very easy to arrange, because basically this was a nationalist movement. The Negro masses in the United States did not have a sufficiently developed class consciousness, so there was an extremely suspicious attitude to visitors from abroad. Here we were helped, however, by our progressive American friends, and we were able to spend about 5 hours talking to a large group of students from Negro colleges in the U.S. South who described to us the state of their people in the United States, the problems facing them, and the government's policy regarding black Americans. What did they tell us?

The fact that as a result of discrimination any Negro youth has three times less chance than a white youth with the same education of getting a job with the same money; that the number of unemployed among them—and these students knew this—would be around three times greater than the number of unemployed among graduates from white colleges; that 37 percent more representatives of the Negro portion of the U.S. population would die from work related accidents than whites; and that the authorities—be it the police, local government bodies or the courts—would never, anywhere, show a just attitude towards them. And I remember how one of these Negro youths said to us: We have tried a host of peaceful means of struggle. We can see that the rulers of the United States do not react. This is a racist country, a country where there is no respect for human rights, and particularly for the rights of people with black skins.

The events in Miami and other towns where the struggle by the Negro population is now being waged are proof of the awakening of the masses of the Negro people to a new stage in the struggle for their civil rights. In the conditions of the present economic crisis which capitalism as a whole, and U.S. capitalism in particular, is undergoing, this struggle is merging with the struggle of the working class in which all of working America is rising up. And I think that these events in Miami, for all their spontaneity, are the harbingers of a very important, very serious course of events of very considerable significance for the future development of the situation in the United States.

[Andrianov] Our program time has come to an end. Good-bye, comrades, and all the best.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. BALDUS) is recognized for 5 minutes.

● Mr. BALDUS. Mr. Speaker, on Friday, May 30, I was unable to be present for the final rollcall vote on the conference report on the first budget resolution. I would like to take this opportunity to state, for the record, my position on this vote.

On rollcall vote No. 272, I would have voted with the majority to insist upon the House's disagreement to the Senate's amendment to House Concurrent Resolution 307, the first budget resolution. I believe the alterations made by the Senate Budget Committee go far beyond the intended scope of that committee's jurisdiction and, at the same time, far beyond the necessary spending levels for military procurement. In addition, the drastic reductions recommended for critical domestic programs go far beyond either the President's or the House's considered opinion. I believe that further consultation is required, and that a new conference should be convened.●

ASIAN PACIFIC AMERICAN AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MINETA) is recognized for 5 minutes.

● Mr. MINETA. Mr. Speaker, I rise in support of the legislation now before us, H.R. 7297. In particular, I want to point out my interest in the provision of H.R. 7297 which would statutorily designate Asian Pacific Americans as eligible for the Small Business Administration minority business development programs.

As we consider H.R. 7297, it is important to remember that we have voted on the entire contents of the bill twice during the 96th Congress. The provisions of H.R. 7297 are not controversial. Yet, due to a conflict between the House and Senate on a completely unrelated matter, we are now asked to vote on the exact same language once again.

I should point out that the Senate accepted in conference last June the language about Asian Pacific Americans. Further, the Senate passed last Wednesday by a vote of 83 to 2, a bill, S. 2698, which contains the language on Asian Pacific Americans.

Let me assure my colleagues that the need for the Asian Pacific American language remains. The House Small Business Committee recognizes this need and has done its best to insure that Asian Pacific Americans receive the proper designation under law for the SBA minority business development programs. I wish to thank the committee for its fine work, and assiduous efforts to pass this language into law.

In sum, I urge my colleagues to affirm their past votes on this matter and support H.R. 7297.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, on Friday, May 30, 1980, I missed several rollcall votes in the House because I was invited to accompany several officials of the Department of Defense and Department of State who traveled with Vice Premier Geng Biao of the People's Republic of China to visit the AM General Corp. military truck plant in South Bend, Ind., in the congressional district I have the honor to represent.

As you may know, Mr. Speaker, Vice Premier Geng Biao visited a number of military installations in the United States last week. His tour of the AM General plant in South Bend was made with a view to the possibility that the People's Republic of China may wish to purchase vehicles produced at the South Bend plant.

During the Vice Premier's visit, Secretary of Defense Harold Brown announced that the United States is now prepared to consider license applications for export to the PRC of certain items of equipment and technology with defense support applications. Trucks were cited by Secretary Brown as examples of items that will be considered for export on a case-by-case basis.

During the Vice Premier's visit to South Bend, the party toured AM General's plant for a firsthand look at production techniques in a facility that is devoted totally to the manufacture of tactical-wheeled vehicles.

Naturally, the management of the AM General plant and the workers there are interested in encouraging the sale of vehicles they produce to the PRC.

At this point in the RECORD, Mr. Speaker, I include a list of rollcall votes I missed on Friday with an indication of how I would have voted had I been present:

Rollcall No. 275, on agreeing to the Speaker's approval of the Journal (of the previous day's proceedings). The motion was agreed to by a vote of 275 to 38, with one Member voting present. Had I been present, would have voted "yea."

Rollcall No. 276, a vote on House Resolution 688, the rule providing for consideration of House Joint Resolution 554, FTC appropriations, fiscal 1980. The resolution was agreed to by vote of 239 to 100. I was paired for the resolution and had I been present, would have voted "yea."

Rollcall No. 277, a vote on a motion to table a motion to postpone further consideration of House Joint Resolution 554, FTC appropriations, fiscal 1980, until June 10, 1980. The motion was agreed to by vote of 241 to 102. Had I been present, would have voted "yea."

Rollcall No. 278, a vote on ordering the engrossment and third reading of House Joint Resolution 554, FTC appropriations, fiscal 1980. The motion was agreed to by vote of 270 to 70, with one Member voting present. Had I been present, would have voted "yea."

Rollcall No. 279, a vote on a motion to recommit House Joint Resolution 554, FTC appropriations, fiscal 1980, to the Committee on Appropriations. The motion was rejected by a vote of 99 to 247. I was paired against this motion, and had I been present, would have voted "nay."

Rollcall No. 280, a vote on final passage of House Joint Resolution 554, FTC appropriations, fiscal 1980. The resolution was agreed to by vote of 236 to 106. I was paired for this resolution and had I been present, would have voted "yea."

Rollcall No. 281, a vote on moving the previous question on House Resolution 691, the rule providing for consideration of H.R. 7428, public debt limitation extension. The motion was rejected by vote of 189 to 153 (two-thirds of those present, not voting in favor). I was paired for this motion and had I been present, would have voted "yea."

Rollcall No. 282, a vote on House Resolution 665, providing for consideration of H.R. 2255, Bank Holding Company amendments. The resolution was agreed to by vote of 301 to 0. I was paired for the resolution, and had I been present, would have voted "yea."

Rollcall No. 283, a vote on a motion that the House resolve itself into the Committee of the Whole for consideration of H.R. 4046, Antitrust Collateral Estoppel Act. The motion was agreed to by vote of 283 to 3. Had I been present, would have voted "yea."

Rollcall No. 284, a vote on final passage of H.R. 4046, Antitrust Collateral Estoppel Act. The bill was agreed to by vote of 254 to 0. Had I been present, would have voted "yea." ●

CUBAN REFUGEE PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, the problems caused by the massive influx of Cuban refugees are particularly acute at Fort Chaffee, Ark. We have all read over the weekend about the civil disorder that took place there. The situation there is intolerable and must be corrected.

Although I have been concerned about the refugee situation since the disorganized Cuban boatlift began, I recognized that solutions to those problems had to come from the administration. However, since late last week after being told by a leader of the Hispanic community of Tulsa about the special problems at Fort Chaffee, I have been personally and intensely involved in trying to do something to alleviate the situation.

First, some general observations are in order. I have been deluged with complaints about the way the refugee matter has been handled. Clearly many working people fear about their own economic security. Others are concerned about the huge costs to taxpayers that will be incurred. Others very correctly point out that the United States is left carrying virtually the full burden caused by the flight from Cuban communism and that our Latin American neighbors are not sufficiently sharing the load.

Without question, the United States at this particular time cannot carry the load alone. The administration needs to press more to resettle some of these refugees in other Western Hemisphere nations. We, both those of us in Congress as well as the American people, need a report on the progress of what other nations are doing to resettle these refugees.

As described to me, the Fort Chaffee problem stems from several factors. First, there is not sufficient government presence there to communicate in the Cuban language with the refugees. Second, there are a certain number of troublemakers who are agitating others to disorder and who are spreading rumors which prey on the fears of these people. Third, there was not until recently sufficient law enforcement to provide protection and security.

I discussed these matters over the weekend with several people from FEMA, the Federal Emergency Management Agency, including its Director, John Macy. I must commend Mr. Macy and his staff for responding quickly to these problems. For example, additional Cuban speaking personnel were and are being sent to Fort Chaffee to talk to the refugees to diffuse the rampant rumor mill that spreads like wildfire through that compound. Second, resettlement processing is being expedited for those refugees who already have families in the United States. Third, the agitators are being isolated and prosecuted.

It seems clear to me, based on my many conversations, that Castro infiltrators are at Fort Chaffee. These people should be punished under our law the same as any other violator and they should be deported.

This entire episode is most unfortunate. On the one hand, we are a very generous and compassionate nation and we want to help those who are fleeing oppression under communism. On the other hand, we are a nation of presently limited resources. When we surpass our economic resources, we are then weakened as the major opposition to communism.

So I appeal to the administration to double its efforts on this resettlement issue. The American people are very concerned because they are hearing only the problems and not any progress that may be occuring.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CAMPBELL) to revise and extend their remarks and include extraneous matter:)

Mr. COLLINS of Texas, for 20 minutes, today.

Mr. KEMP, for 20 minutes, today.

(The following Members (at the request of Mr. MCDONALD) to revise and extend their remarks and include extraneous material:)

Mr. MICA, for 5 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

Mr. LaFalce, for 10 minutes, today.

Mr. Panetta, for 5 minutes, today.

Mr. Daschle, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. McDonald, for 60 minutes, today.

Mr. Baldus, for 5 minutes, today.

Mr. Mineta, for 5 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Montgomery, for 5 minutes, today.

Mr. Jones of Oklahoma, for 5 minutes, today.

Mr. Downey, for 15 minutes, on June 17.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Campbell) and to include extraneous matter:)

Mr. Erdahl.

Mr. Sensenbrenner.

Mr. Myers of Indiana.

Mr. Lagomarsino.

Mr. Gradison.

Mr. Bob Wilson in four instances.

Mr. Whitehurst.

Mr. Collins of Texas in two instances.

Mr. Wydler.

Mr. Michel in two instances.

Mr. Derwinski.

Mr. Ritter.

Mr. Findley.

(The following Members (at the request of Mr. McDonald) and to include extraneous matter:)

Mr. Aspin.

Mr. Murphy of Illinois.

Mr. Mazzoli in three instances.

Mr. de la Garza in 10 instances.

Mr. Coelho in two instances.

Mr. Holland in five instances.

Mr. Conyers.

Mr. Skelton in two instances.

Mr. Charles H. Wilson of California.

Mr. Drinan.

Mr. Corman in five instances.

Mr. Solarz.

Mr. McCormack in two instances.

Mr. Moakley.

Mr. Anderson of California in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Rosenthal in 10 instances.

Mrs. Bouquard in five instances.

Mr. Hamilton in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Cavanaugh in five instances.

Mr. McKay.

Mr. Brodhead.

Mr. Murtha.

Mr. Peyser.

Mr. Daschle in two instances.

Mr. Hubbard.

Mr. Leland.

Mr. Gore.

Mr. Jones of Oklahoma.

Mr. Phillip Burton.

Mr. Mineta.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1181. An act to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country; to the Committee on Interior and Insular Affairs; and

S. 1858. An act to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes; to the Committee on the Judiciary and the Committee on Armed Services.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1658. An act to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to States or local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7471. An act to extend the present public debt limit through June 5, 1980; and

H.J. Res. 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on May 30, 1980, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 3236. An act to amend the Social Security Act to provide better work incentives and improved accountability in the disability programs, and for other purposes;

H.R. 6727. An act to establish the Bon Secour National Wildlife Refuge;

H.R. 7471. An act to extend the present public debt limit through June 5, 1980; and

H.J. Res. 445. Joint resolution to provide for designation of the week of September 21–27, 1980, as "National Cystic Fibrosis Week."

ADJOURNMENT

Mr. McDONALD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 4, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4497. A letter from the Architect of the Capitol, transmitting his semiannual report on expenditures for the period ended March 31, 1980, pursuant to section 105(b), Public Law 88-454; to the Committee on Appropriations.

4498. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescission of budget authority contained in the message from the President dated April 16, 1980 (H. Doc. No. 96-299, pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 96-320); to the Committee on Appropriations and ordered to be printed.

4499. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Larry G. Piper, and by members of his family; to the Committee on Foreign Affairs.

4500. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

4501. A letter from the Comptroller General of the United States, transmitting a report on the Rural Electrification Administration loans to electric distribution systems (CED-80-52, May 30, 1980); jointly, to the Committees on Government Operations and Agriculture.

4502. A letter from the Chairman, Federal Election Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b (j); to the Committee on Government Operations.

4503. A letter from the Secretary of Housing and Urban Development, transmitting the semiannual report of the Department's Office of Inspector General, covering the period ended March 31, 1980, pursuant to section 5 of the Inspector General Act of 1978; to the Committee on Government Operations.

4504. A letter from the Director, Institute of Museum Services, transmitting a report on the Institute's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4505. A letter from the Secretary of Transportation, transmitting the semiannual report of the Department's Office of Inspector General, covering the period ended March 31, 1980, pursuant to section 5 of the Inspector General Act of 1978; to the Committee on Government Operations.

4506. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's opinion and certification of judgment of *The Yankton Sioux Tribe* v. *The United States*, No. 332-D; to the Committee on Interior and Insular Affairs.

4507. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to give effect to the Protocol Amending the Convention for the preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington on March 29, 1979; to the Commitee on Merchant Marine and Fisheries.

4508. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report covering the quarter ended December 31, 1979, on the Commission's hiring and promotion of minorities and women, pursuant to section 201(h) of the Energy Reorganization Act of 1974, as amended (91 Stat. 1482);

to the Committee on Post Office and Civil Service.

4509. A letter from the Comptroller General of the United States, transmitting a report on the need to prevent windfall benefits to supplemental security income recipients (HRD-80-44, May 30, 1980); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3210. A bill to terminate the authority to make grants to the Las Vegas Valley Water District under the act of August 27, 1954; with amendment (Rept. No. 96-1065). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6137. A bill to convey certain interests in public lands to the city of Angels, Calif.; with amendment (Rept. No. 96-1066). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6317. A bill to provide an exception to the requirements of the act of August 30, 1980 (26 Stat. 391; 43 U.S.C. 945) with regard to certain lands in Riverside County, Calif. (Rept. No. 96-1067). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. Report on Petroleum Products: Supply, price and marketing problems (Rept. No. 96-1068). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6418. A bill to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of property, and for other purposes: with amendment (Rept. No. 96-1069). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 7477. A bill to amend the Internal Revenue Code of 1954 to provide a 3-month extension of the taxes which are transferred to the airport and airway trust fund; to the Committee on Ways and Means.

H.R. 7478. A bill to facilitate the management of the public debt by increasing the ceiling on the investment yield on U.S. savings bonds to 8½ percent and by increasing the amount of the bonds paying interest in excess of 4¼ percent which may be outstanding; to the Committee on Ways and Means.

By Mr. AuCOIN (for himself, Mr. Alexander, Mr. Frenzel, Mr. Gibbons, Mr. Lowry, Mr. Skelton, Mr. Akaka, Mr. Brown of Ohio, Mr. LaFalce, Mr. Richmond, and Mr. Moakley):

H.R. 7479. A bill to establish a national export policy for the United States; jointly, to the Committees on Foreign Affairs, Banking, Finance and Urban Affairs, the Judiciary, Ways and Means, Interstate and Foreign Commerce, Small Business, Agriculture, and Education and Labor.

By Mr. BREAUX:

H.R. 7480. A bill to amend the Tariff Schedules of the United States to increase the rates of duty on shellfish; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 7481. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. BAUMAN:

H.J. Res. 562. Joint resolution to extend the public debt limit through June 30, 1980, and to disapprove the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline; to the Committee on Ways and Means.

By Mr. ULLMAN:

H. Con. Res. 351. Concurrent resolution with respect to taxing social security benefits; to the Committee on Ways and Means.

By Mr. LOTT:

H. Res. 692. Resolution amending rule VIII of the Rules of the House of Representatives to prohibit a Member from casting any other Member's vote or recording any other Member's presence, and for other purposes; to the Committee on Rules.

By Mr. PEPPER (for himself, Mr. Drinan, Mr. Danielson, Mr. Rodino, Mr. McClory, Mr. Gudger, Mr. Hughes, Mr. Kastenmeier, Mr. Edwards of California, Mr. Mazzoli, Mr. Volkmer, Mr. Harris, Mr. Fish, Mr. Hyde, Mr. Kindness, Mr. Sensenbrenner, Mr. Roybal, Mr. Hammerschmidt, Mr. Downey, Mr. Lloyd, Mrs. Byron, Mr. Green, Mr. Evans of Georgia, Mr. Glickman, Mr. Hall of Texas, Mr. Moorhead of California, Ms. Oakar, and Mr. Montgomery):

H. Res. 693. Resolution expressing the sense of the House of Representatives with respect to the policy of the Standing Committee on Federal Judiciary of the American Bar Association and the U.S. Department of Justice pertaining to potential nominees for lifetime Federal judgeships who, but for their age, might otherwise be found qualified; to the Committee on the Judiciary.

By Mr. PRITCHARD:

H. Res. 694. Resolution respecting the choice of a President of the United States by the House of Representatives in the event that no candidate receives a majority of electoral votes given in December 1980; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

487. By the SPEAKER: Memorial of the House of Representatives of the State of Michigan, relative to urging rejection of S. 2153; to the Committee on Education and Labor.

488. Also, memorial of the Assembly of the State of California, relative to firecrackers and bottle rockets; to the Committee on Interstate and Foreign Commerce.

489. Also, memorial of the Senate of the State of Illinois, relative to support for H.R. 1918, service pensions for World War I veterans; to the Committee on Veterans Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Bowen.

H.R. 4638: Mr. Danielson, Mr. Matsui, Mr. Edwards of California, Mr. Goldwater, Mr. Phillip Burton, Mr. John L. Burton, Mr. Lloyd, Mr. Charles H. Wilson of California, Mr. Rousselot, Mr. Moorhead of California, Mr. Thomas, Mr. Lewis, Mr. Grisham, Mr. Lungren, Mr. Pashayan, Mr. Dixon, Mr. Stark, Mr. Hawkins, Mr. Anderson of California, and Mr. Roybal.

H.R. 5610: Mr. Gore, Mr. Skelton, and Mr. Taylor.

H.R. 5643: Mr. Robinson, Mr. Dan Daniel, and Mrs. Spellman.

H.R. 6377: Mr. Seiberling, Mr. Ratchford, Mr. Horton, Mr. Lederer, and Mr. Dan Daniel.

H.R. 6429: Mr. Abdnor, Mr. D'Amours, Mr. Garcia, Mr. Grisham, Mr. Murphy of Pennsylvania, Mr. Quillen, Mr. Sebelius, Mr. Albosta, Mr. Rahall, Mr. Kazen, Mr. Baldus, Mr. Badham, Mr. Frost, Mr. Charles Wilson of Texas, Mr. Fazio, Mr. Harkin, Mr. Mollohan, and Mr. Huckaby.

H.R. 6593: Mr. Mottl and Mr. Smith of Iowa.

H.R. 6899: Mr. Pepper.

H.R. 6967: Mr. Stark, Mr. Vento, Mr. Coelho, Mr. Fazio, Mr. Gray, and Mr. Weiss.

H.R. 7043: Mr. Whitten and Mr. Albosta.

H.J. Res. 321: Mr. Quillen.

H.J. Res. 507: Mr. Butler, Mr. Fisher, Mr. Campbell, Mrs. Spellman, Mr. Mattox, and Mr. Roth.

H. Con. Res. 323: Mrs. Spellman, Mr. Dornan, and Mr. Skelton.

H. Con. Res. 344: Mr. Edgar, Mr. Watkins, Mr. Kemp, Mr. Neal, Mr. Spence, Mr. Kramer, Mr. Horton, Mr. Jeffries, Mr. Bonior of Michigan, Mrs. Fenwick, Mr. Taylor, Mr. Wolpe, Mr. Porter, Mr. McDonald, Mr. Marks, Mr. Luken, Mr. Corcoran, Mr. Snyder, Mr. Lundine, Mr. Nichols, Mr. McDade, Mr. Symms, Mr. Solomon, Mr. Price, Mr. Dougherty, Mr. Harsha, Mr. Duncan of Tennessee, and Mr. Clausen.

SENATE—*Tuesday, June 3, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. RICHARD STONE, a Senator from the State of Florida.

PRAYER

The Reverend Father Warren F. Braun, chaplain, State of Florida, Veterans of Foreign Wars, Pompano Beach, Fla., offered the following prayer:

Let us pray.

Almighty God, as we pause to invoke Your blessing, may we realize the career of these United States cannot be measured by that of any other people of whom history gives account? Our religious freedom, civilization, and the arts given to a continent, present greatness to which the ancient empires at the height of their glory cannot be compared. Bless us, Lord, with an appreciation of our Nation, the enjoyment of social conditions and freedom nowhere known to such an extent. Grant, O Lord that we may never undervalue these treasures, and in particular that of free deliberation in this Senate of the United States. To these representatives of ours, Lord give Your choicest blessings and the courage and the integrity never to be swayed by the weakness of our times. We ask Your blessing, almighty God, on our Senators and beg that this blessing continue to influence good men representing our people in a government operating under God's grace. To that end we acknowledge Your divine power controlling the destinies of peoples, and Your goodness we adore. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. BAUCUS). The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 3, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MAX BAUCUS, a Senator from the State of Montana, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BAUCUS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

FORT CHAFFEE INCIDENT

Mr. ROBERT C. BYRD. Mr. President, during the last month, or several weeks, the United States has received over 80,000 people fleeing the so-called socialist paradise that Fidel Castro has created in Cuba.

Apparently, the majority are fed up with the situation in Cuba and seek to create a better life for themselves and their families outside of Cuba. The people of the United States are prepared to give refuge to some of these Cubans because refuge is one of our national traditions.

However, among the Cubans there are apparently some common criminals, put on boats bound for Florida by the Castro government in an attempt to embarrass the United States. This criminal element is no doubt responsible for the violence at the refugee processing centers such as occurred Sunday at Fort Chaffee, Ark.

One thing must be made clear to the American people, to the Cubans entering this country, and to the Castro regime: The United States will not allow itself to become a dumping ground for common criminals.

The United States has no moral responsibility to give refuge to common criminals. The U.S. Government has a legal responsibility under our immigration laws to keep out criminal elements.

Those responsible for outbreaks of violence at the processing centers should be identified, arrested, and deported forthwith. All common criminals identified in the screening process should likewise be deported expeditiously.

The authorities have a responsibility to maintain order in the processing centers. They should act vigorously to assure the security of the communities in the vicinity of these centers, and to also assure the security of those refugees who do not participate in the stirring up of trouble.

The violence spawned by a few undesirables jeopardizes the whole Cuban resettlement effort. If any Cubans are to be resettled peacefully in the United States, then the American people must be assured that criminal elements have been thoroughly screened and thrown out.

RECOGNITION OF SENATOR STONE

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Florida (Mr. STONE).

Mr. STONE. Mr. President. I thank the distinguished majority leader.

VISITING CHAPLAIN, THE REVEREND FATHER WARREN F. BRAUN

Mr. STONE. Mr. President, first, may I welcome to the Senate our chaplain for the day, Father Warren F. Braun, who is the chaplain for the Veterans of Foreign Wars for the State of Florida and also serves as chaplain of the Southern Conference of the Veterans of Foreign Wars.

Father Braun has been a priest for the past 28 years. This past Saturday, May 31, marked the 28th anniversary of his ordination. He lives in Pompano Beach and has for the last 13 years, and served for most of that time as State chaplain.

Before moving to Florida, he lived in Youngstown, Ohio. He was chaplain of the Ohio VFW and of the VFW's Big 10 Conference.

Father Braun entered the Army in 1942 and served in Europe during World War II. He was awarded the Bronze Star. After his discharge in 1945, he completed college and entered the seminary at Mount St. Mary's of the West in Cincinnati.

It is a real honor for me as a Senator from Florida to welcome Father Braun to the Senate and to thank him for his stirring and uplifting words of invocation this morning.

THE FORT CHAFFEE INCIDENT

Mr. STONE. Mr. President, on the subject that the majority leader just raised, the issue of the disruptions in the resettlement camps, and the issue of deportation of criminals, I have been urging the White House and all of the administrative agencies, including the task force at the White House, for weeks to use the screening of hardened criminals, as well as those criminally ill, and other people that were scraped onto the boats by Castro's officials, and to use the discovery of those individuals, as a decision for deportation.

To find them and do nothing about it, other than temporarily to detain them, is to risk ruining not only the reputation of Cubans now coming out of Castro's regime to find freedom in this country, but also to risk the hard-working reputation for achievement of the Cubans who have come to this country and who are citizens now and who have been here 10, 15, even 20 years.

It is then asked, "Well, what happens if Castro refuses to take them back?"

At that point, I have been urging on our administration that this is a matter for the United Nations. We ought to make it public and clear that the Castro regime is conducting a systematic abuse of human rights in telling members of families to get to Cuba by any boat they can get on; and then saying to those people, "You can have your father but you can't have your mother. You can have your uncle but you can't have your aunt. You have to take *x* number of strangers, including criminals, or you can't get your little boat out of the port of Mariel"; then seeing to it that not merely those in political opposition to the Castro regime, who have been jailed for their political opposition, but also those who have been guilty of assault and battery and thefts and common crimes are put on those boats.

We should find out if that is the case. For example, such transparent devices have been used as issuing the so-called temporary return-home cards that were given to those who were in sanctuary in the Peruvian Embassy and who were allowed to return home pending their leaving the country; giving thousands of such phony cards to those who never went near the Peruvian Embassy, putting them on the boats and saying, "You say you were in the embassy."

If we find these people and then we do not move to deport them, and if we move to deport them and Castro says, "I won't take them," and then we do not take this matter to the United Nations, that is the same as saying, "We will swallow it, and we will do what he says; we will take common criminals."

That cannot be acceptable conduct in the nations of the world and before the nonalined movement of which Castro is the titular and temporary head.

So it seems to me that when the majority leader calls for the deportation action, that action should be taken promptly—now. It will have a salutary effect in the camps. It really will. It will have a salutary effect in my State. It really will. It will have a salutary effect in terms of the reputation of the Cubans who have been here for years and years, doing good work, paying their taxes, and building up our country.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no need for my time under the standing order this morning, and I yield it back.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask uanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, has morning business been closed?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FEDERAL TRADE COMMISSION APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a mesage from the House of Representatives, which has been held at the desk during the past 2 days, on House Joint Resolution 554.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The legislative clerk read as follows:

> A joint resolution (H.J. Res. 554) making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the resolution be considered as having been read twice, that section 311(a) of Public Law 93-344 be waived for its consideration, and that the Senate proceed to the immediate consideration of the joint resolution.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I observe that the distinguished Senator from Oklahoma who is the ranking member of the Budget Committee is present in the Chamber and can speak as he may wish to this request.

The only other expressed interest we have noted on our calendar on this side of the aisle is the intention of the Senator from Connecticut (Mr. WEICKER) to offer an amendment at the appropriate time.

But with that understanding, I am happy to yield the floor and permit the Senator from Oklahoma to say whatever he may wish on the reservation.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, it is unfortunate that we face this situation. The Senate has acted on the budget resolution that would have made this act unnecessary. We are hung up, as everyone knows, because of the action on the House side.

We handled the FTC problem before by transfer and it would seem to me it would be desirable if we could do that again for the reason that, once we start waiving the Budget Act, we are going to be faced with requirements or demands from various groups that we continue to waive the act.

We may find it necessary—and I think the chairman of the Budget Committee will agree—to break out the 1980 numbers from our budget resolution and bring them to the Chamber and act on this fiscal year alone, rather than face the problem of having to waive the Budget Act time after time as these bills come before us.

Mr. HOLLINGS. Mr. President, that could be the undesired result. As the distinguished Senator from Oklahoma points out, even though it seems we cannot get together on the 1981 totals, at least we are together on the 1980 totals. We might have to withdraw the 1980 budget and treat it separately, but we still are trying. Today the distinguished chairman of the House Budget Committee is meeting with the leadership, with Speaker O'NEILL, and we are yet to hear from him.

Our big problem at this particular moment is not only that the Federal Trade Commission will run out of money as of midnight tonight, but also that it has a series of motions before several Federal courts, and they need to know something by early afternoon as to what we intend to do. Otherwise, all of these motions, proceedings, and everything else will have to be canceled.

Mr. BELLMON. Mr. President, as the distinguished minority leader has said, I have no intention of objecting to the unanimous-consent request. I hope the negotiations between our chairman and Congressman GIAIMO on the House side are productive so that we can go ahead and meet with the House of Representatives and get a resolution of the problem.

We are together on the 1980 numbers. We are also together on reconciliation. There seems to be enough agreement here so that action could be taken either on the whole question or at least on the 1980 numbers and on reconciliation very quickly so we will not be facing this situation over and over again.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I know of no further notations on this matter and we are prepared at this point to proceed in the way that has been described by the Senator from South Carolina and the Senator from Oklahoma.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senate proceeded to consider the joint resolution.

Mr. HOLLINGS. Mr. President, continuing the thought of my distinguished colleague from Oklahoma, it is unfortunate that we have not really brought back to the Chamber for the Members' concurrence a conference report by the House of Representatives. We were so very close. A motion was made by the leadership over there, Mr. JIM WRIGHT, the majority leader, and carried through by the chairman of the House Budget Committee, and to have accomplished what we have is quite a feat within itself.

I know of the various references made and I only use these few moments to address my remarks to the budget proceedings at this particular time because our ranking member, the Senator from Connecticut (Mr. WEICKER), will be in the Chamber momentarily, and he has an amendment that he wants to present to the Federal Trade Commission appropriation.

But there have been a lot of comments about mirrors and false balanced budgets, and everything else, and in essence what really has occurred is that the conferees have met from early morning to late evening over a week's period. We negotiated back and forth.

We came forward with not only a balanced budget but also with a surplus of $500 million. In so doing we resisted the temptation, Mr. President, to dip into the oil import fee.

There was some question, there has been since the beginning of the year, as to whether that oil import fee should be a set-aside in the event our estimates were not quite on target and could be used to pay off any deficit. Claims were made that we were balancing the budget by way of added taxes.

The fact is our conference agreement stated categorically that the oil import fee would be used for a tax cut only later on this year.

We also resisted the temptation of employing the withholding-on-dividends-and-interest proposal as has been presented in the House.

We resisted the temptation to use a lower interest cost to our 1981 budget, the actual figure being $72.2 billion.

Many times, eight to be exact, amendments were offered in the Senate to the budget resolution, and when we would ask where is the extra money coming from, they would say, "Well, actually, we are not going to have to pay that much out in interest because interest rates are falling."

We resisted the temptation also to have a recomputed revenue figure. Within it all we directed in our some $6.4 billion in reconciliation.

Now, having done all of that, and taking all of the demands we had upon us, providing an added amount in defense, ending up with $500 million in surplus, it was a feat within itself, and we did use the sound figures that we have from the Congressional Budget Office.

You will find that it is very easy to come up with a new news report. We can use the Secretary of the Treasury's statement that the recession has peaked, the recession is over, it is beginning to wane, and we ought to go ahead and do some other things, or you can use the economic indicators put out by the Department of Commerce at week's end and say, "Chickie Lickie, the sky is falling, all is disaster, there cannot be anything such as a balanced budget."

We get those reports every other day, at least several times a week, and we do not want to do like Sealtest ice cream and bring you a new flavor and a new budget every week. We are trying to use orderly procedures, established figures, reliable estimates, we found our Congressional Budget Office has been narrowly on target. If we can have this particular conference budget report approved or one like it or one very near like it, then we can move on to the second concurrent resolution, which will come in less than 90 days.

Mr. President, I have the unfortunate duty this morning to propose that the Senate suspend the application of section 311 of the Congressional Budget Act to the FTC appropriation bill. The effect of my motion, when it is adopted, will be that no point of order will lie against the FTC bill. That bill appropriates new budget authority in excess of the budget ceilings agreed to last fall. The total budget authority provided by the bill is $49.7 million, of which $33.3 million has already been expended under the continuing resolution. Only $16.4 million is new money for FTC operations between now and October 1.

This bill is consistent with the revised budget for 1980 which has been agreed to by the conference committee which has completed its work on revisions to the 1980 budget and the first budget resolution for 1981, prior to its rejection by the House.

Unless we pass this bill today, it is very likely that more than 1,000 Federal Trade Commission employees will not be paid and the operations of that agency will be significantly disrupted.

I had hoped that the revised budget for 1980, which has been agreed to by the conference committee on the budget resolution, would have been adopted by both Houses of Congress by now. As everyone knows, the House of Representatives rejected that conference report last week because of what it provides in the first concurrent resolution on the budget for 1981.

The revisions in the 1980 budget which that resolution also contains are not in significant dispute in either House. But when the House objected to the 1981 budget, which is part of the same budget resolution with the 1980 revisions, neither the 1981 budget nor the 1980 revisions were adopted.

Even after the House action last Thursday, I was hopeful that the House of Representatives would have by now proposed to us revisions in the 1981 budget figures which would have allowed us to put a first budget resolution for 1981 and the revisions for 1980 into effect, so that we could pass this FTC bill without any question of its conformance to the budget resolution. Unfortunately, the House has not made such a proposal. So the 1980 budget, like the 1981 budget itself, is not yet agreed to.

As I have said, this appropriation for the FTC is consistent with the revisions to the 1980 budget which have been agreed to by the conference and are certain to be adopted at some point by the Congress.

The FTC is paralyzed until this appropriation is enacted because the Attorney General has ruled they cannot perform their functions without the appropriation. And I am advised that, after today, the authority for paying FTC employees becomes doubtful. So we have the situation where the Federal Government will either be paying its FTC employees to do nothing or will not be able to pay them at all. Both these alternatives are so unacceptable that we have no choice but to pass this appropriation bill today.

While I regret the need to suspend the application of the Budget Act to this bill, to fail to do so would produce an absurd result. The budget conference has produced budget revisions for 1980, which Congress will enact before long, which would make it possible at that time to pass this bill without a waiver. So the purpose of the Budget Act, to make sure that spending bills stay within the budget limits, is not served by a point of order against this bill. Such a point of order would be based on the obsolete budget totals which were agreed to last fall.

Waiting for those revisions to be formally agreed to by the Congress would require that the FTC shut down and its employees go without pay, with severe disruption to the important functions which the American people have a right to expect that agency to perform, and with extreme hardship for its employees who would go without salary. All of that would happen, even though the budget revisions for 1980, which Congress will surely adopt, will make it unnecessary.

To fail to waive the application of the existing, obsolete 1980 budget totals to this bill, therefore, is actually inconsistent with the budget process. To fail to waive the Budget Act in this case would produce absurd and unfair results neither required by nor consistent with the congressional budget, the budget process, or commonsense.

We are all familiar with the events since last fall which have increased budget costs. These factors required both Houses of the Congress within the last week to vote to increase the budget totals agreed to last fall, in order to compensate for these unforeseen, uncontrollable, and changed conditions. I want to remind you of a few of them now.

First, interest rates have shot up to unprecedented levels as a result of the policies adopted by the Federal Reserve after each House had already adopted its budget last fall. Interest in the Federal budget is now estimated to be over $65 billion—$7 billion more than was budgeted for in the fall.

These high interest rates caused a delay in $2 billion worth of sales of federally held mortgages from 1980 to 1981, to avoid unnecessary losses from those sales. The $2 billion in proceeds from those sales would have reduced budget authority and outlays equally in 1980. Because of the delay, the 1980 budget has increased by $2 billion instead.

Second, American diplomats and marines have been taken hostage in Iran and remain in captivity, and the Soviet Union has invaded Afghanistan.

In light of these international events, the President's defense requests for fiscal 1980 have increased by $4.1 billion in outlays. In addition, an accounting change affecting foreign arms sales will increase budget totals by $1.2 billion in outlays, even though that change involves no new Federal spending at all.

Third, in response to the invasion of Afghanistan, the President imposed an embargo on U.S. grain sales to the Soviet Union. To shield American farmers from the effects, the President followed up with unilateral action to support domestic grain prices.

These agricultural initiatives and other reestimates of the cost of existing agriculture programs will add $3.4 billion to the amounts assumed in the fiscal 1980 budget.

Fourth, a nearly 4 percentage point addition to the inflation rate since last July when we marked up the 1980 budget resolution has added an additional $1.5 billion to the budget estimates for programs like social security which are indexed to the rate of inflation.

These four developments, unforeseen and uncontrollable by Congress, have added a total of more than $19 billion in outlays to Federal spending for fiscal 1980. All this happened without the enactment of a single spending bill by the Congress.

In light of these factors, both Houses have voted to increase the spending totals for 1980 in order that the Government can continue to function.

Hopefully the questions surrounding the budget resolution can soon be resolved and both the 1980 budget revisions and the 1981 budget can be put in place, so that no other waivers of the Budget Act are necessary.

In moving to suspend the Budget Act in this case, I want to emphasize the unique character of the situation.

First, this bill is consistent with the budget revisions which have been agreed to by the conference.

Second, the 1980 budget revisions which have been agreed to by the conference are not in substantial controversy in either House and their eventual enactment is only a question of time.

Third, because this appropriation has not already been enacted, an important agency of the Government has already shut down, and its employees are threatened with the possibility of going without pay. And its duties and responsibilities, which call for court proceedings scheduled for the morning, will all have to be canceled and delayed, all due to an inordinate cost factor, if nothing else, with respect to the orderly procedures of the Federal agency itself.

Enactment of this appropriation is neither a luxury nor discretionary. We have no choice but to enact it now unless we want to produce results not intended by the budget revisions which will be enacted for 1980.

Mr. President, the ranking member is here. Before I yield to him, let me just say a couple of comments about the Federal Trade Commission appropriations bill itself.

Mr. President, House Joint Resolution 554 provides for the continuation of the activities of the Federal Trade Commission through the remainder of fiscal year 1980. The appropriation of $49,700,000 continues the Commission's operations at the fiscal year 1979 level of $65,300,000 after subtracting the $15,600,000 previously transferred for their operations between March 15 and May 31, 1980. The amount recommended is $3,721,000 less than the President's request for fiscal year 1980. This amount may be insufficient because of mandatory increases of $1,600,000 for annualization of pay costs and GSA space rental rates, but we can deal with those during consideration of the Supplemental Appropriations Act.

The President signed the reauthorization of the Federal Trade Commission into law on May 28, 1980 clearing the way for final action on the fiscal year 1980 operating budget. The Commission will be operating under the various restrictions included in the authorization act.

As the Senate will recall, the operations of the Federal Trade Commission for the period March 15, 1980 to May 31, 1980 were funded through two separate transfers of funds due to the limits imposed by the second concurrent budget resolution. These transfers of $7,600,000 back to the Department of State, contributions to international organizations and conferences, and $6 million back to the International Communication Agency, salaries and expenses, can also be accomplished during consideration of the Supplemental Appropriations Act. In the case of the ICA the amount transferred back represents half of the $12 million originally transferred for FTC operations but the administration has advised that the $6 million is all that is necessary to be restored.

Mr. President, once again, I want to thank my distinguished colleague, the Senator from Connecticut (Mr. WEICKER), for his leadership in this particular matter. We have had tough goings on both sides of the aisle with respect to the FTC authorization, but we have had nothing but the ranking member's understanding and cooperation throughout. I am glad that we finally can bring the FTC appropriation bill to the floor at this time.

Mr. WEICKER. Mr. President, I thank my distinguished colleague from South Carolina for the leadership which he has afforded the committee over the years. I also take this occasion to wish him well in his new endeavor. Whatever difficulties he had from the Senator from Connecticut are going to pale with the difficulties he has with his new committee.

Mr. President, I would like to add my support for House Joint Resolution 554, which provides for the continuation of the activities of the Federal Trade Commission through the remainder of fiscal year 1980. As the Senator from South Carolina has already stated, this appropriation of $49,700,000 continues the Commission's operations at the fiscal year 1979 level of $65,300,000 after subtracting the $15,600,000 previously transferred for their operations between March 15 and May 31, 1980.

The President signed the FTC's reauthorization into law last week. Due to the fact that funding for the Commission ran out the last day of May, the 1,600 employees at the FTC are not working today at Commission activities. They are cleaning out their desks. They are packing up their file drawers. All normal operations have been suspended. Cases must be put off. Briefs cannot be filed. Administrative procedures have been uprooted midstream. Because of congressional inaction, because of the suspension of all operations at the Commission, the cost to the taxpayer is $300,000 daily.

Without further delay I urge my colleagues to support this resolution.

Mr. FORD. Mr. President, will the chairman of the committee yield for a question?

Mr. HOLLINGS. Yes, I am happy to yield to the Senator from Kentucky.

Mr. FORD. There is a question that the Attorney General, when he said that, without funds, the Commission could not proceed.

Mr. HOLLINGS. That is correct.

Mr. FORD. But, in his letter, he said that funds had not been authorized. Now, with the authorization bill, is it necessary for the FTC to close down without the appropriations? It seems to me that there is a question or a line there as it related to the Attorney General's statement that at that point they had not been authorized. I do not have a copy of the letter.

Mr. HOLLINGS. Mr. President, I am now just glancing at the letter transmitting the Attorney General's opinion to the President. It refers to an old act. The Attorney General interprets that old act, passed some years back, to require that the agency itself cannot perform any affirmative acts whatever; it can only go into a standby basis and commence closing down; only expenses can be incurred for the closing down of the particular agency. It is not just the authorization, it is the authorization and appropriation, the way he interprets it. And that is the way the chairman—I talked to him earlier this morning about it—and that is the way it has been interpreted for him.

Mr. FORD. There was a question in my mind, not being a lawyer, to understand the word "authorization." "It had not been authorized." When you have authorizing legislation and the appropriations bill is on track, I wondered why we have to go through all the furor of saying we are going to close down and we cannot do anything, and all that good stuff.

Mr. HOLLINGS. Mr. President, I do not mean to sound technical, but all the appropriations that have been authorized have now been consumed. You have a new authorization, and we are trying to fit our appropriations into the new authorization.

Mr. FORD. Then the Senator's interpretation is that the appropriations have not been authorized.

Mr. HOLLINGS. That is correct, because we are working on it now.

Mr. FORD. That is the way the Senator is interpreting it.

Mr. HOLLINGS. The appropriation has been authorized. That is why we are calling it up in the joint resolution. It just has not been passed.

Mr. FORD. There is a question in my mind whether we are going to have to listen to this: "We are going to close down for a day or two; we can't operate and can't function." I just wondered if the chairman can clear my mind on that.

Mr. HOLLINGS. I am sorry I cannot be clearer than that.

Mr. FORD. The chairman did very well and I appreciate his answering my questions.

AMENDMENT NO. 1793

(Purpose: To condition appropriation of sums as may be necessary to make payments of principal and interest, if there is a default, on loans to the Chrysler Corporation guaranteed pursuant to the Chrysler Corporation Loan Guarantee Board, upon compliance with the terms of the Act)

Mr. WEICKER. Mr. President, I call up my amendment No. 1793 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an amendment numbered 1793.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . The joint resolution entitled "Making an urgent appropriation for administrative expenses of the Chrysler Corporation loan guarantee program, and to provide financial assistance to the Chrysler Corporation for the fiscal year ending September 30, 1980" (93 Stat. 1319; Public Law 96–183, approved January 2, 1980) is hereby amended by inserting before the period at the end of the last sentence thereof a colon and the following: "*Provided*, That no funds shall be appropriated until the Chrysler Corporation has secured an extension of the full principal amount of any loans committed to be made but not outstanding as of October 17, 1979, and an aggregate amount of nonfederally guaranteed assistance of at least $1,430,000,000, which total shall include assistance provided by each of the following sources: (a) new loans or credits from United States banks, financial institutions, and other creditors; and (b) new loans or credits from foreign banks, financial institutions, and other creditors; and (c) the disposition of assets of the company, computed in accordance with section 4(b)(1)(D) of the Chrysler Corporation Loan Guarantee Act of 1979 (Public Law 96–185); and (d) State, local, and other governments; and (e) suppliers and dealers, including contributions in the form of capital as defined in section 4(b)(1)(C) of the Chrysler Corporation Loan Guarantee Act of 1979 (Public Law 96–185); and (f) the sale of additional equity securities".

Mr. WEICKER. Mr. President, I ask unanimous consent that Senators HEINZ and GOLDWATER be added as cosponsors of amendment No. 1793.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that Elinor Bachrach, of the Banking Committee staff, be granted the privileges of the floor during the debate on this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I am offering this amendment to insure that before the taxpayers' dollars are spent to bail out the Chrysler Corp., the letter, as well as the intent, of the law passed by Congress last December is complied with.

Now, in essence, Mr. President, what I am proposing here is no more or less than the requirement that prior to the guaranteeing of any loans to the Chrysler Corp., the law be conformed to.

After passing the Chrysler Corporation Loan Guarantee Act of 1979, we in Congress also approved a supplemental appropriations bill in which we made a "commitment * * * to make such appropriations as may become necessary to carry out (the) loan guarantees" authorized in the act.

Mr. President, once the loan guarantees are issued, Congress must be ready to honor its commitment and appropriate the money necessary to make payments of principal and interest on the loans guaranteed when Chrysler defaults.

However, our commitment is predicated upon the prior satisfaction of the requirements of the Chrysler Corporation Loan Guarantee Act. Unless Chrysler, its lenders, suppliers, employees, and other parties to the act comply with the mandates of the law, the taxpayers' dollars are not required to be put at risk.

This amendment simply clarifies the fact that no funds would be appropriated unless and until Chrysler has, as mandated by the act, secured an aggregate amount of $1.43 billion in nonfederally guaranteed assistance, with each of the following sources contributing to the total amount:

First, new loans or credits from U.S. banks, financial institutions, and other creditors;

I really want to emphasize this first feature, new loans or credits—new.

Second, new loans or credits from foreign banks, financial institutions, and other creditors;

Third, funds from the disposition of assets of the Corporation;

Fourth, aid from State, local, and other governments;

Fifth, financing from its suppliers and dealers, including "capital" as defined in the act;

Sixth, funds raised through the sale of additional equity securities.

In addition, before any funds may be appropriated, Chrysler must secure an extension of the full principal amount of any loans committed to be made to the company but not outstanding as of October 17, 1979.

When Congress passed legislation to bail out Chrysler, it imposed specific requirements for the provision of non-Federal financial assistance. These requirements were imposed to remove the Government, as representative of the American taxpayer, from the position of dominant financier and primary risk-taker.

According to the Chrysler Corporation Loan Guarantee Act, the Chrysler Corporation Loan Guarantee Board may not issue commitments for any of the $1.5 billion in Federal loan guarantees authorized under the act until Chrysler has submitted to the Board "a satisfactory financing plan which meets the financing needs of (Chrysler) * * * and which includes an aggregate amount of nonfederally guaranteed assistance of at least $1,430,000,000". Section 4(c) of the act lists the various sources which are to provide the necessary financial assistance.

Mr. President, the financing plan approved by the Loan Guarantee Board on May 10 did not meet the requirements imposed by the act.

Indeed, it could be questioned at this juncture as to why any time was spent at all on this floor in debate on the question of a Federal bailout of Chrysler. It could also be questioned as to why we bothered to pass any act at all in light of the subsequent actions taken by the Loan Guarantee Board. We can call what has happened an administrative action, but it is not an act of law, and certainly not the law that was passed.

The requirements of the Chrysler Loan Guarantee Act of 1979 were simply ignored in fashioning the bailout plan. Let us compare the categories on nonfederally guaranteed assistance required to be provided pursuant to the act and the sources which will contribute to meeting the $1.43 billion figure as contained in the Chrysler financing plan which was approved by the Loan Guarantee Board.

[Dollar amounts in millions]

Source	Act's requirement	Plan
I. U.S. banks, financial institutions and other creditors:		
(a) New loans or credits	$400	0
(b) Extension of loans committed but not outstanding on Oct. 17, 1979	(1)	0
(c) Concessions	100	[2] ($642)

[1] Full amount

[2] Satisfied.

Thus, the assistance provided by the banks took the form of concessions, to obviate the necessity for any "new money."

[Dollar amounts in millions]

Source	Act's requirement	Plan
II. Foreign banks, financial institutions and other creditors:		
(a) New loans or credits	$150	0
(b) Extension of loans committed but not outstanding on Oct. 17, 1979	(1)	0
III. Disposition of assets	300	[2] ($628)

[1] Full amount.

[2] Satisfied.

I might add that with regard to the disposition of assets what we have is the sale of collateral, which is the one security the taxpayers have in financing the Chrysler bailout. The sale of collateral, security, is what is being sold in pursuit of this particular loan.

[Dollar amounts in millions]

Source	Act's requirement	Plan
IV. State, local, and other governments	$250	[1] ($357)
V. Suppliers and dealers:		
(a) Unspecified	130	[2] (63)
(b) New capital	50	0
VI. Sale of additional equity securities	50	0

[1] Satisfied (if Canadian contribution is counted).

[2] Calls for contribution.

As indicated in the Senate Banking Committee report on the Chrysler Corporation Loan Guarantee Act, the requirement of new loans or other credits from U.S. and foreign banks, financial institutions, and other creditors is to insure the commitment of additional financing for Chrysler and to elicit a separate and independent judgment by the private sector regarding Chrysler's future financial prospects. The act and committee report make clear that the infusion of new funds is to be in addition to, and distinguished from concessions such as reductions in interest rates, lengthening of maturities, or deferrals of payment of principal and interest.

The Banking Committee report also makes it clear that "the committee expects there to be made available the full amount of the $567 million revolving credit committed to * * * Chrysler * * * of which only $408 million has been drawn down to date" and that "all of the existing lending commitments by foreign lenders * * * will be extended." This requirement is intended to insure that all of Chrysler's existing financing arrangements will remain in place so that the $1.43 billion in additional financial assistance is not diminished by the withdrawal of amounts previously committed.

The requirements designed to inject additional equity and other capital into Chrysler are intended to increase Chrysler's net worth and increase the amount of assets available as security for guaranteed loans.

These requirements were imposed by Congress to help protect the taxpayers' dollar.

Why? That is the question that has to be asked. When the banks of the United States are unwilling to infuse new capital, when the investment houses on Wall Street are unwilling to infuse new capital, why do we then ask some blue-collar worker in Bridgeport or Naugatuck, Conn., to put his money up on the line to bail out the Chrysler Corp.? When the financial institutions of this country are unwilling to provide new funds under the plan devised by the Board, why must it be the taxpayer that has to ante up? It was for that very reason that Congress insisted that there be new money—new money, additional capital—so that the financial institutions and others who had an investment in Chrysler would be putting their money up, and not just relying on taxpayers of moderate means to take risks which they would never take with their own money—which risk far exceeds that of the more affluent institutions and persons in this Nation.

All this was ignored by the Loan Guarantee Board. Why?

Because, in the words of Deputy Treasury Secretary Robert Carswell, the Board was confronted with the choice of either modifying the requirements of the law or "letting Chrysler go under."

That is what it boils down to. It was a question of letting Chrysler, or letting the political figures, that rely on UAW votes, to go under. I just wish that those in Government would use their own money to buy their own elections, rather than the taxpayers' money.

Mr. President, Congress did give the Board flexibility—nobody will argue that—to modify the amounts to be provided by each category. But it did not give the Board power to ignore the guidelines, to eliminate categories.

The act authorized the Board to "modify the amounts of assistance required to be provided" by each of the sources so long as the total of $1.43 billion in nonfederally guaranteed assistance is met. The Senate Banking Committee report on the Chrysler bill states that this provision was intended to give the Board "some discretion."

Indeed, the Board should have some discretion. But the act did not authorize the Board to waive any of the specific requirements or to eliminate any of the categories, which is exactly what the Board did.

Clearly, by ignoring the mandates of the act, the Board exceeded its powers. By violating the letter and intent of the law, the Board has placed the taxpayers' dollar in serious jeopardy.

For example, the act's requirements, designed to inject additional equity or other capital into Chrysler, were intended to increase the net worth of Chrysler and to increase the amount of assets available as security for guaranteed loans. Although Congress recognized in passing the act that the public sales of equity securities might be difficult and, accordingly, allowed latitude in satisfying this requirement, its intent was to require that funds obtained through additional equity or other capital be made a part of any Chrysler financing plan.

Yet the Board did not require Chrysler to increase its net worth through the infusion of capital. Instead, the Board cavalierly said the money designed to be raised in this manner was raised by other sources.

What were those sources?

First, the approved plan calls for the raising of $328 million more from the sale of Chrysler's assets than called for by the act. The Board did not tell us, however, that the additional assets which are being sold were the collateral for repayment of loans guaranteed by the Federal Government in the case—or, I probably should say, the likelihood—of default. That is, the additional funds are coming from the security for the taxpayers' dollar.

Second, the plan provides for more money from State, local, or other governments than the act requires. But one has to look very closely at the Board's report to find the fact that $182 million of State aid has priority over the Federal Government in the event of Chrysler's bankruptcy. In short, the Federal taxpayer is being required to take a back seat, and to take the risk.

Finally, the plan counts $342 million in pension fund contribution deferrals toward the $1.43 billion goal. These deferrals are not only not new funds, but they increase the risk to the Federal Government and the American taxpayer. The Board is reluctant to tell us that the Pension Guaranty Corporation—a Federal entity—guarantees these funds and would have to make payments—out of the taxpayers' kitty—to the pension plan should Chrysler go bankrupt. Again, the taxpayer is being asked to step in and take the risk that private parties will not take.

Mr. President, since May 27, the Loan Guarantee Board has been able to issue commitments for guarantees. Secretary of the Treasury Miller has indicated that he expects to close on the guarantees next week. We in Congress can only insure that the Board complies with the law we passed by making it clear that we will not appropriate funds for the guarantees until the terms of the act are satisfied. This amendment will make it clear to potential lenders that no funds will be appropriated to make payments on guaranteed loans which are issued without compliance with the law.

In conclusion, Mr. President, I might add that offering this amendment posed a very difficult choice for me. I believe that the difficulty I encountered was shared by other Senators. The problem is that with the likelihood of the defeat of my amendment a precedent might be set of putting the imprimatur of congressional approval upon this shabby financial rip-off of the taxpayer. It would put an imprimatur of approval upon this very questionable loan guarantee, engineered by certain administrators and certain others with political interests, because it is true that I probably shall not succeed in my endeavor.

But, then, it seems to me that I also have another responsibility that goes far beyond either winning or losing a vote on the floor of this body. That is to point out what it is that has been done or not done or how the law has been so convoluted for political reasons so that, indeed, it shifts an eventual risk to people who had no responsibility for the events which led to the legislation or the necessity to take such a risk. So it is the latter course that I have opted for.

There is no amount of talk that is going to come forth in opposition to this amendment that is going to be able to hide the fact that the law has been substantially twisted from that which was passed on the floor of the Senate and the House.

Why should the taxpayers of this country, especially in these difficult times, when every dollar is dearly earned—if, indeed, it is earned at all with the recession we are in—be called upon to do what Wall Street is unwilling to do or the banks are unwilling to do? Why?

There are those who are going to say, "Well, Senator, these bailouts never go into default." Well, I know, and the distinguished Senator from South Carolina, who sits on the State-Justice Appropriations Subcommittee with me, knows that they do go into default. We have a $90 million default right now—Wisconsin Steel, $90 million.

Wisconsin Steel is a situation very much similar to this, as to who really bore the risk of the venture of the loan. The company is in default, and the taxpayers are going to have to ante up.

For those who feel this is merely an academic exercise where the final act will never be played out, I suggest, as far as Chrysler is concerned, it probably will be played out. Then, when there is no security, it will become all too painfully clear that everybody, everybody, will have to dig into his or her pocket to come up with the money required by the act of the Loan Guarantee Board.

I want to make certain, before the final nail is in place, that we all understand that what was accomplished on the floor of the Senate last December after much hard negotiating and hard thinking is nowhere near the image of what has been created by the Loan Guarantee Board. The law passed by Congress and the plan approved by the Loan Guarantee Board are totally separate and apart.

I could live, albeit reluctantly, with what was passed on the floor of the Senate. I disagreed with the legislation in principle, but I thought at least it was a fair compromise insofar as protecting the taxpayers and the taxpayers' money. It gave a chance to the corporation or, more particularly to its employees, because I do not think anybody on the floor of the U.S. Senate gives a damn for either the Chrysler Corp. management or the stockholders or bondholders or their investment counselors. It was the employees of Chrysler, and the small businesses which were associated with the corporation, who were given a chance.

What has been done here was done as a matter of concern for the workers.

Fair enough. But what has come forth from the Loan Guarantee Board absolutely tears that law to pieces and enunciates in political terms what we attempted to construct in legislative terms here on the floor.

I hope that my colleagues deem it fair to go ahead and pass this amendment.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, whether or not it tears it to pieces is subject to interpretation.

I refer specifically, Mr. President, to the Chrysler Corporation Loan Guarantee Act of 1979, Senate report 96–463 from the Committee on Banking, Housing, and Urban Affairs. On page 21 they cite the various subsections of section 4(c) providing this, such as 4(c)(2) providing $150 million, then 4(c)(3) and so forth. After the seriatim of various provisions required, it states:

> The list of amounts of non-Federally guaranteed assistance to be provided in the categories specified above was drawn from testimony given at the Committee's hearings, but it is intended to be illustrative rather than binding. The Board is authorized, as necessary, to modify the amounts of assistance required to be provided by any of those categories, so long as the aggregate amount of at least $1.430 billion of non-Federally guaranteed assistance required to be provided remains the same, and, thus, so long as any reduction in any category is matched by an increase in another category or by an amount provided in some new category of assistance.

I think that language would bring into question whether or not the Treasury, the Board set up for the approval of this particular loan, had done so within the law or without the law.

Particularly, Mr. President, I refer to the fact that the debate here is going to be handled, in large measure, by my distinguished colleague, the Senator from Michigan (Mr. RIEGLE), and Senator EAGLETON, who held these hearings.

At that particular time last December, I was at the Johns Hopkins Hospital. I did not attend those hearings, nor was I able to vote. Therefore, I am not able to debate each point as it should be. But I do not know, necessarily, that that is required.

I think what the Senator from Connecticut and the Senator from South Carolina, and all Senators, would be interested in is that the act itself be complied with.

Mr. President, I ask unanimous consent that sections 1 through 11 of the act be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "Chrysler Corporation Loan Guarantee Act of 1979".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "borrower" means the Chrysler Corporation, any of its subsidiaries or affiliates, or any other entity the Secretary may designate from time to time which borrows funds for the benefit or use of the Corporation or which—

(A) produces transportation or energy equipment which meets the goal of lessening the dependence of the United States on petroleum;

(B) provides employment in areas where the Chrysler Corporation has or plans to discontinue operations; and

(C) utilizes facilities presently owned by the Chrysler Corporation;

(2) the term "Corporation" means the Chrysler Corporation and its subsidiaries and affiliates;

(3) the term "financing plan" means the financing plan required pursuant to section 3(a)(4) and revised in accordance with section 4(a)(4);

(4) the term "fiscal year" means the fiscal year of the Corporation;

(5) the term "operating plan" means the plan required pursuant to section 3(a)(3) and revised in accordance with section 4(a)(4);

(6) the term "persons with an existing economic stake in the health of the Corporation" means banks, financial institutions, and other creditors, suppliers, dealers, stockholders, labor unions, employees, management, State, local, and other governments, and others directly deriving benefit from the production, distribution, or sale of products of the Corporation; and

(7) the term "Secretary" means the Secretary of the Treasury.

AUTHORITY FOR COMMITMENTS FOR LOAN GUARANTEES

SEC. 3. (a) The Secretary, on such terms as he deems appropriate, may make commitments to guarantee loans to a borrower only if, at the time the commitment is issued, the Secretary determines that—

(1) there exists an energy saving plan which—

(A) is satisfactory to the Secretary;

(B) is developed in consultation with other appropriate Federal agencies;

(C) focuses on the national need to lessen United States dependence on petroleum; and

(D) can be carried out by the borrowers;

(2) the commitment is needed to enable the Corporation to continue to furnish goods or services, and failure to meet such need would adversely and seriously affect the economy of, or employment in, the United States or any region thereof, or competition in the automobile industry in the United States;

(3)(A) the Corporation has submitted to the Secretary a satisfactory operating plan (including budget and cash flow projections) for the 1980 fiscal year and the next succeeding three fiscal years demonstrating the ability of the Corporation to continue operations as a going concern in the automobile business and, after December 31, 1983, to continue such operations without additional guarantees or other Federal financing; and

(B) the Secretary has received such assurances regarding the feasibility of the operating plan as he may require;

(4) the Corporation has submitted to the Secretary a satisfactory financing plan which meets the financing needs of the Corporation as reflected in the operating plan for the period covered by such operating plan, and which includes an aggregate amount of nonfederally guaranteed assistance of at least $1,500,000,000—

(A) from financial commitments or concessions from persons with an existing economic stake in the health of the Corporation in excess of their outstanding commitments or concessions as of October 17, 1979: *Provided,* That to the extent practicable, at any point the amounts of commitments or concessions obtained under this subparagraph which have been used and not repaid as a proportion of total commitments and concessions obtained under this subparagraph, shall not be less than the proportion of principal amount of guarantees issued and outstanding under this Act to the total principal amount of guarantees committed by the Secretary;

(B) from capital to be obtained through merger, sale of securities, or otherwise after October 17, 1979;

(C) from cash to be obtained from the disposition of assets of the Corporation after October 17, 1979; and

(D) from the issuance of $100,000,000 of common stock of the Corporation which shall be made available by the Corporation to its employees and employee representative groups that are parties to collective bargaining agreements with the Corporation;

(5) to the extent practicable, commitments consistent with the stakes of persons with an existing economic stake in the health of the Corporation have been made;

(6) the Secretary has received adequate assurances regarding the availability of all financing contemplated by the financing plan and regarding its adequacy (taking into account the amount of loan guarantees to be issued) to meet all the Corporation's projected financing needs during the period covered by the financing plan;

(7) the Secretary has received assurances from existing creditors that they will continue to waive their rights to recover under any prior credit commitment which may be

in default unless the Secretary determines that the exercise of those rights would not adversely affect the operating plan submitted under paragraph (3) or the financing plan submitted under paragraph (4);

(8) no credit extended or committed on a nonguaranteed basis prior to October 17, 1979 is being converted to a guaranteed basis pursuant to this Act; and

(9) the financing plan submitted under paragraph (4) provides that expenditures under such financing plan will contribute to the domestic economic viability of the Corporation.

(B) With respect to any borrower other than a borrower under subparagraphs (A), (B), and (C) of paragraph (1) of section 2, the Secretary may make commitments to guarantee loans and may make loan guarantees under this Act to any such borrower before the energy-saving plan required under subsection (a)(1) is developed if the Secretary determines that such commitments or loan guarantees are necessary to preserve the Corporation for the development of the plan required under subsection (a)(1).

(c)(1) Notwithstanding the provisions of subsection (a)(4), no loan guarantee may be made under this Act unless—

(A) the Corporation offers for sale not less than $100,000,000 of stock of the Corporation which—

(i) was issued after October 17, 1979; or

(ii) was held by the Corporation as treasury stock of the Corporation after October 17, 1979;

(B) the Corporation secures commitments to purchase not less than $100,000,000 of such stock from persons with an existing economic stake in the health of the Corporation; and

(C) the commitments referred to in subparagraph (B) exceed such persons' outstanding commitments to purchase such stock as of October 17, 1979.

(2) Any financial commitment or concession made under paragraph (1) may be applied toward the requirements of subsection (a)(4)(A).

(d)(1) Beginning 180 days after the date of the enactment of this Act, no additional loan guarantees may be made under this Act with respect to any borrower unless—

(A) a trust is established which forms a part of an employee stock ownership plan which meets the requirements of paragraph (2);

(B) the Chrysler Corporation issues, for purchase from the Chrysler Corporation only by such trust or for contribution to such trust by the Chrysler Corporation to match employee contributions under such plan, at least 10,000,000 shares of qualified common stock; and

(C) the trustee of such trust certifies to the Secretary that, on the basis of commitments made by employees or otherwise, the trust will purchase (as soon as possible, but in no event later than the date which is 4 years after the date such trust is established) at least two-thirds of the 10,000,000 shares required to be issued under subparagraph (B).

(2) An employee stock ownership plan meets the requirements of this paragraph if—

(A) such plan is maintained by the Chrysler Corporation;

(B) such plan satisfies the requirements of section 4975(e)(7) of the Internal Revenue Code of 1954 (determined without regard to subparagraph (A) of section 410(b)(2) of such Code); and

(C) such plan provides that—

(i) until the trust has purchased the number of shares required to be purchased under paragraph (1)(C), an employee may participate in the plan only if the employee agrees to make contributions to the plan which the trustee of the trust determines are in an amount sufficient for the purchase of a number of such shares which is substantially equal to the number of such shares purchased by other employees participating in the plan;

(ii) each contribution designated by the employee as a contribution intended to be matched by employer contributions shall be invested forthwith in qualified common stock and shall be matched by employer contributions in accordance with paragraph (3);

(iii) all employer contributions shall be made in qualified common stock or in cash, and if, made in cash, shall be used within 30 days after the date of the contribution for the purchase of qualified common stock; and

(iv) each participant has a nonforfeitable right to all stock allocated to the participant's account.

(3) For purposes of paragraph (2)(C)(ii), an employer contribution shall be treated as matching an employee contribution only if—

(A) the employer contribution is made within 30 days after the date the employee contribution is made; and

(B) the employer contribution is—

(i) the amount of qualified common stock equal to one-half of the number of shares of such stock purchased with such employee contribution; or

(ii) the cash necessary to purchase the amount of qualified common stock equal to one-half of the number of shares of such stock purchased with such employee contribution.

(4) For purposes of this subsection, the term "qualified common stock" means stock of the class of common stock of the Chrysler Corporation which is outstanding on October 17, 1979, and which is readily tradeable on an established securities market, except for the restriction imposed under paragraph (7).

(5) None of the stock required to be issued under paragraph (1)(B) may apply toward the satisfaction of the stock purchase requirement of section 3(c).

(6) The stock which is required to be issued under paragraph (1)(B) and which is purchased by the trust (other than stock purchased by the trust by reason of matching contributions made in cash by the Chrysler Corporation) may apply toward the satisfaction of the requirements of section 3(a)(4)(A).

(7) Notwithstanding any other provision of this subsection, any stock which is transferred or sold to the trust established under this subsection shall contain the restriction that such stock may be resold until 4 years after the date on which such stock is transferred or sold to such trust.

REQUIREMENTS FOR LOAN GUARANTEES

SEC. 4. (a) Loan guarantees may be issued under this Act only pursuant to a commitment issued under section 3. The terms of any such commitment shall provide that a loan guarantee may be issued under this Act only if at the time the loan guarantee is issued, the Secretary determines that—

(1) credit is not otherwise available to the Corporation under reasonable terms or conditions sufficient to meet its financing needs as reflected in the operating plan;

(2) there is a reasonable prospect of repayment of the loan to be guaranteed in accordance with its terms;

(3) the loan to be guaranteed bears interest at a rate determined by the Secretary to be reasonable which shall not be less than the current average yield on outstanding obligations of the United States with remaining periods to maturity comparable to the average maturity of such loan;

(4)(A) the operating plan and the financing plan of the Corporation continue to meet the relevant standards set forth in section 3 or appropriate revisions to such plans (including extensions of such plans to cover the then current four-year period) have been submitted to the Secretary to meet such standards;

(B) the Corporation is in compliance with such plans; and

(C) the Secretary has received such assurances regarding the feasibility of such plans and the Corporation's compliance with such plans as he may require;

(5) the Corporation has agreed for as long as guarantees issued under this Act are outstanding—

(A) to have prepared and submitted on or before the thirtieth day preceding each fiscal year beginning after December 31, 1980, a revised operating plan and financing plan which cover the four-year period commencing with such fiscal year and which meet the relevant standards of section 3; and

(B) to prepare and deliver to the Secretary within one hundred and twenty days of the end of each fiscal year, an analysis reconciling the Corporation's actual performance for such fiscal year with the operating plan and the financing plan for such fiscal year; and

(6) the borrower is in compliance with the terms and conditions of the commitment to issue the plan guarantee required by the Secretary pursuant to section 5(b), except to the extent that such terms and conditions are modified, amended, or waived by the Secretary.

(b) Any determination by the Secretary that the conditions established in this Act have been met shall be conclusive, and such determination shall be evidenced by the making of the loan guarantee for which such determination is required. The validity of any loan guarantee made by the Secretary under this Act shall be incontestable in the hands of a holder, except for fraud or material misrepresentation on the part of such holders. The Secretary is authorized to determine the form in which any loan guarantee made under this Act shall be issued.

(c) The Secretary shall prescribe and collect no less frequently than annually a guarantee fee in connection with each loan guarantee made under this Act. Such fee shall be at least one-half of 1 per centum per annum on the outstanding principal amount of loans guaranteed under this Act computed daily. In addition, the Secretary is authorized to negotiate any terms he deems appropriate to compensate adequately the United States for the risk it assumes in issuing loan guarantees under this Act. Such terms may include a portion of the net profits as determined by the Secretary based on the difference between the loan guarantee rate charged and the implicit rate of interest based on the risk involved. All amounts collected by the Secretary pursuant to this Act shall be deposited in miscellaneous receipts of the Department of Treasury.

TERMS AND CONDITIONS OF LOAN GUARANTEES

SEC. 5. (a) Loans guaranteed under this Act shall be payable in full not later than December 31, 1990, and the terms of such loans shall provide that they cannot be amended, or any provision waived, without the Secretary's consent.

(b)(1)(A) Any commitment to issue loan guarantees entered into pursuant to this Act shall contain all the affirmative and negative covenants and other protective provisions that the Secretary determines are appropriate.

(B) Except as provided in subparagraph (C), the Secretary shall require—

(i) security for the loans to be guaranteed under this Act;

(ii) subordination of existing loans to the Corporation to the loans to be guaranteed; and

(iii) the prohibition of the payment of dividends on any common or preferred stock issued by the Corporation.

(C) The Secretary may waive any requirement of subparagraph (B) in any case in which he determines waiver of any such requirement is necessary to facilitate the ability of the Corporation or any borrower to obtain financing, and he determines that, despite the waiver, there is a reasonable prospect of repayment of the loans guaranteed under this Act.

(2) If the Secretary determines that the inability of the Corporation to obtain credit without a loan guarantee under this Act is the result of a failure on the part of management to exercise reasonable business prudence in the conduct of the affairs of the Corporation, the Secretary shall require before issuing any loan guarantee to any borrower that the Corporation make such management changes as the Secretary deems necessary to give the Corporation a sound managerial base.

(c) In issuing any loan guarantee under this Act, the United States shall be responsible only for the payment of such loan and shall not be responsible for any other liability of the borrower.

PROHIBITION ON USE OF THE FEDERAL FINANCING BANK

SEC. 6. Notwithstanding the provisions of section 6 of the Federal Financing Bank Act of 1973 (12 U.S.C. 2285) or any other provision of law, none of the loans or obligations guaranteed or committed to be guaranteed under this Act shall be eligible for purchase by, or commitment to purchase by, or sale or issuance to, the Federal Financing Bank or any other Federal agency or department or entity owned in whole or in part by the United States.

INSPECTION OF DOCUMENTS; INVESTIGATIONS; AUDIT BY THE GENERAL ACCOUNTING OFFICE

SEC. 7. (a) At any time a request for a loan guarantee under this Act is pending or indebtedness guaranteed under this Act is outstanding, the Secretary is authorized to inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of the Corporation and any other borrower.

(b) The Secretary is empowered to investigate and shall investigate any allegations of fraud, dishonesty, incompetence, misconduct, or irregularity in the management of the affairs of the Corporation which are material to the Corporation's ability to repay the loans guaranteed under this Act.

(c) The General Accounting Office is authorized to make such audits as may be deemed appropriate by the Comptroller General of all accounts, books, records, and transactions of the Corporation and any other borrower. No loan guarantee may be made under this Act unless and until the Corporation and any other borrower agree, in writing, to allow the General Accounting Office to make such audits. The General Accounting Office shall report annually the results of all such audits to the Congress and the Secretary.

MAXIMUM OBLIGATION

SEC. 8. The outstanding principal amount of loans guaranteed by the Secretary under this Act shall not exceed at any one time $1,500,000,000.

PROTECTION OF GOVERNMENT'S INTEREST

SEC. 9. (a) The Secretary shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency therefor as a result of the issuance of loan guarantees under this Act.

(b) The Secretary shall be entitled to recover from the borrower, or any other person liable therefor, the amount of all payments made pursuant to any loan guarantee entered into under this Act, and upon making such payment, the Secretary shall be subrogated to all the rights of the recipient thereof.

(c) The remedies provided in this Act shall be cumulative and not in limitation of or substitution for any other remedy available to the Secretary or the United States.

(d) The Secretary may bring action in any United States district court or any other appropriate court to enforce compliance with the provisions of the Act or any agreement related thereto and such court shall have jurisdiction to enforce such compliance and enter such orders as may be appropriate.

(e) A loan shall not be guaranteed under this Act if the income from such loan is excluded from gross income for purposes of chapter 1 of the Internal Revenue Code of 1954 or if the guarantee provides significant collateral or security to other obligations, the income from which is so excluded.

(f) The Secretary is authorized to waive, wholly or partially, the priority of the United States established under section 3466 of the Revised Statutes (31 U.S.C. 191) with respect to any debt owed to the United States by the Corporation or any borrower with respect to any loan guarantees issued under this Act, to the extent he deems such waiver is necessary to facilitate the ability of the Corporation or any borrower to obtain financing as reflected in the financing plan, except that the Secretary may make such a waiver only if he determines that, despite such waiver, there is a reasonable prospect of repayment of the loans guaranteed under this Act. A waiver under this subsection may not by its terms subordinate the claims of the United States under this Act to those of any other creditor of the Corporation or of any borrower.

(g) If any provision of this Act is held to be invalid, or the application of such provision to any person or circumstance, is held to be invalid by a court of competent jurisdiction, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

REPORTS TO CONGRESS

SEC. 10. (a) Whenever the Secretary exercises the loan guarantee authority under this Act, he shall report promptly in writing to the appropriate committees of the Congress—

(1) the details of such loan guarantee;

(2) the specific assurances received by the Secretary under the provisions of sections 3 and 4; and

(3) the specific determinations made by the Secretary under the provisions of sections 3 and 4.

(b) In addition to the reports required under subsection (a), the Secretary shall submit annually to the Congress a full report of his activities under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. (a) There are authorized to be appropriated beginning October 1, 1979, and to remain available without fiscal year limitation, such sums as may be necessary to carry out the provisions of this Act.

(b) Notwithstanding any other provision of this Act, the authority of the Secretary to make any guarantee under this Act shall be limited to the extent such amounts are provided in advance in appropriations Acts.

Mr. HOLLINGS. Mr. President, that is what I want to be sure is adhered to. I am sure that is what the Senator from Connecticut would intend by his amendment. Even if his amendment were not to be approved, all Senators would, of course, be concerned that we had not set a precedent by indirectly approving that which did not conform to the particular act now printed in the RECORD itself.

I think it is very important that when we pass these acts they be complied with. I am confident that lawyers and members from not only the Government, but also the public competitors, and others, would bring any appropriate proceeding that would negate any requirement that we reaffirm, in the Federal Trade Commission bill at this particular point, the act itself.

I think it is set out now in the record. What really bothers me in the handling of the FTC appropriation is that here we have come down through all kinds of tortures, or rather rinky-dink process of borrowing from the international communications, the State Department, all kinds of money, closing and opening, working and being paid not to work, and all these other things going on, and here we get to the final wire and are about to get into another rather complicated process.

I hope that will not occur. I was admonished on the House side that House Joint Resolution 554 is a single purpose or special appropriation bill, Mr. President.

In other words, any amendment dealing with anything other than FTC would be not germane and have to be taken back separately. It would be outside the conference report and be killed by the objection of any one of the 435 Members on the House side.

So I think it is very tenuous, if, at all, we could even pass it today, that it would stay on the bill much longer than an hour over on the other side of the Capitol.

I am very fearful that what we are doing here, in a sense, would be an exercise in futility parliamentarily and could mislead.

I commend the Senator from Connecticut for his concern. He has followed it very closely.

It appears to me that the administration thus far has a very difficult package to get together in order to go forward with the sustenance of the Chrysler Corp., under the circumstances. I am sure keener legal eyes than mine will be watching.

With that said, I yield now to the distinguished Senator from Michigan who is more familiar with this issue.

Mr. RIEGLE. I thank the chairman very much. I appreciate his remarks.

Mr. President, I will shortly refer to the committee report, to which the Senator made reference, and which is at the center of the contention of the Senator from Connecticut.

I say to my colleague from Connecticut, whom I have known for a long time and with whom I have served for a long time, that I have great respect for him, as he knows. I think we have an honest difference of opinion on this issue. He is certainly entitled to his view.

Nevertheless, we should not mislead ourselves about the consequences of enacting his amendment. If his amendment were enacted, its effects would be quite different from what he has described or perhaps even intends. His amendment, if it became law, would effectively force Chrysler into bankruptcy. That would be absolutely irresponsible. It serves no good purpose, certainly not that of the country or that of the Federal Government. It would inflict needless human suffering and cause the needless spending of billions of dollars.

Several months ago, Congress argued and debated over the wisdom of extending aid to Chrysler. The costs of providing assistance were balanced against the costs of doing nothing.

It clearly was the decision of Congress to extend a helping hand, to try to avoid a catastrophic bankruptcy, to craft a carefully structured program that includes sufficient guarantees to fully protect the taxpayers' interest. The law made it clear that if there ever were a bankruptcy the Government would have first claim to sufficient collateral to recover all moneys that might be advanced, to back up the Federal guarantee.

Mr. President, this amendment is really an attempt to use an appropriations bill to substantially amend the Chrysler Loan Guarantee Act. The amendment, in fact, would nullify provisions that were considered absolutely necessary to make the law work. Adoption of this amendment would virtually insure the collapse of Chrysler within a matter of weeks or even within a matter of days.

Last December, after weeks of debate, we determined that it was in the national interest to help Chrysler reorganize its operations, retool its facilities, and remain a competitive producer of U.S. built small cars, that are highly fuel efficient.

Chrysler will have on line, beginning in late August and September of this year, the capacity to produce 900,000 small cars. These are four-cylinder, front-wheel-drive cars. They will include 300,000 Omnis and Horizons, which have proved to be very popular, high quality cars with excellent gas mileage; and 600,000 additional units of state-of-the-art "K-body" cars, four-cylinder, front-wheel-drive cars, which will also get high gas mileage.

This capacity will allow the United States to compete more aggressively against the Japanese imports, which are pouring into the country, causing great damage to our national economy, and putting a lot of people out of work.

I should like to mention the key reasons for defeating this amendment today.

First, the amendment would try to second guess and frustrate the informed judgment of the blue-ribbon Loan Guarantee Board. When we established that Board, we did it after long debate, with bipartisan support. Senator LUGAR and other Republican Senators led the effort to make sure we had all the needed safeguards regarding the quality and independence of the Board. A majority of the voting members of that Board, two out of three, is absolutely independent of the White House. They are Federal Reserve Board Chairman Paul Volcker, and the Comptroller General, Elmer Staats, who is actually an agent of Congress.

Both of them based on literally tens of thousands of hours of work and analysis, with the assistance of expert professional staff, certified that the approved package did comply with the requirements of the law and did meet the national interest. Based on that rigorous analysis, the program has gone forward.

In drafting the Chrysler Loan Guarantee Act, Congress recognized that developing a workable plan would be immensely difficult and a complex task. In fact, it has turned out to be the most complex financial negotiation in the history of this country.

Congress recognized that the structure of that package could not have been created on the Senate floor apart from complex negotiations of all parties.

That is why the Board was given full responsibility to carry out the intent of the act, but within statutory bounds laid down by Congress. The intent of Congress was expressed on page 23 of the Senate Banking Committee report—and this strikes right at the heart of Senator WEICKER's amendment. It is to this effect:

> The list of amounts of non-Federally guaranteed assistance to be provided in the categories specified above was drawn from testimony given at the Committee's hearings, but it is intended to be illustrative rather than binding.

Those are the key words—"illustrative rather than binding."

> The Board is authorized, as necessary, to modify the amounts of assistance required to be provided by any of those categories, so long as the aggregate amount of at least $1.430 billion of non-Federally guaranteed assistance required to be provided remains the same, and, thus, so long as any reduction in any category is matched by an increase in another category or by an amount provided in some new category of assistance.

The package that has been certified by the Board meets those requirements absolutely to the letter of the law. As a matter of fact, there were some 29 different findings and certifications that this independent board had to be prepared to make and did make.

The act also had a formal oversight provision, which already has run its course. Congress—the respective committees of jurisdiction, the Banking Committees in the House and Senate—had 15 days to evaluate the Board's decision and express alarm if the requirements of the law were not met.

In fact, the Senate Banking Committee, of which I am a member, did meet. We had a daylong hearing. Members of the Board, the Board's expert analysts, and a representative of the banks were invited to testify by the chairman and by the members of the committee. The questioning was exhaustive and the testimony was voluminous.

At the end of that hearing, any member of the committee, who believed that something was amiss, could have moved to have the committee express opposition to or disagreement with the Board's findings.

There was not even the slightest move to do that—not even by the chairman of the committee, Senator PROXMIRE, who has long been a foe of the Chrysler loan guarantee package.

As a committee of jurisdiction, we exercised our oversight responsibilities properly. A package of this complexity and difficulty should be looked at in that way, and not in this cursory way on the Senate floor, with an amendment to a completely unrelated bill. I am not going to challenge the amendment on the basis of germaneness, although it has no business being brought up on an FTC appropriation.

But the Senator is within his rights to do that, but clearly this is not the way to proceed on a matter of this massive economic importance to the country.

Members of the Board recently testified before the Banking Committee and fully answered all of the questions that were put to them. Mr. Volcker and General Staats each testified that he exercised independent judgment in reviewing the Chrysler loan guarantee plan, and in finding that the Chrysler plan is realistic and feasible. Each stated that he was convinced that the Board acted in full compliance with the act and with the interest of the taxpayers fully in mind.

General Staats, when he appeared before the Banking Committee, testified that it was his independent judgment that the plan was sound, that it was realistic, that it was feasible, that it fully complied with the provisions of the act. I quote from the transcript of his testimony:

> I would like to reinforce and reiterate what Mr. Volcker said. This is not a riskless decision by any means. I don't know who could make a riskless decision. But still, I'd like to come back to the point that even if we're wrong, the taxpayer and public interest is protected because we have taken a conservative valuation of all of the assets that will be pledged for this purpose, and on a liquidation basis, there is still enough to cover the guarantee plus interest on that guarantee through a liquidation period. . . . I can assure you of this, that this was a very basic consideration on my part.

So, in the independent judgment of a person of his status and stature, who has been immersed in the details of this, and who had a formal governmental responsibility to evaluate it, this plan is responsible even under the worst case.

Second, the amendment would jeopardize the financial agreement that has been painstakingly put together by Chrysler and the Loan Guarantee Board.

In less than 5 months' time, hundreds of diverse organizations, companies, and governments have negotiated a coherent plan to strengthen Chrysler's future. That by itself is a remarkable achievement.

The 94,000 employees of Chrysler have agreed to $588 million in wage concessions.

Thousands of dealers and suppliers across the country have agreed to stay with Chrysler and provide $63 million, although most are themselves under severe financial stress because of current economic conditions.

Several States and the Government of Canada have agreed to $357 million in aid, and even more assistance is likely to be forthcoming.

Chrysler has arranged to sell $628 million in assets.

Now, Mr. President, this amendment seeks to burden this process with new rigidities. The amendment would give bankers the power unilaterally to frustrate the will of Congress. The amendment would overturn the diligent work of hundreds of experts who have expended thousands of man-years of effort to bring us to this point.

This amendment would disrupt all of that. It is an effort of some persons, who do not agree with details of the financial plan, are not satisfied with the arrangement to turn back the process and have things come out differently.

However, it is too late in the game for that as a practical matter. In fact, it would not make sense even if there were time.

But the hard, practical fact is that there is not time. If the Weicker amendment were to be enacted, we would send Chrysler into bankruptcy. There is not time to go back and try to renegotiate the entire package to satisfy the preconceived nations of the Senator from Connecticut.

That is exactly why Congress wrote the law and the committee wrote its report to provide the flexibility that was needed to get this package done within the pressures of the real world.

The fact that it was done reflects great credit on the people who were in charge of putting this package together.

Mr. President, Deputy Secretary of the Treasury Robert Carswell testified that a renegotiation of the package would at this stage be impossible.

We are now right down to the 11th hour. A financial closing must soon occur on this, the most complex financial arrangement that has ever been put together. Preparations are virtually complete, with just a few minor items left to be put in place.

Last week Chrysler's first $500 million of guaranteed bond offerings were sold out in less than an hour based on tentative orders. That is one measure of the professional reaction of sophisticated observers.

The Senator says that this amendment simply requires that the Board conform to the law. That is just not the case. That may be his belief, but that is not the hard fact and that is where our difference of opinion lies.

The Senate should not brush aside all of this work and send Chrysler into bankruptcy at this critical point. The process is proceeding in a steady, persistent, careful, cautious, conservative fashion.

There is no practical reason to continue what is essentially a harassment of the Chrysler Loan Guarantee Board.

They have done their work, and have done it within the guidelines we have laid out for them.

To continue with this harassment does not help Chrysler. It does not help their workers. It does not help any of the small businesses that depend upon Chrysler. It would not keep the U.S. economy or the $10 billion annual trade deficit that we now have with Japan on cars and trucks.

Nor would it offer increased protection to the taxpayer. As a matter of fact, if we want to damage the interest of the taxpayer, the most direct and immediate way to do it would be to support the Weicker amendment today, send Chrysler into bankruptcy, bring losses to thousands of smaller businesses and throw hundreds of thousands of workers on unemployment. That will cost the Federal Government billions of dollars. That is what so many people have been working for so many months to avoid.

I hope that we would be wise enough to stay on course and to defeat this amendment.

I know other colleagues here may wish to speak. I know my colleague from Michigan wishes to speak and if he wants to speak at this time I am prepared to take the chair so that he might have an opportunity to do that.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield.

Mr. WEICKER. Mr. President, I know the Senator from Oklahoma is waiting to speak. And I know the other Senator from Michigan cares to speak. So while the Senators from Michigan are transferring chairs, we might let the Senator from Oklahoma go ahead.

Mr. ROBERT C. BYRD. Mr. President, is it possible for us to agree that the vote in relation to the amendment by Mr. WEICKER will occur, say, at 2 o'clock? That will allow a motion to table to come in at that point. But we will know when the action is required.

Also, if we could agree upon the disposition of the amendment if there are no other amendments the Senate will go to third reading and final passage.

Mr. WEICKER. Mr. President, I have no wish to in any way impede the desires of the majority leader. But I hope that if we are going to have a time agreement, there could be an up or down vote on the Weicker amendment.

Mr. ROBERT C. BYRD. Could we reach that agreement?

Mr. RIEGLE. Mr. President, I hate to condition a time agreement on that understanding. I think we are bringing up an extraneous matter here. I understand why the Senator is doing it. He needs a vehicle to bring the issue to the floor. He tried to do it last week on another bill but this has no relationship to the FTC.

I wish to move to table it. I do not want to limit the debate time artificially. The Senator should have as much time as he feels he needs to make his case, and those of us on the opposing side should have the same. I do not know if that requires us to go until 2 p.m.

However, I do not want to forfeit my right to offer a tabling motion.

Mr. ROBERT C. BYRD. Very well.

Mr. WEICKER. Let me say to the majority leader, I think the Chrysler loan-guarantee has involved some rinky-dink operations I want every Senator to know what he is voting on. I do not want to have to vote on a motion to table. I wish an up and down vote. I do not want to go ahead and interfere with the business of the Senate. I do not see why, as I said before, a tabling motion has anything to do with the substance of this matter, unless by some chance it is politically easier for some to go along with a tabling motion. The problem is the whole device is politically construed. We continue with politics. To me the tabling motion is the same thing.

I want to go ahead and vote to see that the law is conformed to it. That is all the amendment does.

So I am not going to go ahead and interfere with the procedures of the Senate. I hope still we could have an up or down vote on this matter.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Connecticut for the position he has taken. He is willing to go either way.

I hope that we could agree that at 2 p.m. the Senate will proceed to vote in relation to the amendment, either up or down, or on a tabling motion, and that immediately after the disposition of the amendment the bill go to third reading and without debate vote on final passage.

I have sent word to the distinguished minority leader to see if this is agreeable with him and I hope that we might be thinking in those terms until I get word back from him.

Mr. RIEGLE. Mr. President, I say to the majority leader I have no problem with that. If we want to set a set time for disposition, say at 2 p.m., we may conclude the debate before that, and I would have no objection if the time were yielded back on both sides to vote before then. I am open to any way the leader wishes to proceed.

Mr. ROBERT C. BYRD. How much more time would the Senator want for debate?

Mr. WEICKER. I expect, I say to the leader, I would not require more than another 5 minutes. The Senator from Oklahoma wishes 2 or 3 minutes. That is it.

Mr. RIEGLE. I know the Senator from Missouri wishes to speak and the Senator in the chair, Senator LEVIN, wishes 10 minutes, and I think Senator ROTH also wishes 5 minutes.

Mr. ROBERT C. BYRD. According to the mathematics of the responses, I would suggest that we proceed for 30 more minutes, not to exceed 30 more minutes, of debate, and then the matter be set aside temporarily until 2 p.m. today, and within the next 30 minutes I would hope to hear from the minority leader and, perhaps, we could agree on the voting time and sequence as earlier suggested. Is it agreeable that we lay out 30 minutes for debate and then temporarily lay the matter aside until 2 o'clock?

Mr. RIEGLE. I am not sure that accommodates the request. I am quite willing to do that. Maybe we should stay with the leader's original idea, and go until 2 o'clock. We can yield back the time, if necessary.

Mr. ROBERT C. BYRD. I am informed that the distinguished minority leader is agreeable to voting at 2 o'clock in relation to the amendment proposed by Mr. WEICKER, and that it is agreeable to proceed to third reading immediately, final passage thereafter; and that, in the meantime, if the debate runs its course in connection with this measure, it is agreeable with the minority leader that we proceed to take up the intelligence bill during the brief interim.

Mr. RIEGLE. I have no objection to that, although I think I would like to keep the option open to make sure that everyone who wishes to speak on the Chrysler matter will have an opportunity to do so. I have not heard from the Senator from Indiana (Mr. LUGAR).

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. I would put the following request, which would be in accord with the minority leader's feelings in this matter. I ask unanimous consent that at 2 p.m. today the vote occur in relation to the amendment by Mr. Weicker. This request would not waive the right to table nor would it insure that a tabling motion would be made. That would be open to decision at that point. That the vote occur at 2 p.m. today in relation to the amendment by Mr. Weicker; that upon the disposition of that amendment the Senate, without further debate, amendment or motion proceed to third reading, and without further debate or motion that the Senate proceed immediately to passage of the bill, and that there be no time on a motion to reconsider, that is, no time for debate on a motion to reconsider.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. I am sorry I got in late, but have you reached a time agreement on this matter yet?

Mr. ROBERT C. BYRD. No, not on this matter.

Mr. GOLDWATER. You are talking about the charters?

Mr. ROBERT C. BYRD. No, this is the FTC.

Mr. GOLDWATER. I thought there was a request or a suggestion that we get into the charters this afternoon.

Mr. ROBERT C. BYRD. No. Mr. Baker is attempting to work out an agreement on his side of the aisle on the intelligence bill.

Mr. GOLDWATER. I am sorry.

Mr. ROBERT C. BYRD. According to what I am told, Mr. Baker thinks he will be able to work that out somewhere between 1 and 2 o'clock.

I thank the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. RIEGLE. I know the Senator from Missouri would like 5 minutes. I know the Senator from Oklahoma wants to speak, the Senator from Delaware (Mr. Roth) wants 5 minutes, and Senator Levin wants 10 minutes. At least those three Senators want to speak, so perhaps we can alternate and proceed in an orderly fashion. I yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I support the amendment proposed here by Senators Weicker, Heinz, and Goldwater. This amendment is a reaffirmation of congressional intent with respect to the Chrysler Loan Guarantee Act. It is in no way a denial of the guarantee and I believe it deserves to be adopted by the Senate.

Last December, the Congress approved the Chrysler Loan Guarantee Act. This act committed the Federal Government to guarantee the debt of the Chrysler Corp. provided that the company, its workers, its lenders and its creditors, were willing to meet certain conditions set down by the law. The most important of these conditions was that, those parties with an economic interest in the survival of the company maintain existing credit lines and provide new financial commitments to the ailing company. It was the Senate's intent that this provision would assure that the risk to the American taxpayer was shared by those who stood to gain directly from the Federal guarantee. This provision is not satisfied in the Chrysler financing plan proposed by the Loan Guarantee Board.

As Senator Weicker has already stated, whole categories of assistance are absent from the proposed financing plan. Most importantly, the proposed plan contains no new loans from foreign and U.S. banks and, in fact, the lines of credit which were available to the company prior to October, 1979, are now no longer available.

In addition, while suppliers and dealers have provided various concessions on timing and amounts of payments, they have been unwilling to offer new equity capital to the company. The company's dire financial prospects also make it impossible, from a practical viewpoint, to sell new equity.

In sum, the financing plan offers new financial aid only from three States, Michigan, Indiana, and Delaware. There is no evidence that suppliers, other creditors and lenders, have sufficient confidence in Chrysler's future profitability to place an additional dollar of financial support at risk to salvage their present loans and credit commitments of well over $1.5 billion. Yet the Loan Guarantee Board has seen fit to approve the guarantees.

This rather dim view of Chrysler's future financial prospects is supported by a recent study by the minority staff of the Senate Budget Committee. I quote:

> Because of the many concerns about Chrysler's ability to compete in an environment that favors large scale producers, as expressed in the December report, we believe the risk is high that Chrysler will not achieve its profit projections, and, in fact, will not return to profitability.
>
> Under no case can Chrysler repay the loan guarantees. Moreover, it is highly probable that Chrysler will have to obtain new commitments in the form of direct federal loans before 1983 in order to continue operations.

I ask unanimous consent to have the entire study printed in the Record.

There being no objection, the study was ordered to be printed in the Record, as follows:

Chrysler Corporation Loan Guarantee

UPDATE OF PRIOR ANALYSIS

I. Summary:

Last December, the Congress considered and approved $1.5 billion in Federal Loan Guarantees to the Chrysler Corporation contingent upon Chrysler obtaining an additional $1.43 billion in new loans, concessions, and commitments from groups with an economic interest in the company's future. At that time, a Senate Budget Committee Minority Staff analysis suggested that:

(1) Chrysler would not likely become an economically viable competitor in the U.S. automobile market, regardless of the extent of federal aid;

(2) Chrysler would not likely achieve its projected market share goals;

(3) Chrysler would likely lose $2.0 billion or more in the 1979–1980 period.

(4) These operating losses would cause Chrysler's total financing requirements to be significantly higher than originally anticipated, particularly because the company was required to make large investments in retooling plants for new car production; and, finally,

(5) The auto industry would likely lay off 200.00 workers as a result of the impact of recession on unit sales; and, to the extent that Chrysler continued to compete in the large car market, already plagued by excess capacity, layoffs at Ford and GM would be larger than would have been the case in the absence of Chrysler.

Since December, each of these projections has proved to be accurate. Moreover, the company presently appears to be in even greater financial stress than previously envisioned.

This report summarizes Chrysler's operating plans and Minority Staff projections of profitability and possible future financing requirements (Section II). Section III estimates the economic and financial effects of a Chrysler bankruptcy.

The following comments summarize the report's conclusions:

(1) Recent losses. Some analysts are now estimating Chrysler's 1980 losses as high as $1.2 billion versus the company's forecast of $0.5 billion only four months ago.

(2) Market share. The company's projected sharp rise in market share has not materialized. In December, Chrysler forecast an increase from its 1979 level of 9 percent of the car/truck market to 10.5 percent in 1980 and over 11 percent in 1981. The 1980 market share has now been reduced from 10.5 percent to 9.5 percent although no similar adjustment has yet been made in 1981 or later years. In fact, for the first four months of 1980, Chrysler's share of the car market (excluding trucks) is running 9.8 percent—one and a half percentage points below last year.

(3) Projected changes in cost structure. Chrysler currently earns about $1,000 in variable profit per unit. The April 17 operating plan calls for Chrysler to increase its variable margin to $4,000 per car in 1981. (Chart 1 attached.) Under this cost structure, the breakeven production level would decline from present 525,000 units (which is greater than the company's present total production capacity) to about 350,000 units—a reduction of one third.

(4) Effect on profitability. Because of sharply higher variable profits, each unit shortfall in sales will reduce operating income $4,000. This increases the company's vulnerability to economic cycles and increased price competition from both foreign and domestic producers. Although the rewards of high variable profits are relatively greater for a given level of unit sales, the penalty for failure in achieving sales goals is even greater losses than with the former cost structure. Because of the many concerns about Chrysler's ability to compete in an environment that favors large scale producers, as expressed in the December report, we believe the risk is high that Chrysler will not achieve its profit projections, and, in fact, will not return to profitability.

(5) Probable financing requirements. The Chrysler Corporation April 17 financing plan shows the company returning to profitability in 1981 and beginning to generate a cash surplus by 1982. By contrast, an analysis of alternative profit margin and unit sales assumptions suggests that, at best (Case 1), the company will not return to profitability until 1983. The $1.5 billion Federal Loan guarantee would be sufficient to allow the company to continue in operation, but under no conditions would the company have sufficient resources to repay the guaranteed loans. Under less favorable circumstances (Case 2), Chrysler would never return to profitability, and additional Federal guarantees would be required bringing the total Federal commitment to Chrysler to $3.3 bil-

lion by 1983. Under a worst case scenario (Case 3), Chrysler could require up to $4.7 billion in federal support by 1983. Under no case could Chrysler repay the loan guarantees. Moreover, it is highly probable that Chrysler will have to obtain new commitments in the form of direct federal loans before 1983 in order to continue operations. (See Table 1.)

(6) Financing efforts. While the company has made efforts to raise funds from sources with a vested interest in Chrysler in compliance with the Loan Guarantee Act, these efforts have fallen far short of expectations. For example, the company has been unable to obtain new loans from either U.S. or foreign banks nor is it able to draw upon lines of credit available to it in October 1979. Moreover, in February, at least 9 state and local governments were expected to contribute a total of $229 million. Now only 3 states are expected to contribute a total of $187 million. Sale of Chrysler assets was supposed to contribute $624 million in 1980 but the latest plan reduces the expected proceeds to $261 million, primarily due to the presumption that the financial subsidiary will not be sold in 1980 but will be sold in 1981.

(7) Attempts to offset financing shortfalls. To offset reduced sources of assistance where efforts to obtain financing have been unsuccessful, increased assistance is assumed from other sources, such as suppliers, dealers, etc. These assumptions appear optimistic. Other Chrysler sources of financial aid also appear optimistic. The financing plan assumes $320 million from the sale of 51 percent of Chrysler financial and $413 million from deferral of Chrysler pension fund contributions. At the present time, Chrysler has no prospective buyer for its financial subsidiary and a recent deal with Household Finance Inc. has fallen through. The cash contribution to Chrysler from sale of this asset is being carried in the financing plan at book value in order to help contribute to the $1.43 billion nonfederal financing requirement. Under conditions of a distress sale, actual proceeds may be significantly less than book. Moreover, deferral of pension fund contributions is not a concession by Chrysler workers. Because pension fund solvency is ultimately the responsibility of the Pension Benefit Guarantee Corporation (a government-sponsored corporation that insures qualified plans), any deferral of contribution which would reduce the solvency of the fund would eventually be the responsibility of the federal government.

(8) Effects of bankruptcy. As shown in the attached Section III, the effect of a Chrysler bankruptcy is projected to be less than previous forecasts by other analysts. The lower estimate is due primarily to the substantial job loss that Chrysler has already experienced and is expected to experience if it is to achieve its product and profitability goals. The total employment loss due to bankruptcy, taking into account dealers and suppliers, would be about 70,000 jobs. Direct Chrysler employment would decline 26,000 jobs from current levels. Chrysler already has reduced its workforce by 22,000 workers since last November—to 84,000. Estimates of Chrysler's ultimate employment, given its recent operating plans, indicate that Chrysler will layoff another 14,000 workers, which is 54 percent of the 26,000 jobs that would be lost in the event of bankruptcy. A loss of 70,000 jobs would have significant regional impact (an increase in unemployment in the upper Midwest of about 1.3 percentage points in 1980) but would not have measurable national impact. To the extent that the employment loss was concentrated in Michigan, the impact of the state's unemployment rate would be substantially greater than 1.3 percent. The financial loss to lenders and investors, however, has in large part already been discounted.

II. Operating plans and financing requirements:

1. 1980 losses likely to exceed company projections. Previous financing plans submitted to the Loan Board, Chrysler projected a $473 million pretax loss for 1980. The December 12, 1979, Senate Budget Committee Analysis, anticipated that Chrysler loss would exceed $800 million in 1980. These projections have proved to be too modest. The April 17th plan increases the projected pretax loss to $746 million for 1980 and shows a loss of over $400 million for the first quarter 1980—about equal to the previous loss projected for the year.

Wall Street sources forecast Chrysler 1980 losses at $1.2 billion based on approximately the same unit sales assumption. This loss is even higher than the Chrysler's record 1979 loss. If Chrysler's market share continues to erode near term, or if the new front wheel drive introductions are not well received and market shares are not increased, Chrysler sales could be 100,000 units less than currently forecast for an additional loss of $225 million. This would bring the total 1980 loss for Chrysler to about $1.5 billion.

2. Market share projections continue to be optimistic. Market share and product mix are the cornerstone of Chrysler's profitability, especially as cost cutting measures and a lower margin production mix lead to larger and larger changes in profits for a given change in unit sales. Until the April 17 plan, Chrysler continued to forecast that its 1980 share of the combined auto and truck market would rise from 9 percent at year end 1979 to about 10½ percent in 1980. The April 17 plan estimates that its share will not rise above about 9½ percent. This is a 59,000 unit reduction in projected sales between February 27 and April 17.

3. Chrysler's projected product mix is shifting from trucks and large cars to small and medium sized cars. In Chrysler's October 17 plan, the company projected sharply rising market shares for both cars and trucks reaching 12.4 percent for cars and 12.1 percent for trucks by 1985. These projections have been revised substantially in the February and April plans. As of April 28, Chrysler's projected share of the car market is shown to exceed its original expectations reaching 12.6 percent by 1983 while the Chrysler share of the truck market is projected to decline through 1982, not rise, as in previous plans. In 1980 Chrysler expects to sell 317,000 trucks, 9.7 percent of the total market. By 1982, Chrysler expects to capture only 8.2 percent of the truck market. In 1983, Chrysler projects its share of the truck market to rise only to 10.2 percent despite the introduction of a new, downsized frontwheel drive pick-up truck. This compares to the 13.8 percent average market share Chrysler enjoyed in 1976 to 1978 period and suggests that Chrysler expects to reduce its overall truck operations.

Similarly, Chrysler's operating plans appear to suggest a shift in product strategy away from the small compact car to the middle sized car and a slight reduction in the proportion of sales due to large sized cars. By 1983, 67 percent of Chrysler's sales will be in small cars compared to 69 percent presently and 6 percent in large cars compared to the present 9 percent.

4. Product mix for profitability. The December SBC analysis of Chrysler pointed out the importance of the truck market to Chrysler's profitability, but argued that Chrysler could not increase sales in the face of stiff competition from GM and Ford. Chrysler's truck operations account for one third of its profits. The most recent operating plans indicate that our earlier observations were correct and Chrysler is scaling back its truck sales, despite their attractive margins. This leaves Chrysler prospects for longer term profitability heavily dependent on its plan to obtain an increasing share of its sales from mid-sized cars. This has not been a successful strategy in 1980 during which plans last October called for 24.3 percent of sales in the mid-sized car market compared to the 21.9 percent now expected from this segment.

5. Projected changes in cost structure. Chrysler currently earns about $1,000 in variable profit per unit. The April 17 operating plan calls for Chrysler to increase its variable margin to $4,000 per car by 1981.

Small car production with higher variable margins increase the company's reliance on achieving its volume sales projections. The breakeven production level would decline from present 525,000 units (which is greater than the company's present total production capacity) to about 350,000 units—a reduction of one third. Wall Street analysts expect that Chrysler will succeed in raising its variable margin to about $2,250—still double its present performance—and reduce its breakeven point to about 350,000 units.

For each unit shortfall in sales, operating income will decline $4000. This increases the company's vulnerability to economic cycles and increased price competition from both foreign and domestic producers. Because of the many concerns about Chrysler's ability to compete in this environment which tends to favor large scale producers expressed in the December report, we believe that the risk that Chrysler will not achieve its profit projections, in fact, will not return to profitability, is high.

6. Effects of changes in unit sales and margins on pretax income. Chrysler's profit projections are based on the company's own estimates of total industry sales and market share, which are generally higher than those of independent analysts. Of course Chrysler's profit projections are also based on the company's own estimates of its cost structure.

If, for example (Case 1), Chrysler were to triple its present variable margins to $3,000 per unit rather than the $4,000 called for in the plan and independent auto sales forecasts (which are generally lower than Chrysler projects) were to prevail, Chrysler would not achieve pretax profitability until 1983 and would earn only an average of $250 million per year between 1983 and 1985.

If Chrysler were to succeed in raising its margins to the $2250 level expected by Wall Street (Case 2), and were to achieve its own unit sales projections, it would lose an average of $450 million annually through 1985.

If a Worst Case Scenario (Case 3) were constructed that used the $2250 margins projected by Wall Street and that assumed the Company's market share failed to rise above 10 percent (compared to the present 9.8 percent share), Chrysler could lose between $800 million and $1.0 billion per year for the foreseeable future. Of course, under this scenario, either the company would receive massive external support or it would cease to operate. In other words, under almost any set of circumstances other than those that the company projects, there is a high probability that Chrysler will fail to return to profitability.

7. Probable financing requirements. The Chrysler Corporation April 28th financing plan shows that company returning to profitability in 1981 and beginning to generate a cash surplus by 1982. Under more modest assumptions about margins and sales (Case 2) Chrysler would not return profitability until 1983 and would have total financing requirements of $2.0 billion in 1980, an additional $650 million in 1981, $941 million in 1982, and $145 million in 1983—totalling $3.7 billion. Under conditions of the less favorable Case 2, Chrysler would never return to profitability and total financial requirements might be $2.3 billion in 1980 and an additional $1.1 to $1.2 billion through 1983. A Drexel Burnham

analysis of Chrysler's financing needs concludes that Chrysler will require $2.2 billion in new money in 1980 and an additional $1.0 billion in 1981. The Worst Case projections (Case 3) indicate that Chrysler might need $2.5 billion in 1980, another $1.6 billion in 1981 and 1982 and about $1.4 billion thereafter.

The Federal share of these financing requirements is substantial. In Case 1, the $1.5 billion federal loan guarantee would be adequate through 1983 but could not be paid back. Under Case 2, the Federal government would have to provide up to $3.3 billion by 1983. Under the Worst Case (Case 3), the Federal financing share would be $4.7 billion by 1983. Clearly, in this case, Chrysler would become a Federally-owned corporation. Under both Case 2 and Case 3, it is highly probable that Chrysler will have to obtain new government commitments in the form of direct federal loans before 1983. Table 1 shows Federal share of the total funding requirements under all three cases.

III. Economic and financial effects of a Chrysler bankruptcy:

1. Chrysler already has reduced employment substantially. In May, 1979, Chrysler employed 130,000 workers and supported approximately another 270,000 jobs at dealers and suppliers. Since then Chrysler has laid off 46,400 workers (about 36 percent of the May 1979 level), leaving a work force of about 84,000. In addition, Chrysler has lost 519 dealerships—with about 16,000 jobs. Recent employment data indicate that employment among suppliers is also declining in response to reduced production at each of the "Big Three" auto producers.

2. More layoffs to come, even with the guarantee. A recent unpublished Department of Transportation study concludes that by the time Chrysler achieves its cost cutting objectives and reduces its product line in accordance with its operating plan, the company will employ only about 70,000 workers (a reduction of an additonal 14,000 workers) or a little more than half of its former workforce.

3. Employment effects of bankruptcy. If Chrysler were to declare bankruptcy, under the new bankruptcy law it is highly unlikely that all operations would cease. Instead, profitable operations would be reorganized and continue operating—the effect of which is not very different from the policy being pursued by the present management. The Minority Staff of the Senate Budget Committee estimates that in the event of bankruptcy, Chrysler itself would retain about 58,000 jobs; 12,000 less than in its projected "stripped down" state. Taking into account the effects on dealers and suppliers, and possible rehires at other auto producers, a total of 70,000 jobs would likely be lost due to bankruptcy. Job losses of this magnitude are not large enough to have a measurable national economic impact even when the capital spending foregone by the company is taken into account.

4. A Chrysler bankruptcy would have a substantial regional impact. Automobile producers and suppliers tend to be concentrated in the upper mid-west. The states that would be affected by a Chrysler plant closing are primarily Michigan, Ohio, and Indiana, and to a lesser extent, Missouri and Delaware. The job loss from a Chrysler bankruptcy is likely to raise the unemployment rate in these five states as a region by as much as 1.3 percent in 1980 and about 1.0 percent in 1981 and 1982. To the extent that Chrysler and supplier employment reductions are concentrated in Michigan alone, the effects for that state could be considerably worse. However, it is not clear that the economic effects of the major consolidation which the automobile industry is currently experiencing would be appreciably worsened by a Chrysler bankruptcy.

5. National financial effects of a Chrysler bankruptcy also are limited. The Chrysler Corporation has $1.6 billion in total debt outstanding—$600 million in short-term debt, mostly at banks, and $1.0 billion in long-term debt, held mostly by Prudential, Aetna, and individual investors.

The short-term debt is widely dispersed among many banks with Manufacturers Hanover and Bankers Trust holding the major shares. Many regional banks like First National Bank of Chicago have already written off the Chrysler debt against reserve for loan losses, and the willingness of other banks to accept preferred stock from the company rather than issue new loans suggest they also have all but written these loans off.

Recent offerings such as the $250 million cumulative preferred 1978 package (sold at $25, now trading at $9 per share) were primarily sold to individual investors. Investors have taken losses and gotten out of the stock in recent years as the market value declined from $70 in the early 1970's to about $7 per share now. It appears that, since Chrysler is already in default on many of its debt obligations and individual and institutional holders have already taken substantial paper losses on its debt and equity holdings, most of the financial effects of bankruptcy have already been discounted.

TABLE 1.—TOTAL FEDERAL FINANCING REQUIREMENTS

Required Federal portion	1980	1981	1982	1983
Case 1: Modified Chrysler margins ($3,000 per unit) with sales forecasts from independent analysts:				
Annual	1,045	−81	708	−328
Cumulative	1,045	964	1,672	1,344
Case 2: Wall street estimates of margins with Chrysler projections of units sales:				
Annual	1,345	382	878	719
Cumulative	1,345	1,727	2,605	3,344
Case 3: Worst case; Wall Street margins with flat 10 percent market share for Chrysler through 1983:				
Annual	1,532	904	1,400	896
Cumulative	1,532	2,436	3,836	4,732

Mr. BELLMON. This is not the time or place to rekindle the debate on the Chrysler loan guarantee. We have, however, taken an important step committing the Government to intervene on the behalf of one company—the least efficient—to the possible detriment of its competitors. As an attempt to limit the possibly damaging effects of the Federal guarantee, we placed well-defined conditions on the provision of those guarantees.

Those conditions have been clearly violated by the proposed plan. I believe that this is the time to reaffirm those conditions and the congressional intent that they imply. For this reason, I urge support of the Weicker amendment.

Mr. President, I ask unanimous consent that a letter dated April 30, 1980, sent to Secretary Miller, together with his reply of May 28, 1980, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON THE BUDGET,
Washington, D.C., April 30, 1980.

Hon. G. WILLIAM MILLER,
Member, Chrysler Loan Guarantee Board, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: In view of the Chrysler Loan Guarantee Board meetings this week. I would like to express to you my concern that the Chrysler "financial plan" may not adhere both to the statutory requirements and the spirit and intent of the Chrysler Loan Guarantee Act of 1979. The provisions of the Act, particularly Section 4, were carefully designed to assure both that the Chrysler Corporation had sufficient financial resources to return to solvency and that those groups which already have an economic interest in Chrysler's future share the Federal government's financial risk.

Reports concerning the reluctance of these groups, particularly the commercial banks, to increase their financial investment in Chrysler are not very encouraging. In my view, the Act is very explicit in requiring that Chrysler must secure (a) new loans from U.S. and foreign banks, financial institutions, and other creditors; and (b) an extension of the full principal amount of any loans committed to be made to Chrysler but not outstanding as of October 17, 1979. The Act further states that Chrysler must have reasonable prospect of remaining a viable corporation after 1983.

I realize that the deliberations surrounding the Chrysler guarantees are exceedingly complex and that the economic environment has served only to make the final decision of the Board more difficult. I also recognize that the Board can exercise some flexibility regarding the amounts of financial support due from the various identified sources. However, if loan guarantees are extended based on a financial plan that clearly does not meet the conditions and intent of the Act, it will be difficult to get Congress to approve funds for payment of principal and interest on loans guaranteed pursuant to that Act.

Sincerely,

HENRY BELLMON.

THE SECRETARY OF THE TREASURY,
Washington, D.C., May 28, 1980.

Hon. HENRY BELLMON,
Committee on the Budget,
U.S. Senate, Washington, D.C.

DEAR SENATOR BELLMON: Thanks for your April 30 letter concerning Chrysler.

On May 10, 1980, the Chrysler Corporation Loan Guarantee Board approved the issuance of a commitment for $1.5 billion in Federal guarantees as well as the issuance of the first $500 million in guarantees. The Board's determinations, together with underlying staff analyses and recommendations, have been provided to the Congress in accordance with the Guarantee Act. These reflect the care with which the concerns expressed in your letter were addressed by the Board and its staff.

I would also encourage Congress to appropriate the funds that may be required to honor any guarantees that may be issued. Failure to do so would increase Chrysler's interest costs on the guaranteed borrowing thereby reducing its potential profitability and cash flow, and increasing the risk to the United States.

Best wishes.

Sincerely,

G. WILLIAM MILLER.

The PRESIDING OFFICER. The Senator from West Virginia.

ORDER FOR THE CONSIDERATION OF S. 2284

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield.

Mr. ROBERT C. BYRD. I cleared this request with the minority leader. I ask unanimous consent that upon the disposition of the pending business, the FTC measure, that the Senate then proceed to the consideration of Calendar Order No. 780, S. 2284, the intelligence bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

FEDERAL TRADE COMMISSION APPROPRIATIONS, 1980

The Senate continued with the consideration of House Joint Resolution 554.

Mr. RIEGLE. At this point I would like to yield 5 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. EAGLETON. Mr. President, I would like to make four points in rebuttal to Senator WEICKER's position:

First. Congress did intend the Board to have discretion not only with regard to amounts of nonfeedral assistance but also categories. Page 23 of the Senate report makes it clear that the Board may provide for a wholly new category of assistance not mentioned in the bill in order to make up a reduction in any other category. There are no limits on the amount of the reduction. Conceivably it could be as little as $1. It is ludicrous to suggest that the Board has authority to reduce the category to $1 but lacks the authority to eliminate it all together. The authority to create new categories of assistance would seem to imply the power to set aside any other requirement that is in conflict with the Board's larger requirement that the financing plan is realistic and feasible.

Section 5(a)(9) further requires the Board before issuing a guarantee to determine the borrower is in compliance "except to the extent that such terms and conditions are modified, amended, or waived by the Board."

Second. The act did not intend that Congress could block issuance of the loan guarantee. Section 5(b) provides "any determination by the Board that the conditions established by this act have been met shall be conclusive * * *" In explanation of that provision and the further requirement that the Board report to appropriate committees of Congress at least 15 days prior to issuance of any guarantee, the Senate report (page 25) says as follows: "This requirement will provide the committees with an opportunity to comment on any problems that may be found with respect to the determinations made, without placing any formal impediment in the way of actual issuance of the guarantee on the date scheduled."

This is not to argue that Congress cannot change the law. It does speak to congressional concern at the time that somebody has to be in charge and that the financial details and commitments are delicately balanced and cannot be subjected to Monday-morning quarterbacking.

Third. The appropriations bill that accompanied the Chrysler Act authorized assumption by the Board of up to $1.5 billion in contingent liabilities and contained the following phrase "* * * commitment is hereby made to make such appropriations as may become necessary to carry out such loan guarantees." Once again, this language argues Congress intended to provide the Board with all the authority needed to consummate the guarantee.

Fourth. The voting members of the Board are Volkmer, Miller and Staats. All have certified the proposed loan guarantee meets the requirements of law. The Weicker amendment is tantamount to accusing the Board of misrepresentation.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I would like to join the distinguished Senators from Missouri and Michigan in supporting the Board and their action in granting the loan guarantee. I, too, think it is very significant that some of the most distinguished leaders in the city of Washington, particularly the Chairman of the Federal Reserve, Mr. Volcker, and Comptroller General Mr. Staats, as well as Mr. Miller, have certified that the proposed loan guarantee does meet the requirements of the law.

As was pointed out earlier, it is a fact that they were involved in extended negotiations to insure that the law was complied with.

Mr. President, I would like to reiterate the importance of this loan guarantee. I think it is worthwhile mentioning that our economy is indeed in deep trouble. We are on the verge of a serious and very deepening recession. Ever higher oil prices, coupled with oil shortages, double-digit inflation, and unemployment that is rising by the month indicate that this is indeed a very ominous period.

Very candidly, the collapse of our 10th largest industrial corporation, the unemployment of an additional 400,000 or more employees, the out-of-pocket costs to our Federal and State governments through unemployment benefits, pension guarantees, and other programs, as well as the loss of billions of dollars of revenue—$13.6 billion in 1978 generated by the Chrysler sale of 1.2 million cars and 190,000 trucks—would have a devastating effect on our economy.

Let no one be mistaken, the failure to permit this loan guarantee to go through, to permit a Chrysler bankruptcy, could trigger a massive recession in view of our delicate state of the economy.

All industry—steel, chemicals, textiles—would suffer a grievous blow through the loss of the American manufacture and sale of these cars. Foreign made cars would undoubtedly take up much of the slack caused by a Chrysler bankruptcy thereby increasing our balance of payments problem.

Does anyone seriously believe that our foreign competitors, such as Japan and Germany, would permit a national asset like Chrysler to go under? The answer is a resounding no. The answer here in Congress several months ago was a resounding no. Nor should the United States, in my judgment, permit a viable competitive American automobile industry so essential to a healthy U.S. industry to go under.

Mr. President, as my two distinguished colleagues have already pointed out, Congress did intend the Board to have the discretion not only with regard to amounts of non-Federal assistance but also other categories. The act did not intend that Congress could block issuance of a loan guarantee.

I think it is important that we permit this guarantee to move ahead, that we recognize that it is imperative, from the standpoint of the national economy, for Congress now to in effect reverse an earlier decision could help trigger the most devastating recession, even depression, since the early 30's.

I yield the floor.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I rise to join my distinguished colleague from Connecticut Senator WEICKER in support of this amendment.

I ask unanimous consent that I be listed as a cosponsor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. HEINZ. Mr. President, as Senator WEICKER has already explained, this amendment would insure that Chrysler Corp. has complied with the terms of the Loan Guarantee Act before any taxpayer dollars are committed to this company.

I strongly urge that my distinguished colleagues support this amendment for the following reasons:

First, in view of recent developments, it is clear that the Federal Government never should have become involved in this ill-conceived bailout plan.

Second, as a result of the Loan Guarantee Act, we have—in effect—not just a federally aided a corporation but in essence a government-run auto company where the key decisions are made not by the company's management but by an Office of Chrysler Finance within the Treasury Department.

Third Congress agreed to aid Chrysler only if the company met several very important tests. These tests are explicitly stated in the act and have two major purposes:

To insure that any commitment of taxpayer dollars is fully protected by providing non-Federal financing in addition to the loan guarantee; and

To insure that those with the greatest direct stake in Chrysler's survival—management, employees, dealers, suppliers, lenders, and stockholders—and not the American taxpayer would bear the greatest risk in restoring Chrysler to viability.

Despite an explicit congressional mandate, this has not happened. Instead, the Loan Guarantee Board has approved loan guarantees to Chrysler despite the fact that the proposal submitted by the company clearly does not meet the terms of the act.

Briefly, let me expand on each of these points.

First, the question of aiding Chrysler. Many of us questioned from the very beginning whether the Federal Government should have come to Chrysler's aid—especially since Lee Iacocca testified that most of the company's problems were the result of management mistakes. We were concerned that the precedent that would get set was the British blueprint for economic disaster: Diverting ever-increasing amounts of taxpayer dollars to prop up dying companies and industries. And we wondered whether this bailout was fair to the 6,000 small businesses that fail every year—especially since small businesses are the source of most new jobs and most new innovations, but cannot afford to hire the most high-priced lobbyists in town to plead their case.

We questioned whether the political judgment of the administration and the Congress in an election year should be substituted for the workings of the market place in allocating capital. Are the jobs at Chrysler really worth preserving more than those at Ford and GM? Is this $1.5 billion really better spent propping up Chrysler than financing new homes? Or allowing small entrepreneurs to get started in business? Or extending credit to farmers so that they can plant their crops.

Despite these and other doubts, just before the recess Congress agreed to give Chrysler this Christmas present—albeit with several strings attached.

But since Congress hastily passed the loan guarantee package—because we believed the company when it told us that it would go bankrupt by January without Federal assistance—several things have happened to make the original reasons for aiding Chrysler no longer valid. The only argument for saving Chrysler which made any sense was that without Federal aid large numbers of jobs would be lost and the cost to the Federal Government of this unemployment would be greater than the cost of a bailout. Since that time, it is becoming increasingly clear that the Federal Government is already bearing many of the costs of a Chrysler bankruptcy. Many of the jobs at Chrysler are simply being preserved at the expense of those at Ford and GM.

And at Chrysler itself, employment has already dropped by 46,400 workers—36 percent of the May 1979 level of employment. In addition, Chrysler has lost 519 dealers with about 16,000 jobs. And to become profitable again, according to a Department of Transportation study, Chrysler will have to lay off an additional 14,000 workers—for a total workforce of 70,000. This number is only 12,000 higher than the number of jobs which the Senate Budget Committee staff analysis found would be preserved in the event of a Chrysler bankruptcy.

Not only has the Federal Government already borne most of the costs of a Chrysler bankruptcy, since December the outlook for Chrysler has worsened considerably. Losses this year are now expected to be even higher than last year's. The Loan Guarantee Board will say only that there is some chance that the company may survive. And among the jury that really counts—Chrysler's lenders, those with the most intimate working knowledge of Chrysler's condition—the verdict is already in.

Second, the issue of a Government run auto company.

Although many of us are not satisfied that Treasury's Office of Chrysler Finance and the Loan Guarantee Board are doing an adequate job of protecting the taxpayers' interest, one thing is clear: The Federal Government already has assumed—or has the power to assume—day-to-day control over Chrysler's operations.

I quote from a May 28 Wall Street Journal article:

> In the course of recent negotiations with Chrysler over Federal debt guarantees, the government demanded and received sweeping powers over nearly every phase of the troubled auto maker's activities.
>
> While it isn't yet clear what kind of taskmaster the government will be, a frame work is being put into place that would allow Washington, if it chooses, to dictate to Chrysler everything from long-term strategy and major contracts to such relatively minor things as office space rental and plant maintenance.
>
> If the company's recovery goes off track, Washington could even wind up owning the vast majority of Chrysler's assets and the government could assume majority control of the concern's board.

The article goes on to document, in extensive detail, the various ways in which the Federal Government has assumed effective management of this company. I ask unanimous consent that this article documenting the dangerous precedent now being set be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHRYSLER IS YIELDING SWEEPING POWERS TO U.S. IN RETURN FOR $1.5 BILLION AID

(By Andy Pasztor and Amanda Bennett)

DETROIT.—A nagging suspicion that Chrysler Corp. faces a difficult time surviving even with $1.5 billion in federal aid has prompted the government to set up an elaborate system of controls it can use to try to steer Chrysler out of trouble and to protect the taxpayers' interests if the company fails.

In the course of recent negotiations with Chrysler over federal debt guarantees, the government demanded and received sweeping powers over nearly every phase of the troubled auto maker's activities.

While it isn't yet clear what kind of taskmaster the government will be, a framework is being put into place that would allow Washington, if it chooses, to dictate to Chrysler everything from long-term strategy and major contracts to such relatively minor things as office space rental and plant maintenance.

If the company's recovery goes off track, Washington could even wind up owning the vast majority of Chrysler's assets and the government could assume majority control of the concern's board.

Although this unprecedented arrangement is far different from the one Chrysler envisioned a year ago, when it first sought federal help to fend off possible bankruptcy, company executives maintain that it doesn't faze them. It's highly unlikely, they argue, that the government will exercise the full range of its power, regardless of whatever legal agreements may be in force.

"There's no way they'll take over running the company," Lee A. Iacocca, Chrysler chairman, said in an interview. "It's too complex a business for that to happen," he said, adding that he believes the restraints exist on paper only for "political" reasons. "It looks good for the protection of the taxpayers."

That view is echoed by top administration officials who claim they haven't any intention of owning or running Chrysler. Government officials won't be involved in management decisions "on a daily basis" one administration strategist said. Washington won't "try to second-guess company headquarters," he maintained. What the government wants, he said, is a way to hold Chrysler's executives "responsible for meeting" the goals of the recovery effort the company and federal officials "jointly" established.

But others argued government involvement won't stop there. Regardless of its present intent, Washington "undoubtedly will exercise" many of its prerogatives, because the stakes are so high and political pressures will inevitably develop, contended Thomas Gale Moore, a senior member of Stanford University's Hoover Institution. In fact, the mere existence of the strictures has already begun to change the way some people within the company operate: "It's a whole new ball game" conceded one company executive, who has been involved with negotiations with the government.

The proposed agreement under which the government would guarantee up to $1.5 billion in new Chrysler debt, starting with $500 million early next month, has been described by a Treasury department official as "the most complex financing arrangement" ever negotiated between Washington and private industry.

The agreement would require Chrysler, at least four times each year, to convince a five-member government board that its operating results, sales and overall financial condition match previously agreed-upon levels.

If they don't, the government has reserved the right to force the company to close plants, drop existing car and truck models, slash expenditures for future products and further reduce its already diminished role as a major player in the U.S. auto market.

The government also has the final say about Chrysler forming new subsidiaries or spinning off current units. In addition, Washington has the right to reject any Chrysler contracts with suppliers or other groups for amounts more than $10 million and to veto the sale of any asset that could yield the company more than $5 million.

To make sure the auto maker will comply fully with the variety of federal mandates, Chrysler will have to provide unlimited access for a wide range of federal officials to all corporate books, records, memoranda, correspondence, and reports. Even letters and telegrams received by Chrysler officials must be available for scrutiny, along with "calendar and diary entries, maps, graphs, pamphlets, notes," and records of any "meetings and conversations," including tape recordings. Federal access to this detailed corporate information could last into the 1990s, years after any government-backed debt is repaid.

However, the daily give and take works out over the next few months, the government has several trump cards it can play at almost any time. If the company should refuse to comply with federal directives, the government can wrest control of Chrysler's board by adding enough of its own representatives to newly created seats to give it a majority. To preclude any possible corporate opposition to such a move, the government is requiring all current directors to pledge in advance to assist the government to attain board control if it decides to seek it.

Moreover, the agreement could mean Chrysler might ultimately have to issue hundreds of millions of dollars of additional common stock. If that happens, Chrysler's existing stockholders, with 66 million shares, could be relegated to a minority role. Their position could be undercut by possible government ownership of 10 million shares, but also by large blocks of stock Chrysler agreed to issue under certain circumstances to its lenders and to the Canadian government, which also has pledged to guarantee some loans to Chrysler. It would take a vote by Congress to authorize the U.S. government to become a Chrysler holder, however.

To further protect itself, the five-man federal board headed by Treasury Secretary G. William Miller made Chrysler pledge nearly everything it owns as security for the proposed federal debt guarantees. If Chrysler's recovery plans fall apart and the company isn't able to repay the guaranteed debt, U.S. taxpayers could own outright much of the company's substantial real estate holdings, dozens of factories, and even company-owned cars and the hand tools used by Chrysler workers.

The reason for all these precautions is that the problems confronting Chrysler are tremendous and the most serious hurdles it must overcome are beyond the control both of the company and of the government overseers. Overshadowing all else is the current severely depressed U.S. car market that could scuttle Chrysler's plan to increase market share and improve its per-car profit by raising prices. Continued slack demand could also hurt the introduction this fall of the much touted front-wheel-drive compacts on which Chrysler is pinning its comeback hopes.

As a result, government officials are far from sanguine about the company's prospects. The most that consultants for the Treasury promised members of the Senate Banking Committee earlier this month was that "there is some chance" Chrysler will bounce back into the black in the next few years. Paul Volcker, Federal Reserve chairman, who also sits on the government's Chrysler Guarantee Board, was more blunt: "there isn't much about this whole affair I'm not concerned about," he said following the hearing.

Mr. HEINZ. Third, the problem of whether the terms of the Loan Guarantee Act have been met.

The Banking Committee spent several long weeks crafting an aid package to Chrysler which set targets for the non-Federal assistance required as a condition of Federal loan guarantees. This was done to insure that Chrysler had available to it sufficient resources to survive, in view of testimony that the company might need upwards of $4.5 billion over the next several years. And it was also done to insure that we were not letting those who had been a part of Chrysler's decline and stood to benefit handsomely if the bailout succeeded were not let completely off the hook. After all, if those directly dependent upon the company are unwilling to come to the aid of this company and throw good money after bad, why should the American taxpayer?

Yet despite an explicit congressional mandate, the aid package approved by the Board contains no new loans from Chrysler's major lenders. As an article in the June 16 issue of Fortune states:

> Once Washington steps out front as risk taker, all the other parties run for whatever cover can be found. In the end the banks did not, as promised, extend new loans to Chrysler. Instead, they cut their existing lines of credit. Their main concession was deferring interest payments. The Treasury Department described this as "the economic equivalent" of new loans, but it is money that the banks would probably have had to write off entirely were it not for the government bailout.

In addition, the Loan Guarantee Board has counted as part of the required outside financing $250 million from the sale of controlling interest in Chrysler Financial Corp.—despite the fact that negotiations on this sale have collapsed. The Board has also counted $171 million from the sale of surplus real estate—a nonexistent transaction since there are no firm offers for these properties.

As approved by the Board, Chrysler's financing plan does not include the level of assistance contemplated by Chrysler's own dealers and suppliers—although these groups were among those from whom we heard the most in support of this legislation.

Despite widespread recognition that additional equity financing is essential to this company's viability, the financing plan as approved contains none.

And finally, the Board has counted as an outside contribution $342 million in deferred pension fund contributions—despite earlier testimony by Deputy Treasury Secretary Altman that such deferrals should not be counted as new loans and despite the fact that this action increases rather than reduces the Federal Government's risk and exposure.

In short, Mr. President, our experience to date with attempting to aid Chrysler has not been an encouraging one. And unless we act quickly by adopting this amendment, it is likely to be a very costly experience as well.

I am all for aiding business. But I think that real aid to business consists of stable fiscal and monetary policies, removing the oppressive burden of Government regulation, and a tax code which encourages the investment needed to provide more jobs and a higher standard of living.

Rather than traveling down the same road that Britain has, we should be looking at Japan to determine what we need to do to make our auto industry, and our steel industry, and our other industries viable again. In this respect, an article by Yoshi Tsurumi in the June 16 Fortune contains some constructive suggestions, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO HANDLE THE NEXT CHRYSLER

(By Yoshi Tsurumi)

Now that Chrysler Corp. is cradled in a life raft of federally guaranteed loans, some lessons about this kind of rescue operation are beginning to emerge. They are worth thinking about because other companies in trouble will be tempted in future years to go the Chrysler route.

One lesson is that a company that asks for federal help may get a lot sicker while waiting for an answer. Because Chrysler needed the cooperation and goodwill of many parties—banks, governments, and the union—it did not attempt the brutal economies that would have been necessary if the only alternative had been bankruptcy. Its losses—and the estimates of the amount of capital it would need to survive—mounted dramatically.

A second lesson is that once Washington steps out front as risk taker, all the other parties run for whatever cover can be found. In the end the banks did not, as promised, extend new loans to Chrysler. Instead, they cut their existing lines of credit. Their main concession was deferring interest payments. The Treasury Department described this as "the conomic equivalent" of new loans, but it is money that the banks would probably have had to write off entirely were it not for the government bailout.

From the standpoint of the national interest, however, the gravest danger is not the potential cost to the taxpayer but the precedent that the rescue sets. It is a big step down the British road of propping up sick companies and industries—and it comes at a time when our archrival, Japan, has proved the wisdom of the opposite course. Despite the impression here that Japan is a sort of corporate state, the government confines its aid to infant industries and lets established companies fend for themselves. That is just what Japan's fourth-largest automaker had to do when it got in trouble five years ago.

Japan's potential Chrysler was Toyo Kogyo, which is known by the name of its product, Mazda. Back in 1973 Mazda was racing ahead, powered by its innovative rotary engine. What matter that it got only 11 miles to the gallon in city driving? It gave sports-car buffs the kind of new thrill they love. But when the oil embargo hit in 1973, and was followed by soaring gasoline prices, Mazda's market collapsed. In 1974, despite a desperate advertising campaign, $500-a-car rebates, and many dealer incentives, sales of Mazda's rotary-engine models plunged 48 percent in Japan and 35 percent in the U.S. By 1975, the company was threatened with a bankruptcy that could have wiped out 100,000 jobs at Mazda and its suppliers.

It might be thought that at this point "Japan Inc."—the fabled condominium of government and industry—would come rushing to the rescue. That is not how it works at all. While the government has acted as the initial promoter and protector of key industries, once a number of companies establish themselves in the domestic market, sharp competition reigns. When a company gets in trouble, the government may encourage rescue attempts by the private sector, but it doesn't join in with public funds. If Mazda failed, its market share would be absorbed by other, stronger companies. A shakeout of that kind doesn't cause alarm in Japan, which takes a worldwide rather than parochial view of the nature of competition.

SUMITOMO TO THE RESCUE

The real guardians and watchdogs of Japanese industry are the banks. Their symbiotic relationship with their corporate customers dates back to the years after World War II. With the equity markets in ruins, the banks took in the deposits of a thrifty Japanese public and lent the money to finance an industrial resurgence. Among Japanese companies, a debt-equity ratio of 2 to 1 or even higher isn't uncommon. A company's lead bank own's perhaps 3 percent or 4 percent of the company's voting stock and gets the inside information it needs to monitor its client's progress. In theory, the loans are secured by the company's assets, but in practice a lead bank would be expected to shoulder a large portion of the loss if an important customer were to fail. These large loans, in other words, take on some of the characteristics of equity.

Mazda's lead bank was Sumitomo, and it put its own management team in place at the company as soon as the financial warning lights started flashing. Mazda's chief executive, Kohei Matsuda, a grandson of the founder, was eased upstairs to the post of chairman (and later was honorably retired). The dividend was slashed by three-quarters, and all paychecks were trimmed (with the heaviest cuts at the top of the ladder). Because of the tradition of lifetime employment, layoffs were out of the question, but through normal attrition and by paying bonuses for early retirement, Mazda reduced its work force from 37,000 to 27,000.

> In fairness, Sumitomo did not inherit as bad a case as Lee Iacocca took on at Chrysler. With only $2 billion in sales in 1974 (compared with $12 billion at Chrysler last year), Mazda could be revived more quickly. It had a profitable truck division that produced 300,000 vehicles in 1974, and all of the 431,000 were essentially variations on a single sic model. Still, Sumitomo figured that the rescue effort would require an infusion of $1 billion, a sum that it was willing and able to raise by taking the lead in a syndicated loan.
>
> The money was used to redesign Mazda's cars on a crash basis, modernize its plant, and rebuild its sales network. In keeping with the Japanese corporate culture, the process featured close cooperation with the workers, who were eager to offer ideas about how jobs could be eliminated and quality control improved. Within two years, Mazda introduced a fuel-efficient subcompact that went over well in Japan and in the U.S., where it is known as the GLC. But the feat that really makes the future look bright was the perfection of a fuel-efficient rotary engine, introduced in 1978. It has all the punch of its predecessor but gets 17 miles per gallon in the city and 28 on the highway. At 165,000 last year, Mazda's U.S. sales have already passed their old peak, and there is a wait of three months for its rotary-powered RX-7, advertised (at $7,650) as the "affordable" sports car. Mazda established an important new link with the U.S. last year, when it sold a 25 percent interest to Ford, which was already a customer for truck parts.
>
> The plant in Hiroshima is running two shifts and will produce 420,000 trucks and 730,000 cars this year. Productivity has doubled since 1974. Profits, though burdened by repayments on the loans from Sumitomo, reached a record $30 million last year. That gives Chrysler something to shoot at.

Mr. HEINZ. Mr. President, the most valuable lesson to be learned from the Japanese experience is this:

> The real guardians and watchdogs of Japanese industry are the banks. . . . While the government has acted as the initial promoter and protector of key industries, once a number of companies establish themselves in the domestic market, sharp competition reigns. When a company gets in trouble, the government may encourage rescue attempts by the private sector, but it doesn't join in with public funds.

Mr. President, just to briefly sum up, I am concerned that we have gotten involved with something that, particularly under the terms of the congressional loan guarantee legislation, we were unwise to be involved in in the first place.

We not only have a situation where the Government has rushed in to do things that management and the board of directors should do and that we should insist that they do as a condition of continuing a business, but, by virtue of our rushing in where many of us felt there was an insufficient case made, insufficient protections to the taxpayer and most importantly of all some very far-reaching questions of principle involved in aiding an individual corporation, we have achieved what even the Japanese have not achieved.

In Japan, to the extent that there is a running of companies by someone else, it is the banks that run those companies that get in trouble. We have gone past the Japanese model and we have succeeded in having the Federal Government literally take management control of what is allegedly a private firm. And I thought and had hoped that we would not ever come to see such a day.

Third, and this of course is the central point that is being made here today, it does not appear that the Chrysler Corp. has met the very important test stipulated in the Loan Guarantee Act.

Let me remind my colleagues that that act was whittled down and whittled down with respect to what kind of contributions management or the employees or the dealers or the suppliers or the lenders or the bankers or the stockholders were expected to make. Just cut down to the quick by all the special interest groups involved, with the result that it is almost inconceivable to me that the Loan Guarantee Board would be bending the rules to this considerable extent and merely exposing the American taxpayers—whether or not one agrees with the legislation—but under the terms of this legislation, exposing the American taxpayer to an increased and great risk.

So I strongly support the Senator from Connecticut's amendment and urge my colleagues to support it likewise.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I support the amendment offered by the distinguished Senator from Connecticut (Mr. WEICKER), and I urge my colleagues to vote in favor of it.

The amendment relates to the Chrysler Corporation Loan Guarantee Act of 1979, which passed the Congress last December and was signed into law in January. Specifically, it would amend the appropriation provided pursuant to that act.

The purpose of the amendment is to repeat that Congress meant what it said when it passed this legislation: that is to repeat that Congress meant what it said when it passed this legislation: that it intended to provide up to $1.5 billion in Federal guarantees to Chrysler, but subject to certain conditions being met. The effect would be to require full compliance with those conditions in order to make good on the commitment to appropriate funds to cover losses under the guarantee.

The amendment goes no further than present law. It simply underscores the requirements of existing law and conditions the appropriation of the guarantees on having those requirements met.

As spelled out in the amendment, the requirements include an aggregate amount of at least $1.43 billion in non-federally-guaranteed assistance from parties with an economic stake in the Chrysler Corp.'s financial health, over and above amounts already committed as of October 17, 1979. The statute spells out in some deliberate detail what the non-federally-guaranteed assistance is to include, and the amendment recapitulates the listing: New loans from domestic and foreign financial institutions, in addition to extension of the full principal amount of loans committed to be made but not outstanding as of October 17, 1979; asset sales computed at a "distress sale" valuation; and additional equity from dealers and suppliers and from sales of stock. The amendment also confirms the strict standards set for calculating the actual amount of non-federally-guaranteed assistance involved in any contribution to the Chrysler plan, and for determining what is or is not non-federally-guaranteed assistance.

RESULTS OF BANKING COMMITTEE OVERSIGHT HEARINGS

Mr. President, the Committee on Banking, Housing, and Urban Affairs which I chair, and which has jurisdiction over this legislation, held oversight hearings on the Chrysler Loan Guarantee Act last week, on May 20. The purpose of the hearings was to review the approval by the Loan Guarantee Board on May 10 of a commitment to provide up to the full $1.5 billion in Federal guarantees to Chrysler through 1983 and, in the first instance, to provide a guarantee of $500 million. Members of the Board include the Secretary of the Treasury (as chairperson), the Chairman of the Federal Reserve Board, and the Comptroller General of the United States.

Based on the information obtained in those hearings, I am distressed to report that the Chrysler plan approved by the Board fails to comply with both the letter and the spirit of the law in a number of respects. It waives certain requirements of the act altogether, despite the fact that the act does not provide any waiver authority. It only authorizes the Board to modify the amounts of assistance provided in any category, not to eliminate categories of assistance altogether.

Mr. President, at our meeting of the Senate Banking Committee, we found severe problems with the Chrysler plan. The requirements in the law provide that there should be no bank loans. What new bank loans are there? None. Zero, zip.

Furthermore, it would require that the banks fulfill their prior lending commitments. Did they? There is no requirement that the banks fulfill their prior lending commitments as of October 17, 1979, and that is about $227 million.

There is a requirement in the law that there be new equity provided. What new equity is being provided in 1981–82. None? There is no new equity.

The requirement is that the asset sales be made on the basis of effective standards. They are very dubious standards of valuation.

For, instance, Chrysler Financial was up for sale for $300 million, and, as we know, that sale has fallen through.

A major component of the plan is $342 million in pension fund benefit deferrals, which is basically an obligation of the Federal Government's Pension Benefit Guaranty Corporation and not non-Federal assistance.

The plan, as approved, places the major burden of a Chrysler rescue squarely on the backs of the taxpayers, while letting the parties with the biggest stake in Chrysler—and especially the banks—get largely off the hook.

Mr. President, these specific requirements in the Chrysler Loan Guarantee

Act were basically the work of the Committee on Banking, Housing and Urban Affairs. The bills sent to us by the administration and by the House of Representatives were basically a blank check: A $1.5 billion in loan guarantees from the Federal Government and pious hopes of a similar amount from interested non-Federal parties. The committee decided that this was totally inadequate.

There was not enough money to meet Chrysler's needs, which could be well over $3 billion through 1983;

There was no assurance that the non-Federal money would actually be forthcoming when Chrysler needed it;

There was no adequate protection to the taxpayers against losses under the guarantee; and

The bulk of the financial burden was likely to be borne by the Federal Government and the taxpayers and not by the parties most at risk: The Chrysler Corp., its employees, banks, dealers and suppliers, and the State and local governments most likely to be affected by a Chrysler collapse.

For these reasons, the Banking Committee added a number of specific requirements and conditions to the Chrysler loan guarantee bill. Those requirements were not just pulled out of thin air. They were drawn from the testimony of the Treasury Department and the testimony of the chairman of the Chrysler Corp. as to what they expected to obtain. And those requirements were included, virtually without amendment, in the conference report that was signed into law in January of this year.

BAD PRECEDENT

In the course of the hearings, I asked members of the Loan Guarantee Board why they approved a plan with such obvious deficiencies. The answer I got, generally, was that the Board viewed its mission as being to put together a Chrysler deal in some fashion, and not to comply scrupulously with the law. Deputy Treasury Secretary Carswell, represented the chairperson of the Board, Secretary Miller, put this most succinctly:

> . . . the question came down to whether it was possible to save Chrysler or whether we had to waive [a particular] provision of the statute, and we ended up waiving it.

Mr. President, if we let this Chrysler decision stand, it will set a very bad precedent. It will say that once Congress authorizes a "bailout" of a failing company, or city, then we can forget about the enforcement of any conditions we establish to provide protections for the taxpayers if those conditions are difficult or inconvenient for the bailed-out company to comply with. And the ironic thing here is that the Loan Guarantee Board held all the cards; it just failed to play them. The banks and other parties involved have a great deal to lose from a Chrysler bankruptcy, and a great deal to gain from a Chrysler bailout.

The Chrysler loan guarantee already set a most unfortunate precedent. It goes one step further than previous bailouts, where there was some direct Federal interest. Lockheed is a major defense contractor. New York City is our largest city, with over 7 million people. In the case of Chrysler, we are bailing out a major corporation simply because it is big—because it employs a lot of people and because it has a major effect on the economy of certain areas of the country.

I should also note that in the case of New York City and in the case of Lockheed, Congress had detailed information on the financing arrangements prior to the passage of the loan guarantee legislation, and the requirements of the law were carried out. However, in the case of Chrysler, Congress was given very little advance information on the financing arrangements. That is why there was so much concern, and that is why we wrote those specific requirements into the law and directed the Loan Guarantee Board to administer them. And now we are faced with a direct admission by the Board that it decided to overlook certain requirements of the act for the express purpose of getting the deal done and handing the loan guarantees over to Chrysler.

Mr. President, I respect the members of the Loan Guarantee Board; they are all dedicated public servants. I know they had a difficult job to do, and they did it well in a number of respects. They pushed Chrysler to abandon its full-line strategy in favor of a substantial down-sizing to concentrate on smaller cars, and they required adjustments of the company's profit projections and other figures to more realistic levels. They also got an agreement by Chrysler's lenders to convert up to $750 million in deferred interest to equity after 1983.

But in spite of these significant accomplishments, in the final analysis, the Board succumbed to the concerns of the moment and approved a financing plan which simply does not meet the requirements of the law. And here is the dangerous precedent set: that the important thing is to do the deal, and not to comply with the law.

Mr. President, the amendment offered by the Senator from Connecticut gives us an opportunity to overturn this precedent. It would provide the loan guarantee appropriation in the form requested by the administration, but it would condition that appropriation on the approval of a Chrysler plan which does meet the specific requirements of the act. And it would give the Loan Guarantee Board some additional ammunition which apparently is needed to negotiate a deal with the banks and others that does meet those requirements. Since the issues are well known, this should not require a great deal more time—rather, just a great deal more will on the part of the Board.

Mr. President, the remainder of my statement discusses in more detail the problems with the Chrysler plan as presently approved. Let me just say here, once again, that I strongly urge my colleagues to vote in favor of this amendment and to insist that the will of Congress be carried out.

CONGRESS INTENDED STRICT COMPLIANCE WITH THE LAW

Mr. President, there can be little doubt that the Congress intended strict compliance with the law. As I stated before, the bill approved by the Committee on Banking, Housing, and Urban Affairs last December was far tighter and had far more requirements than the bill originally proposed by the administration or the bill reported by the House Banking Committee. The bill which passed the Congress and which was signed by the President incorporated virtually all of the Senate provisions.

The Senate Banking Committee wrote a tighter bill consciously and deliberately because we believe the administration and House bills were inadequate either to meet the needs of the corporation or to protect the interests of the taxpayers. They were inadequate for several reasons. First, they failed to provide enough money to meet Chrysler's projected needs over the coming years, which we estimated to be as high as $5.6 billion. Second, they failed to place the major part of the burden squarely on where it should rest: on those parties with substantial economic stake in the financial health of the corporation, and not on the Federal Government. Third, they failed to specify in any detail where the nonfederally guaranteed assistance would be obtained or how it would be computed.

The bill approved by the Senate Banking Committee attempted to remedy these inadequacies in several ways. First, it provided for a larger financing package than the $3 billion contemplated by the administration and House bill. Second, it required that the major part of that financing come from the non-Federal sources. Third, it mandated larger wage and benefit concessions from Chrysler employees than those originally proposed. Fourth, it required not less than $1.43 billion in nonfederally guaranteed assistance to be obtained from parties with a stake in the corporation's financial health and from assets sales, and it set standards for calculating the value of such assistance.

Mr. President, there is direct evidence that the committee intended strict compliance with all of the requirements of the bill it approved. At the end of the committee's markup last December, an amendment was offered by the distinguished Senator from Maryland (Mr. SARBANES) to strike the detailed requirements of the bill and approve a substitute that would have given far more discretion to the Loan Guarantee Board. The Senator presented the following argument for his amendment:

> Mr. SARBANES. It seems to me that what we should have concentrated on was the total amount, the mix, general standards that would bind the Board . . . and leave the full scale of the composition of the package to be worked out by the Board amongst the interested parties.

The important point here is that the Committee rejected the Senator's amendment, and by a substantial margin—by a vote of 4 to 10. What could be stronger evidence of the fact that the committee did not intend to give broad discretion to the Board to waive requirements of the act, any more than did the Congress that ultimately approved the approach taken in the Senate committee bill?

There has been a lot of talk about the flexibility of the act, particularly with respect to the requirements contained in section 4 relating to the composition of the financing plan. A reading of the statutory language makes it quite clear where the flexibility does and does not lie. Subsection 4(c), setting out the list of amounts of non-federally-guaranteed assistance to be expected from the various interested parties and from other sources, authorizes the Board to "modify the amounts of assistance required to be provided by any of the categories referred to in this subsection" so long as the total of at least $1.43 billion in non-federally-guaranteed assistance remains the same. It does not authorize the Board to waive the requirements of the subsection nor to eliminate any of the categories.

Nonetheless, the report transmitted to the committee by the Loan Guarantee Board clearly indicates that certain requirements of the act were indeed waived altogether. These include the requirements for new bank loans, for fulfilling prior bank lending commitments, and for $100 million in new equity or other capital.

BANKS MAKE OUT LIKE BANDITS

Mr. President, the banks and other financial institutions lending to Chrysler were the key factor in drawing up the financing plan. They were the ones who kept on channeling money to Chrysler long after it got into trouble. And they had an enormous amount to gain from a rescue of Chrysler involving Federal loan guarantees, as opposed to a chapter XI bankruptcy which could well have decimated or even wiped out altogether the banks' investment in Chrysler. Nonetheless, it is evident that the banks made out like bandits in the Chrysler financing plan, with the acquiescence of the Loan Guarantee Board. The most onerous requirements affecting them were waived, and they negotiated highly favorable conditions on the contributions to which they did agree.

Let me describe this in more detail. First, the statute clearly requires banks to make good on all prior commitments to Chrysler. This was the threshold condition: otherwise, the banks could give with one hand and take back with the other, and the effect on the company would be zero or even negative. It is apparent that the Board found in its deliberations that the legislative history was clear on this point and that it did indeed require "extension of the full principal amount of any loans committed to be made, but not outstanding as of October 17, 1979." The Board set that figure at $227 million: $159 million from the domestic bank line of credit and the rest from foreign banks. The problem is that the Board did not require the banks to comply with this provision: the Board waived the requirement and said the money could come from asset sales or other items of the plan instead.

This action by the Board ignored the clear intent of the law, which was to maintain Chrysler's prior financing in place and to build the new financing arrangements on top of that foundation. In the course of the oversight hearings, John McGillicuddy, chairman of Manufacturers Hanover Trust Co., which is Chrysler's lead bank, told the committee that he had testified previously that the banks would not honor those commitments. This was, however, prior to the passage of the loan guarantee legislation, and it is precisely for that reason that the committee conditioned the provision of Federal guarantees on the fulfillment by the banks of those existing commitments. The fact that the Board chose not to enforce compliance with that requirement is a direct refusal to carry out the intent of Congress in this regard.

Second, the act clearly requires the banks to make new loans, as well as concessions. Specifically, it requires $400 million in new loans from domestic banks and $100 million in concessions, plus $150 million in new loans from foreign banks. Now here there is clear authority in the law to modify the amounts involved, but there is no authority to eliminate new loans altogether. Moreover, the Senate report contains a definition of concessions which states that they may include, but not be limited to, "reductions in interest rates, lengthening of maturities, deferral of payments of principal and interest, or conversion of outstanding debt to equity."

There were several reasons for the new loans requirement. It was intended to get new money into the company and also to get a separate and independent credit judgment by the private sector on Chrysler's prospects for recovery. Furthermore, the testimony of the Treasury Department last November, as presented by Mr. Altman, gave every indication that you would demand new loans, first and foremost, although concessions would also be allowed. Let me quote:

> Mr. ALTMAN. . . . The banks could participate in two ways: one, to improve the terms of existing credit . . . and two, to put in some fresh capital in a way that could at least be commensurate with participating only with fresh capital.
>
> So I could say that several hundred million of fresh capital would be appropriate from the standpoint of the banks, but it is also true that half of that, plus an equal amount of cash savings through restructuring the existing debt, might also be an appropriate solution.

At no point did Mr. Altman say it was appropriate to have no new loans at all.

Given this clear legislative history, it is hard to see how the Board can justify approving a plan that contains no new loans, domestic or foreign. The reason given was that the banks simply would not make new loans. This does not, however, justify waiver of a requirement of the act where no waiver authority exists. The explanation provided on behalf of the Board by Mr. Carswell, Deputy Secretary of the Treasury, was that "bankers are not in the business of making risky loans." The fact that the banks refused to make any new loans whatsoever calls into question the Board's determination that Chrysler can continue as a going concern through 1983 and beyond, which is needed to provide the Federal guarantees. Upon examination, the terms negotiated by the banks regarding their participation in the Chrysler financing plan are very favorable indeed. The agreement worked out involves a conversion of existing loans floating at the prime rate to term loans at a 15-percent fixed rate. While 15 percent is reasonable based on the prime rate of the past couple of months, it is totally unreasonable with respect the prime rate on any historical basis, or on the basis of present trends toward a sharp decline in the prime rate. In fact, the prime rate went below 15 percent this week. It is still going down, and the loan guarantees have not even been issued yet.

What the banks have done is to lock in a highly favorable interest rate that could easily render meaningless the few concessions they have made. The 15-percent interest rate is to be divided up as follows: A 2½ percent in the form of nonrecoverable interest concessions; 7 percent deferred in the form of notes, which themselves bear 15-percent interest, and 5.5 percent to be paid in cash. This means that if the prime rate averages 12.5 percent through 1983, then the value of the interest concessions is zero. If the prime rate goes still lower, then Chrysler will be paying interest on deferral of interest that it would not have had to pay to begin with had the original terms of the loan been maintained. And bear in mind that this is, after all, a work-out situation. If the banks had to go through a chapter XI bankruptcy with Chrysler, they would be limited to 6-percent accrued interest, and they might not ever see any of it. In fact, they might have to settle for 10 cents on the dollar on their loans. So there is no question that the banks did well on this deal. Moreover, members of the Board indicated that there would be no effort to renegotiate those terms at a later date, since this would be too difficult.

In addition to the favorable 15 percent interest rate, the banks are getting warrants to purchase 13 million shares of Chrysler stock after 1983 at $13 per share as a "sweetener" for the deal. The Board could have imputed a value to those warrants and offset it against the amount of the banks lending contributions, but the committee was told that the Board chose not to do so. It made this decision on the basis of an opinion obtained from Salomon Bros., Chrysler's financial consultant, to the effect that those warrants were not worth anything at the present time. This ignores the fact that they may well be worth a significant amount by 1983 if Chrysler's financial recovery plan succeeds with the benefit of the Federal loan guarantees.

NO NEW EQUITY

Mr. President, I am also concerned about the failure of the Board to require compliance with the requirement in the act that there be $100 million in new equity provided to Chrysler before the end of 1983, while the loan guarantee program is in effect. Specifically, the act requires $50 million in public sales or private placements of equity stock and $50 million in equity or other capital investments by suppliers and dealers. Here again, the act allowed the amounts within those categories to be modified, but it did not authorize the Board to do what it did—which was to waive the $100 million equity requirement completely.

The Banking Committee was told that it was most important to get new equity into the company, given the poor debt-equity ratio already prevailing and the huge amount of new debt to be incurred. There was also a strong concern about getting contributions from existing stockholders through dilution, rather than giving them a windfall from the Federal guarantees. Indeed, the testimony of the Treasury Department last November indicated an intention to get $100 million in new equity.

Again quoting Mr. Altman, in response to my questions:

> Mr. ALTMAN. Well, we are hopeful that the overall financing plan will accrue new equity. The bill out of the House Banking Subcommittee would require—we support it—would require that at least $100 million of new equity be obtained as part of the overall plan . . . whether it comes from part of the Chrysler "family", which would include suppliers, dealers and others with an economic——
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> The CHAIRMAN. You think $100 million is reasonable?
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> Mr. ALTMAN. Yes.

The Chrysler dealers and suppliers were among the groups who lobbied most strenuously for the loan guarantee legislation last fall. The dealers said that without it they would all go under, and the suppliers said they would be in big trouble, too. Now we are told that all these groups are willing to do is to buy about $63 million in Chrysler debentures at 12-percent interest. They will not put in any new equity at all, or make any other non-interest-bearing investments as required by the act Similarly, the Chrysler plan states that no sales of equity securities to the public are possible at the present time and makes no commitment to do any private placements or future stock sales before 1983. Here again, we see the groups who have the most to gain from a Chrysler bailout refusing to do their part and refusing to comply with the law, and the Board lending its approval to their actions, which cast serious doubt about the Corporation's viability.

STATE, LOCAL, AND OTHER GOVERNMENTS PULL BACK

Mr. President, another group with a substantial stake in Chrysler's financial health is State, local, and other governments which have Chrysler facilities located in their area. In this category I do not see any outright noncompliance with the law, but I do see a similar pattern of very favorable terms for the non-Federal assistance and an apparent reluctance of this group to participate in a significant way.

Initially Chrysler planned on getting $299 million from State and local governments in the United States alone—more than the statutory amount of $250 million. But after all these months, the only firm contributions are $187 million from just three States—Michigan, Indiana and Delaware—and all on a highly secured basis of up to 200-percent collateral, with a priority over the Federal Government. And these are States in which Chrysler is a major factor in the economy.

The Canadian case makes the lack of confidence in Chrysler even clearer. Originally the Canadian aid was not going to be counted as part of the $1.43 billion in nonfederally guaranteed assistance, but apparently with the attrition elsewhere it was needed after all. After much haggling, the Board could approve only $170 million from Canada. What is more, all of that goes in after 1981. Obviously the Canadians are hedging their bets and waiting to see if the K-car succeeds or if it fails and Chrysler goes into the tank.

Here again, with the various governments involved, the Board has let parties with a big stake in Chrysler's recovery hang back and hedge their bets, while the Federal Government forges ahead with $1.5 billion in loan guarantees.

PENSION BENEFIT CONTRIBUTION DEFERRAL

Mr. President, I was astounded by one item which Chrysler added to the non-federally-guaranteed assistance portion of its plan late in the game, and I was even more astounded when the Board approved it. This item is $342 million in pension benefit contribution deferrals. I understand there was considerable discussion within the Board as to whether this qualified as non-Federal assistance, and the fact that this was accepted in the end certainly makes it look as if the Board were scraping the bottom of the barrel for any cushion of additional money.

The legislative history indicates clearly that pension benefit contribution deferrals should not be counted, because they are ultimately a liability of the Pension Benefit Guaranty Corporation, which is a Federal agency that insures private pension plans against insolvency. A proposal by the labor unions early on to count a similar deferral of about $200 million as part of their contribution was ruled out of order by both this committee and the administration, since it would be tantamount to a concession or a loan from the federally-insured pension fund. As Mr. Altman stated in the committee's hearings last November:

> Mr. ALTMAN. I think loans from the pension fund are unlikely (to be counted) for a series of reasons. There is a very major unfunded liability already. In addition, the real guarantor or insurer of such loans would be the Pension Benefit Guaranty Corporation.
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> They would not be, in effect, unguaranteed loans of the conventional type.

Mr. President, here again we see evidence of the Board's twisting and going around the requirements of the act in order to do the deal and get the loan guarantees to Chrysler. The amendment would reinforce the language of the act to exclude any mount of assistance for which the U.S. Government has a contingent liability, through the Pension Benefit Guaranty Corporation or any other Federal department or agency from being counted as nonfederally guaranteed assistance.

Mr. President, I feel it is imperative that Congress consider the precedent that may be set by the Board's approval of a highly deficient Chrysler plan involving wholesale waiver of a number of nonwaivable requirements of the act. The amendment of the Senator from Connecticut would simply require the Board to go back and negotiate a plan which does comply with the law. I believe it is in the interests of all Members of Congress to vote for this amendment and to require this compliance. Otherwise, we will be countenancing the disregard of the intent of Congress on a major piece of legislation, and the precedent may well come back to haunt us in the future.

Mr. President, if ever there was a situation in which the provisions of the law duly passed by the Congress of the United States have not been met, this is it.

It is possible that a court case could stand up here. I do not know of a court case being brought. If one is brought, it might conceivably be able to block this action. However, I recognize, as I recognized in committee, that there was very little we could do under these circumstances.

As chairman of the committee, I made it clear that I opposed this, and I still do. But I think as a practical matter it is probably, although I think the Senator from Connecticut (Mr. WEICKER) is making a valiant fight here, very unlikely we will be able to block this action.

Mr. President, there are several bad precedents involved here. One, of course, is bailing out a corporation. But even more important is the very serious precedent we are establishing here that we provide in this legislation what should be necessary in order to secure this kind of a bailout and then, although there are five specific conditions that were not met, the Board that is charged with the responsibility of carrying out the law goes ahead and they make the feeble excuse that if they did not violate what the law requires, there would not be a guarantee.

So we are in the position now that in the future, since we have bailed out one corporation, I do not know how we can avoid bailing out other corporations that come with their hat in hand and have equal political pressure they can exert on us, and if we try to write into the law the protections for the taxpayers, the measures that we write into the law simply, on the basis of the precedent here, are not going to be abided by.

There is just no question that there are no new bank loans; there is no question that there is no fulfilling of the prior commitments the banks have made; there is no new equity. The assets sales are of dubious value.

Under those circumstances, I do not know how anybody can stand up and say the law has been complied with when it has not been.

Our committee did not act against this because it was felt that it was a fait accompli. There was nothing else we could do. It is true that the bill came to the floor of the Senate without the Banking Committee having stopped it. But we were in the position, once the Congress had acted and once the Board had made this commitment, that we felt that our hands were tied.

Again, I commend the Senator from Connecticut for having taken the action he has taken, and I certainly support him wholeheartedly.

Mr. WEICKER. I thank the Senator.

The PRESIDING OFFICER (Mr. BRADLEY). The Senator from Indiana.

Mr. LUGAR. Mr. President, I think it is important to review the record of the Banking Committee's recent hearing and likewise the work of the control board because both are germane to the amendment offered by the distinguished Senator from Connecticut.

Clearly, those of us who supported the Chrysler legislation put great stock in the independence of the control board. The original legislation, as proposed by the administration, called for the Secretary of the Treasury to make the essential determinations as to Chrysler eligibility for Federal-guaranteed loans.

The Banking Committee of the Senate insisted that the Secretary of the Treasury, who is an appointee of the President of the United States, be counterbalanced by two persons who are not political appointees of the administration, the Chairman of the Federal Reserve Board and the Comptroller General.

The legislation was clear with regard to the responsibilities of the Chrysler Review Board. They are required to certify to the Congress and to the rest of the country, that the requirements have been met.

This is why the hearing held recently by the Senate Banking Committee was an important one, because each of us who are members of the committee had an opportunity to cross examine each of the members of the control board.

Let me stress at the outset of these remarks that Mr. Staats and Mr. Volcker, in addition to those officials representing the Department of the Treasury, believe that their reputations for public service, the integrity of their independent judgments, are very much at stake.

They stated, in response to explicit questions, that they spent a great deal of time taking a look, very carefully analyzed the financial plan and the available data to make their decisions. Decisions that were arrived at after a very great deal of thought and consideration.

Those of us who have taken a look at this Chrysler predicament over the course of months can sympathize with the testimony that they gave.

Having said that, each one independently stated that they believed that the terms required by the Senate and by the House had been met.

Clearly, it is the prerogative of the distinguished chairman of the Banking Committee (Mr. PROXMIRE) to interpret the law in a way which he finds to be constructive and in a way which he believes is in the best interest of the taxpayers.

It is certainly the prerogative of the distinguished Senator from Connecticut, the author of this amendment, to interpret the law in the way he believes is most constructive and most helpful in protecting the Nation.

But, indeed, the justification for having the three-member board to begin with was to put the board on the spot. A board whose members have earned confidence of the country for their independence and judgment, over a lifetime of public service. The Congress required them to decide whether the requirements of the law were met. They made that decision, the law has been complied with.

In questioning these witnesses, I asked the questions I thought a normal taxpayer might ask. I asked specifically of Mr. Staats and Mr. Volcker: Has any money been given to the Chrysler Corp. to this date? And the answer was no. Has any money been loaned to the Chrysler Corp. by the Federal Government, to this date? The answer was no. Has a guaranteed loan been made to this date? The answer, by both of these gentlemen, was no.

Yet the general impression given by many accounts of our legislation was that the Chrysler Corp. was bailed out "with $1.5 billion of taxpayers' money." The fact is however, not the first dime has gone to the Chrysler Corp. There have been no gifts, loans, or guarantees of loans made to date.

The details of the loan guarantees are still being worked out as we debate this issue today. It is a very delicate situation as the Treasury Department works with independent banks and a great number of other financial institutions around the world which still must make independent judgments.

A loan guarantee of $500 million will be made when those details are worked out and after the requirements of the Chrysler Loan Guarantee Act have been met.

I asked each of the three members of the Chrysler review board. Is it likely that there will be another request for guarantees this year? They responded that another request for $200 or $300 million of guaranteed loans will be made in August of this year. At that point I asked whether we would have sales data on the K car which could be used to evaluate the progress of the company. They responded that such data would be available and would be used to insure the viability of the company.

Thus we can halt the guarantee at the $500 million level if the company is not doing substantially better.

Then, Mr. President, I think the $64 question is, What if the K car does not work out? What if Chrysler's situation deteriorates further? What is the security for the taxpayers of the United States of America? The control board members responded that the taxpayer loans are fully backed by collateral, which could be obtained in the liquidation of Chrysler assets.

I make this point, Mr. President, because, as a member of the Committee on Banking, I was satisfied, as were each of the three control board members, that, in the event of a Chrysler bankruptcy, the taxpayers will get their money back. There is not an inordinate risk to the taxpayers, although a $500 million guaranteed loan is a very substantial amount of money.

I conclude, Mr. President, by simply reviewing why we passed the Chrysler loan guarantee legislation to begin with. A majority of us—not a large majority, but a majority of the Congress—felt that the most prudent course of action was to reorganize the Chrysler Corp. on its feet and not in a bankruptcy court. Indeed, we were uncertain as to whether the bankruptcy courts of this Nation were appropriate or sufficient for an entity such as Chrysler. Its large dependence upon dealer service operations, and its dependence on consumer confidence made an orderly bankruptcy unlikely. As a matter of fact, it appeared to us in December that, without this legislation, not only would many people be put out of work, but there would not be a redemption through a going-concern process of the Chrysler Corp. as might be the case with another company producing other consumer goods and services. As a result, we argued that reorganization on its feet was the better option.

I continue to believe, Mr. President, that reorganization with the help of loan guarantees is the best course of action. The testimony of the three-member Chrysler review board has indicated that very substantial progress in that direction has been made. Chrysler has narrowed its focus and is about to produce a car for which there is a demonstrated demand in this country. They have a reasonable plan for saving the company.

I must stress the obvious, we are in a depression in the automobile market. We have the worst auto market for a turnaround in this century yet Chrysler is doing it. Having said that, if the loan guarantee situation does not bring about a turnaround in the Chrysler fortunes, the collateral still offered by potentially liquidated assets of Chrysler will protect the taxpayers' interest.

There are any number of reasons that can be suggested as to why this has been bad legislation. One can argue that it was inappropriate action philosophically, or an unwise diversion of capital to an inappropriate or less efficient enterprise. Members may very well wish to vote on those issues, as they did in December. But, Mr. President, it seems to me accurate to say that the act, as it was written, has been fulfilled. Therefore, I speak in opposition to the amendment with full respect for the contribution made in the debate by the distinguished Senator from Connecticut.

Mr. WEICKER. Mr. President, I wonder if I may ask the distinguished Senator from Indiana a question. I remember well his role in the debate on the Chrysler loan. Indeed, I also well remember that, during the course of the debate, it was the Senator from Indiana who tried, and succeeded in great measure, in shaping the terms of the bailout package.

It was the Senator from Indiana who specifically directed his attention toward the contribution from the labor unions, who directed his attention toward the individual parts of the package. Indeed, the legislation was called the Lugar package.

Now, unless all this time was wasted, why, then, did the Senator from Indiana not merely state that there should be $1.43 billion raised from non-Federal sources, and a board, period? Why did the Senator from Indiana try to fashion and structure individual pieces to the package if, indeed it did not mean anything.

Mr. LUGAR. In response to what is certainly a very important question by the distinguished Senator from Connecticut, I respond that we felt that targets were important. In some cases, as in the case of the contribution by the hourly employees, it was not only a target, but an actual fixed amount. That was not the case with regard to other major components of the package, although certainly there were targets suggested but, very clearly, some flexibility given as to how the total might be arrived at. The targets were offered as guidance to the loan guarantee board.

Mr. WEICKER. Mr. President, I think that really gets us to the point, or one of the points, I am trying to make. The fact remains that if the components parts meant nothing, then the Senate of the United States should have passed a bill simply calling for $1.43 billion in non-Federal assistance, plus set up the Board, period. But what we did in fact did mean something.

The legislative history in this matter is that when the bill came out of the House Banking Committee—it came out simply calling for non-Federal matching assistance. On the floor of the House, the component parts were structured as, indeed, they were structured here in the Senate, by, among others, the distinguished Senator from Indiana. So this was not an academic exercise. It obviously meant a great deal to the passage of the legislation.

Nobody denies that we gave to the Board the capacity to modify the terms. But in my definitions of the English language, nowhere do I find "modify" being the equivalent of "eliminate." And nowhere in the legislation does it say "eliminate." And that has been done. Categories have been eliminated.

Indeed, I have another question of the distinguished Senator from Indiana, Mr. President. I appreciate the concern he has for making the working man of Chrysler contribute to the resolution of his own problem, which, indeed, he has to do under the provisions legislated under the leadership of the distinguished Senator from Indiana. But does the Senator realize that, by virtue of what the Board has done here, the banks, far from upping their contribution or even living up to their commitments which they had outstanding at the time of the debate on the floor, now that they know the Government is going to guarantee the loan, have withdrawn their previous commitments and refused to make any new commitments? Was that the intent of the Senator from Indiana, that the working man should up his contribution while the banks got off scot-free? That is what happened.

Mr. LUGAR. The Senator from Indiana had no preference to that effect. I would say it is a matter of interpretation, and that is what the banks have testified as to the amounts they have thrown in.

Mr. WEICKER. No, Mr. President, it is not a matter of interpretation. The full credit line has not been extended. That which was committed, $159 million of outstanding credit, but had not been delivered, has now been withdrawn. That is not a matter of interpretation. The money has simply been withdrawn.

Mr. RIEGLE. Will the Senator yield? I think it is clearly a matter of interpretation. The Senator is entitled to his interpretation.

Mr. WEICKER. I shall yield in a minute. Let me read from the report of the Banking Committee:

> The Committee expects there to be made available the full amount of the $567 million revolving credit committed . . . of which only $408 million has been drawn down to date. Thus, under the conditions of this subsection, the remaining $159 million would have to be extended to the Corporation. . . .

It has not been extended to the Corporation. I do not consider extension of maturity dates or reduction of interest as being satisfactory substitutes for a credit line that had already been extended.

Oh, no. There are many things that can be argued as far as this loan is concerned and in defense of it. We have heard some of the arguments made here—for example, that adherence to the law would put Chrysler into bankruptcy, so we therefore should bend the law so they will not go into bankruptcy.

But the basic difference of the argument on the floor is that I am insisting that the law be adhered to as passed on the floor.

Mr. RIEGLE. Will the Senator yield?

Mr. WEICKER. I will yield. There is plenty of time left before 2 o'clock. I intend to speak for 2 minutes and then answer any question the Senator has.

But the fact remains that the key argument against this amendment is that the word "modify" means that anything at all can be done, anything at all, by the Board, and it is all right.

I am saying "no," that is not the case. We specifically fashioned component parts to the legislation because it was the intention of the U.S. Senate, as well as the House of Representatives and the President, that the banks of this country, the investment community of this country, put their money up in the way of new capital, rather than requiring the taxpayer to put up his hard earned money.

When I hear the great fiscal conservatives on my side saying that not 1 penny of loans has been made, I simply think, as fiscal conservatives, we all certainly make provision for the fact that the loan will go bad and we will have to pay.

That is what we are talking about, really. Otherwise, we would write loans and have nothing on the balance sheet to provide for the eventuality of it not being paid back. That would hardly be a fiscally responsible or conservative approach toward financing.

Clearly, the word "modify" was in the act to allow a flexibility. No man in his right mind would deny that the Loan Guarantee Board had that right.

But it was not meant as a substitute.

The legislative record is very clear that the legislation which came out of the House committee merely called for matching non-Federal assistance and created a Loan Guarantee Board. Then was modified on the floor of the House of Representatives to include the component parts. The provision was included here in the U.S. Senate, because, obviously, it had some meaning.

But the various Senators and Representatives felt they were protecting their constituents, not shaping the loan package. If not, we would have simply passed a bill providing $1.5 billion in aid, called for non-Federal assistance, set up the Board and gone home.

We could have saved many hours by doing that.

Mr. RIEGLE. Will the Senator yield for a question?

Mr. WEICKER. I yield.

Mr. RIEGLE. I appreciate the Senator's yielding.

Does the Senator have a copy of the report of the Senate Banking Committee, which accompanied the bill originally?

Mr. WEICKER. Yes, I do.

Mr. RIEGLE. Would the Senator look on page 21, in the middle of the third full paragraph? It is the paragraph that starts out, section 4(c)(1), and down about 12 or 14 lines there is a key sentence that start with the words "Thus." Has the Senator found it on the middle of the page?

It says:

> Thus, under the conditions of this subsection, the remaining $159 million would have to be extended to the Corporation (or an equivalent amount from other lenders)—

That is really a very key point and it relates directly to what the Senator has been asserting. It continues:

> and at least $400 million in new loans or credits over and above the amount of that existing commitment would be required to be made available.

For the share contribution of the banks and other financial institutions, the target was $650 million in that category and the Board certified a figure of $642 million.

But with respect to that $159 million in outstanding commitment to which the Senator referred, the committee language anticipated the Board's action exactly. We saw that possibility. That is why that language is there. That can mean anyone, can it not?

Mr. WEICKER. Tell me who the new lenders are of the $159 million.

Mr. RIEGLE. One of them is the State of Michigan.

Mr. WEICKER. This is a separate category.

I might add, those State loans take precedence over the Federal loan. So, believe me, there is no security there for the taxpayer.

I want to know what lenders, what banks, have been substituted for those involved in the extension of an original credit line.

Mr. RIEGLE. I say to the Senator——

Mr. WEICKER. What banks?

Mr. RIEGLE. There is nothing in the law that requires it be banks. It says "lenders," not banks. It says "other lenders."

Mr. WEICKER. Does the Senator know who that is? That is the blue-collar worker in Bridgeport and Hartford, Conn., who is now being made to substitute for the banks on that original credit line.

Mr. RIEGLE. The Senator may give it that interpretation.

Mr. WEICKER. That is what it is.

Mr. RIEGLE. The Canadian Government also fits in here.

Mr. WEICKER. That argument is in the category of State, local, and other aid.

Mr. RIEGLE. That goes to the next page, on page 23. We have gone over this twice. We can go over it again. But these are targets, which the Senator is insisting——

Mr. WEICKER. Oh, no.

Mr. RIEGLE. It was the way the law was passed. It was intended not to make them absolute. The exact language is on page 23. The targets were intended to be illustrative, rather than binding.

The problem is that the Senator does not like that language.

The Senator has an amendment, that would not simply require that the law be carried out as written, the Senator's amendment attempts to change the law. He does not like the report we provided and the law we passed.

The Senator has the right to dislike what was enacted, but he should not say it is not the law.

Mr. WEICKER. Why does the Senator not give a new definition to the word "modify" and state to the U.S. Senate and for the CONGRESSIONAL RECORD that the word "modify" now means eliminate?

State it, because that is what has happened.

Mr. RIEGLE. I do not think that is the issue at all.

Mr. WEICKER. The issue, very specifically, is that the word "modify," which was meant to give leeway to the Board, has been construed to mean eliminate. I am not sitting here stating that specific amounts must be raised, but I refuse to go along with the fact that modify means eliminate an entire category.

The categories are broken down, I repeat again to the distinguished Senator from Michigan, the first category includes U.S. banks, financial institutions, and other creditors. Within this section are new loans, credits, extension of loans committed but not outstanding on October 17, 1979, and then concessions. All the assistance has been lumped into concessions, which is extension of maturity dates, reduction of interest, and so forth.

The Canadian Government is within State and local, and other governments. That is another category entirely.

Do not tell me the Canadian Government was meant as a substitute for the credit line already extended. It is not so.

Do not tell me that my taxpayers are a substitute for Wall Street banking houses. That was not meant to be so.

We were talking about living up to the commitment already made by the banking community of $159 million which was left on that credit line.

We were talking about new money.

We had the Treasury officials before our Appropriations State, Justice Subcommittee and, aside from all rhetoric, they will be the first ones to say that there is no new money here, no new money at all, and they had to twist and bend the law because they did not want Chrysler to go under.

I am not willing to bend the law, that was fashioned carefully on the floor of the Senate, and on the floor of the House of Representatives, because, indeed, if the Senator is correct in everything he says, we should have had a simple requirement of non-Federal assistance, setting up a Loan Guarantee Board, with absolutely no categories at all. Why then, did we put them in?

Mr. RIEGLE. We put them in for a very specific reason, to try to give Chrysler some additional negotiating leverage, as they tried to get contributions out of all parties at interest.

I serve on the Banking Committee, which wrote the law, and there was the feeling in committee that if we did not set out some targets that made it clear we expected everybody to come forward with some degree of effort, that we would reduce Chrysler's negotiating leverage. I think that was right.

I do not know if the Senator has had a chance to read the transcript of the oversight hearing which was held after the Loan Guarantee Board made its decision. This transcript is dated Tuesday, May 20. I will read about 10 lines on page 30. This is an exchange between Chairman PROXMIRE and Mr. Carswell, representing the Treasury Department.

The chairman was raising the question of what would happen if, at that point we tried to send the package back for further negotiation.

> The CHAIRMAN. Then we have to act on a resolution of disapproval and the resolution of disapproval doesn't necessarily mean that we are against any kind of action. It might mean that we would want you to go back and bring in an agreement which would be closer to what the majority of the Congress feels is the requirement of the legislation.

What is crucial here is Mr. Carswell's response, as the representative of the Chairman of the Loan Guarantee Board and the No. 2 official in the Treasury Department where he says:

> Well, there would be no time to come back. If this plan doesn't go through, Chrysler will have no chance to come back again. They go into bankruptcy.

The Senator from Connecticut does not seriously dispute that, I assume. That is the overwhelming professional judgment of everybody who has worked on this in any detail. If the Senator's amendment were enacted it would have exactly the effect Mr. Carswell is talking about. It would send the company into bankruptcy.

Mr. WEICKER. I have heard this argument before. I recall when the distinguished Senator from Michigan and his colleagues said during the debate last December:

> Unless you give Chrysler a $500 million bridge loan it is going to go into bankruptcy.

It was only by some hardnosed voting and hardnosed negotiating that the bridge loan was denied yet nothing happened. Chrysler did not go into immediate bankruptcy, as had been predicted.

We were threatened that unless we passed that bridge loan, without any collateral, without any security so far as the taxpayer was concerned, there would be no Chrysler.

I am not impressed by threats. I want the maximum security for the people who are going to put up the money for this loan, and they are none other than the taxpayers of the United States of America.

I will read one paragraph to the Senator. He cited to me from the hearings. I will cite to him from the testimony before the State-Justice-Commerce-Judiciary Subcommittee on Appropriations, given by Assistant Secretary Altman. This is what he admitted:

> I must say that we obviously were contemplating new money. But there is no point in my beating around the bush. The financial institutions as a whole, which include commercial institutions and both foreign and domestic banks, have so far shown limited or no willingness to provide truly fresh loans as compared to stretching out and reducing the costs of and putting concessions on existing loans.

There we have it as to what has taken place. No new money from the banks. No living up to an old commitment on the credit line. No new money.

What is being done here in the way of new money is coming from the taxpayers and a reduction of security for the taxpayer's money.

Put any label you want on the issue of bailing out Chrysler, in the way of being philanthropic, in the way of being political, in the way of serving your constituents. All of that is perfectly proper. But what the board did is not responsible and it is not adherence to the law. That is the only purpose on the floor of the Senate this afternoon.

Mr. METZENBAUM. Mr. President, will the Senator from Connecticut yield for a question?

Mr. WEICKER. I yield.

Mr. METZENBAUM. I have a great deal of respect for the Senator from Connecticut. I also have a great deal of concern about laws being abided by, lived up to, and I have an equal amount of concern about the Chrysler Corp. and its ability to hold its head above water.

I came to the floor not really as an advocate of any position, because I am not. I am concerned about the points the Senator from Connecticut is making, and I am concerned about the Chrysler Corp.

As I recall speaking with the Senator from Connecticut previously, he indicated that all he is really saying is that Chrysler and the loan board should be required to live up to the terms of the law.

Mr. WEICKER. That is correct.

Mr. METZENBAUM. I do not find any difficulty with that. I do not know how anybody could find any difficulty with a Member of the Senate being asked to support the concept that somebody should live up to the law.

However, when I read the Senator's amendment and I heard the distinguished Senator from Michigan addressing himself to it, I confess that I became somewhat confused—and I guess I would have to include the Senator from Indiana and the Senator from Wisconsin—as to whether the amendment of the Senator from Connecticut does require the corporation and the board to live up to the requirements of the law or whether his amendment requires them to live up to his interpretation of the law.

I am not standing on my feet to challenge the Senator from Connecticut nor to say that he is wrong or that somebody else is right, or vice versa; but I am wondering whether or not it could be stated in some manner other than that which he has cited in his amendment, to the effect that no funds shall be appropriated until the Chrysler Corp. and the Loan Guarantee Board have complied with the terms of the law as enacted by Congress.

What concerns me is that I am not certain, as I read through the five, six, or seven items—and I went back to look at the law—whether or not I would agree that that is not something over and above. I am not saying the Senator is right or wrong, but I am merely trying to raise the question.

Mr. WEICKER. I think the question raised by the Senator from Ohio is valid. But I think there has to enter into the judgment call which he is being asked to make a general element of commonsense: That is, the word that the board is using and the distinguished Senator from Michigan is using as the linchpin for both the plan approved by the board and their arguments against me is the word "modified."

The granting of that power to modify, in effect, enabled this Loan Guarantee Board to do anything it wanted to do. I challenge that. I challenge that because I understand that "modify" means the Board can adjust the amounts as between the various categories, but I say "modify" does not mean "eliminate." The Board cannot eliminate categories, which is exactly what they have done. No one will dispute that. That degree of judgment was not accorded the Loan Guarantee Board by the Senate of the United States; because if that were the case—and we would have to go back to the legislative history—why did we not just write a $1.5 billion loan bill without requiring the participation of these parties with a specific stake in the economic future of Chrysler.

Mr. METZENBAUM. I understand the point the Senator is making. As I look at the legislation, it certainly does not say that they can go out and write their own concepts. On the other hand, I am not certain that there is a recitation of the five, six, or seven items as the Senator has spelled them out in his amendment.

I really am asking the question sincerely, and it is this: Would it be possible to draft language which would say, in so many words, that the parties must live up to the agreement or we do not appropriate any funds?

The question of the interpretation of laws is normally not within the purview of the Senate or the House but more within the purview of the courts.

I heard Senator PROXMIRE addressing himself to the question that you might have a resolution from a committee or you might also have the issue raised in court, about living up to it.

Could the Senator from Connecticut also consider that approach? It seems to me that it would be a resolution of the entire question, and it would not have to make the Senate sit in judgment as to whether or not some agreement or contract had complied with the law we had enacted. We normally do not sit in judgment on our laws.

Mr. WEICKER. In response to the Senator from Ohio, I do not see how the amendment could have been drafted in any more general sense than what has been done.

I do not call for specific amounts to be raised by the various categories. I merely cite the categories which are in the legislation. I do not try to call into question the fact that there has been a reduction in this or that. I am saying that I will not accept the elimination of categories, because those categories were put in there as security to the people of the United States for this rather unusual action.

The reasoning for that is shown best in a recent article in Fortune magazine on the Mazda situation in Japan. The author says:

> A second lesson is that once Washington steps out front as risk taker, all the other parties run for whatever cover can be found. In the end the banks did not, as promised, extend new loans to Chrysler. Instead, they *cut* their existing lines of credit. Their main concession was deferring interest payments. The Treasury Department described this as "the economic equivalent" of new loans, but it is money that the banks would probably have had to write off entirely were it not for the government bailout.

What we were trying to do, those of us who were fashioning legislation in the Chamber, was to get maximum security to the taxpayers who ultimately will have to foot the bill if Chrysler goes under. This obviously has been torn out of the bailout plan as structured by the Board.

I wish we could somehow draft the amendment so that we would get the Board to act in a more responsible fashion.

I have no further suggestion other than that contained in the amendment: It is as general as I can get.

Mr. METZENBAUM. I thank the Senator.

Mr. WEICKER. I do not mean to cut off the Senator. I know the distinguished junior Senator from Michigan wishes to talk. I want to make sure he has all the time he needs.

I yield. Unless my good friend, the Senator from Michigan, gets unduly insulting, and I have to go ahead and respond, I do not plan to speak any more on the subject. I wish to make sure he has the remainder of the time.

Mr. LEVIN. I thank the Senator.

Mr. President, last Friday and again today Senator WEICKER indicated his intention in offering this amendment was to see to it that the Chrysler loan law is complied with.

I do not challenge the good Senator's intention, but that is not the effect of this amendment. This amendment changes the law. If it did not, we would simply reenact the law, and that is, of course, what we are not being asked to do.

This amendment of Senator WEICKER either changes the law or it is redundant. I do not see any alternative. It either changes the law, modifies the law, or it is redundant.

If it is redundant, there is no point in adopting it. If it modifies and changes the law, there is very good reason for not adopting it.

Worse than the fact that it modifies existing law, it changes the law after the implementation has been undertaken.

As we all know, pursuant to the requirement of the law, the Loan Board determined that Chrysler's financing and operating plans, along with other proposals contained in their application, had complied with the terms of the law.

In the language of section 5(b) of the law, this means that "any determination by the Board that the conditions established by this Act has been met shall be conclusive * * *."

So the law that we passed says that once the Board determines that the conditions of the act have been met, then that decision is conclusive.

What Senator WEICKER's amendment says is that we do not mean what we said. His amendment says to the Loan Board, reopen the matter, do it again under different rules.

And I suggest that that is not the way this Senate should act. If the Loan Board did not comply with the law, then the law should be enforced. We should not modify it. We should not change the rules after the process has begun and after the Loan Board has acted, and that is the effect of this amendment.

Mr. President, the most compelling evidence from my statement that the amendment changes and modifies the act comes from the very existence of the amendment. If as the Senator from Connecticut claims the provisions of the act have been violated, then this amendment would not be necessary. There would be no need to restate the requirements of the act unless the amendment itself differed in some way from the provisions of the act. If, in other words, the amendment simply repeated the language of the act, it would be unnecessary and redundant. But the amendment does not do that. It does not repeat the language of the act and it does not retain the spirit of the act.

By eliminating the flexibility of that law, it changes the act and destroys the flexibility that we wisely decided to give to the board as it evaluated the Chrysler plan in light of changing market conditions.

In addition, Mr. President, the decision of the board is justified under the terms of the act and the law passed here in the Senate and in the House of Representatives.

Expert testimony for that claim comes from a number of our colleagues in the House of Representatives who were intimately involved in the details of the legislation.

Congressman Moorhead, chairman of the House Banking and Economic Stabilization Subcommittee which handled the legislation, the chairman of the House Banking Committee Chrysler task force, and others, state that—"The Board's decision not only fulfills the congressional intent behind the law, but it also satisfies the letter of the law in Public Law 96–185."

We can go beyond the testimony of these experts and deal with the reasons which support their conclusion.

Section 4(c) of the act which clearly states, within the context of describing the various levels and sources of contributions which Chrysler was required to secure, that "the Board may, as necessary, modify the amounts of assistance required to be provided by any of the categories referred to in this subsection, so long as the aggregate amount of at least $1,430,000,000 in non-federally guaranteed assistance is provided."

The Senate Banking Committee report makes clear that "the Board is authorized, as necessary, to modify the amounts of assistance * * * so long as any reduction in any category is matched by an increase in another category or by an amount provided in some new category of assistance." The report also indicates that the targets established in that section of the act are "intended to be illustrative rather than binding." That is what the act said, and that is what we meant.

The Loan Board seriously considered the issue of their ability to make a decision to support the Chrysler proposal in light of the fact that their financing plan did not meet several of the targets established by the act. In their deliberations, they had the ongoing advice of the independent law firm they retained and by the arguments advanced by their staff. They gave careful consideration to the issue and concluded that a decision to approve the granting of guarantees was justifiable since:

First. The plan did generate the needed aggregate level of nonfederally guaranteed funding and was sufficient to give Chrysler the capital it needed to move forward with its operating plan and;

Second. The plan contained specific justifications for each departure from the targets established in the act and, finally;

Third. The Board had the authority to use its best independent and professional judgment in evaluating the plan.

Mr. President, this amendment would change the rules of the game in midcourse. This amendment is an attempt to say "no" after Congress has said "yes." This amendment is an attempt to say "no" after the President has said "yes" and after the Loan Board has said "yes." It is an attempt to say "stop" after all the legal machinery set up in this law has said "go."

Mr. President, in this act the Senate and the House of Representatives have spoken and the Loan Board has listened to our words and our meaning. They have discharged their responsibilities faithfully and fairly. It makes no sense to change those responsibilities now. It makes no sense to modify the standards now. It makes no sense to change the rules of the game now.

And, as I started off by saying, if this amendment does not change or modify the law, then it is redundant, and if it does change or modify the law, then it is inappropriate for this Senate to change the law after the assumption of the duties under it have been undertaken by the Chrysler Loan Board.

Mr. President, I ask unanimous consent that a statement by Congressman William Moorhead, Congressman Jim Blanchard, Congressman Stewart McKinney, and Congressman David Evans be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT

Congressman William Moorhead (D-Pennsylvania), Chairman of the House Banking Economic Stabilization Subcommittee, Congressman Jim Blanchard (D-Michigan), Chairman of the House Banking Committee Chrysler Task Force, Congressman Stewart McKinney (R-Connecticut) and Congressman David Evans (D-Indiana), members of the Auto Task Force, issued the following statement on the Chrysler Loan Guarantees:

We commend the Chrysler Loan Guarantee Board for its decision to approve the commitment of $1.5 billion in loan guarantees to Chrysler. The Board's decision not only fulfills the Congressional intent behind the law, but it also satisfies the letter of the law in P.L. 96–185.

Hopefully Chrysler will now be able to shift its attention from Washington to the marketplace where it can concentrate on selling and producing cars. The opportunity for Chrysler to succeed in the marketplace will protect thousands of jobs and will enhance America's ability to produce fuel-efficient cars that can compete effectively with foreign imports.

The entire domestic auto industry is in a critical period of transition. The industry as a whole is facing many billions of dollars in costs for retooling in order to build smaller fuel efficient cars. Thousands of families are already suffering hardships resulting from industry wide plant shutdowns and layoffs. Our legislation and the Board's approval of the guarantees represent a concrete step to help our industry through this important, yet difficult, transition.

Now that Congress has passed the legislation, the President has signed it into law, and the Loan Guarantee Board has executed the law, we are happy that Chrysler and its tens of thousands of employees will have the chance to succeed by making energy-efficient cars.

Mr. LEVIN. I thank the Chair, and I do not know there is a time agreement, but I relinquish the floor.

Mr. RIEGLE. Mr. President, I just want to cover a few additional points here in the remaining moments of this debate.

First, it is important to have on the record exactly what the Board has determined to be the contribution of the banks and financial institutions. Those lenders have contributed $144 million in interest concessions, $154 million in extension of maturities, and $344 million in deferred interest. That yields a total of $642 million, which the Board has certified is the contribution from that group toward a target of $650 million.

So their contribution is essentially on the mark.

The banks and the other lenders have agreed to let Chrysler defer interest and principal payments on its debt until after all the guaranteed loans extended by the Government are repaid.

That is the equivalent of about $48 million in new cash flow per quarter.

Second, the U.S. Government, under the package that has been negotiated, now assumes a senior position to the other lenders in the case of a default. Thus, the banks would lose their right to a first claim on Chrysler's assets. That provides a very material increase in the risk of the banks in this situation and, obviously, provides a much stronger safeguard to the taxpayers.

Third, Chrysler and the Guarantee Board extracted an agreement from the banks that gives Chrysler the right to convert up to $750 million in deferred interest into preferred stock after 1983. It is important to note that Chrysler has the right to decide whether that conversion would be made. The conversion would be made only if it benefited Chrysler, not the banks. In this way, deferred interest payments would be converted into equity in the form of preferred stock. That would greatly enhance the capital structure of Chrysler by improving Chrysler's debt-to-equity ratio. Again, that is an important concession by the banks although it is not even included in the plan because it would occur after 1983.

That is as a total a very substantial contribution by the banks. It may not be all that I would want or that the Senator from Connecticut wants or that somebody else might want. But the Board has obtained a great deal from the banks.

Therefore, Mr. President, as we review today's debate, several important points are clear. The Senate Banking Committee does have the oversight responsibility for implementing this law. The committee has exercised great care in discharging that responsibility.

The Senate Banking Committee within the last few days did hold an oversight hearing on the findings and recommendations of the Chrysler Loan Guarantee Board. When we had finished, any member of the committee—the chairman or any other member—could easily have taken an initiative to put the committee on record in opposition to the plan that had been worked out and certified by the Loan Board. No such action was taken. Neither the chairman nor any other member of the committee took such an initiative. The reason why no action was taken was that the majority judgment of the committee was to accept the work and the findings of the Loan Guarantee Board and, by our silence, support it.

So it's inappropriate to come now to the floor of the Senate at the last possible moment to derail this package outside the normal process, with an amendment to the FTC bill, which is totally unrelated to Chrysler. I have great regard for the Senator from Connecticut, as he knows, but we have a very basic difference of agreement on this issue.

It should be clear in everyone's mind that if his amendment were enacted we would have changed the law and we would send Chrysler into bankruptcy. That is the clear testimony from the Department of the Treasury. We are at a point where it is no longer practical to go back and renegotiate this entire package according to the particular requirements of the Senator from Connecticut or someone else. There is no reason to think it would be sound to comply with the Senator's notions, even if it were practical. But it is not practical. We have already exhausted the time available to work out the plan within the bounds of the law. That has been done.

So the reason why a number of Senators from both sides of the aisle have taken the floor in opposition to this amendment—including Senator LUGAR from Indiana, Senator ROTH from Delaware, and Senators EAGLETON, LEVIN, and I—is that we have been most directly involved over the months in putting this effort together and we understand that this last-minute move today threatens to undo everything else that has been done. It would insert at the last possible moment the judgment of the Senator from Connecticut and anyone who might support him for all the other judgments that have been made along the line. I do not think we ought to do that. There is no justification for doing it. It would be an irresponsible course of action.

No one should misunderstand. A vote for this amendment today is a vote to end the process and it is a vote to send Chrysler into bankruptcy. The grave consequences for hundreds of thousands of people who would be unemployed, and the resulting economic chaos would serve no good purpose. It is the very thing we have worked in a responsible way to avoid.

The taxpayers are absolutely protected by the law as it stands today. In case of any future financial difficulties there will be more than enough collateral to cover the Government's exposure under the loan guarantees, so we are on solid ground.

It is my hope that the Senate will overwhelmingly defeat this amendment today.

Mr. WEICKER. Mr. President, I ask unanimous consent that two articles, one from the Wall Street Journal of Monday, June 2, 1980, entitled "Federal Rescues Add Further Risks," and an article from Fortune, the June 1980 edition entitled "How to Handle the Next Chrysler" be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 2, 1980]

FEDERAL RESCUES ADD FURTHER RISKS

(By Richard F. Janssen)

NEW YORK.—A rescue can be a heartwarming event, as when a cop plunges into a raging river to save a child's life. The sort of rescue that's increasingly common now, though, doesn't draw relieved cheers from bystanders. To the contrary, the very word "rescue" is taking on such embarrassing connotations that the participants prefer the less-emotive euphemism, "federal assistance."

Understandably so, because many rescues these days are far beyond human scale, instead involving one economic Goliath after another being pulled ponderously from a morass by a bigger one, the federal government.

The list of bail-outs in the billion-dollar zone is impressive enough to suggest that the implications might be major, too. Chrysler Corp. is the best known, of course, but there's also the First Pennsylvania Bank, the Hunt brothers and/or their banks and brokers, and New York City once again. One form or another of federally-led help is also being weighed for the mutual savings banks, other auto makers, maybe steel, and many pension funds.

The roster stands to lengthen as economic conditions swirl swiftly from torrid inflation and lofty interest rates into recession and slow growth, or some baffling mixture of both. With heavy debts and dwindling profits, "many debtors will suddenly find it impossible to meet contractual payments on time, if at all," cautions economist Robert H. Parks.

In general, private economists recognize the responsibility of federal rescue squads for avoiding the human misery which would flow from an unchecked wave of large failures. The depression of the 1930s is still "close enough so that policymakers have no inhibitions about intervening massively if necessary to prop up collapsing banks, companies, municipalities, etc.," observes Montreal-based banking analyst J. Anthony Boeckh.

But there is worry about the side-effects. "The other side of this is that it has given the economy a strong inflationary bias," finds Mr. Boeckh. By preventing chain reactions from the Franklin National Bank and other 1970s collapses, some former U.S. officials fret that they inadvertently fostered a sense that growth and inflation would be permanent, heavy debt smart, and loose lenders somehow sustained.

Despite its lessons, the Franklin failure "didn't have a lasting effect on behavior" among bankers, agrees Jack Guttentag, banking professor at the University of Pennsylvania's Wharton School. The more time that passes without a chastening collapse, he adds, "the more banks think it won't happen, and the closer to the edge they go."

The accumulating shakiness means that "we may be entering into a period of financial fragility that we haven't seen since the 1930s," warns Felix Rohatyn, Lazard Freres partner and head of the state agency shepherding New York City's finances. So many rescues could lie ahead that it would be best to bring back the depression-era Reconstruction Finance Corp., the investment banker argued at the prestigious Economic Club here last week. "If we're going to do it, let's do it right."

A major flaw in federally led rescues, countered Henry Kaufman, chief economist and partner in Salomon Brothers, is that ultimately, "efficient enterprises subsidize the inefficient." However indirectly, the taxes of successful firms, and of individuals, flow through federal coffers to the losers, other analysts here say. Many of them privately deplore the Chrysler rescue, on grounds that that artificial life-support for an enterprise that can't make it in the marketplace enfeebles the economy as a whole.

With aid entitling Uncle Sam to close oversight and perhaps even ultimate ownership, corporate rescues are seen as carrying the potential for radically reshaping the U.S. economic system. The model most often cited is the "state capitalism" of Britain, where the government owns the biggest auto, steel and other basic companies. The results have included politically dictated overstaffing, muddled priorities and chronic subsidization.

Another drawback cited by Mr. Kaufman is that "in order to get aid, you gotta be big, you can't be small." That appears inescapably logical, because Washington scarcely could decide that the national interest requires the survival of every snack bar and boutique. Yet, concentrating assistance on the largest lame ducks—even if it does eventually restore their agility—may be the most dangerous drawback of all in that it's socially divisive.

Random grassroots soundings suggest that the rescues are widely perceived as elitist, as mutual back-scratching among fat cats and a rip-off of everyone else. Small business people in particular voice resentment, railing that all they can expect from the government is harassment. And the example of the squeaky wheel being greased can only incite claims on the budget (or for favoritism in credit) by other anxious companies and volatile communities.

The scale of any precedent-setting problem remains to be seen. But the one argument that elicits sympathy for Chrysler—that immense federal regulatory demands were doing it in—is one that many others can fairly muster, too. The Hunts, the savings banks, the steelmakers, this city, all can cite federal policies which deeply-complicate their economic lives. With federal power as pervasive as it is, it's hard to think of anyone who couldn't claim that Uncle Sam is morally obligated to make up for what he's been doing to him.

Just like in real life, a federal rescue isn't the end of the story.

[From Fortune, June 1980]

HOW TO HANDLE THE NEXT CHRYSLER

(By Yoshi Tsurumi)

Now that Chrysler Corp. is cradled in a life raft of federally guaranteed loans, some lessons about this kind of rescue operation are beginning to emerge. They are worth thinking about because other companies in trouble will be tempted in future years to try to go the Chrysler route.

One lesson is that a company that asks for federal help may get a lot sicker while waiting for an answer. Because Chrysler needed the cooperation and goodwill of many parties—banks, governments, and the union—it did not attempt the brutal economies that would have been necessary if the only alternative had been bankruptcy. Its losses—and the estimates of the amount of capital it would need to survive—mounted dramatically.

A second lesson is that once Washington steps out front as risk taker, all the other parties run for whatever cover can be found. In the end the banks did not, as promised, extend new loans to Chrysler. Instead, they cut their existing lines of credit. Their main concession was deferring interest payments. The Treasury Department described this as "the economic equivalent" of new loans, but it is money that the banks would probably have had to write off entirely were it not for the government bailout.

From the standpoint of the national interest, however, the gravest danger is not the potential cost to the taxpayer but the precedent that the rescue sets. It is a big step down the British road of propping up sick companies and industries—and it comes at a time when our archrival, Japan, has proved the wisdom of the opposite course. Despite the impression here that Japan is a sort of corporate state, the government confines its aid to infant industries and lets established companies fend for themselves. That is just what Japan's fourth-largest automaker had to do when it got in trouble five years ago.

Japan's potential Chrysler was Toyo Kogyo, which is known by the name of its product, Mazda. Back in 1973 Mazda was racing ahead, powered by its innovative rotary engine. What matter that it got only 11 miles to the gallon in city driving? It gave sports-car buffs the kind of new thrill they love. But when the oil embargo hit in 1973, and was followed by soaring gasoline prices, Mazda's market collapsed. In 1974, despite a desperate advertising campaign, $500-a-car rebates, and many dealer incentives, sales of Mazda's rotary-engine models plunged 48 percent in Japan and 35 percent in the U.S. By 1975, the company was threatened with a bankruptcy that could have wiped out 100,000 jobs at Mazda and its suppliers.

It might be thought that at this point "Japan Inc."—the fabled condominium of government and industry—would come rushing to the rescue. That is not how it works at all. While the government has acted as the initial promoter and protector of key industries, once a number of companies establish themselves in the domestic market, sharp competition reigns. When a company gets in trouble, the government may encourage rescue attempts by the private sector, but it doesn't join in with public funds. If Mazda failed, its market share would be absorbed by other, stronger companies. A shakeout of that kind doesn't cause alarm in Japan, which takes a worldwide rather than parochial view of the nature of competition.

SUMITOMO TO THE RESCUE

The real guardians and watchdogs of Japanese industry are the banks. Their symbiotic relationship with their corporate customers dates back to the years after World War II. With the equity markets in ruins, the banks took in the deposits of a thrifty Japanese public and lent the money to finance an industrial resurgence. Among Japanese companies, a debt-equity ratio of 2 to 1 or even higher isn't uncommon. A company's lead bank owns perhaps 3 percent or 4 percent of the company's voting stock and gets the inside information it needs to monitor its client's progress. In theory, the loans are secured by the company's assets, but in practice a lead bank would be expected to shoulder a large portion of the loss if an important customer were to fail. These large loans, in other words, take on some of the characteristics of equity.

Mazda's lead bank was Sumitomo, and it put its own management team in place at the company as soon as the financial warning lights started flashing. Mazda's chief executive, Kohei Matsuda, a grandson of the founder, was eased upstairs to the post of chairman (and later was honorably retired). The dividend was slashed by three-quarters, and all paychecks were trimmed (with the heaviest cuts at the top of the ladder). Because of the tradition of lifetime employment, layoffs were out of the question, but through normal attrition and by paying bonuses for early retirement, Mazda reduced its work force from 37,000 to 27,000.

In fairness, Sumitomo did not inherit as bad a case as Lee Iacocca took on at Chrysler. With only $2 billion in sales in 1974 (compared with $12 billion at Chrysler last year), Mazda could be revived more quickly. It had a profitable light-truck division that produced 300,000 vehicles in 1974, and all of the 431,000 cars were essentially variations on a single basic model. Still, Sumitomo figured that the rescue effort would require an infusion of $1 billion, a sum that it was willing and able to raise by taking the lead in a syndicated loan.

The money was used to redesign Mazda's cars on a crash basis, modernize its plant, and rebuild its sales network. In keeping with the Japanese corporate culture, the process featured close cooperation with the workers, who were eager to offer ideas about how jobs could be eliminated and quality control improved. Within two years, Mazda introduced a fuel-efficient subcompact that went over well in Japan and in the U.S., where it is known as the GLC. But the feat that really makes the future look bright was the perfection of a fuel-efficient rotary engine, introduced in 1978. It has all the punch of its predecessor but gets 17 miles per gallon in the city and 28 on the highway. At 165,000 last year, Mazda's U.S. sales have already passed their old peak, and there is a wait of three months for its rotary-powered "affordable" sports car. Mazda established an important new link with the U.S. last year, when it sold a 25 percent interest to Ford, which was already a customer for truck parts.

The plant in Hiroshima is running two shifts and will produce 420,000 trucks and 730,000 cars this year. Productivity has doubled since 1974. Profits, though burdened by repayments on the loans from Sumitomo, reached a record $30 million last year. That gives Chrysler something to shoot at.

● Mr. BAYH. Mr. President, the Chrysler Loan Guarantee Board has determined that the operating plan and financing plan of Chrysler Corp. meets the requirements of the law. They have determined that the prospective earning power of the corporation, together with the character and value of the security pledged, furnish reasonable assurance of repayment of the loan.

The Chrysler Loan Guarantee Act clearly states that any determination of the Board that the conditions established by the act have been met shall be conclusive, and such determination shall be evidenced by the issuance of the guarantee. It also allows the Board, as necessary, to modify the amounts of assistance required to be provided by any of the categories referred to in the act. In fact, not only the $1,430,000,000 of nonfederally guaranteed assistance was obtained, but an additional $260 million as well, raising the non-Federal amount to $1,690,000,000 not including the reductions in wages required by the act.

At this point, Congress should not raise additional requirements which have to be met before appropriations for the loan guarantee are authorized. The State of Indiana has already gone ahead and made a commitment to buy $32 million in 5-year Chrysler Corp. notes at 15½-percent interest. Other States have also provided substantial amounts. Michigan has come up with $150 million and the Canadian Government has provided $200 million. Now is not the time to reopen the whole question of the terms of the guarantee.

The amendment proposed by Senator WEICKER to impose additional conditions on the loan guarantee is unacceptable. Now is the time to go forward. When the unemployment rate nationwide is headed above 7 percent and the jobless rates in Indiana and Michigan have been in excess of 9 percent all this year, now is not the time to change the rules on Chrysler. Chrysler has had to make great efforts to overcome the obstacles placed in front of it by the high-interest rate policy of the Federal Reserve and the recession induced by that policy. Nevertheless they have succeeded in meeting the requirements of the act despite adverse economic conditions.

The verdict is still out on the Chrysler Corp. It is now up to Chrysler employees and dealers to make it work. However, it is not time for Congress to back out after everyone else has come through with their share of the agreement, including employees who have taken wage cutbacks by reopening their contracts, banks which have made substantial concessions, and State and local governments which have also made sacrifices.

Therefore I am strongly opposed to this amendment to place additional requirements on the Chrysler Corp. which were not spelled out in the original act.●

Mr. RIEGLE. Mr. President, I do not detect anyone else seeking recognition at this point. Our agreement earlier was that we would call the amendment to a vote at 2 o'clock. Seeing no one else seeking time to speak, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, the hour of 2 p.m. having arrived, I move to table the amendment of the Senator from Connecticut. If I may, let me just withhold for a moment until the Senator from Connecticut returns to the Chamber.

Now that the Senator from Connecticut is here, let me again move to table the pending amendment of the Senator from Connecticut.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan to lay on the table the amendment of the Senator from Connecticut. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Dakota (Mr. McGOVERN), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "nay."

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER (Mr. EXON). Are there any other Senators in the Chamber wishing to cast their vote?

The result was announced—yeas 51, nays 42, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—51

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Byrd, Robert C.
Cannon
Chiles
Culver
Danforth
Durkin
Eagleton
Ford
Glenn
Heflin
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Morgan
Moynihan
Nelson
Percy
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Stafford
Stennis
Stevens
Stewart
Stone
Tsongas
Williams
Young

NAYS—42

Armstrong
Baker
Bellmon
Boschwitz
Burdick
Byrd,
Harry F., Jr.
Chafee
Church
Cochran
Cohen
DeConcini
Dole
Domenici
Durenberger
Exon
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
McClure
Nunn
Packwood
Pell
Proxmire
Schmitt
Schweiker
Simspon
Stevenson
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—7

Cranston
Gravel
Kennedy
McGovern
Pressler
Ribicoff
Talmadge

So the motion to lay on the table Mr. WEICKER's amendment (No. 1793) was agreed to.

Mr. RIEGLE. Mr. President. I move to reconsider the vote by which the motion was agreed to.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no further amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H.J. Res. 554) was read the third time.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 78, nays 16, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—78

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—16

Armstrong
Byrd,
Harry F., Jr.
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
McClure
Pressler
Proxmire
Simpson
Thurmond
Tower

NOT VOTING—6

Cranston
Gravel
Kennedy
McGovern
Ribicoff
Talmadge

So the joint resolution (H.J. Res. 554) was passed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTELLIGENCE OVERSIGHT ACT OF 1980

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2284 which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 2284) to authorize the intelligence system of the United States by the establishment of a statutory basis for the national intelligence activities of the United States, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Select Committee on Intelligence with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Intelligence Oversight Act of 1980".

SEC. 2. Section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422) is amended by striking out in subsection (a) "and reports, in a timely fashion" and all that follows down through the period in subsection (b) and inserting in lieu thereof a period and the following: "Each such operation shall be considered a significant anticipated intelligence activity for the purposes of section 501 of the National Security Act of 1947.".

SEC. 3. (a) The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

"CONGRESSIONAL OVERSIGHT

"SEC. 501. (a) To the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods, the Director of Central Intelligence and the heads of all departments, agencies, and other entities of the United States involved in intelligence activities shall—

"(1) keep the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives (hereinafter in this section referred to as the 'Select Committee') fully and currently informed of all intelligence activities which are the responsibility of, are engaged in by, or are carried out for or on behalf of, any department, agency, or entity of the United States, including any significant anticipated intelligence activity, except that (A) the foregoing provision shall not require approval of the Select Committees as a condition precedent to the initiation of any such anticipated intelligence activity, and (B) if the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting vital interests of the United States, such notice shall be limited to the chairman and ranking minority members of the Select Committees, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate;

"(2) furnish any information or material concerning intelligence activities which is in the possession, custody, or control of any department, agency, or entity of the United States and which is requested by either of the Select Committees in order to carry out its authorized responsibilities; and

"(3) report in a timely fashion to the Select Committees any illegal intelligence activity or significant intelligence failure and any corrective action that has been taken or is planned to be taken in connection with such illegal activity or failure.

"(b) The President shall fully inform the Select Committees in a timely fashion of intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, for which prior notice was not given under subsection (a) and shall provide a statement of the reasons for not giving prior notice.

"(c) The President and the Select Committees shall each establish such procedures as may be necessary to carry out the provisions of subsections (a) and (b).

"(d) The House of Representatives and the Senate, in consultation with the Director of Central Intelligence, shall each establish, by rule or resolution of such House, procedures to protect from unauthorized disclosure all classified information and all information relating to intelligence sources and methods furnished to the Select Committees or to Members of the Congress under

> this section. In accordance with such procedures, each of the Select Committees shall promptly call to the attention of its respective House, or to any appropriate committee or committees of its respective House, any matter relating to intelligence activities requiring the attention of such House or such committee or committees.".

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the following members of the staff of the Select Committee on Intelligence be granted privilege of the floor during proceedings on S. 2284 and during the vote on the bill and any amendments: Bill Miller, Earl Eisenhower, Dennis Sharon, John Elliff, Keith Raffel, Mike Epstein, Abe Shulsky, David Shaw, Ken deGraffenreid, Angelo Codevilla, Tom Crowley, Ed Levine, Ted Ralston, Jim Roche, Jean Evans, Mark Schneider, Tom Connolly, and Sherry Towell.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, today in taking up S. 2284, we are taking another step up the ladder leading to comprehensive legislation authorizing and regulating the intelligence activities of the Government. The first step was taken in February 1978 when this body passed the Foreign Intelligence Surveillance Act. Over the past 2 years, we have seen that a statute can indeed give the intelligence agencies the authorities they need to undertake necessary intelligence activities, while at the same time protecting the civil liberties of Americans and providing for strict congressional oversight. In S. 2284, the bill before us today, we are extending the statutory basis of congressional oversight to the entire ambit of intelligence activities within the jurisdiction of the Intelligence Committees of each House.

In the first instance, S. 2284 modifies the Hughes-Ryan amendment. Under that amendment the Central Intelligence Agency is not permitted to spend money on covert operations abroad unless the President finds that each such operation is important to the National Security of the United States and reports in a timely fashion a description of the operation to the appropriate committees of Congress.

The appropriate committees are now understood to be those dealing with intelligence, foreign relations, armed services, and appropriations in each House. The procedure of Hughes-Ryan was always intended to be a temporary expedient designed to hold the field only until a permanent arrangement was made for congressional oversight of intelligence activities. As Senator HUGHES, its sponsor, stated on the floor of the Senate, the amendment "provides a temporary arrangement, not a permanent one, recognizing that a permanent arrangement is in the process of being developed." S. 2284 embodies such an arrangement. Hughes-Ryan has certainly not been a failure. It has set a needed precedent of congressional oversight of CIA covert operations and also showed that congressional committees could maintain a high level of security.

At the same time, however, the theoretical possibility that a leak of damaging information could emerge from one of the eight committees which possess at least a theoretical right of access to the information troubles the executive branch a great deal.

Restricting the notice of such operations to the two Intelligence Committees with their stringent security procedures does, in the view of the executive branch, reduce the possibilities of a leak, thereby helping assure the success of covert operations and in fact removing an impediment to their initiation. At the same time, S. 2284 specifically recognizes the responsibility of the two Intelligence Committees to bring to the attention of any other committee or of either House matters warranting their concern.

For example, if CIA were undertaking a major covert operation which would have significant effects on U.S. foreign policy in a certain region of the world, I would view it to be incumbent upon the Senate Intelligence Committee to inform the Senate Foreign Relations Committee of the initiative.

This bill goes far beyond the scope of Hughes-Ryan. First of all, unlike Hughes-Ryan, the provisions of the bill are not restricted to CIA; the activities of such other agencies as the National Security Agency, the Federal Bureau of Investigation, and the Defense Intelligence Agency are also covered. Next, the requirement for reporting applies to intelligence activities undertaken in the United States as well as abroad. Most importantly, the committee is to be kept "fully and currently informed." As was stated in the committee's report:

> The responsibility of the Executive here is not limited to providing full and complete information upon request from the committees; it also includes an affirmative duty on the part of the head of each [intelligence] entity to keep the committees fully and currently informed of all major policies, directives, and intelligence activities.

Supplementing this provision is a requirement that the two intelligence committees receive full access to information requested by the committees in furtherance of their responsibilities; under this provision, the scope of their responsibilities should be read as broadly as the congressional power to enact legislation and appropriate funds relating to intelligence. The committees are also to be specifically informed of any illegal activity or significant intelligence failure.

Not only does S. 2284 go beyond Hughes-Ryan in requiring reports on and full access to all intelligence activities, but it also changes the timing of the reports to Congress. The Director of Central Intelligence and the heads of all departments and agencies involved in intelligence activities are required to keep the two intelligence committees "fully and currently informed" of all intelligence activities, including any "significant anticipated intelligence activity." The use of the word "anticipated," of course, requires prior notice of such activities.

This act, then, extends beyond Hughes-Ryan to constitute a comprehensive statutory plan for oversight of intelligence activities. In supporting the bill and its accompanying report, the administration has recognized that intelligence activities are the joint responsibility of Congress and the executive branch. Intelligence activities clearly should be viewed as an arm of the national defense and the foreign policy of the country.

The Constitution does not specifically address the allocation of powers associated with these matters. Certain of the powers, such as the function of Commander in Chief and the power to appoint Ambassadors were specifically conferred by the Founders on the President; in turn, Congress received equally important powers including those to declare war, raise and support Armed Forces, and, in the Senate consent to treaties and the appointment of Ambassadors.

Given this right to be kept fully apprised of intelligence activities, Congress will be able to fulfill its constitutionally mandated role in the area of national defense and foreign policy. Unlike most national defense and foreign policy matters, intelligence activities cannot be discussed publicly. Therefore, in consultations with the executive branch, the two broadly based Intelligence Committees will be acting as proxies for the American people.

The input of the committees will be especially significant when they obtain prior notice of a significant intelligence activity—significant due to its particularly high cost or its significant potential for affecting this country's diplomatic, political, or military relations with other countries. Prior notification of intelligence activities that have significant potential for affecting foreign policy will permit consultation between the branches and help prevent harmful divisions of opinion such as occurred over U.S. policy in Angola. In addition, informing the Intelligence Committees of significant anticipated activities gives the President the benefit of advice and policy recommendations from outside the executive branch. It can only serve the national interest if the President knows whether he has broad support in the Congress before deciding on such a significant activity.

While before the committee, Director of Central Intelligence Turner stated that:

> Actions of both [Intelligence] Committees in reviewing . . . covert action findings has influenced the way in which we have carried them out.

He went on to say that the influence had been "absolutely" beneficial. Similarly, former Director Colby said that discussion of significant planned activities "enables the Executive to get a sense of congressional reaction and avoid the rather clamorous repudiation which has occurred in certain cases * * * I think that is a helpful device."

While Congress, acting through the two committees, does indeed have a role in the sphere of intelligence, S. 2284 states that even where prior notice is required, approval of the committees as a condition precedent to the initiation of any anticipated intelligence activity is not required. This language can be traced back to Senate Resolution 400, 94th Congress, where it exists in similar form. During the floor debate on that resolution, the Senator from Tennessee (Mr. BAKER), the distinguished minority leader, stated that he had requested that this provision be added:

> To make absolutely clear that the inclusion of the words "including any significant anticipated activities" did not constitute a requirement that the Select Committee either give its consent or approval before any covert action or intelligence activity could be implemented by the Executive branch. Rather the intent of [including those words] is to require prior consultation between the Committee and the intelligence community, but not prior consent or approval.

Thus, the committee is not able formally to veto any proposed significant activity it learns about in advance.

All three provisions discussed—that the committees be kept fully and currently informed, be furnished any information concerning intelligence activities in order to carry out its authorized responsibilities, and receive reports on the illegal activities or significant intelligence failures—are premised on consistency with "all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods."

I myself believe that the only constitutional basis for the President to withhold prior notice of a significant intelligence activity would be exigent circumstances when time does not permit prior notice; in such a case the committee could be notified as soon as possible. At the same time, the executive branch has argued that the President's "constitutional authorities and duties" might permit a withholding of prior notice through the exercise of the President's constitutional authority.

As I have stated, I believe that intelligence activities should be a joint responsibility of the President and Congress, and for that reason, Congress should obtain prior notice. Mr. Raymond Celada of the Congressional Research Service has written a scholarly report supporting this view.

Mr. President, I ask unanimous consent to have printed the research report at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUDDLESTON. Mr. President, in any case, I am confident that these matters will be worked out in a practical way, even if the constitutional authorities of the two branches remain in dispute.

In order to reduce concerns about essential secrecy in truly extraordinary circumstances, the President may limit prior notice to the Speaker and minority leader of the House of Representatives, the majority and minority leader of the Senate, and the chairmen and vice chairmen of the two Intelligence Committees. Given this provision, the chances that any President will rely on any alleged constitutional power to deny prior notice are much reduced. However, if he does claim such a power, he must give timely notice of the significant activity to committees together with an explanation of the reason for denial of prior notice.

The two branches share the responsibility to protect classified information and intelligence sources and methods from unauthorized disclosure. Under S. 2284, the committees are to establish rules protecting such information. Section 102(d) of the National Security Act of 1947 gives the Director of Central Intelligence authority to protect intelligence sources and methods from unauthorized disclosure. That statute, as Mr. Anthony Lapham, former General Counsel of the CIA, has pointed out in a letter, was never intended to deny information to a duly authorized oversight committee of Congress.

Mr. President, I ask unanimous consent to have Mr. Lapham's letter printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HUDDLESTON. Mr. President, in fact, the administration recognizes that the Intelligence Oversight Committees of the House and Senate are authorized to receive such information. There may be aspects of certain intelligence activities which will not be given to the committees in order to preserve essential secrecy; when appropriate, the committee would agree to such a restriction. As is said in the committee report:

> The right of full access to any intelligence information implies some measure of discretion.

On the other hand, the committee maintains the right to subpena information; as is also said in the report:

> This statute does not provide a statutory right, independent of constitutional authority, to withhold information from Congress when requested by a congressional subpena.

Despite their importance, this bill envisions a far broader role for the Intelligence Committees than consultations with the executive branch on intelligence activities. In the absence of comprehensive charters, it is up to the two Intelligence Committees, acting through legislative oversight, to help insure that we maintain the best possible intelligence organization in the world, and at the same time protect the civil liberties of Americans. The primary focus of attention for the committee should be to insure high quality intelligence.

In a world growing increasingly complex, the policymakers of the Government must have the fullest, most up-to-date information on matters ranging from world grain harvests to Soviet nuclear plans and capabilities. The Intelligence Committee will continue to work toward further improvements in what I believe to be the best intelligence apparatus in the world. Whether it requires additional legislation or further appropriations, the committee will work toward that goal.

In addition, the committee will make special efforts to oversee investigations of Americans. With proper congressional oversight, no intelligence agency could conceivably be out of control. At the same time, we recognize that congressional oversight is no substitute for comprehensive intelligence charters.

In closing, I reaffirm the commitment I and the Intelligence Committee as a whole have made to the principle of comprehensive legislative charters which define the mission of the intelligence agencies, authorize certain intelligence activities, and protect the civil liberties of Americans. I remain convinced that charters are not just important, but essential to the efficient and effective operation of our intelligence community.

Each member of the committee has spent untold hours and days grappling with the issues raised by congressional oversight and by comprehensive charters. The chairman of the committee, the Senator from Indiana (Mr. BAYH); the vice chairman of the committee, the Senator from Arizona (Mr. GOLDWATER); and the vice chairman of the Subcommittee on Charters and Guidelines, the Senator from Maryland (Mr. MATHIAS) are especially deserving of thanks for their diligent work.

Other members of the subcommittee, such as the Senator from New York (Mr. MOYNIHAN), who is in the Chamber; and the Senator from Delaware (Mr. BIDEN); the Senator from Utah (Mr. GARN) have played very important roles in developing charter legislation and in developing the bill that is before us at this point. I can assure the Members of this body that these Senators and other committee members will continue their work aimed at passage of comprehensive charters.

EXHIBIT 1

POWER OF CONGRESS TO OBTAIN ADVANCE INFORMATION CONCERNING INTELLIGENCE OPERATIONS

The recent controversy over the advisability and practicability of the Hughes-Ryan Amendment, 22 U.S.C. § 2422, has given rise to a more fundamental question regarding the constitutional boundaries between Congress and the President with respect to the national security power. The Hughes-Ryan Amendment, which added a new section 662 to the Foreign Assistance Act of 1961, as amended, limits the use of funds appropriated under any act, "by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress. . . ." Excluded from the reporting requirements of law, at least insofar as they might necessitate pre-operational reports, are those intelligence operations which occur "during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution."

The legislative history of the Hughes-Ryan Amendment makes clear that it was intended to give Congress some amount of control over covert activities (i.e., what popularly might be termed espionage activities) as distinguished from intelligence gathering activities and, thus, from proponents' perspective, prevent the conduct of the former particularly in friendly foreign countries. Thoughout the debate on the amendment, the alleged involvement of the CIA in Chilean internal affairs was cited as the kind of operation which Congress hoped to forestall or curb by conditioning the use of appropriated funds for covert operations upon compliance with the described reporting requirements.

During the recent controversy the Director of the CIA has disclosed that his agency did not read Hughes-Ryan as requiring advance notice to Congress of impending covert operations and he or others seem to suggest that a contrary reading of the law raised constitutional problems insofar as the Executive national security power is concerned. Although resolution of the relative strength of the constitutional interests of the Congress and the President in this context imports broad considerations, including such matters as the nature of the institutions created by the Framers, the power to legislate versus the power to faithfully execute the law, correlative powers of the political branches in the areas of war and external affairs, and the congressional power to raise and appropriate revenues and to determine by what manner and by what means they shall be spent, the legal issue raised by a reporting requirement may be stated in fairly narrow terms: whether and to what extent the assumed constitutional power of the President to assure secrecy of sensitive national security information is assertable against Congress.

Two matters should be noted at the outset. First, neither the congressional power to investigate and obtain information in aid of its legislative function nor the presidential power to safeguard national secrets (i.e. Executive Privilege) are expressly mentioned in the Constitution. Second, although decisional authority confirms the existence of both powers, the courts have yet to resolve in some definitive way the relevant legislative and executive interests when they clash head on. The Supreme Court in *United States* v. *Nixon*, 418 U.S. 683, 712 note 19 (1974), left open the question of the "balance . . . between the [presidential] confidentiality interest and congressional demands for information" and it has yet to decide a case involving such inter-branch dispute. Cf. *Nixon* v. *Administrator of General Services*, 433 U.S. 425 (177) and *Nixon* v. *Warner Communications*, 435 U.S. 589 (1978).

Despite the Constitution's silence, the "Congressional power to investigate and acquire information by subpoena, is on a firm constitutional basis . . ." *United States* v. *American Tel. & Tel. Co.*, 551 F.2d 384, 393 (D.C. Cir. 1976). The Supreme Court in *McGrain* v. *Daugherty*, 273 U.S. 135 (1927), ruled that the congressional power in this regard inheres in its power to legislate. It said:

> We are of [the] opinion that the power of inquiry—with process to enforce it—is an essential and appropriate auxiliary to the legislative function. It was so regarded and employed in American legislatures before the Constitution was framed and ratified. Both Houses of Congress took this view of it early in their history—the House of Representatives with the approving votes of Mr. Madison and other members whose service in the convention which framed the Constitution gives special significance to their action—and both Houses have employed the power accordingly up to the present time. The Acts of 1798, and 1857, judged by their comprehensive terms, were extended to recognize the existence of this power in both Houses and to enable them to employ it "more effectually" than before. So, when their practice in this matter is appraised according to the circumstances in which it was begun and to those in which it has been continued, it falls nothing short as a practical construction, long continued, of the constitutional provisions respecting their powers, and therefore should be taken as fixing the meaning of those provisions, if otherwise doubtful.
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> A legislative body cannot legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change; and where the legislative body does not itself possess the requisite information—which not infrequently is true—recourse must be had to others who do possess it. Experience has taught that mere requests for such information often are unavailing, and also that information which is volunteered is not always accurate or complete; so some means of compulsion are essential to obtain what is needed. All this was true before and when the Constitution was framed and adopted. In that period the power of inquiry—with enforcing process—was regarded and employed as a necessary and appropriate attribute of the power to legislate—indeed, was treated as inhering in it. Thus, there is ample warrant for thinking, as we do, that the constitutional provisions which commit the legislative function to the two houses are intended to include this attribute to the end that the function may be effectively exercised. 273 U.S. at 174–175 (footnote omitted).

The power to obtain information in aid of its legislative function is not confined to the framing and passing of laws, but also includes the oversight of the activities of government agencies and investigating matters of potential legislative concern. Thus, in *Watkins* v. *United States* 354, U.S. 178, 187 (1957), the Court observed as follows:

> The power of the Congress to conduct investigations is inherent in the legislative process. That power is broad. It encompasses inquiries concerning the administration of existing laws as proposed or possibly needed statutes. It includes surveys of defects in our social, economic or political system for the purpose of enabling the Congress to remedy them. It comprehends probes into departments of the Federal Government to expose corruption, inefficiency or waste.

Justice Harlan summarized the matter in 1959 as follows:

> The power of inquiry has been employed by Congress throughout our history, over the whole range of the national interests concerning which Congress might legislate or decide upon due investigation not to legislate; it has similarly been utilized in determining what to appropriate from the national purse, or whether to appropriate. The scope of the power of inquiry, in short, is as penetrating and far-reaching as the potential power to enact and appropriate under the Constitution. *Barenblatt* v. *United States*, 360 U.S. 109, 111 (1959).

Although broad, the power to investigate is not unlimited. In this connection, the Supreme Court in *Eastland* v. *United States Servicemen's Fund*, 421 U.S. 491, 505 note 15 (1975) stated as follows:

> . . . "[t]he scope of the power of inquiry . . . is as penetrating and farreaching as the potential power to enact and appropriate under the Constitution." . . . We have made it clear, however, that Congress is not invested with a "'general' power to inquire into private affairs." . . . The subject of any inquiry always must be one "on which legislation could be had."

It should be noted that most of the cited cases have concerned the reach of the power to inquire into the activities of private citizens; inquiry into the administration of laws and departmental corruption while of substantial political consequence has given rise to fewer judicial precedents.

Against the power of the Congress to secure through its investigatory process information relevant to its legislative responsibilities and its power of oversight as to the administration of the laws stands the doctrine of Executive Privilege. The doctrine has been invoked by the President to refuse the release of information to congressional committees or to prohibit an executive official from testifying before committees.

The doctrine has been justified as being "necessary to exercise Executive functions effectively, i.e., where it is required for the proper conduct of the foreign affairs of the nation or in the interest of military security, or generally, for the furtherance of the efficiency and integrity of the Executive branch. [The latter is rationalized] as safeguarding of frank internal advice and discussion of information received in confidence, of sources of confidential information, of methods of investigation, and of the reputation of possibly innocent persons from the disclosure of unreliable accusations." *Leading Cases On Congressional Investigatory Power* [Committee Print] Compiled by the Joint Committee on Congressional Operations, 94th Cong., 2d Sess. (1976) at 81, quoting Kramer and Marcuse, "Executive Privilege—A Study of the Period 1953–1960," 29 Geo. Wash. L. Rev. 827, 899–900 (1961) (footnote omitted). Until very recent times, most disputes between the political branches have been resolved more or less by mutual compromise—the degree of mutuality largely dependent on which branch's interests was matched by its constitutional strengths and the willingness to exercise them.

Although the President's power to determine the need to maintain the secrecy of material touching on the areas of national security and foreign policy have long been recognized by the courts, *United States* v. *Curtiss-Wright Export Corp.*, 299 U.S. 304 (1936) and *Chicago & Southern Air Lines* v. *Waterman Steamship Corp.*, 333 U.S. 103 (1948), judicial recognition of the constitutional basis of Executive Privilege has come about recently. *United States* v. *Nixon*, 418 U.S. 683 (1974). In the matter of secrecy in the areas of foreign affairs and national security, the Court in *Curtiss-Wright*, 299 U.S. at 319, quoting from a Senate report, said "The nature of transactions with foreign nations . . . requires caution and unity of design, and their success frequently depends on secrecy and dispatch." Similarly, the Court in the *Waterman, S.S.* case sustained the need for presidential secrecy in these areas, and stated that it was beyond the reach of judicial process. It said:

> The President, both as Commander-in-Chief and as the Nation's organ for foreign affairs, has available intelligence services whose reports are not and ought not to be published to the world. It would be intolerable that courts, without the relevant information, should review and perhaps nullify actions of the Executive taken on information properly held secret. Nor can courts sit in camera in order to be taken into executive confidences. But even if courts could require full disclosure, the very nature of executive decisions as to foreign policy is political, not judicial. Such decisions are wholly confided by our Constitution to the political departments of the government, Executive and Legislative. They are delicate, complex, and involve large elements of prophecy. They are and should be undertaken only by those directly responsible to the people whose welfare they advance or imperil. They are decisions of a kind for which the Judiciary has neither aptitude, facilities nor responsibility and which has long been held to belong in the domain of political power not subject to judicial intrusion or inquiry. . . . 333 U.S. at 111.

Without deprecating the support given by this judicial edict regarding inherent presidential authority in foreign affairs, a number of points can and should be made. First, neither the cited cases nor others in this vein involved an interbranch dispute, but the United States and private parties. Second, the Court acknowledged the matters ultimately affected by the litigation involved areas of shared legislative-executive powers, not areas of unique presidential concern. Third, and significantly, the presidential authority in the cited cases was there exercised pursuant to statute, i.e., in conformity with the congressional will. As Justice Jackson pointed out in the *Steel Seizure Case*, the President's power in these circumstances is at its maximum.

> When the President acts pursuant to an express or implied authorization of Congress, his authority is at its maximum, for it includes all that he possesses in his own right plus all that Congress can delegate. In these circumstances, and in these only, may he be said (for what it may be worth) to personify the federal sovereignty. If his act is held unconstitutional under these circumstances, it usually means that the Federal Government as an undivided whole lacks power. . . . Concurring, *Youngstown Co.* v. *Sawyer*, 348 U.S. 579, 634, 636 (1952).

Conversely, when the President acts in opposition to the will of Congress, his powers are at their "lowest ebb".

> When the President takes measures incompatible with the expressed or implied will of Congress, his power is at its lowest ebb, for then he can rely only upon his own constitutional powers minus any constitutional power of Congress over the matter. Courts can sustain exclusive Presidential control in such a case only by disabling the Congress from acting upon the subject. 343 U.S. at 637–638.

In *United States* v. *Nixon*, 418 U.S. 683 (1974), the Supreme Court addressed the issue of presidential confidentiality privileges in the context of an interbranch dispute for the first time. The controversy at issue involved the executive and the judiciary.

The decision unanimously affirmed a District Court's order requiring the President to respond to a subpoena calling for tape recordings of presidential conversations for in-camera inspection and further proceedings prior to transmission to the Watergate Special Prosecutor for use in a criminal trial. The Court rejected the President's claim of absolute discretion to determine what information is to be withheld on the basis of Executive Privilege and held that the courts must weigh the competing interests involved in inter-branch disputes over information. Despite what the Court found to be "constitutional underplannings" of the privilege, an unqualified privilege was seen as clashing with similarly constitutionally-based needs of the courts to do justice in criminal prosecutions. 418 U.S. at 706. The Court stated:

> [N]either the doctrine of separation of powers, nor the need for confidentiality of high level communications, without more, can sustain an absolute, unqualified presidential privilege of immunity from judicial process under all circumstances. The President's need for complete candor and objectivity from advisers calls for great deference from the courts. However, when the privilege depends solely on the broad, undifferentiated claim of public interest in the confidentiality of such conversations, a confrontation with other values arises. Absent a claim of need to protect military, diplomatic or sensitive national security secrets, we find it difficult to accept the argument that even the very important interest in confidentiality of presidential communications is significantly diminished by production of such material for *in camera* inspection with all the protection that a district court will be obliged to provide. *Ibid.*

Having found no absolute privilege, the Court proceeded to weigh the competing, constitutionally-based interests, "in a manner that preserves the essential functions of each branch." 418 U.S. at 707. Recognizing the need for candor in high level presidential discussions and the necessity for privacy to facilitate candid conversation, the Court held that, while presidential communications may therefore be presumptively privileged, the privilege must yield in this case to the "right to production of all evidence at a criminal trial", a right which also has "constitutional dimensions." 418 U.S. at 711. The Court found that it must "weigh the importance of the general privilege of confidentiality of presidential communications in performance of his responsibilities against inroads of such a privilege on the fair administration of criminal justice." 418 U.S. at 711–712. It concluded:

> A President's acknowledged need for confidentiality in the communications of his office is general in nature, whereas the constitutional need for production of relevant evidence in criminal proceeding is specific and central to the fair adjudication of a particular criminal case in the administration of justice. Without access to specific facts a criminal prosecution may be totally frustrated. The President's broad interest in confidentiality of communications will not be vitiated by disclosure of a limited number of conversations preliminarily shown to have some bearing on the pending criminal cases. 418 U.S. at 712–713.

Several important points must be noted with respect to *United States* v. *Nixon*. The Court emphatically held that it had the power to adjudicate the competing claims, rejecting the assertion by the President of discretionary power to withhold information. It also explicitly distinguished between the broad, generalized privilege asserted for presidential conversations and a "claim of need to protect military, diplomatic or sensitive national security secrets", 418 U.S. at 706, to which "the courts have traditionally shown the utmost deference to Presidential responsibilities." 418 U.S. at 710. Finally, perhaps most importantly, the Court found a constitutional basis for the concept of Executive Privilege, stating that "[n]owhere in the constitution . . . is there any explicit reference to a privilege of confidentiality, yet to the extent this interest relates to the effective discharge of a President's powers, it is constitutionally based." 418 U.S. at 711. The Court earlier, observed that—

> Whatever the nature of the privilege of confidentiality of presidential communications in the exercise of Art. II powers the privilege can be said to derive from the supremacy of each branch within its own assigned area of constitutional duties. Certain powers and privileges flow from the nature of enumerated powers; the protection of the confidentiality of presidential communications has similar constitutional underpinnings. 418 U.S. at 705–6.

The Supreme Court also specifically left open the question of the "balance . . . between the confidentiality interest and congressional demands for information" 418 U.S. at 712 note 19, and it has yet to decide a case involving such an interbranch dispute.

Other cases arising out of the Watergate affair suggest that the presumptive privilege of presidential confidentiality that must be overcome in order to obtain executive information "hold[s] with at least equal force" in the case of a congressional committee request. *Senate Select Committee on Pres. Cam. Act.* v. *Nixon*, 498 F.2d 725, 730–731 (D.C. Cir. 1974). In order to overcome the presumptive privilege in favor of nondisclosure there must be sufficient showing of need for the information before the Executive may be required to justify its claim of privilege. Ibid.

In these and other cases, the courts have employed a balancing test wherein the showing required by another branch of government to overcome the presumption favoring presidential confidentiality depended "on the nature and appropriateness of the function in the performance of which the material was sought, and the degree to which the material was necessary to its fulfillment."

Perhaps not untypical of the factors to be balanced in these circumstances are those considered by the Court of Appeals for the District of Columbia Circuit in *United States* v. *American Tel. & Tel. Co.*, 551 F.2d 384 (1976). The litigation involved a congressional investigative committee's request for documents which the executive claimed to be privileged on the basis of national security.

The documents, national security request letters sent by the FBI to A.T.&T. requesting taps on certain telephone lines, were subpoenaed by the House Committee on Interstate and Foreign Commerce for delivery to its Subcommittee on Oversight and Investigations. The subpoena was directed to A.T.&T. After negotiations between the Subcommittee and the executive branch broke down, the Justice Department sued to restrain A.T.&T. from complying with the committee's subpoena. The District Court, holding that the determination of the Executive that disclosure would jeopardize sensitive national security and foreign policy matters was entitled to great deference by the courts, enjoined A.T.&T. from supplying the material to the subcommittee. 419 F. Supp. 454 (D.D.C. 1976).

The Court of Appeals, while leaving in place the injunction, took a novel approach to the case, which it viewed as presenting "nerve center constitutional questions." 551 F.2d at 394. After finding jurisdiction and standing on the part of Congressman Moss to intervene, the court surveyed congressional investigatory power and the executive's national security power. It rejected the District Court's deference to the executive, noting that the cases relied on by the court "do not establish judicial deference to executive determinations in the area of national security when the result of that deference would be to impede Congress in exercising its legislative powers." 551 F.2d at 392. However, the court outlined problems in balancing the constitutional interests at stake:

> A court seeking to balance the legislative and executive interests asserted here would face severe problems in formulating and applying standards. Granted that the subpoenas are clearly within the proper legislative investigatory sphere, it is difficult to "weigh" Congress's need for the request letters. Congress's power to monitor executive actions is implicit in the appropriations powers. Here, for instance, if the President has the inherent power claimed to block the subpoena, how is Congress to assure that appropriated funds are not being used for illegal warrantless domestic electronic surveillance?
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> As to the danger to national security, a court would have to consider the Subcommittee's track record for security, the likelihood of a leak if other members of the House sought access to the material. In addition to this delicate and possibly unseemly determination, the court would have to weigh the effect of a leak on intelligence activities and diplomatic relations. Finally, the court would have to consider the reasonableness of the alternatives offered by the parties and decide which would better reconcile the competing constitutional interests. *Id.* at 394.

Pointing to the fact that the parties had come close to resolving their differences and that a court decision would tend to "tilt the scales" in a legislative-executive branch dispute in a manner disruptive of the "country's constitutional balance", *Ibid*, the court remanded the case for further negotiations under the District Court's supervision. These negotiations did not produce a settlement and the case went back to the Court of Appeals. In its second opinion, the Court formally rejected the claims of both branches of unreviewable, absolute power, holding that "neither the traditional political question doctrine nor any close adaptation thereof is appropriate where neither of the conflicting political branches has a clear and unequivocal constitutional title, and it is or may be possible to establish an effective judicial settlement," 567 F.2d 121 (D.C. Cir. 1977.) The Court outlined the shared role of the President and Congress underlying the information dispute:

The executive would have it that the Constitution confers on the executive absolute discretion in the area of national security. This does not stand up. While powers relating to national security, including the functions of commander in chief and the power to make treaties and appoint Ambassadors, it confers upon Congress other powers equally inseparable from the national security, such as the powers to declare war, raise and support armed forces and, in the Senate, consent to treaties and the appointment of ambassadors.

More significant, perhaps, is the fact that the Constitution is largely silent on the question of allocation of powers associated with foreign affairs and national security. These powers have been viewed as falling within a "zone of twilight" in which the President and Congress share authority or in which its distribution is uncertain. The present dispute illustrates this uncertainty. The concern of the executive that public disclosure of warrantless wiretapping data may endanger national security is, of course, entirely legitimate. But the degree to which the executive may exercise its discretion in implementing that concern is unclear when it conflicts with an equally legitimate assertion of authority by Congress to conduct investigations relevant to its legislative functions. *Id.* at 128.

The court once again declined to rule in favor of either party, opting "to continue our approach of gradualism." *Id.* at 133. It suggested a means of sampling and verification with the District Court being available to resolve conflicts and take remedial action. Recognizing that its approach entailed delay and left in place an injunction frustrating a valid congressional investigation, the court nevertheless saw its course of action as supportive of the machinery of government:

The Separation of Powers often impairs efficiency, in terms of dispatch and the immediate functioning of government. It is the long-term staying power of government that is enhanced by the mutual accommodation required by the Separation of Powers. *Id.* at 133.

On December 21, 1978, the case was dismissed on the joint motion of both parties, a Memorandum of Understanding having been entered into and implemented which provided the subcommitee with access sufficient to satisfy the subpoena. See, Joint Motion to Dismiss, in *United States* v. *A.T. & T.*, Civ. No. 76–1372, filed, December 12, 1978.

Obviously, while the cases indicate the considerations to be taken into account in resolving an interbranch dispute, these are the beginning, not the end, of the inquiry. As respects information concerning covert activities undertaken by the Central Intelligence Agency, the respective interests of the political branches present "nerve-center constitutional questions." For these reasons the court in the *American Tel. & Tel. Case* strove mightly to effect a voluntary setttlement and thus avoid difficult constitutional questions with assumedly unsettling political implications.

There is no gainsaying that the President has power to maintain the secrecy of information pertaining to national security as an aspect of his responsibility for foreign and military affairs. This power is at zenith, as indicated in *United States* v. *Nixon*, 418 U.S. at 706, when it regards a claim of need, "to protect military, diplomatic or sensitive national security secrets." Whether an executive claim to absolute discretion in the case of such information would prevail over a statuory requirement of prior notice to the congressional intelligence committees has not been clearly decided. In *United States* v. *Nixon*, the asserted privilege was a general confidentiality privilege which while important was subordinate to the requirements of due process in criminal proceedings. As noted, the Court did not answer what the consequences of Executive Privilege involving national security information might be on either judicial or legislative activities.

Traditionally, the courts have deferred to the executive in areas of military and foreign affairs. However, these cases have involved governmental clashes with private interests wherein the contested executive action has been in accord, not at variance, with the congressional will. These cases do not establish judicial deference to executive determinations in the area of national security when the result of that deference would be to impede Congress in exercising its legislative powers. In other words, the effect of sustaining exclusive presidential control in such a case is to disable the Congress from acting upon the subject.

Wide as the President's powers may be in this regard, the Constitution confers upon Congress other powers equally inseparable from the national security, including the power to declare war, raise and support armed forces and, in the case of the Senate consent to treaties and the appointment of ambassadors. The Congress cannot discharge any of these responsibilities without information. "The Constitution does not subject [the] lawmaking power of Congress to presidential or military supervision or control." *Youngstown Co.* v. *Sawyer*, 343 U.S. at 588. "That military powers of the Commander in Chief were not to supersede representative government of internal affairs seems obvious from the Constitution and from elementary American history," *Id.*, Jackson J., concurring, 343 U.S. at 644.

Ultimately at issue in a statutory requirement of prior notice are fundamental concerns of war and peace. In brief, the broadest of all constitutional powers—"the power to wage war is the power to wage war successfully"—underlies the whole subject. Insofar as the corresponding congressional-presidential powers in this area are concerned, it is given to Congress to make the fundamental policy decision that converts the Nation from peace to a war footing. Accordingly, congressional demands for information in advance of covert activities, would seem reasonable to discharge this all-important responsibility. An additional element inveighing in favor of the congressional side of an interbranch dispute referred to *American Tel. & Tel. Case* is the demanding committee's "track record" for security. Both the Senate and House Intelligence Committees have developed elaborate procedures governing public disclosures of sensitive information and their respective records to date seem good.

To some extent, Congress has effectively modified section 403g by the adoption of the so-called Hughes-Ryan Amendment, 22 U.S.C. § 2422, which limits the use of funds appropriated under any act, "by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless . . . the President . . . reports . . . such operation to the appropriate committees of the Congress. . . ." Although differences of opinion exist regarding the timing of the specified reports as between coming before or after implementation of an intelligence operation, no one seems to have questioned Congress' right thereto. In any event, assuming arguendo that the President may invoke Executive Privilege to withhold specific information from a duly constituted oversight committee of Congress, Congress can condition appropriations in such a manner as to either obtain desired information or prohibiting the expenditure of public moneys for that purpose.

The appropriation of funds is clearly a legislative function. It derives from the constitutional provision which states that "no money shall be drawn from the treasury but in consequence of appropriations made by law." U.S. Const. Art. I, § 9, cl. 7. The Executive, except for recommendation and veto, has no legislative power. U.S. Const. Art. I, Sec. 7 Cl. 2; Art. II, Sec. 3. *Youngstown Co.* v. *Sawyer*, 343 U.S. 519, 587–588 (1952). "In the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that he is a lawmaker. The Constitution limits his function in the lawmaking process to the recommending of laws he thinks wise and the vetoing of laws he thinks bad. And the Constitution is neither silent nor equivocal about who shall make laws which the President is to execute. The first section of the first article says that 'all legislative powers herein granted shall be vested in a Congress of the United States . . .' After granting many powers to the Congress, Article I goes on to provide that Congress may 'make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof' . . . *The Constitution does not subject this lawmaking power of Congress to presidential or military supervision or control.*" (Emphasis added.)

The absolute control of the moneys of the United States is in the Congress which is responsible for exercise of this power only to the people. *Hart's Case*, 16 Ct. Cl. 484 (1880), aff'd. 118 U.S. 62 (1886). Thus, it has been said that—

In our view, it follows from the foregoing that whether the Director of Central Intelligence can withhold information from a duly constituted committee of Congress under his statutory authority to protect intelligence sources and methods is a matter for Congress to determine. As indicated, the Director's present authority to withhold information on the mentioned grounds derives from statute. See 50 U.S.C. § 403g. Although "[t]he legislative history of section 403g is scant," *Baker* v. *Central Intelligence Agency*, 580 F. 2d 664, 668 (C.A.D.C. 1978), both in terms of its language (e.g., "*provided*, that in furtherance of this section the Director of the Bureau of the Budget [now Office of Management and Budget] shall make no reports to the Congress in connection with the Agency . . .") and seeming deference by Congress since the adoption of the Act in 1949, it constitutes arguable support for the view that the Director may withhold information from Congress. However, this result, in our view, is more a matter of congressional policy than constitutional compulsion and Congress in 1980 is not perpetually bound by the judgment of the Congress which adopted the Central Intelligence Agency Act of 1949. In other words, Congress can modify section 403g to make it clear that this authority does not apply to requests for information from a duly constituted oversight committee of Congress whose procedures (as those of the current Senate and House Intelligence Committees) guarantee the security of such information. See *United States* v. *American Tel. & Tel. Co.*, 551 F.2d 384, 394 (C.A.D.C. 1976).

Congress in making appropriations has the power and authority to designate the purpose of the appropriation, *but also the terms and conditions under which the executive department of the government may expend the appropriation. . . .*

The purpose of the appropriations, the terms and conditions under which said appropriations were made is solely in the hands of Congress and it is the plain and explicit duty of the executive branch of the government to comply with the same. Any attempt by the judicial branch of our government to interfere with the exclusive powers of Congress would be a plain invasion of the powers of said body conferred upon it by the Constitution of the United States. *Spaulding* v. *Douglas Aircraft Co.*, 60 F.2d 419 (9th Cir. 1946). (Emphasis added.)

Another court has said:

That the power to appropriate federal funds has been exclusively entrusted to Congress is too well established to be questioned or argued. *It is equally well settled that Congress has the power to attach to its appropriations any legitimate conditions. State of Ohio* v. *United States Civil Service Com'n*, 65 F. Supp. 776, 780 (S.D. Ohio, 1946).

The fact that in the exercise of one of its constitutionally delegated powers Congress narrows the range of presidential options in his role as Commander-in-Chief does not render it infirm. Indeed, only two express executive powers, the power to pardon "offenses against the United States" and the power to "receive ambassadors and other public ministers", are autonomous and hence not subject to the legislative power. Otherwise, the President is dependent upon Congress for authority and money. In the words of an outstanding scholar on the American Presidency:

Two points are worth remembering [re. the real power of Congress over the President], first, that no great policy, domestic or foreign, can be maintained effectively by a President without the approval of Congress in the form of laws and money, and second, that there is no way under our Constitution for a President to force Congress to pass a law or spend money against its will. Rossiter, *The American Presidency* 47 (1963).

As observed by Mr. Justice Jackson, concurring, *Youngstown Co.* v. *Sawyer*, 343 U.S. at 641, the words Commander-in-Chief "imply something more than an empty title."

. . . But just what authority goes with the name has plagued presidential advisers who would not waive or narrow it by nonassertion yet cannot say where it begins or ends. It undoubtedly puts the Nation's armed forces under presidential command. Hence, this loose appellation is sometimes advanced as support for any presidential action, internal or external, involving use of force, the idea being that it vests power to do anything, anywhere, that can be done with an army or navy.

The Constitution expressly places in Congress power "to raise and support Armies" and "to provide and maintain a Navy." This certainly lays upon Congress primary responsibility for supplying the armed forces. *Congress alone controls the raising of revenues and their appropriation and may determine in what manner and by what means they shall be spent for military and naval procurement.*

There are indications that the Constitution did not contemplate that the title Commander in Chief of the Army and Navy will constitute him also Commander in Chief of the country, its industries and its inhabitants. He has no monopoly of "war powers," whatever they are. While Congress cannot deprive the President of the command of the army and navy, *only Congress can provide him any army or navy to command. It is also empowered to make rules for the "Government and Regulation of land and naval Forces," by which it may to some unknown extent impinge upon even command functions.*

That military power of the Commander in Chief were not to supersede representative government of internal affairs seems obvious from the Constitution and from elementary American history. Time out of mind, and even now in many parts of the world, a military commander can seize private housing to shelter his troops. Not so, however, in the United States, for the Third Amendment says, "No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law." Thus, even in war time, his seizure of needed military housing must be authorized by Congress. It also was expressly left to Congress to "provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions. . . ." Such a limitation on the command power, written at a time when the militia rather than a standing army was contemplated as the military weapon of the Republic, underscores the Constitution's policy that Congress, not the Executive, should control utilization of war power as an instrument of domestic policy. Fulfilling that function, has authorized the President to use the army to enforce certain civil rights. On the other hand, Congress has forbidden him to use the army for the purpose of executing general laws except when expressly authorized by the Constitution or by Act of Congress.

His command power is not such an absolute as might be implied from that office in a militaristic system but is subject to limitations consistent with a constitutional Republic whose law and policy-making branch is a representative Congress. The purpose of lodging dual titles in one man was to insure that the civilian would control the presidential office. 343 U.S. at 641–646. Emphasis added.)

In sum while the President's military authority (i.e., commanding the armed forces) is supreme under the Constitution, he discharges his responsibilities within the confines of implementing legislation and appropriation of funds.

Does the President's duty to execute the laws enable him to disregard a statutory requirement calling for advance information of covert activities because of asserted unconstitutionality? The argument in opposition to such a proposition was stated by Willoughby, 3 The *Constitutional Law of the United States* § 983 (1299) as follows:

That the President has the right to veto an act of Congress because he believes it to be an unconstitutional measure, even though he thus substitutes his judgment as to this for that of Congress, is beyond doubt. The objection which has sometimes been made that in so doing the President arrogates to himself a judicial function is without weight.

In placing a veto upon a congressional enactment, the President is exercising, not a judicial, but a legislative function. His veto is of the nature of a powerful vote, and his decision as to the way his vote is to be cast must be formed from his own views and opinions. The Constitution gives him the power and he has a right to use it; indeed, it is his duty to use it. He has the right to use his veto upon the ground of unconstitutionality even when a measure of similar character has received previous interpretation by the Supreme Court, and has been sustained. His constitutional right or even duty of thus using his veto power has not been impaired by the manner in which any previous act has been treated. In 1832 Jackson vetoed the bill providing for a recharter of the National Bank. This he did mainly on the ground of unconstitutionality, notwithstanding the fact that in the case of McCulloch v. Maryland this institution had been carefully examined by the Supreme Court and pronounced constitutional. In support of his action, Jackson, in his veto message, said: "The Congress, the Executive, and the Court, must each for itself be guided by its own opinion of the constitution. Each public officer who takes an oath to support the constitution, swears that he will support it as he understands it, and not as it is understood by others. It is as much the duty of the House of Representatives, of the Senate, and of the President, to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval, as it is of the Supreme Court when it may be brought before them for a judicial decision. The opinion of the judges has no more authority over Congress than the opinion of Congress has over the judges, and on that point the President is independent of both." Jackson was no lover of the Supreme Court, and in this instance certainly stated the case strongly, but in his action he was undoubtedly correct.[68] Whether he acted wisely, or even with proper respect toward the other branches of the government is another question.

Whether the President has the right to refuse to execute a law, passed during the term of a predecessor, or over his veto, because he deems it unconstitutional, is an entirely different question from that just considered. Here the President has to deal not with a measure in the process of enactment, as is the case when the veto is exercised, but with a bill that has passed through all the constitutional forms of enactment, and has become a law, and it would seem that he has no option but to enforce the measure. The President has not been given the power to defeat the will of the people or of the legislature as embodied in law. The reasons for maintaining a contrary opinion, as usually stated, are these: The Constitution of the United States is the supreme law of the President as well as of the private citizen. It is his duty to "take care that the laws be faithfully executed," but he is also sworn to "preserve, protect and defend the Constitution," and this he must do upon his own interpretation of the Constitution, and not upon that of others. The Constitution is but a law of high degree, and is, therefore, one of the very laws that he must take care are faithfully executed. Says one writer:[69] "If the President must execute all laws, he must execute an *ex post facto* law or any other law flying in the teeth of the constitution; a partisan statute passed over his veto can rob him of the right to be commander in chief, to nominate or remove from office, or of any other right expressly conferred upon him; and it is at once evident that in these cases Congress would be quite as plainly taking away from the President the power which the constitution has expressly given. A two-thirds majority could alter at will many important provisions of the constitution, and the members could only be called to account at a reëlection. That instrument in these cases would not be self-supporting, and would furnish none of those checks of which we have all heard so much. But if the contrary view is true, the check system comes into perfect play; for then the President's right to refuse his assistance to an unconstitutional law will check Congress, while the risk of impeachment will check the President."

The errors in this argument are sufficiently plain. In the first place, the President does not stand upon the same footing as regards the Constitution, as does the private citizen. The President is an agent selected by the people, for the express purpose of seeing that the laws of the land are executed. If, upon his own judgment, he refuse to execute a law and thus nullifies it, he is arrogating to himself controlling legislative functions, and laws have but an advisory, recommendatory character, depending for power upon the good-will of the President. That there is danger that Congress may by a chance majority, or through the influence of sudden great passion, legislate unwisely or unconstitutionally, was foreseen by those who framed our form of government, and the provision was drawn that the President might at his discretion use a veto, but this was the entire extent to which he was allowed to go in the exercise of a check upon the legislation. It was expressly provided that if, after his veto, two-thirds of the legislature should again demand that the measure become a law, it should thus be, notwithstanding the objection the Chief Executive. Surely there is here left no further constitutional right on the part of the President to hinder the operation of a law.

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[68] Van Holst holds a contrary view. *Constitutional History*, I, 46.

[69] *American Law Review*, XXIII, 375.

It is the duty or privilege of a private citizen to refuse obedience to a law, if, upon careful consideration and investigation, he considers it to be unconstitutional, but he does so at his own risk, and if he is wrong he must abide by the legal consequences. Then, too, only his particular interest is directly involved. If, however, it be said that the President also refuses his obedience at has own risk, namely, the danger of impeachment and possible subsequent civil or criminal prosecution, the reply is that, in the first place, a refusal on his part to execute the law nullifies it in all its applications for all people; and in the second place, that impeachment is not a check. As an instrument for checking unconstitutional action on the part of the President, impeachment has been found too cumbersome. If, in the case of the extreme opposition and contest between both Houses of Congress and President Johnson, an impeachment was not successful, it must be admitted that as a means of future restraint upon the Chief Executive it will not be greatly feared.

That the President and all other officers of the government have not the right to refuse obedience to a judgment of the Supreme Court, because he or they believe such judgment to be based upon an incorrect interpretation of the Constitution, scarcely needs argument. This case is stronger than the former one by the additional support of the judiciary. To refuse now to execute the command of the court is to assume the judicial power of a court of appeals as well as legislative functions.

EXHIBIT 2

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., December 16, 1977.

Hon. WYCHE FOWLER, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FOWLER: Your letter of December 1 asked that I identify "the legislation which authorizes the DCI to withhold intelligence information from the House Permanent Select Committee on Intelligence." The short answer is that in my opinion there is no such legislation.

While I have not yet seen a transcript of the November 30 proceedings to which you referred in your letter, and while therefore I do not have the benefit of the exact context of your exchange with the Director, it seems certain that the exchange centered on Section 102(d)(3) of the National Security Act of 1947, 50 U.S.C. § 403(d)(3). A proviso in that section makes the Director of Central Intelligence "responsible for protecting intelligence sources and methods from unauthorized disclosure." An implementing provision in Section 6 of the CIA Act of 1949, 50 U.S.C. § 403g, exempts the CIA from "the provisions of any other law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency."

I take as a starting point the proposition that as a practical matter intelligence activities could not be successfully conducted, at least not for very long, unless intelligence agencies were reasonably secure against the compelled disclosure of information. I believe the Congress accepted that proposition when it enacted the sources and methods proviso in the National Security Act of 1947 and the implementing provision in the CIA Act of 1949. Both statutes in my view evidence a recognition that there are circumstances under which the withholding of certain information relating to intelligence activities is justified, if indeed it is not affirmatively required. That is not to say, however, that the rights and responsibilities created by these statutes are absolute, and certainly it is not to say that Congress acted in such a manner as to deliberately and effectively deny itself information that might be needed in the performance of its own legislative functions. On the contrary, I think it must be assumed that in enacting these statutes, whatever powers to withhold information it may have intended to confer or whatever duty to withhold information it may intended to establish, the Congress did not intend to surrender or forfeit any of its own constitutional prerogatives, and I know of nothing in the legislative history of either statute that undercuts that assumption.

Both the sources and methods proviso in the National Security Act of 1947 and the implementing provision in the CIA Act of 1949 have been judicially construed. For example, the proviso has been seen as a proper foundation for the secrecy ageements that CIA employees must sign as a condition of their employment. *U.S. v. Marchetti*, 466 F.2d. 1309 (4th Cir. 1972). In addition, the proviso and the implementing provision have been given effect repeatedly as non-disclosure statutes for purposes of the Freedom of Information Act. See, e.g., *Weissman v. CIA*, (D.C. Cir. No. 76-1566, decided January 6, 1977); *Phillipi v. CIA*, (D.C. Cir. No. 76-1004, decided November 16, 1976). Whether these statutes created an independent evidentiary privilege, as against the disclosure demands of private plaintiffs in civil proceedings other than FOIA actions, is also a question that has been litigated, and I regard that question as still unsettled notwithstanding the negative conclusion reached in one recent case. See the attached opinion of Judge Griesa, dated June 10, 1977, in *Socialist Workers Party v. Attorney General*, (Civil No. 73-3160, S.D.N.Y.); see also *Heine v. Raus*, 399 F.2d. 785 (4th Cir. 1968). None of these precedents offers much in the way of immediate guidance, however, since none involved a dispute between the executive and the legislative branches and none presented an occasion to consider whether the statutes created some sort of a privilege as against the Congress. That question has never been litigated. Nor am I aware of any prior opinions prepared by the Department of Justice, or by this Office, dealing with that specific question.

It is my view that nothing in the 1947 or 1949 legislation, or in any other legislation for that matter, gives the CIA or the DCI an ultimate legal right to withhold information from any committee of the Congress, let alone from the committees that authorize CIA appropriations and are charged with the oversight of CIA activities. In saying that, though, I do not mean to imply that in all circumstances we would concede the right of any committee to obtain any information that it might request. The congressional power of inquiry, while abroad, is not unlimited, see, e.g., *Wilkinson v. U.S.* 365 U.S. 399 (1961) and *Watkins v. U.S.* 354 U.S. 178 (1957), and situations could well arise in which we would resist disclosure of information requested by committees not exercising oversight with respect to CIA, on grounds that the particular requests seemed unrelated to any valid and authorized legislative purpose or that at least our concerns about the compromise of intelligence sources and methods should first be weighed by our oversight committees and balanced against the asserted legislative need. Nor do I mean to imply that there are no circumstances in which requested information might be withheld, even from the House Permanent Select Committee on Intelligence. So, for instance, if the DCI were asked in open session, or even in executive session, to identify CIA agents by name, I think it is safe to predict that the Director would decline. In all probability he would cite his statutory responsibility to protect intelligence sources against unauthorized disclosure, stress the extreme sensitivity of the requested information, and seek an accommodation that would allow the legislative interest to be served without sacrificing the intelligence interest. If the demand were pressed, however, say by the issuance of a subpoena calling for the production of a list of names, any refusal to comply would be based not on the statutory powers of the CIA or the DCI but rather on the constitutional powers of the President, whose personal decision in the matter would be required.

As you know, the history of disputes between the executive and the legislative branches, with regard to demands of the latter for information in the control of the former, has been a history of compromise. Only once to the best of my knowledge, in the still acive case of *U.S.* v. *American Telephone and Telegraph Co.*, have the respective constitutional powers of the President and the Congress, to withhold or obtain information relating to the national security, become the subject of judicial consideration. The AT&T case has twice reached the Court of Appeals for the District of Columbia Circuit, but in neither of the two resulting opinions (one dated December 30, 1976 and one dated October 20, 1977, copies attached) have the merits of the controversy been resolved. Rather on both occasions the Court of Appeals has remanded the case with directions to the parties to undertake further negotiations looking towards possible settlement. See also Comment, *United States* v. *A.T.&T.: Judicially Supervised Negotiation and Political Questions*, 77 Col. L. Rev. 466 (1977), copy attached. Judicial reluctance to side either with the President or the Congress in a dispute of this sort is clearly apparent in both the *AT&T* opinions, and the reasons for that understandable reluctance are elaborated in the attached law review article.

In the end, I believe, and I am sure you will agree, that confrontation and litigation are poor alternatives when it comes to issues concerning the distribution of powers between the executive and legislative branches. Far better outcomes will be found, and bruising head-on collisions avoided in the process, if there is a spirit of cooperativeness on the part of the executive matched by reasonable self-restraint on the part of the Congress. I am confident that these conditions exist as between the Agency and the HPSCI. I also want to assure you, as I understand you were assured by the Director, that under no circumstances would false or misleading statements be regarded by the Agency as permissible responses to congressional requests for information. Should we receive a request to which we were not prepared or willing to respond, we would make our position and our reasons known so that matters could then proceed from that footing.

Sincerely,

ANTHONY A. LAPHAM,
General Counsel

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Senator from Texas (Mr. BENTSEN) be added as a cosponsor of S. 2284.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I also ask unanimous consent that Mr. Mark Gitenstein be granted the privilege of the floor during consideration of S. 2284.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I yield at this time to the distinguished chairman of the Select Committee on Intelligence of the Senate, the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BAYH. Mr. President, as one who has had the good fortune and the privilege of being chosen to chair the Select Committee on Intelligence, I wish to say to my colleagues and to my countrymen that I think we all are indebted to our distinguished colleague from Kentucky for the hard work that he has put into this particular piece of legislation. It has been a long arduous task. He and his ranking Republican member, the Senator from Maryland, have sat through hours of hearings. They have participated, as the Senator from Indana has, with other members of the committee in negotiating sessions with the folks down at the White House and the various intelligence agencies. The text of the bill, as important as it is and as determined as I am to support the Senator from Kentucky, does not adequately display for the public the hours of hard work and the patient, persistent negotiations that have gone into this. I express my personal gratitude to the Senator from Kentucky.

I also once again express my personal gratitude to our distinguished ranking member, my friend and colleague from Arizona, for the kind of cooperation he continues to bring in our bipartisan effort to see that the United States continues to have the best possible intelligence system in the world.

Mr. President, I think it is important at this time to ask for a unanimous-consent agreement.

Mr. President, the report of the Select Committee on Intelligence to accompany S. 2284 inadvertently omitted the regulatory impact statement. The following statement should have appeared in the report: "In accordance with rule XXVI (26) of the Standing Rules of the Senate, the Select Committee on Intelligence finds that no regulatory impact will be incurred in implementing the provisions of S. 2284, as amended." I ask unanimous consent that this statement be considered in compliance with rule XXVI(26), paragraph 11(b), with respect to Senate Report No. 96–730.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, today the U.S. Senate acts to place into law the cornerstone of a charter for the intelligence agencies of the United States. The purpose of S. 2284, the Intelligence Oversight Act of 1980, is to enact by statute the basic principles of congressional oversight of intelligence activities.

The Senate is considering this bill at a time of serious international problems. The difficulties we face in the world today confront the United States with the gravest challenges. We must be prepared to meet those challenges with an effective intelligence system that has the full support of the Congress and the American people.

I believe our intelligence system is extraordinarily effective today. It is the best in the world. We can, however, make it even more effective. Some of the measures that are necessary cannot be discussed in public. They involve the budget for the intelligence community, and those details must necessarily be kept secret. Nevertheless, I can say that the Senate Select Committee's actions on the annual intelligence budget authorization this year have been designed to provide additional resources that are essential to do the job. The select committee intends to do everything possible in the legislative process to insure that the intelligence community gets those resources for effective programs that provide incalculable benefits to the security of our Nation.

Another measure that would strengthen the intelligence community is a comprehensive charter, providing a clear mandate from the Congress and the people for necessary activities with proper safeguards to protect the constitutional rights and privacy of Americans.

Last February, Senator GOLDWATER, the vice chairman of the Senate Select Committee, and I joined in cosponsoring S. 2284 to provide such a charter. S. 2284 was introduced by Senator HUDDLESTON of Kentucky, the chairman of our Subcommittee on Charters and Guidelines, and the vice chairman of the subcommittee, Senator MATHIAS of Maryland. Under the charter bill, the CIA, the FBI, the National Security Agency, the Defense Intelligence Agency, and the other agencies that make up the intelligence community would have received full legislative authority for their vital operations to protect our country against its adversaries. At the same time, the charter would have contained the protections needed to insure that intelligence powers are not used to infringe rights of our own people.

Unfortunately, however, the pressures of events and the limitations on the legislative calendar this year have made it impossible to proceed further with comprehensive charter legislation in this session of Congress. Therefore, the charter bill has been set aside until next year, and we have decided to proceed only with the congressional oversight provision.

There are many of us on the Intelligence Committee who feel strongly about the need for particular charter provisions. The charter must be very delicately balanced. On the one side, the entire Nation must be served by giving the intelligence community a clear and unequivocal mandate of authority, with adequate protection for the security of highly sensitive intelligence sources and methods. On the other hand, we must insure that the tremendous intelligence capabilities of the Nation are employed in ways that serve and do not undermine the fundamental principles of our free society.

The committee has made the judgment, with which I concur fully, that this delicate balance should not be upset by proceeding this year on charter issues where a consensus does not yet exist. We know that the CIA is very interested in obtaining relief from the Freedom of Information Act and criminal penalties for the disclosure of the identities of agents. But our hearings on these issues demonstrated that there are great differences on these issues that have not yet been resolved. We also know that representatives of American religious groups, the news media, and the academic community strongly desire a prohibition against the use of their members for secret intelligence work. Civil liberties groups and others have demanded protections for privacy of Americans from intrusive intelligence gathering techniques. At the same time, the executive branch has resisted many of these desires, and agreement on these matters has not been reached.

We are frustrated at our inability to achieve more at this time. But there is no excuse for our not doing everything we can to secure the progress that has been made on the crucial congressional oversight provisions of S. 2284, as amended. I must say, Mr. President, that our ability to do even this has depended upon an agreement reached within the select committee that S. 2284 would be limited to oversight and that members would join together in opposing any attempt to add other provisions on the floor. The Senator from New York (Mr. MOYNIHAN) was not present when this agreement was reached, and we all understand his position. Nevertheless, no matter how strongly each of us feel about particular proposals going beyond oversight, we see an overriding need to set-aside our differences on these other matters and move ahead where we have reached agreement.

Of all the charter provisions, the most important is the establishment of a permanent congressional oversight framework. Under current law CIA covert operations must be reported to as many as eight separate congressional committees. That law was enacted in 1974 as the Hughes-Ryan amendment to the Foreign Assistance Act. It is outdated, unduly burdensome, and should be replaced. In his state of the Union address, the President called upon the Congress to remove "unwarranted restraints" on CIA operations. His main concern, I believe, was this unnecessary requirement to report highly sensitive operations to eight committees.

The Hughes-Ryan amendment was passed before the Congress had established the two intelligence oversight committees that we have today. In 1976, the Senate created the Select Committee on Intelligence with a broad mandate to be kept "fully and currently informed" of all intelligence activities, including "significant anticipated intelligence activities," and to have full access to the information it needs to perform its oversight duties. A year later, in 1977, the House of Representatives established its own Permanent Select Committee on Intelligence. Since then, the two intelligence oversight committees have served on behalf of the Congress as a whole to insure that intelligence activities are fully accountable to the elected representatives of the people.

The President and the intelligence agencies have welcomed the responsible oversight exercised by the two committees.

In formal recognition of the role of the oversight committees, the President's Executive order on intelligence in 1978 specifically required the head of each intelligence agency: First, to keep the two committees "fully and currently informed" of intelligence activities, second, to fully inform the two committees of "any significant anticipated activity," third, to provide any information requested by each committee to perform its oversight duties, and fourth, to report to the committees any illegal intelligence activities.

The purpose of the legislation before the Senate today is to place in statute these oversight provisions. It may be asked why legislation is necessary if we are presently operating under an Executive order. The answer, I believe, is obvious. Presidents come and go, they change their minds. Senators and Members of the House also come and go, and change their minds.

The principles that govern oversight of the operation of our intelligence community are too important to be subject to the ebb and flow of political forces and interests. They belong in the bedrock law of the land, to make it possible for those who have the serious responsibility of providing good intelligence information to better serve their country and carry out their responsibilities. S. 2284 authorizes the process by which information about intelligence activities is to be shared by the two branches in order to enable them to fulfill their respective duties and obligations to govern intelligence activities within the constitutional framework.

It has not been easy to reach agreement on permanent statutory language in this area. The President was reluctant to agree to absolute legal requirements for prior notice and full access to information. He was concerned about those rare extraordinary cases where the strictest possible secrecy might be necessary, either before an operation is initiated or where the identity of a highly sensitive source is involved.

The select committee has exactly the same concern for protecting the secrecy of intelligence sources and methods. That is why we believe that reporting should be reduced from eight committees to the two oversight committees. And that is also the reason for having "select" committees for this purpose, with members chosen carefully by the leadership of each House. I am proud to say that the record of the select committees since they were created has been unblemished. We have not had leaks from our committee, and there have been none from our sister committee in the House.

On the other hand, we are deeply disturbed by the leaks of highly sensitive information that continue to appear in the press and that could come from no other source except the executive branch. Time and again we have been outraged to see in the newspapers information that could jeopardize vital intelligence operations. I am reluctant to cite particular cases, because I do not want to confirm the accuracy of any particular story.

Recently, however, the select committee decided that we had to speak out publicly. There were stories in the press which, if accurate, would jeopardize the lives of Americans and endanger any further efforts we might wish to undertake to rescue the hostages in Iran. I sent a letter to FBI Director Webster, on behalf of both myself and the committee. We also wrote to the President to convey this message in the strongest possible terms. We said:

> Our country cannot plan a foreign policy, we cannot defend ourselves against our adversaries, if the entire world has access to information of the most sensitive nature. The Committee has expressed its concern about this constant breach of security to Admiral Turner of the CIA. He shares this concern but appears powerless to find who the culprits are and put a stop to this devastating practice.

We asked the FBI to "mobilize whatever forces are necessary to investigate and put an end to this unconscionable and destructive practice."

That is the approach the committee brings to its oversight of intelligence activities. We know that our right of full access to information requires strict security procedures and implies some measure of discretion. It does not mean trucking the entire product of the intelligence community each day to the committee offices. It does mean, however, that should the committee believe it necessary, in the conduct of its mandated duties, the information it desires should be supplied, provided, of course, it is kept under conditions of effective security. The cases where the most sensitive information relating to sources and methods might be required are almost always confined to abuse or misuse situations or cases of intelligence failures.

The toughest issue for us to resolve has been prior notice of covert operations. The committee has received prior notice of such operations consistently over the past 4 years, with only one isolated, extraordinary exception. The problem has been how to deal with the extraordinary case. And the answer we have come up with is a compromise.

We have agreed on language that says prior notice is required "to the extent consistent with" the constitutional authorities and duties of both the executive and legislative branches and due regard for the security of highly sensitive information. There is a recognition that the constitutional powers of the branches may sometimes come into conflict, and we do not prescribe hard and fast rules for what may be a gray area in the Constitution. It is also recognized that the committee does not always require the most sensitive details of operations or collection programs.

We have emphasized the strong presumption of prior notice. First, we give the President the option to provide prior notice only to the chairmen and ranking minority members of the oversight committees, the Speaker and minority leader of the House, and the majority and minority leaders of the Senate in those rare cases when the President determines it is essential to meet extraordinary circumstances affecting vital national interests. This allows for tighter security in very sensitive cases, while providing the President with advance consultation with the eight key congressional leaders.

Second, if ever the President claims a right to withhold prior notice of covert operations, he is obliged without any conditions to inform the two oversight committees in a timely fashion of the action and the reasons for not giving prior notice. This permits a thorough assessment by the oversight committees as to whether the President had valid grounds for not giving prior notice and whether further legislative steps are needed to prevent or limit such action in the future.

There are those who say we have gone too far by conceding a theoretical possibility that the President may assert a power to deny prior notice. And there are others who say we should not insist on any prior notice, so that the Congress is free to criticize if the President makes a mistake and a covert operation ends up embarrassing the country.

I think both sides miss the point. We are attempting to bring the exercise of secret Government powers within the framework of the Constitution. That means, on the one hand, that we have to acknowledge the ambiguities in a constitution based on the separation of powers between the executive and legislative branches. On the other hand, it also means that the Congress must not abdicate its role in the constitutional system of checks and balances. Secret intelligence activities cannot be subject to public scrutiny and debate like most other foreign policy and defense issues. We can, however, insure insofar as possible that the Congress, through its oversight committees, brings to bear on intelligence policies the perspective of the elected representatives of the people.

Congressional oversight is only part of the legislative agenda still ahead of us. It is, however, a good example of a situation where a "quarter-loaf" is better than no loaf at all. There is no question that, in the long run, a comprehensive charter is essential to place the intelligence community on the firmest possible constitutional foundation, and the select committee is fully committed to carrying that enterprise forward to competition.

Our experience with the issue of electronic surveillance demonstrates, I believe, that we can resolve the charter issues that will be faced next year. In 1978 Congress enacted the Foreign Intelligence Surveillance Act, which brought an end to 40 years of assertion of "inherent" Presidential power to wiretap for intelligence purposes in the United States. That bill took over 2 years to pass, from the original proposal of former Attorney General Levi in the Ford administration to the final version worked out with former Attorney General Bell in the present administration. It insures that no American can be wiretapped or bugged in this country without a court order, based on probable cause to believe that the person is an agent of a foreign power whose activities may involve a criminal violation.

Among the issues we still have to address are the standards to protect our own citizens from surveillance by their Government abroad, as well as the use of other intrusive techniques such as physical searches, infiltration of groups, access to bank records, mail covers, and other intelligence gathering methods that could be used to invade the cherished rights of privacy that are essential to a free society. We must also make every effort in the charter to protect the integrity and independence of American religious, media, and academic institutions. The success and safety of American missionaries, journalists, and academic researchers abroad depends upon our ability to insure insofar as possible that no one can credibly accuse them of being secret agents. I believe that, with determination and good will, these issues can be resolved with the intelligence agencies in a way that gives them the guidance they need and want, and that provides safeguards against the abuses of the past that we too often forget as the years go by.

Finally, I close by paying tribute to the Senator from Kentucky (Mr. HUDDLESTON) for his wise and determined leadership of the Subcommittee on Charters and Guidelines. He has kept the committee focused on the fundamental necessity for charters. I know he is disappointed that we have not been able to do more at this time, but I also know that he will not let the Senate or the committee disregard its responsibilities in this area. I also thank the vice chairman of the select committee, the Senator from Arizona (Mr. GOLDWATER), the vice chairman of the Charter Subcommittee, the Senator from Maryland (Mr. MATHIAS), and the other members of the select committee who have struggled so hard with these issues and who, I am confident, will carry the charter enterprise forward to completion.

As we confront the tasks of enacting a permanent congressional oversight system into law, insisting upon the protection of vital secrets, and moving ahead to intelligence charters, we have a dual responsibility: First. We must provide the best possible intelligence system to protect our entire country. Second. We must see that this intelligence system is directed at our adversaries, not our friends. The Intelligence Oversight Act of 1980 takes a major step toward achieving both of these goals.

Mr. President, I thank the Chair and my colleague.

Mr. GOLDWATER. Mr. President, my remarks will not be long. I know we want to get on with the passage of this legislation.

First, I pay my respects to two men under whom I have served on this select committee. Senator INOUYE of Hawaii was our first chairman and did an outstanding job. It was under Senator INOUYE that these charters were started and continued under the skillful work of the Senator from Kentucky (Mr. HUDDLESTON). And then since one can only serve so long as chairman or even on this committee by Senate Resolution 400, Senator BAYH replaced Senator INOUYE and it has been a great pleasure indeed and an honor to serve under him.

Mr. President, I do not believe I have ever before served on a committee in my long years in this body where the complete idea was bipartisan. We have never run into a Republican way or a Democratic way of getting this job done.

(Mr. BAUCUS assumed the chair.)

Mr. GOLDWATER. It has always been for the best interests of the country, and I think we have been very, very fortunate in having the caliber of men that we have serving on the committee and acting as staff members.

Mr. President, also in my years here I have served on the Intelligence Committee of the Armed Services Committee which had as its function oversight, and I have to be honest in saying that we did very little of that work. Frankly, the less we were told of intelligence the better we liked it. We had maybe too much of an old-fashioned opinion of intelligence, that the fewer people who knew anything about it the better off we would be. Consequently, we never really performed in an oversight function. While we have been criticized for that, I believe it was in the best interests of the country.

Then we formed a committee called the Church committee because the Senator from Idaho was chairman. I served on that committee. Mr. President, I wish I could honestly say that I thought the Church committee made great contributions to the problems which beset us. But instead I think most of the problems we spent the next 6 years trying to overcome were caused by the revelations, either true or false, by the Church committee.

It became quite evident though with the interest of our body in oversight that a proper committee should be set up, so Senate Resolution 400 was devised, mostly on the part of Senator MATHIAS from Maryland. It was written and was passed by the body and became the law, and this committee has been operating under it now for the past number of years.

Mr. President, the need for oversight, as we originally conceived it, was oversight of the spending of money, the appropriations, and so forth. After the passage of Senate Resolution 400 though and after the activities of the Church committee it became quite obvious that members of the body and Members of the Congress were not going to be satisfied with mere dollars and cents. Our members wanted or seemed to want to know more of the day-by-day work that goes into the gathering of intelligence, even down to the day-by-day use of that intelligence.

Mr. President, I have to say that we are the only country that I know of in the whole world where intelligence becomes such a family property. Probably the best intelligence service in the world—although I will not put any country above our ability to gather intelligence—is the intelligence system of England where they are completely beholden unto themselves, where if my brother was working for the same intelligence organization for which I was working, and working on the same case, we would never know about it because we would not talk about it.

As a result of this almost microscopic, finite system of gathering intelligence, the British have long, long led the world in gathering such intelligence.

The Russians have a very fine system. It is more of a rough-cut system in a country where you either do what you are told to do or you find yourself in some unpleasant part of the country. But, nevertheless, the Russians do have fine ability in the KGB. They have many of the electronic means we have, and they are rapidly becoming as sophisticated as we are, so it is not something we can just sit back and laugh at, although again no part of their government has any idea of what is going on. That is the way, Mr. President, I wish it were here in our country, but it is not.

So it gives me great pleasure to report, with my rather lengthy part of my life I have spent in and out of intelligence, that I will not put our country second to any country in the gathering of intelligence.

The assessment of intelligence today has become a little bit on the rough side mostly because those men and women who had the priceless experience of age and other experience have left the intelligence community, and we are now having to go through the process of training younger people to make assessments. Then, unfortunately, being the young country that we are—something we constantly forget, I might say—we find people in other branches of our Government, the military, the administrative, who should benefit by this intelligence, having many, many people who have no idea of how to associate intelligence with common sense. It is probably one of our big shortcomings.

But here, too, as we grow older, as we gain a little intelligence here and there bit by bit, we are being able to use the intelligence which is made available to us.

We have in the bill before us—and I want to commend again Senator HUDDLESTON for the tremendous job he did on this, but I think above that has been his willingness to recognize that we were not about to get the 170-page document through this body this year, and at the rate we are going probably in the next 5 years, even if we worked Fridays and Saturdays, which is something that has become rather verboten in this organization, but he has been willing to reduce this charter request to a number of charters that we feel are of absolute necessity to get this intelligence group moving faster, and I would hope that we can pass this bill even this afternoon.

There is really not a lot of disagreement with it, although I imagine some of the Jane Fonda type groups which roam around this country might find something wrong with it because it did not make a very perfect guarantee that they can go around downgrading America all they want to—and it might even amuse a gentleman who is now over in Tehran to note that we would smile at his efforts instead of doing what any other country would do, slap him in jail, which is a good place for him—if he will just raise a beard, that is about all it takes.

We want to get rid of the Hughes-Ryan part of this thing first. Hughes-Ryan is merely the one that made it impossible for us to conduct covert actions without 8 different committees—at least 8, which mean about 200 people—knowing what was taking place in these covert actions. You cannot have covert actions, in my opinion, even if your wife knows about it. That is another reason why I do not like the whole country or the whole town knowing what is going on. When you toss the New York Times in, which has some pipeline into what we do every day, classification becomes something that is rather a joke. But we do have to get rid of Hughes-Ryan; we have to make it tough for a man who has said he will live by the standards of the intelligence agencies, and then goes out and writes books using name, rank, and serial number of the people, has an office out here on Dupont Circle, and be able to cause the deaths of people around this world, to make it increasingly impossible for our country to operate in this powerful, powerful world, and growing more so every day, without fear of hurting someone.

So, Mr. President, those are the few remarks I have to make on this subject. I think the Senate and the Congress are indeed fortunate in having the type of men—probably the present speaker excepted—on the committees in the House and Senate being willing to spend hour after hour after hour, being awakened at all hours of the night to hear what is going on in places that normally you would not give a darn about, but we have to hear it.

In spite of all of the idiotic groups that wander around this country downgrading the United States, talking badly about it, are trying to tear down intelligence, I do not think the Senate or the House is going to stand still for it, and I do not think the American people are, either.

I want to thank the chairman of the committee and the former chairman of the committee for allowing me to address a few remarks.

Mr. INOUYE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I had the honor of serving as the first chairman of the Intelligence Committee when it was formed on May 19, 1976. At that time, the Senate, in its resolution 400, assigned to the committee a broad range of duties, all of which were designed to carry out rigorous oversight of the intelligence activities of the U.S. Government. One of the most important of those duties was to examine "the desirability of developing charters for each intelligence agency or department."

As chairman, I appointed Senator HUDDLESTON as chairman of the Charters Subcommittee. Since that appointment, the Intelligence Committee has held 24 open hearings and heard from 77 witnesses concerning the charters. In addition, this committee has held eight full committee hearings in executive session and six subcommittee hearings in executive session concerning the same subject.

Throughout all of these hearings and meetings, Senator HUDDLESTON has demonstrated extraordinary ability, effectiveness and character. Of the 24 open hearings, he was at all but three, which is quite an achievement for any chairman of any committee, and for all of the other subcommittee meetings or full committee hearings or full committee meetings in executive session, he was the man at the helm.

In addition, he has had 12 meetings with Admiral Turner, 3 meetings with the President's legal counsel Lloyd Cutler, 8 meetings with the Vice President, and 5 meetings with the President of the United States. He has presided over four major drafts of this bill, and God knows how many modifications.

Mr. President, I think the Intelligence Committee—and the Senate—owe Senator HUDDLESTON a great debt of gratitude. Although the brevity of the legislative calendar this year has made it impossible to consider the full charter package, Senator HUDDLESTON has completed all the ground work and fundamentals necessary for charter legislation to go forward in the future. I am convinced that this effort will go forward and that it will eventually succeed.

For the present, the step we take today in that direction is a most important one. First, this legislation will make the intelligence community function more efficiently and securely by reducing from eight to two the number of committees which must be informed of covert operations. Second, this legislation strengthens the oversight role of the intelligence committees of Congress by requiring advance notice of significant anticipated intelligence activities and access to all information.

The necessity for a large and extensive secret intelligence system imposes great demands upon our open, democratic, constitutional society. Secret intelligence activities, by their very nature, require that only a delegated few in the Government, both in the executive and the legislative branches, have detailed knowledge of the overall activities of our intelligence agencies. Nevertheless, our constitutional system of checks and balances and of shared responsibilities between the branches demands shared knowledge as well.

I firmly believe that under our constitutional system, the license for the executive branch to undertake secret intelligence activities requires a full awareness of the nature and detail of these activities by the legislative branch. The experience over the past few years makes it clear that the executive branch should not be authorized to undertake secret intelligence activities unless the legislative branch, through its appropriate committees, is fully knowledgeable of the extent and the purpose of such intelligence activities.

The obverse of Congress right to prior notice and access to information is its duty to protect the valid secrets of our country. I am satisfied that the Senate Select Committee on Intelligence has demonstrated that it has the discipline necessary to protect the most sensitive secrets entrusted to it. In fact, I recall that the President himself, at our meeting with him at the White House on August 4, 1977, commended the committee for its record of security, saying that it was better than any other part of the U.S. Government. Since that time, the committee has continued to demonstrate that it can be trusted with the Nation's most sensitive secrets.

The Intelligence Oversight Act of 1980 provides that the two Intelligence Committees of Congress will receive prior notice of significant intelligence activities. However, provision has been made for a "limited prior notice" in those cases in which the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting the vital interest of the United States. For these cases, the President shall limit prior notice to the chairman and ranking minority members of the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence, the Speaker and the minority leader of the House of Representatives, and the majority and minority leaders of the Senate.

The purpose of this limited prior notice in extraordinary circumstances is to preserve the secrecy necessary for very sensitive cases while providing the President with advance consultation with the leaders in Congress and the chairmen and ranking minority members who have special expertise and responsibility in foreign policy and intelligence matters. Such consultation will insure strong oversight, and at the same time share the President's burden on difficult decisions concerning significant activities. I am of the firm belief that the only time the President would not consult with the Intelligence Committees in advance would be in matters of extreme exigency. In my experience as chairman of the Intelligence Committee and as a continuing member of that committee, I can conceive of almost no circumstance which would warrant withholding of prior notice, except in those very rare situations where the President does not have sufficient time to consult with Congress.

The Select Committee on Intelligence voted unanimously in favor of this bill. The present membership of the committee reflects the full spectrum of Senate views from left to right. The committee's unanimous vote in favor of this bill is a recognition that the bill strikes the proper balance between maintaining the secrecy of information and insuring that Congress knows what the executive branch is doing in the name of the American people. Therefore, Mr. President, I strongly urge the Members of the Senate to vote favorably on this measure, S. 2284.

Mr. MOYNIHAN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I appreciate the opportunity to comment on the bill immediately before us and I do so as a member of the committee who has served 3½ of the 4 years of its existence.

I would like first to take the opportunity to express the singular admiration in what I think is a very special group, the select committee, which, of necessity, lives a somewhat closed life.

I would like to express the admiration I have, which I know is shared, for our first chairman, who has just spoken and who came to me when I arrived in the Senate and asked me if I would join the Committee. I had served as an American ambassador on two occasions and had some experience in the executive branch with this matter, and it was characteristic of him to bring a new person into the counsel of the group if he thought there was some qualification involved, as he did in my case.

But then, most singularly, at the end of a 2-year period of service, the senior Senator from Hawaii (Mr. INOUYE) and the chairman of one of the most important committees in the Senate stepped down as chairman. He said that 2 years of the intensity of the experience was enough for any one person who was careful to perform at his best levels at all times.

The chairmanship was not to become the domain of any individual, something which the chairman had acquired through seniority, and which he would hold on to.

But he did not leave the committee, rather he stepped to the bottom of the committee to continue the cycle again. I do not know of an equivalent in the history of this body. Certainly, not in this time have we seen such a measure of seriousness and patriotism, a measure of which he need not be ashamed. I would like to attest to it and to thank him for the opportunity he has given me.

There are not words to describe our fondness for the ranking member, without whom those days and evenings in the Dome would not only pass unnoticed but unremembered, and for the chairman of our subcommittee, on which I have the honor to serve, for whom no praise would be sufficient at this time for what he has been through to bring us to this important point.

On one hand, this is a point where the Senate is going to resolve, in a very effective way, the question of how we establish an oversight with respect to matters that are of great sensitivity and equally great importance to this Nation.

On the other hand, Mr. President, I cannot but note a certain anticlimatic quality to this session. This subject was supposed to be one of the most difficult for the Congress to deal with, one charged with political conviction. The Senator from Hawaii has spoken of members on the committee from the left to the right. He very accurately uses such terms, which are nevertheless rare in our discourse because we do not think of ourselves in those terms so much as in terms of East and West and North and South. But, of necessity, ideological concerns have entered the deliberations of this committee more than in most. It is odd that at this particular first culmination, in statutory terms, of work that began practically a decade ago there should now be six Members of the Senate on the floor. I fear there will be fewer still as the proceedings go forward.

There is a reason for this, Mr. President, which is that the brave undertaking which commenced, 3½ years ago to produce a charter has not, as such, succeeded. The document finally produced by us, S. 2284, in all of its 176 pages, is available for those who find it possible to read, but it is not before us for any legislative action. It seems to me important that it be acknowledged at this moment why it is the case that we are dealing with this very important matter in such an abridged form.

It is simply because in the course of the past 3½ years the administration, which began with a commitment toward the enterprise and an enthusiasm for it, changed its position and gradually withdrew from active participation. In the end, in certain ways, it even began to be obstructive.

I regret the senior Senator from Maryland, who shared this effort with the Senator from Kentucky, is not present to describe that process of White House meetings which would end with an agreement from the other end of Pennsylvania Avenue that they would respond to our colleagues' queries in a week or a week and a half. I think a week and a half was about the average.

I see the Senator from Kentucky nodding knowingly.

Usually, however, after 3 months, in answer to an inquiry by the Senator from Kentucky, they would say, "Well, it will be another week and a half."

The fact is, however, the cooperation was withdrawn.

This has never been explained. This has never even been acknowledged. But the reality is here with us, and it is one to be commented upon and to be regretted. Because, if the administration has changed its mind on something so central, it is of elemental importance that it should expound its purposes and explain the change to those who were cooperating in good faith and with rather large expectations.

I would like to say, just so there be no misunderstanding, that I never took part in these negotiations in the White House. They were very properly left to the chairman of our subcommittee and his ranking member. It may be I have not accurately reflected the events, although I tried to do so, and I do not detect any dissent.

This leads me to another aspect of the bill before us, an incomplete aspect of the work we have so far done, about which I would like to take the liberty of addressing a question to the chairman of the subcommittee.

As he will, I think, agree, what we have here is a codification in law of the practice our committee has followed with the administration for the past 3½ years. I think this accurately reflects what we are now doing, as much as can be, and I think it reflects the arrangements which we have found satisfactory and which we think, having been tested, in a sense, can be put into statutory form.

I would note that there is one addition to the bill that perhaps was not contemplated, but which reflects an amendment, if you will, Mr. President, that was offered by my good friend, the Senator from Wyoming (Mr. WALLOP), who is also in the Chamber, and at whose suggestion I made an emendation, if that is not too obscure a term for purposes of being more explicit. In paragraph 3 of section 501(a)(c), the Director of the Central Intelligence and the heads of all Departments and Agencies are required not only to report in a timely fashion to the select committees on any illegal intelligence activities which may have occurred, but also on any significant intelligence failures and any corrective action that may have been taken which is planned in connection with them.

That change, that addition, reflects a concern which I think has been rising within our committee but which has not been much spoken about in public, which is that the first function of the intelligence community is to provide high quality intelligence, and that the first oversight responsibility of the Intelligence Committees of the Congress is to insure as much as possible that this is done or to find out if it is not.

A second responsibility is to insure that the rights of Americans are not violated in the course of the performance of this activity. That is not a lesser responsibility, but it is simply one which, in logic, follows from the first. Absent an intelligence activity, there are not likely to be abuses of it. It was this second concern that brought forward the Church committee, as it is known, and led to the creation of the present committee.

But we must not forget our first responsibility, which the chairman of the subcommittee pointed to it in his opening remarks. This is a matter which gives all of us increasing concern. It certainly gives me increasing concern.

It manifests itself in several ways. First of all, I detect in the executive branch, and I do not ask anybody to share this judgment, an unconcern with the security of the information produced by the intelligence community which verges on disdain and can only, in fact, reflect an underlying feeling that the quality is not worth protecting, that the product is not good enough to matter. There has been a very great deal of talk about the problem of the Hughes-Ryan legislation, with its eight committees, their multiple membership, and the problems of security.

That is not the main security problem in our intelligence community. It may have incidentally created some such problems; I cannot speak to the matter. I know of no such problems emerging from the Senate committee in my 3½ years. The problem, Mr. President, is the deliberate making public through the media of intelligence information for the particular political purposes of incumbent administration officials. They are not necessarily the same purposes. They can be conflicting purposes. Characteristically, they are.

Not many days ago, Mr. President, I undertook what, in other circumstances, might be the unusual act of introducing the national intelligence estimate on Soviet strategic weapons into the Congressional Record. This is the most sensitive of the annual collection of estimates that we make.

Obviously, I did not introduce it verbatim or anything of the kind, even though that information will become available to us in the Intelligence Committees. I think probably it has already arrived and any of us can read it. Once we read it, we would be bound not to discuss it. Anticipating the debate to this point, I simply put into the Congressional Record the official reports on what was in the intelligence estimate as they appeared seriatim in the Washington press by one administration official or the other. Then, in an act of parochialism to which I think we are all given in this body, I turned, at last, to the most authoritative formulation.

The Washington Post, on the 31st of January, had "Intelligence Estimate Said to Show Need for SALT," a fine article by Mr. Getler and Mr. Kaiser, attributing the information to "some Government officials who support SALT."

Then in May, there was an article by Mr. Getler, again a very fine one, quoting "administration sources." In one place, it quotes "administration sources" and in another, "CIA officials" and "Pentagon sources," again it told us yet more of what the intelligence estimate says.

Mr. Richard Burt—not meaning to suggest anything but the highest qualification for other journalists involved, but he is, after all, the senior man around here—finally decided to straighten it all out and get straight in the newspaper of record (the New York Times) just what the intelligence estimate was. He, of course, quoted "Carter administration aides."

It is not unimportant that this should happen, and it suggests a lack of concern for the protection of the intelligence estimate. There is no more serious effort the community makes than the collecting of this information and preparing the estimate for the President. If the President's aides hand it out, what must they feel about it and what must be the worth of the people who try to do it?

I even suggested on that occasion, May 15, that perhaps there was no cure for this until the day came when a Director of the Central Intelligence walked into the Oval Office and said:

> Mr. President, I resign. I want that fellow's ears, or you will have my resignation.

That has not happened yet. It ought to.

What brings me to the point is simply this, I hope that as we move to the next period of activity, we do direct ourselves as best we can to the question of the performance of the intelligence community. This is a very difficult thing to assess. I do not know that it has ever been attempted.

I think all credit ought to be given to Mr. George Bush, who, as Director of the CIA, had the good grace to accept the very inspired thought of Mr. Leo Cherne, who was then on the President's Foreign Intelligence Advisory Board, that an adversary system be developed to test and argue concepts.

We had better address ourselves to this or our work will soon have an imbalance that will justify criticism.

We are trying to do something without precedent in the experience of Government, which is to conduct publicly a secret activity. This is not beyond the wit of this democracy. I think we are doing so, and doing so well. But it should not be lost to us that the first task of intelligence is to produce information in circumstances of incomplete access and incomplete knowledge.

That task will persist and it will persist well beyond our efforts to insure that, in the course of it, we do not abuse power.

I simply would like to conclude my first remarks by asking the chairman if I am not correct in my understanding that we do mean, in the next Congress or possibly sooner, to take a very sustained look into the question of how effective our present performance is. If the ranking member wishes to speak on that point as well, I should be happy to hear him too.

Mr. HUDDLESTON. I am happy to respond to that. It has been a subject of some discussion among Members individually and among the committee itself.

There is no question that will be a major thrust, in my judgment.

I do not know whether I will be on the committee, but that will be a major thrust in the committee's activities in future months.

Mr. MOYNIHAN. Mr. President, I appreciate hearing that. I cannot overestimate its importance. I thank my friend from Kentucky.

Mr. President, there is every reason to believe we have here a seriosuly injured institution, a hurt institution, an institution for which problems of morale and recruitment are difficult, an institution which lives in an adversary relationship it has not sought with a significant segment of our community, an institution profoundly different from what it once was.

We are engaged in this debate today, because this particular institution grew out of a very small coordinating agency contemplated by the National Security Act of 1947.

As members of the committee know, the statutory basis of the present agency is five paragraphs in the National Security Act of 1947.

The defense of the world led to a very different evaluation than was contemplated, and it is long past time a statutory basis was provided.

But as little as we can remember back to the origins of the agency and the institution, neither, it seems to me, do we recall the elan, the morale, the prestige, the support that this activity had. This was the kind of morale and the kind of support that did not make secrecy a problem because secrecy, where necessary, was a matter of pride and a matter of morale and was sustained.

The hemorrhaging of information in recent decades is a symptom of an institutional difficulty which we ignore at our peril, and an indulgence which some permit themselves. No Member of this body has done this, but there are persons, it seems to me, in this Nation that have done it, and we have to recognize that reality.

So it is to the question of performance as well as to the protection of the rights of American citizens that we now turn, having done a significant and important piece of beginning work, having laid the foundation of congressional oversight, upon which that subsequent inquiry into performance and the protection of the rights of American citizens can be based.

So, Mr. President, once again I thank the Senator for the opportunity of working with him for these 3½ years, for the forbearance and patience on his part which might not have been expected of a man from Kentucky, and this which is perhaps all the more to be praised when encountered.

I thank the Chair.

Mr. LEAHY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. LEAHY. Mr. President, I yield to the Senator from Kentucky without losing my right to the floor.

Mr. HUDDLESTON. Mr. President, I ask for the yeas and nays on final passage.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, as the Senator from Vermont, I add, as has been said by many here, my praise, the praise felt in a bipartisan fashion for both the chairman of our committee (Mr. Bayh) and the vice chairman of our committee (Mr. Goldwater).

I think it is an example of the bipartisan esteem felt for both of them that we have a piece of legislation before the Senate with such unanimity. But I think this committee, perhaps, brings out the best in people.

It has been stated by others far better than I, the example set by the first chairman of the committee (Mr. Inouye) in establishing credibility, excellence, and the strictest of competence in that committee.

This has been reflected in the hours and hours, weeks and months of work by the Senator from Kentucky in putting together an extremely important piece of legislation.

Mr. President, I rise to express a deep

concern that I believe to be of considerable importance to Americans today. This is the continuing ability of our Nation to gather and analyze intelligence material—as well as the recognition that this activity does make a contribution to our national security. In this regard, the need for intelligence agencies must be seen as a fact of national life.

At the same time, Mr. President, the need to conduct effective oversight of intelligence operations is no less, a national necessity. I believe that this government has tried to meet this challenge in the past few years, and I have supported efforts to strike a balance between the necessity of intelligence and the rights of Americans—as well as the citizens of other nations. My colleagues have worked hard in this area also. In this regard Senator HUDDLESTON deserves the bipartisan praise of the Senate and the sincere thanks of our country for his untiring efforts.

I have become increasingly concerned lately, however, with this Nation's ability to conduct its necessary intelligence operations.

In an inceasingly technical and interdependent world—especially one in which some nations possess arsenals capable of unimaginable mass destruction—we must depend on intelligence as a necessity of national life. At the same time, however, we must jealously protect our priceless democracy and Constitution.

Mr. President, efforts to legislate a new, comprehensive intelligence charter have thus far proven unsuccessful. As a result, S. 2284, the Intelligence Oversight Act of 1980 has been approved by the Senate Intelligence Committee solely as a measure to strengthen congressional oversight.

I believe that the Congress, and especially the two Select Committees on Intelligence, must address the entire range of issues involved in this area. However, the passage of sound oversight legislation is of crucial importance if we are to be able to successfully resolve the many other issues. We cannot allow this bill to be defeated or to emerge in a form that may actually undermine efforts to improve oversight. Such a result could also ruin the chance to strike a reasonable balance between effective intelligence gathering and the protection of individual rights or fragile institutions in the future. We cannot allow these things to happen.

Mr. President, the Intelligence Oversight Act of 1980 establishes a permanent statutory framework for congressional oversight. It places into statute the process that has been in effect under Senate Resolution 400. This process has worked well over the past 4 years to help reconcile the demands of civil liberties and national security. The Senate Select Committee on Intelligence has confronted these issues over the past 4 years under Senate Resolution 400 in an absolutely unique process—not only for our country, but for the world.

The executive and legislative branches of our Government share the responsibility for making our intelligence agencies as effective as they must be while assuring that those agencies respect the rights of innocent Americans. This sharing of responsibility has been a test of how well our constitutional system of Government can work.

In fact, it is probably the most significant task our constitutional system of Government could ever have—in fact, how we share these responsibilities.

In the area of intelligence, the separation of powers must work to sharpen an activity essential to the security of the United States while protecting the very basis of our freedom.

One positive development arising from the recent efforts to establish a full comprehensive charter for the intelligence community was to make the Intelligence Committee and Congress more sharply aware of the complexities involved in the various intelligence issues.

Effective intelligence gathering lies beneath the larger foreign and domestic policy questions facing our country today and in the future. Our form of Government has been strengthened by the debate over the intelligence charter. When the pressure of this most political year is behind us, I believe the efforts of the Intelligence Committee to formulate a balanced charter will prove successful. We can, and will, establish a firm and full constitutional foundation for intelligence activities. This foundation will strengthen the intelligence agencies and provide the essential safeguards to protect the constitutional rights and the privacy of individuals.

Until that time, Mr. President, the burden for assuring the proper operation of the constitutional system of checks and balances on intelligence activities must rest with the House and Senate Intelligence Committees. We have a reasonable substitute to a full, open public debate on these matters which must necessarily remain secret.

In closing, Mr. President, I wish only to make one final point—and we must never lost sight of this.

Over the next several months as current domestic and international political and national security issues come more clearly into focus, oversight of intelligence by Congress will be more demanding and necessary.

The Intelligence Oversight Act of 1980 provides the necessary procedures to assure that Congress gets the information it needs to perform this oversight function. This is the essence of the process that has been developed under Senate Resolution 400 and it is time Congress established it in law.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the bill before the Senate today, S. 2284, represents a remarkable accomplishment. The Intelligence Oversight Act of 1980 deals with congressional oversight of intelligence agency operations. This measure has the support of all members of the Senate Select Committee on Intelligence, and of the White House and the intelligence agencies.

All members of the Intelligence Committee deserve commendation for their work. The committee chairman, Mr. BAYH, and the ranking minority member, Mr. GOLDWATER, are to be congratulated for their leadership. In particular, Mr. HUDDLESTON should be thanked for his herculean efforts.

For more than 2 years Mr. HUDDLESTON has pursued the goal of a comprehensive intelligence bill. S. 2284 represents the first installment of that effort. The delicate balance of language and accommodation that this bill provides is an extraordinary feat of negotiation. The Senate and the Nation owe Senator HUDDLESTON a debt of gratitude.

The Intelligence Oversight Act has important institutional implications for the Senate. It establishes the principle that the executive branch has an affirmative duty to provide Congress with information about significant intelligence activities. The bill also recognizes the value of prior consultation with Congress on important intelligence policy matters. Finally, the bill gives Congress considerable powers with regard to access to intelligence information.

AFFIRMATIVE DUTY

Section 501 of S. 2284 states that the intelligence agencies "shall keep (the Intelligence Committees) fully and currently informed of all intelligence activities * * * including any significant anticipated intelligence activity."

This language creates an affirmative duty on the part of the intelligence agencies to provide Congress with significant intelligence information in advance of action on such information. The burden on initiating the information transfer is on the executive branch. The intelligence agencies cannot passively sit back and wait for Congress to seek the information.

The bill would enact into law for the first time a regular procedure for executive branch consultation with the two congressional intelligence committees on important intelligence matters. The only specified exception is that "if the President determines that it is essential to limit prior notice to meet extraordinary circumstances affecting the vital interests of the United States." In such cases, the President may limit prior notice to eight members of Congress—the Speaker and the minority leader of the House, the majority and minority leaders of the Senate, and the chairmen and ranking minority members of the two intelligence committees.

If the President were to undertake a significant intelligence activity without notice to Congress, he would not only jeopardize his relations with Congress, but would call into question the wisdom of the activity.

The preamble to S. 2284 states that the executive branch shall make information available to Congress, "to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches."

The language recognizes a "buffer zone" of overlapping constitutional powers between the legislative and executive branches, a zone in which both branches might claim the right to intelligence information. The bill wisely does not seek to resolve all of these potential conflicts.

Nevertheless, the President bypasses the procedural provisions of this bill, and moves into this gray, constitutional buffer zone, at his peril. This is because the presumption of this bill is that prior notice must be given to Congress, period.

Mention also should be made of the time when the affirmative duty to inform Congress arises. The committee report states:

> The committees shall be informed at the time of the Presidential finding that authorizes initiation of such activity. Arrangements for notice are to be made forthwith without delay.

PRIOR CONSULTATION

It is essential that Congress receive prior notice of major intelligence activities, in order to discharge its oversight responsibilities. Congress must approve the budget for our intelligence operations. Intelligence operations can go to the very core of our national security, and affect our diplomatic, political and military relations with other countries. Congress must pass judgment on our foreign assistance and our defense budgets, and Congress must be sure that the policies of our intelligence operations blend with our diplomatic and military efforts.

Clearly, in assessing the wisdom of an intelligence operation, the views of more than only those who propose to undertake the operations ought to be heard. If an intelligence mission fails, Congress frequently must take corrective action. To take such action, Congress needs to have an awareness of the factors present at the time the decision to undertake the mission was made.

CIA Director Stansfield Turner testified last February before the Senate Select Committee on Intelligence that—

> The actions of both committees in reviewing these covert action findings (have) influenced the way in which we have carried them out.

He said further that the influence had been "absolutely" beneficial.

The record of Congress for confidentiality has been a good one on intelligence matters. The record of the two intelligence committees has been excellent. Moreover, for over 30 years, the Joint Committee on Atomic Energy considered and handled our most sensitive atomic secrets without breaching confidentiality.

ACCESS TO INFORMATION

In addition to placing on the executive branch an affirmative duty to consult with Congress, this bill would obligate the executive branch to report to Congress any intelligence failures and any illegal intelligence activities that have occurred.

Congress can request these reports, and can request from the executive branch any additional information Congress needs to properly perform its oversight responsibilities.

This right of access to information does not mean that Congress will be requesting truckloads of information, or that this bill will amount to a "standing subpena." Under this bill, the day-to-day working relationship between the legislative and executive branches will be a reasonable and a mutually productive one.

I wish again to thank the members of the Select Committee on Intelligence for the extraordinary accomplishment that this bill represents. My special gratitude goes to Chairman BAYH, Senator GOLDWATER, and Senator HUDDLESTON.

Mr. CHAFEE. Mr. President, I join in extending congratulations to the leadership of the Intelligence Committee and the ranking minority member of this committee.

I ask unanimous consent that my name be added as a cosponsor of S. 2284.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, it is important to note that while there is ground for some self-congratulation on the floor of the Senate, this is merely the beginning of our attempts not only to deal with the charters but also to relieve the CIA and the intelligence community of some of the impediments that some of us believe have been placed upon them.

We started off believing that there were three principal objectives to make the intelligence community more effective.

One was to relieve them of the obligations under the Hughes-Ryan Act, which the measure before the Senate today does.

The second objective we had—and we were extremely serious about it—was some form of protection for the identities of intelligence officers.

The third objective was to achieve some limitation of the Freedom of Information Act as it applied to the intelligence community.

We were not able to succeed in the last two efforts, and this is understandable, because of some controversy and some necessity for referral to other committees. Therefore, we proceeded with this abbreviated bill, which I support. Nonetheless, I think it would be unfortunate if we suggested in any way that we have achieved our complete goal here.

Instead, I feel that we have to go to it again, and I am sure the other members of the committee feel this way, and wrestle with these further problems I have pointed out, plus the charters.

Some are not enthusiastic about charters. We had a good deal of testimony on that subject. We had indications from those active in the community today, the leaders there, that they favored the charters. One of the past directors favored a charter and other past directors were not in favor of the charter. However, that is a matter we will deal with in the next year or perhaps even in the remainder of this year, time permitting.

I hope we will go to it and see if we can come up with a bill that solves these very acute problems, the two remaining unresolved, which are of deep concern to me and to others—namely, the protection of identities and the limitation of the Freedom of Information Act.

Mr. MATHIAS. Mr. President, the Intelligence Oversight Act of 1980 is not by any means a comprehensive statutory charter for the governance of the intelligence activities of the United States.

To me, the need for such a comprehensive charter is very clear, from several points of view: from the point of view of the men and women who devote their lives to the intelligence community, the men and women who have chosen to serve the United States by working in the intelligence community and who, I think, need a shield for themselves, as has been proved very tragically by events in recent years.

From another point of view, we need the charter, because every citizen then can be assured that the intelligence activities of the U.S. Government will be conducted in a manner which is in harmony with the Constitution of the United States and with the political ethics of this Nation.

For more than 5 years, the members of the committee have been working toward the goal of a charter. I particularly salute the distinguished Senator from Kentucky (Mr. HUDDLESTON), who has exhibited a great deal of persistence and tenacity and commitment to this goal. I am sure that no one is more disappointed than he that we have not been able to reach the goal this year. It is a very great disappointment that we will not achieve it this year.

But, in spite of all that, the bill reported by the Senate Select Committee on Intelligence does represent a consensus of what is necessary and what is possible within the constraints of the limited legislative period that remains to us in this session of Congress. In brief, the bill modifies the Hughes-Ryan Amendment of 1974 to limit notification of covert action to the Intelligence Committees of both Houses; it establishes procedures for prior notification to the two Intelligence Committees, with provisions for limited notification when the President finds it essential, in extraordinary circumstances—and I point out that it is to be only in extraordinary circumstances. It further establishes, by statute, the right to full access to information concerning intelligence activities for the Intelligence Committees in the exercise of their oversight responsibilities. And these seem to the members of the committee to represent necessary and important advances.

So, I urge my colleagues to join in the passage of the legislation.

I go further than that. Because this is a highly sensitive subject, a very complex subject, a very difficult subject, I hope that Senators will restrain their creative impulses during this debate and not offer amendments. It has been difficult to get consensus on even this very modest approach to a very big problem. There are a number of other subjects that I myself wish to see treated in this bill. I am sure there are a number that the Senator from Arizona wishes to see addressed, as does the Senator from Kentucky and others.

But, if we can restrain that until a time in which we can bring all of these matters together in a single, comprehensive bill, I think we shall end up with a more satisfactory piece of legislation, from the point of view of the efficiency and effectiveness of the intelligence agencies, as well as from the point of view of the guarantee of civil liberties and constitutional law in this country.

I have in mind provisions that might deal with matters such as: Partial relief from the provisions of the Freedom of Information Act; or establishing criminal sanctions for unauthorized disclosure of classified information, or for disclosing the identity of intelligence agents; or restricting intelligence use of academic, press, and religious institutions as cover. Certainly, the omission of these provisions from this bill does not represent our position on the merits of these questions, because every one of us has strong views on the merits of these questions. It is merely an effort to bring a bill to the floor which will command the consensus of the Senate for action now, on those narrow subjects upon which action really should not be delayed.

The Senate Select Committee on Intelligence will certainly continue its work, will continue in a bipartisan way to seek agreement on outstanding issues, and will continue in its commitment to comprehensive statutory charters, so that we can have national intelligence of the highest quality, based upon foreign intelligence activities conducted under the rule of law, while protecting and enhancing the basic constitutional liberties upon which this Government is founded.

Mr. MOYNIHAN. Mr. President, may I first ask unanimous consent that my name be added as a cosponsor of the bill before us.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOYNIHAN. It was an oversight on my part that this was not done.

AMENDMENT NO. 1774

(Purpose: To add a new section prohibiting employment of certain persons by an agency or department, and to prohibit a Federal employee engaged in intelligence activities from posing as a member of a United States religious, news media, or academic organization)

Mr. MOYNIHAN. Mr. President, reluctant as I am for this first and I hope rarest occasion not to follow the good counsel and prudent advice of my friend from Maryland, but thanking him for the suggestion that it might be a creative impulse that bestirs the Senator from New York, I have a printed amendment at the desk No. 1774 which I ask to be called up.

Mr. MATHIAS. If the Senator will yield, I think most of his impulses are creative and if, by chance, they are not, I give them the benefit of the doubt.

Mr. MOYNIHAN. I thank the Senator for his generosity. I ask that the amendment be called up at this time.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes amendment No. 1774.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. 4. The National Security Act of 1947 (50 U.S.C. 401 et seq.) is further amended by adding at the end thereof the following:

"SEC. 502. (a) A department or agency of the United States may not employ any member of the religious, news media, or academic profession who is a citizen of the United States or an alien admitted to the United States for permanent residence, and may not employ any member of the news media profession who is employed by a United States news media organization, in any position which involves engaging in intelligence activities and in which the relationship between such member and the department or agency employing such member is to be concealed from the public.

"(b) An employee of any department or agency of the United States who engages in intelligence activities for such department or agency may not pose as a member of any real or ostensible United States religious organization, United States news media organization, or United States academic organization, in order to conceal the relationship of the employee with that Department or agency."

Mr. MOYNIHAN. Mr. President, this is, as the Senate knows, an amendment which has as its purpose the prohibition of the employment by the intelligence community of any member of the religious, news media, or academic profession who is a citizen of the United States or an alien admitted to the United States for permanent residence. The matter is a straightforward one. It was in substance a provision that was included in the more comprehensive charter to which the Senator from Kentucky alluded earlier, as section 132(b).

In order that the record might be complete in this matter I ask unanimous consent that at this point section 132(b) and the appropriate introductory material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2284

A bill to authorize the intelligence system of the United States by the establishment of a statutory basis for the national intelligence activities of the United States, and for other purposes

INTEGRITY OF PRIVATE INSTITUTIONS OF THE UNITED STATES

SEC. 132. (b) No entity of the intelligence community may use, for the purpose of establishing or maintaining cover for any officer of that entity to engage in foreign intelligence activities or special activities, any affiliation, real or ostensible, with any United States religious organization, United States media organization, United States educational institution, the Peace Corps, or any United States Government program designed to promote education, the arts, humanities, or cultural affairs through international exchanges.

Mr. MOYNIHAN. Mr. President, I also ask unanimous consent that the senior Senator from California (Mr. CRANSTON) be added as a cosponsor to this amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, first, and not without a certain reluctance, I wish to include in the RECORD a "Dear Colleague" letter, as it is our habit to describe them, signed by a number of members of the committee, which states inter alia that "several Members with amendments which enjoyed wide support agreed to withhold amendments in order that this bill could move forward promptly with unanimous Intelligence Committee support." This is a completely accurate statement.

I am aggrieved, however, that there follows a sentence which states, "It was also agreed by all members of the committee, with the exception of Senator MOYNIHAN, not to introduce or support amendments to the bill on the floor."

Mr. President, the staff director of the committee has very generously informed me that this is not an accurate statement. It is not the case that all Members save myself agreed neither to introduce nor to support amendments, and I have to state a passing regret that the text of this letter was not shown to me as might ordinarily have been the case of a "Dear Colleague" letter representing so widespread a view on the committee. It was not. The matter is over, but I wish to record that fact and to say that I do so without any recrimination but to the contrary with an admiration for the openness with which an error was admitted.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. BAYH. I regret the error contained in the letter. As one of the signatories, I had assumed that the letter in normal tradition had been circulated to all members of the committee and all were given the opportunity to sign it. Apparently, that was not the case. It should have been and I regret any embarrassment it might have caused the Senator from New York. I think it is fair to say that of those present at the time this was considered, it is accurate.

Mr. MOYNIHAN. That is accurate.

Mr. BAYH. That does not apply to all members of the committee, as is now stated in the RECORD.

I think the Senator from New York is certainly within his rights to bring this to our attention and I hope we will not make that kind of mistake again.

Mr. MOYNIHAN. It was nothing more than a mistake and it was one in which the chairman was in no way involved, but it is characteristic of the chairman to acknowledge it as if it were his own and it is in that spirit that we have proceeded and will continue to proceed.

I wish to explain the special circumstances which led me to introduce this amendment at this time. As I said earlier in this debate, the bill which we bring to the Senate today, codifies, in effect, the existing practices of the select committee on behalf of the Senate in its relationships with the intelligence community. Until very recently it was our understanding that this regime of practice, if you will, included a set of regulations issued in 1976 and 1977, originally by Mr. Bush and later by Admiral Turner, which held that there would be no paid or contractual relations with members of the U.S. media.

I take the liberty of citing the original regulation of April 1976, and just by way of introducing you to the difficulties which bureaucracy and time have brought to this Agency, this regulation is H.R. 7–1c(8)(1), correspondents and Representatives of public media. It states:

> CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondent accredited by any U.S. news service, newspaper, periodical paper or radio network or station.
>
> CIA recognizes that members of this group may wish to provide information to the CIA on matters of foreign intelligence of interest to the U.S. Government. The CIA will continue to welcome information volunteered by such individuals in a completely free relationship.

In the following year the present administration revised that regulation and added a paragraph 3 which simply said "Exceptions" and reads:

> No exceptions to the policy stated above may be made except with the specific approval of the director.

Now, to be explicit, as I hope to make a record that is explicit here, that decision was made on November 30, 1977, and within very short order, 3 days later or 4, it was reported in the press. The Washington Post of December 3, 1977, in a story "CIA Announces New Rules for Dealing with Journalists," third paragraph, said:

> Although Turner, as CIA Director, could apparently authorize exceptions, the Agency said the new regulation would . . .

And it went on such as that.

The New York Times, in an article of the same day, states, and I quote:

> That no exception to these policies and prohibitions would be made except with specific approval by Admiral Turner.

This was reported but it was not much noticed. In April, at a meeting of the American Society of Newspaper Editors, in a very open exchange with that group, Admiral Turner was asked whether the policy of his predecessor, George Bush, was still in place. He referred to the November 30, 1977 changes and said, "On three occasions I have given permission to utilize a journalist for intelligence purposes."

Now, let us be clear that these three occasions did not, to my knowledge, involve journalists of the established organizations. But in any event these exceptions were, in the language of the Agency, aborted, and nothing, in fact, happened. The exception remained in place.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I would be happy to yield.

The PRESIDING OFFICER (Mr. MITCHELL). The Senator may proceed.

Mr. WALLOP. Ordinarily the Senator from New York and the Senator from Wyoming are very much of a mirror image in their thoughts concurring the need for a very effective intelligence community within the framework of and for the protection of our modern society.

In this instance, however, I really have to part company with the Senator, however reluctantly, because I think that what he proposes to ban is the very kind of thing that ought to be practiced. In the rest of this bill, as the Senator is saying, we are merely codifying what was previous practice. But previous practice regarding the use of members of news media and religious organizations and academia has been a sort of internal policing, and I think it ought to remain that way for a variety of reasons.

I do not think it is ever wise for a country to foreclose all the legitimate and legal options that might be necessary for it to function in its own behalf, and I point out right at this point that two of the three problem areas identified by the Senator from New York's amendment are representative of the problems of this country in Iran today.

One, the turmoil in Iran is at least in part a religious revolution. It would seem ridiculous for us to statutorily foreclose an ability to penetrate in our own self-interest that religious organization with somebody who was a religious figure, if that were the decision, the careful decision, of the President of the United States.

The second, of course, is that of academics. Up until recently, the people who held our Embassy personnel hostages were termed students. It would seem not in the interests of the United States to foreclose any possibility of a professional employee of academia penetrating those so-called students in our own self-interests and for the protection of the rights and lives of Americans, not in contravention of those rights.

I can only assume the same kind of circumstances can occur with regard to the news media, and I do not see any reason why any segment of American society ought to opt in or opt out of the privileges and duties of patriotism.

If we select out the three professions that are here, why is it any better for us to use airplane salesmen as spies? Or if Ramsey Clark should have a fit of patriotism why should we not use him? Do not even lawyers have the same kind of self-interest in the United States and in protecting the lives and the interests and liberties both of U.S. citizens and of the free world?

Mr. MOYNIHAN. If I may first respond to the first remark of my friend from Wyoming. This is one of the rare occasions of which we have not found ourselves in agreement on matters of this committee and my response to him will be of the order of a prudential argument rather than an argument in principle.

I think the Senator from Wyoming has made an argument from principle: a clear one, an accurate one, and a legitimate one. I might only qualify what he said to the degree that nothing in the amendment which I propose would in any way inhibit an individual from cooperating as he or she chose.

Mr. WALLOP. On a voluntary basis.

Mr. MOYNIHAN. On a voluntary basis, yes.

But the Senator argues a general principle which is scarcely to be argued with, save that there is a reality in the world which suggests that a prudent and concerned Government would depart from what in other equally democratic societies might be seen, and has in our society in the very recent past been seen as a legitimate activity.

What are the realities of which I speak? The first is simply that the world now is one very different from that of a time when the press, in most of the world, was free, was private, and was understood to be both those things; where it was governmental it was clearly so stated.

Most of the world press today is controlled by governments. This is not a generalization; this is something that you can quantify.

Dr. Raymond Gastil, who is the director of research at Freedom House and who has done us all such a considerable service in quantifying issues like this, has compiled figures which will appear in next year's volume of Freedom in the World, which is a yearly publication of Freedom House. It will be table 9 and it will state that 116 of 154 nations in the world have "government control over the content and use of the media." About one-quarter of the nations of the world have a free press and the rest have a government press.

That means that throughout the world it is a normal assumption, a reasonable assumption, a routine assumption, and an accurate assumption, that a person representing himself as a journalist from another country is, in fact, an agent of the government of that other country.

None of us who have lived any time abroad or traveled abroad has failed to find themselves at some luncheon, dinner, or casual morning coffee in which it was discussed at some length whether a particular representative of Tass was a KGB agent or not, because some of the poor wretches are not. What they do for special allowances and the like, I have no idea. But they are just journalists.

Mr. WALLOP. In line with that, would the Senator agree that we might be able to amend his amendment to say that it was against the law for a member of the U.S. media to be an agent of the KGB?

Mr. MOYNIHAN. That is a creative suggestion of the kind that the Senator from Maryland has mentioned.

It is simply the fact that we live in a situation in which the presumption of Government involvement at the fullest range is normal and, increasingly, we have to establish that this is not the case with our journalists, our academicians, and our religious persons.

Mr. WALLOP. I guess my question would be, without intending to be pernicious, what is so sacred about these three professions that their honor is more important, their reputation for integrity is more important than that of a doctor, than that of a lawyer, or other professional man? And where do we stop this thing for the people who also want to be listed as honored and privileged professions? What is so sacred? I guess there is something sacred about a religious organization, and that is unique though some of those organizations are perhaps as pernicious as any.

But the fact remains that I do not see where it is of true importance to the reputation of those three among all our professions, to the exclusion of the rightful desire of other professional people to be included in the same category.

Mr. MOYNIHAN. Once again, I say that the Senator from Wyoming has raised an argument in terms of principle and I will respond in terms of prudence.

There is nothing sacrosanct about these professions, but there is something singular about them, which does, in fact, distinguish them. It does not set them apart as a class, but it does distinguish their activity from others.

Mr. WALLOP. May I say—I will not carry this on any more—perhaps more in their own eyes than in the eyes of the rest of the world.

Mr. MOYNIHAN. And in the eyes of the Senator from New York as well.

What is this? It is that they go abroad, they probe into the public lives of governments and the private lives of individuals in the way that academicians and journalists and clergymen must.

I suppose probably the oldest legal right that exists in the Western world is the privilege of the confessional which states that a priest may not be required to testify with respect to things he has learned in that relationship. It is not a privilege of the priest, it is a protection of the penitent.

The work of the journalist is to go abroad and discover information not easily acquired otherwise.

Mr. HUDDLESTON. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. HUDDLESTON. I say to the two distinguished Senators who are discussing this issue at this time that it is somewhat gratifying to one who has been involved in the process of developing charters, for over 3-plus years, to hear a discussion on the nuances of this particular issue. In the original charters we started with the position that the Senator from New York is now advocating: an absolute prohibition of any kind of paid arrangement with bona fide American newsmen, with academics and with members of the clergy; our purposes were the same as have been outlined by the Senator from New York—that there are institutions that enjoy a reputation, not only in this country but around the world, that the U.S. Government has no business sullying or degrading in any way. As I say, we started from that position. Then we began to try to adapt that somewhat purist theory to the realities of intelligence operations, on the one hand, and to the various interested public groups, on the other.

We have progressed from our original position to one of silence in this bill, one of silence at this time. And I emphasize "at this time" because this is one of the areas, one of several areas, that the committee itself had strong viewpoints about. But our judgment was that they should be considered in the context of charters and they should be considered very thoroughly, as many of them already have, as a matter of fact.

Many committee members wished any bill to address the issued use by the intelligence community of journalists, clerics, and academics. Other members of the committee felt very strongly about the question of criminal penalties for those who reveal the identity of an undercover agent. Others had strong feelings about the burden of the intelligence agencies under the Freedom of Information Act, and wished to grant some relief there.

So on these several things, as the Senator from New York understands, the committee came to an agreement or an understanding that we should deal with them at the proper time and that they should be part of the ongoing process of developing the comprehensive charters, and that they should be addressed in those charters.

But for now, our best opportunity to make significant improvements in intelligence operations was to establish the oversight responsibilities of the committees, to establish the processes by which those committees would receive information from the intelligence community and from the executive branch, to establish how those committees would handle that information after they got it, to establish the reporting requirements, and to relieve the intelligence community from the burden of reporting to a large number of committees rather than to just the two Intelligence Committees in the two Houses.

So that is where we are at the present time. I, too, want to join with the Senator from Indiana and express my apology for any misleading impression that may have been given by the "Dear Colleague" letter that several members of the committee sent out. The Senator from New York is entirely correct. It was understood from the beginning that he would offer an amendment and the committee would entertain the amendment on the floor. He has now offered the amendment. The letter was hastily drawn up. We were not aware that we would be moving this quickly with the bill on the floor. Perhaps that accounted for the inaccuracies that the Senator has referred to. I regret them.

Mr. MOYNIHAN. May I just interject to say no apology is necessary, not the least.

Mr. HUDDLESTON. I thank the Senator.

But I think it is interesting, very useful, and very helpful that this particular question has been brought to the floor by the Senator because, in the discussion between the two Senators which has occurred, we get a sense of the kinds of difficulties we have had in arriving at committee positions on charters. You can add to the opinions of the Senators a wide range of views from a wide range of public groups and see the difficulty we faced in including it into this package at the present time.

Mr. MOYNIHAN. May I say, Mr. President, that I take the meaning of the distinguished chairman of our subcommittee to be very clear. This is a matter we have not yet dealt with, this is a matter we have not yet covered. When he speaks in closing. "I would like to reaffirm the commitment I and the Intelligence Committee as a whole have made to the principle of comprehensive legislative charters which define the mission of intelligence agencies, authorize certain intelligence activities, and protect the civil liberties of America," this matter is comprehended in that task.

Mr. HUDDLESTON. The Senator is correct.

Mr. MOYNIHAN. I wish to proceed for just a bit. The Senator has spoken of the abuse of certain persons. I want to make clear that out in the real world the American journalist has to be protected by his government to the extent it can. His government must say it does not matter what others think, it does not matter what others say, this man or woman is what he, or his organization, represents him to be; an independent journalist reflecting his or her own views and those of his or her paper, free of any government influence.

That is a precious thing. If it came to a choice in this body between abolishing the intelligence community and seriously impairing the effectiveness of the American press, there would, I think, be no question about what the national interest would be. The national interest would be in maintaining the effectiveness, such as it is, of the America press, such as it can only be, which is incomplete and imperfect.

But if we had to choose between the press and the intelligence community, you could not have an intelligence community without the press. What do you think they do at Langley but clip newspapers; And why ought they not?

One of the best sources of British intelligence about conditions in occupied Europe during the Second World War was the price of fresh vegetables in the Parisian markets. If you could find out what lettuce cost in Les Halles, you knew something; if you knew how to read it.

I would like to put into the RECORD some views on this matter which I very much think must be respected. First is that of the American Newspaper Publishers Association on this subject, a statement, in particular, of Mr. Charles W. Bailey, the distinguished Chairman of the Freedom of Information Committee of the American Society of Newspaper Editors, and the second is a statement by a well respected and well known journalist, Mr. Landau. I ask unanimous consent that these documents be printed at this point in the RECORD, Mr. President.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

AMERICAN NEWSPAPER
PUBLISHERS ASSOCIATION,
Washington, D.C., April 16, 1980.

Senator BIRCH BAYH,
Chairman, Select Committee on Intelligence,
Washington, D.C.

DEAR CHAIRMAN BAYH: Recent legislative proposals to establish a charter for the Central Intelligence Agency have raised issues of grave concern to the American Newspaper Publishers Association.

As you know, ANPA is a national trade association which consists of more than 1370 member newspapers representing more than 90 percent of the daily circulation in the United States. Membership includes many nondaily newspapers as well.

The primary "charter" legislation, "The National Intelligence Act of 1980" (S 2284) introduced by Sen. Huddleston (Ky.), contains several objectionable provisions. The bill grants the CIA broad exemptions from provisions of the Freedom of Information Act and establishes punishments for disclosing names of agents either intentionally or through negligence.

Exemption from the Freedom of Information Act is of particular concern to ANPA. Existing law contains adequate safeguards for national security information. CIA officials have not asserted that the act has led to disclosures of information actually deleterious to the security of the United States.

The primary rationale for this provision is that the very existence of the FOIA creates the perception among foreign nations that national intelligence secrets could be made public. The mere existence of "perceptions" does not seem an adequately substantive reason to justify unprecedented exemptions from the FOIA. As Mr. Robert Lewis of Sigma Delta Chi stated in his testimony before your committee this month, "To extend a sweeping exemption raises the suspicion that the CIA really wants only to avoid a repetition of the embarrassing disclosures that have come out in recent years."

Section 701 of S. 2284 provides for a maximum penalty of 10 years in prison and a $50,000 fine for disclosing the identity of CIA agents. CIA Director Turner has recommended that prosecution for this "crime" be extended not only to those persons with authorized access to classified information but to the press as well. ANPA opposes this recommendation. Sen. Moynihan (N.Y.) accurately and succinctly described this recommendation as being "extraordinarily careless of the rights of journalists"—a characterization with which ANPA agrees.

Section 132(b) of Sen. Huddleston's bill appropriately prohibits CIA agents from assuming the identity of a journalist in its undercover work. ANPA strongly supports this provision as guaranteeing the necessary distinction between the press and the government.

ANPA realizes the need for a certain degree of secrecy in foreign intelligence operations. It is not evident, however, that current national security laws do not provide adequate protections.

A government cannot be "of the people, by the people and for the people" if its operations are undertaken in secrecy. Excessive secrecy is inimical to our very precious democratic way of life and it severely undermines the activities of an active and free press.

Thank you for the opportunity to express our views.

Sincerely yours,

Jerry W. Friedheim.

Statement of The Reporters Committee for Freedom of the Press

INTRODUCTION

A Coordinated CIA-FBI Attempt to Mutilate the FOI Act:

Mr. Chairman and Members of the Committee:

I would like to thank you for this opportunity to present the views of The Reporters Committee for Freedom of the Press on the dangerous impact these two bills will have on the freedoms of the reporters, editors, authors and scholars to keep the public informed about activities of our government.

My name is Jack C. Landau, and I am the Director of The Reporters Committee for Freedom of the Press and the Supreme Court reporter for the Newhouse Newspapers.

USING JOURNALISTS AS COVER

We support the general thrust of Section 132 to protect the independence and integrity of private news media organizations from being utilized as intelligence sources for the Central Intelligence Agency.

We think it is essential that members of the public at home and abroad who deal with the press have confidence that journalists are not in effect information collection arms of the government.

This problem breaks down into at least two areas: First, we do not believe that any press organization should be infiltrated, used or exploited by the Central Intelligence Agency. Second, we do not think that the CIA should be permitted to enter into voluntary and knowing arrangements with a news organization to provide cover for intelligence activities because the integrity of all of the news media is affected when the integrity of one member of the news media community is compromised.

Section 132b seems to achieve that goal by flatly prohibiting any "entity of the intelligence community" from using any "United States media organization" as a "cover for any officer of that (intelligence) entity." However, by specifying that only an "officer" is covered, the section permits journalist's covers to be used by "employees" of intelligence entities and by non-employees recruited on a contract basis to infiltrate the news organization.

Of course, there will always be situations where reporters are given background information by the CIA and may, on occasion, trade off bits and pieces of information in developing stories. These "voluntary" relations are protected by the CIA Charter, and we have no particular problem with this provision.

The third problem which has developed but which is probably taken care of in the existing bill is the situation where the CIA poses as a journalist from an artificial or front publication set up only for that purpose and which is in effect a press creature of the CIA.

While this would appear to be covered by the prohibition against using journalists as cover, we don't think that the CIA should be permitted to establish a phony publication and then utilize it to collect information from an unsuspecting public. We think that the recent exchange between A. M. Rosenthal, Executive Editor of The New York Times and Admiral Turner illustrates the point when Mr. Rosenthal said: "Do you think it's worthwhile . . . to cast into doubt the ethical and professional position of every foreign correspondent?"

He added that when CIA's ties with journalists were disclosed in the past, "there was an understandable uproar. Journalists throughout the country felt this endangered not only the ethics of our work but the physical existence of our foreign correspondents. Certainly, as an editor of a paper with a large network of foreign correspondents and as a former foreign correspondent, I felt that was the case."

Subsequently, it was reported in the press that President Carter backs the organizational use of news organizations as covers for the CIA. We think this is most unfortunate, and would hope that the Congress would agree with us.

Thank you.

Statement of Charles W. Bailey

Mr. Chairman, I am Joseph R. L. Sterne, Editor of the Baltimore Sun and member of the Freedom of Information Committee of the American Society of Newspaper Editors. I appear today on behalf of Charles W. Bailey, Editor of the Minneapolis Tribune, Chairman of the Freedom of Information Committee, who has asked me to express his regrets to you that he was unable to appear in person.

The American Society of Newspaper Editors is an organization of over 800 editors of daily newspapers in the United States.

We endorse Section 132(b) of S. 2284, which prohibits CIA employees from using journalistic "cover." If the people of this country and of the world are to have faith in a free and independent press, they must know that CIA agents are prohibited from masquerading as journalists in undercover operations.

We urge the addition of language which would also prohibit the CIA from recruiting, or seeking to recruit, journalists employed by the American news organizations. Again, the knowledge that such a prohibition exists is necessary if the public here and abroad is to have full confidence in the freedom and independence of our press. We believe that as a matter of policy such practices should be forbidden by statute and not, as at present, by Agency regulations which may be set aside by the Director of Central Intelligence.

Mr. MOYNIHAN. I have some doleful information for the chairman about what the context is going to be in which we will consider this subject if we do not resolve it today. The chairman has not had the opportunity to read the final report of the International Commission for the Study of Communication Problems, the so-called MacBride Commission of the United Nations Economic, Social, and Cultural Organizations. He has not read the final report because in the increasingly Alice-in-Wonderland world of UNESCO, they issue their conclusions first and then their facts come seriatim, if ever, depending upon how much they support the conclusions.

This is a Commission which has as its purpose the establishment throughout the world of a "New World Information Order." It is a new world information order. It is coming into being. The overwhelming majority of UNESCO will vote for it. It will become a condition in which our men and women work around the world, and it will practically make their work illegal because they will not be following the dictates of the New World Information Order, which are simple and very straight and remarkably explicit for a UNESCO document, that you do what the government in the country you are in says you will do.

At the 33d Congress of the International Federation of Newspaper Editors in English; in French, it is the FIEJ—in Tel Aviv last week, there was a superb speech given by the chairman of the executive committee of the American Newspaper Publishers Association, Mr. Allen Neuharth, of the Gannett newspapers. It has not been published in this country. I ask unanimous consent to have it printed in the Record at this point.

There being no objection, the speech was ordered to be printed in the Record, as follows:

A New Government Information Order: A Threat to World Press Freedom

My task is to deliver an American view toward the proposals contained in "Communication Tomorrow," the report of the MacBride Commission on "The Study of Communications Problems."

This report has been given to Mr. M'Brow, the Director-General of Unesco, and it will be considered at Unesco meetings in Cameron and Caracas, leading up to the Unesco general conference in Belgrade in September and October.

First, I will briefly review the conclusions of the report.

I hope that my views of these conclusions reflect more than just the view of an American publisher; I hope that they reflect the views of people everywhere in the world who value a press that is truly free, and a media that is independent of government control.

There are some positive conclusions in the report.

The first is the commission's recognition that free access to news sources is an indispensable requirement for accurate reporting. It also states that censorship should be abolished.

The second is that the final version of the report stops short of recommending that journalists be licensed, although it suggests that licensing may be studied later.

There are several conclusions in the report which are repugnant to the concept of a free press.

They include:

Proposals that advocate, if not require, the news media, including wire services, to promote social, cultural, economic and political goals which will be set by governments.

A proposal to set up a Unesco agency that could become an international agency to monitor and control the news media.

A proposal that the United Nations be given a broadcast arm with satellite transmission capability, perhaps leading to some kind of U.N. news service.

A bias against private ownership of news media and communications facilities.

A bias against "transnational corporations," which would include all the international news agencies in the West.

A bias against advertising as a vehicle to support the news media.

A bias against large media companies.

Also included in the issues for further study are proposals for an international code of ethics for journalists and a plan to tax use of the electromagnetic spectrum to fund development of the media in underdeveloped countries.

All of this is done in the name of a "New World Information Order."

But what it would accomplish, instead, is a "New Government Information Order."

It is ironic, indeed, that Unesco proclaims it is devoted to "the unrestricted pursuit of objective truth and . . . the free exchange of ideas and knowledge." And yet some elements within Unesco support an information order that would virtually deliver the free media of the world into the hands of various governments, either national or international.

Many of these measures strike directly at a free, unfettered press, which history has shown is one of the best methods man has ever devised for the support of civil and political liberties.

And it is ironic, too, that some elements of Unesco and some Third World Nations propose these reins on a free press in the name of freedom, equal opportunity and a better life for all of the world's peoples.

The Third World lobby which has fought the hardest for these proposals claims to be fighting Western imperialism. Many in that lobby believe that the large wire services—like the Associated Press, United Press International, Reuters and Agence France-Presse—reflect the mind-set of the governments where they are based.

Most thoughtful publishers in the West would agree that some Third World nations have some legitimate concerns about the coverage of their countries by the Western press. But the Third World is wrong if it believes the free press in the West is in the business of distributing propoganda that reflects the views of their governments. Nothing could be further from the truth.

Those Third World nations argue that coverage by Westerners is often superficial . . . or that it focuses on calamities and casualties instead of positive developments abroad.

Certainly it is true that it is the nature of world news today that calamities will get a lot of coverage. The Iranian revolution and the detention of American hostages; the exodus of refugees from Cuba; and the coup, and subsequent executions in Liberia are just a few examples.

It is also true that at times, the Western media has not done as thorough or as perceptive a job as it could have in explaining events. It is probably an understatement to say that most of the Western media—and many Western governments—underestimated the meaning and the impact of the Iranian revolution.

But it is most emphatically true, too, that the whole world will have a much better chance of understanding these events and learning from them if the press is left free to report events, rather than controlled by some government which is only interested in enhancing its own image and stifling dissent.

The point is that a free press is always preferable to government-controlled press.

Although the Western wire services are one target of this "New Information Order," it is quite likely the advocates of these conclusions are aiming at another target, too—the homegrown, independent journalists in underdeveloped countries.

We all know that press freedom does not exist in most of the world today.

Two thirds of newspapers around the world today are only partly free or not free at all to report the news.

Last year around the world, 69 journalists were banned or suspended by governments. Fifteen others were killed, and in some cases they were murdered, while trying to report the news.

There are many, many newspeople around the world who are reduced to the level of this journalist who wrote a letter to the World Press Freedom Committee. This journalist must remain anonymous, because he could be jailed for speaking out.

"I have failed my readers as well as my country," he wrote.

"Day after day in our newspaper we confine ourselves to churning out government handouts and there is little we can do about it. Staff members are responsible for anything they write against the military government. Even editorially, we are forced to fall in line with the official stance. After years in this business of publishing government directives, I am beginning to wonder if this is the kind of journalism practiced all over the world."

Thankfully, it isn't—not yet.

But it could be the kind of journalism practiced around the world if some of these ideas for government control of the press became reality.

In America, we have a mass communications system which is the freest, the most diverse and the best the world has ever seen. In most West European countries, you have comparable systems.

But the letter I just read is proof that the misuse of government power is still one of the greatest dangers to the free press and to freedom everywhere in the world. This letter is a vivid reminder of what unchecked government can do to press freedom, and ultimately, to all other freedoms.

Of course, Lenin, the first editor of Pravda, understood the danger a truly free press represents to authoritarian governments. It was Lenin, who said, when he held the Soviet Union in his iron grip:

"Why should freedom of speech and freedom of the press be allowed? Why should a government which is doing what it believes to be right allow itself to be criticized? It would not allow opposition by lethal weapons. Ideas are much more fatal things than guns. Why should any man be allowed to buy a printing press and disseminate pernicious opinion calculated to embarrass the government?

And that is why in the Soviet Union today, news is considered a commodity. It is something to be dispensed exactly as the government sees fit.

That is probably the real aim of Third World advocates of a "New Information Order." Although some of their concerns are justified, they are not comfortable with having the editing process in independent hands. Although they would never say they would like to make all editing decisions themselves, they would not mind appointing editors who conform to their philosophies.

And many of those countries which complain the loudest about Western news coverage have repressive, authoritarian governments. They are often embarrassed by Western news stories of their sins and failures, just as government officials in the West are embarrassed by similar stories. The difference is that most Western governments understand the essential value of a free press, and its role in free societies.

All of these proposals are very dangerous indeed.

So what can we, as representatives of nations where the press is generally free, do about them?

The first thing we must do is sound the alarm.

You ought to continue to sound it on the editorial pages of your newspapers.

And every one of us ought to accelerate the effort to alert all Western governments, and all citizens of free countries, about the danger to the world's free media these proposals represent.

Perhaps we in the West cannot expect the Third World to embrace our idea of a free press, at least not yet.

Many governments in the Third World believe that their media are too underdeveloped to compete with ours. But rather than restricting the free media, a much wiser course would be to improve the professional skills and capabilities of the Third World Media.

To work toward that goal, the World Press Freedom Committee has spent $300,000 in the last two years to help train and equip Third World Journalists. The FIEJ seminar on how to start a rural newspaper, which will be held in Nairobi in August, is another example of how Western Journalists can help. The American Newspaper Publishers Association is cooperating with Unesco and FIEJ in the planning for that seminar.

The campaign for a strong, free press around the world must begin with these kinds of tangible steps, the help that foreign journalists in underdeveloped nations will have to have if they are to do a good job of covering the news there.

And of course we in the West should redouble our efforts to insure that our coverage of the Third World is full, fair, balanced, accurate and thorough.

Our experience in the West generally, and particularly in the United States, ought to be a source of some inspiration to developing nations. Although we may never be able to sell our ideas of a free press completely to the Third World, journalists and governments there should realize that freedom has been the basis of progress and prosperity for all Americans.

When the U.S. achieved independence, its founders believed so deeply in free expression and a free press that they guaranteed those freedoms forever in the United States Constitution.

Those who know America know that those freedoms, even though some people at some times have abused them, have been the foundation of the stability of our government and our survival as a nation.

They have been the foundations for all of the other freedoms we prize in the United States, and have led to whatever success we have had as a nation. Those freedoms include academic freedom, freedom of scientific inquiry, and the freedom to practice and preserve a diversity of cultures.

So our experience may be of some value to underdeveloped nations, even if it is unrealistic to expect them to immediately embrace the ideals of our more highly-developed societies.

But while we are helping them see the value of freedom, we ought to tell them firmly and unequivocally that we can never accept any proposal that will lead to government control of the news flow or limit journalists' ability to function.

Some elements will continue to fight for government control of the press, whether we in the West like it or not. And whether we like it or not, Unesco is going to continue to consider controls over the world's media and a "New Information Order." So we must continue to work within their system, without compromising any of our principles, and fight for the ideals of a free press as we know it.

Any "New Information Order" must be based on freedom, not government control.

That is the message we all must take back to our readers, listeners and viewers. You can sound the alarm in your editorials and your contacts with your governments.

If we can help others share our dream of a truly free press everywhere, then all the citizens of the world will benefit and Unesco will truly begin to achieve its announced goal of fostering respect, understanding and peace among all peoples and all nations.

Then the free press can be a beacon to people everywhere. Making that beacon shine more brightly than ever should be the goal to which all of us in the free press dedicate ourselves.

Thank you.

Mr. MOYNIHAN. To sum up—though it does not take much summing up; Neuhart is explicit in the best tradition of the Gannett papers—he says:

> What about this document from the MacBride Commission? What about this movement which we have ostensibly associated ourselves with?

He says:

> All of this is done in the name of a "New World Information Order."
>
> But what it would accomplish, instead, is a "New Government Information Order."

There will be no more bourgeois journalism—and let those looking upon us from the press gallery take note. There will be constructive efforts to forward agreed, approved social purposes. I quote a simple sentence—there ought to be a sign on the wall at UNESCO that says "Ici on parle Orwell."—It simply says "communication is no longer regarded merely as an incidental service and its development left to chance."

How do you translate "Communication is no longer regarded merely as an incidental service and its development left to chance"? Simply by stating that a free press is no longer a luxury of the exploiting bourgeoisie to be conducted for the profit of individual owners. The press is an instrument of the government, and its news represents the purposes of the rules of the society involved.

That is what is coming out of UNESCO. That is what is upon us. That is what is going to be enacted. Those are going to be the rules where our people go. And they are going to live in a world where the penalties will not be merely harassment, or the withdrawal of visas or refusal thereof.

We have already seen in Italy, within the last week, what the price of a free press is: journalists shot down in cold blood in Milan. I quote from the Jerusalem Post, which happend to be my source at the time:

> In Milan, a gang of four left-wing terrorists ambushed prominent journalist Walter Tobagi, 33, on a street near his home. They shot him dead with two bullets, one in the spine, the other in the back of the neck.
>
> Tobagi was a political reporter for the leading Milan newspaper "Corriere della Sera" and had been president of the Lombardy Journalists Association since 1978.
>
> Tobagi was the ninth journalist to be attacked—and the second killed—by left-wing terrorists since 1977 because the extremists considered them "collaborators of the state."
>
> The Red Brigades claimed responsibility for killing Tobagi in telephone calls to the Milan newspaper "La Republica" and the Italian news agency ANSA.

Our people are going out there at the risk of their lives. I shall not say more than I should, but it is clear what the international environment of journalism is going to be in time to come. The Senate ought to respond to it, not as a matter of the privileges of this particular set of persons—journalists, academicians, or members of religious groups—but as the necessities of their lives.

The liberal institutions of the 20th century are disappearing. What we knew in 1900 we shall not know in the year 2000, and we should recognize it. The fact that we have an intelligence agency to begin with is recognition of this.

Finally, Mr. President, I should like to take the liberty to be the first to publish part 5 of the report of the International Commission for the Study of Communication Problems. It is extensive. It is a bit of an imposition in the Record. But it is something people ought to know about, the "final solution" for the extravagance of bourgeois indulgence in reality and truthfulness and candor and individualism.

I ask unanimous consent that it be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

INTERNATIONAL COMMISSION FOR THE STUDY OF COMMUNICATION PROBLEMS

COMMUNICATION TOMORROW

A. Conclusions and recommendations

The survey contained in this Report has recorded a dramatic expansion of communication resources and possibilities. It is an expansion that promises great opportunities, but also raises anxieties and uncertainties. Everything will depend on the use made of the new resources—that is, on crucial decisions, and on the question of who will make the decisions. Communications can be an instrument of power, a revolutionary weapon, a commercial product, or a means of education; it can serve the ends of either liberation or of oppression, of either the growth of the individual personality or of drilling human beings into uniformity. Each society must choose the best way to approach the task facing all of us and to find the means to overcome the material, social and political constraints that impede progress.

We have already considered many suggestions for further development. Without repeating them it might be useful to begin our recommendations by summarizing previous main conclusions:

1. Our review of communication the world over reveals a variety of solutions adopted in different countries—in accordance with diverse traditions, patterns of social, economic and cultural life, needs and possibilities. This diversity is valuable and should be respected; there is no place for the universal application of preconceived models. Yet it should be possible to establish, in broad outline, common aims and common values in the sphere of communication, based on common interests in a world of interdependence. The whole human race is threatened by the arms race and by the persistence of unacceptable global inequalities, both of which generate tensions and which jeopardize its future and even its survival. The contemporary situation demands a better, more just and more democratic social order, and the realization of fundamental human rights. These goals can be achieved only through understanding and tolerance, gained in large part by free, open and balanced communications.

2. The review has also shown that the utmost importance should be given to elimininating imbalances and disparities in communication and its structures, and particularly in information flows. Developing countries need to reduce their dependence, and claim a new, more just and more equitable order in the field of communication. This issue has been fully debated in various settings; the time has now come to move from principles to substantive reforms and concrete action.

3. Our conclusions are founded on the firm conviction that communication is a basic individual right, as well as a collective one required by all communities and nations. Freedom of information—and, more specifically the right to seek, receive and impart information—is a fundamental human right; indeed, a prerequisite for many others. The inherent nature of communication means that its fullest possible exercise and potential depend on the surrounding political, social and economic conditions, the most vital of these being democracy within countries and equal, democratic relations between them. It is in this context that the democratization of communication at national and international levels, as well as the larger role of communication in democratizing society, acquires utmost importance.

4. For these purposes, it is essential to develop comprehensive national communication policies linked to overall social, cultural and economic development objectives. Such policies should evolve from broad consultations with all sectors concerned and adequate mechanisms for wide participation of organized social groups in their definition and implementation. Natonal governments as much as the international community should recognize the urgency of according communications higher priority in planning and funding. Every country should develop its communication patterns in accordance with its own conditions, needs and traditions, thus strengthening its integrity, independence and self-reliance.

5. The basic consideration which are developed at length in the body of our Report are intended to provide framework for the development of a new information and communication order. We see its implementation as an on-going process of change in the nature of relations between and within nations in the field of communications. Imbalances in national information and communication systems are as disturbing and unacceptable as social, economic, cultural and technological, both national and international disparities. Indeed, rectification of the latter is inconceivable in any true or lasting

sense without elimination of the former. Crucial decisions concerning communication development need to be taken urgently, at both national and international levels. These decisions are not merely the concern of professionals, researchers or scholars, nor can they be the sole prerogative of those holding political or economic power. The decision-making process has to involve social participation at all levels. This calls for new attitudes for overcoming stereotyped thinking and to promote more understanding of diversity and plurality, with full respect for the dignity and equality of peoples living in different conditions and acting in different ways.

Thus our call for reflection and action is addressed broadly to governments and international organizations, to policy-makers and planners, to the media and professional organizations, to researchers, communication practitioners, to organized social groups and the public at large.

I. Strengthening independence and self-reliance:

Communication policies:

All individuals and people collectively have an inalienable right to a better life which, howsoever conceived, must ensure a social minimum, nationally and globally. This calls for the strengthening of capacities and the elimination of gross inequalities; such defects may threaten social harmony and even international peace. There must be a measured movement from disadvantage and dependence to self-reliance and the creation of more equal opportunities. Since communication is interwoven with every aspect of life, it is clearly of the utmost importance that the existing "communication gap" be rapidly narrowed and eventually eliminated.

We recommend:

1. Communication be no longer regarded merely as an incidental service and its development left to chance. Recognition of its potential warrants the formulation by all nations, and particularly developing countries, of comprehensive communication policies linked to overall social, cultural, economic and political goals. Such policies should be based on inter-ministerial and inter-disciplinary consultations with broad public participation. The object must be to utilize the unique capacities of each form of communication, from interpersonal and traditional to the most modern, to make men and societies aware of their rights, harmonize unity in diversity, and foster the growth of individuals and communities within the wider frame of national development in an interdependent world.

2. As language embodies the cultural experience of people, all languages should be adequately developed to serve the complex and diverse requirements of modern communication. Developing nations and multilingual societies need to evolve language policies that promote all national languages even while selecting some, where necessary, for more widespread use in communication, higher education and administration. There is also need in certain situations for the adaptation, simplification, and standardization of scripts and development of keyboards, preparation of dictionaries and modernized systems of language learning, transcription of literature in widely-spoken national languages. The provision of simultaneous interpretation and automated translation facilities now under experimentation for cross-cultural communication to bridge linguistic divides should also be envisaged.

3. A primary policy objective should be to make elementary education available to all and to wipe out illiteracy, supplementing formal schooling systems with non-formal education and enrichment within appropriate structures of continuing and distance learning (through radio, television and correspondence).

4. Within the framework of national development policies, each country will have to work out its own set of priorities, bearing in mind that it will not be possible to move in all directions at the same time. But, as far as resources allow, communication policies should aim at stimulating and encouraging all means of communication.

Strengthening capacities:

Communication policies should offer a guide to the determination of information and media priorities and to the selection of appropriate technologies. This is required to plan the installation and development of adequate infrastructures to provide self-reliant communications capacity.

We recommend:

5. Developing countries take specific measures to establish or develop essential elements of their communications systems: print media, broadcasting and telecommunications along with the related training and production facilities.

6. Strong national news agencies are vital for improving each country's national and international reporting. Where viable, regional networks should be set up to increase news flows and serve all the major language groups in the area. Nationally, the agencies should buttress the growth of both urban and rural newspapers to serve as the core of a country's news collection and distribution system.

7. National book production should be encouraged and accompanied by the establishment of a distribution network for books, newspapers and periodicals. The stimulation of works by national authors in various languages should be promoted.

8. The development of comprehensive national radio networks, capable of reaching remote areas should take priority over the development of television, which, however, should be encouraged where appropriate. Special attention should be given to areas where illiteracy is prevalent.

9. National capacity for producing broadcast materials is necessary to obviate dependence on external sources over and beyond desirable programme exchange. This capacity should include national or regional broadcasting, film and documentary production centres with a basic distribution network.

10. Adequate educational and training facilities are required to supply personnel for the media and production organizations, as well as managers, technicians and maintenance personnel. In this regard, cooperation between neighboring countries and within regions should be encouraged.

Basic needs:

All nations have to make choices in investment priorities. In choosing between possible alternatives and often conflicting interests, developing countries, in particular, must give priority to satisfying their people's essential needs. Communication is not only a system of public information, but also an integral part of education and development.

We recommend:

11. The communication component in all development projects should receive adequate financing. So-called "development support communications" are essential for mobilizing initiatives and providing information required for action in all fields of development—agriculture, health and family planning, education, religion, industry and so on.

12. Essential communication needs to be met include the extension of basic postal services and telecommunication networks through small rural electronic exchanges.

13. The development of a community press in rural areas and small towns would not only provide print support for economic and social extension activities. This would also facilitate the production of functional literature for neo-literates as well.

14. Utilization of local radio, low-cost small format television and video systems and other appropriate technologies would facilitate production of programmes relevant to community development efforts, stimulate participation and provide opportunity for diversified cultural expression.

15. The educational and informational use of communication should be given equal priority with entertainment. At the same time, education systems should prepare young people for communication activities. Introduction of pupils at primary and secondary levels to the forms and uses of the means of communication (how to read newspapers, evaluate radio and television programmes, use elementary audio-visual techniques and apparatus) should permit the young to understand reality better and enrich their knowledge of current affairs and problems.

16. Organization of community listening and viewing groups could in certain circumstances widen both entertainment and educational opportunities. Education and information activities should be supported by different facilities ranging from mobile book, tape and film libraries to programmed instruction through "schools of the air".

17. Such activities should be aggregated wherever possible in order to create vibrant local communication resources centres for entertainment, education, information dissemination and cultural exchange. They should be supported by decentralized media production centres; educational and extension services should be location-specific if they are to be credible and accepted.

18. It is not sufficient to urge that communication be given a high priority in national development; possible sources of investment finance must be identified. Among these could be differential communication pricing policies that would place larger burdens on more prosperous urban and elite groups; the taxing of commercial advertising may also be envisaged for this purpose.

Particular challenges:

We have focussed on national efforts which must be made to lead to greater independence and self-reliance. But there are three major challenges to this goal that require concerted international action. Simply put, these are paper, tariff structures and the electro-magnetic spectrum.

We recommend:

19. A major international research and development effort to increase the supply of paper. The worldwide shortage of paper, including newsprint, and its escalating cost impose crushing burdens upon struggling newspapers, periodicals and the publication industry,

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developing countries. Finally, developing countries should investigate the possibility of negotiating preferential tariffs on a bilateral or regional basis.

21. The electro-magnetic spectrum and geostationary orbit, both finite natural resources, should be more equitably shared as the common property of mankind. For that purpose, we welcome the decisions taken by the World Administrative Radio Conference (WARC), Geneva, September-November 1979, to convene a series of special conferences over the next few years on certain specific topics related to the utilization of these resources.

II. Social consequences and new tasks;

Integrating communication into development:

Development strategies should incorporate communication policies as an integral part in the diagnosis of needs and in the design and implementation of selected priorities. In this respect communication should be considered a major development resource, a vehicle to ensure real political participation in decision-making, a central information base for defining policy options and an instrument for creating awareness of national priorities.

We recommend:

22. Promotion of dialogue for development as a central component of both communication and development policies. Implementation of national policies should be carried out through three complementary communication patterns: first, from decision-makers towards different social sectors to transmit information about what they regard as necessary changes in development actions, alternative strategies and the varying consequences of the different alternatives; second, among and between diverse social sectors in a horizontal information network to express and exchange views on their different demands, aspirations, objective needs and subjective motivations; third, between decision-makers and all social groups through permanent participatory mechanisms for two-way information flows to elaborate development goals and priorities and make decisions on utilization of resources. Each one of these patterns requires the design of specific information programmes, using different communication means.

23. In promoting communication policies, special attention should be given to the use of non-technical language and comprehensible symbols, images and forms to ensure popular understanding of development issues and goals. Similarly, development information supplied to the media should be adapted to prevailing news values and practices, which in turn should be encouraged to be more receptive to development needs and problems.

Facing the technological challenge:

The technological explosion in communication has both great potential and great danger. The outcome depends on crucial decisions and on where and by whom they are taken. Thus, it is a priority to organize the decision-making process in a participatory manner on the basis of a full awareness of the social impact of different alternatives.

We recommend:

24. Devising policy instruments at the national level in order to evaluate the positive and negative social implications of the introduction of powerful new communication technologies. The preparation of technological impact surveys can be a useful tool to assess the consequences for life styles, relevance for underprivileged sectors of society, cultural influence, effects on employment patterns, and similar factors. This is particularly important when making choices with respect to the development of communication infrastructures.

25. Setting up national mechanisms to promote participation and discussion of social priorities in the acquisition or extension of new communication technologies. Decisions with respect to the orientation given to research and development should come under closer public scrutiny.

26. In developing countries the promotion of autonomous research and development should be linked to specific projects and programs at the national, regional and interregional levels, which are often geared to the satisfaction of basic needs. More funds are necessary to stimulate and support adaptive technological research. This might also help these countries to avoid problems of obsolescence and problems arising from the non-availability of particular types of equipment, related spare parts and components from the advanced industrial nations.

27. The concentration of communications technology in a relatively few developed countries and transnational corporations has led to virtual monopoly situations in this field. To counteract these tendencies national and international measures are required, among them reform of existing patent laws and conventions, appropriate legislation and international agreements.

Strengthening cultural identity:

Promoting conditions for the preservation of the cultural identity of every society is necessary to enable it to enjoy a harmonious and creative inter-relationship with other cultures. It is equally necessary to modify situations in many developed and developing countries which suffer from cultural dominance.

We recommend:

28. Establishment of national cultural policies, which should foster cultural identity and creativity, and involve the media in these tasks. Such policies should also contain guidelines for safeguarding national cultural development while promoting knowledge of other cultures. It is in relation to others that each culture enhances its own identity.[1]

29. Communication and cultural policies should ensure that creative artists and various grass-roots groups can make their voices heard through the media. The innovative uses of film, television or radio by people of different cultures should be studied. Such experiments constitute a basis for continuing cultural dialogue, which could be furthered by agreements between countries and through international support.

30. Introduction of guidelines with respect to advertising content and the values and attitudes it fosters, in accordance with national standards and practices. Such guidelines should be consistent with national development policies and efforts to preserve cultural identity. Particular attention should be given to the impact on children and adolescents. In this connection, various mechanisms such as complaint boards or consumer review committees might be established to afford the public the possibility of reacting against advertising which they feel inappropriate.

Reducing the commercialization of communication:

The social effects of the commercialization of the mass media are a major concern in policy formulation and decision-making by private and public bodies.

We recommend:

31. In expanding communication systems, preference should be given to non-commercial forms of mass communication. Promotion of such types of communication should be integrated with the traditions, culture, development objectives and socio-political system of each country. As in the field of education, public funds might be made available for this purpose.

32. While acknowledging the need of the media for revenues, ways and means should be considered to reduce the negative effects that the influence of market and commercial considerations have in the organization and content of national and international communication flows.[2]

33. That consideration be given to changing existing funding patterns of commercial mass media. In this connection, reviews could be made of the way in which the relative role of advertising volume and costs pricing policies, voluntary contributions, subsidies, taxes, financial incentives and supports could be modified to enhance the social function of mass media and improve their service to the community.

Access to technical information:

The flow of technical information within nations and across national boundaries is a major resource for development. Access to such information, which countries need for technical decision-making at all levels, is as crucial as access to news sources. This type of information is generally not easily available and is most often concentrated in large techno-structures. Developed countries are not providing adequate information of this type to developing countries.

We recommend:

34. Developing countries should pay particular attention to: (a) the correlation between educational, scientific and communication policies, because their practical application frequently overlaps; (b) the creation in each country of one or several centres for the collection and utilization of technical information and data, both from within the country and from abroad; (c) to secure the basic equipment necessary for essential data processing activities; (d) the development of skills and facilities for computer processing and analysis of data obtained from remote sensing.

35. Developed countries should foster exchanges of technical information on the principle that all countries have equal rights to full access to available information. It is increasingly necessary, in order to reduce inequalities in this field, to promote cooperative arrangements for collection, retrieval, processing and diffusion of technological information through various networks, regardless of geographical or institutional frontiers. UNISIST, which provides basic guidelines for voluntary cooperation among and between information systems and services, should further develop its activities.

36. Developing countries should adopt national informatics policies as a matter of priority. These should primarily relate to the establishment of decision-making centres (inter-departmental and inter-disciplinary) which would inter alia (a) assess technological alternatives; (b) centralize purchases; (c) encourage local production of software; (d) promote regional and subregional cooperation (in various fields, including education, health and consumer services).

37. At the international level, consideration should be given to action with respect to: (a) a systematic identification of existing organized data processing infrastructures in various specialized fields; (b) agreement on measures for effective multi-country participation in the programmes, planning and administration of existing or developing data infrastructures; (c) analysis of commercial and technical measures likely to improve the use of informatics by developing countries; (d) agreement on international priorities for research and development that is of interest to all countries in the field of informatics.

38. Transnational corporations should supply to the authorities of the countries in which they operate, upon request and on a regular basis as specified by local laws and regulations, all information required for legislative and administrative purposes relevant to their activities and specifically needed to assess the performance of such entities. They should also provide the public, trade unions and other interested sectors of the countries in which they operate with information needed to understand the global structure, activities and policies of the transnational corporation and their significance for the country concerned.

III. Professional integrity and standards:

Responsibility of journalists:

For the journalists, freedom and responsibility are indivisible. Freedom without responsibility invites distortion and other abuses. But in the absence of freedom there can be no exercise of responsibility. The concept of freedom with responsibility necessarily includes a concern for professional ethics, demanding an equitable approach to events, situations or processes with due attention to their diverse aspects. This is not always the case today.

We recommend:

39. The importance of the journalist's mission in the contemporary world demands

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Footnotes at end of article.

steps to enhance his standing in society. In many countries, even today, journalists are not regarded as members of an acknowledged profession and they are treated accordingly. To overcome this situation, journalism needs to raise its standards and quality for recognition everywhere as a genuine profession.

40. To be treated as professionals, journalists require broad educational preparation and specific professional training. Programmes of instruction need to be developed not only for entry-level recruits, but also for experienced personnel who from time to time would benefit from special seminars and conferences designed to refresh and enrich their qualifications. Basically, programmes of instruction and training should be conducted on national and regional levels.

41. Such values as truthfulness, accuracy and respect for human rights are not universally applied at present. Higher professional standards and responsibility cannot be imposed by decree, nor do they depend solely on the goodwill of individual journalists, who are employed by institutions which can improve or handicap their professional performance. The self-respect of journalists, their integrity and inner drive to turn out work of high quality are of paramount importance. It is this level of professional dedication, making for responsibility, that should be fostered by news media and journalists' organizations. In this framework, a distinction may have to be drawn between media institutions, owners and managers on the one hand, and journalists on the other.

42. As in other professions, journalists and media organizations serve the public directly and the public, in turn, is entitled to hold them accountable for their actions. Among the mechanisms devised up to now in various countries for assuring accountability, the Commission sees merit in press or media councils, the institution of the press ombudsman and peer group criticism of the sort practiced by journalism reviews in several countries. In addition, communities served by particular media can accomplish significant reforms through citizen action. Specific forms of community involvement in decision-making will vary, of course, from country to country. Public broadcasting stations, for example, can be governed by representative boards drawn from the community. Voluntary measures of this sort can do much to influence media performance. Nevertheless, it appears necessary to develop further effective ways by which the right to assess mass media performance can be exercised by the public.

43. Codes of professional ethics exist in all parts of the world, adopted voluntarily in many countries by professional groups. The adoption of codes of ethics at national and, in some cases, at the regional level is desirable, provided that such codes are prepared and adopted by the profession itself—without government interference.

Towards improved international reporting:

The full and factual presentation of news about one country to others is a continuing problem. The reasons for this are manifold: principal among them are correspondents' working conditions, their skills and attitudes, varying conceptions of news and information values and government viewpoints. Remedies for the situation will require long-term, evolutionary action towards improving the exchange of news around the world.

We recommend:

44. All countries should take steps to assure admittance of foreign correspondents and facilitate their collection and transmission of news. Special obligations in this regard, undertaken by the signatories to the Final Act of the Helsinki conference, should be honoured and, indeed, liberally applied. Free access to news sources by journalists is an indispensable requirement for accurate, faithful and balanced reporting. This necessarily involves access to unofficial, as well as official sources of information, that is, access to the entire spectrum of opinion within any country.[3]

45. Conventional standards of news selection and reporting, and many accepted news values, need to be reassessed if readers and listeners around the world are to receive a more faithful and comprehensive account of events, movements and trends in both developing and developed countries. The inescapable need to interpret unfamiliar situations in terms that will be understood by a distant audience should not blind reporters or editors to the hazards of narrow ethnocentric thinking. The first step towards overcoming this bias is to acknowledge that it colours the thinking of virtually all human beings, journalists included, for the most part without deliberate intent. The act of selecting certain news items for publication, while rejecting others, produces in the minds of the audience a picture of the world that may well be incomplete or distorted. Higher professional standards are needed for journalists to be able to illuminate the diverse cultures and beliefs of the modern world, without their presuming to judge the ultimate validity of any foreign nation's experience and traditions.

46. To this end, reporters being assigned to foreign posts should have the benefit of language training and acquaintance with the history, institutions, politics, economics and cultural environment of the country or region in which they will be serving.

47. The press and broadcasters in the industrialized world should allot more space and time to reporting events in and background material about foreign countries in general and news from the developing world in particular. Also, the media in developed countries—especially the "gatekeepers", editors and producers of print and broadcasting media who select the news items to be published or broadcast—should become more familiar with the cultures and conditions in developing countries. Although the present imbalance in news flows calls for strengthening capacities in developing countries, the media of the industrialized countries have their contribution to make towards the correction of these inequalities.

48. To offset the negative effects of inaccurate or malicious reporting of international news, the right of reply and correction should be further considered. While these concepts are recognized in many countries, their nature and scope vary so widely that it would be neither expedient nor realistic to propose the adoption of any international regulations for their purpose. False or distorted news accounts can be harmful, but the voluntary publication of corrections or replies is preferable to international normative action. Since the manner in which the right of reply and correction as applied in different countries varies significantly, it is further suggested that: (a) the exercise of the international right of reply and correction be considered for application on a voluntary basis in each country according to its journalistic practices and national legal framework; (b) the United Nations, in consultation with all concerned bodies, explore the conditions under which this right could be perfected at the international level, taking into account the cumbersome operation of the 1952 Convention on the International Right of Correction; (c) media institutions with an international reach define on a voluntary basis internal standards for the exercise of this right and make them publicly available.

49. Intelligence services of many nations have at one time or other recruited journalists to commit espionage under cover of their professional duties. This practice must be condemned. It undermines the integrity of the profession and, in some circumstances, can expose other journalists to unjustified suspicion or physical threat. The Commission urges journalists and their employers to be on guard against possible attempts of this kind. We also urge governments to refrain from using journalists for purposes of espionage.

Protection of journalists:

Daily reports from around the world attest to dangers that journalists are subject to in the exercise of their profession: harassment, threats, imprisonment, physical violence, assassination. Continual vigilance is required to focus the world's attention on such assaults to human rights.

We recommend:

50. The professional independence and integrity of all those involved in the collection and dissemination of news, information and views to the public should be safeguarded. However, the Commission does not propose special privileges to protect journalists in the performance of their duties, although journalism is often a dangerous profession. Far from constituting a special category, journalists are citizens of their respective countries, entitled to the same range of human rights as other citizens. One exception is provided in the Additional Protocol to the Geneva Conventions of 12 August 1949, which applies only to journalists on perilous missions, such as in areas of armed conflict. To propose additional measures would invite the dangers entailed in a licensing system since it would require somebody to stipulate who should be entitled to claim such protection. Journalists will be fully protected only when everyone's human rights are guaranteed.[4]

51. That Unesco should convene a series of round tables at which journalists, media executives, researchers and jurists can periodically review problems related to the protection of journalists and propose additional appropriate measures to this end.[5]

IV. Democratization of communication:

Human rights:

Freedom of speech, of the press, of information and of assembly are vital for the realization of human rights. Extension of these communication freedoms to a broader individual and collective right to communicate is an evolving principle in the democratization process. Among the human rights to be emphasized are those of equality for women and between races. Defense of all human rights is one of the media's most vital tasks.

We recommend:

52. All those working in the mass media should contribute to the fulfilment of human rights, both individual and collective, in the spirit of the Unesco Declaration on the mass media and the Helsinki Final Act, and the International Bill of Human Rights. The contribution of the media in this regard is not only to foster these principles, but also to expose all infringements, wherever they occcur, and to support those whose rights have been neglected or violated. Professional associations and public opinion should support journalists subject to pressure or who suffer adverse consequences from their dedication to the defense of human rights.

53. The media should contribute to promoting the just cause of peoples struggling for freedom and independence and their right to live in peace and equality without foreign interference. This is especially important for all oppressed peoples who, while struggling against colonialism, religious and racial discrimination, are deprived of opportunity to make their voices heard within their own countries.

54. Communication needs in a democratic society should be met by the extension of specific rights such as the right to be informed, the right to inform, the right to privacy, the right to participate in public communication—all elements of a new concept,

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Footnotes at end of article.

the right to communicate. In developing what might be called a new era of social rights, we suggest all the implications of the right to communicate be further explored.

Removal of obstacles:

Communication, with the immense possibilities for influencing the minds and behavior of people, can be a powerful means of promoting democratization of society and of widening public participation in the decision-making process. This depends on the structures and practices of the media and their management and to what extent they facilitate broader access and open the communication process to a free interchange of ideas, information and experience among equals, without dominance or discrimination.

We recommend:

55. All countries adopt measures to enlarge sources of information needed by citizens in their everyday life. A careful review of existing laws and regulations should be undertaken with the aim of reducing limitations, secrecy provisions and other constraints in information practices.

56. Censorship or arbitrary control of information should be abolished.[6] In areas where reasonable restrictions may be considered necessary, these should be provided for by law, subject to judicial review and in line with the principles enshrined in the United Nations Charter, the Universal Declaration of Human Rights and the International Covenants relating to human rights, and in other instruments adopted by the community of nations.[7]

57. Special attention should be devoted to obstacles and restrictions which derive from the concentration of media ownership, public or private, from commercial influences on the press and broadcasting, or from private or governmental advertising. The problem of financial conditions under which the media operate should be critically reviewed, and measures elaborated to strengthen editorial independence.

58. Effective legal measures should be designed to: (a) limit the process of concentration and monopolization; (b) circumscribe the action of transnationals by requiring them to comply with specific criteria and conditions defined by national legislation and development policies; (c) reverse trends to reduce the number of decision-makers at a time when the media's public is growing larger and the impact of communication is increasing; (d) reduce the influence of advertising upon editorial policy and broadcast programming; (e) seek and improve models which would ensure greater independence and autonomy of the media concerning their management and editorial policy, whether these media are under private, public or government ownership.[8]

Diversity and choice:

Diversity and choice in the content of communication are a precondition for democratic participation. Every individual and particular groups should be able to form judgments on the basis of a full range of information and a variety of messages and opinions and have the opportunity to share these ideas with others. The development of decentralized and diversified media should provide larger opportunities for a real direct involvement of the people in communication processes.

We recommend:

59. The building of infrastructures and the adoption of particular technologies should be carefully matched to the need for more abundant information to a broader public from a plurality of sources.

60. Attention should be paid to the communication needs of women. They should be assured adequate access to communication means and that images of them and of their activities are not distorted by the media or in advertising.

61. The concerns of children and youth, national, ethnic, religious, linguistic minorities, people living in remote areas and the aged and handicapped also deserve particular consideration. They constitute large and sensitive segments of society and have special communication needs.

Integration and participation:

To be able to communicate in contemporary society, man must dispose of appropriate communication tools. New technologies offer him many devices for individualized information and entertainment, but often fail to provide appropriate tools for communication within his community or social or cultural group. Hence, alternative means of communication are often required.

We recommend:

62. Much more attention be devoted to use of the media in living and working environments. Instead of isolating men and women, the media should help integrate them into the community.

63. Readers, listeners and viewers have generally been treated as passive receivers of information. Those in charge of the media should encourage their audiences to play a more active role in communication by allocating more newspaper space, or broadcasting time, for the views of individual members of the public or organized social groups.

64. The creation of appropriate communication facilities at all levels, leading towards new forms of public involvement in the management of the media and new modalities for their funding.

65. Communication policy-makers should give far greater importance to devising ways whereby the management of the media could be democraticized—while respecting national customs and characteristics—by associating the following categories: (a) journalists and professional communicators; (b) creative artists; (c) technicians; (d) media owners and managers; (e) representatives of the public. Such democratization of the media needs the full support and understanding of all those working in them, and this process should lead to their having a more active role in editorial policy and management.

V. Fostering international cooperation:

Partners for development:

Inequalities in communication facilities, which exist everywhere, are due to economic discrepancies or to political and economic design, still others to cultural imposition or neglect. But whatever the source or reason for them, gross inequalities should no longer be countenanced. The very notion of a new world information and communication order presupposes fostering international cooperation, which includes two main areas: international assistance and contributions towards international understanding. The international dimensions of communication are today of such importance that it has become crucial to develop cooperation on a world-wide scale. It is for the international community to take the appropriate steps to replace dependence, dominance and inequality by more fruitful and more open relations of interdependence and complementarity, based on mutual interest and the equal dignity of nations and peoples. Such cooperation requires a major international commitment to redress the present situation. This clear commitment is a need not only for developing countries but also for the international community as a whole. The tensions and disruptions that will come from lack of action are far greater than the problems posed by necessary changes.

We recommend:

66. The progressive implementation of national and international measures that will foster the setting up of a new world information and communication order. The proposals contained in this report can serve as a contribution to develop the varied actions necessary to move in that direction.

67. International cooperation for the development of communications be given equal priority with and within other sectors (e.g. health, agriculture, industry, science, education, etc.) as information is a basic resource for individual and collective advancement and for all-round development. This may be achieved by utilizing funds provided through bilateral governmental agreements and from international and regional organizations, which should plan a considerable increase in their allocations for communication infrastructures, equipment and programme development. Care should be taken that assistance is compatible with developing countries' priorities. Consideration should also be given to provision of assistance on a programme rather than on a strict project basis.

68. The close relationship between the establishment of a new international economic order and the new world information and communication order should be carefully considered by the technical bodies dealing with these issues. Concrete plans of action linking both processes should be implemented within the United Nations system. The United Nations, in approving the international development strategy should consider the communications sector as an integral element of it and not merely as an instrument of public information.

Strengthening collective self-reliance:

Developing countries have a primary responsibility for undertaking necessary changes to overcome their dependence in the field of communications. The actions needed begin at the national level, but must be complemented by forceful and decisive agreements at the bilateral, sub-regional, regional, and inter-regional levels. Collective self-reliance is the cornerstone of a new world information and communication order.

We recommend:

69. The communication dimension should be incorporated into existing programmes and agreements for economic cooperation between developing countries.

70. Joint activities in the field of communication, which are under way between developing countries should be developed further in the light of the overall analysis and recommendations of this Report. In particular, attention should be given to cooperation among national news agencies, to the further development of the News Agencies Pool and broadcasting organizations of the non-aligned countries, as well as to the general exchange on a regular basis of radio, TV programmes and films.

71. With respect to cooperation in the field of technical information, the establishment of regional and sub-regional data banks and information processing centres and specialized documentation centres should be given a high priority. They should be conceived and organized, both in terms of software and management, according to the particular needs of cooperating countries. Choices of technology and selection of foreign enterprises should be made so as not to increase dependence in this field.

72. Mechanisms for sharing information of a non-strategic nature could be established particularly in economic matters. Arrangements of this nature could be of value in areas such as multilateral trade negotiations, dealings with transnational corporations and banks, economic forecasting, and medium- and long-term planning and other similar fields.

73. Particular efforts should be undertaken to ensure that news about other developing countries within or outside their region receive more attention and space in the media. Special projects could be devel-

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Footnotes at end of article.

oped to ensure a steady flow of attractive and interesting material inspired by news values which meet developing countries' information needs.

74. Measures to promote links and agreements between professional organizations and communication researchers of different countries should be fostered. It is necessary to develop networks of institutions and people working in the field of communication in order to share and exchange experiences and implement joint projects of common interest with concrete operational contents.

International mechanisms:

Cooperation for the development of communications is a global concern and therefore of importance to international organizations, where all Member States can fully debate the issues involved and decide upon multi-national action. Governments should therefore attentively review the structures and programmes of international agencies in the communications field and point to changes required to meet evolving needs.

We recommend:

75. The Member States of Unesco should increase their support to the Organization's programme in this area. Consideration should be given to organizing a distinct communication sector not simply in order to underline its importance but to emphasize that its activities are inter-related with the other major components of Unesco's work—education, science and culture.[9] In its communications activities, Unesco should concentrate on priority areas. Among these are assistance to national policy formulation and planning, technical development, organizing professional meetings and exchanges, promotion and coordination of research, and elaboration of international norms.

76. Better coordination of the various communication activities with Unesco and those throughout the United Nations System. A thorough inventory and assessment of all communications development and related programmes of the various agencies should be undertaken as a basis for designing appropriate mechanisms to carry out the necessary consultation, cooperation and coordination.

77. It would be desirable for the United Nations family to be equipped with a more effective information system, including a broadcast capability of its own and possibly a communication satellite. That would enable the United Nations to follow more closely world affairs and transmit its message more effectively to all the peoples of the earth. Although such a proposal would require heavy investment and raise some complex issues, a feasibility study should be undertaken so that a carefully designed project could be prepared for deliberation and decision.[10] [11]

78. Consideration might be given to establishing within the framework of Unesco an International Centre for the Study and Planning of Information and Communication. Its main tasks would be to: (a) promote the development of national communication systems in developing countries and the balance and reciprocity in international information flows; (b) mobilize resources required for that purpose and manage the funds put at its disposal; and (c) assure coordination among parties interested in communication development and involved in various cooperation programmes and evaluate results of bilateral and multilateral activities in this field; (d) organize round tables, seminars, and conferences for the training of communication planners, researchers and journalists, particularly those specializing in international problems; and (e) keep under review communications technology transfers between developed and developing countries so that they are carried out in the most suitable conditions. The Centre may be guided by a tripartite coordinating council composed of representatives of developing and developed countries and of interested international organizations. We suggest Unesco should undertake further study of this proposal for consideration at the 1980 session of the General Conference.[12]

Towards international understanding:

The strengthening of peace, international security and cooperation and the lessening of international tensions are the common concern of all nations. The mass media can make a substantial contribution towards achieving these goals. The special session of the United Nations General Assembly on disarmament called for increased efforts by the mass media to mobilize public opinion in favor of disarmament and of ending the arms race. This Declaration together with the Unesco Declaration on fundamental principles concerning the contribution of the mass media to strengthening peace and international understanding, to the promotion of human rights and to countering racialism, apartheid and incitement to war should be the foundation of new communication policies to foster international understanding. A new world information and communication order requires and must become the instrument for peaceful cooperation between nations.

We recommend:

79. National communication policies should be consistent with adopted international communication principles and should seek to create a climate of mutual understanding and peaceful coexistence among nations. Countries should also encourage their broadcast and other means of international communication to make the fullest contribution towards peace and international cooperation and to refrain from advocating national, racial or religious hatred, and incitement to discrimination, hostility, violence or war.

80. Due attention should be paid to the problems of peace and disarmament, human rights, development and the creation of a new communication order. Mass media both printed and audiovisual, should be encouraged to publicise significant documents of the United Nations, of Unesco, of the world peace movements, and of various other international and national organizations devoted to peace and disarmament. The curricula of schools of journalism should include study of these international problems and the views expressed on them within the United Nations.

81. All forms of cooperation among the media, the professionals and their associations, which contribute to the better knowledge of other nations and cultures, should be encouraged and promoted.

82. Reporting on international events or developments in individual countries in situations of crisis and tension requires extreme care and responsibility. In such situations the media often constitute one of the few, if not the sole, link between combatants or hostile groups. This clearly casts on them a special role which they should seek to discharge with objectivity and sensitivity.

The recommendations and suggestions contained in our Report do not presume to cover all topics and issues calling for reflection and action. Nevertheless, they indicate the importance and scale of the tasks which face every country in the field of information and communication, as well as their international dimensions which pose a formidable challenge to the community of nations.

Our study indicates clearly the direction in which the world must move to attain a new information and communication order—essentially a series of new relationships arising from the advances promised by new communication technologies which should enable all peoples to benefit. The awareness already created on certain issues, such as global imbalances in information flows, suggests that a process of change has resulted and is under way. The power and promise of ever-new communication technologies and systems are, however, such as to demand deliberate measures to ensure that existing communication disparities do not widen. The objective should be to ensure that men and women are enabled to lead richer and more satisfying lives.

B. Issues requiring further study

We have suggested some actions which may help lead towards a new world information and communication order. Some of them are for immediate undertaking; others will take more time to prepare and implement. The important thing is to start moving towards a change in the present situation.

However, there are other issues that require examination, but the International Commission lacked time or sufficient data or expertise to deal with them. The proposals listed below have not been approved by the Commission; several were not, in fact, even discussed. Members felt free, nevertheless, to submit individual or group proposals which, in their judgment, called for study in the future. While these suggestions have not been endorsed by the Commission, they may still indicate some preliminary ideas about issues to be pursued, if and when they arouse interest.

I. Increased interdependence:

1. Studies are necessary to define more precisely the interdependence of interests of rich and poor countries, as well as of countries belonging to different socio-political systems. Research undertaken to date has not adequately explored this community of interests; more substantial findings are desirable as background for eventual future measures leading to wider cooperation. Similar studies are necessary to prepare more diversified cooperative efforts among developing countries themselves.

2. For the same purpose, indicators should be worked out to facilitate comparison of the results obtained through various media in different countries.

3. As international cooperation depends on mutual understanding, language barriers are a continuing problem. There is a certain imbalance in the use of international languages and studies might be undertaken with a view to improving the situation.

II. Improved coordination:

4. A new information and communication order cannot be developed on the basis of sporadic projects and initiatives, and without a solid research base. Feasibility studies are needed to ensure better coordination of activities in many fields, particularly at an initial stage, involving (a) news collection and supply; (b) data banks; (c) broadcast programme banks for exchange purposes; (d) exchange of data gathered by remote sensing.

III. International standards and instruments:

5. The texts of international instruments (of the League of Nations, the United Nations and UN Agencies, intergovernmental organizations, etc.) as well as draft texts which have long run up against political barriers should be reviewed in order to promote further international legislation in this area, since only by extending its scope will it be possible to overcome certain difficulties and to regulate certain aspects of the new world communication order.

6. Studies should be undertaken to identify, if possible, principles generally recognized by the profession of journalism and which take into account the public interest. This could also encompass further consideration by journalists' organizations themselves, of the concept of an international code of ethics. Some fundamental elements for this code might be found in the Unesco Declaration on the mass media, as well as in provisions common to the majority of existing national and regional codes.

Footnotes at end of article.

7. Studies should be undertaken on the social, economic and cultural effects of advertising to identify problems, and to suggest solutions, at the national and international levels, possibly including study of the practicability of an international advertising code, which could have as its basis the preservation of cultural identity and protection of moral values.

IV. Collection and dissemination of news:

8. The scope of the round tables, mentioned in Recommendation 51 above, could be enlarged, after appropriate studies, to include other major problems related to the collection and dissemination of international news, particularly professional, ethical and juridical aspects.

V. Protection of journalists:

9. Further studies should be made for the safeguarding of journalists in the exercise of their profession. The possibility might be explored for setting up some mechanism whereby when a journalist is either refused or deprived of his identity card he would have a right of appeal to a professional body, ideally with adequate judicial authority to rectify the position. Such studies should also look into the possibility of the creation of an international body to which a further appeal could be made in the final report.

VI. Greater attention to neglected areas:

10. The concentration of the media in the developed regions, and the control of or access to them enjoyed by the affluent categories of the population, should be corrected by giving particular attention to the needs of the less developed countries and those of rural areas. Studies should be undertaken to evaluate these needs, to determine priorities and to measure the likely rate of return of future investments. Consideration might be given for example to (a) the feasibility of generalizing sound and television broadcasting and expanding telephone networks in rural areas; (b) the efficacy of possible government measures to expand distribution of receiving sets (e.g. through special facilities, tax exemptions, low-interest loans, subsidies, etc.) and (c) technological possibilities and innovations (e.g. the production of high-power generators for areas without electricity, etc.)

VII. More extensive financial resources:

11. The scarcity of available resources for communication development, both at national and international levels, highlights the need for further studies in three different areas: (a) identification of country priorities for national and international financing; (b) evaluation of the cost-effectiveness of existing investments; (c) the search for new financial resources.

12. As far as new resources are concerned, several possibilities might be explored: (a) marshalling of resources deriving from surplus profits on raw materials; (b) establishment of an international duty on the use of the electromagetic spectrum and geostationary orbit space for the benefit of developing countries; (c) levying of an international duty[13] on the profits of transnational corporations producing transmission facilities and equipment for the benefit of developing countries and for the partial financing of the cost of using international communication facilities (cable, telecommunications networks, satellites, etc.).

Responding to its wide mandate, the Commission has sought to identify major problem and trends and has recommended certain lines of action. Apart from recommendations coming from the Commission as a whole, some of its members made additional suggestions, considering that the interest for new issues will continue to grow.

It is important to realize that the new order we seek is not only a goal but a stage in a journey. It is a continuing quest for ever more free, more equal, more just relations within all societies, and among all nations and peoples. This Report represents what we believe we have learned. And this above all, is what we wish to communicate.

FOOTNOTES

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[1] Comment by Mr. S. MacBride: "I wish to add that owing to the cultural importance of spiritual and religious values and also in order to restore moral values, policy guidelines should take into account religious beliefs and traditions."

[2] Comment by Mr. Abel: "At no time has the commission seen evidence adduced in support of the notion that market and commercial considerations necessarily exert a negative effect upon communication flows. On the contrary, the commission has praised elsewhere in this report courageous investigative journalism of the sort that can be sustained only by independent media whose survival depends upon their acceptance in the marketplace, rather than the favors of political leaders. The commission also is aware that market mechanisms play an increasingly important role today even in so-called planned economies."

[3] Comment by S. Losev: This paragraph doesn't correspond to the Helsinki Final Act (see section 2—information, point (c)), contradicts the interests of developing nations, and therefore is completely unacceptable and I object against it being included. I suggest to replace this recommendation by the following text: "All countries should take appropriate measures to improve the conditions for foreign correspondents to carry out their professional activities in the host countries in accordance with the provisions of the Helsinki Final Act and with due respect to the national sovereignty and the national identity of the host country".

[4] Comment by Mr. S. MacBride: "I consider this paragraph quite inadequate to deal with what is a serious position. Because of the importance of the role of journalists and others who provide or control the flow of news to the media, *I urge that they should be granted a special status and protection;* I also urge that provisions should be made to enable a journalist to appeal against a refusal of reasonable facilities. My views on these issues are embodied in a paper entitled *The Protection of Journalists* (CIC Document No. 90) which I submitted to the Commission; I refer in particular to paragraphs 1–17 and 35–53 of this paper."

[5] Comment by Mr. S. MacBride: "I urge that such a Round Table be convened annually for a period of five years; I refer to paragraphs 50–57 of my paper on *The Protection of Journalists* (CIC Document No. 90)."

[6] Comment by Mr. S. Losev: "This whole problem of censorship or arbitrary control of information is within the national legislation of each country and is to be solved within the national, legal framework taking in due consideration the national interests of each country."

[7] Comment by Mr. S. MacBride: "I also wish to draw attention to the provisions of Article 10 of the European Convention for the Protection of Human Rights which I consider as wholly inadequate. I urge that Articles 13 and 14 of the Inter-American Convention on Human Rights (1979) are much more comprehensive and effective than the equivalent provisions of the European Convention. The matter is discussed in paragraphs 26–29 of my paper on *The Protection of Journalists* (CIC Document No. 90).

[8] Comment by Mr. E. Abel: "Regarding (a) and (c), anti-monopoly legislation, whether more or less effective, is relevant only in countries where a degree of competition can be said to exist. It is a travesty to speak of measures against concentration and monopolization in countries where the media are themselves established as state monopolies, or operate as an arm of the only authorized political party. (b) Transnational corporations are expected to comply with the laws of the countries in which they do business. (d) Where it can be shown to exist, the influence of advertisers upon editors content or broadcast programming would warrant careful study. But a sweeping demand that such influence be reduced, without pausing to examine or attempting to measure that influence in particular circumstances, is a symptom of ideological prejudice."

[9] Comment by Mr. M. Lubis: "I strongly believe that the present set-up in Unesco (Sector of Culture and Communication) is adequate to deal with the problems of communication."

[10] Comment by Mr. M. Lubis: "I am of the opinion that the present communication potential of the UN system has not been effectively and efficiently used and managed. And I cannot foresee for a long time to come that the UN system will be able to speak with one voice on the really relevant issues of the world, disarmament, peace, freedom, human rights. However, I support the suggestion about a feasibility study, contained in the same paragraph."

[11] Comment by Mr. S. MacBride: "I would point out that the phenomenal growth of international broadcasting highlights the absence of a UN International Broadcasting System. Some thirty countries broadcast a total of *12,000 hours* per week in one hundred different languages. I urge that the UN should establish a broadcasting system of its own that would broadcast 24 hours round the clock in not less than 30 different languages. See my paper on *The Protection of Journalists* (CIC Document No. 90, paragraph 46) and the paper on *International Broadcasting* (CIC Document No. 60)."

[12] Comment by Ms. B. Zimmerman: "Although I agree that a coordinating body in the field of communication development could serve a useful purpose, I cannot support this precise recommendation. All members of the Commission did not have the opportunity to discuss thoroughly the advantages and disadvantages of various objectives and structures for such a coordinating body. As a Unesco Intergovernmental Conference is to be held in 1980 to cover that topic, I feel the Commission should welcome the careful study that the Unesco Conference is in a position to give the matter, rather than offering any recommendation at this time."

Comment by Mr. E. Abel: "This proposal is premature, unnecessary and unwise. The design of an appropriate mechanism for promoting and coordinating communications development demands more time and resources than this Commission possesses. Essentially the same proposal here advanced was one of two submitted to a Unesco experts meeting in November; neither one was endorsed. The question is on the agenda for an intergovernmental meeting at Unesco in April. The UN General Assembly has now taken a strong interest in the matter and has requested the Secretary-General to intervene. As it stands, this proposal can only deter the necessary cooperation of both the competent UN bodies and the developed nations whose cooperation is indispensable to further progress."

Comment by Mr. S. MacBride: "I suggest that if any steps are taken in this direction prior consultation and accord should be reached with journalists' organizations and other NGOs involved in the mass media."

[13] Comment by Mr. S. Losev: "The idea of an international tax for whatever good reasons or causes does not seem just or justifiable to me."

Comment by Mr. S. MacBride and Ms. B. Zimmerman: "The examples cited, particularly those proposing international duties, seem to have been insufficiently considered in terms of their validity or practicability in the international sphere, and indicate the need for further careful study in this area."

Mr. MOYNIHAN. Mr. President, I should like to ask the chairman several questions. First of all, I noted with great interest and satisfaction that the chairman of our committee and the ranking member had addressed a letter to the head of the Central Intelligence Agency on May 19, in which they noted that in the course of our hearings, a number of witnesses expressed concern about the use for intelligence purposes of American clergymen and missionaries, journalists, the members of American news media organizations, and the faculty and staff of American academic institutions of higher learning.

Then Senator Bayh and Senator Goldwater stated this in a long letter which I shall ask unanimous consent to have printed in the Record:

> Therefore, we request that regular reports be submitted to the Committee by the head of each relevant department, agency, or other entity of the intelligence community concerning intelligence relationships with these institutions and their employees or representatives. In addition, when exceptions are made to established policies and prohibitions, we request that the Committee be informed of each such "waiver."

I ask unanimous consent that the full letter be printed in the Record, Mr. President.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Select Committee on Intelligence,
Washington, D.C., May 19, 1980.

Adm. Stansfield Turner,
Director of Central Intelligence, Central Intelligence Agency, Washington, D.C.

Dear Admiral Turner: In the course of the Select Committee's hearings on charter legislation, a number of witnesses expressed concern about the use for intelligence purposes of American clergy and missionaries, journalists and staff of American news media organizations, and faculty and staff of American academic institutions of higher learning. The question of notifying the Committee regarding these matters was raised with Deputy Director Carlucci, and he offered "to establish such a process so that we could fully inform the Committee."

Four years ago, our predecessor committee completed a full examination of this subject, and we have kept abreast of subsequent practices through briefings and other communications from the agencies involved. However, the establishment of a regular procedure for informing the Committee in this area is particularly important to assure concerned citizens that Congressional oversight will be exercised to protect the integrity and independence of American religious, media, and educational institutions in accordance with constitutional principles. Therefore, we request that regular reports be submitted to the Committee by the head of each relevant department, agency, or other entity of the intelligence community concerning intelligence relationships with these institutions and their employees or representatives. In addition, when exceptions are made to established policies and prohibitions, we request that the Committee be informed of each such "waiver."

It is our intention to hold further hearings on this matter as the Committee addresses the need for additional legislation and prepares for consideration of charters in the next Congress. While the public hearings have elicited citizen concerns, they have touched on agency practices and requirements in only the most general terms. Thus, it would be of great value to the Committee in planning executive session hearings if the initial report from each agency would set forth the policies it has followed in recent years, including all pertinent guidelines and regulations and the nature and extent of any relationships permitted or approved under those policies.

Please convey our request to the heads of the relevant departments, agencies, and entities of the intelligence community. We appreciate your assistance in this effort, and we look forward to receiving the initial reports as soon as practicable.

Sincerely,

Birch Bayh,
Chairman.
Barry Goldwater,
Vice Chairman.

Mr. MOYNIHAN. Mr. President, as an interim arrangement, this seems to me to be very useful. I gather we have not had a reply from Admiral Turner, but it would be altogether in the spirit of this legislation for a positive reply to be forthcoming.

Would the chairman of our subcommittee agree with me in that? I ask his judgment.

Mr. HUDDLESTON. Yes, Mr. President, I certainly would agree with the distinguished Senator from New York. I point out that, as he knows, the Director of Central Intelligence, Admiral Turner, has already publicly indicated to the committee, that there have been three instances where he, himself, did authorize the use of a member of the press. None, however, really occurred, because subsequent events made them unnecessary or inappropriate. But he did report to us in that fashion and we assume that he will report, in accordance with this request, if there are any further instances where similar use is authorized.

Mr. MOYNIHAN. Would I be correct in thinking he had reported this to us after he had made the statement to the Society of Newspaper Editors, that it was not done as a routine matter but could be in the future?

Mr. HUDDLESTON. I believe he did report to the committee before the society revelations.

Mr. MOYNIHAN. He did?

Mr. HUDDLESTON. Yes.

Mr. MOYNIHAN. Then I am corrected in that regard.

Would it be possible to assume that if we get a positive or negative response from Admiral Turner, we shall make this public: that if he agrees to this, the letter will be made public, just as the request has been made public. I think his answer might be made public. Does the Senator not agree?

Mr. HUDDLESTON. I would hesitate to speak for the chairman.

Mr. MOYNIHAN. The Senator could not speak for him, but it would not be——

Mr. HUDDLESTON. Nor for the chairman or the ranking member of the committee, who addressed the letter to the admiral. So I could not say for a certainty that he will.

Mr. MOYNIHAN. I think the Senator could join with me in the hope that this might be the case.

Mr. HUDDLESTON. I think it would be appropriate.

Mr. MOYNIHAN. I wonder if I could ask about another point on the interim arrangements. I might say I think this exchange is working out usefully.

If this is to be a matter of guidelines or staff, it is entirely possible that if there are to be exceptions to the general prohibition which exist, that such exceptions might require Presidential approval and reporting to our committee under the procedures which we are now establishing.

Mr. HUDDLESTON. That certainly is one approach.

Mr. MOYNIHAN. One possibility.

Mr. HUDDLESTON. Somewhat tighter than the present arrangement in that the President himself must make the exception rather than the head of the CIA.

I think any alternative would be a statute banning such use that has a mechanism for an exception. That is a possibility, too.

Mr. MOYNIHAN. I say, that case may be made. I do not dispute it. But, neither do I endorse it.

I would expect that if anyone is listening at the other end of Pennsylvania Avenue now, they would hear the thought that they have it in their own power to report to us. They have it in their own power to provide for Presidential approvals on any issues, and to strike paragraph 3 and have no exceptions. Those are areas they can consider.

I know Mr. Bailey, Mr. Schmitt, and Mr. Winship have called at the White House and spoken with persons in a position to represent administration views in this matter.

It is not for us to tell them what they will decide. It is for us to indicate the concern of one Senator, and no more.

I say to my distinguished friend, in the light of his forthcoming acknowledgment of the work to be done, and in light of the "Dear Colleague" letter which has put the overwhelming majority of our committee on record saying they have to oppose this amendment, in those circumstances it not being possible to contemplate that it would be accepted this afternoon, and not wishing to see defeated a principle which has not been rejected—I see that the chairman nods: For the purpose of the record, I say that again, not wishing to see defeated a principle which has not been rejected—the chairman nods again——

Mr. BAYH. Will the Senator yield?

Mr. MOYNIHAN. I am happy to.

Mr. BAYH. I think the record should also show that he smiles.

Mr. MOYNIHAN. He smiles. He smiles.

Mr. BAYH. Mr. President, I wish to reinforce the general thrust of the colloquy here that has been participated in by my good friends from Kentucky and New York.

We are struggling mightily to come forward with something that will show progress in this area of intelligence legislation.

I think the measure before us is a significant step in the right direction. It certainly does not complete the journey, in my judgment.

I find myself in strong agreement with the basic principle of the amendment proposed by the Senator from New York.

As he pointed out, the charter legislation introduced over the last few years, reflects many of the views of the Senator from New York.

I appreciate the willingness of the Senator from New York to help move this forward without defeating the principle. I think he stated it very well.

I would like to add my sentiments in that regard.

Mr. MOYNIHAN. Mr. President, in those circumstances, it seems to me best not to press this to what might be a premature decision of the body which would not reflect its judgment.

We wish to have a bill which will pass this Chamber and be agreed to in conference with the House, and adopted.

In those circumstances, Mr. President, I withdraw my amendment.

I thank the Chair, and I thank my distinguished friend.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS. Mr. President, we have heard from many Members on this issue, which is designed to resolve a difficult situation for all of us.

I have been here in executive sessions, closed door sessions, and when the ad hoc Committee on Intelligence was chaired by Senator CHURCH, now chairman of the Foreign Relations Committee, of which I am the ranking member, and have shared with my colleagues some of the grief in the premature disclosures of highly secret and sensitive information.

We have all labored over how to deal with these problems, which are in the so-called gray or twilight zone of the Constitution, to wit, there is nothing in the Constitution that says that the President has exclusive possession of intelligence information and there is nothing in the Constitution that says we have.

There is nothing in the Constitution that says he can classify it, or that says we cannot obtain it if he does.

So I, first, have a keen appreciation of the labor which has gone into developing this particular measure which must still be considered interim, because the so-called intelligence charter just turned out to have too many problems to be done with relative celerity, and yet it was necessary to crystallize in some way the practice of the oversight committees.

I agree thoroughly with the need for simplifying that practice. There are some seven committees here that could have had this wrestling match with the executive—and that have had it on many occasions. There are still plenty of open questions on which we do wrestle, like executive privilege and similar matters, with the President.

I have, with the immensely gratifying support of the Senate and the House, been privileged to be the author of the war powers resolution, which dealt with so awesome a matter as war, and the modern way in which we are likely to get into war, as shown by our experience since World War II in dealing with that particular twilight zone problem.

I think we owe a deep debt of gratitude to the members of our Intelligence Committee. Indeed, first, to the leadership for having simplified in Senate Resolution 400 the practices which were rather uncontrolled in this Chamber and in the Senate at large; and, second, for having developed the committee system which they have, and now for the committee having at least taken the first step toward a resolution of these great problems.

My problem arose, also, out of one of those gray areas because today foreign policy is composed of military policy, which is in the hands of the Armed Services Committee, of economic policy, which is heavily in the hands of the Finance Committee and the Banking Committee, and it is also intelligence policy, for which we now have a select committee.

To assume that the President is going to decide what we should know and not know makes it very difficult for the Foreign Relations Committee to be in at the "takeoffs" as well as the "landings," which was Arthur Vandenberg's famous expression for characterizing a bipartisan and unified foreign policy.

If we are going to wait for the President to tell us, and if, when we ask, we face a blank wall—even if it is only the blank wall of another committee—the foreign policy of the country will hardly be subject to any great ministrations from the Foreign Relations Committee.

So, earlier today, we had a most interesting discussion with the chairman, Senator BAYH, and the chairman of the relevant subcommittee, Senator HUDDLESTON, on this subject.

I was rather disappointed—although it was the fault of no one, as it turned out—that the ranking minority member, Senator GOLDWATER, who has such rich and ripe experience in this field, was not with us this morning. He had other responsibilities of his own at the time. But I hope that by now—and I say this to my friend and colleague—he may have had an opportunity to be apprised of what has occurred; and I hope he may find it possible to concur with the solutions at which we arrived, which will be disclosed shortly in an agreed-upon colloquy which I hope to have with whoever on the part of the committee—I suppose it will be Senator HUDDLESTON—has been properly empowered in that regard.

Before going into the colloquy, may I say, Mr. President, that one of the great joys in this Chamber is the personal friendships one develops. Notwithstanding how men may think differently, they build up by experience a mutual respect and often a mutual trust which is found among those of the most diverse views. It is an enormous satisfaction to me that I believe I enjoy such a relationship with the distinguished Senator from Arizona, a former candidate, of my party, for President.

The second is that sometimes you can sit down, notwithstanding the politics and our own deeply held views, and have open and frank discussion of our mutual disquiets and have the inestimable privilege of ending it by both parties saying, "I am persuaded."

That is what this colloquy means.

I believe that the Senators who represented the Intelligence Committee persuaded us that their design was to accommodate fully our responsibilities in the Foreign Relations Committee. I believe, from the evidence which I will present shortly, that we persuaded them that, under the circumstances of the measure which is before the Senate, plus the way in which the measure was interpreted in the committee report, we had reason to be disquieted; because the one thing we did not wish to do, and which we then learned—and it was a matter of great satisfaction—that they did not wish to do, was to resolve any substantive constitutional question.

There are some things you cannot resolve. They will continue to be a wrestling match. We have a very vivid example of that in the fact that the President kept to himself the military operation in Iran, and historians will have a great time with that one, notwithstanding the war powers resolution, nowithstanding whatever the Intelligence Committee had a right to expect in disclosures of covert operations or intelligence gathering or whatever it was that was being done in Iran.

So we did not try to do that. What we have tried to do is to perfect—so that we, too, might be able to do our job—the methodolgy by which they do their work and we do ours.

I am satisfied, and I believe our whole committee is satisfied, that the method we now have chosen, which will be evident from this colloquy, represents a fair, effective, and objective way in which to accomplish the results of simplifying the intelligence relations between the President and Congress—the Senate in this case—and limiting further the opportunities for misadventure, premature disclosure, and so forth.

It will not eliminate them; we know that. But I believe it will limit them further, and we will have to go beyond that and beyond that, considering the sensitivity of what goes on in the world, yet leaving unresolved the fundamental struggle which politically must go on, whatever its ups and downs may be.

I should like to join those colleagues who addressed themselves to this matter, in the hope that we always may be able to settle these affairs ourselves. I believe deeply in the division of powers among the different branches, and I hope very much that less and less will it be necessary for the courts to be our arbiter.

So I welcome this particular resolution of this matter as another stone in that arch, and I hope we always have that profoundly in mind.

With that before us, Mr. President, I should like to engage the manager of the bill in this colloquy.

Mr. President, I am grateful for the opportunity to have an exchange of views and assurances with my colleagues from the Intelligence Committee on several issues raised by S. 2284, the Intelligence Oversight Act of 1980, and its accompanying report language.

In this regard, I direct the Senate's attention to the preambular language of section 501(a) on lines 12–18 of page 173 of the bill, which conditions the obligations in the remainder of the bill as applying only:

> To the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods.

I then direct the attention of the Senate to the language on page 4 of the Intelligence Committee report interpreting this portion of the legislation, as follows:

> In general terms, subsection (a) requires the Director of Central Intelligence and the head of each agency involved in intelligence activities to provide information to the two oversight committees. These obligations, however, are conditioned by two separate limitations. The obligations apply: (1) to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government; and (2) to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods. Consistent with these conditions, the two oversight committees are to be kept fully and currently informed of intelligence activities, including any significant anticipated intelligence activity.

I should like to confirm the following understandings with the leadership of the Intelligence Committee which, to the extent that it might be inconsistent with the language of the report, would supersede such language.

The first preambular clause—which reads "[t]o the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government,"—is simply a routine disclaimer that the bill does not purport to change whatever authorities and duties may exist under the Constitution.

A similar disclaimer appeared in section 8d(1) of the war powers resolution. Its purpose is to state an important but accepted fact: That Congress does not have the power to change the Constitution by statute. However, this language should not be interpreted as meaning that Congress is herein recognizing a constitutional basis for the President to withhold information from Congress. We have never accepted that he does have that power, he has never conceded that he does not under certain circumstances, and the courts have never definitively resolved the matter.

But we are leaving that dispute for another day, specifically reserving both of our positions on this issue, and nothing in this statute should be interpreted as a change in that situation. What we are doing is simply legislating under the necessary and proper clause of article I a new arrangement or modus vivendi for the handling of information and consultations between Congress and the intelligence agencies, with both sides reserving their positions on the constitutional issues.

Is that the correct understanding of the meaning and intent of this language? I yield to Senator HUDDLESTON.

Mr. HUDDLESTON. Yes. As the Senator from New York has stated the correct interpretation and meaning.

Mr. JAVITS. With respect to the second so-called limitation contained in the preamble to S. 2284, which reads "to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods," this standard simply states an obligation that applies equally to both branches, not uniquely or in a superseding manner to the executive branch, despite the fact that the subject of that sentence is specifically the "Director of Central Intelligence and the heads of all departments, agencies, and other entities of the United States involved in intelligence activities." That standard refers, inter alia, to the need for adequate general procedures for the protection of such information in the course of sharing it between the executive branch and Congress, as called for in sections 501(c) and (d).

The President and the executive branch are not the superior judge of "due regard" for the protection of sensitive information. The congressional subpena power is not affected by this preambular clause. Where a subpena is not employed, the statute does not compel the committees to accept executive branch determinations as to whether due regard has been afforded. This new statutory authority to afford "due regard" is imposed equally upon the executive and legislative branches.

The legislative branch is not bound by the definition of "due regard" adopted by the executive branch. Information provided to the committee by the executive may be provided by the committee to other committees subject only to the rules of the Senate to protect sources and methods.

Mr. HUDDLESTON. These understandings are correct.

Mr. JAVITS. I thank my colleague.

In addition to these two matters with respect to the preamble of section 501(a), I would like to confirm several other understandings as to the intent of the bill. Section 501(c) appears to provide for the establishment of three separate and distinct sets of procedures for "protecting against the unauthorized disclosure of classified information"—that is, one set which the President establishes unilaterally and one set each by the Senate and House Select Committees.

Moreover, section 501(d) appears to provide for the establishment of two additional, and possibly distinct, sets of procedures, one by the full Senate and one by the full House.

In addition, these rules which bind the full Senate and House have to be drawn in consultation with the Director of the Central Intelligence, whereas there is no reciprocal role for the Congress in the unilateral right of the President to set procedures for the executive branch (which nonetheless govern what can be disclosed in the first place.)

Does the consultative role of the Director of Central Intelligence in the framing of Senate and House procedures give a veto to the executive over information that can be passed on to the full Senate and to other committees, and does it give the DCI any role in determining what information in the select committee's possession may "require the attention of" the full Senate or another committee, such as the Foreign Relations Committee?

Mr. HUDDLESTON. The President has no statutory authority under sections 501 (c)and (d) or any other reference to procedures to withhold information on the grounds that the procedures of the committees or the Houses are not satisfactory to the President or to the Director of Central Intelligence.

The Congress is required by statute to consult fully and in detail with the Director of Central Intelligence. This is a mandate to the Congress, and does not imply that agreement between the Congress and the executive branch is required. For example, such an agreement is not required for the procedures governing the final sentence of subsection (d).

Mr. JAVITS. My next question——

Mr. GOLDWATER. Mr. President, if I could interrupt my friend, will the Senator yield?

Mr. JAVITS. I yield.

Mr. GOLDWATER. I am attracted to the statment on the Senator's page 6.

On page 6 when the Senator states "protecting against the unauthorized disclosure of classified information," we are having, as the Senator knows, problems with this because we feel, without any real deep investigation, but we have reason to believe that disclosure is coming more from the executive branch than any other side. My question concerns the responsibility of correction in this, and I think we have a great gap in here as to what constitutes correction when sensitive information is released by Members of Congress, the committee, agencies, or the administration. This is what troubles us.

Mr. JAVITS. Mr. President, if I may reply, the very purpose of this particular question and answer was to say that we are, each of us, in terms of rules and regulations, bound only by what we do, each of us, according to our processes and in terms of general law. Then the law will control each or any of us. The reason for this point is that there is introduced here a consultative role for the Director of Central Intelligence that does not mean anything substantive in terms of what we decide we want to do to protect unauthorized disclosure, acting as the Senate or as the House.

I think that is quite consistent with the point the Senator just made.

Mr. GOLDWATER. I realize that, and the point of my question was not to raise any prolonged discussion here but to indicate that I feel there is a definite need in this field for substantive and understood legislation.

Mr. JAVITS. I thank my colleague and I agree.

Mr. TSONGAS addressed the Chair.

Mr. JAVITS. May I go on?

Mr. HUDDLESTON. Yes.

Mr. JAVITS. Mr. President, my next question relates to section 501(b):

Does information reported to the eight-man leadership group under section 501(a)(1)(B) have to be reported to the select committee under 501(b)? Is there anything to prohibit the passing on of information given to the leadership group under 501(a)(1)(B) to the full Senate or, to the Foreign Relations Committee? If information has been withheld from both the select committee and the leadership group (as section 501(b) envisages), can it be withheld on any grounds other than "independent constitutional authority," and, if so, what grounds? If prior notice has been withheld on grounds of "independent constitutional authority" on what basis can the President be compelled to report it subsequently under section 501(b)?

Mr. HUDDLESTON. In the case of prior notice to the eight leaders under section 501(a)(1)(B), the intent is that the full oversight committees will be fully informed at such time as the eight leaders determine is appropriate. The committees will establish the procedures for the discharge of this responsibility under section 501(c).

Section 501(b) recognizes that the President may assert constitutional authority to withhold prior notice of covert operations, but would not be able to claim the identical authority to withhold timely notice under section 501(b). A claim of constitutional authority is the sole grounds that may be asserted for withholding prior notice of a covert operation. However, as stated in the report, highly sensitive aspects of an operation, such as the identity of an agent, may be withheld prior to implementation of such an operation.

Mr. JAVITS. My last question will be as follows:

It is my understanding that several changes will be made in the language of the report to clarify matters agreed to by the Intelligence Committee. First, on page 6 of the report in the sixth paragraph, the words "or classified information from unauthorized disclosure" shall be deleted. Second, the last sentence in that paragraph shall read: "This statute does not provide a statutory right to withhold information from Congress when subpenaed by Congress."

Finally, on page 12, the fourth full paragraph shall read: "The provisions of subsection (b) are expressly not conditioned upon the preambular clauses that apply to subsection (a)."

Mr. HUDDLESTON. The Senator is correct. I will just say at this point that, speaking for the committee, we appreciate the interest the Senator has manifested in this legislation and the suggestions he has made and his help in working out these changes and these understandings.

So, Mr. President, I ask unanimous consent that these changes just indicated by the Senator from New York be made in a star print of report No. 96–730 on S. 2284.

I also want to state for the record that these answers have been reviewed with the administration, represented by Mr. Lloyd Cutler, Counsel to the President; Mr. Dan Silver, General Counsel of the CIA; and Mr. Frederick Hitz, Legislative Counsel of the CIA, and that the administration agrees with each one and with the changes in the report.

Mr. JAVITS. Mr. President, I thank my colleague, and I wish to express to him again and to Senator BAYH and their staffs and to Senator GOLDWATER my deep satisfaction in having been able to work this matter out to our general satisfaction.

The PRESIDING OFFICER. Is there objection to the star print? The Chair hears none, and it is so ordered. It needs to be sent to the desk.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. JAVITS. I yielded to Senator GOLDWATER.

Mr. GOLDWATER. I want to merely compliment my friend from New York for the usual perceptive way he has gone into this.

You know, Senators sitting here listening to this discussion, and knowing of your feelings in these matters, I am going to repeat a suggestion I have made to you, and I have made to other Members of this body from time to time, that maybe we should consider the fact that the world, with its more rapid movement, involving the United States more and more, that the Senate might be wise to consider the combination or pro forma consolidation of several committees, and I am thinking of Foreign Relations which I cannot believe can operate completely anymore without access to intelligence, the Armed Services Committee which I cannot believe can act in a full and proper way without access to the formation of foreign policy, and vice versa, and I would like to seriously suggest once again, as I have done to the leadership of this body on numerous occasions, that possibly the time has come for one group to consider all of these things or at least three groups to act in a concentrated way when needed so that we can come up with answers faster than having to wait months and months and months for a colloquy to take place on the floor.

Let me end by saying that I say also with a certain knowledge that we are going to have to solve these problems ourselves that come up between the administrative branch and the legislative branch. The courts have adequately proven to me down through the 200 years of our history that they are never going to take that ball in their own court.

I merely make these suggestions again on the floor of the Senate to my friend from New York, together with my thanks for having thought these important matters through and to cause this colloquy.

Mr. JAVITS. I thank my colleague. I certainly will give, as I always do, the most prayerful consideration to his suggestion, bearing in mind that we have already launched an effort with Armed Services to at long last see what military means it takes to effectuate our foreign policy.

We all owe a debt of gratitude to HENRY BELLMON and JOHN GLENN for having initiated that inquiry.

I yield to Senator BAYH 1 minute.

Mr. BAYH. I appreciate the Senator's yielding to me.

I would like to express my appreciation to him for pointing out the delicacy of writing legislation like this and for doing so in a manner that does not send the wrong kind of signals.

I hope this legislation can result in continuing the kind of relationship we have had with the President. I do not need to get into a long discussion, but I must say that I think the President would have been better served if there had not been one exception in his ordinarily forthcoming policy.

Be that as it may, what we are after here is to make sure that Congress, in the words of the Senator from New York and our former colleague, Senator Vandenberg, should be in on the takeoff so that we can be in on a better landing.

I appreciate the way in which he has worked with us to ease his misgivings, in his spirit of cooperation to move this legislation forward, and we are in his debt.

Mr. JAVITS. I thank my colleague for his remarks and his friendship.

I yield to Senator MOYNIHAN.

Mr. MOYNIHAN. I thank my revered colleague for giving me this moment to express my admiration and awe at the constitutional mastery which he has brought to this complex question, and the great mark of experience which is the prudential judgment that we were not going to resolve a constitutional issue of 2 centuries of pendency, perhaps deliberately left unresolvable, but we were going to make clear what we were not going to do as well as what we were going to do, and he does it with such mastery that it inspires my acknowledgement.

I would like to make one small observation, which is purely obiter, you might say, with respect to the phenomenon of unauthorized disclosure.

I would share his judgment that there can be no unauthorized disclosure by Congress. We are equal branches. But there is a rule of intelligence, which the Senator knows well from his wartime experience, which is that you protect sensitive information by compartmentation. The more important the matter is the fewer persons you want to know about it, and with respect to an executive branch judgment about what can be shared with the Congress we could usefully look at the fact that if only five persons know it, something in the executive branch, they might wish to disclose it to no more than eight here. But if 105 do in the executive branch, adding 15 does not significantly widen that circle.

There are almost mathematical principles upon which you can reach such judgments, and they ought to be pursued.

I just offer that as a thought, but certainly I want to say that this is a better bill because of the Senator's finding, I mean with all the other things you have to do, the energy to do it.

Mr. JAVITS. I thank my colleague very much.

May I say, however, that we are a collegial body and, hence, the success which the Senator has is properly entrusted to the rulemaking which we now have to do under this measure when it becomes law, both in the House and in the Senate.

But that is the problem for us. We are all equal and we all have the right to know, and that is our duty.

I thank my colleague very much for his kind thoughts.

Mr. YOUNG. Mr. President, I have a question of the manager of the bill. In the past, appropriations committees have had to hide the appropriations for intelligence agencies. In order to do that, we have had to have information about what was being requested. Are we excluded under this bill from knowing the intended purpose of the money requested and the kinds of operations the various intelligence agencies are conducting?

Mr. HUDDLESTON. No, not at all. As a matter of fact, I think the appropriations process now is much more extensive than it has been in previous years.

The Select Committee on Intelligence is, in effect, the authorizing committee and does develop the appropriations in conjunction with the Armed Services Committee and the Appropriations Committee. The Senator, as a member of the Appropriations Committee, is to have access to all information that the Committee on Intelligence has. As a matter of fact, the Intelligence Committee has an affirmative obligation to report to the Senator's committee information that is required by the Senator's committee. And the Senator certainly has, as a member of the Appropriations Committee, the prerogative of requesting from the committee any information that the Senator deems necessary.

Mr. YOUNG. I thank the Senator for that explanation. We in Appropriations do not seek oversight, but we do have to know how the money is being spent.

Mr. TSONGAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I would like to take this opportunity to commend the Senator from New York, Senator Javits, for the improvements he has made in the bill.

Let me, if I might, take a few moments to give an example of why that kind of change is important. Obviously, there are a lot of people who are not here and this is all very academic. But let me try to bring it home, if I might.

There was an article that was published in the Wall Street Journal on May 6. It was an interview with Presidential candidate Ronald Reagan.

Let me quote from the article. The Journal asked:

> How about aid to the Angolan rebels, who are fighting the Soviet regime and the Cuban mercenaries?

That question reminds me of the old adage that you can ask a question; do not worry about the answer.

But be that as it may, the response by Mr. Reagan is as follows:

> Well, frankly, I would provide them with weapons. It doesn't take American manpower; (Jonas) Savimbi, the leader, controls more than half of Angola.

A claim, which I might add, would come as a surprise both to Savimbi and the leadership in Luanda. But, leaving that aside, and continuing to quote Mr. Reagan—

> Apparently—

And that is a proper qualifying phrase—

> he's got quite a force there, and he's never asked for any kind of help, except weapons, and I don't see anything wrong with someone who wants to free themselves from the rule of an outside power, which is Cubans and East Germans—I don't see why we shouldn't provide them with the weapons to do it.

Now, I have problems with that in two respects. For one, it is disastrous in foreign policy terms and is exactly what the Russians would want us to do. I think the second issue is that, simply, it is illegal.

I would refer my colleagues to section 404 of the International Security Assistance and Arms Export Control Act of 1976, the so-called Clark amendment, which prohibits exactly that kind of assistance.

There are no African countries that support Savimbi. The South Africans did at one point and, apparently, have pulled back from that. There is no support in black Africa whatsoever for Mr. Savimbi.

I am not using this in any way as a partisan comment. If the Democratic nominee said the same thing, I would feel exactly the same way. But I think it is important that when this bill, S. 2284, gets passed today, that the Intelligence Committee members understand the enormous responsibility that they have, and I am sure that they do.

If the United States were to engage in the kind of 1950's support of Mr. Savimbi and thus launch the kind of American intervention which contradicts all the feelings of nationalism prevalent in Africa since the sixties, it seems to me that we will be going right back to an era that has long since been intellectually bankrupt and which will do nothing but play directly into the hands of the Soviets. Maybe some people want to do that. I do not happen to be one of them.

It seems to me that the legislation passed in 1976 which prohibited the military or paramilitary operations in Angola is very much where the United States should be if it is true to its principles. It is my hope that the United States would eventually recognize Angola and encourage rapprochement between Mr. Savimbi and the ruling regime in Luanda.

But one thing we should not do is what is suggested in this May 6 article.

I do not frankly care, as to this issue, whether the proponent is a Democrat or a Republican, but I intend to do what I can to make sure the United States does not go back to that kind of policy and would urge the Intelligence Committees, if you will, to monitor this, as I intend to do, and to urge strongly, within the appropriate channels, that this kind of activity is simply improper. It is bad foreign policy; it is bad diplomacy; and, I would argue, it is an abandonment of the principles which the United States stands for.

Though it is not particularly relevant to the issue at hand, I just want to use this opportunity to make it clear in the record that at least one Senator feels very strongly about these issues and will be involved with them as they evolve.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I want to commend the Senator from Indiana, the Senator from Kentucky, and the Senator from Arizona for the tremendous amount of work they have done on this bill. I have several items I would like to discuss and I would like to end with a dialog with the Senator from Indiana, but I do have some other remarks that precede that.

Mr. President, in my view, one of the most important tasks we face in protecting our national security is to strengthen our overall intelligence capabilities. There is now general agreement, I think, that we have emerged from the period of crisis in our intelligence community, and that now we need to take significant steps to strengthen and professionalize intelligence. Without a sophisticated intelligence capability, our foreign policy is blind and erratic. The abuses of the past should be put behind us, for there are new and very real problems that need to be addressed.

One of the major problems faced by our intelligence community is the shortage of trained analysts to keep up with the mountains of intelligence material collected by our high-technology systems. The need is not for clandestine operators, but rather for sophisticated area specialists who can give our national policymakers the solid guidance they need. These people must be recruited, trained, and motivated to make analysis their career. We have begun to redress this imbalance, and in the last 2 years the Armed Services Committee and the Intelligence Committee together have recommended and we have added additional analysts in the agencies we oversee. But more needs to be done.

I identified at the beginning of this year three major legislative initiatives, in addition to more intelligence analysts, that needed immediate attention. And I joined with the distinguished Senator from New York, Senator Moynihan, and the distinguished Senator from Wyoming, Senator Wallop, and others in introducing and pushing for S. 2216, which I cosponsored.

First, there was the matter of modifying the Hughes-Ryan amendment to lessen the reporting burden on the intelligence community in the covert action area. And, of course, the committee is dealing with that today. Hughes-Ryan was born in a period before the comprehensive oversight structure represented by the two Intelligence Committees were created. We now have a cumbersome process of notifying a number of committees about each covert operation and its usefulness has passed. That kind of procedure, I think, has to be amended and, of course, that is being addressed in this bill.

Second, the original Moynihan bill included a provision which exempted the CIA's most sensitive files from the Freedom of Information Act. There were several reasons for supporting a provision along those lines—the administrative burden on the Agency is great as compared with the return to legitimate requestors, there are very real security risks inherent in the screening and disclosure process, and the perception of our allies who cooperate with us in intelligence activities abroad is that we cannot keep a secret.

So I continue to support some modification of the present law along the line of the original Moynihan bill.

Third, the Moynihan bill contained a new criminal provision which was aimed at persons who willfully expose the identities of our agents working abroad. I feel very strongly that this measure is needed, both for security reasons and to tell those who are doing a very dangerous job that we support them and will take steps to protect them and their families from exposure and retaliation. I recognize that a portion of that provision has become controversial in that it reaches members of the news media, publishers, and others who have not received authorized access to these names in the past, but I continue to believe that some workable provision along these lines, perhaps with modifications, is absolutely essential and must be addressed in the future.

Mr. President, the legislation before us addresses only one of the problems dealt with by the original Moynihan bill—Hughes-Ryan reform. As I said, I think that the solution to that problem embodied in S. 2284 is a reasonable one, and I support it. It provides for a significant degree of reporting to the Intelligence Committees on these sensitive covert operations, while recognizing that in certain instances the requirements of secrecy preclude any prior consultation with the Congress.

I would hope that the passage of this bill will not mean that the other two important reforms—Freedom of Information Act relief and Identities Protection—will be forgotten. Both are still necessary, and I hope that we can get to them later on in this busy legislative year or early next year.

I wish to raise one additional point, Mr. President, and it relates to Senate Resolution 400. That resolution, which established the Senate Select Committee on Intelligence, was very carefully considered, and one of the issues discussed at that time was the problem of defining "intelligence activities." Some Senators were concerned that the definition not be so broad as to sweep within it all aspects of tactical military intelligence. Those matters are so closely bound up with weapons developments that they appropriately belong within the ambit of the Senate Armed Services Committee. So "intelligence activities" was a term specifically defined in Senate Resolution 400. It contained the following important sentence:

> Such term (intelligence activities) does not include tactical foreign military intelligence serving no national policymaking function.

Mr. President, that limitation is important, because the concept of intelligence is otherwise so slippery and all-inclusive that it could be thought to include a lot of battlefield equipment and systems. I do not believe that is what we are talking about when we speak of intelligence in the national sense.

The point is this: S. 2284 does not include any definition at all of "intelligence activities." Since the sentence I just read from Senate Resolution 400 has formed the basis for the accommodation between the Intelligence and Armed Services Committees over tactical intelligence programs, I am concerned about its absence. The two committees are now working very cooperatively in this area, and I do not want to take a backward step or a step that could become very ambiguous in the future.

Let me close, Mr. President, by saying that this bill contains an important reform, even though it does not do the other things I would advocate at this time to strengthen our intelligence capacity. If it passes, we should still not ignore the other needs—budgetary support for improvement of intelligence analysis and new collection systems, the two other statutory items, and moral support from our national leadership to restore morale and respectability to the intelligence community. It is time we give increasing attention to improving our overall intelligence capabilities.

Mr. President, I have several questions, and if the Senator from Indiana is on the floor, I would ask him particularly questions relating to intelligence activities.

First, I would like to ask the floor manager of the bill if the Intelligence Committee intends to report that portion of S. 2216 introduced by Senator MOYNIHAN that exempts the CIA from some aspects of the Freedom of Information Act. That is not part of this bill. Am I correct in that respect?

Mr. HUDDLESTON. That is correct, it is not part of this bill.

Mr. NUNN. Has the committee had hearings on this portion, and does the committee intend to address this problem in some fashion?

Mr. HUDDLESTON. We have had hearings on that subject, and the committee expects to have further hearings within the next few weeks. That provision was also in the original S. 2284. So the committee is very much interested but just could not reach an agreement that we felt would allow us to get to the floor and obtain final passage.

Mr. NUNN. I ask my friend from Kentucky, is it his intention in the committee to continue to pursue this matter and try to come to a consensus on this question along with other questions?

Mr. HUDDLESTON. Yes.

Mr. NUNN. Does the Intelligence Committee intend to report that portion of S. 2216 relating to intentional disclosure of the identity of agents and informers abroad?

Mr. HUDDLESTON. That is another section that was part of S. 2284, as introduced. It has been considered to a great extent by the committee. It is viewed favorably by most of the committee members. There, again, there were some disagreements to the point that we felt prevented us from coming to the floor with it at this particular time. We think it, along with the questions of FOIA relief and of criminal penalties for disclosing the identity of agents, ought to be considered further, in the context, perhaps, of more comprehensive legislation dealing with intelligence operations.

Mr. NUNN. I thank the Senator.

On the question of tactical intelligence which I made reference to in my remarks, I would like to address a couple of questions to the Senator from Indiana, who is very familiar with this subject, and who, I might add, has been most cooperative with the Armed Services Committee in ironing out any difficulties that we have had, I think, in the last 2 years to have a very smooth working relationship in this area where there necessarily is some overlap.

I note that the bill does not contain any definition of "intelligence activities" over which the bill gives the Intelligence Committee oversight.

Is it a correct understanding that this bill is intended to be, in effect, a legislative embodiment of Senate Resolution 400?

Mr. BAYH. That is accurate; the Senator from Georgia puts his finger right on it. We have been trying to incorporate the definitions and the actual means of implementation of Senate Resolution 400 into the provisions of this bill.

Mr. NUNN. Is it the view of the Senator from Indiana that the definition of intelligence activities contained in Senate Resolution 400 is carried over into this bill and that the term has the same meaning in this bill as it does in Senate Resolution 400?

Mr. BAYH. The Senator from Georgia is accurate.

Mr. NUNN. In other words, there was no intention on the part of the committee to change the scope of that definition so as to include within the meaning of intelligence activities tactical military intelligence having no policymaking function?

Mr. BAYH. As far as this House goes, that is accurate, I say to my friend from Georgia.

I would just like to respond to his thoughful remarks earlier, if I might, by saying that I think we have shown that it is possible for committees and their members to have common and sometimes overlapping responsibilities, even differing views, and where those responsibilities overlap to work out those differences. It has been a privilege for our committee and for the Senator from Indiana to work with the Senator from Georgia, the Senator from Mississippi, and other members of the Armed Services Committee.

I have no question in my mind but we can continue the same kind of cooperation, based on the same practices that have existed in the past, with the passage of this legislation.

Mr. NUNN. I thank my friend from Indiana. I again thank him for his splendid cooperation. Of course, in the Armed Services Committee, and the Senator from Arizona serves on that committee as well as the Intelligence Committee, we have had business and cross-information in terms of dealing with these subjects. But there are certain portions of what we call tactical intelligence which are integral parts of the jurisdiction of the Armed Services Committee, including the Research and Development Subcommittee, the Tactical Air Subcommittee, as well as the General Procurement Subcommittee. I know the Senator from Arizona would agree with the importance I am stressing here today of separating those items from the question of exclusive jurisdiction of the Intelligence Committee.

Mr. President, I yield the floor at this point.

Mr. CHURCH. Mr. President, over 4 years ago, the Senate Select Committee on Intelligence, on which I served as chairman, completed the Senate's most serious and comprehensive study of U.S. intelligence activities ever undertaken.

The committee's final report contained a number of major recommendations of which one of the most important had to do with changing the requirement of the law that covert intelligence operations had to be reported to six different congressional committees. The risk of leaks under such an arrangement was obvious. Therefore, in the words of the report:

> The Committee recommends that when the Senate establishes an intelligence oversight committee with authority to authorize the national intelligence budget the Hughes-Ryan Amendment (22 USC, 2422) should be amended so that the foregoing notifications and presidential certifications to the Senate are provided only to that committee.

I am pleased to see that the strong recommendation of the Senate Select Committee on Intelligence is today being implemented in the provisions of the pending bill. This is a solid and important step and I applaud the enactment of our original recommendation.

The bill itself is, in my view, a good-faith effort to oversee the intelligence activities of the United States. It is the best bill we can reasonably expect to enact this year. I shall support this legislation.

Mr. HUDDLESTON. Mr. President, I ask for a third reading of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Dakota (Mr. McGOVERN), the Senator from Delaware (Mr. BIDEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

I further announce that, if present and voting, the Senator from Louisiana (Mr. LONG) would vote "yea."

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER (Mr. STEVENSON). Is there any other Senator in the Chamber wishing to vote?

The result was announced—yeas 89, nays 1, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—89

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
Melcher
Metzenbaum
Mitchell
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—1

Proxmire

NOT VOTING—10

Biden
Bradley
Cranston
Gravel
Johnston
Kennedy
Long
McGovern
Pressler
Talmadge

So the bill (S. 2284) was passed, as follows:

S. 2284

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Oversight Act of 1980".

SEC. 2. Section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422) is amended by striking out in subsection (a) "and reports, in a timely fashion" and all that follows down through the period in subsection (b) and inserting in lieu thereof a period and the following: "Each such operation shall be considered a significant anticipated intelligence activity for the purposes of section 501 of the National Security Act of 1947.".

SEC. 3. (a) The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

"CONGRESSIONAL OVERSIGHT

"SEC. 501. (a) To the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods, the Director of Central Intelligence and the heads of all departments, agencies, and other entities of the United States involved in intelligence activities shall—

"(1) keep the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives (hereinafter in this section referred to as the 'Select Committees') fully and currently informed of all intelligence activities which are the responsibility of, are engaged in by, or are carried out for or on behalf of, any department, agency, or entity of the United States, including any significant anticipated intelligence activity, except that (A) the foregoing provision shall not require approval of the Select Committees as a condition precedent to the initiation of any such anticipated intelligence activity, and (B) if the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting vital interests of the United States, such notice shall be limited to the chairman and ranking minority members of the Select Committees, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate;

"(2) furnish any information or material concerning intelligence activities which is in the possession, custody, or control of any department, agency, or entity of the United States and which is requested by either of the Select Committees in order to carry out its authorized responsibilities; and

"(3) report in a timely fashion to the Select Committees any illegal intelligence activity or significant intelligence failure and any corrective action that has been taken or is planned to be taken in connection with such illegal activity or failure.

"(b) The President shall fully inform the Select Committees in a timely fashion of intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, for which prior notice was not given under subsection (a) and shall provide a statement of the reasons for not giving prior notice.

"(c) The President and the Select Committees shall each establish such procedures as may be necessary to carry out the provisions of subsections (a) and (b).

"(d) The House of Representatives and the Senate, in consultation with the Director of Central Intelligence, shall each establish, by rule or resolution of such House, procedures to protect from unauthorized disclosure all classified information and all infortion relating to intelligence sources and methods furnished to the Select Committees or to Members of the Congress under this section. In accordance with such procedures, each of the Select Committees shall promptly call to the attention of its respective House, or to any appropriate committee or committees of its respective House, any matter relating to intelligence activities requiring the attention of such House or such committee or committees.".

The title was amended so as to read:

A bill to strengthen the system of congressional oversight of intelligence activities of the United States.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to exceed 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR PERCY'S TESTIMONY BEFORE REPUBLICAN PLATFORM COMMITTEE

Mr. PERCY. Mr. President, on Friday, May 23, I had the honor of testifying before the Republican Platform Committee in Chicago on the subjects of the economy and foreign policy.

Because these two subjects are uppermost in the minds of the American people today, I believe it is important that they be discussed as widely as possible as the two major parties prepare to write their platforms. Responsible positions in both areas are critical to our Nation's future.

Mr. President, I would like to share my testimony with my colleagues and with others interested in economic and foreign policy, and I ask unanimous consent that my testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR CHARLES H. PERCY

Mr. Chairman, members of the platform committee, representatives of the Republican National Committee, it is a distinct pleasure and privilege to testify before the 1980 Republican Platform Committee. As a life-long Republican, I consider this testimony today both a duty and an opportunity.

It is a duty for all Republicans to make their views known on national policy. And it is an opportunity for all Republicans to participate in the platform process. Without the full participation of all Republicans, the process of drafting our party platform would be incomplete.

The task we face as a people and as a party is one of national renewal. We must rebuild our Nation's strength. But we must make it clear that we are not building power for the sake of power. We are building power for a purpose.

Our purpose is to preserve, by word and deed, the United States as the example of freedom and justice for the whole world.

Dedication to building power for a purpose should be the theme that guides us as a nation. It should be our theme as we set policies domestic and foreign, economic and social, military and diplomatic.

Mr. Chairman, my appearance today before the platform committee brings back vivid memories of 20 years ago, when as chairman of the 1960 platform committee, right here in Chicago, I helped draft—with John Tower's assistance—a platform that spoke strongly for fiscal responsibility and firm opposition to Communist aggression.

The platform we adopted then said clearly as follows:

"The Republican party asserts that the sovereign purpose of our foreign policy is to secure the free institutions of our nation against every peril, to hearten and fortify the love of freedom everywhere in the world, and to achieve a just peace for all of anxious humanity."

That was our policy then, and I submit that that should be our policy now.

The 1960 platform brought our party together. It was endorsed by our nominee, Richard Nixon, by Nelson Rockefeller who was the "first runner-up," and by incumbent President Eisenhower.

At that time the United States was the unquestioned leader of the free world. We held a preponderance of military power, and we were determined to maintain our deterrents to hostile action by the Communist countries.

Today, as we write a platform for 1980, we must seek to regain the power, the respect and the influence in world councils that we enjoyed 20 years ago.

But we cannot actually strengthen our Nation unless we elect Republican leadership, and we will not elect Republican leadership to the White House and the Congress unless we win the November election.

To win in November we shall have to hold all our Republicans, attract more than half of the discerning independents, and get a share of the disillusioned Democrats. This will require a platform and a policy which meets the concerns of all Republicans, which is understanding of minorities and ethnic groups, and which maintains our party's commitment to women in endorsing the equal rights amendment both in 1972 and 1976.

With a third candidate in the race, we cannot afford to encourage defections by adopting narrow or parochial policies. I want a platform which will give the Republican nominee a springboard to win a decisive victory in November.

Our goal, as one of the Nation's great parties, is to preserve the two-party system, in which we deeply believe. To accomplish this goal, we must seek to make unnecessary the advent of an independent movement. Also, we must reach out and make all Republicans feel comfortable in their party. Finally, we must open wide our doors for others to enter and feel welcome. If we fail in this endeavor, we face the serious threat of the 1980 election being decided in the House of Representatives with the perils those unchartered waters offer.

So our challenge is clear. We seek to draft a platform that will bring our party together. And we seek to draft a platform that will reach out to millions of American voters and attract them to our ranks.

This year Americans have seen the basic Republican theme for 1980 in television messages carried throughout the country. It says simply:

"Vote Republican, for a change."

That phrase says it all. A Republican vote in 1980 will bring the changes in national policy sought by millions of Americans who are tired of old solutions and hungry for new leadership.

I wish to speak to you today about some of the economic priorities we face as a nation and as a party. But first, I will speak briefly to the challenges we face in the field of foreign policy.

Wherever we look in the world today, America's foreign policy goals are clouded and obscured. A major task of our party in the coming campaign, and in the Republican administration that will commence in 1981, will be to regain our sense of direction in foreign policy and to make it visible to the world. We will be building power for a purpose.

We begin the 1980s in a state of almost unparalleled peacetime challenge. Our relationship with the Soviet Union is in flux. Instability in the Persian Gulf poses a threat to our security. The search for peace in the Middle East continues under difficult circumstances.

Of all these challenges, and others too numerous to mention here, our relationship with the Soviet Union is perhaps the most crucial. The state of relations between the world's two superpowers must be placed at the top of our foreign policy priority list.

I believe strongly that our stance in the relationship between the U.S. and the Soviets should be firm and resolute. Our message should convey clearly that we will not tolerate aggression and military adventurism. We stand ready to engage in meaningful dialogue with the Soviets, but only with the clear understanding that our national interest and that of the free world will remain paramount.

To underline this resolve, we must clearly state in our platform that we intend to support our intention to stand up to the Soviets. This will require adequate defense spending to assure that American military strength is second to none. We cannot allow the Soviets to surpass us in military preparedness and capability.

I have been committed to this course in the Senate and I renew my pledge to that principle today.

Here at home, as we face the challenges of domestic policy, we will muster the same dedication and resolve we will bring to foreign policy. We will be building power for a purpose.

The most important issue we face today in domestic policy is inflation. The domestic challenge of the 1980's is the task of putting the American economy back on a sound footing by restoring the purchasing power of every American and boosting the productivity of American business and industry.

An important element in reaching this goal is a firm commitment to achieving a balanced Federal budget based on reduced spending. Only then can we have a foundation on which to reduce inflation by reducing the Federal Government's intrusion into the private economy.

Specifically, we should establish a national policy of limiting the Federal budget to 21 percent or less of the gross national product. This policy would reduce the recent trend of more and more Federal spending that saps the private sector and feeds inflation.

Recent votes in the Senate on the Federal budget for fiscal year 1981 failed to meet the test. It is a budget balanced on paper only, one that relies on excessive levels of spending and higher taxes. When the truth is known, the so-called balanced budget for fiscal year 1981 will be seen by millions of Americans as the work of wishful thinkers.

Let our platform reflect respect for the American taxpayer. Let it state clearly that we support a balanced budget, but only if it is based on reduced spending. As a Republican and as a Senator I am firmly committed to continuing the fight to give the American people a truly balanced budget that frees them from the expanding circle of Federal spending.

A balanced budget achieved through limited Federal spending would be a potent weapon in the fight against inflation. It would signal domestic and international financial markets that we intend to apply the brakes. But to be effective, it should be coupled with meaningful tax reform that serves both individual taxpayers and business.

We made progress earlier this year when we passed a measure I sponsored that provides a tax exclusion for interest and dividend income up to $200 for individuals and $400 for a joint tax return. This measure, which will apply to income earned in 1981 and 1982, is an important tax reform. But it is only a beginning.

We need to go further by indexing personal income and exemption tax rates. This would combat the "bracket creep" that makes wage and salary increases meaningless in the face of skyrocketing inflation. Indexing speaks to the reality of real income. It addresses the crying need to translate pay increases into hard cash.

To encourage business investment that boosts productivity and creates jobs, we need to make capital investment attractive. One immediate opportunity that I favor is the pending capital cost recovery proposal, the popular 10–5–3 measure that would simplify depreciation of plants, equipment and vehicles. It speaks to the urgent need to revitalize the American industrial machine and make us more competitive in the international marketplace.

Mr. Chairman, these priorities, which I believe should be an integral part of our party's 1980 platform, are the priorities of all Americans. They represent sound and sensible approaches to challenges that must be met as we enter the decade ahead.

Let there be no mistake about it. The goals of the Republican Party are the goals of millions of Americans. No longer can our opponents claim that they have a patent on political leadership. The Republican Party is in step with the foreign policy and economic wave of the future. Together we will build the national policies required to lead our Nation.

In 1960, I addressed the Republican National Convention in Chicago and said in conclusion, "I am proud to be an American and I am proud to be a Republican." I say it again today as we work together to make 1980 a year that will be good for America and good for the Republican Party.

Let us, by our actions and words at the 1980 convention, cause millions of other Americans to join with us in building a better and stronger America.

Let the Republican Party, in its platform and the campaign based upon it, renew America's commitment to building power for a purpose. And then let us lead our Nation guided by principles that for so long have made America the hope of the world.

HUMAN RIGHTS AND THE CONSTITUTION

Mr. PERCY. Mr. President, an important address was recently given by Dr. Robert A. Goldwin, formerly Director of the Public Affairs Conference Center, at the University of Chicago, formerly assistant to President Gerald Ford in which capacity he served as liaison between the White House and scholars and academicians, and now resident scholar and director of Constitutional Studies for American Enterprise Institute. The address was entitled "Human Rights and the Constitution" and was given at the Forum Assembly, Brigham Young University, Provo, Utah, November 15, 1977.

Dr. Goldwin concludes his address by stating:

> It is indicative, I think, of what is wrong with the human rights aspect of United States foreign policy today, that in his speech at Notre Dame University, the most important and extended presentation on human rights of this Administration, President Carter did not once mention the Constitution of the United States.

But far from belittling human rights, Dr. Goldwin believes that "those rights are so important and fundamental that they are what government is all about."

He continues:

> The great problem is that government must be strong enough to protect rights without being so strong that it deprives the people of their rights.

His authority is James Madison, who stated:

> In framing a government . . . the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.

Public officials will understand his observation:

> What will keep in check the ambition for dangerous power of officeholders? The counteracting ambition of other officeholders!

Certainly all Americans would agree with Dr. Goldwin that "there are some things that are none of the government's business." Totalitarian regimes differ from us completely on that point; they are called totalitarian because they assert that their goals can be reached only if the powers of government extend to "the totality of human thought and action."

I recommend to my colleagues a careful reading of the full text of Dr. Robert Goldwin's brilliant analysis, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS AND THE CONSTITUTION

(By Robert A. Goldwin)

The United States was the first nation in the world to found itself explicitly on human rights. Our founding principle is that we are all endowed, equally, with rights to life and liberty. More: those rights are so important and fundamental that they are what government is all about: "governments are instituted among men" "to secure those rights."

It is important to be clear that we Americans assert more than that human beings have rights. We assert that the great reason for the existence of government is to protect those rights. Securing the rights of the people, we say, is the chief business of government; that task determines its character, its scope, and its limitation.

The great problem is that government must be strong enough to protect rights without being so strong that it deprives the people of their rights. Is it possible to draw and maintain such a fine line? Can we make government strong enough to secure our rights to life and liberty, from foes domestic and foreign, without producing a government so strong that it tyrannizes over us and deprives us of our rights, as has happened down through history and has been the usual fate of men and women in much of the world all through this century, right down to the present moment?

The profoundly American answer to this question is to be found in The Federalist, but it is also to be found in the heads of Americans, and in their very bones. In fact, what James Madison wrote in The Federalist, in 1788, just after the Constitution was written and just before it was ratified, was an explanation of "the interior structure of the government," "the principles and structure of the government" provided by the proposed Constitution.

Because that Constitution was adopted, and because that government did come into existence, and because we have lived under it for nearly 200 years, we—you and I and almost all Americans—have been formed by it. It has influenced our thinking about ourselves and human beings everywhere, and as often happens, it has influenced us much more than we are always aware, so that sometimes we are brought up short, surprised by some foreigner saying, "Oh sure, that's the way you see it; that's the way you Americans think." There are some views almost all Americans share because of the way we are constituted as a nation and a people.

Madison stated the question directly and briefly: "In framing a government, . . . the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself."

It is beyond my purposes in this essay to follow in detail Madison's discussion of the separation of powers and the importance of placing them in separate hands. What is to the point is to follow what he says about how such separation of powers limits the powers of the government to tyrannize over us, and how the limits can be maintained.

First, he does not advise us to rely on the morality or restraint or public-spiritedness of those in authority. He talks instead about the ambitions and interests of officeholders, about their strong personal interests.

Power placed in the hands of many ambitious persons, in different parts of the government, will be used to keep "each other in their proper places," and that, he says, is "essential to the preservation of liberty."

The most important defense against a concentration of power, in one person or one part of the government, Madison says, "consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others. . . . Ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place."

The desire for personal, selfish advantage is not only something to tolerate, it is a force to be put to work for the public good, put to work for the protection of liberty, put to work for the protection of the rights of citizens. What will keep in check the ambition for dangerous power of officeholders? The counteracting ambition of other officeholders! Should we try to get rid of ambitious power seeking persons in office? No, unless we can be sure to get rid of all of them, in all parts of the government. If we have ambitious men and women in one branch, or even one unusually skillful and ambitious person in one branch, and none in the others, who will "counteract" that ambition? Without such counteraction, power might become concentrated and the rights of citizens endangered.

Madison does not rely on discipline or education or religion or any form of good motives to control government officials. He calls the constitutional system a "policy of supplying by opposite and rival interests, the defect of better motives." By this policy, "the private interest of every individual, may be a sentinel over the public rights."

Madison carries his analysis several steps beyond. In this country, the "power surrendered by the people is first divided," because we also have state governments, and their powers are further divided into the three branches. "Hence a double security arises to the rights of the people. The different governments will control each other, at the same time that each will be controlled by itself."

But even these precautions are not enough, according to Madison. Government is not the only danger to the rights of citizens; we must also "guard one part of the society against the injustice of the other part." Here his concern is that a persisting majority will become an unjust and tyrannical majority, and will violate the rights of the minority. The protection he calls for is to make sure that the society is large enough and varied enough so that there are very many groups and interests. Under the extended republic established by the Constitution, "the society itself will be broken into so many parts, interests, and classes of citizens, that the rights of individuals . . . will be in little danger from interested combinations of the majority."

To see the relevance of all this to present-day human rights policy, I suggest that we try a little Madisonian reasoning about rights. If someone asked us, today, what security is there for religious rights in this country, we would answer, would we not, that our first line of defense is the First Amendment. Madison's answer in The Federalist is somewhat different: the first line of defense of religious rights is the multiplicity of religious sects. He gives the same answer to the question of what protects civil rights: "In a free government the security for civil rights must be the same as that for religious rights. It consists in the one case in the multiplicity of interests, and in the other in the multiplicity of sects. The degree of security (of rights) in both cases will depend on the number of interests and sects. . . ." The implication is that if there were few sects, or if one sect were a persistent majority, religious rights would be in danger no matter what the Constitution might say.

Madison subsequently played the leading role in the adoption of the First Amendment, and that Amendment now provides a powerful defense of religious rights. But it can also be argued that the continuing multiplicity of religious sects is one of the most important consequences of the First Amendment.

A government that can be *relied* on to respect the rights of individuals must be designed with great care in its principles and its institutions. Rights-respecting nations need not be just like the United States; they need not even be democratic; but if Madison is right, they must have many parts, those parts must be rivals of each other in significant respects, and they must have ambitious persons in positions of power whose personal interests and ambitions lead them to fight for their constitutional rights. In addition, the people must be numerous and have varied and competing interests. Then and only then, do rights have a fighting chance.

How would Madison respond if we asked him to estimate the safety of the rights of individuals in a nation lacking such a constitution, government, and society; where there is great concentration of power in the hands of one man or one party; where there is no opposition press; where there is only one employer, or if more, where property and enterprises can be confiscated with impunity; where there are no labor unions, or no free ones; and where the society is not varied and the interests not allowed to organize? How effective would he think exhortation in the name of human rights might be? He surely would not be confident that such efforts would produce happy results. He would warn that pledges "delineated on paper," without the "auxiliary precautions" he described are a mere "parchment barrier," very easy to rip through. Depending on the "better motives" of those in power is not prudent. Words in the constitution alone cannot protect rights; they must be buttressed by the way we are constituted as a people, as a series of governments, as a society with incredibly varied interest groups, and with a multiplicity of religious sects.

The protection of rights in this country, and in other countries similar to us, does not rely primarily on the good will or generosity or morality or restraint of officials, although those characteristics may be present. It does depend, primarily, on divisions and distributions of powers; diversity within the society; an enterprising competing spirit of the people; and established institutions, accommodations, and traditional practices.

Is it any wonder that leaders of Communist countries and other dictators are amused at first when we speak to them about human rights, and dismayed when they realize that we are serious and will take serious steps, like reducing trade or cutting off arms sales, in the name of human rights? We think we are asking them only for relatively simple steps like releasing some prisoners held for political reasons without having been charged or tried for committing a crime, or allowing families to be reunited who have been kept apart by restrictions on emigration, or allowing their citizens freedom to read some foreign newspapers—and we find it hard to believe that others will see such decencies as disruptive or subversive.

But when the heads of these tyrannical regimes realize how seriously we take this matter, they sense that what we are proposing is possible only by a profound alternation of their governments and their societies.

In that way, we democratic peoples are a profound threat to them, to their power, to their doctrines, and to their political legitimacy, just as we were in 1776 to every absolute monarch claiming to rule by divine right, when we declared ourselves a nation in the name of individual rights.

But our differences with other regimes, profound as they are, are not best understood as moral differences, although they do have to do with character and constitution. They are differences of a different sort, having to do with the nature of man and the purposes and limits of political power. Starting from the base of human rights, for example, it seems the most natural thing in the world for us to say that there are some things that are none of the government's business. Totalitarian regimes differ from us completely on that point; they are called totalitarian because they assert that their goals can be reached only if the powers of government extend to the totality of human thought and action. To reach that far into the lives and thoughts of citizens, to suppress all private, unauthorized activity, they must have unlimited powers. This unlimited power is typically justified by some grand goal or vision of the distant future, when human nature will be transformed, all enemies will be eradicated, and harmony will prevail amongst all men, without the need of government.

Many Americans wish that our own political principles were more lofty and visionary. They are disappointed in acknowledging that we have no utopian aspirations and that our goals cannot be stated in millenial terms, as can Marxist and other ideological political doctrines. But we need not be without consolation.

We ought to be willing to face up to the sober character of our nation and explain ourselves to ourselves and to the world in terms of our founding principles. Straight talk about what we are could have helpful consequences for us, for the world, and for oppressed peoples everywhere.

First, we are less self-righteous, and we seem less self-righteous, if we acknowledge that we are not angels. Our principles may be just, but we must not make the self-righteous mistake of confusing ourselves with our principles. We often act unjustly. Providing security for human rights is not and has not been an easy task, even for us, although we have been at it for 200 years, with a constitutional government designed, above all else, for that purpose. Let us acknowledge that it is hard for us, and harder for others, whose governments and societies have grown up under other doctrines and circumstances.

Consider that we have a constitution on Madison's principles. We have a large society with a bewildering multiplicity of interests. We have a system of separation of powers and we have the "double security" of a federal system. The Farmers thought that all of that would suffice, but just to be sure, after their work was completed, the Bill of Rights was added. And, even so, with all of these protections for human rights, the history of the U.S. is 200 years of persistent violations of the rights of individuals and groups. The best we can say for ourselves is that in this country, the law, the courts, the society, the Constitution, and public sentiment are all on the side of protection of the rights of the people.

We have progressed, perhaps, but who will claim that human rights violations are a thing of the past in the United States? No one, I hope, is so deluded. The problem of the danger to the rights of persons and groups is not one susceptible of a "final solution."

And that brings me to my next point. Because men and women are not angels, let us emphasize that we do not think we can or should try to eradicate all evil in the world. That effort was explicit in Nazism, in the sinister phrase, "a final solution of the Jewish question, and is implicit in Marxism-Leninism, in the expectation of reaching the classless society. We have seen that human suffering, misery, imprisonment, torture, and the slaughter of tens of millions of human beings can result from the combination of great military and police power and the willingness to use it to eradicate all supposed evil. Eradicating all evil—a "final solution" of central problems—most often takes the form of liquidating—that is, murdering—all those human beings who are thought to be the source of it.

In the nuclear age, we need not minimize our devotion to the cause of human rights, but we should make clear that we know that there is no final solution of the problem of human rights and that whatever power is mustered to protect rights must be used in moderation, with restraint, under law, through constitutional institutions.

Third, it helps in dealing with sovereign nations if one is not, and does not sound, "preachy." What we should avoid is sounding as if we think we are more moral, more angelic, than others—except as our character and behavior have been formed by 200 years under a rights-protecting Constitution.

We should explain that as we understand human rights—and we have long experience—no great moral transformation is required. It is more a matter of arrangements of institutions and interests than of moral uplift. The changes that are necessary, if Madison was correct, are massive and threatening to any tyranny, no doubt, but the need to think about tyranny in its many forms as it exists almost all over the world, and about the necessary conditions for protection of rights, are what we ought to be talking about in international forums, not who is more moral.

Finally, I think it is always good for us Americans to have sobering thoughts, to counteract our tendency to over-optimism and exuberance. The sobering thought I would prescribe is that good results do often come from questionable sources in this world, just as profoundly evil consequences, on a massive scale, have often come from seemingly lofty and grand motives—I mean such things as Hitler's efforts to impose universal peace on the world by subjugating all of mankind, whatever the cost in lives, suffering, and degradation.

Our American founding constitutional principles were a deliberate turning away from the use of government to achieve stated ethical and moral goals. This government means to leave to the non-government sphere almost all efforts to shape and mold human beings according to moral principles. Our founding principles were a turning toward acknowledging the strength and persistence of self-interest, and the use of intelligence and ingenuity to turn these to the service of the public interest. It should please moral men and women, nevertheless, that this world was so skillfully constituted by its Maker that good results can be brought forth from imperfect and not very lofty human aspirations. They have produced, in the United States, in my opinion, a morally satisfying regime, especially when compared to other actually existing regimes rather than to some that have been imagined or hoped for.

It is indicative, I think, of what is wrong with the human rights aspect of United

States foreign policy today, that in his speech at Notre Dame University, the most important and extended presentation on human rights of this Administration, President Carter did not once mention the Constitution of the United States.

SSI INSTANT PENSION ABUSE FINALLY HALTED

Mr. PERCY. Mr. President, for the better part of 3 years I have been working to end an intolerable abuse of the supplemental security income program. By taking advantage of a loophole in this Nation's immigration and social security laws, thousands of newly arrived aliens have in effect received "instant pensions." I am now pleased to lend my support to section 504 of the conference report on H.R. 3236, which was overwhelmingly approved last week by the House and was approved subsequently by a voice vote of the Senate. When enacted into law, this provision should go a long way toward eliminating these abuses of the SSI program.

On February 22, 1978, the General Accounting Office reported to the Congress that, during 1977, in just five States alone, newly arrived aliens received close to $72 million in SSI benefits. Only $16 million of this amount was paid to refugees. The GAO further found that of the total alien population receiving SSI, an estimated 63 percent had enrolled in the program during their first year of residency in this country. All told, 96 percent of those aliens receiving SSI had resided in the United States for 3 years or less from the time they began receiving benefits.

Briefly, here is how the loophole works: Present immigration law requires that certain categories of aliens be "sponsored" for admission to the United States if they cannot establish financial independence. The sponsor (a U.S. citizen or permanent resident) executes an affidavit of support pledging that the alien will not become a public charge once admitted to this country. However, the courts have ruled that this affidavit of support is nothing but a moral obligation, not a legally binding document. The clause also permits a newly arrived alien to apply for, and receive, SSI benefits 30 days after arrival. The responsibility for financial support of the alien is shifted from the sponsor to the U.S. taxpayer. In effect, the alien receives a monthly gift from the Government—an instant pension.

In order to correct this outrageous loophole, on May 3, 1979 I introduced S. 1070 which was intended to make the sponsor's affidavit of support a legally enforceable agreement. S. 1070 would have also keyed SSI eligibility to a 3-year residency requirement. Subsequently, the provisions of S. 1070 were overwhelmingly accepted by the Senate, 92 to 0, as amendments to H.R. 3236.

During the conference on H.R. 3236, I learned that the House conferees were concerned about making the affidavit of support a legally enforceable contract without affording the House Judiciary Committee, which has jurisdiction over immigration matters, the opportunity to hold hearings on that particular measure.

Consequently, the House and Senate conferees, working closely together, were able to fashion a compromise which, without amending the immigration laws, clarified the responsibility of the sponsor to provide the newly arrived alien with an adequate level of support. In order to accomplish this end, the conferees utilized a deeming of income approach in section 504 to determine the financial eligibility of newly arrived aliens for SSI benefits. The provisions apply for a 3-year period and make it very clear that a sponsor's income and assets will be taken into consideration in the determination of a newly arrived alien's eligibility for benefits. I have given careful consideration to this approach and find it to be an acceptable way to finally close the loophole while incorporating the objectives of the Senate amendments to H.R. 3236 for which I worked so long and so hard.

I can now report to my constituents that the Congress has taken decisive steps to end this costly abuse. Finally, those aliens who are properly eligible for SSI benefits will receive them. Most significantly, those aliens whose sponsors can easily afford to live up to their support agreements will no longer be able to take advantage of the welfare system and receive Federal subsidies for which they should not qualify.

I thank my colleagues in the House and the Senate who have worked hard on this issue, particularly Senator Cranston, a principle cosponsor of S. 1070, and Senator Roth, who offered and gained unanimous acceptance of an amendment in the Senate Finance Committee markup of H.R. 3236 which enabled this legislation to become an integral part of the measure. I also offer my deep thanks to the House and Senate conferees for their diligence and integrity in fashioning a provision that clearly addressed the problem while upholding the humanitarian intent of the SSI program.

ROBIN CRANSTON

Mr. PERCY. Mr. President, I first learned of the death of Robin Cranston a week ago Sunday, when I received a telephone call asking if I could take Alan Cranston's place as a speaker at an event in Illinois. I was deeply saddened by this news and by the tragic circumstances of Robin's death.

Nothing in this life calls to mind so vividly the shortness and uncertainty of life as the unexpected death of a young person. There is no measure for a man's grief when that young person is his own son or daughter.

I recall the incomparable loss to my own family when my daughter Valerie died at the age of 21. Surely there is no greater pain. But I also recall that there is no greater consolation at a time like this than a simple trust in God's love and mercy and the understanding of family and friends.

I am proud and honored to be Alan's friend and colleague and, at this time, Loraine and I wish to extend our heartfelt condolences to him and to all of Robin's family. We offer a prayer that Alan may have the strength to meet the days ahead with steadfastness and patience, and that he may find strength and solace in the care of our Heavenly Father whose mercies cannot be numbered.

SECRETARY OF STATE EDMUND MUSKIE

Mr. PERCY. Mr. President, those of us in the Senate who strongly supported confirmation of the President's nomination of Edmund Muskie to be Secretary of State are pleased with continuing favorable press reaction to the appointment.

Articles by James Reston in the New York Times and by Henry Brandon in the Washington Star, both published on May 25, 1980, point out the exemplary way Ed Muskie has moved into his new job and the high regard in which he is held.

I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

SHIRT-SLEEVE MUSKIE

(By James Reston)

Washington, May 24.—Secretary of State Muskie is happy with his new job and everybody in Washington seems to be happy with him. In this quarrelsome town, that's news.

The nice thing about Ed Muskie is that he is always the same: plain, bold and true. On the seventh floor of the State Department, surrounded by handsome antique furniture and a lot of stuffy portraits of former Secretaries up and down the halls, he is still working in his shirt sleeves and smoking his cigars. But he changes the atmosphere all by himself.

He is sort of surprised to find himself in these lofty and opulent surroundings, and is even rather humorous about it. He suspects the cartoonists put him in the job, and laughs at his inexperience. "I've always liked to go to school," he says.

All that talk about Muskie's bad temper and short fuse is true but a little misleading. He can be a very patient man and he has reached his present altitude primarily by patience. He is a very confident and comfortable man, and if he blows his top once in a while about the stupidity and pretentions of foreign ministers and foreign affairs, it may be a relief.

The British refused to carry out the precise economic sanctions they promised against Iran a while ago and the tendency around here was to be angry and vindictive about it. Muskie talked to Lord Carrington, the British Foreign Secretary, who explained that the House of Commons had simply refused to approve Prime Minister Thatcher's promise. Muskie took it easy: "If you don't have the votes, you don't have the votes," he said.

On the other hand, when French Foreign Minister François-Poncet, lectured him about the failure of Washington to consult with the allies without telling him that the French President was about to meet with Soviet President Brezhnev, Muskie didn't conceal his irritation.

When he was confirmed as Secretary of State, Muskie made a quiet and moving extemporaneous speech in the East Room of the White House. He said then in the presence of President Carter, that he didn't know much about the arts of diplomacy and wasn't sure he wanted to learn them. This may eventually get him in trouble, but so far it has got him a lot of support in Washington. Already he has demonstrated that one man can make a difference.

He is going to keep Cy Vance's promise to stay home rather than fly around the world appealing personally to big shots to do things they are clearly not willing to do. He has to go to Venice at the end of next month for a summit meeting with the Europeans and on from there to Ankara for a day or two, but this was his commitment and not his preference.

He is treating the press, at least for the time being, the way he treated them in the Senate—open doors and on the record. His view is that the only vessel that leaks from the top is a government. Off-the-record talks, he has decided, may last as long as the morning papers but certainly no longer than the afternoon papers or the evening television news broadcasts.

If anybody can bring the State Department, the White House and the Congress together on the conduct of foreign policy—and he's not sure there is any such person—Muskie can probably do it. In any event, he knows the cards in the Congressional deck and is determined to consult with his former colleagues, and maybe even give them more information about his plans than they are willing to absorb.

Muskie is not shaking up the State Department, though it clearly needs a shake, but he can read a calendar. It is less than six months to the Presidential election, so he has persuaded Warren Christopher, the Under Secretary of State, and most of the Assistant Secretaries to stay on the job for the rest of the year.

Meanwhile, he is planning to talk to the country about the intricate puzzles of foreign affairs—and he is one of the very few good talkers we have left.

He has made his point that, with the support of the President, it will be the Secretary of State and not Zbigniew Brzezinski at the National Security Council who will articulate the foreign policy of the nation. But having made his point he has come to terms with Brzezinski.

He sees no difficulty in that relationship. Though he is clearly for more talks with the Soviets, despite Brzezinski's doubts, Muskie has a gift for getting along with people and refuses to accept the popular notion that Brzezinski is an incorrigible hawk. After all—though it's little known—Brzezinski was the principal author of Carter's famous Notre Dame commencement speech, complaining about America's inordinate fear of Communism.

Ironically, Muskie is following the quieter line favored by Cy Vance but doing it in his own way and with the President's approval.

The hostages' plight is being played down in favor of quieter diplomatic moves for their liberation. There is no longer much talk around here of new military moves against Iran. The objectives of the Administration remain the same, but the tactics and the mood are different—more pragmatic, more political and more Muskie.

MUSKIE'S SEASONING ENRICHES THE CABINET

(By Henry Brandon)

Considering the ease, skill and self-assurance with which Edmund Muskie, the new secretary of state, performed on the world stage after hardly two days in office, one cannot help wondering why American presidents do not seek to entice more members of Congress into the cabinet.

True, the Senate is not exactly crowded with men of Muskie's caliber, and only a few have reached his satiety with roll calls, but there is always a handful of men who are worthy of such an offer and likely to succumb to presidential persuasion.

More than ever before in American history, the efficacy of the American political system is being questioned. It seems too cumbersome, too time-consuming, too divisive to cope with the challenge of our times.

I do not think that the parliamentary system is the solution, as some critics have suggested. But to bring into the cabinet more members drawn from the Congress could well narrow the gap between the two systems, at least psychologically, and make the American system work more effectively.

The power of the congressional membership card admittedly fades as a former member of the club becomes a fixture in the executive branch. Yet their accumulated knowledge of how to deal with the idiosyncracies of their former colleagues remains an invaluable asset. As Muskie put it graphically at his first press conference: "One of the ways to be effective, at least around the Senate, is not to drop the second shoe, to leave people in doubt about what your next step is, as long as they understand what your objective is." Not a bad guideline for a diplomat, either.

One of the disadvantages of accepting politicians into the cabinet, often cited, is their lack of executive experience in running a department. Yet under the British and French systems, where all members of cabinets are politicians, this is not considered a drawback because they can rely on highly experienced civil servants, trained to hold the hands of ministers. Depending on their capabilities, the ministers become instruments of the so-called "mandarins," or they rise above them and take command.

Muskie found in Brussels that his colleagues were talking to him, as he put it, like a "compatriot because they were confronted with a secretary of state who came out of politics, something that had not happened for a long time."

The State Department bureaucracy is not as centrally directed as that of the British and French foreign offices, but it should not be beyond Muskie's compass to organize his support team to free him from having to run the department without it running him, too.

The last member of the Senate who became secretary of state was Jimmy Byrnes. He was an able man, but he failed as secretary of state. One reason was that he considered his own performance superior to that of his president, Harry Truman: It became his undoing, and he was fired. Another was that diplomacy to him was too much like congressional horse trading.

Muskie projects a detachment and serenity that must be reassuring to the president. He wears the ambushes of life, and whatever scars they have left, with poise and dignity. His ways of exposing the roots as well as the nerve ends of his thinking are also refreshing, even though occasionally they are bound to trip him up. He also appears to be seasoned enough to realize that there are no quick and easy solutions for him to garner in his caretaker position. That, too, is reassuring.

He is now awaiting the signals and the rhetoric, he says, from Moscow before rushing into another meeting with Andrei Gromyko. He is probably asking himself, meanwhile, whether it is the United States or the Soviet Union that needs such a meeting more.

But before he can read the riot act to the allies or to anybody else, he has to prove that he has the authority to shape foreign policy. So far the evidence is that he does not hesitate to speak up, as he did at his press conference, when he said that one of his main tasks is to give American foreign policy "a clearer sense of direction." (At least by implication this was not only a criticism of his predecessor, Cyrus Vance, and Zbigniew Brzezinski, the president's national security adviser, but of the president himself.)

If he can accomplish that and also provide American foreign policy with the two most essential basic ingredients, coherence and predictability, he will have achieved more in six months than others did in three years.

GENOCIDE CONVENTION: HAVE WE THE COURAGE TO RATIFY?

Mr. PROXMIRE. Mr. President, I have spoken out for many years now in favor of ratification of the Genocide Convention—the only international treaty which deals with the prevention and punishment of the crime of mass murder.

During this time, I have often described the unmeasurable destruction, suffering, and death inflicted upon the world by the Nazi regime. People everywhere experienced feelings of horror and revulsion upon learning the extent of the Nazi genocide—the successfully planned and systematic annihilation of over 29 million people.

While most of the world ignored the appeals of those who were doomed, the tragedy ran its course. How was it possible for the world to stand by without halting this destruction? Some nation's leaders claimed they did not know what was happening—they could not comprehend how such an ugly and hideous crime against humanity could possibly occur. Even the people whose homelands were being used for the liquidation of millions claimed they did not know. And, perhaps, they did not.

But there is another side to this human savagery.

There are records, although incomplete, which reveal the deeds of some of the men and women—ordinary people—who dared to defy the Nazis by helping their fellow humans. In spite of all the dangers, these people went on trying to hide and rescue those who were in danger of being caught and killed.

There is no way to know for certain how many people living under the Nazi terror attempted to help the Jews—nor how many survived because of those efforts. But the numbers do not matter. What does matter is that there were those who willingly risked their own lives to help people marked for death by the Nazis.

I cannot think of a more fitting tribute to those who were willing to sacrifice their lives for a belief in the most fundamental of all rights—the right to live.

Today, more than 30 years after these courageous efforts, we can show a little courage of our own by ratifying the Genocide Convention.

S. 1637—A BILL TO ESTABLISH COMPETITIVE OIL AND GAS LEASING FOR FEDERAL ONSHORE LANDS

Mr. FORD. Mr. President, the Committee on Energy and Natural Resources, by a vote of 9 to 8, reported S. 1637, as amended, a bill to establish competitive oil and gas leasing for Federal onshore lands. This measure is now Calendar No. 851.

I would advise my colleagues to give close attention to the implications of such a drastic change at this time when we need to accelerate oil and gas production. Senator HATFIELD and I on

May 1 asked the Comptroller General to evaluate the bill as reported.

Mr. President, I wish to touch on a few points in the GAO report that indicate the negative effects of the legislation. Amendment 1684 referred to is the substance of the bill now on the calendar.

Amendment 1684 likely would have a negative impact on the timely development and production of oil and gas through delays in the leasing process and the adverse impact on some incentives to development.

Criteria would have to be established to determine what suitability is, which could entail detailed analyses of land use plans, studies of oil and gas potential versus other possible uses, assessment of environmental conditions, etc. If oil and gas potential is to be part of a suitability determination, studies similar to presale evaluations now being done for competitive tracts may have to be done for all tracts. These actions could result in a considerable workload for Interior, and delays in leasing.

A great deal of land use type planning—solely on oil and gas considerations—could be done on land that (1) has low potential, (2) would never be developed, and in many cases, (3) would be of little beneficial use to the taxpayer.

The Amendment does not seemingly prohibit leasing suspension in the future, say under a new Administration or Secretary, while Interior develops new programs or information to comply with a new or revised interpretation of the law. One need only look at the suspension of coal leasing in 1971 to see the potential for delay. Full-scale leasing is yet to be reinstituted.

A fully competitive system could work a hardship on the independent oil developer because (1) tracts which will be obtained through cash bidding may be of greater interest to the majors than the present system of small leases that have to be methodically consolidated into an efficiently-sized unit and (2) a high-per-acre bid combined with the potential for the larger tracts might create some financial hardships for many independent producers to meet the bonus bid competition.

While the amendment will certainly correct any abuse irregularities in the noncompetitive system, it will not necessarily ensure a competitive situation, or fair market value recovery.

The Amendment would allow any one qualified bidder regardless of amount bid to be awarded the lease. There is no assurance of a competitive situation; thus, there is no assurance that a fair market value will be received by the Government.

GAO's past work suggests that a great deal of land presently leased may not be leased under a totally competitive system. First, it may not be nominated and thus not leased. Second, we would see a reduction of independent involvement. If these things happened, rental, royalty and bonus bids would be adversely affected.

Mr. President, I ask unanimous consent that the full text of the Comptroller General's June 2 report be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, D.C., June 2, 1980.

Subject: Impact of an All Competitive Onshore Oil and Gas Leasing System (EMD-80-79).

Hon. WENDELL H. FORD,
Committee on Energy and Natural Resources, U.S. Senate.

DEAR SENATOR FORD: On May 1, 1980, you and Senator Mark Hatfield asked the General Accounting Office to evaluate Amendment No. 1684 to Senate bill 1637, 96th Congress.[1] As you suggested, our prior work on onshore oil and gas leasing[2] does enable us to respond to your request.

The key issue surrounding Amendment 1684 is that it abolishes the current competitive and noncompetitive leasing systems, and establishes a new all competitive leasing system in their place. Consistent with the direction of your request, we did not evaluate all the positive and negative issues touched on by the Amendment. We, instead, are directing our comments here to the all competitive leasing aspect.

The Department of the Interior's mineral management has involved the balancing of three goals for a leasing system—(1) orderly and timely development of the resource, (2) recovery of fair market value, and (3) protection of the environment.

Amendment 1684 does not impact on the environmental protection goal. Environmental protection is covered by other pieces of legislation and Interior's responsibility and authority are not changed by Amendment 1684. As to the other two goals, we doubt that an adequate balance can be achieved under Amendment 1684. For the reasons outlined below, and for those reasons developed in our prior report, we continue to believe that the modifications we recommended to the present mixed competitive/noncompetitive system offer the best opportunity for achieving a balance of these mineral management goals.

AMENDMENT 1684'S IMPACT ON TIMELY AND ORDERLY DEVELOPMENT OF THE RESOURCE

Amendment 1684 likely would have a negative impact on the timely development and production of oil and gas through delays in the leasing process and the adverse impact on some incentives to development.

Section 17 (b) of the amended language states that nominated tracts shall automatically be offered for lease if the Secretary of the Interior finds that they are available and suitable for oil and gas leasing. To see that a nominated tract is available would at least involve making sure that the U.S. Government owns the mineral rights, and that the land is not presently leased or withdrawn. What is meant by "suitable" is not defined in the Amendment.

In any event, criteria would have to be established to determine what suitability is, which could entail detailed analyses of land use plans, studies of oil and gas potential versus other possible uses, assessment of environmental conditions, etc. If oil and gas potential is to be part of a suitability determination, studies similar to presale evaluations now being done for competitive tracts may have to be done for all tracts. These actions could result in a considerable workload for Interior, and delays in leasing.

Our work indicated that a great deal of land presently leased has little potential and is often never drilled. Thus, a great deal of land use type planning—solely on oil and gas considerations—could be done on land that (1) has low potential, (2) would never be developed, and in many cases, (3) would be of little beneficial use to the taxpayer.

Relatedly, developing and implementing these procedures could be time consuming and result in delays in the leasing process. Although the bill, as reported out of the Senate Committee on Energy and Natural Resources, calls for the system to be implemented within 180 days after enactment, there is no guarantee that it could actually be done that quickly. As worded, the bill goes into effect immediately upon enactment. Presumably then, all leasing would be suspended until the provisions could be implemented. Even if the 180 day implementation goal of the Committee was met, that would still entail a 6-month suspension of all leasing.

In addition, the Amendment does not seemingly prohibit leasing suspension in the future, say under a new Administration or Secretary, while Interior develops new programs or information to comply with a new or revised interpretation of the law. One need only look at the suspension of coal leasing in 1971 to see the potential for delay. Full-scale leasing is yet to be reinstituted.

Also, in certain instances—particularly in wildcat areas—noncompetitive leasing could be preferable to competitive leasing. It is apparently a fairly widespread practice for individuals to seek out and acquire over-the-counter leases and assign them to producers for development. Identifying this land is a laborious process involving searching through literally thousands of maps and related data in BLM state offices. Our work showed a significant amount of land still being leased in this way,[3] as was the overthrust belt earlier, which for years was considered of limited potential, but is now one of the Nation's most promising new areas. If the reward for this searching is the opportunity to nominate the tract for competitive bidding, rather than to acquire the lease, there will probably be little incentive to continue the research process.

Lastly, a fully competitive system could work a hardship on the independent oil developer because (1) tracts which will be obtained through cash bidding may be of greater interest to the majors than the present system of small leases that have to be methodically consolidated into an efficiently-sized unit and (2) a high-per-acre bid combined with the potential for the larger tracts might create some financial hardships for many independent producers to meet the bonus bid competition. Our earlier report pointed out that independent oil producers are responsible for the vast majority of oil and gas produced onshore and that they are also an integral part of the drilling and exploration operations of many major and nonmajor oil companies. If the independent is not able to compete successfully under the proposed system, is denied access to lands now available to him, or experiences delays in leasing potentially productive lands, production could be sacrificed.

AMENDMENT 1684'S IMPACT ON RECOVERY OF FAIR MARKET VALUE

Competitive leasing is often advocated as a fair means to assure that the Government (and therefore the American people) receives the fair market value of the oil and gas being leased. It is also felt that a truly competitive situation will guarantee equal access of the present lottery system or the regular over-the-counter system. While the amendment will certainly correct any abuse irregularities in the noncompetitive system, it will not necessarily ensure a competitive situation, or fair market value recovery.

Fair market value is often defined as either what could be realized in a competitive market, or realization of an assessed presale and/or postsale value. Amendment 1684 does not assure this happening. The Amendment would allow any one qualified bidder regardless of amount bid to be awarded the lease. There is no assurance of a competitive situation; thus, there is no assurance that fair market value will be received by the Government.

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[1] Amendment 1684, with one modification, was adopted and reported out of the Senate Committee on Energy and Natural Resources on May 8, 1980 as a substitute text for S. 1637. To avoid confusion with the legislation originally introduced as S. 1637, we are retaining the term "Amendment 1684" for purposes of this letter. The bill, as reported out of the Committee, is reprinted here as an enclosure.

[2] "Onshore Oil and Gas Leasing—Who Wins the Lottery?" EMD-79-41, Apr. 13, 1979, and "Impact of Making The Onshore Oil and Gas Leasing System More Competitive." EMD-80-60, March 14, 1980.

[3] Fourteen percent of all Wyoming leases issued in 1978.

The Amendment is silent on whether presale or postsale evaluations would be needed under this leasing system, but presumably they would not be, because, as the bill is written, any bid would be accepted regardless of how it relates to any appraised values. In our prior work on S. 1637, we noted bids as low as a nickel an acre.

If evaluations were used to measure fair market value, the workload would be substantial. In recent years, there have been an average of about 280 competitive leases a year versus an average of 12,000 noncompetitive leases. The Interior Department conducts sale evaluations on the competitive leases but not the noncompetitive ones. Thus, in an all competitive situation, an attempt to recover fair market value through evaluations would represent a considerable expansion of the Department of Interior's casework and certainly would require more time. Further, as discussed above, some sort of prelease evaluation might still be needed for another reason, i.e., determining whether a tract is "available" and "suitable" for oil and gas leasing.

While not directly related to the receipt of fair market value, it should be pointed out that Amendment 1684 will likely increase competitive bid lease offerings receipts with or without a system of fair market value appraisal. Also, while it will increase the rental on most land from $1 to $2 an acre per year, it will likely be accompanied by significant reductions in the amount of land subject to a rental. It will totally eliminate filing fee receipts, and it may reduce royalties through its possible reduction in oil production. According to Interior, bonus bids brought in $12.7 million in 1978, land rentals $55.7 million, royalties $308.7 million, and filing fees $29.7 million.

GAO's past work suggests that a great deal of land presently leased may not be leased under a totally competitive system. First, it may not be nominated and thus not leased. Secondly, we would see a reduction of independent involvement. If these things happened, rental, royalty and bonus bids would be adversely affected.

Also, some slippage in land rental receipts will occur because of the quarterly offerings. As we reported in analyzing the Administration's proposal, BLM/Wyoming calculated that conversion from the present monthly to a quarterly offering could cost that State's operation alone more than $2 million a year in rental receipts. The impact of Amendment 1684 is likely to be more severe than this. The nominating process under Amendment 1684 can cover up to two quarters, as can the time before a nominated tract is actually leased. Thus, the entire process, from nomination to lease issuance, could take as long as 9 months to 1 year. Finally, there is the possibility that the time involved in carrying out the requirements of this legislation in the future could result in delays in leasing, and therefore cause slippages in all types of receipts, including bonus bids, rents, and royalties.

CONCLUSIONS

After evaluating Amendment 1684, we still conclude that our previously recommended changes to the existing system are the preferred course of action because of the Amendment's likely negative impacts on the goals of timely and orderly resource development and the recovery of fair market value.

We hope our observations will be of use in considering the amended S. 1637. We are also sending this letter to Senator Mark Hatfield. Copies are being sent to Members of the House Subcommittee on Mines and Mining. As arranged with your office, copies are also being made available to other interested parties.

Sincerely yours,

Elmer B. Staats,
Comptroller General
of the United States.

Amendment No. 1684

Strike all after the enacting clause and insert the following: That this Act may be cited as the "Federal Oil and Gas Leasing Act of 1980".

Sec. 2. Subsections (a) through (e) of section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (30 U.S.C. 226(a) through (e)), are amended to read as follows and subsection 17(f) and following are relettered accordingly:

"Sec. 17. (a) The Secretary may lease onshore Federal lands for oil and gas development by competitive bidding only. Competitive bidding shall be on the basis of those bidding systems set forth in section 8(a)(1) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1335), which the Secretary determines would maximize competition.

"(b) At least once each quarter, the Secretary shall invite the public nomination of areas favorable for the discovery of oil or gas. Any area of the public domain that receives two or more public nominations and which the Secretary determines to be available and suitable for oil and gas leasing shall automatically be offered for lease by the Secretary at one of the next two scheduled lease sales. Any area of the public domain that receives a single nomination in two successive quarters which the Secretary determines to be available and suitable for oil and gas leasing shall automatically be offered for lease by the Secretary at one of the next two scheduled lease sales.

"(c) The Secretary shall hold competitive oil and gas lease sales in states where tract nominations are received, on a quarterly basis. Such sales shall consist of all available and suitable tracts nominated for leasing as specified in section 17(b) and any additional areas selected by the Secretary of the Interior.

"(d) The Secretary shall issue a lease to the highest responsible qualified bidder for each tract offered at a lease sale.

"(e) No lease issued under this section shall be for a tract exceeding five thousand one hundred and twenty acres, unless the Secretary finds that a larger area is necessary to comprise a reasonable economic unit.

"(f) Each lease that the Secretary issues under this section shall be for an initial period of five years and so long thereafter as oil or gas is produced in paying quantities or drilling or well reworking operations as approved by the Secretary are conducted thereon. A lessee may apply to extend the initial term for an additional period or periods not to exceed a total of five years. Each extension application shall include an exploration plan for the extended term. The Secretary, in his discretion, may extend the initial term only if he finds that because of adverse technical, environmental or economic conditions which are beyond the control of the lessee the lessee cannot adequately explore the lease during the initial five year term or any extended term. Nothing in this subsection shall be construed as affecting existing leases.

"(g) All leases issued under this section shall be conditioned upon payment by the lessee of a rental or not less than $2 per acre each year of the lease. Each year's lease rental shall be paid in advance. A minimum royalty of $4 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.".

Sec. 3. Action taken by the Secretary pursuant to the bidding, nomination, and lease procedures of subsections (a), (b), and (c) of section 17 shall not be considered "major Federal actions" for purposes of implementing section 102 of the National Environmental Policy Act. Nothing in this subsection shall be construed as affecting the application of section 102 of that Act to the issuance of a lease under section 17.

Sec. 4. Section 30(a) of the Act of February 25, 1920 (30 U.S.C. 187a) is amended by striking the third sentence and inserting in lieu thereof "The Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: *Provided, however,* That the Secretary may, in his discretion, disapprove an assignment (1) of a separate zone or deposit under any lease, (2) of less than six hundred and forty acres, or (3) containing an overriding royalty which exceeds limitations established by regulations.".

Sec. 5.* The Secretary shall prescribe such rules and regulations, or amendments to existing rules and regulations, as may be necessary to reflect the amendments made by this Act within one hundred and eighty days after the date of enactment of this Act.

CLEMSON UNIVERSITY'S OUTSTANDING ATHLETIC PROGRAM

Mr. THURMOND. Mr. President, Clemson University, in my native State of South Carolina, is not only one of the Nation's outstanding academic and public service universities but also, as was proved again recently by the achievements of its baseball team, its total athletic program is most impressive. The Clemson baseball team recently captured its third consecutive regional title and moved on to the Collegiate World Series where the top eight teams vie for the NCAA national title.

Mr. President, the success of Clemson University's athletic program, under the able leadership of Athletic Director Bill McLellan, is highly commendable and a tremendous asset to the total program of the university. There are hundreds of young people who actively participate each year and also many thousands who are directly or indirectly favorably influenced by this fine collegiate athletic program.

An editorial in The State (Columbia, S.C.) on May 31, 1980, provides other interesting and informative comments about Clemson hosting the NCAA Atlantic regionals and some of Clemson's other athletic achievements for this academic year.

Mr. President, in order to share this editorial with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Host With The Most

Clemson University won another athletic trophy Sunday, adding to an impressive list for this academic year.

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*Added by the Committee.

The Tiger baseball team captured its third consecutive regional title and will move on to the Collegiate World Series. They scored four consecutive victories, demolishing three contenders, including the runner-up University of South Carolina Gamecocks.

For Clemson, it capped a year in which its football team won a Peach Bowl berth, the basketball squad went to its first regional finals, its soccer team was runner-up in the national finals, and the golf and tennis teams qualified for NCAA playoffs.

In a way, the baseball conquest was the most exciting. The tournament was studded by the unusual spectacle of two games being played in installments over two days, two slugfests where the scores sounded more like football than baseball, and a controversy over who should have hosted the event.

USC partisans, pointing to past successes as hosts, contended the Gamecocks should have entertained the Atlantic Regionals. Even Clemson baseball Coach Bill Wilhelm was shocked USC didn't win the host role.

NCAA site selectors, however, opted for a $16,000 guarantee rather than a record that "speaks for itself," as USC Assistant Athletic Director John Moore put it.

The USC Athletic Department will probably be less casual in its next bid for the tournament, which is certainly equivalent to a small convention.

In the meantime, Clemson has the talent to represent the region and South Carolina well in the collegiate world series.

WASTE IN WASHINGTON

Mr. THURMOND. Mr. President, during these days when we of the Congress are considering the budget resolution, it should be noted that others also are looking critically at the continuing tendency for alarmingly high Federal expenditures. Certainly we should welcome this constructive criticism and weigh it carefully as we move forward with the budget process.

One observer and writer on current political issues, United Press International reporter Donald Lambro, contends the Government wastes $100 billion a year and this waste can be slashed out of Federal spending. Lambro presents his case in his new book, "Fat City."

Lambro presents a listing of 100 separate nonessential programs that he feels should be cut. He denounces programs across the gamut of Federal activities, especially those with luxuries taken by, and subsidies given to, various Government employees. Projects, programs and services he catalogs for the budget cutter's ax include the U.S. Travel Service, highway beautification program, Civil Aeronautics Board, Community Services Administration, Foreign Claims Settlement Commission, Federal Trade Commission, Maritime Administration, Council on Wage and Price Stability, and about 90 others.

Mr. President, I do not agree completely with the list that Donald Lambro proposes for cuts, but I do agree with him that there are many places where waste exists and it should be eliminated. The taxpayers of this Nation are, in effect, being subjected to widespread misuse of their moneys. We of Congress have an obligation to correct this waste of resources.

An editorial in the May 26, 1980 issue of U.S. News and World Report, titled "Waste in Washington" by Marvin Stone, provides additional commentary about Lambro's book.

Mr. President, in order to share this editorial with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Waste in Washington

(By Marvin Stone)

Can the fat be slashed out of federal spending? There's plenty there waiting for the ax, says Donald Lambro, a Washington reporter for United Press International. He contends the government wastes 100 billion dollars a year, almost a fifth of the total budget, and presents his case in his new book, Fat City.

Item: More than half a billion dollars a year is lost from bad debts, such as small-business loans or Veterans Administration educational-assistance overpayments, routinely written off as uncollectible.

Item: Five private dining rooms in the Pentagon reserved for military brass provide cut-rate meals—$2.65 for a Delmonico steak—subsidized by the taxpayers. The tab is 1.3 million dollars a year.

Item: At least 175 federal officials in Washington are driven to and from work in chauffeured government cars at an annual cost of 4.8 million dollars.

Even bigger sums are being squandered on "programs our country could better do without; wasteful progams that belong at the bottom of any national ranking of social priorities; programs whose original purpose for being no longer exists; programs that serve only a tiny fraction of the people at the expense of the nation as a whole; programs that duplicate what is already being done by the private sector.

Cataloged in the book are 100 candidates for the budget cutter's ax. Some examples:

The U.S. Travel Service, 8 million dollars. It overlaps travel-promotional work done better by private organizations.

Government film-making, 500 million. Most of the films are "frivolous, self-promoting and duplicative."

The Alaska Railroad, 8 million. The line should be sold to private enterprise or turned over to the state of Alaska.

Highway Beautification Program, 20.5 million. State control programs and local-community sign ordinances should be enough to deal with the billboard problem.

Federal Election Commission, 8.5 million. It has "heaped bureaucratic supervision and harassment and censorship upon our most fundamental . . . right."

Civil Aeronautics Board, 100.8 million. Deregulation of the airline industry makes the CAB a lame duck that should be killed off.

Youth Conservation Corps, 70 million. It aids white, middle-income youths who already are employable and do not need help.

Office of Smallpox Eradication, 1.2 million. Smallpox has been eradicated. The office now collects data on nutrition, a job that could easily be done by other agencies.

Community Services Administration, 668 million. The 800 local Community Action Programs that this federal umbrella agency supports can survive on their own without further Washington interference.

The Small Business Administration, 1.5 billion. Full of mismanagement, political favoritism and outright fraud.

Defense Civil Preparedness Program, 100 million. Worthless because there is no place to hide in a nuclear war.

Foreign Claims Settlement Commission, $958,000. There are not enough U.S. claims for property seized or destroyed in foreign countries to keep the agency going. The work should be absorbed by the State Department.

Federal Trade Commission, 65 million. The nation can no longer afford the "meddling paternalism" of "this aging sacred cow."

Maritime Administration, 491 million. This "sugar daddy of the U.S. merchant marine" is no longer needed.

Council on Wage and Price Stability, 5.9 million. Impotent in fighting inflation. Abolishing the agency would be a good place to start cutting the budget, which would help curb inflation. But Congress appears to be headed in the opposite direction: The House Banking Committee has just approved an increase for the agency in 1981.

HOUSING LEGISLATION

Mr. THURMOND. Mr. President, the Senate has had the opportunity recently to discuss the problem facing the housing industry in our Nation. We have debated and approved S. 2177, which updates the criteria for the Brooke-Cranston program. This action indicates the concern which we have for the people who are now feeling the housing crunch.

I have visited with many home builders from my State, and I am acutely aware of their problems. High interest rates have been extremely destructive to the housing industry, and we are all hopeful that the trend toward higher and higher rates is now being reversed. I am convinced that the only long-range solution to the economic causes of these housing problems is to end Federal deficit spending. In the meantime, we must be sure that we do all we can to help the housing industry while maintaining our long-term goal of economic stability and growth.

Mr. President, to that end, we should remember that the Brooke-Cranston program is one possible tool to relieve some of the housing pressures in this country. The general assembly in South Carolina has passed a concurrent resolution in support of S. 2177, and on behalf of Senator Hollings and myself, I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

A Concurrent Resolution

Whereas, actions by the Federal Reserve to control inflation have had an inequitable impact on the housing industry causing a projected nationwide loss of 1.2 million jobs, $21.3 billion in wages and $5.6 billion in tax revenue, which is equivalent to letting four Chrysler Corporations go bankrupt; and

Whereas, the housing industry in South Carolina is now placed in a critical status because of high mortgage interest rates; and

Whereas, the Emergency Home Purchase Assistance Act (Brooke-Cranston program) provided a relatively simple, inexpensive and non-bureaucratic way to lessen the impact of the 1974 severe depression in housing production.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly memorializes the Congress of the United States to reactivate the Brooke-Cranston program through the passage of House Resolution 6197 and Senate 2177 and further urges the South Carolina Delegation to be leaders in this effort.

Be it further resolved that copies of this resolution be sent to each member of the South Carolina Congressional Delegation.

MARITIME AUTHORIZATIONS, 1981

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 759.

Before I do that, I ask unanimous consent that the budget waiver, Senate Resolution 433, be indefinitely postponed.

I say for the record that this waiver was reported by the Commerce Committee for Calendar 759, and the Budget Committee has looked at the bill and decided that a waiver is not necessary. For that reason, I ask unanimous consent that the budget waiver, Senate Resolution 433, be indefinitely postponed and that then the Senate proceed to the consideration of Calendar No. 759.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—the items identified by the majority leader are cleared for action as he describes it.

I note that the distinguished Senator from Maine (Mr. COHEN), who is in the Chamber, has an amendment to Calendar No. 759, and I believe he is prepared to offer it at this time.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6554) to authorize appropriations for fiscal year 1981 for certain maritime programs of the Department of Commerce, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the budget waiver (S. Res. 433) was indefinitely postponed, and the Senate proceeded to consider the bill (H.R. 6554), which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1981".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce for fiscal year 1981 as follows:

(1) for acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $135,000,000; except that no funds authorized by this paragraph may be paid to subsidize the construction of any vessel which will not be offered for enrollment in a sealift readiness program approved by the Secretary of Defense;

(2) for payment of obligations incurred for operating-differential subsidy, not to exceed $347,697,000; except that no funds authorized by this paragraph may be paid for the operation of any vessel which is not offered for participation in a sealift readiness program approved by the Secretary of Defense;

(3) for expenses necessary for research and development activities, not to exceed $18,750,000;

(4) for maritime education and training expenses, not to exceed $30,863,000, including not to exceed $18,201,000 for maritime training at the Merchant Marine Academy at Kings Point, New York; $10,780,000 for financial assistance to State marine schools, of which amount, $5,480,000 shall be for maintenance, repair, and renovation of State marine school training vessels and $2,100,000 shall be for fuel oil for State marine school training vessels; and $1,882,000 for supplementary training courses authorized under section 216(c) of the Merchant Marine Act, 1936; and

(5) for operating expenses, not to exceed $38,864,000, including not to exceed $7,208,000 for reserve fleet expenses, and not to exceed $31,656,000 for other operating expenses.

SEC. 3. There are authorized to be appropriated for the fiscal year 1981, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 4. Paragraph (2) of section (2) of the Maritime Appropriation Authorization Act for fiscal year 1980 (Public Law 96–112) is amended by striking "$256,208,000" and substituting "$300,515,000".

SEC. 5. (a) Notwithstanding the provisions of section 10(c)(1) of the Fishermens Protective Act of 1967 (22 U.S.C. 1980) applications for compensation under such Act, filed within 90 days after the date of enactment of this subsection shall be deemed to be timely filed.

(b) Section 10(c)(1) of the Fishermens Protective Act of 1967 (22 U.S.C. 1980) is amended by striking "sixty" and substituting "90."

UP AMENDMENT NO. 1122

(Purpose: To authorize and direct the Secretary of the Department in which the Coast Guard is operating to cause the vessel *Fundy Pride*, owned by the State of Maine, to be documented as a vessel of the United States)

Mr. COHEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. COHEN) proposes an unprinted amendment numbered 1122.

On page 6, insert the following after line 8:

SEC. 6. Notwithstanding the provisions of section 27 of the Merchant Marine Act of 1920 and the provisions of section 4132 of the Revised Statutes as amended, the Secretary of the Department in which the Coast Guard is operating, shall cause the vessel *Fundy Pride*, built in Cape St. Mary's, Nova Scotia, and now owned by the State of Maine, as represented by the Department of Educational and Cultural Services to be documented as a vessel of the United States, upon compliance of the usual requirements, to engage in the coastwise trade and the fisheries, so long as such vessel is owned by the State of Maine, or a citizen of the United States.

Mr. COHEN. Mr. President, this amendment would authorize documentation of the vessel *Fundy Pride* as a vessel of the United States so that she may engage in the American fisheries for nonprofit, educational purposes.

The marine document of an American documented vessel serves a dual purpose. It is both a certificate of nationality and an authorization from the sovereign for the vessel's use in general or specific trades. The cabotage laws, designed for the protection of domestic labor and industry, prescribe further prerequisites by limiting the use under the American flag of vessels built abroad. Such vessels may not transport passengers between ports or places in the United States, nor engage in the American fisheries unless legislation is enacted.

The *Fundy Pride*, a 45-foot vessel, was built in Cape St. Mary's, Nova Scotia, Canada in 1962, and was brought to the United States by its owner, the Merle Corp. of Ossining, N.Y. On July 16, 1976, the Merle Corp. offered to donate the vessel to the State of Maine for use by the Marine Vocational Center of Washington County Vocational Technical Institute, which is located in Eastport, Maine. This offer was accepted, and the institute was authorized to take possession of the vessel on August 23, 1976.

The Marine Vocational Center will use the *Fundy Pride* in its fisheries training program, which commenced in September 1978. Unless legislation permitting documentation is enacted, the use of this vessel to the center will be lost.

Insofar as the Marine Vocational Center is a nonprofit educational institution, the amendment would result in no competitive impact on U.S.-built vessels.

Adoption of this amendment would result in no costs to the Federal Government, nor would it increase or affect Federal regulation in any way.

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the Commerce Committee to say there is no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 6554) was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

An Act to authorize appropriations for fiscal year 1981 and a supplemental appropriation for fiscal 1980 for certain maritime programs of the Department of Commerce, and for other purposes.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders No. 749, 769, 825, and 835.

Mr. BAKER. Mr. President, reserving the right to object, all four of those items are cleared on our calendar, and we have no objection to their consideration and passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDEPENDENT SAFETY BOARD ACT AMENDMENTS OF 1980

The Senate proceeded to consider the bill (S. 2459) to provide authorization for programs of the National Transportation Safety Board for fiscal years 1981 and 1982, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation with amendments as follows:

On page 2, line 2, beginning with "to" strike all through and including line 5, and insert "by inserting "(and aviation incidents)" immediately after "accidents".";

On page 2, line 18, after "accidents." insert the following:

The Board shall assure that appropriate information obtained or developed in the course of its investigations is exchanged in a timely manner with other Federal agencies. Nothing in this section shall restrict the right of other Federal agencies to obtain information directly from persons involved in a transportation accident.

On page 3, beginning with line 17, strike all through and including line 23, and insert the following:

SEC. 5. Section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following sentence: "There are authorized to be appropriated for the purposes of this Act not to exceed $18.900,000 for the fiscal year ending September 30, 1981, $22,000,000 for the fiscal year ending September 30, 1982, and $24.000.000 for the fiscal year ending September 30, 1983, such sums to remain available until expended.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Safety Board Act Amendments of 1980".

SEC. 2. Section 304(a)(6) of the Independent Safety Board Act of 1974 is amended by inserting "(and aviation incidents)" immediately after "accidents".

SEC. 3. Section 304(a) of the Independent Safety Board Act of 1974 is amended by renumbering paragraphs (2) through (9) as (3) through (10) and by inserting immediately following paragraph (1), the following paragraph:

"(2) Any investigation conducted by the Board under paragraph (1), except subparagraph E, shall have priority over all other investigations conducted by Federal regulatory agencies: *Provided*, That the Board shall make provisions for the appropriate participation of such agencies in its investigation: *And provided further*, That such agencies shall not participate in the Board's determination of cause, probable cause or causes of such accidents. The Board shall assure that appropriate information obtained or developed in the course of its investigations is exchanged in a timely manner with other Federal agencies. Nothing in this section shall restrict the right of other Federal agencies to obtain information directly from persons involved in a transportation accident.".

SEC. 4. Section 304(b)(2) of the Independent Safety Board Act of 1974 is hereby amended to read as follows:

"(2) Any employee of the Board, upon presenting appropriate credentials and a written notice of inspection authority, is authorized to enter any property wherein a transportation accident has occurred or wreckage from any such accident is located and do all things therein necessary for a proper investigation (including taking custody for examination or testing of any vehicle, rolling stock, track, or pipeline facility or any part thereof which is determined to be requisite for the purpose of the investigation). The employee may inspect, at reasonable times, records, files, papers, processes, controls, and facilities relevant to the investigation of such accident. Each inspection (examination or test) shall be commenced and completed with reasonable promptness and the results of such inspection made available.".

SEC. 5. Section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following sentence: "There are authorized to be appropriated for the purposes of this Act not to exceed $18,900,000 for the fiscal year ending September 30, 1981, $22,000,000 for the fiscal year ending September 30, 1982, and $24,000,000 for the fiscal year ending September 30, 1983, such sums to remain available until expended.".

Amend the title so as to read: "A bill to provide authorization for programs of the National Transportation Safety Board for fiscal years 1981, 1982, and 1983, and for other purposes.".

● Mr. DECONCINI. Mr. President, I call the attention of the distinguished chairman, Senator CANNON, to an amendment I intended to offer to S. 2459. I believe the amendment is noncontroversial. It concerns the Greyhound Corp., a holding company with headquarters in Phoenix, Ariz. Greyhound Corp. is a holding company that controls Greyhound Bus Co. The bus company's revenue constitutes less than 25 percent of the holding company's revenue. Despite this fact, the securities of the holding company are still under the jurisdiction of the Interstate Commerce Commission.

Securities regulation by the ICC is a vestige of the origins of Greyhound Corp. Greyhound Corp is the only holding company so situated still regulated by the ICC. In fact, the ICC has significantly departed from its own precedent in retaining jurisdiction of Greyhound Corp. The rule applied to all others has been that the transportation company revenues must constitute 50 percent of the parent company revenue for the ICC to have jurisdiction over the parent company securities.

In the meantime, Greyhound Corp., a company only partially involved in transportation, continues to be regulated by the ICC. This results in significant and costly delays for the shareholders of Greyhound Corp., because every securities issuance or transaction by the parent corporation must be filtered through an ICC regulatory process geared to transportation regulation.

Mr. President, this is an unjustified burden on the shareholders of Greyhound Corp. imposed by a bureaucracy intent on protecting its turf. The ICC actions completely disregard the fact that Greyhound Bus Co. would still be under ICC jurisdiction.

My amendment would transfer securities regulation over the Greyhound Corp. to the Securities Exchange Commission, and allow the ICC to retain regulatory control over the Greyhound Bus Co.

Mr. CANNON. Mr. President, I am aware of the concern of the Senator from Arizona about this issue. He and his staff have met with me and my staff on several occasions to inform us of their concern. I appreciate the hard work he has put in to bringing this issue to my attention. I want to assure the Senator that I intend to explore this issue in detail in hearings that the committee will conduct by or before next spring. If the committee agrees with the recommendation of the Senator from Arizona, we will take action to find a suitable and germane vehicle for consideration of the amendment. I do believe, however, that the present legislation is neither suitable nor germane to the Senator's amendment. Would the Senator agree to withdraw his amendment pending consideration of it in hearings that the committee would hold by or before spring?

Mr. DECONCINI. Mr. President, with those assurances from the Senator from Nevada that the committee will hold a hearing on the issue in some context, I will withdraw my amendment. I thank the chairman for his consideration and attention to this matter.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered en bloc and agreed to en bloc.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to provide authorization for programs of the National Transportation Safety Board for fiscal years 1981, 1982, and 1983, and for other purposes.

NASA AUTHORIZATIONS

The Senate proceeded to consider the bill (S. 2240) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1980:

(a) For "Research and development", for the following programs:

(1) Space Shuttle, $1,873,000,000;

(2) Space flight operations, $779,500,000;

(3) Expendable launch vehicles, $55,700,000;

(4) Physics and astronomy, $352,700,000;

(5) Planetary exploration, $179,600,000;

(6) Life sciences, $43,200,000;

(7) Space applications, $372,400,000;

(8) Technology utilization, $12,100,000;

(9) Aeronautical research and technology, $285,300,000;

(10) Space research and technology, $110,200,000;

(11) Energy technology, $4,000,000; and

(12) Tracking and data acquisition, $349,000,000.

(b) For "Construction of facilities", including land acquisition, as follows:

(1) Construction of man-vehicle systems research facility, Ames Research Center, $7,480,000;

(2) Modification of steam ejector system and thermal protection laboratory, Ames Research Center, $2,300,000;

(3) Modification of the unitary plan wind tunnel, Ames Research Center, $3,400,000;

(4) Modifications to various buildings for energy conservation, Jet Propulsion Laboratory, $1,500,000;

(5) Modifications to various buildings for seismic protection, Jet Propulsion Laboratory, $2,000,000;

(6) Rehabilitation of high temperature hot water system, zone 2, industrial area, John F. Kennedy Space Center, $760,000;

(7) Modifications for avionics integration research laboratory, Langley Research Center, $5,756,000;

(8) Modifications to aircraft landing dynamics facility, Langley Research Center, $15,000,000;

(9) Rehabilitation and modification of gas dynamics laboratory, Langley Research Center, $2,000,000;

(10) Decommissioning of Plum Brook Station reactor facility, Lewis Research Center, $3,000,000;

(11) Modifications to central air system, various buildings, Lewis Research Center, $7,655,000;

(12) Rehabilitation of electrical switchgear, engine research building, Lewis Research Center, $1,700,000;

(13) Rehabilitation of roof, Phase II, Building 103, Michoud Assembly Facility, $3,800,000;

(14) Rehabilitation of chilled water system, Michoud Assembly Facility, $782,000;

(15) Modification of 26-meter antenna, DSS–44, Canberra, Australia, $1,200,000;

(16) Replacement of azimuth radial bearing, DSS–14, Goldstone, California, $950,000;

(17) Space Shuttle facilities at various locations as follows:

(A) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $5,400,000;

(B) Modifications to solid rocket motor manufacturing and assembly facilities, Thiokol plant, Wasatch, Utah, $2,700,000;

(C) Minor Shuttle-unique projects, various locations, $2,000,000;

(18) Space Shuttle payload facility: Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center, $1,617,000;

(19) Repair of facilities at various locations, not in excess of $500,000 per project, $15,000,000;

(20) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $20,000,000;

(21) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $4,000,000; and

(22) Facility planning and design not otherwise provided for, $10,000,000.

(c) For "Research and program management", $1,033,154,000 and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitations, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $25,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $75,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repair, rehabilitation, or modification of facilities: *Provided*, That, of the funds appropriated pursuant to subsection 1(a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (21), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 per centum, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 per centum,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (22) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (a) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereo, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 5. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

Sec. 6. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1981".

● Mr. CANNON. Mr. President, the fiscal year 1981 authorization bill for the National Aeronautics and Space Administration, St. 2240, provides $5,569,854,000 for the continuation of the civil space program and fundamental aeronautical research activities. While this amount is approximately $300 million above the NASA operating plan for fiscal year 1980, the presence of a 10 to 11 percent inflation level in the aerospace industry precludes any real growth in these areas of science and engineering that form a very essential part of our national research and technology base.

The development of the space shuttle for which the committee recommends $833 million, and the production of an operational fleet of four orbiters for which the committee recommends just over $1 billion, are clearly the dominant factors in this bill. The space shuttle is the foundation for the U.S. space program for the remainder of this century and beyond. A flexible, economical space transportation system is necessary to apply space technology to our day-to-day problems and needs, to continue to expend our knowledge of the Earth's environment, and to maintain our preeminence in space techology. With respect to defense requirements, the Secretary of Defense, Dr. Brown, in testimony before the committee on February 7, 1980, reaffirmed the importance of the space shuttle to the Department of Defense.

I have been closely associated with the space program from its inception, and I recall the efforts over the years to develop a single launch system to support civil, military, commercial/industrial and other users, in lieu of the several families of expendable launch vehicles developed in the early years. The shuttle is such a system, and we have excellent cooperation between NASA and the DOD not only in space shuttle planning and development, but also in the DOD construction of the west coast launch capability at the Vandenberg Air Force Base and the development of the inertial upper stage. It is for all of these reasons that it is imperative that we bring this system to operational status as soon as technically feasible.

Mr. President, while NASA is often called the "Space Agency," it should not be forgotten that the first "A" in NASA stands for Aeronautics, a responsibility assumed from the National Advisory Committee for Aeronautics. Aircraft development and production continues to be one of our most viable industries, contributing $6 billion to our export ledger in 1978 in civil aircraft alone. The civil aircraft industry employs some 600,000 people. It is the purpose of the aeronautical research program provided for in this bill to support the fundamental research tasks in energy efficiency, emissions, and noise control to assure that U.S.-built aircraft maintain their current favorable competitive edge in the marketplace.

In addition, there are advances in rotorcraft technology that must be made so that our products may successfully compete for the large market forecast for the 1980's. I regret that the administration reduced its current funding request for NASA aeronautical research by $33 million from the fiscal year 1980 budget plan. While I fully appreciate the need for fiscal restraint, I do not understand why we reduce our investment in productive activities.

The committee has restored $10 million of this reduction, a fiscally responsible action, I believe, in view of all the circumstances.

Mr. President, in the nonshuttle programs of space research and development, the committee has supported major ongoing projects in space science and applications, and it has made minor additions, totaling $42.2 million, which are very important to positioning the Nation for a sound and aggressive space program when the shuttle becomes operational. These additions involve research and analysis and advanced technology activities.

The committee also authorized one new project start in adopting an amendment offered by Senator Heflin to provide $12 million for the development of the solar electric propulsion system (SEPS). SEPS is a unique upper stage system that complements the shuttle's capabilities. It offers low thrust, long duration propulsion that greatly expands launch window constraints for planetary missions, among other applications, and its availability will permit more efficient planning and execution of missions in the post-1985 time frame.

Mr. President, S. 2240 is a good bill. It is $52.2 million above the President's revised request, but it is $166.8 million below the original request for NASA. It does not provide as much funding for advancing space and aeronautical research as some of us would like; however, I believe it is responsible legislation consistent with overall budget objectives, and that it deserves the support of my colleagues.

Mr. President, my distinguished colleague, Senator Stevenson, as chairman of the Subcommittee on Science, Technology, and Space, has been the Senate "trustee" for NASA's space and aeronautical research programs for the last 4 years. This is a major responsibility. As I have noted, with the advent of the Space Shuttle, the Nation will have a new opportunity to assert itself as a world leader through the beneficial use of the space environment. A similar situation exists with respect to aeronautics. Above all, these activities are a technology forcing function that contributes significantly to our scientific and technological base. Senator Stevenson has been most perceptive in recognizing the importance of these activities to the national welfare. He has been a foremost advocate of the need to stress this relationship and of the need to invest in these activities.

Mr. President, as this final NASA annual authorization bill developed under his guidance moves through the Senate, I commend Senator Stevenson for his great dedication to a very important part of our national research and technology effort.●

● Mr. STEVENSON. Mr. President, the bill, S. 2240, authorizes $5,569,854,000 to the National Aeronautics and Space Administration (NASA) for fiscal year 1981. This amount is $52.2 million above the revised budget request for NASA submitted on March 3, 1980 (imposing a $219 million reduction), but is $166,800,000 below the original budget request for the agency. The bill is also $52.3 million below the amount recommended for NASA by the House bill, H.R. 6413.

The committee's recommendation for NASA for fiscal year 1981 is $300,068,000 above the operating plan for fiscal year 1980; however, when taking into account an inflation rate between 10 and 11 percent, the funding provided by S. 2240 represents a net decrease in effective resources available.

This authorization is approximately 0.82 percent of the total Federal new budget authority for fiscal year 1981.

S. 2240 proposes funding for three authorization categories as follows: Research and development, $4,416,700,000; construction of facilities, $120 million; and research and program management, $1,033,154,000.

The major factor in research and development is the authorization of $1,873,000,000 for continuing development of the Space Shuttle and the production of a four orbiter fleet to support civil and military space operations with an advanced, reusable space transportation system.

Following schedule extensions and the need for additional funding to resolve technical problems in the development program during the past year, several in-depth program assessments were made. The technical soundness of the program has been reaffirmed; however, it is clear that adequate funding is required to conclude the development program successfully and expeditiously in order to minimize total program costs and to assure the availability of the operational fleet of orbiters, and their unique capabilities, at the earliest possible date.

It is the intent of the funding for the shuttle program in this bill, coupled with the supplemental funds authorized by S. 2238 for fiscal year 1980 to provide the resources to achieve this objective. The first orbital test flight is now scheduled to occur between December 1, 1980, and March 31, 1981. Recommendations from the shuttle program assessments regarding improvements in program management and fiscal control have been implemented.

The committee remains convinced a fifth orbiter will be required to support those activities in space that the Nation will want to undertake to maintain a leadership role in space technology. Accordingly, it is recommending the procurement, from shuttle funding in this bill, of long lead materials for the production of a fifth orbiter.

Launch operations for Government and for commercial/industrial payloads will be provided by expendable launch vehicles until the space shuttle attains operational status. These activities, together with transition planning and a multitude of operational shuttle preparatory activities, are provided for in this bill.

Preparatory activities include shuttle expendable fuel tank, rocket motor and related procurement for operational shuttle flights. Further, the bill provides for the development and/or acquisition of systems, such as Spacelab and shuttle upper stages, that will complement and/or extend the capabilities of the shuttle. With respect to the latter, the committee, in this bill, is recommending initiation of the development of a solar electric propulsion system (SEPS) which will provide an in-space propulsion capability of a particular value to planetary missions or other applications requiring low continuous thrust, long duration operations.

It is also a space propulsion system that can provide electrical power for spacecraft functions. Initiating development at this time provides a flexibility to mission planners in designing future projects which is not now available.

While the funding request for the space shuttle program was not changed by the March 31, 1980 budget revisions and full funding of that request is recommended in this bill for reasons stated, the total amount provided for space science activities—the physics and astronomy, planetary, and life sciences programs—is $575.5 million, a reduction of $25.3 million below the budget plan for fiscal year 1980.

This will permit the continuation of the Space Telescope and the Galileo (Jupiter orbiter/probe) projects, but the International Solar Polar Mission, a joint effort with the European Space Agency, has been delayed from a 1983 to a 1985 launch to reduce outlays in accordance with overall budget objectives. The Gamma Ray Observatory, a high priority project within the scientific community, is included as a new start in the bill since it has minimal outlays in fiscal year 1981 and can be supported within reasonable budget forecasts for subsequent years.

The committee has recommended additions totaling $14.5 million to the three space science programs to continue fundamental work in data analysis and supporting research and technology important to future activities.

The space applications program reflects the increasing application of space technology to national needs. Not only will this bill provide funding for continuing weather and climate activities directly in support of the National Oceanic and Atmospheric Administration (NOAA), but it will also support the joint NASA/NOAA/Department of Agriculture AgRISTARS crop forecasting project.

In addition, a new start in multiagency application of space technology, the joint NASA/NOAA/Department of Defense National Oceanic Satellite System (NOSS) will be initiated. NOSS is an operational demonstration to monitor continuously ocean conditions with the data acquired to be used for weather/climate forecasting and research, and for commercial shipping and fleet operations.

The space applications program within its recommended funding level of $32.4 million will also support research and development in the Landsat remote sensing project, and related activities, initiated in prior years; fundamental work underlying experiments for materials processing in space; and the more aggressive program in space communications technology initiated 2 years ago. The committee added $15.7 million to the revised budget request—$8 million in partial restoration of the $25 million budget revision reduction and $7.7 million for two new initiatives.

The latter consists of $2.7 million for work on an experiment in materials processing and $5 million to advance solid state technology to improve reliability in remote sensing instruments.

S. 2240 provides $285.3 million for continuing NASA's statutory responsibilities for aeronautical research, but at a lower level than for the prior fiscal year. The reduction of $23 million below fiscal year 1980 reflects, in part, passing the funding peak of the very effective aircraft energy efficiency program and, in part, a budget revision reduction of $15 million.

The committee continues to believe that these research activities pay large dividends to the Nation, and notes the research needs to sustain a premier position in aircraft development and production in the years ahead. In addition to the continuing problems of energy (fuel) efficiency and environmental acceptability (noise and emissions), work must be initiated on alternate fuel technology and scarce materials. The committee provided a partial restoration of the $15 million budget revision reduction to support such initiatives and to maintain the aeronautical research program at a more viable level.

The bill agrees with the revised request of $110.2 million for the space research and technology program, a reduction of $5.6 million from the fiscal year 1980 budget plan. While the committee recommends this budget level for fiscal year 1981, it is becoming increasingly concerned about the adequacy of our commitment to research and exploratory development in the areas of data acquisition, transfer, and processing, advanced space structures, and advanced rocket propulsion systems, all of which underlie our ability to exploit space technology to serve national needs.

Finally, the research and development funding for S. 2240 will provide a total of $365.1 million for tracking and data acquisition activities, for energy R. & D. support for a critical national need, and for transferring aeronautical and space-related technology to other sectors of the economy.

For the construction of facilities appropriation, the committee is recommending $120 million, the amount requested in both the original and the revised budget requests. The recommended amount, $36.1 million below the budget plan for fiscal year 1980, consists of funds for 20 major projects, in excess of $500,000 each, and four line items supporting repair, rehabilitation and modification, minor construction, and facility planning and design activities.

As in prior years, most of the facility projects involve the modification and upgrading of existing facilities to accommodate changing aeronautical and space research requirements as opposed to the construction of completely new facilities. The provision in S. 2240 for "Repair of facilities," for which $20 million is recommended, reflects the fact that NASA facilities represent a national investment of approximately $6.4 billion which requires periodic major maintenance to protect that investment.

The "Repair of facilities" line item was initiated last year to address this need, and involves work primarily on utility systems, roofs and building walls. The bill includes funds for the first phase of a project to decommission the Plum Brook Station nuclear reactor, located near Sandusky, Ohio, which has been closed down since 1973. This project is intended to remove any future environmental concern about this research facility which is no longer needed.

S. 2240 authorizes $1,033,154,000 for the third appropriations category, research and program management (R. & P.M.). These funds provide for the salaries and related personnel costs of NASA personnel engaged in research, program management and administrative support activities. The amount recommended for personnel expenses is identical to the revised budget request, a reduction of $9 million from the amount proposed in the original budget submission.

It will support 22,713 permanent positions, with an estimated 18,941 assigned to space research and development and the remaining 3,772 assigned to aeronautical research functions. R. & P.M. funds also provide for official travel and support services for the operation of NASA headquarters and the NASA field centers. Approximately $771 million of the $1,933,154,000 recommended in the bill is for personnel costs with the remaining $262 million for the supporting activities just mentioned.

Mr. President, the bill, S. 2240, supports fully space shuttle development and production activities. These have to have first priority. Funding for the remaining space-related activities and for aeronautical research is constrained, in my view, to assure successful completion of the shuttle program. In fact, it does not keep pace with inflation in the non-shuttle areas.

So as I recommend approval of this bill to the Senate, I would add that the United States has developed a leadership posture in space and aeronautical research. Today we have a prosperous aircraft industry. In space, we should not fail to build upon our scientific and technological achievements and thereby allow our lead in exploring and utilizing the space environment to slip away before we have carefully examined the benefits to be realized therefrom.

While a 1 year pause in investing in space technology will not be catastrophic, we must assure that while we will have the most capable space transportation system we do not neglect to provide for those research and applications initiatives that will allow us to capitalize on the constructive and beneficial use of the space environment.

Mr. President, I urge my colleagues to support this authorization bill.●

● Mr. HEFLIN. Mr. President, I express my support for the fiscal 1981 NASA authorization bill. I compliment Senator CANNON and Senator STEVENSON for their fine work on this legislation. In an unusually difficult budget year, the committee has produced what I consider to be a balanced and nonregressive authorization bill. Because I believe our investment in NASA is a sound one, I generally resist any attempt to reduce NASA's funding. However in the interest of a balanced Federal budget, I support this Senate authorization bill which is $166.8 million below NASA's original fiscal year 1981 budget request.

I bring to the attention of my Senate colleagues an amendment which I offered at the Commerce Committee mark up of the NASA authorization bill. My amendment provided $12 million for the initiation of the Solar Electric Propulsion System in fiscal year 1981. I might add that my amendment was unanimously accepted by the members of the committee.

The Solar Electric Propulsion System or SEPS is a desirable and easily defensible NASA program. A SEPS new start was part of the original NASA budget request to the President. The Office of Management and Budget cut out the new start and NASA appealed directlv to the President for a restoration of SEPS funding. The President responded by offering NASA a choice between a new start for the Gamma Ray Observatory or SEPS. When forced to make this unhappy choice, NASA chose GRO.

The House Science and Technology Committee and the Senate Commerce members all were convinced that SEPS versatility and utility merited a 1981 new start. Therefore, SEPS has been included along with GRO as a new start in the House and Senate authorization bills.

Obviously, I support these new starts for NASA and I am convinced that the return on the invested dollars will justify the expenditures. The Gamma Ray Observatory will obtain data which will aid in our understanding of black holes. quasars, and neutron stars. Quasars. which cannot be studied using Earth-based telescopes, seem to emit fantastic amounts of energy in short periods of time. It is possible that an understanding of the nature of these objects might lead to a discovery of some new type of energy process, just as nuclear energy was discovered by studying our Sun. If quasars are as distant as we now hypothesize that they are, the total amount of energy emitted by one quasar in 1 second could supply all of Earth's electric needs for a billion years.

The SEPS project will broaden the performance capability of the Space Shuttle and the inertial upper stage. SEPS capability will enhance the integrity of the entire space program for applications such as orbital station keeping, orbital transfer, orbital debris cleanup, and planetary transportation. SEPS will give the Space Shuttle vehicle a new flexibility and versatility, improving the usefulness of Space Shuttle on a variety of missions.

The administration has determined that the Space Shuttle transportation system is vital to certain national security missions. Additionally, the space shuttle will represent the United States' next achievement in manned space flight.

This manned space program is particularly critical due to the accomplishments of the Soviet Union in this area. Even as we speak together today, the Soviet crew is aboard the SALYUT VI space station. No one could honestly deny that the almost constant habitation of space by the Soviet Cosmonauts is a significant technological accomplishment.

The Space Shuttle will not only be an advance in manned space flight for the world, but the program will represent our challenge to any idea of Soviet domination of space. As an important part of the Space Shuttle and for the other reasons I have mentioned, I feel that SEPS development is necessary and should not be delayed.

In closing, I emphasize that this NASA authorization represents bare bones funding for NASA. It is not the kind of dynamic commitment to space exploration that I personally would advocate; nevertheless, this budget will allow NASA to operate in a sound, if not progressive and dramatic manner. Given the budgetary pressures of the moment, this authorization seems to me to be a fine effort.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WATER RESOURCES RESEARCH AND DEVELOPMENT

The Senate proceeded to consider the bill (S. 1640) to extend certain authorities of the Secretary of the Interior with respect to water resources research and development and saline water conversion research and development programs, and for other purposes, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 2, beginning with line 1, strike through and including line 4;

On page 2, line 5, strike "SECTION 1. In" and insert "That";

On page 2, line 6, after "1978" insert "(Public Law 95–467; 92 Stat. 1305)";

On page 2, line 7, strike "delete current provisions and replace with the following" and insert "is amended to read as follows";

On page 2, line 25, after the comma, insert "state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it,";

On page 3, beginning with line 15, strike through and including page 4, line 12, and insert in lieu thereof the following:

(1) In paragraph (a)(1) following "September 30, 1980", delete the period, insert a comma and add "an amount sufficient to provide $150,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1981, and an amount sufficient to provide $175,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1982.";

(2) In paragraph (a)(2) following "September 30, 1980," insert: "the sum of $1,500,000 for the fiscal year ending September 30, 1981, and the sum of $1,500,000 for the fiscal year ending September 30, 1982,";

On page 6, line 1, after "1977" insert "(Public Law 95–84; 91 Stat. 400)";

On page 6, line 17, strike "no larger than necessary" and insert "sufficient";

On page 6, line 19, beginning with "shall" strike through and including the comma in line 21;

On page 7, line 9, after the comma insert "if any,";

On page 8, line 20, beginning with "Section" strike through and including "repealed" in line 22;

On page 8, beginning with line 23, insert the following:

SEC. 5. Section 205(c) of the Act of October 17, 1978 (Public Law 95–467) is hereby repealed.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(b)(5) of the Water Research and Development Act of 1978 (Public Law 95–467; 92 Stat. 1305), is amended to read as follows: "The Secretary is authorized to require State institutes to review grant and contract proposals originating within their respective States pursuant to any program under this Act, and such review shall be for the purpose of advising the Secretary of the relevance of such proposals to water resources research, development, and technology transfer needs and priorities within the originating State."

SEC. 2. Section 105(a) of the Water Research and Development Act of 1978 is amended by deleting all after "projects by two or more institutes" and inserting the following: "Any State or local government agency or academic institution is eligible to participate in the matching grant program activities of their State institute if in the opinion of the Secretary it has competence to participate in the program. Applications by such agencies or institutions shall be made through the State institute. Each application for a grant pursuant to this subsection shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, state the importance of the project to the Nation, region, and State concerned, its relation to other known research projects theretofore pursued or currently being pursued, and the extent to which it will provide opportunity for training in water resources. No grant shall be made under this subsection except for a project approved by the Secretary, and all grants shall be made on the basis of the merit of the project, the need for the knowledge which it is expected to produce when completed and the opportunity it provides for training in water resources.".

SEC. 3(a) Section 401 of the Water Research and Development Act of 1978 is amended as follows:

(1) In paragraph (a)(1) following "September 30, 1980", delete the period, insert a comma and add "an amount sufficient to provide $150,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1981, and an amount sufficient to provide $175,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1982.";

(2) In paragraph (a)(2) following "September 30, 1980," insert: "the sum of $1,500,000 for the fiscal year ending September 30, 1981, and the sum of $1,500,000 for the fiscal year ending September 30, 1982,";

(3) In paragraph (b) following $8,500,000," "the sum of $8,000,000 for the fiscal year ending September 30, 1981, and the sum of $10,000,000 for the fiscal year ending September 30, 1982,";

(4) In paragraph (c) following $8,000,000" insert a comma and add "the sum of $5,200,000 for the fiscal year ending September 30, 1981, and the sum of $8,000,000 for the fiscal year ending September 30, 1982,";

(5) In paragraph (d) following "$1,000,000" insert a comma and add "for the fiscal year ending September 30, 1981, and thereafter, the sum of $1,000,000,".

(b) In section 402 of the said Act, following "$14,000,000," insert "the sum of $14,400,000, for the fiscal year ending September 30, 1981, and the sum of $17,400,000 for the fiscal year ending September 30, 1982,".

(c) In section 403, following "September 30, 1980," insert "the sum of $6,500,000 for the fiscal year ending September 30, 1981, and the sum of $8,500,000 for the fiscal year ending September 30, 1982,".

(d) In section 411, following the word "rules" strike the words "regulations" through "prescribed" and substitute "and regulations promulgated".

SEC. 4. (a) Section 2(a) of the Act of August 2, 1977 (Public Law 95–84; 91 Stat. 400) as amended, is deleted and replaced with a new section 2(a) to read as follows:

"SEC. 2. (a) The Secretary of the Interior is authorized and directed to demonstrate the engineering and economic viability of membrane and phase-change desalting processes. Such demonstrations shall include the study, design, construction, operation, and maintenance of desalting plants at locations in the United States (which may include the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Mariana Islands, and the Trust Territory of the Pacific Islands): *Provided*, That at least two such plants shall demonstrate desalting of brackish ground water: *And provided further*, That the plants constructed pursuant to this section shall be for the purpose of showing that the technology being demonstrated is ready for application; such plants shall be sufficient to demonstrate the specific application of the technology, and shall be significantly different in operation and process so as not to duplicate any other demonstration plant constructed pursuant to this section. The Secretary is further authorized to conduct such demonstrations or any portion thereof by means of cooperative agreements (as defined and authorized by 41 U.S.C. 504, et seq., the Federal Grant and Cooperative Agreement Act of 1977; Public Law 95–224) with duly authorized non-Federal public entities. Title to demonstration facilities constructed by the non-Federal public entity under a cooperative agreement shall vest in the non-Federal public entity.".

(b) Section 2(b) of said Act is hereby amended by inserting after "but is not limited to," the phrase, "how the plant being proposed differs from others, if any, already constructed under this section," and further, by deleting all after "ancillary facilities" and inserting the following: "Such report shall be accompanied by a proposed contract (or cooperative agreement) between the Secretary and a duly authorized non-Federal entity, in which such entity shall agree to provide not less than 15 per centum and not more than 50 per centum of the total cost of the demonstration; such cost to include, without being limited to, necessary water rights, water supplies, rights-of-way, power source interconnections, brine disposal facilities, land, construction, ancillary facilities, and the operation and maintenance costs for a period of four years following final acceptance of the construction of the plant from the plant contractor. The contributions of the non-Federal entity under such proposed contract may be in-kind. During the participation by the Secretary in the construction and the operation and maintenance of such demonstration, access to the demonstration and its operating data will not be denied to the Secretary or his representatives. The period of participation by the Secretary in the operation and maintenance of any such demonstration shall not exceed four years. The Secretary is authorized to include in the proposed contract a provision for conveying, as appropriate, and in such amounts as are appropriate, rights, title, and interest of the Federal Government in the demonstration project to the non-Federal public entity.".

(c) Section 2(c), as amended, of said Act, is revised to read as follows: "There is authorized to be appropriated, to remain available until expended, for the fiscal year ending September 30, 1978, and thereafter, the sum of $50,000,000 to finance the total Federal share of the cost of the demonstration plants authorized by this section; such cost to include, without being limited to, necessary water rights, water supplies, rights-of-way, power source interconnections, brine disposal facilities, land, construction, ancillary facilities, and the operation and maintenance costs for the four-year period of Federal participation in such costs."

SEC. 5. Section 205(c) of the Act of October 17, 1978 (Public Law 95–467) is hereby repealed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered en bloc and agreed to en bloc.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1980

The Senate proceeded to consider the bill (S. 2622) to improve coastal zone management in the United States, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Costal Zone Management Act Amendments of 1980".

FINDINGS

SEC. 2. Section 302 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451) is amended—

(1) by inserting immediately after subsection (e) the following:

"(f) New and expanding demands for food, energy, minerals, defense needs, recreation, waste disposal, transportation, and industrial activities in the Great Lakes, territorial sea, and Outer Continental Shelf are placing stress on these areas and are creating the need for resolution of serious conflicts among important and competing uses and values in coastal and ocean waters;"; and

(2) by redesignating subsections (f), (g), (h), and (i) as subsections (g), (h), (i), and (j), respectively.

DECLARATION OF POLICY

SEC. 3. Section 303 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1452) is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 303. The Congress finds and declares that it is the national policy—

"(1) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations;

"(2) to encourage and assist the States to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone, giving full consideration to ecological, cultural, historic, and aesthetic values as well as to needs for economic development, which programs should at least provide for—

"(A) the protection of significant natural resources, including wetlands, floodplains, estuaries, beaches, dunes, barrier islands, coral reefs, and fish and wildlife and their habitat, which may include the inventory and designation of areas containing such resources and the establishment of enforceable standards for such protection;

"(B) the management of coastal development to minimize the loss of life and property caused by improper development in flood-prone, storm surge, and erosion-prone areas and in areas of subsidence and saltwater intrusion, and by the destruction of natural protective features such as beaches, dunes, wetlands, and barrier islands;

"(C) priority consideration being given to coastal-dependent uses and orderly processes for siting major facilities related to national defense, energy, fisheries development, recreation, ports and transportation, and the location, to the maximum extent feasible, of new commercial and industrial developments in areas where such development already exists;

"(D) public access to the coasts for recreation purposes;

"(E) assistance in the redevelopment of deteriorating urban waterfronts and ports, and sensitive preservation and restoration of historic, cultural, and aesthetic coastal features;

"(F) the coordination and simplification of procedures in order to ensure expedited governmental decisionmaking for the management of coastal resources;

"(G) continued consultation and coordination with, and the giving of adequate consideration to the views of, affected Federal agencies;

"(H) the giving of timely and effective notification of, and opportunities for public participation in coastal management decisionmaking; and

"(I) assistance to support comprehensive planning, conservation, and management for living marine resources within the coastal zone, and improved coordination between State and Federal coastal zone management agencies and State fish and wildlife agencies;

"(3) to encourage the preparation of special area management plans which provide for increased specificity in protecting significant natural resources, reasonable coastal-dependent economic growth, improved protection of life and property in hazardous areas, and improved predictability in governmental decisionmaking; and

"(4) to encourage the participation and cooperation of the public, State and local governments, and interstate and other regional agencies, as well as of the Federal agencies having programs affecting that coastal zone, in carrying out the purposes of this title.".

DEFINITIONS

SEC. 4. Section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453) is amended by redesignating paragraph (16) as paragraph (17), and inserting immediately after paragraph (15) the following new paragraph:

"(16) The term 'special area management plan' means a comprehensive plan providing for natural resource protection and reasonable coastal-dependent economic growth containing a detailed and comprehensive statement of policies; standards and criteria to guide public and private uses of lands and waters; and mechanisms for timely implementation, in specific geographic areas within the coastal zone.".

ADMINISTRATIVE GRANTS

SEC. 5 (a) Section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) is amended—

(1) by amending subsection (a) to read as follows:

"(a) The Secretary may make grants to any coastal State for not more than 80 percent of the costs of administering such State's management program if the Secretary—

"(1) finds that such program meets the requirements of section 305(b);

"(2) approves such program in accordance with subsections (c), (d), and (e); and

"(3) finds, if such program has been administered with financial assistance under this section for at least 1 year, that the coastal State will expend an increasing proportion of each grant received under this section (but not more than 30 percent of the grant unless the State chooses to expend a higher percentage) on activities that will result in significant improvement being made in achieving the coastal management objectives specified in section 303(2)(A) through (I).

For purposes of this subsection, the costs of administering a management program includes costs incurred in the carrying out, in a manner consistent with the procedures and processes specified therein, of projects and other activities (other than those of a kind referred to in clauses (A), (B), or (C) of section 306A(2)) that are necessary or appropriate to the implementation of the management program."; and

(2) by striking out the first proviso to subsection (b) and by striking out *"And provided further"* in the second proviso to such subsection and substituting *"Provided"*.

(b) The amendments made by subsection (a)(1) and (2) of this section apply with respect to annual grants made after September 30, 1980, under section 306 of the Coastal Zone Management Act of 1972 and, within 1 year after such date, the Secretary of Commerce shall issue regulations relating to the administration of subsection (a) of such section 306 (as so amended by subsection (a)(1)) of this section.

COASTAL RESOURCE IMPROVEMENT PROGRAM

SEC. 6. The Coastal Zone Management Act of 1972 is further amended by adding immediately after section 306 the following new section:

"RESOURCE MANAGEMENT IMPROVEMENT GRANTS

"SEC. 306A. (a) For purposes of this section—

"(1) The term 'eligible coastal State' means a coastal State that for any fiscal year for which a grant is applied for under this section—

"(A) has a management program approved under section 306; and

"(B) in the judgment of the Secretary is making satisfactory progress which will result in significant improvements pursuant to section 306(a)(3).

"(2) The term 'urban waterfront' means any developed area that—

"(A) fronts or abuts on coastal waters, and

"(B) is located in a municipality or township which is, in whole or part, within the coastal zone.

"(b) The Secretary may make grants annually to any eligible coastal State to assist that State in meeting one or more of the following objectives:

"(1) The preservation or restoration of specific areas of the State that (A) are designated under the management program procedures required by section 306(c)(9) because of their conservation, recreational, ecological, or aesthetic values.

"(2) The redevelopment of deteriorating and underutilized urban waterfronts and ports that are designated under section 305(b)(3) in the State's management program as areas of particular concern.

"(3) The provision of access to public beaches and other public coastal areas and to coastal waters.

"(c)(1) Each grant made by the Secretary under this section shall be subject to such terms and conditions as may be appropriate to ensure that the grant is used for purposes consistent with this section.

"(2) Grants made under this section may be used for—

"(A) the acquisition of fee simple and other interests in land;

"(B) low-cost construction projects determined by the Secretary to be consistent with the purposes of this section, including, but not limited to, paths, walkways, fences, parks, and the rehabilitation of historic buildings and structures; except that not more than 50 percent of any grant made under this section may be used for such construction projects;

"(C) in the case of grants made for objectives described in subsection (b)(2)—

"(i) the rehabilitation or acquisition of piers to provide increased public use, including compatible commercial activity,

"(ii) the installation or rehabilitation of bulkheads for the purpose of increasing public access and use, and

"(iii) the removal of pilings where such action will provide increased recreational use of urban waterfront areas;

"(D) engineering designs, specifications, and other appropriate reports; and

"(E) management costs and such other related costs as the Secretary determines to be consistent with the purposes of this section.

"(d)(1) No grant made under this section may exceed an amount equal to 80 percent of the cost of carrying out the purpose or project for which it was awarded.

"(2) Grants provided under this section may be used to pay a coastal State's share of costs required under any other Federal program that is consistent with the purposes of this section.

"(3) The total amount of grants made under this section to any eligible coastal State for any fiscal year may not exceed an amount equal to 10 percent of the total amount appropriated to carry out this section for such fiscal year.

"(e) With the approval of the Secretary, an eligible coastal State may allocate to a local government, an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, a regional agency, or an interstate agency, a portion of any grant made under this section for the purpose of carrying out this section; except that such an allocation shall not relieve that State of the responsibility for ensuring that any funds so allocated are applied in furtherance of the State's approved management program.

"(f) In addition to providing grants under this section, the Secretary shall assist eligible coastal States and their local governments in identifying and obtaining other sources of available Federal technical and financial assistance regarding the objectives of this section."

INTERSTATE COASTAL ZONE MANAGEMENT COORDINATION

SEC. 7. Section 309 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456b) is amended to read as follows:

"INTERSTATE GRANTS

"SEC. 309. (a) The coastal States are encouraged to give high priority—

"(1) to coordinating State coastal zone planning, policies, and programs with respect to contiguous areas of such States;

"(2) to studying, planning, and implementing unified coastal zone policies with respect to such areas; and

"(3) to establishing an effective mechanism, and adopting a Federal-State consultation procedure, for the identification, examination, and cooperative resolution of mutual problems with respect to the marine and coastal areas which affect, directly or indirectly, the applicable coastal zone.

The coastal zone activities described in paragraphs (1), (2), and (3) of this subsection may be conducted pursuant to interstate agreements or compacts. The Secretary may make grants annually, in amounts not to exceed 90 percent of the cost of such activities, if the Secretary finds that the proceeds of such grants will be used for purposes consistent with sections 305 and 306.

"(b) The consent of the Congress is hereby given to two or more coastal States to negotiate, and to enter into, agreements or compacts, which do not conflict with any law or treaty of the United States, for—

"(1) developing and administering coordinated coastal zone planning, policies, and programs pursuant to sections 305 and 306; and

"(2) establishing executive instrumentalities or agencies which such States deem desirable for the effective implementation of such agreements or compacts.

Such agreements or compacts shall be binding and obligatory upon any State or party thereto without further approval by the Congress.

"(c) Each executive instrumentality or agency which is established by an interstate agreement or compact pursuant to this section is encouraged to give high priority to the coastal zone activities described in subsection (a). The Secretary, the Secretary of the Interior, the Chairman of the Council on Environmental Quality, the Administrator of the Environmental Protection Agency, the Secretary of the department in which the Coast Guard is operating, and the Secretary of Energy, or their designated representatives, shall participate ex officio on behalf of the Federal Government whenever any such Federal-State consultation is requested by such an instrumentality or agency.

"(d) If no applicable interstate agreement or compact exists, the Secretary may coordinate coastal zone activities described in subsection (a) and may make grants to assist any group of two or more coastal States to create and maintain a temporary planning and coordinating entity to carry out such activities. The amount of such grants shall not exceed 90 percent of the cost of creating and maintaining such an entity. The Federal officials specified in subsection (c), or their designated representatives, shall participate on behalf of the Federal Government, upon the request of any such temporary planning and coordinating entity for a Federal-State consultation.

"(e) A coastal State is eligible to receive financial assistance under this section if such State meets the criteria established under section 308(g)(1).".

REVIEW OF PERFORMANCE

SEC. 8. (a) Section 312 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1458) is amended to read as follows:

"REVIEW OF PERFORMANCE

"SEC. 312. (a) The Secretary shall conduct a continuing review of the performance of coastal States with respect to coastal management. Each review shall include a written evaluation with an assessment and findings concerning the extent to which the State has implemented and enforced the program approved by the Secretary, addressed the coastal management needs identified in section 303(2) (A) through (I), and adhered to the terms of any grant or cooperative agreement funded under this title.

"(b) For the purpose of making the evaluation of a coastal State's performance, the Secretary shall conduct public meetings and provide opportunity for oral and written comments by the public. Each such evaluation shall be prepared in report form and the Secretary shall make copies thereof available to the public.

"(c) The Secretary may reduce any financial assistance extended to any coastal State under section 306, and withdraw any unexpended portion of such reduction, if the Secretary determines that the coastal State is failing to make significant improvement in achieving the coastal management objectives specified in section 303(2) (A) through (I). Such reduction may be up to but not exceed 30 percent of the amount that would otherwise be available to the coastal State under section 306 in any given year.

"(d) The Secretary shall withdraw approval of the management program of any coastal State, and shall withdraw any financial assistance available to that State under this title as well as any unexpended portion of such assistance, if the Secretary determines that the coastal State is failing to adhere to or is not justified in deviating from (1) the management program approved by the Secretary, or (2) the terms of any grant or cooperative agreement funded under section 306, and refuses to remedy the deviation.

"(e) Management program approval and financial assistance may not be withdrawn under subsection (d), unless the Secretary gives the coastal State notice of the proposed withdrawal and an opportunity for a public hearing on the proposed action. Upon the withdrawal of management program approval under subsection (d), the Secretary shall provide the coastal State with written specifications of the actions that should be taken, or not engaged in, by the State in order that such withdrawal may be canceled by the Secretary.

"(f) The Secretary shall conduct a periodic review and evaluation of the implementation of the coastal energy impact program carried out under section 308, and of the coastal resource improvement program carried out under section 306A.".

(b) Within 1 year after the date of the enactment of this Act, the Secretary of Commerce shall issue such regulations as may be necessary or appropriate to administer section 312 of the Coastal Zone Management Act of 1972 (as amended by subsection (a) of this section).

ANNUAL REPORT

SEC. 9. Section 316 of the Coastal Zone Management Act (16 U.S.C. 1462) is amended—

(1) by amending the section heading to read as follows: "COASTAL ZONE MANAGEMENT REPORT";

(2) by amending subsection (a)—

(A) by amending the matter appearing before clause (1) to read as follows: "(a) The Secretary shall consult with the Congress on a regular basis concerning the administration of this title and shall prepare and submit to the President for transmittal to the Congress a report summarizing the administration of this title during each period of 2 consecutive fiscal years. Each report, which shall be transmitted to the Congress not later than April 1 of the year following the close of the biennial period to which it pertains, shall include, but not be restricted to",

(B) by striking out "or with respect to which grants have been terminated under this title," in clause (4),

(C) by redesignating clauses (5) through (12) as clauses (6) through (13), respectively; and

(D) by inserting immediately after clause (4) the following new clause: "(5) a summary of evaluation findings prepared in accordance with subsection (a) of section 312, and a description of any sanctions imposed under subsections (c) and (d) of that section;"; and

(3) by adding at the end thereof the following new subsection:

"(c)(1) The Secretary shall conduct a systematic review of Federal programs, other than this title, that affect coastal resources for purposes of identifying conflicts between the objectives and administration of such programs and the purposes and policies of this title. Not later than 1 year after the date of the enactment of this subsection, the Secretary shall notify each Federal agency having appropriate jurisdiction of any conflict between its program and the purposes and policies of this title identified as a result of such review.

"(2) The Secretary shall promptly submit a report to the Congress and to the Council on Environmental Quality consisting of the information required under paragraph (1) of this subsection. Such report shall include recommendations for legislative and administrative changes necessary to resolve existing conflicts among Federal laws and programs that affect the uses of coastal resources.".

ESTUARINE SANCTUARIES

SEC. 10. Section 315 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1461) is amended—

(1) by striking out "BEACH ACCESS" in the section heading and inserting in lieu thereof "ISLAND PRESERVATION"; and

(2) by striking the language in paragraph (2) and inserting in lieu thereof the following:

"(2) acquiring lands to provide for the preservation of islands, or portions thereof. The amount of any such grant shall not exceed 50 percent of the cost of the project involved; except that in the case of acquisition for an estuarine sanctuary, the Federal share of the cost shall not exceed $3,000,000.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. Section 318 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1467) is amended—

(1) by striking paragraph (a)(1);

(2) by renumbering paragraph (a)(2) as paragraph (a)(1) and amending it read as follows:

"(1) such sums, not to exceed $45,000,000 for each of the fiscal years occuring during the period beginning October 1, 1980, and ending September 30, 1985, as may be necessary for grants under section 306, to remain available until expended;";

(3) by inserting immediately after paragraph (a)(1) the following:

"(2) such sums, not to exceed $5,000,000 for each of the fiscal years occurring during the period beginning October 1, 1980, and ending September 30, 1985, as may be necessary for grants under section 306A, to remain available until expended;";

(4) by amending paragraph (a)(5) to read as follows:

"(5) such sums not to exceed $5,000,000 for each of the fiscal years occurring during the period beginning October 1, 1980, and ending September 30, 1985, as may be necessary for grants under section 309, to remain available until expended;";

(5) by deleting paragraph (a)(6);

(6) by renumbering paragraph (a)(7) as paragraph (a)(6) and amending it to read as follows:

"(6) such sums, not to exceed $6,000,000 for each of the fiscal years occurring during the period beginning October 1, 1980, and ending September 30, 1985, as may be necessary for grants under section 315(1), to remain available until expended;";

(7) by renumbering paragraph (a)(8) as paragraph (a)(7) and amending it to read as follows:

"(7) such sums, not to exceed $4,000,000 for each of the fiscal years occurring during the period beginning October 1, 1980, and ending September 30, 1985, as may be necessary for grants under section 315(2), to remain available until expended; and";

(8) by renumbering paragraph (a)(9) as paragraph (a)(8) and amending it to read as follows:

"(8) such sums, not to exceed $6,000,000 for each of the fiscal years occurring during the period beginning October 1, 1980, and ending September 30, 1985, as may be necessary for administrative expenses incident to the administration of this title."; and

(9) by amending subsection (c) by striking out "section 305, 306, 309, or 310." and inserting in lieu thereof "section 306 or 309.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL TRAFFIC AND MOTOR VEHICLE INFORMATION AND COST SAVINGS AUTHORIZATIONS ACT

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1159.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1159) entitled "An Act to authorize appropriations for the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "National Traffic and Motor Vehicle Information and Cost Savings Authorizations Act".

TITLE I—TRAFFIC AND MOTOR VEHICLE SAFETY

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Section 121 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1409) is amended to read as follows:

"SEC. 121. There are authorized to be appropriated for the purpose of carrying out this Act $48,500,000 for fiscal year 1980.".

OCCUPANT RESTRAINT SYSTEMS

SEC. 102. None of the funds authorized to be appropriated under this Act for the purpose of carrying out the National Traffic and Motor Vehicle Safety Act of 1966 may be used by the Secretary of Transportation to enforce or otherwise administer any standard or regulation which requires any passenger car to be equipped with an occupant restraint system unless such standard or regulation also permits the purchaser of a passenger car to select any occupant restraint system which, if installed in the passenger car purchased by such purchaser, would comply with the requirements of Federal Motor Vehicle Safety Standard Number 208 (49 Code of Federal Regulations 571.208), relating to the installation of active seat belt systems, as in effect at the end of June 29, 1977. For the purposes of this section, the term "purchaser" includes a retail dealer purchasing a new passenger car for resale.

TITLE II—MOTOR VEHICLE INFORMATION AND COST SAVINGS

BUMPER STANDARDS

SEC. 201. Section 111 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1921) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to carry out this title $400,000 for fiscal year 1980.".

AUTOMOBILE CONSUMER INFORMATION STUDY

SEC. 202. Section 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to carry out this title $2,400,000 for fiscal year 1980.".

DIAGNOSTIC INSPECTION DEMONSTRATION PROJECTS

SEC. 203. Section 321 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1964) is amended by inserting after the first sentence thereof the following new sentence: "There are authorized to be appropriated to carry out this title $1,400,000 for fiscal year 1980.".

ODOMETER REQUIREMENTS

SEC. 204. Section 417 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990g) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to carry out this title $300,000 for fiscal year 1980.".

TITLE III—CONGRESSIONAL VETO OF RULES

PROCEDURE FOR CONGRESSIONAL VETO

SEC. 301. (a) The Secretary of Transportation shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of any rule promulgated with funds appropriated under this Act or relating to the use of funds appropriated under this Act.

(b) Any rule specified in subsection (a) shall not take effect, if—

(1) within the 90 calendar days of continuous session of the Congress which occur after the date of the promulgation of such rule, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows (with the blank spaces appropriately filled): "That the Congress disapproves the rule promulgated by the Secretary of Transportation with respect to   , such rule having been transmitted to the Congress on   ."; or

(2) within the 60 calendar days of continuous session of the Congress which occur after the date of the promulgation of such rule, one House of the Congress adopts such concurrent resolution and transmits such resolution to the other House and such resolution is not disapproved by such other House within the 30 calendar days of continuous session of the Congress which occur after the date of such transmittal.

(c) If, within the 60 calendar days of continuous session of the Congress after the date of the promulgation of such rule, no committee of either House of the Congress has reported, or has been discharged from further consideration of, a concurrent resolution disapproving the rule involved, and neither House has adopted such resolution, the rule may take effect immediately. If, within such 60 calendar days, a committee has reported, or has been discharged from further consideration of, such resolution, or either House has adopted such resolution, the rule may not take effect before the end of the period of 90 calendar days of continuous session of the Congress after the date of the promulgation of such rule, unless such rule is disapproved under subsection (a).

(d) For purposes of this section—

(1) continuity of session is broken only by an adjournment of the Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the periods of continuous session of the Congress specified in subsection (b) and subsection (c).

(e) Congressional inaction on, or rejection of, a resolution of disapproval pursuant to this section shall not be deemed an expression of approval.

REPEALER

SEC. 302. The foregoing provisions of this title are repealed, effective at the end of fiscal year 1980.

Amend the title so as to read: "An Act to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal year 1980.".

Mr. ROBERT C. BYRD. Mr. President, I move, on behalf of Mr. CANNON, that the Senate disagree to the amendments of the House of Representatives and request a conference with the House on the disagreeing votes between the two Houses and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. CANNON, Mr. MAGNUSON, Mr. FORD, Mr. SCHMITT, and Mr. WARNER conferees on the part of the Senate.

TRANSFER OF FUNDS FOR THE SELECTIVE SERVICE SYSTEM

Mr. ROBERT C. BYRD. Mr. President, in accordance with the order that was entered earlier, and after consultation with the distinguished minority leader, and with the knowledge of Mr. HATFIELD, Mr. STENNIS, Mr. PROXMIRE, and Mr. NUNN, I ask that the Chair lay before the Senate Calendar Order No. 841, House Joint Resolution 521, the joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (H.J. Res. 521) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System.

The Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations with an amendment.

On page 2, line 10, after "service" insert the following: "or be used for the production of any Selective Service registration form which does not permit a registrant to have the option of stating that such registrant is conscientiously opposed to participation in war in any form, pursuant to section 6(j) of the Military Selective Service Act".

Mr. ROBERT C. BYRD. Mr. President, there will be no action on Calendar Order No. 841 this evening.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, on page 2 thereof.

Mr. BAKER. Mr. President, reserving the right to object, the purpose of the reservation, however, is to advise the majority leader that the three nominations contained on page 2 of the Executive Calendar are cleared on our side and we have no objection to their consideration and confirmation.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

The assistant legislative clerk proceeded to read nominations on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, all nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NATIONAL TRANSPORTATION SAFETY BOARD

George Herbert Patrick Bursley, of Maryland to be a member of the National Transportation Safety Board.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Robert E. Nederlander, of Michigan to be a member of the National Council on Educational Research.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Labor and Human Resources.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 3:50 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 1658. An act to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to States or local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes; and

H.J. Res. 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

The enrolled bill and joint resolution were subsequently signed by the President pro tempore (Mr. MAGNUSON).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 3, 1980, he presented to the President of the United States the following enrolled bill:

S. 1658. An act to establish a program for the inspection of schools to detect the presence of hazardous asbetos materials, to provide loans to States or local educational agencies to contain or remove hazardous asbestos materials from schools, and to replace such materials with other suitable building materials, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. Res. 450. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2727. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

Richard Lee McCall, Jr., of Virginia, to be an Assistant Secretary of State.

George William Ashworth, of Virginia, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOREN:

S. 2778. A bill conferring jurisdiction on the Court of Claims to hear, determine, and render judgment on a claim of the Seminole Nation of Oklahoma; to the Committee on the Judiciary.

By Mr. ROTH (for himself, Mr. BENTSEN, Mr. CHAFEE, and Mr. INOUYE):

S. 2779. A bill to establish a national policy on export-related taxes; to the Committee on Finance.

By Mr. BAUCUS (for himself, Mr. MCGOVERN, and Mr. LEVIN):

S. 2780. A bill to encourage the ownership and development of family farms, to provide for research and education relating to family farms, to authorize the President to stabilize food prices, to authorize the Secretary of Agriculture to provide financial assistance for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 2781. A bill to discourage tax loss farming, and for other purposes; to the Committee on Finance.

By Mr. CHAFEE:

S. 2782. A bill to provide for a pilot energy conservation diagnosis and retrofit program; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOREN:

S. 2778. A bill conferring jurisdiction on the Court of Claims to hear, determine, and render judgment on a claim of the Seminole Nation of Oklahoma; to the Committee on the Judiciary.

● Mr. BOREN. Mr. President, I am today introducing legislation to confer jurisdiction on the U.S. Court of Claims to adjudicate a longstanding claim of the Seminole Nation of Oklahoma.

The background of this claim is well summarized in a brief prepared by Mr. Paul Niebell, counsel for the Seminole Nation. In order that my colleagues may become familiar with the basis for the claim, I ask unanimous consent that the text of the legislation and Mr. Niebell's brief be printed in the RECORD.

There being no objection, the bill and memorandum were ordered to be printed in the RECORD, as follows:

S. 2778

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 13, 1946, as amended (60 Stat. 1049, 1052; 25 U.S.C. 70k), or other provision of law, or decisions of any court, commission, or other agency of the United States, jurisdiction under the provisions of section 2, clause 5 of the Indian Claims Commission Act of August 13, 1946, as amended (60 Stat. 1049, 1050; 25 U.S.C. 70a), and under the other pertinent provisions of said Act, is hereby conferred upon the United States Court of Claims to hear, determine, and render final judgment on the claim of the Seminole Nation of Oklahoma for the amount, if any, due and owing to the said Seminole Nation of Oklahoma for the loss of its vested interests in one-half of all minerals underlying allotted Seminole lands in Oklahoma, and its vested interest in one-half of all royalties on all minerals produced from said Seminole lands, reserved to said Seminole Nation in the Seminole Agreement negotiated by the United States with said Seminole Nation of Oklahoma, dated December 16, 1897, and ratified by Congress by Act of July 1, 1898 (30 Stat. 567); and which vested interest was divested by the passage of section 11 of the Act of May 27, 1908 (35 Stat. 312), without the knowledge and consent of said Seminole Nation of Oklahoma.

MEMORANDUM RE MINERAL RIGHTS CLAIM OF THE SEMINOLE NATION

(By Paul M. Niebell)

The Seminole Nation was one of the Five Civilized Tribes that were forcibly removed by the United States from what was their ancestral homes east of the Mississippi River in the 1830s and settled in what was then Indian Territory, now a part of the State of Oklahoma. In their several treaties these tribes were granted the fee simple title to their lands in the West, the right of self-government, and solemnly guaranteed that their western lands would never be included in any State or Territory of the United States without their full and free consent (Art. 4, Treaty of Aug. 7, 1856, 11 Stat. 699).

However, the United States changed its policy towards these tribes in the early 1890s, and by Act of March 3, 1893 (27 Stat. 645), created the Dawes Commission to treat with these tribes for the division of their tribal estates among their members, with the ultimate purpose of creating a State of the Union which would embrace their lands. These tribes were reluctant to give up their own customs and way of life, and adopt the customs and laws of the white man, and for some years refused to treat with the United States.

Finally in 1897 (30 Stat. 567) an Agreement was made between the Seminole Nation and the United States by the terms of which the Seminoles agreed to give up their tribal fee simple title and allot the tribal lands to the individual members of the tribe. Certain provisions beneficial to the Indians were agreed to by the United States and were included in the Seminole Agreement. These provisions were:

"No lease of any coal, mineral, coal oil, or natural gas within said Nation shall be valid unless made with the tribal government, by and with the consent of the allottee and approved by the Secretary of the Interior.

"Should there be discovered on any allotment any coal, mineral, coal oil, or natural gas, and the same should be operated so as to produce royalty, one-half of such royalty shall be paid to such allottee and the remaining half into the tribal treasury until extinguishment of tribal government, and the latter shall be used for the purpose of equalizing the value of allotments; and if the same be insufficient therefor, any other funds belonging to the tribe, upon extinguishment of tribal government, may be used for such purpose, so that each allotment may be made equal in value as aforesaid."

The purpose of the above provisions was (1) to maintain tribal control over the mineral leases of said lands and thus afford protection to the individual allottees; and (2) to reserve to the tribe one-half of the royalty on minerals produced from the allotted lands for use in equalizing as nearly as possible the value each member of the tribe would receive from the tribal estate. Oil had been discovered in the Indian Territory before the Seminole Agreement was executed, and the Seminole delegates realized that some allottees may have oil under their allotments, and others would not. So one-half of the mineral royalties were to be placed into the tribal treasury so that the tribal officials could make adjustment in the value of the allotments of those members who were not fortunate enough to have oil deposits under their allotments.

By Section 28 of the Act of April 26, 1906, 34 Stat. 137, 148, the tribal existence of the Five Civilized Tribes and their tribal governments were continued in full force and effect for all purposes authorized by law, until otherwise provided by law.

In order to protect the Seminole allottee in the possession of his allotment, Section 8 of the Act of March 3, 1903 (32 Stat. 982, 1008), restricted the inalienability to the lifetime of the allottee, not exceeding 21 years from the date of the deed for the allotment.

In 1908 Congress had before it several bills to remove restrictions on the alienation of allotted lands of the Five Civilized Tribes in Oklahoma. H.R. 15641 was one of these bills. During hearings before the House Committee on Indian Affairs Indian representatives opposed this legislation. However, the House passed the bill without any reference to the Seminole mineral rights reserved to the Seminole Nation under the Seminole Agreement.

The Senate Committee on Indian Affairs held hearings on H.R. 15641, and recommended its passage with certain amendments. An amendment, adopted by the Senate, provided:

"And all royalties heretofore accrued or hereafter arising from mineral leases by Seminole allottees heretofore or hereafter made shall be paid to the United States Indian Agent, Union Agency, for the benefit of the Indian lessor or his proper representative to whom such royalties shall hereafter belong; * * *"

The above amendment applied to the one-half interest in the mineral royalties reserved to the Seminole allottee, but did not apply to the one-half interest in such mineral royalties reserved to the Seminole Nation in the Seminole Agreement for equalization purposes.

Because of difference in the House and Senate versions the bill went to conference. The above Senate amendment was altered in conference to read as follows:

"That all royalties arising on and after July 1st, Nineteen Hundred and Eight, from mineral leases of allotted Seminole lands heretofore or hereafter made, which are subject to the supervision of the Secretary of the Interior, shall be paid to the United States Indian Agent, Union Agency, for the benefit of the Indian lessor or his proper representative, to whom such royalties shall thereafter belong; and no such lease shall be made after said date except with the allottee or owner of the land: *Provided:* That the interest of the Seminole Nation in leases or royalties arising thereunder on all allotted lands shall cease on June thirtieth, Nineteen Hundred and Eight."

The conference report of the House explained the change as follows:

"The main changes are as follows . . . Another provision provides for the disposal of the moneys arising from the rental of mineral lands in the Seminole Indian Reservation for the benefit of the Seminole Indians . . ."

The conference report tendered to the Senate was:

"Amendment No. 38 provides for the disposal of the moneys received as royalties under mineral leases of the lands in the Seminole Nation."

The Senate amendment, as altered in conference, became Section 11 of the Act of May 27, 1908, 35 Stat. 312, 316. This provision effectively destroyed the vested reserved right of the Seminole Nation to its one-half interest in the mineral royalties reserved to the Seminole Nation in the 1898 Seminole Agreement. This was done without the knowledge and consent of the Seminole Nation.

The Commissioner of Indian Affairs admitted in his 1908 report to the Secretary of the Interior that he initiated and secured this change in the provisions of the 1897 Seminole Agreement.

In a suit filed by the Seminole Nation before the Indian Claims Commission under the fair and honorable dealing jurisdiction of the Indian Claims Commission Act (Section 2, Clause 5, Act of August 13, 1946, 60 Stat. 1049), the Commission made findings of fact and entered a fully documented opinion on June 24, 1966 (17 Ind. Cl. Comm. 67–96), finding and holding that the United States was liable to the Seminole Nation for the wrongful action of the Commissioner of Indian Affairs, and the three Commissioners unanimously found (17 Ind. Cl. Comm. 67, 74–75):

"9. * * * Further, the Commissioner of Indian Affairs did not advance the entire Section 11 as whole before the Senate Committee on Indian Affairs, but offered the proviso separately and surreptitiously at a stage in the proceedings where no minutes were being maintained and where consequent debate was unlikely. And finally, the section and proviso were apparently offered as a mere correction of a minor inconsistency and not as a major and far-reaching unilateral change in an existing agreement of treaty stature.

"10. This Commission concludes that the Commissioner of Indian Affairs must bear the onus for the sequence of events set out above and in the concurrent opinion this day issued, and that the defendant is ultimately responsible for the actions of its servant, the Commissioner of Indian Affairs. The acts of the Commissioner of Indian Affairs which underlie the liability include the sequential offering of Section 11 and its proviso upon occasions when the Seminole Nation would be least able to counteract the offer; failure to afford the Seminole Nation any opportunity to be heard on the subject; and misrepresentation of the measure as a mere correction of a minor inconsistency. These acts were inconsistent with the concept of fair and honorable dealings contemplated by Clause 5 of Section 2 of the Indian Claims Commission Act of 1946."

In its interlocutory order the Commission directed "that the instant suit proceed on the single issue of proof of actual damages suffered by the Seminole Nation itself, as a direct consequence of the wrongful act of the defendant."

Under the Act of April 10, 1967, 81 Stat. 11, the tenure of office of the then three Commissioners of the Indian Claims Commission was terminated, and there was a complete change in the membership of the Commission, and the Commission was enlarged to five new members.

On March 10, 1969 evidence was presented to the new Commissioners of the actual damages suffered by the Seminole Nation as a result of the wrongful action of the defendant, as directed by the 1966 findings and opinion of the Commission. Instead of determining these damages, on May 31, 1972 (28 Ind. Cl. Comm. 117), a majority of the new Commissioners (three), rendered an opinion, omitting the detailed facts upon which the 1966 decision of the Commission upholding liability was based, and withdrawing the 1966 decision, and dismissing the petition in this case. The two dissenting Commissioners joined in a dissenting opinion written by Commissioner Blue, which stated in part as follows (28 Ind. Cl. Comm. 132, 135–136):

"The majority opinion is now vacating the 1966 interlocutory order and is dismissing the petition.

"In my opinion the findings of fact and opinion expressed by this Commission in 1966, in this case, are proper and justified, and should not be vacated or set aside."

* * * * *

"The majority relies to some extent on the two Court cases: *Fish* v. *Wise*, 52 F.2d 544 (10th Cir. 1931), *cert. denied*, 284 U.S. 688 (1932), and *Moore* v. *Carter Oil Co.*, 43 F.2d 322 (10th Cir. 1930), *cert. denied*, 282 U.S. 903 (1931).

"I don't think either of the above cases is applicable in the case before the Commission. Both cases were decided prior to the establishment of the Indian Claims Commission.

"The 1966 Commission's opinion followed an extensive inquiry; it was well reasoned and just. I do not think it should be vacated or set aside. We should proceed to consider the extent of the actual damages, if any, the Seminole Nation suffered."

An appeal to the Court of Claims failed, and the Supreme Court denied a petition for a writ of certiorari.

It is significant to notice that 5 out of 8 Indian Claims Commissioners who passed upon the facts in this case determined the issue of liability in favor of the Seminole Nation.

In their Memorial to Congress of January 6, 1930, the Seminoles reviewed the facts relative to their claim, and stated that "over 90 per cent of them have, by this action, been deprived of any participation in the value of the royalties arising to which they were entitled."

Honorable Joseph M. Dixon, First Assistant Secretary of the Interior, in a Memorandum, dated June 21, 1930, reviewed the facts relative to this claim of the Seminole Nation, and the above Seminole Memorial, and stated in part:

"I submit my differing 'memorandum' under the belief that a gross injustice was originally done the Seminole Indians by the allotment act of May 27, 1908.

"I have reread the proceedings in the House and Senate at the time the bill was passed, and also the conference committees' reports to the two Houses on that legislative item, so profoundly affecting the Seminole Indians, and have no hesitancy in saying that in the conference report on the Seminole bill, May, 1908, the conferees had no parliamentary or legal right to insert a new item in the bill which had not been agreed to or passed by either the Senate or the House, but evidently in the pressure of legislative business at the time, it was agreed to by both Houses without any real knowledge of what the ultimate intent or effect would be.

"I have no doubt that this legislation embodied the conferees' report was enacted without the knowledge or consent of the Seminole Indians themselves, and that it in effect dispossessed the Seminole Indians of great mineral wealth, in which they had the undisputed legal title as owners of the land by purchase with their own moneys 40 years before.

"I have no doubt that Congress even under its plenary powers had no moral right to thus dispossess the Seminole Indians of this great wealth."

* * * * *

"It has been suggested that Congress had the authority to enact the provisions of Section 11 of the Act of May 27, 1908, under the plenary power and authority of Congress over Indian tribal relations and property and various cases are cited. The cases cited confirm the administrative power of Congress, but nowhere does it appear that they confirm the power of Congress to divest the Indian of his property and give it to others without his consent and without adequate compensation, and this is the point of the present controversy upon which the Seminoles seek a decision of the Supreme Court of the United States."

The facts relative to the passage of Section 11 of the 1908 Act cannot be disputed, and are fully set forth in the original unanimous 1966 findings and opinion of the Indian Claims Commission, and are fully documented to the original sources where they are found.

The Seminole Nation respectfully requests that Congress take such action it deems necessary to settle finally this valid claim, and to compensate the Seminole Nation for the loss resulting to it and resulting from the wrongful action of the United States, its guardian, as set forth above.●

By Mr. BAUCUS (for himself, Mr. McGovern, and Mr. Levin):

S. 2780. A bill to encourage the ownership and development of family farms, to provide for research and education relating to family farms, to authorize the President to stabilize food prices, to authorize the Secretary of Agriculture to provide financial assistance for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FAMILY FARM DEVELOPMENT ACT

● Mr. BAUCUS. Mr. President, at the request of the National Family Farm Coalition, I am today introducing the Family Farm Development Act of 1980.

I am greatly disturbed by current trends in the agricultural economy. The number of family farms continues to decrease. Agricultural assets are increasingly controlled by corporate and foreign investors. Capital requirements for farming and ranching have increased to the point where young people find it impossible to get started in agriculture except through inheritance.

Federal agricultural policy should encourage the continued viability of family farms. Widespread ownership of land among the citizenry has been and continues to be a basic foundation for democratic institutions in this country.

Increasing economic and social evidence shows the clear relationship between Federal policy and the structure of agriculture. There is extensive evidence that family farms are efficient economically and productively. The reasons why family farmers are having trouble staying on the land and newcomers are having trouble beginning farming, are structural ones—reasons that have more to do with tax laws, research policy, farm price support policy and marketing systems than they do with economic efficiency.

For too many years, Congress has enacted farm programs with little consideration of their long-term impacts on the structure of agriculture. It is not too late to turn present trends around. We can and should figure out ways of combining the best of innovative, highly productive farm technology with the traditional diversity and resilience of moderate sized family farms. We do not have to create massive new programs or spend huge sums of new money. But we do have to turn around many existing programs, change old laws and become more careful about who Federal agricultural programs should help.

The National Family Farm Coalition, working with Congressmen Richard Nolan of Minnesota and George E. Brown of California, has produced the Family Farm Development Act of 1980 to achieve these goals. It is a comprehensive farm bill designed:

To encourage the ownership and development of family farms;

To provide for research and education relating to family farms;

To discourage tax loss farming;

To authorize the President to stabilize food prices; and

To authorize the Secretary of Agriculture to provide financial assistance for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products.

Mr. President, American farmers are facing a price crisis and a credit crisis. Net farm income is predicted to drop from $33 billion in 1979 to $20.8 billion in 1980. Congress must take strong steps to deal with this immediate crucial problem.

But we cannot afford to ignore the long-term issues of agricultural structure. The Family Farm Development Act introduces a number of important proposals to help strengthen the family farm system and insure its continued viability. I am introducing the bill to help stimulate Senate discussion of the problems of small- and moderate-sized family farms and the impact of our general agricultural policy on these farms.

A summary of the Family Farm Development Act follows:

THE FAMILY FARM DEVELOPMENT ACT: A SUMMARY

TITLE I: FAMILY FARM DEVELOPMENT SERVICE

This title establishes a Family Farm Development Service within the USDA to focus attention on the family farmer's problems. This Service would have the authority to: (1) Coordinate activities within the USDA concerning development and maintenance of small and moderate-sized family farms; (2) Evaluate the impact of USDA activities on small and family farmers and communicate this evaluation to the Congress annually with recommendations for changes; (3) Develop a national long-term plan to provide the incentives for the development and application of technical assistance programs designed to improve the energy efficiency, productivity, conservation practices, marketing capabilities and economic viability of small and medium-sized family farms; and report this plan to Congress in 3½ years; (4) Set up a Family Farm Assistance Board to provide research and education grants.

TITLES II AND III: RESEARCH, EDUCATION, DEMONSTRATION AND TRAINING PROGRAMS

A. Research programs

The USDA, through the Family Farm Development Service, will give grants to organizations, individuals, colleges and universities, agencies of a state or local government and other federal agencies to conduct research concerning small and moderate-sized family farms. This research shall include the following: (1) Why the number of farms in this country has declined and how this trend could be reversed: (2) Land ownership; (3) How to enhance the life-style of small and moderate-sized family farmers, including community services; (4) How to develop energy efficient, appropriate farm techniques and technologies that are low-in-cost and environmentally protective; (5) How to increase and improve nutrient levels and humus content of the soil, increase soil productivity and reduce nutrient run-off and water pollution from farming; (6) How to improve methods of integrated pest control; (7) Studies of agricultural methods used in other countries and potential application in the U.S.

B. Education, training, and demonstration programs

The FFDA creates several new programs and amends old ones in order to change the emphasis of existing education and demonstration programs, including: (1) Broadening the small farm extension program (often called the "para-professional program") to include every state. It will give small farmers financial, managerial, credit, bookkeeping, marketing, conservation and cropping assistance. The para-professional shall be local people, preferably small farmers themselves, to the greatest extent possible; (2) Establishing Farm Demonstration and Training Centers in rural areas of each state to help train new farmers in improved methods of small and moderate-sized farming and simultaneously demonstrate the new methods and technologies being researched which are energy-efficient, low-in-cost, and environmentally protective; (3) Training at least one USDA agent per state to work with small and family farmers to install and operate appropriate technology on the farm; (4) Establishing a program to teach and demonstrate sustainable agriculture and integrated pest control methods, soil and water conservation methods, and methods which increase the humus content of the soil to family farmers; (5) Authorizing the creation of a new USDA "Apprenticeship Program" to provide instruction in agricultural practices geared toward application on small and medium-sized family farms.

TITLE IV: FARMERS HOME LOAN PROGRAMS

This title changes Farmers Home Loan programs so that they offer low interest, balloon repayment loans to farmers who initiate sustainable agriculture techniques or integrated pest management programs. It also makes loans available to farmers who want to install appropriate technology on their farms.

TITLE V: TAX CODE AMENDMENTS

The Family Farm Development Act changes the Internal Revenue Code to help prevent non-farm corporations and outside investors from using losses or expenses from farming to offset profits earned off the farm. To do this, the FFDA makes the following changes in tax laws: (1) The total amount of tax deductions allowable for a farmer cannot exceed an amount equal to the sum of gross income derived from farming plus amount by which non-farm gross income exceeds $17,500, the current median national income. Taxpayers whose non-farm adjusted income is less than $17,500 could subtract all allowable farm losses; (2) Farmers whose gross income from farming exceeds $100,000 would have to use accrual (as opposed to cash) accounting methods to determine taxable income; (3) Foreign investors will be required to pay capital gains on profits made from the purchase or sale of farm or other rural land; (4) Foreign investors will be required to report farm or rural land buildings, sales or acquisitions to the I.R.S.

TITLE VI: GRANTS TO COMMUNITIES FOR FAMILY FARM OWNERSHIP

This title provides for federal grants through the Farmers' Home Administration, to county or city governments or local community development organizations for the purchase of farmland. The grant recipient will establish a revolving loan fund which can then sell the land to new, small or limited resource family farmers. The land can be sold in parcels no larger than the smaller of 640 acres or twice the average farm size in the county in which the parcel is located. A board made up of representative members of the local community will administer and oversee the program in each community.

TITLE VII: SMALL SCALE ALCOHOL PRODUCTION

This title sets up a program of federally-insured, low interest loans available to communities, non-profit organizations, cooperatives, individuals and community development corporations (CDC) for the construction of small scale (i.e., plants whose capacity is 500,000 gallons per year or less) alcohol plants. (Alcohol, when combined with gasoline, produces gasohol). Under this title, plants can be operated in one of several ways: on the farm for direct use by a farmer or group of farmers; in a community, run by a community development corporation or cooperative, etc., or as a portable unit operated by a farmers' cooperative, a CDC, etc., for use by farmers in a specified geographical area.

TITLE VIII: NEW FARM MARKETING PROGRAMS

This title creates several marketing programs and expands some existing ones. The title broadens the authority of the Farmer Cooperative Service to give small and moderate-sized family farmers the technical assistance and information necessary to establish marketing cooperatives. The title also directs the Agricultural Marketing Service to evaluate its programs in order to determine the extent to which they aid small and moderate-sized family farmers and to determine ways they could be made more useful to such farmers.

Under this title, the National School Lunch Program is changed so that states can use a portion of the federal allotment they are given to purchase federal surplus commodities to create a fund with which to purchase state-grown surplus commodities.

This title also establishes a Federal-State Direct Marketing Program that will permit a state government or private non-profit organization to submit a proposal to USDA for the creation of a state-wide direct marketing system. Programs will be funded on a 75/25 federal-state or federal-nonprofit institution basis. Program monies will be awarded for a three-year period and will cover the establishment and operation of marketing systems. Selection will be made on a competitive grants basis.

TITLES IX AND XI: FOOD PRICE REVIEW BOARD/ UNFAIR TRADE PRACTICES

These two titles of the FFDA would do the following: (1) Set up a Food Price Review Board housed in USDA, which would have oversight authority over increases in food prices. Board would represent the interests of farmers, consumers, the food industry and federal agencies. This Board would conduct hearingss to investigate causes of food price increases. It would also have the authority to recommend to the President that he roll back food prices if increases are found to be unwarranted; (2) Require that the USDA publish regularly for all major food commodities a comparison of consumer retail prices and prices received by farmers for those commodities on a unit price basis. This information would be posted in all retail food stores under regulations to be established by the USDA.

TITLE X: LEGAL SERVICES TO FARMERS AND RURAL PEOPLE

The Family Farm Development Act would increase the funding to the Legal Services Corporation by $30 million to provide legal services to rural people, with an emphasis on farmers, particularly for problems related to the ownership and operation of farms. $1 million of these funds will fund research and dissemination of that research on legal/administrative issues related to the ownership and operation of farms. Legal Services Corporation will be required to publish a report each year documenting its services and programs to farmers and rural people.●

By Mr. BAUCUS (for himself, Mr. McGovern, and Mr. Levin):

S. 2781. A bill to discourage tax loss farming, and for other purposes; to the Committee on Finance.

FARM TAX EQUITY ACT

● Mr. BAUCUS. Mr. President, the structure of agriculture has changed dramatically in the last several decades. The number of farmers has decreased sharply, farms have grown larger, capital requirements for entry have inflated faster than other costs, and there are well-founded fears about the future survival of the family farm.

Over the past 40 years it has become clear that some Federal policies are contributing to the demise of family farms that can be shown to be efficient economically and productively.

I am particularly concerned about the effects of Federal tax policy on the structure of agriculture. I am concerned about nonfarm capital which has been drawn into the farm sector.

I am concerned that high-income taxpayers tend to benefit more from tax laws than lower income individuals. As a consequence, increasing quantities of farm assets are falling under control of a decreasing number of high-income owners.

I am concerned that some tax benefits are available only to owners as distinguished from operators of farm assets. Thus, the tax laws encourage entrance of syndications and corporations into agriculture.

Finally, I am extremely concerned about increasing foreign investment in agricultural land.

Thousands of years ago, Confucius said that the best fertilizer is the footsteps of the owner. This is still true. Agricultural policy, including agricultural tax policy, should continue to encourage family farms—that is, business enterprises that produce food and fiber for profit, and where the operators make management decisions and provide a substantial proportion of the investment capital and labor required.

Today I am introducing the Farm Tax Equity Act of 1980. This legislation is designed to help prevent nonfarm corporations and outside investors from using artificial losses or expenses from farming to offset outside profits. It is designed to discourage tax-loss farming, and to insure that agricultural assets remain under the control of farm families.

The Farm Tax Equity Act makes the following changes in Federal tax laws:

The total amount of tax deductions allowed for an agricultural investor could not exceed his income derived from farming plus $17,500. Taxpayers with adjusted incomes less than $17,500 could continue to subtract all farm losses.

Farmers whose gross income from farming exceeded $100,000 would be required to use accrual (as opposed to cash) accounting methods to determine taxable income.

Foreign investors would be required to pay capital gains on profits from sales of farm or other rural land.

Foreign investors would be required to report sales or acquisitions of farm or other rural land to the Internal Revenue Service.

As chairman of the Subcommittee on Oversight of the Internal Revenue Service of the Senate Finance Committee, I intend to continue to study the impact of tax policy on agricultural structure. I hope that introduction of the Farm Tax Equity Act of 1980 will help stimulate a constructive dialog on questions of agri-point in the Record.

Mr. President, I ask unanimous consent that my bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Farm Tax Equity Act of 1980".

LIMITATION ON DEDUCTIONS ATTRIBUTABLE TO FARMING

Sec. 2. (a) Part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"Sec. 280D. Limitation on Deductions Attributable to Farming.

"(a) Limitations on Deductions.—

"(1) General rule.—In the case of a taxpayer engaged in the trade or business of farming, the deductions attributable to such trade or business which, but for this section, would be allowable under this chapter for the taxable year shall not exceed the aggregate of—

"(A) the gross income of such taxpayer derived from the trade or business of farming for such taxable year, and

"(B) $17,500 reduced (but not below 0) by the amount by which the nonfarm adjusted gross income of such taxpayer for the taxable year exceeds $17,500.

"(2) Inflation adjustment.—In the case of a taxable year ending after December 31, 1980, there shall be substituted for $17,500 each place it appears in paragraph (1)(B) and in subsection (b)(2) an amount equal to—

"(A) $17,500, multiplied by

"(B) the inflation adjustment applicable to the calendar year ending within the taxable year.

The amount determined under this paragraph shall be rounded to the nearest dollar.

"(b) Exceptions.—

"(1) Taxpayers using annual accrual method of accounting.—

"(A) In general.—Subsection (a) shall not apply to any taxpayer for the taxable year if such taxpayer elects to compute taxable income from the trade or business of farming for the taxable year on the annual accrual method of accounting (as defined in section 447(g)(2)).

"(B) Time, manner, and effect of election.—An election under subparagraph (A) for any taxable year shall be filed within the time prescribed by law (including extensions thereof) for filing the return of the tax imposed by this chapter for such taxable year, and shall be made and filed in such manner as the Secretary shall prescribe by regulations. Such election shall apply to the taxable year for which made and all subsequent taxable years and may not be revoked except with the consent of the Secretary.

"(C) Change of methods of accounting, etc.—If, in order to comply with the election made under subparagraph (A), a taxpayer changes his method of accounting in computing taxable income from the trade or business of farming, such change shall be treated as having been made with the consent of the Secretary and for the purpose of section 481 (a)(2) shall be treated as a change not initiated by the taxpayer.

"(2) Taxpayers not having excessive nonfarm adjusted gross income.—Subsection (a) shall not apply to any taxpayer for the taxable year if the nonfarm adjusted gross income of the taxpayer for the taxable year does not exceed $17,500.

"(c) Married Individuals Filing Separate Returns.—

"(1) In general.—In the case of any married individual—

"(A) who files a separate return for the taxable year, and

"(B) the spouse of whom has any income or deductions attributable to the trade or business of farming for such year,

there shall be substituted for the dollar amounts which would (but for this subsection) be applicable under subsections (a)(1)(B) and (b)(2) for the taxable year an amount equal to one-half of such dollar amounts.

"(2) Determination of marital status.—For purposes of this subsection, marital status shall be determined under section 143.

"(d) Carryover of Farm Operating Losses.—The amount not allowed as a deduction by reason of subsection (a) for any taxable year shall be treated as a deduction attributable to the trade or business of farming in the following taxable year.

"(e) Definitions and Special Rules.—For purposes of this section—

"(1) Bona fide farm corporation.—

"(A) In general.—The term 'bona fide family farm corporation' means a corporation engaged in the trade or business of farming—

"(i) of which more than 50 percent of the total combined voting power of all classes of stock entitled to vote, and more than 50 percent of that total number of shares of all other classes of stock of the corporation, are owned by members of the same family,

"(ii) which owns farming property where at least one shareholder is actively and primarily engaged in the operation of the farm for not less than 6 months of the taxable year, and

"(iii) no shareholder of which is a corporation.

"(B) Members of the same family.—The members of the same family are an individual, such individual's brothers and sisters (whether by the whole or half blood), ancestors and lineal descendants of such individual, a spouse of any of the foregoing, and the estate of any of the foregoing.

"(2) Inflation adjustment.—The inflation adjustment applicable to a calendar year is the percentage change in the Consumer Price Index for All Urban Consumers (published by the Department of Labor) during the period beginning on July 1, 1980, and ending on June 30 of such calendar year.

"(3) Nonfarm adjusted gross income.—The term 'nonfarm adjusted gross income' means adjusted gross income computed without regard to income and deductions attributable to the trade or business of farming.

"(4) Income and deductions.—The determination of whether any item of income is derived from the trade or business of farming and whether any deduction is attributable to the trade or business of farming shall be made under regulations prescribed by the Secretary.

"(5) Several trades or businesses of farming.—In the case of a taxpayer engaged in more than one trade or business of farming, all such trades or businesses of the taxpayer shall be treated as one trade or business.

"(6) Partnerships, trusts, and bona fide family farm corporations.—A trade or business of farming carried on by a partnership, trust, or bona fide family farm corporation shall be treated as carried on by the members of such partnership, the beneficiaries of such trust, or the shareholders of such bona fide family farm corporation in proportion to their interest in such partnership, trust, or bona fide family farm corporation (as the case may be).".

(b) The table of sections for part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 280D. Limitation on deductions attributable to farming.".

(c) The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

ACCRUAL METHOD OF ACCOUNTING REQUIRED FOR CERTAIN PERSONS ENGAGED IN FARMING

Sec. 3. (a) Subsection (a) of section 447 of the Internal Revenue Code of 1954 (relating to method of accounting for corporations engaged in farming is amended to read as follows:

"(a) Accrual Method of Accounting.—

"(1) General rule.—In the case of any person engaged in the trade or business of farming whose gross income from farming exceeds the sum of—

"(A) $100,000, and

"(B) in the case of a taxable year ending after December 31, 1980, $100,000 multiplied by the inflation adjustment applicable to the calendar year ending in the taxable year,

the taxable income from farming of such person shall be computed on the accrual method of accounting and with the capitalization of preproductive expenses described in subsection (b). This subsection shall not apply to the trade or business of operating a nursery or to the raising or harvesting of trees (other than fruit and nut trees).

"(2) Inflation adjustment.—For purposes of paragraph (1), the inflation adjustment shall be the inflation adjustment provided by section 280D(e)(2).".

(b)(1) Subsections (c), (d), and (e) of section 447 of the Internal Revenue Code of 1954 (relating to method of accounting for corporations engaged in farming) are hereby repealed.

(2) Subsections (f) and (g) of section 447 of such Code are redesignated as subsections (c) and (d), respectively.

(3) The section heading of section 447 of such Code is amended to read as follows:

"Sec. 447. Method of Accounting for Certain Persons Engaged in Farming.".

(4) The table of sections for subpart A of part II of subchapter E of chapter 1 of such Code is amended by striking out the item relating to section 447 and inserting in lieu thereof the following new item:

"Sec. 447. Method of accounting for certain persons engaged in farming.".

(c) The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

CAPITAL GAINS TAX APPLICABLE TO TRANSFER OF RURAL LAND BY FOREIGN INVESTORS

Sec. 4. (a)(1) Section 871 of the Internal Revenue Code of 1954 (relating to tax on nonresident alien individuals) is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) Gains From Sale or Exchange of Farmland or Other Rural Land.—In the case of a nonresident alien individual, there shall be treated as gross income which is effectively connected with the conduct of a trade or business within the United States—

"(1) gain from the sale or exchange of real property located in the United States which is—

"(A) land used in farming (as defined in section 180(b)),

"(B) land suitable for use in farming (as defined in section 182(c)(2)), or

"(C) land in a rural area (within the meaning of paragraph (7) of section 306(a)) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), and

"(2) that portion, in excess of $3,000 for the taxable year, of the gain from the sale or exchange of stock in a corporation, or interest in a partnership, trust, or estate, determined by the Secretary to be properly attributable to—

"(A) the net unrealized appreciation in land described in paragraph (1) which is held by such corporation, partnership, trust, or estate, or

"(B) in the case of the sale or exchange of stock in a corporation, the gain, if any, realized by such corporation on the sale of property described in paragraph (1) which was not recognized by such corporation under section 337.

Any such gain shall be taxable as provided in subsection (b)(1) whether or not such individual is engaged in trade or business within the United States during the taxable year.".

(2) Section 882 of the Internal Revenue Code of 1954 (relating to tax on income of foreign corporations connected with United States business) is amended by adding at the end thereof the following new subsection:

"(g) Gains From Sale or Exchange of Farmland or Other Rural Land.—In the case of a foreign corporation, there shall be treated as gross income which is effectively connected with the conduct of a trade or business within the United States—

"(1) gain from the sale or exchange of real property located in the United States which is—

"(A) land used in farming (as defined in section 180(b)),

"(B) land suitable for use in farming (as defined in section 182(c)(2)), or

"(C) land in a rural area (within the meaning of paragraph (7) of section 306(a)) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), and

"(2) that portion, in excess of $3,000 for the taxable year, of the gain from the sale or exchange of stock in a corporation, or interest in a partnership, trust, or estate, determined by the Secretary to be properly attributable to—

"(A) the net unrealized appreciation in land described in paragraph (1) which is held by such corporation, partnership, trust, or estate, or

"(B) in the case of the sales or exchange of stock in a corporation, the gain, if any, realized by such corporation on the sale of property described in paragraph (1) which was not recognized by such corporation under section 337.

Any such gain shall be taxable as provided in subsection (a)(1) whether or not such corporation is engaged in trade or business within the United States during the taxable year.".

(3)(A) Subparagraph (B) of section 864 (c)(1) of such Code is amended by striking out "section 871(d) or sections 882 (d) and (e)" and inserting in lieu thereof "sections 871 (d) and (g) and sections 882 (d), (e), and (g)".

(B) Paragraph (2) of section 871(a) of such Code is amended by striking out "paragraph (1) or subsection (b)" and inserting in lieu thereof "paragraph (1), subsection (b), or subsection (g)".

(C) Subparagraph (A) of section 871(d) (1) of such Code is amended by inserting "(other than gains described in subsection (g))" after "sale or exchange of such real property".

(D) Subparagraph (A) of section 882(d) (1) of such Code is amended by inserting "(other than gains described in subsection (g))" after "sale or exchange of such real property".

(b)(1) The first sentence of subsection (b) of section 1441 of the Internal Revenue Code of 1954 (relating to withholding of tax on nonresident aliens) is amended by striking out "or 631 (b) or (c)", and inserting in lieu thereof "631 (b) or (c), or 871(g)".

(2) Subsection (a) of section 1442 of such Code (relating to withholding of tax on foreign corporations) is amended by inserting "the reference in section 1441(b) to section 871(g) shall be treated as referring to section 882(g)," after "sections 881(a)(3) and (4),".

(c)(1) Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning persons subject to special provisions) is amended by adding at the end thereof the following new section:

"Sec. 6039C. Information Concerning Certain Holdings of United States Property by Foreign Corporations.

"Every foreign corporation, 20 percent or more of the value of the assets of which at any time during the taxable year is attributable to land described in section 882(g)(1), shall make a return for the taxable year setting forth such information as the Secretary may by regulation prescribe for the purpose of enforcing sections 871 and 882.".

(2) The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 6039C. Information concerning certain holdings of United States property by foreign corporations.".

(d) Sections 894 and 785(d) of the Internal Revenue Code of 1954 shall not apply after the period which begins on the date of the enactment of this Act and ends five years after such date with respect to sales and exchanges of farmland and other rural land to which section 871(g) or 882(g) of such Code applies.

(e) The amendments made by subsection (a) shall apply to sales and exchanges of farmland or other rural land on and after the date of the enactment of this Act. The amendments made by subsection (c) shall apply to taxable years beginning after the date of the enactment of this Act.●

By Mr. CHAFEE:

S. 2782. A bill to provide for a pilot energy conservation diagnosis and retrofit program; to the Committee on Energy and Natural Resources.

PILOT ENERGY CONSERVATION DIAGNOSIS AND RETROFIT PROGRAM ACT

Mr. CHAFEE. Mr. President, I am pleased to introduce today a bill to establish a pilot energy conservation diagnosis and retrofit program.

Energy conservation is now recognized as the single most important strategy we have for reducing our dependence on oil. "Energy Future," the report by the Harvard Business School, "The Least-Cost Energy Strategy," published by the Energy Productivity Center of the Carnegie-Mellon Institute, "Energy: The Next Twenty Years," sponsored by the Ford Foundation and Resources for the Future, along with other prestigious studies point to the key role which conservation must play in order to immediately reduce our energy consumption. For homeowners, the rising price of energy has changed energy conservation from a national priority to an economic necessity.

There is tremendous potential for residential energy conservation. The residential sector accounts for 22 percent of the Nation's total energy use. If residential energy use could be cut by even one-quarter, the equivalent of 1.5 million to 1.8 million barrels of oil would be saved—that equals a reduction of more than 5 percent in total U.S. energy consumption.

The 1978 National Energy Conservation Policy Act provided the first step toward helping homeowners improve home energy efficiency. NECPA established the Residential Conservation Service which requires electric utilities to provide residential and small commercial building owners with a simple energy audit and recommendations for conservation measures. Funds will be provided to support training and certification of energy auditors, known in the trade as "house doctors."

My bill is designed to expand upon the "house doctor" concept; to take it to a greater level of sophistication. Funds would be provided to up to 10 States to train and operate "house doctor" teams who would not only conduct sophisticated energy audits, but would also take immediate steps to reduce energy use in the building. If a homeowner can immediately realize energy savings (and lower energy bills) from simple, painless conservation measures, he will be motivated to take additional steps which will result in even greater conservation.

Successful efforts to reduce residential energy use often depend on removing barriers and providing incentives for homeowners to choose less energy-intensive and more efficient means of heating, cooling, and cooking. The pilot projects established by my bill will help homeowners make the best choices—for themselves and our Nation.

The energy conservation and retrofit pilot projects authorized by my bill would work as follows:

Up to 10 pilot projects would be established to demonstrate energy conservation and retrofit techniques for existing residential and small commercial buildings. Federal funds would be provided, upon application, to up to 10 States or their designees, for establishment and operation of energy conservation diagnostic and retrofit teams.

The teams would be trained to provide energy audits and do small scale retrofit work. Services provided by the teams will include performing a sophisticated energy audit, including the use of equipment specifically designed to identify the paths by which heat flows in and out of the building. To the extent practicable, the audit will be carried out in the presence of an owner or occupant of the building.

Once the audit is made, the teams may make minor adjustments to the building in order to reduce heat loss. Permissible adjustments include the use of insulating tape, weather stripping, and insulation. Adjustments may also be made to heating and cooling units to optimize efficiency. The total cost of such changes cannot exceed $100.

Additionally, the teams may recommend other fuel cost savings, increased use of renewable resources, switching from one source of fuel to another, and methods for contracting and financing conservation measures.

Teams may make followup visits to evaluate the effectiveness of changes made during the initial visit.

Provisions are included in my amendment to insure there is ample State and nongovernmental support for each project.

Funding for the pilot projects will be $5 million in fiscal year 1981 and $10 million in fiscal year 1982 and $10 million in 1983.

The energy savings which can be accomplished through small changes, such as weatherstripping, caulking, and adjustment of heating and cooling systems is accompanied by financial savings. A homeowner can be expected to reduce consumption and increase savings by 10 percent by caulking and weatherstripping doors and windows, 15 percent by installing storm doors and windows, and 20 percent by installing 6 inches of attic insulation. The dollar savings will be even higher as world energy prices rise.

Mr. President, I know from firsthand experience that the "house doctor" approach to residential conservation works. In my State, there is a statewide, nonprofit energy conservation corporation called RISE: "Rhode Islanders Saving Energy." In 2½ years, 6,000 Rhode Island homeowners have received free energy audits from RISE. Trained RISE auditors, called house doctors spend 2½ hours checking homes for energy waste. They supply homeowners with recommendations for conserving energy, based on the results of their audit. RISE will also be the contractor for conservation measures homeowners elect to make.

The RISE program is an example of the kind of residential energy conservation service that should be available to all homeowners in our Nation. The 10 pilot projects authorized in my bill will help establish new RISE-type programs as well as improve the operations of existing ones. Mr. President, I trust the Senate will agree that the "house doctors" approach to residential energy conservation is an idea whose time has come. I urge my colleagues to join in support of this bill.

Mr. President, I ask unanimous consent that the text of the bill, together with an analysis, be printed at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2782

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Conservation Diagnosis and Retrofit Program Act".

PURPOSE

SEC. 2. The purpose of this Act is to encourage pilot programs, to be administered by up to 10 States in any fiscal year, for the development and demonstration of energy conservation diagnosis and retrofit techniques for existing residential and small commercial buildings to facilitate increased energy efficiency and the reduction in the cost of energy used in such buildings.

DEFINITIONS

SEC. 3. For purposes of this Act the term—

(1) "residential building" means any building used for residential occupancy which—

(A) is not a new building to which final standards under sections 304(a) and 305 of the Energy Conservation and Production Act apply; and

(B) has a system for heating or cooling, or both;

(2) "small commercial building" means a building used primarily for commercial purposes which—

(A) is not a new building to which final standards under sections 304(a) and 305 of the Energy Conservation and Production Act apply;

(B) has a system for heating or cooling or both; and

(C) used less than 250,000 kilowatt hours electricity (or the Btu equivalent thereof of any other fuel) for heating and cooling during the calendar year preceding the date of the enactment of this title;

(3) "Secretary" means the Secretary of Energy;

(4) "Governor" means the chief executive officer of a State or his designee;

(5) "State" means one of the several States, and the District of Columbia;

(6) "diagnostic and retrofit team" means one or more persons, including at least one person whose technical credentials have been certified pursuant to this title, capable of providing energy efficiency diagnostic and retrofit services for residential and small commercial buildings;

(7) "diagnostic and retrofit services" means services performed during a visit by a diagnostic and retrofit team to a residential or small commercial building—

(A) to the extent practicable, in the presence of an owner or occupant of such building; and

(B) including—

(i) the use of equipment specifically designed to identify during such visit the paths by which heat flows into and out of such building, including thermographic equipment;

(ii) the use of insulating tape, weatherstripping or insulation, and such other techniques as are appropriate, the total cost of which is no more than $100 for any one visit, to seal such paths as the team determines it is practicable to seal during such visit;

(iii) adjustments to heating or cooling units of such building to optimize the energy efficiency of such units;

(iv) recommendations by such team concerning the potential in such building for fuel cost savings resulting from improved energy efficiency, increased use of renewable resources and switching from one source of fuel to another, as a result of activities which could be performed subsequent to such visit;

(v) an offer by such team to make a second visit to such building to evaluate the effectiveness of the services performed under clauses (ii) and (iii) and of activities undertaken as a result of recommendations under clause (iv); and

(vi) recommendations by such team concerning contracting and financing for conservation measures; and

(8) "financial assistance" means training, equipment, and funds made available in the form of grants, loans, or loan guarantees to defer costs associated with such training and equipment and funds to provide materials and in-kind services, up to $100 per residential and commercial building, for which energy conservation diagnostic and retrofit services are provided. Funds may be used to reduce any fees charged to residential or commercial building owners for the diagnostic and retrofit services.

APPLICATION REQUIREMENTS

SEC. 4. (a) Not later than 120 days after the date of the enactment of this Act the Secretary shall, by rule, prescribe guidelines under which any State may apply to the Secretary for a grant of Federal funds and Federal financial assistance in support of a program operated by such State or its designee to provide financial assistance to encourage the establishment and operation of energy conservation diagnostic and retrofit teams in such State.

(b) Any such application by a State shall be submitted by the Governor of such State and may be approved by the Secretary unless the Secretary finds—

(1) such application does not substantially comply with the provisions of this title, including the guidelines promulgated under subsection (a);

(2) it is likely that Federal and State funds made available to any energy conservation diagnostic and retrofit team in such State during the period covered by any application will exceed 50 percent of the reasonable costs of operation of such team during such period;

(3) it is likely that the total value of the financial assistance provided by such State from non-Federal sources to any energy conservation diagnostic and retrofit team during the period covered by such application will be less than the value of the Federal financial assistance provided under this or any other law to such team during such period;

(4) it is likely that more than 10 percent of Federal funds and financial assistance made available in such State under this Act will be used for administrative expenses; and

(5) such State has failed to establish adequate procedures for the approval, certification and review of performance of energy conservation diagnostic and retrofit teams receiving, or eligible to receive, Federal financial assistance under this Act.

(c) Any application by a State for Federal funds and financial assistance under subsection (b) contain such information as the Secretary may reasonably require including an estimate of the number and types of residential and small commercial buildings which will be eligible to receive energy conservation diagnostic and retrofit services under this Act.

(d) No application by a State shall be approved by the Secretary unless he receives adequate assurances that such State will effectively monitor and report to the Secretary on the implementation of energy conservation diagnostic and retrofit services in such State and the amount of energy conserved in such State as a result of the availability of such services.

FINANCIAL ASSISTANCE

SEC. 5. (a) (1) The Secretary is authorized to make grants of funds and Federal financial assistance available to up to 10 States in any fiscal year for which funds are appropriated under this Act pursuant to applications approved under section 903(b).

(2) A State may receive such a grant or Federal financial assistance under this Act in only one fiscal year.

(3) The Secretary shall select the States to which grants or Federal funds and Federal financial assistance are made available under this Act to any fiscal year so as to demonstrate energy conservation diagnostic and retrofit services in a variety of climates and regions of the United States.

(b) There is authorized to be appropriated to carry out the provisions of this Act $5,000,000 for the fiscal year ending September 30, 1981, $10,000,000 for the fiscal year ending September 30, 1982, and $10,000,000 for the fiscal year ending September 30, 1983, such sums to be available until expended.

REPORTS

SEC. 6. The Secretary shall report to the Congress on or before January 31 of each year after the date of the enactment of this Act during which funds have been appropriated for the purposes of this Act on the number of residential and commercial buildings receiving energy conservation diagnostic and retrofit services under this Act in any year following such date of enactment and the energy saved in each State each such year as a result of the program authorized under this Act. Such report shall include the Secretary's evaluation of the effectiveness of such program and recommendations with regard to additional legislation necessary to achieve the purposes of this Act.

SENATOR JOHN H. CHAFEE'S PILOT ENERGY CONSERVATION DIAGNOSIS AND RETROFIT PROGRAM ACT

PURPOSE

To establish up to 10 pilot projects for development and demonstration of energy conservation diagnosis and retrofit techniques for existing residential and small commercial buildings.

Federal funds would be provided to 10 States for support of a program, operated by the State, or its designee to encourage establishment and operation of energy conservation diagnostic and retrofit teams in the States.

HOW WILL THE PILOT PROGRAMS WORK?

The services of diagnostic and retrofit teams will be available to residential and small commercial building owners. The teams will be trained to provide energy audits and do small-scale retrofit work. Activities of the teams may include:

Performing a sophisticated energy audit, and

Determining the paths by which heat flows into and out of the building through use of thermographic equipment.

Once this is determined, the teams can make minor adjustments to the building so as to reduce heat loss. Permissible adjustments include the use of insulating tape, weatherstripping, insulation etc. Adjustments may be made to heating and cooling units to optimize efficiency. The total cost of such changes cannot exceed $100.

Additionally, teams may recommend other fuel cost savings, increased use of renewable resources, switching from one source of fuel to another and methods for contracting and financing conservation measures.

Teams may make follow-up visists to evaluate the effectiveness of changes made during the initial visit.

REQUIREMENTS FOR PILOT PROJECTS

Pilot projects must meet the following criteria:

1. Federal and State funding cannot exceed 50% of the reasonable costs of operation of the teams.
2. Federal assistance must not be greater than non-Federal assistance.
3. No more than 10 percent of the funds can be used for administrative purposes.
4. States must establish procedures for approval, certification and review of teams.
5. Pilot projects will be established in a variety of regions and climates.

Cost

[In millions]

Fiscal year:	
1981	$5
1982	10
1983	10
Total	25

ADDITIONAL COSPONSORS

S. 625

At the request of Mr. Wallop, the Senator from Georgia (Mr. Talmadge) was added as a cosponsor of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations.

S. 2284

At the request of Mr. Huddleston, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 2284, a bill to authorize the intelligence system of the United States by the establishment of a statutory basis for the national intelligence activities of the United States, and for other purposes.

At the request of Mr. Moynihan, his name was added as a cosponsor of S. 2284, supra.

At the request of Mr. Chafee, his name was added as a cosponsor of S. 2284, supra.

S. 2581

At the request of Mr. Church, the Senator from Delaware (Mr. Biden) was added as a cosponsor of S. 2581, a bill to amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals.

S. 2582

At the request of Mr. Church, the Senator from Delaware (Mr. Biden) was added as a cosponsor of S. 2582, a bill to provide for the settlement and payment of claims of civilian and military personnel against the United States for losses in connection with the evacuation of such personnel from a foreign country.

S. 2665

At the request of Mr. Bumpers, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 2665, a bill to amend the Mineral Leasing Act of 1920, and for other purposes.

S. 2718

At the request of Mr. Stevenson, the Senator from New Hampshire (Mr. Durkin), and the Senator from New Jersey (Mr. Bradley) were added as cosponsors of S. 2718, an original bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

S. 2722

At the request of Mr. Wallop, the Senator from South Carolina (Mr. Hollings), the Senator from Wyoming (Mr. Simpson), the Senator from Georgia (Mr. Talmadge), and the Senator from Maine (Mr. Cohen) were added as cosponsors of S. 2722, a bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to inmates of penal institutions or facilities for the criminally insane.

S. 2768

At the request of Mr. Wallop, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 2768, a bill to amend chapter 45 of the Internal Revenue Code of 1954 with respect to the exemption of the State share of Federal royalties from the crude oil windfall profit tax and to insure the deductibility of certain severance taxes.

SENATE JOINT RESOLUTION 179

At the request of Mr. Glenn, the Senator from Kentucky (Mr. Ford), and the Senator from Alabama (Mr. Stewart) were added as cosponsors of Senate Joint Resolution 179, a joint resolution to authorize and request the President to issue a proclamation designating June 1 through June 7, 1980, as "National Management Week."

SENATE RESOLUTION 414

At the request of Mr. Stewart, the Senator from Minnesota (Mr. Durenberger) was added as a cosponsor of Senate Resolution 414, a resolution to commend the National Forensic League on its golden anniversary tournament.

AMENDMENT NO. 1793

At the request of Mr. Weicker, the Senator from Arizona (Mr. Goldwater), and the Senator from Pennsylvania (Mr. Heinz) were added as cosponsors of amendment No. 1793 proposed to House Joint Resolution 554, a joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

SENATE RESOLUTION 450—ORIGINAL RESOLUTION REPORTED TO WAIVE THE CONGRESSIONAL BUDGET ACT

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget:

S. Res. 450

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2727, a bill to authorize additional appropriations for the Department of State in fiscal years 1980 and 1981 and for the Board for International Broadcasting in fiscal year 1981. Such waiver is necessary to allow the authorization of $14,514,000 in additional budget authority for fiscal year 1980 for international organizations and conferences. The amount previously authorized for this purpose, $502,945,000, has proven inadequate to fund the United States share of the assessed contributions to the United Nations.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1979 deadline, because of the inability of the State Department to estimate the actual United States assessments to the various United Nations organizations. The reason it is so often necessary to request supplementals for this appropriation lies within the budget process itself.

The Department of State prepares its budget for review by the Office of Management and Budget (OMB) and subsequent submission to Congress a full year and a half in advance of the calendar year budget cycles which are followed by most of the International Organization's (IO). Therefore, when the President submits his budget to Congress, the budgets of the IO's are in an embryonic stage. Consequently, the funding requested for assessed contributions to International Organizations is primarily based upon the result of informed and detailed analysis by personnel familiar with the various IO's, and a resultant knowledgeable estimate of what the approved budget for each IO's funding cycle will be.

However, it must be mentioned that the budgets of the IO's are affected by inflation, exchange rate fluctuations, et cetera. Therefore, because their budgets are acted upon long after the Department of State has submitted its request, they reflect different factors. In these days of soaring wage and price increases this almost always means higher budget requests.

In sum, the discrepancies between the funds included for International Organizations in the original President's budget and the updated request of the supplemental are largely a factor of time and the differences which exist between the budget cycle of the United States Government and the cycles followed by the International Organizations. In no case can these funds be diverted from this appropriation without the consent of Congress.

The effect of defeating consideration of this supplemental authorization will be to place the United States in violation of its international treaty obligations.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

• Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation, and Renewable Resources.

The hearing is scheduled for Thursday, June 12, 1980, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony will be received regarding S. 2686, a bill to direct the Secretary of the Interior to provide for the protection of the Barrier Islands.

The following people have been invited to testify: The Honorable Cecil D. Andrus, Secretary of the Interior; Ms. Gloria C. Jiminez, Federal Insurance Administrator; Dr. Neil Frank, National Hurricane Center; Mr. Vernon Behrhorst, Louisiana Governor's office; Dr. Orrin Pilkey, Duke University; Dr. Paul

Godfrey, University of Massachusetts; Dr. R. J. Livingston, Florida State University; Mr. Albert E. Abrahams, National Association of Realtors; Mr. Merrill Butler, National Association of Home Builders; Mr. William Painter, Coast Alliance; Mr. Brock Evans, Sierra Club; and Mr. John Sheaffer, Sheaffer and Roland, Inc.

For further information regarding the hearing, you may wish to contact Mr. Robert Kutler at 224–7144.

Those wishing to submit a written statement for the record should write to the Subcommittee on Parks, Recreation, and Renewable Resources, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Energy and Natural Resources will hold a hearing on S. 2695, a bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on production of coal.

The hearing will be held on Tuesday, June 17, at 10 a.m., in room 3110 Dirksen Senate Office Building.

Questions regarding this hearing should be directed to Thomas Laughlin of the committee staff at 224–2564.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources will hold a hearing on Hydrocarbon Production in Latin America on June 19, 1980. The purpose of the hearing, which is part of the committee's continuing series of hearings on the Geopolitics of Oil, is to evaluate alternative policies for encouraging oil and gas production in Latin America.

The witnesses at the hearing will be Melvin A. Conant, Arnold Safer, and John O'Leary, consultants in Washington, D.C., and Dr. David Ronfeldt of the Rand Corp., Santa Monica, Calif. The hearing will begin at 9:30 a.m. in room 3110, Dirksen Senate Office Building and will be open to the public.

For further information, please contact Jim Pugash, staff counsel, at (202) 224–0611.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 4, 1980 to hear Thomas Watson, U.S. Ambassador to the Soviet Union, on the current state of United States/Soviet Union relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SOVIET ATROCITIES IN AFGHANISTAN

● Mr. DANFORTH. Mr. President, the Foreign Broadcast Information Service reports an article from the May 22 Brussels, Belgium newspaper Le Soir describing unconscionable Soviet atrocities in Afghanistan. People are being slaughtered outright. Others are dying of starvation because the Russians are destroying their crops with chemical agents. An entire village of 650 souls has been buried alive. Not content with their role in Cambodia, the Russians have turned their brutality against the Afghans.

I cannot understand why our Government as well as those representing the rest of the civilized nations are not screaming their outrage daily. I cannot understand how any world leader can even consider conducting business with the perpetrators of these inhuman crimes. I cannot understand why the American press fails to report this genocide by the Soviet Union. Why does the world remain so silent?

I ask that the article be printed in the RECORD.

The article follows:

HORRIFIC EVIDENCE ON AFGHAN GENOCIDE

Mike Barry and Joris Versteeg have a horrifying account Tuesday [20 May] of the Afghan people's suffering at a meeting organized by the Afghanistan committee. Both know what they are talking about. Mike Barry is an American ethnologist who lived in Afghanistan for 10 years and went back to that region in February this year. Joris Versteeg is a Dutch journalist who accompanied Hezb-e Eslami guerrillas—one of the groups fighting the Soviet occupiers—in operations carried out near the Pakistani border.

It is near that border, Mike Barry explained, that the Soviets are "putting everything" into the fight, using incapacitating gases, deporting the people they capture and driving the rest into Pakistan. Their aim is to close the border. An example of the brutality of their methods can be seen in the "cleanup" operation in Konarha Valley which gave the following results: Out of a population of 160,000 inhabitants, 37,000 survivors arrived in Pakistan. The others are dead or have been deported. The 2 million inhabitants of this inaccessible region are encircled and their crops have been destroyed by the application of chemical products. They are dead or dying of starvation. In other places, like (Palaa-ye Nadjil) all the inhabitants of a village which helped the rebels (650 in this case) were buried alive.

In fact the genocide being carried out in Afghanistan is now the work of the Soviets, but it was previously carried out by the Taraki and Amin regimes with Soviet help. Taraki and Amin systematically decimated religious people, leading figures, intellectuals—and communists—set up concentration camps and bombed villages. When the Afghan Army refused to do so, as in Herat, the Soviets did it. That happened in March 1979 before the Red Army intervened.

The Afghans have virtually nothing with which to oppose the invader, but the Soviets have pushed extermination to such a point that they know they are condemned to death anyway. Therefore, since they will die anyway, they at least intend to make the Soviets pay as dearly as possible for their massacre. . . .●

FEDERAL GIVEAWAY PROGRAMS

● Mr. SASSER. Mr. President, section 1719 of title 44, of the United States Code is entitled "International Exchange of Government Publications."

This section is only one paragraph long so I will read it into the RECORD for the benefit of my colleagues.

> For the purpose of more fully carrying into effect the convention concluded at Brussels on March 15, 1886, and proclaimed by the President of the United States on January 15, 1889, there shall be supplied to the Library of Congress not to exceed one hundred and twenty-five copies each of all Government publications, including the daily and bound copies of the Congressional Record, for distribution, through the Smithsonian Institution, to foreign governments which agree to send to the United States similar publications of their governments for delivery to the Library of Congress.

19TH CENTURY CONVENTION

Here we have a seemingly innocuous law dating back to the 19th century. What meaning does it have today?

I was amazed and dismayed at the answer I found and I believe my colleagues will share my distress.

DISTRIBUTION STATISTICS

On the basis of this one paragraph citation, the Government Printing Office, in fiscal year 1979—at the direction of the Library of Congress and the Smithsonian Institution—printed 1,608,804 copies of 20,441 publications at an estimated printing cost of $920,000.

Another $186,908 was spent on postage and handling to send these documents to foreign countries.

In return for these 1.6 million publications, the United States received 275,486 copies from other countries—or a 6 to 1 disadvantage.

PUBLICATIONS SENT TO SOVIET UNION, CUBA, AND IRAN

Under this program 20,300 publications were sent to the Soviet Union at a cost to the taxpayers of $12,000 for printing alone.

The sum of 20,200 publications were sent to Cuba at a cost of $11,950 for printing costs; and 3,100 publications were sent to Iran at a printing cost of $1,800.

TYPES OF PUBLICATIONS DISTRIBUTED

In addition to the usual publications that one might expect to be exchanged under such a program, that is, CONGRESSIONAL RECORD, Federal Register, Public Papers of the President—I was alarmed to find that the following publications are being sent to the Soviet Union, Cuba, and other foreign governments—all at the taxpayer's expense: Army Field Manuals, Army Technical Manuals.

Included in the former category is a publication entitled "Field Artillery Battalion LANCE." The Lance missile is the highly mobile general artillery support surface-to-surface missile deployed in Europe and the United States with a capability of utilizing nuclear or nonnuclear warheads.

Mr. President, I can scarcely believe that the U.S. Government is shipping—free of charge, yet—such sensitive military publications to the governments of the Soviet Union, Cuba, and others.

OTHER EXAMPLES

Mr. President, let me cite a few other examples. It does appear that the Global AUTOVON telephone directory from the Defense Communications Agency is finding its way into the hands of foreign powers, including the Soviet Union and Cuba, courtesy of the American taxpayer.

The August and October 1977 issues of the monthly "Review of Soviet Ground Forces" from the Defense Intelligence Agency were sent to the Soviet Union.

I very much doubt that the Soviets reciprocate.

I am advised that certain Central Intelligence Agency publications and CIA maps and atlases are shipped to foreign powers, including the Soviet Union, courtesy of a generous Uncle Sam. This includes maps and atlases of Afghanistan, Angola, Saudi Arabia, Israel, South Korea, Pakistan, and Yugoslavia.

CONCLUSION

Mr. President, I am continuing to look into this matter and plan to report further to my colleagues on the types of publications being sent free of charge to foreign governments at the expense of the hard-pressed American taxpayer.●

THE 14TH NATIONAL FINALS OF OPERATION DRIVER EXCELLENCE

● Mr. DANFORTH. Mr. President, on May 3-5, 1980, 38 young men and women from around the country participated in the 14th national finals of Operation Driver Excellence, a teen safe driving competition designed to heighten public awareness of the need for superior safe driving skills. This event was held at the Henry VIII Inn in St. Louis, Mo.

Mr. President, I am impressed with Operation Driver Excellence for it seeks to address one of the more perplexing problems of the day * * * how can the slaughter on American highways be reduced?

The answer according to the program cosponsors, the American Veterans of World War II, Korea and Vietnam—AMVETS—and the Dodge Division of the Chrysler Corp., lies in their belief that "safe driving is not enough," and that "only a skillful driver is a safe driver."

OPERATION DRIVER EXCELLENCE (OPERATION D.E.)

Operation Driver Excellence has been designed by AMVETS and Dodge to emphasize skillful driving and recognizes those most skillful.

Every spring AMVETS and Dodge take their program to States and municipalities across the country. Eligibility for the program rests on the successful completion of a certified high school driver education course. Students who meet the criteria participate in a three-phase competition which includes a written examination, an over-the-road test in actual highway conditions, and a specially designed skill course to measure response to driving emergencies.

Those who emerge as the winners of the local competitions, test their skills in State finals. State champions and one chaperon are awarded a weekend trip to the national finals.

1980 NATIONAL FINALS

The 38 students who won trips to the 14th annual national finals in St. Louis, represented the best young drivers in the United States.

The driving competition at the Northwest Plaza Shopping Center saw these 38 teenage safe driving champions wheel their loaned Dodge cars through the suburban traffic and wrestle their vehicles through the highly complex skills course. At the end of the competition a National Safe Driving Champion was crowned.

THE WINNERS

Everyone wins in Operation D.E., but the national champion and the four runners-up win a little bit more.

Paul Joseph Wogaman, a 17-year-old senior at Woodrow Wilson Senior High School in Washington, D.C., topped the field with a first place finish. He was awarded a new Dodge automobile of his choice and a $2,000 scholarship, courtesy of AMVETS. In addition, his award winning performance earned his driver education instructor, Mr. Isom Upkins, the use of a Dodge automobile for 1 year. The AMVETS State D.E. chairman in Washington, D.C. is Joseph Ring.

Second place and a $1,500 scholarship went to Gary Elrick, 16, of Flagler High School, Flagler, Colo. The AMVETS D.E. chairman in Colorado is Barry Owens. A third place finish earned Frank M. Cabrera, 16, of Mesa High School, Phoenix, Ariz., a $1,000 scholarship. The D.E. chairman in Arizona is Wendell Roberts. Scholarships worth $750 and $500 went to John Thompson, 18, of Parkersburg South High School, Parkersburg, W. Va. and Timothy Harris, 17, of Glenpool High School, Bixby, Okla., for fourth and fifth place respectively. D.E. chairmen in West Virginia and Oklahoma are Paul H. Duvall and C. G. Phillips.

All national finalists received commemorative trophies, D.E. wristwatches and jackets.

The other national finalists, listed alphabetically by State, were Robert P. Lochner, Alaska; John McNemar, California; Janice L. Krueger, Connecticut; David G. Erazo, Florida; Deborah Starling, Georgia; Jeffrey A. Norton, Illinois; Craig Birky, Indiana; Michael Suckow, Iowa; Duane Unruh, Kansas; Steve Williams, Kentucky; Robert G. Tassin, Louisiana; Gilbert J. Gaston, Jr., Maine; Kristi K. Engle, Maryland; Timothy P. Brennan, Massachusetts; Robert Cnossen, Michigan; Lamar Shelby, Mississippi; Michael G. Elvin, Missouri; Grant Zimmer, Nebraska; Terry S. Danner, New Jersey; Charles A. Giardino, New York; Rodney K. Baker, North Carolina; Mark Baar, North Dakota; Martin N. Fortes, Jr., Ohio; Joseph A. Neifert, Oregon; Scott Odgers, Pennsylvania; Edward R. Viens, Jr., Rhode Island; Andrew J. Owings, South Carolina; Dean A. Byrne, South Dakota; William E. Blake, Tennessee; Daryl Kevin Harding, Texas; Mary Paige Mason, Virginia; Kenneth J. Treglown, Washington; and Lee Schram, Wisconsin.

The sizable AMVETS delegation at the event was led by the national veterans organization's national commander, Joseph R. Koralewski and national executive director, Leon Sanchez. Administration of the program was conducted by James R. Ramsburg, AMVETS national program director, with the assistance of AMVETS Home State Representative, Bill White of Bel Ridge, Mo.

Supervision of the program was by AMVETS National Traffic Safety Commission chaired by Donald Fournier of Illinois. Other members of the Commission include vice chairman Robert Medairos, Massachusetts; Roger Christ, Michigan; Jerry Hartman, Ohio; Joseph Viola, New Jersey; and William Staudte, Missouri.

The Dodge division was officially represented by William P. Donahue, St. Louis zone sales manager and Chrysler by Walter M. Jajuga, St. Louis zone manager. Thomas F. Houston, Dodge public relations, carried out the public relations program responsibilities.

Judging on the over-the-road test and the skill course was by the Missouri State Police with assistance from police officers from the city and surrounding areas.

As I have said, I am most favorably impressed with Operation Driver Excellence. The program is noble in purpose and the students who participated were all of top caliber. This program warrants the attention of Congress as it offers evidence of American citizens working on their own, without Federal or State aid, to address a serious national problem.

Mr. President, I am confident that all who participated in Operation D.E., whether at local, State or national level, have gained a clearer understanding of safe driving practices and techniques. Operation D.E. is a worthwhile project and I urge both the AMVETS and Dodge to continue their partnership in this unique program for the young drivers of our Nation in the years to come.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the commitee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the Record at this point three notifications which have been received. The classified annex referred to in two of the covering letters is available to Senators in the office of the Foreign Relations Committee, room S-116 in the Capitol.

The notifications follow:

Defense Security
Assistance Agency,
Washington, D.C., May 22, 1980.

Hon. Frank Church,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-53, and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to

Egypt for defense articles and services estimated to cost $961.1 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Director.

Attachments.

TRANSMITTAL No. 80–53

(Notice of Proposed Issuance of Letter of Offer, Pursuant to Section 36(b) of the Arms Export Control Act)

(i) Prospective purchaser: Egypt.

(ii) Total estimated value:

	Million
Major defense equipment*	$610.0
Other	351.1
Total	961.1

(iii) Description of articles or services offered: Forty (40) F–16 aircraft with 600 AGM–65 (Maverick) missiles, 20mm ammunition, 2500 MK 82 500 lb. bombs, 850 MK 84 2,000 lb. bombs, 10 spare engines, one F–16 flight simulator, related communications equipment, training, spare parts, support equipment, and associated services.

(iv) Military department: Air Force (SNA).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: Seen Annex under separate cover.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Data report delivered to Congress: May 22, 1980.

DEFENSE SECURITY
ASSISTANCE AGENCY,
U.S. Senate, Washington, D.C.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80–63, concerning the Department of the Navy's proposed Letter of Offer to Japan for defense articles and services estimated to cost $29.4 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

Attachments.

TRANSMITTAL No. 80–63

(Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act)

(i) Prospective purchaser: Japan.

(ii) Total estimated value:

	Million
Major defense equipment*	$26.4
Other	3.0
Total	29.4

(iii) Description of articles or services offered: Ground support equipment to be used with the E–2C aircraft previously purchased.

(iv) Military department: Navy (BKI).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: May 21, 1980.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 22, 1980.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80–65 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Japan for defense articles and services estimated to cost $24.9 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Director.

Attachments.

TRANSMITTAL No. 80–65

(Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act)

(i) Prospective purchaser: Japan.

(ii) Total estimated value:

	Million
Major Defense Equipment*	$21.9
Other	3.0
Total	24.9

(iii) Description of articles or services offered: One hundred sixty-four (164) AIM–9L missiles with associated spare and repair parts.

(iv) Military department: Navy (AEW).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: May 22, 1980. ●

THE CFM–56 ENGINE PROGRAM

● Mr. HUMPHREY. Mr. President, recently, I had the opportunity to pilot a Boeing 707 four-engined jetliner to Pease Air Force Base to demonstrate the new quiet, fuel-efficient CFM–56 engine which the U.S. Air Force has selected to install on its fleet of KC–135 tanker aircraft.

The flight, which originated at Andrews Air Force Base near Washington, D.C., stopped at McGuire Air Force Base in New Jersey and ended at Pease.

The flight was part of a 20-State tour to show the efficiency of the new CFM–56 jet engine. The Senate Armed Services Committee recently authorized the start of reengining the Air Force's KC–135 fleet with CFM–56 jet engines. The new engines were produced jointly by the General Electric Co., and SNECMA of France, which are partners in CFM International, producer of the new engine.

Pease is the home of the New Hempshire Air National Guard's KC–135 unit, the 154th Air Refueling Squadron. There are 20 KC–135's at Pease which are scheduled to be outfitted with the new CFM–56 engines.

The flight demonstrated to me that Congress and the Air Force are on the right track by initiating a program to improve the performance, fuel efficiency, and quietness of the vital KC–135 tanker fleet.

The flight to Pease was instrumental in demonstrating the reengining benefits associated with the CFM–56 to military officials and community leaders in areas where KC–135's now operate.

The Air Force calculates that the new engines in the KC–135 fleet of 600 will save approximately 2.3 million barrels of fuel a year, or 3 percent of the Air Force's yearly consumption. That's enough to provide electrical power to the dozen largest New Hampshire cities, comprising about 350,000 people.

The reengining program will greatly improve the military capability of the aerial tanker fleet by providing shorter take-off runs, increased payload for in-the-air refueling of U.S. fighters, bombers and military transports, and increased range for the tanker fleet.

In fact, just one reengined KC–135 will do the work of about two KC–135A's, depending on the mission, thereby improving the fighter, bomber and airlift capability of the Nation.

I am particularly proud to be associated with the CFM–56 engine program. The program is responsive to both the country's defense needs and the environmental concerns of those who live near our bases and must bare the brunt of aircraft noise day in and day out.

I am also proud that the General Electric Co. Aircraft Engine Group at Hooksett, N.H., has played an important role in building the CFM–56 engine. I am pleased to point out the involvement of a New Hampshire industry in such a worthwhile endeavor.●

THE TRILATERAL COMMISSION

● Mr. GOLDWATER. Mr. President, following the publication of my recent book entitled "With No Apologies," the greatest response I received was with respect to my discussion of the Trilateral Commission. When I completed the book I felt there was much more to be said but at the time I had insufficient material upon which to base my views.

The Congressional Research Service has now assembled additional material and, in view of the interest that was shown in the matter of the Trilateral Commission from the responses I received upon the publication of my book, I feel it would be worthwhile to have this material printed in the RECORD.

Therefore, I submit for the RECORD the paper that has been prepared by the Congressional Research Service on the Trilateral Commission.

The material follows:

[From U.S. News & World Repart,
May 22, 1978]

WE'VE BEEN ASKED—TRILATERAL COMMISSION: HOW INFLUENTIAL?

Once again, questions are being asked about a little-known organization—the Trilateral Commission. Critics claim that it is nothing more than a recruiting center for top government officials, noting that President Carter and 17 of his foreign-policy advisers are former members. Some conservatives charge that it represents a conspiracy to take over the government.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

Just what is the Trilateral Commission?

It is a group of about 240 prominent businessmen, labor leaders, scholars, statesmen, politicians and others from three of the world's principal industrialized areas—North America, Western Europe and Japan.

What is its objective?

Basically, the Trilateralists aim at close political and economic cooperation among these three highly developed areas with emphasis on aiding the less-developed Third World nations. They have published 15 task-force reports thus far, covering such subjects as reform of the international monetary system, world trade and collaboration with Communist countries.

How did it start?

David Rockefeller, the head of New York's Chase Manhatan Bank, began to promote the idea in 1972. He was alarmed, he said, by the lack of cooperation between the three main areas of the industrialized world, and foresaw "all sorts of disaster for the world" if that situation continued. After a meeting at Rockefeller's home with 16 leaders from the three areas, the Trilateral Commission was established in July, 1973. The first full-time director was Zbigniew Brzezinski, now the President's national-security adviser.

How is it organized?

It presently has three headquarters—in New York, Paris and Tokyo. Its three chairmen are Rockefeller, Georges Berthoin, former envoy from the European Communities to Britain, and Takeshi Watanabe, former president of the Asian Development Bank. In addition, there is an executive committee of 35 members.

Where and when does it meet?

The full commission meets roughly every nine months, rotating among the three areas represented. The group met in Tokyo in January, 1977, in Bonn last October, and is scheduled to meet in Washington in June, 1978.

Who finances the commission?

Foundations provide $630,000, or about half of the three-year budget of $1,180,388 from mid-1976 to mid-1979. Individual donations account for another $125,000, corporations $94,000, investment income $26,000 and holdover from the previous budget about $200,000. No government money is involved.

How did Carter become involved in the Trilateral Commission?

In 1973, former Secretary of State Dean Rusk suggested that the South was ill-represented on the commission and mentioned Carter as being a desirable member. George Franklin, coordinator of the commission, went to Atlanta, talked with Carter and proposed his name for membership.

What did Carter get out of membership in the group?

Franklin puts it this way: "It is clear that President Carter received a very considerable foreign-policy education from the commission. It is also true that he met and got to know some of his principal officials in the commission." Carter acknowledges that Brzezinski, in his capacity as director of the Trilateral Commission, was his top mentor in foreign affairs.

How are these members of the Trilateral Commission chosen?

A nine-member American executive committee nominates candidates for vacancies in the United States delegation.

Why are members picked from such a narrow field—seemingly limited to dedicated internationalists?

The Trilateralists make no bones about this: They recruit only people interested in promoting closer international cooperation, and especially cooperation among the non-Communist industrial nations.

Just what are some of its reports?

They include: "Toward a Renovated Monetary System," "The Crisis in International Cooperation," "A Turning Point in North-South Relations."

What about the charges of a conspiracy to take over the U.S. government? How far have the views of the commission influenced the policies of the Carter administration?

The administration pays lip service to the basic aims of the commission, but political analysts say that the only significant shift in American foreign policy involves a more conciliatory approach to developing countries of the Third World and more direct support for black nationalists in southern Africa. The experts point out that Carter-administration policies have imposed serious strains on relations with U.S. allies as well as Russia, contrary to the commission's basic objectives.

With banker Rockefeller and so many international businessmen active in the organization, does the commission promote the interests of multinational corporations, as some critics allege?

Executives of multinational firms complain that, far from being helped, they are being hurt by Carter-administration policies—in particular, its tax policies and handling of the dollar.

[From the Washington Post, June 19, 1978]

TRILATERALISTS: BIG TYCOONS ON DEFENSIVE

(By William Greider)

When David Rockefeller's Trilateral Commission came to Washington last week and called upon the Carter administration, it was like the nest returning to the sparrows.

President Carter, an ex-Trilateralist himself, greeted his former brethren in the East Room with praise so generous that it was mildly embarrassing to some.

"I was dumbfounded by some of the things he said," said a Trilateral executive. "I would love to get permission to quote him in our fund-raising."

This is terribly off-the-record, like all Trilateral discussions, but Carter told the 200 movers and shakers from America, western Europe and Japan that, if the Trilateral Commission had been in business after World War I, the world might have canceled World War II.

Thus encouraged, the Trilateralists heard from three other alumni, the Cabinet officers who count most in global matters—State, Defense and Treasury. A fourth star canceled his briefing because of illness—Carter's national security affairs adviser, Zbigniew Brzezinski, the intellectual father of the Trilateral idea.

"Poor Zbig, he was sick as a pup," said Trilateral coordinator George S. Franklin, "He caught the Russian flu in China."

At least 18 top-level executives of the Carter administration were drawn from the Trilateral membership. So were the prime minister of France and the labor minister of West Germany. The present membership includes 12 former Cabinet officers and top advisers of past U.S. administrations, from Kennedy's to Ford's.

It is a very heavy group—bankers and corporate barons, fellow-traveling technocrats, promising politicans and a light sprinkling of trade unionists drawn from three continents. This has stimulated much spooky theorizing about a Rockefeller shadow world government, a floating establishment conspiracy to run everything. In some circles of fervid political imagination, the "Trilateral connection" is shorthand for puppets on a string, responding to a secret agenda.

The reality, alas, is less dramatic. On paper, they run the world. But, in the flesh, the Trilateralists get together and mostly talk about how the world ought to run, if only the world would cooperate:

This humble little secret slipped out from under the mirror-paneled doors at L'Enfant Plaza where the Trilateralists met for three days last week: the heavyweight members, despite their awesome economic clout, feel defensive, uneasy, unloved.

"It's surprising," said one participant, "that these big, powerful, hefty tycoons would be so defensive. They are not terribly confident."

At the White House, even the president lectured them on their bad image. Three foreign leaders from Third World countries, Carter said, have told him personally that the Trilateral Commission is nothing but "a richman's club" that doesn't care about the rest of the world. The Trilateralists, Carter urged, should demonstrate to the poor nations of the world that the commission "has a heart."

"Ninety percent of the questions," one informed witness said, "were: 'Tell us, Mr. President, what can we do to get on better terms with the Third World?' "

It is a "rich man's club" in global terms, but that was the idea in the first place. The members are drawn from the leading industrial and financial and intellectual empires of the noncommunist world—Citibank and Fiat and Nippon Steel, Oxford and Harvard and Tokyo University, Coca-Cola and Barclays of London and Mitsubishi. Their meetings are all in private, presumably to stimulate franker discussion, but perhaps also to enhance the mystique of importance.

At the Washington sessions, a number of participants noted how restrained and defensive the Trilateralists were with one another, tip-toeing around the strains and differences among themselves.

The Japanese were defensive about their trade surpluses. The Americans about their growing oil imports. The British and French about their import barriers. The Germans about their low rate of growth.

This is not exactly what everyone expected when "Trilateralism" was coined five years ago by Brzezinski as the new catch phrase of global thinking. It may have a short shelf life, as catch phrases go, because the Trilateral agenda has not exactly swept the world.

Neither the Carter Administration nor its counterparts in Europe or Japan have been able to move very far on the monetary revisions proposed by a Trilateral study. Nor have they developed the unified energy strategy urged by the Commission. Nor have they worked out a consolidated bargaining approach to those underdeveloped nations that are demanding a new economic order in the world.

The problem is messy politics, in every instance. And some of those who were inside noted that the Trilateral talks here were stimulating and educational, but a trifle unreal—lofty theorizing above the realm of practical politics.

"They address serious problems in serious ways," said columnist Joseph Kraft, one of three journalists admitted as observers with the understanding that they would be discreet in reporting who said what. The others were New York Times columnist James Reston and Le Monde correspondent Michel Tatu.

"They're very useful for people who are not used to this world of discussion, but they are most distinguished for their lack of political realism," Kraft said. "They talk about the energy problem, but there's no acknowledgement of the political nationalism sweeping the world. There's no how-do-we-get-from-here-to-there."

John Sawhill, president of New York University, former federal energy administrator, and author of the Trilateral report on energy, made a similar point but saw a certain virtue in the commission's detachment.

"It's a little more detached from immediate politics," Sawhill said. "This gives the politicians a chance to step back and take a longer view of the future."

Richard Barnet, author of "Global Reach" and a leftist critic of multinational corporations who was definitely not invited to the Trilateral meetings, thinks the Rockefeller organization is increasingly irrelevant.

"It's all based on a make-nice view of reality," Barnet said. "Most of the positive agenda hasn't got anywhere. It was more interesting in the pre-Carter period because it looked like a nesting place for the next Democratic administration, if there was going to be one. Now it is less interesting."

Indeed, many of the members themselves think the Trilateral gatherings—in Bonn or Tokyo or Ottawa or here—are less valuable for the ideas or consensus they strive to generate, more useful merely as get-acquainted sessions. The Japanese, in particular, were drawn into deeper relations with European leaders through the Trilateral sessions and are now engaged in regular government and private exchanges.

The attendance is good, especially when the meeting is held in Washington, because everyone knows the governments will be listening to what's said.

"These are influential people," said Maurice Sauve, former minister of Quebec. "They carry weight. If they want some action to be done, they can make the contacts without having to wait."

"Frankly," said Sawhill, "it's an awfully good training ground for American political leaders and not only American leaders."

Rockefeller and Brzezinski demonstrated a certain skill in picking ascendant politicians when they originated the commission in 1973—tapping Carter and Vice President Mondale, long before they were close to the White House.

For what it is worth, Rockefeller's list of young and promising politicians recently added to the commission includes Rep. William S. Cohen (R-Maine), Sen. John C. Danforth (R-Mo.), Illinois Republican Gov. James R. Thompson and West Virginia Democratic Gov. John D. Rockefeller IV, who is David Rockefeller's nephew.

Tatu, the Washington correspondent for Le Monde, said the Trilateral meetings have a certain sameness to them. The same people show up for the Bilderberg Conferences and Atlantic Institute meetings, a fact which stirs the conspiracy theorists to spin intricate webs of interlocking power.

"It's no more or less imperialistic than any other meetings like this," Tatu said. "The leftists think it's a big conspiracy, which is completely wrong. It's just a forum for talks, very often empty talks."

Sen. William V. Roth (R-Del.), one of 11 senators and representatives on the commission, discovered an ancillary benefit from his membership. Last year, Penthouse magazine published a lengthy expose of Rockefeller's shadow government.

"That gave me an excuse to buy Penthouse," Roth said.

[From U.S. News & World Report, May 22, 1978]

Former Trilateralists In Carter Administration

President Carter, Vice President Walter Mondale, Secretary of State Cyrus Vance, Secretary of Defense Harold Brown, Secretary of the Treasury Michael Blumenthal, National Security Adviser Zbigniew Brzezinski.

Ambassadors Andrew Young, Gerard Smith, Richard Gardner and Elliot Richardson, White House economic aide Henry Owen, Deputy Secretary of State Warren Christopher, Director Paul Warnke of the Arms Control and Disarmament Agency, Under Secretaries of State Richard Cooper for economic affairs and Lucy Benson for security assistance, Under Secretary of the Treasury Anthony Solomon, Robert Bowie of the CIA and Assistant Secretary of State Richard Holbrooke.

All resigned from the Trilateral Commission because of its ban on membership for anyone in the executive branch of government.

[From U.S. News & World Report, May 22, 1978]

Prominent Republicans On Trilateral Commission

Former Secretaries Henry Kissinger of of State, William Coleman of Transportation, Carla Hills of Housing and Urban Developent, Peter Peterson of Commerce and Caspar Weinberger of Health, Education and Welfare.

Ex-Energy Administrator John Sawhill, ex-CIA Director George Bush, ex-Deputy Secretaries of State Robert Ingersoll and Charles Robinson, ex-Deputy Defense Secretary David Packard, former Environmental Protection Agency Administrator Russell E. Train, plus two former ambassadors, William Scranton to the United Nations and Anne Armstrong to Britain.

Six present or former members of Congress: John Anderson, William Brock, William Cohen, Barber Conable, John Danforth and Robert Taft, Jr.; Daniel Evans, ex-governor of Washington; Governor James Thompson of Illinois, and Marina Whitman, former member of the Council of Economic Advisers.

The Industrialized Democratic Regions in a Changing International System

Inaugurated in July 1973, the Trilateral Commission is a policy-oriented organization. Based on analysis of major issues facing North America, Western Europe, and Japan, the Commission has sought to develop practicable proposals for joint action. The Commission's members are about 290 distinguished citizens from the three regions, drawn from a variety of backgrounds. Commission reports and activities have already stirred wide interest and made some important contributions.

The historical roots of the Commission can be traced primarily to serious strains early in the 1970s in relations among Japan, North America, and Western Europe. As the decade proceeded, however, it became increasingly clear that the strains and shifts in the international system are global as well as trilateral in scope. The renovation of the international system is thus a task of global as well as trilateral dimensions, and the work of the Commission, as evidenced in its meetings and reports, has moved accordingly.

In this global effort, the industrialized democratic regions remain an identifiable community and a vital core. Their focus, however, must not be on the preservation of the status quo, but on arrangements which increasingly embrace the Third and Fourth Worlds in a cooperative endeavor to secure a more equitable world order.

The renovation of the international system will be a very prolonged process. The system shaped after World War II was created through an act of will and human initiative in a relatively restricted period of time. One power had overwhelming might and influence, and other were closely associated with it. In contrast, a renovated international system will now require a process of creation—much longer and more complex—in which prolonged negotiations will have to be initiated and developed. In nurturing habits and practices of working together among the trilateral regions, the Commission should help set the context for these necessary efforts.

Organization and Policy Program

The Commission is composed of about 290 individuals from the three regions. From this larger group is drawn the Executive Committee, including the Regional Chairmen and Deputy Chairmen, and twenty-eight other individuals—twelve from Japan, eight from the United States, one from Canada, and thirteen from the various countries of the European Community and Norway. Once each year the full Commission gathers in one of the regions, as in Washington in June 1978, in Tokyo in April 1979, and in London in March 1980.

A major portion of each annual meeting is devoted to consideration of task force reports to the Commission. Task force work is at the center of the Policy Program of the Commission. Each report is the joint product of authors from each of the three regions. Although only the authors are responsible for the analysis and conclusions, they are likely to draw on a wide range of consultants in the course of their work, including Commission members and others. Before publication, a full draft is discussed in a plenary meeting of the Commission. Twenty task force reports have been completed so far, and four others are in various stages of preparation.

In addition to its task force reports, the Commission follows other subjects on a more topical basis by means of presentations and briefings at its meetings. Subjects covered have included the social and political implications of inflation, financial aspects of the oil crisis, prospects for peace in the Middle East, illicit corporate payments, macroeconomic policy coordination, nuclear energy and nuclear weapons proliferation, trade problems, and China and the international community.

Major current issues are also addressed in Trialogue, the quarterly magazine published by the Commission. Three of the four isues each year are devoted to key international problems high on our nations' agendas, with articles and interviews by important public figures and experts from the trilateral regions and beyond. The fourth Trialogue each year covers in detail the annual three-day meeting of the Commission.

[As of November 20, 1979]

The Trilateral Commission

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Egidio Ortona, European Deputy Chairman.

Martine Trink, European Secretary.

Takeshi Watanabe, Japanese Chairman.

Nobuhiko Ushiba, Japanese Deputy Chairman.

George S. Franklin, Coordinator.

Tadashi Yamamoto, Japanese Secretary.

David Rockefeller, North American Chairman.

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Graham Allison, Dean, John F. Kennedy School of Government, Harvard University.

Doris Anderson, President, The Canadian Advisory Council on the Status of Women; former Editor, Châtelaine Magazine.

John B. Anderson, U.S. House of Representatives.

J. Paul Austin, Chairman, The Coca-Cola Company.

George W. Ball, Senior Partner, Lehman Brothers.

Michel Belanger, President, Provincial Bank of Canada.

[*] Robert W. Bonner, Q.C., Chairman, British Columbia Hydro.

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[*] Executive Committee.

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John Brademas, U.S. House of Representatives.

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William S. Cohen, United States Senate.

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Lane Kirkland, President, AFL-CIO.

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Hosai Hyuga, Chairman of the Board, Sumitomo Metal Industries, Ltd.

Shinichi Ichimura, Professor of Economics, Kyoto University.

Yoshizo Ikeda, Chairman, Mitsui & Co., Ltd.

Yoshihiro Inayama, Representative Director, Chairman of the Board, Nippon Steel Corporation.

Kaoru Inouye, Chairman of the Senior Executive Committee, Dai-Ichi Kangyo Bank, Ltd.

Rokuro Ishikawa, President, Kajima Corporation.

Tadao Ishikawa, President, Keio University.

Joji Itakura, Counsellor, The Mitsui Bank, Ltd.

Yoshizane Iwasa, Counsellor, Fuji Bank, Ltd.; Chairman, Japan-U.S. Economic Council.

Motoo Kaji, Professor of Economics, Tokyo University.

Fuji Kamiya, Professor of International Relations, Keio University.

*Yusuke Kashiwagi, President, Bank of Tokyo, Ltd.; former Special Advisor to the Miinster of Finance.

Katsuji Kawamata, Chairman, Nissan Motor Companyt, Ltd.

Kiichiro Kitaura, Chairman, Normura Securities Company, Ltd.

Koji Kobayashi, Chairman of the Board, Chief Executive Officer, Nippon Electric Company, Ltd.

Shinichi Kondo, Advisor to the Board of Directors, Mitsubishi Corporation; former Ambassador to Canada.

Fumihiko Kono, Counsellor, Mitsubishi Heavy Industries, Ltd.

Masataka Kosaka, Professor, Faculty of Law, Kyoto University.

Fumihiko Maki, Principal, Maki and Associates, Design, Planning and Development.

Shigeharu Matsumoto, Chairman, International House of Japan, Inc.

Daigo Miyado, Chairman of the Board, The Sanwa Bank, Ltd.

*Kiichi Miyazawa, Member of the Diet; former Foreign Minister and Minister of Economic Planning.

Akio Morita, Chairman, Representative Managing Director, SONY Corporation.

Takashi Mukaibo, President, Tokyo University.

Norihiko Nagai, President, Mitsui O.S.K. Lines, Ltd.

Yonosuke Nagai, Professor of Political Science, Tokyo Institute of Technology.

Shigeo Nagano, Honorary Chairman, Nippon Steel Corporation; President, Japan Chamber of Commerce and Industry.

Eiichi Nagasue, Member of the Diet.

Nobuyuki Nakahara, Managing Director, Toa Nenryo Kogyo, K.K.

Toshio Nakamura, Chairman, Mitsubishi Bank, Ltd.

Ichiro Nakayama, President, Japan Institute of Labor.

Sohei Nakayama, Counsellor, The Industrial Bank of Japan, Ltd.

Akira Ogata, Former Chief News Commentator, Japan Broadcasting Corporation (NHK).

Yoshihisa Ohjimi, President, Arabian Oil Company, Ltd.; former Vice Minister of International Trade and Industry.

Kazuo Oikawa, General President, Japan Telecommunications Workers' Union (Zendentsu); Vice Chairman, General Council of Trade Unions of Japan (SOHYO).

*Keichi Oshima, Professor of Nuclear Engineering, Tokyo University.

*Kiichi Saeki, Chairman, Nomura Research Institute.

Kunihiko Sasaki, Director, Honorary Chairman, Fuji Bank, Ltd.

Yukio Shibayama, Chairman, Sumitomo Corporation.

Masahide Shibusawa, Director, East-West Seminar.

Yoshihito Shimada, President, Takahashi Foundation; former President, Japan Petroleum Development Corporation.

Ichiro Shioji, President, Confederation of Japan Automobile Workers' Union (Jidosha-Soren).

Tatsuo Shoda, Chairman of the Board, The Nippon Credit Bank, Ltd.

Binsuke Sugiura, Chairman, The Long Term Credit Bank of Japan, Ltd.

Chusuke Takahashi, Executive Vice President, The Sumitomo Bank.

*Ryuji Takeuchi, Advisor to the Minister for Foreign Affairs; former Ambassador to the United States.

Eiji Toyoda, President, Toyota Motor Company, Ltd.

Seiki Tozaki, President, C. Itoh & Co., Ltd.

Seiji Tsutsumi, Chairman, Seibu Department Store, Inc.

Tadao Umesao, Director, National Museum of Ethnology.

* Nobuhiko Ushiba, Advisor to Minister for Foreign Affairs; Japan Chairman of the Japan-U.S. Economic Relations Group.

Shogo Watanabe, Chairman, Nikko Securities Company, Ltd.

*Takeshi Watanabe, Former President, Asian Development Bank.

Toshihiko Yamashita, President, Matsushita Electric Industrial Co., Ltd.

Kizo Yasui, Senior Advisor, Toray Industries, Inc.

Hirokichi Yoshiyama, President, Hitachi, Ltd.

Former members in public service

Koichi Kato, Deputy Chief Cabinet Secretary.

Saburo Okita, Minister for Foreign Affairs.

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Washington, D.C.

THE TRILATERAL COMMISSION

(A Selected List of References Compiled by Ruth S. Freitag, Associate Chief Bibliographer)

Founded in October 1973, the Trilateral Commission is an unofficial body with members from North America, Western Europe, and Japan who meet as private citizens, at intervals of six to nine months, to discuss major issues of common interest. According to the statement of purposes issued in October 1973 by the organization's executive committee, "The Commission will seek to promote among Japanese, West Europeans and North Americans the habit of working together on problems of mutual concern, to seek to obtain a shared understanding of these complex problems, and to devise and disseminate proposals of general benefit." Members are in the main persons of influence in economic, political, news media, and academic circles. The published reports of the task forces appointed by the commission have dealt with international economic and political issues such as oil and other energy resources, world trade, a world monetary system, international institutions and cooperation, East-West relations, control and exploitation of the oceans, and the difficulties currently besetting democratic governments. Although the commission had received a certain amount of publicity since its foundation, interest in its activities greatly increased when it was observed that President Carter and Vice President Mondale, as well as many high-ranking appointed officials in the Carter administration, had been members.

The present list cites all the commission's publications thus far issued and a selection of published writings about its activities and ideas. The arrangement is roughly chronological in each part. News stories and reviews commenting solely on the reports of the task forces are not included. An uncataloged set of the commission's publications is available for examination in the Bibliography Section of the General Reading Rooms Division.

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FEBRUARY 1980.●

RETIREMENT OF ROBERT O. TIERNAN AS CHAIRMAN OF THE FEDERAL ELECTION COMMISSION

● Mr. PELL. Mr. President, this month Commissioner Robert O. Tiernan completed his 1-year term as Chairman of the Federal Election Commission. A fellow Rhode Islander and former Congressman, Commissioner Tiernan has served on the FEC since its organization, in 1978–79 as its Vice Chairman and as its Chairman during the past year.

During his term, the Commission has been confronted with a number of circumstances requiring a great deal of skill and leadership to resolve. Among these circumstances was the revision of most election regulations and forms, as well as many agency practices and procedures, designed to bring the FEC in line with the comprehensive amendments of the election laws enacted this January. Under Commissioner Tiernan's able direction, the Commission undertook and accomplished the tasks necessary to effect such changes and achieved the required goals within the time limitations imposed by the statute as well as by the compelling fact that the 1980 Presidential and congressional campaigns were already underway.

In addition, the Commission undertook a review and revision of its audit policies and procedures, the promulgation of a number of new regulations, and instituted more expeditious determinations of advisory opinions—all this while gearing up its operation to meet the demands of the first complete Presidential election year since its reorganization in 1976.

That the Commission has been able to meet these challenges is no small accomplishment; that it has achieved so much so efficiently during an election year with minimal transitional disruption to candidates or committees, while operating within a modest budget, is truly a tribute to the leadership qualities of Bob Tiernan.

I extend to him my warmest congratulations for a difficult task superbly done. The Congress, candidates for Federal office and the public have all been well served via his stewardship of the FEC this past year. Commissioner Tiernan certainly merits the appreciation of the Senate Rules Committee and its staff which have enjoyed a fine working relationship with that agency under the guidance of Commissioner Tiernan.

Also, on behalf of my committee colleagues, I wish to extend to Commissioners Friedersdorf and McGarry best wishes for successful terms as current Chairman and Vice Chairman respectively. I hope that their tenures will be as fruitful and rewarding as that just completed by Commissioner Tiernan.●

HELEN KELLER'S DREAM

● Mr. WEICKER. Mr. President, June 27, 1980 marks the centennial of Helen Keller's birth; she died 12 years ago, June 1, 1968.

Helen Keller inspires us today as she did throughout her long and productive life. We know that handicapped persons have much to give if only we provide them the opportunity to achieve their full potential. Our commitment to providing these opportunities must never be compromised. We cannot allow human potential to be wasted through ignorance or neglect.

At this time, I believe it is important and fitting that we reflect on the dream and the reality of the life of Helen Keller. Through her efforts, national programs such as the Helen Keller National Center for Deaf-Blind Youths and Adults have been established. Above all, Helen Keller's personal determination and strength has shown us the wisdom and humanity of providing handicapped persons with the opportunity for a full life.

Mr. President, as this month of June 1980, constitutes the centennial of Helen Keller's birth and the 12th anniversary of her death, I commend to my colleagues the following correspondence I received recently from Peter J. Salmon, LL.D., founder and administrative vice president of the Helen Keller National Center for Deaf-Blind Youths and Adults. Mr. Salmon wrote of Helen Keller's life and dreams, and enclosed a copy of her letter to him dated July 8, 1960. I ask that the text of the letters of Mr. Salmon and Helen Keller be printed at this point in the RECORD.

The letters follow:

HELEN KELLER NATIONAL CENTER
FOR DEAF-BLIND YOUTHS AND ADULTS,
May 5, 1980.

Hon. LOWELL P. WEICKER, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WEICKER; It was a privilege to meet you at the Labor-HEW Subcommittee of the Senate Committee on Appropriations.

During the course of my testimony, I recall that you kindly asked about Helen Keller. June 27, 1980, marks the centennial of her birth in Tuscumbia, Alabama. During the latter years of her life, she lived on a beautiful small estate named Arcan Ridge in Westport, Connecticut. She loved it very much and was surrounded by many dear friends.

I have a number of letters going back over the years in which Helen Keller expressed deep concern for the deaf-blind and desired so fervently that a national program be set up for them. The Helen Keller National Center for Deaf-Blind Youths and Adults is the response to Helen Keller's dream. It was prophetic that this bill was signed into law by President Johnson on October 3, 1967. Helen Keller knew that her dream was going to be fulfilled and she died peacefully on June 1, 1968.

I am enclosing a copy of one of Helen Keller's letters which she wrote to me in connection with the celebration of her 80th birthday on June 27, 1960. I thought you would like to have it, and I hope that you might think it proper to insert it into the Congressional Record sometime in June.

All good wishes, and thank you very much for your courtesy.

Yours sincerely,
PETER J. SALMON, L.L.D.,
Founder and Administrative Vice President.

ARCAN RIDGE, *July 8, 1960.*

Mr. PETER J. SALMON,
The Industrial Home for the Blind,
Brooklyn, N.Y.

DEAR PETER SALMON: I cannot thank you and my eighty deaf-blind friends in words but only with my love-flooded heart for my beautiful birthday. The beautiful plaque and delicious birthday cake made me feel sixteen again. In fact it was my happiest birthday that I spent with you all in Brooklyn. It had always been my intense desire that the blessings of my deliverance might spread to those who cannot see or hear, but I never dreamed that I should have the delightful feeling of so many liberated hands clasping mine or their friendship poured out in an affectionate welcome. For the first time, the sorrow I had so often endured at the failure to brighten more lives plunged into darkness and silence was softened, and I blessed you, Peter, for your ever increasing contribution to the happiness of the deaf-blind.

There is no consciousness more sacred, or sweeter in life, than the fact that others whose deprivations one has suffered are being lifted up to the freedom and usefulness and dignity of human beings.

Please give my affectionate messages of spiritual kinship to my fellow-prisoners behind the bars of double limitation.

With warmest gratitude, I am,
Cordially your friend,
HELLEN KELLER.●

LIECHTENSTEIN IS A REMARKABLE COUNTRY

● Mr. PELL. Mr. President, Liechtenstein is a remarkable country in that her citizens have sacrificed more in protest of the Soviet invasion of Afghanistan than have the citizens of any other country.

She did this when she not only canceled her participation in the Olympic games but destroyed a special issue of postage stamps that already had been printed. The value of the stamps was 2 million 500 thousand Swiss francs or 1 million 500 thousand dollars. When one realizes that there are only 24,715 citizens of Liechtenstein, this means that each man, woman, and child has sacrificed an average of $60.69.

When I see the demurrings and mutterings of all of our so-called allies in Europe in connection with the boycott of the Olympic games and then see what

Liechtenstein has done, I can only say, "Well done, Liechtenstein."

In this regard, I ask to have printed in the RECORD at this point a translated copy of a press bulletin dated May 1, 1980, issued by the Government of the principality of Liechtenstein and a letter which appeared in the Washington Post on May 20, 1980.

The material follows:

VADUZ 1 MAY, 1980.

Translation of Press Bulletin no. 49 issued by the: Press and Information Office of the Government of the Principality of Liechtenstein.

Not to be published before 3 May, 1980:

In a closed session, on the 29 April 1980, the Diet of the Principality of Liechtenstein (Parliament) declared with one accord, that the Postulate signed by both parliamentary groups to be of importance and passed the Games Moscow 1980". It was necessary to deal Princely Government is asked to not issue the special stamp series "Olympic Summer Games Moscow 1980". It was necessary to deal with this in a closed session to allow the Government to secure the stamps already printed, before the publication of the corresponding resolution.

The Princely Government dealt in detail with this matter during its meeting on the 29 April, 1980 and considering the situation caused by the Soviet Union's military intervention in Afghanistan and due to the fact that the universality of the Summer Olympics is no longer accorded, resolved to dispense with the issue of the special stamp series "Olympic Summer Games Moscow 1980".

The other stamps foreseen for the same day of issue will, due to technical reasons, be issued at a later date.

Signed on behalf of the Press and Information Office of the Princely Government.

WALTER KRANZ,
Chief Press Officer.

[From the Washington Post, May 20, 1980]

LIECHTENSTEIN GETS ITS LICK IN

The tiny nation of Liechtenstein has canceled its special Olympics issue of stamps because of Soviet action in Afghanistan.

According to the May 19 issue of Linn's Stamp News, "[Liechtenstein], which receives 8 percent of its budget from stamp sales, might face its first budget deficit in years as a result of the canceling of the Olympic issue. Liechtenstein, with a population of 26,000, has an annual budget of $123 million."

Here is a nation that is not only lending the United States the support it seeks, but also is sacrificing to do so. At a time when many of our allies are rather reticent in their assistance, I believe Liechtenstein deserves notice and praise for its action.

BRIAN C. SAXE.●

THE CASE FOR FILLING OUR OIL RESERVE

● Mr. MOYNIHAN. Mr. President, if there were any need to demonstrate the short attention span that afflicts American foreign policy, the sad tale of the Strategic Petroleum Reserve would make the point. Creation of the Reserve has been national policy for 5 years, but it remains unfilled.

There is once again hope that this matter can be set right, and, if it is, much of the credit will belong to my dear friend and cherished colleague, the junior Senator from New Jersey. He has sought to keep both the Congress and the Nation aware of the need to create a reserve, most recently in a thoughtful and incisive article in the Washington Star of June 1. I ask that Senator BRADLEY's excellent piece appear in the RECORD.

As he points out, we must understand both the problem of energy dependence and its solution in light of our alliance relationships. If we do so, we see at once that the problem is more formidable than we might otherwise think, and that there is much we can do to alleviate it. Energy independence for our own country cannot in this analysis be the only goal of our policy, for the dependence of our allies will always remain a potential source of weakness for the West. Yet, especially in light of the current availability of oil, we have the opportunity to create with our allies a collective emergency reserve, and to reach agreement on its use. Our common stake in a stable world economy demands that we do no less.

Mr. President, this is a difficult time for the alliances on which our foreign policy has rested for over 30 years. We can begin to meet the challenges that they face by filling the Strategic Petroleum Reserve. All that is required is careful attention to the wise counsel and sound analysis of BILL BRADLEY.

The article follows:

THE CASE FOR FILLING OUR OIL RESERVE

(By BILL BRADLEY)

The United States is dangerously unprepared for an international economic emergency that could be triggered by racial or violent changes in the Middle East.

This strategic vulnerability has persisted since the 1973–74 Arab oil embargo. Moreover, the Soviet invasion of Afghanistan and events in Iran over the past two years reemphasize that the industrialized world obtains more than 50 per cent of its oil from a region that is politically volatile and militarily insecure. These warnings of clear and present dangers have not resulted in effective programs for reducing our vulnerability to supply disruptions.

The best and fastest way to counter the threat is to build up our Strategic Petroleum Reserve (SPR).

Legislation authorizing the creation of this crude-oil stockpile was enacted in 1975, providing for storage of at least 150 million barrels by the end of 1978. That law was amended in 1977 to speed up the filling of the SPR, setting targets of 250 million barrels by the end of 1978, another 250 million by the end of this year, and a total of one billion barrels by 1985.

But the SPR now contains only about 92 million barrels of oil, roughly equivalent to 13 days' supply of imports, and no oil has been added to the stockpile since late 1978.

Thus, instead of focusing on contingency planning and conservation that would anticipate and minimize the risks of a major interruption in our crude oil supply, we have committed our limited resources to more expensive programs aimed at the more remote objective of energy independence. So long as we ignore the differences between dependence and vulnerability and discount the more immediate imperative to reduce the latter, we will also ignore some of the gravest threats to our national security and the future of the Western Alliance.

HUGE ECONOMIC STAKES

As Defense Secretary Brown declared in his January 1980 posture statement, disruption in oil supplies could produce "international economic disorders that could almost equal in severity the military threat from the Soviet Union." For example, the loss of U.S. gross national product due to a year-long shortfall of 3.5 million barrels a day (less than half our normal imports), would be in the range of $270 billion; unemployment would increase by more than 2 per cent, and the rate of inflation could be expected to grow by 20 per cent.

A supply interruption would also intensify downward pressure on the value of the dollar. If prices triple or quadruple during a disruption, there will be a large and rapid accumulation of petrodollars in the hands of the oil producers. Not only would interruption cause heavy losses to the U.S. economy due to more expensive oil but also it might trigger a run against the dollar that would end its role as a reserve currency, cause us to import massive levels of inflation and lead to general economic chaos in all nations left holding substantial assets denominated in dollars.

There is also a political cost to supply disruptions. Political concessions that producers can already exact for access to oil would tend to escalate as the competition among our allies for limited supplies grew more desperate and aggressive. The principal exploiter and beneficiary of these divisions would be the Soviet Union.

THE FIRST PRIORITY

Given these risks and our vulnerability, the U.S. should not give first priority to eliminating oil imports regardless of the cost. There are two main reasons. First, the United States, Western Europe and Japan are integral parts of an international economic and common defense system. Thus, even if the United States were to become energy self-sufficient, we would remain strategically vulnerable because of our economic and military interdependence with Japan and Western Europe, which will remain much more dependent on foreign oil than the United States.

Second, in the near term at least, the costs of massive, accelerated import-substitution would outweigh the benefits of reduced dependence on foreign oil. That is, while substantial import reduction will be induced by efficient adjustment to higher prices (conservation), severe cuts in imported oil could be both highly inflationary and economically depressing.

Since energy independence is too remote and costly a goal, we should concentrate on reducing vulnerability to supply disruptions. All the adverse effects associated with importing oil are magnified many times when supplies are suddenly and sharply curtailed.

How should we demonstrate our leadership and persuade our allies to develop collective strategies for managing the costs and risks of importing oil from unstable areas? In addition to a credible U.S. presence in the Persian Gulf to discourage Soviet military activity, we need an ample Strategic Petroleum Reserve.

Granted, filling of the SPR is not without controversy: some producing nations are said to have qualms about the move, ostensibly on grounds that this addition to demand would put additional pressure on supply and thus on prices. But even if Saudi Arabia reduces production by a million barrels a day as they have threatened privately, we should begin filling the reserve at a level of 400,000 barrels per day in order to deter politically motivated embargoes and to mitigate the economic losses sure to be caused by an abrupt supply interruption. In the event of a 12-month curtailment of 3.5 million barrels a day, the average benefit per barrel of oil stored in the SPR could be well in excess of $300 in GNP loss avoided—even without counting the stockpile's deterrent value, or the revenues that accrue from liquidating the reserve.

CRUCIAL FOR MILITARY

Apart from its value as the single most cost-effective means of cushioning the economic losses from supply disruptions, the SPR may also be an essential component of military strategies for protecting our vital security interests in the Persian Gulf. Without a strategic stockpile, the loss of a major portion of our imported oil could make it extremely difficult—if not impossible—to mobilize this country in case of need.

Moreover, a substantial emergency stockpile would reduce the cost to our allies of participating in economic and military actions; enhance the cohesion of the NATO alliance in responding to an oil supply interruption; and prolong the period during which military operations could be sustained in the event of a production cut. In short, a large SPR would enlarge the range of our policy options in the Middle East, thereby making military intervention our last but not our only recourse.

LIMITATIONS OF IEA

At present the only mechanism for concerted action with our allies is the emergency oil sharing program administered by the International Energy Agency. Since the IEA sharing agreement is predicated on the role of the multinational oil companies in the international markets of 1973–1975, it is likely to have limited value in today's world oil situation. In 1973 the multinationals' share of OPEC's total output was 70 per cent. By April 1980, these companies claimed no more than 33 per cent of OPEC's production. Because of the increasing volume of oil traded in government-to-government arrangements and hence beyond the IEA program's reach, it is doubtful that IEA members could avoid most of the costs of supply disruptions through this mechanism.

To supplement the IEA sharing program, we should begin discussions with our allies on coordinating acquisition and drawdown strategies for a collective emergency petroleum reserve. Unfortunately, U.S. policy at the IEA has been preoccupied with import targets, rather than cooperative measures aimed at reducing the wealth transfers and income losses that would result from supply disruptions.

In the final analysis, a prerequisite for effective international cooperation, whether among consumers or between consumers and producers, is a demonstration of consistent U.S. leadership in a sound energy security policy. As part of that effort, it means taking advantage of the currently favorable oil market to rapidly fill the SPR.

Such action will reassure our allies in the industrialized world. It will also reassure our friends in the Middle East, who depend on us for their security, by demonstrating that we have the political will to reduce our own vulnerability in order that we can defend them should the need arise. Finally, it will send a message to our adversaries by showing effective action, rather than rhetoric which angers but does not deter them from further expansion.●

AUTOMOBILE AIRBAGS

● Mr. MAGNUSON. Mr. President, for several years there has been an intense controversy over whether passive restraints should be required to be installed in new automobiles as a means of increasing auto safety. The most promising of these systems is airbags. I have been convinced that airbags are highly cost-effective. The Department of Transportation estimates that their installation in all new cars would save 9,000 lives and prevent 65,000 serious injuries per year.

Last year the House passed a bill authorizing appropriations for the National Highway Traffic Safety Administration which purported to offer consumers "freedom of choice" among the various types of active and passive restraint systems. In fact, however, a careful reading of this provision shows that all it requires is that manual seatbelts be offered to consumers. It would, in effect therefore, allow the auto industry to restrict the types of restraints available.

Yesterday, General Motors clarified its real intent with regard to "freedom of choice" by announcing that it will not offer cars with airbags in its 1982 model year. This action is likely to eliminate any ability for consumers to choose this most effective safety system for that year. Moreover, GM's action will have a seriously detrimental effect on airbag suppliers who have relied on GM's earlier commitments to install airbags in at least 200,000 1982 model cars. The result may be that these suppliers will not be able to remain in business, thereby permanently eliminating the best choice for consumers. Therefore, GM's action is very unfortunate, and should be of concern to all who are disturbed by the alarming death rate on our Nation's highways.●

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF HOUSE JOINT RESOLUTION 521 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized under the standing order on tomorrow the Senate resume consideration of the House joint resolution making additional funds available for the Selective Service System.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEMOCRATIC PRESIDENTIAL PRIMARIES

Mr. ROBERT C. BYRD. Mr. President, the Democratic Party has reached an important juncture in its primary process. Thirty-two Presidential primaries have been completed and at this very moment Democrats are casting their votes in eight additional primaries across the country.

The Democratic candidates have used the primary process to wage meaningful and competent campaigns. This dialog and interplay of ideas has enhanced the fundamental tenets of the democratic form of government and of the Democratic Party by providing the American people with insight and information necessary to make informed and sound decisions. The primary campaign has served to focus the Democratic Party and American people on critical and complex issues facing this country today, and those we will face as we enter the 1980's. It has also provided the American people with ample opportunity to evaluate the impact of available policy alternatives.

The candidates have worked hard to convince the American people of the merits of their positions. While there have been disagreements on various policy issues, these differences have provided and will continue to provide a constructive influence in shaping the Democratic platform. As a consensus is built in the weeks ahead, their substantive but honest differences will provide the strengthening cement needed to formulate the Democratic platform in August and victory in November.

It has been to Senator KENNEDY's credit that he has waged a campaign guided by principle. He has had to face an uphill battle that has demanded the utmost in physical and emotional stamina. He is a formidable opponent who, as Senator and Presidential candidate, has shaped and will continue to shape Democratic policy.

In general, the Democratic Party, and the American people have benefited from the integrity and respectability both President Carter and Senator KENNEDY have brought to their campaigns and the primary process.

Regardless of the outcome this evening, I am certain that the Democratic Party will use the weeks ahead to resolve our differences and carve out the foundation of the Democratic Platform.

This will not be an easy process. It will require the patience and cooperation of all those who are committed to the longevity of the Democratic Party.

Mr. RANDOLPH. Mr. President, will the able majority leader yield to me while discussing the subject matter of the primaries today in several States, including the State which both of us are privileged to represent in the Senate, the State of West Virginia?

Mr. ROBERT C. BYRD. I yield.

Mr. RANDOLPH. Mr. President, I voted, as is my custom, in person in Elkins, W. Va., at the American Legion Hall this morning in the West Virginia primary elections.

I wish to state that I have no indication as of this moment of the percentage of our eligible or registered voters who participated in both the Democratic and Republican primaries.

I wish to add that I am wondering as we have these primaries throughout America whether we are sometimes witnessing the majority over the minority. Now, why should I say that? I say it because we are casting, through those who go to the polls, less than 50 percent of the votes, and this means that we are witnessing the majority of the minority over the minority which, I think, is frankly a sobering, and it could be a very shocking, indictment of the American citizenry.

I say that with the full understanding that we, as a Nation, have spoken that we are for and of and by the people, but by the people is waning.

I want to tell you that in the last primaries in West Virginia in the Presidential year of 1976 we had 38 percent of the registered voters, I say to my able minority leader (Mr. BAKER), 38 percent—this is of both parties—in the State of West Virginia in the 1976 Presidential year, who were at the polls casting their hoped-for convictions in reference to candidates upon the lists that were before them.

I do want to, perhaps, may I say—not brag or boast—but I do want to indicate that I am a citizen of Randolph County, W. Va., and that the figure 4 years ago was not the 38 percent statewide that I have just mentioned. We cast 62.9 percent of our registered voters who were at the polls on that occasion.

Now I am hopeful that this year, regardless of the results for the offices that are being contested, State or Federal or Federal-State, and then of course in the counties, in our county of Randolph a very important item for the voters to determine is the members of the school board.

The school board, frankly, has more money to spend than almost any other unit as my good colleague, Senator BAKER, knows, as in any county whether it is Tennessee or a county in West Virginia.

So these are very important positions which are contested—the sheriff, of course; the assessor; the prosecuting attorney; the county commissioners of whatever county; the members of the house of delegates; the members of the State senate; the delegates for that privilege of participating in the conventions of the Republican and Democratic Parties.

Frankly, we had the vote by districts this year in picking our delegates to the New York City convention. There were 40 names that I looked at and I could vote for no more than 6 of them.

And so there was that interest which I hope was present in 1976, which I have mentioned, which I trust will possibly even be exceeded in 1980.

I cannot of course hazard much of a guess at this hour. Our polls opened at 6:30 a.m. They close at 7:30 p.m.

But I do trust that we realize—and I say this with an earnest effort to once again have the RECORD reflect my thinking—that the right to vote carries with it the greater responsibility and that is the responsibility to vote. I feel this very, very strongly and I often speak about it.

And the part of our process of education, as I shall talk in a few moments about a West Virginia college, is that there be within the process of education something that in no wise could be called church and State and political party preference but that is to teach the fundamentals of citizenship as a part of the curriculum, of the many levels of education in this country. And I often stress that and I stress it again here today.

Mr. BAKER. Will the Senator yield to me for a moment?

Mr. RANDOLPH. I yield to my friend.

Mr. BAKER. I apologize for interrupting the Senator's discourse, but it will be necessary for me in a moment to leave the floor and keep another commitment.

I want to express my appreciation to the Senator from West Virginia for his observations today, the primary election day in his State, and his comments in respect to the obligation to vote.

As he knows, this is a matter that has compelled my attention and concern for many years. I feel that if the American political system is to survive and endure and to prosper, that we have got to find ways through education by good example to improve the level, to increase the level of participation of Americans in the electoral process, at the local and the State and the Federal level.

It may come as a surprise to some to know that the first Presidential election in which the majority of Americans who could vote did vote was 1928, when Herbert Hoover was elected. The first time that we reached the 50 percent mark. We have not done much better since then and often less well, and certainly less well in many other elections.

I commend the Senator from West Virginia for calling this matter to the attention of the Members of the Senate and to all of the country on this important primary election day in West Virginia.

Mr. RANDOLPH. I thank my colleague, whose membership in this body is but a continuation of the membership of his mother and father in the other body and of course of his father-in-law, who I shall never forget, who sat there for many years, Everett Dirksen. And that has been their contribution to what I call the process of participation.

Whatever is done here on the Hill or down the avenue at the White House or in the agencies of Government in our buildings, that only comes about through funds which are provided by those citizens of the United States who, because of productive labor, are able to pay taxes into the various subdivisions, the levels of government.

And so, I think it is very important that back there the people are participating in the process of government by voting their choices upon individuals who are at issue or issues that are before them.

The school levy in our county is very important and we were voting on it today. And I am not laboring this subject, except to say that I am fearful, there is some forboding within my mind and I must disabuse myself of it that we can ride out these, let us say, in a sense, divisive campaigns. Do not misunderstand me. I believe in vigorous campaigning. But I think we have to be very careful in what we say about an opponent in our own races or what we say about someone nationally in these races, we want to be very, very careful what we are saying.

I remember my grandfather who was listening to a man talk just prior to the voting in a certain election in West Virginia. And this man approached my grandfather and I was with him. I was about the age of 12 or 14, the ages of our pages, who are 14 and above. But this man was saying, "You cannot vote for so and so because he has certain personal difficulties or vices," if you want to use that word.

I remember my grandfather saying:

> Now, stop just for a moment. I am not attempting to deal in personalities, per se. Is the man able to do the job? Will he commit himself to the effort? Will he reflect credit upon the obligation which he takes if he is chosen?

Then he added words that I shall never forget, and I repeat them here. My grandfather said to this man:

> You know, a good many of us are subject to some mistakes and errors and we have vices. But I have noticed that the person who has no vices has darn few virtues.

And that stuck with me throughout the years.

I have in my campaigns in which I was engaged through these years, which began in 1930, when I first ran for Congress, I have avoided anything but the issues in my campaign with the people, whether the House of Representatives or the Senate of the United States.

And I feel in a sense, in this campaign, in various degrees, words that have been spoken would have best not been spoken. But that is only my viewpoint and I am not a harping critic. But I remember a West Virginian who wrote a book "Think And Grow Rich." It did not mean dollars. But more than 10 million copies were sold. He said in that book:

> If you must think evil of a person, never speak it, write it on the sands near the water's edge.

And so in these campaigns, I think perhaps there will be many times when those who have spoken have wished, rather, to write it on the sands near the water's edge.

Senator BAKER said something that I now want to comment on. That is about participation. I have been speaking on the process of voting. I remember when, in 1942, I offered a constitutional amendment to provide the voting privilege to 18-year-old, 19-year-old, and 20-year-old youth. We had a cutoff of 21 for voting. I offered such legislation as a constitutional amendment when I was a Member of the House of Representatives. It was not to happen then.

There always comes a time with a bill that is offered where it is dormant but later it becomes a reality. So in 1971 the Senate and House passed that constitutional amendment. It was not 1942 but 1971, I repeat, and for the first time these young people had the opportunity to vote.

I thought what a wonderful situation we have today with young people at the polls. The trouble is the young people are not at the polls. Those for whom I fought, and for whom I shall continue to fight, that younger age bracket, is the age bracket that gives the least percentage of votes cast in this country of yours and mine.

So we have perhaps a long way to go and much to do. I am happy to be a part of the challenges of not only this day, but the challenges of tomorrow.

ALDERSON-BROADDUS COLLEGE CELEBRATES COMMENCEMENT—DEDICATION—CARL BAGGE HONORED SPEAKER

Mr. RANDOLPH. Mr. President, it was my privilege to participate on May 24 at Alderson-Broaddus College in certain ceremonies highlighted by the dedication of a building which replaced what was called Old Main, which on a Sunday morning in October 1979 burned to the ground. It was a symbol there on the hill of that institution of learning. But another structure has been built on the site of Old Main and whether it is called New Main or by any other name, there was the determination within that constituency of the college, the people in the community of Phillipi, those in Barbour County in which Alderson-Broaddus College is located to gather their forces and to not just rebuild from the ashes of the past—that is not enough—but to rebuild because of the spirit of the past, which continues in that college to glow.

Old Main was a symbol of the values of Alderson-Broaddus College—Christian traditions of caring, kindness, humanitarianism, honor, faith, and perseverance.

It is difficult to "teach" these virtues to young adults; they must be inculcated at an earlier age. Yet, by example, we can demonstrate to young people that faith and perseverance can triumph in real life.

As I stated, on Saturday, May 24, of this year, it was my privilege to participate in a stirring ceremony which dramatizes how successfully such human qualities can succeed. It was the formal dedication of the "New Main," a $2.9 million structure that soars above the campus quadrangle.

There is a unique feature of the New Main Building which hails the future—a solar heating unit built with a small grant from the Department of Energy. But the building itself is being completed through the private sector—donations from thousands of alumni and friends and Baptist Churches and their members. The campaign for donations began almost before the embers of Old Main cooled, according to Dr. Richard Shearer, president of the church-affiliated institution. A major source of support came from the Benedum Foundation which approved a challenge grant of $500,000 to give the pledge campaign impetus.

Among those present for the stirring dedication ceremony were: W. Obed Poling, chairman of the A-B Board of Trustees, Dr. Shearer; Dr. Douglas W. Hill, executive minister of the West Virginia Baptist Convention; West Virginia's First Lady, Sharon Percy Rockefeller, an honorary alumna; and Morgan H. Lyons, who headed the Barbour County campaign.

Dr. Arthur L. Brandon, an A-B alumnus and retired vice president of New York University, was the chief dedication speaker. He was introduced by Dr. Walter C. Johnson, Jr., vice president for academic affairs. Paul R. Jenkins, executive vice president of the Claude Worthington Benedum Foundation, made appropriate remarks.

Along with the building dedication, a 100-foot carillon of 32 cast bronze bells was dedicated. They were a gift from Dr. Hu C. and Avonelle W. Myers.

A highlight of this memorable weekend, which culminated in Alderson-Broaddus College's 109th commencement, on Sunday, May 25 was graduation ceremonies on the day prior, for the University of Hard Knocks, a mock institution founded by Jim Comstock, author and publisher of the nationally-known West Virginia Hillbilly newspaper. Comstock started UHK several years ago to give proper recognition to those who have become successful in their careers without benefit of a college degree. UHK, which numbers among its distinguished alumni such notables as Senator BARRY GOLDWATER and Lee Braxton, chairman emeritus of Oral Roberts University, graduated 35 "students." Next year, Peg Wilkinson will preside over UHK's affairs as successor to the retiring Comstock.

Honorary degrees were given to Hays Watkins, chairman and chief executive officer of the Chessie System; William Kencher, president of the American Churches Baptist, USA; Arnout Hyde, Jr., noted photographer; and Carl Bagge, industry leader.

Mr. President, earlier I mentioned that it is difficult to teach certain virtues. We can only point the way and advise young people of the ways that civilization has found work best. The commencement speaker, Mr. Carl E. Bagge, president of the National Coal Association, gave a challenging demonstration of pointing the way when he told the class of 1980:

> You can "travel light" through life because you have been exposed to values which have allowed you to develop—a total commitment to a set of ideals and values which in the final analysis have deep religious roots.

The beginning of this commencement address, delivered by Carl Bagge, quotes these words from Luke 12: 48:

> For unto whomsoever much is given, of him shall much be required; and to whom men have committed much, of him they will ask the more.

I have a feeling that those graduates at that institution, and perhaps throughout the institutions of America in these past few days and in the upcoming days, because of their not so much exposure to the processes of education but their understanding of the rapport which is needed between the instructor and the student being very important, will look back on these words, which I will ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

GO AND TRAVEL LIGHT

(By Carl E. Bagge)

For unto whomsoever much is given, of him shall much be required; and to whom men have committed much, of him they will ask the more. Luke, 12: 48

Today, Alderson-Broaddus College once again completes the cyclic ritual by which it dispatches into our very imperfect and impatient world a group of committed men and women to whom much is given and from whom we will ask the more.

You have had the benefits of an extraordinarily fine education. Your challenge now is to make it work, not only for yourselves but for a world that desperately needs thoughtful, knowledgeable and principled citizens.

Each of you on whom a degree is being conferred is the beneficiary of a special heritage . . . the collective efforts of an excellent institution offering something found only in the small, personally and religiously oriented, liberal arts school. I share your heritage. I share your vision. I share your ideals.

In an era when largeness and impersonality dominate everything from government to membership in the Book-of-the-Month Club, Alderson-Broaddus has given you the kind of individual experience critical to developing truly educated people.

We are told today that "small is beautiful." That is probably more meaningful in the context of an educational institution than any other aspect of our lives.

Unlike your colleagues at many of the country's huge educational institutions, you have benefited from personally knowing the faculty of men and women who have labored over the years to develop and exercise the powers of your minds and to instill a lively appreciation of values by exercising the powers of your hearts.

I suggest that the worth of your degree comes not only from what you learned in the classroom, but from knowing your mentors as committed people . . . learning their habits, sharing their enthusiasm, understanding their disappointments, absorbing their sense of values, and sensing their commitment not only to you but to a higher scale of values. By this process, you have been truly educated, not just made knowledgeable.

The importance of this has been recognized through the ages. The future of societies has always been linked with the process that you are completing. The destiny of a nation, counsels Aristotle, depends on the education of its young. The American poet and author Oliver Wendell Holmes once said it matters less where you are today than the direction in which you are headed. That direction has been established here—don't depart from it.

Those of you who are being recognized for your achievements want to know what it is that will be required of you, what, as Luke reminds us, you will be asked to give in return. The faculty and your families and friends want to know in what direction you are headed. The two questions are related, for how well you comprehend and the manner in which you respond to the first will necessarily dictate the answer to the second.

Aristotle grasped the essentiality of influencing the minds and hearts of people before they reached the point at which the mechanisms of intellectual and ethical formation begin the process of ossification. Holmes made much the same point in a different way, underscoring the fact that ours is a dynamic, not static, world, and that unless we have a clear notion of our objective and how to go about reaching it, where we stand at the instant moment is of little consequence.

Do you remember Thornton Wilder's classic play *Our Town*? Remember Emily, the young wife and mother who joins other members of the community in death and asks and receives permission to go back to relive a day in her childhood?

As the events of the day go on, she says "It goes so fast. We don't even have time to look at one another." And as she reflects on this experience, she asks, "Do any human beings ever realize life while they live it?"

My point is that when you walk away from this institution this day you carry something far more valuable and much more weighty than the specific knowledge of certain academic disciplines.

You've had a chance to look at one another, and you have been molded in a fashion that will—if you follow through—allow you to realize life while you live it.

We have plenty of bright, industrious people in the world today, but knowledge and hard work are not enough. If there is one thing that our society does well, it is to deliver information. So much, sometimes, that we are overwhelmed by it. The problem is not one of gaining knowledge, but knowing how to apply it for the betterment of mankind. And that implies a need for a set of values.

"Small is beautiful" may sound strange coming from a man who spends his days dealing with large corporations in a city known for its complexity and impersonality. But perhaps it is because of this, that I have come to realize that unless we can manage our immediate surroundings and relationships, we can never hope to solve the massive problems confronting our entire society.

Unless we can choose a house and a car that make personal sense from an energy standpoint, we can't expect to successfully tackle global energy problems. Unless we can love the people around us, we can never hope to tackle the seemingly overwhelming problems of homeless refugees and massive unemployment. If charity begins at home, so too do good management and good government.

You of the graduating class of 1980 are students of privilege, for your college has taught you over time that real learning rests on a sound foundation of principles . . . of values . . . of personal integrity. You will further learn as you enter the world out there that if you really wish to make a contribution to society, as well as your own personal growth, there are no shortcuts, no quick fixes.

I grew up in Chicago, where for 42 years the eminent coach Amos Alonzo Stagg was the idol of students and graduates at his university. Even though he enjoyed one of the longest and most respected careers of any sports figure in this country, he was more respected for his integrity.

A story is told of the day his championship baseball team was defending its title. The batter hit a single and the base-runner was headed home with the winning run. "Get back to third base," Stagg shouted. "You cut it short by a yard." "But the umpire didn't notice," protested the runner. "That doesn't matter, Stagg barked. "Get back." It cost Stagg's team the game and the title. But a lesson in character was made.

Today most people would consider Stagg's action silly—old fashioned and inexpedient. But if Stagg's toughness and discipline are old fashioned, then I say bring back the good old days.

Over the years I've personally struggled to find just the right way to convey in a few words something of the meaning of the attitudes of mind and heart possessed by people who have reaped the benefits of your kind of education as I did. I finally settled on "traveling light."

"Traveling light," it seems to me, is the way you can go through life because you have been imbued with the values that provide the basis for a truly free life. Life can be less rigorous for you, hard decisions less difficult to make. The conflict of life need not be your sole teacher.

You can "travel light" through life because you have been exposed to values which have allowed you to develop—

A deep respect and profound love of ideas;

An openness and receptivity to life and an enthusiasm for it;

The ability to dream;

The capacity for being generous;

The courage to be yourselves and to permit the uniqueness of yourselves to find expression in everything you do and say; and

. . . A total commitment to a set of ideals and values which in the final analysis have deep religious roots.

You have been given all the tools necessary to construct your life's answer to the question of what will be asked of you.

As to where you go with this, I can only suggest that these very same attributes have provided a certain amount of defense for you in the early stages of the game of life. For you've been immunized against the dehumanizing and debilitating forces of our society. You have it within you to retain your eagerness for life, while others among you become corpses before they are dead. Your education can keep you from surrendering to the cynicism and pseudosophistication that is all too common in our world.

If you have integrity, if you are willing to expose yourselves—your thoughts, your standards, your ideals—throughout life, never constrained by fear, then we are going to be a better world. But if you should not, then you will have failed yourselves, and those who have given much to you.

Several years ago, Max Lerner wrote a column entitled "The Strippers of Life" lamenting the tragic death of his friend Robert Ruark, whose last novel was a desperate cry from a dying man who'd come to hate himself. Lerner said that we all tend to:

"Surrender our sensitivity to those who suffer from hardness of heart . . . surrender our buoyancy to the defeating legions of the anxious . . . surrender our joy to the joyless and the joy-destroying.

"We let those who worship at the cult of action strip us of our introspections . . . we let the crowd strip us of our solitude.

"We surrender our dreams to the sense of the responsible . . . we let the ungenerous dry up the springs of generosity within us.

"We grow fearful of ideas . . . impatient of the exchange of talk . . . paralyzed by the unreasoning need to be busy.

"We let the daring and the gusto for life be squeezed out of us drop by drop until we have become strangers to our society and ourselves."

I read this to get my bearings on occasion and, thereby place myself where you are today. It's important that we do this so that the cult of action in which we are all involved "does not strip us of our introspections."

The function of education, it seems to me, is to free us from the tyranny of the crowd, even our own little crowd. To the extent that it generates and sustains those attributes of mind and heart which free us from that tyranny—it has performed its highest function.

Not only are these qualities important for the individual, they are important for the nation.

From the days of creation to the present, scribes have never wanted for examples of events ill-conceived by seemingly well-intentioned, learned men and blindly executed by unquestioning disciples . . . events which dramatically and permanently altered the course of humankind.

You have seen it happen in your lifetimes, as did your fathers before you and their fathers before them. You have realized the consequences of intellectual dishonesty, skewed social values, unwillingness to speak out against wrong, and self-serving expediency no matter the cost.

You are the basis for an innovative society and a creative culture, the destiny of our people. You will lead us, setting the standards by which free men will live tomorrow.

We are all counting on you to meet the exigencies of life in a manner consistent with the foundation that has been laid here at Alderson-Broaddus, to keep your head about you, paraphrasing Kipling, even if those around you lose theirs. You can do it, my friends, if you travel light. Go and travel light.

Mr. RANDOLPH. Mr. President, I am glad that I was graduated from a small college. I am not against the large universities with their great enrollments. Graduate work is certainly understandable in such institutions. But do I remember the days when I was a student at Salem College. I certainly do, as those who were at Alderson-Broaddus remember those days. I had the professors who were not only informed but were inspiring. They were ready to talk to me because the classes were very small. So that rapport between the student and the instructor, and vice versa, was very important then and I hope it will continue now.

Those private colleges in West Virginia and other States are not competitive in taking the place of the State supported institutions of colleges and universities, but they do have a very, very important contribution to make to the educational strength of the United States of America.

Having spoken too much, I am sure, and having reminisced in part, it is not so much that I wanted to hear my own words, but hopefully that the RECORD can reflect some of these thoughts at this particular time of the year expressed by Mr. Bagge and others, and that those words will be meaningful to young men and young women who, with further education, are moving out into the marketplaces, and that these young people will have not only the endurance but also the commitment to do their jobs in our democratic society.

PROGRAM

Mr. BAKER. Mr. President, I wonder if I could inquire of the distinguished majority leader what he foresees in respect to further action by the Senate on the debt ceiling extension or the possibility of consideration of a resolution of disapproval of the President's order on the oil import fee on tomorrow.

Mr. ROBERT C. BYRD. I should think if the House acts on the debt limit extension in time tomorrow for it to be taken up at a reasonably early hour in the Senate that that measure would come up tomorrow.

Mr. BAKER. I wonder if the majority leader could tell us if he has in mind doing that, say, by 2 or 3 o'clock and laying aside the consideration of the Selective Service Act in that situation.

I understand, if I may interrupt the majority leader's response for just a moment, that the whip notice on the House side for tomorrow shows the debt ceiling extension to be the first order of business and the notice of rules provides for an amendment respecting the resolution of disapproval and an hour's debate. So it would appear that it might be here fairly early on during the day tomorrow, and so that Members on this side might be aware of that circumstance and be prepared for it, I thought I might inquire of the majority leader if he planned to take it up as soon as it is available.

Mr. ROBERT C. BYRD. Yes, depending upon the hour that the message reaches the Senate Chamber, I would fully anticipate that the Senate will be taking up that measure tomorrow. The debt limit again expires at midnight Thursday, the day after tomorrow, so that would give the Senate a little bit of additional time. But I would rather go with it tomorrow if at all possible so that if the President seeks to veto it because of the amendment that would undoubtedly be attached thereto, both Houses could act to override on Thursday.

Mr. BAKER. Mr. President, I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

RECESS UNTIL 11 A.M. TOMORROW

Mr. RANDOLPH. Mr. President, under the previous order, I move that the Senate stand in recess until 11 a.m. tomorrow.

The motion was agreed to; and the Senate, at 6:57 p.m., recessed until Wednesday, June 4, 1980, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 3, 1980:

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The following-named persons to be Members of the National Advisory Council on Women's Educational Programs for the terms indicated:

For terms expiring May 8, 1982:

Maria Concepcion Bechily, of Illinois, vice Elizabeth Z. Fryer, term expired.

Barbara M. Carey, of Florida, vice Marjorie Bell Chambers, term expired.

Virginia Foxx, of North Carolina, vice Marguerite C. Selden, term expired.

K. Jessie Kobayashi, of California, vice Agnes I. Chan, term expired.

Jewel Limar Prestage, of Louisiana, vice Thera C. Johnson, term expired.

For a term expiring May 8, 1983:

Rhine Lana McLin, of Ohio, vice Gladys Gunn, resigned.

NATIONAL SCIENCE FOUNDATION

Donald Newton Langenberg, of Pennsylvania, to be Deputy Director of the National Science Foundation, vice George Claude Pimentel, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 3, 1980.

NATIONAL TRANSPORTATION SAFETY BOARD

George Herbert Patrick Bursley, of Maryland, to be a Member of the National Transportation Safety Board for the term expiring December 31, 1984.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Robert E. Nederlander, of Michigan, to be a Member of the National Council on Educational Research for the remainder of the term expiring September 30, 1980.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Robert E. Nederlander, of Michigan, to be a Member of the National Council on Educational Research for a term expiring September 30, 1983.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

HORNED TOAD TRADITIONS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. COELHO. Mr. Speaker, at a time in this Nation's history when many would have us forget our heritage and give up our traditions, I am glad to report that one tradition is alive and well. On May 17, just a few weeks ago, I had the honor of participating in the Annual Horned Toad Festival and the Horned Toad Derby Parade in Coalinga, Calif.

First begun in 1935, in the midst of the Great Depression, this festival has continued and prospered in spite of the decline in population of the horned toad—for reasons other than the festival, I might add—for which it is named.

When the State of California made it illegal to commercially trap desert wildlife, a special exemption was sought and granted for Coalinga's festival. Now, thanks to the efforts of an industrious woman in the Antelope Valley area of California, horned toads are captured for the race, flown to Coalinga, and then returned to their native habitat a few days later.

Mr. Speaker, I'm glad that tradition continues. I think more people should keep and practice their own traditions. To that end, I would like to insert a recent article from the Los Angeles Times further describing tradition as practiced in Coalinga.

A SMALL LEAP FOR COALINGA

WOMAN HELPS KEEP ALIVE HORNED TOAD FESTIVAL

(By Charles Hillinger)

ANTELOPE VALLEY.—Around these parts she's called "Tennessee Pat" but in Coalinga 150 miles to the north, she's known as "The Horny Toad Lady of Antelope Valley" and she's something of a heroine.

Her true name is Pat Hargrave.

She is a heroine because almost singlehandedly (she gets a bit of help from her two young sons) she's keeping alive a grand old tradition in the little town of Coalinga, which has a shortage of grand old traditions.

Hargrave is the sole supplier of the ugly little creatures that give name and fame to the annual Horned Toad Festival and Horned Toad Derby Days in Coalinga.

Horned toads (genus phrynosoma) are affectionately known as "horny toads" because of the horn-like protuberances that distinguish their reptilian complexions.

Since Hargrave now is the only supplier of horned toads to the horned toad festival she is called the "Horny Toad Lady."

Behind that unique title is this story:

Once upon a time, horny toads were common in Coalinga. So common, in fact, that lacking anything else to celebrate, the townfolk of Coalinga began in 1935 to celebrate horned toads. It was a depression year, remember.

Over the years, the festival became pretty near the biggest event in town. And over the years, the horned toad population went into decline.

In 1972, special legislation prohibited the commercial trapping of desert wildlife like the horned toad. The festival seemed doomed.

For some years before the horned toad shortage developed, Hargrave had been making a living as a trapper of desert wildlife in the Antelope Valley, selling to pet stores around the nation. With the 1972 legislation, she was out of business.

But the folks in Coalinga had heard about Hargrave's horned toad skills and worked out a deal with the state Fish and Game Department.

Hargrave would be granted a special permit to capture horned toads, but *only* for the Coalinga festival, and only if the animals were treated humanely and returned to their desert homeland after the event.

That's the way it has been ever since. Hargrave—now aided by her sons, Tim, 13, and Robby, 8—patrols the desert country of Antelope Valley rounding out horned toads. Usually the boys act as lookouts, riding on the trunk of her car as she cruises the back roads. When the boys spot a likely specimen, mom stops the car and they move in for the capture.

By today, Hargrave and sons will have collected 75 horned toads and Coalinga City Councilman Keith Scrivner will fly his private plane to the Antelope Valley to pick them up.

On Friday and Saturday, the toads will race their hearts out in Coalinga City Park. On Monday, Scrivner will fly the toads back to the Antelope Valley where Hargrave will set them free.

For all this, Hargrave will be paid $112.50—or $1.50 for each toad.

"It is not a money-making proposition for me and my kids," she says. "But I just love to run the desert looking for the critters."●

SPIRIT OF HELSINKI VIGIL FOR 1980

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. MURPHY of Illinois. Mr. Speaker, as a participant in the Spirit of Helsinki Vigil for 1980, I would like to call my colleagues' attention to the case of Tatiana Shchipknova, a Russian professor of French language and literature who lost her teaching position because of her religious convictions.

Tatiana, 49, was arrested in September 1979, and convicted last January of "malicious hooliganism," which carried a 3-year sentence in a concentration camp. The real reason for Tatiana's arrest was her participation in a Christian seminar, at which she and other Christians discussed their religious beliefs, shared their views, and reported on their reading. As a result of participating in the seminar, and of admitting her Christian faith to the KGB, Tatiana was dismissed from her teaching post at the Smolensk Pedagogical Institute and was stripped of her doctorate.

In a letter dated April 12, 1979, which was translated by the Human Rights Committee of the Congress of Russian Americans, Tatiana said:

> We have no aggressive intentions, we fabricate no bombs, we do not even print leaflets, we do not agitate to rebel. We simply want not only to attend liturgy but wish to live in Christ, that is live together, help each other, pray and reflect together, practice our faith and speak about Christ—not with just anybody, but with those who desire this. Are we so dangerous? Obviously we are, since they persecute us.

Mr. Speaker, as we reflect on the Helsinki agreement, let us be reminded of the Soviet Union's suppression of those who attempt to exercise their religious beliefs, and its many other violations of human rights.●

SIMON SHNIRMAN AND IGOR GUBERMAN

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. PEYSER. Mr. Speaker, last year I joined my colleagues in participating in the "Spirit of Helsinki Vigil," a concerted effort by the Congress to draw attention to all refuseniks and prisoners of conscience. Today, we must continue to speak out against the Soviet Union's repressive tactics toward a number of its citizens. I wish to draw our attention to two such individuals at this time.

Simon Shnirman was one of eight Soviet Jews arrested in the spring and summer of 1978 on trumped-up criminal charges. He was sentenced on June 27, 1978, to 2½ years for "draft evasion."

Simon first applied for a permit to rejoin his father in Israel in July 1977. His application was rejected on the grounds that he had not completed his schooling at a technical institute. Five months later, Mr. Shnirman reapplied, only to be refused, once again, in February 1978. This time, he was told that it would be inexpedient for him to emigrate as his mother and sister never asked to leave the Soviet Union. At the same time, he was threatened with conscription into the Soviet

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Army. Soon after his family submitted a visa application, Simon was arrested on May 31 and tried 1 month later, charged with "evasion of army service." It is hopefully anticipated that his term of imprisonment will end in December of this year.

Igor Guberman, an author of popular books and articles on science for young people, was affiliated with the Union of Soviet Writers since 1965. When it became clear to him that all ways of artistic self-expression were closed for a Jew in the Soviet Union, he applied for permission to emigrate to Israel in December 1978. Igor had been actively involved in the Jewish movement in the Soviet Union for several years. His main contribution was to the unofficial publication, Jews in the U.S.S.R., a journal devoted strictly to cultural and historical aspects of Jewish life in the Soviet Union. Soon after submitting this application, he was approached by KGB agents who wanted him to "keep an eye on emigrating Jews and to denounce and prepare provocations against Jewish activists." He refused. To punish Guberman, the KGB arrested him on August 13, 1979, on false charges of illegal purchasing and selling of icons. He has been collecting medieval relics for many years, which is not forbidden by Soviet law.

Since his arrest, Guberman has not seen his wife. Only a lawyer was permitted to see him in January 1980. According to the latest information, he was tried on March 11 and sentenced to 5 years imprisonment in a strict regime labor camp 50 miles from Moscow. It is important to note that the only evidence against Guberman, who was charged with "acquisition or marketing of property known to have been criminally acquired," is that of the testimony of two criminals who were previously sentenced for stealing icons.

These men are just two examples of the vast numbers of individuals who are denied their basic freedoms. Despite the pronouncement that a record number of Soviet citizens are applying for visas, it is a sad but true fact that less people are free to emigrate. This situation will get increasingly worse as the Soviets plan the Olympic games in Moscow, ultimately denying emigration status to all Soviet citizens. As we all know, the true measure of oppression is not the number of Jews who eventually make it out of the Soviet Union but, rather, it is the number of those individuals trying to get out of the country.

According to the National Conference on Soviet Jewry, 11,000 Soviet citizens have been allowed to emigrate. While this number may sound encouraging, we must keep in mind that over 51,000 people left the U.S.S.R. in 1979. For the month of April, 2,400 Soviet citizens were given permission to emigrate. One can compare this small number to the 4,300 individuals who left the Soviet Union in April 1979. Moreover, visa offices within certain regions of the U.S.S.R. are closing as mandated by Soviet authorities. I am afraid that many individuals will never be allowed to leave, if they so desire.

As a signatory of the United Nations Universal Declaration on Human Rights and as a party to the Helsinki Final Act, the Soviet Union had indicated its commitment to internationally recognized human rights. It is up to us, as Members of Congress, to raise our voices and to fight for the freedom of all repressed citizens of the Soviet Union. Let us not forget the plight of Simon Shnirman and Igor Guberman. May they be allowed to join their loved ones in freedom.●

THE PEOPLE ASPECT OF OUR DEFENSE SYSTEM

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. BOB WILSON. Mr. Speaker, annually, as we discuss the defense authorization bill, we focus on weapon systems, billion-dollar figures, and the ominous threat we face. But at times we tend to overlook the fact that the military means people, too. Our Armed Forces are made up of our sons and daughters. They are the ones who make the tanks roll, the ships sail, and the airplanes fly. Strangely enough, though, the people aspect of our defense system gets little attention, and that only when we hear of the ship that cannot get underway for lack of sufficient qualified personnel.

In a short article for the Armed Forces Journal, former Navy Under Secretary R. James Woolsey discusses the consequences of this neglect, and I commend his thoughts to my colleagues.

The article follows:

THE ART OF HELICOPTER MAINTENANCE

(By R. James Woolsey)

NEWSMAN. "Who was the officer in charge of preparing the checking for mechanical malfunction on the helicopters? * * *"

SECRETARY OF DEFENSE BROWN. "I'll take responsibility, * * *"

True, Harold Brown's answer, a principled answer, is not the whole story of the failures in the Iranian desert. But much of the search for a more complete answer is likely to be pointed in the wrong direction. Whatever the specific causes of the malfunctions in the three RH-53D's turn out to be after the agonizing review is done, there is a dimension to the problem that is masked, not illuminated, by a search for some specific problem with equipment or some individual mistake.

In Zen and the Art of Motorcycle Maintenance, Robert Pirsig leads us from an examination of modern man's reluctance to try to understand even the simpler machines that serve him, through Aristotle and Kant, and toward an understanding of care, craftsmanship, and quality. His metaphor of discovery is a motorcycle trip west by the narrator and his young son through the high country of the Rockies and Sierras and, as Pirsig puts it, also through "the high country of the mind." But there is a sour note throughout the book—the contrast between the narrator's extraordinary insights about man, machinery, philosophy, and life, and his cool insensitivity to his son. He gets along with the boy and generally provides for his most basic needs, but there is no real sense of caring. When the boy has bad stomach cramps, for example, the father's main reaction is to be irritated at the inconvenience it causes. Finally, in the last pages of the book. Pirsig lets us know that the father begins to understand that love is to a relationship between people, what craftsmanship and quality are to a man and a difficult welding job.

The military Services are, above all, people—our sons, largely. We've been on a long trip with them since Vietnam. Sometimes we give them shiny machines to ride on, sometimes not. We've grudgingly taken them along, but we've told them in innumerable subtle ways that we don't really want to be bothered with them: look soldier, when I want you, I'll tell you—in the meantime, sit there in back and keep your mouth shut.

As the truth slowly begins to dawn on us that we need them, that there's no one between them and the goal line, we'll first give them better machines. We know how to do that, and it primarily demands only money. Besides, it means more jobs in a number of places, and Congress likes that. Next we may stop cutting Harold Brown's request for operations and maintenance money by many hundreds of millions of dollars, as Congress did last year. (Within a day or so after the failure of the raid, you can be sure that a number of Congress' 20,000 or so staff members began nervously to review the hundreds of operations and maintenance budget cuts they recommended to their bosses and the voluminous Committee reports that describe them. It was important for them to be able to assure themselves quickly that they could argue that their cuts should have had no impact on the relevant equipment failures if the stupid military had just done its job right.) Finally, we may even start decently paying the enlisted men and officers who volunteer to work hundred-hour weeks and to fly hundreds of miles on the deck into dark and unfriendly deserts.

But last of all, we civilians will come to the hardest understanding. We will come to realize that the armed Services aren't primarily machines, that they need more than a fee-for-service relationship with the society they are defending. "Who was responsible for helicopter maintenance on board the Nimitz?" We will ask that question petulantly and then, by the time we come to the last pages, we will—like Pirsig's narrator finally think of our sons, and look in the mirror.●

THE CRIES OF SMALL BUSINESSES

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. HUBBARD. Mr. Speaker, of the numerous letters I have received recently from owners of small businesses, I feel the following is an accurate summation of the frustrations felt by the many discouraged and threatened small business owners. At this time, I insert the text of a letter from Ronald L. Pinchback, president of Pinchback Volkswagen-Mazda, Inc., of Lexington, Ky.:

"HELP! I know you hear that a lot lately, but I mean HELP! The high interest rates are about to put us small businessmen completely out of business. If this country is to continue as a democracy, the small businessmen must have help.

I would like you to bear with me as I share some specifics with you to demonstrate my problem. Last year at this time I was paying 13.25% on each new car in my inventory and my floor plan costs were approximately $3,900.00 per month.

Today I am paying 19.50% on my new inventory and my monthly floor plan cost is $14,500.00 per month. The factory continues to pressure me to order more new cars and trucks. I am fast approaching the point where I must decide whether to put my personal assets on the line (I can get nothing more from the bank) or close my doors and lay off my 65 employees. I have already cut my payroll by 5 employees since January first.

My fellow dealers and I desperately need HELP to solve a problem which is not of our own making. We did not initiate these interest rate increases. We are a vital part of our Kentucky as well as our national economy. As an alternative to direct aid, I would like to see a moratorium on all state usury laws, at least as they apply to new and used motor vehicle loans. Sales have almost come to a complete halt because customers wanting to buy cars cannot get financing.

In closing I would only repeat that we need HELP immediately and hope that you will give our problem special consideration."

Sincerely yours,

RONALD L. PINCHBACK,
President. ●

APRIL HANDGUN DEATH TOLL REACHES 520

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. DRINAN. Mr. Speaker, the handgun war continues across the Nation. Easily concealable and easily misused handguns are used in murders, suicides, and accidental deaths. During the month of April, for instance, at least 520 Americans died as a result of handgun misuse, bringing the total for 1980 to 2,294 dead.

The handgun body count which I am inserting into the RECORD is a list of media-reported handgun deaths compiled by Handgun Control, Inc.

Handgun control legislation is a necessary and pressing concern of the Congress. Hearings are likely to be scheduled in the near future on this issue. I call on my colleagues to investigate the problem of handgun misuse in this country and to endorse the many excellent legislative proposals that are pending before this body to curb the availability of handguns. The handgun body count follows:

THE AMERICAN HANDGUN WAR DEAD, APRIL 1980

ALABAMA (13)

J. Carmichael, A. Hill, W. Martin, L. McCoy, C. Nash, C. Speakman, E. Speakman, E. Speakman, J. Thomas, K. Thomas, A. Tyre, S. Van Antwerp, R. Woods.

ARIZONA (6)

J. Glasco, D. Howell, L. Kriley, S. Liggins, B. Martinsen, J. Romero.

ARKANSAS (15)

J. Badger, R. Barnes, D. Black, B. Callaway, J. Defoure, C. Dowdy, J. Jones, C. Pilcher, J. Pool, M. Roland, A. Shavers, D. Simons, B. Thompson, A. Watts, C. Winston.

CALIFORNIA (76)

P. Adams, W. Ashford, A. Atchley, W. Bateman, R. Bell, R. Betts, H. Booth, O. Borrero, E. Boysen, R. Boysen, R. Broomfield.

L. Capi, J. Castro, K. Copenhafer, D. Diaz, L. Dokos, R. Dubrini, R. Flores, M. Fonteno, A. Frauspo, G. Gaston, R. Goodall, S. Grabl.

K. Hill, M. Holmes, D. Hopper, G. Jackson, A. Johansen, M. Johnson, T. Jones, E. Lujan, N. Lujan, G. Luther, G. Massey, S. Miller, M. Modrigal.

M. Nunez, A. Papiano, F. Paul, D. Reible, D. Remington, J. Ruando, W. Ryan, J. Salazar, J. Sanabria, R. Saunders, S. Shalom, S. Shirley, P. Smith, J. Starr, D. Stroh.

J. Teding, H. Thomas, R. Thomas, J. Torres, W. Upshaw, M. Valdez, A. Villa, W. Webb, S. Westbrook, T. White, A. White, R. Windbush, A. Yomchinda, C. Zavala.

Unidentified male, unidentified male, unidentified female, unidentified female, unidentified male, unidentified male, unidentified male, unidentified male, unidentified female, unidentified female, unidentified male.

COLORADO (16)

J. Anderson, S. Holley, M. Horta, A. Lefree, F. Lopez, M. Mitchell, M. Naye, R. Naye, E. Perez, A. Perreira, J. Snell, E. Sommers, M. Tromcoso, E. Trujillo, W. Wilson, M. Zambrano.

CONNECTICUT (6)

G. Batson, S. Blackwin, D. Brown, D. Telesha, V. Vega, J. Washcalis.

DISTRICT OF COLUMBIA (2)

R. Bland, J. Clay.

FLORIDA (35)

G. Beeler, H. Bell, D. Billard, V. Cata, R. Degroot, A. Diaz, V. Harris, G. Huff, N. Huff, P. Ianuzzi.

E. Jones, F. Lebarron, T. Lopez, C. Mathis, M. Matthews, S. Orteo, E. Regan, M. Rivera, E. Rosalin, J. Rueda.

M. Schlindwein, P. Schlindwein, R. Smiley, F. Stallings, N. Streeter, D. Sutton, J. Tillman, G. Turner, J. Urdaneta, L. Velasquez, P. Williams.

Unidentified male, unidentified male, unidentified male, unidentified male.

GEORGIA (19)

M. Bishop, T. Brunner, Sr., B. Carver, R. Cornett, J. Cox, K. Culpepper, H. Duncan, G. Grant, H. Hale, E. Hale.

M. Kuzel, S. Lowe, A. Paseur, M. Powers, S. Sawyer, R. Smith, J. Tisdale, F. Williford, Jr., unidentified male.

HAWAII (2)

E. Gaila, Sr., R. Mantor.

IDAHO (1)

G. Johnson.

ILLINOIS (12)

C. Amos, L. Chavez, J. Cooper, R. Dennis, R. Evans, K. Fisher, V. Mack, J. Martiniz, C. Milton, R. Saucer, L. Shotwell, C. Sudduth.

INDIANA (10)

D. Britton, R. Burdge, M. Cole, J. Fuston, L. Gillen, J. Hill, J. Jenkins, W. Johnson, G. Santa, P. Schalliol.

IOWA (4)

L. Cullor, M. Curtis, R. Curtis, K. O'Neal.

KANSAS (3)

D. Howard, W. Kryst, D. Ramirez.

KENTUCKY (5)

C. Dunn, M. Holden III, D. Plank, B. Randolph, R. Tolson, Jr.

LOUISIANA (13)

J. Carter, J. Griffin, R. Harmon, G. Island, R. Johnson, C. Lacour, K. Ozols, U. Ozols, M. Robinson, Jr., S. Theriot, G. Washington, M. Woods, L. Wyatt.

MARYLAND (12)

J. Brown, L. Gary, L. Chaney, D. Conley, I. Fluharty, W. Fluharty, J. Green, M. Johnson, D. Maith, E. Owens, C. Robinson, S. Witcher.

MASSACHUSETTS (5)

R. Achramowicz, L. Litif, J. McKinney, J. Wagenbach, unidentified male.

MICHIGAN (3)

R. Mallard, C. Neely, H. Sella.

MINNESOTA (5)

E. Beebe, K. Fredericks, K. Hummel, D. Milan, M. Young.

MISSISSIPPI (5)

H. Andress, J. Grice, D. Purvis, F. Riggle, L. Starkey.

MISSOURI (11)

R. Andrews, L. Erwin, D. Geisler, C. Mason, W. McFarland, J. Reester, J. Tucker, Jr., M. Walsh, P. Whiting, G. Williams, unidentifed female.

MONTANA (1)

H. Rock.

NEBRASKA (1)

B. Green.

NEVADA (8)

D. Brooks, M. Brooks, P. Favato, N. Mills, L. Nebeker, C. Spaight, Unidentified female, Unidentified male.

NEW JERSEY (6)

A. Alexander, U. Alexander, C. Hicks, M. Llano, W. Rivera-Rosa, R. Sherman.

NEW MEXICO (7)

S. Anaya, R. Gomez, R. Kuhn, J. Macotela, C. Manual, B. Tellez, L. Watson.

NEW YORK (28)

E. Bell, R. Dillingham, M. Doherty, J. Edwards, O. Frazier, P. Georges, A. Greca, N. Henderson, T. Henderson, L. Johnson, S. Kent, H. Lugo, M. McCann, M. Meclino, M. Panzer, R. Penigian.

R. Sorrentino, J. Sullivan, C. Torres, J. Torres, E. Williams, P. Zilimbinakis, Unidentified male, Unidentified male, Unidentified female, Unidentified female, Unidentified male, Unidentified male.

NORTH CAROLINA (13)

R. Hoernlen, N. Lloyd, J. Lynch, A. McClain, R. McCormick, Jr., A. Miller, E. Spencer, J. Spruill, I. Teague, J. Thompson, F. Wade, R. White, D. Womack.

OHIO (22)

W. Banks, Jr., C. Davis, M. Farr, Jr., E. Germany, A. Harris, R. Hawkins, J. Howard, C. Hughes, E. Hurry, B. Katz, J. Limle.

C. Maxey, M. Price, M. Satterfield, M. Siedlecki, B. Skaggs, R. Smith, C. Tyes, R. Vibert, V. Walker, W. Williams, T. Wooden.

OKLAHOMA (6)

L. Grayson, R. Milligan, C. Robles, R. Tipton, S. Valenti, unidentified male.

OREGON (10)

D. Almond, W. Armstrong, Jr., C. Debellis, P. Debellis, C. Hamilton, P. Ice, M. Kowalchuk, W. Kowalchuk, R. Lewis, R. Modrell.

PENNSYLVANIA (9)

D. Bertone, J. Cruz, J. Gordon, Jr., L. Gordon, A. Kiefer, P. Markus, J. Phenneger, K. Rich, C. Watson.

SOUTH CAROLINA (5)

K. Corley, R. Dawkins, R. Eudy, H. Hill, L. Nicholas.

TENNESSEE (32)

U. Adams, D. Anderson, R. Barton, T. Binbow, C. Bond, F. Bond, W. Clark, G. Coursey, J. Curry, L. Cutshaw.

T. Ellington, M. Giron, L. Jackson, A. Jones, B. Jones, M. Jones, J. Knapp, E. McBride, L. McBride, G. McCant, S. Moore, E. Morris.

F. Nichols, J. Pierson, A. Putnam, J. Ray, F. Romanoli, A. Sloan, J. Sparks, M. Stephens, R. Wallace, B. Williams.

TEXAS (75)

G. Acreman, M. Beavers, O. Bevel, R. Blakeney, B. Bosvaldo, H. Bowens, S. Brewster, A. Briscoe, J. Broussard, B. Brown.

C. Cook, A. Conrad, M. Crouch, F. Crump, R. Cruz, D. Davis, S. Davis, C. Dismuke, L. Dodd, D. Dolezar, S. Drouet, R. Engfurtner, W. Farmer, R. Fontenot.

C. Gallagher, J. Gonzalez, E. Herbert, J. Herrington, E. Higgason, J. Jimenez, G. Johnston, S. Jones, A. Kahn, R. Lee, S. Lopez, M. Luna.

D. Mann, S. Martinson, O. McGregor, A. McLaughlin, I. Medrano, A. Mendez, J. Menninger, M. Menninger, W. Mesker, R. Morris, K. Pendergraf, H. Polk, M. Ponce, E. Pruitt, M. Pruitt.

C. Raborn, S. Randall, E. Rangel, E. Roberts, A. Rodriguez, R. Rosales, D. Sanabria, T. Sledge III, C. Smith, M. Stone, O. Trotter, R. Vazquez, J. Villareal.

D. Walker, J. Walker, A. Watts, L. Wheeler, L. Wheeler, C. White, R. Whitehead, H. Zavala, S. Zavala, unidentified male, unidentified male.

UTAH (1)

R. Archuleta.

VIRGINIA (7)

K. Dixon, J. Fleming, A. Mallin, A. Millar, C. Pritchard, K. Robinson, R. Vermillion.

WASHINGTON (5)

M. Buckingham, D. Burke, G. Hicks, V. Peterson, R. Schlewitz.

WISCONSIN (4)

G. Barker, A. Kulinski, D. York, M. York.

WYOMING (1)

J. Kimball.

PREVIOUSLY UNREPORTED

January: L. Black, E. Hamby, G. Mercer, B. Phillips.

February: V. Gowin, A. Rodruguez, O. Roldan, D. Valdez.

March: P. Brown, C. Broxie, G. Flores, S. Green, C. Hardison, G. Journey, L. Kohlleffel, G. Monahan, C. Royals, W. Stanley, V. Stegall, W. Watson, unidentified male.●

MEMORIAL DAY ADDRESS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. SKELTON. Mr. Speaker, former Congressman William J. Randall, my predecessor in the U.S. House of Representatives, recently delivered the Memorial Day address at the Woodlawn Cemetery in Independence, Mo., under the sponsorship of the Patriotic Council of Independence.

The speech is a thorough discussion of our defense needs. I urge my colleagues to read it, as Mr. Randall is a former member of the Armed Services Committee of this body.

A copy of his address is as follows:

Memorial Day 1980—A Time To Honor the Past and Think About Our Future

Thank you for the invitation to be your speaker. It's a privilege and an honor. You should congratulate yourselves for your presence here, not because of any wisdom you will hear from me but because you are observing Memorial Day as it was intended. This day was set aside to be a solemn holiday rather than the recreational use so prevelant today.

Most Memorial Day speeches give a history of the day, reciting that the day was first known as Decoration Day. The first observance was in the South by such organizations as the United Daughters of the Confederacy. Observations spread northward under the leadership of General Logan, First Commander in Chief of the Grand Army of the Republic.

Memorial Day is appropriately a time to pause to pay tribute to our dear departed. It should also be a time to think of patriotism, and consider the condition of our nation. It should be a time to take inventory of ourselves and look at what appears to lie ahead—in the future.

You've asked me to speak at a difficult period in our history. It's hard to correctly analyze current events. It's equally hard to make an accurate and somewhat intelligent appraisal of the impact or consequences of today's happenings. I'll do my best under the circumstances.

Before I make any further comments let me emphasize that anything I say or any references to our government is not intended to be partisan. National defense is too important for partisanship.

We're living today in a dangerous and perilous world. There are hazards on all sides. Nothing seems to be safe or secure anymore. All at once everything has become unravelled. Most of us thought Murphy's Law, which holds that "Everything that can go wrong will go wrong", applied only to the lives of individuals. Now it seems the so-called law applies to our Nation and particularly our foreign policy. Troubles have descended upon us at the time we find we are unprepared to cope.

It is sad, but it is true. We simply do not have the muscle to do much about Iran. When the President asked the Secretary of Defense recently about our military capabilities in the Middle East, the Secretary responded to say we could move a Brigade of Marines there for a short term presence, but that it would be exceedingly difficult to sustain this presence for a long duration.

As a starting point for an analysis of our serious problems in foreign affairs and military preparedness—we should carefully consider the consequence of a trend which when put into words cannot be successfully challenged or refuted, namely: *The Soviet Union is engaged in the greatest sustained peacetime military build up in all history.*

The next step this morning, is to try to settle any arguments or differences of opinion about the state of our military preparedness in comparison with that of the Soviet Union. Are we superior? Are we on a parity? Or are we in fact inferior? So that you will not have to rely on hearsay or any but a high authority—I quote from testimony given by Secretary of Defense Harold Brown before the House Armed Services Committee early this spring. I quote, "The United States has already slipped into a position of relative inferiority in the important area of strategic forces and also in tactical nuclear capability."

There you have from the highest authority—the Secretary of Defense, a statement which should leave no doubt. This is the first official admission by a high ranking government official that we are inferior to our major adversary.

How did we fall behind? When did it happen? The answer is we began our slippage and started the decline into inferiority shortly after Vietnam. We poured ¼ trillion dollars into military resources—for Southeast Asia. Translated—that's $250 billion. Sadly most of what we bought is still there in the jungle. During that same timeframe the Soviets spent over ½ trillion or $600 billion on hardware or weapons systems. They still have theirs—ready to use.

Just after the Vietnam war we embarked on a course of gradual unilateral disarmament. We labeled it "detente". We announced we were going to show the world our genuine interest in peace. We hoped the Soviet Union would emulate our course. We expressed a willingness to be content with military equality or military parity with the worlds other great super power.

Our diplomatic vocabulary was filled with such words as "cooperation", "negotiation", "mutual understanding", "relaxation of tensions". We were confident there would be no more "strained relationship between nations". All the while the Soviets continued new military build up.

I'll cite just a few statistics concerning the comparison of military strength of the United States vis-a-vis the Soviet Union: In manpower the ratio is 4 to 1; They have 4 million troops—we have 1 million; In tanks—its 55,000, Soviets, to 11,000 United States; In Intercontinental Ballistic missiles the numbers are 1,400 Russian to 1,000 United States. The ratio of fighting ships is 1,800 (Soviets) to 450 United States. In merchants cargo ships the count is Soviets 1,700—Americans 1,100. Only in the category of helicopters do we have supremacy 7,800 to 3,800.

Without any more statistics, but to illustrate the sad condition of our armed forces, I'm sure you read recently that a missile-landing frigate could not muster enough trained naval personnel to sail out of port at Newport News, Virginia. Then just within the last two weeks—the media reported that the Commanding General over all the National Guard when asked about the combat readiness responded, "the combined Guard does not have enough fire power to defeat Snow White and the seven dwarfs."

Well, what can we do about our deplorable military posture? The only sane, sensible response is to hurry to renew, replace, rebuild and increase our military hardware in the shortest possible time. Such a response leads us directly to the matter of priorities.

My own judgment of the sequence of priorities would be:

(1) Increase strategic capability by building the new M-X land missile and also the cruise (airborne and submarine borne) missile.

(2) Add the new XMI main tank to our inventory.

(3) Build up our navy with new guided missile destroyers, patrol frigates, Trident submarines and cargo ships for the RDF (Rapid Deployment Force).

(4) Order new F-14, F-15 and F-16 fighter aircraft and also some A-10's.

(5) Increase funding for maintenance and some adequate funding for gasoline and ammunition to allow continued training.

(6) Modify the present Volunteer Army into what has been proposed as a so-called zero draft.

(7) $1 billion a year for Civil Defense.

If I were required to pick out one or two of the very highest priority needs—I believe I'd single out the urgency for a build up of our navy. The Soviet Union has built a large Blue-water navy in the last ten years. We have very little naval power to checkmate this new Soviet Naval strength. The new Russian Navy has been likened to an anaconda, which is the giant South American snake that squeezes its victims to death. The Soviet Union plans to squeeze the "Narrows" of the world. The power that controls the narrows—controls the adjoining land masses. The most important "narrows" are: the North Sea, Straits of Gibraltar, Suez Canal, Straits of Hormuz, the Mozambique Sea Lane, Straits of Malacca, and the Panama Canal.

As a surprise to some—I'd put very high on my list—with a most urgent need—heavier funding for Civil Defense. In 1972 both the United States and the Soviet Union entered into the ABM Treaty—banning hereafter all antiballistic missiles. The result was that each population was made hostage to the missiles of the other nation. We were hostage to their ICBM's and we thought they would be hostage to our ballistic missiles. But the Soviet Union set out to immediately develop an elaborate civil defense system coupled with compulsory dispersal of industry. Our intelligence estimates our major adversary can now absorb the strike of a substantial portion of our ICBM's and save from 60 to perhaps as much as 70% of their population. Our own Congressman Ike Skelton is to be commended for his interest and work on civil defense. He has been successful in his efforts to increase funding for civil defense. We need at least $1 billion a year for direct funding of civil defense and to be accompanied by an enactment that would make compulsory training in civil defense from high school age to 60 years of all of our entire civilian population for at least once every week.

The problem of military personnel or rather the lack of quality personnel in our present voluntary army must be addressed at an early date if we are serious about any kind of catch-up with the Soviet Union.

I'm aware this is a controversial subject. I'm mindful to talk about modification of the volunteer army is like entering a political thicket. But if you could see and study the I.Q. tests of our present voluntary army you'd agree there must be some change. The armed services simply can't compete in the market place for men willing to face the hazards of a war. You can't expect volunteers to always be of a level of intelligence to operate our new sophisticated weapons. In the market place you have to pay a minimum of $25000 a year to get a steeplejack to climb our tallest buildings. We simply can't pay every private $25000 a year. As it is, we put out over 60% of our defense budget for military personnel. That does not leave very much for sophisticated weaponry. The worst feature of our volunteer army is that it is now made up for the most part from the underprivileged segment of our society—whereas the army should be composed of a cross section of society.

The proposal called "zero draft" would reenact the draft and the selective service system. It would make use of a lottery system. Those with a high lottery would do 3 months of basic training provided they joined the National Guard or the Reserves on completion of that 3 months. If the choice was to decline service in the Guard or the Reserves, those with high lottery numbers would be drafted for one year and then take membership in the Guard or Reserve. The word "zero" contemplates very few or nearly zero-numbers would wait to be drafted for 1 year.

What about women? My answer is they are still ladies. They should not be forced into combat. On the pay level after modifications away from the volunteer army concept—I would propose a minimum wage level of pay with graduated categories of pay for experienced technicians.

All of the priorities I have listed will be costly. To catch up with the Soviet Union in military strength will cost 1 trillion dollars a year for the next 5 years. To comprehend the magnitude of a trillion dollars is to write the numeral one and then add 12 zeros to the right. One trillion is the same as 1,000 billion. That is a ton of money.

Can we afford such a price tag? The answer is "yes" according to some of our leading economists including Paul McCracken. In 1979 we spent 4.6% of our gross national product on defense. In the past we've spent over 10% of GNP without any strain on the economy. The Soviets spend between 16-18% or maybe even 20% of their GNP on defense. We are not sure because they never let the world know their expenditures for their military.

A question that I think must be faced and answered is: Do we have the will to continue to spend what is needed to move out of the status of inferiority in comparison with the Soviet Union? I would hope the answer would be "yes" but I must say the true answer could be "maybe".

In the House of Representatives on May 1st an amendment was proposed to add $5.1 billion to the defense budget. It suffered an unexpected defeat, 164 ayes to 246 nays. I'm glad to be able to report my successor in the House, Ike Skelton voted "aye". He was one of the four in the Missouri delegation who recognized that the only way we can make up for lost time or close the gap between our state of military preparedness and that of the Soviets is to start now. I applaud him. I salute him. You should take the time to thank him for a courageous vote.

On the broader struggle within the budget between "guns and butter", or the contest between dollars for defense and dollars for social programs—we should recognize that some social welfare programs are needed and on the other hand some are not. But one thing we should never forget is that the most important social program of all—with the very highest priority, is self survival. Without a free country, all social welfare programs are meaningless.

The situation in Norway during the first years of WW II should be an example not to be forgotten. Norway had national health insurance, cradle to the grave. There were all kinds of housing subsidies from the government. Many of the industries were nationalized. Then came WW II. The Nazi war machine walked into Norway and subjugated the country in two days because the country had no defense to prevent the invasion. All of the social programs were of no help.

There is a postscript to the story, as chairman of the NATO subcommittee I had occasion to visit Norway several times. There I learned that when the good Norwegians had time to think—while under the Nazi yoke—they realized their misery was due to the benevolence of the national legislature. They began to see that members of that legislature in order to be re-elected, provided the country with popular social programs to the total neglect of Defense. They had time to think and to carefully assess and assign the blame for their suffering. It was not long until the bodies of several members of the legislature were found hanging from trees.

Within the last forty years our country has built up its Defenses in three instances—at the time of WW II, Korea, and then Vietnam. After all three emergencies were over we promptly dismantled our military. We disarmed ourselves. Our level of preparedness within the last forty years has gone up and down like a column of mercury in a thermometer, or like a yo-yo on a string.

My late chairman of the House Armed Services Committee, Mendel Rivers of South Carolina, said repeatedly—"there is no education in the second kick of a mule." The American people have been badly kicked in several instances but they never seem to learn the lesson of the necessity for constant preparedness.

The late Chairman Rivers was also responsible for the quotation, "There is no second prize in National Defense." The late John F. Kennedy in 1963, not long before his assassination, made a similar statement, "There is no first and second place in terms of military power or defense deterrence, only first and last. We cannot afford to be last, because then there is no one left to be leader of the free world." Another great American, Teddy Roosevelt, said in 1913, "Speak softly and carry a big stick." Today, we've reversed that admonition. Now we talk tough and threaten what we will do—when we have a very small stick—not at all adequate in today's world.

The dear old gentleman, Uncle Carl Vinson, now 88 years of age, who was Chairman of the House Armed Services Committee for many years, said before his retirement—"The most expensive thing in the world is a cheap army and navy. History clearly show—weakness invites attack."

For my own part I've always believed in the old cliche, "you get what you pay for." This has been proven true because our present military impotence or lack of overall preparedness has been bought by the stingy defense budgets of the past decade.

During the debate on the House floor on May 1st this year, Mr. Henry Hyde (R. Ill.) made a pronouncement that was in my judgment most accurate—"to deceive ourselves that we can save money and thus turn our swords into plowshares, as long as the spirtual descendants of Ghengis Kahn roam the world, is expressing our own death wish. Unilateral disarmament is such a great folly, it could spell the end of America and therefore the end of freedom."

If I have sounded a note of pessimism during these remarks—or if I have seemed to hint that nuclear exchange with the Soviets is not too far off, let me correct that impression. The recent successes of the Russians indicate that the last thing they want is a war. Why should they? They seem to be achieving their goals without any losses except perhaps a few now in Afganistan.

We must all realize there is no way we can quickly catch up with the Soviet Union. Weapons have to be designed before they can be made, and all of this must come before deployment. The new Chairman of the Senate Budget Committee Sen. Fritz Hollings (D.-S.C.) commented recently—"We should put the idea out of our minds that we are equal to the Soviet Union in Defense and that we are trying to run up the score. The truth is we will be playing 'Catch up' ball for a long while."

Senator Pete Domenici (R-N. Mex) Ranking Minority member of the Senate Budget Committee, on the point of whether we can afford a strong defense said on the Senate floor the following—"With a country as great as ours, with 3 to 3½ times the productive capacity of the Soviet Union—we should be ashamed of ourselves to be behind the Soviets in all kinds of conventional weaponry—planes, tanks, Navy and just about everything else"—

What, then, should we do or rather what do we have to do when we are so inferior to our major adversary? The answer is to work—work very hard. Figuratively speaking we must roll up our sleeves. I think we will have to realize we will have to do the job ourselves. Our allies know we have fallen behind. They know our protection is unreliable. They will be careful not to annoy or antagonize the Soviet Union. We may have to be patient with them. For our part we will have to make smarter use of our diplomacy. There will have to be a deft handling of touchy situations. We must be skillful to avoid provocation of the Russians to the point of military action. Good advice was offered recently by Senator Scoop Jackson (D-Wash.) when he commented "We must lower the decibel level of our rhetoric. Issuing tough statements and then backing down is no way to deal with the Russians. In Moscow actions speak louder than words"

There is no doubt that we are in a protracted struggle. We must work and work to become strong again—just as fast as we can. The hour is dark. Yet there is still time. Twenty-five hundred years ago Athens was about to be overrun from the north by Phillip of Macedonia. In 500 BC, Demosthenes, the greatest orator of all time, said something to the Athenians that applies to ourselves in 1980—"Oh Greeks, black as is the peril, you are not defeated. Your greatest fear is that you have not bestirred yourselves. If you do bester yourselves, the enemy does not exist who can conquer a free people. When you become ready to defend yourselves, your peril will pass."

If we begin now, without delay, to work hard and fast to build a strong defense, pray God it may prevent a third world war.●

GARY H. RABINER

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. GRADISON. Mr. Speaker, on June 10, 1980, Gary H. Rabiner, a prominent Cincinnati businessman and leader in the Jewish community, will be honored at the Cincinnati B'nai B'rith's "Guardian of the Menorah" luncheon.

Mr. Rabiner is a member of the board of overseers of the Hebrew Union College in Cincinnati. He also serves on the boards of the Cincinnati Chapter of the National Conference of Christians and Jews, the Jewish Community Relations Council, the Cincinnati Chapter of Technion, the Jewish National Fund, the Cincinnati Jewish Hospital, and the Rockdale Temple Brotherhood, having also served as its president. In addition, he has served as a member of the executive committee of the Jewish Federation, volunteer chairman of the United Appeal for Amberley Village, president of the Culver Club in Cincinnati, and as trustee for the United Israel Appeal and a member of the executive committee of the United Jewish Appeal.

Mr. Rabiner and his wife, Letty, have been honored by the Jewish National Fund by the creation of the Gary and Letty Rabiner Family Forest in Jerusalem. He is also a member of the Israel Bonds Prime Minister's Club.

His involvement in all of these programs indicates how deeply he cares for his fellow human beings. As a member of B'nai B'rith Cincinnati Lodge No. 4, he is an active supporter of the B'nai B'rith youth services program. Funds raised in his honor help to support the B'nai B'rith Youth Organization for teenagers and the B'nai B'rith Hillel Foundation for youth at college.

Mr. Speaker, I join with Gary Rabiner's many friends in Cincinnati and across the Nation in saluting his achievements and his well-deserved tribute as "Guardian of the Menorah."●

INTERVIEW WITH UAW PRESIDENT FRASER

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. WHITEHURST. Mr. Speaker, Mr. W. Gordon Dillon, editor and publisher of the Virginia Observer, of Norfolk, Va., recently printed an article quoting from an interview which he had had with Douglas A. Fraser, president of the United Auto Workers.

Mr. Dillon sent me a copy of the article, and because Mr. Fraser has raised some interesting points, I am pleased to share this information with my colleagues at this point in the RECORD. The article, from the Friday, May 16, 1980, Virginia Observer, follows:

TAX FOREIGN CARS TO EQUAL U.S. ENVIRONMENTAL COSTS

NORFOLK.—In an exclusive interview with the Virginia Observer, United Auto Workers President Douglas A. Fraser said the U.S. Congress should place an import tax on foreign cars and products to equal the evironmental costs incurred by American industries * * * costs that are escaped by foreign firms who export their goods to the United States.

Fraser said he was in "agreement" with a LaFollette like tax to "equalize the costs at the water's edge".

The U.S. Environmental Protection Agency has demanded that the Norfolk Ford Assembly Plant, which has a $15 million dollar book value, to install $187 million dollars in controls to reduce paint fume emissions. Similar demands are being placed on all other U.S. manufacturing facilities.

The 55 year old Fraser Said, "Obviously, I think (the Congress) must look at the competitive disadvantages" American industry faces because of costly controls. He added, "And I think it is within reason" for the Congress and the people "to look at some sort of tax to equalize the foreign competition".

Fraser's controls are similar to the late Republican U.S. Senator Robert LaFollette's advocacy of import fees on imports equal the difference between U.S. and foreign wages.

Fraser would have only the costs of controls to be the import tax factor on foreign imports.

While printed reports claimed that the UAW warned the U.S. Auto Industry to switch to small cars back in 1974, the erudite union leader blamed "the sudden, dramatic switch to small cars" because of the March-June gas cutoff and long lines of 1979.

He said "no one could have predicted the mad change in buying patterns in 1980", because "people were still buying (standard sized) cars * * * 14 months ago".

He said that the American auto industry could meet the challenge from foreign imports. He added, "What we are advocating is that the Japanese restrain themselves (by limiting imports) between now and 1983, and then we'll compete with them head to head once our industry is converted" to producing smaller, lighter, fuel-efficient cars.

He warned that the U.S. auto "industry needs from now to 1983 to turn it around. You can't turn on a dime. It takes an enormous amount of lead time" to switch production facilities, change car designs, switch to "transaxles" for front-wheel drives and "four cylinder engines."

Fraser praised the Ford Motor Company for its willingness to install $8 million dollars in devices to reduce paint fumes at its Norfolk plant.

The EPA has set a 30 percent reduction in hydrocarbon emissions in the Tidewater area by 1982. The Ford reduction of 40 percent exceeds the local dictate.

Fraser said, "It seems to me that Ford is doing its fair share to reduce the emissions" * * * in the Norfolk area. He indicated that the EPA should approve the Ford plan rather than imposing impossible controls.

He said that while some in the UAW are advocating that Datsun and Toyota build plants in the U.S. * * * he doubted whether or not the EPA would approve the construction.

Fraser said, "The same EPA standards must apply to them, and some people are suggesting that this is why" the Japanese "are delaying making a decision" to build U.S. plants.

He said he was familiar with the VW and GM cases.

Volkswagen was delayed by the EPA from opening its Pennsylvania plant for over two years because of "paint fumes."

General Motors sought to build a new, modern plant in Pontiac, Michigan, and Fraser said the plant was "blocked" by the EPA environmentalists, not because of pollution, but because they say it will destroy what they call "the landscape."

He added, "Well, then you have to make a decision * * * which is most important? To see a rolling hill or have 7,000 jobs?"

Answering his own question, he said, "That decision is clear. Seven thousand jobs are more important."

While saying that he wanted to protect the environment, Fraser said that the standards should be set by the Congress by their laws, and not left up to EPA bureaucrats who can issue rules and regulations, which have the effect of laws.

Fraser said, "I believe in the legislative process. The important decisions of the day should be made by people who are elected rather than people who are appointed. That's a fundamental democratic concept."

Fraser also called for the development of domestic energy sources.

He said he was familiar with President Jimmy Carter's $10,000 investment in a process that turned peanut shells into oil.

Carter's investment is now worth over $150,000.00.

Fraser said the UAW is pushing oil from U.S. shale deposits. He added, "We are pushing shale oil. It has great possibilities. I would certainly be for developing shale rather than depending on OPEC for the rest of my life".

He dismissed claims that vapor carburetors could give 100 miles per gallon, or that redesigned transmissions could give 70 mpg.

Fraser said such claims "ought to be looked at with a jaundiced eye", because "they are never as they are claimed to be".

He said that if the inventions were proven, the desperate Chrysler Corporation would "grab" the patents to save itself.

Fraser concluded that if the inventions existed, "we wouldn't have any more worries in terms of importing oil."

"It would correct our balance of payments. It would reduce inflation." He said, "The answer is that there isn't any such animal", like a 70 mile per gallon car or a 100 mpg carburetor.

Fraser was in Norfolk last week to address a meeting of the United Community Fund, where 50 union members received graduation certificates as trained UCF counselors.

Fraser also visited the Norfolk Ford Plant, met with the UAW Local 919 executive board and addressed retired members of Local 919.●

ENERGY POLICIES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. WYDLER. Mr. Speaker, I would like to bring to the attention of my colleagues a cogent essay from the April 11, 1980, edition of Science magazine by Philip H. Abelson, the editor of that magazine, entitled "Energy Policies of the United States and U.S.S.R." The essay points out that our "decade-long self-centered energy policy that has ignored legitimate needs and interests of the rest of the world" and our "abdication of world leadership with respect to nuclear energy" are much more enduring factors in our national deterioration than the "inept day-to-day conduct of foreign affairs" under the Carter administration.

The article confirms the conclusions I have arrived at during my energy discussions with our allies and adversaries around the world. In the 15 countries I have visited, it is crystal clear that we have lost billions of dollars of sales for American industry and the related influence we might have on their nuclear affairs. We can no longer treat ourselves as an energy island. If we are unwilling to assert ourselves as the leader of the free world for energy matters, the vacuum may be filled by an ally but more likely by the Soviet Union. Abelson points out that the Soviet Union is supplying Austria, Switzerland, northern Italy, southern Germany, and southern France with natural gas and that Poland is now shipping coal to France. Austria, Belgium, Finland, France, Spain, Sweden, and West Germany have obtained or are obtaining separated uranium from the Russians. Even the Argentinians have purchased fuel cladding machinery from the Russians. Thus, the Russians have the ability to make these nations freeze in the dark; is it any wonder that American initiatives in foreign policy are getting lukewarm support from our allies? It is time that we admitted that the Carter administration antinuclear, no-growth energy policy is not only naive, but also involves not-too-subtle threats to our national interest and security.

The complete text of the Abelson essay follows:

ENERGY POLICIES OF THE UNITED STATES AND U.S.S.R.

The prestige of the United States has declined sharply during the past few years. In some circles these losses have been attributed to inept day-to-day conduct of foreign affairs. But there are other, more enduring factors behind the deterioration that have received little media or political attention. One factor is a decade-long, self-centered energy policy that has ignored legitimate needs and interest of the rest of the world. Another factor is abdication of world leadership with respect to nuclear energy.

During the 1970's the United States massively increased its imports of oil, and this was a major cause of a tenfold increase in world oil prices. In 1972 imports of oil and its products were 4.5 million barrels per day; in 1973, 6.2; in 1977, 8.8; and in 1979, 8.1. In contrast, the Soviet Union did not compete for oil but instead became a supplier of energy to Western Europe.

Energy has become crucial in diplomacy and national well-being. We have become aware that we are vulnerable to a partial interruption of oil imports. For us imported oil represents only 19 percent of total energy consumption. Many other countries are far more dependent on energy imports. In 1976 the total energy dependence of France was 78 percent; West Germany, 54 percent; Italy, 81 percent; and Japan, 86 percent. In large measure their dependence rests on imports of oil from the Middle East. When other countries adopt policies toward the U.S.S.R. and Arab countries that are different from those of the United States, one should not be surprised.

Oil is not the only energy import of Western Europe. Two years ago, while in Austria, I visited an impressive energy installation not far from the Czechoslovak border. The facility is the control center for the major pipeline that transports natural gas from the Soviet Union to Western Europe. Natural gas is dispatched to Austria, Switzerland, northern Italy, southern Germany, and southern France. Some gas is stored underground in Austria, but if the Russians stopped the flow of gas at the beginning of a heating season, many homes would be without heat.

In an effort to lessen dependence on oil, some of the countries of Western Europe—notably France—have begun to replace oil by coal. France has little coal, and what it has is expensive to mine. So coal must be imported. A major source of this coal is Poland.

Efforts of the Carter Administration designed to curb nuclear proliferation, while having a desirable goal, have been counterproductive. For many years the United States was practically the sole supplier of partially separated uranium for use as fuel in nuclear reactors. But in 1977 the Administration attempted to enforce regulations that other countries found onerous. Austria, Belgium, Finland, France, Italy, Spain, Sweden, and West Germany have obtained or are obtaining all or part of their separated uranium from the Russians.

Understandably, the French do not enjoy being vulnerable to sudden changes in policy of others and they have urgently sought to lessen their energy dependence. They have programs for conservation and solar energy, but have concluded that they must rapidly expand their use of nuclear energy. They have progressed far with a total nuclear program that includes a major isotope separation plant, many light-water power reactors, successful breeder reactors, successful commercial fuel reprocessing, and radioactive waste disposal. The isotope plant, which is already partially on stream, will have a capacity equal to that of our Oak Ridge facility. In the breeder reactor program the French have had several years of successful operating experience and are world leaders.

The United States has lost leadership in nuclear energy and much of its ability to influence the nuclear energy policies of others. We have opened the door wide for an enhancement of Russian influence in Europe. Simultaneously, our drain on world oil has caused severe financial problems for us and even greater ones for the rest of the world. It is time that we considered where such a performance is taking us.●

STATEMENT OF JOHN BREAUX (D., LA.), CHAIRMAN, SUBCOMMITTEE ON FISHERIES AND WILDLIFE, CONSERVATION AND THE ENVIRONMENT, ON A BILL TO IMPOSE A TARIFF ON IMPORTED SHRIMP

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. BREAUX. Mr. Speaker, today, I am introducing a bill to impose a tariff on imported shrimp. I believe that this measure will fairly and equitably assist U.S. shrimp fishermen in the Gulf of Mexico who are suffering severe economic hardships.

The plight of our gulf shrimpers, who last year contributed $324 million to our national economy, fully 24 percent of our domestic harvest, is principally a result of the importation of foreign shrimp. These imports come first and foremost from Mexico, where shrimpers pay about 17 cents per gallon for fuel. A rate that must represent a direct or indirect Government subsidy.

Our shrimpers, on the other hand, pay over 95 cents per gallon. They have testified before the Subcommittee on Fisheries and Wildlife Conservation and the Environment, which I chair, that they cannot compete with the subsidized foreign imports. At least 75 percent of our shrimp fleet of some 4,000 vessels are tied to the dock. Many of our shrimpers face financial ruin. Unemployment is soaring. The Federal Government may confront up to $36 million in defaults on vessel mortgages it guarantees under title XI of the Merchant Marine Act of 1936.

I have introduced H.R. 7039, the American Fisheries Promotion Act, which is intended to provide, among other things, short-term financial assistance for the most heavily impacted fishermen, not only in the gulf, but also in other regions where fuel prices, soft markets, and other economic conditions are creating serious difficulties for the fishing industry. However, this solution is not enough. Recent hearings before my subcommittee demonstrated that a more focused effort is essential to assist the gulf, where import pressures are said to be particularly devastating. Therefore, the bill I am introducing today would impose a 5-percent duty on imported shrimp. This would help to offset the unfair economic advantages of foreign fishermen, particularly of the Mexican shrimpers.

Other U.S. fishermen may also be facing severe difficulties as a result of subsidized imports. They should regard my proposal as a signal to bring their problems to the Congress.

I am requesting hearings on my proposal before the Ways and Means Committee at the earliest possible time. I believe that swift action is needed.●

UPDATE ON COAL AND AMERICA'S ENERGY FUTURE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. MURTHA. Mr. Speaker, it should be noted that with the recent House-Senate agreement on plans for a major American synthetic fuels program, the key elements of the energy program called for by President Carter last July 15 are nearly in place.

After a week's retreat at Camp David, the President outlined in a nationally televised speech a number of key energy actions. Working together, the executive branch, Congress, and the American people have made significant progress.

The recent highlights include:

WINDFALL PROFIT TAX

Signed into law, this tax on profits which result to oil companies through no effort of their own will raise $227 billion over the next decade, primarily to be used for energy research and development of energy programs.

SYNTHETIC FUELS PROGRAM

This represents a potential commitment of $88 billion over the next 12 years to turn coal and other products into oil. It will use loan guarantees and price supports and call on private industry to develop the technology that will allow America to use its own energy resources.

ENERGY MOBILIZATION BOARD

In its final stages of approval, this plan would give an exclusive Government Board the authority to speed up energy projects vital to our country. The Board could cut through redtape and bureaucratic delay with authority to make the decisions themselves if the Government fails to act. In a key agreement by the House and Senate, projects switching public utilities from oil to coal will automatically be eligible for the "fast track" through the Government. Finally, the Board will have the power to recommend specific project environmental changes to Congress and the President if required to stimulate a key project.

CONSERVATION

The President called on Americans to conserve, and they have. For the first 4 months of 1980, total demand for petroleum products was down 9.1 percent from the same period a year ago. Coupled with increased production in the United States, oil imports were down by an estimated 12.1 percent for the first quarter of the year. That conservation must continue and increase because we are still dependent on too high a level of foreign imports, still held captive by OPEC. Also, we must face a fact which became clear in a poll I conducted of the 12th Congressional District last year: Americans are conserving primarily because of higher prices, not because of a conservation ethic. The conservation gains we must make are likely only as the price of fuel increases

ENERGY ASSISTANCE

For the middle-income taxpayer, Congress approved new authority for the Secretary of the Treasury to add to the list of conservation items around the home eligible for a tax reduction. For the poor and aged living on small, fixed incomes, Congress approved a program of aid to persons who simply could not afford the winter fuel to heat and cook. Last winter it saved thousands of families. It has some rough spots that need reforming, but the principle is correct.

Coupled with the first national energy plan passed in 1978 which freed new supplies of natural gas, stimulated building conservation, and started a new program of electric rate reform, we have come a long way in a very few years.

Key steps, of course, remain to be taken. A year after Three Mile Island's incident, we remain unsettled as a Nation on the future course of nuclear energy, and no real energy plans stretching for the decades ahead can be made prior to that decision. We have not totally coped with the energy-economic combination which has severely affected our national economy and our individual checkbooks. We have not moved fast enough on improving mileage of American-made cars, although without the auto mileage demands passed by Congress, the industry would be totally devastated today. Commitments to mass transit in many large cities still need emphasis. Other examples can be found.

But clearly the next key is coal. The recent MIT independent study showed clearly that coal must be used and can be used, in fact, will be more economical than other options and can be used safely and environmentally. With 7 months remaining in 1980, what should our coal priorities be?

1. UTILITY CONVERSION

As one of the 18 original cosponsors of the administration's plan for converting electric utility plants to coal from oil, I firmly believe this is the top priority. It is our best short-range hope for getting miners in the Northeast back to work. It is our best hope for a quick displacement of large additional supplies of imported oil. It must be done with Government backing, and it must be done with a firm commitment to the highest environmental standards, but it must be done. Let there be no mistake, the course through Congress will be a tough one as many of my colleagues have very legitimate concerns about the proposal, but I am confident these problems can be worked out.

2. EXPORTS

I have written to Deputy Secretary of Energy John Sawhill requesting an enlarged program to sell our coal overseas. Many European nations rely on coal and are dwindling their supplies of easy-to-reach coal. Our export program must be vigorous. In the 12th Congressional District of Pennsylvania we recently signed a contract with South Korea to open new metallurgical grade coal mines. Exports represent another potential quick solution to coal unemployment.

3. ACID RAIN

Those of us who support coal cannot ignore the very real environmental concerns, particularly relating to acid rain. The synthetic fuels bill contains new authority for acid rain research. I have written to Environmental Protection Agency Director Doug Costle asking for a firm agency commitment to solving this problem. I have also asked the Energy Department for investigation of a plan proposed by Penn State Mines and Mineral Industries, Dean Charles Hosler to solve acid rain problems.

4. TRANSPORTATION

The height of irony would occur if we are ready to burn coal and cannot move it to market, but that possibility exists. We must begin now to lay the transportation network to move future coal supplies. A bill I support, approved by the House Surface Transportation Subcommittee, would use some of the windfall profits tax revenue to build and repair energy impacted roads, such as coal haul roads. Governor Thornburgh and Conrail officials are working with us to improve the Port of Philadelphia as a major coal export terminal. Rail transit remains inadequate, and we need a firm, long-range plan in place.

5. RESEARCH

In the Interior Appropriations Subcommittee, I offered amendments totaling $34.9 million to add to the budget for coal research. We must continue to study the most efficient, effective, and productive ways to mine, move, and burn coal. The total budget for fossil fuels research reported by the subcommittee totals about $750 million.

6. STRIPMINING

I have held several meetings with officials of the Office of Surface Mining and local coal operators to work out problems with administration of the system. Congress is most unlikely to pass amendments to the law this year. That means we must continue to work to improve administration and urge Pennsylvania to pass the necessary legislation to assume primacy, to direct enforcement of the law.

We have done a great deal in a relatively short time. We have an ambitious program ahead of us. I am very disappointed the progress on coal has not been faster. I ache over the unemployment I see each week in central Pennsylvania coal fields, and its effects on families who are my long-time friends. The energy plan for the Nation is developing, it is falling into place. Now, the next step is more work on coal—we must move decisively and firmly; it is essential for the 12th Congressional District and the Nation.●

AMERICAN FARM BUREAU FEDERATION SUPPORT OF SENSENBRENNER-VOLKMER AMENDMENT TO H.R. 5200

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. SENSENBRENNER. Mr. Speaker, I would like to make a part of the RECORD this letter, dated May 30, 1980, from the American Farm Bureau Federation stating support of the Sensenbrenner-Volkmer amendment to H.R. 5200.

The letter follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., May 30, 1980.

Hon. F. JAMES SENSENBRENNER,
U.S. House of Representatives
Washington, D.C.

DEAR CONGRESSMAN SENSENBRENNER: The American Farm Bureau Federation, representing over 3.2 million member families, is concerned about a provision in H.R. 5200, the bill to amend Title VIII of the Civil Rights Act of 1968, which we believe provides unwarranted land use control by the federal government.

This provision is Sec. 811 which establishes, within HUD, an Administrative Law Tribunal to review cases of alleged discrimination.

Farm Bureau has two concerns regarding this provision:

(1) Sec. 811 would affect local zoning and land use practices by involving HUD in deciding cases of alleged discrimination by such local decisions. We oppose federal intervention in local zoning and land use practices; and

(2) We believe there are ample remedies for discrimination cases in the present judicial system. The HUD Tribunal would not provide a better system, but would only provide more government bureaucracy. In addition, the Tribunal would not serve victims of discrimination since it could not award damages.

Farm Bureau has strongly opposed land use control efforts in the past and we urge support for your amendment to strike Section 811.

Sincerely,

VERNIE R. GLASSON,
Director, National Affairs Division.●

CHOLESTEROL DOES COUNT

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. BOB WILSON. Mr. Speaker, I introduce for printing in the RECORD an editorial on the continuing debate on cholesterol.

[From the Washington Post, June 2, 1980]

CHOLESTEROL DOES COUNT

"Toward Healthful Diets," the new report of the Food and Nutrition Board of the National Academy of Sciences, not only has increased public confusion over proper diet. It has also soiled the reputation both of the board and of the academy for rendering careful scientific advice.

Its key topic is fat and cholesterol consumption. Offering no new evidence or analysis, the report draws an opposite conclusion—that Americans should not try to lower their saturated-fat and cholesterol intake—from that reached by virtually every other major medical and public health organization. Though it is nowhere noted, this contradicts the board's own report of just a few months ago—"Recommended Dietary Allowances"—which urged that total fat intake "be reduced so fat is not more than 35 percent of dietary energy." Dietary energy means calories and, on average, Americans get 40 percent of their calories from fat.

Why the contradictions? Atherosclerosis—thickening of the arteries—and its complications (together known as cardiovascular disease or coronary heart disease) are the leading causes of death in this country. A large body of evidence strongly suggests that high levels of cholesterol and a related type of fat known as LDL in the blood are often associated with atherosclerosis.

It is generally agreed—until this latest report, it was unquestioned—that the amounts of saturated fats (those from animal sources) and cholesterol in the diet are related to the levels of cholesterol and LDL in the blood, and that reducing the one will lower the other. Experts are puzzled that this report casts doubt on that relationship, or they flatly disagree. Countless patients who have seen their own cholesterol and LDL levels fall as they follow a doctor's prescribed diet are baffled, too.

True, while all the evidence points in one direction, the key link is still not proven: whether alterations in the diet will definitely reduce the incidence of atheroscerosis and coronary heart disease. Nevertheless, doctors and government agencies must constantly make recommendations on the basis of just this kind of incomplete but suggestive evidence, and there is a consensus on what to do. Even when the precise cause of a disease is unknown, if a certain change in behavior will statistically lower the risk of it, and if the change does not entail new risks or unacceptable economic costs, it should be recommended.

The Food and Nutrition Board agrees with the general principle: "In our present state of knowledge, sound medical and public health practice should be aimed at reducing the known risk factors to the extent possible." But, inexplicably, in the specific it fails to adhere to its own standard. Worse, it follows a double standard, recommending—on the basis of equally inconclusive evidence—that Americans lower their salt intake because excessive salt is a risk factor for hypertension.

So how many eggs should we eat, and how much salt should we sprinkle on them? Notwithstanding the Food and Nutrition Board, prevailing medical opinion still is that for the average American it is prudent to lower intake of both. Saturated fats and cholesterol (usually found in the same foods) should be lowered so that fat is no more than 35 percent of total calories.

This moderate reduction involves no known risks. However, a large increase in polyunsaturated fats, though recommended by some groups, may be risky. Reducing fat consumption is also important because fat has twice as many calories per gram as either protein or carbohydrate, and the commonest form of malnutrition in this country is obesity. Obesity—being 20 percent above proper weight—is in itself a significant risk factor for hypertension, diabetes, gall bladder disease and coronary heart disease.

A final note: heredity plays a major role in determining likelihood of both coronary heart disease and hypertension. But doctors cannot yet predict which individuals are at risk because of their genes. So particularly those who have a family history of heart disease, but probably everyone, including children, should have blood cholesterol and fat levels determined at least once in the course of a general physical examination.●

CUBAN REFUGEE PROBLEM

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. ASPIN. Mr. Speaker, the arrival in Florida of more than 90,000 Cuban emigres, with the possibility that many tens of thousands more will follow, is more than just another refugee story. Whether you believe in the "Open Arms Policy" enunciated by the President on May 5 or the "Closed Doors Policy" enunciated by the President 9 days later, we can all agree that the resources of the United States are being taxed, the welfare of millions of citizens in Florida affected, and the very lives of the emigres are at risk.

Clearly, this is a situation where advance notice from intelligence sources could have made an enormous difference. In that regard, I have good news and I have bad news to report.

The good news is that the Central Intelligence Agency was on its toes and provided well reasoned, well supported analyses, clearly warning of the situation which has now developed, and that the Agency did this as early as last January.

By January 31, the CIA concluded, and so reported, that Cuba was likely to resort to massive emigration, on the scale of 100,000 or more persons. CIA believed that in this way, Castro could relieve political pressures building up as a result of Cuba's miserable economic conditions. The CIA reported:

> The Castro regime may again resort to large-scale emigration to reduce discontent caused by Castro's deteriorating economic condition.

On four other separate occasions, the CIA reported similar views, using as its vehicle a variety of intelligence publications, such that one way or another word reached every rank of reader from working level to the President.

By early February, the State Department learned that the Cuban Government was considering resorting to massive emigration if the United States did not move faster to process the backlog of former political prisoners awaiting exit to the United States, and deal effectively with the question of Cuban boats being hijacked to Florida.

There is no question that the U.S. Government was adequately warned.

The bad news is that the U.S. Government never took advantage of its leadtime, conducted a relatively weak defensive diplomatic strategy, and failed to organize for the human flood it should have known was coming. The administration recognized that the consequences of opening the doors wide would be "catastrophic"—but rather than mobilize, the United States simply suggested to Cuban officials that if they would only wait a few months until the new Refugee Act of 1980 was in place, we would begin to move people out at the rate of perhaps a thousand a month.

During March, there were more Cuban threats both public and private, about a wave of emigration. On March 8, Castro stated in a speech:

> We hope they will adopt measures so they will not encourage the illegal departures from the country because we might also have to take our own measures. We did it once * * * We were forced to take measures in this regard once. We have also warned them of this. We once had to open the Camarioca port * * * We feel it is proof of the lack of maturity of the U.S. Government to again create similar situations.

The CIA also reiterated its assessment. The U.S. Government, however, bet all of its money on the fondest hopes—Cuban agreement to our proposal—and did virtually no planning to hedge against the predicted outcome—Cuban decision to release a flood of emigrants.

The only interagency planning sessions the Government called on the subject was on April 3—a full 2 months after the first CIA warning. That meeting ratified our effort to get the Cubans to be reasonable and to let us process people under the 1980 law, but it did nothing to plan for what would happen if the policy failed, as it in fact did. Even after the Peruvian Embassy was mobbed on April 4, U.S. planning continued along the course already laid down, and the interagency machinery seems to have been locked on a course no longer aimed at the problem.

Not until the moment Castro did what he had threatened to do, and what the CIA had forecast he was being forced to do out of economic and political necessity, did the U.S. Government prepare to face the reality.

Mr. Speaker, Time magazine's May 19 edition says:

> Even though Castro has twice previously opened the gates for Cuban refugees, his latest announcement that anyone could leave Cuba came without warning. There was no immediate guidance from the highest levels.

Only one of those sentences is correct.

What could we have done had the administration made better use of the warning the intelligence community provided?

First, the administration could have defined its own policy better. We could have avoided the embarrassment of the administration's sequence of closed-door / open-door / closed-door pronouncements. We have alternatively tried to bluff the Cuban-American community into foregoing the effort to rescue their relations, and the Cuban Government into thinking that we were prepared to go the limit. Every time our bluff has been called, we changed policy.

Second, we could have done a better job of trying to hold back the floodgates. As a first step, we could have addressed the complaints that the Cubans were privately making to us. We should, in fact, have speeded the processing of the backlog of former political prisoners who were out of jail, with nothing to anchor themselves to and no place to go unless they were accepted by other countries; and we should have found some reasonable response to the problem of the hijacking of Cuban vessels by persons seeking to get to Florida—just as we demanded in the 1960's that Castro do something about the hijacking of American planes to Cuba. If we had acted in a fast, concrete way to deal with these issues, it is arguable that we might either have defused the problem or at least denied Castro a pretext for what he did.

Third, we could have developed a well-prepared publicity campaign. Given what has happened, the United States should be looking a lot better and the Cubans a lot worse. Our position should have been clear and reasonable from the beginning, with no changes of course. We could have tried to take the initiative from Castro starting from the earliest hint that he might be planning something like this. Instead, we relied entirely on quiet diplomacy, and allowed him to seize the initiative. We could have tried to steal a march on Castro: Smoke him out; get him to pin himself down by statements denouncing as inaccurate assertions that things in Cuba were getting so bad that he might have to export a percentage of his populace.

Fourth, we should have been ready for the arrival of thousands of refugees. Even while we were playing the game of diplomacy, a scenario for handling a mass of people should have been put together. We should have been ready to receive and process them in an orderly way, and to screen them quickly—getting out a good deal more information about the kinds of people coming over so we could deal with Castro's effort to blacken the reputation of these new arrivals by seeding them with undesirables.

Fifth, we could have had a better international effort to mobilize other countries. Once events were already white-hot with the Peruvian Embassy jammed with 10,000 people, we moved fast and lashed together an international approach. But it has been overwhelmed. Castro, at will, has broken our effort to make this an international issue and has converted it, to his benefit, into something between him and us. We might especially have tried to generate concern in Latin America by sharing some of our information and analyses with them. Expressions of concern should have been hitting the Cuban Government right and left, before matters broke out of control, in an effort to take some insurance against a Cuban initiative.

Mr. Speaker, in the past there have been instances of intelligence failures leading to bad U.S. policy. In this case, we have had an intelligence success that nevertheless seems to have made little impact on the consequent behavior of our Government. The reasons for this are outside the responsibility of an intelligence oversight subcommittee—but the question deserves an answer.●

A TRIBUTE TO AGRICULTURE

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. DASCHLE. Mr. Speaker, in a recent editorial appearing in the Rapid City (S. Dak.) Journal the importance of agriculture to our Nation's economy was again underscored.

Too often we find those who scoff at the importance of agriculture and are willing to sell our Nation's family farmers and ranchers short for the misguided policies of cheap food.

As this editorial tells us, only a mere 2 percent of the Nation's population is involved in agriculture, with this group of people producing a $15 billion positive food trade balance.

Because I think that this editorial sums up the feelings of many of our Nation's agriculture producers, as well as serving as a reminder for those who downgrade the importance of agriculture, I request that the text of this editorial be entered into the RECORD for the benefit of my colleagues:

[From the Rapid City Journal, May 11, 1980]

AMERICAN FARMERS DESERVE RESPECT OF NATION

American housewives might get a better perspective on food costs if supermarket carts were divided right down the middle with only groceries packed in the left half and everything else on the right.

The side of the cart devoted to "everything else" would include all sorts of HaBas—"Health and Beauty Aids" in the jargon of the grocery business.

Until recent years, those were things you never found in grocery stores. Before they came along, a person could look at their supermarket slip and have a pretty close idea as to just how much they were spending on food from week to week.

It's not that way any more. And the HaBas account for a good deal of the difference.

A typical shopping cart today has the milk, cornflakes and hamburger pretty well buried under shampoo, dental floss, hair spray and paper plates.

But when the housewife shopper frowns at the amount of the check she writes, she simply scribbles "food" on the check stub. And the American farmer has caught another haymaker in the middle of his image.

No matter what the shaving cream and paper cups cost, high quality food is still a bargain in America.

To demonstrate that, the Agricultural Council of America is distributing a world food globe disc which shows the American farmer's contribution to our overall economy and that Americans are the best fed at the lowest price of anyone in the world.

The disc reveals that only 2 percent of the U.S. population is involved in agriculture. Farmer productivity permits the nation to spend only 14 percent of disposable income on food and gives the nation a $15 billion positive food trade balance.

The Soviet Union depends on 18 percent of its population to produce food and devotes 35 percent of disposable income to food. Russia cannot supply its own food needs and has an $8.1 billion negative food trade balance.

An American works 16 minutes to buy a pound of beef, 4 minutes for a pound of bread and 6 minutes for a dozen eggs. A Russian works 60 minutes to buy a pound of beef, 8 for a pound of bread and 71 for a dozen of eggs.

While these figures for other major nations of the world vary, none approach those of the U.S. for high productivity and the low percentage of income spent for food.

The statistics again demonstrate that American farmers deserve the respect and affection of the entire nation.●

TRIBUTE TO IRMA REESE

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today to honor Irma Reese, an outstanding and warm-hearted person who has been actively improving the quality of life for senior citizens in Santa Clara County. On May 8, 1980, the Campbell Chamber of Commerce honored Ms. Reese with a dinner to thank her for all her contributions to our community.

Irma is the founding director of the Campbell Progressive Seniors. This organization is designed to assist low-income seniors in finding help when they need it. The original focus was on assisting seniors with their transportation needs. The program has since expanded to include an onsite nutrition program as well as a nutrition program for shut-ins. The Campbell Progressive Seniors also operate a senior center that provides recreational activities and classes, a tax preparation service, and a regular escort service that will take seniors grocery shopping, to meetings, or to appointments.

In 1973, Irma was named "Woman of the Year" by the Campbell Business and Professional Women's Club, and in 1978, the Campbell Police Department honored her with their annual "Citizen of the Year Award."

Irma recently retired as the director of the Campbell Progressive Seniors but she is continuing to be a guiding light for the elderly, helping them to help themselves.

Mr. Speaker, I ask you and my colleagues in the House of Representatives to join me in honoring Irma Reese for all her hard work and contributions toward making our community a better place in which to live.●

TORRENCE, CALIF., UNIFIED SCHOOL DISTRICT RETIRING EMPLOYEES RECOGNIZED

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. CHARLES H. WILSON of California. Mr. Speaker, each year the Association of Torrance School Administrators of Torrance, Calif., hosts an employee recognition banquet. At this banquet retiring employees of the Torrance Unified School District are recognized for their accomplishments over the years. This year, the ninth annual banquet was held on May 8, 1980.

The education of our children is of utmost importance to any community. These are the people who have spent their lives committed to furthering the education of young Americans. Without such commitment and sacrifice, our country would not be where it is today. For this reason, I feel it only appropriate to recognize each and every one of these employees for a job well done.

RETIREES—1979-80

Mrs. Lydia Alvarez, Mr. Lindsay C. Archibald, Mr. Walter Armantrout, Mrs. Lila Lee B. Barnes, Mr. Garth H. Belknap, Mr. Gordon D. Brannon, Mrs. June F. Brennan, Mrs. Muriel M. Briney, Mr. John H. Bush, and Mrs. Betty H. Canales.

Mrs. Daphene J. Cardwell, Mrs. Jean Carter, Mrs. LaRane B. Christenson, Mr. Earl K. Chumley, Mrs. Mary F. Clayton, Mr. Robert L. Clements, Mr. Francis Colclasure, Mr. Lester C. Cook, Mrs. Patricia Cowan, and Mrs. Evelyn F. Cramer.

Mrs. Evangeline C. Crews, Mr. Joseph Delonti, Mr. Edgar W. Derbyshire, Mrs. Mary T. Deseree, Mr. W. F. Dewey, Mrs. Mary Di Luzio, Mr. Hugh H. Dooley, Mrs. Rowena B. Edwards, Mrs. Helen B. Ellis, and Mrs. Eloise Enger.

Mr. Frank P. Farias, Mrs. Lucile C. Flowers, Mr. Lester I. Foster, Mrs. Shelly O. Foster, Mr. Clifford R. Graybehl, Mrs. Ellen Guyan, Mrs. Irene W. Harter, Mr. Paul A. Heronime, Mrs. Betty N. Hickman, and Mr. Edward J. Holak.

Mr. George F. Horvath, Mr. Orville D. Hoy, Mrs. Kathlyn M. Huggard, Mr. Melvin R. James, Mr. Stanley R. Keller, Mr. Utah H. Kemp, Mr. Joseph F. Kling, Mrs. Cora Koozer, Mr. Joseph Krivonik, and Mr. Edward C. La Londe.

Mrs. Jennie M. Lathrop, Mrs. Margaret L. Lennon, Dr. Kathryn H. Lewis, Mrs. Betty L. Lightbody, Mrs. Lucille Lilore, Mr. William R. Magnuson, Mr. Ludwig E. Marjala, Mrs. Mildred McBee, Mr. Alvin B. McEwen, and Mr. Bert P. Meyer.

Mr. John D. Morgan, Mrs. Elmyra C. Murray, Mr. John J. Nardiello, Mr. Ralph D. Nelms, Mrs. Barbara J. Ohlson, Mrs. Lidia Paldino, Mr. Alfonso M. Pardo, Mrs. Elodie K. Pearson, Mr. Peder O. Pederson, and Mrs. Helen E. Redman.

Mrs. Edith M. Reynolds, Mrs. Alison L. Rhodes, Mrs. Carol N. Roscoe, Mr. James L. Rugg, Mrs. Alice M. Rynhart, Mrs. Fern M. Scheel, Mrs. Pearl M. Schmidt, Mrs. Geneva S. Shelton, Mr. John Shepherd, Mr. Neil W. Short, and Mr. J. Donald Shriber.

Dr. James G. Sibert, Mr. Francis J. Snyder, Mrs. Elizabeth C. Stabolepszy, Mr. Arlo M. Sullivan, Mrs. Matha Thompson, Mr. Charles A. Waring, and Mrs. Evelyn B Zickefoose.

PERSONNEL WITH 30 YEARS OF SERVICE—1979-80

Mr. Leonard Lifton, Mrs. Geraldine McCalman, Mr. Cletus Nestlerode, Dr. Lloyd Reist, Mr. Don Sturges, and Mrs. Phaidor Trezise.●

TRIBUTE TO PLATO PAPPS

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. PHILLIP BURTON. Mr. Speaker, with great sadness I learned of the death on May 29 of Plato Papps, one of the outstanding labor attorneys of our time.

Plato E. Papps, who won numerous landmark legal decisions during his 29 years as general counsel of the International Association of Machinists & Aerospace Workers (IAM), died unexpectedly at his home. He had been recuperating from major surgery. He was 62.

Papps, who began his worklife as a busboy and rose to eminence as a nationally renowned labor attorney whose counsel was sought by some of the most widely known lawyers in the Nation, typically had been making plans to return to work when the final tragedy struck.

"Death has stilled a keen mind and a strong voice in the labor movement," commented William W. Winpisinger, international president of the International Association of Machinists:

> Next to his family, Plato's first and only love was this union and the members he diligently and wisely served for nearly three decades. Plato's family lost a great father and husband. The IAM lost a great lawyer. The world lost a great man. So many of us lost a great friend.

Papps received his law degree from Columbus University Law School in 1947 after serving as a first lieutenant in World War II where he took part in the invasion of Okinawa.

He began his lifelong battle for working men and women early in his legal career as an attorney in the U.S. Department of Justice's Antitrust Division which investigates abuses by the corporate state.

In 1949 he was appointed a legal assistant to James J. Reynolds, member of the National Labor Relations Board who later served as Under Secretary of Labor.

Papps' ability soon came to the attention of the IAM and he was appointed general counsel in 1951. Over the years he had found time to serve as a member of the Advisory Panel on Labor-Management Relations Law to the U.S. Senate and as chairperson of the American Bar Association's Section of Labor Relations Law in 1970 and 1971.

Although he won numerous landmark decisions, including a U.S. Supreme Court decision in favor of the IAM on a major case involving protecting seniority, Papps always considered his biggest case the National Airlines victory.

He worked in that case from January 1969 until 1971, first to win reinstatement in 1970 of 1,200 airline mechanics who had lost their jobs during a work rules dispute and then 14 months longer for their back pay.

The case ended with a $6.5 million settlement for the IAM-represented mechanics. But Plato Papps was most proud that he had won "justice for 1,200 people—workers who otherwise would have been denied that justice."

Papps is survived by his widow, Helen, and two sons, Harrison and Christopher, and a sister, Mrs. John Kirkwood of Washington, D.C. The family asks that in lieu of flowers contributions be made in his name to the American Heart Association, 7320 Greenville Ave., Dallas, Tex. 75231 or to your local chapter.●

EIGHTY-TWO YEARS OF SERVICE IN THE TULSA PUBLIC SCHOOL SYSTEM

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, I would like to take this opportunity to recognize three educators who have served the Tulsa public schools system for a combined number of 82 years. Mr. Lewis D. Cleveland, Mrs. Sydney Powell, and Mr. Malcolm Craig are retiring at the end of this school year, and their work will be sorely missed by our entire community.

Mr. Cleveland has served in the school system in various capacities for the past 27 years, and he now concludes his illustrious career as the associate superintendent for business services. Mrs. Powell, the coordinator of guidance counselors, has served in the school system for the past 29 years. Mr. Malcolm Craig, director of purchasing, has been a member of the Tulsa public schools system for the past 26 years.

It is the misfortune of Tulsa and of the entire education community to lose such persons to retirement. Their achievements, however, will be continued through the students they have influenced over the past decades. Their goals and dreams have shaped their students' futures, and all of us in Tulsa have benefited from their hard work and true public service.●

WE SHOULD ALL READ SOLZHENITSYN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. FINDLEY. Mr. Speaker, the following letter to the editor of the Illinois Journal-Register, written by one of my constituents, Mr. Robert A. Norton, Jr., of Springfield, Ill., is a very significant one. Its compelling message regarding the inhumanity of the Soviet system and the danger of American apathy toward the oppressiveness of that system is one which I feel important to share with my colleagues in the Congress.

Mr. Norton makes his points in reference to Aleksandr Solzhenitsyn's article, "Misconceptions About Russia Are a Threat to America," which appeared in the spring 1980 issue of Foreign Affairs. This article, excerpts of which follow, is indeed, as Mr. Norton notes in his letter, one which we should all read in its entirety:

DEAR EDITOR: The Spring 1980 edition of the Foreign Affairs Journal contains an article entitle "Misconceptions about Russia are a Threat to America "by Aleksandr Solzhenitsyn. I feel this is an extremely important article and one that should be carefully provided by the United States government in light of recent events in Africa, Cuba and Afghanistan. This article clearly illustrates the misconceptions that have been held not only by the American public but also by the government. It further points out the object effect these misconceptions have not only on the U.S. but also the world as a whole.

One important point that must be carefully destinguished is that the Russian people are not the some as the Soviet government. So often when we say "the Soviet Union" we have carelessly jumbled the communist government with the Russian people and have equated them both with danger.

The people of Russia need liberation from the Soviet government as much as we of the west need to realize, that it is not the Russia people we should fear but rather the system which enslaves them. We must also realize that the communist system threatens us more with our own creeping apathy toward its inherent dangers than with any military threat that system might offer. The danger lies then in our closing our eyes to the inhumanity that is inflicted upon the people confined within its structures.

We must not mistake the communist cause as some noble undertaking that seeks to better the condition of the common man for such a view is simplistic in its assumption and totally incorrect in its application.

The key word then is power, for the communist government sets for itself one goal—the concentration of power within its hierarchy. This is accomplished through the systematic destruction of the governed people in order that that destruction would concentrate further the governments control on all aspects of social, political, economic and religious life.

I must urge everyone to obtain a copy of this article by Solzhenitsyn. I would also urge that all legislators and Congressmen be contacted. Until the United States truly recognizes who its enemies are, can we even hope for a lasting peace? I think not.

Sincerely yours,

ROBERT A. NORTON, Jr.

MISCONCEPTIONS ABOUT RUSSIA ARE A THREAT TO AMERICA

(By Aleksandr Solzhenitsyn)

Anyone not hopelessly blinded by his own illusions must recognize that the West today finds itself in a crisis, perhaps even in mortal danger. One could point to numerous particular causes or trace the specific stages over the last 60 years which have led to the present state of affairs. But the ultimate cause clearly lies in 60 years of obstinate blindness to the true nature of communism.

I am not concerned here with those who cherish, glorify and defend communism to this day. To such people I have nothing to say. Yet there are many others who are aware that communism is an evil and menace to the world, but who have nevertheless failed to grasp its implacable nature. And such individuals, in their capacities as policy advisors and political leaders, are even now committing fresh blunders which will inevitably have lethal repercussions in the future.

Two mistakes are especially common. One is the failure to understand the radical hostility of communism to mankind as a whole—the failure to realize that communism is irredeemable, that there exist no "better" variants of communism; that it is incapable of growing "kinder," that it cannot survive as an ideology without using terror, and that, consequently, to coexist with communism on the same planet is impossible. Either it will spread, cancer-like, to destroy mankind, or else mankind will have to rid itself of communism (and even then face lengthy treatment for secondary tumors).

The second and equally prevalent mistake is to assume an indissoluble link between the universal disease of communism and the country where it first seized control—Russia. This error skews one's perception of the threat and cripples all attempts to respond sensibly to it, thus leaving the West disarmed. This misinterpretation is fraught with tragic consequences; it is imperiling every nation, Americans no less than Russians. One will not have to await the coming of future generations to hear curses flung at those who have implanted this misapprehension in the public awareness.

I have written and spoken at length about the first of these errors, and in so doing have aroused considerable skepticism in the West, but agreement seems to be increasing with the passage of time and as the lessons of history are assimilated.

The present essay is mainly devoted to the second fallacy. * * *

Many present and former U.S. diplomats have also used their office and authority to help enshroud Soviet communism in a dangerous, explosive cloud of vaporous arguments and illusions. Much of this legacy stems from such diplomats of the Roosevelt school as Averell Harriman, who to this day assures gullible Americans that the Kremlin rulers are peace-loving men who just happen to be moved by heartfelt compassion for the wartime suffering of their Soviet people. (One need only recall the plight of the Crimean Tatars, who are still barred from returning to the Crimea for the sole reason that this would encroach upon Brezhnev's hunting estates.) In reality the Kremlin leadership is immeasurably indifferent to and remote from the Russian people, a people whom they have exploited to the point of total exhaustion and near extinction, and whom, when the need arises, they will mercilessly drive to destruction in their millions. * * *

Long years of appeasement have invariably entailed the surrender of the West's positions and the bolstering of its adversary. Today we can assess on a global scale the achievement of the West's leading diplomats after 35 years of concerted effort: they have succeeded in strengthening the U.S.S.R. and Communist China in so many ways that only the ideological rift between those two regimes (for which the West can take no credit) still preserves the Western world from disaster. In other words, the survival of the West already depends on factors which are effectively beyond its control.

These diplomats still fall back on their precarious assumptions about an imaginary split within the Soviet Politburo between nonexistent "conservatives" and "liberals," "hawks" and "doves," "Right" and "Left," between old and young, bad and good—an exercise of surpassing futility. Never has the Politburo numbered a humane or peace loving man among its members. The communist bureaucracy is not constituted to allow men of that caliber to rise to the top—they would instantly suffocate there.

Despite all this, America continues to be fed a soothing diet of fond hopes and illusions. Hopes have been expressed of a split in the Politburo, with one particular version claiming that it was not in fact Brezhnev who occupied Afghanistan! Or else leading experts have offered the fancy that "the U.S.S.R. will meet its Vietnam," be it in Angola, Ethiopia or Afghanistan. (These experts and their readers may rest assured that the U.S.S.R. is at present quite capable of gobbling up five more such countries, swiftly and without choking.) And again and again we asked to set our hopes on détente despite the trampling of yet another country. (There is indeed no cause for alarm here, for even after Afghanistan the Soviet leaders will be only too happy to restore détente to the status quo ante—an opportunity for them to purchase all that they require in between acts of aggression.)

It goes without saying that America will never understand the U.S.S.R. or fully grasp the danger it poses by relying on information from diplomats such as these. * * *

It is high time for all starry-eyed dreamers to realize that the nature of communism is one and the same the whole world over, that it is everywhere inimical to the national welfare, invariably striving to destroy the national organism in which it is developing, before moving on to destroy adjacent organisms. No matter what the illusions of détente, no one will ever achieve a stable peace with communism, which is capable only of voracious expansion. Whatever the latest act in the charade of détente, communism continues to wage an incessant ideological war in which the West is unfailingly referred to as the enemy. Communism will never desist from its efforts to seize the world, be it through direct military conquest, through subversion and terrorism, or by subtly undermining society from within.

Italy and France are still free, but they have already allowed themselves to be corroded by powerful communist parties. Every human being and any society (especially a democracy) tries to hope for the best, this is only natural. But in the case of communism there is simply nothing to hope for: no reconciliation with communist doctrine is possible. The alternatives are either its complete triumph throughout the world or else its total collapse everywhere. The only salvation for Russia, for China and for the entire world lies in a renunciation of this doctrine. Otherwise the world will face inexorable ruin.

The communist occupation of Eastern Europe and East Asia will not come to an end; indeed, there is an imminent danger of a takeover in Western Europe and many other parts of the world. The prospects for communism in Latin America and Africa have already been clearly demonstrated; in fact any country that is not careful can be seized. There is of course the hope that things will turn out differently: that the communist aggressors will ultimately fail, like all aggressors in the past. They themselves believe that their hour of world conquest has arrived and, scenting victory, they unwittingly hasten—to their doom. But to achieve such an outcome in a future war would cost mankind billions of casualties.

In view of this mortal danger, one might have thought that American diplomatic efforts would be directed above all toward reducing the threatening might of these imperialistic "horsemen," to ensuring that they will never again succeed in bridling the national feelings of any country and drawing upon the vitality of its people. Yet this path has not been followed; in fact, the opposite course of action has been pursued.

American diplomacy over the last 35 years presents a spectacle of sorry bumbling. The United States, only recently the dominant world power, the victor in World War II and the leader in the United Nations, has seen a steady, rapid and often humiliating erosion of its position at the U.N. and in the world at large. It has continually declined vis-a-vis the U.S.S.R.: a process which even its Western allies have come to condone. Things have reached the point where American senators make apologetic visits to Moscow in order to ensure that the debates in the Senate are not taken amiss in the Kremlin. The whole thrust of American diplomacy has been directed to postponing any conflict, even at the cost of progressively diminishing American strength.

The lesson of World War II is that only desperate, pitiless circumstances can bring about any cooperation between communism and the nation it has enslaved. The United States has not learned this lesson: the Soviet and Eastern European governments have been treated as the genuine spokesmen of the national aspirations of the peoples they have subjugated, and the false representatives of these regimes have been dealt with respectfully. This amounts to a rejection—in advance, and in a form most detrimental to American interests—of any future alliance with the oppressed peoples, who are thereby driven firmly into the clutches of communism. This policy leaves the Russian and the Chinese people in bitter and desperate isolation—something the Russians already tasted in 1941. * * *

Today Afghanistan, yesterday Czechoslovakia and Angola, tomorrow some other Soviet takeover—yet even after all this, how good it would be to go on believing in détente! Could it really be over? "But the Soviet leaders haven't repudiated it at all! Brezhnev was quite clear about that: it was in *Pravda!*" (Thus Marshall Shulman and other like-minded experts.)

Yes indeed, the Soviet leaders are quite prepared to carry on détente, why shouldn't they be? This is the same détente that the West basked in so contentedly while millions were being exterminated in the jungles of Cambodia. The same détente that so gladdened Western hearts at a time when a thousand men, including 12-year-old boys, were being executed in one Afghan village. (And this was surely not a unique case!) We Russians immediately recognize an episode like this. That's the Soviet way of doing things! That's the way they slaughtered us too from 1918 on! Détente will continue to stand Soviet communism in very good stead: for the purpose of stifling the last flicker of dissidence in the Soviet Union and buying up whatever electronic equipment is necessary.

The West simply does not want to believe that the time for sacrifices has arrived; it is simply unprepared for sacrifices. Men who go on trading right until the first salvo is fired are incapable of sacrificing so much as their commercial profits: they have not the wit to realize that their children will never enjoy these gains, that today's illusory profits will return as tomorrow's devastation. The Western allies are maneuvering to see who can sacrifice the least. Behind all this lies that sleek god of affluence which is now proclaimed as the goal of life, replacing the high-minded view of the world which the West has lost.

Communism will never be halted by negotiations or through the machinations of détente. It can be halted only by force from without or by disintegration from within. The smooth and effortless course of the West's long retreat could not go on forever, and it is now coming to an end: the brink may not have been reached, but it is already the merest step away. Since the outlying borders were never defended, the nearer ones will have to be held. Today the Western world faces a greater danger than that which threatened it in 1939 * * *.●

THE TWENTY-FIFTH ANNIVERSARY OF THE CETRONIA AMBULANCE CORPS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. RITTER. Mr. Speaker, this Saturday I will have the honor of joining the members, families, and friends of the Cetronia Ambulance Corps in my district as the corps celebrates 25 outstanding years of service to the people of the western part of Lehigh County.

Founded in the spring of 1955 by a group of 20 Cetronia citizen volunteers, incorporated as a nonprofit organization in 1962, and moved to a newly constructed headquarters in 1967, the Cetronia Ambulance Corps has shown a remarkable ability to grow and change to meet the new challenges of ever-changing times. Membership has increased to over 130 volunteers, the ambulance fleet has increased to 6 vehicles, and expansions and improvements have continually been undertaken. Throughout the 25 years, emergency calls to the corps have steadily increased—doubling in one 5-year period, for example.

Yet throughout the increasing need for its services, the dedicated volunteers of Cetronia Ambulance Corps have never faltered in their performance. Day in and day out they have faithfully met the needs of their fellow citizens. They have continually updated their training and equipment and worked to raise the necessary funds to pay for their operations. Whether standing by at a sporting event, transporting patients from one facility to another or responding quickly to emergency calls in all kinds of weather, the members of the corps have always shown the highest standards of dedication and caring for their fellow citizens.

Mr. Speaker, I know my colleagues join me in paying tribute to these fine men and women. The Cetronia Ambulance Corps is continuing proof that this is still a Nation where our communities can be made better places in which to live through the hard work and unselfish contributions of very special local volunteers.

My warmest personal congratulations and thanks go out to the Cetronia Ambulance Corps, along with my wishes for many more years of service.●

TWO MODERATES APPOINTED TO NICARAGUAN JUNTA OF NATIONAL RECONSTRUCTION

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. LELAND. Mr. Speaker, Dr. Arturo Cruz Porras, a member of the Nicaraguan Government Junta of National Reconstruction is visiting the United States at this time and I wish to extend to him my welcome and hope that his visit will be beneficial.

Many of my colleagues have recently made speeches on the floor or have had inserted into the RECORD numerous allegations that Nicaragua has been lost to communism. The evidence to support these allegations most often cited is Nicaragua's communique with the Soviet Union and the resignation of the two moderate members of the ruling junta, Violeta de Chamorro and Alfonso Robelo Callejas.

In light of events in Nicaragua over the past few weeks, I am convinced that Nicaragua has not become a Soviet dependency and more important, I remain convinced that it is all the more urgent for the United States to extend aid to Nicaragua.

First, if communiques with the Soviet Union are evidence of being lost to communism, then, we too have been lost for some time now. Indeed, virtually all of the world is lost by having some sort of trade agreements with the Soviet Union. Clearly, being friendly toward any superpower is no criterion for defining communism nor is it sufficient evidence for repudiating aid to a country. Why is it so frequently claimed that countries are lost to communism if they are friendly to the Soviet Union, but we do not consider every country which is friendly toward us or has trade with the United States to have been won over to the democratic and free enterprise system?

Mr. Speaker, Nicaragua's domestic policies also reveal that it is far from communistic. In response to extreme leftists demands for a more complete and immediate revolution, the regime has jailed some Trotskyites and Communist Party members for "sabotaging the economy" and it has urged workers to temper their wage demands.

In response to business demands the regime has lifted the state of emergency under which the Government enjoyed wide discretionary powers, ended confiscations, and promulgated a law protecting citizens from abuses of authority. And, La Prensa, the nation's most respected newspaper, reopened and one of its first editorials was a long critique of Castro's Cuba.

Most importantly, the Government announced last week the appointments of Rafael Cordova Rivas and Arturo Cruz Porras to fill the two vacancies of the five seats on the junta. Mr. Rivas, a Conservative Party leader, and Mr. Porras, president of the Central Bank are two widely respected moderates.

I have to admit that the resignations from the junta of Violeta de Chamorro and Alfonso Robelo Callejas caused me great concern. I feared that the balanced, pragmatic mix of the Nicaraguan Government was deeply threatened, but my fears proved unfounded. The appointment of Mr. Cordova and Mr. Cruz confirms the Sandinistas' recognition of the importance of a government of cooperation and coalition of all sectors of the Nicaraguan people.

The Nicaraguan Government has also begun to deliver on one of its most important promises—universal literacy. None of us here can truly understand what it is like to grow up in a country where over 50 percent of the adult population is illiterate. Beyond the obvious resulting inability to read street signs or conduct daily business that we take for granted, the illiteracy greatly limits the future of these people and their country. Progress and Western civilization are fundamentally based upon literacy. How could equal justice under the law be meaningful without literacy? Pragmatically, contracts are only binding when both parties are literate and can understand what they are signing. The evolution of science and technology proceeds through the exchange of knowledge through literacy.

Nicaraguan peasants, or even most Americans, may not have these grand thoughts in mind when they think of reading and writing, but we must admit that self-perpetuating development simply cannot take place without a literate, educated populace. Nor should we overlook the simple, direct joy that comes from an individual's ability to read and write. Although we may worry about the ideological content of some of their lessons, I am certain that the Nicaraguan people are grateful for this first ever opportunity to learn how to read and write—some 450 years after that country's original colonization. The Sandinista government has assumed the task of the equal distribution of one of civilization's most basic goods—literacy.

The problem of equal distribution of goods is central to a clear understanding of the forces which brought the Sandinistas to power and their continuing wide support. Under Somoza, Nicaragua was not without wealth, it was not without development, nor was repression completely ubiquitous. But, Somoza did use repression with the principle aim of unequally concentrating wealth within his own hands and those of his close associates. The root cause of the revolution was the obvious injustice in the distribution of goods and the Sandinistas commitment to overcoming such inequality will provide them with a base of popular support. The Nicaraguan Government's commitment to reconstruction and redistribution makes a strong government presence in the economy as inevitable as was the violent revolution. We should keep the Government's involvement in the economy in perspective by realizing that it still is far less than in Latin America's two most developed countries, Brazil and Mexico.

We must be very careful not to label these trends as communism and turn our backs on people's legitimate desires and needs. If we turn our backs, we create a self-fulfilling prophecy. If we make cooperation with the most important country of the capitalist world impossible, close alliance with the Soviet Union and Cuba is inevitable. The domino theory will prove correct if we persist in viewing Central America as a battleground of the cold war. On the other hand, if we recognize the realities of the inequities inherited from centuries of colonialism and underdevelopment, we will extend humanitarian aid and help establish an independent Nicaragua.●

MINNESOTA SCHOOLS GO TO SCHOOL ON ACCOUNTABILITY

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. ERDAHL. Mr. Speaker, with local education budgets becoming tighter, taxpayers are insisting on more education for their tax dollar. A variety of methods are being used in different States to assess the quality of education. In Minnesota, a system called planning, evaluation, and reporting was established in 1976. I submit an article from the May 26, 1980, New York Times briefly describing how this system is working in Minnesota and what a few other States are doing in this field:

[From the New York Times, May 26, 1980]

MINNESOTA SCHOOLS GO TO SCHOOL ON ACCOUNTABILITY

MINNEAPOLIS, May 25.—In Winona, Minn., school officials have added a writing course at the high school and doubled the writing requirement for graduation.

In Eveleth, Minn., teachers are trying to promote good work habits and self-esteem among their students.

And in Battle Lake, Minn., officials have tried to stamp out faculty profanity in the classroom.

Those and many other changes are just now coming about through a school-improvement system created in 1976. The system is called Planning, Evaluation and Reporting. Usually known by its initials, P.E.R. is similar to programs in several other states that were developed in response to public demands for accountability in education.

Underlying the program in Minnesota and elsewhere is a fairly straightforward philosophy: The public must know what is going on in the schools and take part in making improvements.

LAW PASSED IN SOUTH CAROLINA

South Carolina passed an accountability law in 1977. It ordered all districts to determine the needs of their students each year, draw up plans to meet those needs, conduct assessments and tell the citizens how their money was being spent. California created a program in 1977 to encourage schools to set up "School Site Councils" to involve the public in planning improvements. About half of the state's 7,000 schools take part.

These "school improvement" systems are a milder form of accountability than minimum-competency testing programs, which many states initiated in the late 1970's to insure the functional literacy of every high school graduate. Some states, like California, have both.

In Minnesota, minimum competency was proposed in 1978 by the Department of Education, but it was dropped after local superintendents protested that they were already under too many state mandates, including P.E.R, which they said would do roughly the same thing.

In casting the plan into law, the Minnesota Legislature told all 435 local school districts to take certain actions: Set goals, determine whether the goals have been met, make improvements in weak areas and tell the public all about it.

DISTRICT ADVISORY COMMITTEES

The public, in fact, is supposed to be involved at every step, and nearly every district has some advisory committees so that the public can work with educators. An estimated 14,000 people have taken part directly or indirectly.

The changes have come somewhat slowly. It took several years to set up the committees and the goals and to conduct the evaluations, and about half of the districts have not yet reached the stage of improving their weak areas. For some, it was a big step to divulge achievement test scores, let alone do anything about them.

The architect of the program is Carl Johnson, a 46-year-old farmer and state legislator from St. Peter, Minn.

"I hoped that it would strengthen the support for education as a final goal," Mr. Johnson said recently, "and that that would happen by people's involvement and better understanding of what's going on in their schools, that it would happen through their opportunity to decide on rearranging the emphasis on certain courses and on the mission of their school."

No one knows whether the plan has actually increased public support of the schools, but it has clearly made some changes in what the schools are doing.

"It has given better direction as far as the curriculum is concerned," said Carroll Hopf, school superintendent at Winona, in the southeastern corner of the state. "It has isolated things we should be concerned with and probably should have been concerned with earlier."

In Winona, 21 goals were established, seven of them to be attempted in the first year. Later, high school seniors were given a battery of tests to see whether the goals were being met in such areas as the desire for lifelong learning and proficiency in reading and writing.

The seniors did well on most of the exams, but they showed weakness in the mechanics of writing. So the writing course offerings and requirements were changed.

Eveleth, a northern Iron Range district, decided that its students were already doing well in the basic skills, so the local P.E.R. committee turned to other goals, such as personal character, self-respect and pride in work.

A variety of approaches were tried. An elementary class spent an afternoon playing games with nursing home residents. Some secondary students made self-portraits, moving from the realistic to the abstract, emphasizing features they liked about themselves and minimizing the ones they did not like.

In the Battle Lake district in west-central Minnesota, a survey of citizens told school officials that teachers were using profanity, "certain words that probably weren't right," according to Harold Ness the high school principal. "So we emphasized it at teacher meetings in the fall and I don't think there's a problem any more."●

AIRLINES DEREGULATION

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. COELHO. Mr. Speaker, in 1978 when Congress passed legislation to deregulate the airlines, this body, the President, and the general public were enthusiastic about its prospects. Vastly improved service and lower prices were forecast, once the airlines were unhindered by Government.

Now, 2 years later, many areas of the country have had service disruptions and transportation gaps as airlines jockeyed for implementing new service and discontinuing old routes. I feel confident that the Civil Aeronautics Board is overseeing the deregulation process as well as can be expected—though there were several major problems in the early stages—and ultimately I feel that the level of service needed by an area will be met.

However, I am concerned about the cost of air service. Where competition between cities is keen, airlines are outdoing each other with supersavers and other discounts. Where there is only one airline, connecting a small or medium-sized city with a major metropolitan area, fares are considerably higher. As an example—San Francisco to Chicago is $99 one-way, while Fresno to Chicago is $133. The mileage is not that different, but the competition is.

Mr. Speaker, I do not think it was the intent of Congress to discriminate against small and medium-sized cities as far as pricing of air transportation goes, when it passed deregulation legislation. I would urge my colleagues to read the following editorial from a recent edition of the Fresno (Calif.) Bee, and then consider what might be done to correct this inequity:

THE LACK OF COMPETITION

It wasn't enough that United Airlines drastically reduced its Fresno-San Francisco-Los Angeles service. It wasn't enough that United discontinued its service to Visalia, Modesto and Bakersfield. Now United is adding insult to the injury by offering lower prices on direct fares to Chicago from San Francisco than from Fresno—a clear way of shouting out that because there is competition for the San Francisco-Chicago flight, the price can be lowered to $99, while with no competition on the Fresno-Chicago flight, the bargain fare is $133.

Airline deregulation, the term used to describe the reduction in federal airline regulations that began in 1978, has had a strong adverse impact on the San Joaquin Valley. Once United Airlines was the valley's principal mass transportation link to the major cities of California and the rest of the nation. Now, United Airlines takes only the cream from the valley by offering direct flights from Fresno to Denver and Chicago and only a couple of flights a day to San Francisco and Los Angeles.

We grant that airline deregulation may have been good for United Airlines, which has been losing money lately—because of a strike last year, heavy increases in fuel costs and a dramatic slowdown in the nation's economy which has reduced both business and pleasure air travel. And deregulation may be good for some of the commuter airlines that have stepped in to pick up the commuter business United has been abandoning. But we had hopes in the beginning that deregulation would mean more and better service for the valley, certainly not a lower quality service at a higher price.

Our hopes may have been lifted too much in June 1977 when President Carter, in backing a Senate bill proposing the so-called deregulation, declared that fewer restrictions on airlines would open up air travel to many Americans who then could not afford it. The General Accounting Office estimated the deregulation would save consumers about $1.5 billion a year and everybody felt good about that.

We have to admit that passengers in San Francisco who can get to Chicago for $99 or to New York for $149 are saving money because of the competition between the airlines. But we in the valley definitely have a lower quality of service as a result of deregulation.

If deregulation means those in the major cities get better and cheaper service, and those in smaller cities get poorer service at higher prices, then deregulation is not working the way it was intended. Too many people are being hurt. It is time for Congress to take a new look at deregulation. There must be a way to distribute the quality of airline service more equitably.●

MORE REASONS FOR BOYCOTTING THE OLYMPICS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. DERWINSKI. Mr. Speaker, for a long time now, well before the Soviet invasion of Afghanistan, I have been concerned about the cross-politicization of the Olympic ideal by the Communist countries. I have objected to their use of professional athletes against our amateurs. I have protested Soviet terms of television rights which insured that TV coverage of the Moscow games would propagandize Soviet life. I have been troubled by the Communist practice of pumping up their athletes with steroids.

Adrian Karatnycky and Alexander Motyl have given us "More Reasons for Boycotting the Olympics." Read their article in the May/June 1980 issue of Freedom at Issue, publication of Freedom House, the highly respected human rights organization.

The article follows:

MORE REASONS FOR BOYCOTTING THE OLYMPICS

(By Adrian Karatnycky and Alexander Motyl)

Even if Soviet troops had never invaded Afghanistan, there would still be more than enough reason to boycott the Moscow Olympics. Indeed, for those seeking both moral and political arguments in support of a boycott, it would be far wiser to pose the question in terms broader than President Jimmy Carter's.

A POLITICAL/IDEOLOGICAL CONCEPT

From the very moment of the USSR's entry into Olympic competition, its entire conception of the Games has been inherently political and ideological. The Soviets have made no secret of this. As far back as 1973, one year before the International Olympic Committee chose Moscow as the site of this year's Games, one USSR journal claimed: "The propaganda of the apolitical nature of sports—'sports without politics'—is nothing other than one of the methods of ideological diversion of imperialist circles directed against the countries of the socialist camp." More recently, in January 1979, I. Novikov, Chairman of the Soviet Olympic Organizing Committee, pointed out exactly what propaganda points the USSR hoped to score with the Moscow Olympics: "For the first time the Games will be held in the capital of a socialist state, where the noble ideals of the Olympics are fully supported. Peace, equality, fraternity, and international cooperation—these concepts are inseparable from the life of Soviet society and are grounded in the Constitution of the USSR. Thus, holding the Games in Moscow opens a qualitatively new stage in the Olympic movement."

In line with this inherently ideological conception, the more than 10,000 Soviet interpreters who will be employed during the Games are, according to a Soviet journal of higher education, obligated to take courses in "general political issues such as 'The Leading and Guiding Role of the Communist Party in the Building of Communism,' 'The Construction of Communism,' 'Basic Advantages of a World Socialist System,'" and the like. The emphasis that is being given to conveying a proper political line is also illustrated by the fact that the Soviet Olympic Organizing Committee refused to utilize foreign interpreters who might have helped allay the expected shortage of qualified translators.

Robert J. Kane, president of the U.S. Olympic Committee, may be right to claim that "any nation where the Games are held probably uses them for propaganda purposes." Yet even he must surely realize that the propaganda machine of the USSR is, as Novikov himself implies, "qualitatively" different from that of nontotalitarian states. One would certainly be hard-pressed, for example, to find a government official in a democratic state making the same self-serving claims the Soviets are making; claims which re-echo Herr Goebbels words of forty-four years ago: "Germany is your friend! Germany strives only for peace, and only Germany is capable of guaranteeing peace."

Perhaps Soviet society is indeed "inseparable" from the concepts of peace, equality, fraternity, and international cooperation? But the USSR's record against Novikov's own standards is common knowledge:

Peace: The invasions of Hungary in 1956, of Czechoslovakia in 1968, and Afghanistan in 1979; the training and arming of terrorists; the spending of 13.5 percent of its budget (according to estimates of the U.S. Arms Control and Disarmament Agency) on military hardware; the development of atomic weapons far more powerful than needed for parity with the United States—all of this speaks eloquently about the USSR's devotion to peace.

Equality: As Robert Kaiser and Hedrick Smith pointed out in their books on the USSR, party members, KGB agents, and state apparatchiks have the cushy jobs, consumer goods, and country dachas, while the ordinary Soviet citizen must deal on the black market to make ends meet. The many institutions, among them trade unions and people's councils, that are supposed to enhance the citizen's equality and protect his interests are usually rubber-stamp bodies that carry out the will of the elite. Below the average citizens and even the criminal offenders is a sub-group, lacking all rights: the prisoners of conscience, the political, national, human-rights, and religious dissidents, such as the Helsinki Monitors Anatoly Shcharansky, Mykola Rudenko, and Yuri Orlov.

Fraternity: If fraternity means fraternal relations between people and nations, then how shall we account for the USSR's thirty divisions in Eastern Europe; for its brutal repression of the movements of Ukrainians, Lithuanians, Armenians, and other nationalities to increase national rights and to oppose the government policy of Russification; or for the USSR's official anti-Semitism?

International cooperation: Soviet obstructionism in the Middle East, and its veto of U.S. efforts to win United Nations sanctions against Iran in an effort to free the fifty U.S. hostages held in Tehran, speak for themselves.

CONCEALING THE REALITY

The Soviets are not unaware of their internal shortcomings and have taken substantial measures to keep them hidden from the Western tourist. An immense number of cultural events have been planned for the Games. Visitors will have a choice of 150 operas and ballets, 450 plays, and countless concerts and recitals. This serves a dual purpose: to promote the attainments of Soviet culture and to limit unsupervised leisure time. By skillfully combining the Olympic events with sightseeing excursions and cultural events, the Soviet authorities will be able to control effectively the access visitors have to the less praiseworthy features of Soviet society. A mop-up of dissidents is currently also under way, with, most notably, Andrei Sakharov having been sent into internal exile in Gorky, a city off-limits to the Western press and tourists.

It is clear that the Soviets intend to isolate the Western tourist from Soviet reality. And lest the tourist prove to be too inquisitive, the Soviets have already suggested how he will be regarded. E. A. Shevardnadze, the first secretary of the Georgian Communist Party and a member of the Politburo, was quoted in one Soviet newspaper as saying: "There are forces in the world that are intensively preparing not only for sports contests but also for political and ideological skirmishes and subversive activity. Groups hostile to the Soviet Union are intent on using the Olympic Games for ideological subversion and hostile attacks."

The journal of the USSR Ministry of Justice meanwhile ominously noted:

"It is already time to take the necessary organizational measures and, in particular, to determine how many volunteers working together with the police will be required to ensure that public order is exemplary at all Olympic grounds, along the routes traveled by athletes and guests, and in areas where there are historical monuments and other sights. The most noteworthy, experienced, and highly recommended persons should be selected for this task. Special courses should be organized for the public-order volunteers, according to a carefully worked-out program that takes the specific nature of activities during the Olympics into account."

Sports journals have also gotten into the act. A leading Soviet monthly, *Physical Culture and Sport*, which enjoys wide circulation, printed a serialized account of the preparations of foreign agents who it claims will arrive in the USSR under the guise of sports journalists. And at a time of heightened East-West tensions, can anyone assure Western visitors that they will not be unjustly charged with illicit activities by zealous secret-police agents and a Soviet government eager to score propaganda points against an America they claim is ever interfering in the Soviet Union's internal affairs?

Symbolic of the Moscow Olympics is that their preparations involve about 240,000 people. Some are freely volunteering their labor, while others, prisoners in concentration camps, are being forced to produce Olympic souvenirs. One former political prisoner, Mykola Scharegin, a Ukrainian imprisoned in the USSR for ten years and allowed to leave for Great Britain last year, testified recently, at the International Sakharov Hearings, that "Misha," the teddy-bear mascot of the Moscow Games, is produced at forced-labor prisons in Vasilyev Mokh near Kalinin. According to Mr. Scharegin, other prisoners produce Olympic souvenir pins and emblems intended for Western tourists, who will buy them this summer in Moscow, unaware of the human misery behind their manufacture.

RETHINKING THE OLYMPIC IDEA

Should the United States support the Moscow Olympics, knowing that they are intended as a smoke screen for the USSR's totalitarianism? The physicist Valentin Turchin, a former Soviet dissident who now lives in New York, makes the following argument:

"In the final analysis, your attitude toward a boycott in human-rights matters depends on your acceptance of totalitarian rule as a phenomenon. . . . If you see totalitarianism as a horrible threat to mankind, and your mind rebels at what the Soviets are doing to Orlov and others, you will certainly not reject a boycott. . . . If you accept totalitarianism (maybe not for yourself and your kin, but for those strange guys with 'mysterious Slav souls'), you will see Orlov's case as a sad but natural matter, something in the nature of an automobile accident."

Irrespective of whether the Summer Olympics are held, the Olympic movement and the Olympic idea are under serious attack from a number of fronts.

Critics argue that Soviet and Eastern-bloc athletes are not true amateurs, but rather professionals employed by their states to engage in sports. American and Western athletes are concerned with the unfair advantage they feel Eastern-block athletes derive from steroids and other forms of biological manipulation. Human-rights activists urge boycotts of sports events involving teams from repressive regimes.

Ultimately, sports exchanges are part and parcel of the general fabric of relations among nations. In an era of détente and good will, such exchanges are possible and desirable. But in the final analysis they are simply a reflection of the international *status quo*.

The Soviet invasion of Afghanistan has not been responsible for the collapse of the Olympic idea; it has merely served as a catalyst for processes that have been going on for years. A boycott will not undermine the Olympic movement; that movement has long been disintegrating. It may, however, sound the call for a real examination of the basis of the Olympic idea: peace among nations, true amateurism in sports, and athletic competition rid of the taint of governmental propaganda.●

HINTS OF SOVIET PRESENCE IN CUBA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. LAGOMARSINO. Mr. Speaker, increasingly, reports from Cuba describe greater Soviet influence and presence on that island 90 miles from American shores.

The latest reports give further cause for alarm because it suggests the Soviets are once again trying to establish nuclear arms in Cuba.

I call to the attention of my colleagues the June 1 commentary by Jack Anderson describing the evidence of Soviet missiles in Cuba. I believe that a full investigation should be conducted on these reports and I am writing the Secretary of State requesting an assessment of a Soviet offensive nuclear missile presence in Cuba.

The article follows:

EVIDENCE HINTS RUSSIANS HAVE NUCLEAR ARMS IN CUBA

(By Jack Anderson)

WASHINGTON.—There is disturbing evidence that the Soviets, encouraged by Jimmy Carter's tepid leadership, may be preparing another Cuban missile crisis for the United States.

The appearance of Soviet missiles in Cuba in 1962 brought a nuclear showdown between Nikita Khrushchev and John F. Kennedy. With cold courage, Kennedy faced down Khrushchev, who never recovered from the loss of face. Now with Carter in the White House, the Kremlin czars apparently think they can win a new Cuban confrontation.

Here's the background: American intelligence experts, after painstakingly putting together bits and pieces of evidence, informed the White House last year that there was a Soviet combat brigade in Cuba.

President Carter, with his eye on public opinion polls showing that he was regarded as a weak, ineffectual leader, rushed off half-cocked and announced with chest-thumping bravado that the presence of 2,600 Russians troops in Cuba was "unacceptable."

The Kremlin disdainfully dismissed Carter's saber-rattling as empty rhetoric, and when the Soviet combat brigade suddenly became "acceptable," Soviet strategists were confirmed in their suspicion that Carter was no tiger, but a pussycat.

The president's humiliation over the Soviet brigade issue was lost sight of by the American public within a matter of weeks, swallowed up in the greater crisis over the hostage seizure in Iran.

Now, less than a year after the combat brigade fiasco, U.S. intelligence analysts have compiled truly alarming evidence that the Soviets are secretly developing a nuclear capability in Cuba—may, in fact, already have introduced nuclear weapons into their satellite outpost 90 miles from Florida.

The reason the American public has not heard of this genuinely ominous development is that the intelligence community is afraid to so much as suggest a nuclear presence in Cuba. The pragmatic men in the intelligence agencies fear the disclosure would touch off another international crisis—one which Carter is ill-equipped to handle.

There is, of course, the possibility that the evidence is misleading—that the bits and pieces of incriminating information all have an innocent explanation. But the accumulation of data from various sources points to a "worst-case" projection that the Russians are indeed creating a nuclear arsenal in Cuba—and worst-case scenarios are the only safe ones to assume when dealing with the Kremlin.

Some of the evidence I have already reported. Other information has only recently been interpreted by intelligence analysts.

One of the most disturbing developments was reported by a high level Cuban defector, who until recently was being trained by the Russians to command a SAM-2 (surface-to-air-missile) site. He told his intelligence debriefers that the Soviets have modified their Cuban missiles by adding three booster rocket motors that increase their range threefold.

Intelligence sources told my associate Dale Van Atta that the Cuban defector had been informed that the purpose of the SAM-2 modification was to give it a surface-to-surface capability. In other words, it can now be used for attack as well as defense. The defector reported that the modified SAM-2s in Cuba can reach targets in Florida.

What alarmed the intelligence experts even more was the defector's report that he was told the new missiles' twin warheads were "very powerful" and required Soviet personnel to activate them. He was told the warheads are so powerful, in fact, that they were to be detonated only at maximum range.

The defector assumed from these hints that the missile warheads were nuclear. What he didn't know was that the Soviets had tested nuclear warheads of up to 25 kilotons on SAM-2s as long ago as 1961, and that three are SAM-2s deployed in the Soviet Union which are nuclear-armed.

Intelligence sources also noted gloomily that the Russians routinely describe their nuclear weapons as simply "immensely powerful" to disguise their nuclear reality from the troops who handle them. So the defector's reports add up to the distinct possibility that Soviet nuclear missiles are in position in Cuba at this very moment.

Another recent development adds to the ominous overall picture. In 1978, President Carter expressed concern at the appearance of 20-odd Soviet MiG-23s in Cuba. But the intelligence experts determined that they were for Cuban defense only.

What the American public was never told was that the Russians can rewire a MiG-23 to carry nuclear weapons in approximately two days. Furthermore, I can report also that the Soviets have constructed about 50 hardened shelters for the MiGs in Cuba—an unusual precaution for a climate as mild as Cuba's. Analysts suggest that the strong shelters are intended to protect the MiG force from surveillance or attack by U.S. aircraft and missiles.

Perhaps the most alarming evidence of Soviet military preparations in Cuba is the construction that has been taking place at Matanzas, not far from Havana. I reported in April that large holes in the Matanzas area were "strikingly similar" in size, shape and construction to those that are known to house missiles in the Soviet Union.

The intelligence analysts have learned more since that first report, and it's not encouraging. Initially, the activity around Matanzas was nearly dismissed as "suburban construction." But it now appears that what the Soviets are building there is indeed an underground bunker and/or silo for surface-to-air missiles. With the known nuclear capability of Soviet SAM-2s, and the threefold increase in the missiles' range reported by the Cuban defector, this adds up to another Cuban missile crisis.

Almost as a footnote, it should be mentioned that the Soviet brigade itself was interpreted by some Pentagon experts as possibly constituting a "special mission" force. One of the special missions the Russians use such brigades for is protection and security for nuclear weapons installations.●

NCOA FETES USMC 1980 TOP SQUAD LEADERS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. BOB WILSON. Mr. Speaker, on Thursday, May 22, 1980, I was privileged to join the Non-Commissioned Officers Association of the U.S.A. (NCOA) in hosting a luncheon honoring the Marine Corps 1980 top squad leaders.

The affair was held in the Rayburn Building and attended by such distinguished colleagues as Charles Dougherty, Eldon Rudd, and Dick White, all former marines; Maj. Gen. Harold Hatch, USMC, representing the Commandant of the Marine Corps; and Sergeant Major of the Marine Corps Leland D. Crawford, USMC.

Joining in the salute were members of the staff of Senators Bob Dole, Bill Armstrong, Harrison Williams, Congressmen Dan Marriott and J. Kenneth Robinson, as well as my office.

Also on hand were representatives of the Marine Corps and various private Marine Corps and veterans organizations.

Special guests were Michael A. Watson, member of President Carter's White House staff, and Master Chief Petty Officer of the Coast Guard Hollis B. Stephens, USCG.

Acting as master of ceremonies was C. A. "Mack" McKinney, NCOA vice president for Government affairs and a retired Marine sergeant major. He introduced General Hatch, Sergeant Major Crawford, and me, and each of us offered appropriate remarks. The sergeant major and I assisted Mack in presenting framed certificates of achievement to each squad leader from NCOA president Normand M. Gonsauls of San Antonio, Tex.

The top squad leaders, nine sergeants in all, were at Marine Corps Base, Quantico, Va., competing their units against one another for the title of "1980 Top Marine Corps Squad." The sergeants were from the corps infantry regiments assigned to the United States, Hawaii, and Okinawa.

There were five events in this year's competition. They included marksmanship and weapons employment, combat endurance survivability skills, night patrolling, testing the preparation, planning, patrol order, and conduct of the patrol, helicopter-borne assault, movement to contact, and the squad attack of a fortified area, movement to the forward edge of the battle area, troop leading steps, and conduct of the defense and withdrawal. The competition between the squads was intense, highly spirited, and displayed the tremendous esprit and personal commitment of all squad members.

On the following Friday, the corps recognized the competitors at an evening parade at Marine Barracks, Washington, D.C. Sgt. Robert M. Campbell's squad was named as the top squad and each member received gold competition badges from Gen. Kenneth McLennan, Assistant Commandant of the Marine Corps. Second- and third-place winners were presented silver and bronze badges respectively.

Besides Sgt. Campbell, 9th Marine Regiment, other squad leaders were:

Sgt. W. E. Perry, USMC, 1st Marine Regiment.

Sgt. L. Kocian, USMC, 7th Marine Regiment.

Sgt. R. R. Schwartz, USMC, 8th Marine Regiment.

Sgt. J. M. Willis, USMC, 2d Marine Regiment.

Sgt. J. D. Nason, USMC, 6th Marine Regiment.

Sgt. R. L. Prim, USMC, 4th Marine Regiment.

Sgt. D. S. Bradford, USMC, 5th Marine Regiment.

Sgt. R. J. Bullock, USMC, 3d Marine Regiment.

Cohosts for Thursday's luncheon were R. P. "Bob" Savering, Assistant Director for Military Relations; Richard W. Johnson, Jr., Assistant Director for Legislative Affairs; and C. R. "Chuck" Jackson, Veterans Service Officer, all of NCOA.●

JUSTICE DEPARTMENT'S INTERVENTION IN A PRIVATE ANTITRUST SUIT

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. GORE. Mr. Speaker, recently the Justice Department took the unprecedented step of intervening in a private antitrust suit on behalf of the Governments of Australia, Canada, France, South Africa, and the United Kingdom. Associate Attorney General John Shenefield, in a letter to Federal District Court Judge Prentice Marshall, urged the judge to consider the foreign policy implications before imposing sanctions on foreign firms refusing to comply with subpenas issued in the uranium cartel case. If the Justice Department's view prevails and no sanctions are imposed, it would deal a severe blow to the Tennessee Valley Authority's suit and their attempt to secure access to information contained in the files of the foreign uranium producers.

This is a highly unusual move, which underrates the ability of the judge to balance the views of the foreign governments against the antitrust charges. I believe it also calls into question the Justice Department's commitment to the antitrust laws if short-term diplomatic goals are allowed to override the need to end the insidious effects of cartel activity.

Because of the importance of this issue, I thought my colleagues would be interested in seeing Associate Attorney General Shenefield's letter to the district court judge. In addition, listed below is a letter I sent to Attorney General Benjamin Civiletti in an unsuccessful attempt to stop the Justice Department from intervening. Lastly, I am enclosing a reply from Mr. Shenefield further clarifying his letter to the judge:

U.S. Department of Justice,
Office of the Associate Attorney General,
Washington, D.C. May 6, 1980.

Re: *Westinghouse, Inc.* v. *Rio Algom, Ltd., et al.*, No. 76 C 3830

Hon. Prentice H. Marshall,
U.S. District Judge, U.S. District Court, Northern District of Illinois, Chicago, Ill.

Dear Judge Marshall: This letter constitutes a formal statement of interest by the United States in the above-captioned litigation. The case implicates foreign policy concerns of both the United States and foreign governments. Australia, Canada, France, South Africa, and the United Kingdom have all expressed serious concern at what they see as the exercise of the United States jurisdiction over activities of foreign persons outside the territory of the United States challenging their authority to establish national policies for corporate activity in their countries. The recent adoption of administrative and legislative measures by some foreign governments in response to the initiation of this lawsuit testifies to the intensity and authenticity of their respective interests. The views and representations advanced by these foreign governments are entitled to appropriate deference and weight in resolving legal questions that turn, at least in part, on considerations of international comity. See, e.g., *Societe Internationale* v. *Rogers,* 357 U.S. 197 (1958); *Timberlane Lumber Co.* V. *Bank of America.* 549 F. 2d 597 (9th Cir. 1976); *Mannington Mills, Inc.* v *Congoleum Corp.*, 595 F. 2d 1287 (3rd Cir. 1979); Section 40 of the Restatement (Second) of the Foreign Relations Law of the United States.

Foreign governments may perceive particular federal litigation to which they are not parties as threatening to their soverign interests. At one time, it was customary for foreign governments to communicate such concerns through diplomatic notes, delivered to the federal courts by the Department of State. In 1978, however, the Clerk of the United States Supreme Court notified the Solicitor General that a foreign government that desired to present its views to the federal courts on a pending case should do so by way of a brief *amicus curiae.* Accordingly, since that time, both the Department of State and the Department of Justice have consistently encouraged interested foreign governments to submit their positions directly to the courts as *amici.* It would be improper, therefore, to discount the importance of international comity in a particular case simply because foreign governments have expressed their views to the court without the intercession of the Department of State.

Finally, the United States urges that it would be inappropriate, in the absence of bad faith, to inflict punishment against a defendant in the above-captioned case for inability to comply with a discovery order of the court because of a contrary foreign criminal law; the consequences of the absence of complete discovery should be assessed by reference to the multiple factors identified in *Societe Internationale* v. *Rogers, supra.*

Respectfully submitted.

JOHN H. SHENEFIELD,
Associate Attorney General.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 7, 1980.

Hon. BENJAMIN R. CIVILETTI,
Attorney General, Department of Justice, Constitution Avenue, Washington, D.C.

DEAR MR. CIVILETTI: It is my understanding that in the next few days you will be asked to sign a letter on behalf of the Justice Department to intercede in a private antitrust case currently pending in the U.S. District Court in Chicago involving the uranium cartel. I would like to urge you not to sign this letter and to do everything you possibly can to stop any intervention into this private litigation.

One of the plantiffs in this action is the Tennessee Valley Authority which seeks a redress of injuries suffered by an alleged conspiracy to violate U.S. antitrust laws by 13 foreign and domestic uranium companies. While there is no dispute that the cartel existed and that it was able to manipulate a seven-fold increase in uranium prices over a four-year period, the defendants are disputing the extent of its impact on U.S. commerce. The defendants contend that the cartel specifically excluded the U.S. from the cartel marketing arrangements.

In an attempt to prove their case, TVA sought discovery of information relating to the defendants' actions in the United States. A number of foreign governments have sought to frustrate that discovery order by enacting non-disclosure or secrecy laws.

Judge Prentice Marshall of the U.S. District Court in Chicago is now considering motions for sanctions against the defendants for their failure to comply with the discovery order. In his deliberations Judge Marshall will be aided by amicus briefs filed by the Governments of Canada and Great Britain.

I have been informed that high-ranking Justice and State Department officials recently met with the plantiffs and informed them that they intend to send a letter to Judge Marshall requesting that he look favorably on the views of the foreign governments. The decision was said to be imminent, and in all likelihood will cross your desk in the next few days.

I believe that intervention by the Executive Branch in this matter is ill-advised and improper. It raises troublesome questions as to the commitment of the federal government toward effective enforcement of the antitrust laws. The uranium cartel suit must turn on questions of law and should not be dictated by short-term political and diplomatic efforts. To be effective and enduring, our judicial system must be free of political pressures in resolving private grievances between private parties.

I have given this issue my close personal attention for nearly four years. In 1977, the Oversight and Investigations Subcommittee, on which I serve, documented the activities of the cartel and its impact on U.S. commerce. In an effort to give U.S. courts a stronger role in enforcing our antitrust laws against international cartel activity, I introduced legislation which would narrow the scope of the defense used by cartel members who have hidden behind the skirts of foreign governments. I have come to the conclusion that we can and must do more to strengthen the tools of government to deal with the insidious effects of cartels. I have been terribly disappointed in the government's efforts to date, and especially the Justice Department's decision last year to drop its investigation of the Gulf Oil Corporation, an active cartel member, in return for a $40,000 misdemeanor information charge. The possibility that State and Justice would intercede on behalf of cartel members in a private suit is absolutely the wrong signal to send to multinational corporations at this time.

What is interesting in the matter pending before the Chicago court is that it does not involve the delicate inquiry into the legality or the validity of cartel actions taken by foreign governments. TVA is not seeking extraterritorial application of U.S. laws. It is seeking to redress grievances suffered right here in the United States which adversely affected TVA and the U.S. uranium market. TVA is attempting to hold private parties responsible for actions taken in the U.S., totally outside the scope of any foreign governmental mandate. None of the defendants have been able to show why the foreign secrecy laws should prohibit disclosure of marketing information relating to U.S. commerce. While I believe intervention by Justice and State is highly inappropriate in any event, it is especially true here where no direct conflict of laws can be found.

Recently former Secretary of State Henry Kissinger was stung by allegations that he tacitly assisted the Shah of Iran's efforts to raise OPEC oil prices after the 1973 Arab embargo. It was alleged that he believed higher oil prices were needed to give Iran sufficient funds to build an arms oasis to fight Russian expansionism in the Middle East. While the stakes are not as high, the principal involved in this case is precisely the same. The U.S. judicial system is attempting to enforce our antitrust laws and to protect U.S. consumers, and yet the State Department and the Justice Department are apparently attempting to block those efforts for diplomatic reasons. The result is to condone and encourage cartel activities. If this policy is allowed to predominate, it will cripple efforts to enforce the antitrust laws against multinational corporations.

I urge you to give these views your very careful consideration, and I thank you in advance for your time.

Sincerely,

ALBERT GORE, Jr.,
Member of Congress.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE ASSOCIATE ATTORNEY GENERAL,
Washington, D.C., May 15, 1980.

Hon. ALBERT A. GORE, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN GORE: I have been asked by the Attorney General to respond to your letter of May 7, 1980 concerning the Uranium Antitrust Litigation (No. MDL 342) now pending in United States District Court for the Northern District of Illinois. As you are by now aware, on May 6, 1980, I wrote to Judge Prentice H. Marshall notifying him of the interest of the United States in the referenced litigation. The letter, a copy of which is attached, does not request that the Judge "look favorably" on the views of the foreign governments. The letter does indicate the concern of the United States government, in light of the circumstances of this case, that Judge Marshall have proper regard for the foreign policy implications of any action he may take.

Such a conveyance of views by the Executive Branch, while entirely proper and in this case quite important to the foreign relations of the United States, should not be thought by anyone to mean that the United States is taking a position on the substance of the matter which favors either side.

It is important to be clear, however, that there is a direct conflict of United States and foreign law present in pending motions before Judge Marshall. The United States believes that any Rule 37 sanctions imposed upon a defendant in these circumstances ought to avoid any implication that punishment is being inflicted by a United States court upon any party to a litigation by reason of the failure of that party to violate the law of another sovereign nation. To be as clear as I can, this position is not intended to convey either the opposition or the favor of the United States toward sanctions in this case. Rather, I believe it is obvious that a court faced with the inability of a party to provide evidence has discretion to take the actions necessary to effective judicial management of the pending law suit that flow from such inability.

To reiterate, our action in communicating these views to the court should not be taken as favoring either side or as an attempt to dictate the outcome. We are simply urging the court to give careful consideration to the principles of international comity in fashioning its orders.

I look forward to seeing you Monday.

Sincerely yours,

JOHN H. SHENEFIELD,
Associate Attorney General. ●

WEB—PROGRESS CONTINUES

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. DASCHLE. Mr. Speaker, the South Dakota congressional delegation recently presented the administration with a proposal aimed at insuring continued water resource development in South Dakota.

This proposal seeks to obtain administration support for the construction of the Walworth-Edmunds-Brown (WEB) rural water system, in return for the South Dakota congressional delegation's commitment to move forward with an Oahe deauthorization package that will be acceptable to both the administration and the people of South Dakota.

Mr. Speaker, it is my hope that we will be able to begin the drafting of that proposal sometime in June when the House Interior Water and Power Resources Subcommittee will hold hearings on the Oahe deauthorization issue.

I insert the entire text of the South Dakota congressional delegation's letter to the administration in the RECORD at this time:

CONGRESS OF THE UNITED STATES,
Washington, D.C. May 12, 1980.
GUY R. MARTIN,
Assistant Secretary for Land and Water Resources, U.S. Department of the Interior, Washington, D.C.

DEAR GUY: We appreciated your consideration in meeting with us and a delegation from South Dakota last week to discuss the prospects of securing expedited development of the WEB Water Development Association's proposed pipeline project. We also appreciated your candor in visiting with us about the Administration's position concerning the concurrent deauthorization of the Initial Stage, Oahe Unit.

As you know, we very much want to see WEB get underway. Because there appears no other avenue left open to us, we feel we must accept the Administration's offer.

We are writing you to detail our understanding of the Administration's offer and hope we can together proceed in the year ahead to secure the construction of the WEB project and deauthorize Oahe in a manner acceptable to us personally, to the Administration, and to the people of South Dakota.

It is our understanding, based upon your letter of April 23 cosigned by Assistant Secretary of Agriculture Alex Mercure and from your comments during the meeting last week that the Administration will "not object" to amendment of the Rural Development Policy Act to authorize construction of the WEB pipeline, that you will, in fact, support our efforts in Congress both to authorize and to fund the project for fiscal year 1981.

We accept your innovative suggestion that the Administration's interest in deauthorization of Oahe be accomplished through alteration of our amendment to include a provision that no funds for WEB can be appropriated beyond fiscal year 1981 unless deauthorization of Oahe has been accomplished.

The text of our proposed revision of our amendment to the Rural Development Policy Act follows. We are prepared to support this in the House of Representatives. We understand the Administration would, upon acceptance of this offer, similarly support its passage.

PROPOSED AMENDMENT

On Page 28, after line 9, insert the following new section:

SEC. 7. (a) There are authorized to be appropriated to the Secretary of the Interior $1,900,000 for the fiscal year ending September 30, 1981; and there are authorized to be appropriated to the Secretary of the Interior such additional sums as may be necessary in subsequent years upon the deauthorization of the Initial Stage, Oahe Unit, James Division, Missouri River Basin project, South Dakota, authorized by the Act of August 3, 1968 (Public Law 90-453; 82 Stat. 624), and the Act of October 27, 1972 (Public Law 92-577; 86 Stat. 1265), including necessary administrative expenses, which shall be used to plan and develop in portions of, but not limited to, Walworth, Edmunds, Brown, Campbell, Potter, McPherson, Faulk, Hand, Spink, and Day Counties in South Dakota a rural water treatment and distribution system which will furnish water for domestic and other purposes, hereafter referred to in this section as the WEB Pipeline Project, as generally proposed by the WEB Water Development Association, Inc. Any funds appropriated under the authorization contained in this section shall remain available until expended.

(b) Any funds appropriated under the authorization contained in subsection (a) shall be transferred by the Secretary of the Interior to the Secretary of Agriculture when such funds are appropriated. The Secretary of the Interior is authorized to enter into cooperative memoranda of understanding as may be required with the Secretary of Agriculture to provide services to carry out the purposes of this Act.

(c) The Secretary of Agriculture shall use any funds transferred pursuant to subsection (b) for necessary administrative expenses, and to provide financial assistance to plan and develop the WEB Pipeline Project under the terms and conditions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) and under rules and regulations promulgated by the Department of Agriculture under the authorities contained in that Act. Such funds shall be expended in the ratio of 75 percent grants and such loans as may be necessary.

This language will enable initial funding of the WEB project in recognition of the "timing problem" confronting us. You will note, however, that it expressly ties further funding of the project to actual deauthorization of the Oahe Unit.

We understand you desire our assurance that we will immediately introduce and make a good faith effort to obtain enactment of legislation deauthorizing Oahe as a condition of Administration support of this amendment. We are hereby assuring you we will make such an effort contingent upon the Administration's active support of fiscal year 1981 funding of the WEB project and in expectation that such funding will ultimately be provided.

As you know, we've jointly sought a hearing on the deauthorization of Oahe before the House Subcommittee on Water and Power Resources. Indications are that such a hearing will take place in June. Upon your confirmation of the Administration's agreement to this proposal to secure active support for fiscal year 1981 funding for the WEB project, we will attempt to secure a similar hearing in the Senate. We will also be willing to introduce "by request" Oahe deauthorizing legislation we understand you are preparing, if you feel such introduction would be useful.

We want to ensure that South Dakota views are heard on this important matter and that our constituents have ample opportunity to properly and fully present their views. It may be possible that at some point in this process formal legislative language or report language setting forth additional agreements which will have a bearing upon the deauthorization of Oahe and possible additional considerations for the State in return for Oahe's deauthorization may be posed for the consideration of Congress.

While we must "agree to disagree" upon the extent of the Federal commitment to our State contained in the Flood Control Act of 1944, we believe the compromise which you have proposed and which we are accepting provides a proper and effective means by which we may proceed with WEB and with Oahe's deauthorization concurrently. It protects the legitimate interests of the people of South Dakota by ensuring consideration of their viewpoints by the Congress and by ensuring the Oahe Unit won't be deauthorized before their viewpoints have been considered. Similarly, it protects the Administration's position by not providing anything more than minimal "start up" money for the project unless and until the Oahe Unit has been deauthorized. It also assures an Administration voice in the deauthorization process in hearings before Congress.

We want to emphasize again that we will take every possible step to expedite this process so as to ensure the actual deauthorization of Oahe on a basis acceptable to all parties concerned. We realize that failure to deauthorize the project will foreclose any future funding for the WEB pipeline. This is assured by the language of the amendment we have provided you.

This proposal, then, revolves on the following conditions:

1. The administration can and will support the authorization and funding of the WEB pipeline for fiscal year 1981.
2. The South Dakota Congressional Delegation is willing to accept legislative language which will terminate further funding for the WEB project beyond fiscal year 1981 unless Oahe is deauthorized by the appropriate date.
3. The South Dakota Congressional Delegation has already obtained a commitment for a House hearing on Oahe's deauthorization and will upon Administration acceptance of this proposal seek similar hearings before the Senate. We will also introduce "by request" the deauthorizing legislation drafted by the Administration, should you feel this to be useful.
4. The Administration will be protected against adoption of "unacceptable" Oahe deauthorizing legislation by the existence of legislation tying completion of WEB to deauthorization by its participation in every phase of the Congressional deauthorization process, and by its inherent right to veto any deauthorizing legislation to which it objects.
5. The people of South Dakota will have an opportunity to present arguments concerning Oahe's deauthorization in hearings before Congress before the project is actually deauthorized.
6. WEB cannot proceed further unless Oahe is deauthorized by Congress.

We hope you can understand the sacrifices we are asking our constituents to make in accepting an agreement which sets in motion the process of Oahe deauthorization—a prospect which is abhorent to many of them. We also hope you understand that their acceptance of this is directly dependent upon the Administration's ability to deliver support for the authorization and funding of the WEB project.

While not a part of this agreement, nor a condition of our acceptance of it, we would expect the language deauthorizing the Initial Stage, Oahe Unit would gain the Administration's support in expediting consideration of other worthwhile South Dakota water resource development projects and assuring an available water supply for South Dakota to develop its resources, while assuring the actual completion of the WEB project.

We hope you'll view our acceptance of your proposal as a first step toward recreating the kind of local, State and Federal cooperation you described at our recent meeting as being the key to future successful water resource development in South Dakota. Continued cooperation is absolutely vital. In accepting this proposal, we feel we have gone as far as we possibly can to promote such cooperation. We know you have done the same in offering it as a possibility in resolving this matter.

For us to ask more by demanding completion of WEB without Oahe's deauthorization, or for the Administration to ask more by demanding our acceptance of detailed terms of Oahe deauthorization prior to our constituents enjoying the opportunity to offer the kind of local voice in decision making which has been the centerpiece of the Administration's water policy would indicate a lack of serious commitment on each of our parts—to Oahe, to WEB, and to the cooperation we both seek.

In view of the extreme time constraints under which we are now operating, we request your earliest possible written confirmation of this agreement.

Sincerely,

JAMES ABDNOR,
TOM DASCHLE,
Members of Congress.
GEORGE MCGOVERN,
LARRY PRESSLER,
U.S. Senators.●

THE SOUTH BEND TRIBUNE COMMENTS ON ENERGY PROGRAM

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. BRADEMAS. Mr. Speaker, putting together a coherent energy policy for the United States has not proved an easy task.

Given the magnitude and complexity of the problem and the wide diversity of attitudes toward energy policy in the United States, this difficulty should not have surprised anyone.

Congress and President Carter have, however, been making significant progress on shaping an energy policy for our country.

Recognition of this progress is contained in the following thoughtful editorial in the June 1, 1980, issue of the South Bend (Ind.) Tribune, published in the congressional district I have the honor to represent.

The editorial follows:

AN ENERGY PROGRAM

An energy program for this nation was never so simple that a staff of bureaucrats could just sit down and work one out. It has been a nagging problem, one that was sensed even in the heydays of waste in the 1950s and the 1960s.

What was needed to make a program possible was a goal, the old management by objective technique. And this was provided by the Arab oil boycott of the early 1970s. The goal was to be independence of the need for foreign oil.

But this still presented a cloudy picture. And it has not been until recently, after a great debate involving elected officials, government staff people, environmentalists, and industrialists and businessmen, that the form of a program became apparent.

Finally, it appears that an overall, coherent system is emerging. It lies mainly in three pieces of legislation, one passed and two about to be, and in a variety of lesser bills and regulations. But even though the form is apparent, the way still is threatened.

The foundations of the program are the $227 billion "windfall profits" tax on domestic oil revenues for the next 10 years, a provision that now is law; the creation of an energy mobilization board, with the power to speed up key projects, which awaits passage; and the creation of a synthetic fuels corporation to increase production of synthetic fuels, a bill also awaiting final action.

The legislation still not passed has overcome the most important barriers, and the expectation is that both will soon be law. The major victory was passage of the windfall profits tax, because it provides money to make the others work, in the case of synfuels to induce private industry into this development field.

President Carter has defined the goal a bit more, which is good because total independence of foreign oil is impossible in the near future. He has called for a 50 percent reduction in imports by 1990.

With these tools to use, a parcel of programs is springing up: Conservation, controlled now mainly through price; getting oil from such plentiful and minable products as coal and shale; distilling fuel from farm products and other renewable sources; setting national heating and cooling standards; tax credits for the use of solar heating equipment.

But, almost as fast it seems as these programs fall into place, pressures threaten to overcome them. An effort to build up a two-year contingency store of oil is threatened by Saudi Arabia, which may either cut down its exports or raise the price or both if such a safety measure is carried out.

And the Department of Energy has called for smaller spending to encourage solar power and more for nuclear power, whose future has been dimmed by the accident at Three Mile Island. President Carter's plan to add 10 cents to the federal gasoline tax has been stymied in Congress.

Even as the plan evolves, it will take a talented and tough administrator to make it work. President Carter deserves credit at this point for putting the package together. Making it do the job will be a major challenge for whoever is President for the next four years.●

CONGRESSMAN SILVIO CONTE RECEIVES HONORARY DOCTOR OF LAW DEGREE FROM TUFTS UNIVERSITY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. DRINAN. Mr. Speaker, I know that all of his many friends and colleagues will want to see the magnificent citation received by Congressman SILVIO CONTE on May 25, 1980, when he received an honorary doctorate of law from Tufts University.

The citation follows:

TUFTS UNIVERSITY, *May 25, 1980.*

SILVIO O. CONTE

Silvio Conte, as a lawyer and lawmaker, as a State senator and as a beloved Member of the Congress of the United States, you have represented the people of your district and your State with humanity, integrity, and vigor, in your unswerving commitment to the improvement of health care and education, protection of the environment, and safe and efficient transportation, you represent the interests of all Americans. In gratitude and admiration, Tufts University awards you the degree of doctor of laws, *honoris causa.*

I know also that Members of the House and all of the admirers of Congressman CONTE will want to read the address which Congressman CONTE gave at the commencement of the Fletcher School of International Law and Diplomacy at Tufts University in Medford, Mass., on Sunday, May 25, 1980.

Congressman CONTE's address makes several perceptive and wise comments about the necessity of clearly distinguishing between the role of a diplomat and the function of the political leader.

Congressman CONTE's thoughtful address follows:

REMARKS OF THE HONORABLE SILVIO O. CONTE AT THE COMMENCEMENT ADDRESS BEFORE THE FLETCHER SCHOOL OF INTERNATIONAL LAW AND DIPLOMACY, TUFTS UNIVERSITY, MEDFORD, MASS., SUNDAY, MAY 25, 1980

Good afternoon. It is both an honor and a pleasure to be here today to address this distinguished group of graduates.

Although it is quite usual for a commencement speaker to include a warning to members of a graduating class that they may face many challenges, I regret that my remarks to you today must be almost totally devoted to that type of very serious message.

I have never been known as a theorist. I have been more widely—and probably more accurately—known as a pragmatist. For that reason, I assume that I was invited here to give my own assessment of the issues of concern to you; and, for that reason, my remarks will include candid observations, which I expect to be interpreted—which I hope will be interpreted—as words of warning. If you live up to the fine history and tradition of the institution from which you are graduating, I am certain you will accept them as words of challenge.

I wish I could give you a cheerier address, but these are not times for fond reminiscence or wistful speculation. There have been few times in our nation's history when the need for diplomatic expertise has been so critically apparent. America today yearns today for a new generation of leadership, a rekindling of spirit and respect in world politics.

Instead, we see assaults on our embassies, the Assassination of our Ambassadors, burning of our libraries, and desecration of our flag. In response to the crises in Iran and Afghanistan we see our allies reluctant to support American initiatives on behalf of the free world. Argentina balks at curtailing its grain shipments to Russia; Mexico closes its door to sanctuary for the Shah; Japan agrees to purchase Iranian oil at inflated prices. The litany goes on. America, the home of the brave, is no longer America, the leader of the free world.

Reflective of the decline of American prestige abroad, of course, is the hostage crisis in Iran. Never before has there been such an extended, vitriolic outpouring of anti-American feeling than that which we watched daily on our television screens. Never has our sense of frustration been greater as we find ourselves unable to prevent the kidnaping of our Embassy or force the release of our citizens.

Doubts about our leadership and foreign policy resolve have emboldened the Soviet Union and its surrogates to make significant advances in Africa, the Middle East, Asia and other troubled regions of the world. The Soviet invasion of Afghanistan is the only most blatant in a series of Soviet actions to prove and take advantage of the weakness of the West. Even close to home—in the Caribbean and Central America—our prestige has waned, providing opportunities for our adversaries to increase their influence.

What has caused this continuing loss of American influence and prestige, and what can be done to set a new course?

The Vietnam War preoccupied the United States for a decade, diverting our attention from other priorities and dividing America domestically. Vast expenditures of money and manpower in a remote Asian war we could not or chose not to win tarnished our international image.

Compounding the lack of direction in foreign policy in the 1970's was a breakdown in ethics in national leadership. A president was forced to resign from office; Congressmen were indicted for taking bribes from a foreign state; and a new president was elected in a campaign marred by funding irregularities. In the eyes of the world, America's moral fiber was hardly apparent.

On the economic front, foreign perception of our vitality has been on the eclipse. The dollar has steadily weakened and no longer holds a dominant international strength. Inflation, declining productivity, inadequate savings, and too little capital formation have come to characterize our economy. Excessive dependency on petroleum imports has enabled oil exporting countries to escalate oil prices with impunity. Our balance of trade has moved heavily into the red until, today, our unmitigated appetite for oil may bring us to the point where shortly, we may be paying more for foreign oil than we spend on national defense.

Finally, the world has become far more complex than ever before. No longer are we the only wealthy and powerful country as was the case at the end of World War II. Europe and Japan are highly developed. The major oil exporting countries are bloated with oil profits. Rapid economic development in such other countries as Mexico, Korea and Brazil has created states more confident of themselves and less needful of American friendship and resources. At the same time, international Interdependence has increased.

In addition, new weapons developments have far outpaced new security arrangements. We are the first generation in the history of the world capable of destroying ourselves through misuse of weapons of mass destruction. Not only have nuclear weapons become the province of seven countries—two of which are very poor (China and India)—but in the last year poison gas has once again found a place in the arsenal of modern war. We hear allegations that the Soviets have used lethal chemical weapons against Afghan insurgents, as have the Vietnamese in Laos and Cambodia.

If the international community does not join together to place curbs on the nuclear arms race and augment the Geneva protocol with a new convention prohibiting the development, production and stockpiling of chemical weapons, civilized society could cease. We could all be reduced to living the kind of presocietal existence the 18th Century Philosopher, Thomas Hobbes, described as "Solitary, poor, nasty, brutish and short". Government was instituted to uplift men from this self-destructive environment; but it appears that governments themselves are a prime factor in taking the civilization out of Twentieth-Century Science.

What, then, is America's responsibility in the decades ahead? We must begin by recognizing the twin values of restraint and preparedness, and the twin necessities of continuing detente where possible, but establishing, through alliance and sacrifice, barriers to aggression. At home, we must expect less from Government and more from ourselves. Rebuilding international respect and reducing the likelihood of war requires the revitalization of our economy, greater energy independence, enhanced diplomatic and military capabilities, and perhaps, most importantly, a competent and visionary national leadership.

Last year, George Ball, the highly-respected former Undersecretary of State, appeared before a House Subcommittee to discuss the management of American foreign policy. Ball vigorously criticized what he called "Showbiz Diplomacy".

Referring to Henry Kissinger's famous practice of shuttle diplomacy in the Middle East in 1973 and 1974, Ball spoke of the world as being "Entertained by America's 'Miracle Worker' flying like Superman between Middle Eastern capitals, while press and television breathlessly reported" his every move.

And, in recent years, Ball noted, we have seen two examples of the "Prima Donna as Diplomat" as representatives of the Administration publicly displayed their disdain for accepted diplomatic practice.

The service of the former American Ambassador to the United Nations was hallmarked by frequent indiscreet public remarks. At the time of his dismissal in August, he admitted that he had deliberately misled the Secretary of State on his meeting with the PLO observer to the United Nations. He said he hadn't lied, but just didn't tell the whole truth. Diplomatic truth, he implied, has no bearing to real truth; nor to Administration loyalty. His actions reflected the frustrations of politician turned Diplomat. They are not unique.

President Carter's former envoy for Middle East negotiations confided to reporters aboard his aircraft last August that he had been assigned a "Mission Impossible". He let it be known that he had opposed the instructions for his visits to Egypt and Israel but had been overruled by the President on the advice of the Secretary of State and the National Security Advisor.

If he was unhappy with policy, he, like the U.S. Ambassador, should have resigned rather than so severely undercut the authority of the President and the Secretary of State. Amateurish efforts to undertake personal diplomacy perplex other governments, leaving them to wonder not only who is in charge of our Foreign Policy but sometimes in doubt as to what our Foreign Policy is.

I, like many of you, was shocked and surprised over the recent aborted attempt to rescue the hostages in Iran—not so much because an attempt was made, but because of its timing. Our diplomats around the world were negotiating with our allies and friends, trying to convince them to join in the economic sanctions. I, myself, had just returned from a trip to Yugoslavia, Morroco, and Portugal—a trip I cochaired with Speaker O'Neill. I recall very well how we personally urged Portugal to join us in the sanctions. Shortly after we returned, Portugal, at great economic risk to herself, joined in the sanctions.

I gave a speech on the floor of the House praising Portugal for her action, especially in light of the fact that 21% of her oil came from Iran. Shortly thereafter, while diplomatic negotiations were underway with other nations, the Administration attempted to use force and free the hostages. Is it any wonder that other nations refused to follow Portugal's lead?

In January, Brzezinski went to Pakistan after Secretary of State Vance had been there. He managed, in the eyes of the world press, to undercut Vance's assurance to Pakistan of U.S. support and aid, and, while achieving this, he managed to have his picture taken—automatic rifle in hand—with Afghan and Pakistani guerillas.

American national interests are better protected when diplomacy is institutionalized within the Department of State, and the Secretary of State preeminent in managing Foreign Policy. There is an inherent danger when our diplomatic activities are fragmented among several Foreign Policy spokesmen and special interests.

There have been too many examples in recent years of special envoys and the President's National Security Assistant working independently of the Department of State. Most recently, the press has entertained us with sketchy accounts of Hamilton Jordan serving as Ambassador without portfolio—the President's personal emissary in discussions with Quasi-Governmental intermediaries concerned with the Iranian hostage issue. But, as you here at the Fletcher School know full well, speaking Georgian is no substitute for the discipline of learning foreign languages and cultures.

Reflecting on his experience as one who worked the system both ways, Henry Kissinger recently acknowledged before a House Subcommittee hearing that there are dangers in the Department of State not having full authority in Foreign Affairs. He testified that negotiators should be under the direction of the Secretary of State and that the National Security assistant should act as a "Traffic Cop" for the President, and not as somebody "That foreign governments perceive as a rival source of influence."

With today's rapid communications jet travel, we have forgotten the virtues of traditional diplomatic negotiations. Experienced diplomats can often mediate, maneuver and negotiate with considerably more success than can a high-level political envoy. A traditional diplomat can work away from the glare of media attention and devote the time necessary to troublesome negotiations outside the confines of press deadlines. He or she can quitely propose initiatives which, if turned down, can serve as a constructive basis for later agreement.

Personalized diplomacy, on the other hand, too easily lends itself to high stakes response if it fails. Like poker players whose bluff was called, Kissinger and Nixon were psychologically forced to escalate the war in Vietnam in a costly effort to force the North Vietnamese to complete negotiations.

Unfortunately, instead of utilizing quiet diplomatic tools, we have in recent years too often engaged the prestige of the President or one of his principal advisors in meetings with foreign leaders when the results of negotiations were far from certain. In the process, our ambassadors have been turned into mere messengers and social secretaries for visiting dignitaries. The in-depth knowledge of the country, its language and leaders, that they and their career staffs possess has been overshadowed by the influence of domestic politicians and pressure groups and the egos of political personalities whose sense of self-esteem and concern for electoral survival carries greater weight than the national interest.

A case in point is the recent Cuban crisis. Incompletely evaluated intelligence relating to Soviet activities in Cuba was preemptorily released by a Senator foundering in his reelection campaign. President Carter mistakenly personalized as well as legitimatized the issue, and in failing to cause the Soviets to back down, produced a diplomatic debacle. The U.S. preeminence in the Caribbean has effectively been undercut by our leadership, not by any substantive change in power relations.

The personalizing of diplomacy contributes to the politicization of foreign policy. It exacerbates the tendency for Senators and Congressmen—as well as non-elected leaders—to think they are ambassadors, and for politicians to act out diplomatic drama before nationwide television audiences.

The ultimate practitioner of personal diplomacy has probably been Henry Kissinger. His clandestine visits to Peking, Moscow, and Paris were at times arranged without the knowledge of either the State Department or our diplomats on the scene. The highly publicized disengagement agreements he helped negotiate between Israel and Egypt required 12 trips to the Middle East and resulted in very substantial American monetary, military and political commitments to both countries at little cost to either.

While he still defends his shuttle diplomacy in the Middle East, even Kissinger now claims he is against overuse of this technique. He recently described shuttle diplomacy as risky because "if you fail at it, you have produced a major setback."

One of the reasons, it seems to me, for such visible involvement of our political leaders in international negotiations comes from the desire of Presidents and their principal representatives to leave their personal mark on international affairs. Richard Nixon so wanted to end our isolation from Mainland China that he ordered Kissinger to Peking without consulting our most important Asian ally, Japan. Jimmy Carter properly placed peace in the Middle East at the top of his foreign policy agenda, but with enormous naivete originally demanded a single comprehensive solution, with the Soviets allowed to play a principal role at the bargaining table. And in a rush to recognize Mainland China, he forgot to give notification of intent to Taiwan, thus shaking the confidence of a long-time ally.

While personal presidential involvement in Foreign Policy has sometimes benefited American interests, this has not always been the case. The scurry to fill up a chapter in the history books with personal "firsts" often dictates short-term solutions to complex issues which require protracted efforts to resolve.

At a time when the predominant role of the United States in the world is so desperately being challenged, America needs more than ever to have a strong, well understood diplomacy.

Diplomacy, like politics, is the art of the possible. But what is possible depends on the quality of our diplomatic techniques as well as our diplomats.

What we need are fewer politicians turned diplomats and more diplomats turned statesmen.

As is obvious from some of my remarks here, I am a politician, not a diplomat. But I hope the candor and sincerity of my observations will help you and your colleagues in your quest of statesmanship.●

SHIPBUILDING PROBLEMS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. BOB WILSON. Mr. Speaker, I firmly believe that the President's shipbuilding request for fiscal year 1981, though a slight improvement over those of the recent past, is still not enough to replace ships lost through retirement, let alone begin building the Navy of our future.

Events in the Middle East and our response to these events painfully point out just how thinly our naval forces are stretched, and how desperately we need to expand the size of our fleet.

Former Secretary of the Navy, J. William Middendorf II, and John J. Spittler, national president of the Navy League of the United States, have made an exhaustive study of our needs, and the following article—the results of that study—sets forth a clear course for us to follow, if we are to maintain our present slim lead over the Soviet Union in seapower.

I include an article about their program as presented in Seapower magazine earlier this year.

AN ALTERNATE NAVY SHIPBUILDING PROGRAM

The Defense Department budget which was sent to the Congress by President Carter at the end of January includes funding for 17 new-construction ships (plus two conversions) for the Navy. The cost of those ships will be an estimated $6.1 billion.

Neither the number of ships requested (although an improvement over the 12 ships funded last year for fiscal year 1980), nor the amount of money requested for SCN (shipbuilding and conversion, Navy) comes close to meeting the real needs of the Navy and the nation.

The five-year shipbuilding plan which the President also sent to Congress calls for construction—during the FY 1981-85 period—of 97 new-construction ships, plus five conversions. Again, while that figure represents a substantial improvement over the 67-ship total projected last year for the FY 1980-84 period, it still falls far short of what is needed by the U.S. Navy to retain supremacy on, and under, the high seas, and to carry out all its assigned missions for the foreseeable future.

We believe both the FY 1981 shipbuilding program and the five-year FY 1981-85 plan should be substantially increased. We therefore urgently recommend to the administration and to Congress adoption of a new program which would provide:

In FY 1981, 27 new-construction ships, plus two conversions, at a total cost of $8.8 billion.

In the five-year FY 1981-85 period, 156 new-construction ships, plus five conversions, at a total cost (in "then-year" dollars, rather than "constant," FY 1981, dollars) of $70.2 billion.

A corollary five-year aircraft procurement program which would provide, during the FY 1981-85 period, funding for 1,870 aircraft, including 200 in FY 1981, for the Navy and Marine Corps, rather than the 104 presently requested for FY 1981 and the 1,212 projected for FY 1981-85 procurement.

At a time of continuing double-digit inflation which adversely affects every American individually, and which has escalated the cost of new ships and aircraft astronomically, we do not make these recommendations lightly. But, as recent events in Iran and Afghanistan have made abundantly clear, the United States is today in mortal danger, and very strong measures must be taken to reverse the decline of our nation's naval and military forces.

If we do reverse that decline—and we must, but the hour is late and the time is short—Afghanistan may well prove to have been the giant hinge upon which the Free World swung from a state of apathy to a state of alert.

To some, the recent calamities abroad, and the U.S. reaction to them, represent—and are deplored as—"a return to the Cold War." A more realistic and, in the long run, more optimistic view—one which we share—is that the crises in Iran and Afghanistan should serve as the catalyst needed to reawaken the nation and make our citizenry, as well as our elected leaders in Congress and the administration, aware of the urgent need to repair and strengthen our too-long-neglected defense capabilities—not to begin the Cold War anew, but to prevent that Cold War from ever escalating into a world-destroying Hot War between the superpowers.

The sad fact is, the dangers facing the nation today are due as much to American—and allied—apathy and neglect of the Free World's defense capabilities as they are to Soviet adventurism. If we had taken the necessary hard steps several years earlier to maintain our previous naval and military supremacy, it would not be necessary today to embark on a crash program of inefficient and costly "quick fixes" such as those which are now being urged upon us.

Many of those "quick fixes" are nonetheless needed, and should be acted upon by the President and the Congress at the earliest possible time. A renewal of registration for the draft is absolutely mandatory, as is, we think, a renewal of the draft or initiation of a program of universal national service. Military pay should be increased across-the-board in order to solve the horrendous recruiting and retention problems facing all of our armed services. The nation's airlift and sealift assets must be massively and swiftly upgraded and augmented—and that means paying more than lip-service to the development of a strong and economically viable U.S.-flag merchant fleet.

Within the field of defense "hardware," major additional increases in RDT&E (research, development, test, and evaluation) for all the services are necessary, as is additional funding for the important but often neglected O&M (operations and maintenance) category. More spending is also needed for a wide variety of Army, Air Force, and Marine Corps, as well as Navy, weapons procurement programs.

It is above all essential that there be no repetition of the practice in recent years of "robbing Peter to pay Paul"—in other words, reducing funding for one service in order to provide more money for the needs of another service. All of the U.S. armed forces are today grossly underfunded. They must all be upgraded and modernized. Our focus here on the Navy's shipbuilding program stems from the fact that: (a) The Navy's general purpose fleet is, in relation to the missions assigned the Navy in peacetime as well as in time of conflict, the weakest component of the U.S. defense establishment; and (b) Ships take longer to build than any other weapons "system," and that makes it mandatory that the rebuilding of the fleet begin immediately.

To put the fiscal year 1981 defense budget in perspective, consider the following:

The total obligational authority of $158.7 billion which is requested represents a seeming increase of $20.1 billion over the $138.6 billion appropriated last year for the FY 1980 defense program. When inflation is taken into account, however, the real increase (in constant FY 1981 dollars) is only

$8.3 billion. Funding for personnel costs increased from FY 1964 to FY 1981, in constant FY 1981 dollars, from $61.6 billion to $70.7 billion. During the same time frame, however, funding for "investment" programs (ship, aircraft, and weapons procurement as well as RDT&E) actually decreased, from $64.6 billion to $47.7 billion—a $17.2 billion cut.

The Soviet Union, in contrast, increased its "investment" spending substantially during the same period, and eventually spent an estimated $240 billion more for military hardware over the last decade than did the United States.

In fiscal year 1981, the United States will spend about 5.2% of its gross national product (GNP) for defense programs. The Soviet Union, according to the authoritative International Institute for Strategic Studies (IISS), is spending an estimated 11-13% of its gross national product for defense programs.

The United States clearly can spend more for defense, without extreme sacrifice—and in the past has, in fact, spent a much greater share of GNP on defense: 6.7%, on the average, during the FY 1970-74 period, for example, and 8.4% during the FY 1960-64 period. The very large increases in spending for Navy shipbuilding and aircraft procurement which we here recommended, and other increases in defense spending which we would also endorse, would still leave defense spending, as a share of GNP, well below the level of earlier years, and should be considered in that light.

Massive increases in defense spending will not, of course, do much to alleviate present dangers. They are absolutely mandatory, however, if the nation is to avoid future dangers and be ready, in time of crisis, to meet those dangers, if necessary, head-on with a reasonable hope of success. Major upgrading of the United States defense program will send a clear and unmistakable signal, to our allies as well as our adversaries, that the United States has finally begun to reverse course, and is determined never again to slip into a position of naval or military inferiority.

Of all of our defense hardware programs, shipbuilding has suffered the most from past-year reductions, and has also—as Defense Secretary Harold Brown has pointed out—been the most severely affected by inflation.

To illustrate: In 1974, then-Chief of Naval Operations Admiral James L. Holloway III provided Congress a five-year shipbuilding plan which called for, among other things, funding for 40 ships in fiscal year 1980, at a cost of $6.2 billion (in then-projected FY 1976 dollars). In its final action on the FY 1980 defense budget, as it turned out, Congress last year appropriated $6.7 billion for construction of only 12 ships.

Ships are not only the most costly single "weapons system" in the entire Defense Department hardware inventory, they are also the most likely to be cut from the defense budget in any particular year. This is so for two reasons: (1) Reduction of two or three ships from the SCN plan can make a substantial difference in the budget—a difference of perhaps a billion dollars or more. At a time of continuing very large budget deficits, cutbacks in shipbuilding represent a severe temptation to our nation's leaders, both in the administration and in Congress. (2) Conversely, reductions in shipbuilding will not, except in very rare cases, immediately affect the state of the nation's defenses. Ships take several years to build. Hence, cutting ships from the FY 1981 budget, for example, would not directly affect the national defense posture until the mid-1980s or so.

The problem facing the Navy and the nation today, however, is that the very large SCN cutbacks which have been imposed almost annually for the past decade have finally produced a cumulative deficit in ship numbers and so seriously weakened our naval forces that, were war to start, it would be extremely difficult, if not impossible, for the U.S. Navy to carry out all of its presently assigned combat missions worldwide.

Again, consider a few facts and statistics: In 1968, at the peak of the Vietnam War, the U.S. Navy had in its active inventory some 976 ships. Today, the Navy's active fleet has been reduced to less than half that number, 462 ships. In contrast, the Soviet Union has continued to build surface ships and submarines at an unprecedented rate and today has in its active fleet an estimated 1,764 ships of all types. It is true that the Soviet ship numbers include several hundred coastal and patrol craft. But the U.S.S.R.'s true oceangoing "blue water" navy is also by any other measurement substantially larger than the U.S. fleet. Last year, according to defense Secretary Brown, the U.S.S.R. had 270 general-purpose submarines—90 of them nuclear-powered, 180 conventionally-powered—as well as 271 major surface combatants, and 91 amphibious warfare ships. The United States, in contrast, counts in its general-purpose fleet only 81 submarines (76 nuclear-powered), 66 amphibious ships, and 211 surface combatants.

Soviet ships are, although usually smaller, generally heavier-armed than U.S. ships (but without as great a reload capability). They are also increasingly sophisticated, and thus rapidly narrowing the former U.S. qualitative advantage which used to offset the huge "numbers gap" in favor of the Soviet Union. In certain aspects of naval warfare—deployment of anti-ship cruise missiles, for example—the U.S.S.R. is far ahead of the United States. In other fields, such as sea-based naval aviation and amphibious warfare capabilities, the United States still has the clear advantage—but those fields are no longer U.S. monopolies.

In almost any conflict scenario imaginable, the U.S.S.R. would have a first-strike advantage.

In contrast to the United States, which has let the U.S.-flag merchant marine deteriorate to the point where it now carries less than 5% of the Nation's two-way foreign trade, the Soviet Union has consciously and conscientiously built up the Soviet-flag merchant marine (now the second largest in the world), and closely coordinates the operations, movements, and deployment of the Soviet merchant, oceanographic, and even fishing fleets with the U.S.S.R.'s naval and defense needs.

Finally, the U.S.S.R., which is virtually self-sufficient in raw materials, and enjoys land lines of communications with all of its major allies (except Cuba and, more recently, Vietnam), has virtually no need for either a Navy or merchant marine, and could get along very well without either, in wartime as well as in time of peace.●

ARAB REFUGEES IN 1980

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. BRODHEAD. Mr. Speaker, one of my constituents, Dr. Maxwell M. Hoffman, has sent me an article, "Arab Refugees in 1980" by Marie Syrkin, reprinted from Midstream magazine. Dr. Hoffman believes that it is a viewpoint which deserves the attention of Members of Congress. Therefore, I wish to share it with my colleagues.

ARAB REFUGEES IN 1980

(By Marie Syrkin)

In a world full of authentic refugees, whose grim fate occupies the media, a conspiracy of silence surrounds the continued financing by UNRWA, the international agency for the relief of Arab refugees, of the Arab camps. On the one hand, the PLO rejects the term "refugee" in favor of "Palestinian" so as to assert a political right to a Palestinian state; on the other hand, refugee status is claimed for the descendants of Arabs who lived in Palestine for two years before the Arab onslaught on the newly established State of Israel in 1948. How long is a refugee a refugee? At the present time, starving Cambodians and the "boat people" of Vietnam qualify all too tragically for the designation of refugee and consequently for world sympathy and assistance. No one has to make a case for their needs. In Africa, four million refugees are currently in flight from their homelands because of tribal wars and political conflicts that continue to rend that continent. International relief officials have estimated that of the eight and a half million refugees in the world nearly half are to be found in Africa.

The turmoil in Africa within the last few years has resulted in flight and migration on an agonizing and massive scale. A few statistics, as reported in a recent survey (Los Angeles Times, December 16, 1979), indicate the extent of displacement: one million refugees from Ethiopia have crowded into impoverished Somalia, and the number keeps growing. Thousands of Ugandans have fled to the Sudan. The guerrilla war in Rhodesia accounts for the daily flight of hundreds to neighboring countries. Tribesmen from the Western Sahara flee the battles of the Polisario rebels against Morocco. Add to this the periodic wanderings of Africans to escape drought or famine and the figures multiply.

A recent United Nations report on refugees has indicated the acuteness of the problem: "Unless African governments learn how to create institutions capable of solving differences and conflicting views without necessarily resorting to the use of the gun, the refugee situation will get worse." Apparently, scant attention is being paid to the plight of these millions, and the United Nations Relief Agencies provide minimal relief even when they intervene to offer assistance. In most instances, no organized efforts to rehabilitate the refugees or to grant elementary subsistence are in operation. The All-African Conference itself has now launched a campaign to draw attention to the appalling situation of Africa's refugees.

The horror in Cambodia and Vietnam has at last aroused international indignation and efforts, frequently aborted by political considerations, have been under way to allay in some measure the greatest human catastrophe since the Holocaust. The immensity of these needs makes all the more puzzling the diversion of sizable funds for the continued maintenance of so-called Palestinian refugees. The annual report of UNRWA for 1979 makes clear how much the United States in particular has contributed for the upkeep of the Arab refugee camps. Since 1949, the United States has given a total of $816,164,592—close to a billion dollars. The Soviet Union, despite its vociferous espousal of the Palestinian cause, has resolutely refrained from making any donation, though it has been overgenerous in supplying the PLO with missiles and up-to-date arms of all descriptions. The oil-rich Arab states, while arming the PLO at a handsome rate and making military bastions of the refugee camps, have been notably modest in their relief contributions. Compare Saudi Arabia's total of less than $40 million with the staggering American contribution for the same period. And bellicose Libya has managed to come up with less than $10 million in the course of 29 years. The other oil-producing Arab states have been even more chary of their petrobillions.

Now there appears to be a crisis. The commissioner general of UNRWA has announced that the agency has a deficit of $52 million and that prospective contributions for 1980 are some $50 million short of the required $185.3 million. The commissioner admits that he could cut down expenses by closing some schools—half the agency's budget is for education—and making other economies. However, he warned that "Closure of the agency's preparatory schools would lead to serious disturbances . . . since the refugees would interpret this action as another move by the international community to abandon the Palestinian people." He also indicated that economies such as freezing the pay of the large staff maintained by UNRWA would not meet with favor.

This again raises the question how long is a refugee a refugee? In the case of the millions of refugees created by the upheavals and deracinations in the wake of World War II, the accounts have long been closed. Who remembers the treks across Asia and Eastern Europe of uprooted millions who rebuilt their lives without the benefit of UNRWA? Any help given had a time limit. That the Arab states deliberately refused to allow the natural absorption of the some 550,000 Palestinian Arabs who fled from one part of Mandatory Palestine—the part that became Israel—to another part is a familiar story. It was conscious Arab strategy to maintain the refugees as "the dynamite" with which to demolish Israel. In retrospect, the political astuteness of this move, if constant belligerence rather than the peace and well-being of the region was the objective, must be applauded. As a tactic, though bloody and unscrupulous, it worked. We know the results in human costs for Jew and Arab. The only reason for raising the subject again at this late date is the continuing request of the United Nations agency for increased funds for 1980 and the unconcealed threat of disorders should the United States fail to provide, as before, the major portion of the budget.

Olof Rydbeck, the Swedish diplomat who is the commissioner general of UNRWA reported that opposition both from refugees and host governments has prevented the application of a "means test" to determine how many are still entitled to benefits, which have been extended to the third generation: "It is relatively simple to identify the destitute among refugee families, but lesser degrees of need are generally indeterminable . . . because the refugees and governments are opposed to investigation of income." The report goes on to state that if eligibility could be checked, "Many refugee families in east Jordan, the West Bank, and the Gaza Strip where full or virtually full employment prevails" could be taken off the refugee lists, and so relieve UNRWA of a burden "increasingly beyond its capacity."

An even more touchy question remains: how many of the nearly two million individuals now being sheltered, fed, and educated by UNRWA are bona fide refugees or descendants of authentic refugees? As early as 1949, United Nations documents made it clear that relief recipients included a by no means negligible proportion of local Arabs for whom the modest surroundings of the refugee camp spelled an improvement in their living standards. Indigent or unemployed local Arab residents, as well as seminomadic Bedouins, managed to get on the relief rolls since identity checks were not only difficult to carry out but were discouraged by the local authorities. The Clapp Report of the United Nations for 1949 estimated that as many as 160,000 nonrefugees had succeeded in achieving refugee status for the purpose of being listed in the relief rolls.

Since then, the inhabitants of the camps, whatever their original status, continue to multiply. An Israeli census in September, 1967, of refugees on the West Bank and Gaza disclosed a total of 443,000, though the UNRWA rolls counted 628,000.

Apart from the dubious eligibility of a large proportion of those on the relief rolls, one must raise the additional question of the duration of a legitimate claim for assistance—does it include proliferating families with numerous grandchildren and even great grandchildren? One of the characteristics of the Arab refugee situation has been that, unlike the refugees of other origins whose sufferings included physical decimation because of the conditions of their existence, Palestinian refugees have enjoyed one of the highest rates of natural increase in the world. This, in addition to the uncontested padding of relief rolls, explains the presence of several million Palestinians who claim descent from the original 550,000.

A graver question is the function of these camps. The pretense that the camps exist primarily as a welfare operation for the incontestably needy has worn thin. The PLO spokesmen who have made the camps their bases have for some time abandoned this subterfuge. The camps are the acknowledged headquarters of the PLO and avowed training-centers for terrorism. Vanessa Redgrave's movie, *The Palestinians*, filmed in a refugee camp in Lebanon, gave viewers an opportunity to see the workings of such a camp presented by an ardent supporter of the PLO. Certainly Redgrave had no interest in producing a Potemkin village of spurious well-being. So we may assume that the attractive, healthy, well-dressed children she interviewed, as well as the very personable PLO spokesmen, were representative of the camp population. Nor were the physical conditions depicted in this camp exceptionally favorable. If anything, since the picture was filmed after the devastation of the Lebanese civil war, the camp must still have borne marks of the fighting between the Christian Lebanese and the Palestinians. Nevertheless, the impression was one of a tightly knit, active community united by a common purpose. The destroyed camp of Tel Zataar, whose memory was evoked by those interviewed because that camp had fallen to the Christian Lebanese in the course of a prolonged seige, must have included many comforts not usually associated with bleak refugee existence. A sympathetic reporter of the *Los Angeles Times*, who described the looting by the Lebanese victors, enumerated color TV sets and other elaborate furnishings that he had seen carried away. Few Arab villagers outside the camps could boast of such luxuries.

In the Redgrave film ample attention was given to the training and education of the children and youth. How large a role education plays in the camps may be gathered from Commissioner General Rydbeck, who reported that 55.5 percent of the agency's present budget went for the maintenance of schools. Needless to say, this education, as we know from many documents and actual texts, is primarily slanted to creating and nurturing a Palestinian identity and indoctrinating the youth with a patriotic hatred of the Zionist invader. Though the facts of the history taught may be the reverse of the actual record, bias in instruction is not subject to censorship; it is the privilege of any group that views itself aggrieved, and it would be silly to expect an objective appraisal of the rights and wrongs of the Arab-Israel conflict in the camp schools. Such self-critical teaching might be looked for in a progressive Israeli kibbutz, hardly in an Arab refugee camp.

However, while the virulent anti-Israel slant of the school curriculum must be taken for granted, one major aspect of camp "education" is inexcusable. As the Redgrave film unflinchingly demonstrates, the supposedly pitiful refugee camps are full-fledged military training centers for the children and youth. Drills and war exercises form the core curriculum. This is no revelation. UNRWA officials are well acquainted with the nature of the education for which funds are demanded. But in view of the demanded increase for the 1980 budget, the American taxpayer, who will be required to foot the major portion of the bill, may well ask if the training of terrorists is his rightful obligation. Incidentally, UNRWA's projected budget for 1980–81 indicates an unforeseen growth of enrollment in the agency's schools from 311,084 to 319,000. Should the increase in funds be granted, this will mean that education will account for 59 percent of the total budget. Such devotion to schooling would normally be viewed as admirable, however, in the PLO controlled curriculum, it would be useful to determine how much goes for reading, writing, and arithmetic as well as more advanced subjects, and how much time and instruction are spent on immediately relevant practice in the arts of war and terrorism. The lithe scholars who demonstrated their assorted skills in the Redgrave film left no doubt as to their agility and physical fitness nor as to the purpose of their diligence.

United Nations officials and American donors have known from the outset how their monies were being spent. Long after the immediate crisis of 1948, when relief had to be given to those dislocated by the Arab attack, became a matter of history, UNRWA continued to close its eyes to the obvious misuse of funds. They continue to do so. Nor has the United States government, though it is the chief contributor, chosen to rock the boat for fear of the "serious disturbances" threatened by Rydbeck. The result of this complaisance has been that the United States has indirectly and unwillingly, but not unwittingly, become a partner in the support of a network of PLO bases. The camps are not only recruiting and training centers but the points from which terrorist attacks into Israel are frequently launched. Then, in a variant of the case of the matricide who pleads for mercy because he is an orphan, the PLO protests when its launching pads within the camps are in turn attacked by Israel.

Perhaps the time has at last come when the United States, instead of meekly picking up the bill for these extraordinary refugee camps, should insist on stricter bookkeeping to discover if any actual refugees remain after 30 years. The subsidiary purposes for which the Arab states and now the PLO have insisted on keeping Palestinian Arabs in readily manipulated concentrations have little to do with philanthropy. Israel demonstrated 30 years ago how an equivalent number of Jewish refugees from Arab countries could be absorbed and welcomed.

In what measure the camps also serve as training centers for assorted members of the terrorist internationale is an additional matter of concern. By now, the central role of the PLO in aiding the education of volunteers from the Bader-Meinhoff Gang, the Japanese Red Army, the Italian Red Brigade, and even the IRA is familiar. Various alumni of the PLO schools have testified to the connection and have provided the world with demonstrations of their murderous expertise. At present, it is believed that among the "students" who engineered the capture of the American embassy in Teheran were a core of PLO instructors. They were given credit for mining the embassy grounds. In view of these activities, it becomes debatable whether more is lost than gained by American fears of further inflaming a combustible situation by a refusal to continue contributions. The provision of convenient headquarters for the PLO, with food, lodging, and pedagogy thrown in, has not made for tranquility. On the contrary, the PLO has been subsidized with an ideal ground for its nurturing. Possibly in the absence of American dollars, the Arab states would have made up the slack, just as they have had no difficulty in providing huge sums for rockets and missiles. But the wisdom of asking the American taxpayer indefinitely to support the barracks of the PLO becomes increasingly questionable. International philanthropy, if not the Arab fraternal states, could easily meet the needs of the small number of genuine claimants to refugee status that might be found. Israel has repeatedly offered to compensate any real refugee for loss of property abandoned in Israel, and the United Nations Relief Agencies would be better advised to concentrate their efforts on the tragedies of Africa, Vietnam, and Cambodia rather than on maintaining the military strongholds of the PLO.●

JOHN HAMILTON SHEA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. SKELTON. Mr. Speaker, an outstanding Missourian from my hometown of Lexington recently passed away. John Hamilton Shea for many years was a community leader well known across our State.

Mr. Shea was born March 24, 1913, in Macon, Mo. He graduated from the University of Missouri School of Journalism in 1935 and was a member of the Sigma Chi fraternity. Serving for 5 years in the U.S. Navy during World War II, Mr. Shea was discharged with the rank of lieutenant.

From 1936 to 1947 he served as managing editor of the Cleveland Newspaper Enterprises Association. Mr. Shea published his first issue of the Lexington-Advertiser News on June 12, 1947, and served as the publisher for 12 years.

He was also the president of the Anderson House Foundation and president and director of the Columbia Missourian Board, and a member of the United Methodist Church in Lexington.

John Shea was a superior journalist and an active member of his community. He will be missed by his many friends. I wish to extend my sincere sympathy to his widow, Mrs. Doris D. Shea, and to his daughter, Mrs. Susan Hinman.●

HOUSE OF REPRESENTATIVES—*Wednesday, June 4, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

It is good to give thanks to the Lord, to sing praises to Thy name, O Most High; to declare Thy steadfast love in the morning, and Thy faithfulness by night.—Psalms 92: 1, 2.

Gracious Lord, allow us to be receptive to Your presence and abiding word. In spite of all the concerns of our time, may we always find moments to thank You for a new day and new opportunities, to meditate on Your gifts to us and this Nation, and to dedicate ourselves to the service of people. For the daily blessings of faith and forgiveness and healing and strength we offer these our words of praise. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 30, 1980:

H.R. 6615. An act to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal years 1981 and 1982, and for other purposes; and

H.R. 7471. An act to extend the present public debt limit through June 5, 1980.

On May 31, 1980:

H.R. 6081. An act to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

On June 3, 1980:

H.R. 3807. An act to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change; and

H.R. 4088. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co. and for other purposes.

On June 4, 1980:

H.J. Res. 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1640. An act to extend certain authorities of the Secretary of the Interior with respect to water resources research and development and saline water conversion research and development programs, and for other purposes;

S. 2284. An act to strengthen the system of congressional oversight of intelligence activities of the United States;

S. 2352. An act to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes;

S. 2459. An act to provide authorization for programs of the National Transportation Safety Board for fiscal years 1981, 1982, and 1983, and for other purposes; and

S. 2728. An act to amend the Indian Health Care Improvement Act and the Public Health Service Act with respect to Indian health care, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1159) entitled "An act to authorize appropriations for the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CANNON, Mr. MAGNUSON, Mr. FORD, Mr. SCHMITT, and Mr. WARNER to be the conferees on the part of the Senate.

RIOTING CUBAN LAW VIOLATORS SHOULD BE EXPELLED IMMEDIATELY

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, all of us are concerned about the refugee problem—the Cuban refugee problem. But there is one aspect of it that has shocked our Nation in recent days. It is the rioting and civil disturbance caused by several Cuban refugees, particularly those at the Arkansas refugee camp. These lawless actions have revoked the rioting Cubans of their opportunity to remain in this country. They are in America by our sufferance and, thus, when they violate our laws and show contempt for our laws, they should be expelled immediately. This should be done right now without delay.

To put this issue before Congress, I am this day introducing a resolution to express the sense of Congress stating that we desire the administration to expel these unlawful and these contemptuous Cuban refugees forthwith. We cannot tolerate their presence. They should be deported immediately.

I commend our majority leader, the gentleman from Texas (Mr. WRIGHT) who has spoken out on this issue, for his bold leadership in this regard.

CALIFORNIA'S 43D DISTRICT

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VAN DEERLIN. Mr. Speaker, a strange thing happened yesterday in the Democratic primary election for California's 43d congressional seat. Tom Metzger, chairman of the statewide Ku Klux Klan, won the nomination with a plurality of 37 percent. Two regular Democrats split the remaining 63 percent, giving Mr. Metzger his edge. In the San Diego County portion of this district, I am pleased to report he trailed the runner-up, Ed Skagen, by nearly 5,000 votes. Nonetheless, Mr. Skagen finished 318 votes shy overall.

Because California's election law provides no opportunity for a runoff primary vote, Tom Metzger—who calls himself the KKK's "Grand Dragon"—will be listed on the November ballot as an official Democratic Party nominee.

Mr. Speaker, my Republican colleague in the 43d District is CLAIR BURGENER. Our respective House voting records—indeed, the differences in our constituencies—suggests that we shall continue to disagree on most social and economic issues. However, Mr. BURGENER is a good and decent man who rejects bigotry and the Klan as strongly as any of us. And although he does not need my endorsement, he fully has my good wishes in the November election.

THE DECISION TO CLOSE THE U.S. CONSULATE IN GOTHENBURG, SWEDEN

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, I am appalled by the administration's continuing refusal, or more specifically, the refusal of OMB to reconsider its decision to close the U.S. Consulate in Gothenburg, Sweden. Elsewhere in the world other nations are saying, "Yankee, go home!" This is one city that is asking the Yankees to stay. Over 350,000 citizens of Gothenburg, Sweden, half of that city's population, have signed a petition urging the United States to continue its consulate. This was the first consulate established by the United States in its fledgling years in 1793, and it should be continued.

Meanwhile, the Russians, taking advantage of this lapse on our part, have started the construction of a $6 million consulate to house some 50 envoys of the Russian Government in that same city, Gothenburg, Sweden, where we are, regrettably and sadly, closing down our consulate in this pre-eminent peace-loving and peaceful nation, with which we should maintain good relations.

"NO" TO OIL IMPORT TAX AND HIGHER INFLATION

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, the administration's oil import tax will hit the American taxpayer with $90 billion more over the next 5 years and will raise consumer prices.

The administration claims this excise tax will result in 100,000 barrels a day less gasoline consumption. But according to the American Automobile Association, motorists have voluntarily reduced their use of gasoline by more than that in 1979. The latest analysis shows that 1980 gasoline consumption is down about 10 percent compared to the same period in 1979.

This fee is not a conservative measure. The tariff is another attempt to get more Government revenue. Taxes under President Carter already get 43 cents out of every dollar. Let us vote "no" to President Carter's excise tax.

CIVIL RIGHTS COMMISSION AUTHORIZATION ACT OF 1980

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2511) to amend the Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for fiscal year 1981, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill as follows:

S. 2511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) is amended—

(1) by striking out "$14,000,000" and inserting in lieu thereof "$11,719,000"; and

(2) by striking out "1980" and inserting in lieu thereof "1981".

MOTION OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. EDWARDS of California moves to strike all after the enacting clause of the Senate bill, S. 2511, and insert in lieu thereof the provisions of H.R. 6888, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend section 106 of the Civil Rights Act of 1957 to authorize appropriations for the Commission on Civil Rights for the fiscal year 1981."

A motion to reconsider was laid on the table.

A similar House bill, H.R. 6888, was laid on the table.

APPOINTMENT OF CONFEREES ON S. 2511

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill, S. 2511, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. EDWARDS of California, KASTENMEIER, SEIBERLING, and DRINAN, Ms. HOLTZMAN, Messrs. VOLKMER, HYDE, ASHBROOK, and SENSENBRENNER.

TEXT OF PROPOSED AGREEMENT BETWEEN UNITED STATES AND KINGDOM OF MOROCCO CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-321)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed.

(For message, see proceedings of the Senate of today, June 4, 1980.)

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order: S. 1786, and H.R. 7051.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

NATIONAL MUSEUM ACT REAUTHORIZATION

The SPEAKER. The unfinished business is the question of suspending the rules and passing the Senate bill, S. 1786.

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the Senate bill, S. 1786, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 262, nays 131, not voting 40, as follows:

[Roll No. 285]

YEAS—262

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Buchanan
Burlison
Burton, John
Carr
Cavanaugh
Chappell
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dicks
Dingell
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frost
Fuqua
Garcia
Gephardt
Gilman
Gingrich
Ginn
Goldwater
Gonzalez
Gore
Gradison
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hinson
Holland
Holt
Holtzman
Howard
Huckaby
Hutto
Ireland
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McClory
McCloskey

McCormack
McDade
McHugh
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nolan
Nowak
O'Neill
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Richmond
Ritter
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stratton
Studds
Swift
Synar
Tauzin
Traxler
Udall
Ullman
Van Deerlin
Vento
Walgren
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, Bob
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—131

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bennett
Bethune
Bouquard
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Dickinson
Edwards, Okla.
Erdahl
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Frenzel
Gaydos
Gibbons
Glickman
Goodling
Gramm
Hagedorn
Hansen
Harsha
Hillis
Hopkins
Horton
Hubbard
Hughes
Hyde
Ichord
Jacobs
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leath, Tex.
Lee
Lent
Lewis
Loeffler
Lott
Lungren
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Myers, Ind.
Nichols
O'Brien
Paul
Petri
Pritchard
Quayle
Quillen
Regula
Rhodes
Rinaldo
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Sawyer
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Whitehurst
Whittaker
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—40

Anderson, Ill.
Ashley
Bonker
Brown, Calif.
Burton, Phillip
Byron
Chisholm
Clay
Davis, S.C.
Dellums
Dixon
Dornan
Dougherty
Fazio
Fowler
Giaimo
Grassley
Gray
Grisham
Hanley
Hollenbeck
Jenrette
McKinney
Mathis
Mollohan
Nedzi
Oakar
Pease
Reuss
Runnels
Staggers
Stewart
Stokes
Thompson
Vanik
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Young, Alaska

□ 1230

The Clerk announced the following pairs:

Mr. Thompson with Mr. Brown of Ohio.

Mr. Giaimo with Mr. Grassley.

Mr. Nedzi with Mr. Williams of Ohio.

Mr. Staggers with Mr. McKinney.

Mr. Mollohan with Mr. Grisham.

Mr. Jenrette with Mr. Dornan.

Mr. Hanley with Mr. Anderson of Illinois.

Mr. Phillip Burton with Mr. Dougherty.

Mrs. Chisholm with Mr. Clay.

Mr. Fazio with Mr. Charles Wilson of Texas.

Mr. Dixon with Mr. Young of Alaska.

Mr. Dellums with Ms. Oakar.

Mr. Mathis with Mr. Hollenbeck.

Mr. Reuss with Mr. Bonker.

Mr. Vanik with Mr. Davis of South Carolina.

Mr. Ashley with Mrs. Byron.

Mr. Fowler with Mr. Runnels.

Mr. Charles H. Wilson of California with Mr. Gray.

Mr. Pease with Mr. Stewart.

Mr. Williams of Montana with Mr. Stokes.

Messrs. KRAMER, BROWN of Ohio, and ASHBROOK changed their votes from "yea" to "nay."

Mr. LEACH of Iowa changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TREASURY DEPARTMENT INTERNATIONAL AFFAIRS AUTHORIZATION

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 7051, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. NEAL), that the House suspend the rules and pass the bill, H.R. 7051, as amended, on which the yeas and nays are ordered.

The Chair will remind the Members that this will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 251, nays 143, not voting 38, as follows:

[Roll No. 286]

YEAS—251

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Bennett
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Ohio
Buchanan
Burlison
Burton, John
Carr
Carter
Cavanaugh
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
de la Garza
Derrick
Dickinson
Dicks
Dingell
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Ferraro
Fish
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Frost
Fuqua
Garcia
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Green
Guyer
Hall, Ohio
Hamilton
Hance
Harris
Hawkins
Heckler
Heftel
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hutto
Hyde
Ireland
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Neal
Nelson
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pepper
Perkins
Peyser
Porter
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Sabo
Santini
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Simon
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Steed
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Williams, Ohio
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—143

Abdnor
Albosta
Applegate
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bethune
Bevill
Bouquard
Brinkley
Broyhill
Burgener
Butler
Campbell
Carney
Chappell
Cheney
Clausen
Collins, Tex.
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dornan
Duncan, Tenn.
Edwards, Okla.
English
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fithian
Flippo
Fountain
Gaydos
Ginn
Goldwater
Gramm
Guarini
Gudger
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harkin
Harsha
Hefner
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hughes
Ichord
Jacobs
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Kelly
Kemp
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McDonald
Madigan
Marlenee
Martin
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Musto
Myers, Ind.
Natcher
Nichols
O'Brien
Pashayan
Paul
Petri
Pickle
Quayle
Quillen
Rahall
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Russo
Satterfield
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Walker
Watkins
Whitley
Whittaker
Whitten
Yatron
Young, Fla.

NOT VOTING—38

Anderson, Ill.
Ashley
Brown, Calif.
Burton, Phillip
Byron
Chisholm
Clay
Davis, S.C.
Dellums
Dixon
Dougherty
Fazio
Fowler
Giaimo
Grassley
Gray
Grisham
Hanley
Hollenbeck
Jenrette
McKinney
Mathis
Mollohan
Nedzi
Oakar
Pease
Reuss
Runnels
Staggers
Stewart
Stokes
Tauzin
Thompson
Vanik
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Young, Alaska

□ 1240

The Clerk announced the following pairs:

Mr. Thompson with Mr. Anderson of Illinois.

Mr. Stokes with Mr. Young of Alaska.

Mr. Staggers with Mr. McKinney.

Mr. Mollohan with Mr. Brown of California.

Mr. Fazio with Mr. Grassley.

Mr. Giaimo with Mr. Runnels.

Mr. Reuss with Mr. Williams of Montana.

Mr. Hanley with Ms. Oakar.

Mr. Tauzin with Mr. Dougherty.

Mr. Nedzi with Mr. Gray.

Mr. Phillip Burton with Mr. Mathis.

Mr. Jenrette with Mr. Stewart.

Mr. Pease with Mr. Vanik.

Mr. Ashley with Mr. Grisham.

Mrs. Chisholm with Mr. Hollenbeck.

Mr. Clay with Mr. Davis of South Carolina.

Mr. Dellums with Mr. Charles Wilson of Texas.

Mr. Charles H. Wilson of California with Mr. Dixon.

Mr. Fowler with Mrs. Byron.

Messrs. QUAYLE, MOORE, and RUSSO changed their votes from "yea" to "nay."

Mr. MADIGAN changed his vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

NUCLEAR REGULATORY COMMISSION AUTHORIZATION ACT

Mr. UDALL submitted the following conference report and statement on the Senate bill (S. 562) to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1070)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 562) to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes) having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

And the House agree to the same.

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1980

SEC. 101. (a) There is hereby authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017) and section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), for the fiscal year 1980, the sum of $426,821,000, to remain available until expended. Of such total amount authorized to be appropriated.

(1) not more than $66,510,000, may be used for "Nuclear Reactor Regulation", of which an amount not to exceed $1,000,000 is authorized to accelerate the effort in gas-cooled thermal reactor preapplication review;

(2) not more than $42,440,000, may be used for "Inspection and Enforcement"; of the total amount appropriated for this purpose, $4,684,000 shall be available for support for 146 additional inspectors for the Resident Inspector program;

(3) not more than $15,953,000, may be used for "Standards Development";

(4) not more than $32,380,000, may be used for "Nuclear Material Safety and Safeguards"; of the total amount appropriated for this purpose—

(A) not less than $60,000 shall be available only for the employment by the Commission of two qualified individuals to be assigned by the Commission for implementation of the United States International Atomic Energy Agency Safeguards Treaty, following ratification of such treaty by the United States Senate;

(B) not less than $180,000 and six additional positions shall be included in the Division of Safeguards for the regulatory improvement of material control and accounting safeguards and the development of improved regulatory requirements for safeguarding the transportation of spent fuel;

(C) not less than $9,675,000 shall be available for Nuclear Waste Disposal and Management activities, including support for five additional positions in the Division of Waste Management for implementation of the Uranium Mill Tailings Radiation Control Act of 1978 (Public Law 95–604; 42 U.S.C. 7901 and following);

(5) not more than $213,005,000, may be used for "Nuclear Regulatory Research", of which—

(A) an amount not to exceed $3,700,000 shall be available to accelerate the effort in gas-cooled thermal reactor safety research;

(B) an amount not to exceed $4,400,000 shall be available for implementation of the Improved Safety Systems Research plan required by section 205(f) of the Energy Reorganization Act of 1974, as amended; and

(C) an amount not to exceed $6,700,000 shall be available for Nuclear Waste Research activities;

(6) not more than $18,125,000, may be used for "Program Technical Support"; of the total amount appropriated for this purpose, $4,238,000 shall be available to the Office of State Programs, including support for eight additional positions for training and assistance to State and local governments in radiological emergency response planning and operations and for review of State plans; and

(7) not more than $38,408,000 may be used for "Program Direction and Administration"; of the total amount appropriated for this purpose, $400,000 shall be available for support of eight additional positions in the Division of Contracts, Office of Administration.

(b) No amount appropriated to the Nuclear Regulatory Commission pursuant to subsection (a) may be used for any purpose in excess of the amount expressly authorized to be appropriated therefor by paragraphs (1) through (7) of such subsection if such excess amount is greater than $500,000, nor may the amount available from any appropriation for any purpose specified in such paragraphs be reduced by more than $500,000, unless—

(1) a period of 45 calendar days (not including any day in which either House of Congress is not in session because of an adjournment of more than 3 calendar days to a day certain or an adjournment sine die) has passed after the receipt by the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate of notice given by the Commission containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or

(2) each such Committee has, before the expiration of such period, transmitted to the Commission a written notification that there is no objection to the proposed action.

(c) No amount authorized to be appropriated by this Act may be used by the Nuclear Regulatory Commission to enter into any contract providing funds in excess of $50,000 encompassing research, study, or technical assistance on domestic safeguards matters except as directed by the Commission, by majority vote, following receipt by the Commission of a recommendation from the Executive Director for Operations supporting the need for such contract.

(d) No amount authorized to be appropriated by this Act may be used by the Nuclear Regulatory Commission to—

(1) place any new work or substantial modification to existing work with another Federal agency, or

(2) contract for research services or modify such contract

in an amount greater than $500,000, unless such placement of work, contract or modification is approved by a Senior Contract Review Board, to be appointed by the Commission within sixty days of the date of enactment of this Act. Such Board shall be accountable to and under the direction of the Commission. If the amount of such placement, contract, or modification is $1,000,000 or more, approval thereof shall be by majority vote of the Commission. Prior to affording any approval in accordance with the subsection, the reviewing body designated hereunder shall determine that the placement, contract, or modification contains a detailed description of work to be performed, and that alternative methods of obtaining performance including competitive procurement have been considered.

SEC. 102. During the fiscal year 1980, moneys received by the Nuclear Regulatory Commission for the cooperative nuclear research programs may be retained and used for salaries and expenses associated with those programs, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484). Such moneys shall remain available until expended.

SEC. 103. During the fiscal year 1980, transfers of sums from salaries and expenses of the Nuclear Regulatory Commission may be made to other agencies of the United States Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

SEC. 104. Notwithstanding any other provision of this Act, no authority to make payments hereunder shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 105. No amount authorized to be appropriated pursuant to this Act may be used to grant any license, permit or other authorization, or permission to any person for the transportation to, or the interim, long-term, or permanent storage of, spent nuclear fuel or high-level radioactive waste on any territory or insular possession of the United States or the Trust Territory of the Pacific Islands unless—

(1) the President submits to the Congress

a report on the transfer at least 30 days before such transfer and on a day during which—

(A) both Houses of the Congress are in session, or

(B) either or both Houses are not in session because of an adjournment of three days or less to a day certain; or

(2) the President determines that an emergency situation exists with respect to such transfer and that it is in the national interest to make such transfer and the President notifies the Speaker of the House of Representatives and the President of the Senate as soon as possible of such transfer.

The provisions of this section shall not apply to the cleanup and rehabilitation of Bikini and Eniwetok Atolls.

SEC. 106. Of the amounts authorized to be appropriated pursuant to this Act, the Nuclear Regulatory Commission is authorized and directed to use such sums as may be necessary to develop a plan for agency response to accidents at a utilization facility licensed under section 103 or section 104(b) of the Atomic Energy Act of 1954. The plan required to be developed by this section shall be forwarded to the Congress on or before September 30, 1980.

SEC. 107. No funds appropriated pursuant to this Act may be used for the purpose of providing for the licensing or approval of any disposal of nuclear wastes in the oceans.

SEC. 108. (a) Of the amounts authorized to be appropriated pursuant to this Act, the Nuclear Regulatory Commission is authorized and directed to use such sums as may be necessary to develop and promulgate regulations establishing demographic requirements for the siting of utilization facilities. Such regulations shall be promulgated by the Commission after notice and opportunity for hearing in accordance with section 553 of title 5 of the United States Code. For purposes of this section, the term "utilization facility" means a facility licensed under section 103 or 104(b) of the Atomic Energy Act of 1954.

(b) The regulations promulgated pursuant to this section shall provide that no construction permit may be issued for a utilization facility to which this section applies after the date of such promulgation unless the facility complies with the requirements set forth in such regulations, except that regulations promulgated under this section shall not apply to any facility for which an application for a construction permit was filed on or before October 1, 1979.

(c) The regulations promulgated pursuant to this section shall specify demographic criteria for facility siting, including maximum population density and population distribution for zones surrounding the facility without regard to any design, engineering, or other differences among such facilities.

(d) The regulations promulgated pursuant to this section shall take into account the feasibility of all actions outside the facility which may be necessary to protect public health and safety in the event of any accidental release of radioactive material from the facility which may endanger public health or safety. For purposes of this subsection, the term "accidental release" includes, but is not limited to, each potential accidental release of radioactive material which is required by the Commission to be taken into account for purposes of facility design.

(e) The Commission shall provide information and recommendations to State and local land use planning authorities having jurisdiction over the zones established under the regulations promulgated pursuant to this section and over areas beyond the zones which may be affected by a radiological emergency. The information and recommendations provided under this subsection shall be designed to assist such authorities in making State and local land use decisions which may affect emergency planning in relation to utilization facilities.

(f) Nothing in this section shall be construed to provide that the Commission shall have any authority to preempt any State requirement relating to land use or respecting the siting of any utilization facility, except that no State or local land use or facility siting requirement relating to the same aspect of facility siting as a requirement established pursuant to this section shall have any force and effect unless such State or local requirement is identical to, or more stringent than the requirement promulgated pursuant to this section.

SEC. 109. (a) Funds authorized to be appropriated pursuant to this Act may be used by the Nuclear Regulatory Commission to conduct proceedings and take other actions, with respect to the issuance of an operating license for a utilization facility only if the Commission determines that—

(1) there exists a State or local emergency preparedness plan which—

(A) provides for responding to accidents at the facility concerned, and

(B) as it applies to the facility concerned only, complies with the Commission's guidelines for such plans, or

(2) in the absence of a plan which satisfies the requirements of paragraph (1), there exists a State, local, or utility plan which provides reasonable assurance that public health and safety is not endangered by operation of the facility concerned.

A determination by the Commission under paragraph (1) may be made only in consultation with the Director of the Federal Emergency Management Agency. If, in any proceeding for the issuance of an operating license for a utilization facility to which this subsection applies, the Commission determines that there exists a reasonable assurance that public health and safety is endangered by operation of the facility, the Commission shall identify the risk to public health and safety and provide the applicant with a detailed statement of the reasons for such determination. For purposes of this section, the term "utilization facility" means a facility required to be licensed under section 103 or 104(b) of the Atomic Energy Act of 1954.

(b) Of the amounts authorized to be appropriated under section 101(a), such sums as may be necessary shall be used by the Nuclear Regulatory Commission to—

(1) establish by rule—

(A) standards for State radiological emergency response plans, developed in consultation with the Director of the Federal Emergency Management Agency, and other appropriate agencies, which provide for the response to a radiological emergency involving any utilization facility,

(B) a requirement that—

(i) the Commission will issue operating licenses for utilization facilities only if the Commission determines that—

(I) there exists a State or local radiological emergency response plan which provides for responding to any radiological emergency at the facility concerned and which complies with the Commission's standards for such plans under subparagraph (A), or

(II) in the absence of a plan which satisfies the requirements of subclause (I), there exists a State, local, or utility plan which provides reasonable assurance that public health and safety is not endangered by operation of the facility concerned, and

(ii) any determination by the Commission under subclause (I) may be made only in consultation with the Director of the Federal Emergency Management Agency and other appropriate agencies, and

(C) a mechanism to encourage and assist States to comply as expeditiously as practicable with the standards promulgated under subparagraph (A) of this paragraph,

(2) review all plans and other preparations respecting such an emergency which have been made by each State in which there is located a utilization facility or in which construction of such a facility has been commenced and by each State which may be affected (as determined by the Commission) by any such emergency,

(3) assess the adequacy of the plans and other preparations reviewed under paragraph (2) and the ability of the States involved to carry out emergency evacuations during an emergency referred to in paragraph (1) and submit a report of such assessment to the appropriate committees of the Congress within 6 months of the date of the enactment of this Act,

(4) identify which, if any, of the States described in paragraph (2) do not have adequate plans and preparations for such an emergency and notify the Governor and other appropriate authorities in each such State of the respects in which such plans and preparations, if any, do not conform to the guidelines promulgated under paragraph (1), and

(5) submit a report to Congress containing (A) the results of its actions under the preceding paragraphs and (B) its recommendations respecting any additional Federal statutory authority which the Commission deems necessary to provide that adequate plans and preparations for such radiological emergencies are in effect for each State described in paragraph (2).

(c) In carrying out its review and assessment under subsection (b)(2) and (3) and in submitting its report under subsection (a)(5), the Commission shall include a review and assessment, with respect to each utilization facility and each site for which a construction permit has been issued for such a facility, of the emergency response capability of State and local authorities and of the owner or operator (or proposed owner or operator) of such facility. Such review and assessment shall include a determination by the Commission of the maximum zone in the vicinity of each such facility for which evacuation of individuals is feasible at various different times corresponding to the representative warning times for various different types of accidents.

SEC. 110. (a) Of the amounts authorized to be appropriated pursuant to section 101(a), such sums as may be necessary shall be used by the Nuclear Regulatory Commission to develop, submit to the Congress, and implement, as soon as practicable after notice and opportunity for public comment, a comprehensive plan for the systematic safety evaluation of all currently operating utilization facilities required to be licensed under section 103 or section 104(b) of the Atomic Energy Act of 1954.

(b) The plan referred to in subsection (a) shall include—

(1) the identification of each current rule and regulation compliance with which the Commission specifically determines to be of particular significance to the protection of the public health and safety;

(2) a determination by the Commission of the extent to which each operating facility complies with each rule and regulation identified under paragraph (1) of this subsection, including an indication of where such compliance was achieved by use of Division 1 regulatory guides and staff technical positions and where compliance was achieved by equivalent means;

(3) a list of the generic safety issues set forth in NUREG 0410 (including categories A, B, C, and D) for which technical solutions have been developed;

(4) a determination by the Commission of which technical solutions for generic safety

issues identified in paragraph (3) of this subsection should be incorporated into the Commission's rules and regulations; and

(5) a schedule for developing a technical solution to those generic safety issues listed in NUREG 0410 which have not yet been technically resolved.

(c) Not later than 90 days from the date of enactment of this Act, the Commission shall report to the Congress the status of efforts to carry out subsection (a).

TITLE II—AMENDMENTS TO THE ATOMIC ENERGY ACT OF 1954

Sec. 201. (a) Section 103 of the Atomic Energy Act of 1954 is amended by adding at the end thereof the following new subsection:

"f. Each license issued for a utilization facility under this section or section 104 b. shall require as a condition thereof that in case of any accident which could result in an unplanned release of quantities of fission products in excess of allowable limits for normal operation established by the Commission, the licensee shall immediately so notify the Commission. Violation of the condition prescribed by this subsection may, in the Commission's discretion constitute grounds for license revocation. In accordance with section 187 of this Act, the Commission shall promptly amend each license for a utilization facility issued under this section or section 104 b. which is in effect on the date of enactment of this subsection to include the provisions required under this subsection.".

Sec. 202. (a) Chapter 18 of the Atomic Energy Act of 1954 is amended by adding the following new section at the end thereof:

"Sec. 235. Protection of Nuclear Inspectors.—

"a. Whoever kills any person who performs any inspections which—

'(1) are related to any activity or facility licensed by the Commission, and

"(2) are carried out to satisfy requirements under this Act or under any other Federal law governing the safety of utilization facilities required to be licensed under section 103 or 104 b., or the safety of radioactive materials,

shall be punished as provided under sections 1111 and 1112 of title 18, United States Code. The preceding sentence shall be applicable only if such person is killed while engaged in the performance of such inspection duties or on account of the performance of such duties.

"b. Whoever forcibly assaults, resists, opposes, impedes, intimidates or interferes with any person who performs inspections as described under subsection a. of this section, while such person is engaged in such inspection duties or on account of the performance of such duties, shall be punished as provided under section 111 of title 18, United States Code.".

(b) The table of contents for chapter 18 of the Atomic Energy Act of 1954 is amended by adding the following new item at the end thereof:

"Sec. 235. Protection of nuclear inspectors.".

Sec. 203. Section 223 of the Atomic Energy Act of 1954 is amended by striking out "Whoever" and substituting:

"a. Whoever"

and by adding at the end thereof the following:

"b. Any individual director, officer, or employee of a firm constructing, or supplying the components of any utilization facility required to be licensed under sections 103 or 104 b. of this Act who by act or omission, in connection with such construction or supply, knowingly and willfully violates or causes to be violated, any section of this Act, any rule, regulation, or order issued thereunder, or any license condition, which violation results or if undetected could have resulted, in a significant impairment of a basic component of such a facility shall, upon conviction, be subject to a fine of not more than $25,000 for each day of violation, or to imprisonment not to exceed two years, or both. If the conviction is for a violation committed after a first conviction under this subsection, punishment shall be a fine of not more than $50,000 per day of violation, or imprisonment for not more than two years, or both. For the purposes of this subsection, the term 'basic component' means a facility structure, system, component or part thereof necessary to assure—

"(1) the integrity of the reactor coolant pressure boundary,

"(2) the capability to shut-down the facility and maintain it in a safe shut-down condition, or

"(3) the capability to prevent or mitigate the consequences of accidents which could result in an unplanned offsite release of quantities of fission products as established by the Commission.

The provisions of this subsection shall be prominently posted at each site where a utilization facility licensed under section 103 or 104 b. of this Act is under construction and on the premises of each plant where components for such a facility are fabricated.".

Sec. 204. (a) The Atomic Energy Act of 1954 is amended by adding the following new section after section 234:

"Sec. 236. Sabotage of Nuclear Facilities or Fuel.—Any person who intentionally and willfully destroys or causes physical damage to, or who intentionally and willfully attempts to destroy or cause physical damage to—

"(1) any production facility or utilization facility licensed under this Act,

"(2) any nuclear waste storage facility licensed under this Act,

"(3) any nuclear fuel for such a utilization facility, or any spent nuclear fuel from such a facility.

shall be fined not more than $10,000 or imprisoned for not more than ten years, or both.".

(b) The table of contents for such Act is amended by inserting the following new item after the item relating to section 234:

"Sec. 236. Sabotage of Nuclear Facilities or Fuel."

Sec. 205. Section 274 j. of the Atomic Energy Act of 1954 is amended by inserting "(1)" after "j." and by adding the following at the end thereof:

"(2) The Commission, upon its own motion or upon request of the Governor of any State, may, after notifying the Governor, temporarily suspend all or part of its agreement with the State without notice or hearing if, in the judgment of the Commission:

"(A) an emergency situation exists with respect to any material covered by such an agreement creating danger which requires immediate action to protect the health or safety of persons either within or outside the State, and

"(B) the State has failed to take steps necessary to contain or eliminate the cause of the danger within a reasonable time after the situation arose.

A temporary suspension under this paragraph shall remain in effect only for such time as the emergency situation exists and shall authorize the Commission to exercise its authority only to the extent necessary to contain or eliminate the danger.".

Sec. 206. The first sentence of section 234 a. of the Atomic Energy Act of 1954 is amended by striking all that follows "exceed" the first time it appears and inserting in lieu thereof the following: "$100,000 for each such violation."

Sec. 207. (a) (1) The Atomic Energy Act of 1954 is amended by inserting the following new section immediately after section 146:

"Sec. 147. Safeguards Information.—

"a. In addition to any other authority or requirement regarding protection from disclosure of information, and subject to subsection (b) (3) of section 552 of title 5 of the United States Code, the Commission shall prescribe such regulations, after notice and opportunity for public comment, or issue such orders, as necessary to prohibit the unauthorized disclosure of safeguards information which specifically identifies a licensee's or applicant's detailed—

"(1) control and accounting procedures or security measures (including security plans, procedures, and equipment) for the physical protection of special nuclear material, by whomever possessed, whether in transit or at fixed sites, in quantities determined by the Commission to be significant to the public health and safety or the common defense and security;

"(2) security measures (including security plans, procedures, and equipment) for the physical protection of source material or byproduct material, by whomever possessed, whether in transit or at fixed sites, in quantities determined by the Commission to be significant to the public health and safety or the common defense and security; or

"(3) security measures (including security plans, procedures, and equipment) for the physical protection of and the location of certain plant equipment vital to the safety of production or utilization facilities involving nuclear materials covered by paragraphs (1) and (2)

if the unauthorized disclosure of such information could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of theft, diversion, or sabotage of such material or such facility. The Commission shall exercise the authority of this subsection—

"(A) so as to apply the minimum restrictions needed to protect the health and safety of the public or the common defense and security, and

"(B) upon a determination that the unauthorized disclosure of such information could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of theft, diversion, or sabotage of such material or such facility.

Nothing in this Act shall authorize the Commission to prohibit the public disclosure of information pertaining to the routes and quantities of shipments of source material, by-product material, high level nuclear waste, or irradiated nuclear reactor fuel. Any person, whether or not a licensee of the Commission, who violates any regulation adopted under this section shall be subject to the civil monetary penalties of section 234 of this Act. Nothing in this section shall be construed to authorize the withholding of information from the duly authorized committees of the Congress.

"b. For the purposes of section 223 of this Act, any regulations or orders prescribed or issued by the Commission under this section shall also be deemed to be prescribed or issued under section 161 b. of this Act.

"c. Any determination by the Commission concerning the applicability of this section shall be subject to judicial review pursuant to subsection (a)(4)(B) of section 552 of title 5 of the United States Code.

"d. Upon prescribing or issuing any regulation or order under subsection a. of this section, the Commission shall submit to Congress a report that:

"(1) specifically identifies the type of information the Commission intends to protect from disclosure under the regulation or order;

"(2) specifically states the Commission's justification for determining that unauthorized disclosure of the information to be protected from disclosure under the regulation or order could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of theft, diversion, or sabotage of such material or such facility, as specified under subsection (a) of this section; and

"(3) provides justification, including proposed alternative regulations or orders, that the regulation or order applies only the minimum restrictions needed to protect the health and safety of the public.

"e. In addition to the reports required under subsection d. of this section, the Commission shall submit to Congress on a quarterly basis a report detailing the Commission's application during that period of every regulation or order prescribed or issued under this section. In particular, the report shall:

"(1) identify any information protected from disclosure pursuant to such regulation or order;

"(2) specifically state the Commission's justification for determining that unauthorized disclosure of the information protected from disclosure under such regulation or order could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of theft, diversion or sabotage of such material or such facility, as specified under subsection a. of this section; and

"(3) provide justification that the Commission has applied such regulation or order so as to protect from disclosure only the minimum amount of information necessary to protect the health and safety of the public or the common defense and security.".

(2) The table of contents for such Act is amended by inserting the following new item after the item relating to section 146:

"Sec. 147. Safeguards Information".

(b) Section 181 of the Atomic Energy Act of 1954 is amended—

(1) by striking out "or defense information" the first time it appears and substituting ", defense information, or safeguards information protected from disclosure under the authority of section 147"; and

(2) by striking out "or defense information" in each other place it appears in such section and substituting ", defense information, or such safeguards information.".

TITLE III—OTHER PROVISIONS

SEC. 301. (a) The Nuclear Regulatory Commission, within 90 days of enactment of this Act, shall promulgate regulations providing for timely notification to the Governor of any State prior to the transport of nuclear waste, including spent nuclear fuel, to, through, or across the boundaries of such State. Such notification requirement shall not apply to nuclear waste in such quantities and of such types as the Commission specifically determines do not pose a potentially significant hazard to the health and safety of the public.

(b) As used in this section, the term "State" includes the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

SEC. 302. The Nuclear Regulatory Commission is authorized and directed to enter into a contract for an independent review of the Commission's management structure, processes, procedures, and operations. The review shall include an assessment of the effectiveness of all levels of agency management in carrying out the Commission's statutory responsibilities, in developing and implementing policies and programs, and in using the personnel and funding available to it. The contract shall provide for submission of a report of the findings and recommendations of the review to the Commission not later than one year from the date of enactment of this Act, and the Commission shall promptly transmit such report to the Congress.

SEC. 303. The Nuclear Regulatory Commission shall include in its annual report to Congress under section 251 of the Atomic Energy Act of 1954 a statement of—

(1) the direct and indirect costs to the Commission for the issuance of any license or permit and for the inspection of any facility; and

(2) the fees paid to the Commission for the issuance of any license or permit for the inspection of any facility.

SEC. 304. On or before September 30, 1980, the President shall prepare and publish a National Contingency Plan to provide for expeditious, efficient, and coordinated action by appropriate Federal agencies to protect the public health and safety in the case of accidents at any utilization facility licensed under section 103 or 104(b) of the Atomic Energy Act of 1954.

SEC. 305. (a) As expeditiously as practicable, the Nuclear Regulatory Commission shall establish a mechanism for instantaneous and uninterrupted verbal communication between each utilization facility licensed to operate under section 103 or section 104 b. of the Atomic Energy Act of 1954 on the date of enactment of this Act, or thereafter, and

(1) Commission headquarters, and

(2) the appropriate Commission regional office.

(b) Within ninety days after the date of the enactment of this Act, the Commission shall prepare and transmit to the Congress a study of alternate plans for instantaneous and otherwise timely transmission to the Commission of data indicating the status of principal system parameters at utilization facilities licensed to operate under section 103 or section 104 b. of the Atomic Energy Act of 1954. For each alternative, the study shall present procedures for transmitting and analyzing such data and a Commission statement regarding the advantages, disadvantages and desirability.

SEC. 306. (a) The Nuclear Regulatory Commission is authorized and directed to undertake a comprehensive investigation and study of the impediments to expeditious and reliable communication among Commission headquarters, the Commission regional office, Commission representatives at the facility site, senior management officials and operator personnel of the licensee, and the Governor of Pennsylvania and other State officials, in the thirty day period immediately following the accident of March 28, 1979, at unit two of the Three Mile Island Nuclear Station in Pennsylvania. Such investigation and study shall include, but not be limited to, a determination of the need for improved communications procedures and the need for advanced communications technology.

(b) The Commission shall report to the Congress by September 30, 1980, on the findings of the investigation and study required by subsection (a), including recommendations on administrative or legislative measures necessary to facilitate expeditious and reliable communications in case of an accident which could result in an unplanned release of quantities of fission products in excess of the allowable limits for normal operation established by the Commission at a utilization facility licensed under section 103 or 104 b. of the Atomic Energy Act of 1954. The Commission shall implement, as soon as practicable, each such recommendation not requiring legislative enactment, and shall incorporate the recommendation in the plan for agency response promulgated pursuant to section 304 of this Act.

SEC. 307. (a) The Commission is authorized and directed to prepare a plan for improving the technical capability of licensee personnel to safely operate utilization facilities licensed under section 103 or 104 b. of the Atomic Energy Act of 1954. In proposing such plan, the Commission shall consider the feasibility of requiring standard mandatory training programs by nuclear facility operators, including classroom study, apprenticeships at the facility, and emergency simulator training. Such plan shall include specific criteria for more intensive training and retraining of operator personnel licensed under section 107 of the Atomic Energy Act of 1954, and for the licensing of such personnel, to assure—

(1) conformity with all conditions and requirements of the operating license;

(2) early identification of accidents, events, or event sequences which may significantly increase the likelihood of an accident; and

(3) effective response to any such event or sequence.

Such plan shall include provision for Commission review and approval of the qualifications of personnel conducting any required training and retraining program. The plan shall also include requirements for the renewal of operator licenses including, to the extent practicable, requirements that the operator—

(A) has been actively and extensively engaged in the duties listed in such license,

(B) has discharged such duties safely to the satisfaction of the Commission,

(C) is capable of continuing such duties, and

(D) has participated in a requalification training program.

Such plan shall include criteria for suspending or revoking operator licenses. In addition, the Commission shall also consider the feasibility of requiring such licensed operator to pass a requalification test every six months including—

(i) written questions, and

(ii) emergency simulator exams.

The Commission shall transmit to the Congress the plan required by this subsection within six months after the date of the enactment of this Act, and shall implement as expeditiously as practicable each element thereof not requiring legislative enactment.

(b) The Nuclear Regulatory Commission is authorized and directed to undertake a study of the feasibility and value of licensing, under section 107 of the Atomic Energy Act of 1954, plant managers of utilization facilities and senior licensee officers responsible for operation of such facilities. The Commission shall report to the Congress within six months of the date of enactment of this Act on the findings and recommendations of the study required by this subsection, and shall expeditiously implement each such recommendation not requiring legislative enactment.

SEC. 308. (a) In the conduct of the study required by section 5(d) of the Nuclear Regulatory Commission Authorization Act for Fiscal Year 1979 (Public Law 95-601), the Nuclear Regulatory Commission and the Environmental Protection Agency, in consultation with the Secretary of Health and Human Resources, shall evaluate the feasibility of epidemiological research on the health effects of low-level ionizing radiation exposure to licensee, contractor, and subcontractor employees as a result of—

(1) the accident of March 28, 1979, at unit two of the Three Mile Island Nuclear Station in Pennsylvania;

(2) efforts to stabilize such facility or reduce or prevent radioactive unplanned offsite releases in excess of allowable limits for normal operation established by the Commission; or

(3) efforts to decontaminate, decommission, or repair such facility.

The report required by such section 5(d) shall include the results of the evaluation required under this subsection.

(b) Section 5(d) of the Nuclear Regulatory Commission Authorization Act for Fiscal Year 1979 (Public Law 95-601), is amended by striking "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

MO UDALL,
JONATHAN BINGHAM,
JIM WEAVER,
PHILIP R. SHARP,
EDWARD J. MARKEY,
BRUCE F. VENTO,
HARLEY O. STAGGERS,
JOHN D. DINGELL,
STEVEN D. SYMMS,
MANUEL LUJAN, Jr.,
CLARENCE J. BROWN,
TOM CORCORAN,
Managers on the Part of the House.

GARY HART,
JENNINGS RANDOLPH,
DANIEL P. MOYNIHAN,
ALAN K. SIMPSON,
PETE V. DOMENICI,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

SECTION 101(a)—AUTHORIZATION

The conference agreement authorizes a total of $426,821,000 for the salaries and expenses of the Nuclear Regulatory Commission for fiscal year 1980. This amount is equal to the total NRC authorization approved by the House when H.R. 2608 was passed on December 4, 1979. The conference agreement increases by $53,521,000 the $373,300,000 funding level originally agreed to by the Senate when S. 562 was passed on July 17, 1979.

The total authorization of $426,821,000 has the unanimous support of the NRC commissioners (as expressed in a letter of December 18, 1979 from NRC Chairman John Ahearne to Representative Morris K. Udall). The $53,521,000 increase over the total amount approved by the Senate is roughly equivalent to the $49,200,000 supplemental budget request for NRC in fiscal year 1980 that was recommended by the Office of Management and Budget on December 10, 1979.

Of the total amount authorized, the allocation of these funds by program is summarized in the table below:

Program (Office)	Jan. 22, 1979, request to Congress	Dec. 10, 1979, supplemental request	H.R. 2608	S. 562	Conference agreement [1]
Nuclear reactor regulation	$57,040,000	$16,290,000	$66,510,000	$57,040,000	$66,510,000
Inspection and enforcement	41,200,000	2,720,000	42,440,000	41,200,000	42,440,000
Standards development	14,270,000	1,595,000	15,953,000	14,270,000	15,953,000
Nuclear material safety and safeguards	29,605,000	2,610,000	32,380,000	29,605,000	32,380,000
Nuclear regulatory research	185,570,000	24,035,000	213,005,000	210,570,000	213,005,000
Program technical support	14,925,000	1,425,000	18,125,000	14,925,000	18,125,000
Program direction and administration	30,690,000	525,000	38,408,000	30,690,000	38,408,000
Total	373,300,000	49,200,000	426,821,000	373,300,000	426,821,000

[1] Specific designating of funds within each program line-item are summarized on the following table.

The conference agreement also includes specific allocations for certain designated activities identified in the bill to be conducted within the various program offices, as follows:

Program	Designated amount	Purpose
Nuclear reactor regulation	$1,000,000	Gas cooled reactor preapplication review.
Inspection and enforcement	4,684,000	Supports for 146 additional inspectors for the resident inspector program.
Standards development	None	
Nuclear material safety and safeguards.	60,000	Implementation of United States-IAEA Safeguards Treaty.
	180,000	6 additional staff for improvement of material control and accounting, etc.
	9,675,000	Nuclear waste disposal and management activities including additional staff for implementation of the Uranium Mill Tailings Act.
Nuclear regulatory research	$3,700,000	Gas-cooled reactor safety research.
	4,400,000	Implementation of the improved safety systems research plan required by sec. 205(f) of the Energy Reorganization Act of 1974.
	6,700,000	Nuclear waste research.
Program technical support	4,238,000	To increase the Office of State Programs capability to provide training and assistance to State and local governments in developing emergency plans; and for the purchase of radiation monitoring equipment.
Program direction and administration.	400,000	For support of 8 staff positions in the Division of Contracts.

SECTION 101(a)(1)—NUCLEAR REACTOR REGULATION

The House amendment contained a total line-item authorization of $66,510,000 for the Office of Nuclear Reactor Regulation (NRR). The House amendment designated up to $1,000,000 of this line-item to accelerate the effort in gas-cooled thermal reactor preapplication reviews.

The Senate bill contained a total line-item authorization of $57,040,000 for NRR. S. 562 did not specify a particular use for any of the funds authorized in this program area.

The conference agreement provides for a total line-item authorization of $66,510,000, as in the House amendment. Also, the conference agreement specified that not more than $1,000,000 of the amount authorized for NRR is to be used to accelerate the effort in gas-cooled thermal reactor preapplication review.

SECTION 101(a)(2)—INSPECTION & ENFORCEMENT

S. 562 contained a total line-item authorization of $41,200,000 for the Office of Inspection and Enforcement (I&E). The Senate bill also specified that of the total amount allocated to I&E, $4,684,000 is to be available for support for 146 additional inspectors for the NRC's Resident Inspector Program.

The House amendment contained a total line-item authorization of $42,440,000 for I&E. Like the Senate bill, the House amendment specified that $4,684,000 of the total allocated to I&E is available to be used for support of 146 new inspectors for the Resident Inspector Program.

The conference agreement authorizes a total of $42,440,000 for I&E, as in the House amendment. The conference agreement also specifies, as do both the House amendment and S. 562, that $4,684,000 for I&E shall be available for support for 146 additional inspectors for the Resident Inspector Program.

SECTION 101(a)(3)—STANDARDS DEVELOPMENT

The line-item authorization for the Office of Standards Development contained in the House amendment was $15,953,000. The Senate bill authorized $14,270,000 for Standards Development. The conference agreement incorporates a line-item authorization of $15,953,000 for the Office of Standards Development, an amount equal to that contained in the House amendment.

SECTION 101(a)(4)—NUCLEAR MATERIAL SAFETY AND SAFEGUARDS

The Senate bill contained an authorization of $29,605,000 for NRC's Office of Nuclear Material Safety & Safeguards (NMSS). In the line-item for NMSS, S. 562 also specified that $9,675,000 of the total amount appropriated is to be available for Nuclear Waste Disposal and Management activities (including support for five additional staff positions in the Division of Waste Management for implementation of the Uranium Mill Tailings Radiation Control Act).

The House amendment contained a total authorization of $32,380,000 for the NMSS line-item. The House amendment specified that not less than $60,000 of the funds allocated for NMSS shall be available for the Commission to employ new staff to be assigned by the Commission for implementation of the United States—International Atomic Energy Agency Safeguards Treaty (following ratification of that treaty by the Senate). The House amendment designated

$180,000 of the NMSS line-item authorization to be used to place six additional staff in the Division of Safeguards. The House intended that these additional staff be assigned to work for the regulatory improvement of material control and accounting safeguards and the development of improved regulatory requirements for safeguarding the transportation of spent fuel.

The conference agreement authorizes $32,380,000 for NMSS, an amount equal to that contained in the House amendment. The conference agreement also specifies certain of these funds be designated as follows: 1) $9,675,000 for Nuclear Waste Disposal and Management activities as provided in S. 562; 2) $60,000 for implementation of the U.S.–I.A.E.A. Safeguards Treaty; and 3) $180,000 as provided in the House amendment for the Division of Safeguards to use to improve material control and accounting regulations.

SECTION 101(a)(5)—NUCLEAR REGULATORY RESEARCH

The House amendment authorized $213,005,000 for NRC's Office of Nuclear Regulatory Research (RES) during fiscal year 1980. The House amendment further required that up to $3,700,000 of this total is to be used to accelerate NRC's effort in gas-cooled thermal reactor safety research.

The Senate bill authorized $210,570,000 for RES. In addition, S. 562 required that certain of these authorized funds be used as follows: 1) $4,400,000 for implementation of the Improved Safety Systems Research plan required by section 205(f) of the Energy Reorganization Act of 1974, as amended; and 2) $6,700,000 shall be available for Nuclear Waste Research activities.

The conference agreement includes a total line-item authorization of $213,005,000 for RES, an amount equal to that approved by the House. The conference agreement also requires that certain of these funds be used as follows: 1) $4,400,000 for implementation of the Improved Safety Systems Research Plan, and $6,700,000 for Nuclear Waste Research activities (both as previously required by S. 562); and, 2) not more than $3,700,000 to accelerate gas-cooled thermal reactor safety research (as provided for in the House amendment).

SECTION 101(a)(6)—PROGRAM TECHNICAL SUPPORT

S. 562 authorized $14,925,000 for Program Technical Support (PTS). The Senate bill also required that $4,238,000 of the amount authorized for PTS be available to the Office of State Programs for the purpose of supporting eight additional staff to provide training and assistance to State and local governments in radiological emergency response planning and operations and for review of State plans.

The House amendment authorized $18,125,000 for PTS. Like the Senate bill, the House amendment designated certain of these funds for the Office of State Programs to assist State and local governments to prepare radiological emergency response plans. The specific designation within the House-passed PTS line item requires that not less than $1,485,000 be available to the Office of State Programs to: 1) provide training and assistance for State and local governments in establishing emergency response plans (including the hiring of 8 additional staff); and 2) provide financial assistance to the States to be used for the purchase of radiation monitoring equipment.

The conference agreement provides for a total authorization of $18,125,000 for PTS, an amount equal to that approved by the House. The conference agreement also designates $4,238,000 of those funds authorized for PTS to be available to the Office of State Programs, as provided for in the Senate bill.

SECTION 101(a)(7)—PROGRAM DIRECTION AND ADMINISTRATION

The House amendment provided a line-item authorization of $38,408,000 for NRC's Program Direction and Administration (PDA). The House amendment did not designate any funds within the PDA allocation.

S. 562 provided a total of $36,690,000 for PDA. The Senate bill also specified that $400,000 of this amount be available for support of eight additional positions in the Division of Contracts, Office of Administration.

The conference agreement authorizes $38,408,000 for PDA, as provided in the House amendment. The proposed agreement also incorporates the designation of $400,000 for the Office of Contracts that was originally included in S. 562.

SECTION 101(b)—REPROGRAMMING

The House amendment and Senate bill contained similar provisions that specify procedures the Commission must follow to reprogram authorized funds in amounts greater than certain threshold limits.

S. 562 provided that Congress has 45 calendar days of continuous sessions unbroken by any adjournment of more than three calendar days or an adjournment sine die, to review and approve an NRC reprogramming request. The House amendment provided that Congress has 30 calendar days (subject to the same qualifications as is contained in the Senate bill) in which to review and approve a reprogramming request from the Commission.

The Senate bill prohibited under all circumstances the increase or decrease of funds authorized for several specific activities (i.e. amounts designated for activities within the line-item authorizations for the various NRC offices). The House amendment contained no similar restriction.

The conference agreement adopts the Senate provision that provides Congress a period of 45 calendar days in which to review a reprogramming request. It deletes the proviso contained in S. 562 that prohibits the Commission from reprogramming under any circumstances funds designated for specific activities (i.e. the Resident Inspector Program; Nuclear Waste Disposal and Management; Improved Safety System Research; Nuclear Waste Research; the Office of State Programs; and, the Office of Administration).

The conferees recognize that reprogramming is a valuable management tool, but, at times has been used in ways that undercut the intent Congress expressed when enacting NRC authorizing legislation. The compromise agreement attempts, therefore, to balance the need for providing the Commission with a degree of flexibility to redistribute authorized funds with the need for providing Congress with sufficient control to assure that congressional intent is carried out.

Based on the experience with the reprogramming mechanism established by the NRC Authorization Act for fiscal year 1979 (P.L. 95–601), the conferees have concluded that several modifications to the existing procedures are warranted.

First, the time for congressional review of an NRC reprogramming request is extended from 30 calendar days to 45 calendar days. This additional time will enable the Committees of jurisdiction to conduct a more thorough review prior to approving, approving with conditions, or disapproving a major reprogramming request. The Committees will try to expedite consideration of any request and communicate their individual decisions thereon to the Commission as soon as possible (and in any event no later than the 45 calendar days provided in the conference agreement).

Second, the conferees expect the Commission to provide, at the time it submits a reprogramming request under this section, a detailed, understandable and informative written statement explaining and justifying the need for the request. Such statement must state clearly the impact of the proposed redistribution of funds on those activities within the various line-item authorizations for which funds are designated in paragraphs (1) through (7) of section 101(a) of the conference agreement. In addition, the statement must set forth what specific work will be done with the reprogrammed funds as well as what work will be delayed or cancelled in the event that the request is approved.

SECTION 101(c)—COMMISSION APPROVAL OF SAFEGUARDS RESEARCH CONTRACTS

The House amendment required the Commission to specifically approve all safeguards research and technical assistance contracts which provide funds in excess of $20,000 from the amounts authorized by the amendment. The provision is identical to a subsection included in the NRC authorization bill for FY 1979 (P.L. 95–601, Section 101 (d)).

The provision reflected the House view that safeguards research contracts in the past have not produced benefits commensurate with their cost. It required approval by majority vote before the Commission could enter into any safeguards research contract larger than $20,000 in value. The House believes that this procedure provides greater assurance that funds spent on such contracts will, in fact, accurately represent their relative importance among other agency-wide priorities.

The Senate bill had no similar provision.

The conference agreement requires Commission approval of contracts for safeguards research or technical assistance. The agreement increases from $20,000 to $50,000 the threshold value of contracts that are subject to this review mechanism.

SECTION 101(d)—SENIOR CONTRACT REVIEW BOARD

The conference agreement requires the Commission to establish a Senior Contract Review Board. An identical provision was included in both the House amendment and the Senate bill.

The function of the Board will be to approve the placement of any new work or any substantial modification of existing work with another Federal agency, or any research contract or research contract modification, in an amount greater than $500,000. Members of the Senior Contract Review Board are required to be appointed within sixty days of the enactment of this Act. The Board is to be appointed by, accountable to, and under the direction of the Commission. The conference report stipulates that if the amount of a work placement, contract, or modification is $1,000,000 or more, the Commission, by majority vote, must approve it. Under the terms of the conference agreement, prior to awarding any such placement, contract, or modification, the reviewing body must secure a detailed description of the work and ensure that alternative methods of procurement have been considered.

SECTION 102—COOPERATIVE RESEARCH FUNDING

The conferees agreed to the House provision, which is similar to the Senate provision. The compromise includes the language "During the fiscal year 1980 . . ." that was in the House amendment but not in the Senate bill.

SECTION 103—TRANSFER OF FUNDS

The conferees agreed to the House provision, which is similar to the Senate provision. The compromise includes the language "During fiscal year 1980 . . ." from the House amendment.

SECTION 104—APPROPRIATIONS

This section is intended to make clear that the amounts authorized may only be spent when appropriated in advance. Identical provisions were included in both the House amendment and the Senate bill.

SECTION 105—CONGRESSIONAL NOTIFICATION OF PLAN TO SHIP SPENT FUEL TO PACIFIC ISLANDS

The House amendment required the President to notify Congress 30 days before the transfer of any spent fuel to any territory or insular possession of the United States or the Trust Territory of the Pacific Islands, or to notify the Speaker of the House and the President of the Senate as soon as possible in the event of an emergency.

The Senate bill had no similar provision.

The conferees agreed to include the House provision in the conference agreement.

SECTION 106—NRC EMERGENCY RESPONSE PLAN

The Senate bill contained a provision directing the NRC, within six months after enactment, to promulgate, by rule, a plan for agency response to an "extraordinary nuclear occurrence" as defined in the Atomic Energy Act. The Senate bill required that this plan establish procedures for facilitating notification, information-gathering and communications; for operating an NRC emergency command center and for dispatching high-level NRC representatives to the site of the damaged reactor; for making recommendations on evacuation; for formal votes by the Commission on key emergency decisions; for defining the role of the NRC Chairman as spokesman for the Commission during an emergency; for monitoring radiation levels within the boundaries of the facility site; for mobilizing expert assistance from government and non-government sectors; for maintaining key facility design, construction, and other information on nuclear power plants, and for maintaining a list of equipment and technical experience that may be required during an emergency.

The House amendment contained no similar provision.

The conferees agreed to a compromise that directs the NRC to develop a plan for agency response to "accidents" at a utilization facility licensed under Sections 103 or 104b of the Atomic Energy Act of 1954, as amended. The NRC must submit the plan to Congress by September 30, 1980.

Although the compromise does not specify the minimum provisions that such a plan must include, the conferees expect that the NRC will consider procedures for timely notification to the NRC by the licensee of any accident; communication within the NRC and among the NRC, appropriate State and local officials, and the licensee; the appointment of one Commissioner to assume authority for the Commission's response during an accident or unanticipated event; the need to make recommendations on evacuation, in consultation with the Director of the Federal Emergency Management Agency; the availability of complete and accurate information concerning facility design and equipment; the availability of expert advice and assistance; and designation of an NRC representative at the site of a reactor suffering an accident.

The conferees recognized that events following the accident at Three Mile Island revealed that NRC was not adequately prepared to respond to nuclear power plant emergencies, and that the existence of an NRC emergency response plan could have made the Commission's job easier and more efficient. The conferees expect the NRC, in preparing this plan, to rely upon the Three Mile Island Action Plan, developed by its Lessons Learned Task Force, and other studies that have been performed as a result of the Three Mile Island accident.

SECTION 107—OCEAN DUMPING

The Senate bill specified that no funds authorized by S. 562 may be used to license or approve of any disposal of nuclear wastes in the oceans. The House considered and rejected a similar provision prior to the passage of H.R. 2608 on December 4, 1979.

In agreeing to include the Senate provision in the conference agreement, the conferees note that technical questions regarding how best to manage ocean disposal have not been decided by the Environmental Protection Agency.

SECTION 108—DISCUSSION OF CONFERENCE AGREEMENT ON REMOTE SITING

Section 108 of S. 562 required the NRC, by rule, to promulgate demographic requirements for the siting of utilization facilities.

The House amendment contained no similar provision.

The conference agreement like the Senate bill, directs the Commission to develop and promulgate regulations establishing demographic requirements for the siting of utilization facilities.

The conference agreement does not place a statutory deadline by which time NRC must promulgate a final rule. The conference agreement, however, necessarily ties the requirement that NRC promulgate new siting regulations to the authorization of funds for the fiscal year 1980. The conferees intend that the NRC substantially complete the work required for a final promulgation before the fiscal year expires, and that the NRC publish for public comment, and subsequently promulgate, new siting regulations as soon as possible.

The conference agreement also establishes October 1, 1979, as the date after which all applications filed for an NRC construction permit for a utilization facility must comply with the new siting regulations. This provision would exempt from the new siting regulations the proposed nuclear power plants with construction permit applications now pending before the Commission.

Subsection 108(b) of the conference agreement prohibits the Commission from issuing a construction permit for a nuclear plant after the new siting regulations are promulgated unless the facility complies with the requirements set forth in those regulations. This makes it clear that compliance with remote siting requirements, once they have been promulgated under this section, is a condition for the issuance of new construction permits.

Subsection (c) of the conference agreement requires the new siting regulations to specify demographic criteria including maximum allowable population density and population distribution for zones surrounding the facility. The regulations must establish such zones independent of considerations about plant design, engineering, or other differences among facilities. The NRC should develop these demographic standards, however, so as not to preclude further siting of nuclear reactors in any region of the United States, consistent with the recommendations of the NRC Siting Policy Task Force.

Subsection (c) of the conference agreement combines elements of both paragraphs (1) and (3) of Sec. 108 of the Senate bill, and replaces those two paragraphs. The conference agreement explicitly breaks the link between the plant design and allowable population density and population distribution within zones around a reactor. With this language, the conference agreement is consistent with the goal of NRC's Siting Policy Task Force "to strengthen siting as a factor in defense in depth by establishing requirements for site approval that are independent of plant design consideration." (NUREG–0625, page (i))

The conference agreement also incorporates the twin concepts of "population density" and "population distribution" as key factors in the new demographic criteria to be established for zones around reactor sites. This provides a more direct measurement of where people live relative to the nuclear plant than does a minimum distance to the nearest boundary of a densely populated political jurisdiction (i.e. city or town line).

The conference agreement also responds to the NRC Siting Policy Task Force finding that:

> "The population center distance as presently established does not provide the protection originally intended against large accidents (Class 9). This has occurred because the credit given for engineering design has permitted a reduction in the population center distance and has tended to reduce the importance of siting as a factor in defense in depth." (Task Force Report/NUREC–0625, page 48)

Subsection (d) of the conference agreement ties together the new remote siting regulations with the policy objective of upgrading emergency preparedness and planning around reactors. The conference agreement requires the new regulations to take into account the feasibility of all emergency actions (including evacuation) outside the facility which may be necessary in the event of an accidental release of radioactive material from the plant, including accidental releases of radioactive material resulting from a non-design basis accident.

Subsection (e) of the conference agreement requires NRC to provide information to State and local land use planning authorities having jurisdiction over areas affected by new siting regulations promulgated under this section. This information is intended to assist these authorities in making State and local land use decisions which may affect emergency planning around nuclear power plants.

The conference agreement gives NRC the responsibility to notify State and local jurisdictions of the remote siting criteria that were satisfied at the time a construction permit was issued.

The conferees clearly intend, however, that NRC have no direct authority to impose land use decisions on State and local jurisdictions. Subsection (e) does not alter the Commission's existing authority to assure protection of public health and safety in the event of offsite developments subsequent to the issuance of an operating license.

Subsection (f) of the conference agreement explicitly provides that the Commission has no authority to preempt any State requirement relating to land use or plant siting (unless the State requirement contains remote siting criteria that are similar to, but less stringent than, those established by the Commission pursuant to this section).

The purpose of this subsection is to make clear that the conferees do not contemplate Federal preemption of State and local authority to control land use.

SECTION 109—STATE EMERGENCY RESPONSE PLANS

The House amendment and the Senate bill both directed the NRC to establish, by rule, standards for state plans to respond to radiological emergencies and to review and assess the adequacy of each state's plan. The standards would replace the guidelines for state and local emergency response plans in NUREG–75/111 (December 1, 1974) and Supplement 1 (March 15, 1977), and the interim criteria in NUREG–06541/FEMA–REP–1.

The Senate bill would have directed the NRC to promulgate these rules within six months after enactment and specified several minimum requirements these rules must contain. The House amendment neither set a deadline for promulgation of rules nor specified minimum requirements for these rules.

The Senate bill would have required that any applicant for an operating license, as part of its application, submit an emergency response plan for the situs state and would have prohibited the NRC from granting the license unless it determined that the plan, as it applies to the facility, adequately protects the public health and safety. The bill further would have required that any state in which a utilization facility has been licensed but which does not have an NRC-approved plan submit a plan for review by the NRC and the Federal Emergency Management Agency which shall then review such plans for compliance with the NRC guidelines in effect on July 16, 1979. If the NRC determined that a plan, as it applies to each licensed facility, did not comply with such guidelines and the State failed to correct the noncompliance by June 1, 1980, the NRC would have had to terminate the operating license of each such facility until the state plan complied with the guidelines.

The House amendment did not direct the NRC to take any action with respect to existing or new operating licenses if a state plan does not comply with NRC guidelines or adequately protect public health and safety. In addition, the House bill did not provide a role for the Federal Emergency Management Agency in reviewing and assessing the adequacy of state plans or in developing the new standards.

Unlike the Senate bill, the House amendment required the NRC within six months after enactment to report to Congress on its assessment of the adequacy of state plans, to identify those states without adequate plans or preparations for an emergency, to notify the Governor and other appropriate authorities of such states of the respects in which the plans and preparations do not conform to the new regulations, and to recommend to Congress any additional statutory authority which the NRC deems necessary to ensure that each state has an adequate plan or other emergency preparations.

The conferees agreed to a compromise between the House and Senate positions. The compromise retains the House and Senate requirements that the NRC initiate a rulemaking proceeding and subsequently establish, by rule, standards for state radiological emergency plans.

The conferees intend that the NRC continue to place a high priority upon the prompt development of the new rules.

The compromise retains the provisions in the House bill requiring the NRC to review all existing state plans or other preparations for responding to an emergency followed by a report to the Congress and appropriate state officials of any deficiencies in existing plans or preparations. The conferees recognized that under a Memorandum of Understanding between the NRC and FEMA, FEMA is now conducting such a review. The conferees do not intend to disrupt this ongoing effort or to require duplication of effort by NRC and FEMA. Rather the conferees intend that NRC and FEMA work cooperatively to avoid duplication in this effort to satisfy these reporting requirements.

The provision also requires NRC to recommend to Congress any additional statutory authority necessary to protect public health and safety.

The compromise provides that the NRC is to issue an operating license for a new utilization facility only if the State or local plan, as it applies to such facility, complies with the NRC's current guidelines for such plans or the new rules when promulgated, except that if a State or local plan does not exist that complies with the guidelines or rules, the compromise provides that NRC still may issue an operating license if it determines that a State, local or utility plan provides reasonable assurance that public health and safety is not endangered by operation of the facility. The Commission's regulations now require the determination prior to the issuance of an operating license that there is reasonable assurance that public health and safety is not endangered by operation of the facility.

The conferees sought to avoid penalizing an applicant for an operating license if a State or locality does not submit an emergency response plan to the NRC for review or if the submitted plan does not satisfy all the guidelines or rules. In the absence of a State or local plan that complies with the guidelines or rules, the compromise permits NRC to issue an operating license if it determines that a State, local or utility plan, such as the emergency preparedness plan submitted by the applicant, provides reasonable assurance that the public health and safety is not endangered by operation of the facility.

The compromise requires that the new regulations for emergency response plans include a mechanism to encourage and assist a state to comply as expeditiously as practicable with the standards promulgated in these regulations.

The compromise does not specify minimum requirements for the new rules promulgated under this provision but rather leaves the specific requirements to NRC discretion. Nevertheless, the conferees expect the NRC to consider the designation of planning zones around each facility based on such factors as probable release patterns from possible accident sequences, reactor size, and demographic and land use patterns; the capability to quickly and safely implement protective measures such as evacuation and sheltering; initial and periodic testing of plan feasibility in actual drills not requiring evacuation; vesting of lead responsibility for the development and revision of the plan in a single agency, with participation of facility licensees, local governments, and appropriate state agencies; delineation of respective organizational roles in implementation of the plan; and identification of procedures for expeditious and reliable notification and communication.

The compromise reflects careful consideration of the role FEMA should play in the promulgation of new rules for, and the assessment of the adequacy of, state and local emergency plans. The conferees also recognized the present agreements between NRC and FEMA regarding responsibility for developing requirements for state and local emergency plan and for assessing compliance with those requirements. The conferees intended that the implementation of the compromise be consistent with and not disrupt those existing understandings.

The compromise recognized FEMA's potential capability to coordinate offsite response to a radiological emergency. The conferees declined however, to delineate a more specific statutory role for FEMA until Congress considers legislative proposals that may be submitted in the near future.

The conferees intend that ultimately every nuclear power plant will have applicable to it a state emergency response plan that provides reasonable assurance that the public health and safety will not be endangered in the event of an emergency at such plant requiring protective action.

SECTION 110—SYSTEMATIC SAFETY EVALUATION PLAN

The House amendment contained a provision that directed the NRC to compile information as to which safety-related rules, regulations, Division 1 regulatory guides, and staff technical positions each licensee of an operating reactor was and was not required to meet at the time the operating license was granted. In addition, it required the NRC to list the previously identified generic safety issues for which technical solutions have been developed and the operating reactors in which these solutions have been implemented. Finally, it directed the NRC to provide a schedule for developing solutions to those unresolved generic safety issues without technical solutions. The provision also required the NRC, within 120 days after enactment, to submit to Congress a report containing these compilations.

The Senate bill contained no similar provision.

The conferees agreed to the House provision, with modifications. The compromise requires the NRC to establish a comprehensive plan for the systematic safety evaluation of all currently operating nuclear power plants, which the NRC must submit to Congress and implement after notice and an opportunity for public comment. This modification enables the NRC to build upon the systematic safety evaluation it is currently conducting for the oldest operating nuclear power plants.

The compromise identifies certain information that, at a minimum, must be included as part of the systematic safety evaluation plan. First, the compromise directs the NRC to identify each current rule and regulation, compliance with which the NRC specifically determines to be of particular significance to protection of public health and safety. The House provision had required NRC to identify all safety-related rules, regulations, Division 1 regulatory guides and staff technical positions. In order to reduce the burden on NRC in preparing the plan and to ensure that the information gathered will be useful in overseeing the overall safety of the presently operating plants, the compromise is limited to current NRC rules and regulations and requires a detailed review by the Commission itself to identify those rules and regulations that are of particular health and safety significance for the presently operating plants. Under the compromise, information on plant compliance is required only for those rules and regulations. This careful selection process is intended to focus the systematic safety evaluation plan on those NRC requirements that are of particular significance in assessing the overall safety of the presently operating plants.

Second, the compromise requires a determination, for each presently operating plant, of the extent to which the plant meets the specific rules and regulations identified by the Commission. In determining the extent to which each operating nuclear power plant complies with these identified rules and regulations, however, the NRC must indicate where such compliance was achieved by use of Division 1 regulatory guides, staff technical positions, or equivalent means. With this revision, the conferees acknowledge that licensees can meet safety requirements in several ways.

Finally, the compromise deletes the requirement that the NRC submit the compiled information to Congress within 180 days after enactment, and instead directs the NRC to develop and submit the required comprehensive plan as soon as practicable. In adopting the modification, the conferees wanted to avoid imposing an undue burden upon the NRC as it carries out its other post-Three Mile Island responsibilities. Nevertheless, the conferees believed that, among other things, the accident at Three Mile Island revealed the need for a comprehensive systematic safety evaluation of all operating plants. Therefore, the compromise requires the NRC to submit to Congress within 90 days after enactment a report on its progress in fulfilling the requirements of this provision. Moreover, the conferees expect the NRC to complete, submit to Congress, and implement the plan expeditiously, even after expiration of fiscal year 1980.

The conferees do not intend that this provision in any way prejudice the NRC's continuing statutory responsibility to adopt additional regulatory requirements and guidelines to protect the public health and safety.

In addition, the conferees do not intend that the NRC's identification of certain rules and regulations as particularly significant to the protection of public health and safety in any way reflect upon those rules and regulations not so identified.

Finally, the conferees have agreed on the need for Congress to monitor closely the implementation of this provision, and to review the need for further action to assure the timely and meaningful completion of the systematic safety evaluation of each existing nuclear power plant.

SECTIONS 201 AND 305—EMERGENCY NOTIFICATION SYSTEM

The Senate bill required NRC to include as a licensing condition the immediate notification of the Commission in the case of an accident which could result in an unplanned release of quantities of fission products in excess of allowable limits, or events increasing the likelihood of such an accident at a nuclear plant. The Senate provision empowers NRC to revoke an operating license for violation of this condition.

The House amendment contained no similar provision.

The conference agreement is similar to the provision in the Senate bill, except that it modifies subsection (c) of the Senate provision. The modification directs NRC, within 90 days of enactment, to prepare and transmit to Congress a study of alternative plans for instantaneous and otherwise timely transmission to the Commission of significant reactor data from operating facilities. The compromise directs the Commission to make a recommendation on the advantages, disadvantages and desirability of the options studied.

The conferees recognize the need for predictability by licensees in determining those situations for which this provision requires notification. The conferees therefore intend that the Commission shall establish requirements as soon as possible providing specific guidelines for the identification of an accident that could result in a release of radioactivity in excess of allowable limits. The conferees intend that the license condition established by this section will take effect when these guidelines have been established by the Commission.

SECTION 202—PROTECTION OF NUCLEAR INSPECTORS

Section 401 of the House amendment would make it a Federal crime to murder, assault, intimidate or otherwise interfere with any construction or quality assurance inspector on a project licensed by the NRC.

The Senate bill contained no similar provision.

Section 202 of the conference agreement makes it a Federal crime to murder, assault, intimidate or otherwise interfere with any construction or quality assurance inspector on a project licensed by the NRC. The agreement achieves the intent of section 401 of the House amendment through addition of a new "Section 235, Protection of Nuclear Inspectors" to the Atomic Energy Act of 1954, as amended.

SECTION 203—EXTENSION OF CRIMINAL PENALTIES

The Senate bill established a criminal penalty of $50,000 per day, or two years in prison, for each knowing and willful violation of an NRC safety standard relating to the construction or operation of a commercial utilization or production facility.

The House amendment contained no similar provision.

The conferees agreed to a compromise provision that applies to any director, officer, or employee of a firm constructing or supplying the components for a utilization facility licensed under sections 103 or 104(b) of the Atomic Energy Act of 1954, as amended. Any of these individuals engaged in such construction or supply, who knowingly and willfully violate, or cause to be violated, any section of the Atomic Energy Act of 1954, any rule, regulation or order issued under any such section, or any license condition, which results or, if undetected, could have resulted in a significant impairment of a basic component may receive a fine of up to $25,000 per day, or up to two years imprisonment, or both. A second conviction is subject to a fine of up of $50,000 per day, or two years imprisonment, or both. For the purposes of this section, the term "supply" includes fabrication of components.

The compromise provides for an intent of "knowing and willful." By this standard, the conferees intend to require a high standard for state of mind.

Finally, the compromise directs the Commission to prescribe a threshold level of accidental release in paragraph (3) of the definition of the term "basic component." Although the cognate provision in the current regulatory definition of this term (10 CFR 21.3) specifies such a level, the conferees desire the Commission to specifically consider the advisability in this context of revising that level to one that includes any accidental release in excess of allowable limits established by the Commission for normal operations.

With this provision, the conferees intend to fill gaps in existing criminal penalty authority under section 223 of the Atomic Energy Act of 1954, as amended, by providing a more severe penalty where a knowing and willful violation of an NRC safety standard in the construction of a plant, or in the fabrication of a structure, system, component, or part of a plant significantly impairs a basic component or, if undetected, could have done so. Ultimately, the provision seeks to deter such violations.

The conferees are aware that during the past year allegations have been made about irregularities in construction at several sites for new commercial nuclear power plants. These allegations include both intentional violations of NRC regulations and orders for assuring quality control of construction and intimidation of quality control inspectors. The Commission has investigated such allegations at the Marble Hill site in Plainfield, Indiana, and at the South Texas site in Bay City, Texas. The Justice Department is currently investigating the allegations at Marble Hill. More recently, the NRC has begun to investigate similar allegations about irregularities in the construction of the Bellefonte plant near Scottsboro, Alabama.

The conferees have agreed to direct the Comptroller General to study the need for extending the authority provided by this provision to the operation of a commercial nuclear power plant. In particular, the study should examine recent allegations about leakage rate testing and reporting prior to the accident at Three Mile Island, and about Arkansas Nuclear Unit One at Russellville, Arkansas.

SECTION 204—SABOTAGE OF NUCLEAR FACILITIES OR FUEL

Both the House amendment and Senate bill contained provisions that would criminalize activities constituting "sabotage" of various types of nuclear facilities and materials. The language in both provisions, however, included activities other than those causing damage or destruction, as well as states of mind less than "intentional" or "willful."

The conference agreement tightens this language to achieve more precisely the intended purpose of both the House and Senate provisions.

First, the criminal penalty established by the conference agreement would apply to any person who willfully and intentionally destroys or causes physical damage to, or who willfully and intentionally attempts to destroy or cause physical damage to those nuclear facilities and nuclear materials covered by the provision.

By including a "willfully and intentionally" standard in this provision, the conferees intend to require a high standard for state of mind.

Second, the conference agreement eliminates ambiguity over the specific types of actions that come within this provision by deleting "injure" and inserting in its place "causes physical damage to." The conferees intend this provision to apply only to action resulting in not inconsequential physical damage. In addition to criminalizing the actual sabotage of certain nuclear facilities and nuclear materials, the conference agreement also adopts the language in the House amendment applying this provision to attempts to destroy or cause physical damage to covered facilities and materials. As with acts of sabotage, attempts under this provision must be willful and intentional.

Third, the conference agreement specifically addresses acts of sabotage against production and utilization facilities and any "nuclear waste storage facility" licensed under this Act (i.e. the Atomic Energy Act of 1954, as amended). This change brings within the score of the provision all licensed nuclear waste storage facilities.

Fourth, the conference agreement specifically criminalizes sabotage or attempted sabotage of both nuclear fuel for utilization facilities and spent nuclear fuel from those facilities. The provision in the House amendment would have applied to: "any special nuclear material or byproduct material possessed pursuant to a license issued by the Commission under section 53 or section 81 of this Act or pursuant to a license issued by a State under an agreement entered into under section 274 of this Act, or any special nuclear material or byproduct material contained in a carrier . . ."

This language has been deleted from the conference agreement in order to avoid having the provision apply to a number of situations for which it was never intended. For example, in addition to reactor fuel or spent fuel from a nuclear power plant, the House amendment also could be interpreted to cover such areas as the use of byproduct material for research or development purposes, medical therapy, industrial use, and agricultural use.

Fifth, the conference agreement deletes the language in the House amendment referring to acts of sabotage against nuclear fuel or spent fuel "in a carrier." The proposed substitute applies to sabotage of reactor fuel or spent fuel regardless of location.

Finally, the conference agreement applies to physical damage to NRC-licensed production facilities, utilization facilities, nuclear waste storage facilities, nuclear fuel, and spent nuclear fuel. The agreement covers all licensed nuclear waste storage facilities, including the high-level waste storage tanks at West Valley, N.Y., and the six commercial low-level waste burial sites. Although the conference agreement does not apply to sabotage or attempted sabotage of Federal nuclear facilities that are not licensed by the NRC, the conferees note that these facilities fall within provisions in the U.S. Code that criminalize acts causing damage to Federal buildings.

SECTION 205—NRC POWER TO SUSPEND STATE AGREEMENTS

The Senate bill granted the NRC authority, upon its own motion or upon request of the Governor to suspend temporarily all or part of its agreement with an "agreement State" if an emergency creates a danger to the health or safety of persons in the State. The NRC could suspend the agreement only if the State failed to take necessary steps within a reasonable period of time to contain or eliminate the cause of the danger. The Senate provision, however, specifically constrained the NRC to exercise its authority only to the extent necessary to contain or eliminate the danger and only during the period of the emergency.

The House amendment contained no similar provision.

The conferees accepted the Senate provision with modifications requiring the NRC to notify a Governor before it suspends the agreement, and more narrowly defining an emergency as a danger that requires immediate action to protect the health and safety of persons within or outside the State. As in the Senate provision, the NRC must determine whether an emergency exists and when the emergency has ended.

Under existing law, if an emergency occurs in an Agreement State to which state officials do not adequately respond, the NRC cannot act to control the emergency until it gives notice and holds a hearing to determine whether it should terminate or suspend all or part of the state agreement. Moreover, the NRC cannot limit the termination or suspension to a particular licensee but rather must apply the termination or suspension to an entire category of nuclear material covered by the agreement. The conferees recognized that in those rare instances in which an emergency requires NRC to exercise authority, the current statutory mechanism is too cumbersome and slow to protect public health and safety.

The conferees intend that the NRC will invoke the authority under this provision only as a last resort. Indeed, the conferees have attempted to protect the states' authority to the greatest extent possible by narrowly defining an emergency as a danger that requires immediate action to protect public health and safety and by requiring a specific determination by the Commission that (a) an emergency situation exists with respect to any material or facility covered by such an agreement; and (b) the State has failed to take steps necessary to contain or eliminate the cause of the danger within a reasonable time after the situation arose. The conferees also have limited the NRC's authority only to the duration of the emergency, have permitted the NRC to exercise this authority only to the extent necessary to contain or eliminate the danger, and have required full state authority to resume under its agreement after the emergency has ended.

SECTION 206—CIVIL PENALTIES

Section 234 of the Atomic Energy Act of 1954, as amended, currently authorizes the Commission to impose for a variety of licensing violations a penalty not to exceed $5,000 for each violation, and a total penalty not to exceed $25,000 for all violations occurring within any period of 30 consecutive days. The conference agreement, tracking similar provisions in both the House and Senate bills, amends Section 234 of the Atomic Energy Act of 1954 by raising the maximum civil penalty per violation from $5,000 to $100,000; and by eliminating the "cap" which now limits the total penalties payable in a 30-day period to $25,000.

The conferees note that prior to the accident at Three Mile Island, the NRC's experience with the $5,000/$25,000 civil penalty scheme had been that "a few major NRB licensees have been unresponsive" [From Enclosure No. 1 to Executive Communication No. 1105 forwarded to Congress on March 20, 1979] because the financial effects of current NRC penalties are negligible. The conferees find the argument persuasive that without an increase in the statutory limit on civil penalties, the high cost of replacement power when a reactor is shut down for repairs or other corrective action provides a possible economic incentive to postpone compliance and incur the relatively low penalty.

The conference agreement responds to the recommendations made by the General Accounting Office in its report to the Congress of February 18, 1978, entitled "Higher Penalties Could Deter Violations of Nuclear Regulations."

The conferees expect that the Commission, in setting the amount of any penalty, will consider relevant factors such as the gravity of the violation, the financial impact of such fine on the licensee, good faith, and the history of previous violations.

The conferees intend that the increased limits contained in the provision of the conference agreement will also apply to civil penalties imposed pursuant to section 206 of the Energy Reorganization Act of 1974.

SECTION 207—SAFEGUARDS INFORATION

The House amendment included a provision, requested by the Commission, that would have permitted the Commission to withhold certain sensitive safeguards information which, if made public, could have a significant adverse effect upon the health and safety of the public or the common defense and security by facilitating theft or diversion of nuclear materials, or sabotage of nuclear facilities. The House provision specified the safeguards information covered by this provision as a licensee's or applicant's detailed: (1) control and accounting procedures or security measures for the physical protection of special nuclear material; (2) security measures for the physical protection of source or byproduct material; (3) and security measures for the physical protection of certain plant equipment vital to the safety of production or utilization facilities. The provision constrained the NRC to exercise this authority to withhold safeguards information so as to apply the minimum restrictions needed to protect the health and safety of the public or the common defense and security.

The Senate bill contained no similar provision.

The conferees accepted a compromise substantially similar to the House provision. The compromise narrows the standard under which the NRC may withhold specific safeguards information, and requires the NRC to report to Congress on the promulgation and application of regulations under this section. It retains, however, the specification in the House provision of the types of safeguards information the NRC may withhold and the limitation upon the NRC's authority under this provision.

The House provision would have permitted the NRC to withhold specified types of safeguards information if the disclosure of the information "could have" a significant adverse effect on the public health and safety or the common defense and security. The conferees were concerned that this "could have" standard might be interpreted as allowing NRC to withhold information without demonstrating even the slightest probability that disclosure of the information would have a significant adverse effect.

As an alternative, the conferees considered an "is likely to" standard for withholding information. However, the conferees rejected the "is likely to" standard based upon advice in an April 22, 1980, letter from the NRC Office of Congressional Affairs which stated that this standard "misconceives the nature of the Commission's safeguards activities because it would require NRC to find that there would be a better than 50–50 chance that a significant adverse effect would result from disclosure", and "would be so difficult to apply that it probably would have the practical effect of rendering the new provision useless."

The conferees agreed to a standard for withholding information between the "could have" and "is likely to" standards. Under the compromise, the NRC may withhold information that it determines "could reasonably be expected to have" a significant adverse effect. This standard has been applied by judicial interpretation to another statutory exemption from the Freedom of Information Act. See *Phillippi* v. *CIA*, 546 F.2d 1009 (D.C. Cir. 1976). This standard also has been adopted in Executive Order 12065, protecting from disclosure national security information, as the standard for limiting the discretion of agencies or officials invoking that Executive Order. The conferees intend the compromise provision to require a showing by the NRC of some probability that disclosure would have a significant adverse effect, but not to require a showing that there would be a greater than 50–50 chance of such an adverse effect.

The compromise also provides that NRC's exercise of the new authority under the provision is made "subject to subsection (b) (3) of Section 552 of title 5, United States Code". This express reference to the Freedom of Information Act is intended to make it clear that the compromise provision is a specific statutory exemption from the FOIA, as provided for in Section 5 U.S.C. 552(b) (3), and meets all the requirements for a statutory exemption under that section.

The compromise also expressly exempts from the provision information on the routes and quantities of shipments of source material, byproduct material, high level nuclear waste or irradiated nuclear reactor fuel.

The conferees intend that information concerning shipments of special nuclear material, other than shipments of high-level nuclear waste or spent fuel which may arguably be so classified, are fully subject to the Commission's authority conferred by subsection (a) of the conference substitute to prohibit unauthorized disclosure. The conferees do not intend, however, to express an opinion on whether high level nuclear waste or spent fuel constitute special nuclear material.

Finally, the compromise adds two subsections that require the NRC to report to Congress on the implementation of the provision. The first requires the NRC, upon issuing proposed regulations under this provision, to report to Congress on how the proposed regulations satisfy the standards in this provision for withholding safeguards information.

The second requires the NRC to provide quarterly reports to Congress on how it has applied the regulations to withhold safeguards information. These reports need not identify the actual safeguards information withheld, but rather need only identify types or categories of information. The conferees intend that the reports on the agency's application of regulations under this provision should resemble its "Preliminary Notification" reports of abnormal occurrences at nuclear power plants. Such an approach should provide the information needed by Congress to carefully monitor the Commission's implementation of this provision without imposing a significant administrative burden on the agency.

The conferees expect that the Commission will exercise its authority under this provision so as to assure that a minimum of information is withheld consistent with the objective of not releasing sensitive data that might have a significant adverse effect on the public health and safety or the common defense and security.

SECTION 301—NOTIFICATION OF STATE GOVERNOR RE NUCLEAR WASTE SHIPMENT

Both the Senate bill and the House amendment required NRC to promulgate regulations for timely notification of State governors prior to the transport of nuclear waste through a State. S. 562 specified that such requirements would not apply to wastes of types and quantities that NRC determines do not pose a hazard to public health and safety.

The House amendment permits such notification of a Governor notwithstanding the "safeguards information" amendment to the Atomic Energy Act of 1954, as amended, included elsewhere in the conference report.

The conference agreement requires NRC to promulgate regulations for the timely notification of Governors, and allows NRC to exempt shipments of waste types and quantities that do not pose a hazard to public health and safety.

Also, the compromise incorporates the House amendment's definition of "State" for the purposes of the section.

SECTION 302—NRC MANAGEMENT STUDY

Section 106 of the Senate bill directed NRC to contract for an independent review of NRC's management structure, processes, procedures, and operations in carrying out its statutory responsibilities. The report must be completed in one year and transmitted to the Congress.

The House amendment contained no similar provision.

The House conferees agreed to recede, and the Senate provision has been included in the conference agreement.

SECTION 303—LICENSING FEE STUDY

The House amendment required NRC to include in its annual report to Congress a statement of the costs of licensing and inspection of any facility, and of fees paid to NRC for such activities. The Senate bill contained no similar provision.

The conferees agreed to include the language from the House amendment in the conference agreement.

SECTION 304—NATIONAL CONTINGENCY PLAN

The Senate bill required the President, within 120 days of enactment, to prepare and publish a National Contingency Plan for use in the event of an extraordinary nuclear occurrence, including the designation of an interagency task force with FEMA as lead agency. The Senate bill also required that the plan provide for assignment of responsibilities and duties to Federal departments and agencies, identification of a task force coordinator at the facility site, and assurance of availability of equipment and supplies.

The House amendment contained no similar provision.

The conferees agreed to a compromise provision that directs the President to prepare and publish a National Contingency Plan for use in the event of an accident at a nuclear plant. The compromise does not spell out in legislative language the minimum provisions that such a plan must include. Nevertheless, the conferees expect that the President will especially consider: designation of an interagency task force with FEMA as lead agency, and consisting of personnel who are trained, prepared, and available to provide necessary services to carry out the plan; assignment of duties and responsibilities among Federal departments and agencies; identification of an official of the lead agency as task force coordinator at the facility site; establishment of a national center to provide coordination and direction in Plan implementation; and identification, procurement, maintenance and storage of equipment and supplies.

The conferees expect that the President shall incorporate into the national plan the emergency response plan of the Commission developed under section 203 of this Act. The same determination by the Commission of a possible or actual accident, which would trigger the NRC's emergency plan, should also trigger implementation of the National Contingency Plan.

The conferees intend that the National Contingency Plan will improve upon the Interagency Radiological Assistance Plan which was in effect at the time of the accident at Three Mile Island, but which exhibited serious deficiencies.

SECTION 306—STUDY OF NRC-LICENSEE COMMUNICATION DURING TMI

The Senate bill required NRC to report findings of an investigation of communications problems between NRC, the licensee, and State officials in the 30 day period following the March 28, 1979 accident at TMI. S. 562 required NRC, in reporting on such investigation, to include recommendations for improving communications during an accident at a nuclear plant. NRC was also instructed to implement as soon as possible each recommendation not requiring legislation.

The House amendment contained no similar provision.

The conferees agreed to accept the Senate provision, but to change from January 1, 1980 to September 30, 1980 the date by which the Commission must report to Congress.

SECTION 307—OPERATOR TRAINING

Both the House amendment and the Senate bid directed to improve the technical capability of licensee personnel.

S. 562 required NRC to prepare a plan for improving the technical capability of licensee personnel. Under the Senate bill, NRC within 6 months of enactment, must submit the plan to Congress. Also, the Senate bill specified criteria for training and retraining of operator personnel. S. 562 directed NRC to expeditiously implement elements of the plan not requiring legislation.

The House directed the NRC to develop revised employee training and certification standards for operators, supervisors, and other employees responsible for safe plant operation and for responding to radiological emergencies.

In conference, the House receded to the Senate provision.

SECTION 308—EPIDEMIOLOGICAL STUDY OF TMI

The Senate bill required NRC to study with EPA in consultation with HEW, the feasibility of epidemiological research on the health effects of low-level ionizing radiation exposure in licensee, contractor and subcontractor employees as a result of the TMI accident, efforts to control radioactive releases therefrom, and recovery efforts.

The House amendment contained no similar provision.

The conferees adopted the Senate language, but changed the reporting date from March 1, 1980 to September 30, 1980.

Uranium mill tailings

The Senate bill prohibited NRC from licensing those activities producing uranium mill tailings and the tailings themselves that currently come within State authority under the Agreement State Programs, until 3 years have passed, and the State has not renewed its agreement.

The House amendment contained no similar provision.

Because the Senate provision passed the Congress as an amendment to the Surface Transportation Act Amendments of 1979, it was not included in the conference agreement.

Reporting requirements

The conference agreement directs NRC to undertake certain studies and report to the Congress on the results of such studies. The conferees are aware that the Commission, independent of this congressional mandate, has initiated various studies and investigations as part of the Commission's response to the accident at Three Mile Island. To the extent that ongoing NRC studies can be used in response to reporting requirements set forth in the conference agreement, the conferees direct the Commission to eliminate needless duplication and expense by using as many such ongoing studies as possible.

Commission regulatory authority

Unless expressly changed by provisions in this conference agreement, the conferees intend that the Commission retain its existing regulatory authority.

Intended meaning of "accident"

Throughout the conference agreement the term "accident" is used. The conferees intend that this term include any unplanned event or incident that increases the likelihood of a radioactive release exceeding limits established by the Commission for normal operation of a utilization facility licensed under sections 103 or 104(b) of the Atomic Energy Act of 1954, as amended.

Mo Udall,
Jonathan Bingham,
Jim Weaver,
Philip R. Sharp,
Edward J. Markey,
Bruce F. Vento,
Harley O. Staggers,
John D. Dingell,
Steven D. Symms,
Manuel Lujan, Jr.,
Clarence J. Brown,
Tom Corcoran,
Managers on the Part of the House.

Gary Hart,
Jennings Randolph,
Daniel P. Moynihan,
Alan K. Simpson,
Pete V. Domenici,
Managers on the Part of the Senate.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7301, MILITARY CONSTRUCTION AUTHORIZATION ACT, 1981

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1072) on the resolution (H. Res. 696) providing for consideration of the bill (H.R. 7301) to authorize certain construction at military installations for fiscal year 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6790, FOREIGN SERVICE ACT OF 1980

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1071) on the resolution (H. Res. 695) providing for consideration of the bill (H.R. 6790) to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H R. 7428, PUBLIC DEBT LIMIT EXTENSION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 691 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 691

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the

> Union for the consideration of the bill (H.R. 7428) to extend the present public debt limit through June 30, 1980, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself such time as I may consume.

Mr. Speaker, this is the same resolution that was brought up late last week. It is a rulemaking in order consideration of the temporary debt limit which would for a few days extend the current temporary debt limit.

Last week there was a good deal of discussion as to whether the debt limit should be considered at the same time as the Shannon resolution. The House had several votes, and the Rules Committee got the problem back in its lap.

This morning the Rules Committee reported out a rule on the Shannon bill. If this resolution passes and the debt limit is brought up and passes, then the next order of business, according to my understanding with the leadership and my intent, will be the rule reported this morning making in order the Shannon bill to disapprove the oil import fee under a process that is specifically required by the windfall profits tax bill, the resolution, in effect, of disapproval.

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So this is the debt limit rule.

Next is the debt limit extension. Third is the rule on the Shannon bill, which will require a two-thirds vote to be considered today, and I will support that and vote for it; and then there will be a vote on the Shannon bill. I do not believe I need to debate the problem. Everybody knows that last week we extended the debt limit for 5 days and that that expires on Thursday. Everybody knows that last week certain commitments were made with regard to a vote on disapproval of the oil import fee, and this is well within the strongest commitment that I had anything to do with, and is within the commitments, as I understand it, made by anybody else.

Therefore, I urge a vote for the previous question for this resolution and the resolution itself, and then I urge beyond that a vote on the substance. At the end of the consideration of the debt limit, as I have said several times, I will bring up the rule just reported making in order the Shannon bill.

Mr. BAUMAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I ask unanimous consent that in the course of my remarks I be permitted to refer to the proceedings of the other body.

The SPEAKER. The Chair cannot grant that request without having knowledge as to what the gentleman has to say about the other body.

Mr. BAUMAN. The gentleman proposes to read a portion of page 12785 of the RECORD of May 30, 1980, proceedings in the other body.

The SPEAKER. Does the gentleman mean the statement of Senator BYRD?

Mr. BAUMAN. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BAUMAN. Thank you, Mr. Speaker.

Mr. Speaker, the rule before us makes in order the extension of the present public debt limit until June 30, 1980. If it is passed, that legislation can be brought before the body, and the schedule has already been announced by the chairman of the Committee on Rules.

I urge the defeat of this rule. There will be no attempt to defeat the previous question, nor to rerun the parliamentary situation that we faced last Thursday. It has become abundantly clear the majority of the Committee on Rules will not carry out the wishes of this body in regard to this matter. They have had two occasions on which to take action to honor the direction of the House, which, by an overwhelming 3-to-1 vote on one occasion, and by a substantial majority on the other last Thursday, in effect, instructed them to allow the House to vote on a debt-limit bill and as part of that bill an amendment that would have disapproved the oil import fee.

Now, as we know, unanimous consent was asked last Friday and received by the gentleman from Oregon (Mr. ULLMAN), to pass a 5-day extension of the debt, which expires tomorrow night at midnight. There is no pressure on this issue. The social security checks have been mailed. All of the pensions have been honored. There is no question of anyone going hungry or without money. The question is whether or not the agreement that was made or at least purported to have been made, will be adhered to today. That agreement was, as I understood it, not just to allow the House to vote on the issue of the oil import fee, but to allow the House to vote on that issue linked intimately with the debt extension for a very obvious reason. The reason is that it would be much more difficult for President Carter to veto this legislation if the two passed the Congress tied together.

In keeping with the permission just granted by the House, I would like to refer the Members—and I think this is very important to take out your RECORDS—for May 30, 1980, last Friday, and turn to page 12785, where the remarks appear by the majority leader of the other body. The Members will notice that those remarks are concurred in by the minority leader, Mr. BAKER, and by the Senator from Kansas, Mr. DOLE. If the Members will read the fourth paragraph on the page, they will see the substance of what the majority leader of the Senate, Mr. BYRD, said to be the agreement, and I read:

> I have received the assurance of the Speaker that, on next Wednesday, this being a 5-day extension which will be before us, there will be another opportunity 5 days into next month—in other words, on June 5—for the House to vote on an amendment which to disapprove the imposition of the import fee. That amendment would be to the next bill extending the debt limit which would be called up on Wednesday.
>
> So, the Speaker has assured me that on next Wednesday, there will be a measure before the House again to extend the debt limit; and that there will be a vote on the Bauman amendment dealing with the import fee. I have assured the distinguished Senator from North Carolina and the distinguished Senator from Ohio and the distinguished Senator from Kansas that that measure, when it comes over here, will be called up and that there will be the opportunity for the Senate to act on the debt limit on that same day.
>
> With those assurances, I think Mr. Dole, Mr. Metzenbaum, and Mr. Helms—and they can speak for themselves—have agreed not to offer the import fee amendment today because of the problems that would be created by the offering of that amendment as I have attempted to describe them.

Mr. Speaker, that is the substance as stated by the Senator from West Virginia. This morning I had occasion to speak to the Senator from Kansas, who reiterated that was his understanding as he expressed on the same page of the RECORD on Friday; and yet, we were told just now by the gentleman from Missouri (Mr. BOLLING) that the reporting of two separate rules, one making the debt bill in order, the other making the import fee in order, complies with that agreement. I do not see how that is possible, how these distinguished Members of the other body could have such a different understanding.

I know that the leadership of the majority party here in the House does not wish to present the President with this dual package, which he might have to veto, but it appears to me that at least it is the understanding of the Members of the other body. It was my understanding also.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Missouri.

Mr. BOLLING. The gentleman from Maryland knows that it would have been possible, even probably not a bad idea in terms of the question of comity between the two Houses, for any Member to object to his unanimous-consent request to inject the proceedings of the other body into the proceedings of this body. The gentleman, I am certain, knows the rules on the subject and what Jefferson's Manual has to say. I do not really understand exactly what he has in mind in injecting it. But in case he is suggesting anything about the agreement on this side, I would like to make it very clear again, as I attempted to do in the Committee on Rules, hoping that this matter could be handled in a normal fashion and without recourse to violations of the rules that are in effect—the rules of comity—that I had checked with the Speaker on this agreement, and that he found himself comfortable with it and with the process that is being pursued by the gentleman from Missouri. I hope that is absolutely clear.

I thank the gentleman for yielding.

Mr. BAUMAN. I thank the gentleman for explaining to me that the Speaker is comfortable, but the gentleman from Maryland is not comfortable.

□ 1300

The SPEAKER. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. BAUMAN. Mr. Speaker, I yield myself 2 additional minutes.

I am not comfortable with this explanation. The reason I asked unanimous consent to refer to the proceedings of the other body, and the Speaker very graciously permitted that question to be put and no objection occurred, and I thank the Speaker for that, was quite obviously that here is a fundamental disagreement between the Members of the other body and the Speaker, at least as the gentleman described the Speaker's views and what was agreed to; but that is neither here nor there.

I choose to accept the interpretation that I just quoted, which I think was very clear.

Now, as far as I am concerned, I tried to honor what I thought was the agreement this morning in the Committee on Rules by offering a substitute rule that would have allowed both matters to come before the body in tandem and we could have voted on them. That was rejected by the Committee on Rules by a party line vote; so I see no reason why any of us are held to any agreements now. We have no obligation to pass this debt rule, nor have we any obligation to pass the debt bill, which in and of itself on its own demerits, many Members will oppose. If we do not have the right to bring up the oil import fee in a fashion we were promised, or at least I thought we were promised, well, then, let us not have any debt bill until finally these commitments can be met; so I would urge that the Members of the House vote against this rule on the simple grounds that it does not comport with the agreement.

I would urge you to vote against the bill if the rule is agreed to, so that we may then deal with the situation that exists in the hopes that the agreement finally will be honored.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding.

I wish to state to my colleague, as I did Friday when we closed the day, that I was present in the other body when the discussion on this issue occurred. I can say to my colleagues that the gentleman from Maryland is correct. The issue the 5-day extension would not have even been brought before the other body without the gentleman from Kansas or the gentleman from North Carolina offering an amendment to the debt ceiling to terminate the import fee.

The SPEAKER. The time of the gentleman from Maryland has again expired.

Mr. BAUMAN. Mr. Speaker, I yield myself 1 additional minute.

Mr. ROUSSELOT. Mr. Speaker, will my colleague yield further?

Mr. BAUMAN. Yes.

Mr. ROUSSELOT. Consequently, it was the understanding of the Senate as they stated it there, that the agreement was that the advocates of terminating the fee would be allowed to come to the floor with the two issues joined and that the rule would so permit it. There was that misunderstanding, and it was only with that understanding that the gentleman from Kansas or the gentleman from North Carolina in the other body would agree not to offer the amendment to terminate the import fee.

As a matter of fact, the majority leader stated very clearly that the votes were there overwhelmingly to pass the termination of the import fee and he, the majority leader, appreciated their refraining from offering it on the basis of the agreement they thought they had arrived at with the leadership of the House here.

Mr. BAUMAN. Mr. Speaker, I would just add that had there not been such guarantees given to the Members of the other body, undoubtedly the oil import fee would have been tied to the 5-day debt extension last Friday. We would have remained here Friday night, I assume.

The SPEAKER. The time of the gentleman from Maryland has again expired.

Mr. BAUMAN. Mr. Speaker, I yield myself 1 additional minute.

We would have remained here Friday evening. The House would undoubtedly have passed that oil tax repeal amendment as well. It may well have gone to the President and have been vetoed. That may be the ultimate fate of the consideration of both matters in one bill. But Friday's agreement was broken. It was not carried out. Today I think we should try to honor that agreement.

Does the gentleman from Missouri wish to take further time? I have one or two other speakers.

Mr. BOLLING. Mr. Speaker, I have only one speaker.

Mr. Speaker, I yield myself 2 minutes.

I would like to read from Jefferson's Manual. We have just had an illustration of the reason that this is in Jefferson's Manual, and I think it is important:

> It is a breach of order in debate to notice what has been said on the same subject in the other House, or the particular votes or majorities on it there; because the opinion of each House should be left to its own independency, not to be influenced by the proceedings of the other; and the quoting them might beget reflections leading to a misunderstanding between the two Houses.

Mr. Speaker, I think it is very clear that an attempt is being made to breach the comity between the two Houses and the notion that this tempest in a teapot can be turned into a major issue is I find very nearly incomprehensible.

Mr. BAUMAN. Mr. Speaker, before I yield to the gentleman from Arizona, I yield myself 1 minute.

I would only say to the gentleman, that the gentleman is quite right regarding the import of that section of Jefferson's Manual; but by unanimous consent, this House can do almost anything and by unanimous consent the gentleman from Maryland was allowed to refer to proceedings of the other body through the graciousness of the Speaker.

Once that consent is granted, I do not see any breach of the rules occurring. I think the gentleman from Missouri, by virtue of the unanimous consent request, has lost his breaches.

Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I regret this situation which has arisen, because there is a disagreement among men of honor as to what was said and as to what was intended on last Thursday. After the original rule for the consideration of the debt limit increase was defeated, the decision was made to try to extend the debt limit for 5 days. It was obvious at that time that the resolution could have been amended in the other body for the purpose of repealing the authority to impose the tax on imported oil.

I was called by two Members of the other body asking me what the chances were that if the 5-day extension were to prevail, that on Wednesday, which is today, we would be able to bring the matter to the House floor again, and whether or not these two matters could be coupled.

I was told at that time that the distinguished majority leader of the other body and the Speaker had had conversations on this matter and that it was agreed that a rule would be brought from the Committee on Rules which would have made both the extension of the debt limit and an amendment to repeal the gas tax authority in order.

Before I did anything, I called my good friend, the Speaker. I did get him out of a luncheon. I repeated to him my understanding of the situation which probably would prevail on Wednesday, which is today. It was my understanding at that time that he assented that this was his understanding of the situation for Wednesday; in other words, that the rule would be brought up and that the repeal amendment would be in order so that we could get a vote on it amending the extension of the debt limit. They would then go to the other body in one package. Now, instead of that, we have two rules, one for the debt limit—one for the repealer.

I would not have agreed to the 5-day extension of the debt limit had I known these matters would come up like this. I merely refer the Members to the RECORD of that day, particularly to a colloquy which I had with the Speaker of the House. I reminded him of the fact that the President of the United States had said that he would veto a repealer of the tax on imported oil. I stated that I did not want to pass a bill which would be vetoed. I wanted to pass a bill which would be signed, and that the only bill I knew of that probably would be signed would be one which coupled these two proposals; to wit, the extension of the debt limit with a repealer of the import tax. It was my understanding at that time that if we decided to extend the debt limit for 5 days, in order to allow the people of this country who have claims against the Government to be paid, including those who receive social security checks, that such a package vote would be made possible by one rule from the Rules Committee.

Now, of course, we find ourselves with an entirely different situation. I know that my friend, the gentleman from Missouri, knows that what we have here is a charade, and the gentleman knows I know it and that if we pass the Shannon bill it will promptly be vetoed.

I do not know whether the leadership on his side will bring the matter up for the possibility of overriding that veto or not. They could refer it to a committee. I think the gentleman knows as well as I do that the procedure which is being followed will not result in a repealer of the gasoline tax; that, if the court of appeals should happen to reverse the decision of the lower court and reinstate the order of the President of the United States instituting the oil import tax, that it will instantly go into effect and it will not later be repealed. The American people will be stuck with it.

☐ 1310

The SPEAKER. Time of the gentleman from Arizona has expired.

Mr. BAUMAN. Mr. Speaker, I yield 5 additional minutes to the gentleman from Arizona.

Mr. RHODES. So, it seems to me that we should all understand what we are doing here. Unless it is possible to couple these two legislative proposals together, I see no possibility that the gasoline tax repealer will be signed into law.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to my friend from Missouri if he desires to try to dissuade me from my present position.

Mr. BOLLING. Mr. Speaker, I hesitate to allow—since my friend is kind enough to yield to me—I hesitate to allow the record to stand as it does, that I know that this is a charade, because I know it is not. I intend to put—and perhaps I will read it all—into the RECORD an argument that says, in effect, the only way we can undo the oil import fee is by a particular method which is required by the Windfall Profit Tax Act. That method is the use of the Shannon resolution, and that is the only way we can do that, is by a separate resolution. I will be glad to read it all the way through. It is a three-page statement and I plan to put it in the RECORD later.

But this is a very good argument that can be made that the only effective way to stop the oil import fee is by the passage of a specific resolution as proposed under the rule.

Mr. RHODES. The gentleman from Missouri always has good arguments. There has never been any doubt in my mind about that. I do not buy most of them but, nevertheless, they are good arguments. I remain unconvinced that this whole procedure is not likely to result, with the present pattern, in anything but a charade.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, regardless of understandings or misunderstandings, I personally want to see these two issues conjoined. I think it has been handled in such a way that they would not be conjoined solely for the purpose of permitting delay in the repeal of the oil import fee. I happen to think that there are sufficient votes in this House to override the Presidential veto if it is separately considered.

I am not terribly concerned about the ultimate result, but I am concerned about the effect of a court decision that might permit the oil import fee to go into place and all of the administrative chaos that might result from its going into place before we override the Presidential veto on a motion of disapproval. I think the purpose of delaying is the sole reason back of not putting the two resolutions together.

I personally think the gentleman from Maryland has been absolutely correct in recommending a defeat of the rule, and I hope people opposed to this oil import fee will follow that strategy. It seems to me to be the best way to achieve the goal that we are striving for here, regardless of understandings or misunderstandings.

Mr. RHODES. The gentleman from New York and I are not two Members who usually vote against increasing the debt limit. We do not like debt any better than anybody else does, but we must recognize the fact that when we spend more than we take in that we do have to pay our bills. Nevertheless, the fact remains that the mechanism of raising the debt limit, seems to be the only way we can possibly get this matter to the President of the United States in a form which he might well sign. After all, that is our objective. We want to do away with this ruinous tax on the American people. We think it is an absolute imperative that this be done, and I will do everything in my power within the rules of the House and the limits of propriety to make sure that that is the result which is accomplished.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, I thank the distinguished chairman of the Rules Committe for yielding.

It is more or less a tradition around here, I have learned, to welcome people aboard to new positions. We welcome our colleagues when they come around to our particular way of thinking. The Members on the other side of the aisle, of course, have been doing that quite frequently this year with regard to balanced budgets. They have said, "Welcome aboard" to some of the Democrats on this side with regard to antiregulation type proposals, and with regard to anti-FTC proposals they have said, "Welcome aboard" to some of my colleagues here.

I have not been among my colleagues in many cases, but I would like to say, "Welcome aboard" now to my colleagues on the other side of the aisle. For the first instance since I have been here they have been against higher energy prices, and I am glad to see that. I think many of the others of us on this side of the aisle who have consistently said we should not rely primarily on higher energy prices to induce conservation are very pleased to see what is happening with our colleagues. In fact, it is the Democratic Party platform and it is the Democratic Caucus position restated time and time again that we will not rely primarily as our major conservation weapon on higher and higher prices.

That made it somewhat unfortunate, and I say this with as much affection as I can muster, made it somewhat unfortunate that there was in fact a White House meeting that involved our leadership and the President in which someone had the idea that the import fee was a good idea in terms of inducing conservation and cutting imports. But we need not argue that at this point.

The fact of the matter is that meeting was held. That commitment was made. The import fee was imposed, or attempted to be imposed by the President. Some of us went to court on that to fight that import fee.

I happen to have the honor of chairing a subcommittee which held lengthy hearings over a period of weeks wherein we pursued documents, internal DOE documents, and voted two subpenas and finally a contempt of Congress resolution against the Secretary of Energy. Finally we received those documents on the import fee, and yet we were confronted with perhaps not being quite certain that we were going to have a vote.

Now, as far as I am concerned, what happened last week was unfortunate in that it had to happen, and yet we are now assured of having a vote. It is time to finally accept the word, it seems to me, of people who say we are going to have a vote. It is unfortunate it is a vote that is going to require two-thirds on the resolution of the gentleman from Massachusetts (Mr. SHANNON) as I understand it, and that makes some of us unhappy. But the fact is we are going to have to have that vote. And one of the reasons I did not support the final motion by the gentleman from Maryland (Mr. BAUMAN) last week was because there is only so far that it seems to me we can string out this debt ceiling politics. My hope now is that, and I made this pitch last week as well and it did not have much influence, but I will say it again, let us not play debt ceiling politics with the oil import fee.

☐ 1320

That is why I voted against the final Bauman motion, and many of our colleagues did. We are going to have a vote on the import fee. When we do have that vote, I will introduce a series of documents that were obtained in this month-long fight which shows that the import fee in fact—in fact, far from even saving 100,000 barrels of gasoline a day that the President says, which is a pittance, will probably save between 40,000 and 60,000—despite the President's proclamation, this fee will fall on gasoline; it will fall on heating oil; it will fall on diesel and jetfuel, and other kinds of oil.

There are other problems expressed with the fee in these internal documents, and in fact it will create a new bureaucracy. For all of you who love the entitlements program, it will greatly increase the role of the entitlements program and the bureaucracy that it creates.

My plea at this point, though—and I do really appreciate the gentleman from Missouri's yielding time to me—is that we not play debt-ceiling politics with this fee. We have the votes. We have the two-thirds needed to pass the Shannon resolution. We will do that later in the day, as we have been assured by the gentleman from Missouri. I think that is enough. That is what we wanted; that is what we have. We did not have that assurance when this whole thing started last week. We have achieved that much, and I think as well maintained, hopefully among the people on this side of the aisle, the position that Democrats do not think higher prices are the main tool.

The SPEAKER. The time of the gentleman has expired.

Mr. BOLLING. I yield 2 more minutes to the gentleman from Connecticut.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. MOFFETT. I yield to the minority leader, the gentleman from Arizona.

Mr. RHODES. I thank the gentleman from Connecticut for yielding.

I am really shocked and amazed at the gentleman from Connecticut's misunderstanding of the position of the Republican Party with regard to the price of energy. It is well known, of course, that we oppose affecting the price of energy through the tax mechanism. We always have. We were against the windfall profits tax without a plowback. We are against this tax. But we certainly do not oppose the price of energy being affected by the operations of the free market, and I think the gentleman knows that.

Mr. MOFFETT. I thank the gentleman for clearing that up. I will say that for those people in all of our districts who have been adversely affected by decontrol, and much of the 65-cent increase in the last year—in fact, if I am not mistaken, close to a half dollar of it, has come not from OPEC but from decontrol of oil, which was made possible by the united front on the other side of the aisle, picking up some votes on this side. I would say to the gentleman and others who voted against energy price controls, that decontrol is as much of a tax as any other to the average driver. I just wanted to make that clear so that there is no confusion about it, that it is in fact the Democratic platform, Democratic Caucus position, even though some of our friends on this side choose to ignore it, it is the Democratic position that you do not rely primarily on higher prices to get conservation. The gentleman cannot say the same thing on his side of the aisle.

Mr. RHODES. Will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman.

Mr. RHODES. I thank the gentleman for yielding. The gentleman, I am sure, has forgotten one very prominent Democrat named James Earl Carter who, if I am not wrong, is the President of the United States and signed the order decontrolling oil and gas.

Mr. MOFFETT. That is all I wanted.

Mr. RHODES. I am just sorry he loused it up by imposing the windfall profit tax without a plowback. It completely negated the effect on energy supply of deregulation.

Mr. MOFFETT. I know the gentleman is.

Mr. RHODES. With a plowback, it would have been better.

Mr. MOFFETT. All I think we want to do here is to make clear where the respective parties stand with regard to higher prices.

Mr. BAUMAN. Mr. Speaker, I yield myself 1 minute.

I just wanted to say to the gentleman from Connecticut (Mr. MOFFETT) that I am sorry that he now feels this is debt-ceiling politics or debt-limit politics, because the gentleman from Connecticut from the beginning and until now has been very opposed to this import fee. And it was the gentleman from Connecticut who came to me on the floor last week and asked me to lead the opposition to the tax and to force a vote on this issue. He was the one who encouraged me to oppose the Committee on Rules position. He was the one who handed me a drafted substitute rule that would have tied these two matters together and asked me to introduce it, but his rule was technically imperfect. His staff had drafted it incorrectly, and I had my staff redraft it. The gentleman from Connecticut was with me until the leadership got to him and told him, you may be against the oil import fee, but you cannot be against the Democratic leadership. The Democratic leadership wants this tax; the President wants this tax. The American people do not. You may think you can get off the hook if you vote once against the import fee and tell the folks in Connecticut you are against it, but do not do it twice; do not do it three times, your leadership tells you.

Now we are here again fighting the battle against this gas tax. I am sorry the gentleman says it is debt-ceiling politics, because last weekend he thought it was statesmanship, and he asked me to join with him. Now he has abandoned me, his fight against the tax, and his own people.

Mr. Speaker, I yield 6 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I oppose this rule for four reasons. The first reason is I take personal offense at the way I personally was treated by the Rules Committee from which this rule came. Last Friday morning I sought, and to my knowledge, I was the only Member of this body present, to ask permission to testify to try to convince the Committee on Rules to give us the rule the House has asked for. I was denied the right to speak or to testify or to present any evidence in a hearing before that body. As a matter of fact, unanimous consent was even asked to allow me to speak, and that was denied. I asked permission to speak this morning through the staff on this rule on House Joint Resolution 531, again to try to urge that the debt ceiling and import fee issues be put together, and again was told, "You need not come. There will be no testimony. No one will be allowed to speak." I certainly hope that this is not going to be a precedent of the Committee on Rules. I know of no other committee in the Congress where hearings are being held or normally would be held, on legislation or rules before that body where a Member was denied the right to speak. So I object to it on that ground first.

The other three grounds I consider more important.

Second, this body voted three times last week to tell the Committee on Rules and the leadership how it wished to address this matter. Those notes have been ignored. Again we have here a rule just like the one that was turned down by an overwhelming better than 3-to-1 vote, just like the one that was sent back to the Rules Committee, and just like the one that this body denied a two-thirds majority that it be brought up under suspension of the rules.

I contend I do not know what it takes to convince certain people in this body of what the will of the House is, but those three votes certainly should have done it.

Third, I oppose this rule on the ground that I also believe, as does the gentleman from Maryland (Mr. BAUMAN) and the gentleman from Arizona (Mr. RHODES), that there has been a vitiation of a clear agreement. I was on the floor in the other body and heard those words spoken as read from the CONGRESSIONAL RECORD a few moments ago. I believe they are accurate and exactly what I heard. You can see for yourself on page 12785, May 30, 1980. The gentleman from California (Mr. ROUSSELOT) and I returned to this body that same afternoon after those words were spoken and cleared those words with the acting majority leader of this body at that time on the floor of the House.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I will be glad to yield to the gentleman from Missouri.

Mr. BOLLING. I thank the gentleman for yielding. I am sure the gentleman would want to be very accurate. I heard the colloquy, at least the one that the gentleman from California (Mr. ROUSSELOT) had with the then acting majority leader, and I checked with him again today, and he was quite sure that he had made no commitment to any such agreement.

Mr. MOORE. The gentleman is correct. No commitment was made by the acting majority leader, but my next statement was to be before yielding to you that nor was there a denial of that being the agreement. That is a very cute game that is being played by the gentleman and by the leadership. The game continues today. It is a charade, and I think the press and the Members ought to be aware of the fact that the House is being denied a vote in a manner in which it requested and in a manner in which it was promised in order not to obstruct the 5-day temporary increase in the national debt limit. I think games were being played by the acting majority leader that Friday afternoon when he neither confirmed but did not deny that as being a very clear agreement.

Fourth, and finally, I think everybody realizes there is a clear tactical advantage for those who oppose this tax to have an end to this tax increase tied to an increase in the national debt ceiling. It is, likewise, a clear tactical advantage by those who favor this tax to separate the two. The point is that games have been played with the House all along on whether and how we are to be able to vote on this, and I think that is reason enough for us to disapprove this rule and to stand firm on not playing games but on having the vote which the House seeks, which is the best tactical advantage for defeating the oil import fee.

There are those who might say the President will veto even a debt increase bill with the repeal of the oil import fee in it. This President has not been the most consistent in history, and I am not too concerned about his statements and ultimate actions. This gives us our best tactical advantage. It is a very clear one.

The last point I would like to make is to rebut a comment by the chairman of the Committee on Rules a moment ago on the floor that he will make an argument that perhaps the only way we can repeal or stop the oil import fee is to do so in a separate resolution under specific authority, provided in the windfall profit tax bill.

I was privileged to serve on the conference committee of that bill. The conference committee watered down a single-House veto of the authority of the President to impose an import fee as it came to us from the Senate and instead set up essentially the same mechanism we have in authority right now. We could before that law and can now pass a law or a bill from both Houses of Congress and override the Presidential veto, if necessary to stop it. So I do not for a moment accept the legislative history or the argument that the only way to do it is by a separate resolution. That is not really true. That was simply a political contrivance to do what we could already do for the House conferees to get out of what the majority thought was exerting too much power over the President.

I conclude by simply saying that for four good reasons this rule ought not to be adopted. The debt limit bill ought not be passed. And we ought to move on to get what it is the House has been promised and what it said on three occasions it wants.

□ 1330

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, I am very much aroused and alarmed by the remarks of the distinguished gentleman from Connecticut (Mr. MOFFETT). The gentleman well knows that I serve on the committee with him. I have consistently voted against deregulation of gas, of oil, of gasoline, the whole way, and I do not think the gentleman should say that we Republicans showed a united front, because some had a feeling for the people. We have seen the price of natural gas go from 52 cents per 1,000 cubic feet to, at the present time, $2.52 as a result of deregulation, and it is a great weight on the backs of the poor.

Not only that, Mr. Speaker, we saw gasoline last year selling at 70 cents a gallon and now it is $1.30 a gallon. This is a disaster for the poor people.

Mr. Speaker, I want to say further that this side is not responsible. With one-third of the 435 votes you cannot pass legislation. There must be a great portion of you friendly, but misguided, Democrats over there who voted for deregulation and who are responsible for the high prices that we have at the present time—for the high price of gas and for the high price of gasoline.

Further, Mr. Speaker, no legislation can pass this House without a goodly portion of our friendly Democratic friends voting for it.

I strongly oppose the tax on gasoline.

I oppose this rule, Mr. Speaker, and I ask that the Members of this respected body think of the people who are going to pay this tax. Let us defeat it.

Mr. BAUMAN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, none of my comments are intended to be partisan. They are intended to be practical. As I see this picture, the fix is in. The fix basically is this: By separating the two issues, the debt ceiling from the excise tax, creates a situation where we, the Congress, will pass the resolution of disapproval, and so forth, which is to be vetoed by the President, and the veto will then be sustained. The reason is that the majority party, notwithstanding the wonderful example of the heroic independent senior Senator from Massachusetts; the majority party is accustomed to jumping through the hoop when the boss cracks the whip. The whip will be cracked, arms will be twisted, the veto will be sustained. Then the only problem left is for those of you who will vote against the excise tax then vote to sustain the veto. You will have to explain how you wound up on both sides of the same issue. If you can do that, then, of course, that is a wonderful example of majority party historic behavior. From my vantage point, this is typical of the majority party record.

The SPEAKER. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Speaker, addressing my remarks to the gentleman from Illinois (Mr. DERWINSKI). I was just looking through the RECORD of February 5, 1975, the vote then on the import fee or tax as proposed by President Ford. I noted that a very large number of Republicans voted to support that at the time, including the minority leader, the gentleman from Arizona (Mr. RHODES), who a few moments ago indicated that the Republican position is consistently against any tax increase mechanism.

The gentleman from Illinois actually was unrecorded on that vote but if we are going to talk as he suggested about consistency here, I though it might be useful to point out this inconsistency in the Republican side.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I think history would show the minority leader was occasionally susceptible to White House pressure in that period. That is one of the practical weaknesses of a leadership position.

Mr. BOLLING. Mr. Speaker, I would like unanimous consent to include in the RECORD an argument anticipated by the gentleman from Louisiana, that the language of the law is rather clear in making it necessary that there be a specific method of preventing the President from going forward with the oil import fee. I stand on the language, not the conference that people attended.

Mr. Speaker, I ask unanimous consent to be allowed to include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The statement follows:

Section 402 of Public Law 96–223, commonly termed the Windfall Profit Tax Act, sets out a very specific procedure for disapproval of Presidential actions adjusting oil imports. The disapproval mechanism required by the act is a joint resolution which must be signed by the President. That section of the act also specifies the language of the joint resolution and prohibits any amendments to it. More importantly, it also states that "the term 'disapproval resolution' means only a joint resolution of either House of Congress." The act makes no provision for amendments to bills but very specifically requires the disapproval procedure to be accomplished solely by joint resolution.

While it is not inconceivable that language could be drafted as an amendment to other bills, such amendment, quite obviously, could not be in the form of a disapproval mechanism. It seems clear to me that the intent of the language was to insure that disapproval of a Presidential action would be considered separately and solely on its own merits. To amend some totally unrelated bill with language prohibiting Presidential action not only violates the intent of the law but tends to muddy the issue by sending a somewhat less than clear signal of congressional sentiment of disapproval. If a disapproval resolution of the oil import fee cannot stand alone, then, perhaps, it does not truly reflect the will of the American people as expressed through their elected representatives.

The procedure for disapproving the oil import fee is clearly spelled out in the Windfall Profit Tax Act. The intent of Congress is well defined in the act. If Members of this House and the other body wish to disapprove the President's actions, let them do so in a straightforward manner without resort to parliamentary subterfuge. There are no more obstacles to that course of action. The disapproval resolution has been reported by the Committee on Ways and Means and the Committee on Rules has recommended a rule on the measure. Now, let Members proceed to whatever course they believe their duty to be but let us do so in a manner which allows the American people to clearly discern the actions of the Congress.

Mr. BOLLING. Mr. Speaker, that is not the most important part of my closing remarks. I have been here a long time and I have heard some rough debate, but I have never heard the charges made that were made today. They were rather specific. There were charges against the Speaker of the House and there were charges against me. There has never been a time when I was playing a game on this proposition. From the very beginning to now, I will stand by every word that I said unchanged in the RECORD. I never indicated that I wanted to give in to the notion that we put these two things together. I never thought it was anything but wholly irresponsible to do that. It really never occurred to me that somebody would get up and directly question, I guess, my intentions, and, last of all, it never occurred to me that any Member would, in effect, question the word of the Speaker of the House.

Mr. Speaker, I have had the privilege of serving here under a number of Speakers including a Republican Speaker and the one time that a Democrat tried to question the word of that Republican Speaker, he was put down quickly by the former Speaker.

Mr. Speaker, this House cannot survive unless we function with a reasonable amount of courtesy toward each other and with a reasonable amount of accuracy as to what others say.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 202, nays 199, not voting 31, as follows:

[Roll No. 287]

YEAS—202

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Burlison
Carr
Cavanaugh
Chisholm
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Danielson
Derrick
Dicks
Dingell
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Gore
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hance
Hanley
Harkin
Harris
Hefner
Heftel
Howard
Hubbard
Hughes
Hutto
Ireland
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Levitas
Lloyd
Long, La.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Rahall
Ratchford
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Skelton
Solarz
St Germain
Stack
Steed
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—199

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bouquard
Broomfield
Broyhill
Buchanan
Burgener
Burton, John
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Forsythe
Fountain
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Green
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harsha
Hawkins
Heckler
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Huckaby
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Leland
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Maguire
Marks
Marlenee
Marriott
Martin
Michel
Miller, Calif.
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Neal
O'Brien
Ottinger
Pashayan
Paul
Perkins
Petri
Porter
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stokes
Stump
Symms
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Winn
Wydler
Wylie
Yatron
Young, Fla.

NOT VOTING—31

Anderson, Ill.
Brown, Calif.
Brown, Ohio
Burton, Phillip
Byron
Dellums
Dixon
Fazio
Fowler
Giaimo
Grassley
Gray
Grisham
Hollenbeck
Jenrette
McKinney
Mathis
Mollohan
Nedzi
Rangel
Reuss
Spellman
Staggers
Stark
Stewart
Thompson
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Young, Alaska

☐ 1350

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Brown of Ohio against.

Mr. Mollohan for, with Mr. Young of Alaska against.

Mr. Fazio for, with Mr. Grisham against.

Mr. Rangel for, with Mr. Grassley against.

Mr. Dixon for, with Mr. Bob Wilson against.

Until further notice:

Mrs. Spellman with Mr. Anderson of Illinois.

Mr. Gray with Mr. Brown of California.

Mr. Staggers with Mrs. Byron.

Mr. Nedzi with Mr. Jenrette.

Mr. Dellums with Mr. McKinney.

Mr. Fowler with Mr. Hollenbeck.

Mr. Giaimo with Mr. Mathis.

Mr. Phillip Burton with Mr. Charles Wilson of Texas.

Mr. Reuss with Mr. Charles H. Wilson of California.

Mr. Stark with Mr. Stewart.

Mr. LONG of Maryland changed his vote from "yea" to "nay."

Messrs. LOWRY, KOGOVSEK, and AuCOIN changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISAPPROVAL OF PRESIDENTIAL OIL IMPORT FEE

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 697, Rept. No. 96–1074), which was referred to the House Calendar and ordered to be printed:

H. RES. 697

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 531) disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline, and the first reading of the joint resolution shall be dispensed with. After general debate, which shall be confined to the joint resolution and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the Committee shall rise and report the joint resolution to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 697 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

PARLIAMENTARY INQUIRIES

Mr. BOLLING. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BOLLING. Mr. Speaker, I want to be sure that I am correct in my belief that because this is the same day on which the rule was reported by the Committee on Rules, this resolution making in order the Shannon resolution requires a two-thirds vote for the joint resolution to be considered.

The SPEAKER. The gentleman is correct.

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

□ 1400

Mr. BAUMAN. Mr. Speaker, earlier the gentleman from Missouri had stated his intention of calling up as the next order of business the debt limit bill, then this rule, then the bill that it makes in order. Is that not to be the order of business for the remainder of the day?

The SPEAKER. Will the gentleman from Maryland restate his parliamentary inquiry?

Mr. BAUMAN. Mr. Speaker, earlier the gentleman from Missouri had announced that it was the intention of the leadership to bring up the debt bill after that rule was passed, as it just was, and that this rule would come up after that. Do we understand, then, that the order of business for the remainder of the day has been changed?

The SPEAKER. The question now is on consideration of the rule providing for consideration of the Shannon disapproval joint resolution. The answer is yes, the schedule of order has been changed.

Mr. BAUMAN. A further parliamentary inquiry, Mr. Speaker. If two-thirds is not granted to bring this rule up now, it could be brought up tomorrow in the regular course of business, is that correct, by a majority vote?

The SPEAKER. By a majority vote, that is correct.

The question is, Will the House now consider House Resolution 697.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 161, noes 0.

So (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 697.

The SPEAKER. The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I do not see any particular point in debating this matter. It has been pretty well discussed over a period of about a week, and it seems to me that there was, at least last week, enthusiastic support for getting the matter up in this fashion, and I would assume that the vote would be near unanimous.

Of course, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), but I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I am going to take a couple minutes to point out the differences between my bill to repeal the oil import fee of 10 cents per gallon on gasoline, H.R. 6829, and House Joint Resolution 531 which this rule brings to the floor. I introduced my repealer on March 17, just 3 days after the President announced on Friday night, March 14, that he was going to impose this 10 cents a gallon import tax. House Joint Resolution 531 was not introduced until April 15. The measure I introduced has since attracted 134 cosponsors.

Immediately upon the lapse of the 30 legislative days necessary to filing a discharge petition after the introduction of a bill, I filed discharge petition No. 11 on May 15, and at this moment we have 95 signatures of Members on this discharge petition.

So we did have a backup position to make absolutely certain that this matter came before the House of Representatives.

Mr. Speaker, at this time I ask unanimous consent to insert in the RECORD at this point the names of the cosponsors of H.R. 6829.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The names of the cosponsors are as follows:

Mr. Abdnor, Mr. Andrews of North Dakota, Mr. Archer, Mr. Ashbrook, Mr. Badham, Mr. Bafalis, Mr. Bauman, Mr. Benjamin, Mr. Bethune, Mrs. Bouquard, Mr. Broomfield, Mr. Brown of Ohio, Mr. Broyhill, Mr. Buchanan, Mr. Burgener, Mr. Campbell, Mr. Carney, Mr. Carter, Mr. Clausen, Mr. Conable, Mr. Conte, Mr. Corcoran, Mr. Coughlin, Mr. Courter, Mr. Daniel B. Crane, Mr. Dan Daniel, Mr. Dannemeyer, Mr. Davis of Michigan, Mr. Devine, Mr. Dickinson, Mr. Dornan, Mr. Dougherty, Mr. Duncan of Tennessee, Mr. Edwards of Oklahoma, Mr. Emery, Mr. Evans of Georgia, Mr. Evans of Delaware, Mr. Forsythe, Mr. Frenzel, Mr. Gilman, Mr. Gingrich, Mr. Goldwater, Mr. Goodling, Mr. Gradison, Mr. Guyer, Mr. Harsha, Mrs. Heckler, Mr. Hinson, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Hyde, Mr. Jeffries, Mr. Kelly, Mr. Kemp, Mr. Kindness, Mr. Kramer, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. Lee, Mr. Lewis, Mr. Livingston, Mr. Loeffler, Mr. Lott, Mr. Lujan, Mr. Lungren, Mr. Madigan, Mr. Markey, Mr. Marlenee. Mr. Marriott, Mr. McClory, Mr. McDonald, Mr. McEwen, Mr. Michel, Mr. Miller of Ohio, Mr. Moorhead of California, Mr. Mottl, Mr. Myers of Indiana, Mr. O'Brien, Mr. Ottinger, Mr. Paul, Mr. Quayle, Mr. Quillen, Mr. Regula, Mr. Rhodes, Mr. Rinaldo, Mr. Roth, Mr. Rousselot, Mr. Rudd, Mr. Sawyer, Mr. Shumway, Mr. Shuster, Mrs. Smith of Nebraska, Mr. Snyder, Mr. Solomon, Mr. Spence, Mr. Stangeland, Mr. Stanton, Mr. Stockman, Mr. Stump, Mr. Symms, Mr. Tauke, Mr. Taylor, Mr. Vander Jagt, Mr. Walker, Mr. Williams of Ohio, Mr. Williams of Montana, Mr. Winn, Mr. Wydler, Mr. Wylie, Mr. Yatron, Mr. Young of Florida, and Mr. Young of Alaska.

Mr. Leach of Iowa, Mr. Philip Crane, Mr. Petri, Mr. Robert Daniel, Mr. Sensenbrenner, Mr. Hansen, Mr. Hammerschmidt, Mr. Royer, Mr. Findley, Mr. Pashayan, Mrs. Byron, Mr. de la Garza, Mr. McDade, Mr. Railsback, Mrs. Snowe, Mr. Maguire, Mr. Luken, Mr. Jenrette, Mrs. Fenwick, Mr. Hance, and Mr. Grisham.

Mr. Speaker, now let me note the basic difference between H.R. 6829 that I introduced on March 17, and House Joint Resolution 531, which was introduced on April 15 and soon to be before the House. House Joint Resolution 531 does nothing more than disapprove the action taken by the President under section 232 of the Trade Expansion Act of 1962 with respect to petroleum products imported under Proclamation No. 4744 dated April 2, 1980. It does not amend the basic law.

As opposed to that very simple disapproval resolution, I proposed on March 17 in H.R. 6829 to amend the basic law, which I think has to be changed in order to stop the President or some future President from trying to impose taxes in the future. H.R. 6829 reads as follows:

That section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) is amended by adding at the end thereof the following new subsection:

(e) Notwithstanding any provision of subsections (a) through (d), the President may not take any action under this section to impose any tax or fee on imports of petroleum and petroleum products into the United States without first—

And I emphasize that, without first—

being specifically authorized to do so by the Congress.

This is the way I think the law should read, and so do the other 134 cosponsors of this legislation. I am sorry that the Ways and Means Committee let this legislation, sponsored by 135 Members, go without action for so long, and when action finally came, it came forward with a very simple resolution that does not change the basic law. It only makes amends for this particular wrong on the part of the President.

I intend to support House Joint Resolution 53 today because it is the only repealer before us, but hopefully the Ways and Means Committee will soon take up H.R. 6829 and let us do what needs to be done.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

State of the Union for the consideration of the joint resolution (H.J. Res. 531) disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 531), with Mr. ZEFERETTI in the chair.

The CHAIRMAN. Pursuant to the rule, the first reading of the joint resolution is dispensed with.

Under the rule, the gentleman from Oregon will be recognized for 1 hour, and the gentleman from New York (Mr. CONABLE) will be recognized for 1 hour.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

☐ 1410

Mr. ULLMAN. Mr. Chairman. I yield myself such time as I may consume.

Mr. Chairman, House Joint Resolution 531 is an unamendable resolution disapproving the program announced by the President on March 14 to impose an import fee of $4.62 per barrel on crude oil and to concentrate the impact of that fee on gasoline.

The President's program was extensively reviewed by our Subcommittee on Trade in 3 days of hearings, which included testimony from the Secretaries of Energy and Treasury.

The committee approved the resolution by 27 to 7.

The committee's report describes the reasons for disapproving the President's program—these reasons relate to its inflationary impact, its questionable energy conservation benefits, its burden on lower income families as well as very serious legal and administrative problems created by the program.

The Senate Finance Committee has approved a similar resolution by a wide margin. In addition, the President's program which was to have resulted in higher gasoline prices of about 10 cents a gallon on May 15, has been found illegal and enjoined from going into effect by an order from the U.S. district court. The Government has appealed that decision. If the Government wins at the circuit court level, the fee and its higher prices on gasoline would come into place within several days.

The uncertainty in the courts is likely to drag on for months and create enormous budgeting and administrative uncertainty. If we wait for a court decision before acting, we may find ourselves in one of the long summer recesses, and the public will be hit with the higher gasoline prices without the Congress being able to act. I might add that if this fee goes into effect and then the Congress disapproves it, the problems of preventing windfalls to oil companies, and so forth, will be enormous. I believe we should lay this issue to rest now, by providing early House consideration of the fee.

The fee has been imposed without consideration of its impact on various sectors of the country and economy, and of ways to offset negative impacts. For example, one witness before the committee from a rural State commented on the serious impact such a fee will have on the ability of local governments to provide services.

As another example, the fee is likely to contribute to the further collapse of the market for domestic autos. CBO has estimated that demand might be reduced by as much as 175,000 autos because of the dime increase in gasoline prices. While such figures are extremely difficult to determine and may be questionable, it is obvious that the fee will not help what is already a near depression situation in the automobile sector.

It has been argued that the fee will result in "marginal savings" because it will induce the oil producing nations to slow the rate of their price hikes. This argument is based on the idea that the lower U.S. oil demand will help reduce world demand and will demonstrate our resolve to conserve energy.

The fact is, we do not know what impact this fee will have on foreign oil pricing decisions. It seems improbable that a reduction in demand of 100,000 to 250,000 barrels per day will be able to have any noticeable impact on world oil production of about 50 million barrels per day. Seldom has such a small tail been asked to wag such a large dog. In addition, oil producing nations faced with less demand may be prompted to attempt to maintain their income by increasing prices per barrel, thus defeating one of the goals of the fee plans and further disrupting the world economy.

The administration estimates that at the end of the first year of operation—spring, 1981—savings will be about 100,000 barrels per day. At the end of the third year of operation under the fee/tax, savings will have risen to about 250,000 barrels per day.

These estimates are open to question. There is considerable controversy about the elasticity of demand for gasoline. The Congressional Budget Office recently completed a paper which estimated that during fiscal year 1981 the savings would be about 70,000 barrels per day (bpd) and in fiscal year 1983, 90,000 bpd.

It is probable that the "easy" gasoline savings have already been made and that future savings will be slower and more difficult to achieve.

Even if the administration is correct that after a year of operation the program will have reduced consumption by 100,000 barrels per day (36.5 million barrels per year), the consumer charge per barrel saved will be approximately $275 ($10 billion divided by 36.5 million barrels per year).

These costs to the economy are unacceptable and unwise at this time. The increase in the rate of inflation (which even the administration admits will be about 0.7 percent) will contribute to the inflationary psychology and result in a major increase in Government programs which are tied to changes in the Consumer Price Index. The effect of the fee will be "wrong news at the wrong time."

Mr. Chairman, I reserve the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not think there is any doubt that this body, like Mount St. Helens, has been having strategic harmonic tremors, as we have poised on the brink of eruption considering this matter and worrying about the impact of our individual votes. I hope the eruption will not occur. If it does, it is likely to be among the consumers of America who see the President's oil import fee as another money-raising venture, part of the strategy of this administration to base oil conservation on taxation, if possible.

Certainly, tax increases are an important part of the cause of these harmonic tremors among the public that I refer to.

Despite the concerns and trepidations of many of the rank-and-file Members on the majority side of the aisle, I think one thing is clear, and that is that this matter would not be before the House if it had not been for the persistence of the minority in insisting that it be brought up. When it will be finally acted on, when the expected veto will be finally acted on, is going to be part of a very complex strategy that emerges only gradually as we go through these procedural maneuvers.

I hope, Mr. Chairman, since we all know what we are talking about here, we will not waste a lot of time in debating the merits of this issue, because, quite frankly, most of us have debated this a number of times already. It is clear that everyone relates to this issue in way that reflect individual concerns about the politics of the issue, but there are several requests for debate time on this side; and I suspect that we should move quickly through this issue and on to the debt ceiling, which becomes a very important part of the total strategy.

☐ 1420

Does the gentleman from Maryland wish to be recognized?

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield briefly, I just wanted to make two points. One is that this matter, of course, the gentleman is quite correct, would never have been before this body unless the minority party had fought for the last several days to achieve that. It comes to us with the statement having been made last week by the Speaker that the Committee on Rules should sit on the matter and that the Democratic leadership did not wish it to be voted upon ever.

The second point I would make is that I would hope when it passes, it will have at least a 3-to-1 majority that was indicated last week when we had a test vote, because the President sent a letter last Friday to a Member of the other body in which he said that he wanted to emphasize his longstanding position that he cannot sign any bill disapproving this gasoline conservation fee.

He said further in that letter:

> I shall immediately veto any debt limit extension or other legislation that disallows the fee.

So it would be nice to have an overwhelming and more than two-thirds majority vote when this passes, so that the President will know that his veto will be overridden.

I thank the gentleman.

Mr. CONABLE. Mr. Chairman, I thank the gentleman from Maryland.

Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I, too, support House Joint Resolution 531, a resolution blocking the oil import fee announced by the President on April 3, and made effective retroactively from March 15. Accompanying the import fee is an entitlements program designed to target the cost of the fee to gasoline resulting in a 10-cents-a-gallon increase in the price of gasoline at the pumps.

The President took this action in part under the emergency authority embodied in section 232 of the Trade Expansion Act of 1962. In granting this rather broad authority to regulate imports on the basis of national security interests, the Congress wanted to enable the President to respond quickly and effectively to imports coming into this country in such quantities or under such circumstances as to pose a national security threat.

Any such action by the President was not to be totally independent, however, because the Congress also required that, before such action could be taken, an investigation had to be made of the impact of certain imports from a national security perspective.

In announcing the oil import fee, the President cited the Nation's dangerously high dependence on foreign oil which must now be met through a conservation fee designed to force up the price of gasoline and thereby reduce the demand for imported crude. He vowed to seek congressional approval of an equivalent excise tax on every gallon of gasoline at the pumps to replace the conservation fee.

As we all are aware, a U.S. district court recently decided that the President has overstepped his authority under section 232 because his announced program targeted the cost of the fee to the use of all gasoline, whether refined from domestic or foreign crude, and therefore did not serve to reduce imported oil in the direct manner required by the statute. The administration has appealed the decision.

I want to remind my colleagues that the resolution we are considering today does not address the authority of the President under section 232, but rather disapproves this particular action of the President as a matter of policy. My interpretation of that disapproval is that it is based on the grounds that the action will not significantly reduce oil imports, is inflationary, and creates administrative and legal problems.

Although many Members are supporting the resolution because they believe the President has exceeded his constitutional and statutory authority in this particular instance, the disapproval resolution itself does not in any way preempt or second-guess the court's ultimate decision with respect to Presidential authority. I think most Members recognize the necessity of enabling the President to act decisively and quickly against imports that threaten our national security.

However, the action we are attempting to disapprove today was about what we have come to expect from the White House. It is the wrong action at the wrong time. Imports of crude oil are down substantially from last year and domestic stocks are high. We are importing 5.9 million barrels per day as of the end of May compared to 7.9 million barrels per day during the same period a year ago. On an annual basis, we apparently will import 8 to 10 percent less crude oil this year than last year. By comparison, the President's oil import fee is estimated to save a mere 100,000 barrels a day—perhaps less.

If there is a need to provide strong disincentives against oil consumption at some future date. The President can easily alter the decontrol phase-in to allow prices to rise more swiftly. For now, our conservation record is the envy of the free world, and the President's tax can only be continued as a new tax to balance the budget. Since he was unwilling to cut spending, he needed more revenue. By this resolution we can deny him the authority to levy new taxes when he should be cutting spending.

At a time of high inflation and rapidly decreasing real wages for the average American, the President should not be allowed to fuel the escalating cost of gasoline by 10 cents a gallon especially when the effects on imports will be so minimal. If the fee is allowed to stand, the average American could end up with an annual gasoline bill that will equal their combined Federal income tax and social security payments.

We should be more judicious in implementing conservation measures during this period of economic downturn. It is certainly important to conserve gasoline and reduce our reliance on imported oil, but the President's proposal is too harsh on an American public already proving under existing disincentives that it can voluntarily limit its use of gasoline. I urge my colleagues to support House Joint Resolution 531.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleague from Minnesota for yielding.

It is too bad that we have not had the opportunity to put the debt ceiling together with this bill, because it may be too late by the time this legislation gets through. If it is vetoed, it may be too late; so I regret that we were not able to be more successful in protecting the taxpayers of the country. Obviously, what has happened here today, there was no intention here of protecting the taxpayer, but protecting the President. I think it is too bad for the taxpayers. They come out in second place again to politics.

Mr. Chairman, I would like to make the following points on the resolution to disapprove of the gas tax:

I oppose the tax because it is unnecessary and because it represents a breach of promise by the President.

It is unnecessary because the American people are already conserving gasoline.

First. American Petroleum Institute reported on May 29, 1980, that the Nation's crude oil imports fell to their lowest level in more than 4 years last week. The United States imported 4.7 million barrels of crude oil per day last week, the slowest pace since the week ending May 7, 1976, when an average 4.3 million barrels a day entered the Nation. U.S. crude oil imports were running at about 6 million barrels a day at this time last year.

Second. In the Secretary of Energy's annual report to Congress and in testimony before the Appropriations Subcommittee on Energy and Water Development, Mr. Duncan said:

> Gasoline consumption over the year (1979) (was kept) at about 400,000 barrels per day, roughly five percent below 1978 levels. In the fourth quarter, after physical shortages had disappeared, gasoline demand was 700,000 barrels per day lower than in the same period of 1978 as a result of higher prices and conservation.

Third. In Indiana, gasoline figures also show people are conserving. Despite an increase in the number of cars on the road, gasoline consumption in Indiana in the first quarter of 1980 is roughly the same as in the first quarter of 1977, and overall consumption this year is down about 6 percent as compared with last year.

The tax is inequitable. It will fall most heavily on those in lower and middle income levels who can least afford to pay more taxes and it will have a tremendous impact on people in rural and suburban areas who do not have the option of using mass transportation. The people of west-central Indiana, who I represent, are conserving gasoline, but they must use their cars to go to work. It will be very, very difficult for them to conserve any more than they are now. Urban residents have an option. They can use mass transportation to get to work. My constituents do not have that choice. They have only their cars to use to get to work.

The tax represents a breach of promise on the part of the President.

Candidate Jimmy Carter was quoted in the New York Times on September 9, 1976 as saying:

> I would never increase taxes for the working people of our country and the lower and middle-income groups . . . and you can depend on that if I am elected.

This gas tax is not the first tax increase President Carter has imposed on working people of our country. He has increased the social security tax, added a windfall excise tax on oil, proposed a withholding tax on dividends and interest, his social security commission has recommended taxing one-half of social security benefits, and Mr. Carter's failure to control inflation, which has grown from 4.8 percent when President Ford left office to nearly 20 percent today, has pushed every American into higher tax brackets.

As I said earlier, this tax will fall hardest on lower and middle income Americans, the very groups on which the President said he would never impose new taxes.

Mr. FRENZEL. Mr. Chairman, the gentleman is correct. I think most of the people who sat in here last Thursday understood what the House wanted in terms of a rule. I think most of the people of the United States wanted that kind of a rule. It is a matter of great disappointment to us all that the Committee on Rules failed to give us that opportunity.

Mr. ULLMAN. Mr. Chairman, I yield 4 minutes to the sponsor of the resolution, the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Chairman, we have had over the period of the last week several heated, acrimonious and for many of us unpleasant sessions in an attempt to bring to the floor of the House this resolution, which I introduced along with a bipartisan coalition of my colleagues.

I regret that. I regret that this issue has divided the leadership of the House of Representatives from the overwhelming majority of the Democratic Members. I regret that it has divided the Democratic President from the overwhelming majortiy of the Democratic Members; but if the net result of these discussions is that this resolution passes and we do block this oil import fee, this 10 cents a gallon gas tax, then every word that has been uttered on this floor has been worth it, because this proposal which President Carter has made is nothing but a gold plated turkey. It is indefensible as energy policy. It is indefensible as economic policy and the Congress would be shirking its responsibility to let it go into effect.

Now, why is it such bad policy? Why do I feel so strongly about this?

Well, this is foisted on us in the guise of conservation policy; but even the most optimistic conservation projections indicate that this is not conservation policy.

The President has said that 100,000 barrels of gasoline would be saved a day. The Department of Energy has said 80,000. Other independent analyses have said the amount of gasoline that we will save every day is as low as 30,000 barrels a day.

What is the cost of this conservation to the American consumer? It is over $10 billion a year, $10 billion a year to the working people of the United States, $10 billion a year to the elderly living on fixed incomes, $10 billion a year to every consumer in the United States of America.

Why has he proposed it? Why has he proposed it if it is such bad energy policy? Well, I think the answer is simple. This is not an energy measure at all. It is a revenue raising measure. It is a tax measure.

It is an attempt to get around the Congress and to raise taxes through administrative fiat and the Congress should not allow that to be done.

The President proposed this oil import fee on the day that he announced a new assault on inflation, and yet all of the analyses that we have seen of the fee indicates this is going to be very inflationary. It is going to add a point to the Consumer Price Index over the period of the next year or so.

One element of this proposal that has not been focused on too much is the way in which it is going to be administered. By using the Trade Expansion Act and by using the Emergency Petroleum Allocation Act, I fear that we are going to see increases, not only in gasoline prices, but in heating oil prices and prices of other petroleum products. If that happens and if the consumers of the northern part of the United States are left defenseless next winer, the President, the Secretary of the Treasury, and the Secretary of Energy who have to administer this program will be able to do not one single thing to protect those consumers.

This is an indefensible policy from every perspective. It makes no sense if you are thinking about how we are going to limit OPEC's grip on us. It makes no sense if you are thinking about how we are going to devise a policy to deal with inflation. It makes no sense if we are looking for ways to raise revenues. It makes no sense to consumers. It makes no sense to independent refiners. It makes no sense to anybody but the President of the United States.

I hope that the Congress will pass this resolution, block the imposition of this fee and, if necessary, override the President's veto.

Mr. Chairman, I yield back the balance of my time.

Mr. FRENZEL. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, over the last week and today much has been said concerning the issue of the oil import fee, but I am afraid most of those comments have dealt with the necessity of acting quickly and what was the best procedural way to stop the tax.

☐ 1430

I really think the record should address the issue of the tax relief, whether it is good or whether it is bad, so the press, the American people, the Members of this body and the members of the other body can vote having heard a discussion of the issue itself, whereas most of what they have heard up to this point has largely been procedural.

First let me say that I have eight reasons for opposing this tax, eight reasons that I would hope my colleagues would consider in adopting the resolution before us which I am privileged to cosponsor with the gentleman from Massachusetts (Mr. SHANNON), eight reasons to prove to the public, if they need proof, that this is not a good governmental policy decision and it should be revoked by the policysetting branch of our Government; namely, the Congress, and starting with this House.

First, it is not a conservation measure. It only saves, at best, about 100,000 barrels of gasoline per day. We have already seen, since 1978, a 5.2-percent reduction in gasoline usage in this country by pricing and by voluntary conservation. In the first 3 months of 1980 we have already seen almost an 8-percent reduction. This is far greater than what would be accomplished under this 10-cents-a-gallon gasoline tax.

My colleagues cannot really say when they look at the magnitude of our dependence on foreign oil, when they look at the magnitude of other things that could be done to save energy, that this is really an energy saving device. It is not. They just color it that way or call it that when, in fact, it is simply a revenue raising tax device.

This should be opposed as it is not really a conservation measure.

Second, there have been hints made in the press and by the administration that without these funds, the $11 billion raised by this tax, that we will not be able to balance the budget. That is also not a reason to support this.

We do not need these funds to balance the budget. As a matter of fact, the conference report on the budget resolution, which this House turned down last week, did not include the $11 billion in this oil import fee. It had been stricken by the members of the conference committee. I am led to believe that in all probability the conference report, when it again comes back to this House, will still not have this fee in it. I think both Houses have realized that the fee is not a good idea and are not counting on it in a budget resolution.

So this resolution should be voted through and the tax down because it is not needed to balance the budget.

Third, it is not a legal tax. I do not care what you call a tax, a tax is a tax. You can call it a fee. The fact remains this fee is ordered by the Government, the President, and it is paid to the Treasury ultimately. It is in fact gathered by the Government for the Government's benefit. That is a tax.

Taxes clearly, by article I, section 7 of the U.S. Constitution, must come from the Congress of the United States and not by edict of the President of the United States. One court has already held that this is really an illegal fee, but I think also the Congress needs to speak out and reject this gasoline tax as being an illegal tax.

Fourth, it is not an efficient use of funds. It should be rejected because there are better ways if we are going to spend money or go after conservation of energy than this particular tax which will cost the consumers of the country over $11 billion. That is not the cost of implementing this program by the Department of Energy or the cost of the various importers that have to handle the paperwork that goes along with it. This is just the amount of money the Government collects, $11 billion. For that we will save at best 100,000 barrels of gasoline a day.

I placed in the CONGRESSIONAL RECORD on May 22, 1980, another program the administration has asked us to consider, a program that essentially is embodied in H.R. 6930, not yet passed by this House, that requires utility companies to convert oil-fired boilers to coal. That program is 10 times less expensive than this one for the same amount of savings. To put it another way, we would get 400,000 barrels savings a day at about $3.5 billion as compared to this program costing $11 billion to the taxpayers and only saving 100,000 barrels a day.

On May 30, 1980, I inserted in the CONGRESSIONAL RECORD in the Extension of Remarks eight additional programs that cost almost nothing in comparison to implement, each one of which would save more than the 100,000 barrels of oil that this program does at best. These methods come from the Department of the Treasury.

Therefore, this program, this tax, should be voted down by passing this resolution, because it is not an efficient use of funds. There are more efficient ways.

Fifth is the inflationary impact. The Library of Congress has already done a study through the Congressional Research Service saying this tax will increase inflation approximately 1 percent at a time when we have already a record inflationary rate. Most people in government and most of our citizens say that the first order of business of this country is to stop inflation, not to contribute to it.

This tax will cost each motorist about $75 a year at a time when gasoline already in the last 2 years has gone up 105 percent. This is not a sound economical thing to do, to pass a tax that furthers our inflationary rate.

A sixth reason to oppose this tax, and something that has been largely overlooked, is the fact that there are independent retailers and refiners of gasoline in this country who are in competition with major oil companies, and who do not have many lines of products they make from crude oil. They make only gasoline whereas the majors refine many products from crude oil.

The way this program works, an independent has no choice but to pass through this 10 cents a gallon on gasoline to the consumer. That means there is a good possibility his gasoline prices at his independent station will go up possibly higher than the major oil companies because he has no place else to put this 10-cent passthrough but on gasoline, or else he must eat it and lower his profits.

Meanwhile, the major oil company has numerous opportunities to pass on this oil import fee onto products other than gasoline. It can put it on heating oil, on chemicals, or fertilizers or any other number of things to maintain its share of the gasoline market or to squeeze the independent out of that market, if the major chose to.

In the hearings held by the Committee on Ways and Means we asked for the administration to put forth how they would prevent this from happening. They have no plan as, indeed, they cannot prevent it. It is so complex and so complicated there is no way to prevent this from happening. So it is entirely possible that 10-cents-a-gallon gasoline tax might well wind up being visited on other products such as heating oil, to the detriment of the small independent refiners in this country, as well, of course, as to the considerable detriment of the consumer who ultimately pays the bill.

The seventh reason why this should be opposed is the fact we hear people say, "If we do not raise the price of gasoline here, or put on this gasoline tax that the OPEC countries will do it for us." That is a fallacious argument. The OPEC countries are going to raise the price of oil anyway. They are looking toward the best interests of their own country, and they care not about this one. They will cut back production of oil as it suits them. They will raise the price of oil as it suits them. All of that will be reflected in the marketplace by a higher cost of gasoline here.

The gasoline tax is simply on top of that, and our consumers do not need that. We do not have to do that to them. We should not. This gasoline tax will not prevent future OPEC actions, it will only add to the misery of our people.

The eighth and last reason to oppose this tax is that the tax burden of this country is already far too high. Of our gross national product next year, 22.4 percent will be taken in Federal taxes. That is an all-time high, breaking the previous record of 21.9 percent in 1944 during the height of World War II. We do not need another tax to add to that kind of a burden, the highest in history already for the American taxpayer.

Mr. Speaker, these are eight reasons why this tax should not be passed, and I have not seen any reasons yet why it should be. I urge the passage of this resolution stopping this tax.

□ 1440

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. Mr. Chairman, I rise to strongly support the passage of House Joint Resolution 531, a measure disapproving the imposition of a fee on imported crude oil and gasoline and the direction of the resulting higher energy cost to gasoline. I strongly disapprove of this program for a number of reasons.

First, I do not support the notion higher energy prices should be the foundation of our national energy policy or that higher energy prices are the solution to our Nation's energy problems. It has become exceedingly popular in recent months to endorse so-called supply side economics. Supply side economics is a clever disguise for higher energy prices. It is the American people who must ultimately pay those higher energy prices and the ability of the American people to simply absorb higher energy prices is fast approaching empty. Using higher energy prices to cure the Nation's energy and economic problems is like letting blood to treat the flu. If the patient survives, and he rarely does, it is in spite of the treatment, not because of it.

Second, the combined petroleum import adjustment and gasoline conservation fee program is really a gasoline rationing-by-price program. Presumably, the designers of this program believe all gasoline consumers are equal in their ability to pay the 10-cents-per-gallon increase in the price of gasoline this program will cause. All Americans are not equal in their ability to continue absorbing higher energy costs. The personal per capita income in South Dakota is less than $6,850 per year. South Dakotans do not have huge sums of uncommitted disposable cash with which they can cushion the blow of this gasoline rationing-by-price program. I believe rationing-by-price is the most unfair form of rationing and for this reason I strongly oppose the petroleum import adjustment and gasoline conservation fee program.

Third, the architects of this program presumably also believe all Americans are equal in their ability to reduce the use of gasoline. The population density of South Dakota is 1.9 people per square mile. This means South Dakotans must travel much greater distances for essential services. Unlike the people who live in Washington, D.C., and the surrounding suburbs who can obtain essential services within a few blocks of their home, the people of South Dakota of necessity must travel great distances. Because South Dakota is a rural state most of this travel is by personal car or truck because the people of my State do not have access to an elaborate system of public transportation. This program would very clearly discriminate against the people of South Dakota and other rural States.

Additionally, there is very little evidence to support the idea the oil import fee and 10-cents-per-gallon increase in the price of gasoline will cause a substantial reduction in gasoline consumption and a significant lessening of our dependence on imported energy. The projection this fee would reduce consumption by upward of 250,000 barrels per day in the near term can simply not be substantiated. If we are serious about becoming more energy self-sufficient as soon as possible I suggest we double and redouble our efforts to support the production of alcohol fuel from renewable resources. Alcohol fuel is the only alternative fuel we have available in quantity now and the only alternative fuel we are likely to have available in quantity during the 1980's.

Finally, this program is a signal to OPEC to increase the price of energy. Can we really expect OPEC member countries to exercise price restraint when it is the policy of the American Government to increase energy prices?

I urge my colleagues to vote for House Joint Resolution 531 and overwhelmingly reject the oil import fee and 10-cents-per-gallon increase in the price of gasoline.

Mr. ULLMAN. Mr. Chairman, I yield 8 minutes to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I know what the oil producers want. They want full decontrol tomorrow so that there is no limit as to what OPEC and the domestic industry can charge the American people for oil. Let me say this: This import fee suggested by the President simply interpleads or seeks to get for the Treasury and the American people some of what OPEC and the oil companies will get in price. That is where it is.

I know what the American people want. They want unlimited supplies of gasoline at 1972 prices. They want no rationing. We know that. They want no lines at the gas station, and they want to get free air and get the windshield washed. I know exactly what they want. I do not have to send a questionnaire back home to find that out.

I know what the American automobile industry wants. It wants about 20 more years to get ready for the age of conservation, and I do not think we can afford to give them that kind of time. Excepting for decontrol, I want all of these things, too.

I can understand the passion behind the move to disapprove the oil import fee. Of course, it is not popular. It is not popular to suggest strong medicine for a sick patient. It is not popular to take a course that temporarily hurts, with respect to the oil problem there is no painless cure.

This country is in grave trouble. It is in grave trouble because of oil. Oil has caused most of our inflation. Those who control the price of oil abroad and in this country are going to get out of us every dime that they can, every penny that they can, everything that the market can bear, and do not kid yourselves about it. They are going to do it to us as quickly as they can. And if this oil import fee were imposed in between, it would mean that much less that would be paid to the oil producers; these Treasury revenues could be used to help solve some of the problems of this country.

It is true the oil import fee does not reduce imports by a substantial amount, but it will make people more aware of the precious gasoline and oil that they consume in every day's activity.

In my city thousands of people go to work every day one passenger to a car. Oil and gasoline consumption could be reduced by 300 or 400 percent by an organized program of carpools. Right now we ought to develop plans of conserving oil, of conserving this precious resource.

I think it is time for this country to reckon with and look at a little bit of reality. I know it is difficult in a political year. It is not easy to go out there and tell the truth. And I blame the media of this country for failing to tell the American people the truth about the oil problem. Can we spend $90 billion of our wealth every year to buy the imported oil that has a total asset value of 2 of our 50 States? In a few years we will have sold everything we have in this country to buy oil. There will soon be nothing left in order to buy the oil that seems to be necessary to keep the automobiles of America going.

OPEC has raised these prices year after year, with hearty support from the oil producers of the United States. Whenever there was a great celebration in Jedda about the oil price going up, there was jubilation in Houston, and these twin cities enjoy this great bonanza of wealth that is pouring in at the expense of the American people. How long can this go on? How many States do we have to sell before we realize that we are going to be totally owned by foreign powers and by domestic oil industries to whom we have given everything in order to keep oil flowing in its customary usual workaday manner?

I think it is time we ought to deal with reality. OPEC says they had to raise these prices because the dollar was going down and because we did nothing—we did nothing—to control the consumption of oil in this country. So if we do not do it by rationing, if we do not do it by tax, if we do not do it by price, pray tell, how do we do it? How do we make the American people understand that we are in a serious crisis?

I think, frankly, that we ought to deal with reality in this case. In other countries, France, for example, regular gasoline is $2.59, and the treasury receives $1.95 of it. In Korea the price is $4.60. In almost all of the other countries of the world the consumer is paying high government taxes on gasoline. If a citizen consumes gasoline, he is having to pay taxes in order to help suppress his demand for it.

In America we are going to have to make an important election soon—and I do not mean about the November election. We are going to have to decide whether we are going to have gasoline as freely as we want it, or whether we are going to eat, or whether we are going to pay our rent, or whether we are going to educate our children. These are the kinds of family decisions that are going to have to be made by the American people and by this Congress. I know it is tough. It is not easy in an election year to deal with this issue. And I know I have an advantage by not running this year and facing up to that reality, but maybe I can talk more freely because of that. Maybe more Members of Congress should think about the next generation instead of the next election. Let us think about that.

I am quite certain that the House will reject the import fee. No one can face up to the challenge of having to explain to people about the higher gasoline costs. As I said before, you are either going to have to pay it in some form of taxation, or you are going to give it all to the oil companies of the United States and to the OPEC countries outside. With the defeat of the oil import fee, we are simply giving these added billions of dollars to foreign countries and to a highly bloated American oil industry which will soak us for all it can, and we are not ever going to successfully tax the oil industry.

For 25 years I have been trying to impose fair taxes on oil. I must say that I have not had any real measure of success. So I say to my colleagues we have a critical issue here. And I know it is not popular to get up and take hold of this. We can do something if this import fee is adopted. We can rebate it to the consumers so they feel the cost at the time of purchase and receive it in a later refund. There are a lot of ways of handling the issue so that it only has the effect of convincing the consumer that we must work in a concerted effort to reduce our consumption of oil. The defeat of the oil import fee, which is certainly going to happen in another few minutes, is a short-term victory—a short-term victory for the consumer—and a long-term loss.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Chairman, for the life of me I cannot understand what the magic is with taxing fuel oil and gasoline and other petroleum products that are already close to being priced out of the range of the American consumer. Certainly if we could equate a tax as simple as a 10-cent tax with increasing conservation or development of alternative energy resources, we might be able to devise a policy that would have a long-range benefit for the country. But I think we have seen from the economics of the oil import fee as it has been analyzed over the last several weeks that the result is going to be close to a 1-percent increase in the Consumer Price Index.

Not only that, we have seen that the cost of conservation is going to be very great, indeed. For the short amount of time that the price is going to be within the range that it is today anyway, with market forces that are probably beyond our immediate control, and considering the fact that we are only talking about some 100,000 barrels of product, we find that the cost works out to something over $300 per barrel conserved. We might also note that with the $10.5 billion addition to the tax burden of the average American citizen, all we are going to see is increased Federal spending. We are going to see an increased cost to the consumer with no meaningful reduction in the amount of petroleum consumed. I might also point out that none of this revenue is to be earmarked for the production of alternative energy resources or the solution of some of the energy production problems that we have in this country.

I might also note that the cost is something like $90 billion a year for oil that we already must purchase from the Persian Gulf States and OPEC, and we find no programs presently on the books that meaningfully increase the domestic supply of petroleum through our own production. My own opinion is that we would be much better advised to devise tax policies and various other economic programs that will encourage the development of energy resources here at home. Instead of finding an additional $10 billion for the Treasury, we should be finding ways to plow back oil company profits and utilize other tax mechanisms to increase the production of energy.

□ 1450

That is how we are going to solve the problem: through production of energy, not through increased tax burdens on the consumer. Our primary mission should be to reduce the 50-percent dependence on imported petroleum that we now face.

Incidentally, my colleagues might be interested to know what OPEC itself has to say about the oil import fee. Speaking on April 3 at Tufts University the Secretary General of OPEC, Rene Ortiz, reiterated the cartel's intention to tie the oil price to inflation. By this logic, OPEC can start out with an increase to match the inflation jump caused by the import fee. Also, in a particularly telling comment Mr. Ortiz questioned whether the oil tax will lead to a significant decrease in the consumption of oil by the United States. It was his opinion that the oil import fee will increase the hardship on the American consumers and that OPEC would institute its own price increases as it saw necessary.

He ended on a rather ominous note, saying that OPEC is entitled to its share of the benefit from the fee and that the cartel would alter its prices accordingly.

I would ask Mr. Carter how much of the import fee revenue is earmarked for OPEC, because they evidently intend to get their share one way or another.

What puzzles me that most is why the President felt compelled to add a tax on gasoline just when the effect of decontrol was beginning to become apparent. It is testimony to America's resolve to conserve that we have taken the painful but ultimately necessary steps toward the decontrol of oil prices. Americans have proven to be very adequate belt-tighteners as World War II and the Korean conflict have proven to us. But they need leadership and direction, not frivolous taxation and inflation by decree in order to achieve these conservation goals.

My colleagues need only to review their constituent mail to realize the breadth and depth of opposition to this fee throughout the land. I do not interpret this sentiment as an unwillingness to conserve—we have already reduced gasoline consumption by some 8 percent below last year's level—but rather as a plea for a substantive energy program instead of a hollow gesture.

Many of us are already on record in opposition to this fee. Today I hope we will take the opportunity to vote the conscience of the Nation by defeating the oil import fee so we can get down to the important business of devising a comprehensive energy policy for this country.

Mr. ULLMAN. Mr. Chairman, I yield 30 seconds to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I joined a number of my colleagues in cosponsoring this resolution of disapproval that, if adopted, will overturn the President's import fee on oil. I did so for a number of reasons.

The President is attempting to levy a tax on the basis of the combined authority delegated to him under the Trade Expansion Act and the Emergency Petroleum Allocation Act. The first gives the President authority to adjust the level of imports of any product, when the same affects national security, either by an import fee or a quota. The Emergency Petroleum Allocation Act permits the President to regulate the petroleum market through allocation and pricing controls on crude oil and refined petroleum products.

The administration maintains that the Trade Expansion Act provides sufficient authority both to impose the fee and to limit its application to gasoline. The administration argues that, because gasoline consumption is the key to U.S. dependence on foreign oil, an entitlements program designed to limit the fee to gasoline prices is within the President's authority under the Trade Expansion Act.

The flaw in this argument is that the Trade Expansion Act does not grant any authority nor set up any device by which the burden on domestic price of petroleum and petroleum products can be shifted from the ordinary recipient and be placed wholly on gasoline. Therefore, it does not supply the total authority necessary to accomplish the purpose sought.

The only act that permits the President to so shift the burden is the Emergency Petroleum Allocation Act, which authorizes the entitlements program. As recognized in a number of court cases, in legislative history, and in statements by administration officials, the basic purpose of the entitlements program was to distribute equitably the benefits of access to old, price-controlled oil and the burden of dependence on uncontrolled oil among all sectors of the petroleum industry in all regions of the country.

As you may recall, prior to the imposition of the first oil embargo in 1973, the acquisition cost of imported crude oil approximately equaled the cost for domestic crude. After the embargo, however, imported crude prices rose almost 400 percent to $12 a barrel.

In November of 1973, in response to both the embargo and to subsequent price increases, the Congress adopted the Emergency Petroleum Allocation Act, which continued price controls on most domestic crude oil. Old oil received a ceiling price of $5.25 per barrel, new oil sold for around $11.50, and imported crude carried the world price, which was then about $12.50 per barrel.

These price differences created a considerable disparity in the crude oil acquisition cost of domestic refiners; a disparity that either grew or shrank depending on the degree of access a refiner had to price-controlled oil. East coast refiners, for example, were purchasing oil which came in by sea, whereas Midwest refiners were buying great quantities of the less expensive domestic crude.

Rather than ship an equal quantity of old oil to the east coast and an equal quantity of imported oil to the Midwest, the entitlements program was designed to avoid the physical transfer of this oil by requiring the transfer among refiners of money computed on the basis of the price difference between lower priced "old" oil and higher priced "new," and imported oil.

This was in accord with the mandate to the President, under the EPAA, directing him to issue regulations to provide for "equitable" prices of petroleum throughout the country, to "prevent economic distortions," and to "foster competition" among all segments of the industry.

From its original goal of equalizing crude oil costs among refiners, the experience of the entitlements program under section 4 of the EPAA has been stretched to accomplish a variety of purposes.

For example, it has been used to encourage domestic production. For example, the 1978 domestic synthetic fuel entitlements which allowed shale oil to earn entitlements on the same basis as imported crude oil. The entitlements program has also, on several occasions, been used to attract additional product supplies as with the east coast residual fuel entitlements of October 1978 and the middle distillate entitlements program of last summer.

However, the entitlements program has never been, nor was it intended to be, used as a mechanism to direct what is in effect a 10-cent tax on to a given product, in this case motor gasoline.

Further, the entitlements program promulgated under section 4 of EPAA was never intended to facilitate the raising of revenue for the General Treasury, which this program will be doing at a rate of $10 billion during the first year.

Even if I believed it desirable to levy a tax on gasoline in order to discourage its use and thereby lessen dependency on imported oil, I would not vote to let the President's left-handed method of imposing such a tax stand. In 1977 the Members of the House overwhelmingly rejected attempts to accomplish the same purpose by the same means—that is, the imposition of an increase of first 5 cents, and then 4 cents, on the Federal gasoline tax. This occurred at a time when we were experiencing 7 percent inflation. It is now 2½ times that high. The climate in the House is obviously the same as it was then respecting the gasoline tax.

I know that it is frequently said that we should not attempt to make constitutional decisions on matters of great import—that we should take the course which we think the most desirable, even if it seems to run in the teeth of the Constitution because, it is said, the courts will ultimately determine the matter. I think that is bad law and bad policy. The only oath that we are required to take to serve in this body is an oath to support the Constitution. We have an equal duty with the courts to interpret it and to support it. In many instances court review is too late, and court process too clumsy, to rectify constitutional abridgments.

However, though I would curb Presidential authority in this case for these philosophical reasons alone, I would also come to the same conclusions if I were to make them solely on grounds of policy and reason.

This measure is highly inflationary. The fee would add 10 cents to the price of a gallon of gasoline and thus add another three-fourths of a point to the Consumer Price Index. Because of a variety of cost-of-living escalators this increase in the Consumer Price Index will force the Federal Government to adjust spending upward by another $750 million.

All this will occur at a time when consumers have already endured massive increases in gasoline prices. According to the March edition of the Department of Energy's Monthly Energy Review, consumers paid an average, for all grades of gasoline, of 69.8 cents per gallon during the month of January 1979. By the end of the year, that figure had risen to $1.04 per gallon. Three months later, by March of this year, the average price had continued to escalate rapidly, reaching a level of $1.22 per gallon.

We will soon be experiencing further major increases in the price of gasoline. Only recently, Hazel Rollins, Administrator of the Department of Energy's Economic Regulatory Administration, estimated that gasoline prices would rise, with the fee included, to $1.64 per gallon by the end of this year. Predictions of $1.95 gasoline per gallon have been made by the publisher of the Lundberg Letter, a respected publication that specializes in monitoring the activities of the petroleum marketing business. No matter which prediction proves to be more accurate, there is no doubt that in the months to come, the American consumer will be devoting an ever greater portion of his income to the purchase of gasoline. And yet we are now confronted with a proposal that seeks to add another $10 billion to that constantly increasing economic burden.

The administration claims that the import fee will save energy, thus diminishing our dependence upon foreign oil. The administration estimates that, by the end of the first year of the import fee program, gasoline consumption will be reduced by 100,000 barrels a day. The Congressional Budget Office, however, comes out with quite a different figure: That the import fee will reduce consumption by 80,000 barrels a day in fiscal year 1980, 70,000 barrels a day in fiscal year 1981, and 90,000 barrels a day by fiscal year 1983. Only by fiscal year 1985 do the Congressional Budget Office projections match the 100,000 figure the administration estimates as a saving. But even if the administration were right, this represents but 1.4 percent of our daily consumption of gasoline. So, in return for increasing the rate of inflation by three-fourths of 1 percent, we are rewarded with the reduction in energy consumption of a magnitude unlikely to significantly contribute to the enhancement of our national security.

Though I highly respect the views of my distinguished colleague from Ohio (Mr. VANIK) and admire his analytical abilities, I do not agree with him that the $10 billion extracted from the cost of gasoline is merely a cut which the Government takes out of what would otherwise go to the OPEC nations and the oil companies. From the extensive experience of our Subcommittee on Oversight and Investigations, I cannot help but draw the conclusion that the psychology of gasoline shortage and of ever escalating gasoline prices permits the oil companies and the OPEC nations to extract the same toll in price whether or not the tax is imposed. Therefore, the cost of this tax is paid by the people.

There is one other point that should be made and it is related to the flaw that I touched upon before: Since the President is attempting to transform an import fee to a tax without specific congressional authorization, there is no apparent authority to prevent refiners from placing the burden of the import fee wherever they wish to place it. They could pass it to gasoline under the President's proposed entitlements program but there is nothing to prevent them from passing it to products whose price is not controlled, like heating oil, diesel fuel, and petrochemical feedstocks.

Though the administration argues that the price of these products would have already been raised if a higher price could have been obtained in the market, this has not been the experience in the past. When all refiners pay more for their crude oil, they have always been able to pass on this cost to the consumer. It is true that the import fee will be translated into gasoline entitlement charges available to refiners, and the legal prices for gasoline will be raised on a dollar-for-dollar basis to reflect the gasoline entitlement costs. This will undoubtedly raise the price of gasoline, but there is no assurance that the price of other products will not be drawn up too. And there is certainly nothing to prevent this from happening.

For all of these reasons, I strongly favor the adoption of the disapproval resolution.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. LEDERER).

Mr. LEDERER. Mr. Chairman, I rise in support of House Joint Resolution 531 for perhaps some different purposes. As one who believes that the days of cheap energy are over and one who is concerned that the gold drain and dollar drain from this country is of a serious magnitude. However, I feel strongly that if you, my colleagues, were to introduce and support a 10-percent gasoline tax, that you would see the need to develop new energy sources and programs, you would see the need for the poor in this country to get rebates.

So I say to my colleagues, if we are going to introduce and support in the future a gasoline tax, rather than try to balance the budget or have the $10 billion from the tax lay in the Treasury for no purpose, that we develop a true energy plan for this Nation and that we remember what we can do with oil shale, solar, coal. What we can do with the canyons of the oceans, for oil drilling, that we take those moneys and put them into mass transportation that we can come up with a plan for which the American people would be willing to sacrifice.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, first I want to commend the gentleman from Louisiana and the gentleman from Maine and also the gentleman from Maryland who have really enabled us to discuss this very important issue at this time.

I must say I am somewhat disappointed in the sense that I will see, hopefully, this 10-cent tax go down. I say this because this tax brings to a nice round figure of about $100 billion that the Democrats have added to the tax burden on the American public this year and it is going to be a little bit tougher talking in terms of only $90 billion. Nevertheless, I certainly am rising in support of the resolution today.

Mr. Chairman, I would also like to point out this is just another hoax. It is a hoax like the deregulation and windfall profit tax was that was passed on to the American people.

Deregulation of domestic oil prices, a trillion-dollar hoax on the American public, now appears to be unstoppable. The long-suffering consumer will have to pay 25 to 35 cents more for each gallon of heating fuel and gasoline. The trillion dollars produced by this price hike is, we are told, a meaningful sacrifice. Yet it is expected to reduce consumption by a tiny amount, and to increase production by only a couple of percentage points. A whopping 2 percent of the extra cost consumers will be paying will be used in efforts to reduce our dependence on foreign oil. Almost all the money is going to balance the budget.

Now, the consumer is told the trillion-dollar sacrifice isn't enough. The administration is telling Americans to reach down even farther into their pockets, and come up with another dime a gallon—another $10 billion or so a year—for an oil import fee.

The combined effect of these two actions will be to raise the rate of inflation another 3 to 4 percent.

It goes without saying that our Nation must reduce its dependence on foreign oil. Our economy and our national security require that we move aggressively to regain control over the energy supplies we need, and the prices we pay for those supplies. If sacrifices are necessary to achieve that objective, and they undoubtedly are, then the sacrifices must be made.

But somewhere along the line, you have to weigh costs and benefits. This was not done in the decision to deregulate domestic oil, and the imbalance will be further aggravated by the import fee. We are being asked to make a major sacrifice in order to make only the tiniest of dents in our energy problem.

The President's strategy sends the wrong message to OPEC. We should, of course, be giving OPEC the strongest possible signals that we are serious in our efforts to become energy independent. The President's signals, however, indicate only that we believe our energy costs are too low. They can only be expected to respond by helping us to raise those costs even higher.

The strategy does, of course, have an attraction which is totally unrelated to energy. Most of us in Congress, like the Carter administration, are committed to attempting to balance the budget. I have shared that commitment for many years, and know that while it can certainly be done, it is a difficult task. Even the most sensible and well considered cuts are politically difficult.

By pumping hundreds of billions of new dollars into the Federal Treasury, the deregulation scheme and the import fee will allow Congress and the administration to bring the budget into balance, keep it there over the next decade, and even cut some other taxes in the process. The new money will allow this to be done without having to face the hard budget questions which would otherwise be prerequisite to creation of even an appearance of budgetary responsibility.

It is a hoax, and personally I do not believe the American public will be fooled by it. Congress apparently will allow the deregulation program to proceed, but hopefully will draw the line, and say "That's enough" and kill the President's new tax.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, I rise in opposition to the resolution to rescind the oil import fee.

I believe the oil import fee is needed as part of a long range energy policy to achieve energy independence and avert a national disaster in the near term.

Last fall I went to Saudi Arabia, Kuwait, and the United Arab Emirates with Treasury Secretary Miller and spoke with their leaders. I returned from that trip urgent about our energy policy and deeply concerned about the thin thread by which we hang regarding OPEC. Many of the OPEC countries are politically unstable and their instability could cause an energy disaster for us in the short term if we do not increase conservation.

The second major argument for the fee is economic. We cannot overcome the economic effect of the hemorrhage of $90 billion a year leaving this country to OPEC without further conservation in the near term.

The major arguments against the fee are not persuasive.

Opponents argue that the fee is inflationary. Failing to impose the fee will be more inflationary. There is nothing more inflationary in our economy than the $90 billion a year that we are paying to OPEC. We will never solve our economic problems unless we reduce our consumption of oil in the near term. Our economy is sort of like a cancer patient. We know that as oil conservation will help our economy that chemotherapy will help treat cancer. We also know that oil conservation induced by higher price will have an inflationary effect as well as we know that chemotherapy further weakens the cancer patient. But we also know that oil conservation is the only way we can keep our economy from dying as we know that, in most cases, chemotherapy is the only hope for a cancer patient. In both cases, the remedy, while painful, is better than dying.

Opponents further argue that even if you advocate conservation of oil that the oil import fee will not be effective. The facts speak otherwise. Every country in Europe has a very high gasoline tax (between $1 and $2.50 per gallon) and the average per capita use of gasoline in all of those countries is one-half as much as it is in our country. Further, the gasoline price increases over the past year have reduced gasoline consumption in America by 8 percent. We must and can exceed that consumption level. It is utter nonsense to argue that only a larger tax would induce enough conservation. As stated above we need enough "chemotherapy" but not so much that the patient dies from the remedy. The oil import fee suggested by the President is high enough to achieve substantial conservation without causing worse economic problems than failing to impose the fee would cause.

The final argument made by opponents is that the import fee induces conservation at too great a cost. They argue that the import fee would cost American consumers over $300 per barrel of oil saved. This argument simply fails to recognize the fact that the Budget Committees of both the House and the Senate have set the revenues from the oil import fee aside for an income tax cut equal to every cent of oil import fee collected. Therefore, the oil import fee would achieve oil conservation while not imposing a great economic penalty on the American people because the fees collected would be returned to the American people who paid the fee.

In conclusion, I say to my colleagues that it is unlikely that this fee will survive this House vote. This is an election year and no one wants to tell their constituents what they do not want to hear—even if it is in their long run highest and best interest. But I hope those who oppose the fee will work for alternative measures to effect conservation. I conclude that gas rationing is theoretically more equitable than price mechanisms but that it causes a bureaucratic nightmare that eventually fails completely. However, I may be wrong. I just hope we find a way to deal with the most dangerous problem that now faces our country.

If we fail to impose this fee OPEC will simply raise its prices again to take up the money the fee would have taken. If we had raised our taxes years ago billions of dollars would be in the pockets of Americans today instead in the pockets of OPEC. The facts of oil economics dictate that OPEC can only raise the price of oil and adjust the oil supply so much so quickly. If we had imposed import fees long ago we would have long ago affected OPEC's price and supply decisions in our favor.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in opposition to the administration's oil import tax proposal and support this resolution before us. As we all know, the plan was recently determined by the Federal district court to be an unconstitutional tax upon the American public by the executive branch. A decision which I have already applauded in the well of the House.

It is intuitively obvious to this Member that this plan is merely a ploy by the administration to raise an additional $10 billion in revenues. It is designed to increase the price of gasoline 10 cents per gallon at the pumps. This is a measure which would adversely impact upon every American motorist, who has already received the brunt of the OPEC-induced price hikes. Now the administration wants to impose its own price hike. How much does the White House believe the American consumer can take in these recessionary times?

The alleged rationale for this program is to reduce consumption of precious petroleum products by 100,000 barrels per day. I wonder if the administration is aware of the fact that the drivers of this Nation have already reduced consumption by 8 percent over last year. The motorist in rural America does not have the option of taking mass transit to work every day. Instead, he must rely upon his auto to take him to his place of employment.

The President has threatened to veto this resolution if we send it to the White House. I think the President has been spending too much time in the Rose Garden, wearing rose-colored glasses. No way—no way will this House vote to sustain that veto, unless one is not running for reelection, like Mr. VANIK.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, I am sorry the gentleman from Ohio (Mr. VANIK) is not here, because we certainly are going to miss his eloquence.

Mr. Chairman, I think it is important just to address a concern that I have had during this entire debate. The proponents of the gas tax have talked about political will, and draped themselves in the American flag when discussing this proposal. I might remind them, those that are here, that we are not talking about the first amendment or the fifth amendment to the Constitution. We are talking about a very bad idea that has managed to elevate itself to a position of whether we have the national will to conserve oil.

It was been my good fortune to serve as chairman for a few days during hearings on this bill, and I discovered a number of facts that are hardly news to anybody here. First of all, there was widespread disagreement as to how much oil would be conserved by the fee. The estimates ranged from a low of 40,000 barrels a day to a high of about 100,000 barrels a day, but even if we take the high figure, it is not very much conservation.

Second, we have discovered through the press and discussing with our colleagues that this idea was the brain child of various Members who told the President that we would not in the Congress want to raise gasoline prices any higher; that he should do it himself. And lo and behold, he managed to juxtapose two unrelated pieces of legislation to do that. What he failed to realize is he does not have legal authority to impose the fee. So, we were stuck with dealing with a problem the President created: First, a fee of questionable authority; second, a fee that was probably not enforceable; third, and most importantly of all, a fee that does not accomplish what the President and many, many of us want to accomplish, namely, the conservation of imported oil.

Where does it leave us? Well, I would hope that we do not question those of us who feel that as a matter of policy the President has made a mistake, or that we have any less political will than those people who have supported higher taxes. That is not the issue. This is a conservation measure that is not a conservation measure. If we examine the President's budget, we will find that he has emasculated the solar bank, cut in real dollar terms the amount of money for mass transportation; bold initiatives have not been tried.

This is not a bold initiative. This is a turkey, and when it is defeated—and overwhelmingly—I would hope that the President will understand the depth of feeling of this Congress with respect to conservation, and also with respect to alternative sources and bold workable energy conservation measures.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Chairman, I rise in support of this resolution and to strongly oppose the President's efforts to impose a 10-cent gas tax increase, and indicate that this is clearly not sound governmenal policy. It is a preemption of congressional taxing authority by the executive branch, and we should reject it overwhelmingly.

Mr. Chairman, constitutional scholars would argue that both the facts and the law are on the side of those who oppose President Carter's 10-cents-a-gallon gasoline import fee. I would like to repeat U.S. District Court Judge Robinson's carefully researched opinion which very accurately sums up the purpose of this resolution of disapproval:

> The gasoline conservation fee does not fall within the inherent powers of the President, is not sanctioned by the statutes cited by the Administration and is contrary to manifest Congressional intent.

In short, the President attempted to usurp powers which were not his.

At a time when we need a positive effort in the direction of our energy and economic policies, this is a negative approach. This latest tax increase, and you cannot call it anything else, the import "fee" is a tax increase, is inflationary at a time when we are attempting to dampen the fires of inflation. The President's tax would rekindle the flames of inflation. This is absurd when national economic policy should be pointed in the opposite direction.

Moreover, President Carter's tax is discriminatory. It singles out two groups for particularly harsh treatment. First, the working women and men who are totally dependent on their cars, trucks, and pickups for use in their work. This tax would seriously cut their take-home pay. Second, it would sandbag rural areas like the Redwood Empire, which have little or no public transportation. Most people in my area of northern California have no alternative to their own cars for local travel. Wealthy people and city people can grin and bear this tax. For people of modest means and for people in rural areas, this would be an intolerable burden.

Let us be frank about this Mr. Chairman, President Carter's import fee is but one more gimmick to tax people to raise revenues. It would not produce any new energy, it would not conserve our present energy, all it does is raise taxes by a backdoor method and add to our current inflationary crisis.

Mr. Chairman, President Carter's oil import fee is bad law and it is bad policy. Adoption of this resolution will send a message to the President, loud and clear, that this House will not stand for either attempts to usurp its authority or adopt faulty policies.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. McCLORY).

The CHAIRMAN. Before the gentleman proceeds, the Chair will remind all persons in the galleries that they are here as guests of the House, and that any manifestations of approval or disapproval of the proceedings are in violation of the rules of the House.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I feel that if we face this issue realistically, and that is what one of the earlier speakers said he wanted to do, it seems to me that we will respond to the demand of the American people, which is to prevent the President from imposing this so-called oil import fee. I feel likewise that the Congress did not intend that he should have that authority, and I question that he has the authority and agree with the court that has denied to him that authority.

But, in order that we may be absolutely certain that he does not get that authority as a result of any court action on appeal or rehearing or whatever, it seems to me appropriate for us to take this step, and to take it in response to what the American people want us to do, because this is the people's body and it seems appropriate that we should respond to the people's demand on this issue and other issues.

I would like to suggest that to try to make the big oil companies or the OPEC nations the scapegoat for the oil problems and to suggest that this tax is really going to be levied against and paid by the Arab oil producers and against the big oil companies, is to misread and misunderstand the application of American taxation. This tax, if imposed, is going to be passed through to the American consumers. It is going to be imposed on everybody who drives an automobile. It bill. It is going to be the homeowner who uses oil to heat his or her home. Certainly, if we have a cold winter next year and we have a large consumption of oil, it is not going to be OPEC that pays the bill. It is going to be the homeowner who is going to be paying a $4.62 increased fee for the oil.

So, it seems to me that what we are doing here, we are saying that the American people indeed have had enough. We do not want any more of this kind of taxation to be imposed on them.

May I say also on the subject of controls that have been discussed here before, that we have had all kinds of controls. The controls that permeate the whole oil industry imposes substantial burdens on the American people.

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It is my understanding that these controls cost at least 10-cents-a-gallon at the pump when we get a gallon of gas, just to support the bureaucracy that imposes the controls on the whole oil production and distribution system.

So it seems to me, Mr. Chairman, that what we must do is to act, act positively and promptly and decisively, and act in sufficient numbers so that the message will get through to the President that if he does veto this measure, the Congress will override it.

Mr. Chairman, the President's decision to impose a $4.62 per barrel import fee on oil must be one of the most ill-advised acts of this administration. This so-called fee would be translated into a tax on consumers in the form of a 10-cent-per-gallon increase at the pump. Fortunately for the American consumer, the Federal District Court for the District of Columbia ruled that the President exceeded his authority under the Trade Expansion Act of 1962 and has barred the levy. An appeal is pending.

Were it not for the action of the court, the result would have been another in the series of traumas administered to the American economy by this administration, namely:

The average automobile-owning family would be paying $92 more per year in gasoline bills. The Carter gas tax would thereby wipe out more than 60 percent of the 1980 personal income tax reductions provided by the Revenue Act of 1978.

The $92 in taxes would be in addition to the gasoline price increases over the past year—an amount that has already added $362 per year to the average family gasoline tab.

The $92 would be in addition to the social security tax increases that will take $128 from the average family this year.

The $92 is in addition to the hundreds of dollars lost by Americans through unlegislated "bracket creep" increases in the personal income tax.

Mr. Chairman, this alleged fee is in reality nothing but another tax on the American consumer. I believe I speak for most of my colleagues as well as my own constituents from the 13th district of Illinois when I state my response to this tax measure: Enough.

Enough of an import fee proposal which would not—as touted—curb inflation by reducing the demand for fuel. Reducing oil imports is the Carter administration's major justification for this punitive tax. The evidence indicates, however, that oil imports per se are not the intrinsic cause of inflation. Japan, for example, imports 90 percent of its energy and experienced a 1979 inflation rate of 5.8 percent—less than half that of the United States.

Enough of yet another tax which would contribute to the inflationary spiral. Estimates from a variety of sources place the effect of the "import fee" on the consumer price index at an increase of between 0.5 and 1 percent. The budget, if it is to maintain the same level of services, will have to be raised accordingly. Thus, this thinly disguised tax measure, intended to raise funds in order to balance the budget, would actually contribute to perpetuating the deficit.

Enough of measures that do almost nothing to promote conservation beyond the levels dictated by already prohibitive energy costs.

Mr. Chairman, there is still another reason why we should vote for House Joint Resolution 531. It is the nature of the import fee "pass through" mechanism itself: Under the present import fee system, the Department of Energy cannot control how a refiner passes through this fee. Therefore, heating oil prices as well as prices for other oil uses can go up. The Congressional Research Service concluded that the initial response of refiners would be to reduce gasoline supplies. The reason they would offer is that the current market for gasoline is soft due to a buildup in supply—as a result it will be more difficult to pass on the fee to consumers until gasoline stocks have dwindled to the point where supply is once again tight. We all know that the primary byproduct of tight supplies are gas lines.

Mr. Chairman, in lowering their gasoline consumption by more than 10 percent over the past year, the American people have already demonstrated a resolve to address our Nation's energy problem. Raising taxes at a time when the total tax burden is already at record levels is no substitute for bringing Federal spending (which has increased by $5 billion per month since President Carter took office) under strict control.

Mr. Chairman, we must not allow this tax sham to occur. We must not permit a $10 billion gas tax increase which effectively shifts the legacy of blame for 3 years of administration economic policy failures to the backs of our Nation's people.

Mr. ULLMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, I first want to thank the gentleman from Oregon (Mr. ULLMAN), the distinguished chairman of the Committee on Ways and Means, for the dispatch and thoroughness with which he handled this matter.

As I think my colleagues know, the Subcommittee on Environment, Energy and Natural Resources of the Committee on Government Operations battled for nearly a month to gain control of documents that relate to this import fee. Without going into great detail about those documents, let me just say that we found that it is by no means certain that this fee would go only on gasoline. In fact, the best bet is that it would go on heating oil, diesel fuel, jet fuel, and every other energy commodity coming out of the refinery. In fact, the documents show that the refiners are by no means committed to pass this on only to gasoline.

Second, we hear about the inflationary impacts with as much as four-fifths of a point impact on inflation. There is also the direct impact on households and goods and services from the increases in freight costs that are passed on to households, and that is computed to be a rather significant amount.

Third, as has been pointed out here, the conservation impact is minimal. The figure of 100,000 barrels a day savings has been touted by the administration. In fact, many of the documents indicate the savings are more in the neighborhood of 40,000 to 60,000 barrels a day.

I think it is important that we respond, however, to what the gentleman from Missouri (Mr. GEPHARDT) was saying in challenging us to come up with alternatives. First of all, let us understand that the President, who has sought to impose the import fee, has, No. 1, failed to fill the strategic petroleum reserve. There has not been a drop put in that reserve since November of 1978.

If we want to talk about unhooking ourselves from OPEC, decreasing our vulnerability to OPEC, we must recognize that the President has allowed massive loopholes in the testing procedures of the auto makers used by EPA, to the tune of 1.2 million barrels a day lost by 1985 if those loopholes in the testing procedures are not closed.

We gave him the authority here to impose State-by-State gasoline conservation targets. The ones he has imposed are ludicrous and laughable, they are so limited. The States will go well beyond conserving that amount of gasoline on their own, even without the targets.

There are a whole host of other things that could be done to save much more gasoline. A mandatory automobile tune-up program every 6 months would save 140,000 barrels of oil per day.

A wider use of car pools, with 2.3 passengers instead of 1.3 would save 780,000 barrels per day. A public information program on proper driving patterns would save 70,000 to 200,00 barrels a day.

The proper enforcement of current speed limits would save anywhere from 30,000 to 400,000 barrels a day.

We can go on and on detailing alternative conservation measures. If we really want to decrease our dependence upon OPEC, improving the efficiency of energy utilization in industry by 2 percent would save 280,000 barrels a day, which is well over three times what most people estimate this fee would save.

Improving the efficiency of energy use in commercial buildings by just 10 percent, which is very achievable, would save 400,000 barrels a day. We could go on and on.

It is not as though this Congress and other ones before it have not enacted alternatives. If the President would impose them in a firm way, we would save much more energy. It is not as though there is not much more that could be done and other alternatives that could be utilized.

Mr. Chairman, let us not forget how this fee falls on real live human beings. It has a devastating effect on consumers.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I know that I will surprise the House by what I have to say. I am opposed to this particular tax. It is one additional tax that most affects the consumers of this country.

Mr. Chairman, I urge my colleagues to support its termination.

Those of us who oppose this import of the fee know that it is inflationary, will not significantly reduce oil imports, and poses serious administrative and legal complications. We believe the fee is not enough to stimulate conservation or encourage production. There are methods to conserve energy; (for example, stricter enforcement of the 55-mile-per-hour speed limit) which would achieve greater savings at less cost to the economy.

It is impossible to insure that all of the reduced demand for oil will fall on imports; we feel that demand for domestic oil also could be hurt. Also, smaller independent terminal operators and marketers could be placed at a disadvantage relative to larger integrated oil companies. Unable to absorb the increased cost easily, smaller companies must immediately pass it on to consumers; larger firms may be able to absorb temporarily the increased costs.

By concentrating on gasoline, the fee may have a disproportionately negative impact on lower income individuals and on certain geographical regions of the country. The fee could trigger further decline in the already ailing domestic auto industry.

Many of us doubt that a reduction in U.S. demand caused by the fee would lower world oil prices. Rather, oil-producing nations may respond to reduced demand by raising prices to maintain their current incomes.

Finally, there are legal and administrative objections to the President's action. The fee is not so much a conservation measure as a maneuver to keep the budget balanced. As such, the President does not have the authority to impose the fee under the TEA.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. Harris).

Mr. HARRIS. Mr. Chairman, I intend to support the resolution of disapproval regarding the oil import fee because the fee will simply fuel inflation without having any significant long-term effect on consumption of gasoline. Rising energy costs are driving up prices of all goods and services, and this Congress should be fighting inflation, not fanning it through the imposition of a high import fee that will raise gasoline prices to consumers.

I must remind my colleagues on both sides of the aisle, however, that this is not the first time we have voted on an oil import fee. In fact, one of the first votes that many of us cast in this House was on a bill to overturn President Ford's action to boost the oil import fee.

On February 5, 1975, the House voted by an overwhelming margin of 309 to 114 to overturn President Ford's import fee. I remind my colleagues on this side of the aisle that Democrats strongly opposed that import fee as inflationary and ill-advised. Democrats voted against the fee by a vote of 267 to 17. Among the leadership—opposition to the fee was unanimous. We knew then that the fee was wrong and that it would hurt the economy. The fee is wrong today as well—for the very same reasons.

I would also point out to my friends on the other side of the aisle that I appreciate their new found opposition to the import fee. In 1975, when a Republican President boosted the import fee, many Republicans in the House thought it was a great idea. Perhaps you have a better understanding of the issue today, but in 1975, Republicans supported the increase by a vote of 98 to 42, more than a 2-to-1 margin. To my Republican colleagues, I say welcome to the ranks of those who are trying to put a lid on energy costs, inflation, and taxes.

I must acknowledge, however, the consistency of the gentleman from Maryland (Mr. Bauman) who steadfastly opposed the import fee of a Republican President, Mr. Ford, as strongly as he now opposes the import fee of a Democratic President, Mr. Carter. I just wish he could have convinced a few more of his colleagues in 1975.

And I call upon my Democratic friends—whom I respect deeply—to oppose this inflationary import fee as vigorously today as they did in 1975.

The import fee will be ineffective in reducing consumption. And the President's own advisers have acknowledged that the import fee would raise inflation by at least three-quarters of 1 percent.

Let us be serious about fighting inflation. The oil import fee is the wrong policy at the wrong time, and I urge my colleagues on both sides of the aisle to oppose the fee, and support the resolution of disapproval.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from Virginia (Mr. Harris) for pointing out my consistency over a 5-year period. I often vote "no," as the gentleman knows.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. Harris) has expired.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Chairman, if I were to seek out a clear example of pure political folly, I would have to look no further than the oil import fee.

Look at its detracting characteristics. It penalizes the poor. It will save us less gasoline than will strict enforcement of the 55-mile-an-hour speed limit. It will cost American consumers $10 billion. It may even discourage more domestic oil production. It will increase unemployment, increase the Consumer Price Index, and depress the gross national product.

What on earth could President Carter have been thinking of when he decided to impose this gasoline tax?

He certainly was not thinking about sound energy policy or sound economic policy.

What then?

I suspect the prime motivation behind the import fee is revenues. President Carter has become the classic revenuer. Prying loose, squeezing out, and scraping up every tax dollar he can from every taxpayer who has not been drained dry already.

He is the taxingest President this country has ever had in a period of peacetime, and at every turn, he is breaking even the new records he sets himself.

The import fee will bring in close to $11 billion, and that will provide a comfortable cushion for his balanced budget. It will also provide a small reservoir from which he can draw on for a tax reduction later this year as the elections grow closer and the unemployment lines grow longer.

The price of gasoline went up an average of about 50 cents last year and it will probably go up another 50 cents this year and the year after that, assuming the OPEC countries remain less than tyrannical in their blackmail of us and assuming we at long last achieve full decontrol of oil prices. We do not need higher gasoline prices. The American people cannot bear them.

If the President really wants to do something to conserve gasoline he has only to look to his own Federal bureaucracy, which, according to several of my colleagues, conserved a paltry 1.8 percent in gasoline consumption last year while the American people, more serious about energy conservation, saved about 10 percent.

This gasoline tax is pure folly, from start to finish, and it is up to this House to set the administration straight. We need to expunge the word revenue from the administration's active vocabulary. We need to put a stop to this torrential tidal wave of taxation, with which the administration is financing its extravagances.

This oil import fee deserves the fate of the rest of the Carter administration's infamous follies. You remember the $50 rebate, and $7 billion reduction in defense spending? Today, let us bury the oil import fee along with these other ghosts of President Carter's glory days and get on with the business at hand.

☐ 1520

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the resolution.

Mr. Chairman, let me just say that if we think by approving this resolution we are doing our consumers a favor, we are badly mistaken.

The OPEC countries are using price to bring supply and demand into balance, and if we approve the resolution before us and the import fee is no longer available, all that is going to happen is that the OPEC countries, sooner than otherwise would be the situation and to a greater extent, will increase their prices just as they have done in the past. So we are not fooling ourselves, we are not fooling our consumers, and we are not fooling OPEC. The resolution should be defeated.

Let us be candid with ourselves. The prices of oil and petroleum products, including gasoline, are being set in a world marketplace on the basis of supply and demand, largely because of our voracious appetite for gasoline in the United States. The supply and demand for oil are badly out of balance, with demand continuing to force up prices here and throughout the world.

It is nonsense to say that the United States has found a way to effectively conserve the use of gasoline or to suggest that other forms of less bitter medicine are available. Both OPEC and the consuming nations dependent on OPEC know that one out of every nine barrels of oil produced in the free world each day is consumed daily on U.S. highways. This naked fact, more than any other, is the reason that world demand for oil continues to outstrip supply, giving rise to the unending succession of OPEC price hikes. Surely it is clear by this time that until we acknowledge that our consumption is a major part of the problem and take steps according, OPEC and other oil producers—including our own—will continue the upward price escalation.

The question today is whether are are content to have OPEC exclusively administer the price-setting mechanism and enjoy the added U.S. revenues; or whether we choose to participate in a rational way in the market process, thereby advancing conservation and diverting, at least in part, oil revenue dollars that otherwise will continue to flow in ever-increasing volume to the Persian Gulf.

Mr. Chairman, nothing is phonier than the claim that the import fee will add nearly a percentage point to the cost of living of the American consumer. If the resolution before us is adopted and the import fee is killed, the likelihood—indeed the certainty—is that OPEC will do what we did not have the political stomach to do. I think it is likely that the resultant cost-of-living increase will be more than if we had acted when we had the opportunity.

Mr. Chairman, the American consumer will pay OPEC oil suppliers more than $90 billion this year. Unless we decide otherwise, the payment will be over $100 billion next year, and even more thereafter. Yet this nightmare prospect is not inevitable. If we deal ourselves in, rather than out, of the supply-demand equation, we can bring our domestic oil consumption under control and keep U.S. dollars here at home.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I rise in support of the proposition, for all of the wonderful statements made on both sides of the aisle.

Mr. MAGUIRE. Mr. Chairman, I want to start by congratulating the gentleman from Oregon, the distinguished chairman of the Ways and Means Committee, for acting so promptly on this important matter, and I would like to point out that he is one of the consistent voices on this issue, over a period of years having voted also against the proposal when it came from a Republican President, President Ford, and being opposed to it now under a Democratic President, President Carter.

I do hope and anticipate that we will be joined in this vote today by some of the distinguished leaders on the Republican side who cannot claim the same degree of consistency as the gentleman from Oregon. By my calculations we have now had statements in this debate and the preceding debate on the rule by the gentleman from Arizona (Mr. RHODES), the gentleman from Illinois (Mr. MICHEL), the gentleman from California (Mr. ROUSSELOT), the gentleman from Ohio (Mr. LATTA), and the gentleman from New York (Mr. CONABLE), all of whom, thank goodness, are switching their position on the issue this time around. We welcome them and we are pleased to have their support.

The proposal, of course, fails, as has been eloquently pointed out by some of the previous speakers, particularly the gentleman from Louisiana (Mr. MOORE) and the gentleman from New York (Mr. DOWNEY), for a series of policy reasons. Ironic, is it not, that the President should have made this proposal in a speech setting before the country an anti-inflation package, what he described as an attempt to fight inflation? In fact, this proposal, all of the calculations show, will raise the inflation rate by about 1 percent—a little less, perhaps; a little more, quite possibly. So it is self-defeating economic policy.

On the conservation side, it is ineffectual: $11 billion to save perhaps somewhere between 40,000 and 100,000 barrels a day.

As the gentleman from Connecticut (Mr. MOFFETT) pointed out, there are many other conservation measures which would save a great deal more energy at much less cost.

Sixty million dollars would put flow restricters in the showers in half the homes of America at a cost about 1/200th of what this oil import fee will impose by way of additional costs on the economy and on American consumers. We know from the hearings that we have held on the Moffett subcommittee that the fee will not be passed on exclusively to gasoline, will be distributed more widely to other products including heating oil. It is also, I might point out, illegal, as the district court has shown.

Repeatedly we are told in these debates that the price increase or the tax or the fee or whatnot will help us cut our dependence on foreign oil. This is a worthy, indeed critically important, objective, but note that the argument depends entirely on its being a successful, and significant, conservation device. Only if it results in significant conservation will it reduce imports of oil or positively affect the inflation rate. Since this proposal demonstrably does not give us significant conservation, it will give us instead significantly more inflation, and it will not cut into our oil dependence as serious conservation measures of the sort I have always advocated would do.

Finally further price increases by us will be more likely than not to encourage further OPEC price increases, which would aggravate still further our economic difficulties.

For all these reasons, I urge adoption of the proposal before us.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. LOEFFLER).

Mr. LOEFFLER. Mr. Chairman, I rise in support of this disapproval resolution. The oil import fee is merely a tax. Even if it could be construed as a conservation measure, it would not be an effective one. While the administration has estimated that the import fee would result in the savings of 100,000 barrels of oil per day within a year, the Subcommittee on Energy and Power has found that, under less optimistic assumptions, such a fee would save little more than 50,000 barrels per day.

In addition, such action makes no sense in the context of anti-inflation policy. Its immediate effect is simply to raise costs to consumers at a time when they can least afford it, while increasing the rate of inflation.

Government meddling is precisely the reason our domestic energy production has decreased to such a great extent in recent years. Imposing an oil import fee will do nothing to encourage increased domestic production. Not one additional unit of oil, gas, nuclear, geothermal, kinetic, solar, coal, or synthetic fuels will be produced in this country as a result of the so-called gasoline tax. If this tax would become effective, the overburdened and overtaxed consumers of this Nation would pay still more for energy while receiving less for all the additional costs.

The proposed gasoline tax is not energy policy, it is merely tax policy. Taxes we have plenty of already. Domestic energy is in short supply, and it will remain in short supply as long as our energy policies bear no relation to our energy problems.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I rise in support of House Joint Resolution 531, legislation to disapprove President Carter's imposition of the oil import fee. I commend my colleague, Mr. SHANNON, for making use of the authority that Congress wisely granted itself in the Windfall Profit Tax Act.

I fully share the administration's important goal of reduced dependence on foreign oil. However, it has been estimated that the oil import fee would reduce domestic oil consumption by only one-half of 1 percent, as compared to an 8-percent reduction in gasoline consumption that was voluntarily achieved by the American people last year without the tax. Yet this insignificant savings in gasoline would be realized at great expense to the American taxpayer.

The administration's oil import fee would impose a new massive $90 billion tax on the American people over the next 5 years, a tax which has not been debated by the Congress and which would have a significant impact on American families at a time when limited dollars are already being stretched to meet the rising cost of living. To add insult to injury, the administration has announced no plans for the revenues that will accumulate in the Treasury as a result of the tax. The Federal Government does not have the reputation of handling taxpayers' dollars efficiently or wisely, and I believe citizens are right to object to another tax for which no benefits have been guaranteed them in return.

Further, contrary to the administration's intention to divert the entire cost of the fee to gasoline, it is quite possible that the fee could result in higher diesel and home heating oil prices as well. While it is clear by last year's decline in gasoline consumption that there is room for flexibility in the amount of gas we consume, there is very little room for flexibility when it comes to needed diesel fuel for spring planting, or heating oil for homes during the cold winter months.

Mr. Chairman, there is no question that we face serious energy problems in this country, particularly in regard to our near-term liquid fuel needs, and I do not question the need for strong and lasting conservation efforts in this country. But there are less costly and more effective days to promote these efforts. I believe programs such as the conservation bank, for example, hold tremendous potential for encouraging energy conservation, and I am also an active supporter of small-scale, community-based conservation technologies and programs.

Equally important, I might add, to our efforts to reduce dependence on foreign oil, are domestic liquid fuel alternatives to gasoline. That is why I have devoted so much of my time in the Congress to promoting the widespread production distribution of gasohol. In my home State of Iowa, gasohol now accounts for 10 percent of all gasoline sales, and the savings are beginning to add up.

In sum, Mr. Chairman, while I applaud the administration's intentions to encourage energy conservation, I am firmly convinced that the oil import fee would be an ineffective, cumbersome and costly tool, and I urge my colleagues to oppose it by voting for House Joint Resolution 531.

Mr. ULLMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Colorado (Mr. Wirth).

Mr. WIRTH. Mr. Chairman, I rise in opposition to the resolution. I think the issue before us once again—an issue we have faced year in and year out—is whether we as the Congress are serious about the energy crisis. Are we willing to admit that energy is less abundant and is going to be more expensive, or are we going to run away from this, either through a misunderstanding of the economics of energy or by calling it a tax for balancing the budget?

I think that the evidence suggests that the public, the American people, is beginning to understand that we cannot run away from it. By most national polls almost a year ago, 50 percent of the American public did not believe that the energy crisis was real, and nearly 70 percent of the American public did not know that we imported oil. That has turned around very significantly, perhaps appallingly, primarily because of the Iranian crisis. Slowly but surely, the awareness of increased prices and less abundance is coming home to roost, as it must. We are seeing an awareness of the energy crisis in industrial conservation; and we are seeing it in significant gasoline conservation, primarily due to the very sharp OPEC-induced price rise of last December. The American public, in its increased understanding of the severity of the problem we face, is looking to us in the U.S. Congress, looking to us to exercise the kind of leadership that they expect of us, and are asking us to accelerate our efforts toward energy independence.

☐ 1530

Where are we on independence? Not in very good shape. We use about 17 million barrels a day, approximately half of which is imported from such good friends of ours as Algeria, Libya, and Iraq.

Our dangerous dependence is reflected in the shortfall of 400,000—merely 400,000—barrels a day from Iran. That 400,000 barrels a day shortfall caused very serious gasoline lines in this country last spring.

We have a fragile and shameful dependence that is costing us $90 billion a year.

I think the oil import fee is the right public policy, when combined with a whole variety of other steps that must be taken. It is not a question of whether or not the President has done the right thing. It is a question of what we as a Congress are doing in pursuit of alternative energy sources, in pursuit of decontrol (as we did by a vote of 2 to 1) and in pursuit of conservation, van pooling, tuneups, and so on, by filling the strategic petroleum reserve, and by the oil import fee, which I am supporting for a variety of reasons. The fee will have a conservation impact.

We in the United States use 50 percent of our oil—50 percent of our oil—for transportation. The Germans use approximately 20 percent of their energy for transportation; the Japanese less than 14 percent. Granted, there are different geographical configurations, but it tells us that our policy is out of balance.

The gentleman from Missouri (Mr. Gephardt) referred to the different taxing measures used by those other countries. I think we cannot deny there is a real correlation between tax and use. There has to be a conservation effect.

Second, passing this fee will provide a clear signal that we in this country are going to be serious about energy. If we back off now, it seems to me we become not only a laughingstock, but supply an open invitation, as has been mentioned before, for increased prices.

Third, the issue has been raised, particularly by the minority, that this is a revenue-raising measure. It is very clear in the record of the House Budget Committee and the Senate Budget Committee that any revenues that might come in from the oil import fee are put off in a separate category for later productivity tax cut and a social security tax credit.

Finally, I think we must begin to get very serious in this country and recognize the value of gasoline and the need to conserve it.

Thank you.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. Marks).

Mr. MARKS. Mr. Chairman, I rise in strong support of the disapproval resolution and against the imposition of the proposed fee on imported oil and gasoline. This fee will not help reduce oil imports significantly. It will not stimulate enough conservation to merit discussion. It will not help the American economy one iota—quite the contrary, it will add to our rate of inflation. No, this oil import fee is designed for one purpose only; to raise revenue.

This oil import fee is not courageous; will not have the conservation effect of a big tax; and will not be offset by a tax reduction. It is, in fact, a cruel hoax perpetrated by the administration on the American taxpayer. We are being fed a line that this fee will stimulate conservation. But, in fact all this fee will do is give the administration an extra $13 billion so it can spend more and more and pretend that it is spending less because, on paper, the budget is balanced.

Mr. Chairman, the American people are already overtaxed. In fact, they are taxed to death. The administration has raised taxes about $100 billion in its new "austerity" budget—and the American people do not want another tax imposed on them. I have received hundreds of letters from my district, all saying essentially the same thing: "Help!"

I also resent the way in which this so-called fee has been imposed. Only the Congress has the right to impose taxes—and that is what this is: A tax. That is why the U.S. district court ruled that the oil import fee exceeded the President's authority. And I could go on about the bureaucratic nightmare that will develop out of the entitlements system set up to funnel the tax from home heating oil to gasoline.

It is a bad proposal, with no economic or conservation justification, and it should be soundly defeated. We owe it to the American people to vote against the oil import fee. I urge my colleagues on both sides of the aisle to vote in favor of the disapproval resolution before us.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. Fithian).

Mr. FITHIAN. Mr. Chairman, I have enjoyed the debate and been enlightened by it. I would like to stress two points in the brief time I have. I was struck first by the announcement of this policy; then I was incredulous that this policy was announced by the President as an anti-inflationary measure.

Secretary Duncan, before our subcommittee 2 weeks ago, admitted, after some very close questioning, that in fact according to the Department of Energy calculations, the 10-cents-a-gallon fee would add three-quarters of 1 percent to the inflation rate. I repeat that: Three-quarters of 1 percent to the inflation rate.

Now, those of this body who are concerned about inflation then must look to the escalating price of gasoline as being one of the chief culprits. The second point I would make is related to this first, and that is that due to the lifting of price controls on domestic oil in this country, a policy which I did not support and do not support now, the approximately one-third of our total oil supply will have to double and more in price before the end of 1981 in order to reach the world price level. If there is anything to the price-demand elasticity and I believe there is, we are totally overlooking price increases already locked in. The President's policy is adding insult to injury. Adding this 10-cents-a-gallon tax, to what is going to happen to the American people in any case, would be a ridiculous policy.

Even if OPEC does not raise the price of oil a single dime, a highly unlikely scenario, the price of our domestic oil will have to more than double in order to reach that world price by the end of 1981. Therefore, that price increase will result in conservation. There is no question about it. Higher price brings conservation, but the multiple that we are talking about, if that price increases as it must, will make pale and insignificant this 10 cents a gallon. Gasoline will go beyond $2 a gallon. We will see all of the effects the economy can see from the price-demand elasticity as a result of the previous policy.

Let me move to a third consideration. Yes, we must free ourselves of OPEC oil, but I would far, far rather see this country dedicate its resources to alternate sources of energy which we control. We can and we should be producing, within 5 years or less, 10 percent of our liquid fuel from the renewable resources of alcohol fuels. We must produce alcohol—and we can. We can and we should embark upon major conservation measures which can and must be undertaken. These are the things I would like to see our national energy policy direct itself to.

I would urge a vote to disagree and to disallow the 10-cents-a-gallon gas tax.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. Mr. Chairman, I have listened carefully to the debate. It seems to me that the best argument that has been made by those who want the tax is to say that those of us who do not want the tax must come up with some alternatives, some way to save gasoline and oil.

I would like to contribute this perspective. I think there are already some alternatives working as a result of past legislation and action of the Government.

First, decontrol is in effect now. It came into effect last year. For years, this Congress kept the price of oil nice and low so that the people got no signal that it is indeed a precious commodity. They naturally consumed more and more oil and more and more gasoline. But now that decontrol is in place and the price is beginning to rise, according to the market, we now see that people are getting the signal, and conservation is resulting. It was 9 percent last year and 5 percent the year before.

It was only a year ago that Secretary Schlesinger said that we are 2 or 3 years away from dollar-a-gallon gasoline. The fact is gas prices as recently as last year were relatively low. But now in most places it is $1.25-a-gallon gasoline. People have clearly gotten the signal. That is having its effect in conservation and the people do not need another 10 cents a gallon to remind them that gas is expensive.

The second aspect of decontrol that is working is that it has ended the price disparity between oil and the other alternative fuel sources. That will eventually take the pressure off oil as other alternate fuels are developed and put into use.

Next, I want to remind my colleagues that last year we put in place the Emergency Energy Conservation Act, which included a gasoline rationing plan that would be implemented upon a 20-percent shortfall. That plan also included a measure which would set conservation goals for State governments and authorize them to take certain steps to meet those goals.

I think that legislation was good, because it puts that government closest to the people in a position to devise plans that will conserve gasoline in a very fundamental way.

When we step back from all this and view it realistically we realize that gasoline has increased in price enormously just since last year and that people have gotten the signal. I cannot see what 10 additional cents per gallon is going to add to it. That is no new signal. It just simply runs up the cost and contributes to inflation. What we are really doing here, and let us be honest about it, is raising revenue—$10 billion in fact—simply to carry out Jimy Carter's campaign strategy to fool the people with a phony balanced budget.

Finally, I want to make one point. I think the Democrats here are trying to muddy the water by attacking the Republican leadership. I was not here, but I imagine those Republican leaders who did support a similar tax several years ago did so because the majority did not have the courage to decontrol the price of oil.

□ 1540

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, this morning the lead editorial of the Washington Post was titled, "Does Congress Have the Nerve?" to pass the President's oil import fee.

The real question which the Post should have asked is whether President Carter has the nerve to propose true, as opposed to phony conservation measures. The answer is clearly "no."

A 10-cent tax on a gallon of gasoline is not conservation. The $10.5 billion oil import fee before us today is really a revenue raising gimmick. It is an 11th-hour attempt to balance the Federal budget, cloaked in the lovely language of energy conservation.

The oil import fee would siphon more than $10.5 billion from the pockets of consumers, whose budgets are already ravaged by the inflationary policies of the Carter administration. The maximum oil savings from this huge tax are projected to be 100,000 barrels per day. Compared to the 18.4 million barrels we use daily, this 100,000 barrels is a mere drop in the bucket. And the cost would be astronomical—every barrel saved would cost the equivalent of $280 from consumers. For the President to call this oil import tax a "conservation measure" is an insult to the Congress. The Congress should be congratulated for piercing the transparent veil of this tax measure and exposing it as a fake conservation measure. The President is playing election year politics with the Congress on this issue.

If the President were sincere about oil conservation and the national security threat posed by our dependence on Persian Gulf oil, he should immediately reshape his energy policy to put conservation back on the "fast track" where it belongs.

The administration should use its power under the Emergency Energy Conservation Act of 1979 to set tough mandatory State-by-State targets to reduce gasoline consumption.

The administration should restore funds for the conservation bank's low-cost loans for residential weatherization. An estimated 2.5 million barrels per day could be saved just by making U.S. homes more energy efficient.

The administration should immediately submit to Congress a plan to increase the average miles per gallon for automobile and truck fleets to 50 or more miles per gallon in the short-term and increase EPA enforcement of present auto efficiency standards.

The administration should support congressional efforts to expand and upgrade high-speed rail systems around the country.

Mr. Chairman, national defense is not just tanks and missiles; it is also energy efficiency and conservation. The goal of the Carter administration should be a comprehensive plan to reduce our oil imports to the equivalent of zero reliance on the Persian Gulf. Yet, the Carter administration persists in sending us proposals such as the oil import fee which make no sense from an energy policy point of view and simply kick the consumers of America in their pocketbooks.

Mr. Chairman, I urge support for the resolution and let us get on with the serious business of dealing with real conservation proposals which are not tricks to balance the Federal budget.

Mr. HEFTEL. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Hawaii.

Mr. HEFTEL. Mr. Chairman, would the gentleman support a 50-cent-a-gallon tax if those funds were used only for energy conservation and rebates to the consumer?

Mr. MARKEY. I think it makes a lot more sense than the proposal that has been presented to us here today.

Mr. CONABLE. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. Mr. Chairman, I rise to strongly support passage of House Joint Resolution 531, which disapproves the President's imposition of a fee on imported crude oil and gasoline.

This resolution deserves the support of every Member of Congress because the proposed fee is inflationary, inequitable, and illegal.

For the past year the President has attempted to blame the rate of inflation on rising energy costs. But now he wants to add to those costs by raising the price of gasoline 10 cents a gallon. This contradiction is made clear by the proposed oil import fee, which will only fuel the record rates of inflation which are currently being experienced. The Congressional Research Service estimates that the Consumer Price Index will increase almost 1 percent as a result of the fee. That increase translates into about $75 per year in additional gas costs for each American driver.

In addition, phased-in decontrol of the

price of domestic oil and the continual rise in the cost of foreign imports have already increased the price of gasoline by nearly 105 percent in the last 15 months and the price will go even higher as decontrol becomes total. Yet the President persists in pushing this ill-advised tax which will save, by the administration's own estimates, only one half of 1 percent of our total daily consumption of oil. Such a scant saving, which will do nothing to enhance our national security, is not worth the cost in increased inflation.

The oil import fee is also inequitable. If implemented, it will unfairly burden the residents of rural America who have no alternative to their cars for transportation. The people who live and work on the farms and in the less densely populated areas of our country do not have trains and buses to readily turn to. An increase in the price of gasoline would hurt them most severely.

Finally, the proposal represents an illegal tax. It is a fee which the Government requires the taxpayer to pay the Treasury. The Constitution gives the Congress, not the President, the sole power to pass a tax and I am pleased to note that a Federal district court has been able to see through this ruse by the President and declare the fee illegal.

In sum, Mr. Chairman, the American people do not need an increase in the price of their gas and they certainly do not want it. This fee is not the conservation measure the administration claims. It is one more revenue-raising device proposed by the President to help balance the budget and enhance his reelection chances in the fall. But it is not even needed for that purpose. The conference report of the first budget resolution deleted the oil import fee and still approved a $500 million surplus.

Mr. Chairman, the American people need less inflation, not more. We need straight talk from our President on the vital matters of energy and the economy. Unfortunately, the President's import fee proposal gives us none of this. I urge my colleagues to support House Joint Resolution 531 and disapprove the unnecessary and inflationary oil import fee.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to my colleagues, the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, there have been two themes sounded today by most Members in the well. One is that our economy and national security are gravely jeopardized by reliance on imported oil and by the payment that we must make to foreign nations for that oil.

The second theme is that the oil import fee is not a good way to do something about that grave problem. We must face the problem: At any moment some small nation overseas could send our economy into depression, could endanger our national security. Our need and dependence on this foreign oil is so great that we ourselves talk about going to war in the Middle East to preserve that oil supply. This situation is intolerable, and what we need is not a 10-cent-a-gallon tax on gasoline, but something far sterner, far stronger.

I compliment the President for his courage in putting through this $4.62-a-barrel import fee, because he is taking a lot of rap for it and he is not getting much for it.

I would like to see the President use that courage to bring out a powerful, strong, stern conservation program of energy in this country right down the line, from fuel efficient cars to some form of rationing.

I call on the President when this resolution passes and his oil import fee is defeated, as I am confident it will be, and I intend to vote for the resolution and to defeat the fee, I call on the President then to bring to this Congress a program that will curtail our use of energy in this country to the extent we are no longer groveling before the Mideastern nations and our national security is no longer daily threatened and our economy will not be drained by our payments for this foreign oil.

I hope the President comes through with this program. I hope the Congress and I hope that side of the aisle will respond to this urgent threat to our national security.

□ 1550

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. PORTER).

Mr. PORTER. Mr. Chairman, I rise in support of the resolution.

Under the Trade Expansion Act, the President has authority to place a fee on imported oil. President Carter has acted to place a fee of $4.62 per barrel on such oil and a good argument can be made that this fee properly complements the encouragement of domestic oil production and the discouragement of foreign oil importation initiated by the White House in decontrolling domestic oil prices.

But, Mr. Chairman, the President went beyond placing the fee on imported oil and targeted the entire cost onto gasoline, estimated to raise pump prices by 10 cents a gallon effective immediately. This, in my judgment, the President did not have authority to do under the act, and his action should be rejected on this ground alone.

The argument, however, is made often and strongly both in the press and on the floor of the House that regardless of its illegality, this tax is essential to conservation of gasoline supplies. It is true that as prices at the pump have risen over the past year or so, gasoline usage has been curtailed. But the conservation that inheres in 10 cents more per gallon is estimated at a maximum of only 100,000 barrels per day out of a base usage of about 6,700,000 barrels. This is obviously an insignificant amount and its insignificance supports the conclusion of many that what the President really has in mind is not conservation, but revenue.

And, Mr. Chairman, there are strong reasons to question the President's motives in all this, because, although the conservation quotient is small, there is $10 billion of new revenues put into the administration's budget proposals coming from this illegal source, and without this $10 billion, the budget would be far out of balance. Since the President and his majority in Congress have chosen not to control Federal spending to balance the budget, but rather to raise additional taxes to do so—$85 billion of new tax revenues—this new gasoline tax is clearly a major segment that the majority party is relying on to continue its spending proclivities. So, even putting aside the legal excesses of the President's action—something that should never happen in a nation committed to the rule of law—his barely-masked designs to use this additional tax revenue to help continue excessive Federal spending should also lead to rejection of his oil import fee.

Finally, some have argued that if we do not put on this new tax, the money will go to the Arabs instead of the United States. This is a pap of the highest order. Decontrol of domestic oil prices and OPEC price increases will continue to raise the price of gasoline at the pump, and the conservation effect will be realized. Whether the United States adds 10 cents more—while it would lead to some slight conservation—will not affect OPEC. It will get its share in any case.

Mr. Chairman, 10 cents more per gallon at the pump will only serve to sustain Federal spending at a level that is clearly out of control and add a further millstone around the neck of the overburdened American citizen.

The tax should be rejected. The resolution should be adopted.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. Mr. Chairman, it is without equivocation that I stand here today and support House Resolution 531. Imposition of an oil import fee is ineffective and inflationary, and can only add to the already onerous tax structure facing the American people.

The fee will raise approximately $10 billion annually in revenues, revenues which I might point out have not been earmarked for energy-related ventures. According to Department of Energy estimates, the tax will reduce domestic oil consumption by a mere 100,000 barrels of oil per day, less than 1 percent of our daily gasoline consumption. Furthermore, the import fee will raise the Consumer Price Index by 0.5 percent.

This fee discriminates against the already overtaxed Maine resident who must drive long distances. In Maine alone, the average driver's cost will incease $85 annually. In New England, the cost of the import fee to the region's drivers will be $533 million annually, or one-half of 1 percent of total regional personal income. Certainly you will agree these are not insignificant figures.

It would have behooved the President to have paid attention to his words 4 years ago when he began his administration and said that the issue of energy and the energy problem are the moral equivalent of war, and to have taken steps to deal with energy conservation and development of energy alternative. But, instead, what that President has sought to do is impose taxes and make taxes a cornerstone of his energy policy in this country.

If the President had been campaigning around the country in recent months he would have realized the American people are already overburdened and overtaxed. In fact, in his state of the Union address of 1979, the President himself did not even mention energy as a major problem in this country. I suggest to my colleagues that is not the kind of leadership the people of this country need in some very difficult and critical times.

Once we have balanced the budget, we should be moving toward cutting taxes, not raising them, and we certainly should not be adding to the financial burden of those in rural areas like Maine who must drive to work.

As I perceive the situation, we have several factors working against each other. The import fee is of sufficient magnitude to fuel inflation. By increasing the price of gasoline, we are discriminating against those individuals living in rural States. Given that, the tax is not expected to reduce consumption notably, at the $4.62 a barrel level, it is unlikely that the fee will aid in discouraging future increases by producer governments. Some observers even believe it will signal oil-producing countries that they can increase prices without damaging the U.S. economy.

Let me assure my colleagues that I wholeheartedly support a reduction in our dependence on foreign oil. Thus far, I have endorsed several measures designed toward this end. I will not endorse, however, an inflationary measure which is inequitable and will have a negligible effect on reducing our gasoline consumption. It is even more distressing that revenues realized from this fee are to be included in that hallowed category of funds earmarked for the "mitigation of our national debt." As we all know, once funds are included under that rubric we might as well have goodbye forever.

I speak today on behalf of a majority of my constituents in the Second District of Maine. We believe that imposition of this fee is irresponsible and will have dire consequences for the citizens of Maine. I am confident that once all the evidence is presented, my colleagues will realize the ill-considered nature of this oil import fee.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to my distinguished colleague from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, old high tax Jimmy is at it again. He is predictably unpredictable. He has usurped the jurisdiction of our illustrious Committee on Ways and Means, which is the taxing authority of the country, not the President.

A tax is a tax is a tax. He can call it an oil import fee if he wishes, but it is, indeed, a tax.

Every time I go out in my district I ask those in the audience: "How many are in favor of new taxes, put up your hands." Never a one.

You know, Jimmy is on another conservation kick. I think we probably are wiser to let this tax go ahead and let the people get a taste of it. Then we would come back here in about a month and they would roll it. The Committee on Ways and Means has said "no," the Senate committee said "no," and the judge said "no."

Last year about this time these lights were not very bright. We had them turned down. The corridors of the Capitol had every other light off, conserving energy. The girls in our office wore sweaters because they had to keep the thermometers at 65, conserving energy, and in the summer 80 degrees, to conserve energy. There were carpools to conserve energy, a 55-mile-an-hour speed limit to conserve energy.

The American people have voluntarily conserved gasoline to a point of 10 percent already. We do not need this inducement of another 10-cent tax on the already overpriced gasoline.

I am a cosponsor of the bill offered by the gentleman from Ohio (Mr. LATTA) that would revoke the authority of the President to do this and repeal this tax.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to another distinguished colleague from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise in support of the resolution today. Federal Judge Robinson recently ruled that the President exceeded his authority by imposing the oil import fee. I am not sure he will be sustained on appeal, but I do feel strongly that the oil import fee is a mistake.

The oil import fee is inflationary, it pushes up the cost of fuel oil and gasoline; it pushes up the cost of living for those who can least afford it, those on fixed incomes and those who need their car to go to work.

This recommendation came from the Department of Energy. This is the same Department which ordered SOHIO, a major supplier of gasoline in Ohio, to raise its gasoline prices. Fortunately cooler heads prevailed and that order was reversed. But it pointed up the uncertainty and confusion over energy policy.

The people in my district have been loud enough in protest that I have cosponsored the bill by the gentleman from Ohio (Mr. LATTA) and I even signed the discharge petition so that it could be brought to the floor quickly. I have the feeling people all across the country are close to unanimous in opposition to this oil import fee, and I also have the strong feeling that the resolution before us now will be adopted.

Mr. CONABLE. Mr. Chairman, I yield myself 3 minutes.

I hope this resolution of disapproval will be approved. Our more partisan friends from the other side of the aisle have accused some on this side of inconsistencies because 5 years ago we voted for an oil import fee under completely different circumstances.

They are urging on us a foolish consistency which we reject. Those who practice it fall prey to the hobgoblin of little minds that Emerson described. They come to wear one cut of face and figure and to assume by degrees the gentlest of asinine expressions. We will not do that.

In fact, then the rate of inflation was very different from what it is now. The cost of gasoline was less than one-third what it is now. We had nothing that could be described as an energy policy similar to the deregulation which the President has finally been dragged kicking and screaming into permitting, may I say, by the wise consistency of those on this side of the aisle.

Now, there is one other point that I would like to make, Mr. Chairman, and that is this: I remember the President some time ago telling us that the cheapest oil we could get was that that was to be achieved by conservation. He says this is a conservation measure. If one goes through the elaborate computation necessary to figure out how much 100,000 barrels of oil a day would cost the people of this country to save in this manner, the remarkable result is $300 a barrel. Now, I do not know what oil is going to be costing before this President gets out of office, but I assure my colleagues it is not going to be costing that much. There are many cheaper ways to save oil than in this way, through this additional tax that I ask my colleagues to reject.

☐ 1600

Mr. Chairman, I now yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to rise to say a kind word about Jimmy Carter. I know that may surprise some of my colleagues. Yes, I am opposed to this gas tax. I think I have established that by now. I think I have had some small part in bringing this matter to the floor for a vote, and I am certainly in support of the resolution before us that will repeal this import fee and, therefore, will repeal the tax on every gallon of gas and gallon of oil that the people of this country will have to buy. I just think it is a bad idea. I think it is very hard on the folks.

But I have listened to the debate here today, and I think it is very unfortunate that the President's party has abandoned him. I have not heard one good word spoken for this man. I have here a copy of the Congressional Directory of 1979 and right here under the executive department the President is the first officer described. It says, "The President," and then it says, "Jimmy Carter, Democrat, 39th President of the United States." This, I think, is an authoritative reference work—the Congressional Directory—and it does say that he is President and that he is a Democrat. I have heard remarks here that some attempt is being made to blame the Republicans for the import fee, something about 1975 and a vote taken way back when conditions were different and gas was 40 cents a gallon. I have heard all sorts of claims made over here about the leader of the minority's suddenly changing his position.

You know it was the Speaker of the House who told the Rules Committee to sit on this gas tax repeal. It was the Speaker of the House who said the matter was never going to come up if he had anything to say about it. It was the chairman of the Rules Committee who did everything he possibly could to keep the House from finally voting on this. But we are supposed to be an elected group sent here to represent the people on this issue.

The Democratic Party in the House did everything they could to impose this gas tax, and now they are leaving this poor man from Plains, Ga., all by himself. I think we should pat his hand and say to him, "Jimmy, we hope you veto this. That is what you said you were going to do. You sent a letter to the Senate the other day saying you would veto it. So do it."

Every time the little glass ball on the gas pump at the local gas station goes around and the sound says, "ding, ding, ding," there will be one less vote for every ding, not only for the President but for the gentlemen over here trying to run away from their President. I think it is sad.

There was something said about President Ford being wrong 5 years ago when he tried to impose an import fee. May the same fate await Mr. Carter that awaited Mr. Ford.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding.

I just wanted to say that the gentleman is correct, that when his President put the oil import fee through, the gentleman supported him, and the gentleman from New York said that was a foolish consistency.

Mr. BAUMAN. No. The gentleman from Virginia (Mr. HARRIS) was good enough to note that the gentleman from Maryland did not support an import fee then and does not support it now.

Mr. WEAVER. The gentleman means he did not support his President?

Mr. BAUMAN. No, sir, many times I did not.

Mr. WEAVER. The gentleman left him all alone?

Mr. BAUMAN. Principle knows no individual. Principle applies across the board regardless of who may be in the White House momentarily.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, there is a maxim in the law that if the facts are strong in a case, argue the facts, and if the law is strong, plead the case on the law. In this instance both the law and the facts decisively support the disapproval resolution.

The Federal district court has cogently and effectively rendered a judgment which holds that the gasoline conservation fee does not fall within the inherent powers of the President; it is not sanctioned by the statutes cited by the administration, and it is contrary to the manifest congressional intent.

Those three points sum up the arguments on the law. As for the facts—I think the case for disapproval is equally strong, and I, therefore, support the motion before the House. It is palpably clear that the import fee will be inflationary; it discriminates against one section of our country—the Northeast. It writes poor public policy into law.

The message that we need to send to the administration at this point is the need for a comprehensive energy policy that is fair—that will not further invade the pocketbooks of the American taxpayer—that deals with energy conservation and the myriad energy supply problems of the country in a rational, equitable policymaking framework without warping statutory boundaries—without violating the Constitution and without usurping the authority of the Congress or the authority of the President. Adoption of the pending resolution will forestall and prevent a genuine inequity. It will force the President to offer a better—a fairer answer to a very vexing national problem.

Mr. CONABLE. Mr. Chairman, I yield back the remainder of my time.

Mr. ULLMAN. Mr. Chairman, I think it would be fair to say that the small business people, the farmers and consumers of this country, have just suffered an unprecedented increase in the cost of energy perhaps beyond anything that the free enterprise system has ever known, certainly more than 50-cents-per-gallon in this past year. In addition to that, they suffered the ravages of double-digit inflation and high interest rates, and now recession. This is not the time.

Many of them are on the thin edge of survival. This is not the time to load them with an additional 10-cents-per-gallon on gasoline. As far as energy is concerned, with that kind of an increase in energy costs this past year, how can you attribute those kinds of savings, or any savings, to this additional increase? Procedurally, the President is on very marginal ground. I support his national security authority, as do most of the other members of the Committee on Ways and Means and the Congress, but the national security authority was intended to go to instances where imports in and of themselves were the problem. In this instance the President proposes to put on an import fee across the board on imports and then translate it to both domestic and foreign imports in the marketplace. This does distort the purposes of the national security authority that we granted the President, and I think that authority should not be used in the way that the President is suggesting in this instance. So I am urging the Members to support this resolution.

I want to commend the gentleman from Massachusetts and the others who have been so diligent in this fight.

Mr. Chairman, I yield back the remainder of my time.

● Mr. WRIGHT. No doubt this resolution will pass, Mr. Chairman. The President quite probably will veto it, and I have no doubt the veto will be overridden. Before we do this, we are entitled to understand exactly what we are doing.

The first thing to understand about this resolution is that it does more than some Members have been led to believe.

It not only nullifies the 10-cent gasoline fee; it abolishes the President's oil import fee. In doing that, it seriously compromises the President's power to conduct foreign policy.

I realize that many Members have made public commitments to vote against the gasoline tax. It is popular, no doubt, to do so. Nobody really wants to pay any more for gasoline, and nobody enjoys taxes of any sort.

But most Americans do want a balanced budget. Most of us do want to reduce our country's dependence on foreign oil. Many of us would like some productivity tax cuts of a type that would make American products more competitive in world markets and thus provide more jobs for Americans.

One way, and perhaps the only way, to achieve these particular objectives would be to let the oil import fee stand.

The Nation's energy advisers believe this fee will reduce imports—and thus reduce our vulnerability to foreign countries—by 100,000 barrels a day this year and by 250,000 barrels daily at the end of 3 years.

If that result were to occur, it certainly would be in the national interest. Nothing could benefit the average American more than reducing our dependence on foreign oil. Oil imports will cost the typical American family of four about $1,200 this year.

What many Americans do not realize is that most European countries tax gasoline at anywhere from $1 to $1.50 a gallon. Our tax is 4 cents.

It is not as though the American gasoline consumer were getting off free as result of our nullifying the President's efforts. In the past year the OPEC countries have arbitrarily increased that consumer's fuel bill by about 50 cents a gallon. They have levied a 50-cent tax—or about $50 billion in all—from which we get no benefit at all. At least the proceeds of the oil import fee would stay in the United States.

And if we pull the plug on this part of the President's plan today, it may simply represent another example of what OPEC regards as our self-indulgence and another invitation to them to raise the price and keep the proceeds.

Will we not feel foolish if we vote this down today, and the Arabs impose the same tax on us next week?

One other thing to consider as we cast this vote is just how serious we are about balancing the budget. The oil import fee was part of the overall program presented to the President by the congressional group earlier this year as a part of the drive to balance the budget. For that particular reason, I feel a personal obligation not to desert the President in this particular matter.

Destroying the President's oil import fee just might torpedo any realistic chance for a balanced budget. The small surplus precariously posed by the budget resolution is terribly vulnerable to economic tides. If the Nation should experience a deep recessionary dip, it could demolish the surplus and create a deficit.

The House Budget Committee very carefully set aside the $10.5 billion expected to inure to the Treasury from this oil import fee as a cushion first to guarantee a balanced budget against any economic vicissitude, and then once a balanced budget were assured to be available for productivity tax cuts of a type that would benefit America and make American goods more available on world markets.

All of this we can throw carelessly to the winds by summarily rejecting the President's plan.●

● Mr. LUKEN. Mr. Chairman, the President's oil import fee is wrong on two counts. Ironically, it is part of his anti-inflationary package, but it is very inflationary. Moreover, it is billed as a conservation measure, but there is little evidence to justify that it will actually reduce the consumption of gasoline.

Clearly, the intent of this plan is a tax-raising scheme designed to help balance the budget. Although I strongly support a balanced budget, I do not feel that raising taxes is the solution to balancing the budget—that answer comes from cutting Government spending. Yet, Mr. Carter is proposing a plan that will cost the American consumer more than $10 billion a year in return for an estimated reduction of one-half of 1 percent of daily usage.

The citizens of this country should not have this kind of conservation forced down their throats. With gasoline prices having risen over 70 percent in the last 14 months, consumers are already conserving. A 10-cent per gallon of gasoline increase from an import oil fee would do little more to further conservation. Higher gasoline prices have not reduced consumption in other nations. In France, for example, gasoline prices went from $1.10 per gallon in 1973 to $3.85 today. Yet, consumption is up over 21 percent during the same period.

During these inflationary times, the President should not be proposing a plan that is counterproductive to any anti-inflationary goals. There is no doubt that this tax would increase inflation.

As chairman of the Small Business Energy, Environment, Safety and Research Subcommittee, I am particularly concerned with the impact of the import fee on small business. Those small businesses directly involved in petroleum products—independent gasoline stations and oil jobbers—will be affected, with many going out of business. Other small businesses, reliant on gasoline for their operation, will find it increasingly more difficult to meet their expenses. This will cause layoffs and other economic hardships for these small firms and their employees. Certainly these costs will more than outweigh any possible benefit.

This program would also add to the financial problems of independent marketers by increasing the costs of their inventory. To carry inventory, most jobbers and terminal operators require bank financing. Other economic actions have pushed the interest rates on this financing to the 20–25 percent range and have caused some banks to tell their independent customers there is no additional credit available for them. Major companies do not face these credit problems and indeed can look to the inventory markup as a substantial source of profit.

Additionally, this program has nothing in it which will guarantee that the 10-cent fee will wind up on gasoline. In the very complex economic equation of demand curves for the various product slates at different price levels, the simplistic analysis of the Department of Energy will undoubtedly fall apart as internal DOE memos have stated. If there are higher prices for gasoline, and demand for diesel fuel increases, some of the cost of the fee could easily be shifted to diesel fuel.

Likewise, if gasoline demand declines and home heating oil demand increases because of a cold winter, the net increase could come on home heating oil.

Congress should face up to this question and make the decision on its own. It must prevent the usurpation of the power to tax, especially an usurpation which is so artlessly camouflaged. It must prevent the administration from removing energy programs from congressional scrutiny by making them executive actions cloaked in executive privilege.●

● Mr. PEASE. Mr. Chairman, I intend to vote for House Joint Resolution 531, disapproving the President's oil import fee, but I do not do so without reservations.

Principally, I am concerned that the Congress disapproval of this relatively small effort at energy conservation will be interpreted by the world community as being another indication of the U.S. lack of resolve over energy conservation. I think most all of us can remember that the international community was favorably impressed when the first announcement of the import fee was made. Gold prices stabilized and the value of the dollar abroad went up.

At the same time, I am realistic enough to know that the manner that the fee would have been levied on consumers was flawed in several respects: There was no guarantee that those who would suffer from higher prices would in any way see some gain from their suffering; the actual savings in fuel was questionable; the regressive aspects of a fee like this were hard to overlook; and the legal questions of whether the President could even in fact impose such a tax would leave a very bad taste in the public's mouth.

I hope that the Congress, working with the President, can work to conserve energy, all energy forms, in ways that can both save energy and prove to our world friends that we are serious about the task—that we do not want to be at the whims of an OPEC or other energy cartel.●

● Mr. HUGHES. Mr. Chairman, as my colleagues well know, the President's oil import fee has been presented in the context of a program to combat inflation and curb oil imports, two goals which are among the Nation's highest priorities.

As such, the fee has been characterized as a test of congressional will—whether we are able to bite the bullet to achieve a worthy goal.

It is most unfortunate that the import fee has been characterized in this way, since in reality, it has only minimal value as a means of reducing imports, and will actually be counterproductive as an inflation fighting measure.

The Department of Energy's own studies indicate that the proposed oil import fee will curb consumption by only 100,000 barrels a day, a scant one-half of 1 percent of daily use oil demand. At the same time, this modest savings will be achieved at a cost of more than $10 billion per year to the consumers of America, a high price to pay in these inflationary times.

This is particularly troublesome for those who have already suffered the most from inflation—the elderly living on fixed incomes and working people of modest means, especially those who simply lack transportation alternatives. Many of these people live in rural areas or other regions which lack the mass transportation systems that could ease the impact of the tax. Just as importantly, for many, the idea of buying a new efficient car at today's prices is about as realistic as walking on the Moon.

We must recognize artificially high prices for what they really are—a form of price rationing that uses income, rather than coupons, for determining who gets gasoline. The affluent will simply shrug off higher prices and use just as much gasoline as they have in the past. The less affluent will suffer.

The point should also be made that Americans are already conserving petroleum in an unprecedented manner under current conditions, without the added burden of a tax. As it is, gasoline prices have doubled and redoubled in the past few years. By the end of this year, prices are projected to hit in excess of $1.80 per gallon. Under those circumstances, we must seriously question whether any additional price rationing will add substantially to the already successful conservation effort now taking place.

In summation, then, the tax will not save very much gasoline, it will add to inflation, it will hit hardest at those who have already suffered the most, it discriminates on the basis of income, and it is based on the wrong assumption—that Americans are not conserving when in fact they are.

I urge the passage of the disapproval resolution.●

Mr. KEMP. Mr. Chairman, as a cosponsor of House Joint Resolution 531, I would like to join my colleagues in rejecting this outrageous new tax. I oppose this tax on behalf of the Buffalo steelworker, who can not afford to pay 10 cents more for a gallon of gas; for the senior citizens in my district who will suffer when the tax raises the price of home heating oil; for the working poor, who will bear a disproportionate share of the gas tax burden. I oppose this new tax because it is unnecessary, and because it is unconscionable to impose such a tax at the start of a deep depression.

The administration says we need the tax to reduce OPEC imports, conserve gasoline, balance the budget, and provide for a 1981 tax cut. I would make the case that they are wrong on all four counts.

They are wrong in asserting that the oil import fee will cut OPEC imports. The fee would actually be rebated to importers through the entitlements system. The tax will fall on gasoline refiners and consumers, not importers. Instead of reducing imports, the fee will discourage the production of gasoline.

Gasoline production will fall when refiners attempt to avoid the tax by switching from gasoline to diesel fuel and other products. Though the ability of refiners to switch is limited, the new tax will definitely encourage them to do so. And that will only increase the likelihood of tight gasoline supplies and gasoline lines this summer.

Likewise, the administration is wrong in portraying the tax as a grand conservation measure. In reality, if conservation is the chief concern, this gas tax is a poor way to go about it. The President expects the oil import fee to save 100,000 barrels a day, at a consumer cost of $12 billion. That means that consumers will have to pay a marginal cost of $329 for each barrel of oil conserved.

Compare that to the savings possible from other conservation plans. We could save 550,000 barrels per day by turning down thermostats 3 degrees; 280,000 with a 2-percent improvement in industry energy efficiency; and 400,000 with a 10-percent improvement of energy use in commercial buildings. In other words, if the administration really wants to conserve oil, there are many more efficient ways to go about it.

But the administration still wants the tax—they say it will balance the budget. Wrong again. According to CBO analysts, even with the gas tax we will have a substantial deficit in 1981.

It is estimated that revenues will be about $15 billion short of the budget conference committee's estimates, because of the recession, and that spending will overshoot them by another $15 billion. The import fee is $12 billion.

We will have a deficit regardless of whether this tax passes, because we have entered one of the worst recessions since World War II. Auto sales have already dropped from an annual rate of 10.2 million units to 5.4 million in the last 30 days. Housing starts have been halved in 2 years, from 2.18 million to 1.02 million. Farm income is down in real terms by almost 50 percent in a year, from $36.5 billion in 1978 to $18.5 billion by last December. The real spendable earnings of factory workers have dropped 6½ percent in a year, and are down 9½ percent since Jimmy Carter took office. The unemployment figures to be announced this Friday are expected to be up around 8 percent.

Furthermore, if the administration opposes tax cuts until the budget is in balance, the existence of the oil import fee will not insure a tax cut for 1981. So much for the last "compelling" reason to support the oil import fee.

Mr. Chairman, there is really no good reason to support this massive tax increase, and many, many reasons for opposing it. We do not need higher gasoline taxes. Americans have already made tremendous sacrifices to conserve gasoline—gasoline sales have dropped by more than 12 percent since last year. And the American people have repeatedly gone on record against the notion that a drastic increase in gasoline or other petroleum taxes is a productive, effective, and fair way to solve our national energy problems.

I oppose this new tax because it would raise consumer costs—the tax would add 0.5 percent to 1 percent to the Consumer Price Index. The Government would not be able to insure that the oil import fee will be passed on the gasoline only—so the cost of home heating oil may rise as well. And it would add to the already stifling tax burden on Americans: the American taxpayer would have to pay $90 billion more in gas taxes over the next 5 years alone.

I urge my colleagues to join me in rejecting this unnecessary new tax. This is an unconscionable policy to be proposing at the start of a deep recession. The courts have already cast doubt on the constitutionality of this oil import fee; Congress should act now to finish the job and kill the gas tax once and for all.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

H.J. Res. 531

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress disapproves the action taken under section 232 of the Trade Expansion Act of 1962 with respect to petroleum imports under Proclamation Numbered 4744 dated April 2, 1980.

The CHAIRMAN. Under the rule, the Committee now rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Zeferetti, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 531) disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline, pursuant to House Resolution 697, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONABLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 376, nays 30, not voting 26, as follows:

[Roll No. 288]

YEAS—376

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Campbell
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Studds
Stump
Swift
Symms
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—30

Ashley
Aspin
Beilenson
Bennett
Bolling
Cavanaugh
Fascell
Garcia
Gephardt
Giaimo
Gibbons
Heftel
Jones, Okla.
Lehman
Matsui
Mazzoli
Mineta
Moorhead, Pa.
Murtha
Obey
Patten
Richmond
Rostenkowski
Sabo
Scheuer
Solarz
Stratton
Vanik
Wirth
Wright

NOT VOTING—26

Anderson, Ill.
Brown, Calif.
Burton, Phillip
Byron
Dellums
Dixon
Fazio
Ferraro
Fowler
Grassley
Gray
Grisham
Jenrette
McKinney
Mathis
Mitchell, Md.
Mollohan
Nedzi
Reuss
Staggers
Stewart
Thompson
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Young, Alaska

□ 1620

The Clerk announced the following pairs:

Ms. Ferraro with Mr. Anderson of Illinois.

Mr. Thompson with Mr. Young of Alaska.

Mr. Mitchell of Maryland with Mr. McKinney.

Mr. Mollohan with Mr. Grassley.

Mr. Reuss with Mr. Brown of California.

Mr. Jenrette with Mr. Grisham.

Mr. Nedzi with Mr. Charles H. Wilson of California.

Mr. Fazio with Mr. Stewart.

Mr. Phillip Burton with Mr. Staggers.

Mrs. Byron with Mr. Dellums.

Mr. Dixon with Mr. Fowler.

Mr. Gray with Mr. Mathis.

Mr. Charles Wilson of Texas with Mr. Williams of Montana.

Mr. HARKIN and Mr. GRAMM changed their votes from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER pro tempore (Mr. COTTER). Is there objection to the request of the gentleman from Oregon?

There was no objection.

PUBLIC DEBT LIMIT EXTENSION

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7428) to extend the present public debt limit through June 30, 1980.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 89, noes 29.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. The Chair counts 220 Members present. A quorum is present.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 315, nays 77, answered "present" 1, not voting 39, as follows:

[Roll No. 289]

YEAS—315

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Daschle
de la Garza
Derrick
Derwinski
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Quayle
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—77

Abdnor
Archer
Badham
Bafalis
Bauman
Bethune
Broomfield
Burton, John
Carney
Cheney
Coleman
Collins, Tex.
Conable
Courter
Crane, Daniel
Crane, Philip
Davis, Mich.
Davis, S.C.
Deckard
Devine
Dickinson
Duncan, Tenn.
Edwards, Okla.
Erdahl
Evans, Ind.
Fenwick
Goldwater
Hagedorn
Hammerschmidt
Hansen
Hinson
Jeffries
Kelly
Kramer
Lagomarsino
Latta
Lee
Lloyd
Loeffler
Lott
Lujan
Lungren
McDonald
Marlenee
Miller, Calif.
Miller, Ohio
Moore
Moorhead, Calif.
Myers, Ind.
Paul
Petri
Porter
Pritchard
Pursell
Quillen
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Schulze
Sensenbrenner
Shumway
Shuster
Snowe
Snyder
Solomon
Stockman
Stump
Symms
Taylor
Thomas
Walker
Whittaker
Winn
Young, Fla.

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—39

Addabbo
Anderson, Ill.
Bolling
Bonior
Brown, Calif.
Buchanan
Burton, Phillip
Byron
Daniel, Dan
Dellums
Dixon
Drinan
Evans, Del.
Fazio
Ferraro
Fowler
Grassley
Gray
Grisham
Holtzman
Jenrette
McCloskey
McKinney
Mathis
Mitchell, Md.
Mollohan
Nedzi
Pashayan
Reuss
Roberts
Rose
Staggers
Stewart
Thompson
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wydler
Young, Alaska

□ 1640

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 7428, with Mr. RICHMOND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 30 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, H.R. 7428 simply extends the present temporary debt limit of $879 billion for a 25-day period from June 5 through June 30, 1980. If this action is not taken, the statutory limit will revert to the permanent $400 billion limit.

Treasury has estimated that the operating cash balance on June 5—that is tomorrow—be $7 billion. In the first 2 working days in June, about $12.5 billion in retirement checks were issued in various Federal programs, the largest program being $9.5 billion in social security checks. These were the largest cash payments required for several days.

In addition, $6.6 billion in Treasury bills will be refunded under the statutory authority that expires at midnight Thursday. A refunding issue will be completed by then.

Under House rule XLIX, the House will set the public debt limit through the adoption of a budget resolution. This new procedure will be activated as soon as Congress has adopted the budget resolution. It is obvious, however, that Congress will not adopt the budget resolution soon enough to start the new debt limit procedure and complete its legislative process on the debt limit before the present temporary extension of the debt limit expires.

□ 1650

Mr. Chairman, I reserve the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is not a matter of great substantive moment. However, it is surcharged with the emotion that usually attends great strategic concerns. The fact is that there is not a great deal to talk about. We all know what this involves, and we have discussed debt ceilings from time immemorial, agitating the air and not achieving much else. I urge defeat of the legislation, confident that my position occasions no great surprise.

Mr. Chairman, I now yield 3 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Chairman, last Thursday, we sent the extension of the debt limit back to committee for a rule, because this body felt that it was essential that the debt ceiling extension and the repealer of the gas tax be married together into a single bill to assure the passage of the repealer.

Mr. Chairman, on Friday, the House passed a 5-day extension, which was also adopted by the other body, of the debt ceiling to give us time to get our affairs in order here in the House.

Today, when many of us expected, from the discussion on the floor last week, that we would have a chance to vote on a combined bill, we find that they have again been separated. In my judgment, it is simply an attempt by the leadership to protect Jimmy Carter from his own follies. I think it is a terrible mistake.

I would agree with our distinguished chairman, the gentleman from Oregon (Mr. Ullman), that we will have to pass a debt ceiling extension some time, but because of what this House was led to believe, I do not think this is the time to pass that debt ceiling extension. I think we ought to return it, defeat it, and ask the Committee on Rules to give us what we thought they were telling us they would bring out for this week. A gas tax repealer is a leaky vessel. It may very well sink before it becomes law. We need the safety, the extra buoyancy that the debt limit extension will give that gas tax repealer if we are finally to completely repeal the gas tax. This House has already indicated that it wants to do so. We still ought to do so. The best way to do it is to defeat H.R. 7428 today, send the bill back, make the Committee on Rules come out with a rule that couples the two, and there will be almost unanimous passage within the House.

Mr. Chairman, I urge the defeat of H.R. 7428.

Mr. CONABLE. Mr. Chairman, I commend the gentleman from Minnesota (Mr. Frenzel) for his comments and wish to associate myself with his position.

Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Rousselot) for scholarly disposition only.

Mr. ROUSSELOT. Mr. Chairman, there is another aspect to the extension of this debt that I would now like to discuss. We discussed it in committee. The fact that the temporary debt limit must be extended for 30 days reveals once again the emptiness of the concept that the limit is temporary. The only thing temporary about this extension is the extension itself. This Nation has incurred a gigantic public debt, and the amount of that debt with precious few exceptions has grown steadily over the years.

As the table in the earlier part of the committee report shows, only twice since 1947 have we succeeded in reducing a temporary increase to the level of permanent increase.

Now, today we indulge in the fiction that our "permanent" ceiling is $400 billion while our "temporary" ceiling is $479 billion, for a combined total debt of $879 billion. Everyone in Congress and in the administration understands that it will be years, if ever, before the entire Federal debt can be reduced to the permanent level. Everyone also understands that maintaining the two separate figures—permanent and temporary—has not contributed to an overall reduction in the debt. It has not and it will not curb the continued growth of the debt.

Keeping the two separate accounts, as as far as I can see, accomplishes only one perverse result. It puts the Government in a bind every couple of months by threatening the ability of the executive branch to borrow the necessary funds to cover existing obligations. It creates crisis where none need exist.

The fact that this 1-month extension of the current "temporary" limit is necessary is a perfect example of this phenomenon.

I am pleased that the chairman of the Ways and Means Committee has agreed to bring before the committee during the remaining days of the 96th Congress legislation which would combine the entire debt into a single figure. Such an action would end this charade of having a "temporary" debt limit. I hope that these hearings will be held in the very near future. We are likely—for a brief interval at least—to have a Federal budget which is balanced for the first time in a dozen years. I urge the committee and the Congress to use this momentous occasion as an opportunity for bringing a degree of rationality to the debt limit process.

Now what I tried to have happen in committee is to change this law so that we do not go through this fiction of increasing the temporary debt ceiling.

Since my chairman has assured us that we will have hearings on this very soon and maybe change the facade that we go through.

I wonder, Mr. Chairman, if I could direct a question to the chairman of the committee, the gentleman from Oregon (Mr. Ullman), as to how soon we might expect a change in this law. We had a discussion in the Committee on Ways and Means, but I wonder if our chairman could define for us how soon we may stop this fiction of a temporary debt ceiling increase and just have one debt ceiling?

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman for yielding.

I will say to my friend that I would like to achieve the same purposes that he would in combining the permanent and temporary debt. We have a resolution or the proper bill now prepared. It is my hope that we can get it introduced, get it perfected and introduced and then hold hearings on it and proceed in an orderly way to dispose of it, hopefully this year.

Mr. ROUSSELOT. The chairman then is hopeful we can change the law this year?

Mr. ULLMAN. Well, this year, I might have that hope. I cannot promise that that is going to happen. This is a tough year, but we are proceeding on the basis that that would be possible.

Mr. ROUSSELOT. I would hope we can do it, because I think we just constantly confuse everybody and make kind of a ridiculous action out of the whole effort to constantly go through this facade of increasing a temporary debt ceiling. We should have but one debt ceiling. I still believe we should be making that change in this particular bill.

I yield back the balance of my time.

□ 1700

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. Ratchford).

Mr. RATCHFORD. Mr. Chairman, I rise in support of the legislation pending before us today. I agree that it is not a pleasant thing that we do, but it is a necessary thing that we do. As a country, we simply cannot walk away from our collective bills.

One of the compelling reasons for approving this legislation is that we cannot leave 35 million Americans dangling on a string. That is exactly what we do to 35 million Americans who are social security recipients each time we fool with the debt limit. Each time we fool with this debt limit, a shock wave extends to this entire system.

This weekend, Mr. Chairman, and I am sure we have all experienced the same thing, I had any number of calls from social security recipients, "Are we going to receive our checks? When we get our checks, will we be able to cash our checks? Are our checks going to be tied to something relating to the 10-cent fee on the gas tax?"

This uncertainty, this doubt, this fear, was rampant in the system.

Mr. Chairman, there is only one way we can do away with this uncertainty. There is only one way we can do away with this fear. There is only one way we can do away with this doubt and that is to do something about the debt limit.

I, for one, am sorry that we are here only on the temporary debt limit, because I agree with the gentleman from California (Mr. ROUSSELOT) that we ought to be grappling with the larger question, which is the question of the uncertainty of the whole mechanism that we now have as Members of Congress, when all we have pending before us is the temporary extension of the debt limit and if we can lift that temporary uncertainty, if we can lift that temporary doubt, if we can lift that temporary fear, it is a step worth taking. I think we ought to take that step. I think we ought to temporarily extend the debt, and I, for one, urge the temporary extension of the debt limit and the passage of this bill.

Mr. CONABLE. Mr. Chairman, I now yield 3 precious minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I strongly urge the defeat of this legislation, if for no other reason than that the House leadership has reneged on its agreement to allow an amendment to be offered to this bill which would do away with the import fee. Even now, Mr. Frank Moore and the other White House lobbyists are engaged in the other body in attempts to try to prevent the offering of that import fee amendment to this bill should it go there today.

I think we have every reason to defeat the bill on the merits of the legislation, which is in itself a confession of the bankruptcy of this administration that has nearly doubled the national debt in the brief 3 years it has served in the White House. But beyond that we have the reneging on a commitment to the House that was made last week.

If we defeat this debt limit, nobody is going to go without money, no checks will bounce, those checks all went out last week. But just maybe if we defeat this the leadership might get the impression on the other side that the House means business, that we want this import fee repealed, we want it tied together with the debt. That we want it on the desk of the President of the United States and if he cares to veto it then, if that is his decision, we will deal with that; but that was the agreement made. If Members cannot live by their word around here, then we really cannot live at all.

I think that we should with good reason defeat this legislation immediately, and the sooner the better.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the gentleman is correct. By voting this down, there is no problem that social security checks will stop. All those things have gone forward.

I think my colleague is correct, that it would be a clear message that we want the two issues joined with a greater chance than that the President will sign both.

I think that is important. I think that those individuals who feel that they would like to be sure that the import fee is stopped in its tracks, this is the best way to do it.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

May I ask the distinguished chairman of the committee if a technical amendment is not necessary to this legislation? Is the committee to offer a technical amendment?

Mr. ULLMAN. Mr. Chairman, if the gentleman would yield, yes, there will be one technical amendment required, simply because we passed the 5-day extension and, therefore, we have to change the original bill.

Mr. CONABLE. That is the starting date from May 31, 1980, to June 5, 1980?

Mr. ULLMAN. That is all, to make that one simple change; that is right.

Mr. CONABLE. Mr. Chairman, I have no further requests for time.

I urge defeat of the legislation.

I yield back the balance of my time.

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say that the oil import fee problem should not be in any way related to this vote. We did have a very stimulating discussion. We had a vote. It was overwhelming. There were only 30 votes in opposition. Obviously, there is no problem in the House about overriding a veto. That was the only purpose of doing it. When you have that kind of an overwhelming majority, I see no need to couple the two.

I see no real need to raise the issue about what was said or what was not said. All of us know the misunderstandings that crop up when people talk to each other; so I think in this instance, I urge the Members to support this bill and get the debt ceiling extended through the end of the month, so that we can proceed in an orderly way with passing the budget resolution.

Mr. Chairman, I yield such time as he may consume to my friend, the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I rise in support of the resolution.

Mr. Chairman, a recent survey by the National Commission on Social Security, a strong majority of the American people fear that social security is not or may not be financially strong. About three quarters of those not yet retired feared that there would not be money in the system when they reached age 65. Neither of these fears are fully justified.

Mr. Chairman, the social security system is the most important domestic program in this country. It is second only to defense in national importance. We should not and cannot stand by and allow even the slightest possibility that a social security check somewhere will not be honored because the U.S. Government runs temporarily short of cash.

Each time the issue of the public debt limitation is brought down to the wire, as it was last week and as it is here today, millions of elderly Americans once again will worry that their social security checks will be worthless.

I think we have to stop and realize that if it ever happened that a social security check were not honored somewhere in this country that that issue would outstrip almost every other matter facing the Congress in magnitude and impact. All the other debates would suddenly seem secondary.

I do not expect that to happen. I expect that the social security checks which were to be delivered yesterday will be honored across the country. Checks have been mailed to 35 million Americans, totaling some $9½ billion.

But this Congress should not leave a single doubt. It should approve this legislation so that the American people do not have to face a totally unnecessary fear in these troubled times.

Mr. ULLMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment. No amendments are in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment.

The bill reads as follows:

H.R. 7428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 101 of the Act of September 29, 1979, entitled "An Act to provide for a temporary increase in the public debt limit, and to amend the Rules of the House of Representatives to make possible the establishment of the public debt limit in the future as a part of the congressional budget process" (Public Law 96–78) is amended by striking out "May 31, 1980" and inserting in lieu thereof "June 30, 1980".

The CHAIRMAN. Are there any Ways and Means Committee amendments?

AMENDMENT OFFERED BY MR. ULLMAN

Mr. ULLMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ULLMAN: Page 2, line 3, strike out "May 31, 1980" and insert in lieu thereof "June 5, 1980".

Mr. ULLMAN. Mr. Chairman, as I have indicated in my colloquy with the ranking minority Member, the gentleman from New York (Mr. CONABLE), this merely makes the change in date that is required because of the 5-day extension that we passed last week.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. If there are no further committee amendments, the Committee will now rise.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FUQUA) having assumed the chair, Mr. RICHMOND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7428) to extend the present public debt limit through June 30, 1980, pursuant to House Resolution 691, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. CONABLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 208, nays 198, not voting 26, as follows:

[Roll No. 290]

YEAS—208

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Burlison
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Danielson
Derrick
Dicks
Dingell
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harris
Hawkins
Hefner
Heftel
Hightower
Holland
Holtzman
Howard
Hubbard
Hutto
Jacobs
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wirth
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—198

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Boner
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gaydos
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Green
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harkin
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hughes
Hyde
Ichord
Ireland
Jeffords
Jeffries
Johnson, Colo.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mica
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
O'Brien
Pashayan
Paul
Petri
Porter
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wydler
Wylie
Yatron
Young, Fla.

NOT VOTING—26

Anderson, Ill.
Brown, Calif.
Burton, Phillip
Byron
Dellums
Dixon
Fazio
Ferraro
Fowler
Grassley
Gray
Grisham
Jenrette
McKinney
Mathis
Mollohan
Nedzi
Reuss
Roberts
Staggers
Stewart
Thompson
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Young, Alaska

☐ 1720

The Clerk announced the following pairs:

On this vote:

Ms. Ferraro for, with Mr. Grassley against.

Mr. Mollohan for, with Mr. Young of Alaska against.

Mr. Thompson for, with Mr. Grisham against.

Until further notice:

Mr. Nedzi with Mr. Anderson of Illinois.

Mr. Fazio with Mr. McKinney.

Mr. Charles H. Wilson of California with Mr. Williams of Montana.

Mr. Jenrette with Mr. Stewart.

Mr. Phillip Burton with Mr. Brown of California.

Mr. Staggers with Mr. Mathis.

Mr. Reuss with Mr. Gray.

Mr. Roberts with Mr. Dixon.

Mrs. Byron with Mr. Fowler.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

THE INAUGURATION OF THE SRI CHINMOY CROSS-COUNTRY BICYCLE TRAIL

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, it is with great pleasure that I take this opportunity to inform my distinguished colleagues of a most unique and historic cross-country bicycle relay race that will commence in Jamaica, N.Y. on June 4, 1980, and conclude in San Francisco, Calif., June 26.

On June 4, some 200 men and women from the 50 States will embark on a 4,500-mile marathon bicycle relay race across the continental United States. The event, which will go on continuously through some 20 States, is being held to celebrate Sri Chinmoy's contribution to sports in America and to inaugurate the "Sri Chinmoy Cross-Country Bicycle Trail," a major national cycling route. As many of you know, Mr. Chinmoy has received international recognition for his contribution to world peace. Since 1970 he has offered weekly meditations at the United Nations for diplomats and staff. In addition, he is a world renowned lecturer in philosophy, a gifted musician, and an artist, as well as writer and poet. He is an accomplished athlete in his own right, inspiring thousands of people to enrich their lives with sports and meditation.

Ceremonies celebrating the creation of the trail will be held in many of the communities along the route. One of the highlights of the event will take place at 11 a.m. June 5, at the Capitol. I invite all my colleagues to join with me and fellow Representatives and Senators, who will participate in a ceremony honoring the cyclists. From there, the participants will make stops at the White House, Jefferson Memorial, Washington Monument, and the Lincoln Memorial. Upon leaving the District, the riders will visit the grave of our late 35th President, John F. Kennedy, in Arlington National Cemetery.

It should be noted that events of this nature are certainly nothing new to Mr. Chinmoy and his riders. The Sri Chinmoy Cycling Team has sponsored a number of cycling events, including the 1,500-mile Empire State Bicycle Relay in New York and the Year of the Child Relay in Illinois to benefit UNICEF. In addition, for the past 2 years they have captured a number of first place prizes in the Pepsi Bike Marathon, an annual event held in New York City's Central Park.

All the participants are to be commended for what they hope to accomplish—racing not for the sake of winning, but rather, competing for the joy of exercising their minds and bodies. The late President John F. Kennedy once said:

> The future of any nation can be directly measured by the present prospects of its youth.

Judging by what these young people represent, the future is a bright one indeed.

HENRY HYDE'S SPEECH IN GEORGETOWN UNIVERSITY'S RIGHT TO LIFE JOURNAL

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUNGREN. Mr. Speaker, the Georgetown University Right to Life Committee recently published the first volume of their Right to Life Journal.

It contains many thoughtful commentaries on this significant moral issue—including a speech by fellow Georgetown alumnus, friend, and colleague HENRY HYDE.

Many Members of the House have heard HENRY debating the abortion issue on the floor for several years now. Some might say too often, but they would be surprised to learn he feels this way too.

He has championed the right to life of the unborn at great risk to his political career—that of being unfairly labeled as a "one issue" candidate.

Nevertheless, he has persevered in his beliefs and never failed to speak out eloquently, clearly and forcefully on this issue.

The Right to Life movement is indeed fortunate to have the benefit of one of the most articulate and thoughtful Members of this Congress on their side.

I commend to my colleagues the speech contained in this Journal, given by HENRY at Georgetown University in October 1979, for its eloquent and lucid explanation of the deep feelings many of us have on this subject.

I insert his speech in its entirety in the RECORD, as follows:

A CONGRESSMAN'S THOUGHTS ON THE PRO-LIFE MOVEMENT

(By HENRY HYDE)

I am pleased to speak to you this evening on what I conceive to be, since Dred Scott, the greatest civil rights issue of our time. The issue of the Right to Life deals with the most defenseless, voiceless, and vulnerable of all human beings: the unborn. The dimensions and the significance of the issue are very great. We permit, tolerate, and stand by quietly while over a million abortions every year occur in this country. That is a staggering amount of human life wasted, and 300,000 of these abortions are paid for by taxpayers' funds through Medicaid—or at least, they were until the last few years when we have tried to inhibit this use of tax money. Believe me, that is an awful lot of waste of human life. Herod, if he is anywhere where he can smile, must indeed enjoy the technological limits to which we have raised his slaughter of the innocents.

Now, whenever you get into an argument with anybody, it is important that you define the argument. And in discussing abortion, you have to start with what an abortion is. There are all kinds of highways and byways that you can get diverted into that are interesting and controversial, but start first with this question: what is an abortion?

By definition and by intention, it results in the killing of somebody. It doesn't really happen to a woman, it happens to an unborn child, and every abortion is over somebody's dead body. What is being aborted? Is it a bad tooth, is it a diseased appendix, is it indeed a disease, as a famous doctor with HEW once described it? Is it something to be extirpated or exculpated and thrown away like a used piece of Kleenex, or indeed, is it a human life?

Well, you see, that's the one issue the pro-abortionists do not want to discuss, and do not discuss: the humanity of the unborn. The medical books bristle with accounts of when human life begins. Not potential human life, but human life with potential; and to put it simply, life begins at the beginning. I quote briefly from an interesting document on this issue of the humanity of the unborn: an editorial that was written in September 1970 (three years before the decision of January 22, 1973, wherein the Supreme Court wrote a set of hospital guidelines for abortion—something incredible for the Supreme Court to do, but they did it anyway, and we're stuck with it). The magazine is called "California Medicine," and the editorial is called, "A New Ethic for Medicine and Society":

"The traditional Western ethic has always placed great emphasis on the intrinsic worth and equal value of every human life, regardless of its stage or condition. This ethic has had the blessing of the Judeo-Christian heritage and been the basis for most of our laws and much of our social policy. The reverence for each and every human life has also been a keystone of Western medicine and is the ethic which has caused physicians to try to preserve, protect, repair, prolong, and enhance every human life which comes under their surveillance. This traditional ethic is still clearly dominant, but there is much to suggest that it is being eroded at its core, and may eventually even be abandoned. This of course will produce profound changes in Western medicine and in Western society."

And then, to get to the heart of the matter, the editorial went on (I'm skipping quite a bit).

". . . the process of eroding the old ethic and substituting the new has clearly begun. It may be seen most clearly in changing attitudes towards human abortion. In defiance of the long-held Western ethic of intrinsic and equal value for every human life regardless of its stage, condition, or status, abortion is becoming accepted by society as a moral right, and even necessary. It is worth noting that this shift in public attitude has affected the churches, the laws, and public policy rather than the reverse. Since the old ethic has not yet been fully displaced, it has been necessary to separate the idea of abortion from the idea of killing, which continues to be socially abhorrent. The result has been a curious avoidance of the scientific fact which everyone really knows, that human life begins at conception and is continuous, whether intra- or extra-uterine, until death. The very considerable semantic gymnastics which are required to rationalize abortion as anything but taking a human life would be ludicrous, if they were not often put forth under socially impeccable auspices. It is suggested that this schizophrenic sort of subterfuge is necessary because while a new ethic is being accepted the old one has not yet been rejected."

Think of the euphemisms that the abortion lexicon contains: terminate a pregnancy. Do you terminate crabgrass on your lawn, do you terminate a mosquito when it bites you in the back of the neck? No, you kill a mosquito, you kill the crabgrass. You don't call the unborn anything recognizable; fetus is a nice cold word, or embryo, product of conception, pregnancy material. These are terms that are used very often.

However, the humanity of the unborn remains. I have much more respect for those people who say, "Okay, it is human life. Yes, it's at a primitive state, it doesn't interact with society, it is a human life, but so what? There are people who really shouldn't live, they are going to be a financial and an economic and an emotional burden on society, on their parents. They're handicapped, they're inferior, they'll be dependent, they'll be an economic burden. So society is best rid of those people, and the sooner the better, because it is awful tough, aesthetically, to get rid of them, to terminate them, after they're born."

Well, I have much more respect for those people. They are intellectually honest, although not at all removed from the Nazis, who decided that one whole group of people were subhuman and should be exterminated. But they face up to the clinical, biological facts, which cannot be said for most of the abortion movement. Certainly not for the Religious Coalition for Abortion Rights, or the National Abortion Rights Action League, or the rest of them who will not face up to the fact that what it is they are aborting is a human life, defenseless and vulnerable.

The euphemisms don't stop with the question of the baby's personhood. I love this one: Pro-choice. Some choice. There is no choice at all for the victim. The choice is how we shall kill the unborn child. Shall we kill it with a curette, piece by piece: shall we use the suction machine, shall we insert a saline solution, substituting it for some of the amniotic fluid and literally scalding the unborn child to death? Or a hysterectomy: if the pregnancy is well along, past twenty-four weeks, we just perform a caesarean and leave the little infant gasping without any support until it suffocates. Now, that's the choice they are talking about. A lot of babies die by chance, but I don't know of any that ought to die by choice.

In any event, it is fascinating how some perverse alchemy has been worked in our society. Alchemy used to be taking a base metal and turning it into gold. Now we have taken what used to be a crime and turned it into a moral right, the right of a woman to abort and to destroy her unborn child.

But the child has a moral right to live, and, getting on firmer ground, a civil right to be treated as a human being before birth. Birth is a change of address, medically speaking. There is no qualitative difference ten minutes after, ten minutes before, or ten days before: it is a change of address. The unborn child, the fetus, the embryo, is not a part of the woman's body, in a medical sense. The mother is providing shelter and nourishment, but the child is an independent entity, with its own heartbeat, its own brain waves, its own circulatory system, its own blood type. It is just medical nonsense to believe that the unborn child, the embryo, that is implanted in the womb and growing magically and miraculously every day is a part of the woman's body in the same way an organ is part of her body. But this argument must be used to justify abortion.

Child abuse reaches its ultimate in abortion. I used to think that pro-abortionists had an animalistic view of unborn children and human life, but I was quite wrong. We think a lot more of animals than we think of unborn children. The snail darter is protected by law as one of the endangered species. The dolphin, the white whale, the furbush lousewort are too, and yet, the unborn child hasn't got any protection at any time during the nine months of gestation, should the mother desire an abortion. At any time. The Supreme Court in its decision said that during the first trimester, neither the state nor the father has any interest in protecting the fetus. It's a private matter between the woman and her doctor. The Supreme Court (legislating instead of adjudicating) said that during the second trimester the state has no interest in fetal health, but only in maternal health. It may legislate concerning clinical conditions that refer to the health of the mother, but not to the baby. The unborn child has no rights through the second trimester. Now up to the third trimester, the state may have an interest in preventing abortion, except where the life or the health of the mother could be involved. And the World Health Organization defines health as the absence of distress. So if a woman who is nine months along is distressed with her pregnancy, then her health is affected unless she has an abortion!

Justice Burger said clearly that we have not permitted abortion on demand, but clearly we have permitted abortion on demand. The law has withdrawn protection from an unborn child. Justice Douglas, in a famous case, wanted to give standing in court to rivers and trees and meadows, because he thought they were so important that they should be represented, but he did not extend this importance to an unborn child. Not even an unborn child ready to be born.

We are told by ACLU that we are breaching the separation of church and state by imposing on secular society a particularly religious (and of course they mean Catholic) view of when life begins. Hence we are violating the First Amendment. This is a most interesting point of view. The same people, of course, were cheering and applauding the clergy who were marching at Selma. They love it if the clergy will only boycott lettuce, if they will urge people to write letters about capital punishment. The ACLU appears before subcommittees that I serve on, urging that we strike out capital punishment, and cite as authority the collective views of many religious in this country. I said to the gentleman in charge of that project, should we read that stuff? He said, absolutely. I said, should we be influenced by it? Absolutely. I said, why is it relevant and permissable and desirable when it's capital punishment you are talking about, but breaching separation of church and state when it is abortion? I said, take all the time you want, I'll be interested in your logic. And I never did get an answer, because of course, there is no answer.

The religious antecedents of this country are tremendous, and to try and strip moral values out of our history and our traditions is just an incredible denial of everything that has ever happened in this country. The Mayflower Compact opens up with "In the name of God, Amen." Washington's Farewell Address, Lincoln's Inaugural Address, the Northwest Passage, The Declaration of Independence: "We hold these truths to be self evident, that all men are created equal and are endowed by their Creator. . . ." Now, the ACLU would like to erase that, get into the archives and rip it out of our documents. Who are they to deny us access to the political process? Are we to back off because they don't like the particular moral values that many of us believe in? Our consciences are not to be stowed in the locker room somewhere. I'm not trying to impose anything on anybody, but I am going to use the political process. I am going to use logic and science and persuasion to let people know that it is the business of law to protect the weak from the strong. When a mother, who should be that natural protector of her unborn child, becomes its adversary, then it seems to me it's the business of law to step in and say, just a minute, there is a victim there who is entitled to due process before he or she gets executed.

My own view, after dealing with this issue since 1967, is that pro-abortionists are guilty of a three-count indictment. The first is oversimplification. They take the complicated problems of the unwanted pregnancy—the human tragedies of handicapped children, and poverty, living in a ghetto, and all of those terrible, heart-rending problems—and their answer is to get rid of people. Don't worry, if you are going to be brought into the world handicapped, if you can't pass a physical exam with perfect marks, we'll get rid of you somehow, and we'll try for a healthy child next time. Their answer is to get rid of people. They are anti-people. To me, recognizing the human problems of unwanted pregnancies, poverty, disease, and deformities ought to lead to human solutions, not the inhuman solution, which is abortion.

The second count of my indictment against these people is that they are guilty of pessimism. They surrender so easily to pessimism, as if every ghetto kid, every handicapped child, is going to be a loser. Going to be unhappy. They don't even understand that most handicapped people are a hell of a lot happier than most people who have all the world's goods, services, and pleasures. The most unhappy people are those who are sated and jaded and live empty, pointless lives. The suicide rate, my friends, among handicapped people, is next to zero. Give them a chance to vote on the issue of whether they should be destroyed or not.

I always remember Greg Wittine, twenty-three years old, becoming an Eagle Scout a year ago in June up in New York State. Well, you are not supposed to become an Eagle Scout after age eighteen, but they bent the law for Greg. Greg Wittine is profoundly handicapped: a cerebral paralytic who cannot talk, who is confined to a wheelchair. If you looked at him, you would think he is profoundly retarded. He sat in his wheelchair and his mother pinned an Eagle Scout badge on his breast, adding to his chest-full of merit badges. On the best day I ever lived, I couldn't aspire to getting ten percent of those merit badges. I just ask you, do we need people like Greg Wittine? Those of us who have our faculties, health, jobs, and careers, and who get depressed, morbid, discouraged, and frustrated, need to see people like that who have virtually nothing and who achieve. If you deny the existence of a soul, I would love to have you tell me what it is inside that kid. That fire, that celestial something, that made him achieve, made him do something instead of sitting in a wheelchair surrendering to his justified depression. No, he's an achiever, he's somebody, and he makes me proud just to breathe the air. People like that make God, I think, less bored with the rest of us.

The last of my three-count indictment is that those who are in favor of abortion suffer from a failure of imagination. I wonder if any of them ever wake up at three in the morning and think about what they are doing, think about what they have done, think about the ineffable waste of human life and its enormous potential. Do they ever think of the secrets that are undiscovered, the diseases that are uncured, the frontiers that are uncrossed, the music and the poetry that are unwritten? Do they ever think that maybe they have destroyed somebody who might have solved some of the great problems—space, time, disease? It never occurs to them, because otherwise they might lose their minds.

But you don't compromise on this issue of abortion. How do you compromise when the issue is a human life—not your life, somebody else's life. I think the question you have to ask yourself is, what does a caring, humane society do for people living at the edge; its terminally ill, its incorrigibly poor, its profoundly handicapped; the senile, the catatonic, the hydrocephalic, the mongoloid—the people who are just a crushing burden. Do we put them out and let them die, let them freeze to death, or must society use its resources and its compassion to help those people and to recognize that they are God's creatures, accountable to God and the objects of God's redemptive love? It seems to me that the measure of a society is what it does for people, and what it does about people. That has to be the question we ask when people are positing the solution of abortion.

Henry Adams, when he went to France and he saw the cathedral of Chartres said, "This building embodies the noblest aspirations of mankind in reaching up into infinity." And that, in my judgment, is what every society ought to do, to reach out and beyond itself up to infinity. The beautiful words of Fr. Anthony Padivano always impress me, when he talks about life. He said that those tragedies that break our hearts again and again are not more numerous than the healing influences that mend them. More impressive than the brokenness of our heart is the fact that we have a heart, and it is tender enough to suffer. Even the scar tells us of more than the wound we have sustained. It tells us that we have prevailed. And all the agony in the world cannot erase the fact that a man is born; and life and thought, emotion and choice, love and reason, go on inside him.

So I have, through fate or circumstance, found myself in the middle of this issue. It hasn't been pleasant in many, many instances, but it has made me feel that whatever else happens to me in Washington or anywhere else, maybe somewhere, a few lives—one life—has been saved and spared. I haven't been to Calcutta with Mother Teresa, but I've had the pleasure of talking to her. What a woman. Every Sunday she cleans the toilets in the House of the Dying in Calcutta herself. She is so humble. She says it is a special kind of poverty that says there isn't room for one more baby. Does she know about poverty, does she know about sickness and disease and death and dying in Calcutta? She does indeed.

I myself have been in the refugee camps in Thailand and Malaysia, and I have seen. I curse the doctors that are in this abortion movement. They don't have the excuse that the villagers at Dachau and Buchenwald did—of saying they didn't know about the mass graves of the Nazis. The doctors know. At the same time I praise to heaven the doctors working over in those refugee camps with nothing and getting nothing for it, but helping Cambodians and Vietnamese and Laotians, who have every imaginable condition and disease. They are really saints. But when you look at the refugees and you wonder if they are the least of God's creatures, you see that at least they have eyes to weep with and legs to run with. The unborn child doesn't have that. And I recall vividly that the Lord has said to us, whatsoever you do for the least of my brethren, you do unto me.

☐ 1210

WASHINGTON POST DEFENDS EFFECTIVE LOCAL BILINGUAL EDUCATION PROGRAM UNDER ATTACK BY FEDERAL EDUCATION BUREAUCRATS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, in its excellent lead editorial for May 27, the Washington Post attacked the ongoing harassment of successful local bilingual education programs by a Federal bureaucracy whose own program, by its own evaluation, is a miserable failure. In the specific case of the Fairfax County "English as a Second Language" (ESL) program, the Post exposes the destructive attitude of the Office of Civil Rights:

> The Fairfax County Schools include at least 2,700 students of limited English abilities, speaking 50 different original languages. The county has mounted an intensive program to immerse the students in English, and reports excellent success: the children come up very quickly to the national average in achievement tests. Wonderful right? Wrong, according to officials of the Office of Civil Rights, recently of HEW, now of the Department of Education. This office has been carrying on a running tiff with the Fairfax County schools—and more than 300 other school districts around the country—over whether such programs comply with Title VI of the Civil Rights Act of 1964.
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> This situation is patently absurd. It is the product of the creeping politicization over the last decade of federal efforts to ensure equal educational opportunity to children with limited English.

I have been studying the Fairfax County ESL program, because this problem of harrassment is by no means unique, either to Fairfax County or to bilingual education. In this case, however, the pure power hunger of the Washington bureaucracy, and its total lack of concern for quality education, is starkly revealed.

A recent full-scale evaluation of the Federal bilingual education program, financed by the Office of Education itself, reveals the complete failure of the Federal program. By contrast, the Fairfax ESL program, which is 100 percent locally funded, is a great success. If the education bureaucracy were interested in benefits to students, they would be studying the Fairfax success story. Instead, they are trying to cripple it, and to absorb it into the gargantuan and disastrous Federal bilingual education program.

The basic lesson here is simple. Local educators must produce results for the money they spend, or taxpayers will refuse bond and tax levies necessary for schools or, in the extreme, turn them out of office or position. The Federal education bureaucracy, with its funds carefully hidden in the total Federal budget and protected by huge lobbies like the NEA, have to produce nothing in order to get their usual increase in funds from year to year. As a result, the Washington education establishment is interested, not in improving its results, but in expanding its power.

There is strong tendency, nurtured by the Washington education lobbies, to identify bilingual education with the Federal bilingual education program. The fact is that bilingual education itself is required in public school systems under the Lau decision, and local educational systems must and will provide this service without a Federal program. Our obligation is to provide funds to aid in this program, not to drag it under direct Federal bureaucratic supervision. The States need Federal money, not Federal control.

In 1978, I introduced a substitute for H.R. 15, the omnibus 5-year authorization for Federal aid to education programs. This substitute would have taken the entire aid to education package and divided it among State legislatures, to be distributed to local school districts. This substitute would have eliminated the entire crushing paperwork burden on local schools now imposed by Federal regulations. More important, it would have placed the funds at the disposal of responsible local agencies to finance quality curricula such as the Fairfax County Public Schools' English as a second language (ESL) program. This is the only approach which will make our aid to education programs sponsor competence, rather than bureaucratic imperialism.

The complete text of the lead editorial in the Washington Post for May 27, 1980, follows below:

ENGLISH SPOKEN HERE

The Fairfax County schools include at least 2,700 students of limited English abilities, speaking 50 different original languages. The county has mounted an intensive program to immerse the students in English, and reports excellent success: the children come up very quickly to the national average in achievement tests. Wonderful, right? Wrong, according to officials of the Office of Civil Rights, recently of HEW, now of the Department of Education. This office has been carrying on a running tiff with the Fairfax County schools—and more than 300 other school districts around the country—over whether such programs comply with Title VI of the Civil Rights Act of 1964.

This situation is patently absurd. It is the product of the creeping politicization over the last decade of federal efforts to ensure equal educational opportunity to children with limited English. More than 70 percent of the estimated 3.6 million schoolchildren whose first language is other than English come from Hispanic homes, and the issue of bilingual education has become a potent political focal point for Hispanic leaders.

In 1974, the Supreme Court, in the landmark *Lau v. Nichols* decision, found San Francisco in violation of the Civil Rights Act: the city had not made special efforts to ensure that some 1,800 Chinese-speaking students understood what they were being taught. The court insisted that something must be done, even while it clearly stated that no single remedy was prescribed.

This is where things got off the track. The Office of Civil Rights set up a task force to design guidelines for the "something." The guidelines, known as the "Lau remedies," have never been published as regulations or enacted as statute. They have been in use since 1975, however, and they are the reason for the trouble experienced by Fairfax County and its 300 fellow school districts. The guidelines, contrary to the Supreme Court decision, do prescribe a single method of teaching: a school district with 20 or more students from any non-English speaking group must provide transitional bilingual-bicultural education to all elementary school children who speak primarily the native tongue, and to all intermediate level students who do not speak English. Intensive English as a Second Language (ESL) programs, as in Fairfax, will not suffice.

One might expect such categorical certainty would be based on strong evidence of what helps students. Not true. As Noel Epstein has observed in his monograph on the subject, the "Lau remedies" not only do not follow the court decision, but they also have not solid educational basis. In 1968, a Bilingual Education Act was established to fund projects that would demonstrate successful methods of teaching children whose first language is not English. After 12 years, the evidence is still muddled.

The fact is that there still has been no effort to assess the relative merits of different approaches for different types of children. This is lamentable, if only because the number of such children has grown significantly in the interim. The funds went, insteal, to a range of service programs; some of these put more emphasis on maintaining a student's proficiency in his native language and teaching him about his ethnic heritage than on getting him through a transition to working in English at school.

One reason lies in the difficulty of finding enough genuinely bilingual teachers to staff transitional programs. Another is that some Hispanic leaders show a political commitment to forcing the use of Spanish in the school system. It is claimed that such programs have value as teaching devices in some situations, but no evidence of this now exists.

The Department of Education has announced it will issue formal regulations to remedy the "remedies." This promises to be an interesting exercise since Secretary Shirley Hufstedler herself, during her former career as a federal judge, established the principles for the Lau decision. We believe that the new regulations should go back precisely to that decision. Also, some portion of the $192 million slated for bilingual education projects in 1981 should go into careful studies of the effectiveness of various teaching methods for students in varying circumstances.

The federal government should not impose curricula on local school districts. It should limit its regulation of bilingual education to making certain, as the Supreme Court has ruled, that something is done. The single criterion for that "something" should be success for the children involved. By that criterion, by the way, Fairfax County looks pretty good.

PEOPLE ARE PRECIOUS

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, I am sure we would all agree that "people are precious," but I would like to take this opportunity to explain why I am involved in a special cause, and am joined by a very special lady.

Mrs. Harry F. "Judy" Boone, is the national and international president of the Shut-In's Day Association. I am proud to have her as a constituent.

When she was a very small child, Mrs. Boone began a life of love and dedication to those who were shut-in's. Each day she would deliver cakes and pies made by her mother, to those shut-in's in her community. She has continued this work all through her childhood and married life.

In 1962, beginning with the shut-in members of her church, Mrs. Boone organized a Shut-In's Association chapter in her hometown of Logan, W. Va., and later on spearheaded chapters all over the State of West Virginia.

In 1971, Mrs. Boone was installed as national president of the Shut-In's Day Association by former president, Mr. Donald Jones of Greenwich, N.J.

Dedicated is too little a word to describe Mrs. Boone. She lets nothing deter her in her efforts for others wherever and whenever she can. Regardless of age, race, or creed, this wonderful lady does her best to make the shut-in's day brighter and a little less lonely, for her actions certainly reflect what she feels in her heart.

After a life of accomplishment, at 74 years of age, Mrs. Boone still maintains the desire to achieve her ultimate goal. To have the first Sunday in June, of each year, proclaimed, "National Shut-In's Day."

Mr. Speaker, early in this session, I introduced House Joint Resolution 145, which would honor our Nation's shut-in's. At the present time, 59 of my colleagues have joined me in this effort, but many, many more are needed to sign on.

Passage of this measure would recognize and call public attention to a great number of Americans who constitute an often neglected segment of our society.

These are persons who have contributed to others their entire lives, and have brought happiness to their children and to their friends.

Although, in most cases they are older or physically impaired, they are still valuable for the qualities they possess as individuals with a rich past, which can be shared with others, if someone will only listen.

The National Shut-In's Day Association has a poem they often quote when talking about the association's work. I would like to read it now:

> Nothing makes a friendship blossom—
> Grow into a joy so rare,
> than to breathe a silent prayer
> for a loved one with care.
> From this friendship grows a flower
> that make living so worthwhile—
> and the days are like happy hours
> when we see the loved ones smile.

Mr. Speaker, that is what we are trying to do with House Joint Resolution 145. I urge my colleagues to support this effort, because as a nation we will gain from such an observance.

☐ 1730

CUBAN REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. McCLORY) is recognized for 60 minutes.

Mr. McCLORY. Mr. Speaker, I hope as many Members as possible will stay on the floor and participate in this discussion which relates to the subject of Cuban refugees. This is something of national concern, it is something which we hear a great deal about in our offices. It is something that it seems to me the Congress of the United States must respond to in some kind of a forthright way and I think we should get a message to the people and to the executive branch of this Government as to what we feel a sound and a sensible and a logical and a rational imigration and refugee policy must be.

Mr. Speaker, the arrival in the United States of more than 100,000 Cuban nationals during the first 7 or 8 weeks has produced a nationwide protest which requires prompt and decisive action by the Congress.

By his actions—in disregard of the immigration and refugee laws which have been enacted by the Congress of the United States—the President has created the massive social, economic and political problems for our Nation which could and should have been avoided.

The President knows—at least he knew in April—when I received a telephone call from the White House while attending a meeting of the Interparliamentary Union in Olso, Norway, that for him to increase the number of refugees to be admitted to this country, the law requires consultation with the chairmen and ranking minority members of the House and Senate Judiciary Committees, and ultimately with the full membership of these two committees.

The President did consult regarding his decision to admit 3,500 of the 10,000 Cuban nationals who had taken refuge or who has sought asylum in the Peruvian Embassy in Havana. When I spoke on the phone with Ambassador Frank E. Loy, the Deputy Coordinator for Refugee Affairs serving in the White House, I told him that, on the basis of humane and traditional compassionate considerations which typified our country, that I would acquiesce in the President's decision to admit these 3,500 Cubans, but I added "no more." I reported to Ambassador Loy that the attitude of my congressional colleagues who were in attendance at the IPU meeting in Oslo was in opposition to increase the numbers beyond the 3,500 over and above the 50,000 refugees established by the Immigration and Refugee Act of 1980.

This warning on my part may help explain why President Carter decided against any further consultation. He knew, or should have known, that those with whom the statute required him to consult would have opposed any large scale acceptance of Cuban nationals. However, his decision, made without such consultation, I regard as being in violation of the letter and the spirit of the 1980 Immigration and Refugee Act Amendments.

Let me add further that I reject the authority of the President to make unilateral decision regarding the admission of refugees or asylees into this country independent of the consultation process specified in the law. Some of you will recall that I offered an amendment to the recently enacted refugee and immigration law which would have required approval by the House and Senate Judiciary Committees before the President would be permitted to increase the number of refugees to be admitted about the 50,000 figure set forth specifically in the new law.

Let me point out further that more than 100,000 additional refugees—not counting the 3,500 Cubans in the Peruvain Embassy in Havana—have come to our shores with the blessing, if not at the express invitation of President Carter—without any semblance of consultation as required by the immigration and refugee law amendments.

One excuse which was given for this mass immigration of Cuban nationals to our shores is that the President's decision was necessary in order to prevent violent disorders in Miami in the Cuban American community.

This disruption came a few days later—not because of the Cuban American section of Miami—but, instead, in a part of Miami where there is a predominantly black population and where at least some blacks were attributing their lack of jobs and economic opportunity to the virtual uncontrolled arrival of Cubans into the Miami area.

The President has sought to excuse or justify this mass immigration of Cuban nationals on the grounds that life is so unbearable under Premier Fidel Castro that his people are fleeing from communism and presecution to the freedom and opportunity of our shores. He seeks to explain the Cuban refugee crisis as a great propaganda victory for the United States. He cites the many setbacks which Castro has experienced and regards the exodus of tens of thousands of Cubans from their homeland as a further propaganda defeat for Premier Castro.

Americans and many Members of this body have a totally different view. It is my personal feeling that Premier Castro has been enjoying these recent weeks as he has shipped tens of thousands of Cuban undesirables to our shores—for us to look after.

Let me call attention to the fact that at our recent Judiciary Subcommittee hearing a former inmate of a large Cuban jail testified that of the approximate 5,000 inmates with whom he was serving, all were given the opportunity for release from jail provided they would emigrate to the United States. He estimated that 4,000 agreed to this offer, were loaded on buses, herded to Mariel Harbor, forced at gunpoint onto waiting boats, and transported to Key West.

While the Immigration and Naturalization Service has identified only about 700 criminals, this convict's testimony indicates that the figure should be more like 4,000—or more.

Let me add that there are other estimated thousands of retarded, prostitutes, diseased and dependent Cubans who need urgent and long-term care.

The disorders that have occurred already on the part of the so-called refugees indicates that their demands will be for welfare, food stamps, and all kinds of benefits which are in short supply even for our own citizens—but which they will now demand as a reward for arriving here and remaining with us.

This does not even take into consideration the effect which such able-bodied Cuban nationals may have on the job market—where literally millions of Americans are seeking work only to find that they now have new competition for the limited number of jobs from these recent arrivals from Cuba who are here because of President Carter's policy of "open arms and open hearts."

A poll taken just a few days ago shows the American reaction to President Carter's policy of allowing this huge entry of Cuban nationals into the United States.

Mr. Speaker, the thoughtless and confusing actions of the President as evidenced in the Cuban refugee fiasco reveal a basic deficiency in the exercise of his Executive authority. By his lack of qualities of Executive leadership, the President creates problems for himself, his staff, and the entry country. This is brought out convincingly in a recent article by Joseph C. Harsch in the Christian Science Monitor, May 20 edition, which follows:

MR. CARTER AND THE CUBANS

(By Joseph C. Harsch)

On May 5 when President Carter stood up to address the earnest and generous-minded people of the League of Women Voters it seemed right and proper and perfectly natural for him to speak of the flow of Cuban refugees into the United States in generous terms. He said:

"Ours is a country of refugees. We'll continue to provide an open heart and open arms to refugees seeking freedom from Communist domination and from the economic deprivation brought about by Fidel Castro and his government."

The sentiments were impeccable then and continue to be so today.

But because they were uttered by the President of the United States they increased an already serious problem for his country and today stand in the way of an orderly management of an extremely difficult and even dangerous problem.

The presidential promise of an "open heart and open arms" encouraged people with friends and relatives in Cuba to use or hire any boat they could lay hands on to go to Cuba. It encouraged persons owning boats to charter those boats, at sometimes very high fees, to bring refugees from Cuba to the United States. And now that the flood of refugees has become unmanageable, it makes it more difficult for the government to turn around and begin to shut off the flow which the President so recently was encouraging.

The plain fact is that the offer of "open heart and open arms," no matter how generous, humane, and noble in sentiment, was also a mistake. Had the President's staff been functioning as a presidential staff ought to function—and had the President listened to his staff—he would never have committed or appeared to commit himself and his country to a course of action which could not be carried out without enormous dislocation, cost, pain, and frustration to more people than it could help.

You or I could have uttered those words with no effect. Neither you nor I can make government policy. But the President inevitably does make, or influence, government policy every time he utters an opinion in public. Sometimes his words make policy even when uttered in private and not intended for action.

The essential core of the matter is that there are about ten million people in Cuba. No one knows what portion of them would come to the United States if all were free to do so. Perhaps half of them would come. The proportion might be higher. But already the mere 50,000 or so who have come to southern Florida during the past month have swamped the facilities of the community and forced Washington to reverse the President's apparent promise of free entry for one and all.

One side effect has been to raise a cry of discrimination among blacks who claim, with reason, that Washington has been more ready to welcome Cubans, many of whom are white, than Haitians, all of whom are black.

There is almost no limit to the number of persons from Latin America who would come to the United States if its immigration barriers were let down and free entry opened to all. But sudden mass migration is impossible in modern urban society. America's Northern cities are still having trouble digesting the vast migration of people from the corn, cotton, and tobacco plantations of the South who were put out of accustomed work by new technology and invited northwards by wartime wages.

The Northern cities did not have sufficient housing, schools, fire and police systems to manage such migration. The total number was about ten million. That greatest single migration of peoples in modern times took about 15 years. It was at its peak during and after World War II. It peaked long ago. There is even a reverse flow now. Yet Northern cities are still struggling with the consequences of such a drastic shift in population.

But, to come back to Mr. Carter, he has a problem. This is a case where he made, or appeared to make, a promise which he could not possibly fulfill. He made it in all decency and high-mindedness. Yet it fed what for many must be false hopes. And he made it all the more difficult for the Immigration and Naturalization Service to do its duty. His well-intentioned words actually encouraged violation of the law.

A White House aide remarked the other day that Mr. Carter is still having trouble grasping and understanding the powers and also the limitation of the powers of the presidency. Here was a case of not appreciating the influence of his generous impulse. The moral, if there is one, is that Mr. Carter ought to have a staff able to see ahead the possible consequences of generous presidential words—and listen to staff wisdom when it reaches him. As of today he either is not getting the right advice, or isn't listening to it.

Mr. Speaker, the Congress, particularly the Judiciary Committee, has been considering refugee legislation for several years. On December 20, 1979, this House passed our version of the Refugee Act and after conference with the Senate, on March 4 of this year, a conference report was adopted by a vote of 207 to 192.

Included in that act are several provisions which relate directly to the situation we find ourselves now with respect to the Cubans which I wish to bring to the attention of this House. First, the definition of refugee was greatly expanded from the law existing prior to this act to include persons either outside or inside of their own country who fear persecution because of race, religion, nationality, membership in a particular social group, or political opinion.

The provision to include persons within their own country as possible refugees, goes beyond the United Nations Protocol on Refugees to which we are a signatory. It was inserted in the bill specifically to cover situations, such as the one that faced us in 1975 in Vietnam, where persons were escaping from their own country and were coming directly to the United States. As you recall, people came at that time directly from Saigon to Guam and would not have fit the traditional definition of refugee—that is a person outside his own country. Therefore, part B of the definition was included to cover persons within their own country who are nevertheless in fear of persecution if they remain.

As I have pointed out, the law also requires consultation with the Congress for admissions of refugees above 50,000 per fiscal year, and in the case of all unforseen emergency refugee situations—a category which describes the one with which we are faced today. Because the Refugee Act went into effect in the middle of a fiscal year, a consultation was held with respect to the foreseeable refugee admissions for the balance of fiscal year 1980. On April 30 of this year, representatives of the administration came before the House Judiciary Committee and discussed the plans for the admissions of approximately 230,000 refugees during fiscal year 1980, including 158,000 Indochinese, 33,000 Soviet Jews, and 19,000 Cubans. This was the total number of Cuban refugees proposed to be admitted by the administration during fiscal year 1980, as of April 30. That number included 3,500 Cubans of the 10,000 or so Cubans who were on the grounds of the Peruvian Embassy when Castro announced that Cubans could leave their country.

Other than the consultation with me by phone in Norway, and with other members of the Judiciary regarding the admission of 3,500 Cubans who sought asylum in the Peruvian Embassy in Havana, and later at the April 30 hearing, no consultation has been held or proposed by the administration to deal with the huge influx of Cuban refugees. The administration is considering these Cuban nationals to be applicants for asylum. I notice that interim regulations for asylum were just published in the Federal Register on Monday, June 2.

During our April 30 consultation, Ambassador Palmieri indicated the difficulties involved in dealing—for the first time—with the consultation procedure under a new statute. But he stated, and I quote:

> [W]e regard this massive human phenomenon that we have in the Cuban situation as an appropriate subject of consultation within the spirit of the Act. We don't intend to do anything without consulting with this Committee and the Senate committee. It's squarely within the spirit of the Act.

I submit that the administration is doing anything but complying with the spirit of the Refugee Act. It seems clear to me that Cubans should be considered as refugees under the statute, and thus subject to the consultation procedure as were the first 3,500 refugees who found their way to the Peruvian Embassy. However, all of a sudden the over 100,000 who have followed the 3,500 are not refugees subject to consultation, but are considered to be applicants for asylum.

Let me point out that the asylum procedure requires a determination on a case by case basis as to whether an individual is in fact eligible for asylum because of the well founded fear of persecution. The procedures that must be established to determine, for the nearly 100,000 Cubans whether each has a well founded fear of persecution have an unknown but, I submit astronomical cost in time and funds. The Immigration Service certainly has many other responsibilities and duties.

In 1975, Indochinese refugees totaled upwards of 150,000 at the fall of Saigon. At that time we stressed the internationalization of the refugee problem and urged our allies to accept their fair share of refugees. Several other countries, such as Australia, France, and Canada have participated since 1975 in resettling refugees from Indochina. During the present refugee crisis, our attempts at internationalization have been total failures. We participated in the conference in San Jose, Costa Rica, whereby a delegation was sent to ask Premier Castro to allow for regularization of the flow of refugees out of his country. That request met total rejection by Castro. It is not apparent what, if any efforts, are being made to bring diplomatic pressure by other members of the world community, particularly by other nations who have relations with Cuba, to accomplish this end. It appears that all refugees are headed toward the United States and we are aware of no plans which are in place for further resettlement of refugees in other third countries.

We have become a country of first asylum just as Malaysia and Thailand are countries of first asylum for the boat people of Vietnam. However, those countries have succeeded to bring to the attention of the world the problems they face and in obtaining pledges from the world community to resettle many of those refugees elsewhere. This country has been unable to secure pledges from other friendly nations to do likewise.

Another matter that I think should be brought to the attention of the House which is the backlog of persons who are waiting for a visa throughout the world. As of January 1980, there were 1,088,063 persons who have applied for visas throughout the world. For most of them visas are unavailable. If you are a brother of a U.S. citizen and you happen to come from Hong Kong, at present the wait is over 12 years before an immigrant visa becomes available. If you are the married son or daughter—a fourth preference—from the Philippines, visas are unavailable in that category for the month of June 1980, with no date certain of availability. Yet one who is lucky enough to board a ship in Mariel Harbor, comes to the United States, and claims asylum, is allowed to remain. How can we explain to our citizens that their relatives who are not from Cuba must wait often for years to come legally to this country, while at the same time, any Cuban that appears at the dock at Key West is allowed to come into the United States.

An article appeared in the Washington Post, dated Sunday, May 25, 1980, entitled "Mexican Migrant Influx Seen As Border Patrol Is Cut Back." The article discusses the fact that the temporary transfer of more than 100 border patrol agents from the Southwest to Florida to assist with the registration and processing of Cubans has reduced the presence of the border patrol along the Southwest border resulting in estimates of a greatly increased flow of illegal aliens across that border and into the United States.

Therefore, we are paying another high, undetermined cost by increasing the number of aliens illegally in this country—a most serious and ongoing problem for which a solution must be found. The admission of Cuban refugees is exacerbating that problem as well.

I feel this administration must get its act together and deal with the complex issues created by the influx of Cuban nationals into our country. They must make every effort to internationalize this problem including, if necessary, inviting the United Nations High Commissioner of Refugees to send his staff to assist. We must make it clear to other nations in the world, particularly the nations of Central and South America, that we are a country of first asylum, and not, as in this case, a country of final asylum. We should bring pressure on our allies and friends throughout the world to accept a share of these Cuban refugees, particularly those who have no relatives in this country. We should also bring international pressure on Premier Castro to regularize this flow of refugees. We must also deal with persons who are otherwise excludable from the United States pursuant to the various categories of our Immigration and Nationality Act.

Mr. Speaker, the majority leader of the House, Congressman Jim Wright, of Texas, recently commented on some of the lawless action taken by the Cuban refugees at Fort Chaffee, Ark. In his letter of protest to the Director of the President's National Security Council, Congressman Wright wrote as follows, and I am attaching hereto a copy of his letter:

Washington, D.C., *June 2, 1980.*

Hon. Zbigniew Brezinski,
The White House,
Washington, D.C.

Dear Zbig: The lawless rioting, assaults on federal officers and destruction of federal property committed yesterday by some of the Cuban refugees at Fort Chaffee, Arkansas, are outrageous and unconscionable.

While I understand that only a very small percentage of the 18,000 refugees at that encampment were involved in the lawless and violent behavior, it is utterly intolerable that any should be permitted to commit such abuses against the country which offered to take them in. We have no responsibility whatever to provide sanctuary to those who are unwilling to abide by the laws of the United States.

In simple justice, and as a clear example of what must be expected of any person seeking sanctuary, citizenship, or permanent residence in this country, I recommend that every such person who is clearly known to have participated in the unlawful and destructive behavior should be given a one-way ticket forthwith and placed upon the very first aircraft or boat back to Cuba.

While we have a long tradition and humane responsibility of offering a safe harbor for refugees who flee tyranny and oppression in other countries, we certainly have no responsibility whatever to provide a haven for those who do not appreciate the United States and are unwilling to abide by our laws.

To send the guilty ones back immediately should make a lasting impression upon the others as to what is expected of them and everyone else in the United States. They need to learn that there is a distinct difference between rights and riots, that the right of dissent is not a right to destroy, and that the right of free expression does not include any right to act in a violent way or to disobey the lawful authority of the United States. The sooner they are made to understand this, the better.

I am told that many of the Cubans at Fort Chaffee, wishing to disassociate themselves clearly from the rioters, have taken to wearing white armbands to signify their cooperation with the United States and their willingness to comply with our laws and institutions. Very good! It probably would serve as a welcome reassurance to these if the others were immediately removed from their midst.

According to my information, some sources in our State Department suspect that Castro has deliberately encouraged some professional agitators to infiltrate the refugees with the explicit purpose of embarrassing the United States by making us appear cruel and heartless so as to deny our country the world-wide credit it has received for welcoming these victims and refugees from Cuban oppression.

Those people should be removed from our society, and the sooner, the better. It is utterly unthinkable that anyone, having lived under Castro's repressive yoke for two decades, now would become impatient at not being assimilated into the American mainstream in less than two weeks! I am told that the ostensible reason for the violent protest is the time required to process these people.

Ordinarily, of course, the United States processes immigrant applications in the country of origin, and this process can take six months or longer. For humanitarian reasons, as you so well know, we allowed these refugees to leave Cuba immediately and come directly to our country. To be thanked for this hospitality by committing and inciting riot, assaults on our Federal officers and destruction of U.S. property is absolutely unthinkable.

One of the requirements for admission to this country as an immigrant is that a person be of good moral character. Those who led these riots and participated in violence and lawlessness have demonstrated traits of character incompatible with that requirement, and I think they should be deported immediately.

Very best wishes.

Sincerely,

Jim Wright.

Likewise, Mr. Speaker, I am attaching copies of letters from several of my constituents which are typical of the communications that have been reaching my office recently. In my view, Mr. Speaker, these communications are not unlike those that other Members are receiving in their offices, evidencing a nationwide protest against the actions and absence of actions on the part of the President and the present administration regarding our so-called Cuban refugee crisis.

In addition, let me point out that I have received petitions containing the names of 86 residents of my district, all of which protest the disorganized and uncontrolled flow of Cuban refugees. The petition is in no way directed at Cubans as citizens or in many cases as respected relatives of beloved families who are already in this country. On the other hand, the protest refers specifically to the "policy of allowing tens of thousands of immigrants into this country" in "flagrant violation" of the trust reposed in our Government. Many other telephone communications to my district offices reiterate the views expressed in the petitions and letters to which I have made reference. Copies of several of these letters follow:

SOUTH ELGIN, ILL., *April 15, 1980*.

DEAR CONGRESSMAN MCCLORY: As a U.S. citizen and taxpayer I vigorously object to the continued, indiscriminate acceptance of foreign immigrants to the U.S.

Many overburdened taxpayers have already been forced into bankruptcy and even suicide. Three occurrences of the latter in our immediate community in the past two weeks.

It is past time that people born in this country are shown some of the compassion and humanitarianism so benevolently bestowed on citizens of other countries. Please consider the critical humanitarian crisis of the U.S. citizens and taxpayers. May I suggest a moratorium on all immigration until our own domestic difficulties have been resolved?

Respectfully yours,

MRS. EDNA HULSBERG.

CRYSTAL LAKE, ILL., *May 20, 1980*.

Congressman ROBERT MCCLORY,
Crystal Lake, Ill.

DEAR CONGRESSMAN MCCLORY: I am writing this letter on behalf of The American Legion Auxiliary, Wm. Chandler Peterson, Unit #171, of Crystal Lake, Illinois, to ask you to use your influence in stopping the influx of Cubans into this country.

We believe this is detrimental to our National Security, to take in Castro's undesirables.

As you know Crystal Lake has opened their hearts and homes to many Laotian refugees. We have housed them, and found jobs for them, so you see we are sympathetic to the cause of the refugees, it is the method we are against.

Thank you for anything you can do.

Sincerely,

RUTH REPP,
Secretary.

LAKE FOREST, ILL., *May 11, 1980*.

Hon. ROBERT MCCLORY,
House of Representatives,
Washington, D.C.

SIR: This letter concerns President Carter's open-door policy to the refugees of the world.

It would appear that our misguided President is allowing everyone and anyone from the four corners of the world to come to the United States. I am well aware of the fact that as a kind and compassionate nation we have always assisted a certain amount of refugees and people in dire need of help, but how can we support the thousands of Cuban refugees pouring into the United States every day?

With the economy of our country operating in low gear, millions of people being layed-off and going on unemployment, aid, etc., how can we afford the additional burden brought about by the thousands of people pouring in from Cuba? What happened to the immigration quota system?

I for one resent the President's overly generous attitude of having to open our doors and support the refugees of the world. If he wants to be so overly generous, OK, let him do it with his own money and not the tax payers! It appears that he is overly obsessed with his human rights philosophy. Admittedly we should do our part, but let's not try to go it alone when we have millions of needy here at home.

I would suggest that Congress curb the President's authority to admit foreigners on an unlimited basis. With the economy constantly going from bad to worse and our military in shambles, we cannot afford the President's extreme generosity.

Sincerely,

JOHN R. WASS.

ELGIN, ILL.

Congressman MCCLORY,
Washington, D.C.

DEAR SIR: In all due respect for our government I feel I have to write this letter. What are we becoming? A dumping ground for every countrie's problems!

At a time like this when we are in a recession, unemployment and inflation rising every day, how are we going to take care of all these thousands of Cuban's that are coming in the country? Where does President Carter think we are going to put these people? How are we going to feed them all and also take care of ourselves! It is one thing to help out those in need but at the expense of our own people hardly seems fair. Aren't we going to put a lot of our own people out of work giving these people jobs? How are we going to feed them all? With whose money?

Why aren't the Cubans being sent to any other country? Are we so ignorant as to not see this is exactly what Castro wants? Let us feed and take care of half of Cuba and relieve him of the burden. Let our country sink into a deep recession because we are taking on everybody elses troubles sure doesn't make sense. What is our government thinking of?

I think our country and our people come first! To help some of the people from Cuba is fine but others should help also. What about the other Latin America countries!

I really must protest this action. I think we better start thinking of our own country and its welfare instead of being taken advantage of, or there will be no more United States.

Sincerely,

MRS. JUNE MICHEL.

ELGIN, ILL.

Hon. ROBERT MCCLORY,
Rayburn House Office Building,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MCCLORY: What is happening to our president? Myself, and everyone I talk to feel that he is SICK.

I feel it is time for members of the Congress to step up and take a strict hand.

How many more undesirables is he going to bring in to our Country? I am sure most of our foreign allies are laughing at us. It is a disgrace to let every other country send us all of their trash.

We have more people on public aid and medicare and welfare now than we have working people to support them. What is going to become of our so called land of the free country?

It seems to me that the President hides from most of his duties. Many things he has done have been good, however, lately, I don't know. I think he flipped. Sorry about that.

Sincerely yours,

MS. WILNA E. LIMA.

P.S. Don't the senators and representatives have the right to vote on what money is spent or appropriated or what for?

ELGIN, ILL., *May 9, 1980*.

Hon. ROBERT MCCLORY,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MCCLORY: We are writing this as American citizens questioning the soundness in the judgment of not only allowing, but receiving with open arms, the Cubans and Haitians who are pouring into our country—not to mention the "illegals," "boat-people," etc., etc.

We know we are supposed to have a "big-heart," but it is time we use a little heart for those Americans who also need employment (not to mention housing, food and medical help, etc.) Americans are being laid off and hours cut. If our own people can't find work how is a "big heart" going to make work for everyone?

One could go on and on expanding on how this doesn't help our economy (which needs help in the worst way.) Or we could point to bad feeling growing into hatred and riots possibly.

So we strongly urge that something be done to stem the tide before it is too late (if it isn't already.)

Thank you for doing what you can.

Sincerely,

Mr. and Mrs. ROBERT SILJESTROM.

Mr. Speaker, in order to be more helpful to the Members, I am attaching a summary of the Refugee Act of 1980 which outlines the legal basis for admitting refugees into our country. The memorandum follows:

THE REFUGEE ACT OF 1980

On March 17, 1980, the President signed Public Law 96-212, the Refugee Act of 1980. Following is a brief summary of the major provisions of that law, particularly as it relates to the problem of Cuban refugees.

DEFINITION OF REFUGEE

The law expands the existing definition of refugee to conform with the United Nations Protocol definition of refugee; that is, a person who is outside his own country, unwilling or unable to return because of persecution or a well-founded fear or persecution on account of race, religion, nationality, membership in a particular social group, or political opinion. The law also adds to that definition a part (B) which allows the President, after consultation (see below for definition of consultation), to specify persons *within* their own country who are persecuted or have a well-founded fear of persecution for the aforementioned reasons. It is likely that the President could declare some pre-screened persons within Cuba to be refugees within their own country and then allow them to be admitted into the United States directly from Cuba.

NUMBERS ADMITTED

The law provides that the President can admit 50,000 refugees annually, after which he must consult with Congress as to the numbers of refugees beyond that number which he wishes to admit. Since the law went into effect in the middle of fiscal year 1980, a special consultation was held to establish the numbers for this current fiscal year. On April 30, 1980, representatives of the Administration appeared before the House Judiciary Committee to consult with respect to the total admissions during fiscal year 1980 of 231,700 including 19,500 Cubans. This Cuban total included 3,500 of the approximately 10,000 Cubans who sought asylum in the Peruvian Embassy. It also included 16,000 Cubans who were being admitted to the United States under an ongoing parole program for political prisoners from Cuba, who had been released prior to August 1978.

In addition to the number of refugees admitted under the "normal flow" or anticipated flow procedure, the Act also provides for a mechanism whereby the President can, after appropriate consultation, determine that unforeseen emergency refugee situations exist and admission of those refugees is justified by grave humanitarian concerns. Thereafter, the President, after consultation can fix a number of refugees to be admitted under this proceeding through the balance of the existing fiscal year. It is anticipated that if more refugees from that group would be admitted in the succeeding fiscal year that they would be included in the "normal flow" or foreseeable refugee admissions described herein.

CONSULTATION

The law specifically provides that consultation must be undertaken by the Administration with the Judiciary Committees of the House and Senate once the 50,000 annual admissions are exceeded or when unforeseen emergency refugees are admitted. Consultation requires the Administration provide a description of the refugee situation and a description of the number and allocation of refugees to be admitted, an analysis of the conditions of the country from where they came, a description of proposed plans for their movement and resettlement and estimated cost thereof, an analysis of the anticipated social, economic, and demographic impact of their admission, a description of the extent other countries will admit and assist in the resettlement of refugees, and an analysis of the impact on United States foreign policy interests.

No consultation has been held with the Judiciary Committees with respect to any other Cubans coming to this country other than those just mentioned. The Subcommittee on Immigration has held hearings on Cuban refugee problems on May 13, and will hold one on June 4, at 1:00 p.m.

ASYLUM PROCEDURES

Asylum—in effect granting refugee status to an alien physically present in the United States or at a land border—has never been a statutory procedure but has been carried out pursuant to United States treaty obligations by regulations.

The Refugee Act requires the Attorney General to establish a procedure for asylum. The Act requires the Attorney General to establish that procedure not later than June 1, 1980 (Cuban nationals are being admitted into the United States as applicants for asylum).

UNFORESEEN REFUGEES

In addition to the statutory asylum, the Act provides in Section 243(h) of the Immigration and Nationality Act, again pursuant to treaty obligations, that the Attorney General shall not deport or return an alien to a country, if the Attorney General determines that the alien's life or freedom would be threatened in such country on account of race, religion, nationality, membership in a particular social group or political opinion. This paragraph does not apply to persons (1) determined to have participated in the persecution of others, who have been convicted of a final judgment of a particular serious crime constituting a danger to the community of the United States, (3) if there are serious reasons for considering the alien has committed a serious non-political crime outside the United States, or (4) there are reasonable grounds to determine that the alien could be a danger to the security of the United States. This provision does not forbid the United States from refusing to resettle refugees within the United States, but does require that the refugee not be returned to a particular country where he might suffer persecution. It does permit removal of refugees to another country where such persecution is unlikely to occur.

PAROLE

The Refugee Act bans the use of parole (the mechanism used to admit the Indochinese refugees since 1975) for an alien who is a refugee, unless the Attorney General determines that there is a compelling reason in the public interest with respect to an individual alien that he be paroled into the United States. The purpose of this Section was to ensure that refugees would be admitted to the United States only through the refugee procedures established in this Act.

REFUGEE ASSISTANCE

The Refugee Act establishes a uniform program of federal assistance to refugees during the first three years after they have been admitted into the United States as refugees. Such assistance includes job training, employment services, day care, professional refresher training, English language training, health services, social services and educational and other services.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have some concerns as well, but I must say that my concerns are slightly different than those of the gentleman in the well.

Mr. Speaker, I am aware, of course, of the fact that there are problems that are caused by the fact that the administration does not seem to know what is its policy and does not have a sort of expeditious processing going on. We have, near my own State of Oklahoma at Fort Chaffee, Ark., we have a number of the refugees who are being held there and who are getting very frustrated about the length of time it is taking to get processed.

However, Mr. Speaker, I must say I hope we do not see in this country a surge of inward defensiveness that turns into hostility against an influx of foreigners. I have found some very disturbing signs, not only in my district but elsewhere, as people are saying, "Well, you know, we cannot take in any more people. You know, we have shortages of jobs, we have other problems." All of a sudden I see many people who want to hang a "closed" sign out on the Statue of Liberty and say, "We cannot take any more," and I do not want to see us get to that point. You know, we are still the refuge for the people who have lived under repression.

Mr. McCLORY. Mr. Speaker, I thank the gentleman. I would like to point out to the gentleman from Oklahoma we did have consultation with regard to a total overall world number of refugees that we would accept into this country during this fiscal year and that figure is 234,000, of which 19,500 were to come from Cuba.

Mr. Speaker, I agree with the gentleman we certainly do not want to indicate hostility toward the Cuban nationals as such, the people of Cuba. We certainly want them to feel they are as beloved and we are as anxious to be as friendly with the Cubans as with the people of any other country of the world. I think there is hostility perhaps being generated as a result of this uncontrolled flow. At the same time, we do have a responsibility and the law requires us to set a limit on the number of refugees and then to indicate where these refugees are to come from.

Mr. Speaker, may I just point out there are more than a million members of families of U.S. citizens who are waiting for visas so that they can come to this country to be joined with their loved ones. These numbers are being eased up while we accept hundreds of thousands or more than a hundred thousand people who do not have a visa, have no passport, who in some cases are being released from prison, loaded into buses, herded onto boats like human cargo, and hauled across the straits into Florida and then distributed around the United States. Now that is no immigration or refugee policy as I see it and that is the sort of thing we want to stop.

Mr. Speaker, I am directing my remarks at the President and at the administration and not at individual refugees.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield further?

Mr. McCLORY. Mr. Speaker, I will be happy to again yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I wanted to make the point, I understand the distinction there. There is no question the problem does exist. What concerns me first of all, in terms of those who are being released from prisons, of course in Cuba, as that country has lost its freedom a long time ago, people are being put in prison for things they get saluted for in this country.

□ 1740

For example, advocating a change in the government or having the right to select who their leaders are going to be, so the fact that somebody was in a jail in Cuba does not equate to the same thing we might think of here in this country.

I have this additional comment: The situation has changed since we set those figures. I understand why we just cannot open the floodgates. I understand that, but at the time those figures were set we did not have the situation whereby people who had been living under the repression of Communist totalitarianism in Cuba had the ability to escape and come to the new world. That is what we have to hold open. We cannot close that door on the people.

Mr. McCLORY. I would disagree that the people who are coming from Cuba now are persons who have been subject to repression and are suddenly seeking liberation.

They are in many instances being taken from the streets and are being forced by Castro to get on the boats and come over here. The reports we have from our committee hearings are that many of these people are being herded onto boats at gunpoint. They are not willingly leaving the country. They are leaving because they are forced to. Sometimes children are being separated from their parents. That is the kind of policy we have got to put a stop to. If we do not, it will be resulting in the influx of other asylees or refugees from other parts of the world.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to my distinguished colleague on the House Judiciary Committee, the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my friend, the ranking minority member of the Judiciary Committee, for yielding, and also for taking the time to present this important issue in this special order.

Mr. Speaker, the tradition of political asylum and of immigrants coming to our shores in search of freedom has been one of the guiding principles on which our Nation was founded. The Statue of Liberty points out, beckoning the poor and the downtrodden to our shores. However, I believe the time has come when all of these policies must be reexamined. Unfortunately, this reexamination is necessary because of failed foreign policies of the past 25 years which have been based on weakness and retreating before the movement of worldwide communism.

Political persecution is certainly a major hallmark of our era, largely because liberal diplomats and State Department types have fiddled while Communists have overrun major portions of the world. We are confronted with a dilemma. If we allow our friends to fall—in some cases through betraying them—do we then have an obligation to assimilate into our society the political immigrants who leave for fear of their lives? This has not been a recent happening and it certainly is not partisan—it has been going on for many years but not at the pace that we have seen in 1979 and 1980 with the Vietnamese boat people, the Cambodians, the Cubans, and the Nicaraguans.

In the 1950's America led our friends in the Eastern European satellite countries to believe that if they would only revolt against their Communist masters, we would help. In the Hungarian uprising in 1956, they looked for that help but when President Eisenhower said he would turn the issue over to the United Nations the Russians knew they were safe and the tanks rolled in to crush these brave people. I was very pleased, as an American, that we accepted thousands of Hungarian Freedom Fighters into our country.

In the late 1950's how I remember debating liberals throughout our State regarding Castro. They thought he was a modern George Washington or Simon Bolivar. When the true nature of his communistic policies became known we again opened up our shores to those we had betrayed. Next it was Vietnam, then Cambodia, and now back to Cuba again.

President Carter made an unfortunate slip of the lip when he said it was our policy to open our shores to anyone who wanted to come. This just is not practical. Like so many other policies, it had to be reversed within 2 weeks.

Americans must realize that if we let our friends down or betray them, we in some ways face a moral dilemma as to whether we help these friends when they flee their shores. I know I would feel obligated to the free Chinese of the Republic of China on Taiwan if and when the mainland Chinese sought what they call "reunification." The Carter administration and the Congress literally betrayed our friends on Taiwan.

When most but not all of the Vietnamese ventured into the dangerous waters in their makeshift boats, engraved on the bows of those vessels, like it or not, should have been "I was a friend of the United States of America." Lend them a hand anyone? So much for the moral aspect.

Those who say we should open up our shores to everyone are the same ones who vote for laws which give aliens an almost immediate qualification for supplemental security income benefits and the whole welfare smorgasbord. I did not. They say Mexican illegals only want stoop work or jobs that most Americans will not take. The facts are otherwise. Unemployment rates are high and American families should not be deprived of breadwinners in gainful employment because of the competition of millions of illegals. We get it both ways—as taxpayers paying benefits to them and as working Americans watching jobs go to those who are not even legal aliens let alone citizens.

I believe that our immigration policies should be completely overhauled. We cannot allow illegal aliens to overrun this country and we do not owe them billions of dollars of your social security money, food stamps, welfare, scarce local school education funds and other taxpayer services. It is bad enough trying to run a welfare state in the United States of America. But trying to extend it to the whole world will bankrupt us all.

The immigration problem is complicated by two other factors which make our immigration policies somewhat of a fraud. Because of the political clout and agitation of the Hispanics, this administration has literally allowed millions of illegal aliens to swarm into our country from Mexico. The Department of Labor has even tried to create a classification of law which is not to be found anywhere on our law books. The Carter administration, in direct violation of the law, has stopped calling these millions of Mexicans "illegal aliens" and is now calling them "undocumented workers" as if they were Americans who had simply forgotten to provide a proper form for employment. Any room we might have had for legitimate refugees from tyranny is now packed and overflowing with economic opportunists pouring in from Mexico at the urging of the administration and liberal politicians.

What a paradox. As liberal foreign policy increases the number of truly persecuted people, the liberal immigration policy, directed by politically motivated people from Washington, has filled and overfilled any possible room for them we might have had in this country.

Second, many of my liberal friends refer to the time-honored tradition in the 1800's and early 1900's of allowing aliens to freely come to our shores. Yes, this was a tradition but I doubt that many of them would want to go back to what the tradition was. When the aliens, who were our forefathers, came to these shores they were not met by Federal workers placing a social security card into their hands so they could draw money immediately, go on the welfare rolls or get on the Federal gravy train. No, our forefathers who came to our shores when we had open immigration policies, were met with a country of opportunity, hard work, and little or no government assistance.

Mr. McCLORY. I thank the gentleman from Ohio very much. I think that if we are going to develop a policy and try to find other places of asylum and refuge for these people in repressed countries, it must be done on some kind of international basis whereby the acceptance of these refugees is shared by other friendly countries of the world, and we do not just assume the sole responsibility and act unilaterally.

I am happy to yield to the gentleman from Texas, the majority leader, Mr. WRIGHT, who expressed a strong protest to the director of the National Security Council.

Mr. WRIGHT. I thank my distinguished colleague for yielding. I think it is significant that he, as ranking member of the Committee on the Judiciary, should raise this point today. I want to congratulate him for having brought it to our attention.

Our country has a long and honorable tradition of providing a safe harbor for those who flee persecution, oppression, and tyranny in other lands. But, we have no responsibility whatever to provide sanctuary for those who do not like this country, or those who are unwilling to abide by our laws.

To my mind, it is absolutely intolerable that scarcely 2 weeks after our having opened our arms and admitted these people to asylum in this country, some of them would be engaged in lawless riots; attacking Federal officers, destroying U.S. property. That kind of behavior cannot be tolerated.

After having suffered for two decades under the yoke of Castro, it is unthinkable that any of them honestly would find 2 weeks an insufferable time to be assimilated into the mainstream of American life. It is an unreasonable expectation.

In my judgment, and in the opinion of some of our people with our State Department, Castro deliberately encouraged professional troublemakers and agitators to infiltrate the refugee numbers for the express purpose of embarrassing the United States and discrediting us. The sooner we can get those people away, the better it is for those who genuinely seek and value freedom and want to live and work in this country. I think it would be a great reassurance to them to remove these troublemakers from their midst and establish a strong, affirmative example that we expect certain things of people who want to live in this country, and among those things is that they must abide by the laws of the United States.

Mr. McCLORY. I thank the distinguished majority leader, and he is precisely right. The dilemma in which we find ourselves now is that there are a large number of so-called undesirables—Castro calls them "scum." On the other hand, I would like to point out that in one of our oversight hearings of the House Judiciary Committee, the Subcommittee on Immigration, one of the former inmates of the prison in Cuba said that 4,000 of the total 5,000 population were released, and they were herded onto buses and they were taken to the port and loaded on boats and brought over here. These are persons who were in jail not for political crimes or for doing nothing, failing to salute or something like that. These are persons who have been incarcerated for criminal activity, including robbery and burglary and other crimes of that nature.

What are we to do with them? Yet, this problem has been foisted upon us by a lack of policy or a nonpolicy that I think has got to be corrected.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Speaker, during the weekend of May 23-27, I visited Key West and Miami, Fla., under the auspices of the Committee of Banking, Finance and Urban Affairs. My purpose was to assess the Cuban refugee situation, and especially to talk to as many refugees as possible about the conditions which compelled them to flee from their homeland. My interest—and I believe that of the Congress—extends beyond the present crisis. It involves what the United States may expect to occur on a continuing basis—not only vis-a-vis Cuba, but in our relationships with other Caribbean, Central American, and South American nations.

As a result of my observations, plus correlated background studies and briefings, I am very strongly of the opinion that the United States should reassess, and perhaps reshape, its policies toward Latin American countries individually, and especially its overall policies in dealing with the Western Hemisphere as a whole. As one of the world's two superpowers, I think we have the responsibility for establishing and maintaining political and economic freedom in our own hemisphere.

In talking to the Cuban refugees, it was apparent that their exodus confirms the basic failure of communism in Cuba. Without exception, they told of economic deprivation, political oppression, and personal suffering under the Castro regime. Despite a subsidy of $8 million a day from the Soviet Union, Cuba is in economic chaos. Cubans are grossly underfed, according to the refugees. Food is strictly rationed and the possession of an extra loaf of bread, or more shoes than the one pair allotted annually, lands one in jail. People are, in fact, being jailed arbitrarily and indiscriminately.

Almost every refugee cited examples of harassment, brutality, or degradation at the hands of the Castro Government. All of them were stripped of their possessions—including money and jewelry—before they were permitted to leave Cuba. They arrived in the United States with only their lives and the clothing they were wearing. Many of them do not have friends or family in this country. They do not speak English. Most of them are not skilled in a trade or profession. They face a difficult future, especially until they find jobs, which undoubtedly will be difficult during this period of rising unemployment.

The refugees are aware of these difficulties, just as they knew the perils of the journey which they had just completed. And despite the recent unrest at the refugee camp at Fort Chaffee, it is my firm impression that they still prefer the inconvenience, discomfort and uncertainty of the camps to the conditions from which they have just fled. I got the very strong impression that they are seeking only a temporary home here. They are ardent Cubans, and yearn most of all to return someday to a free Cuba.

It is necessary to understand the present refugee situation, I believe, because today's phenomenon may be quite commonplace in the near future. All over the world, refugees from communism are amassing. They have streamed into Thailand from Kampuchia (Cambodia); into Micronesia and the Philippines from Vietnam; into Ogadon from Ethiopia, and now into the United States from Cuba. It is more likely that the flood of refugees will increase, rather than abate, because of Soviet expansionism in Afghanistan and the other areas and Communist initiatives in Latin America.

For almost 20 years, Mr. Speaker, communism in the Western Hemisphere has been confined largely to Cuba. The United States, it seems to me, has never taken this Communist foothold in our hemisphere as seriously as it should have. We have regarded Cuban communism as the dog regards the flea; as a nuisance that can be relieved with very little scratching. Except for the Cuban missile crisis, we have done very little scratching.

Now, however, we find a different and potentially disastrous situation brewing in Latin America. From Cuba, communism is stretching its tentacles into neighboring Caribbean domains, and into nations in Central and South America. Granada—a small, seemingly insignificant island on the oil routes between Venezuela and the United States—has, with the help and encouragement of Cuba, gone Communist. The political fates of Nicaragua, El Salvador, Guatamala, Jamaica, and Honduras are uncertain. If we do not head off the expansion of Cuban-inspired communism, each of these nations could become, like Cuba, a puppet of the Soviet Union.

It is paradoxical, I think, that we view these possibilities with so little concern, while we express our fully justified alarm over the Soviet invasion of Afghanistan. We have, it seems to me, been less concerned about the oppression of the Cuban people and the spread of Cuban communism than we sometimes have about the plight of a single citizen of the Soviet Union.

Any fair reading of the political history of Latin America leads inescapably to the conclusion that the basic cause of the present foment is the political, economic, and social injustice of the past. The dictatorial reign of Batista made possible the takeover by Castro. Somoza sowed the seeds of his own destruction. In Granada, an interim dictator stole the country blind, then absconded to California. Predictably, the political pendulum in Granada swung to the opposite extreme.

The point is that over the years the United States has supported a succession of tyrants and despots in Latin America. All too often, we have neither offered nor encouraged an alternative to the bad choices these people eventually made via revolution, coup d'etat, or other devious routes to succession.

I think history clearly shows that an oppressed people will opt for any change, believing that no situation could be worse than that from which they long to be free. So, in a word, the issue with which we are dealing in Cuba, and in the cauldron of Latin American revolutionary politics, is freedom and all that flows from it.

Mr. Speaker, the United States is the bright beacon of freedom in this world. I think it safe to say that we have not let our light shine southward with all the brilliance of which it is capable. We have overlooked opportunities, and shirked responsibilities, and in the end we may have, more than we think, aided and abetted the disaster which seems to be brewing.

We already are suffering some of the consequences. The refugee situation is one of them. In spite of modest efforts to restrain and control the flow of refugees, we have admitted over 100,000 of them into this country. I was told by the refugees that, given the chance, thousands of other Cubans would follow them. If other Latin American governments fall, and communism takes over, it will be only a matter of time until significant numbers of their people seek refuge on our shores.

In due time, the refugee problem would overtax, if not overwhelm us. We cannot permit this sort of disaster to occur, or even let the present situation go on forever. At some part down the road, we must pay the price of correcting it. The cost grows, it seems to me, as time passes.

I believe, therefore, that our hemispherical policy must be one of stewardship which goes even beyond the Monroe Doctrine. Clearly, it is desirable that no totalitarian government, of either the left or the right, should exist in the Western Hemisphere. Despite our desire not to dominate or dictate to other countries, especially our neighbors, the peace and security of the hemisphere remains largely our responsibility. We cannot permit the cancer of communism to spread, because we cannot escape the consequences of the contamination. If as I believe, in the larger view, a Communist takeover anywhere in the world weakens the free countries of the world, surely the same is true of this hemisphere in an even more poignant way.

I believe, therefore, that our clear policy should be that we will not tolerate totalitarian governments in the Caribbean, or in Central America; nor will we condone outside interference designed to help establish such a government anywhere in the Western Hemisphere. Toward those ends, I think we ought to examine, by all possible means, the Cuban connection with the Soviet Union and that we ought to consider all appropriate means of severing that connection.

We should strengthen the role of the International Monetary Fund, the World Bank, and other instruments which can serve as important weapons in the fight against communism.

Finally, I believe we must do a better job of selling the American brand of freedom, which is our greatest national treasure and mankind's greatest hope. We need to tell our story in new and better ways through the Voice of America, through our relations with other governments, and in our dealings with the people themselves.

I believe that, in due time, the Cuban refugees can help us carry the message of true freedom to the nations of Latin America. Some of them will have lived under Batista, under Castro, and in the United States. It seems to me that their stories, told through the media and on personal tours, would be the greatest testimonial to freedom and against communism ever told by Spanish-speaking people to Spanish-speaking people.

Mr. Speaker, I have said but little about the problems which the current refugee situation impose upon the United States and its citizens. I fully share the concern of my colleagues who denounce the unruly uprisings at Fort Chaffee and I agree that the refugees responsible for it should be isolated and expelled from the country. At the same time, I am not disposed to punish those who are without blame, or to deny them temporary refuge.

These are problems with which we can deal, and we will find rational solutions to them. My deeper concern, Mr. Speaker, is that unless we deal with the disease, rather than just the symptom, this entire hemisphere may someday be swept with a fever that kind words and generous deeds will not abate.

□ 1510

Mr. McCLORY. Mr. Speaker, I want to thank the gentleman from North Carolina (Mr. NEAL) for his very well prepared and well organized statement and for the in-depth work he has done in preparing this statement we have received from him today.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Speaker, I, too, appreciate the remarks of the gentleman from North Carolina (Mr. NEAL). I think he puts his finger on what I think to be the problem at the moment. To quote from the chairwoman of my Subcommittee on Immigration, Refugees, and International Law:

> While the Administration continues to debate the long-range issues, we cannot ignore the immediate crisis which seems to be rising daily. We need an effective system for decisive executive action.

Mr. Speaker, I am deeply disappointed that the administration continues to vacillate and be indecisive about this problem as we pass 104,000 Cuban refugees this week

Mr. McCLORY. Mr. Speaker, I concur in the gentleman's statement. I think that is really the gist of what we are trying to say here today, that we have to establish precise, workable, realistic policies with regard to our refugees and to enforce them.

This will enable us to avert the terrible dilemma of the crisis in which we have found ourselves, including the violent disorders that have occurred at Fort Chaffee and which threaten us otherwise.

Mr. FOUNTAIN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from North Carolina.

□ 1800

Mr. FOUNTAIN. Mr. Speaker, I want to thank the gentleman from Illinois (Mr. McCLORY) for getting the time to spotlight this very serious problem. I want to associate myself with his expression of concern and also with the majority leader, the gentleman from Texas (Mr. WRIGHT), and express appreciation for the remarks of my distinguished colleague, the gentleman from North Carolina.

I do not think any of us want to lose the image which is inscribed on the Statue of Liberty. I think we always want to have our arms open for those people who the gentleman has indicated are seeking asylum or are being oppressed and have a need of a place to go. I think the gentleman has put his hand on the problem when he stated that we need a decisive policy, and I think the time has long since come for the administration and the leadership of the Congress, particularly those committees such as the gentleman's committee which have jurisdiction over this subject, to get together and establish a policy; because with all of us having people with relatives here who want to get in from all over the world, we cannot continue to let this sort of influx, with undesirables along with desirables, to continue.

Again I want to commend the gentleman.

Mr. McCLORY. I thank the gentleman for his major contribution here today and for his interest in this subject.

Mr. MOORHEAD of California. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California (Mr. MOORHEAD), a member of the Committee on the Judiciary.

Mr. MOORHEAD of California. Mr. Speaker, I also wish to commend the gentleman from Illinois (Mr. McCLORY) for taking this time tonight to emphasize this very important problem.

Mr. Speaker, just recently, a member of the majority party of the other body stated: "We have lost control of immigration to this country." There is a great deal of truth in this statement. On March 17, 1980, the President signed Public Law 96–212, the Refugee Act of 1980. This legislation, endorsed by the administration, was supposed to adequately deal with refugees and those seeking asylum in this country.

However, in passing this legislation, the Congress delegated almost absolute authority over refugees to the executive branch. Let's make no mistake about it, according to the Refugee Act, the President can bring into the United States any number of refugees he wishes to admit. The Congress has retained little control over refugee matters. But we are certainly left with plenty to do as far as the aftermath of Presidential refugee policy is concerned. The Congress is left to deal with overcrowded schools and medical clinics, scarce housing facilities, rising unemployment, sharply increased welfare costs—it is estimated that the recent Cuban influx will cost over $300 million for processing the refugees—and we are left to handle law enforcement problems with some of the refugees. When the Refugee Act was considered in the House, I successfully offered an amendment that added a strong congressional oversight mechanism to the legislation. Either House of Congress was given the authority to reject a Presidential determination to bring in certain amounts of refugees in certain instances. This amendment, which gave the Congress the right to set refugee policy on a more equal basis with the President in accordance with the constitutional obligations of the legislative branch, was dropped in the conference process with the administration urging deletion.

In light of the Cuban refugee situation, I think the lack of substantive congressional oversight regarding refugee policy is a serious deficiency that can no longer be overlooked. There is no doubt in my mind that the Refugee Act of 1980 must be reopened and perfected. Make no mistake about it. I support a humane refugee policy. However, I do think that we in the Congress have every right to have a major role in determining U.S. immigration policy. We in the Congress should not be throwing our hands in the air declaring we have lost control of immigration to the United States. We should be doing something about regaining control.

Now as far as the Cuban refugee situation is concerned, we have over 100,000 Cuban refugees in the country. Apparently the administration has not decided exactly what they should do with them. Nobody could have anything but compassion for the Cuban people because they have suffered tremendously under the harsh, uncivilized, totalitarian rule of Fidel Castro. We have to admire their courage as well as their quest for a decent and free life. I believe the American people support the idea of giving aid and comfort to some of the refugees if the refugees are taken into the country in a rational, orderly manner and properly screened. We cannot allow the Castro regime to send criminals, anarchists, and other dangerous individuals into the United States at will to prey upon U.S. citizens. We cannot let Fidel Castro set American immigration policy. But that is essentially what the President has allowed him to do.

It is evident that some of the refugees at Fort Chaffee, Ark., have engaged in lawless rioting involving bodily injury to U.S. citizens and damage to U.S. property. The lives of Americans in the vicinity of the uproar have been upset. Violations of State and Federal law cannot be tolerated.

Those refugees who have broken the law should be expelled from the United States as soon as possible in a manner consistent with State and Federal law. The American people are compassionate and generous but we are not fools.

We cannot and we will not permit criminals to come into this country to trample on the peaceful enjoyment of our rights. We cannot and we will not let ourselves be used and manipulated by a two-bit dictator like Fidel Castro.

The United States cannot be expected to shoulder the refugee burden of the entire world. Our laws should reflect this realistic view. I am confident that America will do her share to alleviate the suffering of refugees throughout the world but so should other civilized, democratic countries do their shares.

Let us encourage them to do their duty in every reasonable way. And let us also take a tougher stand against those governments that pursue such blatantly cruel and repressive policies that people within their grasp are forced to leave at great peril.

Mr. McCLORY. I thank the gentleman for his comments. I want to agree with the gentleman from California and also point out that when we are trying to express a human attitude toward refugees and toward immigrants from other countries, we must have in mind those persons who are trying to enter our country lawfully and that there are more than a million on the backlog of members of families who are being deprived at the present time of entering into this country, and their numbers and their places are being taken up by undocumented Cubans, by Cubans who are entering this country illegally. That seems to me to be an extremely important human aspect of this entire subject.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I will be happy to yield to my distinguished colleague on the Committee on the Judiciary, the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. I thank the gentleman for yielding, and I, too, want to salute the gentleman in the well for his interest and persistence in studying and expressing concern and attempting to achieve a solution to a very serious problem.

I also want to express my accord with the remarks of the last gentleman who spoke.

We recently passed a new refugee bill, and I was very concerned about that. I felt that it abandoned to the President prerogatives that belong to the Congress. It gave enormous flexibility, with only a token gesture toward retaining some control in Congress. It redefined a refugee as one who is in fear of persecution anywhere on the globe, thus probably bringing within the scope of that definition 14 million people.

Yes, we need a policy; yes, the administration can help. But also this Congress has to take a good, hard look at the legislation that we passed. How do we distinguish between a Haitian washed up on the shore and a Soviet refugee about whom our policy is to take everyone we can get and pay their transportation over? What is the difference? Under the definitions, really there is no difference.

So I say that we rather thoughtlessly passed legislation and now we must live by it.

As to the Cuban refugees, it is a terribly serious problem, but nonetheless a glorious one, in that the utter failure of Castro's Communist Cuba can never be more graphically illustrated than these poor people voting with their feet and with their little boats, trying to get away from that Caribbean paradise.

We must exploit this phenomenon as best we can to show the utter shabbiness, the utter hollowness of Castro's method of governing people. We also must try to develop cooperation from other countries in the hemisphere—Argentina, Chile, Ecuador, Brazil, and all of them. They could certainly absorb a great number of these refugees with ease. And goodness knows, we make contributions in bilateral aid. We are going to deal with that bill tomorrow. I would like to see some reciprocity. I know there is some, and I have read where Argentina and Chile are going to take some of these refugees. But it should not be a United States problem; it should be a hemispheric problem.

I again salute the gentleman from Illinois (Mr. McCLORY) for his great interest, and I am sure that with him watching this problem we will, so far as Congress is concerned, arrive at some solutions.

Mr. McCLORY. I want to thank the gentleman very much. I want to say that the gentleman and I did work to try to retain greater authority in the Congress with respect to establishing policy, and we were persuaded, at least the House membership was persuaded, that if we would repose this flexible authority in the President, that we could trust the President to exercise that authority responsibly, and I think it is another example of "Trust me" philosophy that really does not work. I think it is a good lesson for the Congress itself that we should not trust the President with regard to a broad sweep of authority, but we should assume responsibility ourselves for the fixing of policy and refugee policy in the future, as we should have done in this case.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I am happy at this time to yield to the ranking minority member on the Immigration Subcommittee, a Member who undoubtedly knows a great deal more about this subject than I and most Members of this body, the gentleman from New York (Mr. FISH).

Mr. FISH. I thank the gentleman, who is too generous in his remarks. But I want to compliment him on taking this special order tonight so that we can lay out some of our concerns that have been occupying so much of his time and my time in recent weeks as our country seeks a way to respond to a challenge deliberately calculated to embarrass this Government and undermine our humanitarian principles—principles which have been amply demonstrated ever since the end of World War II. Can this splendid record be subverted? Must we blindly accept this challenge disregarding our laws and the general good of our people?

This country has now received and provided at least temporary refuge for over 104,000 Cuban nationals.

Their status remains in question, their care and maintenance financed with nonexistent funds and their eventual resettlement largely undetermined.

At the same time, there is an increasing level of discontent and hostility in the camps. There is continuing racial tension in Miami and a growing fear and antagonism on the part of our citizens in communities near the processing centers.

Despite these extremely serious concerns, the administration has yet to make those short-term and long-term policy decisions to allay the fears which all of us are experiencing. For too long, the situation has been out of our control.

The administration has yet to provide clear policy guidance. It has sent inconsistent signals to the Congress, the Cuban exiles, the Cuban-American community, and to State and local governments.

First, a strict enforcement policy was announced, only to be followed shortly thereafter with an announcement by the President of "open arms" and "open heart." This magnanimous gesture then was followed by a stricter enforcement policy.

Where any suggestion was made at the outset to enforce the law and to stop the boats from going to Cuba, we were advised that if the sealift were halted, we would risk civil unrest amongst the Cuban-American community. Belated enforcement of the law took place after some 2,000 vessels were in Cuba's Mariel Bay—under Cuban jurisdiction, not U.S. jurisdiction.

The administration must face this situation squarely and make some hard, realistic decisions and do so quickly. There is no alternative.

I do not wish to minimize the difficulty of the decisions facing the White House, but I am convinced that any further delay in addressing the issues harms the national interest, the private interests of the American communities located near the processing centers, and the Cuban nationals themselves.

Decisions on status and funding must be made promptly.

We must also develop a more efficient and effective management mechanism within the executive branch.

I think it is patently clear that our present system, where all decisions emanate from the White House, cannot properly cope with the crises which arise—almost on a daily basis.

Commanding officers in processing centers, as well as local government officials, simply cannot afford to wait for the White House policy guidance as Cubans storm out the gates of their facilities.

In short, the President should designate, as was done in 1975, one official with the authority and capacity to assume the responsibility for managing all aspects of this situation. Under the Refugee Act of 1980, the Office of Refugee Coordinator is contemplated as having such authority.

Clear lines of authority must be laid down and the roles and responsibilities of the numerous Federal agencies involved must be clearly delineated.

Likewise, effective communication lines must be established between the Federal Government, State, and local governments, and the private sector.

The designation of a single coordinator with policy and program responsibility would eliminate many of these concerns, facilitate decisionmaking, and provide a focal point for contact by the Congress, State and local officials, voluntary agencies, and the private sector.

I would note that 10 days before the evacuation of the U.S. Embassy in Saigon in 1975 and the opening of the first refugee center at Camp Pendleton, President Ford had directed that all Federal activities be coordinated through a single office and had named his Special Representative and Director of the Special Interagency Task Force. The record of that task force was exemplary.

We have been caught by surprise by Castro. Our reaction has lacked consistency—we must now act firmly and realistically.

Having said this, I now wish to refer to a letter I sent to the President on May 23, 1980, urging him to seek ways of internationalizing this problem.

This is the first time that the United States is a first asylum country. As a first asylum country, we are entitled to expect international cooperation in resettling these Cuban nationals in other countries in the same manner that we have cooperated with foreign countries in the past which have faced similar situations. I refer to first asylum situations such as the Indochinese in Thailand, Malaysia, and Indonesia.

The Hungarian and Czechoslovakian refugees in Austria, and the refugee and displaced persons in Germany following World War II.

We must establish refugee camps for the Cubans who have no relatives here, where there could be orderly processing and selection by foreign missions offering resettlement opportunities elsewhere.

We must urge UNHCR and ICEM to make a continuous and determined effort to appeal to other countries, not only to offer these people permanent homes, but also to contribute financially to the care and maintenance, as well as to transportation costs while these people are awaiting resettlement.

We should be able to count on the nations of the world to respond to our problem as generously and compassionately as we have to other nations in the past.

In this context, I would like to commend Ambassador Palmieri for bringing this problem forcefully to the attention of the member governments of the Intergovernmental Committee for European Migration, at the executive committee meeting which just ended in Geneva.

That his appeal was heard can be confirmed by the following statement made by the chairman of the executive committee at the close of the executive committee meeting:

> We also heard with interest and sympathy the statement and appeal of the Ambassador from the United States. I believe it is the sentiment of the executive committee to endorse that appeal and to acknowledge that the current outflow of Cubans to the United States seeking asylum is of concern to the international community. It would therefore be appropriate for the ICEM director to take all possible measures with interested governments to generate further resettlement opportunities and the necessary funding to carry out such an international resettlement operation.

The Director in turn agreed to call on governments to respond positively. He further informed the executive committee that ICEM staff are already deployed to facilitate a resettlement program.

□ 1810

Mr. McCLORY. I want to thank particularly the gentleman from New York (Mr. FISH) for his statement and also point out that as a result of the dilemma in which the President now finds himself and having disregarded the law that we enacted here just a few months ago, now finds himself in a position where he is going to ask us to amend the law to provide a special legal provision to justify what he has done, and not only that, but to bring to the House and to the Congress here shortly, I am sure, demands for special supplemental appropriations of hundreds of millions of dollars in order to reimburse the communities and the States that have had the burden of receiving these Cuban refugees. These are legislative and appropriation problems that we are going to have to deal with as a result of the mishandling of the entire Cuban refugee problem.

I think that it is most unfortunate, but, I think if we are going to be realistic, we must realize what we are going to be facing here in the weeks and months ahead.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I am happy at this time to yield to my distinguished colleague from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I, too, want to commend the gentleman from Illinois (Mr. McCLORY) for his concern, his interest and for his taking the time this evening to focus attention on this very critical problem. This is a problem that I have been very much concerned about, not only as part of a shared humanitarian concern, but as the ranking member of the Subcommittee on Inter-American Affairs of the House Committee on Foreign Affairs. I have been very much concerned about the lack of a policy as the distinguished gentleman from Illinois has so poignantly noted this evening. We have had an open-door policy, a closed-door policy, and now we have a revolving-door policy. It is in fact the very lack of a policy that has created the problem confronting these 100,000 Cuban refugees.

There are several critical aspects to this problem. First of all, we need a long-range program that is going to take care of not only a Cuban wave of refugees and not only an Indochinese wave of refugees, but one that will be able to take care of all of these similar problems for our future.

I would hope that our committees working together can more adequately define the various forms of refugee status, and try to come up with a program that will take care of these problems in the long range rather than have to deal with them on a crisis basis. We have certainly floundered around with this current problem too long. I am very much concerned about recent statements that we had prior warnings from our intelligence community that an exodus was likely; apparently we gave little attention to those warnings and made no preparation for such an exodus. Furthermore, there are new reports this week that, while all of the security checks have been completed in most of the camps, there remains an undue waiting period for resettling of many of the refugees. Finally, it seems to me that we have to work out a better method to utilize the volunteer agencies who are standing by ready and willing to help but are being shunted aside by the bureacracy.

I was in touch with one of the volunteer agencies today and was told that they could, given the opportunity, do the job much quicker and much more economically than our present policies of warehousing the refugees in Army camps throughout this country.

I would hope that the Congress and its committees of jurisdiction would address this problem of the cost of the bureaucracy as compared to voluntary agencies in the handling the resettlement effort. I think that is a very important aspect that needs our attention.

Those of us who signed a letter to the President back on April 29, 1980—there were 46 cosigners of the letter that I have before me—warned that, instead of some organized bridge from Cuba to the United States or other countries, we saw the danger of terrorists and other undesirables infiltrated into this Nation without a proper well-defined rescue plan. At that time we urged the President to do all in his power to organize an immediate, orderly, and legal evacuation of Cubans who want to leave their homeland.

Thereafter, the President did undertake some positive steps. Unfortunately, those came about much too late in the effort to try to provide some orderly basis for this influx.

I would hope that the Congress, benefiting from the problems arising out of this exodus and benefiting from the Indochinese refugee experience, will come up with an orderly program that will help deal with these problems in the future.

Once again I commend the gentleman for focusing attention on the need for legislative definition.

Mr. McCLORY. I thank the gentleman from New York very much, and may I say that in the enactment of the Immigration and Refugee Amendments of 1980, we did endeavor to set forth a comprehensive piece of legislation which would meet the needs of refugees from wherever they could come and the problem which has been created by the President and by those in the executive branch.

It seems to me that they have disregarded the law that we have passed. They have circumvented it. They have tried to find ways and means for handling, on a makeshift or ad hoc basis, this Cuban refugee problem without regard to the comprehensive law.

Recently they have called upon the U.N. High Commissioner on Refugees, but that is just in really the last weeks. They have also met with the Intergovernmental Committee on European Migration very recently, too. These are all things that have occurred, sort of afterthoughts, so there has been, as the gentleman indicated with regard to the Southeast Asian refugees, the failure to act in time and responsibly and knowledgeably with regard to the problem that they were facing there.

☐ 1820

So that the need for a national policy and the need for sticking with the policy and enforcing it and living within the confines of the law seems to me to be extremely important. We have 10 million people in Cuba. It may be that all but a handful would like to leave there and come here, but that does not mean we can accept all who can make their way here. We are going to establish some level, some figure at which we will receive refugees and then we will receive them within those figures and we will accommodate ourselves to receiving them and then handle the influx; but to have an uncontrolled, disorganized flow such as we have had, seems to me poses just terrible burdens on our society, terrible protests from the American people and reflects on the Congress and, of course, reflects very seriously on the administration.

● Mrs. CHISHOLM. Mr. Speaker, in the gentleman from Illinois' original request for this special order, he discussed the administration's chameleon "closed-door, then open-door" policy toward Cuban refugees. The uncertainty and confusion in dealing with the Cuban exodus is only a further example of the chaos which has characterized our refugee policy generally.

While I do not condone the actions of Cuban nationals at Fort Chaffee, Ark., I believe that we must recognize that many of the problems at Fort Chaffee, including a recent suicide, are a direct result of the administration's ineptness in handling this issue. For example, the question of the legality of holding people without any bond proceedings being established and followed and the issue of unaccompanied minor children are problems that have yet to surface.

It is clear, as articulated by John McCarthy of the U.S. Catholic Conference, that the "status question" is at the heart of this controversy. Without refugee status, there is no guarantee of resettlement assistance or full Federal reimbursement to States and localities. Our refugee policy is an outgrowth of our foreign policy; therefore, resettlement costs and fiscal assistance should not be thrust upon the States and localities; it is a Federal responsibility. For example, the additional $100 million that was allocated to HHS in the fiscal year 1980 budget cannot be spent to assist with resettlement efforts unless the Cubans receive refugee status. By failing to act decisively to first control the flow of Cuban refugees and later to grant refugee status, the administration has created a serious crisis that will have far-reaching implications beyond the next few months. The Cuban leadership in Miami and voluntary agencies are now being asked to assist in resettlement efforts under the excessive constraints that I have just discussed.

I realize that many of my colleagues feel very uncertain about what our role should be as Members of Congress. Despite our concerns about additional refugees in this country, I believe that the only solution that will equitably resolve the present crisis is for the President to ask for additional refugee numbers under the emergency provisions of the Refugee Act of 1980.

I reject the idea that some special status other than refugee status should be created for Cuban or Haitian refugees, for that matter. Creating new legislation that would grant either some "interim status" between asylum and refugee status or "humanitarian parole" would not trigger the kind of Federal resettlement assistance that is necessary to insure that States and localities are not overburdened.

This country also has legal and moral, including treaty, obligations not to return persons who have a "well-founded fear of persecution" and therefore satisfy the definition of a refugee. We are not obligated to allow persons who are not political refugees to remain in this country. Therefore it would appear to be in the national interest for us to be honest about the well-founded fears of political persecution of Haitians and Cubans and grant them refugee status. Such a determination would allow us to distinguish these refugees from other persons seeking entry into the United States on considerations other than a well-founded fear of persecution.

Further, legislation which would create "blanket asylum" attacks the historic and rightful role of asylum proceedings as an individualized process. Finally, this Congress recently enacted a refugee law which provides adequate mechanisms for dealing with the Cuban crisis without the difficulties of special legislation.

Unfortunately, the plight of the majority of Haitians is not as easily resolved. Because of the President's refusal to grant refugee status to Haitians prior to the expiration of the Attorney General's parole authority for groups of refugees on May 15, the decision regarding their status has now been left to Congress. My colleague, from the District of Columbia, presented an excellent account of the administration's uneven and discriminatory treatment of Haitian refugees at a recent hearing before the Senate Judiciary Committee. I now submit his remarks for the RECORD.

I am hopeful that Congress will act expeditiously to resolve the status of both Cuban and Haitian refugees. I am convinced that without refugee status States and localities will continue to be overburdened and these groups of refugees will be unable to make a successful adjustment and become contributing members of this society.

STATEMENT ON REFUGEE POLICY: THE SITUATION OF HAITIAN REFUGEES

(By Hon. WALTER E. FAUNTROY on behalf of the Congressional Black Caucus Task Force on Haitian Refugees, May 12, 1980)

Mr. Chairman, on behalf of my distinguished colleagues, Congresswoman Shirley Chisholm who is the Chairperson of the Congressional Black Caucus Task Force on Haitian Refugees—on which I also serve—and on behalf of Congresswoman Cardiss Collins, Chairperson of the Congressional Black Caucus, I wish to thank you for the opportunity to appear before this Committee on this crucial issue.

I am also joined at the table by Mr. Dale Swartz, an attorney with the Alien Rights Law Project of the Lawyers' Committee for Civil Rights Under Law.

Mr. Swartz is one of the lawyers who is representing the Haitian Refugees in the case before the Federal District Court in Miami.

I am also joined by Daniel Voltaire, Jocelyn Marcelus, Fr. Gerard Jean Juste, Haitian Refugees, who I will call on to present some specific testimony as to their experiences.

The Congressional Black Caucus has been watching with shock, outrage, and indeed increasing anger the treatment of Haitian Refugees—the Black boat people. The Haitian Refugees have been fleeing brutal political persecution in Haiti since 1972 and have sought political asylum in the United States. They have crossed 800 miles of shark-infested waters in unseaworthy sailboats; many have died in an attempt to reach our shores.

Shamefully our government's response has been jailings, starvation, and deportation of more than a thousand Haitian refugees to Haitian jails where they faced torture and death. In one representative instance, an 8-year old Haitian girl was imprisoned for two weeks in an adult jail facility in South Florida. She was only discovered by accident!

In fact, this government's policies toward Haitian refugees have been carried out in violation of the U.N. Protocol Relating To The Status of Refugees. The U.N. Protocol mandates that a person should not be returned to a country if they have a "well-founded fear of persecution because of race, religion, nationality, political opinion or membership in a particular social group". The government's policy of expulsion, of Haitian refugees, has been justified by evasion, half-truths and sadly even out-right lies about the human rights situation in Haiti, particularly by the Departments of State and Justice. This dishonesty has been combined with such gross incompetence that it should scare anyone concerned with the Administration's ability to protect the national interest. The facts in Haiti are now fully documented in the court case before the Federal District court of Florida and the general situation has been confirmed regarding the nature of the regime in the recently released report on human rights conditions in Haiti by the Organization of American States. Testimony taken in court by former

Ton Ton Macoutes, (Haitian Security Forces), and by a former member of the Presidential Guard, are vivid in their testimony as to what has awaited Haitian Refugees deported from the United States. The testimony establishes that President-for-Life Jean-Claude Duvalier has issued standing orders that all persons returned to Haiti are to be sought out and destroyed by the security forces.

For the record, I would like to submit a copy of the "Report on the Status of Human Rights in Haiti" by the Organization of American States, dated April 17, 1980, as well as portions of the transcripts of the trial in Miami Federal District Court. These transcripts are particularly relevant in documenting the violations of equal protection and due process by the United States Immigration and Naturalization Service with regard to Haitian refugees seeking political asylum and tell a gruesome story of human rights conditions in Haiti—particularly, the fate of refugees deported back to Haiti.

We, the Congressional Black Caucus, demand that this Administration—which has talked so loftily about human rights—get itself together on the moral question of the Haitian Refugees. As late as last Friday, the Administration was continuing to vacillate and distort the situation equating the recent influx of Cubans with the Haitian Refugees who have been languishing and starving in South Florida for 8 years without any form of humanitarian assistance from the Federal Government.

The fundamental requirement for equal protection under the law did not find its way into American jurisprudence with the sudden influx of Cuban Refugees a few weeks ago.

We, as Black people, want to make it clear that we understand the connection between treatment of the Haitian Refugees and the regard which this Administration may have for Black people here at home. For the Administration to fail to address this issue immediately in a humane and rational way by granting political refugee status by May 15, 1980, when the President's power to grant refugee status on a group basis to the Haitian Boat People already in the United States expires, would condemn this Administration as one of gross hypocrisy and racism. We, the Congressional Black Caucus, plan to stand with our Haitian brothers and sisters in their quest for simple justice and will be taking this issue to every forum and community available to us.

Thank you. And now I request that Mr. Swartz and the refugees join me to provide the Committee with some additional information.

GENERAL LEAVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include other material that they deem appropriate with regard to this Special Order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATION TO INCREASE UTILIZATION OF INTERNATIONAL COURT OF JUSTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, I am introducing today, along with the gentleman from Washington (Mr. PRITCHARD), a concurrent resolution designed to increase utilization of the International Court of Justice and thereby promote international justice and peace through law. While making better use of the World Court is not a panacea for all global conflicts, it would be a step in the right direction. And in today's explosive political climate we should take every step possible toward permanent international peace.

My longstanding desire to strengthen the role of the World Court prompted me in 1974 to introduce five resolutions, House Resolutions 1212–1216. These resolutions, which had earlier been introduced and guided through the Senate by Senator CRANSTON of California, urged the President to increase utilization of the World Court. The final resolution, House Resolution 1216, directed the Secretary of State to undertake a study of the various ways to open the lines of communication between governmental and judicial bodies and the World Court and the feasibility of establishing a Special Committee of the United Nations General Assembly to request from the court advisory opinions on behalf of these bodies. However no action was taken by the House on these resolutions.

I was greatly encouraged when Senator CRANSTON recently renewed the battle to strengthen the International Court of Justice. On April 2, 1980, Senator CRANSTON introduced Senate Concurrent Resolution 85, and I am introducing an identical resolution in the House today. This resolution, similar to House Concurrent Resolution 1216 which I introduced in 1974, would increase access to the World Court by establishing a Special United Nations Committee authorized to seek an advisory opinion of the court, upon request from a national court duly empowered by national legislation to make such a request, on questions of international law. In addition, the committee would establish procedures providing adequate opportunities for the presentation of views of each party involved in cases before the World Court.

The resolution would also prompt the President to propose legislation to the Congress authorizing Federal courts to request advisory opinions from the World Court and lay out the procedures for doing so. Finally, the resolution would ask that legislation be passed precisely defining to what degree the United States accepts the expanded jurisdiction of the International Court of Justice.

Although the United States has long been a leader in promoting peace, we have been remiss in our duties to build international law. The International Court was established on October 24, 1945, as a cornerstone for a peaceful system of resolving global disputes. It was an important beginning. Let it not have been in vain.

I commend this concurrent resolution to my colleagues and urge that it be given favorable and early consideration.●

SUCCESS IN THE HOME

The SPEAKER pro tempore. Under a a previous order of the House, the gentleman from Utah (Mr. McKAY) is recognized for 5 minutes.

● Mr. McKAY. Mr. Speaker, I would like at this time to continue my presentation to this forum of issues which bear upon the health of America's families. Today I will discuss the crucial but often unrecognized role of the family in preparing children to be productive, participating members of a democratic society.

No success elsewhere can compensate for failure in the home.

With that simple statement, one recent president of the Church of Jesus Christ of Latter-day Saints pointed eloquently to this keystone role which the American family plays in the structure of our society.

That keystone has been slipping, and America has been reaping the results of that slippage. Predictably, aimless children raised in fragmented homes—often become aimless adults. Many become social deficits, costing society vast sums of money, time and talent spent on programs designed to clean up the mess that failed homes have left behind.

Examples abound. For instance, countless studies by now have confirmed a correlation between juvenile delinquency and family disintegration. Usually these studies are done by locating juvenile offenders and then backtracking through their family life histories.

Columnist William Raspberry has chronicled the work of a researcher named Dr. Samuel L. Woodard, who has accumulated some remarkable data by taking the opposite route: Studying children who have succeeded against all the odds—poverty, racial prejudice, and inferior schools—and then attempting to find something these children have in common.

What did he find? He found that these successful children almost invariably came from homes in which they were loved and nurtured.

As William Raspberry writes, children who are able to break out of the cycle of poverty are those children whose families have made them understand from the beginning that poverty is a circumstance, like the weather, and not a definition of who they are and what they may become. They have been required from their earliest years to meet high standards. As a result, they have set high standards for themselves.

We teach our children some of life's most important lessons within the walls of our homes, and these are lessons that can be made up nowhere else. Every home either knowingly or unknowingly gives its children a basis for evaluating life. It is a classroom for the teaching of values, with the lessons ranging from sharing, to love, to responsibilty, to self-discipline.

Isaac Asimov, the science fiction writer, tells of the time his father looked through one of Isaac's information-crammed books and asked, "How did you learn all this, Isaac?"

"From you, Papa."

"From me? I don't know any of this."

"You didn't have to, Papa. You valued learning and you taught me to value it. Once I learned to value it, all the rest came easily."

In the schools, on the airwaves, in our churches and synagogues, America should be holding up strong homelife as a virtue. We should be giving the children of today strong role models to follow.

On the whole, America's most effective role models can be found in the home. And what a credit to America are those homes which honor and teach virtue. The virtue of honesty, of compassion, of the pursuit of excellence.

In ancient Greece, the Athenians understood the role of the home in promoting the best values of society. The Greeks prominently displayed signs at the entrances to their homes which read, "Let nothing enter here but what is good."

Let Americans begin this year to re-establish this principle, and to admit into their homes only what is good for the home and for its members.

The result would not only be stronger, happier families, but also a stronger, freer America.●

MEDALS FOR 1980 U.S. OLYMPIC TEAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, today I am introducing legislation that will provide a specially struck medal to be awarded to those American athletes who make the 1980 U.S. Olympic team, but because of our country's boycott of the Moscow games will be unable to participate.

This legislation would provide that 650 gold-plated medals would be struck by the Mint and presented to the athletes by the President. The total cost of the medals would not exceed $50,000.

I realize that in a time when we are cutting the budget, a $50,000 expenditure may be questioned. However, I would point out that thousands of young men and women across this country have trained for years for the 1980 Olympics and have given of their time and energies, and now will be unable to compete for the Olympic gold medals. As a nation I feel that the congressional medals authorized under this legislation are the very least we can do to show our appreciation for these fine athletes.

I have been consistently impressed in the manner in which the U.S. Olympic athletes have conducted themselves with regard to the boycott. In virtually every interview I have seen, the athletes have expressed disappointment in not being able to perform in Moscow, but they have also said that the decision not to go was made by the President, and as Americans they support the President.

Joining me in introducing the legislation today is the gentleman from Minnesota (Mr. VENTO) and the Delegate from the District of Columbia, WALTER FAUNTROY.

I want to pay special recognition to Congressman VENTO. I realize that legislation suggesting the Olympic medals has already been introduced in the other body, but I would point out that it was Mr. VENTO who first came up with the idea of a medal for those athletes who are denied the right to participate. On February 25, Mr. VENTO introduced H.R. 6603, which would authorize a specially struck gold medal to be presented by the President to the Smithsonian Institution in recognition of the efforts of all American athletes who could not participate in the summer Olympics.

Today's bill expands on Mr. VENTO's idea to provide gold-plated medals to each athlete on the U.S. team. Mr. VENTO is to be commended for his forsightedness in wanting to recognize these athletes and I want to make certain that he is given proper credit for having originated the idea.

Members of the House will recall that several months ago I announced that before hearings are held on any medal bill before the Consumer Affairs Subcommittee, the legislation would have to have 218 cosponsors. That requirement will, of course, be imposed on the bill I am introducing today. I urge every Member of the House to join me in cosponsoring this bill so that as a body we can express our appreciation to the 1980 U.S. Olympic team.

Members wishing to cosponsor the legislation should contact the Consumer Affairs Subcommittee at extension 5-9181. It is my intention to hold hearings as soon as the required 218 cosponsors are obtained.●

MARINES IN DOUBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, I would like to continue the article by Mr. Owen Edwards entitled "Marines in Doubt: Are We Ready for a Crisis?" which appeared in the Saturday Review. I hope my colleagues will find it useful and informative.

MARINES IN DOUBT: ARE WE READY FOR A CRISIS?

(By Owen Edwards)

The Marine Corps' reputation is built not on dazzling strategy or remarkable innovation, but on the doggedness and quality of individual troops. If the future could be assured just by getting back to basics, all would be well. But in modern warfare, on paper at least, there is much that is not basic at all. Perhaps the greatest problem facing front-line attack troops, like those at Camp Lejeune, is the growing torsion between sophisticated technology and the simple but fundamental exigencies of the single fighting man.

In a military world in love with hardware, the Corps cannot fail to buy the latest high-tech gadgetry; yet because of its frugal budget (this year proposed at $3.2 billion, 2.4 percent of the total defense budget) and the effects of inflation, trade-offs are being made that may someday haunt the Corps in battle. Simply put, given a limited amount of money and ever more expensive technology, you trade men for machines. The LSD-41, an amphibious ship similar to that which took some of the marines to Guantanamo, has a price tag of about $75 million. The English-designed Harrier aircraft, which can set down vertically on ordinary roads and lurk in camouflaged "hides" only minutes from the front line—a plane that might have dreamed up by a grunt under attack—will cost $1.2 billion for the 336 the marines want. In the past, the Corps has been streamlined by design, but troop cuts are now made because there is no other way to have men and arms in sufficient supply.

The new confidence that the Corps seems to be inspiring on Capitol Hill may effect easing of that gun-or-manpower problem. According to Arnold Punaro, legislative aide to Senator Sam Nunn, the 1981 defense budget breakdown will show a "significant" awareness of marine needs in amphibious shipping, mobility craft, and other such essential hardware.

Another dubious aspect of the wonder-weapon syndrome is purely pragmatic. The jelly-side-down law states that anything that can go wrong will; military plans are notoriously obedient to this axiom, and military technology is not likely to be exempt. A case in point is the Dragon wire-guided antitank missile. Theoretically, it is an almost-perfect weapon. The crosshairs of the sight actually control the rocket, so as long as the gunner can keep his eye on the target he'll score a hit. To take out a tank at 3,000 yards, however, the gunner will have to stay exposed to enemy fire for a full 10 seconds. General Barrows contends that's what the marines are all about, but Dragon gunners are bound to be primary targets for enemy riflemen, and when the crosshairs leave the target, the rocket does too.

Tight budgets add to the Dragon's problems by creating an experience gap. The Dragon costs $4,000 per live round, and at that price real target practice is very much a sometime thing; computer simulations must suffice. One of the gunners I spoke with had fired only one real rocket in more than a year with the weapon; that he scored a hit on a stationary target is only partially reassuring.

Nothing illustrates the rift between real and ideal better than the modern marine's basic weapon, the M-16—universally referred to as the "Mattel toy." For 10 years it has been the standard rifle, yet I could not find a marine, from range instructors at Parris to the armory chief at Lejeune, who had a kind word for it. Though highly destructive, its light .22-caliber bullet is so easily disturbed in flight that a moderate crosswind renders the rifle useless at 500 yards. Further, the loading mechanism is so complicated that a few grains of sand will jam the action, and the plastic stock is so flimsy that a sharp rap against a stone will shatter it. In Lejeune's armory I saw a row of used oil drums filled to overflowing with discarded M-16 barrels—burned out under less-than-rigorous firing-range conditions. In Vietnam, anyone who could get a sturdy and dependable Russian AK-47 did so; one hangs on General Twomey's office wall, and my guess is that he used it.

Like the $4,000 antitank round and the vanishing amphibious fleet, the M-16 problem really matters. As the Marine Corps well remembers, it ignores the needs of the lowly ground-pounder at its peril. Battles are won by men and machines, not by machines alone, and a slavish dependence on technology could prove as disastrous to the Corps as a dependence on past glories.

If the marine corps ever does reach the half-millennium predicted by James Forrestal—or even the 21st century—a large measure of the credit will be due to the far-sighted policies of General Robert Barrows, who as manpower chief, assistant commandant, and now commandant, has been the architect of the corps's revitalization. Barrows, 58, is tall, slender, and elegant, a general clearly at home in the stylish Byzantium of Washington. Rising to the top in a corporate entity where one of the stumbling blocks is violent death, Barrows has fought three wars; he won the Navy Cross for leading an impossible night attack up an icy Korean slope during the breakout from the Chosen Reservoir. But as we talked, his sonorous Louisiana accent and relaxed Confederate grace made it hard to picture him in the frenzy of combat.

Barrows is a strict military fundamentalist, and his sense of what keeps the Corps from becoming merely a poor cousin of the other services is the motivating factor in the current reform movement. "The stresses of Vietnam," Barrows says, "led other services to accommodate to the distortions in our society. Army recruiting posters started to say 'We don't ask that you join us; we will join you.' This is so alien to marine thinking that it just boggled our minds. We blinked and said 'What's that again?' and then went just the other way."

On the problem of the money crunch and the quality of the individual marine, Barrows says absolutely, "We'll never lower our standards again, even if we have to get smaller to maintain them." And on the matter of theaters of operation, he talks enthusiastically about the revival of the marines' role of NATO's northern flank. Of special interest to him, however, is what he calls the "Third World threat."

To meet that type of threat, until recently, both President Carter and Defense Secretary Harold Brown favored an airborne "rapid deployment force"—made up solely of army personnel. In August 1977, the administration announced plans for such a force, but the Pentagon has made little real progress in creating it, and Brown now seems less sure of the army's capabilities. Naturally, the Marine Corps, which considers itself an existing rapid deployment force, shows no enthusiasm for the army's role as an expeditionary force. General Barrows is specific in his criticism of air mobility as a miracle cure. "Air is a quick way to respond," he said, "but you don't have very much there when you do respond because it's essentially a linear method of deployment. Indeed, if you took a division and deployed it someplace by air, by the time the last elements in the last airplane got there, you could have delivered the same amount of combat power by sea. The difference is that the seagoing force can go into battle *in toto*."

Barrows's assessment of the Corps's ability to respond to crises in, say, the Middle East? "That's business as usual."

However long a history of interdiction (for good reasons and bad) the Marine Corps may have, business cannot always be conducted as usual. The speed of events has caught up with the speed of communication, and time can no longer be assumed in world politics. Though Arnold Punaro, Sam Nunn's legislative aide, praises the Marine Corps for a high state of readiness, he echoes Nunn's misgivings about transportation. "Having highly trained personnel doesn't do you much good if you don't have the material capability to get the job done." Told of the marine colonel's complaint about America's fast-food mentality, Punaro replied, "Believe me, Congress doesn't have a fast-food mentality. Based on the world situation today, we have to be able to move men quickly. The recent Cuba situation shouldn't be used as a standard to measure other situations. It was an administrative landing of a Marine Amphibious Unit—putting a small fish into a small pond. If you mean moving a division, with its air support, right now we can't do it fast."

On the other hand, Punaro is dubious about Secretary Brown's rapid deployment force, pointing out that airborne combat landings have been notoriously unsuccessful in the past. He predicts that the new strategy will establish seagoing equipment bases that can be moved near crisis spots. Combat-ready marines could then be flown in for combined sea and air landings. In the new budget according to Punaro, the Corps is scheduled to get the lion's share of funding earmarked for developing rapid deployment capabilities. "The Marine Corps" he says, "is the force for the Eighties."

As I stand in the darkness on Landing Zone Albatross, something Commandant Barrows has said, earlier in the summer, floats into my mind. He said he had no doubt that his youngest son, now a Corps lieutenant, will somewhere have to command marines under fire. In terms of battle readiness, Vietnam is ancient history: Only about 15 percent of all marines now on active duty—mostly senior NCOs and colonels—have experienced combat.

Hearing the sound of the last helicopter fade toward its base in the north, I ask the gray-haired artillery colonel how he thinks this perfectly choreographed operation would go if his troops were facing hostile fire for the first time. With a shrug, he gives the only answer he can: "There's only one way to find out, isn't there?"

The question is still moot. But there seems a growing and gloomy likelihood that the colonel, the Corps, and the country may have an answer soon.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Phillip Burton (at the request of Mr. Wright), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Carney) to revise and extend their remarks and include extraneous material:)

Mr. Collins of Texas, for 30 minutes, today.

(The following Members (at the request of Mr. Harkin) to revise and extend their remarks and include extraneous material:)

Mr. Bingham, for 15 minutes, today.

Mr. McKay, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Alexander, for 10 minutes, today.

Mr. Preyer, for 60 minutes, June 17.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Carney) and to include extraneous matter:)

Mr. Moorhead of California.
Mr. Michel.
Mr. Kemp.
Mr. Solomon.
Mr. Guyer.
Mr. Bereuter in two instances.
Mr. Findley.
Mr. Corcoran.
Mr. Shumway.
Mr. Gilman in three instances.
Mr. Myers of Indiana.
Mr. Goodling in three instances.
Mr. Dannemeyer.
Mr. Ashbrook in three instances.
Mr. Gingrich.
Mr. Quayle.

(The following Members (at the request of Mr. Harkin) and to include extraneous matter:)

Mr. Minish.
Mr. Ford of Michigan.
Mr. Dodd.
Mr. Skelton.
Mr. Moakley.
Mr. Hubbard.
Mr. Mazzoli.
Mr. Coelho.
Mr. Bonker.
Mr. Guarini.
Mr. Harris.
Mr. Edwards of California.
Mr. McCormack.
Mr. Wright.
Mr. Wyatt in two instances.
Mr. Conyers.
Mr. Pease.
Mr. Edgar.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 3, 1980, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 554. Joint resolution making an appropriation for the Federal Trade Commission for the fiscal year ending September 30, 1980.

ADJOURNMENT

Mr. SWIFT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Thursday, June 5, 1980, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4510. A letter from the Secretary of Education, transmitting a report on the Condition of Education, 1980, prepared by the National Center for Education Statistics, pursuant to Public Law 93–380; to the Committee on Education and Labor.

4511. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to protect the confidentiality of data made available to the Bureau of Labor Statistics, and for other purposes; jointly, to the Committees on Education and Labor and Government Operations.

4512. A letter from the Chairman, National Labor Relations Board, transmitting a list of cases heard and decided by the Board during fiscal year 1979, pursuant to section 3(c) of the Labor Management Relations Act of 1947; to the Committee on Education and Labor.

4513. A letter from the Comptroller, Department of State, transmitting the Department's semiannual report on international narcotics control program activities for the period ended March 31, 1980, pursuant to the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

4514. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of agreements between the American Institute in Taiwan and the Coordination Council for North American Affairs, pursuant to section 12(a) of Public Law 96–8; to the Committee on Foreign Affairs.

4515. A letter from the Acting Director, Community Services Administration, transmitting the Administration's semiannual report of the Inspector General for the period ended March 31, 1980, pursuant to section 5(b) of Public Law 95–452; to the Committee on Government Operations.

4516. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting the Commission's report entitled "Citizen Participation in the American Federal System"; to the Committee on Government Operations.

4517. A letter from the Comptroller General of the United States, transmitting a report entitled "EPA Should Help Small Communities Cope With Federal Pollution Control Requirements" (CED–80–92, May 30, 1980); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Public Works and Transportation.

4518. A letter from the Comptroller General of the United States, transmitting a report entitled "Military Standard on Work Measurement—A Way to Control Cost and Increase Productivity" (PSAD–80–46, June 3, 1980); jointly, to the Committees on Government Operations and Armed Services.

4519. A letter from the Deputy Secretary of Defense, transmitting a semiannual report summarizing the activities of the audit, inspection, and investigative units of the Department for the period ended March 31, 1980, pursuant to Public Law 95–452, the Inspector General Act of 1978; to the Committee on Government Operations.

4520. A letter from the President, Corporation for Public Broadcasting, transmitting the Corporation's annual report for 1979; to the Committee on Interstate and Foreign Commerce.

4521. A letter from the Acting Assistant General Counsel (International Trade and Emergency Preparedness), of the Department of Energy, transmitting notice of a meeting related to the international energy program to be held in Berne, Switzerland on June 5 and 6, 1980; to the Committee on Interstate and Foreign Commerce.

4522. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a decision in No. 37299F; Grain, Kansas City, Mo.-Kans., to Texas Ports, within the specified 7-month period, and seeks an extension until August 29, 1980, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

4523. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in No. 37322, *Coal, Belle Ayr and Eagle Jct., Wyo. to Council Bluffs, Iowa*, within the initially specified 7-month period, and seeks an extension until September 1, 1980, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

4524. A letter from the Secretary of Labor, transmitting the Department's semiannual report of the Inspector General for the period ended March 31, 1980, pursuant to section 5(b) of Public Law 95–452; to the Committee on Government Operations.

4525. A letter from the treasurer general, National Society of the Daughters of the American Revolution, transmitting the society's annual audit for the fiscal year ended February 29, 1980, pursuant to Public Law 88–504; to the Committee on the Judiciary.

4526. A letter from the Acting Commissioner, Immigration and Naturalization Service, transmitting copies of orders suspending deportation orders in the cases of Ivan Cemlier, A7–899–438 and Yung Ming Woo, A7–398–356, pursuant to section 244(a) of the Immigration and Nationality Act of 1952, as amended; to the Committee on the Judiciary.

4527. A letter from the Special Prosecutor, U.S. Government, transmitting a report on alleged possession of cocaine by Hamilton Jordan in violation of 21 U.S.C. section 844 (a), pursuant to 28 U.S.C. section 595(a); to the Committee on the Judiciary.

4528. A letter from the Secretary of State, transmitting an investigative report on certain allegations by an employee of the New York Passport Agency concerning the passport fraud program of the Department's Office of Passport Services; to the Committee on Post Office and Civil Service.

4529. A letter from the Secretary of the Treasury, transmitting a report on the state of finances of the U.S. Government for fiscal year 1979, pursuant to 31 U.S.C 1027; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee of conference. Conference report on S. 562 (Rept. No. 96–1070). Ordered to be printed.

Mr. BEILENSON: Committee on Rules. House Resolution 695. Resolution providing for the consideration of H.R. 6790. A bill to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes (Rept. No. 96–1071). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 696. Resolution providing for the consideration of H.R. 7301. A bill to authorize certain construction at military installations for fiscal year 1981, and for other purposes (Rept. No. 96–1072). Referred to the House Calendar.

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 5997. A bill to provide for the distribution of the Code of Ethics for Government Service; with amendments (Rept. No. 96–1073). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 697. Resolution providing for the consideration of House Joint Resolutin 531. Joint resolution disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline (Rept. No. 96–1074). Referred to the House Calendar.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 5164. A bill to amend certain inspection and manning laws applicable to small vessels carrying passengers or freight for hire, and for other purposes; with amendment (Rept. No. 96–1075). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself, Mr. VENTO, and Mr. FAUNTROY):

H.R. 7482. A bill to authorize the President of the United States to present on behalf of Congress a specially struck gold-plated medal to the U.S. Summer Olympic Team of 1980; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. BOGGS:

H.R. 7483. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for 50 percent of the fuel expenses of commercial fishermen; to the Committee on Ways and Means.

By Mr. CLAUSEN:

H.R. 7484. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 7485. A bill to provide for payments in lieu of taxes to be made by the United States to local governments for property which is exempt from property taxation under Federal law and which is located within the jurisdiction of the local government and owned by a foreign government or international organization: to the Committee on Government Operations.

By Mr. GONZALEZ:

H.R. 7486. A bill to provide for the establishment of the Federal Protective Service for the protection of property under the jurisdiction of the General Services Administration, to provide for the pay and training of the members of such service, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. GUARINI (for himself, Mr. ROSTENKOWSKI, Mr. FLORIO, and Mr. MADIGAN):

H.R. 7487. A bill to amend the Internal Revenue Code of 1954 to impose a manufacturers excise tax on the sale of light-gage steel drums; to the Committee on Ways and Means.

By Mr. JOHNSON of California (by request):

H.R. 7488. A bill to amend title 49, United States Code, to provide additional criminal penalties for safety violations, to increase civil penalty limits, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MUSTO (for himself and Mr. ERTEL):

H.R. 7489. A bill to provide grants and loans for production and utilization of anthracite coal, and other financial assistance for the planning, program coordination, and use of anthracite coal resources to alleviate national dependence on foreign oil and provide for economic assistance to a substantial and persistent unemployment and underemployment region, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. RAHALL:

H.R. 7490. A bill for the relief of the Herbert J. Thomas Memorial Hospital; to the Committee on the Judiciary.

By Mr. SCHEUER (by request):

H.R. 7491. A bill to provide exemptions from the Investment Company Act of 1940 and Investment Advisers Act of 1940 for specialized investment companies engaged in furnishing capital to unseasoned enterprises which are unable to obtain capital on favorable terms through conventional means and which frequently need and receive significant managerial assistance and for certain investment advisers; to the Committee on Interstate and Foreign Commerce.

By Mrs. SPELLMAN:

H.R. 7492. A bill to amend section 8337(a) of title 5, United States Code, concerning disability retirements under the civil service retirement system, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 7493. A bill making supplemental appropriations for the fiscal year ending September 30, 1980, rescinding certain budget authority, and for other purposes; to the Committee on Appropriations.

By Mr. WYATT:

H.R. 7494. A bill to provide for an investigation of the acquisition of lands on Matagorda Island, Tex., by the Federal Government in 1940, and to preserve certain rights in that land to the former owners; to the Committee on Armed Services.

H.R. 7495. A bill to establish Inauguration Day as a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 7496. A bill to provide additional funds for certain projects relating to fish restoration, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. BINGHAM (for himself and Mr. Pritchard):

H. Con. Res. 352. Concurrent resolution to establish a Special Committee on Advisory Opinions From the World Court; to the Committee on Foreign Affairs.

By Mr. GOODLING (for himself and Mr. Walker):

H. Con. Res. 353. Concurrent resolution calling upon the President to designate as refugees those Cubans who have arrived in the United States in the last 60 days; to the Committee on the Judiciary.

By Mr. HEFTEL (for himself, Mr. Brooks, Mr. Hammerschmidt, Mr. Anthony, Mr. Pickle, Mr. Glickman, Mr. Skelton, Mr. Jones of Oklahoma, Mr. Watkins, and Mr. Alexander):

H. Con. Res. 354. Concurrent resolution expressing the sense of the Congress that the President should exercise his authority to restore the peaceful and orderly processing under the immigration laws of Cuban nationals who recently arrived in the United States and to remove, in accordance with law, from the United States those Cuban nationals who participate in acts of destruction or violence at the sites of such processing; to the Committee on the Judiciary.

By Mr. SKELTON:

H. Con. Res. 355. Concurrent resolution urging the President to immediately order the expulsion from this country of those Cuban immigrants who have participated in rioting and other civil disturbances at various processing centers; to the Committee on the Judiciary.

By Mr. CARNEY:

H. Res. 698. Resolution congratulating the Order of the Sons of Italy in America for their 75th anniversary and wishing the Order of the Sons of Italy in America success in future years; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

490. The SPEAKER presented a memorial of the House of Representatives of the State of Hawaii, relative to the need for the Federal Government's assuming a greater share of the cost of intermediate- and long-term-care facilities; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HANSEN:

H.R. 7497. A bill for the relief of Maria de Jesus Barrios de Meza and Romulo Meza-Ydarra, spouse; to the Committee on the Judiciary.

H.R. 7498. A bill for the relief of Ammara Deitz; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 76: Mr. Forsythe, Mr. Derwinski, Mr. Whitehurst, Mr. Miller of Ohio, Mr. Gramm, Mr. Frenzel, Mr. Watkins, Mr. Railsback, Mr. Hopkins, Mr. Petri, Mr. Hance, Mr. Thomas, Mr. Barnard, Mr. Tauke, and Mr. Bowen.

H.R. 135: Mr. Fazio.

H.R. 801: Mr. Leach of Louisiana.

H.R. 1290: Mr. Mathis and Mr. Wolff.

H.R. 2139: Mr. Corcoran.

H.R. 2279: Mr. Minish, Mr. Gudger, Mr. Kildee, Mr. Albosta, Mr. Ashbrook, Mr. Barnes, Mr. Snyder, and Mr. Foley.

H.R. 4358: Mr. Brown of California, Mr. Guarini, Mr. Leach of Louisiana, Mr. Mica, and Mr. Ullman.

H.R. 5675: Mr. Bedell and Mr. Philip M. Crane.

H.R. 5676: Mr. Bedell and Mr. Philip M. Crane.

H.R. 6194: Mr. Chappell, Mr. Jeffords, Mr. Mottl, Mr. Preyer, Mr. Russo, and Mr. Young of Alaska.

H.R. 6380: Mr. Ratchford and Mrs. Snowe.

H.R. 6405: Mr. Andrews of North Dakota, Mr. Cleveland, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Gingrich, Mr. Guyer, Mr. Lagomarsino, Mr. Lent, Mr. McClory, Mr. Madigan, Mr. Petri, Mrs. Snowe, Mr. Regula, Mr. Stangeland, Mr. Stanton, Mr. Whitehurst, Mr. Simon, and Mr. Clausen.

H.R. 6540: Mr. Davis of Michigan.

H.R. 6637: Mr. Forsythe.

H.R. 6718: Mr. Oberstar.

H.R. 6732: Mr. Dickinson.

H.R. 6763: Mr. Collins of Texas, Mr. Grisham, Mr. Hance, and Mr. Lagomarsino.

H.R. 6807: Mr. Collins of Texas.

H.R. 6856: Mr. Forsythe, Mr. Lungren, and Mr. Lagomarsino.

H.R. 6941: Mr. Campbell and Mr. Skelton.

H.R. 6969; Ms. Oakar, Mrs. Spellman, and Mr. Heftel.

H.R. 7069: Mr. Mollohan.

H.R. 7189: Mr. Corcoran.

H.R. 7300: Mr. Mattox, Mr. Steed, Mr. Whittaker, Mr. Taylor, Mr. Wyatt, Mr. Frost, Mr. Carter, Mr. Montgomery, Mr. Rose, and Mr. Lewis.

H.R. 7332: Mr. Ford of Michigan, Mr. Broomfield, Mr. Clay, Mr. Jones of Tennessee, Mr. Young of Missouri, Mr. Dingell, Ms. Mikulski, Mr. Diggs, Mr. Nedzi, Mr. Bonior of Michigan, Mr. Kildee, Mr. Murphy of Pennsylvania, Mr. Conyers, and Mr. Murtha.

H.J. Res. 159: Mr. Stack, Mr. Addabbo, Mr. Lehman, Mr. Hanley, Mr. Gonzalez, Mr. Barnard, Mr. Spence, Mr. Evans of Delaware, Mr. Bedell, Mr. Lederer, Mr. Lagomarsino, Mr. Horton, Mr. Montgomery, Mr. Thompson, Mr. Taylor, Mr. Young of Alaska, Mr. Natcher, Mr. Coelho, and Mr. Ambro.

H.J. Res. 417: Mrs. Fenwick, Mr. English, Mr. Buchanan, Mr. Derrick, Mr. McEwen, Mr. Murphy of New York, Mr. Lott, Mr. Hutto, Mr. Andrews of North Dakota, Mr. Latta, Mr. Richmond, Mr. Fazio, Mr. Thompson, Mr. Hefner, Mr. Edwards of Alabama, Mr. Murphy of Pennsylvania, Mr. Ford of Michigan, Mr. McHugh, Mr. Conte, and Mr. Lent.

H.J. Res. 471: Mr. Pepper, Mr. Regula, and Mr. Hammerschmidt.

H.J. Res. 511: Mr. Coelho.

H.J. Res. 537: Mr. Winn.

H. Con. Res. 57: Mr. Markey, Mr. Myers of Indiana, Mrs. Snowe, Ms. Oakar, Mr. Roth, Mr. Sebelius, Mr. Symms, Mr. Thomas, and Mr. McClory.

H. Con. Res. 331: Mr. Moorhead of California, Mr. Clay, Mr. Winn, Mr. Madigan, Mr. Thomas, Mr. Johnson of Colorado, Mr. Dixon, Mr. Stangeland, Mr. Lott, and Mr. Simon.

H. Res. 597: Mr. Miller of Ohio, Mr. Hinson, Mr. Stockman, Mr. Lagomarsino, Mr. Butler, Mr. Fish, Mr. Evans of Georgia, Mr. Lott, Mr. Porter, Mr. Badham, Mr. Gradison, Mr. Neal, Mr. Carter, Mr. Tauke, Mr. Campbell, Mr. Gingrich, Mr. Coughlin, Mr. Dornan, and Mr. Barnard.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

363. By the SPEAKER: Petition of the chairman, the Research Society for Constitutional Democracy, relative to South Korean political situation; to the Committee on Foreign Affairs.

364. Also, petition of the Town Council, Town of Paradise, Calif., relative to voluntary prayer in public schools and gatherings; to the Committee on the Judiciary.

365. Also, petition of the Town Board of Islip, Suffolk County, N.Y., relative to H.R. 7020 and S. 1480, in regard to hazardous waste disposal sites; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6942

By Mr. ALBOSTA:

—Page 52, after line 10, insert the following new section 713 and redesignate subsequent sections accordingly:

REQUIREMENT THAT ASSISTANCE BE IDENTIFIED AS BEING OF UNITED STATES ORIGIN

SEC. 713. (a) The President shall take such steps as may be necessary to insure that, to the maximum extent possible, the recipients of any economic assistance provided for the fiscal year 1981 under this Act, or under the Agricultural Trade Development and Assistance Act of 1954, are informed that such assistance was made available by the people of the United States.

(b) In furtherance of the policy of subsection (a) of this section, the policy of section 641 of the Foreign Assistance Act of 1961, and the policy of section 103(1) of the Agricultural Trade Development and Assistance Act of 1954, the President shall, in determining the levels of assistance to countries under those Acts, take into account whether the government of the proposed recipient country has been making good faith efforts to inform the recipients of such United States assistance of the extent to which the people of the United States are providing assistance for that country.

(c) For purposes of this section, the recipients of assistance include—

(1) in the case of assistance which is used to make commodities, other items, services, or information available for individuals in a foreign country, those individuals who ultimately receive or actually use the commodities, items, services, or information; and

(2) in the case of assistance which is used to assist a country generally, the inhabitants of that country.

—Page 52, immediately after line 10, insert the following new section 713 and redesignate the subsequent sections accordingly:

COOPERATION OF OTHER GOVERNMENTS IN THE BOYCOTT OF THE 1980 SUMMER OLYMPIC GAMES IN MOSCOW

SEC. 713. In determining the levels of assistance to be provided to a foreign government with funds authorized to be appropriated by this Act, the President shall take into account the position of that government with respect to the United States-proposed boycott of the 1980 summer Olympic games in Moscow.

SENATE—*Wednesday, June 4, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. Dennis DeConcini, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God in whom we live and move and have our being, let Thy blessing be upon us for all we have done that is right. Have mercy upon us for all we have done that is wrong.

If we have injured our relationships, sabotaged our fellowships, and underrated Thy forgiveness, have mercy upon us. If we have mistrusted Thy providence, distorted Thy power, and ignored Thy love, forgive us. If we have squandered time, wasted money, avoided challenges, and misused other people, forgive us.

Stab us awake, O Lord, to the terrible realities of our times and brace us as we try "to be better" and "do better" in the days to come. Watch over the President and all others who serve this Nation. Endow us with Thy spirit of wisdom and truth that we may be good enough and great enough for our times.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., June 4, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Dennis DeConcini, a Senator from the State of Arizona, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. DeCONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve my time, for the time being.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

ALASKA WOMEN IN TIMBER

Mr. STEVENS. Mr. President, the Alaska Women in Timber arrived this week on a mission to the Senate. These women either work or are wives of workers in timber camps throughout southeast Alaska. They have come to Washington in an effort to inform the Senate of the consequences of the Alaska lands issue on the Alaska timber industry and on their lives and the lives of their families.

I hope that Senators and their staffs will listen to these ladies. They have come a very long way. The Alaska lands debate concerns more than the preservation of areas of great scenic beauty in Alaska; it also involves the lifestyle and livelihood of every Alaskan. The Senate certainly cannot ignore the needs and desires of the people directly affected by Alaska lands legislation.

The balanced approach of the Energy and Natural Resources Committee on this issue is particularly evident in its treatment of southeast Alaska. The committee bill designates 4.3 million acres of the 16-million-acre Tongass National Forest as wilderness and establishes a number of special management areas, totaling 2.1 million acres. These areas are statutorily closed to timber harvesting, unless a subsequent act of Congress opens them. During the next 10 years, the Secretary of Agriculture will monitor the Alaska timber industry and report to Congress whether the timber industry can be sustained without contributions from the SMA's. At the end of that timeframe Congress will review the Secretary's report and consider whether the special management areas should be designated as wilderness.

On the other hand, the plan for southeast Alaska espoused by advocates of rigid and excessive Alaska lands legislation, in all likelihood, would cause one of the two major lumbermills in southeast Alaska to close and cause the loss of up to 2.000 timber-related jobs. This plan would cause economic upheaval in my State, where the unemployed rate is already the highest in the Nation. That upheaval is the price that my constituents would have to pay so that the extreme environmental and wilderness groups could have an additional 1.6 million acres of "instant wilderness" in southeast Alaska and avoid the comprehensive congressional review of the special management areas established by the Energy Committee bill. That review could lead to the designation of more land as wilderness in southeast Alaska than the proposals of the environmental and wilderness groups, if, in fact, the proposals for increased production from the balance of the Tongass National Forest materialize.

Mr. President, as Mildred Stephens, of Ketchikan, Alaska, notes in her article on the Alaska lands issue in the Christian Science Monitor, Alaskans have a deep belief in conservation. They favor sound management of Alaska's natural resources, especially timber; they have no desire to harm the land they love. I urge my colleagues to listen to this message from my State and support the Energy and Natural Resources Committee's Alaska lands bill, the only lands bill before the Senate that takes the concerns of all the parties involved in the lands issue into account and arrives at a true compromise.

Mr. President, I ask unanimous consent that this article from the Christian Science Monitor be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

An Alaskan Protests

(By Mildred H. Stephens)

The very persuasive, well-meaning, but overzealous conservationists have caused our President, congressmen, and others to have many misconceptions about Alaska. It is my earnest desire as a 43-year resident of this state to correct some of these misconceptions.

First, let me say that men are not waiting with bulldozers to despoil the land. We have all the safeguards to protect our land that any other state has—the Forest Service, Bureau of Land Management, Environmental Protection Agency, and many others.

In fact, we have so much protection that development is almost impossible. It took six years to overcome all the obstacles and meet all the protective environmental requirements before the Alaska pipeline could be built. If the pulp mill in Ketchikan needs to move a logging camp to a new location, 40 permits must be obtained. This alone shows the amount of protection we have for already existing industry. The US Borax Company, which has discovered what may prove to be the largest molybdenum mine in the world, has been trying for approximately three years to obtain the necessary permits to build 11 miles of road to better facilitate further exploration, but as yet they have no road.

Our birds and wildlife are already well protected by existing laws. For instance, even though hundreds of bald eagles inhabit southeastern Alaska, it is not only against the law to kill an eagle but it is unlawful to own or have in one's possession a single eagle feather.

Alaska has 27,146,690 acres (42,417 square miles) in wildlife refuges, national parks, and monuments, some of which were requested by the people of Alaska themselves. There is no objection to some of these areas being enlarged or others added—within reason. But we do object strenuously to having millions of acres locked up in wilderness and national monuments with all their restrictions.

Under the present restrictions imposed by President Carter, Interior Secretary Andrus, and the Secretary of Agriculture, 110 million acres—almost one-third of Alaska, an area larger than the state of California—is locked up in national parks, monuments, wildlife refuges, wild and scenic rivers, and wilderness.

Alaskans, and I'm speaking for the majority of Alaskans, believe in conservation. But they also believe that conservation and orderly development are compatible; that both are needed and desirable and that we could and should have both.

Many may think that Alaska is such a large state that the two-thirds left to us is enough for development. Those who have flown over Alaska on a clear day know that there are hundreds of miles of snow-capped mountains and glaciers. This is a rugged country, and much of the land will always be wild and uninhabitable.

Alaska has other resources besides oil and should be allowed to make use of them. One of these major resources is timber. The Udall-Anderson bill, HR 39, which passed the House in May, 1979, would set aside 36 percent—more than one-third of the Tongass National Forest—as wilderness. The Tongass National Forest covers all of southeastern Alaska and is the source of timber for two pulp mills, the only year-round industry for Ketchikan and Sitka, two of the major cities in Alaska. This bill would drastically cut down the annual allowable timber harvest for these two mills and would make it difficult for both to continue operating.

Timber is a renewable resource. The forests of southeastern Alaska are rain forests, some areas having as much as 160 to 190 inches of rain per year. Therefore the cutover areas reseed themselves quickly with lush new growth of spruce and hemlock, but if left in a wilderness area the trees become overmature and are subject to disease and windfall.

The world needs the pulp and timber Alaska produces. The United States needs our oil and other strategic minerals. But how can we continue to produce these and explore for more with millions of acres locked up in wilderness—a wilderness so wild, so vast and inaccessible that few will ever see it or go into it?

Alaskans do not feel that they live in a land apart. They worked hard for statehood and, although separated physically from the "lower 48," they are definitely a part of our great country and should have the same privileges granted to all the other states, such as, fish and wildlife management, water appropriation rights, navigable water control, access to public lands, and use of federal lands by state residents.

We are a young state and need economic development to survive. We need jobs for our people. We need encouragement, help and support to develop our great potential, not deterrents to our progress. Therefore, I urge President Carter and our congresmen to consider carefully before locking up an excessive amount of land in this great and rugged state.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time does the acting minority leader have?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 6 minutes remaining.

Mr. STEVENS. Mr. President, I reserve the remainder of my time.

MILITARY REGISTRATION

Mr. ROBERT C. BYRD. Mr. President, nearly 1 year ago, the Armed Services Committee favorably reported a bill which provided for the registration and classification of young men aged 18 to 26. The committee made its recommendations based on a number of days of hearings on registration and mobilization. In addition to the committee hearings, Senator NUNN, chairman of the Armed Services Subcommittee on Manpower and Personnel, requested that the Senate hold a rare, closed session to review the state of our military preparedness in light of our military manpower situation as reflected in a recent mobilization exercise code named "Nifty Nugget."

The committee hearings and the closed session provided a forum for extensive, substantive debate on the issue of our manpower readiness, and it was generally recognized that current manpower problems in the event of mobilization are so severe that the military services are not now capable of meeting our national emergency requirements in terms of manpower.

More recently, the debate has turned to the administration's request for an appropriation to enable the Selective Service System to register young men aged 19 and 20 for military service.

House Joint Resolution 521, which transfers to the Selective Service System $13.295 million in currently uncommitted funds, would provide the necessary funds. As stated in House Joint Resolution 521, the registration plan calls for the U.S. Postal Service to undertake registration. Young men born in 1960 and 1961 would be required to go to their local post office to register. They would fill out a simple form with their name, address, date of birth, and social security number. The forms would be checked at the postal windows to insure that they are legible and complete, and then sent to the Selective Service System where the information would be computerized. Subsequently, the registrant would receive a short letter from the Selective Service System indicating that he had been registered, and asking that the system be kept informed of any change of address.

I support peacetime registration. Such action is an important step toward improving our manpower mobilization capability and enhancing our general military preparedness.

The President, the Chairman of the Joint Chiefs, the Secretary of Defense, the Secretary of State, and all the military chiefs support peacetime registration.

Most Americans support peacetime registration. Recent polls, including those taken at college campuses, indicate that a large majority of Americans agree that our military preparedness needs to be strengthened and that peacetime registration is a step in the right direction. To cite a few results:

Seventy-eight percent of the participants of a February AP-NBC poll favored registration.

Seventy-five percent of Americans polled, aged 18-24, in a February Newsweek poll favored draft registration.

Seventy-six percent of those participating in an ABC-Harris survey conducted in early February approved the President's registration plan.

Today's Student, a monthly publication with a college-age audience, polled students at universities around the country in mid-February and compiled the following results:

Fifty-three percent of those students polled favored the President's registration proposal.

Sixty-three percent said they would serve if drafted.

It is important to remember that this resolution proposes only that registration be reinstituted; it does not call for conscription.

Critics of premobilization registration argue that the days saved are minimal and do not justify its implementation. They cite a draft working document circulated by the Selective Service which noted that "only 7 days" would be saved by a premobilization plan compared to a postmobilization plan. This calculation has since been shown to be deficient in a number of important areas. For example, it was based on the uncertain assumption that Congress would be able to pass legislation to implement registration, classification, and the draft and also appropriate needed funds on the first day of mobilization. The postmobilization effort envisioned in the report failed to take into account any unforeseen problems which might arise—an energy shortage, distribution and communication problems, a computer malfunction, to name just a few examples.

Registration before a crisis will allow us to test at least some parts of the system, to iron out problems, to resolve legal battles. More important, it will provide the capability to locate manpower resources.

Approval of this resolution will send a strong and clear signal to the Soviet Union, and to our allies, of our determination to place our Armed Forces in a state of preparedness in the event of a military emergency. Reinstitution of military registration will demonstrate our resolve to back up our foreign policy pronouncements with military strength.

There is no doubt that our allies will be paying very close attention to this debate, and that they place a great deal of importance on the outcome of our actions. West German Chancellor Helmut Schmidt reportedly told an audience during his visit to Washington earlier this year that he views the fate of this military registration measure as a crucial sign of our determination. Approval of this resolution will clarify for our allies—and our adversaries—that the United States is willing and prepared to counter aggression and to protect both her vital interests and those of her allies and friends around the world.

Military registration represents more than a signal of our resolve and commitment. There are legitimate military reasons to vote for registration. The Active and Reserve Forces were never intended to meet a military crisis without the backup manpower which military registration would insure. While I am under no illusions that military registration will solve the low manpower strength and recruitment and retention problems currently plaguing our Armed Forces, I do believe that it will provide a necessary and important source of manpower in the event of a crisis.

I hope that my colleagues will join with me in supporting this proposal. I believe that our support will send a message to the American people and to the rest of the world that this body understands the importance of maintaining an adequate military posture and that it is willing to support steps which will insure that we have one.

If we do not support this measure, we will show that we lack the commitment to improve our mobilization capability. At a time when we are trying to convince our allies—most of whom already have military registration and conscription—to increase their defense efforts, it would be a serious mistake to signal that we are not willing to do the same.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Wisconsin such time as he may require.

HOW TO HANDLE THE NEXT CHRYSLER

Mr. PROXMIRE. Mr. President, a very timely article appears in the June 16 issue of Fortune magazine on "How to Handle the Next Chrysler." It is written, interestingly enough, by a graduate of a Japanese university, a man named Yoshi Tsurumi, who has a Ph. D. from Harvard Business School and teaches at UCLA Graduate School of Management. It is a fascinating article, because he points out what was wrong in our bailing out Chrysler. I will read a small part of it and have the remainder placed in the RECORD.

Now that Chrysler Corp. is cradled in a life raft of federally guaranteed loans, some lessons about this kind of rescue operation are beginning to emerge. They are worth thinking about because other companies in trouble will be tempted in future years to try to go the Chrysler route.

One lesson is that a company that asks for federal help may get a lot sicker while waiting for an answer. Because Chrysler needed the cooperation and goodwill of many parties—banks, governments, and the union—it did not attempt the brutal economies that would have been necessary if the only alternative had been bankruptcy. Its losses—and the estimates of the amount of capital it would need to survive—mounted dramatically.

A second lesson is that once Washington steps out front as risk taker, all the other parties run for whatever cover can be found. In the end the banks did not, as promised, extend new loans to Chrysler. Instead, they cut their existing lines of credit.

The article further points out that Japan offers an alternative way; and despite the impression that Japan is sort of a corporate state, they do confine their aid to infant industries and growing industries, and mature industries such as Chrysler are required to operate on the basis of what they can do in the private sector.

One other factor the article points out is that the real guardians and watchdogs of Japanese industry are the banks: "Their symbiotic relationship with their corporate customers dates back to the years after World War II."

In the case they give of the Mazda Corp., which was very much like Chrysler and was beginning to go bankrupt, the federal government in Japan did nothing. The banks moved in and brought in fresh management, resurrected the company, and the company is doing very well.

Here, the Government moved in, so the banks moved out.

I think this article is an excellent indication of the way the Federal Government should perform in the future if we have future applications, which, unfortunately, we are very likely to have.

I ask unanimous consent that the article from Fortune magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO HANDLE THE NEXT CHRYSLER

(By Yoshi Tsurumi)

Now that Chrysler Corp. is cradled in a life raft of federally guaranteed loans, some lessons about this kind of rescue operation are beginning to emerge. They are worth thinking about because other companies in trouble will be tempted in future years to try to go the Chrysler route.

One lesson is that a company that asks for federal help may get a lot sicker while waiting for an answer. Because Chrysler needed the cooperation and goodwill of many parties—banks, governments, and the union—it did not attempt the brutal economies that would have been necessary if the only alternative had been bankruptcy. Its losses—and the estimates of the amount of capital it would need to survive—mounted dramatically.

A second lesson is that once Washington steps out front as risk taker, all the other parties run for whatever cover can be found. In the end the banks did not, as promised, extend new loans to Chrysler. Instead, they cut their existing lines of credit. Their main concession was deferring interest payments. The Treasury Department described this as "the economic equivalent" of new loans, but it is money that the banks would probably have had to write off entirely were it not for the government bailout.

From the standpoint of the national interest, however, the gravest danger is not the potential cost to the taxpayer but the precedent that the rescue sets. It is a big step down the British road of propping up sick companies and industries—and it comes at a time when our archrival, Japan has proved the wisdom of the opposite course. Despite the impression here that Japan is a sort of corporate state, the government confines its aid to infant industries and lets established companies fend for themselves. That is just what Japan's fourth-largest automaker had to do when it got in trouble five years ago.

Japan's potential Chrysler was Toyo Kogyo, which is known by the name of its product, Mazda. Back in 1973 Mazda was racing ahead, powered by its innovative rotary engine. What matter that it got only 11 miles to the gallon in city driving? It gave sports-car buffs the kind of new thrill they love. But when the oil embargo hit in 1973, and was followed by soaring gasoline prices, Mazda's market collapsed in 1974, despite a desperate advertising campaign, $500-a-car rebates, and many dealer incentives, sales of Mazda's rotary-engine models plunged 48% in Japan and 35% in the U.S. By 1975, the company was threatened with a bankruptcy that could have wiped out 100,000 jobs at Mazda and its suppliers.

It might be thought that at this point "Japan Inc."—the fabled condominium of government and industry—would come rushing to the rescue. That is not how it works at all. While the government has acted as the initial promoter and protector of key in-industries, once a number of companies establish themselves in the domestic market, sharp competition reigns. When a company gets in trouble, the government may encourage rescue attempts by the private sector, but it doesn't join in with public funds. If Mazda failed, its market share would be absorbed by other, stronger companies. A shakeout of that kind doesn't cause alarm in Japan, which takes a worldwide rather than parochial view of the nature of competition.

SUMITOMO TO THE RESCUE

The real guardians and watchdogs of Japanese industry are the banks. Their symbiotic relationship with their corporate customers dates back to the years after World War II. With the equity markets in ruins, the banks took in the deposits of a thrifty Japanese public and lent the money to finance an industrial resurgence. Among Japanese companies, a debt-equity ratio of 2 to 1 or even higher isn't uncommon. A company's lead bank owns perhaps 3 percent or 4 percent of the company's voting stock and gets the inside information it needs to monitor its client's progress. In theory, the loans are secured by the company's assets, but in practice a lead bank would be expected to shoulder a large portion of the loss if an important customer were to fail. These large loans, in other words, take on some of the characteristics of equity.

Mazda's lead bank was Sumitomo, and it put its own management team in place at the company as soon as the financial warning lights started flashing. Mazda's chief executive, Kohei Matsuda, a grandson of the founder, was eased upstairs to the post of chairman (and later was honorably retired). The dividend was slashed by three-quarters, and all paychecks were trimmed (with the heaviest cuts at the top of the ladder). Because of the tradition of lifetime employment, layoffs were out of the question, but through normal attrition and by paying bonuses for early retirement, Mazda reduced its work force from 37,000 to 27,000.

In fairness, Sumitomo did not inherit as bad a case as Lee Iacocca took on at Chrysler. With only $2 billion in sales in 1974 (compared with $12 billion at Chrysler last year), Mazda could be revived more quickly. It had a profitable light truck division that produced 300.000 vehicles in 1974, and all of the 431,000 cars were essentially variations on a single basic model. Still, Sumitomo figured that the rescue effort would require an infusion of $1 billion, a sum that it was willing and able to raise by taking the lead in a syndicated loan.

The money was used to redesign Mazda's cars on a crash basis, modernize its plant, and rebuild its sales network. In keeping with the Japanese corporate culture, the process featured close cooperation with the workers, who were eager to offer ideas about how jobs could be eliminated and quality control improved. Within two years, Mazda introduced a fuel-efficient subcompact that went over well in Japan and in the U.S., where it is known as the GLC. But the feat that really makes the future look bright was the perfection of a fuel-efficient rotary engine, introduced in 1978. It has all the punch of its predecessor but gets 17 miles per gallon in the city and 28 on the highway. At 165,000 last year, Mazda's U.S. sales have already passed their old peak, and there is a wait of three months for its rotary-powered RX-7, advertised (at $7,650) as the "affordable" sports car. Mazda established an important new link with the U.S. last year, when it sold a 25 percent interest to Ford, which was already a customer for truck parts.

The plant in Hiroshima is running two shifts and will produce 420,000 trucks and 730,000 cars this year. Productivity has doubled since 1974. Profits, though burdened by repayments on the loans from Sumitomo, reached a record $30 million last year. That gives Chrysler something to shoot at.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. STEVENS. Mr. President, I yield all but 2 minutes of my time to the majority leader.

Mr. ROBERT C. BYRD. I yield that time to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I thank both Senators.

GENOCIDE: NEVER AGAIN

Mr. PROXMIRE. Mr. President, with each passing day, the memory of the holocaust of World War II recedes into history. This most ghastly and shocking tale of brutality, torture, and mass murder is, unfortunately, in danger of becoming simply another story from the past.

It is hard to believe, but nevertheless true, that there are still millions of people today who are unaware of even the basic facts of this great crime. And it is in this incredible ignorance that the danger lies. Evidence of such a threat can be seen in the growth of a malicious myth which distorts—yes, even denies—the deliberate, systematic slaughter carried out by the Nazi regime.

Over 29 million people were killed—6 million of them Jews, killed simply because they were Jewish.

Names like Auschwitz, Dachau, Buchenwald—only a few of the places in which millions of men, women, and children were senselessly annihilated—elicit mingled feelings of grief and outrage in the hearts and minds of so many people. So many victims.

Outside the city of Warsaw, Poland, is the site of one of the most horrible death-centers of the Nazi destruction machine—Treblinka. Heavy wooden ties leading up to the site represent the railroad tracks that brought hundreds of thousands to their deaths—including most of the Jews of Warsaw.

The gas chambers and crematoriums of Treblinka are no longer there. This vast and empty field—this giant cemetery—is now covered with 1,500 huge stones of different sizes and shapes. Each of these granite pillars represents a city or village lost in the holocaust. On 150 of them are carved the names of the communities from which the murdered Jews of Treblinka came. These massive pillars also bear the names of the countries of the victims' origins.

Father John A. O'Brien of the University of Notre Dame once wrote:

> Civilization must build up its defenses—social, cultural and spiritual—so that the massacre of any people will never again be attempted.

The Genocide Convention is one such defense. It is the only international treaty which declares genocide a crime. Our ratification of this treaty would be a sign to the rest of the world of our commitment to preventing the shocking and senseless crime of mass murder from happening again.

There is another stone near the center of the former death camp of Treblinka. Its inscription is simple, yet powerful:

"Never again."

Mr. STEVENS. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has slightly over 4 minutes remaining.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 12:30 p.m. and that Senators may speak therein up to 10 minutes each, after which period the Senate then will resume consideration of the pending business, House Joint Resolution 521.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Alabama.

ALABAMA BLACK JUDICIAL NOMINEES AND THE AMERICAN BAR ASSOCIATION

Mr. HEFLIN. Mr. President, as most of the Members of the Senate know from various media reports, long and exhaustive hearings have been conducted by the Judiciary Committee concerning President Carter's nominees, Mr. U. W. Clemon and Mr. Fred Gray, to the Federal bench in Alabama.

On Friday, May 30, 1980, the committee finished 6 days of extensive hearings. Some hearing days extended from 8 a.m. until 9 p.m., and from 9:30 a.m. to 10 p.m., without stopping for supper.

I sincerely believe that no one can contend these hearings have been conducted other than in an atmosphere of complete fairness and thoroughness. I particularly thank Senator MAX BAUCUS, who has conducted these hearings in a careful, deliberate, and firm manner; the entire Senate owes him a debt of gratitude. I do not think either of the nominees or any opponent of their nomination could ever contend that they were not given every opportunity to completely and fairly present their side of every issue arising in these hearings.

There is much that remains to be done. Transcripts of the evidence and exhibits will have to be prepared and distributed to the members of the Judiciary Committee. There may be further days of hearings.

After the names of Mr. Clemon and Mr. Gray had been recommended by a merit selection nominating commission and by the Alabama Senators, numerous charges about both of the nominees surfaced and appeared in print. A long time ago I learned that just because something appears in the media, does not mean that it is true. On the other hand, I have also learned that frequently media exposés turn out to be correct. Because the charges against both men were both numerous and serious, I have tried to approach the hearings as a judge. I have listened to all sides and carefully reviewed all exhibits. I have not yet made up my mind as to whether I will recommend Mr. Clemon or Mr. Gray to the Judiciary Committee for confirmation. There is much that I want to carefully review before such decisions are made.

During the course of the hearings, representatives of the American Bar Association appeared to support their previously announced rating of "not qualified" for each of these nominees. To put it mildly, I must say I was disappointed with the quality of both the reports and the oral presentation by the representatives of the American Bar Association Standing Committee on the Federal Judiciary.

I want it clearly understood that I am not critical of the overall work of the Standing Committee for the Federal Judiciary of the American Bar Association. I think it has done an outstanding job in the past and has been of tremendous service to the Attorney General, the President, and the Senate.

I have long been an active member of the American Bar Association, and have served on many of its committees and commissions. I have been a regular attendee of the annual meetings and midwinter meetings of the American Bar Association for many years. One of the highest honors I have received in my life was my selection as a honorary fellow of the American Bar Foundation. Again, let me reiterate that I think the American Bar Association is a great organization and its service to the Attorney General, the President, and the Senate in reviewing the records of potential Federal judges has been carried out in most instances, in an exemplary fashion.

During the hearings I used the words, "I was shocked with the manner in which the standing committee of the American Bar conducted its evaluation of the black Alabama nominees for Federal district court judgeships." This expression of shock should not be construed in any manner to indicate that in rating these two men "not qualified" the ABA was guilty of any racially prejudicial motivation, as has been charged in some quarters. In my opinion, the reports and presentations by the ABA committee were completely free of any racial prejudice whatsoever. I shall tell why I was shocked.

First, contained in a booklet published by the American Bar Association entitled "Standing Committee on the Federal Judiciary—What It Is and How It Works" are certain procedural rules which the committee follows. It provides that, in the course of a background investigation of any nominee, there are two possible occasions for reports to be made. The first one is a preliminary report to the Attorney General, and if the Attorney General, after reviewing that report, requests a formal or final report, then the committee makes it.

In the preliminary or informal report, the chairman of the committee passes on to the Attorney General a tentative evaluation. At that stage, the Attorney General makes a determination of whether he wishes to proceed further with the nominee. If the chairman reports that there will be a tentative evaluation of "not-qualified," then the Attorney General must determine whether he wants to proceed, or stop at that point. Obviously, it can be a very crucial report for a nominee who is to be tentatively rated as "not-qualified."

According to the records of the Department of Justice, on August 29, 1979, the chairman of the ABA committee filed tentative evaluations with the Attorney General, not only for Mr. Clemon and Mr. Gray, but for all five of the proposed nominees from Alabama. The tentative evaluation listed U. W. Clemon as "not qualified." According to testimony of Mr. Clemon, he heard that such a tentative evaluation had been filed with the Attorney General, and he then telephoned the fifth circuit member of the committee of the American Bar Association. Mr. Clemon asked why he had not been interviewed prior to the filing of that evaluation. Mr. Clemon recites that he was told it was not a requirement of the committee. Under the provisions of the rule appearing on page 8 of the heretofore named booklet, however, the following appears:

> Where adverse information is developed and the evaluation is in doubt, it is the practice of the Committee to interview the prospective nominee at the "informal" stage. This gives the Committee member an opportunity to discuss the problems involved and, of most importance, it gives the Prospective nominee a chance to refute or explain.

This requirement clearly demonstrates the obligation on the part of the Committee to interview Mr. Clemon if adverse information had been developed. According to the written report filed by this committee of the ABA, the first interview with Mr. Clemon occurred on October 31, 1979, more than 2 months after the date the Attorney General's office recorded the initial evaluation.

This was a clear violation of both the ABA's own rules, and of the principles of fundamental fairness and due process.

While Fred Gray has not raised the failure of this committee of the ABA to interview him before filing a preliminary rating of "not qualified," it appears that he could. The records of the Attorney General reflect that such a rating was entered on the records of the Department of Justice on August 29, 1979, whereas according to the report of the committee of the ABA the first interview with Fred Gray was nearly 3 months later, on November 23, 1979.

Next, inherent fairness and the procedural rules of the committee of the ABA dictate that the committee members should thoroughly investigate all issues and pursue all leads if they are to reach a fair and accurate assessment of each adverse issue. In fact, such a requirement appears on page 8 of said booklet. The ABA committee, through interviews with Mr. Gray and Mr. Clemon, or by means of other sources, received names of numerous individuals who would allegedly substantiate the position of the nominees on adverse issues, or at least shed some light on previously developed adverse information.

The ABA committee admitted, however, that in many instances, it did not bother to interview these individuals. This failure raises substantial doubts about the fairness of the investigation, and the possibility of a preconceived approach to their ratings, as well as a questionable pursuit of leads to reach a fair and accurate assessment, as is required by the rules. Among those the committee failed to interview, after being advised by individuals knowledgeable of valuable information, are the following, whose names appear by a brief description of the pertinent issue:

Mayor Johnny Ford of Tuskegee—bond issues (Fred Gray);

The members of the Industrial Development Revenue Board of Tuskegee (Mr. Gray's client)—bond issues;

Bill Baxley, former Attorney General of Alabama—bond issues (Fred Gray);

Senator J. Richmond Pearson—speeding incident (U. W. Clemon);

Reverend John T. Porter—speeding incident (U. W. Clemon);

Demetrius Newton—contribution to Senator Stewart's campaign debt (U. W. Clemon);

Otis Pinkard—Macon County Hospital issue (Fred Gray);

Charles Pollard—syphilis case solicitation issue (Fred Gray);

Neal Pope—Liberty National solicitation issue (Fred Gray);

Various Board members of Birmingham Legal Services Corporation (U. W. Clemon).

The failure to interview such individuals—or to at least attempt to interview them—by this committee of the ABA leaves one with the feeling that its investigation was incomplete, inadequate, and lacking in fairness as well as being in violation of the ABA's own rules governing such investigations.

In the written reports of the ABA committee to the Judiciary Committee about these nominees, there are numerous statements that raise serious questions about the objectivity, fairness, capability, and accuracy of the evaluation process of this ABA committee. Among these are the following:

First. The report lists certain canons and disciplinary rules of the code of professional responsibility as the bases for raising issues of alleged unethical conduct on the part of the nominees, yet these provisions of the code of professional responsibility had not been adopted when the alleged unethical acts occurred. The code of professional responsibility was adopted for Alabama on the 6th day of May 1974, and went into effect on the 1st day of October 1974. A comparison of the date of adoption of the code of professional responsibility in Alabama and the dates that the alleged acts occurred reveals that in every instance the code of professional responsibility was not applicable. See pages 15, 22, 24, 32, and 39, of the ABA report on Fred Gray.

Second. The ABA reported that it appeared that on two occasions Mr. Clemon made statements to a subcommittee of Congress that contained clearly erroneous and misleading information, and stated further that it believed Mr. Clemon had a duty to present his case with accuracy, and that his statements demonstrated a degree of professional carelessness that is not in keeping with the conduct that should be expected of a potential federal judge.

Mr. Clemon testified before a committee of Congress in opposition to the splitting of the U.S. Court of Appeals for the Fifth Circuit. He contended that a new chief judge for the proposed "Deep South Circuit" under existing law would have the authority to assign two judges to each three-judge panel that had to be instituted. In support of this position, Mr. Clemon cited language from the U.S. Code. The ABA contended in its report that the cited provisions had previously been repealed. A review of the statutes shows conclusively that this language has not been repealed. In fairness to the ABA, it could be contended that the records of the congressional committee hearing erroneously cites the applicable Code section as 28 U.S.C. 2282, when the correct citation was 28 U.S.C. 2284. What is clear is that the charge of professional carelessness against Mr. Clemon, at the utmost, would be no more serious than the commission of a typographical error or a miscitation. I do not see how any reviewing Senator can place the stamp of professional carefulness on the ABA committee for its handling of this charge against Mr. Clemon.

Third. One of the adverse issues upon which the ABA relies in its rating of Fred Gray is an allegation by attorney Morris Dees that Fred Gray privately attempted to persuade Mr. Dees not to file a "one man-one vote" legislative redistricting law suit because single member redistricting would cause Mr. Gray to face the possible loss of his seat in the Alabama Legislature.

Mr. Dees testified that, in its report, the ABA had erroneously presented the facts of this issue, and stated that at the time the law suit was filed, it was not known that Mr. Gray's clients would push for a single member district plan, but that the alleged conflict of interest developed over discussions of a plan for single member districts as opposed to alternate structural membership plans. The point is that ABA relied upon statements of Morris Dees about this event and nevertheless made an inaccurate presentation.

Fourth. On page 5 of the Clemon report, the ABA states as follows:

> His [Clemon's] undergraduate education at Miles College, which is a small black institution, did not prepare him well for a national law school such as Columbia, of which he graduated in May of 1968.

When questioned about what evidence the ABA had relied on in making this statement, the circuit court member who was testifying for the ABA admitted that this was an obvious faux pas. While this may or may not be an insignificant statement, the ABA committee's lack or carelessness is apparent.

Fifth. On page 6 of the Clemon report, there appears a statement that Clemon's law practice has been narrower than would be ideal for a Federal district judge because, as a footnote pointed out, he had had little experience with respect to such fields of law as antitrust, securities, and various other areas of other Federal civil practice. My first question after reading this statement and the footnote was how many lawyers in America have had experience in the field of antitrust and securities? As an answer, I would guess considerably less than 1 percent of the lawyers in the Nation have had experience in the fields of antitrust and securities law.

My second thought after reading this statement was, is this perhaps indicative of the attitude of the ABA committee? For years the ABA has been criticized as being controlled by corporate lawyers. My feeling has been, all along, that such criticism was unjust and unfounded because my observation has been that the ABA's leadership is well rounded and representative of all areas of the practice of law. But the appearance here of an extremely narrow, and perhaps unwise, statement can possibly be interpreted as supporting the heretofore mentioned criticism of the ABA.

Sixth. The ABA's report on Mr. Gray presented the altered deed issue with several factual inaccuracies. The report, in substance, states that Mr. Gray had a 40-percent contingent fee arrangement with Mrs. Jesse Mae Smith for a will contest case and a 33⅓-percent contingent fee arrangement for representing Mrs. Smith in a mineral rights law suit concerning the same lands that Mrs. Smith acquired through the litigation contesting the will.

If such had been true, then Mr. Gray would have received a fee of 73⅓ percent of the mineral rights as a result of his representation of Mrs. Smith in these two lawsuits. A careful reading of the deed which conveyed to Mr. Gray his fee and which the ABA committee identifies as exhibit No. 8 to its report, however, would have shown the error in the ABA report. During its oral presentation, the ABA Committee admitted its error, and it was undisputedly established that Mr. Gray did not charge any additional fee for his representation of Mrs. Smith in the mineral rights case, but that in fact he reduced his contingent fee from 40 percent to a one-third fee. I point this out to show that the ABA's committee lacked a degree of professional thoroughness in arriving at the facts of this issue.

Seventh. The ABA committee criticized Mr. Clemon for voting as a director of the Birmingham Legal Services Corp. on the issue of the reinstatement of the executive director, Henry Thompson, without reviewing the minutes of previous meetings and of reports that were critical of Mr. Thompson's performance as executive director. During his oral presentation, however, the ABA's representative admitted that this statement could not be taken as an absolute fact, and could in fact be erroneous. Mr. Clemon testified that he had told the ABA representative from the beginning that he had read the minutes and the reports. There was no proof to the contrary other than a disputed newspaper article.

During the oral presentation by the ABA committee, its chairman admitted that the ABA committee lacked the ability to make ultimate and reliable determinations of truthfulness or integrity. The reasons given for this inability was that the ABA did not have a forum to make such determinations and that it lacked adequate staff. Nevertheless, it is obvious that many of the adverse issues listed in support of their ratings of "not qualified" for both Mr. Gray and Mr. Clemon were determined unfavorably to the nominees because of judgments as to truthfulness or integrity. The issue of truthfulness goes to the very heart of the following issues about Mr. Gray:

> Macon County Hospital Issue, (the word of Mr. Dees v. that of Mr. Gray);
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> Single District Legislative Reapportionment Issues, (Dees v. Gray);
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> Altered Dees Case (the issue is whether Gray was telling the truth);
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> Liberty National Solicitation case (the issue is whether Gray was telling the truth;
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> Syphilis Case Solicitation (the word of Mr. Hopkins vs. that of Mr. Gray);
>
> Several issues concerning Bond Issue cases (such as Alexander's word vs. that of Gray—on attorney's fee).

Regarding Mr. Clemon, the heart of several issues involves decisions about truthfulness. Among those is a determination of whether Clemon was telling the truth about his failure to answer correctly the questionaire to the nominating commission about tax liens. The truthfulness of Mr. Clemon's position concerning his lack of knowledge of the filing of a Federal tax lien against him is a major question. The issue of the propriety of Mr. Clemon's conduct in connection with the Birmingham Legal Services Corp. board of directors involves determinations of truthfulness.

A review of the written report of the ABA on these nominees leaves one with a clear impression that in reaching its evaluations of "not qualified," the ABA committee did make judgment calls concerning the issues of truthfulness or integrity in both cases. The admission at hearings that it had the inability to make such judgment decisions, however, causes one to question the overall decision making process and the objectivity of the ABA's committee.

I do not want to be misunderstood that my criticism goes to all aspects of the reports and the oral presentations by the ABA committee. The reports and the oral presentations had useful and beneficial information that was of assistance to the Senate Judiciary Committee's investigation and the confirmation process.

Because of the addition of numerous judgeships by the Omnibus Judgeship Act, a great burden has been placed on the members of this ABA committee. I dare say that all members of the ABA committee have spent considerable time in the last year and a half with the work of this committee. It is obvious that all ABA committee members have had heavy and burdensome judgeship evaluation workloads. The members of this committee have worked hard and diligently. Overall, this committee of the ABA has performed a great service to the Attorney General, the President, and the Senate. Let me make clear that I am not critical of their overall work, and indeed I commend the members for it. However, I am compelled to state that, in my opinion, this committee has not carried out its assumed duty toward the two nominees in question in accordance with its customary degree of excellence and competency.

The ABA rating means a great deal to each U.S. Senator in making his or her determination as how to vote on a proposed judge's confirmation. Because of the weight given to the ABA's rating system, it is incumbent on this committee of the ABA to maintain its competency and usual excellence in every case. In its investigation of Mr. Clemon and Mr. Gray, and in its reports concerning their fitness for the bench, I must state that the ABA's committee has not lived up to its reputation.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

RAMSEY CLARK—UNOFFICIAL, UNPAID, WOULD-BE-DIPLOMAT—OR, OFFICIAL, PAID LEGAL COUNSEL TO THE AYATOLLAH'S REVOLUTION?

Mr. SCHMITT. Mr. President, New Mexicans of a variety of persuasions are becoming increasingly disturbed, if my phone calls and contacts are any indication, by the actions of one former U.S. Attorney General, Ramsey Clark, in Iran.

These people are asking me when is the Carter administration going to clearly, and without reservation, disown the theatrics of Ramsey Clark in this new self-appointed mission?

It is clear to many that the former Attorney General ill serves the Nation of which he is still a citizen. It is clear to many that he has method in his madness as he flits about Iran denouncing his own Government, praising the Iranians who hold U.S. citizens hostage, and trying to serve as a one-person State Department carrying out his own bizarre brand of foreign policy.

I am the first to agree that the foreign policy of the United States is a shambles. However, it remains the responsibility of the U.S. Government to carry out this policy, whatever it may be, shambles or not.

I am highly suspicious of Mr. Clark's

motives in his misguided efforts to be an unpaid diplomat of the United States.

Mr. President, in the belief that many times motivation for an act is more important than the act itself, could it be that Mr. Ramsey Clark is motivated by the fact that his law firm currently represents the Ayatollah's Islamic Republic of Iran which, in turn, is currently suing certain U.S. entities for the assets of the deposed Shah of Iran?

Mr. Clark, I am sure, although attempting to serve as an unpaid diplomat, is actually serving as a paid legal counsel to the Ayatollah.

Mr. President, we must patiently move to bring order out of chaos in our relations with the Iranian people, independent of who may be leading or attempting to lead those people. It is not in their interest, nor is it our interest, to have the Soviet Union dominate the affairs of the Middle East, which is clearly the intent of the Soviet Union.

Condoning the self-serving actions of Mr. Clark, as the administration appears to be doing, does nothing to assist in this process of bringing order out of chaos in this unfortunate region.

Mr. DOLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

Mr. DOLE. Mr. President, I commend the distinguished Senator from New Mexico for expressing the thoughts of, I think, many in this Chamber.

SENATOR DOLE CALLS FOR CREATION OF COMMISSION TO REFORM PRIMARY PROCESS

Mr. DOLE. Mr. President, with yesterday's climactic round of primary contests, the American voter has finally come to the end of a 4½-month marathon that has tested his endurance and, I fear, undermined his interests in the whole political process.

Clearly, we ought to have learned some lessons from the 1980 Presidential nomination contests. If we have not, then the time has come for us to try. I would like to see each major party create a Reform Study Commission to undertake examination of the existing nomination system, and then submit ideas on how to improve it.

That improvement is needed is self-evident.

A PROCESS GONE AWRY

What I am talking about is far worse than the confusion of "If it's Tuesday, this must be Nebraska." I am talking about a process of candidate selection gone awry, to the point where long distance running is rewarded over seasoned leadership.

The media have come to focus intensely on a few early contests, and a premium is placed, not on a candidate's ideas or record of achievement, but on an ill-defined and misleading concept called "momentum."

Indeed, 1980 may well be remembered as the year when "momentum" finally replaced talent or vision as the criteria by which the media helped select a President. I have no quarrel with the candidates ultimately chosen: I believe that both Governor Reagan and President Carter represent the majority sentiments of their respective parties and would probably have won in any event.

SOME PROBLEMS—AND SOME POSSIBLE SOLUTIONS

But I worry about a system that stressed full-time campaigning and discourages serious consideration of those who already hold office, and insist on maintaining a full-time voting record. I worry about the preoccupation with intangibles like management and money, to the detriment of competence and background.

Most of all, I worry that the present system of primaries, strung out across the winter, spring, and early summer calendar without form or structure, is not a truly representative way in which to nominate candidates for the Nation's highest office.

And I suspect that millions of voters share my concerns. Why else did we witness a sharp falloff of voter interest as the spring ground on, and the media crowned early winners? Would a system of regional primaries serve the people better? Would a national primary be preferable? Or perhaps a mixed system of primaries and State conventions—to be telescoped within a period of 45 to 60 days, rather than the 4½ months separating the Iowa caucuses from yesterday's 9-State shootout?

While we are looking at the primary system, perhaps we should look at the Federal matching fund set-up as well—in short, an exhaustive review of the way America chooses her Presidential nominees.

I do not pretend to have definitive answers. But let us begin with some probing questions. And let us begin now, before we embark on the whole treadmill once again, in 1981 or 1982, whenever the next long distance runner begins campaigning fulltime for the 1984 nominations. We have nothing to lose, except our doubts.

Mr. MATHIAS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I would like to join the distinguished Senator from Kansas in his call for a review of the nominating process. He speaks, of course, from a world of personal experience. He has been involved in the national scene for 20 years and he knows it very well. When he advises the Senate that the time has come to take a serious and searching look at the political process, I think that Senators should take note and that the country should take note.

It is a curious coincidence that the Senator from Kansas should have spoken in the Senate today, because there appears in the Washington Post this morning another experienced voice, that of David S. Broder, the distinguished national columnist who has written on political subjects for many years, who also raises the question as to the effect of the political process and the decisions that emerge from the process.

So it seems to me we have now two thoughtful people, Senator Dole here in the Senate, and David Broder in the National Press, calling for this kind of scrutiny in the way we choose our public officials.

I would further concur with Senator Dole in saying that we ought to look at the question of how public money is invested in the political process. At the time we set up the matching funds, I had serious questions as to whether or not we were going to be too restrictive, that we would make it impossible for creative ideas in politics to emerge.

It is a good time to take a look, and I heartily join him in calling for that second look.

Mr. DOLE. If the Senator will yield, I thank my colleague. This is not because the system failed in my case or in the case of others who were candidates or who also hold public office, but it does seem, after a great deal of reflection, that really the issues that should have been discussed were never really discussed until many of the candidates who may have understood the issues were sidelined because of lack of funds, momentum, media, management, whatever. It does seem to this Senator, and I am pleased to have the concurrence of the distinguished senior Senator from Maryland, that maybe the parties ought to take a look at ways to reform the system.

I would suggest that yesterday in nine States on the Republican side and eight States on the Democratic side, many voters were disenfranchised. In my own State of Kansas, the primaries were on April 1 and at that point the field was down to two on the Republican side. I do not have a quarrel with those who finally won their party nominations, as they probably would have won in any event. But there ought to be some system that would guarantee the big States like California, Ohio, and New Jersey, that they would have the same look at the candidates as those in the first States.

Mr. MATHIAS. I would advance the claim of Maryland to have some influence. Maryland, I think, has a place at least equal to, and I personally think superior to, those in New Hampshire who were making these early judgments.

Mr. DOLE. They have a great deal of influence, of course, with your being in the Senate. There is no question about that.

Mr. MATHIAS. Mr. President, I ask unanimous consent to have printed in the Record at this point a column which appears in today's Washington Post by David S. Broder entitled "Would You Prefer A Mondale-Baker Race?"

There being no objection, the article was ordered to be printed in the Record, as follows:

WOULD YOU PREFER A MONDALE-BAKER RACE?

(By David S. Broder)

Los Angeles.—The 1980 presidential primary season has ended—at last—with a prize political paradox. On the face of it, the system worked perfectly. The two men, Jimmy Carter and Ronald Reagan, who were the favorites of their party's rank and file, according to the polls last January when the process began, have emerged as the victors.

And yet there is more widespread dissatisfaction being expressed with the choices for the general election than this reporter has heard in 25 years on the political beat.

From union halls to corporate board rooms and college campuses, there is a sense that something has gone terribly wrong in presidential politics this year.

It is not my purpose here to argue whether the antipathy to the Carter-Reagan choice is justified or not. What does concern me is the corollary proposition, also widely voiced, that the American republic must be suffering from a blight of mediocrity for such men to emerge as the final choice for president.

That proposition, I believe, is patently false. It leads to a cynicism and pessimism about the American political condition that is wholly unjustified. And it serves as a convenient rationalization for not undertaking the relatively simple changes that could yield—in future years—a much more broadly appealing choice.

I think we are confronted with a classic bad news/good news situation. The bad news is that as long as we use the kind of presidential selection system we have used this year, this is the kind of candidates we will get. Carter and Reagan are not anomalies; they are the logical, predictable products of this kind of nominating system.

The good news is that there is nothing sacred about this kind of presidential selection system. It has not been ordained by God, nor inscribed in the Constitution, nor legislated by Congress, nor mandated by the courts. It is a political artifact of recent design that can be changed with relative ease by two of the most accessible, persuadable bodies of decision-makers in the land: the Democratic and Republican national committees.

In the next couple of columns, I want to look at how we got into this fix and how we can extricate ourselves. But first, let me put my cards on the table. In oversimplified terms, the whole argument turns on this question: would you feel more comfortable if the 1980 election pitted a Democratic President Walter Mondale, finishing his first term, against a Sen. Howard H. Baker Jr., of Tennessee, as his Republican challenger?

I mention them for this reason: I believe that if any 1,000 leaders of the Democratic Party—governors, senators, representatives, mayors, state and local party officials, the heads of unions, civil rights groups and other organizations allied with the party—if such a group had met four years ago, unconstrained by the results of the primaries, their consensus choice, after a couple of ballots, would have been Walter Mondale.

The best evidence for that belief is the fact that those same "insiders" pressed Mondale's name on the actual 1976 nominee, Jimmy Carter, so strongly that Carter took him as his running mate to cement his own relations with the institutional leadership of the Democratic Party.

Similarly, I think, if 1,000 or so leading Republican men and women had met, uninstructed, this year, their consensus choice would have been Baker—for all of the reasons that those same people are now pressing Ronald Reagan to choose Baker as his running mate.

The selection system, in short, largely determines the kind of candidates you get. With our present system, you get Carters and Reagans—men who are capable free-lance campaigners of somewhat idiosyncratic background and views, self-proclaimed outsiders, most remarkable for their dogged ambition and relentless energy, prepared to spend years of their lives seeking the presidential prize, but not viewed by their political peers—or by much of the public—as unusually gifted in governmental leadership.

With a different kind of selection system—the kind we had until the past decade—you got people with the characteristics of the Bakers and Mondales: people of less consuming ambition but more experience, people of moderate views who had been tested in lesser leadership responsibilities, were familiar with the national governmental and political processes and were equipped with the alliances and friendships that would enable them to marshal the machinery of government for the tasks at hand.

If Americans have reached the point of wanting to change the kind of presidential candidates the parties nominate, then we have to understand the revolution that has taken place in the past decade in the presidential selection system and the changes that would be needed to make it more likely to get Mondales and Bakers than Carters and Reagans in the future.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, how much time remains in morning business?

The ACTING PRESIDENT pro tempore. There are 36 minutes remaining in morning business.

Mr. ROBERT C. BYRD. I thank the Chair.

I ask unanimous consent that Senators may speak therein without any limitation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if any Senator wishes me to yield during morning business, I shall. I merely take this time because the managers of the military registration bill are not on the floor at this moment.

Mr. MATHIAS. One of them is, Mr. President.

Mr. ROBERT C. BYRD. I thank the Senator. I was thinking of Senators STENNIS and NUNN, who are occupied in the Armed Services Committee.

Mr. MATHIAS. Can the majority leader advise me as to when that matter will be called up?

Mr. ROBERT C. BYRD. As I was saying, Mr. NUNN and Mr. STENNIS are in the Armed Services Committee attending a markup on legislation. They will be doing that until 12:30. The Senate will not be able to start on the bill until that time. Mr. PROXMIRE has been to the floor. I informed him of that situation. So it will be another 35 minutes, I expect. During that time, I thought if no Senator sought recognition I would speak on the United States Senate, I having begun a series of such speeches some several weeks ago. But if any Senator seeks recognition I will yield the floor.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, recently I spoke about the development of the office of the Senate Sergeant-at-Arms. Today, I should like to continue that discussion with particular reference to that official's responsibilities for securing a quorum upon the Senate's direction.

The single most pressing problem confronting the Senate in its earliest years was its inability to keep a majority of members in the Capital for a sustained period of time. As I have noted previously, the Senate's first five weeks were devoted exclusively to entreating absent members to hasten their steps so that the Senate could organize itself and the business of government could begin. On April 30, 1789, nearly two months after the date set for the new government's first meeting, the Senate and House were finally able to carry out their arrangements for George Washington's first inaugural.

The earlier Continental and Confederation Congresses suffered greatly because of their inability to insist upon the attendance of their members. With this crippling situation in mind, the framers of our Constitution specifically provided that a minority of members might "be authorized to compel the attendance of absent members, in such a manner and under such penalties as each House may provide." The first set of Senate rules, adopted on April 16, 1789, stated that "no member shall absent himself from the service of the Senate without leave of the Senate first obtained." Pennsylvania senator William Maclay, a member of the first Committee on Rules, thought that provision to be totally unenforceable. He recommended, without success, that any member who left the chamber without permission for more than fifteen minutes should be considered guilty of "disorderly behavior" and his name should be posted prominently on the chamber wall until the Senate took appropriate action.

By 1798 it had become evident that the Senate's rule on absences and the entreaties of the body's more conscientious members were having no effect. As the second session of the fifth Congress neared its end, the Senate amended its rule on absences to provide that when a quorum was lacking that those members present would be "authorized to send the Sergeant-at-Arms for any or all absent members." This task fell to James Mathers, the Senate's first Doorkeeper and first Sergeant-at-Arms.

Mathers was well-suited to that post. A native of Ireland, he came to the American colonies shortly before the start of the Revolutionary War. He enlisted to serve under George Washington and participated in combat throughout the war. He was wounded several times, once severely. In recognition of his valor, Mathers earned an appointment as Sergeant-at-Arms and Doorkeeper to the Continental Congress. When the new government was established under our curent Constitution, the Senate immediately selected Mathers to be its first doorkeeper and Sergeant-at-Arms. By all accounts the Senate chose well. Mathers served faithfully for nearly twenty-three years, until his death in 1811 at the age of sixty-seven. Mathers was a man of considerable tact and patience. His orders from the Senate were "to summon and command the absent members to be and appear before the Senate immediately" and "to take all practicable means to enforce their attendance. With Mr. Mathers' assistance the Senate sought to force members to pay the expenses incurred in sending for them, unless they had a "suitable" excuse.

The Senate's records for those early years do not reveal any occasion where a senator was either fined or physically compelled to enter the chamber. By the middle of the nineteenth century, as a reflection of the failure of efforts at compulsion, the Senate modified its rules to the effect that the Sergeant-at-Arms "be directed to request the attendance of absent members."

In 1856, the Senate permanently shifted from a daily rate of compensation for its members to an annual salary. This is a further indication that the policy of paying members only for days during which they were present was simply not working. Nearly any excuse for absence was deemed reasonable. Incidentally, as soon as that change was put into effect, the average number of days per year that the Senate met grew shorter. Under the per diem method, the Senate met an average of 265 days during the longer of each Congress' two annual sessions. Under the new method, that rate dropped to 203. Perhaps many senators simply agreed with Henry Clay who argued that he "did infinitely more in his room than he did in the Senate Chamber" for in the quiet of his own room, he "was at work night and day either reading, digesting, or preparing matters" in connection with his public duties. By the mid-nineteenth century, then, continuous presence on the floor ceased being a measure of a senator's effectiveness.

By that time, however, recognizable party leadership structures were taking shape and the respective leaders knew well the importance of being able to muster a quorum. During the dark years of the Civil War, in 1864, Senator William Fessenden decried the continuing problem of securing a quorum, noting that it brought shame and discredit upon the Senate. He successfully sponsored a resolution that the proceedings of the Senate with each recorded vote, would include a list of those who were "absent." Thirty years later his resolution was altered, substituting "not voting" for "absent" again in recognition that to be absent from the chamber was not necessarily to be absent from the Senate.

This left the various Sergeants-at-Arms of the period in a quandary as to the extent of their powers to secure senators' attendance if their initial "request" failed to have the desired effect. During one Saturday evening session in 1872, the Senate found itself unable to proceed, even to adjourn, until the Sergeant-at-Arms had executed his order. That led to this remarkable exchange:

> PUGH. Nothing.
>
> TOOMBS. Nothing, until we bring in the absent members . . . All we can do now is to wait for those members who are absent, and let those who are here speak if they choose.
>
> FESSENDEN. Suppose we do not want to speak?
>
> TOOMBS. We can sit and quietly take a dose.
>
> FESSENDEN. I think that is the best thing that we can do.

Maine's Senator Hannibal Hamlin described the hasty arrival and departure of the Sergeant-at-Arms' messenger:

> I do not know how formal the Sergeant-at-Arms' messenger was with other senators, but I know precisely what his communication was to myself. He found me in my room. I think these were his precise words: "I am directed by the Sergeant-at-Arms to request your attendance at the Senate."
>
> I had no opportunity to tell him whether I would come or not, and he left my room in a great hurry. I suppose to summon other senators. I made no reply to him, although believing it to be my duty to answer the request of the Senate, in obedience to that request came here. But I think it would have been wiser and better to have adjourned long ago."

In 1877, the Senate amended its rules to allow a motion for adjournment in such situations. Yet, the problem persisted. On a winter evening in 1883, the Sergeant-at-Arms reported back to the Senate that "a number of senators are reported to be at dinner at Senator Chandler's, where the host refused admission to officers sent to notify them." After repeated futile efforts to convince the dining senators to answer the call to duty, the Senate adjourned at 10:00 p.m. Several years later, again on a cold winter's morn, the Sergeant-at-Arms made four attempts between 4:20 a.m. and 6:30 a.m., to raise sleeping senators. At one point he found Senator Barry in one of the Senate cloakrooms. Barry told the official to report to the Senate that he would come when he got ready. After considerable exertion, the Senate secured a quorum at 9:30 that morning.

In 1915, one frustrated senator introduced the following resolution:

> 'Until otherwise ordered by the Senate the following shall be a standing order of the Senate: All Senators are required to appear forthwith in the Senate Chamber, and to remain in the Chamber until excused by the Senate. Any Senator disobeying this order shall be in contempt of the Senate, and shall be brought to the bar of the Senate and dealt with as the Senate may order.'

That is the bar of the Senate right before me. For the information of our guests in the gallery and those who read the RECORD, that is the bar of the Senate, the desk between me and the Presiding Officer.

The motion was quickly laid on the table and forgotten.

At 12:30 on the morning of February 23, 1927, during a heated debate on legislation to authorize the construction of Boulder (Hoover) Dam, one of my West Virginia predecessors, Senator Matthew M. Neely, moved successfully—that was in 1927, 53 years ago—that warrants of arrest be issued for absent Senators. The Sergeant-at-Arms was ordered to bring the absent senators before the bar of the Senate and he spent until 6:30 a.m. trying to do so. He received an interesting variety of excuses. One senator was preparing to attend a funeral the next day—he did not say whose; another said he would come later if necessary, but that he was then in bed; another said he was tired out and would not come; another said he was in bed, but would think it over. As the sun rose above Washington, the Senate finally achieved its hard-fought quorum and the arrest order was rescinded.

In November 1942, again in the early morning hours, Majority Leader Alben Barkley ordered Sergeant-at-Arms Chesley Jurney to round up missing members. The task of executing the order fell to assistant Sergeant-at-Arms Mark Trice, whom most of my colleagues recall for having served more recently as Secretary for the Minority. Trice asked whether the orders included Senator Kenneth McKellar, who was shortly to become President Pro Tempore. The majority leader told Trice "I mean everybody." As Richard Riedel, former superintendent of the Press Gallery tells the story:

> With more than a few misgivings, Mark set out for the Mayflower Hotel to seek the volatile bachelor from Tennessee. When Senator McKellar did not answer the house telephone, Mark enlisted the aid of a hotel official who suggested that they get a maid to knock on the door. The Senator opened the door at the maid's request to discover Mark Trice outside. McKellar welcomed him and seemed surprised to learn that he was needed at the Senate. Though Mark carried a subpoena in his pocket, it never became necessary to mention it.
>
> The old Senator came along in a friendly spirit, chatting with Mark as though they were on a normal trip together. Then suddenly, as the car climbed Capitol Hill, the light in the dome made McKellar put two and two together. He realized that he was about to help the leadership get a quorum that would foil his fellow Southerners. He stopped talking to Mark. His face grew redder and redder. By the time the car reached the Senate entrance, McKellar shot out and barrelled through the corridors to find the source of his summons to the Capitol in the middle of the night. He was so angry with Barkley that he would not speak to him for months, though as senior Democrat, Senator McKellar sat beside the Majority Leader in the front row.

When the Democratic Conference met in the following January to select Senate officers, including Sergeant-at-Arms, Chesley Jurney decided not to run for reelection. He was succeeded by Wall Doxey of Mississippi, a former House member and, until he was defeated in a primary by newcomer James O. Eastland, a member of the Senate for fifteen months. Doxey became the first former senator to hold the position and to the best of my knowledge, he did not have an opportunity to awaken Senator McKellar or any other member during the four years he held the post.

Mr. President, as a West Virginian, I recall the night in October of 1976, 4 years ago, when I, as majority whip, in the absence of the then majority leader Mansfield, moved that the Sergeant at Arms issue warrants for the arrest of absent Members.

Many of my colleagues will remember the hectic conclusion of the 94th Congress as we attempted to adjourn before the election 4 years ago. It was the evening of October 1, or really it was the early morning of October 2, and I had asked that the Senate clocks be stopped before the hour of midnight so that the Senate could complete its business. It was the first time the clocks had been stopped in many a year, the first time warrants had been issued for the arrest of Senators in many years.

Although we had passed dozens of bills, 17 of them in one 13-minute period, several actions remained obstructed by filibuster, or threats of a filibuster.

Among the pending actions were the clean air bill and the nomination of a Mr. Richard Bilby of Arizona to be a Federal judge. Also still pending were the rivers and harbors bill, affecting 136 projects in 45 States, and a simple housekeeping measure permitting the President pro tempore to sign enrolled bills after the Congress had adjourned.

Of course, that very simple housekeeping measure permitting the President pro tempore to sign enrolled bills after the Congress had adjourned, if not enacted, would have invalidated all of our legislative efforts on that long last day of the session.

After two rollcalls were rejected by the Chair because of an insufficient number of Senators voting, I felt compelled to move that the Sergeant-at-Arms issue warrants to arrest absent Senators.

At that time, I said, "We are playing games. There are Senators in the reception room and in the cloakroom who have not come to the floor."

Apparently, my words reached enough ears, and the vote on my motion was 46 to 11. Mr. President, it was amusing to see those absent Senators come in. They came into the Chamber in a hurry. A quorum was quickly established on the rollcall. The Chair ruled the Sergeant at Arms would not have to issue the warrants and so, shortly after, we were able to complete our work and adjourn the second session of the 94th Congress.

Mr. President, among the many eminent Sergeants-at-Arms who have served since the days of James Mathers, are two especially noteworthy men, David S. Barry and Joe Duke, whom I should like to mention—and I will include a third within a few minutes.

One of the most picturesque and useful books ever written on the Congress was *Forty Years in Washington*, published by David Barry in 1924, while he was serving as the Senate's Sergeant-at-Arms. Barry had first come to the Senate in 1875 as a page boy, recommended by Senator Isaac Christiancy of Michigan. Young Barry made the most of his service as a page, studying stenography in his off-hours from the official reporters of debate. Later he was employed as a secretary to a number of Senators and Representatives, most notably to Senator Nelson Aldrich of Rhode Island, long the unofficial Republican leader in the Senate. In 1879, Barry also became the Washington correspondent for the Detroit *Post* and *Tribune*, beginning a forty year career as a newspaper reporter. Over the years he wrote for major papers in Chicago, Detroit, St. Louis, Cleveland, Cincinnati, and New York, and finally as editor-in-chief of the *Providence Journal*, then a major Republican paper. During all of those years his special beat was the Congress where he built many friendships in the Senate and the House. In 1919, when the Republicans became the majority in the Senate they elected David Barry as Sergeant-at-Arms.

Fourteen years later, when the Republicans were swept out of the majority by the Depression, Mr. Barry made plans to retire. During the long interregnum that existed between the November election and the March inauguration (before the 20th Amendment to the Constitution advanced the date to January), Barry drafted several articles containing his observations on Congress and sent them to the *New Outlook* magazine, under the stipulation that they would not be published until after he left office. Unfortunately, one article entitled "Over the Hill to Demagoguery" was published a month too soon, in February 1933, and contained an injudicious statement that "there are not many Senators or Representatives who sell their votes for money, and it is pretty well known who these few are."

When that offending passage was published, Sergeant-at-Arms Barry was called to the floor of the Senate and asked to explain himself. The Senate Judiciary Committee then held two days of hearings on the matter, and while Barry argued that he had written in defense of the majority of members of Congress, the committee was not mollified. They voted to recommend his removal, which the Senate agreed to by a vote of 53 to 17 on February 7, 1933. As the then chairman of the Judiciary Committee, George Norris of Nebraska, commented, had the statement been written by a newspaper reporter, the Senate would have paid no attention to it. David Barry, however, was an employee of the Senate elected by a roll call vote, and his impropriety cost him his position.

Mr. Barry left his position in 1932, and Mr. Mark Trice, former Secretary for the Minority, served the remainder of that term until March, 1933, as the acting Sergeant-at-Arms. When I came to the Senate twenty-two years ago I was greeted warmly by the then Sergeant-at-Arms Joe Duke. Mr. Duke learned of the difficulties associated with arresting unwilling persons early in life. In 1930, while still a student at the University of Arizona, he held a part-time job with the Miami, Arizona police department. One day while pursuing fugitives, he was ambushed and shot through the stomach. He managed to struggle into his automobile and drove to town for medical aid, arriving just in the nick of time. Several years later, he came to the Senate, first on the staff of Arizona Senator Henry Ashurst and then that of Senator Carl Hayden. In 1949, Duke became Sergeant-at-Arms. During the Kefauver Crime investigation in 1951, Duke became well known for his success in rounding up reluctant witnesses for that committee, finding persons that even the most skilled law enforcement officials were unable to track down. At one point, he even deputized FBI director J. Edgar Hoover to assist him in his work. Senator Hubert Humphrey once referred to Duke as "the Houdini of Washington, who can produce the almost impossible on short notice."

Mr. President, there is one other Sergeant at Arms to whom I should like now to call attention, and he is the Sergeant at Arms who is currently serving the Senate, Frank Nordy Hoffmann. He has enjoyed a wonderful and interesting career, culminating in his selection early in 1976 to that prestigious office.

Prior to his appointment, he had served for 8 years as Executive Director of the Democratic Senatorial Campaign Committee.

Nordy Hoffmann was born in Seattle, Washington, graduated from St. Martin's Prep School in Lacey, Washington, and entered Notre Dame University in 1927.

That is the year that Jack Dempsey fought Gene Tunney—1927. I remember seeing my first radio on that occasion. My foster father had said that we would listen to the fight. Jack Dempsey was one of my idols as a boy.

So I remember that night going down to what we called "The Grill," which was a kind of community recreation center. It was a pool hall in the mining community where I lived. Ice cream and sodas were sold there. I remember that I was able to get a cone of ice cream once in a while. One little dip of ice cream cost 5 cents.

Once I got myself a cone of ice cream and I ate it down to almost the bottom of the cone, and I saw a spider in the bottom of the cone. A spider had made its web in the bottom.

I remember on another occasion getting a cone of ice cream, and as I walked out, I was looking at a pretty girl; I tipped the cone over, and my dip of ice cream fell to the floor.

By the way, I said then that if I ever became a man and am able to buy myself some ice cream, I am going to eat all the ice cream I want. I like ice cream, but just vanilla—no other ice cream.

In any event, in 1927 I looked forward to going down to the pool room and listening to the fight. So on that occasion, my foster father—who was a coal miner—and I walked about a mile and a half to the lower end of town, where the "big shots" lived. There, we went into the Grill.

There was Julius Sloboda, who was the manager of the poolroom. Julius was listening to the fight. There must have been 50 persons around the radio on that eventful evening. I say to my friend from North Carolina, my friend from Maryland, and my friend from Alabama—I went away that night a disappointed lad. I was disappointed because Jack Dempsey did not win, and I also went away disappointed because I did not get to listen to the fight. There was only one set of earphones. [Laughter.]

Julius Sloboda kept that set of earphones, and he did not say a word about the fight. We stood around with open ears and open eyes and open mouths. I was a little boy, and I wanted to hear that fight.

Finally, Mr. C. R. Stahl—I suppose he was a Scotsman—the manager of the coal operation, came into the room and took the earphones from Julius and gave us a blow-by-blow description of the greatest fight in my lifetime—since David fought Goliath.

That was in 1927, the year Lindbergh flew across the Atlantic. I remember reading how he passed, I believe, over either New York City or Nova Scotia. The newspapers said he was flying at the "tremendous speed" of a hundred miles an hour!

Mr. MATHIAS. Does the distinguished

majority leader remember who was the President of the United States that year?

Mr. ROBERT C. BYRD. In 1927? Do I remember! I surely do, and will never forget.

[Laughter.]

Mr. MATHIAS. It was a great Republican year, was it not? Five-cent ice cream and daring feats like Lindbergh crossing the ocean.

Mr. ROBERT C. BYRD. Five-cent soda pops.

In those days, they had marathon dances, and people would dance, 2, 3, and 4 days—stay on their feet and dance. They would also have marathon flights; airplanes would fly around for hours and hours without refueling. So there was a great spirit of competition in those days, and the setting of endurance records.

Speaking of competition in 1927, Hoffmann entered Notre Dame that year.

At Notre Dame, Hoffmann, who had never played football before, was introduced to the game for the first time by the immortal Knute Rockne and starred as a guard and tackle on the famous Rockne championship teams of 1929—the good old days—1929, 1930, and 1931! Those were the days of the 2-cent postage stamp and the penny postcard!

In 1931, Hoffmann was named guard on the top All-America Selections, and starred for the East in the East-West Shrine Football Classic of that year in San Francisco.

Hoffman was graduated from Notre Dame Law School in 1933. Do I remember that year! Some day I will talk about it.

On December 5, 1978, while Sergeant at Arms of the Senate, Nordy was inducted into the National Football Foundation and Hall of Fame. The nominating committee of the Hall of Fame received letters of recommendation for Hoffmann's nomination from 100 United States Senators, from President Carter, and from former President Gerald Ford. A book with the original letters was presented to Nordy by the Senate majority leader.

Mr. President. Nordy Hoffmann is a very efficient Sergeant at Arms. For the sake of those who will read the Record a hundred years from today, let them know that we, in our time, had a Sergeant at Arms who was a man! A man who stood 6 foot 3 and weighed 290 pounds—having lost 25 pounds recently—and that he walks up and down the steps of the Capitol and is big enough to arrest, and to bring to the Senate Chamber, any Senator now living.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MATHIAS. The Record also should show not only those impressive statistics about the Sergeant at Arms but also the fact that he commands the affection as well as the respect of the Members of the Senate.

Mr. ROBERT C. BYRD. I am indebted to the distinguished Senator from Maryland for injecting that note. Indeed. Nordy Hoffmann does have and is entitled to the respect and affection and friendship of all 100 Senators—Senators on both sides of the aisle.

I believe that those who will follow after us, in reading the Record, will be interested to know that here was a man who was an outstanding athlete, a great football player, who played for a great team, under a great coach, for a great university, and who today cheerfully carries out his duties as Sergeant at Arms in a way we all admire and respect.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, a little while ago I referred to the prizefight in 1927 between Gene Tunney and Jack Dempsey, and inadvertently, instead of saying Gene Tunney I used the name John.

John Tunney, the distinguished son of that distinguished world champion, formerly served in the Senate as our colleague.

I am indebted to my able staff member for calling my attention to the fact that I inadvertently called the name of our former colleague, John Tunney, when I meant instead to refer to his illustrious father, Gene Tunney.

Mr. MATHIAS. Mr. President, if the majority leader will yield, I sat here and listened to his description of that evening with a great deal of interest and pleasure. He brought to light so vividly small town life in America in 1927, a life that I remember from my own boyhood, and his description was so vivid that small detail did not affect in any way the pleasure of the story that he told.

Mr. ROBERT C. BYRD. Mr. President, I thank my congenial friend, Senator Mathias.

Mr. President, the Senate owes a debt of gratitude to the fine individuals who have served it so well over the past 191 years. Those twenty-four men who have been its Sergeants-at-Arms certainly make the reasons for such appreciation abundantly clear.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Nunn). Without objection, it is so ordered.

EGG RESEARCH AND CONSUMER INFORMATION ACT

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the distinguished minority whip, Mr. Stevens, to proceed to the immediate consideration of Calendar Order No. 815 and I, therefore, make that unanimous-consent request.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6285) to amend the Egg Research and Consumer Information Act.

There being no objection, the Senate proceeded to consider the bill.

Mr. STEWART. Mr. President, the Egg Research and Consumer Information Act of 1974 provides for a producer-financed program of egg research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl; that is, hens that have been producing eggs and have been removed from such production for slaughter, and products of spent fowl. The act is specifically designed for the participation of only commercial egg producers with laying flocks of more than 3,000. Even though small producers do not participate in the referendum nor pay any assessment, benefits from the program accrue to all egg producers. All producers have the right—upon making a timely demand—to receive a refund of the assessment.

H.R. 6285 would amend the Egg Research and Consumer Information Act to—

First, increase the number of Egg Board members from 18 to 20 and require that two of the members be consumers or representatives of consumers;

Second, authorize the Secretary of Agriculture to increase the assessment rate for fiscal year 1981 from not more than 5 cents per case of 30 dozen eggs to not more than 7½ cents, and each fiscal year thereafter by not more than three-quarters of a cent per case up to a maximum total assessment of 10 cents per case, subject to approval in a referendum;

Third, provide that failure of producers to approve an amendment to the egg research and promotion order will result in maintaining the order existing at the time of the referendum;

Fourth, authorize the Secretary to assess civil penalties, of not less than $500 or more than $5,000, and issue cease and desist orders for violations of orders or regulations, and assess civil penalties of $500 per offense for failure to abide by a duly issued final cease and desist order;

Fifth, authorize actions by the Attorney General in the U.S. District Court to restrain violations of orders and regulations and to collect civil penalties assessed under the act; and

Sixth, provide for appeal of the Secretary's order in a contested case to the U.S. Courts of Appeals.

I urge my colleagues to join me in supporting H.R. 6285.

UP AMENDMENT NO. 1123

(Purpose: To establish an inter-governmental study group to analyze the various aspects of the events in the silver cash and futures markets during the period of September 1979 through March 1980)

Mr. STEWART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. Stewart) proposes unprinted amendment numbered 1123.

Mr. STEWART. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6 after line 2 insert the following:

"Sec. 7. The Commodity Exchange Act is amended by adding at the end thereof a new section 21 to read as follows:

" 'Sec. 21. The Commission shall establish a joint working group with the Federal Reserve Board, Department of the Treasury, and Securities and Exchange Commission to analyze the various aspects of the events in the silver cash and futures markets during the period of September 1979 through March 1980. The joint working group will prepare a report of its findings that shall include, but not be limited to, a description of the cases of this situation, an appraisal of the adequacy of consultation during this period between the members of the joint working group, and recommendations for legislative changes that could prevent a recurrence of these or similar events in any futures market. The joint working group shall submit its report to the appropriate committees of Congress by October 1, 1980.'."

Mr. STEWART. Mr. President, this amendment is quite simple. It would require the Commodity Futures Trading Commission to establish a joint working group with the Federal Reserve Board, Department of the Treasury, and the Securities and Exchange Commission to study the recent developments in the silver markets. The group, through the CFTC, would submit a report of its findings and legislative recommendations, if any, to the congressional agriculture committees—and other appropriate congressional committees—by October 1, 1980. This will give the group time to explore fully many of the myriad issues presented and prepare its report.

This group would be expected to use and expand upon analyses already undertaken by the Federal Reserve, Treasury, and SEC. By having the CFTC take the lead in this effort, Congress will be assured of the full participation of the Federal agency that is responsible for futures trading and has all the information on the futures markets. I believe the involvement of banks, excessive extensions of bank and brokerage house credit in the form of loans, and potential demise of a brokerage house, which were all part of these events, call for the involvement of the other Federal entities. By having a single report submitted to Congress from all of the affected Federal entities, we will avoid a proliferation of reports. All points of view will be represented in the report and there is the real possibility that unanimous agreement of all of the agencies will not be reached on every point. It is my intent that there be a full and free sharing of information among the members of the working group and that sensitive business data be handled on a strictly confidential basis.

The amendment calls for the submission of the working group's report to the appropriate committees of Congress by October 1, 1980.

The appropriate committees of Congress would be those committees vested with legislative jurisdiction over the activities of the members of the working group. If other committees or individual members wish copies of the report, it will be readily available from the committees of jurisdiction.

Once we have the results of the joint working group's efforts in hand, we will be able to evaluate the various regulatory reforms that have been discussed. Acting before this work is completed, would be ill advised. Precipitous action could serve to exacerbate the current regulatory situation rather than improve it.

This amendment has been cleared on both sides of the aisle. I believe that this provision is urgently needed and should be enacted into law as soon as possible.

Mr. MATHIAS. Mr. President, I am advised that there is no objection on the part of the minority members of the Committee on Agriculture.

Mr. STEWART. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

(Putting the question.)

The amendment was agreed to.

Mr. STEWART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATHIAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

(Putting the question.)

So the bill (H.R. 6285), as amended, was passed.

Mr. STEWART. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MATHIAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

An act to amend the Egg Research and Consumer Information Act and to establish an inter-governmental study group to analyze recent events in the silver cash and futures markets.

NATIONAL EXPORT POLICY ACT

Mr. COCHRAN. Mr. President, on May 29 the National Export Policy Act of 1980 was introduced in the Senate by Senators Roth and Stevenson. I am proud to be associated with this legislation as one of its original cosponsors and wish to take this opportunity to express my views on the necessity for this legislation.

We often read in the press of how other nations are challenging the United States in industrial might, their products supplanting our own in the international marketplace, even in places where "Made in the U.S.A." once was the most esteemed stamp of quality. We hear, too, of construction project contracts lost to foreign companies because our own firms did not learn of the opportunity until it was too late, or could not offer financing at competitive terms.

More often, Americans simply do not try to do business abroad, because of excessive Government paperwork required or legal conundrums to solve, because of double taxation, because we do not speak the language, cannot get the bank financing, or because we simply have no way of knowing where and when the commercial opportunities arise.

It is in response to this broad spectrum of concerns that the National Export Policy Act has evolved. Its goal is to resolve the problems encountered by a significant sector of our economy and to encourage others to join that sector and produce for export. It is therefore a contribution to the health of our presently ailing economy as a whole.

The general public may be unaware of the importance of exports to our national well-being. Fourteen percent of all U.S. goods are produced for that large market abroad. In my own State of Mississippi, $2 of every $5 in farm sales come from exports. One out of every 12 manufacturing jobs in Mississippi are the result of export sales. And, of course, the livelihood of Pascagoula and Gulfport, Miss., depends in no small measure on the more than one-half billion dollars of products shipped from these ports every year.

At a time when unemployment figures are rising steadily, we cannot afford to overlook possible solutions. We cannot ignore the fact that 40,000 jobs are created by each $1 billion of additional exports demanded.

There are political as well as economic ramifications from exports. Our failure to meet international competition for the ever-expanding market for goods in the developing countries is just another sign of the loss of leadership this country has suffered in recent years.

Our trade deficit has weakened the dollar and with it the considerable economic prestige a strong dollar once gave the United States. Our dwindling economic presence abroad, our technicians, construction engineers, and managers now supplanted by Japanese, West Germans, and French, is certainly not a fact easily isolated from the overall picture of our diplomatic decline.

The National Export Policy Act of 1980 recognizes that this trend can be reversed.

We should not allow the recent announcement of more favorable trade figures to calm us into inaction and complacency on the subject of exports. For one thing, deficit figures continue. The April deficit of $1.9 billion might be smaller than the $3.2 billion figure of a month before, but $1.9 billion is still a deficit. We should have no deficit, we should have a surplus.

Second, much of the cause for the improved figures is due to a large decline in imports of crude oil and from a decline in imports of manufactured goods, the inevitable effects of recession in this country. When the economy improves, as we all hope it will, and the demand for foreign products improves, must we look forward to a larger deficit once more and a still weaker dollar in the world economy?

There is clearly room for improvement. Exports of both manufactured goods and agricultural goods declined in April. Surely we are not doing enough to stimulate what must by now be recognized as a vital component of our national security and national economic interests.

I support the National Export Policy Act of 1980 because it is a clear statement by Congress of our recognition of the critical role exports do play and of our determination to encourage those who would export and to eliminate problems faced by those who export now.

I am particularly pleased with those sections of the act which would answer the many difficulties U.S. exporters have encountered from their own Government in trying to meet foreign business competition on an equal footing in the world market. If we can make things easier for them, simplify the paperwork, eliminate conflicting and confusing regulations, I am sure U.S. companies will move speedily to make up for lost ground.

Along these lines, I am supporting two additional pieces of legislation designed to reduce barriers that now confront exporters. One measure would establish a commission to examine the effect our antitrust laws have on exports. Another measure would require the Justice Department to assist would-be exporters in determining the application of our antitrust laws to proposed export activities.

I am also glad that agriculture has not been ignored in this act. Those of us on the Agriculture Committee are rightly proud of the enormous role agriculture products, 20 percent of U.S. exports, play in making our deficit a good deal less than it might otherwise be. Agriculture exports should continue to be a "growth" market.

I am greatly encouraged by the initiatives placed before the Senate with the introduction of this act. A critical aspect of our national life should now obtain the serious attention it deserves.

MARIE HOLIDAY OWENS

Mr. DURKIN. Mr. President, I lost a friend yesterday. We all lost a friend yesterday when a senseless act of violence took the life of Marie Holiday Owens. Holiday was murdered in her apartment almost within the very shadow of the U.S. Capitol. I can only ask what is the sorry state of affairs when a women almost literally within the shadow of the U.S. Capitol Building is not safe from violence in her own apartment. Holiday was a talented and trusted Capitol Hill employee for over 40 years. I had the privilege of knowing and working with her for the last 3 years. Through it all she never once lost sense of perspective, her sensitivity to what was important in the all too often self-aggrandizing Washington scene.

By any standard Holiday was an immensely capable woman, but first and foremost she was compassionate. Her unflinching zest for life, her contagious smile, and her overflowing generosity, and her sharp wit and intellect are just some of the wonderful qualities for which we will well remember her. In fact, in many respects she was the office grandmother.

If there was an issue in question, Holiday would scour the halls of Washington, maneuver through the bureaucratic maze and inevitably arrive at the answer. For each coworker's birthday, Holiday would make sure that there was cake, ice cream, and an office celebration. The staff softball team was nurtured on Holiday's pregame cookies and postgame congratulations and her disarmingly charming sense of humor kept the fast paced, high pressured Senate office life in perspective.

Her office bulletin board is a reflection of Holiday herself. It is a colorful, intriguing, humurous montage which served as a centerpiece for the office.

Her many talents and Hill experience were unparalleled. Holiday served as secretary to Senator Styles Bridges from New Hampshire and to Senator John F. Kennedy, just to name a few. She became the only woman to serve as Deputy Sergeant at Arms in the Senate and was the first woman secretary of the U.S. Capitol Police Board. Before coming to Washington Holiday taught both elementary and high school.

I speak for all those who knew and loved Holiday when I say how deeply saddened we are by her death. I extend my prayers to her family and I go forward knowing I am richer for having known Holiday Owens.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. DURKIN. I yield.

Mr. HATFIELD. Mr. President, I express to the Senator from New Hampshire my sorrow at the terrible tragedy that has befallen Mrs. Owens.

Like many other Senators I was always impressed by her smile, her greeting, and her friendliness.

I did not have the privilege of knowing her in a staff working relationship but certainly as one of the friendly and familiar faces around the Capitol in the Senate Office Buildings. I never was other than impressed by her spirit that was so obvious of enjoying her work, of being happy that she was here, and of really liking the people with whom she worked. And she conveyed that to me as just one of the casual people around here that I was in relationship to her.

So consequently, I know Senator DURKIN is deeply grieved by this and I certainly want to extend to her family and to you, sir, my sympathy for this terrible tragedy that has befallen her and those with whom she has worked.

Mr. DURKIN. I thank the Senator.

It is ironic that one who devoted her life to making other people happy would be found murdered in her apartment yesterday. and I guess we can pray that the assailant will be soon apprehended and offer our prayers for Holiday's soul.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER (Mr. STEWART). Morning business is closed.

TRANSFER OF FUNDS FOR THE SELECTIVE SERVICE SYSTEM

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business which the clerk will state by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 521) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System.

The Senate resumed consideration of the joint resolution.

Mr. STENNIS. Mr. President, I ask unanimous consent that Mr. Rex Buffington, a member of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is House Joint Resolution 521.

Mr. PROXMIRE. Mr. President, this legislation makes additional funds available by transfer to the Selective Service System in fiscal year 1980 from the Department of Defense account "Military Personnel, Air Force" to support the reinstitution of peacetime premobilization military draft registration for young men, beginning this summer.

Let me briefly recap the content and history of the resolution and then explain why I oppose it.

On February 12, 1980, in House Document 96-267, the President requested an additional $20.5 million for the Selective Service System in 1980 to begin formal premobilization draft registration. This amount was in addition to a $1,395,000 supplemental requested earlier by the administration for improvement of data processing systems and other military manpower mobilization capabilities. The President's plan initially called for the U.S. Postal Service to register young men and young women. Subsequent to the submission of the President's plan to the Congress, the House Armed Services Committee refused to include women in a draft registration program in fiscal 1980, and $8,500,000 in the supplemental budget request which was related to women was deferred. The House passed the joint resolution before us today on April 22, 1980, by a vote of 218 to 188, and the Senate Appropriations Committee approved the measure by voice vote on May 21.

The President's plan as it would be implemented through the resolution calls for young men, ages 19 and 20 to go to their local post offices where they would register by filling out a simple form with name, address, date of birth, and social security number. The forms would be checked at postal windows and then sent to the Selective Service System where the information would be entered into computers. Then the registrants would receive a letter acknowledging their registration and asking that the Selective Service be kept up to date on any change of address. In January of each year, all 18-year-olds would be asked to register in this same manner, thus reinstituting continuous registration for those who reach the age of 18 in the future. Under the President's plan, no classification or examinations would be made at the time registration occurred.

Mr. President, the transfer of $13,195,000 rather than the direct appropriation of this amount, is necessary as a result of recent reestimates of 1980 outlays by the House and Senate Budget Committees, which effectively prohibit the appropriation of new budget authority in the current fiscal year by making such an appropriation in violation of the ceilings set in Senate Concurrent Resolution 36. As we all know, higher interest rates, inflation, and other increases in uncontrollable outlays beyond those projected in the second concurrent budget resolution for 1980 have caused a breach of the budget ceilings established in the second budget resolution and thus precluded any appropriation of new budget authority, in the absence of a third concurrent budget resolution to raise the ceiling. As expressed in the committee's report, we have serious reservations about this transfer approach, but the full committee has concurred with the House in transferring $13,295,000 in funds already provided to the Air Force in 1980 to the Selective Service System. This transfer funding vehicle, therefore, would not increase the aggregate level of budget authority or outlays for fiscal 1980, nor violate the current budget ceiling established in the second budget resolution.

House Joint Resolution 521, as reported by the Senate, is identical to the House-passed bill, with one exception. The committee has amended the House bill by including a provision requiring the Selective Service System to print a question on the registration form allowing conscientious objectors to identify themselves. This checkoff procedure would provide each registrant the opportunity to indicate a religious or moral objection to combat duty. The amendment was accepted in the committee by a vote of 13 to 11.

Mr. President, I find myself in the position of being the floor manager of this resolution, while at the same time opposing the measure. Let me take just a few moments to explain why I do not believe it is necessary to initiate premobilization registration at this time.

First, after extensive discussion during hearings and in committee, I am not convinced that premobilization registration is necessary to permit us to meet our military manpower goals. According to the Selective Service System's own estimate as contained in a draft report that was prepared January 16 of this year—and mind you, this is the Selective Service System and was the one study that they spent a considerable amount of time putting together—premobilization registration would save only 7 or 8 days in a crisis and would not materially improve our manpower mobilization capabilities. If the Nation faces a legitimate emergency, I am sure that our people will make postmobilization registration work, and will volunteer in substantial numbers to serve the country in its time of need, as they always have done in every case where this country was in an emergency, a national emergency war situation.

We have had literally hundreds of thousands of volunteers the first day, and they have been able to be admitted to the Service very quickly.

Second, if registration is perceived as significantly improving our military manpower posture, approval of premobilization registration could mislead us into thinking that we have solved our current manpower retention and recruitment problems. But it is a symbolic gesture and nothing else. Premobilization registration does nothing to help beef up our Reserves or National Guard—an area of deep concern to Senators on both sides of the draft registration issue.

Premobilization registration does not address the military manpower compensation problem, nor does it take us a single step toward the goal of upgrading our existing military personnel. To the extent that we think it does, it could have a negative effect. It is going to cost money and, as one who is very conscious of that, and I am sure all Senators are, there is no way we can improve our military personnel without spending that money, we are going to have to do it. We cannot do it, in my judgment, simply by having registration. It will have no significant effect on it.

Third, the administration seems either totally unprepared or unwilling to face the issue of noncompliance and was unable to tell us in our March 11 hearings what steps they would take to deal with those young American men who failed to register. What do they do? What position are they in? Are they going to go to jail? Are they going to be fined? They do not know.

Recent polls indicated that the noncompliance problem could be extremely serious. There is a difference of opinion on that. It may or may not, but there is strong evidence it may be. With an estimated 4 million young men registering for the draft, even a 5-percent noncompliance rate would mean the prospect of 200,000 felony cases, and without significant enforcement teeth, registration could become a hollow sham, a joke, and a very sad joke, and could do this country very, very serious damage.

On the other hand, I seriously doubt that we as a people are prepared to accept the stiff penalties that could be assessed against our young citizens who fail to register in the absence of a national emergency.

Finally, I would once again refer back to Selective Service's own January 16 draft report—a report which was the result of many months of careful study. The report's major thrust was that postmobilization registration was preferable to premobilization registration. The report says:

> Our analysis of the various face-to-face registration options suggest that the postmobilization plan is preferable . . . the postmobilization option should substantially exceed Defense requirements, employs the fewest number of full time personnel, and costs the least. While costs and staffing should not be the determining factor, the reduced delivery time provided by the other options is redundant and unnecessary.

Mr. President, the burden lies with the administration to disprove the validity of this highly detailed report. But after 2 days of hearings by our committee and further extensive deliberations on this issue, I remain unconvinced that there exists any documentation to refute the findings of this key January draft prepared by the Director of Selective Service. Consequently, Mr. President, I am unconvinced of the need for draft registration at this time intend to vote against final passage of this legislation in its present form.

Mr. President, I am happy to relinquish the floor to the distinguished ranking minority member of the subcommittee, Senator MATHIAS.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, we begin today our consideration of House Joint Resolution 521, which is a bill to transfer funds to the Selective Service System for the purpose of registering 19- and 20-year-old males. Originally, the administration requested a fiscal year 1980 supplemental of $21.9 million for the registration of approximately 8 million males and females. The House-passed version contains $13.295 million for the registration of males only. Of this amount, approximately $4.7 million would be used to develop the necessary systems for registration, including data processing, printing of forms, training of area offices and local boards, and headquarters revitalization. Thus, the $4.7 million represents, really, the core funding needed to prepare the Selective Service System for the eventuality of registration. The remaining funds will actually be used in the registration process for data management, data processing, Postal Service cost, and all the associated costs of registration.

I am sure that during the course of our debate on this bill, the wisdom of initiating registration at this time will be fully discussed.

The distinguished majority manager of the bill, the Senator from Wisconsin (Mr. PROXMIRE), has already given us an indication that it will. I know that the distinguished Senator from Oregon (Mr. HATFIELD), to whom I will yield shortly, has a great deal that he wants to say on this subject. I share the concerns of my colleagues that registration, in and of itself, will not materially affect our military capability, and will not, in and of itself, add a great deal to the sense of security of the United States.

It has been my position for some time that the major problem facing our military is a people problem, but it is specifically the problem of the retention of skilled personnel, the retention of people in whom we have already made a significant investment of time and money, so that they can be trained and experienced in using the highly advanced and technical weapons systems with which our Defense Establishment is equipped. Until we address this problem by making the military an attractive career—and that, I might say to my friend from Wisconsin, involves much more than simply pay adjustments, there are some other features of military life, I think, that have to be considered—but until we do that, then action such as mere registration may be viewed by the world as a rather hollow gesture.

I also think we have to address the question of whether the proposal that is before us will register the right people. I think that question is going to have to be answered in this debate.

In a mobilization, just to cite one example, it is obvious that a great many pilots will be needed. But, on those infrequent occasions when I travel by air and I pass the cockpit door and I look in at the array of instruments, I do not see any 19- or 20-year-old males sitting in that cockpit. I see, in fact, on some occasions, people who look pretty much the way I look, in their fifties, flying those airplanes. The airline companies entrust these enormously complex airliners to men who have had a lifetime of experience in dealing with this high technology. So I have to ask whether this proposal seeks the proper target.

I raised this same question during the hearings. I will quote very briefly from those hearings. I asked the question:

> If you are really serious about sending a message to the world, and if we are prepared to make an expenditure of millions of dollars in sending that message and at the same time accumulating some information, why isn't it sensible to make a more thoroughgoing inventory of national talent that may be needed in a conflict in the future?

My question was answered by Mr. White, the Deputy Director of OMB. He said:

> I think we have a vast array of talent available, and I certainly think you are right that we ought to continue to assess what our talent needs will be in the event of mobilization.

Sometime later, General Meyer, the Chief of Staff of the Army, commented:

> While I agree completely with what you say about evaluating the total capability of the Nation to be able to support our needs of mobilization, and until we are able to fix the Active components, the USAR and the National Guard, that the need is principally in the area of combat arms men.

Mr. Pirie, the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics commented:

> Those who have completed their military obligation, have no further connections, no, we do not have a program to keep track of them. I think it is an attractive idea.

So, from that testimony, I think it is clear that there are other personnel questions that rise to the surface as we debate this issue.

I will have more to say at a later time on all of these subjects, but I just wanted to suggest at least some of the areas that I think need to be discussed in the days ahead.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I would like to thank, first of all, the ranking minority member of the committee for yielding to me the responsibility and the privilege of assisting in the management of this resolution from the Appropriations Committee here on the floor and for his usual erudite remarks that have been added to the RECORD here this afternoon.

I also wish to thank the chairman of the subcommittee, the Senator from Wisconsin, Senator PROXMIRE, for his strong support for the position which I represent today in opposition to this administration proposal to spend some $13 million of the taxpayers' money in a rather fruitless and inconsequential procedure of registering young men 19 and 20, having a piece of paper with some names and addresses that are probably out of date, about a day after they have been given, and acting as though that is substantive military strength or that somehow the Russians are going to be impressed with American resolve by this kind of empty and unneeded procedure is a ridiculous effort in futility.

Mr. President, it seems to me we are faced here today with the beginning of probably one of the most signficant issues that has come before this Chamber since the Vietnam war. I say that because the call for registration of the 19- and 20-year olds is going to have an impact on this Nation far broader and far deeper than its mere impact on the individuals registered.

It is going to create the vehicle by which dissent will mount and divisiveness will be created as the significance and importance of this issue becomes more apparent in the lives of the families of these 19- and 20-year olds and their friends as well. This will occur at a time when, if we ought to be sending any message to the Soviet Union it should be a message of national purpose, national unity, national resolve, that is forged out of a consensus of the American people in support of a policy, rather than through coercion of the American people to support a bankrupt policy through a draft registration procedure.

I think this is probably the greatest confession that could be made by an administration regarding its foreign policy. That it has to call upon the Congress of the United States to undertake the initial step in the development of a coercive draft program (which will naturally follow) because they have not been able to persuade the American people that their foreign policy is worthy of volunteer response to support a volunteer army.

Or, perhaps, and even more serious, are we to ask if there is a foreign policy that is being contemplated now that will demand the large reservoir of manpower such as the war in Vietnam did, over a long, sustained period of time, and that they have not yet announced this kind of foreign policy of the United States?

I do not raise this as a strawman. We saw in a past administration, during the 1964 campaign when President Lyndon Johnson was calling Senator BARRY GOLDWATER a warmonger, that then, at that very time, he was planning for the bombing of North Vietnam. But that was not the appropriate time to announce to the American people the expansion of the war in Vietnam. They had to wait until after the election.

So, consequently, I think these are questions we have a right to ask at the time when the administration is taking the very significant steps of trying to expand the manpower reserve by instituting again a system of involuntary servitude known as National Selective Service.

Mr. President, I ask unanimous consent that Rick Rolf and Jack Robertson, of my staff, be granted the privileges of the floor during the debate on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, before I go into the detail of the objections that I have, let me expand upon my allusion to the odious term "politics" in the context of foreign affairs. I think I ought to go into a little more depth about the politics that we now face here in 1980, simply, the politics of a Presidential election year.

I am very hopeful that this can be a political issue in the highest sense of the word. I feel that during any kind of a campaign the American public ought to be given the opportunity to hear the candidates speak out on fundamental, vital, and profound issues, and I think they ought to be able to hear those words spoken clearly, unencumbered with political rhetoric and evasiveness.

I think that out of all of the issues we have heard from New Hampshire to California, through the long tedious process of the primaries which we have been witnessing in both parties probably the most clearly defined issue as it relates to the distinction between the President and his challengers is the issue of registration.

That has emerged, not in a great public broadcast, not in a hotly contested political debate, or in the public arena of discussions perhaps not even in the taverns and the bars and other places where some of our real political discussions occur in our country. But I think it has, and will, emerge as perhaps the most cleanly defined issue that gives the American public a clear, well-defined choice, between the three candidates and a continued challenger.

Let me be very specific. The final primaries of the various States were held yesterday, and we heard the statement made by Senator KENNEDY, our colleague here in the Senate, that last night was the first night of the rest of the campaign. So very obviously, Senator KENNEDY is maintaining his challenge to the incumbent President, Mr. Carter.

We also have in this election year the emergence of a third party candidate, Congressman JOHN ANDERSON, of Illinois. Congressman ANDERSON is seeking to fulfill the procedures and requirements to have his name appear on as many State ballots as possible.

We will recall that in 1968 when Gov. George Wallace, of Alabama, was running on the American Party ticket, he obtained the position on 48 of the 50 State ballots, if I am not mistaken—very nearly all of the State ballots.

I do not know how many Mr. ANDERSON will qualify for, but certainly he is going to be a force to contend with in this Presidential year. He is articulate. He speaks a blunt, forthright language that appeals to many Americans. I think it is very obvious that Governor Reagan, of California, is going to emerge as the Republican candidate for 1980.

I am not here to try to predict the outcome of the election or anyone's chances, but merely to indicate how these candidates stand on this particular issue.

(Mr. BUMPERS assumed the chair.)

Mr. HATFIELD. Having made these rather obvious assessments, and there is certainly nothing profound in making these observations, at this time I would like to read letters that set forth the clear position of each one of these challengers to President Carter on this draft registration law.

First of all, I would like to read the letter dated May 5, 1980, addressed to me here in Washington, D.C., from Gov. Ronald Reagan.

DEAR MARK: I want to take this opportunity to express my concern over the proposal to register young men for the draft.

I believe this proposal is an ill-considered one, and should be rejected.

Advanced registration will do little to enhance our military preparedness. I know the administration has presented contrary figures, but a report by the President's Selective Service Director himself admits that registration will save a scant seven days of the six-month mobilization period.

Instead, our national security demands an adequate reserve that can be called up at a moment's notice, and a skilled, experienced, all-volunteer force, that can handle sophisticated equipment. Only an increase in the reward for serving—not a draft—will do so. It is a disgrace that many of the men and women who are defending our country must take food stamps to make ends meet.

Indeed, draft registration may actually decrease our military preparedness, by making people think we have solved our defense problems—when we have not. The Soviets can tell the difference between computer lists of inexperienced young men, and new weapons systems, a million-man reserve, and an experienced army.

But perhaps the most fundamental objection to draft registration is moral. Only in the most severe national emergency does the government have a claim to the mandatory service of its young people. In any other time, a draft or draft registration destroys the very values that our society is committed to defending.

Sincerely,

RONALD REAGAN.

Let me also, Mr. President, add the comments of another challenger, Representative JOHN B. ANDERSON, again dated May 6, addressed to me in Washington:

DEAR MARK: I am writing to express my strong opposition to the reinstitution of peace-time draft registration or compulsory service. I believe that in peace-time the American people should remain free to choose individual careers without the threat of government compulsion.

President Carter's proposal to reinstate registration for the draft is the first step towards peace-time conscription. Carter's proposed elimination of the existing ban on the use of Selective Service funds for induction suggests that he intends to ask for authority to induct men and women into the armed services in the near future. I am unalterably opposed to the draft during peacetime in the absence of compelling circumstances. Such circumstances do not exist.

I believe that registration will not stem the exodus of skilled enlisted personnel from the services, nor reduce the number of officers who resign their commissions or retire as soon as they are eligible to do so. Registration will not force the services to do a better job managing their human resources, and will not thereby reduce the number of people who leave the service out of frustration and anger over poor assignments. It will not persuade the Soviet Union that we are prepared to go to war over the Persian Gulf, nor will it add to our capability to do so in a significant or timely way. According to a recent Defense Department report, registration alone reduces the time needed to mobilize 385,000 new recruits by only 15 days. Instead, it may once again divide the nation and undermine the growing consensus that it is necessary to improve our military capability.

Thank you for giving your time and attention to this matter.

Sincerely yours,

JOHN B. ANDERSON,
Member of Congress.

Mr. President, I have a letter here from the Senator from Massachusetts (Mr. KENNEDY), dated May 6, addressed to the Honorable WARREN MAGNUSON, chairman of the Committee on Appropriations, U.S. Senate:

DEAR WARREN: I would like to convey my deep personal opposition to the Administration's proposal to begin draft registration of 19- and 20-year-old men.

The military value of this proposal has never been substantiated. Indeed, many of the President's defense advisers strongly recommended that we not return to peacetime registration. I believe that peacetime draft registration is an empty symbol that will neither aid in the resolution of present international crises, nor bolster our military preparedness.

Because a case has not been made for registration now, I fear that the legislation will lead to serious national disunity again. Recent historical experience leads me to conclude that young people will be hostile toward a system which they perceive to be unfair and without substance. We must remember, too, that registration will be conducted under the seriously flawed Military Selective Service Act, which does not even provide for basic due process protections.

In short, President Carter's proposal for registration is ill-conceived. I shall continue to speak out against it, and if it reaches the Senate floor, I intend to work against this legislation.

With my best wishes,

Sincerely,

EDWARD M. KENNEDY.

Mr. President, some of us on this side of the aisle—I should say all of us on this side of the aisle and probably most on the other side of the aisle—have high admiration and respect for former President Gerald Ford, a man who not only served for 25 years or more in the House of Representatives. He is a man always known to support and defend his country's highest interest as a Member of Congress, as a Vice President and as a President, with respect to the necessary military needs—budgetary, policy, and otherwise. On May 10, the former President, Mr. Gerald Ford, wrote this letter, addressed to me:

DEAR SENATOR HATFIELD: You have made inquiry as to my views on the proposal to initiate registration of 19 and 20 year olds under existing Selective Service legislation.

Although I vigorously oppose those who protest this White House recommendation by the tactics of "Hell no, I won't go", I am not in favor of the President's registration proposals at this time. I firmly believe there are far higher national defense priorities that require immediate Executive and Congressional action.

Our active duty forces need an increase in compensation now if the retention rate of career personnel is to be improved. The reenlistment rate can and must be assisted by prompt pay increase legislation.

Overall, our reserve forces are understrength in manpower and, in too many instances, are outfitted with outmoded and inadequate equipment. The reserve forces are a vitally important element in our national defense program and if they are to be prepared to carry out their responsibilities in an emergency, they must be immediately brought up to strength in manpower and equipped with more modern weapons.

Furthermore, in too many cases, the active duty forces do not have, in adequate numbers, the most up-to-date and effective military hardware. These deficiencies must be remedied promptly.

Each of the above are more urgent requirements than the registration of 19 and 20 year olds, at the present time. To achieve success in the above proposals it will require additional appropriations at a greater budget cost. However, these are far higher priorities in bolstering our military readiness and would be a more effective investment of budget dollars at this time.

Warmest regards,

GERALD R. FORD.

Mr. President, again, I think that anyone would have to agree that to get a Governor Reagan and a JOHN ANDERSON, a Senator KENNEDY, and a former President Gerald Ford all together under one umbrella, in one tent, so to speak, on an issue, in itself, is a remarkable political happening. We have here in these gentlemen a broad representation of the political philosophy of our country. But this feat is no more of a phenomenon than to think in terms of our colleagues in this body who are aiding the case to which I am speaking today: Senator PROXMIRE, the subcommittee chairman, who is noted for representing and espousing a liberal philosophy of the Democratic Party; my colleague from Colorado (Mr. ARMSTRONG), who is noted for his espousal and devotion to a conservative political philosophy within the Republican Party; and my own viewpoint, which is most frequently identified as part of the liberal wing of the Republican Party.

We could go on to other examples to illustrate the fact that in the political considerations of this issue, they are not restricted to a narrow base of a conservative viewpoint, or a liberal viewpoint, or a moderate viewpoint, or a Democratic Party, or a Republican Party, or an Independent Party viewpoint. But it is interesting that the candidates running for President this year, or who will likely be the candidates for President this year, the Republican, the Democrat, and the Independent, and the Democratic challenger who will continue to challenge through until convention time, the three challengers of today, all agree the President's position is wrong, that it is not only wrong, but they have indicated their willingness to take a position and do battle against it.

That should tell us something. What should it tell us in a political year?

I think that people realize, at least those in the political world, that I have never personally attacked the President, and I do not expect to do so today. The President and I have more in common than we have dissimilar, if we want to put a value on religious principle, as opposed to political viewpoints, because we happen to share a great deal in common in our spiritual commitment, which welds and joins bonds of friendship that transcend all political differences.

But in spite of that particular affection, and honest and true admiration, I have for the President, for his commitments, I must say that I think the President has again vacillated, vacillated on an issue, like on so many issues, to the point that the American public has become deeply concerned as to what the President stands for, what he is going to stand for, not only today, but tomorrow, or next week.

I remind my colleagues today, that last October on this floor of the Senate, there was an attempt on the part of one of our colleagues, another good, personal, warm friend, the Senator from Georgia (Mr. NUNN) to raise the question of draft registration. That was briefly debated that night. There was an agreement reached that that issue should not be brought forth on this floor until after the House of Representatives had taken a position.

But after that evening of debate, inquiry was made and further elucidation was given to the Congress and the American public as to what the White House, what the administration's position was on draft registration at that time, and a clear message came back from the White House. The White House was opposed to draft registration.

That was last October. Obviously, nothing remains static, including international affairs, least of all.

So we got from the President, who opposed draft registration in October, a request for draft registration the first of February when we had the state of the Union message.

But, more significantly perhaps, than calling for draft registration in that state of the Union message, the President announced what has come to be called "the Carter doctrine."

So one can say, well, there is a tide between "the Carter doctrine" and the call for draft registration, since something caused him to switch gears or to reverse his track from one of opposition to one of support for draft registration.

We know some of the things that happened. The invasion of Afghanistan by the Soviet Union, an invasion which, for the first time, was recognized in the eyes of many of the Third World countries, because the Soviet Union through this action had dropped its mask. Many in the Third World, therefore, saw this brutality in the Soviet system.

We are all concerned about the Soviet adventurism, whether it be Afghanistan or their announced desires and probings elsewhere in the world.

But I think we have to also ask ourselves the question, if Mr. Carter saw fit because of international circumstances to change his position on draft registration, what was the real purpose then and what was to be accomplished by changing his position?

Again, the only announced record that we have on this question, that was put to the representatives of the White House who testified before the subcommittee, was that the President desired the draft registration in order to send a symbolic message to the Soviet Union.

I have already stated an observation on that in one of the letters I read that I would like to merely underscore by stating again, as I have on frequent occasions in the past, that as much as we deplore, disagree, abhor, the Soviet system of government, I do not think we can take them to be either so unsophisticated or that they are a bunch of idiots that they cannot distinguish between substantive military strength or national resolve and symbolism.

I mean, I think that is really sort of a frivolous base or reason to give, that we want a registration program in order to "send a symbolic message to the Soviet Union."

I am certain the Soviet Union has already telegraphed a message many times over that a list of names of 19- and 20-year-olds in the United States is not current, probably within a matter of days after the registration has been achieved, because of the mobility of the American public and because of the special mobility of people 19 and 20 years of age.

That raises another question, and it is a very profound question. That is, if such a list is to be established and if it were to have something of meaning to it or attached to it, it means we will have to empower the Selective Service to have some kind of a monitoring or a check and balance against that list by going into social security, or other such records. Then we raise the question of a central record system in this Nation where everybody has a central case, or records, or whatever, from all the agencies of Government that we can extrapolate by the push of buttons in a computer.

I think this kind of Orwellian policy is something we all want to object to, regardless of our views on the registration question.

This Senate has considered in the past those way out Big Brother requests about getting some kind of central computer to designate every statistic we know about the American public on an individual basis. I do not think we want to let this become the triggering mechanism by which we break through the present obstacles that would provide us with that kind of centralized control.

Consequently, the President, in effect, has asked for a system of registration to bolster, or support, or undergird, as I read it, his foreign policy. He is fearful the American public does not really respond to, or will not respond to as it is unfolded, or as it evolves, or as it is disclosed as time goes along.

I will state why, in my opinion, the President is cautious about telling us what his real purpose is, what the long-term purpose is, of registration; namely, that of leading back to the draft. It is because he realizes that when he announces a doctrine that says that we are going to extend the American protective shield over the Persian Gulf, he has announced a policy that is very difficult, if not impossible, to implement.

There is perhaps nothing more disillusioning to the public than to hear political or public policy established or announced that cannot be delivered. I will state why I feel this is impossible to deliver.

First of all, one has to ask the question, "What is our national interest, and what is our national purpose in establishing this so-called protective shield over the Persian Gulf?" Obviously, it is oil—O-I-L, oil. Particularly profits. Particularly politics. The resource of oil.

The assumption is that if we establish a military protectorate over the Persian Gulf, we somehow will secure that oil supply upon which we depend so desperately today.

If we are to fulfill this obligation or if we were challenged, say, to implement it by some international event, we have to ask ourselves, then, what is the possibility of really implementing and fulfilling that commitment?

Let us bear in mind some unique characteristics of the Persian Gulf which did not exist anywhere else in our history as it related to the possibility of war and military action.

First of all in World War I and World War II, the United States entered those wars with deeply committed allies, allies who were active in the field of battle, who had viable armies, viable governments, viable causes.

In the case of South Korea and in the case of South Vietnam, the United States entered those two wars with what we would call client state relationships. That is to say, we had an existing South Vietnamese Government as well as a South Korean Government—client states. They were clients of our position, advocating an American system, or at least something that portrayed itself as sympathetic to an American system.

In addition, both of these client states had what we call proxy armies. That is to say, they had men under arms, equipped and trained, so that we built our military involvement upon an existing base of a client-state relationship, a viable client state, and a proxy army.

Let us look at the Persian Gulf. Where is the client state in the Persian Gulf? We have relationships out there that are friendly and some not so friendly. I guess one could say that Saudi Arabia is a friendly country; one probably could say that Egypt is a friendly country. Israel—that is getting a little far from the Persian Gulf.

On the Persian Gulf, you would have

to look at Iran. You would have to look at Iraq. You would have to look at the United Arab Emirates. You would have to look at Oman. You would have to look at a number of other countries in or about the Persian Gulf, and you cannot find a client state that would be involved in that action of military involvement to protect the Persian Gulf.

You look for a proxy army. Pray tell, where do you find a proxy army out there in the Middle East at this time, as it relates to the Persian Gulf? Iraq has probably the best equipped army, but Iraq is not about ready to be either a client state or to act as a proxy army.

Remember, a high percentage of Iraq's population is Shi'ite Muslim, and it has to protect itself, in addition to considering its strange relationships with the United States.

In effect, what we see coming out of this whole picture is a solo, unilateral involvement of the United States. I do not think we have seen allies in Europe anxious to jump into the Persian Gulf in a military intervention.

So here we find, again, an emerging picture of something that is not quite clear today—that is, we begin to see some reason for the registration as the first step toward the draft, in order to get a large manpower pool, in case we unilaterally have to go into the Persian Gulf. I see no other justification.

Therefore, when we vote on this issue of the registration, let us not be deluded into believing that this is but a simple exercise of inventorying a segment of our population in order to know how many we have and where they are, so that in case of an emergency, we can quickly put them into a process of examination, classification, and induction.

In this whole picture, as to the missing part, if we were to proceed in the Carter doctrine and if we were called upon to give serious support to its implementation, then I think we are getting far more honest comments from the administration when we hear about the discussion in the Pentagon, that if we are called upon to implement the Carter doctrine, we may have to consider the use of tactical nuclear weapons. There, we are getting a truer picture of what kind of impact it would have and the profound meaning it would have not only to the American people but to the whole world as well; because, in my view, once you cross the threshold of tactical nuclear weaponry, you have a very fuzzy line delineating between tactical and strategic nuclear weapons.

Therefore, Mr. President, we are talking today about something of great significance to the American people and to the world at large.

It appears to me that this may be the basic step that we would look back upon and say, as in the Gulf of Tonkin, Why did we not demand more information? Why did we not, in the Gulf of Tonkin situation, create a better understanding of what we really were embarking upon? That was the threshold; that was the triggering mechanism by which we yielded to the President of the United States the power to conduct the longest war in the history of this Nation, from which we will never truly recover.

The horrible loss of life, in itself, was the most important of all sacrifices. But, increasingly, the economists of today are tracking right back to a failure to pay for that war as we went along, that $160 billion we dropped into that raffle out there in Southeast Asia. That is the root of part of our economic problems of today.

We had a chance, and I am proud to say that a Senator from Oregon, Senator Wayne Morse, was one who had the courage to stand on the floor and challenge that request for the Gulf of Tonkin Resolution, along with a Senator from Alaska, Dr. Gruening.

So this is the day to ask and demand full explanation. When we can only get the answer, "To send a symbolic message to the Russians," I submit that that is an inadequate answer. That is a nonanswer. That is a subterfuge. That is not answering the question.

Mr. President, when we are asked by Mr. Carter to set forth this mechanism, and he has indicated that it is important to our international relations, I have heard some of my colleagues say, "Well, I think it's a prudent action to take, but I'm opposed to the draft. I support the registration call by the President, but I am opposed to the draft."

Let us analyze that a moment. How can one be opposed to the draft and support registration? What are we registering for? For what purpose if it is not an eventual draft?

The cherry blossom festival is passed. We are not registering to see who is going to be the princess of the cherry blossom festival.

We have now serious business. This registration is for the purpose of induction, if not today, then the base for induction tomorrow or whenever the President will see fit to call for Congress to act upon a request to restore the power of induction. That is our only check and balance at this point.

But this can also be a check and balance. There is no reason for calling for registration this time if one does not support the draft. A vote for registration is a vote for the draft. And remember the registration does not carry with it examination and classification. We do not know how many of those people, even if we had registration, would be ineligible for physical or mental or any other classification that may occur under a new organic act creating the draft, or if we had any exemptions at all. We do not even know what kind of a draft we might have down the road. We are flying blind.

I hear people from officialdom in Washington say that perhaps if we had a draft we should have no role for the conscientious objector because it has been estimated by some in officialdom that maybe as high as 50 percent of the 19- and 20-year-olds today would claim the right of conscientious objection.

Therefore, how do we deal with those people of conscience? The answer was from the same assessor. The answer would be to provide for no conscientious objector status or classification. It is a very simple way of handling the problem.

That reminds me of what happened in Newburgh, N.Y., a few years ago when the people up there on the welfare commission decided they were going to solve the welfare problem. So they decided to abolish welfare programs and that solved the welfare problem. That no more solved the welfare problem than abolishing the role for the conscientious objector would solve the growth of objection to war prevalent amongst possibly 50 percent of our young people.

Does this mean that our young people are less patriotic? That is the implication. I am troubled today like many others that somehow we have so demeaned and denigrated our young generation that they probably are not any more living up to what many people have as their standards of expectation.

But I found that if we raise our standards of expectation we usually find a higher standard of performance and response. I am convinced as I stand here today that if American interests were truly challenged in this world, this tenuous, difficult world we live in, that if our national interests were truly challenged there would be an outpouring of our young people in a voluntary status to support the defense of this Nation.

But I will tell Senators why there are many who feel that our young people are not responsive. It is because our young people are too perceptive. They do not see the national interest out there except in oil, and they are not about ready to go out there and give their lives for the oil corporations or for oil profits. They are not willing to go out there and kill for their cars. They are willing to give up their cars if that is the alternative. I know. I have spoken to enough of them. I have been on the campuses. I have spoken to young people, and I am here to say that I think they are more willing to make sacrifice as far as the mobility on wheels that they enjoy today than many in my generation. They will sacrifice if the alternative is that they must send their brother out, or they themselves have to go out to fight a war, in order to try to secure the oil supply of the Middle East.

We wonder sometimes if that security would be possible. Let us be mindful, when the Joint Chiefs of Staff testified in support of the Panama Canal Treaty, one of the reasons they gave is they questioned the possibility of defending the Panama Canal against guerrilla warfare, and that Panama Canal is 50 miles on either side, so that there is 100 miles of canal border that would have to be protected. They were fearful that under jungle conditions and other such conditions they could not protect 100 miles of the Panama Canal. Yet we have 6,000 miles of oil pipeline in the Middle East to secure, 400 pumping stations, 0.5 million square miles of desert and water and we are told somehow that under the Carter doctrine we could protect or at least we would make the effort to protect that kind of national interest.

I think our young people would respond if it was essential because when we were attacked in World War II in Pearl Harbor, there were up to 300,000 who responded within the first month or two after that incident on a voluntary basis.

I remember that day very clearly as we listened to President Roosevelt make his declaration of war before the joint session of Congress. A group of us were standing in the fraternity house and listening to that radio broadcast and en mass we walked out of that fraternity house and signed up in different branches of the service. I remember that one of our colleagues who had a physical defect was turned down and refused by every branch of service that he attempted to enter and his heart was so broken that he took his own life because he could not serve his country in time of attack.

I feel that kind of spirit is within our young generation today if they believed, as they have a right to believe, that they are to be asked to give or risk their lives for a valid, legitimate national interest during serious challenge or attack.

I think when we look at this kind of request by the President and the support from the Defense Department, when it does not include one volunteer, there whole thesis and their whole case is built upon zero volunteers, and is ridiculous on the face of it.

It is ridiculous as we look at the statistics of today. In the first 6 months of 1980 over the first 6 months of 1979 the volunteers for the initial enlistments increased by 37,000, more first-time recruits than in the comparable fiscal year 1979. When we look at the change from 1979 to 1980 in the selective service reserve and National Guard, again that has increased by 24,000 over last year at this same time.

Then we look at the Individual Ready Reserve strength which is over 400,000 today; it has increased by 17,000 over the same comparable period of 1979. Our young people today are responding.

Let me tell Senators I believe that the voluntary army can work and will work. I do not have to make this as a guess or as an assertion because we have 167 years of history upon which to base the assertion that the voluntary system can work if we want it to work and if we take the steps necessary to give it a chance to work.

But I seriously question whether there are some who really want it to work. They wish to have a draft.

In a draft they do not have to earn, by leadership and performance and quality, the kind of relationship and inspiration by which volunteers will comport because here we have a system of involuntary servitude.

So, Mr. President, when someone asks the question why the registration, and we get this kind of simplistic response, "to send a symbolic message to the Soviet Union," I submit that in the Presidential election year of 1980 this issue will not fade away, will not die, regardless of what action this Senate takes. Frankly, and I am sure the President is waiting breathlessly for my political advice or counsel, I think that the President's advisers at least wish to dispose of this issue fairly quickly.

I know of no issue that if I were challenging the President, as Senator KENNEDY is, I would like to ride harder than this one. I do not think the President needs any further divisiveness within the Democratic Party. It was very obvious that he did not get very much response from his olive branch last night.

If there is any kind of popular support that Mr. Reagan, the potential nominee of my party, needs it would be to get the support of the young people to add to the support of his present political base and to broaden that support of young people that he already has with their mothers, their fathers, and their friends.

No, this issue is not going to die because if we somehow fail in what I think is our duty, and that would be to give this a quick death—this is the only kind of abortion I support, which would be to dispatch this embryo of a bad dream—would be to get rid of a political issue that is divisive, and let the President move on, and other political challengers move on, to other issues.

I think this is going to be a very important political issue this year and I am hopeful the Senate can dispose of it so that it will not continue to be a political issue.

Let us say the Senate does not dispose of it. Let us say the Senate falls into the trap of the old siren call that somehow the Soviets have done this or the Chinese have done that, and we get all excited, all shivery, and then rush to do something that is going to build a bigger and a better military operation. Let us say the Senate fails in its responsibility to kill this, and let us say we give the President the $13 million plus.

Well, what is the President going to do with it? He is going to have to set up some kind of machinery, and this machinery is going to keep the issue very much alive. It is going to trail him right to the Democratic convention; it is going to hound him right through the Democratic convention; and, my friends, it is going to trail him right through to November no matter what he does, whether if he lets it lie idle or implements it. If he implements, well, there you have again a horrendous problem of an administrative nightmare.

Mr. President, I think we have to recognize that we are handing the President an impossible task if he is going to truly enforce this law. If we pass this, the young person who fails to comply with the registration requirements will be subject to the same penalties as one who has failed under the Selective Service Act to respond to induction, namely, up to 5 years in prison and a $10,000 fine.

I suggest we are setting up in this bill the machinery of creating a generation of new felons because the failure to respond to registration is a felony.

Let me remind you today that of the 4 million in this eligible pool of 19- and 20-year-olds, the failure to register from 2 to 10 percent constitutes a major problem of law enforcement.

I think it is interesting that the administration testified it had every intention to fully and completely implement and enforce this law of registration. But, at the same time, the administration failed to respond to the committee inquiry on what kind of plan, or program, or machinery they were going to use to enforce registration.

Let us look at just some very simple statistics, First, I think we have to recognize that there are always those who do not get the word. We used to say in the Navy that no matter how many times you published it, no matter how many times you announced it, it always appeared that there were a few aboard ship who never got the word.

All right. I think one can say that is about par for the course in any institution or area of life. Let us assume for the moment that we have passed this measure and the President has his money. Let us also assume that the President has set forth the registration machinery of some kind. Of the 4 million eligibles, how many will not get the word? I think that depends on how much we publicize the requirements that we have enacted. It depends on how much there is in the budget for public relations.

Let me tell you how much there is. There is between $200,000 and $400,000 in the budget for a national public relations effort to insure that everyone eligible fully understanding their obligation under registration.

Let me repeat that. In the budget there is but $200,000 to $400,000 total for public education, and most of that is in 30- and 60-second spots by radio and television.

We are expected to fully convey the responsibility young people in the 19- and 20-year-old age group have to comply with this registration requirement. This includes all their rights and all obligations under law, and the penalty of 5 years in jail or a $10,000 fine for failure to comply.

I think this is solid evidence of how carelessly this proposal has been promulgated. It does not give due consideration to basic human and civil rights of our people in the 19- and 20-year-old age bracket.

Thirty- to sixty-second commercials. How many does the administration believe it can buy across this Nation? I think anybody who has run for political office in the last few years will understand that television and radio rates are very expensive. Senatorial campaigns that maybe a few years ago ran into the hundreds of thousands, maybe $200,000 or $300,000, are in excess of a million dollars this year. This has occurred for a lot of reasons. But certainly a significant part of that increase in costs has to do with increased rates in radio and television.

And we are expecting the Selective Service to inform our young people of their rights and obligations, under severe penalty for noncompliance, in a few

30- and 60-second spots. They cannot even promote beer and cigarettes in that time.

Do we have before us legislation that is really going to address the issue at hand? Or is this bill just more evidence that the politicians have again failed to face up to the true issues of adequate military protection and military personnel? We will do more harm than good by instituting a meaningless registration system, meaningless in the sense that it does not address the current problem of turnover in the military because of better opportunities in civilian life.

(Mr. LEAHY assumed the chair.)

Mr. HATFIELD. Now let us look at another part of enforceability. I do not think there is anything more disheartening than to see people flagrantly disobeying and disregarding the law. I say "disheartening" because I was reared to believe that we have a Government based upon law, not upon men. And because we have a Government based on law, it means that our orderly society can only exist and continue if we have observation, respect, and obedience to the law.

I remember that the great Abraham Lincoln once observed that we have an obligation to respect the law with which we disagree until we have the opportunity to change it. We have a system that gives us precisely that privilege.

I think there are ways to dissent as long as one does so nonviolently, and is willing to stand and take the consequence of his dissent and disobedience in a peaceful way. I have never supported the idea that the person has a right to disobey the law and then run and hide.

But let us face facts. The last time we had the draft the Attorney General estimated that there was a 10-percent noncompliance based upon our last experience in the early seventies. Today, with 4 million individuals involved, there would be 400,000 in noncompliance with registration.

Now the Defense Department today says, "Oh, 10 percent noncompliance is much too high." This is said even though reports link the Defense Department with estimates as high as 50 percent for conscientitious objectors. DOD continues to insist publically that there will be 2 percent noncompliance.

All right, if you take 2 percent of 4 million, that is 80,000. This is a very conservative estimate. Estimates go as high as 400,000. But let us take 80,000. Out of that figure let us say we prosecuted half of them, just half of them. That is 40,000. And let us say that out of the prosecution of half, the 40,000, we only got convictions on half. That is 20,000.

First, I think we have to try to get some idea of the logistical problem in just prosecuting these individuals. Where is the Justice Department's plan? Where is the Selective Service plan? Where has the Congress of the United States been shown that we have some planned system or contingency to enforce this?

I am not a lawyer. But my colleague on the floor was a distinguished Attorney General of the State of North Carolina. I think you could ask any lawyer, even one who is not an attorney general, that if you are called upon to prosecute, you have an obligation to have the wherewithal to carry out the prosecution. You have to have investigators, you have to have those who are going to draft charges. You are going to have to have truck loads of paperwork, problems of identification, arrest, indictment, trial, sentencing, incarceration. Every step of the hole legal process is going to be totally overburdened, inundated, immersed, if I could use a Baptist term. And this assumes that we have the money and the personnel to carry it out. We do not.

If we prosecuted one-half of those who failed to comply and if one-half we prosecute are convicted, we would end up with the 20,000. What are we going to do with the 20,000 teenagers we convicted?

Today the entire population of our Federal penitentiaries is 24,000. We have not thought through this whole problem. And if the officialdom today suggests there may be as high as 50 percent who may classify themselves as conscientious objectors, then it seems to me you would have a much higher percentage than 2 percent who would protest further by failing to register.

We are dealing with a monumental problem. We are dealing with an issue that is abstruse in every sense of the word. We cannot get a handle on it. You will have the willful and nonwillful noncompliance. You will have those who never got the word, who did not deliberately refuse to register. And you will have those who did get the word and on the basis of their viewpoint will refuse to register. And you have to somehow distinguish between these two groupings.

There is nothing worse than putting a statute on the books and then not being able to enforce it. It causes an erosion in the total system of law.

We did not have that large problem of crime in the 1920's just because people were deliberately trying to do wrong. It was because with prohibition we had set before the people a law that was impossible to administer and enforce. When people saw that prohibition was being flagrantly disregarded, what reason was there for them to then give respect and obedience to other and lesser law or to local law or to other national law? There may well have been a direct connection to that disobedience to prohibition and disobedience to other laws that created the crime waves of the 1920's.

I am suggesting we may not only create a whole class of teenage felons, under this particular proposal, but we are causing a further erosion for the whole rule of law in our society.

Most historians will agree that this is an age in which the role of authority is under severe challenge in every institution of humankind. You know, the dissident feeling the people feel toward politicians and the strange discountenance they feel toward their government is not solely a political problem.

If it were purely a political problem that would be one thing. But if you go to the church today, it is between the priest and the parishioner that there is this strange role of relationship and authority; it is between student and teacher in institutions of education; it is between parent and child in family. Every institution is under tremendous stress today in reviewing and understanding the roles of authority based upon rules, mores, laws, statutes, whatever.

Therefore, it seems to me we either will end up prosecuting with zeal those who disobey and refuse to comply, or otherwise we will be selective in our prosecutions and we will set up one in every community as the example.

Setting up a few as an example does not in any way enhance the status of the law or the respect for authority or the institutions of authority. There is nothing that will come through quicker to our public than to realize that they are only making examples out of a few prosecutions on a selective basis. If we do not prosecute, either on a selective basis or with zeal, then we are creating, in a sense, a further erosion.

Consequently, any way you look at it, prosecution on a selective basis, prosecution with zeal, or no prosecution, we have placed an impossible, horrendous responsibility upon the shoulders of Government. This is a responsibility that cannot, in my opinion, be adequately enforced or implemented.

Mr. President, I raise these questions with all seriousness because I want to emphasize again that any way you look at it we are dealing with inequity. We are dealing with the lives and future of a lot of our young people, and I am not about ready to take the action that is going to set forth a generation of felons because of a pointless, meaningless piece of paper.

I have said frequently, and I should probably interject at this moment, that I am talking about a peacetime draft. If there is true war that comes along in this world of ours, and we all pray it will not, the whole question of draft becomes moot. We are all in it. But I am talking about a peacetime draft, a Prussian-type military proposal. The draft is an odious form of involuntary servitude that this Nation rejected, and that the mother country rejected, until World War I in the case of Great Britain. But the two major English-speaking countries of the world, from which most of our constitutional law has been derived, specifically rejected the European continental system of coercion to bring people into military service.

There were applications on a local base, yes, if you want to go back and be very specific in history. In the Colonies they had a coercive system to supply the manpower to protect the Colonies. But as far as a national policy was concerned this Nation rejected it. Great Britain rejected it until World War I. This Nation rejected it until the Civil War.

President Lincoln called for a draft and riots broke out in New York City and other major cities of the North. Thousands were injured or killed in those riots. They were reacting against an un-American system of military recruitment. Many of our forefathers came from

Europe to get away from a Prussian military recruitment system. That is how the czars maintained their armies. That is how other autocrats maintained their armies. We can trace it back to the ancient Greeks and to the Romans. We will find a pattern throughout.

That is what led the late Senator Robert Taft, the high apostle of Republican conservatism, to rise on the floor of this Senate and refer to the draft as a system more characteristic of a totalitarian nation rather than of a democratic nation. A system of peacetime draft could lead this country or any other country to fascism.

Those are not the words that came out of the mouth of some radical. These words came from the mind of one of the five men we have honored as being one of the great Senators of all time, the late Senator Taft of Ohio, portrayed out here in our reception hall.

We have to look to our history and ask ourselves again, is it so necessary to start this procedure now that will lead to the reinstitution of the Prussian system of military recruitment?

For 167 years as a nation we have proved otherwise.

Do you know why the Prussians and the autocrats had to do this? They had to do it because their policies were so unpopular and because they did not have democratic institutions to provide for the checks and balances, and civil liberties and rights.

I appreciate the fact that some people are not that interested in history. They say, "Well, that was historic. That was not today. We are dealing with the real world in 1980 and, therefore, it has no bearing."

I would like to say that in the system of law which we have, we take the precedents of our past. The changes we make are based upon a careful evaluation of whether those precedents of the past have served us well or not. We have never made change in a capricious manner.

When one looks at the fact that in the voluntary Army today the absent-without-leave rate is down 71 percent from the 1974 level, we find another piece of evidence that the volunteer system can work. Army desertions are down 56 percent from the 1974 level. The incidence of violence is down 25 percent from the 1974 level. Drug usage is down 16 percent since 1974. Courts-martial are down 58 percent since 1974. These are evidences that the American system of voluntary military service can, will, and should work. But this Congress has a responsibility and the Pentagon has a responsibility. If the military leadership has a commitment to the Volunteer Army, and if the President has a commitment to a Volunteer Army, it will work—167 years of history have proven it will work.

We have failed in our commitments. We also, I believe, have failed in developing a popular support for some of our policies, foreign and otherwise, which have caused the President to take this desperate and unwise step.

Mr. President, people oftentimes say, "Do you not think our young people have a responsibility to serve their country?"

Oh, yes. I agree fully. Not only young people. I think every citizen has a responsibility to live his life in a sense of serving his country. But I think one has first of all to ask the question, "What is my country?"

I do not believe that my country is my government alone. I do not believe that my country is the "rocks and rills" and "templed hills" of geography. I believe that my country, first and foremost, constitutes my fellow citizens. That is what constitutes a nation, the people.

For how many centuries the Hebrews did not have a geography they could call their country. Yet the Jews constituted no less a nation, even though they had no homeland and no government. They were serving their sense of nationhood by their commitment to one another and their commitment to the reestablishment of a homeland. I think it is a very narrow and provincial view to take that, somehow, we express our service to our country purely by donning a military uniform and saying, "Therefore, now, I have served my country."

I do not know what special credentials it gives to any one to be a veteran. I happen to be a veteran. In that sense, I served my country in a particular time of need in a very special way. But I hope that the 3-plus years that I put into the Navy in World War II, fighting on the shores of Iwo Jima and Okinawa and later in China, were not the end of my service to my country. I hope and think that when I was teaching at a university or when I am serving in the U.S. Senate, or when I served as Governor of my State, or when I served as a legislator in my State, I was serving my country. I should like to think that every schoolteacher, every carpenter, every plumber, every business person, every labor leader, every man, woman, and child, can think he or she is adding something constructive to his or her life, or that of the community. All this is service to the country.

I reject that rather militaristic and provincial viewpoint that we only serve our country by putting on a uniform. Certainly it is one important way of serving the country, a vital one for our national security and national survival. But let us not consider that our young people are only serving their country if they wear a military uniform.

If we are to require our young people to volunteer to serve their country in a military role as a part of their total service, then ought it not to be one that is based upon their belief that there is a reason to don a military uniform? Should not proof be offered that the Nation is in need of their service, or that there is a national interest involved that must be defended? Say we are going to inventory by setting up a registration procedure in peacetime, should not we first take steps to give the volunteer Army the kind of support it needs to make it work?

If in all aspects of military life we made compensation comparable today to civilian employment, we would have an even higher rate of enlistments, and reenlistments, we would have a higher rate of Reserve enlistments in the Individual Ready Reserve as well.

As Governor, I remember very vividly the times when the adjutant general of the Oregon National Guard would come in and visit about the need to create a new program of incentives or to provide some better programs to attract young people to the Guard. I found that, working with the adjutant general and other State agencies, we were able to set up programs and recruitment policies that did attract our fine young men to serve in the Oregon National Guard.

I was very interested to sit 2 weeks ago with the adjutant general of the Wisconsin National Guard. He was telling about the incentives they had set up in the Guard and where parts of the Guard had over 100 percent of its complements filled. That can happen not only with the National Guards, which are an integral part of our Federal military picture, but it can happen with all the other branches of the service.

I think it is very interesting that in an interview with the Washington Post a few weeks ago General Meyer, the Chief of Staff of the U.S. Army, commented to the effect that the draft would not help the Army. He said it would drive the young people into the other branches of the service. He suggested that if we wanted to do something to help the Army in its recruitment and its retention, possibly we should consider providing some kind of GI education bill of rights for the children of the military people who had served a certain length of time.

I think there probably are two or three things we can learn from that statement. I think General Meyer's statement relates to those who believe that the draft is a panacea for our military problems. I do not want to convey any kind of misunderstanding here. I realize that General Meyer was speaking to an interrogator or to a newspaper person as a single military leader. That, as a group, the Joint Chiefs of Staff, subject to the Commander in Chief, support President Carter's registration plan.

But that certainly, in no way, denies General Meyer the right to express his honest and his best professional viewpoint. That is precisely what he did on April 24, as reported by George C. Wilson, Washington Post staff writer, in an article entitled "Top General Offers a Plan To Retain GI's."

I should like at this point to quote a couple of those statements:

> Paying for the college educations of soldiers or their children would do a lot more for today's Army than bringing back the draft, Gen. Edward C. Meyer, Army chief of staff, said yesterday.
>
> Meyer, in an interview with The Washington Post, said the draft would drive young people into the other services, not the Army, and leave his biggest personnel problem uncorrected.
>
> That problem is attracting and holding quality people, especially those trained in the complexities of modern warfare, like running the communications and electronics controlling of today's weaponry.
>
> Under Meyer's plan, anyone who joined the Army would get a more generous GI bill. If he or she stayed in for 15 years, the Army would pay for the education of the careerist's children at whatever colleges they could get into.
>
> Although Meyer stressed that he was not

taking a pro or con position on resuming conscription, his views on the impact of that step on the Army add a new dimension to the congressional debate on the issue.

"The country has to make that decision," said Meyer on the draft, saying that there would be advantages and disadvantages.

"What troubles me," said Meyer, in speaking as head of the Army, "is that a draft would help the Air Force, the Navy, the Marine Corps. Their recruiting problems will be gone." If tradition is borne out, he said, those branches will fill their personnel needs with high school graduates.

"We will be the ones, the Army, who will get the draftees. And that will be a cross-section . . . The draft would not change the mental categories of the people you have in the Army today.

With an Army of draftees rather than volunteers, Meyer said, "what you have out in the field for these sergeants and these junior officers are people who don't want to be there.

"Unless the draft were highly discriminatory" by inducting only top-quality people, an unlikely prospect, "I don't believe we would make out any better, except that we would be full all the time. But we would be full of people who don't necessarily want to be there."

He said this situation would require the Army to scrap its present program of discharging without prejudice, those in basic training who cannot adjust to military life.

"We couldn't do that with the draft. Everybody who was drafted and didn't want to be there would be trying to get out."

Army recruiting is going much better this year than last, prompting Meyer to concentrate on attracting and holding on to quality volunteers rather than on filling the ranks.

In this effort, Meyer said he has concluded that reviving the GI bill, under which the government would pay a year of college or other education for every year the volunteer served in the military, would lure more high school graduates into the Army.

Besides using education to attract first-timers, Meyer said, the Army could keep more of its sergeants and young officers by taking over the financial burden of educating their children.

"Most people who serve in the military know they are not going to be millionaires," Meyers said. "But they have a few demands.

"One, they have to be able to eat. And they have to be able to put enough money away to provide for the education of their children. In my judgment, that's the biggest single problem they see facing them ahead: 'How am I going to educate my children?' "

Under his plan, Meyer said, the government would pay the entire cost of education for the children of any soldier who stayed in the Army at least 15 years.

"I'm trying to solve the problem of middle-grade management," said Meyer, referring to the current exodus of sergeants and junior officers. The Army is 12.000 short in non-commissioned officers and is losing young officers at an alarming rate.

The Army's personnel office is refining Meyer's plan into a detailed proposal, which will go to Defense Secretary Harold Brown and then, if approved, to President Carter.

Meyer conceded that the cost of the educational benefits, which would have to be extended by the other services if the Army offered them, would be high.

"My response to that," he said, is that the Department of Health, Education, and Welfare guarantees billions in bank loans and grants scholarships to students who often do not have to repay the government through service for the help.

"All I'm asking is that there be a repayment through service to country," Meyer said.

Mr. President, I think that illustrates again what the illusion is that the supporters of this resolution are creating. It is the illusion that we will solve our military problems accepting registration, the first step to the draft. What we are doing, then, if anything, is delaying the day when we bite the bullet on the cost of military manpower in the Volunteer Army.

I feel very strongly that we have to do much more to make the Reserve program and the Voluntary Army work.

They must be strengthened. They are not strengthened, nor are their problems addressed by this registration proposal.

We must also reflect a little bit on some of the uses of the draft in the past.

When President Eisenhower left the office of President, he left with only some 600 American advisers in Vietnam. President Kennedy ordered 17,000 troops into Vietnam. Under President Johnson, troop movements escalated to over 540,000 Americans. President Nixon, in turn, expanded the war in Vietnam into Cambodia. All these Presidents had one thing in common: Access to nearly limitless numbers of troops through the draft.

In my opinion, none of those Presidents, Republican and Democrat alike, could have plunged us into that war and expanded it, if they had to call up the Reserves.

The Reserves are constituted by community leaders. The Reserves are made up of lawyers, shopkeepers, teachers, farmers, laborers, and community leaders. Believe me, the public outcry against the war would have occured long before we ever reached 540,000 troops in Vietnam, if the profession, vocation, and family life of these individuals were directly threatened by the callup.

Instead, what did we have? We had powerless, politically impotent 18 year olds with which to provide the Presidents of the United States the manpower to prosecute the longest war in history—an immoral, unconstitutional war, in my view.

I am not interested in putting the first step into play to reinstitute that kind of manpower program for any President. I do not care whether he is Baptist, Methodist, atheist, or whether he is a Democrat or Republican.

I think that is one of the checks and balances we have to maintain. In all areas, Congress must retain the authority to declare the war and not the President. We are not going to again give the President any kind of excuse to get us so involved in conflict that the Nation must again suffer such trauma.

Even before I came to the Senate, Senators use to come out before the TV every night and wring their hands about the terrible war in Vietnam.

But what did they do? Nothing. They had already created the machinery, already given the President the unlimited manpower by which he could prosecute that war. The President would have to get the appropriation, and nobody could deny that to those boys already over there, not of their own will or accord. So there was a Catch-22.

Consequently, when we talk about the draft, let us bear in mind that even President Lincoln suffered a lot of political erosion by the institution of the draft in the 1860's.

We also have to remember that our constitutional forefathers very carefully went into the question of how we create a military organization for the defense of the Nation. I wish I had with me some of the Federalist Papers and some of the Constitutional Convention minutes in which this was discussed.

There was a very clear understanding that there had to be a militia, and that was provided for. There was no disagreement on having a State militia. But a very careful distinction was made between a State militia and a national, Federal military organization. That was to be voluntary. The militia would be utilized if there were a need to do that, just as with the National Guard.

I can recall in high school, in 1939, when our colleagues who already had been a part of the National Guard were federalized, and they had to be pulled out of the school in order to respond to the call for the federalization, or the nationalization, of the National Guard as we were moving toward war.

So it is that we have this great heritage and very strong history in which our forefathers really understood the problems of other than a volunteer Army. If we went into any system of coercion, they recognized that it was contrary to the system of government they wanted to organize and set up.

Someone will say that was a fine time to have that viewpoint, because we were isolated from the rest of the world. We had oceans, and we were living in a period when there were only sailing ships that moved slowly, and America was so far from Europe that we could afford to be isolationists. We hear all kinds of arguments.

Well, we also have to recognize that there are constitutional methods of changing all this, and there are ways in which we can adapt to the changing times without destroying the value system, the ideals.

I would hate to think that America would say, in effect, that we have to sacrifice our basic constitutional ideals and constitutional principles because we have to deal with a world of reality.

I do not know how many have read former President Nixon's book called "The Real War." There is an interesting paragraph in it in which he says that there comes a time when a nation has to sacrifice its ideals for pragmatism. We may even have to deal in matters that are unethical in order to deal with reality. It was not quite the word "unethical," but that is what he meant.

I think it is a commentary more on Mr. Nixon than perhaps on our constitutional system or the world of reality we face, but I do not think we can say that is the Nixon philosophy. I think Mr. Nixon is reflecting the philosophy of many people. He is not isolated in that philosophy, and I do not believe it has any relationship to the Watergate problems he suffered.

I believe it is a basic viewpoint that people have today, that whatever our constitutional heritage is, whatever our constitutional system may be, whatever our ideals may be, in dealing with the Soviet Union today we have to imitate them—fight fire with fire. How often that old conundrum is thrown up.

I have not lost confidence and faith in our constitutional system, nor do I believe that, somehow, we have to sacrifice it in order to deal effectively with the Soviet Union or any other country.

This is one of our problems today, that we have abandoned too frequently the ideals for which America was noted.

Why does the Third World look upon us as a sort of another imperialistic country? There are many reasons, and I believe one of the reasons is that America has lost a great deal of prestige in the world today, especially in the Third World, because they have seen where we have abandoned and prostituted the ideals we have mouthed when it comes to political practice.

So I do not accept the proposition that because we are living in a dangerous world, we can throw onto the altar of expediency all the past and all the traditions and all the constitutional safeguards we have held over 160 years of a voluntary military.

Yes, we need to show our resolve in this world today; we must demonstrate strength. I do not deny that need at all. But that determination must be manifested by our willingness to defend the Constitution and the principles upon which this Nation was founded. If there is anything we need, it is a renewal of that commitment. We need a resurrection of this viewpoint.

It is incumbent upon the leadership of this country to determine the least divisive and intrusive means for providing for the defense of this Nation by means of the same views and the same mental processes that George Washington, Thomas Jefferson, James Madison, John Jay, Alexander Hamilton, and others used and or demonstrated as the early leaders of our Nation.

We will get the respect of the world and we will get a restoration of faith in the American role of leadership in the world when they feel and understand that we have not abandoned, but we are true to, our ideals and to our American system of constitutional government.

I, for one, will not stand by idly while we play conscription roulette with the lives of our young people.

Mr. President, there are some political problems we also face at this time in the matter of how we are proceeding on this question. Many of us came to the U.S. Senate as active civil righters, with long involvement with or sympathy for civil rights movements.

That was my case back in 1951, as a legislator in my State, when I had introduced and led the battle for the first law in our State to provide for nondiscrimination in places of public accommodation.

Mind you, this was a Western State, a progressive State, Oregon, and not until 1951 did we finally eliminate the discrimination that existed. Black people could come to our State and be turned down at a motel or in a restaurant or in a hotel. This was in 1951. This is not one of the Confederate States. This is a Western progressive State.

I was appalled, as a young legislator, when I introduced this bill. I had all the hotel and motel associations down there in the Capitol, lobbying against it because it ruined their business if they had to admit blacks into their facilities on a nondiscriminatory basis.

I can recall as a boy in high school hearing radio broadcasts about certain Senators from certain States rising on the floor of the Senate and referring to the black people in the most odious terms possible; and how when civil rights bills were introduced, they used the filibuster to thwart, to stop, the civil rights bills that were being considered.

So I came to think of the filibuster as a type of parliamentary procedure that should be abolished, because it was associated in my mind with anti-civil rights positions. Now I have this very incongruous position—I have this paradox—in which I want to use every delaying tactic that is available under proper parliamentary procedure, including the filibuster—not to constrict a civil right but to expand, if you please, and to protect a civil right. That is a dilemma for some of us and for some of my colleagues.

I came here voting for every cloture motion that was submitted, just on the basic principle that enough discussion was enough discussion, and that we should cut it off and get on with the vote. It is interesting, when the shoe is on the other foot, what a different perspective one gains.

But again I emphasize the point that when a cloture motion today is submitted, a vote for that cloture motion is not a vote to enhance and extend the possibility of civil rights. It is one to constrict a civil right, the civil right of our young people to volunteer for the military and not to be forced into a procedure that will lead to involuntary servitude called the Selective Service.

In fact, as I see my colleague from New Hampshire enter the Chamber, I think of the fact that the first cloture motion that I ever voted against was on the contest of the New Hampshire senatorial election.

Mr. DURKIN. I think I remember that one.

Mr. HATFIELD. And the Senator knows that I have learned much since that experience.

Mr. President, I was in the process of discussing the matter relating to the parliamentary procedure that we are going to face here on this question and what a dilemma it will be, and has been, for those of us who have identified cloture with the issue of civil rights and how we establish voting patterns and traditions that are sometimes difficult to extricate ourselves from.

But I think once we do that, and it is obvious that we must, we are freer to do it in the future, I have come to the conclusion—and I did this even before today or before this issue came before the Senate—that I had to be more selective in my attitude, perhaps if you please, more discriminating in my attitude toward the cloture motion and, judge it more on the merits of the case rather than on a historic frame of reference.

I do feel strongly that we have seen a lot of abuse in the postcloture situation and we have taken some rather minor steps to correct that. But let me also suggest that some of that is due to the fact that I think the leadership on occasion has been too eager to lay down cloture before adequate debate as occurred on the bill or the issue.

I am very happy to say that the leadership, Senator Robert C. Byrd, has assured me that even though I can expect a cloture motion as we pursue the discussion on this subject, he would not be premature in laying that cloture motion down, in order to give at least a fair amount of time for debate. I do not say he was overly generous, but he certainly said he would give a fair amount of time of a day or two for full debate on this subject, uninterrupted, hopefully, before the cloture issue is raised.

But I also stress again that this is unlike the basis for which many of us took a jaundiced view toward filibusters and cloture motions in the past, because this really is an effort to strengthen the civil rights of the young people involved, rather than to restrict them.

There is another factor in this whole filibuster procedure that we may be forced into, or that we may find ourselves involved in on this issue. I have at no time tried to hide my strategy in opposing registration. I said right off the bat, so to speak, that if necessary I would embark upon a filibuster to try to bring the whole question down or the whole issue down. I have not tried to play games with the leadership or anyone else. And I am not today. My strategy is all out in the open.

But I also wish to comment on this matter of filibuster itself because again historically, we saw the filibuster used in such a way as to actually demean the procedure or the role of the deliberative process of the Senate.

I can recall reading about how Senators would stand and read the phone book as a part of their filibuster, material totally unrelated, totally irrelevant, to the issue in which they were employing the filibuster.

So, I am hopeful, and I have every expectation that every hour and every day of debate on this issue will be substantive debate, containing pertinent information that can be laid out in the Record provided for the public. I have no intention of engaging in a telephone book filibuster.

But I do feel that there are so many facets to this particular question that demand great and involved discussion or at least reading the Record, or having some staff person read the Record, following the day of debate so that the principals may be somewhat briefed on what occurred the day before.

I am so persuaded of the importance of that that I expect we will move as long as we can and as far as we can on this subject, but in a meaningful way.

Now, as we consider this matter I have not even raised the question of whether women should be involved in the registration action if it is to take place, or whether it should be restricted just at this moment to males. Perhaps Senator KASSEBAUM will discuss this matter later on.

I think it is very interesting that the administration has very candidly stated they do not want women included as part of this registration action, but they feel it is important to consider down the road women as a separate, unrelated issue; that is, unrelated to this specific request for $13 million plus.

I think that is very obvious. I was talking about being all up front with my strategy, and I think it is very obvious the administration realizes that some of the strongest advocates today in the U.S. Senate for registration for young men turn a little purple when you talk to them about the possibility of registering young women. I mean there is the kind of an attitude that says, in effect, "Well, we want to register the males but not the females, and I am so interested and anxious to register the males that I do not want the female question injected into the picture or be contingent upon my support for registration of males."

Well, that issue will be more profoundly probed later on, as I say, by Senator KASSEBAUM and other cosponsors of her amendment. I raise that question here on the floor, because I want to point out again the simple fact that the House of Representatives passed this registration plan in 1 day. That to me is almost an insult to the American public. To think that there was so little attention and debate given to an issue that involves the lives of 4 million 19- and 20-year-olds that it passed on the basis as a 1-day discussion. I really very deeply feel that we must give every part of this very, very careful consideration.

(Mr. PRYOR assumed the chair.)

Mr. HATFIELD. Mr. President, when I talk about discrimination, there is one other aspect of this that concerns me a great deal, and that is looking down the road as we must do, I think we have to realize that the draft program we will eventually be called upon to enact will have to deal with exemptions and classifications. That means simply that we are probably going to be called upon to provide for some of the exemptions that we had in our past experiences with Selective Service.

Let me illustrate. During the Korean war, where I had some direct involvements with the administration of the draft system, I can recall very clearly the deep concern I had then with the kind of discrimination that was practiced by Selective Service.

We all recognize the necessity of having educated people, of having trained people, in every area of life. But, as you will recall, in Korea, during the Korean war, the young men who could come up with tuition for college had a better chance of being deferred or being exempt from ultimate military service by the system of student deferments. We called them the II–S classification. Every year the officials of the university would be called upon to rank all the male students in the university class by class starting at the 4-point grade and dropping down to whatever the last grade point was, because the Selective Service System provided that you could qualify for a II–S classification, student deferment, first of all, if you had the resources and the economic ability to attend a college, and then if you were in the upper half of your ranking of the male members of your freshman class. If you had an upper two-thirds status in your sophomore year, you could return for your junior year; if you had an upper half in your junior year, you could return for you senior year; and if you had an upper half in your senior year, you could undertake graduate school work.

The inequity between those young men who could go to college and those who could not go to college was very obvious. Young men who could not go to college were right out there, a target fully exposed, for the full impact of the draft while those in college could stay in their ivy-colored halls and be exempt or be deferred.

But there was discrimination within discrimination because the impersonal, the total mechanical, character of this procedure of declaring whether a student could return for his sophomore or his junior or his senior or his first year of graduate school was based purely on the numbers game.

As an example, let us say the line was drawn between a 2.84 and a 2.85. Let us say the 2.84 person, who was just below the line and would obviously then be subject to the draft was a physics major or a chemistry major, but the 2.85 student, who was just above the line by one-tenth of a point, was in my field, a political science major.

I would be the first to admit that I think there is, perhaps, a greater call for discipline, academic discipline, study discipline, intellectual discipline, in following successfully a physics science or chemistry major or whatever, than, perhaps, a political science major or, let us say, someone who was an art major or a music major. I am not demeaning any kind of major here at all, because I am representing this illustration with my own major. But there was no distinction given or made between what your major was and how much more discipline there was involved in trying to achieve a 2.85 average in a science major than in a political science major. Perhaps we needed more of the physics majors than political science majors in the military.

So we had all of these elements of discrimination and I think we have to face that possibility down the road as the draft is requested later on, as I am sure it will be. I am not making any false projection here or exaggerated projection because, frankly, from most of the proponents of the registration measure whom I have heard discuss this issue in the committee and elsewhere, they very openly talk about the necessity of restoring the draft. They are supporters of the draft. They want the draft, and they see this as a first step toward the draft. So, consequently, to try to delineate again registration as unrelated to an ultimate draft proposal or consideration I think again is unreal based both upon discussions within the committees and elsewhere.

Now, the discrimination has also been raised as it relates to the blacks, to the minorities, and to the poor. But in this case we hear it raised as a possible discrimination under the voluntary system.

I hear people say, "Well, we will end up with an all-black Army," or they say, "We will end up with an all-poor-people's Army if we depend only on a voluntary system, whereas in a draft system we get the middle class, we get a cross-section, a more representative body, of personnel for the military than we do under a voluntary system."

Then they point to certain statistics that have shown an increase in the black population of the Army. But, you know, interestingly enough when you begin to dissect those statistics, you begin to see that over the years there has been an increase of black officers in the military, an increase that we did not have before.

That is not the cause for the full increase. The last figure I saw, which was in a report in the Wilson Institute publication, was, as I recall, about 19 percent. But a major part of that increase up to 19 percent from the previous figure of 11 percent had been in the increase in the black officers, which should show us, I think, an act of progression rather than an act that is cause for alarm.

I think, also, if we look at whatever problem people have in looking at the possibility of increasing the number of poor or the number of blacks in the military, we should ask whether or not we should blame the recruitment system or blame our economy or our other institutions that have denied blacks and denied the poor the opportunities to get in to the mainstream of American economic life, and, has resulted in the situation where they see the Army as their only hope for raising themselves to a higher economic status?

Mr. MELCHER. Will the Senator yield?

Mr. HATFIELD. For a question.

Mr. MELCHER. Mr. President, I wonder if the Senator would enjoy or appreciate a series of questions, just to illustrate a couple of points.

For instance, our States almost join each other, mine of Montana and the Senator's of Oregon.

Let us take Boeing. Does Boeing ever recruit for employees in Oregon? Occasionally, they do in Montana. Does it happen in the Senator's State?

Mr. HATFIELD. Will the Senator repeat his question?

Mr. MELCHER. The Boeing Aircraft Company, a neighbor to the Senator and kind of to us.

Mr. HATFIELD. We have a lot of components of Boeing in Oregon.

Mr. MELCHER. If Boeing recruited new workers in Oregon or Montana, would they offer something for a new worker in terms of educational opportunities?

Mr. HATFIELD. They have a training program.

Mr. MELCHER. A training program. How about pay? Would Boeing come down and talk about $450 a month for a new worker and expect to go home with anybody out of Oregon or Montana?

Mr. HATFIELD. Not at that wage.

Mr. MELCHER. That speaks to the Senator's point about the economic opportunities; $450 is not a great enticement to anybody to join the armed services.

Would Boeing or ITT, or anybody recruiting some new workers say, "Well, we don't know where you are going to live and it might not be too hot"—meaning not too good—"it might be pretty hot or it might be pretty cold or it might be darn uncomfortable"?

I think this fits in with the points that he is making, that if we are looking for people to enter the armed services voluntarily, we better be looking at what we are offering these people to enter the armed services voluntarily. And career advancement, educational and training opportunities and where they will live and how much they are going to be paid are all pretty important.

Pay is extremely important. It has to match what is being offered on the outside, because the outside does offer things other than pay; career opportunities, educational and training opportunities, and a certainty where you are going to live and how you are going to live there.

I just offer that now as a part of the colloquy. I think it emphasizes some of the fine points the Senator from Oregon is making in his speech.

Mr. HATFIELD. Mr. President, I am appreciative of the comments of the Senator from Montana, because he focuses precisely on this matter of the failure to recognize the need for comparable compensation. I say "compensation" because I would not want to restrict it just to the pay scale. As the Senator well knows, there are other benefits and there are other perquisites that must be computed and can be and are computed to give a comparable compensation comparison to other opportunities in civilian life.

What the Senator has pointed up, too, is a simple fact that we are not only, in effect, saying, if we go through the draft registration procedure as we are, to the volunteers today, "We are now going to coerce you into the military and, like your colleagues who have volunteered, you are going to be subsidizing your own service to the Nation through the military service or the military organizations."

We are not only asking these people today to volunteer, but we are also asking them at the same time to subsidize the military because of our failure to reach comparable compensation levels.

This, to me, is why, when Senator ARMSTRONG and Senator MATSUNAGA, as the Senator from Montana will recall, offered on the floor an amendment to bring a pay increase for the military in comparison to civilian compensation that people like myself cosponsored it, supported it, not because I am pro or anti military. That is not the issue.

The issue is, I think, whether or not we should bear the true cost of the defense of this Nation through the appropriation procedure of the U.S. Congress. Those who are in the military, through either coercion or voluntarily, should be compensated as a part of the total cost of our defense rather than being required to subsidize their service, as they are now, to the extent that some qualify for food stamps and are under the poverty line. I think that is disgraceful. In fact, we all ought to hang our heads until we correct it.

Mr. MELCHER. Will the Senator yield again?

Mr. HATFIELD. Yes.

Mr. MELCHER. Mr. President, I think the Senator's point is right on target. I confess to being pro armed services, and I confess to believing that we need to upgrade our armed services personnel and equipment.

We do not hesitate to appropriate enough funds to buy the best tanks, the best ships, the best airplanes, the best technology. We need it for our national defense. I certainly think so, and I think the majority here in the Senate and in the House also feel that we must provide the best technology and the best equipment that we can. Then we pinch pennies. We hold down and make life insufferable for those people who are serving us by operating the very best equipment that we have been able to appropriate funds to buy for our national defense.

I think it is terrible that we are not offering our personnel in the armed services an opportunity for a good life, and for their families also to have the opportunity to live in a way that they are certainly entitled to live.

I commend the Senator from Oregon for leading us into the right frame of mind to face this issue. I think the Senator is absolutely right. I think if we approve registration, the next step we will be asked to take is to reimpose the draft in peacetime. I commend the Senator for his leadership in this matter.

Mr. HATFIELD. Mr. President, I am grateful to the Senator from Montana (Mr. MELCHER) for his support. He was one of the first on board, so to speak, in trying to raise this issue and to support it in a letter that we have communicated to our colleagues. I am very grateful for his presence here on the floor.

I think what the Senator has sharpened the focus on this issue—we do not solve one of these problems with this registration procedure.

I have said this before, but I think I have to reiterate it. The problem is not going to go away when we look at the fact, too, that we are much more fascinated with weapons systems than we are in dealing with the problems at hand in the area of personnel.

Mr. President, I cannot understand people who think that weapons themselves are going to be automatic in the sense that they can be operative without having trained, well educated people handling them.

Early on in this discussion today, the Senator from Maryland (Mr. MATHIAS) commented that when he walks by the cockpit of a 747 or one of the commercial jet planes, he does not look in there and, seeing all those instruments, know that there is an 18- or 19-year-old young man operating that aircraft. As he indicated, they are more likely to be his generation, 50 years olds.

I am not saying that 18-, 19-, and 20-year-olds are not competent to operate these sophisticated weapons systems; they are. In fact, if we go back to one of our own Moon shots, as I recall the director of a particular shot was in his early 20's. For that matter, if we want to go back to the Constitutional Convention we can recall there the youth of many of our so-called Founding Fathers.

I am not in any way denigrating the possibility or capability of young men operating these things, except to say that we certainly have to provide every means possible to attract young people, provide them the training, and then not lose them to civilian employment because we have not been providing adequate compensation. That is where we have failed, in not facing up to that particular problem. We have not provided that.

At this point, I want to quote a statement from former Secretary of Defense Melvin Laird as he talked about what condition of our military compensation:

> An E-4 plane handler on the nuclear carrier *Nimitz* deployed to the Indian Ocean during the Iranian crisis normally operates about 16 hours a day or 100 hours a week. He handles the F-14 aircraft which costs $25 million, and helps operate a $2 billion ship. Yet he makes less per hour than a cashier at McDonald's, lives below the poverty level, is eligible for food stamps, and probably has not seen his wife and children for 6 months. A chief petty officer on that same ship with 17 years of service makes the same salary as a janitor on union scale and puts in twice as many hours.

These are rather graphic descriptions that comparable compensation does not exist in our military today. Then we ask the question, why can we not get sufficient volunteers and also retain them once we get them? I think it is as obvious as looking into the mirror. Why have we not done more to correct these problems instead of raising the illusion through the registration procedure that somehow we are going to solve the problem?

I would like to say to my colleagues that it seems to me that we must be about the business of correcting problems rather than raising more problems. I think we have been so fascinated with weapons systems that we have not provided proper and sufficient manpower and womanpower to operate and sustain them.

Mr. President, I have raised some of the points that I think are pertinent to this whole issue. I would like to now raise another question.

We have to realize that there is an economic factor that has to be considered. We have been talking about the realistic economics needed to solve some of our present manpower problems, but we also, I think, have to realize that the draft, in itself, is very uneconomic, very costly, very inefficient, and, in the long run, costs us more than if we took the right actions we should take in making for comparable compensation in the present voluntary system.

Let me illustrate that point. In the Korean war, we found the average length of service of the draftee was about 18 months. If we take the average time for training from boot training right on through, we can figure perhaps about 6 months, 4 to 6 months. Deduct that from the time of his services that he is going to render and you will end up luckily getting a little more than 1 year's service out of a draftee who has been drafted for a 2-year stint. That is, one who is qualified to perform some meaningful military task after his training period.

I defy anyone to support the proposition that you can get efficiency out of a turnover of that kind. That rate of turnover, in itself, is not only inefficient but it is very costly.

I know in answer to this, my colleagues will rise and argue, "Well, after he has served that 1 year, then he is a prime candidate for the Individual Ready Reserves, and that will help swell the ranks of the Individual Ready Reserves."

Well, that is true, to some extent. But let us bear in mind that that same person is going to be probably just as unhappy being in the Individual Ready Reserves as he was in serving that 12 months after his 6 months of training to the total of 18 months of active duty in the regular Army. He is not likely to stay in the Reserves for long either.

In other words, what I am saying is simply that the aircraft is a costly procedure for recruiting personnel, it is inefficient, and, in addition, it has a demoralizing impact upon the military units.

When we look at a military unit, whether it is the Navy, the Army, the Air Force, or the Marine Corps—and, of course, we are not going to get draftees in probably three of those four, but will get draftees, as General Myers said, mostly in the Army—he is almost like the prisoner who takes the calendar and crosses off the days, day by day, until he can get out.

You cannot tell me that that person is making enough of a positive contribution that it will offset the demoralizing impact it has on the entire unit.

If you take the regulars within that military unit, they realize this person is only going to be around for a short period of time. All they hear is his constant beefing about the day until he can get out, how he hates the military, how he wants to get out of the military.

That does not build for strong military organization. That is demoralizing.

So you have people who are coerced through a Prussian recruitment system into the military, and then you expect that they are going to provide dedicated and enthusiastic service. Well, just the opposite is true.

This is not going to happen in every individual case. That would be an exaggeration. But if it happens in half the cases, it is like a rotten apple in a barrel, so to speak. It tends to pollute and to infect every other apple in the barrel.

There is nothing more demoralizing than a negative force in a closely knit group that has to live on top of each other, in close quarters. I speak here of wherever the Army is billeted. We do not have sumptuous quarters for the We do not have a draft to meet an emerters, as anyone knows who has been on an Army base. When you get that many people living in such close quarters, one negative, one malcontent, one unhappy person can certainly create a moral factor for the entire unit.

Consequently, it seems to me, again, that it is far better to get a volunteer system functioning as it should be functioning rather than to try to put together a patchwork of arrangements which are going to intrude into individual lives against their will, against their desire, and force them into coercive Prussian Army system.

When we talk about costs again, I think we have to remember that it costs literally thousands of dollars to train a person for military service. It is not an inexpensive operation. If we want to talk about training a pilot, it takes not only 2 years, but it costs $1 million to produce one F–15 pilot. We are not talking about peanuts here for training people.

Those costs are going to be borne by a drafted army. They are not going to be F–15 pilots—of course not. But it is going to take literally thousands of dollars to train each person to perform a military function.

If the military, the Congress, and the President would all care to put together their ingenuity and produce the resources, we could provide those positions, we could fill those billets, we could retain those people. But, also, I think, the military ought to begin to look again at the organizational structure.

I should like to raise a question of what ratio we have today of, say, flag admirals or star generals to enlisted personnel as compared to what the ratio was in World War II. I think there is some need to look at that kind of problem we have in the military organization.

I think it is time to look at the tasks that are performed by many of the enlisted personnel. I have often felt we could do far more under contract with civilian employment. Civilians could produce, say, food services and other essentially nonmilitary services to provide our continental military installations with that kind of labor. I can think of nothing that is more demoralizing to the young man who joins up and thinks he is going to have a career than to end up in the KP function, either for punishment or on a regular assignment, when there are many people in civilian life who, under contract with such services, could provide that labor for the military. That would relieve the militarily trained person, who has had thousands of dollars invested in him, to do something that is more precisely of a military character.

There are many ways to look at this if we want the voluntary system to work. Sure, we could find all kinds of excuses and point out all kinds of inadequacies and then, when we listen carefully and hear what the alternative is, it always comes up draft.

I am hoping that people will look carefully into the actual function of our draft in the past and what we would expect it to be in the future, to understand fully that it does not provide the answer to many of these problems.

I cannot stand here today and speak and not take some of the responsibility for some of these problems as a Member of this body. We all have responsibility. The Pentagon cannot function without the resources that we alone are able to provide. I think also that the Pentagon and other military leadership in this country can do as General Meyer, Army Chief of Staff, did. They can provide this body with creative ideas on how the voluntary system can work. I applaud General Meyer for taking the positive approach and saying, "Look, the draft is not going to help the Army, but I will tell you what will help the Army." And he comes forth with that kind of proposition.

I think we find most of our military leadership inhibited today because the Commander in Chief has a political policy that we are going to have a registration procedure, which obviously leads to the draft, and everybody has to join up whatever the political policy is of the administration. That does not prevent us from having direct contact or conversation or, as in the case of the articles I quoted from the Washington Post, reporters to interrogate our military leadership and get from them what is their professional judgment.

How many times have we had hearings before our committee where the representatives of some agencies come up to present the administration's policy and position—which they should do—then we ask them the question, "All right, take off the administration position hat and tell us what your professional judgment is on this." What a different answer we frequently get.

I think the obligation is with our military leadership to make the All Volunteer Army function well and properly—operation of the voluntary Army.

Mr. President, we have, of course, the experience of more than just the Korean war in the use of the draft. Earlier, I alluded to the fact that our first experience was in 1862. In the Military Act of 1862, the President was given the authority to order the Governors of the States to produce a standing Army of 300,000. That was President Lincoln. They called them 300,000 militiamen. The age range was 18 to 45 in that first experience.

The Enrollment Act of 1863, which followed a year later, was the first Federal recruitment of military manpower, and it applied to all male citizens—and aliens, in this case—from the ages of 20 to 45. But in the case of the Civil War, where the North had imposed this draft, a person was able to hire, if he had the wherewithal, a stand-in. That is, he could get some other person to serve for him, he could gain release by paying, usually, $300. That was the going fee for a substitute at that time.

The Confederate side of the Civil War passed a less comprehensive conscription act in 1862 as well. But both the Union and Confederate armies were composed principally of volunteers. and

I want to stress this point again: When we talk about some of the great military battles of the Civil War, and we are aware that both the Confederates and the Union side of that war had employed a draft, the principal burden of those battles, whatever the major battles were, was borne by the volunteers.

The next time that we had a draft was in World War I when President Wilson asked at the same time for a declaration of war. The Selective Service Act of 1917 was a principle of selective—and I underscore the word, "selective"—service, because, unlike the Civil War period, they were not looking for numbers and masses so much as they were recognizing the complex principle of industrial support for war production. In other words, they realized that they had to maintain a strong industrial base to prosecute a war.

Mr. President, when people are always so anxious to increase military hardware expenditures at the same time we neglect personnel matters and we neglect, say, correcting some of our economic problems, I am always mindful of our experience in the Civil War because, too often, we reduce the term "national security" to an exclusively military term. National security is far more profound. It is far more complex than purely the question of how many megatons of bombs we can have. All we have to do is go back to the Civil War and to World War I.

In the Civil War, I suppose one could give a certain plus to the Southern side—that is, the Confederate side—as it related to the depth of their military leadership. I am no military historian or expert, but I do feel that with even a cursory or elementary understanding of the Civil War, one can see that the commitment, the fervor, the cause that the South represented burned into their souls and into their hearts in such a way as to propel them into battle and, certainly, give them a drive under superb leadership to do the best they could.

But what was lacking? The thing lacking on the Confederate side that was to the great advantage of the Union side was an industrial base.

Therefore, it proves again our national security must include not only an adequate military arsenal but also a strong stable economy. This is what the Selective Service System in 1917 proposed. They said, in effect, that we would have to keep the weaponry, we would have to keep the industrial base functioning, in order to provide the materiel support to our manpower in Europe, or our allies fighting in Europe.

Consequently, they recognized this necessity by making a Selective Service System. So they considered the essential war workers and others that should be deferred. This was a justification.

But in that kind of selective system, we obviously see, again, discrimination.

If I am a welder and I have some welding skills, I can get a job in a shipyard, which is a lot safer than to be on the front in Europe fighting as a foot soldier or being part of the landing craft operation in the Pacific.

Therefore, the recognition again that this whole system is inherently going to have inequities and discrimination.

In this matter of registration in World War I, we found another interesting lesson to apply today. In 1917, Mr. President, we registered through our Selective Service organization 10 to 11 million men in 1 single day.

This in 1917, obviously, was before we had any kind of computer system as we have today to give auxiliary support for whatever registration system we may want to employ.

For that matter, we registered 16 million people in 1 day in 1940, again prior to sophisticated computer systems.

That is the lesson we should apply, because what the Selective Service report that was made available to the President on January 16 stated was simply that in a postmobilization registration we can fulfill the Defense Department's worst case scenario and beat their time frame of 30 days by providing them with the first recruit in 17 days—17 days.

Let us bear in mind, Mr. President, that the draft machinery and the draft system in no way can respond to an emergency. It is not created as that kind of animal. It is not that kind of mechanism. It has no characteristic about it that can provide it with the capability of respondng to an emergency.

A lot of people say that we have to have a draft in case of an emergency. We do not have a draft to meet an emergency. The draft is to support and sustain a war effort. If we have an emergency, we call up the reserves. That is what the reserves are for, to fill the need beyond the standing military requirements.

If we have an international emergency, we will not install a draft system to respond to that when, as I said earlier, it will take 4 to 6 months to train someone, but, rather, we call up the reserves if we do not have a draft operating.

As I said earlier, the reason we did not call up the reserves in the Vietnam war, was because the President already had a draft program in place. The draft system he could use to prosecute his White House war, in all the administrations of three Presidents. If we are to provide that kind of power and authority to the Presidents, I think we have to recognize the implications.

I am not discussing my opposition to a wartime draft at this point. I am merely talking about the opposition I feel toward a peacetime draft, and the registration that is called upon here today is really the first step toward that kind of commitment.

No, the draft cannot provide us with an emergency response.

By the way, we discontinued the selective service program after the armistice in 1918. The first peacetime draft we had in the history of the United States was enacted on September 16, 1940. This was a year and a few months before Pearl Harbor was bombed.

It was again applicable only to men between 20 and 45 years of age.

The first peacetime draft instituted in 1940 provided for only 1 year of service. It had the further restriction of being service provided or performed in this hemisphere only.

I guess that was probably the only way President Roosevelt could get the draft through. As we recall, it was in that campaign year of 1940 that he promised he would never send our American boys to foreign shores to fight their foreign wars. But that was presidential election year politics again. So the draft that was instituted, or the Selective Service System instituted in 1940, had those particular restrictions.

Then the problem of neutrality was raised in the United States through the Neutrality Act of 1940. Finally, Congress was asked to adopt a Selective Service Extension Act, and the Selective Service Extension Act which was debated in June of 1941 and finally was passed by the House of Representatives by a one vote margin in August 1941 was finally fully in place.

Now, following the entry of the United States into World War II, after Pearl Harbor, the Congress of the United States gave the President full authority to send draftees overseas. The principle of selected service was employed again because of the necessity of meeting all the manpower requirements in our industrial machine, our industrial society. We had to recognize again the necessity of a strong industrial base in terms of the prosecution of the war.

Mr. President, some 50 million men were registered at that time in World War II, and some 10 million were drafted out of that manpower pool. It was at this time that Senator Taft led the opposition to the institution of the draft as a peacetime measure.

As we know, our problem was primarily with naval forces in the Pacific when we were first drawn into World War II.

With respect to that debate, I should like to quote a very interesting comment to which I alluded earlier. Senator Taft was speaking on the floor at this time, in the great debate in the World War II period, and he said:

> Conscription is more characteristic of a totalitarian society than a democratic one. If we must use compulsion to get an army, why not use compulsion to get men for other essential tasks? There are many other industries absolutely essential to defense, like the utilities, the railroads, the coal mine. Why not draft men for these industries? And if we draft soldiers, why not draft policemen, firemen, for city and State services?

In short, Senator Taft observed:

> The logic requires complete regimentation of most labor and the assignment of jobs to every man able to work. This is actually done today in the Communist and Fascist states, which we are now apparently seeking to emulate.

Those are rather strong words uttered by Senator Taft at a time of war fever. As we all know, Senator Taft's patriotism was challenged.

Later, when Senator Taft rose on this floor to challenge the constitutionality of the terms of the ethic of constitutionality in the Nuremberg trials, he again suffered the verbal harassment of people who challenged his patriotism.

What we have to recognize is that we have seen very unpleasant and very divisive experiences that rode the vehicle of selective service—not just a question among the young people of who would be the direct recipients of this invitation to join up with Uncle Sam in the military service, but it has great impact upon all segments of our society. Certainly, the academic community would be speaking to this; the industrial community, which would have to make sure that they were going to have sufficient people to maintain those jobs. If one is saying, in effect, that this is one way to handle unemployment, we might then see a moderation of those outbursts from the industrial community. I doubt it, because I think people realize that this is not the way to solve our economic problems but, rather, that it merely leads us into deeper malaise in this country so far as the relationship between the citizen and his Government is concerned.

Mr. President, I should like to raise another facet of this problem. We have increasingly sensed the public's concern about Government regulation. I do not go home to my constituency at any time that I do not find those who raise this question in my meetings, in the question-and-answer sessions I have, in interviews, and so forth.

This theme is reiterated. I hear my colleagues say that they have experienced the same thing. This Congress has responded to this concern about people's attitudes toward their Central Government.

We have heard Governor Reagan, during the campaign, talk about getting Government off the back of our economy so that the economy can be productive and inflation can be reduced.

I can recall in 1976, when I was out on the campaign trail for President Ford, listening to the campaign speeches of President Carter, then candidate Carter. What was he doing? He was running against Washington. That was his target: "Elect me, and I will reduce Washington in your private lives, in your business lives."

Here was a man who came from the State of Georgia, who had very little national political base, who got the nomination of his party—the first person from a Confederate State to get the nomination since the Civil War, as I recall, which in itself was a great accomplishment.

He did it primarily by running against Washington, D.C., and he had easy targets. He had our colleagues in the Senate whom he was running against. They personified the Federal Government. I am sure that any of our Democratic colleagues who ran in those primaries in 1976 could attest to the fact that they suffered from the standpoint that they were sitting U.S. Senators who embodied the very anti-Washington attitude people had. Candidate Carter was able to exploit this and to secure the nomination and later to secure the election.

There are other factors; I am not trying to oversimplify.

We all realize that there is a sense of regimentation in this country today, and a sense that our enterprise system is suffering because of it. It is estimated that as much as $100 billion a year is expended by our enterprise economic system to be in compliance with and to provide the response to interrogations, paperwork, and so forth, of all the regulatory agencies.

So what have we done? We have been sensitive to political feeling. The Senate and the House of Representatives have been very reflective of this. What have we done? In the Senate, we have passed legislation to deregulate the airlines, to deregulate the railroads, to deregulate the trucking industry, and to put some harness or some leash on the Federal Trade Commission, to restrict its wandering out into the various areas of our industrial and commercial life to carry on investigations and what have you. Consequently, Congress has been very responsive to this public feeling of overregulation, overregimentation, overcentralization of political power in Washington.

The same President who won his election in part because of this malcontent attitude or this malaise about Washington, as well as certain of his advocates and some of his representatives in Congress, now are asking us to put into a straitjacket our 19- and 20-year-olds, through this registration procedure leading to drafts, leading to induction. This is totally contrary to the trend in this country of wanting to get more freedom, not less freedom.

So here we are in a situation which reduces our credibility with the American public. How many times have we heard it stated that politicians talk out of both sides of their mouth at the same time, or that politicians say one thing and do another, or that there is a far greater chasm between rhetoric and action in politics than there is in the Grand Canyon? We have heard all these things over and over.

Why do we fuel that kind of attitude? Why do we fuel those fires of disenchantment with Congress and disenchantment with things in general—the Government in general.

We go on the stump, and take great credit for having responded to the people's demands to deregulate, to get Government off the people's back, and then turn right around and launch a greater system of regulation than regulating the business: namely, that is regulating people's lives through coercion into the military.

I think we are going to find Governor Reagan gaining an awful lot of support on just the simple phrase, "We are going to get Government off your back." That communicates. "We are going to get Government off your back."

I will stay one thing. Governor Reagan is going to be consistent when he says we are going to get Government off your back in the economic field and that we are going to keep Government off your back as far as the coercive Prussian system of military recruitment is concerned, because he clearly stated his opposition to this registration.

It was a very exciting day for me that I thought I would rise on the floor of the Senate so early in this political year to give a rousing comment and commendation to Governor Reagan, not because I do not have high regard for him as a person. I do have. But as my colleagues know he represents another wing of my party which does not at all prevent me from recognizing his abilities and even endorsing his candidacy and supporting him because of the primary concern of this kind of issue that I think traverses and transcends all of the philosophical differences that he and I may have within the Republican Party. I am certainly not so doctrinaire in my liberalism that I cannot recognize and accommodate the kind of viewpoints that express very fundamental constitutional principles that should not have any kind of philosophical label. I do not think the liberals have any kind of a monopoly on these matters of civil rights, human rights, any more than I think that the conservatives have any monopoly on their commitment to economic and fiscal responsibility.

I think there are places in our political life where our so-called labels of liberal-conservative have very little meaning and should not have any meaning actually. We should have our ability to rise above our labels to recognize the fundamental transcendence. To me the freedom of our young people in peacetime as it relates to military recruitment is such a fundamental and overriding issue. It brings a Governor Reagan, JOHN ANDERSON, a TED KENNEDY, a Gerald Ford, a WILLIAM ARMSTRONG, and a MARK HATFIELD all together on the same side. That should not confound anyone at all.

There is a reason why Senator Taft and others of us who have followed in his footsteps raise these questions of opposition. I am glad that Senator MELCHER, of Montana, was so eloquent in his statement a moment ago because I know that my own role perhaps is viewed with certain suspicion by some people or with certain reservation because I have had a long traditional role that I played in matters of peace and war, where I have been identified by various labels—dove, hawk—I am neither antimilitary nor do I feel that my commitment to peace is so overwhelming that I could not understand the needs of our military procurement problems and our military personnel problems of today.

Speaking of labels I had a very interesting experience not too long ago. One of the local newspapers in my State had carried one of those great letters to the editor that comes up from time to time with a new phrase or a new way to really put a politican down. I had just expressed a public statement to the effect that I was going to oppose a return to the draft and registration, and this gentleman who wrote the letter to the editor indicated that he thought that I had proven again that old doves never die; they just go cuckoo.

I am sure that is the kind of attitude that a lot of people have when I present myself in this particular role, that it is just another one of those projects or another one of those incidents wherein I am trying to downgrade the role of the military or I am expressing a basically antimilitary viewpoint.

I cannot, I suppose, do more other than offer some contrary evidence and to deny that. I cannot do much more than that.

I do feel strongly that anyone who has been in the military does perhaps have a perspective of war that causes him to be a little more cautious about policies that could lead into other wars.

I think that may be true with at least some who have been in the military; maybe not all. But I can say that I suppose we are all products or we are all victims, whatever the case may be, of our experiences and of our environment to some degree and so I am. I readily admit that having been in the midst of battle, having seen the horror of war, firsthand, not in a detached way, not through binoculars, but through the actual handling of bodies of wounded and dying people. Not only in that kind of an operation but also having been trekked through the streets of Hiroshima shortly after the bomb had been dropped, I must admit again my whole attitude and view is impacted by that experience of indiscriminate devastation, seeing firsthand that kind of power unleashed by the atomic bomb.

But I do not think necessarily one can draw a conclusion that because these questions are raised in the context of constitutional doctrine or constitutional commitment, or because of certain experiences that one has had in relation to war, that puts him in a position of being antimilitary. I do not know of a bill that has come before this Senate since my service in the Senate that had anything to do with strengthening of the Reserve program or the citizen Army of the National Guard or the adequate comparable compensation for our voluntary Army that I have not supported by my votes. In fact, I have cosponsored many of these.

How can one be called antimilitary if one has that kind of evidence in his record?

(Mr. MITCHELL assumed the chair.)

Mr. HATFIELD. But I think it is just as true that I do not think I have to assent to everything that comes down the track from the military or from the Pentagon and unquestionably say, "oh, yes, if that is what you feel to be the most important part of our needs of this day," that automatically brings me to an "aye" vote.

I do not think we should handle the affairs of state from any agency of Government, whether it is the Pentagon, the Interior Department, the Commerce Department, or the White House by that kind of blind assent. We did that in the case of the Gulf of Tonkin resolution. I was not here, but this institution did. The President said "This is in the national interest," and that was sufficient.

I think we always have to question what is in the national interest, what is the magnitude of the interest, what are the alternative ways of preserving that national interest or what are the methods and options open to us to sustain the national interest.

I feel too often we give a knee-jerk reaction to every kind of international problem that arises. We respond or are called upon to respond with a show of military force or, as that great President of the United States, one of our great warmongers, Teddy Roosevelt, once observed, "To raise, to show, the flag." The same President once said that "a war every few years was good to purge the national soul."

Well, that is one point of view. But again I think we have to be very careful about assenting to systems and to programs and to appropriations that are "presented to us in the name of the national interest."

I used to say during the Vietnam war I did not ask people to agree with my viewpoint; I only asked them to ask questions, raise questions, as to what our national interests were which demand the lives of our sons, our brothers, our fathers.

I am not asking for conformity or for agreement on this issue. I am only asking that this Senate not go blindly along responding under the name of national interest or of sending a symbolic message to the Soviet Union, and institute in sequence a system that ultimately will be a replay of Prussian military recruitment.

This is our responsibility. It is not an easy battle to wage, of course. No one likes to go against the grain. I guess the old adage "to get along you go along" may be a political policy that some follow, but I cannot choose that for myself.

Again I think we have to recognize these problems, speaking of being military, antimilitary or promilitary, and here was Senator MELCHER openly admitting to his virtue of being promilitary and that he was going to support the military in their request for better equipment, for more money, and so forth and so on, but this, he felt, was again not going to address itself to those issues and, therefore, he could not support it.

So this is not just an idea that has evolved out of the mind of a person who has been identified with peace efforts as alternatives to knee-jerk military responses but rather it comes from someone who feels strongly that his nation is in need of defense, but who refuses to reduce that issue or question to purely a military one.

Of course, I support the adequacy of military power. We have the equivalent today of 625,000 Hiroshima bombs in our arsenal. I think we have to ask the question how much is enough? What is the adequacy for our defense in terms of military hardware? Well, I indicated a while ago that we cannot depend purely on military hardware. We have to look at our economy. I used the Southern Confederacy as an example of that out of history where without a sufficient industrial base they were doomed.

The Shah of Iran demonstrated again, too, the very simple principle that hardware alone is not going to save you. The French had that experience between World War I and World War II where they developed the most sophisticated military defense line known in the history of humankind, the maginot line. The maginot line did not have them.

My friends, I can say this to my colleagues today that our hardware alone is not sufficient for our security. We are going to have to address the manpower, the womanpower, needs of this military organization of ours because the hardware alone is not going to be the Nation's security.

That is why I think when we move off into the eddies and byways, such as we are engaged in doing here, with this call for registration and a return to the draft, that we are not only failing to address the tough military problems and the defense problems as they are represented through the components of military defense, but we are, at the same time, creating the illusion we have done something when we have not. At the same time, when we are going to have to have the understanding of the people and the support of the people and the money and taxes of the people to do the things we have to do, why, they will say, "You instituted the registration. Why are you coming around now wanting more taxes for this, more taxes for that, for national defense? You have the registration, you have a list of names. That was supposed to be important, that was supposed to be of significance. Why are you now asking for additional support from the taxpayer who is already overburdened?"

Then what are we going to say? We will have to say that we spent $13 million of our tax money and that gave us a piece of paper and it had a lot of names on it, but that is not really too much. We are going to have the draft now. We are going to have to institute the draft, and put into effect the induction system, and we are going to have to have the sons and daughters of our citizenry if we are going to do this because we neglected to handle the problems of military personnel and we created the illusion that we had actually done something when we had not done anything, and now we are faced with a day of reckoning.

I defy anybody to call that an antimilitary comment. It is identified as a realistic military comment. I think those who are raising this and trying to promote it, if anything, would be more guilty of an antimilitary action than my effort to try to restore adequacy of comparable compensation to the military organizations.

Mr. President, these are times when I, of course, grow a little concerned that we have developed in the Senate of the United States a format and a program whereby we legislate by proxy too often, and I am guilty of the same thing. This happens to be an issue that is of great concern to me. There are other issues raised on this floor of the Senate that are of great concern to my colleagues, and I am not there to hear them, and yet I appreciate the fact that there will be summaries made, I am sure, to my colleagues, and they will read those summaries and be briefed by their staff people.

But I do feel very strongly that if we are to engage in a meaningful discussion and debate on something of such magnitude where our young people are going to be so greatly impacted by our decision, we should set aside this detached process and get back to the deliberative character of the assembly.

You know, when we read our history of the U.S. Senate, the golden era of the Senate, the 1830's, the 1840's, the 1850's, that era is not because of Henry Clay, not because only of Daniel Webster or John Calhoun, Jefferson Davis, Stephen Douglas, of great personalities such as the men I have enumerated, but it was also great because they were part of a deliberative body where they hammered out policy in the great debates, where things were not handled by staff to the extent where proxy legislation was the order of the day.

And I must admit, too, that those were the days of the very simple relationships with the constituent. We were not ombudsmen in those days, as we are ombudsmen today. They were not loaded down with the kind of constituency problems and casework and all the other things that take us from the legislative role into an ombudsman's role. I suppose to wish for those golden days of the Senate again would be fruitless, but it certainly does nothing other than provide an opportunity to reflect.

I have made the same commentary to my constituents who have visited the Senate and said, "Well, where was everyone?" I have used the facts that we all use, and that is that committees hammer out much of the policy, most of the policy, and through control of debate or discussion, or through the abuse of legislative procedures, we have rendered the Senate less than a deliberative-type body. The deliberation does occur at the committee level and I am happy for it in that sense.

We are not going to remake the Senate here today, nor do I suffer under any illusions. But I do feel that the longer we are able to keep this issue alive on this floor, the more reflective the House of Representatives can be as to the quick action they took in 1 day and, more importantly, I think it will give the public and the people most affected a greater opportunity to realize the immediacy of this kind of a policy in their lives.

People are deeply concerned today about economic problems and I could well understand that. People are concerned about whether they are going to be able to pay this month's bills, whether they are going to be able to keep any kind of a decent standard of living or diet, if they are retirees. People are concerned about inflation and well we all should be.

But because of that preoccupation with the economic problems of the day, because of the diversion of international problems that take our attention as well, and because of the political primaries that have been happening since last January, February, or March, it is very obvious that a lot of people have not yet become aware of the immediacy of this policy that could send their sons into a penitentiary or a fine that carries with it criminal penalties for failure to comply.

I think that this is, again, one of the obvious reasons that I have been trying to keep a focus on this issue. I am delighted to know that there are many others who join and who are anxious to do so on both sides of the issue. We have some 15 people on the opposition side that I represent who are anxious to speak and will be speaking on the floor here. We have many, of course, on the supportive side who are likewise anxious to express their views and will be part of this debate. I am certain, though, that as we get more focus in the public we will have more and more public response.

Now there are many groups that are organized today to fight the reinstitution of the draft and we have such groups now functioning in all 50 States. These are not only young people, these are people who are deeply concerned about the other impacts besides the impact on the 19- and 20-year-olds who are participating in these antidraft organizations.

I am delighted to say at this point that so far, to my knowledge, any kind of expression of dissent has been peaceful, nonviolent, and orderly. And I am prayerfully concerned that they all remain as such.

We have had a vigil that even survived the tornado yesterday on Capitol Hill. They did not leave their position of dissent as expressed through the vigil.

We have had certain takeovers—I say "takeovers"—I should say we have had certain sit-ins, they called them fast-ins in some instances of Senator Muskie's office, Senator KENNEDY's office and Senator CHILES' office. Peaceful dissent.

I am certainly not in any way advocating that this action be taken. I would say to those who are attempting to express dissent that the greatest help that that dissent can be to those of us waging the battle here on the floor is to maintain a propriety, a civility, a nonviolent manner in all instances. I do not think there is anything that turns the public off more and turns me off more than to see dissent employed that leads to the violation of law and order.

And so I am sure that there will be rallies, as there have been, and that there will be public discussions occurring increasingly in the States and communities as this issue is focused upon here in the Senate.

This did not happen on the House side. And, therefore, it seems to me all the more incumbent upon the Senate, as the second body within this great bicameral parliament, to take the time to devote the energy, to explore the issue and the issues that surround this proposal by President Carter. It seems to me that we are derelict in our duty if we do not do so.

Again, I am realistic to understand that everyone is not going to agree. But let us in our disagreement at least bring into focus the fundamental impact that this is going to have on our constitutional system, on our heritage and tradition and upon the very lives of the people affected directly.

I read a while ago a comment on the Senate floor from the late Senator Robert Taft in the time of the institution of the draft in the Second World War. After the war, Senator Taft was invited to come to Gettysburg to deliver an address on May 30, 1945. At the end of the war period, we had had an opportunity to get some perspective. And looking back upon the draft, we had an opportunity to make an assessment.

Now, in that particular time and in those comments, there had been questions raised in the American public's mind about having universal military training as it had been experienced in World War II. Senator Taft indicated that it seemed to him improbable that the training of a million-and-a-quarter boys a year would ever be necessary and he continued to observe that, based upon the experience of World War II, the vast reserve provided could only be needed for a great overseas expedition like that in which we were then engaged at the end of World War II.

He said:

> For such an expedition, it would take several years to organize ships, planes, and munitions, just as it did in this war. We would surely have to have new modern equipment in many fields, and it would take longer to build it than it would to train the men, as we found in this war. It would seem that for sudden attack, or for attack from the air or from attack by rockets the great mass of millions of reserves would be of little value. I should think we rather need an expert army with the most modern weapons. In the event of a sudden attack, our main reliance would have to be a regular army of highly trained and technically trained men, and during such an attack they would not be much aided by 10,000,000 reserves. The argument that we can save in the size of a professional army by having many millions of reserves bears all the earmarks of a propaganda argument instead of one based on common sense.
>
> Having determined that we need an army of a certain size, with certain reserves, we could then decide whether we could get it by voluntary means in the American tradition. Suppose we need a million men in the armed forces. We expect to have at least 50,000,000 people working at civilian jobs in this country. Surely we can make the army sufficiently attractive as an occupation for 2 percent of these to be willing to volunteer. With good pay, reasonable treatment for men and their families, and provision for retraining and retirement when a man is too old to stay in the army, I don't see why army life cannot be made just as attractive as working daily on a machine, mining coal, or engaging in hundreds of other occupations. Many jobs in the army should give highly technical training with interesting knowledge which makes the trainees capable of advancement in other activities in life.
>
> To provide the necessary reserves, it could be made worth the while of many boys to take the necessary training. Many alternative plans have been suggested to a year's conscription. For instance, adequate reserves might be provided by training 200,000 boys in each age group. It would be possible to obtain volunteers in that number for a three months course and basic training during one summer, courses in school and a later three months summer course in the field. The boys could be paid a sum which would assist them in their regular education during the winter. Additional courses could be provided for those who wish to become reserve officers. What I have suggested is only one idea and there may be many others. The army will immediately criticize any plan, because they are determined to have conscription. They want the boys for twelve months consecutively because they want to change their habits of thought, to make them soldiers, if you please, for the rest of their lives. Nothing less will do. We are indeed bankrupt of ideas if we cannot provide a method by which necessary military forces and reserves are provided by an American voluntary system.
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> The other arguments for conscription seem

> to me almost too trivial to discuss. It is said that it will teach the boys discipline and that they need it. My own opinion is that we need more initiative and original thinking and less discicpline rather than more. Our present army is not the most disciplined army in the world, but there isn't any better army for the simple reason that the boys do some thinking for themselves.
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> It is said that the army will improve their health, and that they need it because so many failed to pass the strict health requirements of the army. As a matter of fact, the great bulk of defects were those relating to teeth, eyes, nerves, mental and heart conditions, all of which had arisen long before the age of conscription. There is nothing to show that the army would conscript any of these boys. To improve their health, we must reach them at a much younger age.
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> The argument that it would improve the morals of our boys has almost been dropped because of its foolishness. If there is one place where morals will not be improved, it is in the vicinity of army camps.
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> It is true that there are some boys who are benefited by army control, but to improve a few, let us not change the whole character of the American life which I believe has been the cause of success in this war.
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> It is said that we are going to teach the boys citizenship in the camps. This argument makes clear a real danger in the whole system. By handing boys over for twelve months to the arbitrary and complete domination of the government, we put it in the power of the government to indoctrinate them with the political doctrines then popular with the government. It has all the dangers of federal education and none of its advantages. Attempts along this line have been made with the present army, and a large amount of propaganda sent out to be taught to the soldiers. In wartime it is bad enough; in peacetime, it would be intolerable.
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> Some have supported this project on the ground that the training is only to be part military and a considerable amount of it is to be character training along other lines. We have already a complete school system in this country. If it isn't adequate and does not give education in citizenship, we can well spend our time and money in trying to improve that system. As a matter of fact, it is already the finest system of education the world has even seen.
>
> Military conscription is essentially totalitarian. It has been established for the most part by totalitarian countries and their dictators led by Napolean and Bismarck. It has heretofore been established by aggressor countries. It is said it would insure peace by emphasizing the tremendous military potential of this country. Surely we have emphasized that enough in this war. No one can doubt it. On the contrary, if we establish conscription every other nation in the world will feel obliged to do the same. It would set up militarism on a high pedestal throughout the world as the goal of all the world. Militarism has always led to war and not to peace. Conscription was no insurance of victory in France, in Germany, or in Italy. The countries with military conscription found that it was only an incident and not the determining factor in defense or in victory.
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> Military training by conscription means the complete regimentation of the individual at his most formative period for a period of twelve months. If we admit that in peacetime we can deprive a man of all liberty and voice and freedom of action, if we can take him from his family and his home, that we can do the same with labor, we can order the farmer to produce and we can take over any business. If we can draft men, it is difficult to find an argument against drafting capital. Those who enthusiastically orate of returining to free enterprise and at the same time advocate peacetime conscription are blind to the implications of this policy. They are utterly inconsistent in their position. Because of its psychological effect on every citizen, because it is the most extreme form of compulsion, military conscription will be more the test of our whole philosophy than any other policy. Some say it is unconstitutional. It makes very little difference whether it actually violates the terms of the Constitution. It is against the fundamental policy of America and the American nation. If adopted, it will color our whole future. We shall have fought to abolish totalitarianism in the world, only to set it up in the United States.
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> Government by the people can only exist if the people are individuals who think. It can only exist if the individual is free to rule the state and if he is not ruled by the state. We must be constantly vigilant to keep alive the thinking of free men, and there is no such threat to that thinking as the course which would impose on the nation compulsory military training.

I do not believe we read enough of our history. I believe we are so pressed by the exigencies of the times, we are so constricted by our schedules and our commitments in terms of our office and our family and our public, that we are probably privileged only to read summaries of reports, briefs, or digests. I say that because if we read history and not only read the history of the United States but think how it relates to other nations of the world, I am positive—I am fully persuaded—that we would not plow over the same old furrows, we would not go through the same old procedures and actions and hackneyed experiences. We would have learned from our history. We would have learned of our foibles from history and we would have remembered, perhaps more importantly, the virtues that have been achieved through experience.

When we look at the fact that we have had 167 years of history that this Nation has been secure by voluntary armies, in which we have resisted the siren call to quick fixes and simplistic solutions like conscription. Believe me, in reading the pages of history, you will find that there have been those voices that have been raised supporting conscription throughout our history. But wisdom has prevailed more frequently than not when we look at the total number of years that we have resisted and refrained from adopting compulsory military conscription.

I emphasize and I must reiterate and underscore that if we are in war, we are not really debating a question or an issue. There is no question that, in the world in which we live, a war is total. It is totalitarian. It is all-encompassing. I am persuaded that any future wars will be not on the basis of ideology—not the East against the West, not the Soviet Union and the Communist countries against the Western democracies. I think we have every evidence today, in our very contemporary day, that wars are more likely to break out on the contest over diminishing raw materials.

When a former Secretary of State will openly and publicly admit to the fact that we might even be called upon, with rightfulness and righteousness, to engage in a securing of raw materials with military force, if necessary, it indicates to me that we ought to recognize that such a war being fought amongst the superpowers over a diminishing base of raw materials is far more likely to bring us into direct confrontation on a nuclear power base than some kind of conventional war that is going to be sustained over a long period of time.

If I am wrong, we are still within the framework of being able to respond to that kind of war. If I am totally wrong about future wars being fought over diminishing raw materials, if I am totally wrong about confrontation between superpowers, then under the worst scenario that can be envisioned by the Defense Department, they have indicated clearly that 30 days is their requirement to have registration, examination, classification, induction, and the first conscriptee ready for training—in 30 days. The Selective Service System, by its own exhaustive study, indicates it can do it in 17 days. The President's plan would possibly reduce that 4 more days. All that is within the time frame set not by Congress but by the Defense Department.

Therefore, we are going to hear, in rebuttal to my comments today, that we cannot take this Selective Service report as valid evidence. They have taken that poor little Director who so naively came up with a position of calling a registration system redundant and unnecessary, so that he has been turned around now to become an advocate of the registration system, and he, himself, has had, in a sense, to renounce his own research, his own report. I do not think one has to be a graduate in political science to understand how politics works. When the appointing authority says, "This is the policy," the troops line up. And if the troops do not line up, they are no longer troops.

I think it is very interesting, though, that when those people who try to rebut this position that I have established today say "Reject the Selective Service report that was over a year in its making, which has also been confirmed in part by the Congressional Budget Office," they do not have any data base. They have no report, they have no study, they have nothing to replace it with—just a purely arbitrary rejection of the only exhaustive review on the question of whether we should have premobilization registration or postmobilization registration.

I think this is really stretching credibility a long way. How do we expect to have any kind of confidence in that method of handling data and evidence? I think we must add to that simple fact that I have just stated about the Selective Service report—and, by the way, the President of the United States had that report on his desk before he made the request in his state of the Union message for the restoration of the Selective Service first step of registration. It is interesting to note that the administration did not want this report out in public. It was known that this report had been made to the President, and to the White House staff. It was known that the White House had possession of the report. Representative PATRICIA SCHROEDER of Colorado, pursuing the right to see this report and to review it and to know what it had in it, filed an action under the Freedom of Information Act in order to force the White House to release the report.

The report is unclassified. Through the procedures and relationships of Congress, I secured a copy of the report, the suppressed report—suppressed, very obviously, because it had the wrong conclusion. They did not like the conclusion. They did not like the thesis. They did not like the hypothesis. They did not like any part of it. So, obviously, the administration did not want a report that totally contradicted their policy—especially when they had no other evidence and had no other data to provide the Congress of the United States.

They obviously did not want the public to know. They did not want the Congress to know.

When I read the report and I found that it was unclassified and I understood the fact that the President of the United States had asked the Congress of the United States to institute the registration program, and here was the only report, here was the only study, on this important issue. I put the report in the CONGRESSIONAL RECORD so all of my colleagues could read it and all the public could read it. I think this is the height of political arrogance, when an administration says to the public, "We want to begin a process by which we shall coerce your 19- and 20-year-old sons into the military service of this Nation, but we do not want you to know and we want to withhold from you the kind of information and data that has been produced by the Selective Service System itself because it does not support the policy of our demand for registration."

I think it is very interesting that we shall hear no new data, no substitute data. What we will hear are voices from the Committee on Armed Services, who will say, "Oh, we have decided that this is the best thing to do, because we have held hearings and we have gone through this for years, and you are to take our position as one committee of the Senate, take that position and adopt it as a result of the President's request."

I do not know of any committee in the Senate that has a right to do my thinking for me.

I do not know of any committee, including the ones on which I serve, that has any right, in a sense, to ask my colleagues to accept a position or viewpoint, to take action, that is not supported by the very agency of the central Federal Government, and in fact has proven contrary to what the committee asked us to do.

No. I think we have an obligation far greater than to merely say that we do not want to take the time to review it, that we do not want to take the time to get involved with the controversy even if the committee says that this is the way we should go, we will have to go this way.

That may suffice on an energy question, or on a commerce question, or on a labor question, or on a welfare question. But, I submit, it is not sufficient basis upon which to ride along with the committee when it involves the lives, the future, of the people of this country. This is where it calls for individual assessment and evaluation.

There is a role for the committee, but it must not prevail to the point where we refuse to entertain, to review, and to understand, the kind of reports and studies that have been made, that lead to the opposite conclusion of that which the committee is recommending.

Mr. President, I feel, again, that we have not only the responsibility to the 19- and 20-year-olds who will be so directly affected, but I think eventually we will have to take into serious consideration the question of women as well as men. Why they have excepted women from this registration request.

As I indicated earlier, Senator KASSEBAUM will raise that and provide the vehicle to raise that issue for sufficient and, hopefully, comprehensive debate.

But I say at this moment that I think it is incumbent upon us to recognize certain interrelationships of action this Senate has already taken.

This Senate not only adopted the Judiciary Committee's amendment for the ERA, but this Senate Chamber, this very Senate, also extended that ERA period for approval by the States when it was not able to be acquired during the initial period written into the amendment.

This Senate has been supportive of affirmative action programs to reduce the discrimination in places of work where equal and similar work is performed by women.

The Senate of the United States has taken many steps to try to equalize the rights before the law as it relates to men and women.

It is my strong opinion that all rights carry with them obligations. Therefore, it seems to me that we must consider the equal obligation to supply personnel power for our military on the part of women citizens as well as the men citizens.

We saw in the paper the other day—at least, probably most of us did—the graduation of one of the first women cadets in our Military Academy, because it has only been of very recent time that we have admitted women cadets and midshippersons—I guess I have to say—to our Naval Academy, to our Air Force Academy, to our Army academy, the military generally.

I think it is very obvious these women, both in World War I and World War II, performed certain very important functions and services. So it is not a new issue in the sense that we have already clearly established that there is a prominent role women played and are playing today in our military defense.

I think we have to look at the politics of the situation, where the administration does not want to have us consider women registering. They want to put this in place, get it on the track, and then the administration has indicated they would give possible support, down the road somewhere, to the registration of women.

I know what the thinking is of some of my colleagues on this question. My colleagues today are very supportive of male registration, but not for female registration.

I hate to see us delude ourselves and to mislead the public. I think the public needs to know now the full implication.

This is like asking for this registration without having any plan of enforcement. We have not discussed, nor has the administration been willing to discuss in the committees, fully or adequately, the question of registering women. That is why I feel that it is an example, again, of the long-term impact of what is being presented as a simple little registration procedure.

It is not simple. It is very profound. It is going to be more profound as people realize the full impact.

I had not intended to speak too long, Mr. President, in terms of initial presentation, Perhaps another hour will take care of launching this issue. But I do not want to deny the floor to any of my colleagues who may wish to be heard.

Not seeing so many of them so anxious at this moment, I will merely say that I have a number of other points I would like to make.

Mr. President, on this matter of registration and whether we need this premobilization registration, I would like to take that up in a little more detail.

I think we have to recall that the Selective Service System today has a number of memorandums of understanding with other agencies to handle registration without this appropriation.

Bear in mind, the President has the power to call for registration now. He does not have to have the congressional action on this except for the fact that the President wants to have registration under a sophisticated computer system and he wants to call for the registration under that computer system.

I offered in the Committee on Appropriations an amendment. That amendment was simply to provide for $4.7 million, to provide, in effect, a computer for the selective service, but without the required registration.

This, to me, is a very reasonable backup position or compromise. Then the President could go ahead and have his computer in place, could have it ready; but we would not call for the registration. That would be a compromise.

I will state why it is not important to call for registration at this time.

The memorandums of understanding include such things as agreeing that if we had to have registration, let us say tomorrow, under some kind of scenario that we could conjure up, and the President said we must have it tomorrow, with the authority he has to call for it, is the Selective Service System capable tomorrow of instituting registration? It is—for the simple reason that the Selective Service System has memorandums of understanding with the Postal Service of this country, so that every post office throughout the entire breadth and length of the land could be called upon to register, or be a place of registration for, our young people, the 19- and 20-year-olds, or whatever other age group you want to register.

So that tomorrow they could have that call for registration and send out the word; and every young person 18 or 19, or whatever age group you want to take, must register. Every post office would have in place the capability of registering those individuals.

Another memorandum of understanding is that the Postal Service, in a keypunch way, would then transfer that information on those registrants into the computer programs of the IRS or the Social Security Administration. Once they have done that, they have immediately put into operation the whole registration procedure.

In addition, there exists today a Selective Service reserve organization, which is a group that can be called into active duty and, with probably a brief period of updating and training, could be set into motion to establish the basic Selective Service examination and classification organization.

In addition, the Selective Service today has an understanding with the recruitment offices of the various branches of the Armed Forces whereby that manpower and womanpower in the recruiting stations across this country could be cranked into the whole registration classification procedure, if we wanted to add classification to this question.

But bear in mind that if they wanted to move beyond registration, the President would have to come back to Congress to get classification, examination, and induction authority. So by the time Congress acted on that, you could have all your Selective Service reserve organization in place, ready to expand into a total draft program.

Again, this is not only unnecessary and redundant, in the words of the Selective Service study on the matter of the ability to register in a postmobilization period, but also, it represents the kind of unnecessary cost factor providing meaningless reams of paper, figuratively speaking, with names and addresses that will be obsolete very quickly.

(Mr. TSONGAS assumed the chair.)

Mr. HATFIELD. Mr. President, in the Appropriations Committee, a minority report—additional views—was offered by Senators LEAHY, PROXMIRE, BELLMON, McCLURE, and me. In the additional views—it is very short—we set forth some of the key issues which are raised in the minds of people as they think of premobilization registration. I hope all our colleagues will take notice of the additional views by the named Senators. I hope that their staffs will read that document as well, because I think it summarizes very well the reasons for our position and the reasons why it is unnecessary and redundant to have registration at this time.

When they read this, they will sense immediately that a great deal of thought has gone into this whole matter, as I indicated, not only because of the report that was made by the Selective Service Agency but by the Congressional Office of the Budget and by the Senate Committee on Appropriations as well. No one came to this position lightly or without careful concern and review of the facts.

Also provided for each colleague is a copy of the letters, which I have put into the RECORD previously, from the Presidential candidates. In addition, there are two editorials. We selected these two editorials, among many editorials that have ben printed recently in our newspapers in opposition. We selected these two particular editorials to include in our little document for the simple reason that they represent what would be considered a liberal position and a conservative position. One is from the New York Times, entitled "False Road To A Draft," and the other, from the Richmond Times-Dispatch, of Richmond, Va., is entitled "Meaningless Gesture?"

Again I draw attention to these two editorials, not in any way to try to flatter or enhance the status or the stature of these two newspapers but, more especially, to point up the simple fact that there is a wide base of support but an equally wide base of opposition to the call for registration; that it cannot be restricted to a single mold of philosophy or political experience and background, but it is much broader than that.

I will take a couple of examples from the two editorials to illustrate my point.

The New York Times editorial, entitled "False Road To A Draft," states:

> At this moment of despair over military failure in Iran, the Senate appears tempted to push through President Carter's proposal to register some young men for a nonexistent military draft. But this is a half-baked measure that would do little for the armed forces and could further erode the constituency that real preparedness now requires. Congress should shelve the idea and move instead to an urgent inventory of all manpower needs.
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> Someday, some Administration will state persuasively why the armed forces need two million people rather than three million, or one. Someday, Americans will learn how inadequate the voluntary forces and reserves have become. Like so much else in the defense budget, personnel policies are said to derive from expert calculations. But to a large extent they represent what Congress has agreed to finance in response to the Pentagon's estimates of what the traffic will bear.
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> Such horse-trading should no longer be acceptable. You would think it would end at an emotional issue like universal registration so that military assumptions could be truly reexamined. We suspect that preparedness is in fact inadequate for the kind of military contingencies for which the Pentagon periodically has to plan. But suspicion is not good ground for policy. And registering, without even examining, a few million peripatetic youths will hardly add much to preparedness. This most sensitive issue is being managed in the sloppiest possible manner.
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> Among the sloppiest managers has been the President, who urged registration last January as one way to protest the Soviet invasion of Afghanistan. At first, like Congress, we applauded the idea. The nation has appeared weary since Vietnam, unwilling even to suppose that it might one day again want to defend a national interest abroad. That mood can be misleading to other nations. A quick move toward registering young people for a military draft would have been a useful diplomatic signal, particularly in an election year.
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> But the election angle has worked the other way. Far from asking the public for something patriotic, even if unpopular, Mr. Carter soon deflated his gesture. He confined the proposed registration to 19- and 20-year-olds, thus narrowing the number of voters directly affected. And after vowing ostentatiously not to allow any registration that excluded women, he agreed offstage to let Congress limit the measure to men.
>
> Skepticism spread, as it should have. Now the matter turned not on demonstrating national will—most families had been taken off the hook—but on some real gain in preparedness. Yet Mr. Carter's defense experts said that postcard registration might save at most a week in case of a general mobilization. Others insist it could have up to 90 days, but even they do not pretend that the armed forces could absorb newcomers at such an accelerated pace. No one contends that registration would stimulate enlistments. Hardly anyone, in fact, claims very much for the measure except that rejecting it seems somehow unpatriotic.
>
> On that flimsy basis, the House narrowly approved it last week and a Senate subcommittee, with Iran on its mind, consented easily yesterday. Its main appeal, however, is to the Joint Chiefs and others who want not so much registration itself as a test of the political waters for a return to the draft. They say voluntary enlistments are simply not producing the quality and quantity of recruits and reservists they need.
>
> Those judgments deserve attention. But they do not justify a cynical political escalation in which a President asks for registration before revealing whether he favors a draft; asks for a draft before describing how fair the system of choice, and devises a draft before finally deciding what size forces are truly needed.
>
> Need is the place to begin. The Senate should reject registration until the whole recruiting problem is fully examined, by a President willing to utter the hard truth and by an alert and independent Congress.

Mr. President, that is a view, as I say, from an eastern establishment press which is oftentimes denigrated by people who have suspicion for the big cities of the East.

But now listen to the views expressed from one of the centers of leadership in the Confederacy.

"Meaningless Gesture?" Richmond the Confederacy.

> President Carter's draft registration proposal, which we originally supported, begins to look more and more like a meaningless gesture.
>
> Serious doubt has been thrown on the argument that registration now would materially speed up mobilization if required some time in the future.
>
> Some national leaders who are far from being doves when it comes to military preparedness are opposed to the plan. Former President Gerald Ford is one of them. Republican presidential aspirant Ronald Reagan is another.
>
> The proposal passed the House last month by the slim margin of 218-to-188. There were clear indications that some of the 218 voted for the measure not because they believed it had any significant practical value but because they wanted to support the president's intention of sending a message to the Soviets that this nation is ready to take any necessary steps to be prepared for military emergencies.
>
> Republican Rep. Robert H. Michel of Illinois told the House that the proposal provides another demonstration that "the Carter administration is willing once more to settle for a gesture instead of a policy. . . . If the president believes the Soviet rulers, shrewd men that they are, are going to be frightened by a wall of computer cards, he is mistaken once more."
>
> Lest anyone think Rep. Michel is a dovish liberal, it should be pointed out that the U.S. Chamber of Commerce last year gave him its highest possible 100 rating, while the

Americans for Democratic Action gave him a measly 5. What Mr. Michel calls for is a strengthening of the military services and reserves by increasing pay and taking other steps to counteract many servicemen's feeling that "no one cares about the armed forces."

Republican Rep. Lawrence Coughlin of Pennsylvania, another lawmaker with conservative credentials, told his colleagues that the difference between having an advance registration and registering at the time of mobilization is perhaps seven days in getting trained men in the field: six months and seven days on the one hand, and six months and 14 days, on the other, a difference he described as meaningless. He said "it is a question of sending no signal to the Soviet Union because they know it is a phony program and the wrong signal to the American people who think we are doing something when we are not."

Rep. Coughlin quoted Gerald Ford:

"Most people, I suspect, assume that I would support registration. I do not. President Carter's priorities are screwed up. The first thing we should do is strengthen our active duty forces. Then we need to beef up our reserves in manpower and weapons. Third is to increase the retention rate of our top-grade people in the services. All these things are more important than draft registration."

Republican Rep. Silvio O. Conte of Massachusetts pointed out another factor that is generally overlooked in discussions of registration possibly long before mobilization. "There is reason to believe," he said, "that premobilization registration will slow the process [of mobilization] down because the addresses will be out of date as time passes."

The decision on registration is not an easy one to make. Most Americans want to "do something" in response to the Russian invasion of Afghanistan. But is a gesture that surely won't fool the Soviets worth the expenditure of $13.3 million and the divisiveness it undoubtedly would cause in American society? The close House vote illustrates the nation's division on the proposal.

Weighing all the factors involved, we believe the registration proposal should be shelved and that immediate and forceful steps should be taken to strengthen the existing military and reserve forces. If such steps prove unsuccessful and there is evidence that the all-volunteer services cannot provide the security the nation requires, then some form of mandatory military service should be instituted.

Mr. President, it is very obvious that we not only have some very serious questions raised by people outside Congress as well as within Congress, people who have been in positions, like President Ford, of national leadership, but we must also ask ourselves the question, if we went into the registration program and if it were to be meaningful and we then were asked to institute the draft. what is going to be the method or what is going to be the scope of discrimination?

I indicated earlier on that we would have 4 million men in the President's proposed registration and if they were required in an induction manpower pool, how many does the Army need? Let us say they want to raise the Army by 1 million, just for an arbitrary figure, far greater than any of the present predictions that I have heard. But let us say we wanted a million. How would we then determine which of the 4 million would be the ones to make the response to induction?

I know we would have to go through a process of examination, classification, and of course depending on what standards we use and what requirements we employed, we would probably have a fairly sizable fallout of that 4 million manpower pool.

But let us say that we did that and even came up with only half of them as eligible. Let us say to make a real case out of this we only ended up with say 2 million, only half became eligible. We only need 1 million. How are we going to discriminate against the one million as opposed to the 1 million we want? One million would not be subject to induction and 1 million would be subject to induction. What would we do the next year as the geometric expansion occurs and we have already increased our military by 1 million? What are we going to do when another 4 million or 3 million or 2 million come into that kind of draft pool? We do not get answers to these questions because the President is not willing to commit himself on the question of the draft down the road.

Yet we are asked to employ this first step, this major step, registration, that carries with it the same criminal penalties for failure to respond as does failure to respond to induction. Remember, this is set up under the Military Selective Service Act. That is how it will be implemented, that is how it will be administered, and that is how we will get into the penalties for noncompliance.

No. I think we have so many unanswered questions. We have so many instances of failure to plan or to think ahead. As we indicated earlier with the question of compliance, we have no given plan for how we are going to enforce this.

All of these factors indicate to me, as the New York Times said, a very sloppy handling of a very fundamental and very profound issue that affects and impacts upon the lives of the youths of this Nation.

Again, I am anxious that we take the required amount of time necessary to raise these questions and hopefully it may occur. I have not given up that the administration will decide to respond to those questions that were not answered and were avoided during the process of committee hearings. I remember that during the draft registration committee hearing—I believe it was Mr. John White, who represented the President who said when asked the reason for this draft registration proposal, he very boldly and very frankly stated, as it has been stated many times, that the President was anxious to send a symbolic message to the Soviet Union.

When he was asked as to other questions relating to the report, the Selective Service report, in a very cavalier fashion the gentleman brushed it aside as having been rejected by the White House.

Dr. Rostker, who is the Director of Selective Service, was sitting at the same table, and we pressed the witness a bit to find out why it had been rejected. He said it was rejected because they just felt it was not relevant or applicable—I do not recall the precise language he used, but it was just a brush of the hands, "We rejected it. Why are you even concerned about why we rejected it or how we rejected it?"

So then he was asked a question as to what they had done at the White House to base their proposal upon some other foundation, what other study, what other kind of evidence, what other data base did they have. Of course, he could not produce one. He could not identify one.

So now we have this proposal that might be compared to—as I heard a good colleague of mine use the expression on the floor of the Senate relating to one of my bills—a poor chicken in a barnyard in a rainstorm running around trying to find some kind of shelter.

Well, this is sort of applicable, I think, to this proposal by the White House. It is sort of like a chicken running around in a rainstorm looking for some shelter, some sponsorship, maybe some parentage, some legitimacy, I do not know. But it certainly does not augur well, it seems to me, for any intelligent, logical, reasonable mind to accept purely on the basis that, "Well, this is what we want and, therefore, this is what we ought to have, and do not bother us with demanding or inquiring for any kind of data base or study, because the one we have is embarrassing. It is embarrassing to our whole cause to have our only study indicate that such a registration policy is redundant and unnecessary."

I really had to feel a bit sorry about Dr. Rostker who, I am sure, is a very conscientious public servant; who is a man, as far as I know from every indication I have had, who is dedicated to his job and wants to do the best job possible, and who gave his all to a study that he had the audacity—perhaps it might be called—or maybe he had the political naivete, maybe he was just so politically naive, that he reached his conclusions based upon his study rather than awaiting political input from the White House as to what conclusions they wanted.

I think it is a sad example again of a waste of the taxpayers' money. I do not know whether Senator PROXMIRE has thought about giving the Golden Fleece Award to this kind of study, but if the White House is to be believed, this is a waste of money to be engaged in for such a long period of time when all the evidence and the conclusions they come to, the conclusions they came to, were so cavalierly rejected.

Well, I am willing to look at new data. I am willing to look at a new study, if they have one, but they do not have one, and they cannot produce one because, as I say, the only one they have in hand was an embarrassment to them because it did not come out with the same political conclusions they had predetermined.

Yet I can understand the position of Dr. Rostker. He probably remembered what the President's position was last October. For all we know maybe Dr. Rostker was thinking, "Well, maybe I am going to get all kinds of accolades from the White House because I am coming out with a study that proved the President was right last October when the White House and the President did feel that registration was unnecessary."

So maybe Dr. Rostker had that horrible experience of thinking he was going to please the White House, his boss, by coming up with a report that was going to affirm a political position that was taken, and then Dr. Rostker awakened to the fact that the White House had shifted gears on him, and now his report was an embarrassment.

I will tell you, my fellow colleagues here in the Senate, there are going to be an awful lot of 19- and 20-year-olds not getting the word because of the small amount of money in this budget for trying to communicate this requirement that is going to be imposed upon them if the Senate passes it.

Let me say if the Selective Service does not get the word from the White House and other people, as we have seen many times when there is a slippage in communication by the administration—not just the Carter administration, because we ourselves have all had the experience of our own staff not getting the word—but consider this, if these young people who, because of 30-second and 60-second television spots that are supposed to communicate this new policy once it is adopted, if it is adopted, just because they have not gotten the word through 30-second television spots or 60-second television spots, they are going to be subject to a penalty of 5 years in the Federal penitentiary or a $10,000 fine, we are building the foundation to create a new generation of felons.

I do not think that is the right of any legislative body. I do not think it is wise national policy. If we think we have seen agitated citizens and voters about some of our present regulations and regimentation by the Washington bureaucracy, I can assure you when they once wake up to what we are in the process of doing now there is going to be a far greater outcry from irate voters and citizens.

In talking about Dr. Rostker, I think it is interesting that when he proposed this doctrine or this study, when he finished it, in other testimony he indicated that he felt there would be about a 98-percent compliance.

(Mr. TSONGAS assumed the chair.)

Mr. HATFIELD. Mr. John White, who is the Deputy Director of the Office of Management and Budget, was the representative of the White House that I referred to before the Senate Committee on Appropriations In another forum Mr. White said, in relation to this matter of the possibilities of noncompliance:

> I do not think it will be an issue. I think young people will register as they have always in the past. I don't think it is a problem.

Well, I think that is rather interesting. As I indicated earlier, we had estimates of up to 10 percent of those that did not register in 1973, the period of our last experience.

Now, Mr. Rostker also took this position of 2 percent. I do not believe that either one is realistic on this because I think it is important to state for the record that the last peacetime registration, as I indicated, and that was between January of 1973 and March of 1975—and this, by the way, Mr. President, was a period of registration but no inductions, so this, of course, is very commensurate to what we are talking about here. Now, that is a period of time that we, I think, can make some comparisons. Let us look at those statistics. For 1973 and 1974, we compare the number of Selective Service registrants with the number of persons eligible for registration. There is a sizeable discrepancy in both years.

From testimony prepared for the House Judiciary Committee, it is evident that after 15 months of registration time, over 200,000 persons in both 1973 and 1974 had failed to register at all. That means that there were 10 percent of all eligible males who did not register as required by law during the last peacetime registration period.

I think it is safe to say that that percentage would be increased if we added those registered later than the 30 days after their 18th birthday, which the statute called for. Late registration, of course, also poses a problem in law enforcement, since the proposed registration this summer will not be continuous, as in 1973 and 1975, but will occur only during a 1-week period for each age group. So, therefore, there is a greater possibility for late registration.

I think a second way to look at the level of nonregistration is by examination of the law enforcement records. In all of 1972, there were 856 referrals by the Selective Service to the United States attorneys for failure to register, with an unknown number never reaching the stage of formal prosecution.

During 1973, the number grew to 3,492 individuals reported for late or nonregistration. This is a 408 percent increase in 1 year.

One major cause for this increase is that voluntary enlistment into the military was no longer permitted as a pretrial diversion for nonregistrants. Because of a change in Defense Department regulations, any kind of compelled enlistment was felt to taint the character of the All-Volunteer Force. It is obvious that nearly 3,500 referrals in 1973 alone represents a sizable law enforcement issue. There is very reason to believe that this is merely the tip of a mammoth iceberg of late and nonregistration, since locating nonregistrants is known to be a formidable task.

Third, it is clear that although the present Selective Service bureaucracy may claim that nonregistration is not a problem, many of their predecessors were somewhat more candid.

Here are some excerpts made by Selective Service officials in the early 1970's. Director Pepitone stated:

> Due to the termination of inductions under the Military Selective Service Act and the attendant publicity, many young men were either not registering or registering late, in violation of the law.

Mr. President, I take this from the semiannual report of the Director of the Selective Service, July 1, 1973, to December 31, 1973.

Director Pepitone also said:

> During the period of this report, statistical data indicates that nearly one-fifth of all the registrants are over 60 days late.

Now, the Selective Service clearly admitted that there was a nonregistration and a late registration crisis.

There is one final bit of evidence that supports the thesis of a serious nonregistration problem. It is the record of the *United States* v. *Boucher,* 509 F Second, 1102, 8th Circuit, 1975.

The defendant in this late registration prosecution had registered 7½ months late. His counsel had, however, examined the records of the defendant's local draft board between March 1973 and April 1974. He discovered that of the 76 registrants, 100 percent had registered late and that over 60 percent had registered as late or later than his client. One can only guess at the numbers who did not register at all with the draft board, with that particular draft board.

It could not be clearer that registration law violations will be a problem this year if we enact this registration request.

The Congressional Budget Office estimate in 1978, which indicated that between 100,000 and 250,000 men from any age group would fail to register on time or at all, seems to be much more realistic than Dr. Rostker's recent projection of nearly total compliance, specifically when he indicated 98-percent compliance.

I, frankly, believe that there are substantial reasons to believe nonregistration will be higher now than in 1973, 1974, and 1975.

First, there has been lax planning by the Selective Service, as I have indicated. Draft registration is no longer viewed as a normal part of the entrance into adulthood. There is no consciousness among most 19- and 20-year-olds about the registration process. I do not believe the administration is seriously working to explain exactly what they have in mind.

This fiscal year 1980 supplemental appropriation contains, at most, only $400,000 for all the publicity related to this new legal obligation. This is a minuscule effort. I hope that the administration does not think it can rely on the press to do its advertising. This is usually a great fallacy. We need only examine the record of President Ford's clemency board, which attracted only a handful of eligibles, in part because there was not the funding to publicize the program.

President Carter should also be aware of the record of his special discharge review program for Vietnam era veterans, which attracted less than 9 percent of the eligibles. The fact that Selective Service has still not set the weeks for registration will also make successful registration more difficult.

Second, Mr. President, if registration occurs and it is only for men born in 1960 and 1961, we will see enormous resentment on the part of that very select sample of men who are having new duties imposed upon them. This resentment will increase nonregistration.

Third, the length of time it has taken to proceed this far toward registration shows significant hostility to this proposal. It has been 4 months since the state of the Union—5 months, I should say, probably, closer now that we pass into June—since the President first proposed registration. The House passed the funding of registration only by a 30-vote margin.

Now, the United States will clearly have a nonregistration problem and we cannot sit here and hope it will not happen. We simply cannot ignore the historic levels.

Mr. President, I would like to add one last thought, and that is that I am very hopeful that if we have legislation that must intervene, such as the debt ceiling limitation and other such issues, I want to make it very clear that I do not plan, at least by unanimous consent, to let this kind of issue be handled on a purely staccatolike basis of having an hour here or an hour there and breaking the whole train of thought of the issue or the emphasis or the focus on the issue.

I think once we undertake this it should be carried through.

I want to cooperate with the leadership in every way possible to provide us the opportunity to handle other legislation, but I want to put the Senate on notice now that I do not plan to let this just become sort of a two-track issue that we pick up here and there, whenever there is nothing else pending.

At the same time I am not suggesting we want to rush the issue through. I certainly want to have adequate time for all people to participate who have indicated a desire to speak, but, at the same time, as I say, I want to keep clearly before us that we are going to have to understand the parliamentary situation; we are going to have to have a clear understanding of what the parliamentary situation is going to be. That is always pretty much the prerogative of the leadership, I feel that it is important to have the opportunity and knowledge of planning ahead for the continuation of this discussion.

● Mr. BENTSEN. Mr. President, I support House Joint Resolution 521. The virulent and prolonged opposition to this bill appears out of all proportion to the issue involved. This legislation merely allocates enough money to staff and equip our Selective Service System properly and requires 19- and 20-year-old males to leave their names and numbers at the nearest post office. That is not the same thing as a military draft. Those who assert that it will lead to a draft are creating a kind of domestic domino theory with no evidence or rationale behind it.

House Joint Resolution 521 will not solve our military manpower problems. Neither will it hide them, or take away public attention from them, as more conservative opponents claim. Draft registration will not hide attrition rates of 40 percent for first-term military enlistees. It will not make the declining educational level of Army recruits look any better.

Let us review what House Joint Resolution 521 will accomplish. It will furnish adequate, modern computer facilities to the Selective Service, which would be indispensable to U.S. security in a mobilization, and it will create a data base—a list of young people who could be called upon in case of a national emergency.

One of the most beneficial aspects of the debate on draft registration has been to bring to the public's attention the weak state of U.S. war mobilization plans. Current plans call for the Selective Service to provide DOD with its first inductees 30 days after a national mobilization is declared, and to process 100,000 during the first 60 days. Former Defense Secretary Melvin Laird estimates that the current system would take more than 125 days just to provide the first 100,000 people.

In the circumstances of mobilization, the United States will not have time for uncertainty or false starts. A possible scenario to prompt a national mobilization would be a war in Central Europe. Defense analysts tell us that the aggressor in such a war, the Warsaw Pact, is likely to have a 14-day head start on NATO in mobilizing. The pact would strive to overrun most of Western Europe quickly, by virtue of its superiority of numbers.

Much has been made of an in-house study by the Selective Service claiming that registration in advance will save only 7 days during mobilization. I will not quibble over the study's questionable quality, or over the fact that those who cite it take it out of context. If registration now would save just 7 days in mobilization, that is the best argument I have heard for it. With the uncertainties inherent in a national emergency, who would vote to give up 7 days that might be crucial?

Others argue whether approving draft registration sends "a meaningful message" to the Soviet Union. They say, "Revamping the Selective Service is enough of a message. Just cut registration from the bill." But I do not see two proposals before the Senate, one for Selective Service reform and another for draft registration. I see one proposal for both. To reject that proposal, or to tie it up, or to truncate it will deepen the world's perception of an irresolute and confused United States. Perhaps approving the President's proposal for draft registration will not send any particular kind of message to the Soviet Union. But I can guarantee that unfavorable congressional action on this modest proposal will send the message that the United States is no longer up to defending itself and its allies in a real emergency.

Finally, I believe that opponents to this bill exaggerate its impact when they predict "severe noncompliance and demonstrations of disapproval by young people" and threaten that by asking young men to make a trip to their local post office we "could create a new class of young felons."

Instead of such dire rhetoric, my colleagues should seek to reassure American youth that this registration is not a draft. This plan will require 18 minutes of their time, not 18 months. Anything further would require new legislation. Neither is registration the same as classification. This procedure will make no decisions as to who would serve in war. Therefore, it should not be targeted by registrants in a generalized protest against war.

This bill's opponents have tried to blur the important distinction between registration and classification in their amendment to include a blank to declare conscientious objector status on registration forms. This amendment has pushed the President's plan further than it intended to go, and I hope it will be removed by the Senate.

Besides the important limitations in the bill, there is no reason to expect rampant antimilitarism among American youth. Opinion polls do not show it. They portray young people who are concerned about the Nation's security. The public even shows a positive attitude toward the idea of obligatory national service. However, if a large number of young people are unwilling to defend their country in the eventuality of war, and choose to protest loudly, now is the time to discover the sad truth—not on mobilization day. Draft registration should serve to demonstrate to young people their responsibilities as citizens.

For these reasons, I call upon my colleagues to waste no more time in passing this simple proposal. Let us get on with solving the larger and tougher problems in staffing and maintaining armed forces equal to any challenge. Let us face head-on the question of whether the United States can afford to maintain the kind of All-Volunteer Force we need, and whether or not the Nation should return to the concept of obligatory military service. This is the wrong forum for those important questions.●

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 7428

Mr. ROBERT C. BYRD. Mr. President, under the order that was entered last week at the time the Senate was discussing the debt limit extension, the majority leader was authorized, after consultation with the minority leader, notwithstanding any other measure that may be before the Senate at the time, to call up and make pending the debt limit extension that was anticipated would come over from the House of Representatives today. That measure is here, and the number of it is H.R. 7428.

Before I activate the order that was entered into, I ask unanimous consent that the following time agreement obtained thereon:

That only one amendment be in order, that amendment to be the amendment offered by Messrs. METZENBAUM, DOLE, BUMPERS, and ROTH. That is the amendment that would disapprove the imposition of the import fee.

Provided, that there be 90 minutes overall on the amendment and the bill, the time to be controlled by Messrs. DOLE, METZENBAUM, BUMPERS, and ROTH in support of the amendment, the time in opposition to the amendment to be under my control or that of my designee; that there be no time on any debatable motion, which would include a motion to reconsider; with the understanding that upon the disposition of the amendment, the Senate would immediately go to third reading, without further debate, amendment, point of order, or appeal; that without further debate, motion, point of order, or appeal, the Senate immediately vote on passage.

Mr. BAKER. Mr. President, reserving the right to object—and I do not plan to object—I should like to clarify a couple of points with the majority leader.

Before I do that, I pay him a special tribute. It is my understanding that this afternoon, the other body decoupled the debt limit extension and the resolution of disapproval and that they are here and before us as separate measures. We had an extended meeting today in the office of the majority leader, in which I pointed out, as did others, that it was the clear import of the arrangement made on last Friday that there would be an opportunity for the Senator from Kansas (Mr. DOLE) and his colleagues, Senator METZENBAUM, Senator BUMPERS, and others, to offer the resolution of disapproval as an amendment to the debt limit extension.

The distinguished majority leader quickly agreed that that, in fact, was the case; and notwithstanding his opposition to the Dole amendment and his support of the debt limit extension, he quickly agreed that this procedure would be followed, as it was described by him and by me on last Friday. I thank him for that. That was an agreement that was arrived at after some difficulty and against his own parliamentary interests.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. BAKER. Mr. President, the unanimous consent request propounded by the majority leader provides these things, as I understand it:

First, that the message from the House on the debt limit extension would be made the pending business.

Second, that an amendment by the distinguished Senator from Kansas (Mr. DOLE) and others to the debt limit extension would be in order and would be made the pending business.

Third, that no other amendment would be in order; that the hour-and-a-half limitation would be equally divided and that it would apply to both the debt limit extension and the Dole amendment.

The elements of control as described by the majority leader are self-describing, and I will not repeat them.

Also, that there would be no time for debate, as there otherwise would be, on a motion to reconsider, if such a motion were made; that no second-degree amendment would be in order, which I assume would be covered in the first part of the agreement that no other amendment would be in order.

The net effect of it will be that we will have the debt limit extension before the Senate under an hour-and-a-half limitation; that we will immediately proceed to the consideration of the resolution of disapproval of the oil import fee; that an hour and a half will embrace the entire consideration of this measure; that we will proceed to the vote on the Dole amendment and then immediately to the debt limit extension; that no other amendment can be offered; that the motion to reconsider, if it is offered, will be voted upon immediately, and that there will be no second-degree amendments.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. Mr. President, I have no objection to that request. It conforms exactly to the arrangement that I understand was arrived at earlier in the majority leader's office.

I see now in the Chamber the Senator from Colorado, and I believe he has a statement on a reservation he wishes to make.

I also see the Senator from North Carolina, who participated very ably in the conferences today and last week, and he might have some comments or reservations he would like to state.

I am willing to yield at this point to either or both of them for that purpose.

Mr. ARMSTRONG. Mr. President, reserving the right to object—and I shall not object—I have a matter which I do wish to bring to the attention of the Senate, which I think is timely at this point.

First, I express my appreciation to the leadership for summoning me to the Chamber so that I could offer this observation at this time.

It had been my intention on last Friday to offer an amendment to the debt ceiling extension which I thought was particularly pertinent to the debt process and which has to do with courses by which the debt was created and by which the amount of the debt is increased.

At that time, the majority leader and the minority leader were attempting to accommodate many Senators who did not wish to have this matter unduly delayed on Friday. At their request, I agreed that I would defer, and it is my intention to defer again, because I think our leaders have made an extraordinary effort, under trying circumstances, to bring this matter to a resolution without precipitating the kind of crisis we have had on previous occasions when the debt ceiling bill has gone past the deadline and the debt has expired and all these dire predictions have been put before us.

So it is my intention to withhold for the time being the amendment which I wish to offer on the debt ceiling bill.

It is my understanding that we are going to consider a bill which will extend the debt ceiling for 25 days. So this matter will come before us again very soon, and that is the reason for my reservation and the matter which I wish to call to the attention of the Senate.

I wish to state now approximately a month before the next projected expiration of the debt ceiling that I do have an amendment which I wish the Senate to consider on that bill and to express the hope that it will be possible for the leadership to bring the debt ceiling extension a few days, perhaps a couple of weeks prior to the expiration date, not only because that will facilitate consideration of my amendment and other amendments that may be in order but also because that seems to me a much more orderly process than to consider it on the very last day as we have done unavoidably today and on many other occasions.

So, Mr. President, my purpose is simply to serve notice to the leaders and other Senators that I do have an amendment which I wish to consider the next time that the debt ceiling extension is before us and to express the belief that it will be best considered not on the last day but a week or two in advance and to express the hope that that will be possible.

Mr. BAKER. Mr. President, further reserving the right to object, for the purpose of responding to the observations of the Senator from Colorado, I think it is extremely well taken and I agree with and embrace every single aspect of his statement.

Of course, the House of Representatives has to send us that debt limit extension the next time, and there is very little I can do about that except I assure the Senator from Colorado I will contact my counterpart on the other side and urge the Republican leadership in the House of Representatives to try to move this thing well in advance of the expiration date because I agree we really play Russian roulette with ourselves when we try to do this on the last day, and there are amendments that certainly should be considered in good faith.

So as far as I am concerned on this side I will certainly cooperate with the Senator from Colorado in that respect as far as the House of Representatives is concerned, and I will convey his views to the Congressman from Arizona, Mr. RHODES, and urge him to try to have a similar action on the part of the House of Representatives.

Mr. ARMSTRONG. Mr. President, I very much appreciate the courtesy of the minority leader and thank him for his comments and cooperation.

Mr. BAKER. I thank the Senator from Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF PUBLIC DEBT LIMIT

Mr. ROBERT C. BYRD. Mr. President, I activate the order that was entered into last week and ask unanimous consent that the clerk make pending before the Senate H.R. 7428 by stating the title.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 7428) to extend the public debt limit through June 30, 1980.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, will the Senator yield me 1 minute?

Mr. ROBERT C. BYRD. Mr. President.

I yield to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, this bill, H.R. 7428, simply extends the present temporary debt limit of $879 billion for a 25-day period from June 5 through June 30, 1980. If this action is not taken, the statutory limit will revert to the permanent $400 billion limit.

Treasury has estimated that the operating cash balance on June 5—that is tomorrow—to be $7 billion. In the first 2 working days in June, about $12.5 billion in retirement checks were issued in various Federal programs, the largest program being $9.5 billion in social security checks. These were the largest cash payments required for several days.

In addition, $6.6 billion in Treasury bills will be refunded under the statutory authority that expires at midnight Thursday. A refunding issue will be completed by then.

Mr. ROBERT C. BYRD. Mr. President, the Senators who are offering the amendment hopefully will now call it up.

In the meantime I ask unanimous consent that time be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, while the Senators are preparing to call up their amendment, I yield myself such time as I may require.

I have a letter from Secretary of State Edmund S. Muskie, dated June 2, which reads as follows:

> DEAR BOB: This week you may be considering a proposal to block the 10 cent per gallon import fee. As Senator, I supported President Carter's decision to impose the fee. My new duties as Secretary of State have confirmed my belief the fee is in our national interest.
>
> U.S. dependence on imported oil threatens our economic well being, the political cohesion of the Western Alliance, and, ultimately, our national security. We have made great progress in stabilizing our oil imports. Yet we are still so dependent on imported oil that last year a small, temporary interruption of supplies caused a doubling of prices.
>
> The U.S. still uses about as much gasoline as the rest of the industrial world combined. Even at $1.30 per gallon, gasoline prices in the U.S. are less than half the price in Europe and Japan. Our Allies impose gasoline taxes as high as $1 or $2 per gallon. They view the 10 cents per gallon fee as encouraging evidence of our American commitment to reduce gasoline consumption. The politically moderate oil exporters take the same view.
>
> The fee will make a significant contribution toward enhancing our national security and strengthening the United States' position in the Western Alliance. Its defeat on the eve of the Venice Summit would have the reverse effect.
>
> My own support for the oil import fee is not new.
>
> As Senator from Maine and Chairman of the Senate Budget Committee, I viewed the fee as a fiscal cushion which could finance a balanced budget in the event of a more serious economic downturn than was contemplated in March. The Committee agreed that the uncertainty of long-range economic forecasting required the $10 billion "safety net" the fee provides.
>
> The sad fact is the economy has deteriorated beyond our expectations. Economic deterioration could well unbalance the budget even with the $10 billion cushion. Balance is almost certainly lost if the fee is rejected.
>
> An unbalanced budget carries with it a great price in terms of international confidence in the dollar, and more importantly, in our own people's confidence in government's ability to manage its affairs. Time and again, the Congress has solemnly vowed to balance the budget, and to make the tough decisions that balance would require. Now those promises are asked to stand the test of political and economic reality.
>
> No energy question is easily resolved. I know you are carefully considering your vote. I stand ready to discuss the matter further with you if you wish.
>
> With best personal regards, I am
>
> Sincerely,
>
> EDMUND S. MUSKIE.

Mr. President. I yield the floor.

Mr. DOLE. Mr. President, in a few minutes I will be offering an amendment for myself and the distinguished Senator from Delaware (Mr. ROTH), the Senator from Ohio (Mr. METZENBAUM), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Carolina (Mr. HELMS), and others.

But before doing that. I first thank the majority leader and the minority leader for sticking with the arrangement they made last week and giving us the opportunity, in fact helping us in that effort, to offer our amendment to the debt ceiling extension legislation.

Just to make the record clear, the Senator from Kansas thought about offering an amendment to the debt ceiling bill when it left the Finance Committee. but the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) suggested that it would be better if we waited until the bill came to the floor. Then, of course, last week we agreed to the 5-day debt limit extension, but today we are back for further extension. We will offer an amendment in a few moments.

I think the issue is quite clear—whether you are for the 10-cent tax on gasoline or against the 10-cent tax on gasoline.

The import fee will raise taxes on American consumers by $10 billion in fiscal year 1981.

There is some doubt about whether the President has legal authority to impose the fee. On May 13. District Judge Aubrey Robinson permanently enjoined the implementation of the oil import fee program. Of course, that decision is currently under appeal.

The Congressional Budget Office estimates the import fee would add a full 1 percent to the Consumer Price Index. The White House admits the fee would cause three-fourths of 1 percent rise in the inflation rate. Both of these estimates might be low considering the ripple effect of automatic wage and benefits escalation clauses.

The inflationary effect of the import fee would fall heavily on certain sectors of the economy, such as the already depressed automobile industry. The CBO estimates that if the present market trends persist, the import fee will cause a decline in sales of U.S.-manufactured automobiles of 175,000 units in 1980.

The CBO also estimates that the conservation effect will be only 80,000 barrels a day in 1980, and only 90,000 by 1983. White House estimates are on the high side—100,000 barrels per day in the first year, up to a quarter of a million barrels by the third year.

It has been estimated that the so-called conservation program will cost the American people about $300 a barrel for each barrel of oil conserved. That is a rather high price to pay for conservation. The fee also would probably serve as a signal to OPEC to raise prices.

We have been informed that the fee would be a regulatory nightmare, loading new entitlements and regulations on an already overloaded system.

Under DOE's complicated price control regulations, the imposition of the oil import fee could cause a windfall price increase of as much as $100 million to gasoline wholesalers and retailers. Retailers are permitted to price all their gasoline as high as their most expensive gasoline stocks. Thus, purchase of even a small amount of gasoline subject to the President's fee would enable the dealers to raise the price on all of their gasoline supplies.

I might add there were wire stories carried to this effect a couple of weeks ago reporting how all the retailers were ready to cash in and make a windfall because of the gasoline stocks that they had on hand.

Finally, I think it is important to point out that under the conference agreement on the first budget resolution, the fiscal year 1981 budget will be balanced without any reliance on the oil import fee, nevertheless this Senator happened to be watching a late night television program last weekend on which Stuart Eizenstat, the President's domestic adviser in the White House at first sort of hinted, the import fee was a conservation measure, but then candidly admitted that this was really a revenue measure. It was a way to raise $10 to $12 billion, which might be used later on this year either to announce a tax cut or to serve as a cushion in the event the budget was not balanced under present conditions.

There is an effort to sell this fee to the Congress as a conservation measure. In fact, the fee is nothing more than a revenue, and we are doing it under the windfall profit tax which started out as an energy program and ended up as a tax program. We are taxing small royalty owners and independent producers about 35 percent of their total revenue, and we are doing it under the name of an energy program. It is not an energy program. It is a revenue-raising program, and that is essentially what the oil import fee would do.

This Senator feels that the oil import fee should be rejected. It is bad economic policy, and it is bad energy policy.

When the White House first announced the import fee it was announced as part of an anti-inflation package. Yet even the administration itself now concedes that the imposition of the fee will have a significant inflationary effect.

The Congressional Budget Office estimates the imposition of an import fee would raise the Consumer Price Index, as I have already indicated, by a full percentage point.

Thus proposing the import fee as an anti-inflation measure is somewhat like using gasoline to fight a brush fire. It is the American taxpayer and consumer who will ultimately get burned. If approved, the import fee would add about $114 to the tax burden of the average American family in 1981.

I think it is well to point up that in fiscal 1981, if we add up all the new taxes that will come about because of the Carter administration policies, we are talking about new taxes in excess of $104 billion. That is $104 billion, not million, and all Americans will suffer by an increase in inflation.

The proposed import fee will have a particularly harsh effect on certain segments of the economy. For example, as I have indicated previously, the Congressional Budget Office estimates that in 1980 the already hard-pressed automobile industry will cause a 175,000-unit decline in sales of U.S. cars in 1980 if this import fee goes into effect.

Currently, we have 11 U.S. auto plants shut down, and May car sales have plunged to a 19-year low. We simply cannot afford a 175,000-car decline in sales of U.S. automobiles.

The import fee would, in fact, have no direct impact on imported oil. As it is designed, the fee on imported oil would be rebated by the collection of the retail gasoline tax. Thus the only possible reduction in oil imports that might occur would be the indirect result of the paltry conservation effect of the fee.

Despite all the conservation claims, as I have indicated, the CBO indicates by its estimates an 80,000 barrels per day reduction in fiscal 1980 and it will reduce consumption by only 70,000 barrels per day in fiscal year 1981. This means the $10 billion import fee will cost the American people nearly $300 for each barrel of oil conserved; $300 per barrel hardly seems a good buy in conservation.

There are a number of other sound reasons why I believe this fee should be rejected. It is bad policy. I would even suggest, without attempting to politicize the issue, because it is not a political issue, there is broad bipartisan support for rejection of this fee, that there is a strong indication as recently as yesterday's primaries that President Carter does not have the support of the American people for his policies. Perhaps, one reason why the President did not do so well on super Tuesday was because of this new tax and other new taxes proposed by the administration.

There are a number of other sound reasons for rejecting the import fee. Many believe this fee will be taken by OPEC as a signal to raise oil prices. The imposition of the fee suggests the American market can easily absorb even higher oil prices. Obviously, higher OPEC prices will simply further aggravate our precarious import situation.

The import fee program will undoubtedly be a regulatory nightmare, loading new entitlements and regulations on an already overloaded system. Some experts have predicted that, despite the administration's claims to the contrary, the import fee will cause an increase in the prices of fuel oil and other petroleum products.

Moreover the imposition of the oil import fee would cause a windfall price increase of as much as $100 million to gasoline wholesalers and retailers. Under DOE's complicated price control regulations, retailers are permitted to price all their gasoline as high as their most expensive gasoline stocks. Thus, purchase of even a small amount of gasoline subject to the President's fee would enable the dealers to raise the price on all of their gasoline supplies.

There is also considerable doubt that the President has the legal authority to impose the import fee in the manner proposed. On May 13, Federal District Judge Aubrey Robinson permanently enjoined the implementation of the oil import fee program. Judge Robinson held that the Trade Expansion Act did not authorize the so-called import fee because it neither has nor was intended to have an initial or direct impact on imports. The court concluded that the administration could not rely on the Emergency Petroleum Allocation Act because of noncompliance with the procedural requirements of the statute and the Administrative Procedure Act. Finally it was noted that the President does not have any inherent Presidential power that authorizes him to impose his gasoline fee. Judge Robinson stated "Congress, not the President, must decide whether the imposition of a gasoline conservation fee is good policy."

For the reasons the Senator from Kansas has just reviewed, the import fee is wholly misguided policy and should be promptly overruled by Congress. This fee is not essential to a balanced fiscal year 1981 budget. Indeed the Conferees on the first concurrent budget resolution did not rely in any way on the import fee.

I urge my colleagues to join with me today in supporting my amendment to decisively reject the imposition of this new tax.

Mr. President, before introducing the amendment I yield to the distinguished Senator from Delaware and then the distinguished Senator from Ohio.

Mr. ROTH. I thank the distinguished Senator from Kansas for yielding to me.

I am happy to join in in being a principal cosponsor of this amendment.

Mr. President, the effect of our amendment to the debt limit bill is to invalidate the President's oil import fee. Very candidly, the oil import fee is nothing but a $10 billion tax increase on working Americans. In fact, the import fee is a $10 billion sales tax which will hit low- and moderate-income Americans harder than the well off.

The American people need more energy not new taxes, but the hallmark of this administration is higher and higher taxes, and the typical American family is drowning in the Carter administration's high taxes and high prices. With the economy sliding into a serious recession, the last thing we need right now is higher taxes and higher prices.

According to the Congressional Budget Office, this oil import fee will add 10 cents to the price of a gallon of gasoline at the pump and increase inflation by as much as 1 percent.

The American people need tax relief not a new $10 billion tax increase.

Not only will the import fee increase the price of gasoline, it will also add to the cost of transportation, processing, and marketing food which will, in turn, add to consumer prices.

Thirty-eight Members of the Senate are sponsoring the Dole-Roth resolution to disapprove the oil import fee. A few weeks ago 75 Members of this body voted to clear the way for a Senate vote on this resolution.

The Senate Finance Committee has voted 14 to 4 to block the fee, and the House Ways and Means Committee has voted 27 to 7 to block it.

In addition, a coalition of consumer, farm, labor, and business groups is opposing the import fee.

The Carter administration is trying to sell the import tax as a conservation fee. But the Congressional Budget Office has estimated it will save only 80,000 barrels a day in fiscal 1981. This means that the American people will be paying nearly $300 for each barrel of oil saved.

In my opinion, this will be a clear signal to the OPEC nations to further raise oil prices.

Mr. President, the oil import fee is a perfect example of this administration's inept attempt to fight inflation through higher taxes and higher prices. The policies of this administration have been disastrous to our economy.

Unemployment is increasing at the fastest rate in 30 years. Take-home pay is at its lowest level in years. Interest rates have been at record levels and it is still nearly impossible for the average family to buy a home. Our savings rate is at its lowest level in nearly 30 years. Productivity and investment rates are at dismally low levels, and inflation continues virtually unabated.

Our automobile industry is collapsing, and the CBO has estimated the import fee could cause a further decline in U.S. automobile sales of 175,000 in 1980.

Yet, the administration's only solution is to pile more taxes on the backs of the American people.

With the economy already in a recession and with the American people already facing massive tax increases, another $10 billion tax increase could cause our economy to collapse.

Mr. President, unless we vote today to block the import fee, the American consumers will be hosed at the gas pumps.

I urge my colleagues to vote for the Dole-Roth amendment.

I yield back the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, with all due respect to my good friend from Delaware, I would like to point out to him that I think it is the Dole-Metzenbaum-Roth-Bumpers amendment and that there is bipartisan support and has been on this very issue.

I think that is the way it should be, because I do not think it is political. It is a question of the view of Congress and the will of Congress.

Before commenting on the amendment itself, I would like to commend the majority leader who, on this past Friday, in a colloquy with the Senator from Kansas, the Senator from Tennessee, the Senator from North Carolina, and myself indicated very clearly the manner in which this matter would be handled when the debt ceiling bill came to the floor. In meetings held with him today, there has been no equivocation, there has been a total living up to that commitment, and I just want to say publicly that which I said privately to him, and that is that I have the greatest respect for him and his leadership and the fact that that which he said on Friday is the same as he says on the following Wednesday.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Ohio.

Mr. METZENBAUM. Mr. President, addressing myself to this issue, let us talk about why, why the President is so insistent on bringing this issue to the Congress when, in the first place, it is rather questionable whether he has the authority to impose a tax to begin with.

Now, all through our history we always understood that taxes were imposed by the Congress and by legislative action, and that the House originated such measures.

But the President, in this instance, has seen fit to impose a 10-cent-a-gallon tax and the Congress has indicated in a vote in the House today and a vote in the Senate some days ago, by 75 to 19, and I would guess again by a vote today, that the Congress does not see fit to approve of his action of imposing a tax.

As a matter of fact, I think it is a rather interesting question: If the President can impose a 10-cent-a-gallon tax, can he impose a 50-cent-a-gallon tax or $1-a-gallon tax or $2-a-gallon tax? And why is the President so anxious to have this new tax.

We have been told time and again that somehow we owe it to our Western Allies. Why do we owe it to our Western Allies? We have been doing things for our Western allies for over a period of years, and I do not see them doing that much for us.

I attended the international agency meeting when our Western Allies committed themselves to cut back on consumption of oil by 5 percent. In the following year, we lived up to our commitment, but almost all of them failed to live up to their commitment.

Then we are told there is another reason we have to do it, and that is that the OPEC nations are deciding that we have to cut back on our oil consumption and that, somehow, they think we ought to have a 10-cent-a-gallon tax. Well, I am not certain—I guess I am certain that I am not prepared to do that which the OPEC nations want us to do.

We are aware of one instance in which we have already done that. We were stocking the strategic petroleum reserve and the Saudis told us we should not do that and could not do that, and we stopped doing it. Well, I do not think we ought to be in a position of imposing a tax on the consumers of this country just because some members of the OPEC nations or our allies seem to think that it should be done.

Now, the other argument is made that—and the Washington Post states it today in its editorial:

> The vote embodies a clear test of nerve. Are we going to get control over our consumption of oil back into U.S. hands or are we going to leave it to the oil-producing nations?

Well, I am happy to tell the Washington Post that they were wrong when they came out for decontrol of the price of oil, they were wrong when they came out for decontrol of natural gas, and they are wrong on this issue, because this does not have anything to do with who is going to control the consumption of oil in this country.

The 10-cent-a-gallon tax is inflationary. The 10-cent-a-gallon tax will add 1 percent to the inflationary rate, when we ought to be seeking ways to go in the opposite direction. And the 10-cent-a-gallon tax, if it will help conserve something, the very most it will conserve is insignificant when we talk about our total consumption.

We consume 20 million barrels of oil a day in this country. The CBO says that we might save 80,000 barrels a day by 1981 budget. Indeed the Conferees on the amount as compared to 20 million barrels. They say by 1985 we might conserve as much as 90,000 barrels. Well, I do not think that is the way we can get great conservation.

There are many other ways that we can get conservation without adding on and on and on to the price the people of this country pay for the price of oil.

Now, I recognize what my friend from Kansas and my friend from Delaware have said about the CBO's projection that the import fee would cause a decline in domestic car sales of 175,000 cars. Now, is the auto industry not having enough trouble without our going down that road as well?

Mr. President, how much time is remaining?

The **PRESIDING OFFICER.** Just under 25 minutes.

Mr. METZENBAUM. Mr. President, the other argument is made that, somehow, this is going to help balance the budget. Well, as a matter of fact, it was sent to us, we were told by the President, it was discussed by the Congress, and it was discussed in the Budget Committee that it was not going to be used to balance the budget.

Then the argument is made: Well, there is something else we should really be considering and that is that down the road there is going to be a tax cut if we pick up this $12 billion in extra revenue from the American people.

Now, I have heard a lot of absurd arguments in my life, but this is probably the most absurd, and that is that we in the Congress should help the President impose a tax upon the American people so that, by doing so, we can then provide for a tax reduction for the American people. I just think that is about as illogical an argument for a tax increase as any that I have ever heard. And, realistically speaking, those who would be paying the tax, the extra 10-cents a gallon, would probably not be the same people who would get the refund if there were to be a tax cut at a later point.

Now, some would say, "Well, yes, Senator, but you just don't understand. This will indeed save gasoline."

As a matter of fact, the Wall Street Journal had a major article on that subject not too long ago. The Wall Street Journal pointed out that in Western Europe, where gasoline prices are higher and motor vehicles far more efficient than in this country, where the gasoline price in France is now $3.17 per gallon, where it costs automobile drivers 45-cents a mile to operate a small Renault, today there are 22-percent more cars on French roads than there were before the 1973 Arab embargo and French gasoline and diesel consumption has risen in the same period by 21 percent.

In 1973, the average French driver put 7,800 miles a year on his car. Today, that figure is 8,300 miles.

To quote the Wall Street Journal who, in turn, was quoting a French expert, he stated as follows:

> We've concluded that price isn't effective in conservation.

A recent poll, as a matter of fact, concluded that gasoline in France would have to reach as high as $8.70 a gallon before most Frenchmen would change their driving habits.

Here we are talking about adding a dime for the cause of some kind of conservation.

It will not happen. It is unrealistic. It is unfair. I believe that instead of the Congress being required to act to vitiate the impact of a tax that never should have been imposed in the first place, the President should be able to understand that it is the will of the people, that the people were saying something yesterday when, by a majority of more than 200,000, they voted for a person other than the President of the United States in head-to-head races.

So the people are saying there is something wrong with our policies, there is something wrong with higher energy prices and higher unemployment, higher inflation.

I think we have an opportunity today in the Congress to indicate to the people of this country that we hear their voices, that we know the message, and that we will not stand by and permit this 10-cent-a-gallon tax to be imposed upon the American consumer.

Mr. BUMPERS. Will the Senator from Kansas yield to me 5 or 6 minutes?

Mr. DOLE. I yield.

Mr. BUMPERS. Mr. President, this is the sort of subject on which we all could wax eloquently for a long time, and I do not know that any additional benefit will be served because the die is cast. Based on the vote in the House and what I anticipate will be the vote here, there is not any question that this 10-cent-a-gallon gasoline tax will be overwhelmingly repudiated.

Yet I want to make a record on my own behalf because I have opposed this whole concept of rationing by price from its inception.

It is the cruelest way imaginable to solve the biggest problem in the country.

Maybe people are too lazy to think up some other economic way to solve it, or too timid to impose rationing in any form. Whatever the reason, I consider this the worst of all.

There is no justification for a tax that costs the American people $10 billion to $12 billion annually to save, at most, 100,000 barrels a day of imported oil. That will only reduce the price that the American people are paying for imported oil by about $1.2 billion. The American people are going to be paying between $10 billion and $12 billion to cut the trade deficit by $1.2 billion, and people stand here piously talking about breaking OPEC's hold on this country.

We are not going to break OPEC's hold on this country by cutting consumption 100,000 barrels a day. We are not going to do that until we cut 6 million barrels a day, and we are not even going to approach 6 million barrels a day or even 1 million barrels a day through the pricing mechanism. It is sheer folly to say you can.

Senator METZENBAUM referred to the article in the Wall Street Journal. Let me quote just a little of it:

> The average French driver is putting 8400 miles a year on his car, up from 7800 miles in 1973. And 1,200,000 cars fight their way into Paris every working day. Across Europe—

That is Italy, France, Germany, and England, where the price runs anywhere from $2 to $3 a gallon—

> motor fuel consumption is increasing despite prices that are about double those in the United States. Between 1976 and 1979 consumption of gasoline and diesel fuel rose by about 16 percent in West Germany and 10 percent in Britain. Between 1977 and 1979, automobile ownership increased by 10 percent in Belgium and Italy, by 12 percent in Austria and by 13 percent in Germany and Norway.

Listen to this quote by an oil expert in the French Ministry:

> We have concluded that price is not effective in conservation.

There is nothing startling about it. I have believed it from the very beginning.

Did you know, Mr. President, that if everybody in America raised their thermostats 1 degree in the summer time and lowered them 1 degree in the winter time you would save the same amount?

Hobart Rowen had a great article in the Washington Post. He is a great economist, since he agrees with me most of the time, and he said in December:

> Like little Sermons from the Mount, the conventional economic wisdom of the day is spewed forth by politicians, economists, columnists, and others. One favorite is this: gasoline rationing would be the worst way to try to solve the energy crisis. After all, it was a colossal failure in World War II.

How many times have you heard that? He went on to say:

> In fact, gasoline rationing was quite effective in World War II, although some other rationing programs—such as sugar—were less effective.

He continued:

> A coupon rationing system costing $2 billion to operate could cut consumption about 1.5 million gallons a day.

I say we can play games with this until the walls of the temple fall in, but you are not going to solve the problem by price. I felt so strongly about this that I even tried in the Energy Committee to take away the President's authority to impose any import fee.

Mr. President, as long as I have breath in my body, and as long as I sit in this highest legislative body in the United States, I intend to resist with all the strength I have this elitist economic theory that those who have get and those who do not do without.

I talked to a man the other day and he said:

> Do you know one of the most devastating things about what is going on in this country? You can call it malaise, you can call it morale, you can call it any name you want to. But it just boils down to this: That people no longer believe, as I believed at my father's feet, that you can hitch your wagon to a star; that I could be anything I wanted to be. They no longer believe in the American dream and they no longer believe that they can get a piece of the rock.

Do you know the biggest game in California? Pyramids. People are taking thousands of dollars out of their savings accounts to put them in pyramid schemes because they think that is the only way they are going to get there. And why would they not try that when they see the White House and the Congress considering a White House proposal to add $10 to $12 billion to their cost of living and when, for the working people, the manufacturing wages in this country last year went down 4 percent? Adding the deductions to the take-home pay from manufacturing wages, there was an 8-percent gap between their take-home pay and the cost of inflation.

Now the President has decontrolled the price of American oil, which cost Americans $100 billion a year.

Will the Senator yield 2 more minutes?

Mr. DOLE. I yield.

Mr. BUMPERS. How can people talk about how terrible taxes are in this country, then watch as the President imposes a $100 billion tax through decontrol in this country, and then accept $10 or $12 billion as salt on the wound?

I am most reluctant to criticize my President. He is my friend and I like him. Yet, I do not know when I have ever been as dismayed as I was the day he stood in the Rose Garden and said, "Congress lacks the courage to impose a $10 to $12 billion tax on the American people." Only shortly before that he promised them on national television that while he imposed this fee, he would see to it that it was never used to balance the budget, and I promised the folks in my State that I would never vote for a balanced budget, hard as that might be to explain, if it included one dime of this.

It is not a balanced budget.

Mr. President, I think my side is losing—not on this issue, but in the long haul. As we lose, I think we are going to see cynicism grow deeper and deeper until that final economic cataclysm comes. Then this country is going to finally get its act together. I promise you one thing though; I am going to slow the process down as much as I can.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from West Virginia has control of the time, and the Senator from Kansas.

Mr. DOLE. I yield 3 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I shall support the pending proposal to prevent the President from imposing an additional 10-cent-per-gallon tax on the American motorists.

The American people are already too heavily taxed. This proposal of the President would bring into the Federal Treasury some $10 to $12 billion in additional funds taken out of the pockets of the American people. It would go into the Federal Treasury to be utilized for more Federal spending programs.

President Carter has proposed, and the Congress is in the process of approving, a $65 billion increase in spending for fiscal year 1981 compared to the amount approved by the Congress 7 months ago for fiscal year 1980.

I think the additional tax proposed by President Carter is a mistake. The price of gasoline is high enough now. It has been increased tremendously over the last several years and the President's proposal will add another 10 cents per gallon to the price. The American working people are taxed heavily enough now. The proposal now before the Senate would prevent the President from inposing an import fee which, in effect, is a 10-cent-a-gallon additional tax.

The House of Representatives just passed an identical proposal with only 30 votes against it. My guess is that the Senate will act overwhelmingly to deny the President the right to impose an additional 10-cent-per-gallon tax. I hope the Senate will adopt the amendment. I do not favor giving the Federal Government an additional $10 to $12 billion, much of which no doubt would be wasted or squandered on new or expanded spending proposals.

Mr. TSONGAS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, is the Senator speaking in favor of the amendment?

Mr. TSONGAS. No, Mr. President.

Mr. DOLE. The Senator from West Virginia has the time.

Mr. HARRY F. BYRD, JR. I do not have the authority, but I am sure he would not object if I yield on behalf of the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Massachusetts such time as he requires.

Mr. TSONGAS. Mr. President, the House of Representatives told the country today that an oil import fee is not popular. I suspect the Senate will do the same thing. There is a rule around here that you do not question people's votes when the issue of survival is at stake. I suppose that is true of any legislative body. But it is interesting that the discussion on this is on the question "How do my people feel about it," as opposed to the substantive issue of whether it should happen.

At some point, the American people will wake up to the fact that we have an energy crisis and if they do so, it will not be because of what the Senate did. We all know that $1.27 for gasoline is expensive. It is nothing compared to what they are paying in Europe. The 10-cent oil import fee is nothing compared to what OPEC will do to us down the road; it has said to us many times that if we do not tax our own people, they will do it for us. The difference, of course, is that people can vote against Senators; they cannot vote against Sheik Yamani. Since Yamani is not on the ballot, we will let him raise the price and let it go at that.

The idea that voting for a gasoline tax is political suicide is simply not true. I have voted for every gasoline tax I could vote for, including the 23-cent tax that then-President Ford talked about in 1975. A 23-cent tax at that point was about half, whereas this 10 cents is about 8 percent. So that was not only much higher in an absolute sense but, in a relative sense, considerably higher. I tell my colleagues that I ran for reelection in 1976. My opponent used that issue against me as the major campaign issue. He referred to me throughout that campaign as "Paul Tax-on-Gas," which, whatever your sense of literary merit, was a clear indication that that was the issue. I won the election with 67 percent of the vote.

I think that, in the long term, we have a responsibility to indicate to the American people that this country is living in a kind of fool's paradise. As long as we try to tell them we can keep the price of oil down, we put off certain decisions. You can sit on the Energy Committee and look at any of these projections about production, both domestically and internationally, and it is pretty obvious that we are coming to an end of an era.

We are going to reach the end of that era rather quickly and abruptly and, I argue, with a great deal of disruption. We are going to take $85 billion this year and ship it to OPEC. I think that kind of hemorrhaging of our economy is going to unravel us over time. But nobody wants to be the bearer of bad news. You do not get elected giving people sad information, although I found in my speeches these past 2 years on energy, in commencements and so forth, that I have told them the bad news as strongly as I could and I found them ready to listen. This is especially true of young people, because it is their lifetime we are talking about.

I think the notion of the Senate saving the country from a 10-cent-per-gallon tax is very popular, obviously. I argue with my colleagues that, in the long term, when the inevitable crisis comes to this country, those of us who have told people the bad news will be politically more insulated from the reaction because there is now in this country, I argue, a generation of people who understand it is their lifetime we are talking about. Those of us who have taken the time to try to educate our constituencies on how difficult the world is going to be and how all this fits in, I think, are going to be much better off over the long term.

My only regret is not that I have to vote for a 10-cent gas tax, but that it is only 10 cents. I think that indicates the seriousness of the issue.

I do not know any of our allies who will do anything but blanch when we ask them to take strong action vis-a-vis Iran, with all that means to their own economies and their own oil supply, and here we are, with our own indigenous supply that we can rely upon, backing off from a 10-cent gas tax. How can we go to our European allies and say, "We want you to be tough"? They pay over $2 a gallon for gasoline. Ten cents is absurd. Thirty people in the House—when I last voted for the gas tax in the House it was 54. So we are clearly going in some direction; unfortunately, it is the wrong way.

Mr. President, I believe there will come a time when this vote will be looked on a little differently than it is now. Of all the votes I took in 4 years as a congressman from the Fifth District of Massachusetts, the one vote, in retrospect, that I felt best about was the vote for the gasoline tax. I felt that I had liberated myself from the fear of reelection, that I was able to do what I thought was right. Of all the hundreds of votes I took as a Member of Congress, that is the one I look back to with the most pride. As compared to that, this 10 cents is hardly worth discussing.

Mr. BENTSEN. Mr. President, will the distinguished Senator yield?

Mr. TSONGAS. Yes, I yield.

Mr. BENTSEN. I congratulate the Senator on his comments. I can remember, in 1974, I proposed a 35-cent tax and I got bales of mail on that one. The idea was that we should develop alternative sources of energy, and they were right.

We would have been 6 years down the road toward doing that had we done it then.

I think to do it now is late, but to do it next year will be even later, and that we ought to do the things that have to be done in the way of exercising the discipline and putting a discipline on the use of gasoline in this country to try to encourage its conservation.

I know of no major industrial nation in the world that has a gasoline tax as low as ours. When we sit here with a 4-cent Federal tax on gasoline, that is a minimal tax. I believe the 10 cents would help, and, frankly, I think it probably should be higher.

When we talk to our European allies about what has to be done in the way of conservation and that we will join in that, then we ought to follow through.

We heard for a long time economists telling us about what was an inelasticity in the use of gasoline and that price would have no effect, but obviously that has not been true.

Gasoline consumption in the first 4 months of this year was down approximately 8.5 percent. We saw it last year.

So, in exercising our options that people exercise and the priorities they exercise, this is one of the taxes that should be put on.

On the other hand, we should turn right around, in my opinion, and pass a comparable tax cut so it is not a drain on the economy, that people get their tax cut back in reducing the raise that will be put on social security is a good example, and that part of that ought to go to try to increase productivity in this country, to do some long-term things that have to be done to curb inflation.

I congratulate the Senator on his comments on this.

Mr. TSONGAS. I thank the Senator for his comments.

Mr. President, I will finish by saying that I have been involved with the energy issue for a number of years now. It was in utter despair of the leadership of both the administration and the Congress that I put together this year what is called a Massachusetts plan, to try to educate my constituents as to what they should be doing now to prepare for the eventualities we all know are coming.

It involves what the Federal and State government, local government, should do, the utilities, et cetera. I put it in the RECORD about a month ago.

When all this comes to pass and we have these incredible body blows to our economy and to our society, for whatever it is worth, at least I will be able to go back to my constituents and say, "I told you, I tried to help you," and then we will all try to get through it together.

I hope the Massachusetts plan will be taken seriously by my constituents, the media, the government up there, and by the utilities, and that when those effects come, in a Darwinian sense, my State will be able to survive a bit better than others, or I think it will be a sad day for Massachusetts, a sad day for our country. But perhaps there will be a much different wisdom.

I thank the majority leader for the time.

The PRESIDING OFFICER (Mr. BOREN). Who yields time?

The time is being charged equally against both sides.

Mr. DOLE. Mr. President, how much time does the Senator from Kansas have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes and 58 seconds.

UP AMENDMENT NO. 1124

(Purpose: To terminate the oil import fee proposed by the President on April 2, 1980)

Mr. DOLE. Mr. President, I now send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself, Mr. ROTH, Mr. METZENBAUM, Mr. BUMPERS, Mr. HELMS, Mr. ARMSTRONG, Mr.

Cochran, Mr. Jepsen, Mr. DeConcini, Mr. Garn, Mr. Church, and Mr. Thurmond, proposes an unprinted amendment numbered 1124:

At the appropriate place, insert the following new section:

Sec. . Termination of April 2, 1980, Oil Import Fee.

Notwithstanding any other provision of law, the action taken by the President under section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) with respect to petroleum imports under Proclamation 4744, dated April 2, 1980, as amended, shall cease to have force and effect upon the date of the enactment of this Act.

Mr. DOLE. Mr. President, I had the amendment read so that everybody would understand we are not seeking to take away any authority from the President. We are just setting aside the President's April 2 proclamation.

Mr. President, the Senator from Kansas listened to the argument that we ought to increase taxes so we can cut them. We ought to have this tax and give everybody a cut.

That does not make any sense to many Americans, particularly if we consider the administration's budget already contemplates that we would have $104.9 billion in additional taxes in fiscal year 1981.

It is interesting to point out that total Federal receipts first reached $100 billion in 1963. This year, they will increase by more than that amount.

So I suggest that we should not raise taxes to cut taxes.

We have heard the distinguished Senator from Massachusetts talk about a gasoline tax. I wonder if he would support this tax if it also applied to heating oil.

It was, perhaps, by coincidence that the President did not include a tax on heating oil, in the April 2 order.

If we put a tax on heating oil, I assume, it would effectively conserve oil. But there was apparently some arrangement at the time not to apply this tax to heating oil. I assume that some now feel bound to vote for the tax on gasoline because what is used, for the most part, in their part of the country, is not subject to the tax.

I also suggest that we talk about the price of gasoline overseas. It is true, some foreign countries have a gasoline tax of almost $2 per gallon. Such large taxes may make sense, given their economic, political, and geographic circumstances, and they may have a significant conservation effect.

No one is suggesting so large a tax for this country, however. The greatest tax suggested so far is by Congressman John Anderson. It has done a great deal for him. He is a very strong independent candidate for the Presidencv. I doubt, once the full light of day focuses on his 50-cent gas tax, that some who have been supporting him will continue to do so.

A token 10-cent gas tax will have no significant conservation effect, but it will be inflationary.

Further, the need for gasoline in small countries in Europe, with extensive mass transit systems, is completely different from parts of this country.

My State of Kansas may not be quite as large as Europe, but it is substantial in size and has miles of highway compared to some European countries.

The administration's foreign policy, again, is unconvincing. If we want to lessen our dependence on OPEC and stand up to Iran and Libya, let us immediately decontrol oil prices, let us increase domestic production, get rid of the windfall profit tax, and get serious about incentives for conservation and the development of alternative energy sources.

The $104 billion tax increase proposed by this administration for fiscal 1981 include taxflation of $18 billion in fiscal 1981; increased social security taxes, $25.4 billion; the windfall profit tax, $14.4 billion; cash management initiatives, $4.3 billion; independent contractors proposed tax, $600 million; foreign tax credit proposed change, $700 million; tax exempt mortgage bonds, if we restrict, $1.1 billion; airport trust fund taxes, $900 million; railroad retirement tax, $300 million; oil and hazardous substances clean up, $200 million; withholding taxes on interest and dividend income, $3.4 billion; oil import fee, $12.6 billion.

That adds up to $81.9 billion in already legislated new taxes by the administration or proposed new taxes by the administration.

Add to that tax increases resulting from real growth and inflation: other excise taxes of $6.7 billion; State and gift taxes of $200 million; custom duties increases of $500 million; miscellaneous receipts of $14 billion. The total is $104.9 billion. That should be enough of an increase in taxes.

One way to reduce that $104.9 billion figure is to vote for the amendment, which would reduce that by $12.5 billion. This figure includes both the import fee and the President's proposed gasoline tax.

I suggest that we are ready to bite the bullet, but not many of us are ready to increase taxes so that we can have a tax cut. We need a tax cut, if we do not take it awav from the working men and women of this country and say, "We are going to take away $10 billion and give you a $10 billion tax cut." I do not think that will be well understood.

I agree, as the Senator from Ohio pointed out, that this is a bipartisan effort. The Senator from Kansas is on the Finance Committee, as is the distinguished Senator from Delaware. Senator Bumpers is on the Energy Committee, and I think the Senator from Ohio also is on that committee. It seems to us that the proposed import fee should be repealed.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. BENTSEN. It is not just a bipartisan effort. It also may be unanimous, from the way the Senator is presenting it. I have a hunch that he is going to go over us like a tide. I do not think many of us will agree to vote for that kind of tax. It is a very unpopular stand to take.

Mr. DOLE. I recall that when President Ford tried to increase the import fee, he was promptly rolled over by Congress at that time, a Democrat Congress. But I suggest that even that action was bipartisan since a lot of Republicans joined in the effort to block President Ford's import fee.

Mr. METZENBAUM. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. METZENBAUM. Mr. President, I commend the Senator from Kansas for his remarks.

I point out that my friend from Massachusetts and my friend from Texas talked about higher taxes as a way of resolving conservation issues. We can argue on that point, but I do not think there can be any difference of opinion on the question of who should impose taxes.

One of the issues before the Senate today has to do with the question of a tax being imposed by the President of the United States, and I emphasize that in the original legislation it does not provide for the President to have that authority. What it does provide is that the President has authority to take such action as necessary in order to keep out imports. That does not mean the same thing as imposing a tax.

I do not believe that Congress ever contemplated that the President would have the authority to impose a tax without Congress having a right to enact it into law. However, what happened was that it did occur on a previous occasion under the Ford administration; and, more recently, the President has seen fit to attempt the same effort. The previous administration withdrew its action before Congress acted on it.

In this instance, the matter is in the courts. The courts already have declared the action of the President unlawful. The matter is before the court on appeal.

However, whether or not there would be a legal basis to do it, I believe it violates all the concepts we ever have had in our Nation's history, and that is the right of any one person, President or anyone else, to impose a tax upon the people of this country.

I say to my friends who think this is right, who think there should be an additional tax, that if they so believe, they should author a bill, bring it to Congress, and let Congress act upon it. But let us not start a policy of having the President of the United States impose a tax upon the people of the country, because once we have opened that door, there is no limit.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. BENTSEN. Would the Senator support such a tax?

Mr. METZENBAUM. The Senator from Ohio would not. But the Senator from Ohio would recognize that that was a much more appropriate way of doing it than to permit the President of the United States to do it, and I do not say that because the President is Jimmy Carter. I would feel the same way regardless of who the President was, whether it was Jerry Ford or X, Y, or Z.

It is a bad precedent, and our vote today should be speaking to that issue as well as to the question of whether or not we approve or disapprove of the 10-cent-a-gallon tax.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. DOLE. Mr. President, will the Senator yield me time to place something in the RECORD?

Mr. ROBERT C. BYRD. I yield 5 minutes to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I have referred to figures on tax increases under the President's revised budget. I ask unanimous consent that the table, with appropriate comments, be printed in the RECORD.

I thank the distinguished majority leader for yielding.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TAX INCREASES FOR FY 1981 UNDER THE PRESIDENT'S REVISED BUDGET

New Taxes:	*Billion*
Taxflation (inflation moving people into higher brackets)	$18.0
Social security tax increases (of this amount, $16 billion is due to changes in law enacted in 1977)	25.4
Windfall profits tax (administration estimate: Joint Committee estimates $18 billion)	14.4
Cash management initiatives	4.3
Independent contractors	0.6
Foreign tax credit	0.7
Tax exempt mortgage bonds (restrict use)	1.1
Airport trust fund taxes	0.9
Railroad retirement tax	0.3
Oil and hazardous substance cleanup	0.2
Withholding on interest	3.4
Oil import fee	12.6
Subtotal	81.9
Effects of real growth and inflation:	
Other excise taxes	*6.7
Estate and gift taxes	*0.2
Customs duties	*0.5
Miscellaneous receipts	**14.0
Total	104.9

*There are no new tax proposals in these areas. These increases in estimated receipts from F.Y. 80 to F.Y. 81 are caused by a combination of inflation and real economic growth.

**This includes general growth in tax revenues from an expanding tax base (economic growth and from inflation). The apparent but illusory "growth" in the economy as inflation raises prices and wages and also increases nominal tax revenues even at the same rates. This is distinct from taxflation, which results from people moving into higher brackets and being taxed at higher rates.

For purposes of the above list, it is assumed that:

(1) Administration receipts proposal (e.g., cash management, import fee) would not take effect before F.Y. 1981; and

(2) Windfall profits tax is measured as though it first took effect in F.Y. 1981.

These assumptions are made to dramatize the real tax increases the administration advocates: otherwise tax increases in F.Y. 1980 would tend to understate the growth in the tax burden caused by Carter administration initiatives. For example, the import fee (and gasoline tax) was projected to collect $3.5 billion in F.Y. 1980 and $12.6 billion in F.Y. 1981. It would understate the tax increase effect of this proposal to say the increase is only $9.1 billion in F.Y. 1981.

Total Federal receipts first reached $100 billion in 1963. This year they will increase by more than that amount.

Mr. ROBERT C. BYRD. Mr. President, there should be no illusions as to what the outcome of this vote will be. As the distinguished Senator from Texas (Mr. BENTSEN) has indicated, it will be overwhelmingly in support of the amendment.

Personally, I would prefer to have seen us wait and let the courts render a decision in regard to this matter. The courts may well have rendered the question moot.

The Senate will reach a decision shortly, and I am assured by the President that he will veto the measure. While I once felt that the effort to sustain the President's veto of such a measure in this body was winnable, I now think it would be a pretty tough thing to do. For reasons which are not exactly associated with this particular subject matter, I have a feeling that it will not be possible to sustain that veto when it comes.

Nevertheless, I think the President is right in imposing the fee. I expect to vote against the amendment that is now before the Senate, and I expect to vote to sustain the President's veto, if and when it comes back to the Senate.

Mr. President, I believe that this country is confronted with one of the greatest potential dangers it ever has faced. Any of us and all of us could awaken one morning to find the headlines of our papers stating that there has been a partial cutoff or a total cutoff of oil from the Persian Gulf.

This country imports about 25 percent of its total oil needs from the Persian Gulf. Other countries, particularly those allies in Europe, import about 50 percent of their oil from the Persian Gulf; and it is my understanding that Japan imports about 90 percent of its oil needs from the Persian Gulf.

An interruption of that supply could occur in any one of many ways. It could occur through an embargo, which we saw happen in 1973. It could occur through instability, the overthrow of a regime, which we saw occur in Iran. It could occur through invasion or by accident or through terrorist acts. I am told that many of those oil pipelines in that area of the world are not underground but, rather, run along the surface of the ground, so it would be a relatively easy matter for an interruption of that oil supply to occur.

I recently read an estimate of the cost to our economy should there be an interruption of the oil supply amounting to 3 million barrels of oil per day. The cost to the economy would be something like $100 billion a year if we suffered a 3 million barrel per day cutoff of oil. If we suffered a total cutoff of oil, I recall reading that the cost to the American economy would be $700 billion a year.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BENTSEN. Mr. President, will the Senator yield for a comment?

Mr. ROBERT C. BYRD. I yield.

Mr. BENTSEN. Mr. President, I wish to say to the distinguished majority leader that on his leadership I congratulate him, even though I think we are going to lose this one by a big margin, but I have seen a lot of leaders and many of them wait for a consensus, trying to figure out where the crowd is going and then get themselves positioned ahead of that crowd.

I do not think anyone will ever accuse the Senator from West Virginia of that on this one.

This is a very unpopular political issue, and I congratulate the majority leader for taking a stand.

I think there is so much at stake for our country. This will not solve all the problems, but I think this will be a plus and be a help.

It is an unpleasant one to have to face, but the majority leader is facing it, and I congratulate him.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Texas (Mr. BENTSEN) with whom I served in the other body before coming to this body. I admire him for his courage, insight and vision, and I congratulate him in turn for the stand he has taken on this amendment.

Mr. President, may we have order in the Senate? It is the duty of the Chair to maintain order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

Mr. President, it is not only possible; in my judgment there is a likelihood that at some point this country and our allies will face a partial cutoff of oil from the Persian Gulf. I hope that eventuality never occurs. But nevertheless we should be prepared for it if it should come.

Mr. President, a cutoff such as I have referred to would be absolutely devastating—devastating to our economy, devastating to the national security of this country and if that headline is ever read there will be a rush in this Congress to take action. But what action can we take when the emergency has hit us?

Mr. President, 10 years ago—in 1970—the cost of oil was something under $3 per barrel. Today, it is $32 or more, and $40 or more on the spot market.

So the cost of oil per barrel has increased over 1,000 percent in 10 years. The total oil bill to this country was $3.7 billion a year in 1970, but today it is roughly $90 billion! And this is like a tax on the American people.

My Constitution tells me that Congress shall have the power to raise taxes.

Mr. President, the American people are being taxed every day, not by Congress, not by their elected representatives, but by the oil-producing countries, and each time those countries meet they raise that tax on oil. That money is going out of the country. It is not being used in this country, and each person in this country is paying something like $400 annually to keep the gasoline in the tanks—$90 billion, 220 million people, $400 per capita.

I know an editor of a newspaper in West Virginia who has a large family. He and his wife, Harry Hamm and Mary, editor of a Wheeling newspaper, have 12 children. That is 14 persons in that family. At $400 apiece, that is $5,600 annually that those people are being taxed not by Congress but by the oil-producing countries. The question boils down to this: Since the price of oil is going to rise anyway, do we want the money—which is equivalent to a tax on the American people—to go to the oil producing countries, or would it not be better to let the U.S. Government have the tax and keep it in this country to be used here?

On June 9, the members of the OPEC cartel will meet in Algiers. I hope that the OPEC countries will be aware that the ability of oil-consuming nations to absorb additional price increases is not endless. Proposed price hikes and production cutbacks could cause chaos in the international oil market. Energy-related inflation coupled with retardation of economic growth in the Western world would be detrimental to OPEC economies as well as our own. Increased international tensions set off by oil supply shortages could have serious consequences for all.

Should the OPEC cartel decide to further increase the price of oil, it will amount to a new tax on American consumers. This tax will not be approved by any of our elected representatives. It will not be challenged in any court. It will not provide funds for our national defense, for mass transit or for tax reductions. It will not fund relief for the poor or elderly. I do not know what the OPEC decision will be, but we can be certain of one thing. Any price increase or production cutback contemplated by Saudi Arabia and other OPEC countries will undercut our fight against inflation and further erode our economic and national security.

The oil import fee proposed by the President is a modest attempt to reduce gasoline consumption—the Nation's greatest energy use problem. Transportation accounts for about 60 percent of all petroleum consumption. It is estimated that 100,000 barrels of oil per day would be saved immediately through the 10-cent-per-gallon surcharge. Some claim that 10 cents is not enough to achieve significant conservation. and I agree with that but failure to affirm the import fee will bring us no closer to the really tough measures which may be needed in the future.

Later this month, the President will travel to Venice to meet with leaders of the major industrialized democracies. One topic on the agenda will be the reduction of our dependence on imported oil. Last year, the United States made commitments to our allies to limit imports to 1977 levels—approximately 8.5 million barrels per day. Conservation induced by higher prices has brought about a reduction in imported oil by 13.8 percent for a comparable period last year. However, while we are buying less OPEC oil, we are paying more for it. No less than $90 billion will be bled from our economy this year alone.

May I say to my dear friend from Tennessee, the minority leader, that is $90 for every minute since Jesus Christ was born.

This amounts to $400 for every man, woman, and child in this country. There is no return on this investment—these are dollars leaving the United States.

We are sending the wrong signals to our trading partners and to OPEC. We are not taking the tough actions that are called for by the $90 billion hemorrhage from our economy. We are not taking the tough actions necessary to demonstrate that we are serious about energy conservation. Rather, we appear to be willing to tolerate the threat to our strategic posture which our continued dependence on foreign oil represents.

Disapproval of the import fee also has implications for a balanced budget and selective tax cuts—productivity tax cuts or a social security withholding tax cut. The Budget Committees in both the Senate and the House assumed that the revenues from the import fee would serve as a cushion in the event the economy turned down, allowing for a social security tax cut or a productivity tax cut if the budget could otherwise be balanced.

The need to reduce our consumption of foreign oil will not be solved by this modest proposal. If anything, disapproval of the import fee may be doing the American people a disservice, if it encourages the belief that sacrifice is not necessary to solve this most urgent national problem. We should not encourage the public to believe that it can be business as usual, when all signs point to the need for extraordinary remedies. We must lead, not follow. if our energy house is to be put in order. We must send our people, our allies and the oil-producing nations the right signal—that America is prepared to take the tough steps to secure our Nation's future.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. DOLE. Mr. President, the distinguished Senator from West Virginia is correct that we are suffering under the price increases imposed by OPEC. Nevertheless, the President's 10-cent tax will do nothing to lower OPEC prices, and indeed it may encourage OPEC to raise its prices. Thus, the average American will have $114 in taxes added to the $400 per year tribute to OPEC.

● Mr. PACKWOOD. Mr. President, today I will vote to block imposition of the oil import fee announced by President Carter on March 14, 1980. Oregonians can ill afford yet another gasoline price increase, either through OPEC price increases or these new Federal gasoline taxes proposed by President Carter.

As energy policy President Carter's proposal makes very little sense. The Congressional Budget Office estimates that the oil import fee would cost Americans $10 billion in 1981. Yet only 70.000 barrels of oil would be saved daily. This means that Americans would pay $390 per barrel for this energy "saving." By 1985, this cost would rise to $525 per barrel, an astronomical price to pay. In contrast, America's dependence on foreign oil can be reduced for less than one-twentieth the cost by developing alternative energy. The best estimates available show that we can develop energy sources such as solar, wind, geothermal and cogeneration at the oil equivalent price of from $4 to $20 per barrel.

Last fall and winter, when Congress was debating the crude oil windfall profit tax bill, President Carter opposed the tax incentives that I and others proposed to help develop these far more cost-effective methods of oil substitution. Congress enacted many of the alternative energy credits despite President Carter's opposition, but I have no doubt that we would be further down the road toward energy independence if the President had taken a more rational position. It is almost beyond comprehension that now, several months after Congress debated cost-effective alternative energy credits, President Carter has come back to the Congress to ask for approval for a gasoline tax that is significantly less cost effective as a method of oil substitution. I find this disappointing and unfortunate.●

● Mr. DURENBERGER. Mr. President, today, the U.S. Senate will join the House of Representatives in blocking the oil import fee that President Carter has proposed. As a cosponsor of Senate Joint Resolution 159, I hope the size of the majority in opposition to the fee will be sufficient to convince the President that increasing taxes is no solution to our economic or energy problems.

President Carter has called this new tax a conservation fee. Those who would impose the fee as a conservation device do not have an understanding of energy conservation. Conservation energy is the most abundant and cheapest source of new energy available to the Nation. There are dozens of conservation practices that could save energy at a cost less than the $30 per barrel that we now pay for imported oil. These practices include tuneups for automobiles, proper tire inflation, insulation for homes, storm windows, cogeneration in the electric power industry. waste heat recirculation, and passive solar design.

The list of cheap conservation and renewable energy technology is quite long, but it does include President Carter's oil import fee. The Department of Energy estimates that the fee would save 100,000 barrels of oil per day at an annual cost of $10 to $12 billion. My back-of-the-envelope mathematics indicates that the cost of the oil import fee as a conservation device is $275 per barrel of oil saved. No one who practiced or sold energy conservation could look the consumer in the eye and advocate that kind of investment. I do not understand how the President could expect to stick the American people with this new tax using the conservation argument as justification.

President Carter has stated that it is better to keep this revenue in the United States than to send it overseas to the OPEC nations. Those who would impose the fee to keep dollars at home have little understanding of even simple economics—100,000 barrels per day in import reductions translates into a 36.5-million-barrel-per-year saving. At $30 per barrel the import fee would reduce our bill for imported oil by $1.095 billion. But that $1 billion saving would cost the consumer $12 billion in higher taxes. Mr. President, how many consumers would prefer to pay $12 in taxes to save $1 in trade payments?

President Carter has stated that the oil import fee is an important part of his anti-inflation effort. Without the fee, he doubts that it is possible to balance the budget. And the balanced budget is the only part of his anti-inflation program that still has a breath of life in it.

Mr. President, those who think we can cure inflation by raising taxes simply do not understand inflation. Raising the cost of a basic necessity does not help the consumer with the high cost of living, even if it does balance the Federal budget. Balancing the budget has only a slight impact on inflation. In fact, balancing the budget would not be sufficient as an anti-inflationary device to offset the inflationary impact of the import fee.

President Carter has stated that without the oil import fee, a tax cut at some later time—presumably in time for the election—will not be possible. Those who would impose the oil import fee today so that we can have a tax cut tomorrow have short memories indeed. In February of this year, a conference committee allocated 60 percent of the biggest tax increase in history for tay reductions. What happened to the billions from the windfall profit tax? Are they available for a tax cut? Were they used for energy conservation and alternative energy resources as the President promised? The answer, of course, is no. The revenues from the windfall profit tax were gobbled up along with billions of dollars in other tax increases to support an ever-expanding Federal budget. Who among us can recall the recent promises on the windfall profit tax and honestly say to his or her colleague that this time, that this new energy tax will be used for wise and needed tax reductions.

President Carter has said that we need this new tax increase to prove to our allies in Europe that we can stand up to Libya and Iran. The exact words of the White House were:

> Our ability to influence OPEC pricing decisions and allied energy conservation efforts, both so vital to our anti-inflation effort—will be all but lost by the Federal Government's failure to follow through on the gasoline fee.

Mr. President, many who have examined the oil import fee and the gasoline tax would argue that these measures are no more than an invitation to the OPEC nations to increase prices even higher, because they demonstrate our willingness to pay even more for oil.

Mr. President, the oil import fee is very simply a tax increase designed to delay the day of reckoning in the Federal budget process. The Democratic Congress and this Democratic President have finally replied to the public's demand for discipline in the Federal Government. The reply has come in the form of a promise for a balanced budget. But even with the promise made, the resolve to deliver wanes. The budget process is near complete collapse. The coming recession threatens a deficit wildly out of control and an election day fast approaches.

Mr. President, I hope no Senator will call this a conservation fee. I hope no one thinks it an effective foreign policy or anti-inflation device. Let those who would impose the oil import fee describe it honestly as a tax increase necessary to support a Federal budget out of control.●

● Mr. PELL. Mr. President, I voted today in support of the oil import fee imposed by the President. This has the effect of imposing a tax of 10 cents per gallon on gasoline, but, under the President's proposal, would have no effect on the price of home heating oil.

I know that a further increase in the cost of gasoline is a painful prospect for everyone. It is particularly painful to the residents of my own State of Rhode Island, who have already established a commendable record of reducing their use of gasoline.

However, further conservation of gasoline is necessary for our national security and our national well-being. Reducing our dependence on imported oil is every bit as important to our national security as is the maintenance of strong military defense forces. The import fee or gasoline tax imposed by the President will substantially reduce gasoline consumption and make possible reductions in our use of imported oil.

Reducing our dependence on imported oil through reduced consumption of gasoline is particularly important to the Northeast and New England. This region uses less gasoline per person than the rest of the Nation, but, on the other hand, is far more dependent on oil for home heating than the rest of the Nation.

Conservation of oil through reduced use of gasoline will help to take the pressure off of home heating oil supplies and help to moderate the costs of home heating oil. In my view, the price and supply of home heating oil is far more important to New England than the prospect of an increase in the tax on gasoline.

It would be wonderful if by a simple act of Congress we could assure plentiful supplies of cheap gasoline and plentiful supplies of cheap home heating oil. But this is a time of difficult choices, and, in my view, the right choice for our Nation and for New England is take the action necessary to reduce the use of gasoline, with the objective of easing the pressure on both the price and supply of home heating oil.

Mr. President, an article in today's edition of the Boston Globe by Richard F. Syron, Deputy Assistant Secretary of the Treasury for Economic Policy, presents cogently the reasons why the oil import fee is in the best interests of our Nation and of New England. I ask that the article be printed in the RECORD.

The article follows:

WHY NEW ENGLAND SHOULD BACK GASOLINE CONSERVATION FEE

(By Richard F. Syron)

On March 14, President Carter announced a $4.62 per barrel fee on imported oil. An entitlement system would channel the full impact to gasoline, increased prices by 10 cents a gallon, but leaving prices of heating oil and other products unaffected.

The fee's merits as part of our national effort to reduce oil imports have been discussed extensively, but less attention has been paid to its regional impact. New Englanders need to recognize that, independent of the fee's importance to national energy policy, it will provide significant benefits to regions such as our that rely heavily on home heating oil.

By reducing gasoline usage nationwide with the attendant lessening of oil imports, the fee will help restore discipline to world oil markets, moderate future OPEC price increases and insure an adequate supply of home heating oil.

As a result of geological accident and the economics of energy transportation, no region relies more heavily on oil as a fuel source than New England. More than 70 percent of all homes in New England heat with oil, compared to about 25 percent nationally. New England manufacturers, utilities and commercial enterprises also rely much more on oil than their competitors nationwide.

The historical reason for New England's heavy reilance on oil is simple. The region has no indigenous sources of energy, and is far distant from most sources of supply. Oil is cheaper to transport on an energy content basis than almost any other form of energy, with the exception of nuclear. While solar and other nonconventional forms of energy may eventually become important, for the next few decades they will be able to supply only a small share of New England's energy. Similarly, because of transporation costs, coal and natural gas will continue to be more expensive in New England than in most other parts of the country. For at least the rest of this century, New England unavoidably will have to rely more on oil than most parts of the country.

New England's reliance on oil has left the region particularly vulnerable to OPEC price increases. For example, as a result of last year's world oil price increases, the share of New England's after-tax household income used to pay for energy rose from 8.3 percent in 1978 to 12.1 percent last December.

The comparable figures for the nation as a whole are 7.9 percent in 1978 and 10.4 percent last December.

Despite the fact that New Englanders spend a larger share of their income on all energy, they actually spend a significantly smaller fraction on gasoline than other parts of the country. However, this saving is dwarfed by much greater use of heating oil.

Thus, the crucial question for New England is what can be done to moderate heating oil price increases and insure adequate supply. The gasoline conservation fee will help bring this about.

The only way it will be possible to install some discipline to world oil markets over the longer run is by reducing consumption. Gasoline usage, not heating oil usage, offers the greatest possibility for bringing this about. Almost 40 percent of all oil in the United States is used for driving. A good share of this driving is discretionary and could be cut back without causing serious economic disruption.

Because gasoline markets are relatively soft now, there has been some concern that refiners would be unable to put all of the fee on gasoline, but would instead try to place some of it on heating oil. However, the economics of the energy market should prevent this from happening. The heating oil market is, if anything, softer than the gasoline market. Stocks are exceptionally high for this time of year.

If we are to retain control of our economic and national security, the United States must reduce its reliance on imported oil. The most direct and effective way of lowering imports is through reduced gasoline usage. Usage can be reduced either through rationing, a tax or the conservation fee. Rationing would cause serious economic dislocations and would be close to impossible to administer. That leaves a gas tax or the conservation fee. A tax would be the preferable route, but until Congress enacts, one we must have the conservation fee in place. To do nothing and continue to tempt fate is an untenable course.

The gasoline conservation fee is a case in which New England's and the nation's interest clearly coincide. The fee is a modest but important step toward reduced reliance on imported oil, a national priority and a regional necessity.●

● Mr. LEVIN. Mr. President, I reluctantly must vote for this amendment. I am reluctant to do so because I do not want people to interpret either my vote or the vote of the Senate as a vote against efforts to conserve energy or deal with the serious problems currently created by our extensive reliance on imported oil.

But despite that reservation, I will vote for the amendment because I believe the specific mechanism the President has selected in this import fee is inappropriate, ineffective, and ultimately imposes too great a cost in terms of threatening our ability to meet other pressing national needs.

I believe it is an inappropriate mechanism for the reasons stated by the court in their decision holding that the President did not have the authority to impose what is, in essence, a tax. I recognize that this issue is still before the courts, but through my vote I am expressing my belief that the President's exercise of power in this area was improper.

I believe it is an ineffective mechanism because it will not significantly reduce our consumption—an estimate decline of a 100,000 barrels a day the first year and up to 250,000 barrels a day within 3 years. While those figures may appear impressive, they are achieved only through significant price increases—and an on balance assessment indicates that the cost is far greater than the benefit.

Finally, I believe it is a mechanism which threatens our ability to meet other social goals. The tax would be regressive, falling most heavily on those least able to afford it. The tax would increase inflation and probably require a further tightening of the monetary and fiscal policies which have pushed us into a recession now.

Mr. President, the goal which this tax seeks to advance is in the highest national interest. But the mechanism which this tax represents is simply not the way to achieve that goal. I fully recognize our need to take action toward achieving the goal of reduced consumption and reduced reliance on imported energy. I have concluded, however, that our need to take action toward that goal does not mean that we need this specific fee and I consequently support this amendment to negate it.●

Mr. JAVITS. Mr. President, the oil import fee proposed by the President for the purpose of restricting oil imports is unwise because I believe it is a regressive tax which will not reduce oil consumption significantly but which will accelerate inflation in a major element of the cost of living, the price of which has risen already very greatly.

The administration has presented analyses indicating that a 10-cent increase in the price of gasoline would reduce consumption 100,000 barrels a day or about 0.015 of our consumption. But these estimates are derived from computer models which estimated what 10 cents more would do to consumption back in the long-gone days when gasoline was half its present price. Thus the elasticity, or consumption-reduction impact, is grossly overstated.

The American people have already felt the painful impact of high gasoline prices and they have responded by making genuine reductions. Gasoline consumption is 8 to 10 percent lower now than a year ago. There is only so much change possible in any given short period of time. Mass transit services must increase, carpooling must increase, and other reductions in use must be made and more gas-efficient cars must be exchanged for the current, gas-guzzling fleet.

Of course, continued price rises could force more reductions in gasoline use and even a 50-cents-a-gallon tax has been suggested.

But I oppose a 50-cent tax as I oppose a 10-cent tax. Multiplying the $10 billion cost of a 10-cent tax manifested throughout the economy would be very inflationary and exacerbate our economic woes. A $50 billion, 50-cents-per-gallon tax, would be that much more onerous.

And the heaviest burden of these nongraduated taxes fall on poor and low-income workers' families, those already most afflicted by inflation and recession. Indeed, if the subpenaed Department of Energy analyses recently released by the House Committee on Commerce are correct, gasoline taxes would prompt increases in home heating oil and diesel fuel which would, in their turn, intensify the predictable painful economic impact.

Not only is this proposal ineffective at saving energy, inflationary and inequitable but it also tends to distract the Nation from the most promising short-term measures to counter the threat from the OPEC cartel, namely, mandatory conservation measures. By restricting nonessential uses of motor fuel, so that every American regardless of wealth has access to a share of our limited domestic gasoline supply, by limiting heating, cooling and lighting, and by requiring State conservation plans to set energy reduction targets appropriate to local conditions, we can do far better than by following our current program of "rationing" by high prices.

Mr. President, no public official has any greater concern than I for the dangerous international position in which our dependence on Persian Gulf oil places our Nation. But voting for this tax would be the wrong response both to our energy and our fiscal problems.

Mr. THURMOND. Mr. President, I rise to express my concern and my strong opposition to President Carter's proposed oil import fee which would add another 10 cents per gallon to the cost of gasoline. I believe that the imposition of this fee is unnecessary and ill advised.

Mr. President, it is argued that President Carter has the authority to impose such a fee under the Trade Expansion Act of 1962, as amended. We are also told that it is critically important to further reduce our daily consumption of foreign oil. I agree with the second concept that we must stand up to the OPEC countries by demonstrating our determination to reduce our ongoing need for foreign oil, but I do not agree that this import fee is an effective means of accomplishing this goal.

Mr. President, my concerns are twofold: First, the modest reduction in consumption which might be achieved through this additional tax on gasoline would be accomplished through the imposition of an inequitable, extremely harsh burden on those Americans who are required to commute to their places of employment. In other words, this fee would hurt the working people the most, particularly those in rural areas who have to drive considerable distances to work and/or to purchase necessities.

Second, and of equal importance, I am opposed to the imposition of this fee as a method of raising revenues to balance the budget, rather than balancing the budget by curtailing domestic social programs. Mr. President, we should not kid ourselves, because we certainly are not fooling the American people. The real reason President Carter wants this gasoline tax is to generate another $10-plus billion that he can spend on social-welfare programs whose constituencies he is counting on to get him reelected. In point of fact, Mr. President, the vast majority of Americans want less Federal spending, not more, and they want the budget to be balanced without imposing an intolerable tax burden on them.

This proposed fee will not significantly enhance our effort to reduce domestic consumption, will do nothing to increase domestic production, and will put an unnecessary burden on the working people at a time when they already are facing severe financial problems due to the gross mismanagement of the Nation's economy by the Carter administration. I urge my colleagues to reject this proposed fee.

Mr. ROBERT C. BYRD. Mr. President, does any Senator wish me to yield time?

SEVERAL SENATORS: Vote!

Mr. ROBERT C. BYRD. Mr. President, I yield back the time.

Mr. President, I ask for the yeas and nays on the amendment.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce

that the Senator from Montana (Mr. Baucus), the Senator from Delaware (Mr. Biden), the Senator from California (Mr. Cranston), the Senator from Kentucky (Mr. Huddleston), the Senator from Massachusetts (Mr. Kennedy), the Senator from South Dakota (Mr. McGovern), the Senator from North Carolina (Mr. Morgan), and the Senator from New York (Mr. Moynihan) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. Baucus) and the Senator from North Carolina (Mr. Morgan) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. Cochran), the Senator from Idaho (Mr. McClure), and the Senator from South Dakota (Mr. Pressler) are necessary absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. McClure) would vote "yea."

The PRESIDING OFFICER. Are there other Senators desiring to vote?

The result was announced—yeas 73, nays 16, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—73

Armstrong
Baker
Bayh
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Chafee
Church
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Melcher
Metzenbaum
Mitchell
Nelson
Packwood
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—16

Bellmon
Bentsen
Bradley
Byrd, Robert C.
Chiles
Hart
Inouye
Matsunaga
Nunn
Pell
Percy
Ribicoff
Stevenson
Tsongas
Weicker
Williams

NOT VOTING—11

Baucus
Biden
Cochran
Cranston
Huddleston
Kennedy
McClure
McGovern
Morgan
Moynihan
Pressler

So Mr. Dole's amendment (UP No. 1124) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. Baucus), the Senator from Delaware (Mr. Biden), the Senator from California (Mr. Cranston), the Senator from Alaska (Mr. Gravel), the Senator from Kentucky (Mr. Huddleston), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from South Dakota (Mr. McGovern), the Senator from North Carolina (Mr. Morgan), and the Senator from New York (Mr. Moynihan) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. Cochran), the Senator from Idaho (Mr. McClure), and the Senator from South Dakota (Mr. Pressler) are necessarily absent.

The PRESIDING OFFICER. Does any other Senator desire to vote?

The result was announced—yeas 67, nays 20, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—67

Baker
Bayh
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Culver
Danforth
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heinz
Hollings
Inouye
Jackson
Javits
Kassebaum
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Nelson
Packwood
Pell
Percy
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tsongas
Warner
Weicker
Williams
Young

NAYS—20

Armstrong
Bellmon
DeConcini
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Laxalt
Nunn
Proxmire
Ribicoff
Simpson
Tower
Wallop
Zorinsky

NOT VOTING—13

Baucus
Biden
Cochran
Cranston
Gravel
Huddleston
Johnston
Kennedy
McClure
McGovern
Morgan
Moynihan
Pressler

So the bill (H.R. 7428), as amended, was passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

AGREEMENT FOR COOPERATION BETWEEN THE UNITED STATES AND THE KINGDOM OF MOROCCO CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT—PM 212

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123d of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(d)), the text of the proposed Agreement Between the United States and the Kingdom of Morocco Concerning Peaceful Uses of Nuclear Energy, together with an accompanying agreed minute, my written approval, authorization and determination concerning the agreement, and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views of the Director of the United States Arms Control and Disarmament Agency and of the Members of the Nuclear Regulatory Commission are also enclosed.

The Nuclear Non-Proliferation Act of 1978, which I signed into law on March 10, 1978, establishes certain requirements for new agreements for cooperation. In my judgment, the proposed agreement for cooperation between the United States and the Kingdom of Morocco, together with its agreed minute, meets all statutory requirements.

The Kingdom of Morocco is a strong supporter of the Non-Proliferation Treaty, having ratified it on November 27, 1970, and of international non-proliferation efforts generally. The proposed agreement reflects the desire of the Government of the United States and the Government of the Kingdom of Morocco to begin peaceful nuclear cooperation in a manner that recognizes both the shared non-proliferation objectives and the generally close relationship between our two countries. The proposed agreement will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give it favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *June 4, 1980.*

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on June 3, 1980, he had approved and signed the following act:

S. 662. An act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

MESSAGES FROM THE HOUSE

At 1:14 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 2698) to provide authorizations for the Small Business Administration, and for other purposes, with amendments; that the House insists upon its amendments to the bill and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SMITH of Iowa, Mr. ST GERMAIN, Mr. NOLAN, Mr. ICHORD, Mr. EVANS of Georgia, Mr. BARNARD, Mr. LEACH of Louisiana, Mr. HALL of Ohio, Mr. MCDADE, Mr. MARRIOTT, Mr. ROTH, and Mr. BETHUNE were appointed as managers of the conference on the part of the House.

The message also announced that the House has passed the following bills, without amendment:

S. 2517. An act to rename certain buildings of the Library of Congress; and

S. 2666. An act to authorize appropriations for the International Natural Rubber Agreement for fiscal year 1981.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 118. An act to require that the announcement by the Secretary of Agriculture with respect to a set-aside of cropland under the wheat and feed grains program be made no later than August 1 and November 1 of each year, respectively, for crops harvested in the next calendar year;

H.R. 7302. An act to amend section 1719 of title 4, United States Code, to transfer to the Superintendent of Documents the function of distributing Government publications to certain foreign governments; and

H.R. 7340. An act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

At 3:20 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the following bill, without amendment:

S. 1786. An act to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act.

The message also announced that the House has passed the following bills, each with amendments, in which it requests the concurrence of the Senate:

S. 261. An act to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes;

S. 2475. An act to amend title V of the Motor Vehicle Information and Cost Savings Act, "Improving Automotive Efficiency", to exempt very low volume automobile manufacturers from certain requirements of the Act, to encourage increase of the domestic value added content in labor and materials of foreign automobiles sold in the United States, to extend the time available to all manufacturers for carry forward or carry back of credits earned under the Act, and for other purposes; and

S. 2549. An act to authorize appropriations for fiscal years 1981, 1982, and 1983 to carry out the Atlantic Tuna Convention Act of 1975.

At 5:52 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 7428. An act to extend the present public debt limit through June 30, 1980; and

H.J. Res. 531. Joint resolution disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 118. An act to require that the announcement by the Secretary of Agriculture with respect to a set-aside of cropland under the wheat and feed grains program be made no later than August 1 and November 1 of each year, respectively, for crops harvested in the next calendar year; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 7302. An act to amend section 1719 of title 4, United States Code, to transfer to the Superintendent of Documents the function of distributing Government publications to certain foreign governments; to the Committee on Rules and Administration.

H.R. 7340. An act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

HOUSE JOINT RESOLUTION PLACED ON THE CALENDAR

The following joint resolution was read by title and placed on the calendar:

H.J. Res. 531. Joint resolution disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline.

SENATE BILL REFERRED

The following bill, which was introduced on May 29, 1980, and ordered held at the desk by unanimous consent, was read twice by title and referred as indicated:

S. 2773. A bill to establish a national export policy for the United States; to the Committee on Banking, Housing, and Urban Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers; reports, and documents, which were referred as indicated:

EC-3926. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, a certified copy of the court's opinion of May 14, 1980, in The Yankton Sioux Tribe v. The United States, No. 332-D, pursuant to which judgment was entered for the Yankton Sioux Tribe in the sum of $720,615.89; to the Committee on Appropriations.

EC-3927. A communication from the Comptroller of the United States, transmitting, pursuant to law, a report entitled "Military Standard on Work Measurement—A Way to Control Cost and Increase Productivity," June 3, 1980; to the Committee on Armed Services.

EC-3928. A communication from the Assistant Secretary for Research, Development, and Logistics, Department of the Air Force; reporting, pursuant to law, that a study has been conducted with respect to converting the food services mess attendant function at Seymour Johnson Air Force Base, North Carolina, and a decision has been made that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-3929. A communication from the Secretary of Commerce, transmitting, pursuant to law, restrictions on Olympic exports to the Soviet Union; to the Committee on Banking, Housing, and Urban Affairs.

EC-3930. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to give effect to the Protocol Amending the Convention for the preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington on March 29, 1979; to the Committee on Commerce, Science, and Transportation.

EC-3931. A communication from the General Counsel, Department of Commerce, reporting relative to legislation to extend the authorization for appropriations for Title III of the Marine Protection, Research, and Sanctuaries Act, now pending before Congress; to the Committee on Commerce, Science, and Transportation.

EC-3932. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "EPA Should Help Small Communities Cope With Federal Pollution Control Requirements," May 30, 1980; to the Committee on Environment and Public Works.

EC-3933. A communication from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting, pursuant to law, a report entitled "Citizen Participation in the American Federal System"; to the Committee on Finance.

EC-3934. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on the state of the finances of the United States Government for the fiscal year ended September 30, 1979; to the Committee on Finance.

EC-3935. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Foreign Direct Investment in the United States—The Federal Role," June 3, 1980; to the Committee on Foreign Relations.

EC-3936. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, agreements to help maintain peace, security, and stability in the Western Pacific; to the Committee on Foreign Relations.

EC-3937. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days of the execution thereof; to the Committee on Foreign Relations.

EC-3938. A communication from the Secretary of Labor, transmitting pursuant to law, the semi-annual report of the Inspector General for the period between October 1, 1979 and March 31, 1980; to the Committee on Governmental Affairs.

EC-3939. A communication from the Secretary of Transportation, transmitting pursuant to law, the semi-annual report of operations of the Department's Office of Inspector General, covering the period October 1, 1979 through March 31, 1980; to the Committee on Governmental Affairs.

EC-3940. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the semiannual report on the activities of the audit, inspection, and investigative units of the Department of Defense for the 6 month period ended March 31, 1980; to the Committee on Governmental Affairs.

EC-3941. A communication from the Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-3942. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the number of full-time permanent employees hired and promoted between October 1 and December 31, 1980; to the Committee on Governmental Affairs.

EC-3943. A communication from the Secretary of State, transmitting, pursuant to law, a report of certain allegations by an employee of the New York Passport Agency concerning the passport fraud program of the Department's Office of Passport Services; to the Committee on Governmental Affairs.

EC-3944. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the semiannual report on the activities of the Office of Inspector General, Department of Housing and Urban Development, for the period October 1, 1979 to March 31, 1980; to the Committee on Governmental Affairs.

EC-3945. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3946. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a summary of the study to determine the long-term effects of child development on various levels of lead in blood; to the Committee on Labor and Human Resources.

EC-3947. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "The Condition of Education, 1980 Edition"; to the Committee on Labor and Human Resources.

EC-3948. A communication from the Deputy Administrator of the Veterans Administration, transmitting, pursuant to law, a study of the disability compensation awarded to, and health care needs of, veterans who are former prisoners of war; to the Committee on Veterans' Affairs.

EC-3949. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the comments of the General Accounting Office on the seventh special message of the President for fiscal year 1980; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Governmental Affairs, the Committee on Labor and Human Resources, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on Foreign Relations, the Select Committee on Small Business, the Committee on Armed Services, and the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

S. Res. 451. An original resolution waiving section 402(a) of the Congressional Budget Act with respect to S. 1639. Referred to the Committee on the Budget.

S. Res. 452. An original resolution waiving section 402(a) of the Congressional Budget Act with respect to S. 2724. Referred to the Committee on the Budget.

By Mr. HOLLINGS, from the Committee on the Budget, without amendment:

S. Res. 440. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2443.

S. Res. 441. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 5892.

By Mr. RIBICOFF, from the Committee on Governmental Affairs, without amendment:

S. 2419. A bill to protect the confidentiality of shippers' export declarations, and to standardize export data submission and disclosure requirements (Rept. No. 96-796).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

John S. Hassell, Jr., of Georgia, to be Administrator of the Federal Highway Administration.

(The above nomination from the Committee on Environment and Public Works was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Henry Bowen Frazier III, of Virginia, to be a Member of the Federal Labor Relations Authority.

(The above nomination from the Committee on Governmental Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WALLOP (for himself and Mr. GARN):

S. 2783. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain shale oil property as energy property for purposes of the energy investment credit; to the Committee on Finance.

By Mr. GRAVEL:

S. 2784. A bill to amend the Crude Oil Windfall Profit Tax Act of 1980 with respect to the effective date for changes in the investment credit relating to coke ovens; to the Committee on Finance.

By Mr. MELCHER:

S. 2785. A bill to limit the interest rates charged under certain farm credit loan programs administered by the Secretary of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RANDOLPH (for himself and Mr. ROBERT C. BYRD):

S. 2786. A bill for the relief of Herbert J. Thomas Memorial Hospital; to the Committee on the Judiciary.

By Mr. BOSCHWITZ:

S. 2787. A bill for the relief of Bing Tao San; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 2788. A bill to require the disclosure of information relating to reports prepared for executive agencies by experts or consultants; to the Committee on Governmental Affairs.

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. NELSON, Mr. METZENBAUM, and Mr. LEAHY):

S. 2789. A bill to amend the Farm Labor Contractor Registration Act of 1963; to the Committee on Labor and Human Resources.

By Mr. INOUYE:

S. 2790. A bill to limit the amount that may be obligated by any agency of the Federal Government for contracts in the last three months of any fiscal year; to the Committee on Governmental Affairs.

By Mr. JACKSON (for himself, Mr. MORGAN, and Mr. GOLDWATER) (by request):

S.J. Res. 180. Joint resolution to provide for the reappointment of William A. M. Burden as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

S.J. Res. 181. Joint resolution to provide for the reappointment of Murray Gell-Mann as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

By Mr. INOUYE:

S.J. Res. 182. Joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself and Mr. GARN):

S. 2783. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain shale oil property as energy property for purposes of the energy investment credit; to the Committee on Finance.

OIL SHALE TAX CREDIT

● Mr. WALLOP. Mr. President, today I am introducing legislation to broaden the definition of oil shale property eligible for the 10-percent energy investment tax credit. This legislation would allow shale oil equipment used in the hydrogenation or similar upgrading processes to be eligible for the 10-percent energy investment tax credit. This broadened definition of oil shale property is needed so that oil shale investments will receive full incentives from the Energy Tax Act of 1978, and receive equal treatment as compared to other alternative fuels.

Mr. President, oil shale is one of the few alternative fuels that can play a significant role in increasing domestic energy supplies over the decade. While technologies for other synthetic fuels are still on the drawing board, oil shale technologies are on the verge of going to commercial production in the next few years.

Under the import reduction program, oil shale is to supply 400,000 barrels of production per day by 1990. Less than one-fourth of the feasible shale oil properties have been leased by the Federal Government, but the Department of Energy estimates that if all known shale properties under consideration were brought into development, production from shale oil could exceed 850,000 barrels per day by 1990.

Once oil shale production is begun, it promises a long future of secure domestic energy supplies. Mr. President, it is estimated that 600 billion barrels of oil are recoverable from the oil shale deposits of Colorado, Utah, and Wyoming. When this is compared to the 6.8 billion barrels of oil presently consumed annually in the United States, it can be seen that oil shale can help meet our energy needs well into the next century.

Mr. President, these optimistic projections of the role oil shale can play in our energy future will not change our energy situation until we provide the incentives required to get the oil shale industry into commercial production. This legislation will help provide needed incentives for the development of oil shale by giving oil shale property the full incentive originally intended under the Energy Tax Act of 1978.

The Energy Tax Act was enacted at the end of the 95th Congress to encourage new technologies and provide domestic energy alternatives to oil and gas. While the intent of the law was correct, the limitation placed on certain categories of expenditures have denied needed incentives to oil shale technologies and created inequities in tax treatment between various alternative fuels.

Specifically, the definition of "oil shale equipment" under section 48(l) (7) of the Internal Revenue Code is very limited. The definition excludes expenditures for equipment necessary to upgrade and treat shale oil before it can be refined. Many people may not realize that oil shale is a sedimentary rock containing a complex hydrocarbon known as kerogen.

The kerogen is removed from the rock, primarily through heating at very high temperatures. At that stage of the process kerogen is still unsuitable for direct use or immediate and direct processing in a refinery.

In fact, kerogen is such a thick, tarlike substance that it cannot be put into pipelines or refined until it is further treated on the shale oil site.

This treatment, commonly called hydrogenation, removes the impurities from the shale oil and makes it flow more easily prior to refining.

This upgrading process requires a large investment in equipment and property adding several dollars to the cost of a barrel of shale oil.

The prohibition on the use of the energy credit for such oil shale expenditures is not within the intent of the Energy Tax Act nor the treatment given for other alternative fuels. By comparison, a much larger percentage of expenditures for projects in coal gasification, liquefaction, solar, ocean thermal, wind, and biomass will qualify for the extra energy percentage.

There is no reason to provide full credit to synthetic fuels such as coal gasification or liquefaction, and deny incentives to the one alternative fuel that has potential of being commercially produced in meaningful quantities in this decade. This results in a substantial inequity for expenditures for shale oil. There is no logical policy reason to penalize oil shale production. On the contrary, a broad definition of oil shale property should be adopted so that expenditures made on an oil shale site to produce oil from shale rock will get the full benefit of the Energy Tax Act of 1978.

Mr. President, by broadening the definition of shale oil property, equipment used in hydrogenation or similar upgrading processes subsequent to retorting would be eligible for the 10-percent energy investment credit. It should be made clear that this legislation does not expand the definition of property to cover equipment used in refining shale oil.

The bill would have no budget impact or revenue loss until the mid 1980's. This is because the expeditures for upgrading facilities will normally come toward the end of the building of a shale oil facility. In the meantime, the credit for such property gives certainty and stability in planning long leadtime projects that must compete economically with conventional oil and gas fuels.

Mr. President, this legislation would carry out the intent of existing law and remove the inequity for expenditures for oil shale projects. The energy crisis in this country dictates that full tax benefits be given to the development of oil shale when that resource is one of the most promising near-term alternatives to foreign oil.

I urge my colleagues to act quickly to pass this needed legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2783

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF CERTAIN SHALE OIL PROPERTY AS ENERGY PROPERTY.

(a) IN GENERAL.—Paragraph (7) of section 48(l) of the Internal Revenue Code of 1954 (relating to energy property) is amended to read as follows:

"(7) SHALE OIL PROPERTY.—The term 'shale oil property' means property used in the production or extraction of oil from oil-bearing shale rock, including property used for hydrogenation (or for a similar process subsequent to retorting), but not including property used for refining.".

(b) CONFORMING AMENDMENT.—Clause (v) of section 48(l) (2) (A) of such Code (relating to definition of energy property) is amended by striking out "equipment" and inserting in lieu thereof "property".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply to periods after December 31, 1980, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.●

By Mr. GRAVEL:

S. 2784. A bill to amend the Crude Oil Windfall Profit Tax Act of 1980 with respect to the effective date for changes in the investment credit relating to coke ovens; to the Committee on Finance.

● Mr. GRAVEL. Mr. President, the Energy Tax Act of 1978 provided an additional 10 percent energy investment credit for investments in certain property which the Congress felt would reduce the reliance of the United States on imported oil and encourage conservation of existing supplies. The amount of the credit is generally 10 percent of a taxpayer's cost in acquiring or constructing eligible property, and the credits are used to offset the taxpayer's income tax liability. Qualifying energy property generally includes equipment which utilizes certain energy resources other than oil or natural gas or a product of oil or natural gas. Specifically, energy property included boilers, burners, and related fuel handling and pollution control equipment to burn substances (such as coal, wood, agricultural and municipal waste, and biomass) other than oil or natural gas (or their products) or to convert these alternate substances into a synthetic fuel. Equipment which uses coal as a feedstock for the manufacture of chemicals or other products (other than coke or coke gas) and equipment that modifies existing equipment to use an alternate substance as at least 25 percent of a fuel or feedstock also was eligible for the energy credit.

Property, under the energy investment credit in the Energy Tax Act of 1978, excluded coke producing equipment. As a result coke producing equipment was not eligible for the energy investment credit even though it produces gas used industrially as a substitute for oil and natural gas. This error was corrected by a Senate amendment to the Crude Oil

Windfall Profit Tax Act. The Windfall Profits Act includes coke ovens as "property" for purposes of the energy investment credit. However, in amending the Energy Tax Act of 1978 to include a credit for coke ovens the Windfall Profit Tax Act provided for an effective date of December 31, 1979, the effective date of the Windfall Profit Tax Act.

The effective date of the coke oven amendment to the Windfall Profit Tax Act means that those companies which undertook rehabilitation and construction of new coking facilities prior to December 31, 1979, are ineligible for the energy tax credit, while those who waited will receive the credit. This appears to be rewarding those who delayed while penalizing those who undertook conduct beneficial to us. This is an unfortunate result of the failure of the Windfall Profit Tax Act to extend the effective date for the coke oven amendment back to the effective date of the Energy Tax Act of 1978. To rectify this problem I am introducing legislation which makes the effective date of the "coke oven" amendments to the Windfall Profit Tax Act, September 30, 1978, the effective date of the Energy Tax Act. I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (j) of section 222 of the Crude Oil Windfall Profit Tax Act of 1980 (relating to effective dates) is amended—

(1) by striking out "paragraph (2)" in paragraph (1) and inserting in lieu thereof "paragraphs (2) and (3)", and

(2) by adding at the end thereof the following new paragraph:

"(3) Coke ovens.—The amendments made by paragraphs (1) and (2) of subsection (b) shall apply to periods after September 30, 1978, under rules similar to the rules of section 48(m) of such Code.".●

By Mr. INOUYE:

S. 2788. A bill to require the disclosure of information relating to reports prepared for executive agencies by experts or consultants; to the Committee on Governmental Affairs.

FEDERAL REPORTS AUTHORSHIP DISCLOSURE ACT OF 1980

● Mr. INOUYE. Mr. President, as part of our continuing efforts to provide a more open government, we have enacted laws for Freedom of Information, Government in the Sunshine, campaign finance disclosure, and established the Federal Elections Commission. We have in recent years passed various disclosure laws.

Today, I introduce a disclosure bill which affects us in many ways as both Members of Congress and American citizens.

Many of the decisions we make and the opinions we form are based upon studies we read, produced by the Federal Government. We assume that a report issued by a Government agency represents the collective wisdom of the career officers in that agency who have developed considerable expertise in the execution of their work.

Unfortunately, sometimes this is not the case. These Government officials are often too busy to devote time to research and writing. Instead, outside consultants and experts are hired to prepare studies which are subsequently released for public consumption. I believe that all Government reports, like medicine and foods, should be labeled so that we, in Congress and the American public, can have an opportunity to know what we are going to digest before we swallow it.

The purpose of this bill is to make every Government agency that issues a report, be it a study, plan, evaluation, manual, presentation, publication or other document, state who actually prepared it if it was not prepared by personnel of that agency. In this way, the consumers of information will have a better idea of the real source of Government-disseminated information.

In addition, the bill calls for disclosure of the amount of the contract and the names of the principal experts or consultants who worked on the report. Too often, some agencies have permitted travesties in funding contracts far beyond the value of the report to be produced.

If each report contracted by a Government agency had to disclose how much it cost, much abuse might be avoided. I am sure that many agencies would think twice about okaying contracts if the subsequent reports were to state the cost of the contract.

The bill will force disclosure of the type of bidding used to let the contracts. Too often sweetheart deals are permitted, because of the supposed sole-source competence of one firm. Too often cost-plus contracts allow a supposedly lowest-cost bidder to escalate the final price far beyond their competitors' original bids. Publishing the type of contracting used in each report will permit the public and the competition to be aware of what contracting procedures were used and allow them to challenge any inequities they perceive. Finally, this bill will require that copies of all such reports be deposited with the General Accounting Office.

Mr. President, this bill is one more measure, like those we have enacted in recent years, to make our Government more open and more deserving of the faith the American people have entrusted to us. In itself, it will not dramatically change the nature of Government operations, but it will be one more step in our continuing efforts to make our Government more open and responsive to the American people.

To further exemplify the attributes of the bill that I am introducing today, I would like to call your attention to an article recently published in the spring, 1980, edition of Management entitled "An Interview with U.S. Senator Pryor—Are Anonymous Consultants Establishing Federal Policy?" As my distinguished colleague so eloquently states:

> It is time . . . to bring some sunshine into the consulting business arrangements with government via being able to identify who the consultants are, how they got these contracts, who signed off on each one, for what reason it was given, and whether it was sole source or competitive.

The article illustrates the dangerous implications involved in contracting out with little or no accountability assumed by the consultants performing the work. As a result, I ask unanimous consent for printing of the text of the bill and of the article in the Record.

There being no objection, the bill and article were ordered to be printed in the Record, as follows:

S. 2788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Reports Authorship Disclosure Act of 1977".

Sec. 2. (a) For the purposes of this Act, the term—

(1) "agency" means any authority in the executive branch of the Government of the United States;

(2) "expert or consultant" means any individual who is not an official, officer, or employee of the United States Government or any organization consisting of two or more such individuals; and

(3) "report" means a study, plan, evaluation, manual, presentation or other document which is prepared by an expert or consultant pursuant to a contract or purchase order with an agency, and which is submitted (A) to such agency, or (B) on behalf of such agency, to any other authority of the United States Government.

(b) Any document which is published, distributed, or transmitted by any agency and which consists of, in whole or in part, information or other matter derived from any report which was submitted to such agency pursuant to a contract beween any agency and an expert or consultant which was initially awarded for the preparation of that document, shall include on the title page or the next consecutive page—

(1) the names of the principal experts or consultants who prepared or contributed to such report;

(2) the duration and the beginning and closing dates, if available, of the contract pursuant to which such report was prepared;

(3) the total amount to be paid by such agency under such contract;

(4) the name of the agency to which such report was submitted and the name of the officer or employee who awarded such contract; and

(5) the type of procurement which was used prior to the award of any such contract.

(6) a copy of each such document shall be supplied to the General Accounting Office not later than 10 days after the date of issue of such document. Each document shall be recorded in order of receipt by the General Accounting Office and maintained by said Office for a period of five years following its date of issue.

AN INTERVIEW WITH U.S. SENATOR DAVID PRYOR

Q. You have served as a State Representative, Congressman, Governor and Senator since you were first elected to public office in 1960. How has government changed in that time?

A. Obviously, it has become much more complex. That trend, of course, began long before I was elected, began at least 30 years ago. Congress has delegated an enormous amount of its power to regulatory and administrative agencies. For the most part, that is both understandable and acceptable. But the agencies have, in turn, passed that authority on to consulting firms which are, to a very great degree, beyond accountability. Far from the people or their elected representatives, decisions are being made which affect the lives of our citizens. That is a dangerous trend, an undemocratic one, and I think it may even be an unconstitutional one.

Q. Could you be specific? Could you give me an example of what you find troubling?

A. Sure. All of us are immensely concerned with the cost of government regulations. The Senate Committee on Governmental Affairs, in considering regulatory reform legislation, has mandated analysis and impact statements on the cost/benefit ratio of regulations. What happens? Instead of making the analysis in house, agencies turn to outside consultants, often on sole source contracts. As a Senator, I don't want the views of some anonymous consultant. The theory that judgements made "out there" are more objective is false.

There are serious potential, if not actual, problems of conflict of interest as unaccountable outsiders begin to make basic decisions for us. The decision on whether a regulation is too costly or not is not a decision to be left to a kind of shadow government that is neither elected nor appointed. I repeat: it is a very dangerous trend.

Contracting out has another debilitating consequence. Because it is a lucrative business, private firms can recruit government career employees because of higher salaries.

Q. Is that a real problem?

A. Sure it is. Contractors have the ability to pay more money and offer other inducements. They attract some of our more able people, leaving government less able to do what Congress has mandated because we've lost that manpower. The agency then says, "Look, we don't have the proper manpower to do what you ask. We need money to go outside."

That just doesn't make sense. We are creating an insatiable monster that is devouring our own people. As a result, we are already to the point where we are mandating regulatory reform responsibilities to agencies knowing full well that they may not have the expertise left to do the job.

But we haven't reached a point of no return. I think we can, and must, do these jobs within government. We can do it at less expense and more efficiently and responsibly. We still have the opportunity to save ourselves if we act, instead of just accepting the inevitability of contracting out.

Q. How big do you think the contracting out business and bureaucracy is?

A. No one knows precisely. I don't. Our committee doesn't. We all have tried to find out. Even the President doesn't know, and he has been possibly the first President to really try to get a handle on it. During his first month or two in office, he directed the Office of Management and Budget to report on the number of contracts, how much and with whom. There are billions of dollars of contracts out there, and in three years of trying hard, OMB has not been able to come up with a complete list. It is so institutionalized—beyond party or administration. It's incredible. We are shooting in the dark when we try to question what's going on.

Q. Is there something that should be done, that will be done?

A. Well, I'm trying . . . by oversight, by statute . . . to bring some sunshine into the consulting business arrangements with governments. I want us to be able to identify who the consultants are, how they got their contracts, who signed on each one, for what reason it was given and whether it was sole source or competitive. Demanding that kind of information on each contract would be a huge first step into the sunshine.

Q. Are you saying that all the money spent on consultants' contracts is wasted?

A. No. Some of it is useful. Some of it is even necessary. But, as I've said, nobody knows. GAO has analyzed the results and says that in one department, the Department of Defense, almost 40 percent of the results are never looked at and obviously, therefore, never used.

Beyond that, many more contracts should never be let because the subject has already been studied, either in another part of the same agency, or in another agency. The system goes on its inefficient and expensive way because everything is so fuzzy. We don't have a clearing house on proposed contracts to match what is proposed with what is available or being done elsewhere. Who knows what wisdom is covered with dust on some shelf? If we eliminated duplication and the 40 percent nobody reads, we could probably save half of what we spend on consulting contracts.

Q. Would you have a single clearing house? One for each agency?

A. Well, I started out with the idea of one clearing house for the entire Federal government, but I think that is probably too unwieldy and not the way to begin. I would now start with one for each department. And I'd make them report to Congress annually.

Q. Are there some agencies worse than others?

A. The answer is yes, but I really don't want to point fingers at anyone, where they don't have a chance to respond. In any case, it is a government-wide problem. I would guess that some agencies farm out half their professional work to consultants. They become great big laundries . . . legal ones, of course . . . which pass huge quantities of appropriated money through to private firms. It's a welfare program for PhD's. It's a very scary thing to have questions of basic concern to this nation being decided by faceless private institutions and people. Back home, we'd say that's swimming in very sharky waters.

Q. Some managers would not agree with you. They feel it is cheaper and more efficient to go outside to get a job done, rather than hiring career civil servants with the long-term burden of medical benefits and retirement and salaries. What do you say to them?

A. Of course there are going to be many instances where there is technical expertise outside government that we need and need quickly. That is the benefit of contracting out—reaching out to what you don't have available.

What I object to is the mentality of never considering alternatives to contracting out. It has become a Pavlovian reaction. Got a problem, get a consultant.

I am not saying get rid of all consultants. I am saying justify the contracts. I am saying use career public servants more. If we did, we'd eliminate a lot of what I see as bad procedure.

Q. What about employment ceilings? Good or bad?

A. I'm not for hiring anyone we don't need, but we have made such a virtue of employee ceilings and not adding anyone to the payroll that we are deluding ourselves. The bottom line is the amount of dollars we spend, not how many Federal employees we have. It is really deceitful to say with such pride that we have kept the number of employees down while we tremendously increase the dollars going to consulting firms.

Q. Will there be new regulations, new standards, more oversight on contracting out?

A. Yes. Hopefully this session. But if not now, then soon. I mentioned earlier some of the things I think need to be known about every contract. I have proposed that these questions and others like them be answered for every contract let. I hope ultimately to have all agencies of government covered by this kind of sunshine legislation. When I am successful, and I intend to be, we will, for the first time, know what we are doing and where we are in the field of consultants and contracting out.

You haven't asked, but I want to add something here that I've thought about for some time. The consultant problem is not just a Washington, D.C. problem. It is not just a Federal problem. It exists on a state and local level, too. And, to a large degree, I think it is a problem because Federal regulations and policies, often written by consulting firms, lock in the need for state and local governments to hire consultants to perform certain tasks and to meet certain criteria before grants or loans are made. We see an increased entanglement of the consulting industry on Federal, state and local levels. It's a vicious cycle.

Q. You spoke earlier of constitutional questions of contracting out. Could you expand on that?

A. I don't pretend to be a constitutional scholar, but I think we are very close, in many instances, to the improper delegation of authority. I frankly think that consultants are establishing Federal policy, something that was not contemplated by the Constitution or Congress. It's tough enough for citizens to try to hold their elected representatives accountable and responsible. They can't touch the consultant hiding in the murky waters of contracting out. That is no way to govern. That is no way to restore faith in government.

Q. How has this all come about?

A. Well, the complexity we talked about at first, the involvement of government in more fields, in more technical fields. I think, too, maybe both Congress and Federal managers have been too casual with defining who establishes policy. I hope to do something about that. Even without new legislation, I also hope that managers will take it upon themselves to question their own actions in contracting out.

I can tell you that I am looking closely right now at an arrangement one major agency has with some of its contractors. They provide what amounts almost to a retainer fee to a consulting firm, saying, essentially, "We will be calling on you from time to time for advice. When we use up your retainer, let us know and we'll give you some more." It's an outrageous system.

I know that managers need discretionary power, but it shouldn't be so discretionary that it abuses the public trust. Responsible managers should be able to defend their actions . . . and their results.

I don't expect to solve the problems of contracting out by myself or quickly. But I intend to persist until I have the allies to do so. The American people deserve better than having their lives regulated by consultants to agencies who have been directed by Congress to do something.●

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. NELSON, Mr. METZENBAUM, and Mr. LEAHY):

S. 2789. A bill to amend the Farm Labor Contractor Registration Act of 1963; to the Committee on Labor and Human Resources.

FARM LABOR CONTRACTOR ACT OF 1980

Mr. JAVITS. Mr. President, today I am introducing a bill, S. 2789, to amend the Farm Labor Contractor Registration Act (FLCRA). I am pleased that Senators WILLIAMS, NELSON, and METZENBAUM have joined me as cosponsors. The FLCRA was enacted in 1964 to curb abuses of migrant and seasonal farmworkers, whose working conditions have been characterized historically by low wages, protracted working hours and abysmal working conditions. In 1974, after testimony before the Congress showed that the act was not being effectively enforced and that migrant and seasonal workers continued to be exploited in agricultural employment, a number of amendments to broaden coverage and strengthen its enforcement were adopted.

The Farm Labor Contractor Registration Act is still not a perfect law by any means. After 17 years it remains poorly enforced; and, by many accounts, is still widely evaded. Nevertheless, FLCRA remains the only major Federal protection against some of the abuses these workers still experience today in 1980.

As the ranking minority member of the Committee on Labor and Human Resources' Subcommittee on Employment, Poverty, and Migratory Labor, I have received over the past several months numerous questions and complaints about the 1974 amendments from growers and other agricultural employers, farmworkers, and farmworker advocates expressing dissatisfaction with various provisions and with administration of the act by the Department of Labor. We now know that the sometimes erratic Federal enforcement practices, coupled with conflicting judicial decisions construing the act, have led to legitimate concerns expressed by employers, farmworkers and others familiar with farm labor conditions in the United States.

The legislation we propose today seeks to resolve these concerns and is the product of extensive consultation with major associations of agricultural employers, migrant worker representatives, and other experts. Before explaining this bill in more detail, I believe it is useful to describe briefly the background of the act.

BACKGROUND

Migrant and seasonal farmworkers are historically a most abused and exploited group in the American labor force. Excluded from coverage under the National Labor Relations Act, as well as most comparable State laws, these workers labor in a segment of the economy where improvements in wages and working conditions have lagged behind those seen in other industries. It has only been since January 1, 1978, that the Fair Labor Standards Act has required these workers to be paid a minimum wage on a par with the rest of this Nation's nonagricultural workforce. The Fair Labor Standards Act also continues to exempt migrant and seasonal farmworkers from its overtime provisions, and another exception written into the law permits employment of children of even 10 and 11 years old for field work.

In 1963 the Congress found that it was a very common experience for farmworkers to be misled when they were recruited for farm work, cheated when they were paid, forced to purchase the necessities of life from company stores, transported under squalid conditions in unsafe vehicles, and housed in substandard and unsanitary conditions. Farm labor contractors, also known as crewleaders, crewpushers, and body brokers, were identified as the principal agents and middlemen for a system of labor recruitment and supply used by agricultural producers to acquire needed workers for the harvest of their crops. Because it was also found that the channels and instrumentalities of interstate commerce were utilized by contractors to exploit both farmworkers and their employers, these conditions were found to be within the reach of effective Federal regulation.

The 1963 act sought to control the abuses of contractors by requiring them to register with the Department of Labor prior to engaging in any farm labor contracting activities. Registration was subject to denial if an applicant had been convicted of certain crimes, failed to perform contracts with growers, or gave false or misleading information to farmworkers concerning the terms and conditions of agricultural employment.

Under the law, contractors were expected to inform recruited workers of the actual wages and working conditions they could expect at the job site, to provide adequate insurance on all vehicles used to transport them, and to post at the job site the terms and conditions of employment disclosed to farmworkers when they were recruited. If contractors furnished housing, they also had a duty to comply with basic health and safety standards and to post a listing of the terms and conditions of occupancy. Violation of these basic requirements resulted in revocation of the certificate of registration or in criminal prosecutions, with a fine of up to $500, or both.

In testimony taken by the Congress in 1974, advocates for farmworkers' basic rights testified that the act of 1963 had failed to achieve its original objectives. Compliance by even the few contractors whose activities the act covered was minimal. The hearing records of the Senate and House committees demonstrate that the 1963 law was too narrowly conceived and drafted to afford workers protection in all the wide variety of circumstances in which they were recruited, hired, transported, or housed.

Thus, we adopted amendments that, among other things, provided additional enforcement authority to the Department of Labor; extended the FLCRA's coverage to the intrastate trade in farm labor (the so-called "day haul" operators); and required the registration as farm labor contractors of any individual farmer, processor, canner, ginner, packing shed operator, or nurseryman who does not engage in these activities himself, personally, but instead relies upon foremen or other employees performing farm labor contracting on more than a merely incidental basis.

Coverage of these employees was deemed essential because they actually assume a "middleman" position between the farmworker and the employer that is the functional equivalent of that held by the traditional crewleader. Moreover, crewleaders could be hired as "employees" simply to avoid responsibilities under the act. Their activities had been the subject of adverse testimony before the Congress. Abuses were disclosed which showed that these employees, who wield an inordinate amount of leverage over the workplace, could also exploit migrant and seasonal workers if they are allowed to go unchecked by FLCRA.

The 1974 amendments also broadened the protections of the act for farmworkers by requiring that the written disclosure made at the time of recruitment be in a language understood by the worker. Contractors are required to furnish proof, if they transport workers, that they actually have secured the vehicle insurance required by the law; and to furnish additional proof, if they intend to house workers, that such housing actually complies with applicable State and Federal housing codes. Finally, farmworkers, and growers, who are aggrieved by the actions of a farm labor contractor are afforded a broad Federal civil remedy. Because of the increased number of persons who would be defined as farm labor contractors, the Senate Labor Committee also recommended that 30 new enforcement positions be assigned to the Department's Employment and Standards Administration.

Mr. President, the committee expected these amendments to reduce markedly the exploitation of farmworkers by these contractors and to promote healthful and safe conditions of transportation and housing. We hoped to clarify the public administration of this law so that enforcement was expanded against contractors who injured workers through false promises of good wages, safe transportation, and adequate housing. But that has not entirely proved to be the effect of the amendments, as is indicated by the large numbers of letters received by this committee. Stationary employers and farmworkers have made a compeling case for reduced administrative compliance burdens for the permanent situs employers, while at the same time providing for continued broad substantive coverage of these employers' contracting activities.

Both farmers and workers voice similar criticism of the Department of Labor's enforcement practices. They point out that the Department has spent too much of its resources on the administrative aspects of FLCRA compliance and has overlooked more difficult enforcement activities against unscrupulous and sometimes violent contractors.

In the process, their compliance officers have unduly harassed and interrupted the work schedules of farm employees. They have contributed, paradoxically, to increased resentment of the FLCRA and its basic purposes by responsible growers even while they added expensive production delays to costs of doing business. The Department's own statisitcs make a telling case against its current enforcement of the law. While its compliance officers have been out, as some farmers say, "registering everyone who walks," there is only scanty enforcement against substantive FLCRA violations and there has not been a single criminal conviction since the 1974 amendments were enacted.

Clearly, Mr. President, something must be done to clarify this law and to redirect the Department's enforcement effort where it belongs.

CURRENT COMPLAINTS OF EMPLOYERS

Members of the committee have been contacted by representatives of most agricultural interests in the country, stating essentially the same case.

First, they maintain that farmers, processors, canners, ginners, packing shed operators, and nurserymen were never intended to be covered by the FLCRA. But, the committee report accompanying the 1974 amendments is clear that we intended all such persons who function as farm labor contractors, with the exception of those small family growers engaging in these activities "personally" or whose full-time or regular employees perform these activities on "no more than an incidental basis," to comply with the FLCRA. The reasons are obvious and they argue for continued substantive coverage of individual employers whose operations are too large to contract for their own workers themselves or who use foremen or other employees to do this work as more than an incidental part of their jobs.

Second, many responsible employers have complained about the "redtape" involved in complying with the act. They have been critical of the Department's inconsistent application of the law, excessive litigation, and other aspects of the FLCRA's overall scope of coverage. Upon investigation, I do not believe it is necessary to apply all provisions of the act to stationary, permanently located employers, as compared to the traditional crewleader who moves frequently from site to site. The legislation we are introducing today addresses a wide range of these employers' concerns and offers them concrete relief from all of the administrative burdens of which they have complained. Further, it clarifies coverage and should sharply reduce litigation over ambiguities contained in the present act. And, at the same time it preserves the existing substantive protections of the law for farmworkers. I therefore believe that responsible business operations should be satisfied with this approach which offers regulatory deregulation to the benefit of all interested parties.

In essence, our bill draws a clear distinction between the independent contractor who supplies farm labor to more than one operation, and the so-called stationary employer, the local-situs, permanent operator of a farm or other covered entity whose employees do these things only for his employer's operation. The independent farm labor contractor remains bound by all of the existing substantive and affirmative requirements of the FLCRA; but the stationary employer is relieved of most of the law's affirmative duties. To preserve the FLCRA as a viable protective statute for farmworkers in these cases, the employer is made liable for the legal consequences of the acts of his employees who engage in farm labor contracting activities and who violate the essential substantive requirements of the act.

Under current law, a contractor must register with the Department of Labor before he may engage in labor contracting activities. He is fingerprinted, and, if he intends to house or transport workers, he must evidence proof that FLCRA is being complied with before he houses or transports workers. When he recruits workers, he must show his farm labor contractor card, as well as his authorization card to house or transport them. He must furnish each worker with the written disclosure required and, if he transports them to the worksite, must not violate health and safety standards. Any of his employees must also comply with all of these provisions.

As applied to the stationary employer, whose employees are deemed to be farm labor contractors if they engage in these activities on more than an incidental basis, I believe we can waive the administrative aspects of compliance with these requirements. This legislation assumes that these employers are more likely to comply with the act and it creates an incentive, where none is now, for compliance in the future as well.

Accordingly, the permanent, local-situs employer and his employees are to be relieved from the following current requirements to: First, register as a farm labor contractor; second, carry and display registration cards; third, be fingerprinted; fourth, undergo triannual medical examinations; fifth, designate the Secretary of Labor as a substitute for service of process; sixth show proof, prior to being authorized for transportation of farmworkers, that an adequate policy of insurance covers their vehicles; seventh, show proof prior to being authorized to house farmworkers, that the housing meets all applicable State and Federal codes; and eighth, disclose the fees they receive for their services as farm labor contractors.

CURRENT CONCERNS OF FARMWORKERS

Farmworkers and farmworker advocates have written extensively to the committee about continuing abuses in the recruitment, hiring, transportation and housing conditions which prevail in the agricultural economy. We are convinced that to establish and enforce workplace and wage standards for only those farmworkers under the control of the traditional independent contractor is a too narrow reading of the law we passed in 1963 and amended in 1974. In a decision recently handed down by the U.S. Ninth Circuit, *Marshall* v. *Coastal Growers Ass'n*, 598 F.2d 521 (9th Cir. 1979), the court held that "[W]hile enforcement of the FLCRA usually focuses on individual migrant "crew leaders," * * * incorporated growers' associations that hire and pay workers who harvest crops on grower-members' farms are "farm labor contractors" subject to the act's registration and disclosure requirements. The court validly reasoned that coastal growers' member individual farmers, "represented, at least potentially, independent intermediaries." It is this "middleman" position so difficult to define in the context of today's sophisticated agricultural operation, that the FLCRA has always been intended to regulate.

Mr. President, the legislation we are introducing today continues the protections of FLCRA for farmworkers that Congress intended by the enactment of this law over 17 years ago. Although agriculture as a whole has made strides to improve the conditions under which its workers labor, too little has been accomplished to warrant a weakening of the only Federal law which attacks the still too common abuses they must endure.

These workers continue to experience, in the words of the 1974 Senate Labor Committee report, "the typical symptoms of chronic poverty—being undereducated, ill-fed, poorly housed, and lacking even the most rudimentary health and sanitary facilities. The[ir] tragedy is further compounded when it is realized that the victims of this poverty are in fact the working poor, those who offer an honest day's labor, but are denied the full benefits such work should provide, which are so desperately needed to provide the most basic necessities of life." I hope the day never comes when this body turns its back on the plight of such workers and presumes that because we have enacted a law, that law has been enforced effectively and has had the effect we originally intended.

SUMMARY OF AMENDMENTS

As I indicated earlier, this bill would simplify and clarify certain of the 1974 amendments as they relate to the ambit of the act. The question of who is covered has been a subject of considerable litigation, as well as a matter of contention for farmers and other stationary employers who resent being called "farm labor contractors."

This legislation would, for the first time, create an unambiguous exemption from the law for those small family farmers, processors, canners, ginners, packing shed operators, and nurserymen who engage in the recruiting, soliciting, hiring, furnishing or transporting of farmworkers either themselves, as individuals acting on their own behalf, or through employees, provided that no more than 10 workers are employed at any one time. This change would preserve the original intent of the existing exemption for those who engage in these activities "personally," and which has been the cause of much litigation.

It may be helpful at this point to explain the major source of the litigation. In 1974 this committee added an exemption for the operator who "personally" performs labor contracting activities. Believing its meaning was self-evident, we provided no legislative history to guide the courts in the interpretation of the exemption as it applied to any incorporated farmer, canner, processor, ginner, packing shed operator, or nurseryman. The Department of Labor, which in my judgment correctly interpreted our intent, holds that as applied to the incorporated operation, the "personally" amendment "narrowed the applicability of this exemption to an individual." Opinion Letter of the Wage-Hour Administrator No. 1486, Lab. L. Rep. Wages-Hour Administrative Rulings (CCH) 31.135 (Oct. 3, 1977). However, perhaps because the Administrator read together our amendments to subsections 3(b)(2), (3), and (4), wherein we made other changes to exempt the plainly small family operation, he did provide an example of circumstances under which an incorporated operator could fall under the "personally" exemption:

"[I]f a farmer is a corporation, the term 'personally' may apply if the corporation is under the effective control of an individual whose authority is equivalent to that of a sole proprietor, and if that individual acts in person with respect to the farm labor contracting activities for the corporation.

"This administrative interpretation of the Act by the enforcing agency, if reasonable, is entitled to deference. *See, e.g., Griggs* v. *Duke Power Co.*, 401 U.S. 424, 433–434 (1971). Absent the necessary legislative explanation, however, some courts have held the Department's position was unreasonable. In a recent decision of the U.S. Court of Appeals for the Ninth Circuit, *Marshall* v. *Green Goddess Avocado Corporation*, No. 78–3704 (9th Cir., March 25, 1980), the Court held that '[c]orporations' may 'personally' engage in farm labor contracting through their employees." *Id.* at 6.

This decision goes substantially farther than did the Wage-Hour Administrator to exempt the corporation from coverage under the act. We believe the coverage definitions need to be clarified to restore plain meaning to our intent in 1974. In Green Goddess, the court did concede that Green Goddess employees could be "characterized as independent third parties, * * * [who] as intermediaries, would occupy a position similar to that of the Growers' associations." Id. at n. 11. Yet the court ultimately rejected this analytical approach because of the inconsistent results it felt were yielded.

Mr. President, we very frankly did not anticipate when we enacted the 1974 amendments that controversy would arise over coverage distinctions made between identical operations that adopted different legal forms of business organization. Since they have, however, our bill addresses them directly. We have adopted the implicit suggestion of the Federal District Court for the Northern District of Illinois, in *Espinoza, et al* v. *Stokely Van-Camp, Inc.*, No. 78 C 3404 (E.D. Ill., March 28, 1980), that "[I]f Congress had intended * * * [the 'personal' exemption only to apply to individuals] it could easily have restricted the coverage of subsection (b)(2) to individuals by adding the phrase 'as an individual' after the word 'who' so that the subsection would read: 'any farmer, processor, * * * or nurseryman who as an individual, personally engages in any such activity * * *.'" Id. at 9–10. By inserting the word "individually" within a new exemption subsection, our bill preserves the existing exemption we intended for individuals who personally perform these activities for themselves. The "10 or fewer" small family farm exemption I mentioned earlier is new and seems to us narrowly to expand the current small family operation exemption in a reasonable and defensible way.

For all other stationary employers who are engaged in the hiring, soliciting, recruiting, furnishing and transporting of farmworkers, this legislation creates a new category of persons subject to the basic requirements of the act, but which is exempt from almost all the affirmative duties imposed on farm labor contractors. The basic requirements which will apply to these employers and their employees are to: First, provide a simple written statement of the terms and conditions of employment when recruiting farmworkers, or if they are not recruited, at the time of hiring; second, post the terms and conditions of employment at the worksite; third, refrain from knowingly utilizing the services of an undocumented alien worker (this is the only Federal law which prohibits such employment); fourth, have adequate insurance on all vehicles and provide housing which meets Federal and State requirements, but only if workers are actually to be housed or transported; and fifth, comply with the basic recordkeeping requirements of FLCRA.

The basic requirements which I described above that apply to most stationary employers are the key substantive provisions of the law. They remain in full force as they pertain to all persons not exempted as small family operators or covered as independent farm labor contractors. They will pose no significant problem for the responsible employer; he surely already complies with them.

I am concerned that farmworkers and farmworker advocates do not assume that FLCRA's essential protections have been eroded; they have not. Employers qualifying for the limited exemption are required to assume full responsibility for the acts of their employees who engage in farm labor contracting. This legislation offers relief from burdensome compliance, but not at the expense of eliminating substantive coverage. Most employers will remain covered by the act; but the burdens of complying, absent any substantive violations against farmworkers, will be reduced to negligible proportions. This step is taken to promote the concept within the agricultural sector of employer responsibility, a concept accepted in every other industry by virtually every American employer.

Finally, in recognizing the difference between collective bargaining and farm labor contracting, and in the interest of codifying the Department of Labor's long-standing holding that labor unions are not farm labor contractors, we have expressly so stated.

Mr. President, I ask unanimous consent that the text of the bill we have introduced be printed in the RECORD following my remarks and a section-by-section analysis of the bill.

I urge my colleagues in the Senate to review this legislation. It improves the present law substantially and provides necessary administrative relief to stationary employers without cutting back on the FLCRA's substantive protections for farmworkers.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Labor Contractor Act of 1980".

SEC. 2. (a) Section 3(b)(1) of the Farm Labor Contractor Registration Act of 1963 (7 U.S.C. 2042(b)(1)) is amended by inserting before the semicolon at the end thereof "or labor union".

(b) Section 3(b)(2) of the Farm Labor Contractor Registration Act of 1963 (7 U.S.C. 2042(b)(2)) is amended to read as follows:

"(2) any farm, processor, cannery, gin, packing shed, or nursery which, whether or not for a fee, recruits, solicits, hires, furnishes, or transports migrant workers for its own operation, and its employees, but such entity and such employees shall be required to comply with the provisions listed in section 6(b) of this Act;".

(c) Section 3(b)(3) of the Farm Labor Contractor Registration Act of 1963 (7 U.S.C. 2042(b)(3)) is amended to read as follows:

"(3) any farmer, processor, canner, ginner, packing shed operator, or nurseryman, regardless of the legal form of business organization, if he or she engages in any such activity individually on behalf of an operation owned and operated only by one or more members of his or her immediate family;".

(d)(1) Paragraphs (4) through (10) of section 3(b) of the Farm Labor Contractor Registration Act of 1963 (7 U.S.C. 2042(b)(4) through 2042(b)(10)) are redesignated as paragraphs (6) through (12), respectively.

(2) Section 3(b) of such Act is amended by adding after paragraph (3) the following new paragraphs:

"(4) any employee of an entity exempt under section 3(b)(3), who does not recruit, solicit, hire, furnish, or supervise migrant workers but who may, at any one time, transport not more than two other employees in a vehicle owned or controlled by the entity for which the entity has complied with the requirements of paragraphs (6)(b)(2) and (b)(3) as they pertain to vehicles;

"(5) any farmer, processor, canner, ginner, packing shed operator, or nurseryman that engages in such activity for its own operation, regardless of the legal form of business organization, which is owned and operated only by one or more members of the same immediate family, or its employees, provided that not more than ten non-family employees performed agricultural labor for it on any single day during the preceding twelve month period;".

(e)(1) Section 6 of the Farm Labor Contractor Registration Act of 1963 (7 U.S.C. 2045) is amended by—

(A) inserting "(a)" after the section designation;

(B) redesignating subsections (a) through (h) as paragraphs (1) through (8), respectively; and

(C) redesignating paragraphs (1) through (8) of paragraph (2), as so redesignated, (A) through (H), respectively.

(2) Section 6(a)(2) of such Act (as so redesignated by paragraph (1) of this subsection) is amended by inserting "or, if not recruited, at the time the worker is hired" after "recruited".

(3)(A) The third sentence of section 6(a)(5) of such Act (as so redesignated by paragraph (1) of this subsection) is amended by inserting after "In addition" a comma and the following: "unless the migrant workers are paid by check by an entity referred to in section 3(b) (1), (2), (3), or (5),".

(B) The fourth sentence of section 6(a)(5) of such Act (as so redesignated by paragraph (1) of this subsection) is amended by striking the word "and" and by striking the period at the end thereof and inserting the following: "and the net earnings".

(f) Section 6 of the Farm Labor Contractor Registration Act of 1963 (7 U.S.C. 2045) is amended by inserting after subsection (a) the following new subsection:

"(b) Every farm, processor, cannery, gin, packing shed, or nursery, and its employees, described in section 3(b)(2) of this Act, shall—

"(1) be subject to the following provisions of this Act: subsections (c) and (d) of section 4; subsection (a) of this section except paragraph (1) and subparagraph (E) of paragraph (2); and sections 7 through 19;

"(2) maintain a policy of insurance or show satisfactory proof of financial responsibility as required by subsection 5(a)(2) of this Act;

"(3) maintain all vehicles and housing in accordance with the standards referred to in section 5(a)(4) of this Act;

"(4) refrain from knowingly giving false or misleading information to migrant workers concerning the terms, conditions or existence of agricultural employment; and

"(5) not fail, without justification, to comply with the terms of any working arrangements he has made with migrant workers.".

(g) Section 9(a) of the Farm Labor Contractor Registration Act of 1963 (7 U.S.C. 2048(a)) is amended by inserting a comma and "or any entity or employee thereof referred to in section 3(b)(2) of this Act," after "farm labor contractor or employee thereof".

Farm Labor Contractor Registration Act Amendments of 1980: Section-by-Section Analysis

SUMMARY

Six years after the 1974 amendments to the Farm Labor Contractor Registration Act extended coverage generally to farmers, processors, canners, ginners, packing shed operators, and nurserymen, it has become clear that further changes in the Act are needed to clarify the scope of the Act's exemption provisions and eliminate certain administrative requirements of the Act where experience has shown them to be unnecessary.

This legislation establishes an unambiguous exemption for small family operations which recruit, solicit, hire, furnish or transport agricultural workers for their own operation, and for their employees, provided that they employed no more than ten (10) nonfamily farmworkers on any given day during the preceding calendar year. The legislation also eliminates the registration requirement and most other affirmative duties under the Act for all farms, processors, canneries, gins, packing sheds, and nurseries which engage in farm labor contracting for their own operation. Under this legislation, these entities and their employees are bound to comply with the Act's substantive provisions, but they are relieved of burdensome administrative provisions of the Act which are not necessary to protect farmworkers employed by fixed-situs employers. The legislation also makes a number of other changes in the Act to simplify compliance and clarify coverage.

Section 2. (a). Adds "labor union" to the list of exempt organizations in section 3(b)(1) (7 U.S.C. § 2042(b)(1)). This change codifies existing legal interpretations by the Department of Labor which distinguish between a farm labor contractor's activities and those a labor union performs for its membership.

Section 2. (b). Repeals existing section 3(b)(2) and adds a new section 3(b)(2) to the Act (7 U.S.C. § 2042(b)(2)) to provide a limited exemption for farms, processors, canneries, gins, packing sheds, and nurseries.

While these employers are still subject to the basic substantive provisions of the Act, under this legislation they and their employees are exempted from the following affirmative duties imposed upon farm labor contractors: 1) registration; 2) fingerprinting; 3) triannual medical examinations; 4) disclosure of fees received for farm labor contracting services rendered; 5) the carrying and displaying of farm labor contractor (FLC) cards and employee (FLCE) cards; 6) the prior proof to the Department of Labor, before transporting or housing farmworkers, that vehicles are insured and that housing meets applicable health and safety standards; and 7) the designation of the Secretary of Labor as a substitute for service of process.

The phrase "for its own operation" in this subsection is intended to make plain that the Act will continue to apply to any farm, processor, cannery, gin, packing shed, or nursery that engages in farm labor contractor activities for the operation of another employer.

Section 2.(c).—Repeals existing subsection 3(b)(3) and adds a new subsection 3(b)(3) to the Act to clarify the exemption for farmers, processors, canners, ginners, packing shed operators and nurserymen who "personally" engage in farm labor contracting. As rewritten, the exemption will be available to the small family operator, regardless of the legal form of business organization, who individually (acting on behalf of an operation owned and operated only by one or more members of his or her immediate family) performs labor contracting activities.

Section 2.(d)(1). Redesignates former paragraphs (4) through (10) of section 3(b) of the Act as paragraphs (6) through (12) to provide for new paragraphs (4) and (5).

Section 2.(d)(2). Adds new paragraphs (4) and (5) to section 3(b) of the Act. Paragraph (4) provides a limited "transportation" exemption for employees of employers exempted by the individual owner and operator provision of section 3(b)(3). The exemption permits employees who do not solicit, recruit, hire, furnish, or supervise farmworkers to transport no more than two (2) workers at any one time without losing their exempt status under the Act.

Paragraph (5) establishes a new small family farmer, processor, canner, ginner, packing shed operator, or nurseryman exemption for operations and their employees engaged in farm labor contractor activities, provided that they employ no more than ten (10) nonfamily agricultural workers on any single day during the preceding 12-month period. A small family operation, for purposes of this exemption, is one that is owned and operated only by one or more members of the same immediate family.

Section 2.(e)(1). Amends section 6 of the Act (7 U.S.C. 2045) by inserting an (a) after the section designation and redesignating subsections (a) through (h) as paragraphs (1) through (8), respectively; and by redesignating paragraphs (1) through (8) of paragraph (2), as so redesignated, (a) through (h), respectively.

Section 2(e)(2). Amends section 6(a)(2) of the Act, as redesignated, to clarify the fact that the disclosure requirements of the Act apply to agricultural workers at the time they are hired, whether or not they were recruited by the employer.

Section 2(e)(3)(A). Amends section 6(a)(5) of the Act, as redesignated, to provide that, where an entity referred to in section 3(b) (1), (2), (3) or (5) pays agricultural workers directly by check, the requirement that farm labor contractors inform workers of the sums paid to the contractor on account of the labor of the workers is inapplicable.

Section 2(e)(3)(B). Amends section 6(a)(5) of the Act, as redesignated, to add the requirement that the itemized statement of wages and withholding include a statement of net earnings.

Section 2(f). Amends section 6 of the Act (7 U.S.C. 2045) by adding a new subsection (b) to specify the substantive requirements of the Act that will continue to apply to employers exempt from the Act's registration requirements by virtue of section 3(b)(2). Such employers are required to (1) comply with the requirement, in section 4(c) and (d) of the Act, that they deal only with properly registered farm labor contractors; comply with all the requirements of section 6(a) of the Act, as redesignated, except those pertaining to registration as a farm labor contractor, and provision of information about charges to be made by a contractor for his services; and with sections 7 through 19 of the Act; and (2) maintain a policy of insurance or show satisfactory proof of financial responsibility as required by subsection 5(a)(2) of the Act; (3) maintain all vehicles and housing in accordance with the standards referred to in section 5(a)(4) of the Act; (4) refrain from knowingly giving false or misleading information to migrant workers concerning the terms, conditions or existence of agricultural employment; and (5) not fail, without justification, to comply with the terms of any working arrangements he has made with migrant workers.

Section 2(g). Amends section 9(a) of the Act (7 U.S.C. 2048(a)) to clarify that the penalty provisions of that section apply to employers exempt from registration by virtue of section 3(b)(2) of the Act.

By Mr. INOUYE:

S. 2790. A bill to limit the amount that may be obligated by any agency of the Federal Government for contracts in the last 3 months of any fiscal year; to the Committee on Governmental Affairs.

● Mr. INOUYE. Mr. President, I am introducing a bill establishing a limit on the proportion of funds that may be obligated by any agency under contracts entered into during each of the last 3 months of any fiscal year.

In this time of high inflation and the need for reducing deficits, it is essential that every agency be fiscally responsible and establish rigorous procedures for approving contracts. By restricting contract funds obligated during any one month in the final quarter of the fiscal year to not more than 10 percent of any agency's total contract obligations negotiated during the fiscal year as this bill establishes, it would encourage better management throughout the Government sector and save the taxpayers money.

The necessity for implementing such a bill is evident from two U.S. General Accounting Office reports which have been issued in the last 5 months. The reports show that disproportionately large amounts are expended for consultant contracts and other contracts in the latter months of the fiscal year.

GAO's report entitled "Spending Patterns of the Departments and Agencies of the Federal Government" (PAD–80–34) analyzed gross contract obligations incurred during fiscal years 1977, 1978, and the first half of 1979. It found that a disproportionate amount of obligations occurred in the last quarter of the fiscal year and particularly in the last month of that quarter. Associated with this dilemma of yearend surges in Government contract spending, GAO identified several problems: First, disruption of orderly funding of Government operations; second, certain procurement controls being bypassed; and third, the inflationary impact on the economy of these awards.

In addition, GAO reported in its analysis entitled "Controls Over Consulting Service Contracts at Foreign Agencies Need Tightening" (PSAD–80–35) that an abnormal amount of spending occurred in the fourth quarter of the fiscal year. GAO indicated that such spending activity casts doubt upon the legitimacy of the agencies' contracting requirements. Further, it believes, as I do, that the "rush" to award contracts in the last quarter of any fiscal year can seriously impair the objectivity as well as the thoroughness of an agency's proposal evaluation process.

Mr. President, in view of the importance of this subject and the savings to the taxpayers associated with it, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), the total amount that may be obligated by any agency under contracts entered into during each of the last three months of any fiscal year may not exceed an amount equal to 10 percent of the total amount obligated by such agency under all contracts entered into by such agency in such fiscal year.

(b) The Director of the Office of Management and Budget may, upon application by any agency, waive the limitation prescribed in subsection (a) with respect to a specfic contract proposed by the agency. In any case in which the Director grants a waiver under this subsection, he shall transmit to the Congress and the Comptroller General of the United States a report describing the contract for which the waiver was made, including a statement of (1) the amount obligated under the contract and the amount by which it exceeds the limitation prescribed in subsection (a), and (2) the reasons of the Director for granting the waiver for such contract.

(c) For purposes of this Act, the term "agency" has the same meaning in section 551 (1) of title 5, United States Code.●

By Mr. INOUYE:

S.J. Res. 182. Joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day;" to the Committee on the Judiciary.

● Mr. INOUYE. Mr. President, today I am introducing a joint resolution that would authorize and request the President of the United States to designate November 14 of each year as "Operating Room Nurses Day."

The Association of Operating Room Nurses has a membership of nearly 28,500 and chapters in each of our 50 States and in several foreign countries. Since last year, the association has undertaken a nationwide educational program to inform the public of the special role that our operating nurses play in health care of our Nation.

I have long felt that members of our nursing profession should receive more public recognition for their many hours of service to our Nation's ill.

Accordingly, I am most pleased to introduce this resolution today and urge my Senate colleagues to join with me in saluting them.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 182

Whereas the Association of Operating Room Nurses, Incorporated, is a specialty nursing organization with a primary focus on education and a goal of excellence in patient care for all who undergo surgery;

Whereas there are 28,500 registered nurse members in such Association;

Whereas on November 14, 1979 such Association sponsored activities nationwide to educate the public about the role the members of the Association play in health care; and

Whereas the Association intends to continue to educate the public of the nursing care rendered during surgery: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate November 14 of each year as "Operating Room Nurses Day", and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 100

At the request of Mr. PACKWOOD, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 100, a bill to amend the Internal Revenue Code of 1954 to provide for a deduction for expenses incurred for reforestation, and for other purposes.

S. 1188

At the request of Mr. ROBERT C. BYRD, the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Carolina (Mr. THURMOND), the Senator from Vermont (Mr. STAFFORD), and the Senator from Georgia (Mr. TALMADGE) were added as cosponsors of S. 1188, a bill to improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes.

S. 1465

At the request of Mr. TALMADGE, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 1465, a bill to amend the Farm Credit Act of 1971 to permit Farm Credit System institutions to improve their services to borrowers, and for other purposes.

S. 1570

At the request of Mr. INOUYE, the Senator from South Carolina (Mr. THURMOND) and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 1570, a bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor.

S. 2176

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Kentucky (Mr. FORD), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 2176, a bill to amend titles XVIII and XIX of the Social Security Act to provide for the coverage of clinical social work services under the supplementary medical insurance benefits program and the medicaid program.

S. 2533

At the request of Mr. BENTSEN, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 2533, a bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production.

S. 2534

At the request of Mr. ROBERT C. BYRD, the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Carolina (Mr. THURMOND), the Senator from Vermont (Mr. STAFFORD), and the Senator from Georgia (Mr. TALMADGE) were added as cosponsors of S. 2534, a bill to amend title 38, United States Code, to promote the recruitment and retention of physicians, dentists, nurses, and other health-care personnel in the Veterans' Administration's Department of Medicine and Surgery, and for other purposes.

S. 2542

At the request of Mr. CHAFEE, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2542, a bill to grant a Federal charter to the Italian American War Veterans of the United States of Amreica.

S. 2576

At the request of Mr. TSONGAS, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 2576, a bill to establish programs of financial and other assistance to States and units of local government for energy conservation and renewable resource activities, and for other purposes.

S. 2763

At the request of Mr. CHAFEE, the Senator from South Dakota (Mr. PRESSLER), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 2763, a bill to amend and clarify the Foreign Corrupt Practices Act of 1977.

SENATE RESOLUTION 451—ORIGINAL RESOLUTION REPORTED TO WAIVE THE CONGRESSIONAL BUDGET ACT

Mr. RANDOLPH, from the Committee on Environment and Public Works, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 451

Resolved, That pursuant to Section 402(c) of the Congressional Budget Act of 1974, the provisions of Section 402(a) of such Act are waived with respect to the consideration of S. 1639. The bill, as reported, authorizes funds for fiscal year 1980 in excess of the budget authority provided by the Water and Power Appropriation Act for fiscal year 1980 for Section 401(b) of the Water Resources Planning Act. The Committee will offer an amendment when S. 1639 is considered by the Senate to reduce the authorization for this activity of the Water Resources Council to the level provided by the Appropriation Act.

SENATE RESOLUTION 452—ORIGINAL RESOLUTION REPORTED TO WAIVE THE CONGRESSIONAL BUDGET ACT

Mr. RANDOLPH, from the Committee on Environment and Public Works, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 452

Resolved, That pursuant to Section 402(c) of the Congressional Budget Act of 1974, the provisions of Section 402(a) of such Act are waived with respect to the consideration of S. 2724. Such waiver is necessary to consider the bill which authorizes $6 million for law enforcement contracts for fiscal years 1980, 1981, and 1982. The Committee will offer, when this legislation is considered, a technical amendment to eliminate the authorization for fiscal year 1980 since it is now impossible to obtain funding for this program during such fiscal year.

AMENDMENTS SUBMITTED FOR PRINTING

SUPPLEMENTAL APPROPRIATIONS, 1980—H.R. 7325

AMENDMENT NO. 1794

(Ordered to be printed and referred to the Committee on Appropriations.)

Mr. HEINZ submitted an amendment intended to be proposed by him to H.R. 7325, an act making supplemental appropriations for the fiscal year ending September 30, 1980, rescinding certain budget authority, and for other purposes.

HAZARDOUS WASTES CLEANUP FUNDS IN DANGER OF RUNNING OUT: NEED ADDITIONAL SUPPLEMENTAL APPROPRIATIONS FOR SECTION 311(K) CLEANUP FUND

● Mr. HEINZ. Mr. President, the recent EPA report on possible chromosome damage among residents of the Love Canal area has focused long overdue Federal attention—and more importantly, Federal resources—on the environmental health threat posed by hazardous chemical wastes. But Love Canal is only one of thousands of such chemical time bombs ticking away in virtually every State represented in this Chamber. For the residents living near these other "Love Canals," time and money are fast running out.

The longer term solution to clean up is, of course, passage of the superfund legislation, S. 1480, to finance cleanup, containment, and compensation of victims of hazardous waste discharges and spills. But until we can secure passage of this long overdue legislation, we need to insure that the Federal hazardous waste cleanup efforts already authorized are adequately funded.

For this reason, I plan to propose an amendment to the fiscal year 1980 Department of Transportation supplemental appropriations request, H.R. 7325, when this measure is considered by the Senate. This amendment would provide $30 million for the pollution fund from which the national response team, under the supervision of the Coast Guard, operates. In contrast, the original administration request was $21.5 million, and the House Appropriations Committee is recommending a funding level of only $12.5 million. These funds are authorized under section 311(k) of the Clean Water Act and provide the Federal Government with the capability to respond to environmental emergencies caused by oil and hazardous waste discharges into navigable waters.

Only because of the availability of this funding have several environmental disasters in my State been mitigated. For example, on the Susquehanna River near Pittston, Pa., over 3.5 million gallons of oil and chemicals such as sodium copper cyanide and benzene were dumped into abandoned mine tunnels from which they began leaking into the Susquehanna River at the rate of several thousand gallons per day. Only through the emergency response efforts financed by the section 311(k) fund has the discharge into the Susquehanna been contained—although a full-fledged cleanup effort would more than deplete the meager resources of the 311(k) fund and must await passage of superfund.

Unless Congress acts soon, this and other Federal hazardous waste cleanup and containment efforts are in danger of grinding to a halt.

Although the pollution fund is authorized at a level of $35 million, as of April 30, all but $4.5 million of the 311(k) fund had been obligated. Since that time, an additional $2.1 million has been committed, leaving only $2.4 million for all such cleanups nationwide. The fund has been rapidly depleted because of the increasing number of environmental health hazards to which the national response team must respond and because of the long time it takes to collect reimbursement from those responsible for waste discharges—in those cases where the identity of the offender can be determined.

Without additional funding, the ability of on-scene coordinators to respond quickly to environmental emergencies will be greatly curtailed, if not eliminated completely. I might add that even this $30 million level of funding would represent only a drop in the chemical bucket as the estimated cost of cleaning up all chemical dumps nationwide is $40 billion.

I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no obligation, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1794

On page 57, line 22, strike out "$12,500,000" and insert in lieu thereof "$30,000,000".●

CLEAN AIR ACT EXTENSION—S. 2725

AMENDMENT NO. 1795

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to S. 2725, a bill to extend certain authorizations in the Clean Water Act, and for other purposes.

● Mr. HEINZ. Mr. President, so that the near-crisis situation which prompted me to draft this amendment does not recur, I am also offering an additional amendment, to the Clean Water Act extensions. This amendment to S. 2725 would insure that as the financial resources of the 311(k) fund are drained, the flow of funds to ongoing cleanup efforts is not turned off. Specifically, this provision requires the Secretary of Transportation to notify the Congress whenever the unobligated balance of the fund falls below $12 million and to recommend a supplemental appropriations in an amount sufficient to restore the fund to its authorized level.

Again, I must stress that even this added safeguard which my amendment would provide represents but a stopgap at best. Until we can secure passage of superfund, however, it is essential that the section 311(k) fund be fully funded. I would therefore urge my distinguished colleagues to support this amendment.

I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1795

At the end of the bill, add the following:

Section 6. Section 311(k) of the Clean Water Act is amended—

(1) by inserting "(1)" after "(k)"; and

(2) by adding the following new paragraph at the end thereof:

"(2) The Secretary of Transportation shall notify the Congress whenever the unobligated balance of the fund is less than $12,000,000, and shall include in such notification a recommendation for a supplemental appropriation relating to the sums that are needed to maintain the fund at the level provided in paragraph (1).".●

AGRICULTURAL TRADE SUSPENSION ADJUSTMENT ACT OF 1980—S. 2639

AMENDMENT NO. 1796

(Ordered to be printed and to lie on the table.)

Mr. COCHRAN (for himself, Mr. TALMADGE, Mr. HUDDLESTON, Mr. PRYOR, Mr. LUGAR, and Mr. BOSCHWITZ) submitted an amendment intended to be proposed by them, jointly, to S. 2639, a bill to mitigate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on U.S. agricultural producers, and for other purposes.

● Mr. COCHRAN. Mr. President, on May 1, the Senate Committee on Agriculture, Nutrition, and Forestry reported the Agricultural Trade Suspension Adjustment Act of 1980, S. 2639. The purpose of this act is to mitigate the adverse effects of the Soviet grain embargo on U.S. farmers.

The serious financial condition farmers find themselves in at the present time makes it imperative that this bill be scheduled for floor action as soon as possible.

Today I am submitting for printing an amendment to S. 2639 to increase the price support loan rate for the 1980 crop of soybeans from $4.50 to $5.02 per bushel. The purpose of this amendment is to provide assistance to soybean farmers during a period of low prices and high cost of production. The amendment provides that the loan rate could not be less than $5.02 per bushel for the 1980 and 1981 crops.

The embargo was the first in a series of events this spring that have pushed farmers toward bankruptcy. Farmers were already anticipating lower income because of sharply higher costs of production. The embargo further amplified the problem as market prices declined. The high interest rates this spring put further pressure on farm income with many not able to obtain needed credit to plant their corps. Added together it is a really serious economic crisis for agriculture with the parity ratio, which measures the relationship between prices received and paid by farmers, at the lowest level since the depression. In March, the ratio was 63. The last time it was lower was in March 1933.

Farm income is a clear indicator of the problems faced by farmers. Based on USDA estimates, net farm income during the first quarter was down about 25 percent from the same period last year. The second quarter income is expected to be down nearly 40 percent from last year. This is the income which farmers use to live on—to buy food, clothes, transportation, and so forth. Very few of us could survive on a 40-percent drop in income, particularly with the cost of living expected to increase this year at 15 percent or more. I think it is easy to understand why farmers are distressed.

When the President announced the Soviet embargo on January 4, he promised farmers that they would not have to bear the full brunt of the decision. Yet, that decision put into motion a series of events that farmers in this country will have to live with for many years.

Experience has shown that there is no such thing as an embargo that is good for farmers. The major impact has always been to lower market prices of farm commodities and to encourage expansion in production by our major competitors. The previous soybean embargoes raised doubts about the United States being a reliable supplier. Despite efforts to convince our foreign customers otherwise, they turned to Brazil, Argentina, and others for part of their supply. This created a new wave of competition which our farmers are still battling today.

This embargo has been no exception. It now appears that the Soviets would have imported about 36 million metric tons of grain this year of which 25 would have come from the United States. The embargo limited our Soviet exports to the 8 million tons which the agreement specified could be purchased without further consultation. It now appears that the Soviets will be able to buy about 40 percent of the amount embargoed from other areas such as Argentina, Brazil, and Western Europe.

In a recent press release, USDA announced that they would honor the fifth year of the United States-Soviet grain agreement which allows them to purchase 8 million tons of grain. Moscow has not accepted this offer. Analysts generally believe that they will ultimately buy the grain, although some are still concerned that considerable supplies are being replenished by other sources such as Argentina—I might add, at a premium price.

By further delaying their decision, supply pressures will continue to build in the United States, allowing the Soviets to command a better price and perhaps more concessions from us when and if they decide to buy.

Promises made by the President that farmers would not bear the full cost of the embargo have not been kept. Even the contracts of corn, wheat, and soybeans purchased by the Commodity Credit Corporation following the embargo provided only temporary market strength. It turned out to be a false hope. It was clearly understood by everyone that the lost sales had to be isolated outside normal market channels if farmers were not to pay the full cost. Apparently, everyone knew this except the administration as evidenced by their handling of the embargoed soybeans.

When the embargo was announced, the American Soybean Association chose to take the President at his word and assist him in carrying out his pledge to take actions to offset the market impact. On January 7, 1980, they wrote Secretary Bergland to recommend six actions the administration could take. Those recommendations were as follows:

1. Increase by at least $298 million the amount of CCC export credits available for financing exports of soybean products to developing nations during the current fiscal year. These credits, to be offered at lower than current market loan rates, would be in an amount equal to the value of soybeans and soybean products withheld from the USSR.

2. Increase funding available under the Food for Peace (PL 480) program in order to speed increased exports of soybean products to needy people in developing nations.

3. Implement the intermediate-term credit provisions of the Agricultural Trade Act of 1978 which would allow the granting of commercial export credits from three to ten years in duration to foreign customers for the construction of facilities for processing and storage of U.S. agricultural commodities.

4. Make available CCC export credits to the People's Republic of China as authorized under the Agricultural Trade Act of 1978 so that soybean exports to that nation could be maximized.

5. Request Congress to grant the Department of Agriculture authority to establish a $5.0 billion revolving fund for CCC export credits.

6. In order to allow the American Soybean Association to initiate important new market development programs in key developing countries, the Administration should increase FAS cost-share contributions for soybean market development by at least $1.0 million in the current fiscal year, $2.0 million in the next fiscal year and $3.0 million in the following fiscal year. There after, FAS funding for soybeans market development activities should be equal to that provided by soybean growers.

The only action taken by the administration was to purchase contracts totaling 26 million bushels of soybeans embargoed and 400.000 tons of meal. Then, starting in March. the soybean contracts were sold back into the domestic market. This could not have been at a worse time nor a worse place. Market prices were already trending down because of the large Brazilian crop being harvested. Selling the contracts back on the domestic market put further downward pressure on prices. As a result, soybean prices are now at their lowest level since February 1978.

Thus, rather than taking actions to help soybean farmers cope with the embargo, the decisions made by the administration have been ill-timed and not always in the best interest of the farmers.

It now appears that it will be up to Congress to mitigate the damages caused by the embargo even though Secretary Bergland has sufficient authority to make the adjustments necessary. Therefore, when S. 2639 is taken up on the Senate floor, I hope my amendment will be accepted.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1796

On page 19, after line 22, add the following:

"LOANS AND PURCHASES FOR THE 1980 AND 1981 CROPS OF SOYBEANS

"SEC. 11. (a) Section 201 of the Agricultural Act of 1949, as amended effective for the 1978 through 1981 crops of soybeans, is amended by inserting before the period at the end of subsection (e) a colon and the following: '*Provided further*, That the Secretary shall make available to producers loans and purchases for the 1980 and 1981 crops of soybeans at not less than $5.02 per bushel'.

"(b) The provisions of subsection (a) of this section shall become effective October 1, 1980, and any producers who, prior to such date, receive loans and purchases on the 1980 crop of soybeans at a level lower than as provided in subsection (a) of this section may elect after September 30, 1980, to receive loans and purchases as computed under section 201(e) of the Agricultural Act of 1949, as amended by this section.". ●

TRANSFER OF FUNDS FOR THE SELECTIVE SERVICE SYSTEM—HOUSE JOINT RESOLUTION 521

AMENDMENTS NOS. 1797 THROUGH 1801

(Ordered to be printed and to lie on the table.)

Mr. HATFIELD submited five amendments intended to be proposed by him to House Joint Resolution 521, a joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System.

NOTICES OF HEARINGS

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Tuesday. June 10. 1980, at 2 p.m. in room 4232 Dirksen Senate Office Building, on the nomination of Don Alan Zimmerman, of Maryland, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1984.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold a hearing on Thursday, June 26, 1980, on three tax bills.

The hearing will begin at 2 p.m. in room 2221 of the Dirksen Senate Office Building.

The following measures of general application will be considered:

S. 2283: Introduced by Senator CHAFEE. Would provide an annual exclusion of $50,000 for foreign earned income. People who are bona fide residents of a foreign country for at least 3 consecutive years would be permitted to exclude up to $65,000 per year. In addition, a special exemption for housing allowances in excess of 20 percent of earned income would be provided.

S. 2418: Introduced by Senator BENTSEN. Would provide an annual exclusion of up to $60,000 for foreign earned income. The deduction for certain housing expenses under section 913 of the Code would be retained and the tax treatment under section 119 of lodging furnished to employees living in camps would also be modified.

S. 2321: Introduced by Senator JEPSEN. Would provide that all foreign earned income of certain individuals is exempt from taxation.

Revenue estimates on these measures will be provided at the time of the hearings.

Witnesses who desire to testify at the hearing must submit a written request, including a mailing address and phone number, to Michael Stern, staff director, Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on June 17, 1980.

WRITTEN STATEMENT

Witnesses who are not scheduled to make an oral presentation, and others who desire to present their views to the subcommittee, are urged to prepare a written statement for submission and inclusion in the printed record of the hearings. These written statements should be typewritten, not more than 25 double-spaced pages in length, and mailed with five copies to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, not later than July 11, 1980.●

SUBCOMMITTEE ON EDUCATION, ARTS, AND HUMANITIES

● Mr. PELL. Mr. President, I would like to announce that the Subcommittee on Education, Arts, and Humanities will hold hearings on S. 2385, the Youth Act of 1980, at 10 a.m. on June 17 and at 10 a.m. on June 18, 1980, in room 4232, Dirksen Senate Office Building.

For further information regarding this hearing you may wish to contact David Evans of the subcommittee staff at 224-7666. Those wishing to submit a written statement for the hearing record should write to the Subcommittee on Education, Arts, and Humanities, 4230 Dirksen Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MERCHANT MARINE AND TOURISM

Mr. MORGAN. Mr. President, I ask unanimous consent that the Merchant Marine and Tourism Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on H.R. 6613, maritime collective bargaining.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MORGAN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider S. 2470, the Power Plant Fuels Conservation Act, and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS AND RECREATION

Mr. MORGAN. Mr. President, I ask unanimous consent that the Subcommittee on Parks and Recreation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to continue hearings on S. 2741, dealing with national forest lands in the State of Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS AND RECREATION

Mr. MORGAN. Mr. President, I ask unanimous consent that the Subcommittee on Parks and Recreation of the Committee on Energy and Natural Resources be deemed to have had permission to meet during the session of the Senate yesterday to hold hearings on S. 7241, legislation dealing with national forest lands in the State of Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate tomorrow to hear administration officials on U.S. population policy and programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CANCELED CARIBBEAN NAVAL EXERCISES

● Mr. HARRY F. BYRD, JR. Mr. President, on May 28, I obtained the consent of the Senate to have printed in the RECORD a copy of a letter sent by President Royo of Panama to President Carter. The letter was dated May 1, 1980, and it protested planned U.S. Navy and Marine Corps exercises involving an amphibious assault at Guantanamo, Cuba.

The exercise was canceled soon after the President received the Royo letter.

A related editorial, entitled "Bowing to Caribbean Pressure," which appeared in the Pittsburgh Press, on May 27, draws the same conclusion that I have reached. It is now clear that foreign opposition played a role in the President's decision to cancel the Caribbean naval maneuvers.

The Russian Combat Brigade in Cuba, of course, remains.

Mr. President, I ask that the editorial be printed in the RECORD.

The editorial follows:

BOWING TO CARIBBEAN PRESSURE

There are disturbing reports that the White House has bowed to pressure from Latin American countries to keep U.S. warships from conducting maneuvers in the Caribbean Sea.

President Carter recently called off a long-planned amphibious-assault exercise by the Navy and Marines at the U.S. Naval Station in Guantanamo Bay, Cuba.

The ostensible reason was to divert the ships to the Florida straits to help the Coast Guard with problems of the Cuban-refugee sealift.

It turns out, however, that another factor may have been a protest filed by Panama's president Aristides Royo, and by other Latin American nations.

According to the Scripps-Howard News Service, Royo asked Mr. Carter to cancel the exercises "to avoid greater tension" and he also warned that the Caribbean "has ceased to be the private sea of the United States."

And a State Department official has conceded that opposition to the naval exercise encouraged Mr. Carter to find "less controversial things to do with the ships."

Now nobody can argue with the need for the Navy to help watch over the refugee sealift. And nobody would advocate creating unnecessary tensions among our Latin American neighbors.

But it is necessary for the United States to carry out naval exercises, including simulated amphibious assaults, to maintain a state of military readiness. And the United States cannot allow other countries to dictate when, where or whether it can use the high seas for military maneuvers.

This country does not claim the Caribbean as a "private sea" and never did. But the United States has a legitimate right—indeed a duty—to maintain a naval presence in the Caribbean.

And we dare not let the president of Panama, or anyone else, scare us out of waters that Fidel Casto and his Russian friends would like to make their "private playground."●

THE 60TH ANNIVERSARY OF THE PEACE TREATY OF TRIANON

● Mr. DOLE. Mr. President, today is the 60th anniversary of the Peace Treaty of Trianon that divided the kingdom of Hungary into four parts leaving only about 30 percent of her territory and about one-third of her inhabitants to the Hungarian state. It is remembered somberly by Hungarians around the world and also by the American Hungarian community.

Supposedly based on the noble ideals of President Wilson on national self-determination, and the famous 14 points to insure a lasting peace, the treaty was actually to the detriment of the gallant Hungarian people. It was ironic that

Hungary, whose Prime Minister Count Stephen Tisza was the sole opposing voice against the war in July 1914 in the Austro-Hungarian Crown Council, was to receive the harshest sentence after the war.

The results of the treaty were ultimately unfavorable to European security. The ensuing conflicts about the treatment of national minorities by the new multinational small states contributed to Hitler's success in the region and the outbreak of World War II. After the Second World War, Stalin made use of the nationality conflicts as a means to secure the adoption of Communist regimes in the region. That status quo still exists today.

NATIONALITY PROBLEMS REMAIN

Unfortunately, so do the nationality problems. The Helsinki Declaration, although defining human rights and group rights in more meaningful terms, has yet to alleviate the problem of free movement and minority rights for Hungarians.

Hungary is presently under control of an atheistic Communist regime whose interest is to destroy constitutional principles and the historical traditions of the Hungarian people. Self-determination is present in the Communist lexicon only under "irony."

Recognizing the obligation of the United States to take every initiative to promote the hopes of the oppressed people of Hungary for a future of freedom and liberty, today I submit for the RECORD the resolution passed by the American Hungarian Federation on the Human Rights of Hungarians at the 60th anniversary of the Peace Treaty of Trianon.

The resolution follows:

RESOLUTION OF THE AMERICAN HUNGARIAN FEDERATION ON THE 60TH ANNIVERSARY OF THE PEACE TREATY OF TRIANON

The American Hungarian Federation, representing over 300 churches, chapters and fraternal associations, commemorates the 60th anniversary of the Peace Treaty of Trianon by recalling the devastating consequences which the Treaty had, not only upon the State of Hungary, but also upon the Continent; and that the ensuing conflagration in Europe was to reach across the Atlantic and draw the United States into yet another war. It is now undeniable that the Treaty helped lay the groundwork for future conflict by distorting the Wilsonian principles of self-determination and thereby contributing to the desecration of the American ideals of democracy and respect for fundamental human rights. Significantly, the United States never ratified the Treaty. On this most somber occasion, the American Hungarian Federation has adopted the following resolution:

Recalling, that despite the efforts of Count Stephen Tisza, Prime Minister of Hungary and member of the Austro-Hungarian Joint Ministerial Council for Common Affairs, to prevent the outbreak of war, Hungary was, nevertheless, compelled to sign the Treaty of Trianon which by its terms was the most severe of all of the post-war settlements;

Recalling, that in addition to areas with mixed populations, purely Hungarian inhabited regions were detached from Hungary, resulting in the transfer of more than 3 million Hungarians and over 70% of Hungary's former territory to foreign rule; and that thereby a geo-political unit which had exhibited remarkable stability for a thousand years was dismembered;

Recalling, that the principle of national self-determination would have prescribed the holding of plebiscites in the detached regions; and that with the exception of the Sopron region which voted to remain with Hungary, plebiscites were denied the affected populations who were thereby prohibited from charting their fate;

Recalling, that today over 4 million Hungarians live outside the present borders of Hungary as national minorities in the states contiguous to Hungary; that the majority of them live under Communist dictatorships that deny them their most fundamental human and national minority rights and interfere with their attempts to preserve their culture, as, for instance, in Czechoslovakia and Rumania where the government has embarked on an aggressive compaign to denationalize its 2.5 million Hungarians;

Believing, that without genuine tolerance for pluralism which serves to enrich human experience and promote the fulfillment of human potential, and without respect for the right of self-determination, permanent peace and justice cannot be achieved in this strife-torn region of the world;

The American Hungarian Federation, condemns, the denial of the Hungarian minorities' human rights which violates the well-established principles and norms of international law acceded to even by the very states whose transgressions are most severe; and

Calls upon our President and the Congress to impress upon the governments of East Central Europe to treat their Hungarian and other national, ethnic, linguistic, and religious minorities in a manner consistent with the letter and spirit of the relevant international norms and the provisions of the Declaration on Cooperation and Security in Europe signed in Helsinki in 1975 which are aimed at protecting and promoting respect for human and national minority rights.●

REV. DR. GEORGE BENJAMIN BROOKS

● Mr. DECONCINI. Mr. President, for the past 25 years, the Reverend Dr. George Benjamin Brooks, founding pastor of the Southminister Presbyterian Church in Phoenix, has been a powerful force in the social and spiritual life of Arizona.

Dr. Brooks and his church have been reaching out to their community for many years and in many ways. He is the director of Project Uplift, a training program for unemplovable young people, and of the Child Development Center, which provides preschool education for 130 exceptional children. Dr. Brooks also serves as the administrator of the Southminster Social Services Agency, Inc., which strives to deal with the many varied problems of the community.

George Brooks was born in South Carolina in 1926. After attending public schools in the State and in New York, he attended college for 1 year, then served in the Naval Reserve for 2 years. He earned his B.A. from Johnson C. Smith University, North Carolina, in 1948, and his Master of Divinity from the New York Theological Seminary in 1951.

He has since continued his education, earning an M.A. in educational administration at Arizona State University in 1973, and a doctorate in ministry from San Enselmo Theological Seminary in 1976.

Among the many awards conferred on Dr. Brooks have been the Elks' Man-of-the-Year Award, the Phi Beta Sigma Outstanding Man-of-the-Year Award, and the NAACP Outstanding Service Award.

Mr. President, I am pleased that such an outstanding community leader is my friend, and I congratulate him on this important anniversary in his career.●

SEVERANCE AND AD VALOREM TAXES—SOME CONSISTENCY PLEASE

● Mr. WALLOP. Mr. President, the 96th Congress has debated and voted on many proposals which affect the taxing powers of the Federal Government and its fiscal relationship with the State and local governments. The windfall profit tax debate not only dealt with taxing individuals and corporations, but it also dealt with the fiscal relationship between the Federal Government, the States and their political subdivisions. The Senate was asked to decide whether the Federal windfall profit tax should be applied to the State's royalty on oil production. The Senate wisely rejected proposals to tax the State's royalty oil, thereby preserving the tax-exempt status of State royalty oil and reaffirming the long-established limits on Federal taxing authority.

Another important question faced by the Congress in the context of the windfall profit tax debate was whether State severance taxes and ad valorem taxes should be deductible from the windfall profit tax. The windfall profit tax conference decided that State severance taxes should be deductible from the windfall profit tax, but that State and local ad valorem taxes would not be deductible under the windfall tax.

Mr. President, it is difficult to understand why the Congress would allow State severance taxes to be deductible from the windfall tax but deny this tax status to the ad valorem taxes imposed by the political subdivisions of the States. By denying deductibility of ad valorem taxes, the windfall profit tax creates an additional tax burden for oil companies who end up paying the windfall tax on top of the ad valorem taxes. The denial of deductibility also threatens to upset long-standing fiscal relationships between many States and their political subdivisions.

This decision was regrettable, but it is equally unfortunate that the status of severance and ad valorem taxes changes according to whim or circumstance. Mr. President, there are few instances where we hope to find consistency in the world, but it is desirable to find some consistency in Federal legislation. In view of the separate tax status provided State severance taxes and ad valorem taxes, I am astounded to see the introduction of S. 2695 which would combine the severance and ad valorem taxes to create a cap on the level of tax that State and local governments can impose on coal production.

Mr. President, it is difficult to understand how the sponsors of this legislation can support the windfall tax which give separate tax status to severance and ad valorem taxes, and then propose legislation that places these two distinct taxes in the same category. This suggests that the sponsors wish to pick and choose the tax status under Federal law of ad valorem and severance taxes depending on particular circumstance. When it is decided that additional tax burdens should be placed on the oil companies, ad valorem taxes are considered differently from severance taxes. On the other hand, populism and the need to provide simplistic answers to complex problems may also demand that an attack be made on the taxing power of energy producing States. In this instance, the sponsors of S. 2695 consider ad valorem and severance taxes to be one and the same.

Mr. President, in referring to the severance taxes imposed by the State of Wyoming on coal production, the sponsors of S. 2695 refer to a severance tax rate of 17 percent. In fact, Wyoming's severance tax on coal is 10.5 percent. The county and local governments of the State of Wyoming also impose ad valorem or property taxes which in some cases are as high as 6.5 percent. It is important to emphasize that the State of Wyoming does not have a severance tax of 17 percent.

Mr. President, all Members of the Senate should be wary of attempts to limit or distort the taxing authority of the State and local governments. It has become abundantly evident that political pressures and expediency can at any time threaten the institutional powers and rights of the States. In this instance, the proposal to limit the State and local government's ability to tax coal mined on Federal lands comes at a time when the bankruptcy of Federal energy policies are recognized here and abroad. Rather than addressing the central issue of energy production and supply, some would have us focus on the taxes imposed by two Western States.

At another time political opportunism may invite legislation attacking another once-sacrosanct right of the States or local governments. I caution those Members of the Senate who believe in the separation of powers between the Federal Government and the States. Proposals to limit the taxing authority of the States must be recognized as a serious threat to the fiscal autonomy and survival of the States and their political subdivisions. Although proposals to limit the States' taxing authority on coal have immediate significance to Wyoming and Montana, the enactment of such a limitation would threaten the fiscal status of all State and local governments.●

EXEMPTION FROM FUTA PAYMENT REQUIREMENTS

● Mr. GRAVEL. Mr. President, prior to the adoption of the Tax Reform Act of 1976, the Internal Revenue Service frequently treated individuals employed on fishing boats, or on boats engaged in taking other forms of aquatic animal life, as regular employees. As a result, operators of the boats had to withhold taxes from the wages of crewmen, and also had to deduct and pay the taxes on employees under the Federal Insurance Contributions Act (the social security taxes.)

It was recognized during the debate on the Tax Reform Act of 1976 that the crews working fishing boats are frequently "pick-up" crews composed of individuals who may work for only a few voyages, and sometimes even for only one voyage. In some cases, the boat operator may select his crew from individuals found waiting on the dock in the morning. In still other cases, small boats may be operated by relatives, no one of whom is considered the boat's operator, "captain," or even the crew's leader. Thus, the voyage partakes more of the nature of a joint venture than it does an employment situation.

It was recognized that under these circumstances, it was difficult and impractical for boat operators to keep the necessary records to calculate tax obligations as an employer, and that it was equally difficult for them to withhold the appropriate taxes for payment. Often the boats operate with a small crew, and the boat operator himself is likely to be an individual who has worked as a fisherman throughout his career, and who is unaccustomed to keeping records of any type, especially the type required under the tax rules for employers.

Another factor contributing to the difficulty in which the boat operators found themselves was the nature of the remuneration paid to their crewmen. In many cases, the crewmen were paid no regular salary, but instead received a portion of the catch or a portion of the proceeds of the catch. In practice, the catch was often sold upon return to shore, usually by the boat operator, and each crewman was immediately paid a percentage of the proceeds of the catch equivalent to the portion of the catch for which he agreed to work. In view of the basic informality of this arrangement, and the consequent difficulty in adhering to the obligations required of employers by the Internal Revenue Code, Congress believed it appropriate to remove these obligations from small boat operators by treating their crewmen as self-employed individuals. Congress believed that this would recognize the basic nature of the arrangement between the boat operators and the crewmen since the crewmen, under these arrangements, should find it much simpler and more convenient to calculate and report their own income for tax purposes than would the boat operators.

Under the Tax Reform Act of 1976, crewmen on boats engaged in taking fish or other aquatic animal life with an operating crew of fewer than 10 are treated as self-employed for Federal tax purposes if their remuneration is a share of the boat's catch (or a share of the proceeds of the catch), or in the case of an operation involving more than one boat, a share of the entire fleet's catch or its proceeds.

Crewmen described in the provision (section 1207(e) of the act and 3121(b)(2) of the Internal Revenue Code) are to be treated as self-employed for purposes of income tax withholding from wages, the self-employed tax, the Federal Insurance Contributions Act (FICA) taxes and the social security laws. They are to be treated as self-employed only if the operating crew of the boat normally consists of fewer than 10 individuals (including the captain.)

In adopting this provision of the Tax Reform Act of 1976, the Congress improved the recordkeeping problems of small boat operators. However, Congress failed to include the Federal Unemployment Tax Act taxes in the taxes from which exemption was granted on behalf of the employers. The bill I am cosponsoring today constitutes a conforming amendment which will exempt the owners and operators of small boats, as defined by section 1207(e) of the Tax Reform Act of 1976 from mandatory withholding and reporting of Federal Unemployment Tax Act taxes, but only within the qualifying conditions of section 1207(e) as listed in subsection (1) thereof. Under current law, owners and operators of fishing boats weighing less than 10 net tons are exempt from the payment of FUTA taxes unless they are engaged in salmon or halibut fishing.

The legislation which I am cosponsoring today would allow an election by the owner operator to pay FUTA if his crew is less than 10 people and the remuneration consists of a share in the catch of the vessel or a portion of the proceeds of that catch. The salmon and halibut industries are of relatively short annual duration and thus, while withholding may be paid, few of the employees can qualify for the benefits. The paperwork required to file FUTA withholding is substantial and not significantly less than the paperwork required for the filing of other withholdings exempted by the Tax Reform Act of 1976.

Therefore, in order to fulfill one of the objectives of section 1207(e) of the Tax Reform Act of 1976 I would urge passage of this legislation to exempt from the withholding requirements of FUTA all owner operators of vessels operating with a crew of fewer than 10 individuals.

Mr. President, S. 1194 is the bill introduced by Senator HEFLIN which would correct this inequity. I would like to join as a cosponsor to Senator HEFLIN's bill today and I urge my colleagues to support this legislation when it reaches the full Senate.●

INTERNATIONAL NATURAL RUBBER AGREEMENT OF 1979

● Mr. DECONCINI. Mr. President, on Thursday, May 22, 1980, the Senate voted to ratify the International Natural Rubber Agreement of 1979, and passed S. 2666 to authorize appropriations for the agreement.

Mr. President, I find it extremely ironic that it is necessary to create an international buffer stock to stabilize short-term natural rubber price fluctuations while trying to encourage the expansion of natural rubber supplies over the longer term. The United States is the single largest consumer of natural rubber, 25 percent and is 100 percent dependent upon imports. Executive Report No. 96–35 tell us the United States imports approximately 770,000 metric tons annually, at an average value of over $800 million. Natural rubber, all imported, accounts for 25 percent of total United States rubber requirements. The price of natural rubber has risen incredibly in recent months to a level of about 71 cents per pound. Frankly, there has been little we could do about it. Even under the terms of this agreement, the price of rubber must decline to 38 cents per pound, or about 45 percent, before the buffer stock can purchase natural rubber to release later when prices rise.

And what is the cost for the United States, just to initiate the buffer stock?—a rather hefty $88 million in fiscal year 1981, or about 15 percent of the total expense.

And yet, despite the higher and higher prices, Under Secretary of State Richard Cooper stated during the committee hearings that most projections for rubber supply in the 1980's indicate "increasingly tight supplies, if not actual shortages, developing." Natural rubber constitutes about 25 to 30 percent of the total rubber market and provides many technical advantages over synthetic rubber in some uses, especially in aircraft tires and in automobile radial tires. Furthermore, the price of synthetic rubber is no longer a suppressant of natural rubber prices. The 700-percent increase in crude oil prices since 1973 has resulted in, I am told, a 100-percent increase in the direct cost of producing synthetic rubber.

What I find so ironic, Mr. President, is that we have done virtually nothing to develop our own domestic natural rubber producing capacity.

In 1977, one of our foresighted colleagues, Senator Pete Domenici of New Mexico, introduced a bill which was cited as the "Guayule Rubber Demonstration and Economic Development Act of 1977." The bill was acted on by the Senate and eventually became law (Public Law 95-592). The purpose of the act is the development and demonstration of the economically feasible means of culturing and manufacturing guayule. However, funding under the act has been virtually nonexistent.

Guayule is a semiarid shrub that grows wild in the American Southwest and produces a latex rubber nearly identical to Harca rubber from Southeast Asia. It is not a recent discovery. It produced about 50 percent of the rubber used in the United States in 1910, and was grown in vast quantities in the emergency rubber project during World War II.

Mr. President, it is not my intention to relate in great detail the potential for a viable domestic rubber industry at this time. I do, however, want to point out to my colleagues the seriousness and cost of our dependency on imported rubber. A flourishing industry could be initiated for a fraction of the cost of the United States share of the buffer stock program alone. And, the benefits to this country, including national defense implications, would be immense, even in the relatively near future.

I voted in favor of ratification of the International Natural Rubber Agreement of 1979. However, as a member of the Appropriations Committee, I also intend to closely examine the need for an appropriation in fiscal year 1981 and certainly intend to put the funding of both this agreement and Public Law 95-592, the Natural Latex Act, into proper perspective.●

SURVEY SHOWS AMERICANS CONTINUE TO SUPPORT ENVIRONMENTAL IMPROVEMENT: PEOPLE FAVOR BALANCE WITH OTHER NATIONAL NEEDS

● Mr. RANDOLPH. Mr. President, a national survey conducted by the Opinion Research Corp. of Princeton, N.J., has come to my attention. It reflects the opinions of the American people on the environment and the economy, and the role Government is playing in this important area.

I share with the Senators some of the findings of this study. It has always been my belief that Government should continue to be responsive to the people it serves.

The study indicates Americans are strongly committed to protecting the environment and, indeed are willing to make significant sacrifices to assure that progress continues. Certainly this is encouraging to those of us on the Environment and Public Works Committee who have been steadfast in our desire to bring about meaningful improvements in the Nation's environment.

The survey leaves no doubt as to the public's increasing concern about the environment, especially as to hazardous substances. An increasing proportion of Americans—62 percent today versus 55 percent in 1977—indicates that protecting the environment is so important that standards must be high.

The survey also shows Americans are now considering environmental policy in the context of other national priorities.

In answer to one set of questions commissioned by the American Iron and Steel Institute, an aggregate of 83 percent of those polled said that as long as the public health is protected they might be willing to see environmental standards relaxed somewhat. But, it would be necessary to protect jobs in their community; 81 percent showed a willingness to relax standards, so long as public health is protected, if it would help strengthen the local economy in their community. And 84 percent said thev might be willing to relax environmental standards, so long a public health is protected, if it would conserve energy.

Even among those sampled who consider themselves environmental activists, more than four out of five said they would be willing to relax standards, if the public health were protected, either to protect jobs, to improve their local economy or to conserve energy.

Mr. President, these findings are helpful as we look toward improving our Nation's environmental policies.

The public is telling us that we cannot consider any one issue—even the protection of the environment—in a vacuum. The public is telling us that we cannot steer a single-minded course as if the very perplexing and stubborn problems of controlling inflation, achieving energy independence and saving the jobs of American workers, were not equally important.

As chairman of the Environment and Public Works Committee, and as a Senator of West Virginia, I have been privileged to participate in the formulation of our national environmental policies.

Members of the Congress do not shrink from our responsibility to do everything possible to protect the public health. The public is saying such an effort must be our responsibility.

But there is a question, beyond that point, as to the weight which should be given environmental quality among the other factors comprising the very quality of our way of life—our jobs, our economy, our industry, and our national security.

It is indeed heartening to see continued evidence of the public's increasing concern over the quality of our environment. It is reassuring, also, to know that the American public views this issue in a proper prospective.●

THE ELDERLY

● Mr. DOMENICI. Mr. President, my honorable colleague from Maine, Senator William S. Cohen, addressed the Maine Academy of Family Practitioners in Portland, Maine, on April 11, 1980, and spoke of the problems of taking care of the elderly in our country. His statements showed clearly how we have neglected the elderly and failed to adequately provide for their needs. For these reasons, I request that the entire text of his remarks be admitted to the Record.

Senator Cohen gave two reasons why we have neglected the elderly in our Government programs. He accurately pointed out that we tend to treat senior citizens as just one large group, stereotyping them instead of responding to the individual needs of the elderly in their respective communities. There is also a clear lack of direction for the establishment of programs and policies.

Senator Cohen's statements reflect my own concern for the Government for our rural elderly. Through the work of Senator Cohen and others, we are beginning to study and resolve some of these problems.

Senator Cohen has done a great service to this country by bringing these problems to our attention and I ask that his statement be printed in the Record for everyone to read.

The statement follows:

Statement of Senator William S. Cohen

There is an Hasidic saying that "The prosperity of a country is in accordance with its treatment of the aged."

The United States has been, historically, a prosperous nation. Whether that prosperity has been related to the treatment of elderly Americans is debatable. What is clear, however, is that our nation is in a period of economic crisis—an era which holds some danger, if that is the right word, for the aging in our society.

Inflationary pressures are sending shockwaves of seismic proportions throughout our economy. Those shockwaves effect all of us. Every time we go to the grocery store or buy gas, we are confronted head-on by the spectre of surging inflation. Those wanting to buy a home—or to sell one—encounter unprecedented mortgage rates. When the prime lending rate hits 20 percent—as it has—we are all in a lot of trouble.

While the President and his economic advisers, and all of us in Congress, wrestle with this crisis we must keep paramount in our minds the impact that it has on the elderly. Particularly for those on fixed incomes, the burdens of inflation are awesome. The shrinking dollar is most frightening to those who have the fewest to spend—and little or no alternatives for expanding their incomes.

No matter how well off any of us are, we are feeling the pinch. But today's economy directs its sharpest cutting edge against those who can least withstand its rigors.

Those who have saved in anticipation of retirement are perhaps punished most. Last week's Parade magazine cited the example of a recently retired Cleveland couple. With $516 a month from Social Security and a company pension, plus $10,000 in savings, they looked forward to a modestly comfortable retirement—a time to relax, enjoy life, maybe travel a little.

They have none of these. Rather, by their own definition, they are disillusioned, bitter that inflation has ruined their retirement, and angry that the government is doing nothing to help.

"Uncle Sam kicked me in the teeth," the Cleveland man complained. "I've worked hard all my life. Paid my taxes. Lived by the rules. Done what the government told me. I've earned a good retirement.

"Instead, every day's a struggle. I buy the cheapest food at the cut-rate grocery store. Even buy day-old bread. I'm tired of meat loaf. We'd like to go and see our daughter in Oregon, but who can afford to drive with gas at $1.25 a gallon? Half our savings are gone. What are these rum-dums in Washington doing to help me? Nothing! Retirement isn't supposed to be like this. This is America."

The man's complaint is a valid one. And he is not alone in expressing it. The government has an obligation to the most needy in our society. But it has an equal obligation to middle-income Americans, who after years of paying taxes and preparing for what they hope will be comfortable later years, are finding everything they worked for eroding.

As you know, I recently sent a newsletter to Maine senior citizens telling about some of the 96th Congress's legislative initiatives affecting the elderly. I have received a number of letters from those who received the newsletter. These letters have had two consistent, inter-related themes—that more attention must be given to the needs of middle-income Americans and that we must better direct our efforts to providing for future generations of Americans. I concur.

I think there have been two basic problems with the government's approach to meeting the needs of the elderly. One is the tendency to see the aging as some sort of homogeneous mass. The other is what I perceive as a total lack of direction in establishing programs and policies.

Some view the elderly as if they were another species. They forget that being an elderly person is just one facet of everyone's life. Aging is a continuing, gradual process. Nothing happens abruptly at age 65. The elderly are often discriminated against, or patronized, because of unfair stereotypes. We waste a vast national treasure in our older people—yet they represent a stable resource that will increase dramatically in size.

Today's 24 million senior citizens will increase to 32 million in the next two decades. There will be two workers for every one retiree and one-half million "new" older people each year. And soon after the turn of the century, the post-war "baby boom" will become a geriatric mushroom cloud.

What has the government done to respond to this aging American society? Both the Congress and the executive branch have tried to respond. But in doing so, the result has been greater, not less, hardship for the average aging American.

One-fourth of the federal budget is now ear-marked for the elderly. Social security takes the biggest chunk of our budget. We have Medicare, Meals-on-Wheels, food stamps, rent assistance, the Older Americans Act. Yet, the perception, and perhaps the reality, is that senior Americans are not faring well at the hands of their government.

Claude Pepper, who was my chairman when I served on the House Select Committee on Aging, has best summed up the handling of federal programs: "If the people in charge of delivering services to the elderly had been in charge of constructing the $6 million dollar man," Pepper said, "he would have ended up with blurred vision, two left feet, and cost $10 million.

There are no fewer than 134 federal programs to assist the elderly. Those programs fall under the jurisdiction of 49 congressional committees and subcommittees. They are administered by seven executive departments and five independent agencies. In the area of transportation alone, there are 31 separately funded programs for the elderly. By the time all this money trickles down to 600 area agencies on aging and 1,000 senior citizen centers, it is little wonder that the vast resources devoted to the elderly accomplish so little.

The Administration on Aging is supposed to go to bat within the executive branch for the elderly. I am not, frankly, impressed with the job it has been doing. Just recently, the Special Committee on Aging held a hearing at which we had the opportunity to address our concerns with AoA Commissioner Robert Benedict. I pressed him on his agency's handling of elderly matters. With my colleagues, I emphasized the need for greater attention to the problems of the rural elderly, the need for improved home health services, and the importance of better transportation, particularly for those in rural areas.

Our committee, and our House counterpart, serves an important function as a focal point for these concerns. We succeeded in returning a Department of Health, Education and Welfare home health report which was clearly unresponsive to the mandate of Congress. We got the Administration to rescind proposed Meals-on-Wheels regulations which could have meant the end of community-based programs in Maine and other rural states. And we have, I hope, finally gotten through to the Administration on Aging when we say that we are serious in insisting that the needs of the rural elderly should be a high priority.

Of all my congressional responsibilities, my duties on the Aging Committee are, and always will be, a high priority. I asked to serve on the House committee when it was first created in 1975.

On moving to the Senate, I required the opportunity to be a member of the special committee. My service on the committees has given me the chance to work for improved home health services and for increased attention to rural needs. This summer, I hope to hold a hearing in Maine on problems of the rural elderly.

But if there is one priority, one single issue which must be addressed, it is the inflation problem. Inflation is destroying the savings of older Americans, undermining their pensions, and reducing the buying power of their Social Security dollars. For the 80 to 85 percent of the elderly who do not need direct governmental intervention to live independently in their own homes, the finest thing the federal government could do would be to reduce the annual rate of inflation to a single digit level.

Such an action would obviously benefit all Americans, but it would especially help those older Americans living on fixed incomes. But, in my seven years on Capitol Hill, I have not really seen any of the major aging organizations focusing attention on the devastating inflation rate.

Washington, D.C. has a way of immersing all of us in a somewhat unreal world. I have to return regularly to Maine in order to maintain the political perspective I need to properly represent my constituents. It is for this reason that I asked for the field hearing I hope to hold in Maine this summer.

But I believe the same holds true for many national organizations. They lose touch with the real world. Their Washington staff may not be in tune with their membership, and their priorities and goals drift further and further away from the views of their members.

One such example is the issue of National Health Insurance. I would be the first to acknowledge that our health care delivery mechanism needs to be reformed and strengthened. But I frankly do not believe that our Nation can afford, nor do I believe that our people want, a massive federalized health insurance system. Such systems in many Western European countries have, over a period of decades, produced economic stagnation, a crushing tax burden, and spreading popular disillusionment. In many of these countries, I might add, it has also had an adverse effect on both the quality of health care and its availability.

Throughout my years in the House and Senate, I have rarely seen real evidence that more than a vocal minority of older Americans truly want a massive national health insurance program. But that fact has not stopped most of the national organizations from advocating just such a program even though, in the minds of many observers, it is an idea whose time has come—and gone.

The trend toward rigid special interest groups has been somewhat divisive to the American political process. Both of our political parties are essentially coalitions which contain a wide variety of views. But the special interest groups are playing an increasingly active role in State and National elections, and more and more elected officials find it necessary to pacify these divergent groups. This process contributes to the fragmentation of our political processes and it makes it far more difficult for us to develop clear and coherent policies.

This fragmentation is often reflected within Congress itself. We have the Black Caucus, the Women's Caucus, the Rural Caucus, the Blue Collar Caucus, and so on, and so on.

Fortunately, older Americans have been a stabilizing force in our nation's electorate. They register and vote in disproportionately high numbers. They are proud and independent people who do not automatically seek governmental solutions to all of their problems. They are astute voters, but they are not selfish voters. Unlike many of the "special interest voting blocs," they have not shown the rigidity, the inflexibility, and the uncompromising attitude toward public policy displayed in some sectors.

Those of us in elected office owe the elderly and, no less, ourselves and future generations, responsible legislative action. We cannot afford to keep establishing new programs over which we show insufficient oversight. We cannot afford to throw good money after bad in the name of worthwhile causes. We must show fiscal responsibility, for federal spending is one of the biggest causes of our runaway inflation.

That is the reason that I have voted to cut the federal budget where I felt spending is not justified. And it is the reason that I am a cosponsor of a proposal to limit federal spending to a percentage of the gross national product.

Not long ago, an inflation rate of 10 per cent was considered unthinkable. Today, it would be greeted with relief. That is a sad commentary on the economic policies which this country has embraced during the past few years.

Placing a ceiling on the proportion of resources consumed by the Federal Government is crucial to containing the growth of the public sector versus the private sector. It is essential if we are to ease inflation. There is no other single step which would do more to slash the inflation that is boosting the cost of living to unparalleled heights.

For the elderly, for all of us, this has to be the number one priority. I am committed to insuring that the needs of the elderly, disabled, and disadvantaged are met. In this time of fiscal austerity, I will do what I can to see that the Federal Government does not undertake budget cuts which would hurt those who are most in need. But it is my duty as a responsible legislator to vote against spending which cannot be justified and to work for reduced federal expenditures.

Many historians believe that societies rise or fall on their ability to meet, and overcome, the challenges that confront them. Today's inflationary crunch is one of the greatest challenges ever to have faced our nation. We as a nation will be growing older in the last two decades of this century. We will, I hope, grow wiser as well. And if we are to be a prosperous nation in those years, we must follow that Hasidic admonition to treat our aging fairly and well.●

SENATOR KENNEDY ON ENERGY COOPERATION IN THE AMERICAS

● Mr. TSONGAS. Mr. President, Senator KENNEDY has asked me to submit for the RECORD his statement on energy cooperation and other relevant documents. Senator KENNEDY's statement follows:

ENERGY COOPERATION IN THE AMERICAS

As events in Iran and Afghanistan heighten awareness of America's dependence on Persian Gulf oil, and as America renews its commitment to achieve energy security, we must not overlook the vast energy potential that lies within the Western Hemisphere. Increased cooperation within the Hemisphere on energy matters will be an important component of an effective U.S. energy policy, and I believe it will serve the mutual interests of both energy-producing and energy-consuming nations.

While Americans are becoming increasingly aware of the energy wealth of our Canadian and Mexican neighbours, we often forget the energy potential that lies within South America. This is particularly true with regard to Venezuela—a democratic nation which has been a reliable source of energy through two world wars and numerous political and economic crises, including the 1973–74 Arab oil embargo.

As Chairman of the Energy Subcommittee of the Joint Economic Committee, I released a study last February on Venezuela's role as a leading petroleum exporter in the Western Hemisphere. I believe the time is long overdue for the U.S. to demonstrate strong interest in increased energy cooperation with Venezuela, as well as expanding relations in other areas of mutual interest and concern.

The recent visit of Venezuela's Minister of Energy and Mines, Dr. Humberto Calderon Berti, to the United States provides an important beginning. This visit highlighted both the practice and the promise of increased energy cooperation within the Western Hemisphere. The occasion of the Minister's visit was the signing of an agreement for technological cooperation in energy production between the United States and Venezuela. I believe this agreement exemplifies the type of cooperation we should promote with Venezuela and with other nations throughout the Hemisphere.

During his visit, Minister Berti delivered a speech in New York in which he made several points that deserve careful consideration:

First, although the nations of the Western Hemisphere are net importers of energy, they have among them enormous undeveloped energy resources.

Second, the more conventional energy sources of Central and South America—oil and hydroelectric power—may be less costly to develop than the synthetic fuel resources of the United States.

Third, security of energy's supplies is vital for all the nations of the Western Hemisphere. In this connection, I am deeply concerned that the Administration has failed to redress our nation's vulnerability to disruption of oil supplies, and I believe that an essential component of any meaningful energy policy must be to ensure the security of energy supplies for the U.S. and for our friends, allies, and trading partners.

Finally, Minister Berti proposed the creation of an Inter-American energy development fund "whose main objective would consist in coordinating the human, technological, and financial resources of the hemisphere in a concerted effort aimed at the development of the energy resources in our continents."

I ask that the text of this speech, together with a second speech delivered by Minister Berti in Washington, be printed in the RECORD. While there are arguments in these speeches with which we might disagree, they represent a serious and responsible effort to find a common basis for a hemispheric energy policy. We must recognize that hemispheric cooperation on issues of energy policy cannot be achieved overnight. But it is also true that there are few areas of public policy where so much is at stake and the benefits could be so great, where the rewards of close U.S. relations with our hemispheric neighbours could be so amply demonstrated. As the Minister said so well:

"The economic development that would accompany energy developments in many Latin American countries is the best guarantee for political stability and the healthiest breeding ground for the consolidation and spread of democracy throughout the continent. In other words, an adequate energy supply may be a tool to foster democracy and social and economic justice in our hemisphere."

We can no longer afford to ignore the benefits that increased hemispheric energy cooperation can bring. Such cooperation can prove to be a vital component of a comprehensive energy strategy, promote economic development, and, perhaps most important, be a powerful example of our future relations with the nations of the Western Hemisphere.

The material follows:

Ladies and gentlemen: I have come to the United States, representing the Venezuelan Government, in order to sign a bilateral agreement of technological cooperation in various energy fields. This agreement represents the beginning of a new type of technological relationship between our two countries, based on the principle of reciprocal national interests. It is also the result of the complementary nature of our countries' energy profiles: in particular, the traditional role of Venezuela as a reliable supplier of oil to the United States markets: And also, it represents a bilateral response to the global challenge for energy cooperation: whose need is most apparent as a result of the prevailing and the prospective world energy picture.

In effect, the world is at present in a period of transition from an over intensive dependence on oil for its energy supply, to an ERA when these increasingly scarce hydrocarbon resources are to be used much more rationally than in the past. The transition to this new ERA will thus require, in addition to efforts of conservation, the development of many non-traditional energy sources, including the various forms of non-conventional hydrocarbon deposits: as well as an increased use of the more abundant coal resources of the world.

The nature of this transitional period may be typified by a few figures which are indicative to the magnitude of the problems involved.

World oil production increased from about 45 million barrels per day in 1970, to almost 63 million barrels per day in 1979; during the same period however, the level of world oil reserves increased by a considerably smaller proportion, so that the world's reserve to production ratio which is indicative of the theoretical life of the remaining reserves decreased from some 33 years in 1970, to about 25 years towards the end of that decade. If such a trend were to continue during the eighties, we would find that by 1990 the ratio will fall below what is usually considered its critical level of 15 years.

Putting it in other words, the world is presently consuming oil at a rate of nearly 23 billion barrels of oil per year on the basis of proven reserves of less than 600 billion barrels. So that, just in order to maintain the present level of world reserves, it would be necessary to discover each year an amount of reserves equivalent to those of Venezuela or Nigeria today: or equivalent to twice those of Algeria and Indonesia: or 3 times those of Qatar: or 17 times those of Ecuador: or 34 times those of Gabon. I think you will agree with me that this is an impossible task.

Looking at the problem from a slightly different perspective, we find that in the late seventies, oil still accounted for 45 percent of world energy production and yet only represented about 14 percent of world mineral energy reserves (coal, oil, gas and uranium); at the same time, coal, which represented over 70 percent of world energy reserves, contributed only 34 percent to world energy production.

We think the disparity between these two sets of figures is fairly obvious an indicative of an irrational world energy structure which must be corrected. in order to avoid much more serious problems in the future than we have seen during the past decade.

As with all transition periods in history, this one too will be accompanied by difficulties, maladjustments and, if not enough efforts under taken, perhaps also by crisis. But this is precisely what we should all try to avoid through diverse forms of energy cooperation.

The oil situation of our own Western Hemisphere is even more serious than the world's average, in so far as the theoretical duration of the hemispheres conventional oil stands at only 16 years, at current rates of production. Even this figure is misleading, for it hides the fact that much of the oil consumed in the Western Hemisphere is imported from other parts of the world: so that the hemisphere's oil balance is much more precarious than indicated by the reserve to production ratio of 16 years.

Fortunately, all is not bleak in our energy horizons, for the recognition of the magnitude of the problems involved has led to an increasing awareness of the need to adopt strong measures to counteract these trends, and to foster a greater degree of cooperation in our interdependent world. Granted, we have not yet observed enough concrete efforts towards energy-conservation, for example; but we have seen some progress in the field of international cooperation. In particular, the north-south dialogue constituted a first recognition of the need for cooperation on a global scale, and of the fact that energy and general economic development are related one to the other.

It is very important that this last point be well understood, for we believe that the link between energy and development will be the acid test of the success, or failure, of future efforts at international cooperation. This link should be understood in light of its historical perspective: In the particular case of Venezuela, there occurred a transfer of very real resources of wealth in the form of oil, during 50 years or so, while the price of these resources was declining in both constant and current terms during a good part of that timespan. The same can be said of other producing countries. The upshot is that we observed a direct transfer of real wealth from the exporting countries to the industrialized nations, which, to a great degree, were able to develop their economies on the basis of our cheap energy, while our countries remained in a situation of economic underdevelopment.

What we have been observing since 1973 is the other side of the same coin: The producing countries are now in a position to obtain some transfer of real resources from industrial countries, which will allow us to build up our own economies.

It is in this historical perspective that the link between energy, other raw materials, and development must be interpreted, particularly in light of the global negotiations scheduled to begin this year in the United Nations.

We also believe that, within the scope and spirit of global cooperation which has inspired these initiatives, there is also a need for cooperation within our hemisphere, as exemplified by the bilateral agreement on energy technology between Venezuela and the United States.

There are several reasons why cooperation on a hemispheric scale is necessary and desirable:

First of all there are historical factors which favour Inter-American economic and energy cooperation, in comparison with other parts of the world. In particular, our common origins derived from similar struggles, for independence from colonialism: Our conviction that the democratic system of government constitutes the best safeguard for the liberty and rights of our people: And in general, a common respect for the sovereignty of all nations, and for the principle of non-intervention in their internal affairs.

In addition to these historical and philosophical bonds, there is the very important question of hemispheric security, which, in light of the increasingly delicate international political situation, should be of paramount concern to all of us here today, and indeed to our hemisphere as a whole. Until recently, Venezuela had been practically the only significant exporter of energy in the hemisphere, and most of its energy continues to be used in the area.

I need not familiarize this audience with our history as a secure and reliable source of supply, even in comparison with other hemispheric neighbours that have had to curtail or eliminate their energy exports for various reasons of internal policies. I do wish to emphasize that the problem of security is politically and economically of foremost importance to Venezuela, and that our international policies in the regional context are aimed at favouring the consolidation of democratic regimes through economic, energetic and political support, which we feel is the only road toward long-term stability in our region of the world.

A third reason for hemispheric cooperation is the fact that America, notwithstanding finding itself in a more precarious oil situation than the world average, is a energy rich continent. It has been generously endowed with diverse energy resources. In this respect, allow me to mention some figures on the energy potential of the Latin-American countries:

It has been estimated that there is an untapped oil potential of 430 billion barrels, of which about half would be conventional crude oils; of natural gas, it is estimated that there are an additional 150 billion barrels of oil-equivalent yet to be discovered: In coal, another 160 billion barrels of oil equivalent. Just these three resources would total some 740 billion barrels of oil equivalent in fossil fuels. In addition to these, it has been estimated that the hydro-power potential is in the order of 300,000 megawatts, of which only 15 percent has been developed: and the geothermal potential could represent as much as 90,000 megawatts of electric capacity. All this in addition to radioactive resources, as well as the potential for solar, wind and biomass energies.

SOURCES.—The Mitre Corporation; Stanford Research Institute.

Now these figures represent nothing more than potential energy resources; However, they are indicative of the enormous benefits which could be derived from a concerted and cooperative hemispheric effort for their development. Now you may ask yourselves how the United States might benefit from the development of some of these resources outside its own borders. The answer is simple: because the energy problem is a global problem. To the degree that alternative energy resources are developed anywhere in the world, but particularly in our hemisphere, there is proportionately less demand pressure on the more conventional sources of energy. This, in turn, means that some of these conventional resources are liberated for use where it is more difficult to substitute them, or where the energy problems are more pressing.

Secondly, there are economic considerations to be taken into account on a hemisphere basis. In general it will probably be less expensive per Btu to develop, say, the conventional oil potential of Central America, or the hydroelectric potential of South America, that the oil shales of western United States. I am not suggesting that developments such as these should not be undertaken, quite the contrary; all I am saying is that the benefits of the other two developments—which are only meant as examples—may be considerably larger and cost substantially less.

In the third place there are commercial benefits to be derived from these developments, in the form of sales of equipment and technology, as well as in the financing for such projects; additionally, to the degree that energy projects foster the development of the countries, new possibilities for trade would certainly open up.

Last, but not least, the economic development that would accompany energy developments in many Latin American countries, is the best guarantee for political stability and the healthiest breeding ground for the consolidation and spread of democracy throughout for continent. In other words, an adequate energy supply may be a tool to foster democracy and social and economic justice in our hemisphere.

I believe that there are convincing reasons why the entire hemisphere would benefit significantly from a concerted effort directed towards the development of its indigenous energy resources, and particularly those of Latin America. We believe, therefore, that a pooling of our human technological and financial capacities for these purposes, is the best means of achieving the transition away from oil based economies, with least trauma and cost to all of our countries.

Now that we have determined why it would be of interest to develop some of this energy potential in the hemisphere, it is necessary to try and give some concrete content to the thoughts I have expressed.

In the first place, a coherent policy framework must be adopted in order to guide any specific efforts towards energy cooperation in the hemisphere: in this respect, I would suggest the following concepts:

1. In general, a country's specific energy situation must be taken into account in designing an adequate strategy for the development of its resources. Within that framework, however, each country should adopt policies designed to increase the production capacity of its domestic energy sources, to rationalize its consumption patterns, and to redefine its development model in order to adapt to its energy realities; (that is to say to base its economic development upon less energy intensive industries).

2. In the development of a country's indigenous energy resources, priority should be given to the substitution of imported oil by domestic oil, or by the other energy sources, based on proven and easily accessible technologies, such as hydroelectricity and geothermal energy.

3. Conservation programs should be adopted, in order to reduce the present and future waste of energy, specially taking into account the advances already achieved in this direction by some countries.

The development of these projects will require the mobilization of a significant volume of financial, technological and human resources towards the Latin-American regions, which have not yet manifested themselves in the proportion required by the energy situation of the hemisphere. This is why Venezuela has suggested the need for the cooperative hemisphere effort I have been outlining here today.

The Latin American Energy Organization, OLADE, has reacted favorable to our ideas, as well as other regional and international organizations, such as SELA the Latin-American economic system; CEPAL, the Economic Commission for Latin-America; UNDP, the United Nations Development Program; the World Bank; and the Interamerican Development Bank.

We believe the main responsibility for implementing these ideas must lie with the main producers and consumers of energy in the hemisphere. The responsibility of the first group lies mainly in guaranteeing the continued supply of hemisphere energy, at least at such levels as they have been supplying historically. That of the second group would consist in reducing the waste of energy and fostering the diversification of their energy sources. Both groups of countries would have the responsibility of contributing to increase the flow of financial, technological and human resources to the energy sector, in order to liberate significant volumes of hydrocarbons towards those countries and used—where it is more difficult to substitute these conventional energy forms.

It is because of all these reasons that we consider it would be desirable to establish an Inter-American Energy Development Fund whose main objective would consist in coordinating the human, technological and financial resources of the hemisphere in a concerted effort aimed at the development of the energy resources in our continents. Such a fund, as its name implies, would also require a financial capacity of its own, in order to provide direct financing where other alternatives would not be easily forthcoming. Its main objectives would consist of the following:

1. Financing the exploration and development of new oil producing areas, of the region's coal resources, of its hydroelectric and geothermal potential, as well as of its other potential sources of energy.

2. Coordinating the obtention of the necessary human and technological resources need to achieve the development of the region's energy supplies, as well as to provide tech-

nical assistance in the formulation of national energy plans and policies, including those pertaining to the conservation and rationalization of the use of energy.

Such a fund which is different in spirit and purpose from others suggested, would be constituted both by the petroleum exporting countries of the hemisphere, as well as by its principal consumers, as these two groups of countries include those with the highest relative economic development in the hemisphere. It should be understood that the fund would not undertake by itself the financing of specific energy projects, but that it would serve as a catalyst and promoter for such projects, by bringing together and coordinating all the necessary elements required for their development, including those available in the specific beneficiary country.

The fund would, of course, operate under the principle of sovereignty—all nations over their natural resources, and its corollary that all nations are co-responsible for the national production and use of energy resources in the framework of international social justice. This implies that all decisions regarding disbursement of funds would necessarily require the participation of all countries involved, and would thus guarantee the support of the regional community. It is also thought that such a fund would be administered through an existing international financial institution, which would avoid the need for creating a new bureaucracy, as well as the delays that would occur.

If these brief ideas fall on fertile ground, the road would be open for an intense flow of continental cooperation whose beneficial economic, social and political consequences would surprise us all in the medium and long runs.

In this respect, Venezuela has already demonstrated its interest and willingness to cooperate on an international and regional basis, and is prepared to continue doing so in the future. Between 1974 and 1979 we committed 5.7 billion dollars to international cooperation, of which we have disbursed about 65 percent. 21 percent of the total has been managed through bilateral agreements, especially through our oil facility which benefits the Caribbean and Central-American nations. The other 79 percent has been channeled through diverse multilateral mechanisms, such as the OPEC fund, the Inter-American Development Bank, the World Bank and the International Monetary Fund. On the regional level, we have been very active within the Latin American Energy Organization, OLADE, and have served as a link between this organization and OPEC.

In a very important, though less apparent manner, Venezuela has also been cooperating throughout its oil history in providing a continuous and secure flow of oil to the Western Hemisphere, particularly to North American and the Central American and Caribbean region. The importance of this continuity should be measured, not only in relation to the current political situation worldwide, but also in reference to its implications for stability and for the progress of democracy in our own region, where the Venezuelan system has served as an example of stability for other countries.

In the energy field itself, although Venezuela has a long and important history, I can assure you that it will also have a long and important future. In this respect, our proven reserves of conventional oil amount to 18 billion barrels; however, we can estimate an additional 17 billion barrels of probable oil reserves which can be recovered through secondary and tertiary methods of production, as well as in the areas adjacent to our proven reserviors. Additionally, the symstematic research and development efforts under way at the world famous Orinoco petroleum belt has being highly successful providing us with results much better than anticipated.

These resources will ensure that Venezuela will continue to be an important energy producing country.

Finally, I do not wish to leave here today without referring briefly to Venezuela and its role within the Organization of Petroleum Exporting Countries, OPEC.

In this context, our oil pricing policies are based upon the decisions adopted by the conference of OPEC ministers; and I should point out that, as a member of OPEC's long term strategy committee, we have been working on, and promoting, the establishment of a semi-automatic price adjustment mechanism for OPEC, which would lead to greater stability and predictability in the international petroleum markets.

OPEC has also been studying the questions of its relations with other developing countries, on the basis of the principles of solidarity and international social justice, and will continue to adopt measures of multilateral cooperation with a view to helping those countries in the transition away from the era of cheap oil.

Last, as regards our relationship with the industralized nations, I think OPEC has made clear its willingness to engage, once again, in a dialogue on energy problems, as well as on other problems which are of concern to all developing countries.

We are convinced, that, only through a concerted effort towards international cooperation, the world will be able to advance with a minimum of trauma to a new energy era, and towards the establishment of a just international economic system, Venezuela; and OPEC, are certainly prepared to make such efforts; and we hope to find a receptive atmosphere for these ideas in the industrialized nations of the western world.

Thank you very much!

SPEECH DELIVERED BY THE MINISTER OF ENERGY AND MINES OF VENEZUELA, DR. HUMBERTO CALDERON BERTI

Ladies and gentlemen, it is for me a great honor to address such a select audience to speak about the essential elements of the Venezuelan national petroleum policy.

Venezuela has always approached the management of its petroleum industry on the basis of coherent and integral policies designed to achieve specific goals and objectives, which are consonant with the dynamic nature of this industry both nationally and internationally.

Aside from our obvious interest in managing this important industry in the most rational and business-oriented manner, there is a more fundamental reason why such policies are essential for Venezuela, insofar as the oil sector constitutes the nucleus sustaining the nation's economy and the basis for its overall development. The impact of this industry on the national economy is easily appreciated when considering its contribution to public revenues, where oil accounts for about 63 percent of total government income; its share of exports, where oil represents 94 percent of the total value of Venezuelan exports; and its contribution to GNP, where it accounts for about 22 percent of the total. All this, in addition to other significant direct and indirect effects on the national economy. It should be clear therefore, that the importance and magnitude of this sector for Venezuela requires that the government be permanently vigilant of all factors that may affect the oil industry, and that it adopt policies which foster the strengthening and expansion of the sector.

Allow me, therefore, to give you a general idea of the main elements of our present oil policy, and how it has been evolving in the recent past.

In the first place, I must refer to the nationalization of the Venezuelan oil industry which took place in 1976.

The decision to nationalize was of course a matter of national policy, based on solid legal foundations, and responding to the sovereign economic and political interests of Venezuela over its depletable natural resources.

The nationalization of oil in Venezuela did not come as a surprise for the international oil companies which operated in my country. Rather, it was the result of a lengthy and responsible process of analyis and consultations, based on due legal considerations, which culminated in January 1976 with the formal nationalization of the oil industry.

It was achieved with a minimum of trauma and absolute respect for the interest of all parties involved, as demonstrated by the fact that the Venezuelan oil industry has maintained excellent commercial and technological relations with the very same international companies whose operations in our country were nationalized.

However, the nationalization did not stop in January 1976; that date marked only the beginning of a continuous and dynamic process of adjustments designed to strengthen and better adapt our petroleum industry to the new domestic and international realities. In this respect, I should point out that much of our effort has been directed towards maintaining and optimizing the traditional efficiency and performance of the industry in Venezuela, mainly through the continued reliance on our existing human and technological resources, and through the rationalization of many activities which was made possible by the coordination of all operations under the leadership of the parent company, Petroleos de Venezuela.

The result of all these ongoing efforts has been a continuous and reliable supply of Venezuelan oil to its traditional customers, which has not in any moment been interrupted for political reasons and which attests to the responsibility and success of our nationalization.

This brings me to the question of our marketing policy, whose first premise is that Venezuela will continue to be an important and secure source of supply for its traditional markets, particularly in our Western hemisphere. At present, although we export oil to many countries in the world, about 45% of those exports come here to the United States.

Within this policy of security of supply to our traditional markets, we have been pursuing the objective of diversifying the number and type of customers to whom we sell our oil. In particular, we have been moving away from the use of intermediaries, such as traders and brokers, and attempting to sell directly to semifinal and final customers, such as utilities and small refineries.

With the same spirit, Venezuela only sells oil through contractual agreements in order to avoid speculation in the international markets.

Another very important aspect of our export policy consists in the linkage of the sales of our light and medium crude oils to the sale of our heavier crudes. Those customers who want to buy light and medium Venezuelan crudes are required to purchase some of our heavy oil as well. As I will explain later on, this export policy is the result of the increasing proportion of heavy crudes in our total production, which requires the progressive development of new markets to accommodate larger volumes of heavy crude oil.

The last element of our international marketing policy is, of course, our pricing strategy which is fundamentally based upon the decisions adopted by the OPEC conferences. In this respect, I should point out that, as a member of OPEC's long term strategy committee, Venezuela has been working on, and promoting, the establishment of a semi-automatic price adjustment mechanism for OPEC crudes which, we hope, will lead to greater stability and predictability in the international petroleum markets in the future. Such a pricing mechanism would take into account the negative impact of monetary disorder and inflationary effects on oil prices, in order to protect the purchasing power of OPEC's exports; and it would also provide for progressive and predictable increases in crude prices, which would account for the increasing scarcity and exhaustible nature of our petroleum resources.

The second fundamental element of our petroleum policy is related to the level and nature of our production strategy. All of our production decisions are based on the principle of conservation which has guided Venezuelan oil policy for a long time, and has ensured our continuous presence as an important and reliable source of oil for the hemisphere.

It is on the basis of this principle that the Government has set a production target of 2.2 million barrels of oil per day for 1980. Although this level of production represents a reduction of about 150,000 barrels per day with respect to 1979, it determines an acceptable reserve to production ratio of about 20 years, on the basis of our proven oil reserves of 18 billion barrels of oil.

At the same time, it will ease the demand on our reservoirs which last year produced close to 98 percent of their potential capacity, mainly because of the volatile political conditions which affected the international markets during 1979, and pushed the demand for Venezuelan oil almost to our production limits.

In line with what I mentioned previously in regard to our marketing policies, all of the production capacity which is being closed corresponds to light and medium crude oils. Again, these decisions are based on the application of conservation principles. In effect, although the light and medium crudes are the most valuable in the international markets, they are also the scarcest in the structure of our oil reserves in Venezuela. Although two thirds of our total reserves are made up of heavy and extra-heavy crudes, the bulk of our production has traditionally been made up of light and medium crudes. The result has been a rapid depletion of our more valuable reserves. We are now slowly attempting to correct this situation through diverse measures.

Firstly, our main exploratory efforts are aimed towards the discovery of light and medium crudes, especially in our offshore areas, where we estimate a potential of about 10 billion barrels of light oil.

Secondly, we have been investing very heavily (2 to 3 billion U.S. dollars) in changing our refining patterns so as to be able to process a greater proportion of our more abundant heavy crudes in our own refineries, while still satisfying the increasing internal and international demand for light products.

And thirdly, we have been promoting the exports of our heavy crudes, as mentioned previously, so as to ensure the progressive adaptation of our traditional markets to this type of crude oil.

In this last respect, I should point out that it is not only in Venezuela's interest for the markets to adapt themselves to a greater proportion of heavy crude oils, but it is also in the interest of all consuming countries of the world. I say this because the world's average oil production is in general becoming heavier, as greater and greater reserves of light crudes are produced and depleted.

I briefly mentioned the fact that we are concentrating our exploratory effort in our offshore areas; this is not to say, however, that we are neglecting other potential producing areas. Quite the contrary. At present, in addition to our proven reserves of 18 billion barrels of oil, we estimate that there are an additional 17 billion barrels of oil which can be recovered through secondary and tertiary methods of production from active oilfields as well as in areas adjacent to our proven reservoirs. The Orinoco petroleum belt is not included in the above estimates.

Now that I have referred to the Orinoco belt, counted among the largest oil deposits the world has ever known, I must also mention the fact that we are dealing here with very difficult crude oils which present an important technological challenge for the future on two different fronts: First, on the production of its very heavy crudes, and second on the upgrading and refining of the same crudes.

The problems of production will require the use of the most advanced technologies related to the extraction of crude oils; I am referring in particular to methods involving the injection of steam, or chemical solvents, as well as the possibility of using a technique known as in situ combustion. Fortunately, Venezuela has a long experience in the production of heavy and extra-heavy crudes and indeed most of the existing technology has in fact been developed in my country. The problem, therefore, is one of improving our own technologies and choosing the most appropriate to the development of the Orinoco belt.

The problem of upgrading and refining these crudes will probably require a larger and more sophisticated technological effort, both by Venezuela and by its potential customers for Orinoco crudes.

In effect, the Orinoco crudes have a very high metal and sulphur content, between 300 and 500 parts per million of vanadium, which must be extracted, or significantly reduced, in order to be able to refine the crude through conventional methods in a secondary stage.

In a nutshell, these are the main technological challenges facing the Venezuelan petroleum industry at present. And it is facing us now, because the development of the Orinoco belt has already begun; it is the most important project to be undertaken by our nationalized industry, which has already prepared a master plan for research and development of the belt during this decade.

We have been preparing ourselves on the technological front as well. In the first place, by consolidating our own internal technological capacity. This is being achieved through the creation and progressive strengthening of INTEVEP, the research and development branch of the National Oil Company.

This facility already has a staff of over 500 persons, of which about 60 percent are professionals, and half of these hold masters and doctoral degrees. INTEVEP is at present applying its human resources, in conjunction with its technical facilities, to the solution of technological problems in all facets of the oil industry, but it is particularly concentrated in researching the problems related with development and upgrading of the Orinoco crudes.

Finally, we are also engaged in a process of diversifying the sources of the technology we require for the continued development of our oil industry, in order not to be excessively dependent on any single source of technology.

It is within this spirit of diversification that we have come to sign a technological cooperation agreement on energy matters with the United States Government, for we believe that only through a cooperative effort will the world be able to advance with a minimum of trauma towards a new energy era.

However, the cooperative efforts must not take place only on a bilateral basis, because the energy problem is of a global nature. Two days ago, in New York, I suggested a scheme for hemispheric energy cooperation in our continent, and a few months from now, the United Nations will begin its session on global negotiations, which will include the energy problem. These are all opportunities which must not be allowed to fall in neglect, for in them lies the key to the solution of many problems that affect stability and peace in the world. I think Venezuela, together with the rest of the OPEC member countries, has demonstrated its willingness for dialogue and international cooperation; we hope to find a similar willingness on the part of all industrialized countries.

Thank you very much.

Washington, D.C., March 6, 1980.●

FINANCIAL DISARRAY OF THE LAW ENFORCEMENT EDUCATION PROGRAM

● Mr. SASSER. Mr. President, in an October 24, 1979, letter to the Comptroller General of the United States, I requested information on the financial management of the law enforcement education program (LEEP).

Today I received that report from Comptroller General Staats.

Mr. President, the Comptroller General, in his review of the LEEP program, found—and I use his own words—"financial chaos" in the program. The Comptroller General, in his letter to me dated today, went on to assert:

> Of particular significance is the Law Enforcement Assistance Administration's failure to properly bill, collect, and account for the grants and loans made under the program. As a result, millions of dollars due the Government are not collected.

Mr. President, after reviewing the Comptroller General's report, I believe his initial characterization of the financial management of the LEEP program that is, "financial chaos" was generous and understated.

BACKGROUND

Congress established the LEEP program in 1968 to assist individuals to attain a higher education in law enforcement. Grants and loans are made to individuals enrolled in law enforcement or criminal justice courses at almost 1,000 junior colleges, colleges and universities. The grants and loans are forgiven (canceled without repayment) if the recipient works for a publicly supported law enforcement or criminal justice agency for a specified period. Otherwise, the recipient must repay the grant or loan with interest.

The program was transferred from the Law Enforcement Assistance Administration (LEAA) to the new Department of Education in May 1980.

CONCLUSIONS OF GAO REPORT

The GAO report found that since 1969 the LEEP program made over $278 million in loans and grants. Inadequate controls and inaccurate records caused financial and administrative breakdowns in the LEEP program.

GAO estimates that 84 percent of those

billed did not pay; $18.2 million currently owed will not be collected; about $2 million that should have been collected was not collected during one quarter of fiscal 1977; and about 90 percent of the bills were incorrect.

In addition, GAO found that the reported loans receivable balance of $149.6 million for fiscal year 1978 was overstated by $72.4 million.

IMPROPER BILLING EXAMPLE

GAO auditors estimated that 90 percent of the bills due January 1, February 1, and March 1, 1978, included incorrect interest charges. In one illustrative example, an individual was billed for 125 months interest, beginning September 1967. The date used to calculate interest was 9 months before LEAA was established.

EXAMPLES OF INADEQUATE PAYMENT PROCESSING

The GAO also found examples of inadequate payment processing. Payment checks were not promptly deposited and were poorly controlled from the day received until they were deposited in the Federal Reserve Bank. Specific weaknesses include:

Late deposit of most checks. A total of 225 checks for $29,000 received in June and July 1978, were not deposited until the third week of September 1978.

Checks left on file cabinets and desks for several days were readily accessible to anyone in the area.

Individual accounts not promptly updated to reflect the payment. For example, 31 checks were deposited in December 1977, but accounts were not credited with the payments until August 1978.

The GAO found that the basic cause of these problems is the absence of a formal payment processing system.

EXAMPLES OF AWARDS FROM TWO SCHOOLS

In other cases, the GAO auditors found that students were receiving awards from two schools during the same academic term. A University of Southern California student obtained concurrent awards for the same semester from the University of Southern California and Chapman College. A total of $949 in concurrent awards exceeded the maximum allowed under the program.

CONCLUSION

Mr. President, the GAO report goes on to detail numerous instances of bungling and financial mismanagement of the LEEP program.

Mr. President, this is just one more incidence of the lack of effort on the part of Federal agencies to collect the just debts owed by individuals to the Government. I am hopeful that the Secretary of Education will take immediate corrective action to institute a comprehensive and aggressive collection program that will restore integrity in the financial management activities of the LEEP program.

The hard-pressed American taxpayers do not deserve the mistreatment that has been heaped upon them by this record of 10 years of uninterrupted ineptitude and just plain sloppy collection efforts that have taken place in LEEP program.●

REGULATION OF THE BROADCASTING INDUSTRY

● Mr. LAXALT. Mr. President, the regulatory process has come under intense scrutiny in recent years, and many of us in the Congress have come to view Government regulation with increasing skepticism. The Congress now recognizes, I believe, that the forces of competition and the marketplace are better able to regulate the private sector than our Government regulators.

One of the most heavily regulated sectors of our economy has been the broadcasting industry, and there is widespread belief that increased reliance on marketplace forces, and less on Government regulation and control, will result in a stronger industry which will better serve the American public.

A recent issue of Broadcasting magazine includes editorial comment on the position taken by Ronald Reagan, the probable Republican Presidential nominee, toward regulation of the broadcasting industry. In a nutshell, Governor Reagan believes that the over-regulation that now exists stifles creativity, ingenuity, and diversity of programing, and allows the Government to intrude into areas protected by the first amendment to the detriment of both the public and the broadcasting industry. He is convinced that deregulation of that industry would foster free and full treatment of political, social and economic issues, and generally tend to improve service to the public.

I heartily recommend to my colleagues that they review the editorial from the May 12, 1980, issue of Broadcasting magazine, and ask that it be printed in full in the RECORD.

The editorial follows:

ONE-WAY STREET?

It isn't our style to deal in partisan politics. Our interest in this election year is precisely what it was when the publication was founded nearly a half-century ago: the freedom and well-being of broadcasters on the premise that the American public is served best through interplay in the marketplace.

Barring upsets, the contenders for the Persidency will be Jimmy Carter and Ronald Reagan. Until last week, neither had made any new definitive statement about his views on the communications media. Now Governor Reagan is on the record. On page 36 of the May 5 issue of Broadcasting, we reported excerpts from a letter to this magazine in which he called for "reliance on the marketplace forces and less on the heavy hand of government regulation and control." And he called for deregulation and stability in the renewal process as proposed by Senator Barry Goldwater (R-Ariz.).

Moreover, said Governor Reagan in his letter, "it is my position that over-regulation and regulation by 'raised eyebrow' stifles creativity, ingenuity and diversity of programing, and allows the government to intrude into sensitive First Amendment areas to the detriment of the public and broadcasters alike. Deregulation reduces such intrusion and produces more diverse programing. . . .

I am confident that deregulation would neither foster abuses by broadcasters nor create a lack of sensitivity to the need to address the interests and concerns of all segments of their communities. . . . For too long, broadcasters have been burdened by a regulatory scheme which inhibits free and full treatment of political, social and economic issues and casts doubt over renewals even where there is a proven record of superior performance."

Those are observations that broadcasters—whatever their party—must savor and applaud. Governor Reagan was a former Midwest sportscaster and, until he formally declared his GOP candidacy, relied in part upon his syndicated radio commentary for his livelihood.

If there is a Carter mandate, it came in his State of the Union message to Congress last January, prior to his announced second-term candidacy. It provided no solace for broadcasters because he endorsed not only what was going on at the FCC under the chairmanship of his appointee, Charles D. Ferris, but also the business-baiting projects of Chairman Michael Pertschuk of the Federal Trade Commission, who has since had his comeuppance from Congress. Specifically, President Carter wanted diversification of media, 1,000 new radio stations and full-speed ahead on "other technologies."

Since there have been no new pronouncements from the Carter administration, the President also must be judged by those perceived to reflect his regulatory views. Newswise, his press secretary, Jody Powell, takes pot shots at broadcasters at every opportunity. But Carter advisers play the broadcast media like an accordian, scheduling news conferences in prime time whenever the opportunities arise. This has little if anything to do with regulatory philosophy or the essence of the broadcaster's quest for First Amendment rights.

Lip service to the mirage of deregulation aside, licensees must look to performance of the FCC. Since President Carter named politician Ferris in October 1977, he has done little, if anything, that hasn't raised broadcasters' hackles. He has restructured the agency with hand-picked bureau heads who do his bidding. And so far, he has contrived to muster an FCC majority for his projects to sock the "ins."

At this juncture, most broadcasters and their associated entities are on a one-way street. Governor Reagan stands behind principles that thoughtful broadcasters can support. The Carter administration, through the Ferris FCC, has given broadcasters the back of its hand.

The question is whether the Carter strategists will recognize their oversights. Certainly Rafshoon & Company cannot ignore a situation that seems to cry out for counterprograming.●

UNLIKELY VICTIMS OF THE WINDFALL PROFIT TAX

● Mr. BOREN. Mr. President, in the June 9, 1980, issue of U.S. News & World Report, Senior Editor Kenneth R. Sheets wrote an excellent article which sums up much of the sentiment expressed recently by royalty owners who are finding their monthly checks substantially reduced by the recently passed Windfall Profit Tax.

The article also points out some of the testimony which Senator Dole and I heard during Finance Committee hearings we held on this subject in Oklahoma City and Great Bend, Kans., on May 23.

We have joined to offer a bill, S. 2521, which would exempt from the Windfall Profit Tax the first 10 barrels per day of royalty production.

There is a real need for passage of S. 2521 to provide relief to royalty owners who are being taxed at exactly the same rate as the major oil companies under the Windfall Profit Tax.

Many of these royalty owners are farmers and ranchers or are retired and depend on royalty checks to supplement their social security.

Mr. President, I request that the text of Mr. Sheet's article be printed in the Record.

The article follows:

"Windfall" Tax Claims Some Unlikely Victims

Beatrice Wright, a Pauls Valley, Okla., widow who supplements her income by giving piano lessons, was outraged to discover that the U.S. government is now taxing away half the $2,180 she earns each year from an investment left by her late husband.

John B. Davis, a retired Milwaukee chemical engineer, reacted with shock when notified that Washington is suddenly taking an extra $75.43 bite out of his monthly income.

Mrs. Freida M. Brewer of Winfield, Kans., discovered the other day that one source of her retirement income had been reduced by 30 percent.

These three are among an estimated 2 million Americans—most of them farmers, ranchers, retirees and others of modest incomes—who own royalty shares of oil wells. And they are angry.

Royalty owners have belatedly discovered that Congress included them in the controversial "windfall profits" tax recently enacted to siphon off some of the record earnings of "big oil."

"I was all for the tax because I thought it was going to take away some of the profits of the big oil companies," reports an elderly Oklahoma woman who earns around $20 a month from a share of an oil well inherited from her husband. "Now I find out that I have to pay the same rates as Exxon."

A MISLEADING NAME

Part of the confusion stems from the label attached to the "windfall profits" tax. The tax is not really levied against oil-company profits at all, but is an excise tax on oil production. It is designed to recoup, in addition to regular taxes, 227 billion dollars of the estimated 1 trillion that oil companies will earn over the next 10 years as price controls on U.S. oil are gradually lifted. Royalty owners are expected to pay about 30 billion dollars in new taxes.

Not only will individuals be taxed at the same 30 to 70 percent rate as major oil companies, royalty owners complain, but they will not be able to pass the tax on to consumers in the form of higher fuel prices as oil companies are expected to do.

Says Representative Wes Watkins (D-Okla.): "These people cannot in any way be considered engaged in profiteering or plundering. How the administration and Congress can justify taxing them at the same rate as major oil companies is beyond my comprehension." Watkins is one of several lawmakers from oil-producing states who are trying to persuade Congress to reopen the windfall-profits issue to grant an exemption to royalty owners.

Leading the drive are Senators Robert Dole (R-Kans.) and David Boren (D-Okla.), who are sponsoring legislation exempting royalty owners from the tax on up to 10 barrels of oil a day.

Senator Lloyd Bentsen (D-Tex.) is backing a bill that would exempt royalty owners and independent oilmen from the tax on the first 1,000 barrels of oil per day.

Similar measures were rejected during the grueling debate on the "windfall profits" tax approved by Congress in March. Oil-state congressmen admit that they are facing an uphill struggle to persuade their colleagues to amend the measure in the near future.

Pressures for such changes, however, are mounting fast. At hearings held by Dole and Boren in late May in Oklahoma City and Great Bend, Kans., more than 4,000 outraged royalty owners showed up. Many of those attending were farmers who claimed that they need all their royalty income to help them to survive the high interest rates and the downturn in farm prices. Also attending were a number of widows and retirees, who said they depend on monthly royalty checks to supplement their Social Security income.

James L. Stafford of Ada, Okla., representing a group called the Royalty Owners Action Committee, described the tax as "the biggest step towards nationalization of assets since Hitler seized control of Germany's industrial organization."

Representative Watkins says the new tax forced one of his constituents, a retiree, to go on welfare in order to keep his wife in a nursing home.

"The vast majority of royalty owners have small incomes from that source, many under $100 a month," declares Senator Boren. "Many did not even realize that their interests were included in the tax."

Experts disagree on just how hard royalty owners will be hit by the tax. Along with farmers and widows in nursing homes, the ranks of royalty owners include wealthy oilmen and major landowners.

One petroleum-industry executive argues that, in the long run, royalty owners will benefit from high oil prices along with oil companies. And the "windfall" tax can be deducted from regular income as a business expense.

However, Julian G. Martin, executive vice president of the Texas Independent Producers and Royalty Owners Association, contends that about 60 percent of royalty owners receive income from "stripper wells" that produce less than 10 barrels of oil a day. He points out that the administration lifted price controls on stripper wells four years ago in an effort to encourage more production, sending the price to around $35 a barrel. As a result of the tax, Martin says, owners of stripper-well production will receive no benefit from decontrol while paying $12 to $14 a barrel in new taxes.

Analysts also warn that the tax is likely to turn into a bookkeeping nightmare for small royalty owners who cannot afford to hire accountants.

Declares Gene Howard, an Oklahoma state senator from Tulsa: "If the tax is designed to punish large corporations whose profits are deemed excessive, then it misses its mark. Instead, it uses a hammer to kill an ant—and it comes down much more heavily on a lot of little people than it does on any faceless corporation" ●

U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I would like to report that, according to the latest U.S. Census Bureau approximations, the total population of the United States on June 1, 1980, was 222,858,399. This is an increase of 152,957 people since May 1. Since this time last year, our population has grown by an additional 2,239,908 persons.

During the past month we have added enough people to our population to fill the city of Lincoln, Nebr. Over the past year, our population has increased enough to fill the entire city of Detroit almost two times.●

AMERICAN LAW AND CUBAN REFUGEES

● Mr. CHURCH. Mr. President, all of us have been concerned in recent days over the seemingly endless influx of Cuban refugees to our shores. Yesterday, the total swelled to over 100,000, and even as we begin to enforce laws preventing American boats and ships from traveling to Cuba to pick up refugees, it appears that ships of foreign registry are now engaged in this traffic in human misery.

What concerns me are the numbers of Cubans who are being cynically dumped upon American shores at the behest of the Cuban Government. It is not just a matter of Cubans who seek reunification with their families living in the United States. Instead, it has come to include a process of emptying Cuba of all its underisables and foisting them upon the United States. We must not allow this to happen.

We must not allow common criminals from Cuban jails, or those who flout our laws by rioting, to remain in the United States. These people are not eligible for admission under any criteria, and they should be returned to Cuba without delay.

This country must weigh the needs of its own citizens against the desperation of foreigners wanting in. With more than 7 million Americans out of work, it is hardly surprising that the public does not welcome a chaotic new avalanche of Cuban refugees. The public knows that we have already opened our gates farther than any other country, having accepted more immigrants and refugees this year than the rest of the free world combined.

It has been well observed, in the Miami Herald, that "no nation can be a lifeboat to all who want to climb aboard. Allow too many aboard, with needs that cannot be met, and the lifeboat will sink, taking all hands with it. But limit the number of passengers, and enforce that limit, and the lifeboat will stay afloat."●

HERBERT HOOVER AND THE COMMITTEE FOR THE RELIEF OF BELGIUM

● Mr. HATFIELD. Mr. President, Belgium celebrates the 150th anniversary of its independence in 1980. This important occasion is also being remembered on this side of the Atlantic, with ceremonies stressing the many ties and historical friendship between Belgium and the United States.

One such ceremony was the opening of an exhibit, entitled "Belgian-American Relations in the Twentieth Century," at the Hoover Institution on War, Peace, and Revolution at Stanford University. Dr. George Nash spoke at the opening ceremony and recalled Herbert Hoover's service as founder of the Committee for the Relief of Belgium during World War I. Dr. Nash is the young American historian who has been commissioned to write an official multivolume biography of Hoover for the Hoover Presidential Library at West Branch, Iowa.

With the German army occupying Belgium, and a British blockade denying the highly industrialized nation its essential imports, food supplies reached critical levels in the autumn of 1914. Herbert Hoover, then an American mining engineer based in London, established the Committee for the Relief of Belgium (CRB). After arduous negotiations, he won British agreement to let food pass through its blockade, and German agreement to let the food reach the Belgian populace, rather than utilizing the food for its army.

To the surprise of all concerned, it was necessary to continue the relief for 4 years. At the end of the war, the CRB was feeding 10 million people a day in Belgium and northern France. By this time, Hoover had returned home to head the food administration in the United States.

Mr. President, today the world faces many refugee crises—in Thailand, Pakistan, Somalia, and right here in the United States, with Cuban refugees fleeing to freedom. It is well to look back at a shining example of American generosity from another day, and at the unparalled humanitarian responsible for it—Herbert Hoover.

I ask that Dr. Nash's speech be printed in the Record.

The speech is as follows:

Herbert Hoover and Belgium

We gather today to commemorate the birth one hundred fifty years ago of a brave and independent nation and to celebrate its friendship with our own. To most Americans, I suspect, the name of Belgium evokes several images: the art of Breughel, Rubens, and Van Dyke; the splendid craftsmanship of Belgian laces and linens; the thriving city of Brussels, home of the 1958 World's Fair. Intertwined with these benevolent images are memories of a more somber cast: recollections of battle, valor, and sacrifice. In the First World War, Flanders Fields where poppies grow. In the Second World War, the Battle of the Bulge and the siege of the Belgian city of Bastogne, where a surrounded American military commander bluntly refused to surrender.

Above all, Belgium in the minds of many Americans is associated with the grim, chaotic days of August 1914, when her armies courageously resisted an invading army which had violated her neutrality, and her people fell victim to a four-year ordeal of military conquest. It was perhaps Belgium's most tragic and yet most noble epoch during her century-and-a-half as a sovereign nation.

One American will be forever linked in history with Belgium's travail in that awful war. His name, of course, is Herbert Hoover. After the battle of the Marne, giant European armies bogged down in the trenches, and famine threatened beleaguered Belgium, a highly industrialized nation dependent on imports for three-quarters of her food. On the one side the German army of occupation refused to take responsibility for victualing the civilian population. Let Belgium import food as she had done before the war, said the Germans. On the other side stood the tightening British naval blockade of Belgian ports. Let the Germans, as occupiers of Belgium, feed its people, said the British. Besides, they argued, how could one be sure that the Germans would not seize imported food for themselves?

As the tense days passed in the early autumn of 1914, food supplies dwindled ominously in Belgium. Finally on October 22, after weeks of negotiations, Herbert Hoover, then an American mining engineer resident in London, established, under diplomatic protection, the Commission for Relief in Belgium, a neutral organization to procure and distribute food to the Belgian populace. Great Britain agreed to let the food pass unmolested through its naval blockade: Germany in turn promised not to requisition this food destined for helpless noncombatants.

And so began an undertaking unprecedented in world history—the organized rescue of an entire nation from starvation. Initially no one expected this humanitarian effort to last more than a few months. After all, the Kaiser had promised that the war be over by Christmas. Men did not foresee the gruesome stalemate that developed on the Western Front. As Herbert Hoover later wrote, "The knowledge that we would have to go on for four years, to find a billion dollars, to transport five million tons of concentrated food, to administer rationing, price controls, agricultural production, to contend with combatant governments and with world shortages of foods and ships, was mercifully hidden from us."

As a historian and biographer of Mr. Hoover, I am particularly impressed by three aspects of his wartime service to the people of Belgium. First, by the sheer complexity and magnitude of the relief commission he led. Today we are apt to take for granted the prompt intervention of humanitarian agencies in areas of distress—be it an earthquake in Nicaragua, a typhoon in Bangladesh, or the crowding of 10,000 Cubans into the Peruvian embassy in Havana. In 1914, however, no institution for the succor of Belgium existed; instead, it became Herbert Hoover's awesome responsibility to create one.

Consider the array of tasks which the Commission for Relief in Belgium, or C.R.B., as it was called, was obliged to perform. First it must raise money—partly through charitable appeals, and increasingly, as the war went on, through subsidies from the Allied governments. With this money it must purchase wheat and other foodstuffs—ultimately millions of tons of them—from all over the world. Then it must arrange for shipping of these foodstuffs to Belgium; eventually the C.R.B. had a fleet of sixty ships continuously at its disposal. When these ships entered the European war zone they must navigate carefully lest they be seized or be subjected to submarine attack. And when the food-laden vessels reached the neutral Dutch port of Rotterdam, they must unload their cargo for shipment into Belgium—a considerable endeavor in itself.

Once inside Belgium the foodstuffs must be prepared in mills, dairies and bakeries for human consumption. Then they must be distributed equitably to millions of Belgians over an area larger than the state of Vermont. As part of its undertaking, the C.R.B. had to verify that the daily rations, as well as all products of domestic Belgian agriculture, did indeed reach their intended recipients and not the German army of occupation. Working with Hoover and his largely American staff was a vast network of 40,000 Belgian volunteers who handled the distribution of food throughout their country. This parallel Belgian organization was known as the Comité National de Secours and d'Alimentation. At its head were some of Belgium's most eminent financiers and business leaders, including Ernest Solvay, Firmin Van Brée, and Emile Francqui.

No enterprise so massive, so multifaceted, so exposed to the passions of war, could hope to function undisturbed. This is the second feature of Hoover's relief experience which impresses the historian: the unremitting pressures and troubles that beset him at every turn. The more I study his three years in Europe as chairman of the C.R.B., the more surprising it seems that he ever survived the ordeal. From the day of its inception the C.R.B. had to cope with critics in the various belligerent governments who were convinced that this humanitarian work was enhancing the military strength of one side or the other. Scarcely a month went by which did not witness some challenge to the precarious existence of the C.R.B. Hoover was immersed in exhausting negotiations and an endless race against famine and malnutrition. At times he had disagreements with his Belgian counterpart, Emile Francqui, a man of great ability and formidable force of personality.

Many times, weary from incessant conflicts with one another belligerent power, Hoover contemplated or even threatened resignation. "Were it not for the haunting picture in one's mind of all the long line of people standing outside the relief stations in Belgium," he wrote early in the war, "I would have thrown over the position long since." But Hoover did not quit. When the chips were down, it was his critics who yielded, recognizing his indispensability and his growing stature as a humanitarian.

Thirdly, I continue to be impressed—as were so many Americans at the time—by the resourcefulness, administrative ability, energy, and personality of the man at the apex of the C.R.B.—Herbert Hoover. While the C.R.B. had many volunteers—all, like Hoover, working without pay—and while Hoover himself emphasized the value of organization, his loyal subordinates knew that one man dominated their endeavors: the man they called "the Chief." What kind of man was he? Here is Edward Eyre Hunt's description of Hoover in the Belgium relief period:

"In appearance he is astonishingly youthful, smooth-shaven, dark haired, with cool, watchful eyes, clear brow, straight nose, and firm, even mouth. His chin is round and hard.

"One might not mark him in a crowd. There is nothing theatrical or picturesque in his looks or bearing. . . . At work he seems passive and receptive. He stands still or sits still when he talks, perhaps jingling coins in his pocket or playing with a pencil. His repertory of gestures is small. He can be so silent that it hurts.

"Being an American he sometimes acts first and explains afterwards. But his explanations, like his actions, are direct and self-sufficient."

To the American ambassador to England, Walter Hines Page, life was "worth more . . . for knowing Hoover. But for him Belgium would now be starved. . . . He's a simple, modest, energetic little man who began his career in California and will end it in Heaven; and he doesn't want anybody's thanks."

Hoover's ability to concentrate on the relief problems at hand was almost legendary. One of his American associates, Joseph Green, later described an encounter he had with "the Chief" in the Brussels office of the C.R.B.:

"I found Mr. Hoover standing with his back to the wall, gazing fixedly at a spot on the floor five or six feet in front of me.

"I went over, said good morning, and was about to proffer my hand in the Belgian fashion when I became aware that he was absolutely unconscious of my presence. I stood about awkwardly for a few minutes till he came to with a start, and recognized me with a nod. This extreme absortion in the business of the moment is one of Mr. Hoover's chief characteristics. Belgians, with their more elaborate code of good manners, find it difficult to understand him."

Sometimes Hoover's ability to concentrate had amusing aspects.

"[Hugh] Gibson told me that Mr. Hoover once came to the Legation to see him on business. During the entire conversation he paced the floor in the little salon upstairs. One of his pacings led him to the door, and he walked out. Gibson thought that he was going to continue his walking up and down in the hall, and his first intimation that the interview was terminated was the sound of footsteps hurrying downstairs. Gibson ran after him and just reached the outside door in time to shout a hurried goodbye."

When the United States entered the war in 1917, Herbert Hoover left Europe to become head of the United States Food Administration. But his relief commission, somewhat reorganized, continued. By the end of the war the C.R.B. and Comité National were feeding 10,000,000 people a day in Belgium and northern France. And when the Commission closed its accounts after the war, it had spent nearly a billion dollars, all of it accounted for, and with phenomenally low overhead. It had sustained the health and morale of the Belgian people. It had made Herbert Hoover an international symbol of humane efficiency and practical idealism.

As some of you may know, Hoover was not a man to covet what he called "European decorations." Moreover, as an official in the U.S. Government he could not accept a title of nobility. In August 1918, therefore, when Hoover visited the tiny portion of Belgium not under German control, King Albert, on petition of his Ministers, presented his American guest a specially created, unique title: "Ami de la Nation belge." Friend of the Belgian nation. By royal directive only Hoover would ever hold this title of esteem.

Hoover's association with Belgium did not terminate with the end of World War I. At that point Hoover could easily have retired from the scene; most men no doubt would have done so. But even before the cessation of hostilities Hoover was thinking ahead to the reconstruction of strife-torn Belgium. As early as 1916 he suggested to the Belgian Minister of Finance that the C.R.B.'s excess funds at the end of the war be used to establish a foundation "for the stimulation of scientific and industrial research." In 1918 Hoover confided to the American Minister to Belgium, Brand Whitlock:

"As to the question of re-building in Belgium and Northern France—it is the one job that I would like to have. I believe that it contains usefulness and sentiment beyond any other occupation after this War is ended, and there is nothing that would appeal to me so much as to join with you in a mission of this kind . . . ."

In 1920, after various negotiations, Hoover's dreams achieved practical fruition. Upon liquidating, the C.R.B. had a surplus in its benevolent account of over $35,000,000. Of this sum the C.R.B. distributed more than $18,000,000 in outright gifts to the Universities of Brussels, Ghent, Liège, Louvain, and other educational institutions. The remainder of the money was divided between two foundations created in 1920: the C.R.B. Educational Foundation in the United States, and the Fondation Universitaire in Belgium.

Through this philanthropic device Herbert Hoover and his wartime associates forged enduring bonds of Belgian-American cooperation and cultural exchange. During the 1920's Hoover's foundation granted over $2,000,000 to the Fondation Universitaire and over $1,600,000 for the rebuilding of the University of Louvain, so terribly ravaged during the German occupation. In 1932 it gave $1,000,000 to help establish the Fondation Francqui, in honor of the distinguished guiding spirit of the Comité National.

Today Hoover's foundation functions under the name of the Belgian American Educational Foundation. During its sixty years of existence the BAEF's fellowship program has made it possible for more than 1000 Belgian and American scholars, including many future Cabinet Ministers and the eminent historian Henri Pirenne, to study in each others' countries.

In 1938 and again in 1958 Herbert Hoover returned to the little nation whose history in this century intersected with his own. These were sentimental journeys, in which he recalled the struggles and achievements of days gone by. "Perhaps as few other men," he remarked in 1958, "I know the indomitable spirit, the courage and the character of the Belgian nation with the glorious record of its long past."

In an autobiographical statement written during World War I, Hoover declared:

"There is little importance to men's lives except the accomplishments they leave to posterity. What a man accomplishes is of many categories and of many points of view; moral influence, example, leadership in thought and inspiration are difficult to measure, to prove or to treasure . . . and the proportion of success to be attributed to their effort is always indeterminate. In the origination or administration of tangible institutions or constructive works men's parts can be more certainly defined. When all is said and done accomplishment is all that counts."

During his lifetime Hoover created and administered many "tangible institutions," the most remarkable of which was the Commission for Relief in Belgium. Through successor institutions such as the BAEF and its allied foundations in Belgium—a veritable apparatus of philanthropy—he was able to perpetuate his influence down to the present time.

Nor should we overlook the institution where we meet this afternoon. In two ways this magnificent library and research center reflects Hoover's relationship with Belgium. In 1938 the Belgian American Educational Foundation—founded, as I said a moment ago, with leftover C.R.B. funds—gave $300,000 for the construction of the Hoover Library. And in this institution are stored the vast and bulky files of the C.R.B.

Hoover would have wanted to be remembered for the institutions he created, and so in part he will be. But institutions are animated by the spirit of their founders and molders. In celebrating the friendship of our two peoples we honor today not only our institutional ties but the able and dedicated individuals whose spirits created these ties and overcame the horrors of war: men like Albert, King of the Belgians, the self-sacrificing volunteers of the C.R.B. and the Comité National—and Herbert Hoover, ami de la Nation belge.●

ORDER FOR RECESS UNTIL 10:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, Messrs. GOLDWATER, BAKER, THURMOND, and PRYOR be recognized each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF HOUSE JOINT RESOLUTION 521 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the orders for recognition of Senators on tomorrow, the Senate resume consideration of House Joint Resolution 521, order No. 841.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESS ADMINISTRATION AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2698.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2698) entitled "An Act to provide authorizations for the Small Business Administration, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

MISCELLANEOUS PROVISIONS; INVESTMENT OF IDLE FUNDS

SECTION 1. The last sentence of section 412 of the Small Business Investment Act of 1958 is repealed.

SEC. 2. Section 405 of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.".

REGULAR BUSINESS LOAN REFORM

SEC. 3. Section 5(b)(7) of the Small Business Act is amended to read as follows:

"(7) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions (including the procurement of the services of attorneys by contract in any office where an attorney or attorneys are not or cannot be economically employed full time to render such services) when he determines such actions are necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans made under the provisions of this Act: *Provided,* That nothing herein shall be construed as authorizing the Administrator to contract or otherwise delegate his responsibility for loan servicing to other than Administration personnel, but with respect to deferred participation loans he may authorize participating lending institutions, in his discretion pursuant to regulations promulgated by him, to take such actions on his behalf, including, but not limited to the determination of eligibility and creditworthiness, and loan monitoring, collection, and liquidation;".

ASIAN PACIFIC AMERICANS

SEC. 4. (a) Section 2(e)(1)(C) of the Small Business Act is amended by inserting "Asian Pacific Americans," after "Native Americans,".

(b) The last sentence of subparagraph (C) of the clause contained in section 8(d)(3) of the Small Business Act is amended by inserting "Asian Pacific Americans," after "Native Americans,".

(c)(1) The amendment made by subsection (a) shall apply as if included in the amendment made by section 201 of the Act entitled "An Act to amend the Small Business Act and the Small Business Investment Act of 1958", approved October 24, 1978 (Public Law 95-507).

(2) The amendment made by subsection (b) shall apply as if included in the amendment made by section 211 of the Act so entitled.

SEC. 5. This Act shall become effective October 1, 1980.

Amend the title so as to read: "An Act to amend the Small Business Investment Act of 1958 to provide for the investment of temporarily unneeded funds, to modify the authority of the Small Business Administration regarding financing, and to statutorily establish the eligibility of Asian Pacific Americans to participate in programs under section 8(a) of the Small Business Act.".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree to the House amendment, agree to the conference requested by the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. NELSON, Mr. NUNN, Mr. HUDDLESTON, Mr. WEICKER, and Mr. HATCH conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the two nominations on page 2 of the Executive Calendar.

Mr. STEVENS. That is New Reports, Mr. President.

Mr. ROBERT C. BYRD. Yes.

There being no objection, the Senate proceeded to the consideration of executive business.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of Richard Lee McCall, Jr., of Virginia, to be Assistant Secretary of State.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was considered and confirmed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The assistant legislative clerk read the nomination of George William Ashworth, of Virginia, to be Assistant Director of the U.S. Arms Control and Disarmament Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was considered and confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL TOMORROW, JUNE 5, 1980, AT 10:15 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered, that the Senate stand in recess until 10:15 tomorrow.

The motion was agreed to and, at 8:12 p.m. the Senate recessed until tomorrow, Thursday, June 5, 1980, at 10:15 a.m.

NOMINATIONS

Executive nominations received by the Senate June 4, 1980:

DEPARTMENT OF STATE

Frances D. Cook, of Florida, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

Jerrold Martin North, of Illinois, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Djibouti.

Herbert Stuart Okun, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the German Democratic Republic.

THE JUDICIARY

Susan C. Getzendanner, of Illinois, to be U.S. district judge for the northern district of Illinois, vice a new position created by Public Law 95-486, approved October 20, 1978.

DEPARTMENT OF STATE

The following-named Foreign Service officers for promotion from class 1 to the class of Career Minister:

Morton I. Abramowitz, of Massachusetts.
Richard J. Bloomfield, of Connecticut.
Paul H. Boeker, of Ohio.
Walter L. Cutler, of Virginia.
William H. Gleysteen, Jr., of Pennsylvania.
Roger Kirk, of the District of Columbia.
Edward E. Masters, of Ohio.
Robert B. Oakley, of Louisiana.
Robert M. Sayre, of Virginia.
Talcott W. Seelye, of Maryland.
Nicolas A. Veliotes, of California.
Richard D. Vine, of California.

John W. Shirley, of Illinois, a Foreign Service information officer of class 1, for promotion to the class of Career Minister for Information.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Charles A. Gabriel, [redacted] FR, U.S. Air Force.

Gen. John W. Pauly, U.S. Air Force (age 57), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Jerome F. O'Malley, [redacted] [redacted]FR, U.S. Air Force.

NATIONAL LABOR RELATIONS BOARD

Don Alan Zimmerman, of Maryland, to be a Member of the National Labor Relations Board for the term of 5 years expiring December 16, 1984, vice Betty Southard Murphy, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 4, 1980;

DEPARTMENT OF STATE

Richard Lee McCall, Jr., of Virginia, to be an Assistant Secretary of State.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

George William Ashworth, of Virginia, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

ADDITIONAL VIEWS ON HOUSE REPORT 96-967

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. MOORHEAD of California. Mr. Speaker, on May 15, 1980, the Committee on Interstate and Foreign Commerce submitted House Report 96-967, Part I, together with minority, additional, and supplemental views in the matter of the Department of Energy Civilian Programs 1981 Authorization Act. The additional views found on page 73 therein do not coincide with the language that I had earlier submitted to the committee for printing. Immediately following is the language that I submitted to the committee and the language that should have appeared on page 73 of House Report 96-967, Part I:

ADDITIONAL VIEWS OF HON. CARLOS J. MOORHEAD OF CALIFORNIA

I share the concerns expressed in the views set forth by the Minority. There is no doubt that the Department of Energy authorization contains a great deal of waste. The Administration has undertaken only superficial and relatively insignificant steps to make necessary cuts.

Only one example of an egregiously wasteful program contained in DOE's authorization is a new $50 million DOE advertising/public relations campaign. This outlandish and expensive public relations gimmickry is touted as an effective method to prod the American people into conservation of energy despite the fact that just a few weeks ago, the President stated, "I will defer, reduce, or cancel most of the new or expanded programs that were originally proposed in the 1981 budget."

There is clear and convincing evidence that a massive public relations campaign will not solve our energy problems in a significant way. Market place realities (which, by the way, are free, as far as governmental expenditures are concerned) will do more to promote conservation than all the radio or TV spots we can conceive of.

Even assuming public relations and non marketplace incentives can play a productive role, let us not forget that the DOE Authorization already contains $15 million for an energy extension service to provide consumer information, nearly $7 million for DOE's Office of Public Affairs that churns out booklets on energy conservation, produces films and public service advertising and other audiovisual aids, $5.6 million for DOE's consumer relations office, $5.2 million for a joint HUD-DOE Solar Information Center, over $800 million for conservation programs, and millions for low income weatherization programs. These figures do not even take into account the millions spent by the private sector and many State and local governments to promote energy conservation. Not taken into account are the expenditures incurred by utilities to take affirmative action to provide energy saving consumer information to their customers pursuant to the National Energy Act. Not taken into account are the energy conservation campaigns that radio and TV stations carry as a public service.

Add it all up. We don't need a new $50 million public relations program. The only beneficiary would be the advertising company that would get the contract. I would rather this $50 million go to research and development or additional tax credits for energy saving applications. The American people know we must conserve. Our pocket books tell us that. We know how to go about conserving and whom to ask for help—but we need the capital to install solar and conservation devices. Let's not spend another $50 million of taxpayer funds for an unnecessary program.●

PEACE IN THE MIDDLE EAST

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. FINDLEY. Mr. Speaker, the Middle East remains front page news. U.S. interests in that part of the world are so closely intertwined with those of other nations that even the slightest tremor can be felt as an earthquake in this country.

The Middle East of the 1970's gave us the shock of war, an oil embargo, and continuing violence, terrorism, tragedy, and death. But it also demonstrated that from conflict could emerge disengagement, compromise, conciliation, and even temporary peace. For the first time in four decades, the momentum has been with those who argued for negotiation rather than armed attack.

I believe that this trend, which began in the aftermath of the October 1973 war, can continue if the United States continues to display the dynamic leadership the situation requires. We must encourage all of the parties to the past conflicts to lay down their arms, temper their anger, soften their rhetoric—and work for peace. In this vein, I have urged Yasser Arafat, chairman of the Palestine Liberation Organization, to speak out publicly and forthrightly in favor of peace and a negotiated settlement of all remaining issues. Many times in the past I have urged Arafat to lead the PLO toward acceptance of Israel's right to exist. I have encouraged him to accept U.N. Resolution 242 which is so important to Israel's security. And I have suggested that the Palestinian covenant be changed to eliminate all unfavorable references to Israel. The convenant, adopted in 1968, is a relic of the past. It is outdated and does not represent current policy. Armed struggle has been replaced by peaceful negotiations as the only legitimate way of solving the Palestinian problem.

Although there is growing sympathy for Palestinians, there is no commonly accepted formula which will satisfy Palestinian aspirations. What makes the Palestinian problem so difficult is that Arab and Israeli definitions of Palestinian rights have seemed irreconcilable for the past three decades. For example, Israelis and Palestinians have made competing claims to the same territory and both have viewed Jerusalem as their holy city and capital.

The problem is to reach a definition of the rights of the Palestinian people that is acceptable to them but that does not violate the rights of Israel. For Israel it is critical that the establishment of a Palestinian homeland not endanger its own existence, well-being, and integrity as a Jewish state.

Until a resolution of this conflict between Israel and the Palestinians is achieved, the cycle of violence between them will continue in the Middle East. The threat of war will remain ever present—a war that would not only engulf Israel and the Arab nations but could also involve the United States, as has occurred in the past. In 1973, for example, the United States placed its strategic forces on alert when the Arab States attacked Israel. The United States mounted a massive resupply airlift to Israel and in retaliation the Arabs imposed the oil embargo. In the future, we could well participate even more directly in hostilities.

In confronting this problem, our goal must be a just peace for all parties.

The United States has had and will continue to have a special role to play in furthering a Mideast peace. It was, of course, this country that mediated between Egypt and Israel, urging both those states to make the compromises necessary to achieve their 1979 treaty of peace. The responsibility for broadening the peace effort to include the Palestinians also falls to the United States.

Even as the U.S. attempts to expand the peace process, it must remain ever mindful of its special relationship with Israel. Our country gave its strong political support to the partitioning of Palestine in 1948 and the creation of Israel. We have stood by Israel when other nations shunned it, providing billions of dollars in economic and military assistance—more than $15 billion since 1973 alone. We have opened our vast military arsenals to Israel, transferring to it some of our most sophisticated equipment. These are but

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

some of the manifestations of a relationship that is based on respect between democracies, mutual security needs, and deep bonds of kinship and culture.

Like most Congressmen, I have given Israel unfailing support. In the 19 years I have been a Member of the House of Representatives, I have voted for each and every bill which provided assistance and defense equipment to Israel, and I expect to continue to vote that way in the future. But I am also aware that money and military support alone will not protect Israel indefinitely from the threats and problems it faces. Only a comprehensive peace in the Middle East will bring Israel long-term security and prosperity. Israel's enormous defense expenditures have fueled an inflation rate that currently is at 100 percent. The rate of taxation is the highest in the world. Immigration to Israel—a vital life source for the tiny nation of 2.5 million—has fallen off in recent years. Israel desperately needs peace. So does the United States. The search for peace is a part of our common bond.

To achieve peace, there must be a solution to the Palestinian problem. And this, frankly, will involve talking to the Palestine Liberation Organization. However repugnant the methods and leadership of the PLO, the vast majority of Palestinians regard Yasser Arafat as their leader and spokesman. The continuing refusal of individual Palestinians to join the peace negotiations between Israel and Egypt is a sure indication of the depth and breadth of Palestinian support for the PLO.

Yet, until now, Israel has refused to talk with any PLO official. The United States has promised Israel that it too will not talk to the PLO until the PLO first recognizes Israel's right to exist and pledges to live at peace with its neighbor. On the other hand, the PLO refuses to recognize Israel until Israel agrees to the establishment of a Palestinian homeland.

This leaves a tremendous gulf between the parties essential to a lasting peace. In an attempt to bridge it, I have met with PLO Chairman Yasser Arafat on two occasions and have communicated with him through intermediaries and in writing. I believe that such contact is important. To foreclose all communication with the unchallenged representative of the Palestinians only drives them to violent means of making their influence felt. Both times I met with Arafat, I stressed that the PLO must recognize the right of Israel to exist and that it must guarantee Israeli security, if it expects the peace process to bring justice to Palestinians.

Progress is agonizingly slow, and occasionally there are setbacks. tragically there have been bombs planted by Palestinians in Israel and the occupied territories. There is no excuse for the PLO's senseless terrorism of the past. But I do not believe this should be allowed to stand in the way of peace for Israel in the future. And I believe that my discussions with Arafat have produced some positive benefits.

According to State Department intelligence specialists, terrorist acts by Arafat's Fatah, the largest group within the PLO, are lower than they have been in the past. In part this is due, I believe, to the fact that Arafat values the communication he has with me and others and does not want to disrupt it.

I believe that the PLO is, in fact, inching toward official recognition of Israel. One day I hope Arafat will express the same respect and acceptance of Israel that President Sadat of Egypt—the same man who launched the 1973 war against Israel—now professes. In this—acceptance of Israel by all the Arabs and, conversely, Israel's acceptance of a Palestinian homeland—lies the hope for peace and security for all in the Middle East.

My hope is that soon it will be possible for the United States to open direct talks with the PLO. When that day comes, I feel certain that terrorism and violence in the Middle East will cease entirely. At that point, all parties will have too much to gain from continuing to talk, and everything to lose if they resort to violence. That is why I have worked so hard to open communication between our country and the Palestinians.

As the great preacher in Ecclesiastes said:

> For everything there is a season and a time for every matter under heaven; a time to keep silence, and a time to speak; a time for war, and a time for peace.

Surely this is a time for peace in the Middle East and a time for all the parties essential to that peace to begin talking to one another.●

USDA CONDEMNS ITS OWN AWARD-WINNING RESEARCH TEAMS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. MICHEL. Mr. Speaker, recently a newspaper in my district published an editorial in praise of the U.S. Department of Agriculture's Northern Regional Research Center in Peoria, Ill.

It seems that the laboratory has won the USDA Distinguished Service Award for work in preventing mold poisons in foods, milk, cereals, and animal feed.

This award comes as no surprise to me. The people at the Peoria facility are regular award winners. It is my understanding they are among the most frequent award winners of any USDA research facility. The scientists, technicians, and support staff at the Research Center have been demonstrating scientific excellence for a good many decades, ranging from the discovery of the means to mass produce penicillin, to the basic research involving gasohol, to the invention a few years ago of super slurper, a substance that absorbs 1,000 times its weight in water.

This kind of record is like gold in the bank for the agriculture community, for our Nation and the world. This work is invaluable and has no price tag. The tax dollars we spend on this research has an economic return for the country that is simply beyond calculation. This is especially true today when we are on the verge of new and innovative uses of agricultural products that will keep our farm economy strong and make possible the continuation of the largest single positive contribution to our balance of trade.

The problem with the agriculture research program is, of course, that it is working too well. Programs that function efficiently are simply too tempting for the Federal bureaucracy. The bureaucrats just cannot resist tinkering, toying, and tampering with these programs until they are as confused, ineffective, wasteful, and costly as the run-of-the-mill Government program.

Agriculture research has been under attack from the USDA bureaucracy for the past 3 years. They are doing everything they can to break up the teams of researchers and support personnel, lower the ratio of scientists to technicians, and destroy the valuable research programs that have been ongoing for decades.

The bureaucracy has also blatantly defied congressional intent. For the past 3 years the Congress has said "hands-off" to the USDA, and for 3 years the Congress has been ignored. In the meantime, the Government is losing superior personnel in the scientific field, morale is dropping rapidly, and new breakthroughs are getting harder to come by.

Unfortunately, Secretary of Agriculture Bergland has demonstrated time and again that he has little or no control over his own operation. He was in Peoria recently. He completely ignored the laboratory facility and was not even aware that it had been threatened by budget cuts and program transfers. It is no wonder that his Department hands out awards for excellence with one hand and meat axes research programs with the other.

I can only hope the Congress will put a stop to this raid on research before it is too late. I insert in the RECORD at this point, the editorial from the Peoria Journal Star, May 24, 1980.

SALUTE TO SHOTWELL'S GROUP

Central Illinois—and the whole nation—can salute five researchers at Northern Regional Research Lab on Peoria's University Street.

They won the U.S. Department of Agriculture's highest honor, the Distinguished Service Award, presented in Washington, D.C., to Odette L. Shotwell, leader of the group. Others in the Mycotoxin Analytical and Chemical Research (poison-searching) group are Glenn A. Bennett, Marion L. Goulden, Gail M. Shannon and Robert D. Stubblefield.

They helped protect all our health by developing standards and analytical methods essential to excluding mold poisons from cereals, foods, milk, and animal feeds.

Their job is to identify toxins (poisons) and cancer-causing compounds produced by some molds and to learn how to analyze food and feed for toxic substances. They also teach others how to make these tests.

They want to keep mycotoxins out of our food and out of animal feed. The tests and standards developed by Shotwell's group must be accurate and reliable and handy enough be used in marketing by farmers, elevator operators and processors.

For instance, they conducted an international trial of an analysis for aflatoxin in corn and soybeans and provided more than 1,000 reference standards for international use.

Rapid tests now in basic use by elevator operators and others with limited lab facilities were provided by this group.

A test based on fluorescence for use outside the lab was devised by these dedicated workers, who then distributed it to more than 3,000 farmers, elevator operators, federal and state agencies and food processors.

A way to quickly breakdown and discover aflatoxin in milk and dairy products was another of their contributions.

For more than six years they were the only source of reference standards for two kinds of aflatoxin that can occur in milk from cows eating contaminated feed.

Workers on the line, in the field, depend on tests like these to purify our foods. The men and women at the Peoria Ag Lab supply them.

Sure, it was their jobs, for which they received their pay, but the Ag Department must have believed they went far, far beyond the mere required work sessions or they wouldn't have given them these prestigious awards.

Their work gets little publicity, yet how worse off we'd be without it. They help keep people healthy, and that rarely is a big news item. So when we have a chance to salute them, let's make it a 21-gun effort. They deserve it.●

COMMENTS ON THE FAIR HOUSING AMENDMENTS ACT OF 1980

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. EDWARDS of California. Mr. Speaker, I bring to the attention of my colleagues the recent editorials in the Christian Science Monitor and New York Times regarding H.R. 5200, the Fair Housing Amendments Act of 1980. Both stress the need for legislation in this area and the wisdom of using the approach advocated by the House Judiciary Committee. I hope that my colleagues will be able to see through the unreasonable and unsubstantiated attacks on the bill and consider the many points made in these editorials.

[From the New York Times, May 28, 1980]

A FAIR REMEDY FOR FAIR HOUSING

Housing discrimination occasionally still flares openly, as in recent firebombings in Queens and cross-burnings on Long Island; but these days it is usually subtler. The Fair Housing Act of 1968, which outlawed discrimination in the sale or rental of housing, hasn't proved much of an obstacle. Hence the campaign by civil rights groups to put some starch into the old law. The bill, championed by Representative Don Edwards of California, will soon come before the House. It is reasonable and it is necessary.

The main flaw in the existing law is that the Department of Housing and Urban Development can conciliate complaints but cannot compel compliance. Landlords and brokers thus have little incentive to cooperate. HUD can ask the Justice Department to sue—but only if there is a pattern of discrimination wider than any individual case. The proposed law would create administrative law judges to adjudicate complaints. If bias by reason of race (or sex or physical handicap) is found, a judge could issue a cease-and-desist order and levy a fine.

Some Congressmen oppose this solution and are expected to propose hostile amendments to gut the bill. Representative James Sensenbrenner of Wisconsin dislikes the plan because, he says, it makes HUD prosecutor, judge and jury. With the administrative judges on HUD's payroll, he argues, the new system would favor the department. His solution is to confine HUD as now to conciliation and to permit Justice to sue in individual cases. But that wouldn't help. Formal litigation is costly and time-consuming; the plight of an individual home-seeker will not rank high among the priorities of a busy Justice Department. Administrative remedies are the only real hope for most victims of discrimination.

In any case, administrative judges are not new to the Federal Government. The judges would know who pays their salaries; they would also know that erroneous and capricious rulings invite reversals on appeal by the Federal courts.

Some segments of the real estate industry are seeking exemptions. Appraisers say they are willing to be covered, but they want to retain the right to consider race in determining property value if they can prove it is a relevant consideration. And insurance companies want out from under the law altogether. But such exclusions would defeat the bill's purpose, which is to remove race entirely as a factor in sales and rental transactions. What use is there in forcing a broker and a mortgage lender to do business with a black family, if the deal can come undone because property insurance is denied on the basis of race?

The 1968 law notwithstanding, housing discrimination is a fact of life. The new bill could change that.

[From the Christian Science Monitor, May 15, 1980]

FOR A FAIR HOUSING LAW THAT WORKS

Twelve years after Congress enacted legislation outlawing racial discrimination in the sale or rental of housing, minorities continue to run up against racial barriers in the housing market. A recent survey of real estate brokers and rental agents in 40 U.S. metropolitan areas, for instance, found that a black person still has a 48 percent chance of encountering racial discrimination when trying to buy a home and an 85 percent chance when seeking to rent one. Studies show housing discrimination also affects other minorities and women, is widespread, and occurs in all sections of the United States. One reason for this lingering blotch on America's civil rights record is that the Fair Housing Act of 1968 failed to give the federal government enough power to enforce the law.

Legislation now pending in both houses of Congress would remedy this. Proposed amendments to the Fair Housing Act would give the U.S. Department of Housing and Urban Development new, much needed authority to conduct hearings and investigations, render judgments, and impose fines of up to $10,000 against violators. In short, they would create an administrative enforcement system, subject to judicial review, which would ensure victims of housing discrimination that their complaints would be heard without the long delays and high legal costs involved in the current system.

Under present law, HUD cannot bring legal action against those charged with discrimination but is limited to settling disputes by conciliation. If that fails, individuals must turn to the courts for relief—a time-consuming, expensive, and frequently futile process that discourages all but the most determined victims from seeking redress. As one civil rights leader puts it, "It doesn't make much sense to give a person a judgment after the apartment is gone or the house is sold." The 1968 Civil Rights Act does empower the Justice Department to take legal action on its own but only if a "pattern or practice" of housing discrimination is shown to exist.

As a practical matter, this has left victims of "steering" and "redlining" and some of the other, more subtle forms of discrimination largely defenseless. Representative Don Edwards of California, chief sponsor of the amendments before the House, points out that only 300 of the 3,000 housing discrimination complaints filed last year were resolved by conciliation. "It just doesn't work," he stresses.

The proposed changes in the fair housing law are widely supported by civil rights and labor groups—some call it the most important civil rights legislation in a decade—and by the Carter administration. But the amendments have stirred vigorous opposition from realtors and some congressmen concerned about the possibility of federal intrusion into zoning and other land-use areas traditionally the preserve of state and local governments. In an effort to answer these concerns, the House bill was refined and in the process weakened somewhat. However, efforts to exempt appraisers and insurance companies from the antidiscrimination provisions were properly rebuffed. And any further attempts to alter the bill to allow racial factors to be used in setting the value of a dwelling ought to be resisted. The House bill in its present form holds out the promise of stronger, more effective enforcement, especially in the 30 states that do not already have comparable enforcement procedures in place.

The Senate bill, however, remains stymied in subcommittee, where it faces stiff opposition. Efforts are being made to delete the administrative enforcement system—the very heart of the bill—and replace it with one that would put housing cases in the hands of federal magistrates rather than administrative law judges who have expertise in housing disputes. Moreover, mandatory use of magistrates would tie up housing complaints in the heavy backlog of cases already in the federal courts, thereby averting the speedy hearings that are needed.

Real estate interests should keep in mind that the proposed amendments to the Fair Housing Act would continue to encourage conciliation wherever possible and would minimize the role of the federal government in those states that have a substantially equivalent method for resolving housing disputes. In those that do not, the federal government would be empowered to intervene. According to HUD, more than two million instances of housing discrimination occur each year. In the wake of the significant civil rights progress the United States has made in the past two decades, such basic violations of constitutional rights ought not to go unchallenged. It is high time to put some teeth into federal enforcement of fair housing.●

NUCLEAR REGULATORY COMMISSION: REORGANIZATION IS NOT ENOUGH

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. MYERS of Indiana. Mr. Speaker, as this body approves the President's reorganization plan for the Nuclear Regulatory Commission, I hope that my colleagues will recognize that the plan, although rendered innocuous by the May 5 amendments to it, will not cure what ails the NRC, and that the voice vote permitting its implementation does not close the issue of NRC's continuing inadequate performance. The vote only indicates a congressional attitude that every little bit helps.

Those deeper problems which the reorganization plan does not address were outlined candidly by Richard T. Kennedy, a member of the Nuclear Regulatory Commission, when he appeared before the Appropriations Subcommittee on Energy and Water Development on April 17 of this year. Although the statement was made by Commissioner Kennedy prior to the May 5 changes in the plan—which he supported—the following excerpts from his testimony remain important for my colleagues' careful consideration:

> Reorganization is all too often a palliative administered to avoid taking the action necessary to address real problems. Frantic action is substituted and used as a cover for lack of accomplishment. The hard problems need to be addressed in substance, not just in form. All too often the reorganization tack is taken to evidence great movement, but with no clear notion of the direction that should be taken. I think that may well be what is going on here. * * *
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> This is a licensing agency; it is not a nonlicensing agency. Its purpose is to issue and administer licenses in the interest of the public health and safety and the environment. We are not, and I believe should not be, commissioned by Congress to debate the wisdom and desirability of nuclear power. * * *
>
> As early as June 1976, I first expressed concern on this matter * * * that all too often the debate on the broad questions of the viability and desirability of nuclear power was entering into the licensing process. That was true: it remains true: and indeed (that debate) underlies much of the Commission's decision making. Vigorous advocacy of strongly held views from outside increasingly seems to color Commission discussion and decision making. In this regard, one must recognize that all regulatory bodies are inherently political instruments * * * But that does not mean that they should be allowed to freely extend beyond the mandate given them by Congress to reach questions for which Congress gave them no authority. * * * An unequivocal affirmation on the part of the Congress and the President as to fundamental national policy, even if couched as a reaffirmation and updating of expressions of earlier days might be helpful. Reorganization alone will not be. * * *
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> Though it might be argued as not germane to the reorganization proposal before the Congress, I would suggest that consideration of the role of Congress itself and its relationship with the agency might be more germane than many of the proposals in the reorganization plan. * * * If the Congress wishes the agency to do something it would be helpful if it were as explicit as possible in stating its desires. It would be equally desirable if the Congress does not want the agency to do something, that its desires be expressed in unequivocal terms. That would be doing the agency a favor, as well, because pressures to pursue a course of particular interest to certain groups turn up in almost every case. * * *
>
> In the last analysis, what will make the Commission function or fail to function in an effective way is decided in the appointment process. * * *
>
> The managerial dimension of nuclear regulation is more a function of people than organization structure. It is doubtful that any organization structure for the Commission can harmonize widely differing views about the substance of nuclear regulation. The President and Congress hold the tools to formulate the answer, not in the power to reorganize, but rather in the power to define the Nation's policy and to appoint and confirm Commission members who believe that nuclear power is needed, is technically sound, and who thus will have the incentive to make it as safe as possible.●

DANGEROUS COLLEGE HAZING MUST BE ELIMINATED FROM OUR NATION'S COLLEGE CAMPUSES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. BIAGGI. Mr. Speaker, I think that many of my colleagues here who attended a college or university are familiar with the often strenuous initiation practices of fraternities and sororities. Such initiation activity, known as hazing, has in the past and still does pose a serious and immediate threat to the many young people who are seeking admission to these social and civic societies.

Dangerous college hazing recently claimed the life of an 18-year-old athlete and former football star at Fordham Preparatory School from my hometown of the Bronx. This tragic event is neither unusual or unique. It is one that has been repeated many times, in many schools across this Nation. This particular young man died after rigorous fraternity hazing where he was forced to perform strenuous physical activity in a steamroom on the campus. Even such a student, in top physical condition, could not withstand the mental and physical strain that such hazing places upon youngsters.

Many college administrators have not been aggressive enough in working to eliminate the source of dangerous hazing which results in maiming or death to a student. Faced with this problem, combined with a lack of legal framework which would outlaw this type of imperilment, several efforts have begun to bring this problem to light.

In order to educate the public at large about these types of tragedies, a committee known as "C.H.U.C.K." has been formed—the Committee to Halt Useless College Killings. The founder of this group, Eileen Stevens, had a son named Chuck, after which the committee was named, who was the victim of a hazing. This committee was formed to bring into the open what is happening during many college fraternity initiations as well as to publicize the risks involved with such activity in the hope that further similar misfortunes can be eliminated.

Since this committee was founded, research by Mrs. Stevens and others has revealed that there have been numerous deaths from hazing activity. Included in this activity has been excessive amounts of alcohol consumption and dangerous physical activity, such as jumping blindfolded into busy streets and empty water tanks. While these activities are often outlawed on college campuses, it is a well-known fact that such activity continues without supervision or opposition year after year.

As a result of the activities of C.H.U.C.K., including extensive lobbying at our State capitol in Albany, legislation has been introduced in the State legislature which would clarify New York's 86-year-old prohibition against hazing. While legislation certainly cannot compensate for the loss of a child, it can serve as a strong deterrent to other young people who willfully engage in such activities.

By educating the public at large about the risks associated with this kind of activity, we can help to bring an end to unnecessary deaths of our young people in such tragic fashions. As New York's ranking member on the House Education and Labor Committee, I am well acquainted with the value of a college education and I have worked to continually strengthen our programs which serve our Nation's institutions of higher learning. At the same time, we should be ever mindful of the fact the colleges in and of themselves should not be solely responsible for the conduct of their students. We, as concerned parents, educators, and citizens, should be constant in our efforts to discourage our young students from participating in the dangerous and harmful elements of the age-old tradition of hazing.●

A TRIBUTE TO JAMES A. WILLINGHAM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. ANDERSON of California. Mr. Speaker, it is with great pride and pleasure that I offer these following remarks today as a tribute to one of Long Beach, Calif.'s, finest citizens, James A. Willingham. I choose this moment to honor this man as it is a special time in his community service career. On June 6, 1980, he will end his 1-year term as president of Long Beach Chamber of Commerce. His many friends and associates will gather on this evening to extend their appreciation to him for all he has done this past year for the chamber and to thank him for all the other contributions he has made to his community.

Most notable about this man's tenure as chamber president was the leadership he provided in the Long Beach business community as the city entered some of the most crucial stages of its downtown revitalization effort. His work with the chamber and the organization, Forward Long Beach, helped maintain the public and private confidence needed to keep this vital project on track.

His talents and ability are amply demonstrated by the fact that as a private businessman he has been remarkably successful. He is the active owner of Boulevard Buick and Boulevard Rental and Leasing, one of Long Beach's most popular domestic and foreign car dealerships. During the years he has owned and operated this establishment, it has received formal recognition for its quality products and service. The business is a three time winner of Time magazine's Quality Dealer Award.

The chamber of commerce is not the sole aspect of his involvement in the community. He has received appointments by the mayor of Long Beach to the Private Industry Council and the Long Beach Community Services Development Corp., two organizations which have benefited from his active participation. He is now vice chairman of the board of the Harbor Bank in Long Beach, board chairman of the Director's Life Insurance Co., a trustee of the Long Beach Memorial Hospital, a trustee of Baptist Gardens Senior Citizens Home, corporate board member of Los Angeles County's United Way, and past president of the Long Beach Rotary Club.

The list of his memberships and positions continues. He was the first president of the Committee of 300, an organization which promotes the highly successful Grand Prix auto race held annually on the streets of Long Beach, and is a member of the board of directors of Tichenor Orthopedic Clinic.

In 1977 his outstanding civic leadership was recognized when the Long Beach Elks Club and 15 other local organizations joined in naming him Man of the Year. Earlier this year, he was named Salesman of the Year by the sales and marketing executives of Long Beach for the work he has done in promoting the image of Long Beach.

Mr. Speaker, James A. Willingham has the best qualities of a successful businessman and a concerned citizen. He has rightfully earned respect for all he has accomplished. In recognition of his many contributions, especially for the fine work he has done for the Long Beach Chamber of Commerce during the past year, my wife, Lee, joins me in extending to him our most sincere congratulations. We also send Jim, his wife, Betty, and their four children, Scott, Brent, Brad, and Mindy, our warmest wishes for future years of prosperity.●

IS THE BUDGET REALLY GOING TO BE BALANCED?

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. DANNEMEYER. Mr. Speaker, now that the House has wisely seen fit to reject the first conference report on House Concurrent Resolution 307—the budget resolution—a reevaluation of our budget prospects would certainly seem to be in order. This is particularly true in light of the figures released last week showing that the leading economic indicators had plunged a record 4.8 percent in April. That drop is 60 percent greater than the steepest decline of those indicators during the recession of 1974-75.

Much has been made, in recent weeks, of the fact that the fiscal year 1981 budget is supposed to be balanced for the first time in 12 years. Given the political benefits that can flow from such a claim, I can readily understand why the administration, the Budget Committee, the House leadership, and some others are making it. However, evidence is growing every day that, partisan claims notwithstanding, the fiscal year 1981 budget is going to be at least as far over original estimates as the fiscal year 1980 budget has been. As you will recall, the first estimate on 1980 expenditures was $532 billion and now we are talking about $572 billion. Similarly, the U.S. Chamber of Commerce's Economic Forecast Center is now predicting that fiscal year 1981 expenditures will grow some $39 billion from the level contemplated in the first conference report and that, instead of a balanced budget, we will actually have a $43 billion deficit.

As for why there will be a deficit, there are many reasons but one of the principal ones is the assumptions on which the budget estimates are based. Invariably, these turn out to be overly optimistic, resulting in an underestimation of expenditures. For instance, according to the Congressional Budget Office (CBO), a 1 percentage point increase in unemployment will result in a $20 to $22 billion decrease in revenues and a $5 to $7 billion increase in Federal expenditures. Likewise, the cost of the food stamp program was underestimated by 50 percent in fiscal year 1980; due to elimination of the purchase requirements, a similar occurrence could take place in fiscal year 1981. Also, the costs of medicare and medicaid have been underestimated in the past; with the combination of inflation and recession, they could be higher than expected in fiscal year 1981. In addition, we can expect added expenditures for refugee assistance, due to the rapid influx of Cuban refugees, and it is possible that energy costs and inflation could add even further to expenditures. Thus, as the senior assistant editor of the Washington Star, Eileen Shanahan, pointed out in a thoughtful column last week, we are looking at a deficit of $25 billion, and perhaps more.

In her column, Ms. Shanahan raises another interesting point, relating to the fact that new economic and budget estimates are supposed to be published July 15. One hopes, of course, these will bring out the likelihood of a steep budget deficit in fiscal year 1981 unless spending is substantially cut but, as the Wall Street Journal pointed out in another excellent column, which appeared May 28, that has not been the history of the congressional budget process. In fact, if one were to guess the future based on past performance, one would have to surmise that an attempt will be made to maintain the fiction of the balanced budget through the first and second budget resolutions and then, once the election is over, admit the deficit and make it up with a third, and perhaps even a fourth, resolution next year. Hopefully, this is not what will happen, for if it does, the mockery that is being made of the budget process will become so self-evident that the future of the process will be in jeopardy.

Fortunately for us, there is yet the time and also a way to keep such an unfortunate series of developments from occurring. The time will be when the House next considers the next conference report on the first budget resolution and the way is to cut nondefense spending at least $15 billion and preferably by two or three times that. Putting things off any longer will only make them worse.

In case my colleagues may have missed them, I insert Ms. Shanahan's May 30 Washington Star column and the Wall Street Journal editorial of May 28 into the RECORD at this time:

[From the Washington Star, May 30, 1980]

THE DECEPTIVE BALANCED BUDGET

(By Eileen Shanahan)

Congress appears intent on deceiving itself, and the country as well, as it debates the 1981 budget resolution and pretends to be voting for a balanced budget.

It is a deception that could have some serious consequences.

The near certainty that the fiscal 1981 budget will, in fact, show a substantial deficit has nothing to do with the current battle over defense spending vs. social programs or any of the other issues that have held center stage in the budget debates.

It is the state of the economy that will alter the state of the budget.

All that is required for a large budget deficit to materialize is a deeper and longer recession than the mild downturn on which both the administration and Congress are basing current budget projections. And a bigger recession is precisely what almost every qualified forecaster expects.

The impact that a more serious recession would have on the budget would, of course, depend on the precise dimensions of the downturn.

A reasonable scenario might put the unemployment rate 1 percentage point higher than the official forecast of 7.2 per cent by the end of this year, but also reduce the inflation rate by 1 percentage point.

In such an event, tax collections would decline dramatically—by $18 billion or more—as business activity slowed and unemployment rose.

Government spending would increase automatically, mostly for unemployment compensation, by an estimated $7.75 billion.

Oddly, even the decline in the inflation rate would worsen the federal budget picture. The automatic increase in personal income taxes that occurs when wage inflation pushes people into higher tax brackets would be reduced and this slowing of "tax bracket creep" would reduce estimated tax collections by more than the lower inflation rate would cut spending—about $500 million more.

Of all the economic changes brought about by a bigger recession, only the drop in interest rates would help the federal budget picture. A continuation of the recent interest rate decline, even at a slower pace, could reduce interest costs by a good $2.5 billion.

The bottom line is a deficit for fiscal 1981 of close to $25 billion, based on a set of assumptions that are far from the worst imaginable.

In the weeks of debate on the 1981 budget resolution, only a few members of Congress mentioned any of this, though all are certainly aware of the prospect of a deterioration in the economic outlook and its effects on the budget. The administration has also kept silent.

It is hard to see why either Congress or administration officials think they can get away with it.

For there will be an unavoidable day of reckoning and its date is actually set by law—July 15, when the administration must make and publish new economic and budget estimates.

A shocked reaction from the public—and quite possibly from the financial markets as well—seems almost certain when the reality of a multi-billion dollar deficit is finally faced.

Many will fear a resurgence of inflation, although there are few economists who believe that there is much inflationary fuel in a deficit that is caused solely by the reduced tax collections and the added expenditures of a recession.

But the unexpected news of a substantial deficit, when there has been so much talk that the budget will be balanced for the first time in 12 years, seems very likely to renew fears that the federal budget is simply out of control. It was just such a fear, based on the huge projected tax and spending increases in Carter's original budget submissions in January, that touched off the crash in the bond market earlier this year. Never mind that big bond traders should have known in advance what the trend of the federal budget was. They didn't and it was their panicky reaction, more than anything else, that forced Carter to withdraw his 1981 budget and substitute a leaner one.

Other adverse reactions that may occur, when the unexpected news is announced that the 1981 budget is not balanced, include a loss of confidence in the five-year old Congressional procedures for making more rational budget decisions. There could even be a serious move to abandon them.

Finally, the dismay that is likely to accompany a new deficit disclosure could create additional resistance to sensible policies to combat a deeper recession.

Chief among these policies would be repeal of all or part of the big increase in Social Security tax rates that is scheduled to go into effect next January. Conservative economists, such as Alan Greenspan, as well as many liberals, are suggesting that this may be desirable.

Yet the deficit that wasn't supposed to happen may threaten even such reasonable actions.

[From the Wall Street Journal, May 28, 1980]

CALLING A CHARADE A CHARADE

The Congressional Budget Process, which almost no one takes seriously any more, seems to be headed for new heights of farce in the House of Representatives this week. It is much in doubt whether the Democratic leadership can even pass the budget resolution agreed to in a House-Senate conference.

Left-wing Democrats are opposing the compromise because it calls for higher defense spending. This means that the votes to pass the resolution have to come from Republicans. And sentiment is spreading among House Republicans to ask why they should provide the decisive support for a resolution that ratifies Democratic spending initiatives and provides for a tax increase of $100 billion.

Not a bad question. Because of the big tax increase, most Republicans opposed the original budget resolution sent to the conference committee. But some Republicans have a lingering devotion to the budget process, which churns out numbers that purport to limit federal spending. This year the numbers, if you can suspend disbelief, even show a balanced budget for fiscal 1981. For these limp reasons, 22 Republicans voted with the Democratic leadership on the original resolution, providing the margin of victory.

The problem is that once these numbers are voted, the Democratic leadership pays no attention to them whatever. A year ago, the final budget resolution for fiscal 1980 called for federal spending of $532 billion. By the second resolution in September, this was up to $547.5 billion. By the time of the presidential budget in January, it was $563 billion. In a third budget resolution in March, it came to $567.5 billion. After Budget Committee Chairman Giaimo raised the figures again with a floor amendment and a conference committee raised them again, spending is now estimated at $572 billion—a neat $40 billion overrun from the original resolution.

To get some sense of the spirit behind this exercise, consider the debate last December on the Child Health Assurance Program. The program was intended to take care of all the children not covered by the 30-some other health programs for children. The debate turned on whether spending on it would have to be appropriated each year, or would be paid as an entitlement—with benefits going to anyone who met qualifying criteria and Congress worrying afterward where the money would come from.

The existing entitlements programs are the essential reason the budget is out of control. But when Republicans offered an amendment to put the new child health program through the appropriations process they were met with arguments like this: "I say this is not the wise place to start our reform movement. Let us attack the problems that we have with entitlements. . . . Let us look at them all in an oversight fashion. But let us not curtail and crimp this new, exciting program which holds out promise for the health of more young people who are presently not getting that help."

These words came from Chairman Giaimo. Rep. Henry J. Hyde (R., Ill.) remarked: "I think that what the gentleman from Connecticut is saying in a nutshell is that we will sober up tomorrow, but meanwhile pass the bottle." Now, of course, Mr. Giaimo is out soliciting Republican votes to keep his charade on the march.

With the defection of the anti-military Democrats, Mr. Giaimo now needs two or three times as many Republicans as he got the last time around. With or without a budget resolution, defense appropriations now seem to be doing better, putting the administration in a corner (see below). If the compromise budget resolution is defeated, the chief result will be that the Democratic leadership will be left to stew in its own juice.

Which would not altogether be a bad thing, given its record on the budget process. Now that the Democrats' inability to lead has put the Republicans in a decisive position, they may as well call a charade a charade.●

END EXCESSIVE REGULATION—SAVE AMERICAN AUTO INDUSTRY—ENCOURAGE FOREIGN MAKERS TO CREATE JOBS FOR U.S. WORKERS

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. QUAYLE. Mr. Speaker, in the first 20 days of May, auto sales plunged to a 19-year low, bringing to a head the worst crisis in the history of America's automotive industry.

In December, the unemployment rate was 5.9 percent. However, unemployment nationwide is expected to reach 7.5 percent this week as more than 675,000 Americans are out of work. This upsurge has been brought about in part as 320,000 autoworkers have been laid off the job.

In my home State of Indiana, 25,000 workers are off the job in automotive or related industries and unemployment has soared to 9.1 percent.

America's automotive industry is plagued by a variety of difficulties brought about by excessive Government regulation, a sharp rise in gasoline prices to $1 plus a gallon, interest rates which topped 19 percent in April and trade policies which have allowed Japan to capture 27 percent of the domestic market.

Our manufacturers are handicapped by a meager 2.9 percent tariff on Japanese imports, while the Japanese slap a 10- to 22-percent excise tax on American-made vehicles. It is difficult to overcome this trade disadvantage.

American automakers have pledged to spend $68 billion between 1980 and 1985 to retool and design a smaller-sized, fuel-efficient car to meet the 27.5-miles-per-gallon standards set for 1985.

Government-mandated safety, emission, and fuel-economy features have already added $700 to the price of a typical 1980 automobile and will add a total of $1,000 by 1985. These expenditures rob U.S. firms of the capital they need to down size their cars in order to compete with foreign makers.

As a means of easing Government regulation for smaller American manufacturers, limiting the impact of Japanese imports and encouraging foreign makers to establish plants in America, I commend House action to pass S. 2474, the Automobile Efficiency Act.

This legislation states that DOT is to develop a separate set of fuel economy standards for small firms that produce 10,000 autos per year or less. (The standard for 1980 is 20 miles per gallon.) I encourage DOT to do a thorough job of investigating current automotive standards and eliminate the unnecessary, excessively costly regulations for all manufacturers, both large and small.

Under current marketing practices, the Japanese are selling $8.5 billion worth of cars in the United States, but buy only $70 million worth of American parts.

The Automobile Efficiency Act also permits foreign makers to build or purchase 75 percent or more of a car in the United States, yet calculate fuel economy standards based on a unified fleet, as opposed to separate foreign and domestic fleets; thereby, creating jobs for American autoworkers in Japanese plants built in the United States.

I encourage foreign makers to work with us to remove the threat of protectionist trade action by Congress. They can accomplish this by licensing American firms to provide replacement parts for their vehicles. A parts industry for Japanese autos could expand into an $8 billion a year business in 5 years.

Another option would be for foreign producers to step up their plans to build plants in the United States. To date Honda has agreed to establish an auto plant in Ohio, joining an already established motorcycle plant. VW has set up in Pennsylvania and Datsun is planning to build 120,000 light trucks a year in the United States.

The importance of the automotive industry to the Nation is brought into focus when one considers 24 percent of the Nation's steel, 61 percent of its rubber, 30 percent of its zinc, and 17 percent of its aluminum is produced for this industry which directly or indirectly employs one of every six Americans.

A working partnership between foreign automotive manufacturers and American workers could help overcome some of the difficulties our auto industry is experiencing while eliminating the need for protectionist trade legislation in Congress.●

TRUTH IN TESTING

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. GOODLING. Mr. Speaker, the Subcommittee on Elementary, Secondary, and Vocational Education is continuing its consideration of legislation which would regulate standardized testing for admission to college, graduate, and professional schools. In my continuing effort to keep Members informed on this issue, I am inserting in the RECORD an update of the recent developments and voluntary measures which have been implemented by the testing agencies since our last hearing in October of 1979.

EDUCATIONAL TESTING SERVICE,
Washington, D.C., June 4, 1980.

Hon. WILLIAM F. GOODLING,
U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR CONGRESSMAN GOODLING: I am grateful for this opportunity to bring you up to date on the events which have transpired and actions which have been taken by ETS and the test sponsors it serves regarding the disclosure of standardized tests for postsecondary admissions since the last hearing in October on H.R. 4949.

ETS believes that legislation to regulate admissions testing is unnecessary; that we have voluntarily demonstrated a responsiveness to students and the public; and that the costs and benefits as well as the practicality of test disclosure, as currently underway in New York State, are not yet demonstrated. We believe that it would be extremely unwise to push through federal legislation without a fuller knowledge of the impact of test disclosure in New York and without evaluating over the next year or two the measures being voluntarily implemented by testing organizations.

THE NEW YORK TESTING LAW

As you know, a bill requiring the disclosure of test questions became law in New York State effective January 1, 1980. As a result,

20 of the 26 programs affected withdrew initially their offerings in New York because the costs of developing new tests for each administration were prohibitively expensive.

The American Association of Medical Colleges, which administers the Medical College missions Test (MCAT), filed suit in federal court and on January 21, was awarded a preliminary injunction prohibiting the applicability of the law to the AAMC pending further court action.

Every program administered by ETS has cut services and been forced to reduce test administration to maintain the quality of the test.

Every program administered by ETS has been forced to raise fees or is considering fee increases in the near future for the same reason.

The New York sponsor of the legislation has already introduced amendments to change the law.

On the average fewer than 10 percent of the candidates have requested copies of the ETS developed tests. (Range: from 2.5 percent for Graduate Record Examinations to 17 percent for Law School Admission Test.)

In sum, there is still no evidence that massive disclosure is either sound, useful, or popular with the "consumers" who pay the bill.

CHANGES IN PROGRAMS ADMINISTERED BY ETS

The programs administered by ETS have not withdrawn services in New York. They are complying with the law, though services and costs have been affected adversely:

The Graduate Management Admissions Test (GMAT) will not be offered on the usual Monday in July 1980. Its cost for 1980-81 has been increased from $12.50 to $23.50, due in large measure to expenses associated with disclosure. Also, beginning next year, the regular pattern of four Saturday and four Monday administrations will be changed so that the regular Saturday test date in July and its following Monday test date will both be replaced by a test offering on a Wednesday evening in July. In addition, the length of GMAT administrations will be increased by one-half hour to test alternative equating methods.

The Graduate Record Examination (GRE) Aptitude Test is being offered in New York on only three dates between January 1 and September 30, 1980 instead of the 13 dates previously announced. Although large-print editions remain available, the use of braille and cassette editions for handicapped examinees has been withdrawn in New York, and administrations on local campuses for their own use have been eliminated.

The Law School Admissions Test (LSAT) is not offering Monday administrations for Sabbath observers in New York between January 1, 1980 and June 30, 1980, and will reduce their national offerings from five to four occasions in the coming year.

The Scholastic Aptitude Test (SAT). Instead of eight regularly-scheduled administrations of the SAT between January and June, 1980, students in New York will be tested on only three Saturdays and two Sundays. Special tests for the handicapped and for make-ups have been drastically reduced. The normal $8.25 fee for taking the SAT has been raised to $10 in New York.

The Test of English as a Foreign Language (TOEFL) will offer only one, rather than the usual three Saturday administrations, and one rather than six special Friday administrations in New York, between January 1 and June 30, 1980.

NATIONAL EFFORTS

Four major test sponsors joined with us in January in framing a set of Public Interest Principles to guide future test development and administration. These principles include increased publication of tests and test content, publicly visible procedures for eliminating test bias, and procedures to enable test takers to have their scores verified.

In accordance with these principles, each of our four major test program sponsors have voluntarily initiated new measures effective throughout the nation which demonstrate a responsiveness to students and the public:

The Graduate Management Admissions Council and the Law School Admission Council have adopted programs of disclosure of tests nationwide for those persons tested who request copies of the test.

The GRE Board has announced a policy of nationwide disclosure of tests, answers, and students' answer sheets for each of the three regular administration test dates now offered in New York between January and June 1980. (Secure tests continue to be offered in other states on additional dates.) Anyone, whether tested or not, may order a copy of a disclosed test book with the correct answers shown.

The College Board has announced a new policy of disclosing to students copies of the Preliminary Scholastic Aptitude Test (PSAT) along with their answers and the correct answers; takers of the SAT will be able to order in the future a copy of the correct answers to compare with their own answer sheet; and each year an SAT actually used during the preceding year will be published.

COMPARABILITY OF SCORES: EQUATING

The New York law prevents specific equating methods even though they have proved useful and appropriate in the past. The amendments proposed by Senator LaValle in New York do not address the basic problem created by the law, i.e., disclosure of all tests administered to groups large enough to permit the statistical equating of new forms to existing forms.

Equating is the method used to make test scores equivalent from one administration to another, i.e., to be sure that a score of 500 means the same thing in December as in May.

Equating problems are magnified in H.R. 4949 because the disclosure requirements are even more extensive than in the New York legislation.

We now have experimental equating models that will require significant investments of time and resources before a complete assessment can be made of their reliability, impact on quality, feasibility, and ultimate cost. Moreover, even if the technical problems can be overcome in a reasonable time, there remain significant practical problems related to the probable need to restructure some of the tests in order to accommodate alternate methods of equating.

"COACHING" FOR THE SAT

The subject of whether students can improve their scores on the SAT by attending coaching programs continues to be a topic of keen interest. ETS has conducted research on this topic over the past 25 years. Just last week we presented an analysis of the research literature as well as our reanalysis of a study conducted by the Federal Trade Commission.

Whether "coaching" can help is a complex question with no easy answers. The term has come to be used to refer to many types of preparation.

In view of the complexity of the topic and the variability of results reported in various studies, no single study can be regarded as "correct" to the exclusion of all others.

Some studies report average score increases; others show no statistically significant effect attributable to coaching, and some studies even detect average declines in scores. Taken as a whole, studies with control groups report an average score gain which corresponds to no more than two additional items in each section of the SAT. (Gains on Verbal tend to be lower than on Math.) These improvements are averages; they do not necessarily predict what will happen for a given individual. And, they might be wholly irrelevant to any particular coaching program.

When the coaching was restricted to an explanation of the test's item formats and practice with them, research studies generally reported smaller effects.

Programs which incorporate formal instruction in the subject matter have generally yielded somewhat larger effects, perhaps three additional items correct (about 30 points on a 200-800 scale) rather than two. Some studies with no control group (or one obviously different from the coached group) have attributed dramatic score gains to coaching, but these gains reflect so many uncontrolled factors that the impact of coaching alone is unknown.

LEGISLATION IN OTHER STATES

Thus far no state except New York has passed legislation requiring disclosure of operational test forms. Bills similar to the New York bill have been introduced in 23 states over the past couple of years. To date, all but one have failed to reach the floor for a vote; action is still pending on that one.

In summary, many complex developments have occurred since the hearings last fall. ETS believes that we and test sponsors have made every possible good faith effort to comply with the requirements in New York, to be responsive to consumer concerns nationwide, and to continue our research to answer the important questions of maintenance of test quality. We remain unconvinced that federal legislation is necessary to mandate those activities; moreover, H.R. 4949, which goes well beyond the New York bill in terms of the disclosure mandated, would create problems well beyond those already faced in New York.

Sincerely,

ALICE J. IRBY,
Vice President.●

OIL IMPORT FEE STATEMENT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. DODD. Mr. Speaker, I am opposed to the President's oil import fee program. I am opposed to the 10-cent tax that it will levy on gasoline. I am opposed to the burden it will place on consumers. I am opposed to the burden it will place on our economy. But most of all, I am opposed to disguising this regressive tax as an energy conservation measure.

Theory has it that the higher the price of our gasoline, the more reluctant people will be to buy gasoline and the more energy we will conserve. Statistics show that Americans are driving 8 percent less than they were at this time last year, partly as a result of higher gasoline prices. OPEC has seen to that. OPEC has dictated our energy prices and our buying habits as well. Now the OPEC nations are again increasing the prices for their crude oil. In the past month alone, Saudi Arabia, Nigeria, Venezuela, Algeria, Kuwait, Iraq, and Libya have all raised the price of their crude oil an average of $2 per barrel.

The Federal Government does not need to help OPEC push up the price of gasoline. It does not need to help OPEC inhibit the gasoline consumption of the people of America. In reality, the 10-cent tax will save less than one-half of 1 percent of our Nation's daily oil consumption, and at what cost?

The cost will be very high: at least a point added to our inflation rate, possible increases in the price of home heating oil, and a $90 billion tax on consumers over the next 5 years. Gasoline prices have risen 90 percent over the past 15 months, and forcing consumers to pay an additional 10 cents for gasoline at the hands of their own Government is an intolerable and unconscionable act.

We should also have some sensitivity for those people who have no public transportation alternative and must drive long distances to work. We should have some concern for the poor, the handicapped, and the elderly who simply cannot afford the prohibitive price of energy. We should be able to recognize that even moderate income earners are being strained to the limit.

We can and must reduce our dependence on foreign oil. We can and must conserve energy, but a gasoline tax is not the answer. It is merely a device to try to balance the budget at the expense of millions of hard-pressed consumers. The real solutions to our energy problems lie in mass transit, weatherization, and energy conservation bank programs that encourage energy savings without placing inequitable demands on the American people.

By voting for House Joint Resolution 531, a measure that disapproves of the President's authority to impose an import fee, you are voting for a renewed commitment to programs that will truly conserve energy. The House has already shown its bipartisan opposition to the oil import fee, and I have no doubt that the consensus will be even more resounding today.●

MERITS OF SELF-EXTINGUISHING CIGARETTES

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. EDGAR. Mr. Speaker, as a cosponsor of H.R. 6675, the latest version of the Cigarette Safety Act introduced by Representative JOE MOAKLEY, I would like to bring to the attention of my colleagues two articles describing the merits of self-extinguishing cigarettes. The first article appeared in the April 7 edition of the Philadelphia Inquirer and the second in the June 1 edition of the Washington Post. Not only are the articles interesting and informative, they clearly point out the importance of Representative MOAKLEY's legislation.

The articles follow:

[From the Philadelphia Inquirer, Apr. 7, 1980]

SNUFFING A PUBLIC HAZARD: HIS KNOW-HOW IS SPURNED

(By Frank Rossi)

ATLANTIC CITY.—As many as 3,500 persons burn themselves to a crisp or suffocate from smoke inhalation in the United States every year in fires started by cigarettes.

That figure has been well documented by the National Fire Protection Association. It does not include property damage caused by cigarette fires. It does not include the cigarette-caused fires listed as undetermined in origin.

Enter Charles Cohn, a slight, 78-year-old man with the voice of a teenager on the verge of puberty. Cohn may be the last of the Edisons—a self-made scientist.

According to him, those 3,500 persons do not have to die. Not one bit of that property has to be lost. Cohn has the answer—a self-extinguishing cigarette, a butt that literally chokes itself to death. Charles Cohn's invention is dirt-cheap, works 100 percent of the time, and requires hardly any retooling on the production line.

What's more, it actually cuts down on the poisons—tar and nicotine—that smokers love to suck into their lungs.

Now for the bad news. Nobody wants it.

Cohn wrote to all six major cigarette producers. One of the rejections went like this, he says: "Well, we have our own development laboratories and we're not interested in outside patents." Now that's a silly answer, but that's the answer.

That Cohn's invention works is without question.

He sits at his dining-room table and pokes through 50 or 60 opened packs of cigarets, all different brands, and pulls out two Marlboro Lights. He coats one with his magic substance and doesn't do a thing to the other. He sticks first one and then the other in his mouth, lighting up with the awkwardness of a 9-year-old experiencing his first corn silk behind the barn.

He chokes. Obviously Cohn's smoking habit is a matter of scientific dedication. Soon it is apparent that the coated cigaret is not disintegrating as quickly as the uncoated one.

Cohn sets both burning butts on a small pillow made of the kind of material sofas and beds are made of, the kind of stuff hardcore puffers fry themselves on at a rate of nine per day in the United States.

In two minutes, the coated cigaret goes out without making a mark. The uncoated one leaves a big smoldering hole. Cohn sticks his thumb in the hole to extinguish the wick-like blaze.

Whew! Hot stuff. He pulls away, tries it again; finally after his wife, Rose, suggests it for the third time, he douses the smoldering crater with water.

By contrast, the spot where the coated cigaret rested is as cool as an Eskimo's nose. "See?" he says, looking up. Mr. Cohn, who has been making a running commentary on her husband's genius, catches her breath and just stands behind his chair, beaming.

There's nothing hush-hush about Cohn's process. He has patented it, but he is not exactly the inventor. The substance is sodium silicate. He says it is well documented, nontoxic and non-carcinogenic. "The only thing that the film gives off when the cigaret burns it is water vapor. That's all," Cohn says.

Sodium silicate costs 3 or 4 cents per pound, which means it will cost cigaret manufacturers three-hundredths of a cent to coat a pack of 20 smokes, Cohn's research says.

Cohn has what is called a use patent on it. "A use patent says that you can take a material that's already well known but apply it to something new, like a cigaret," Cohn explains.

Why hasn't anyone tried it before?

OBVIOUS

"A lot of inventions that seem very obvious people haven't come up with," Cohn suggests, shifting quietly on the gold velvet sofa in his pristine but simple home.

The home is in a crumbling neighborhood, a part of town where regular replacement of hubcaps is a forgone conclusion. Last month, for the first time, the Cohn's house was robbed. But they have lived here since 1952. It is their home and they have no desire to leave. "I want to stay in Atlantic City and I want to stay near the boardwalk. We walk a lot," Cohn says.

Cohn has 34 patents and nine original inventions to his credit. He has made some money, but not nearly what he could have made.

The fact is, Cohn has been done out of more royalties than most people earn in a lifetime.

Charles Cohn was born in Philadelphia, son of a man who sold stoves. After he graduated from high school he entered the family business. But his interest extended beyond profit and loss ledgers. He was always dreaming up ways to improve the product.

His first invention was a flexible pipe for gas stoves. It eliminated the need for stiff cast-iron pipes and enabled homemakers to move the stove without it springing a leak. The flex pipe made a lot of money, but Cohn never patented it.

On his next big invention he got a bit more shrewd, but not shrewd enough to save him from a 10-year court imbroglio.

"When I was young my father used to take me to the stove foundry where they did nickel plating on the trimming of stoves. The stuff would be out in the field a couple of days and it would rust," he says.

"And I always used to hear them talk about that. One of the first things I tried to do, but never succeeded at, was to lick that problem. I never could."

SHOWED EVERYBODY

Eventually his dabbling led to greater things.

In 1946 he devised a process that made normally dull aluminum shine like chrome. He applied for a patent, then started showing everybody and his brother the new process. He figured it would bring him business.

It brought him grief.

The Aluminum Company of America (Alcoa) filed for an identical patent shortly after Cohn took his process on the road. Alcoa said it had filed first. The little man and the industrial giant locked horns in a 10-year court battle.

Cohn won. Alcoa had to pay him for the use of his process.

Today the product is used chiefly by auto manufacturers. The shiny aluminum is substituted for chrome. The process set Cohn, a man with little more than a high school education, on a permanent course. He became one of those cherished heroes, the self-taught inventor.

In rapid succession, Cohn patented processes related to his original discovery, processes which enabled manufacturers to dye the aluminum and to keep it dyed permanently. He did very well, and had a team of college-trained chemists working for him before he shut down his Philadelphia laboratory.

There were disappointments, too—battles to collect royalties from big companies, agreements that often left Cohn with the short end of the financial stick.

"We should be multimillionaires," says Rose Cohn, "but we're nowhere near there, and the reason is that we were given a hard time." She declines to say any more for publication, noting: "They can still hurt us, you know."

Charles Cohn would rather forget the past and concentrate on his work. His secret is tenacity.

Stubborn persistence and curiosity are the story of his self-extinguishing cigarette. He started the project 20 years ago as a lark. His son had taken up smoking and he wanted to do something to help him.

"I said to myself, 'My goodness here's a boy who might be doing himself harm.' The first approach I took was the filter. (He has a patent on a cigarette filter.) After a while I decided that was not the area I should be working in."

He started working on his self-extinguishing cigaret. In 1973, the project started falling together. Cohn obtained a patent on his sodium silicate process. But there were problems. The substance was gooey. It gummed up the cigaret-making machines. Back to the drawing board.

Two months ago, Cohn was awarded a patent on what he says is a perfected process.

It was tested by the National Bureau of Standards. They say it works. The U.S. Department of Health, Education and Welfare (HEW), too, says it works. Indeed, HEW tested Cohn's silicate-coated ciggies and found that because of the process, the cigarets give off 25 percent less tars, nicotine and carbon monoxide per puff to the smoker. They're even good for the nonsmoker. According to the report, when Cohn's coated weed is lying in an ashtray it gives off 60 percent less tars, nicotine and other gases. It is virtually smokeless.

All of which should endear Charles Cohn to the tobacco companies. But it hasn't.

Paul Sawin, a spokesman for the National Fire Protection Association (NFPA), is aware of Cohn's invention. Sawin says the NFPA would love to see the tobacco companies adopt the self-extinguishing cigaret. He doesn't know why they won't, and neither does Cohn.

Perhaps, they reason, a law might be the only thing to persuade the companies to get off their butts.

One federal bill and three state bills have been proposed to force the tobacco companies to make self-extinguishing cigarets.

At the moment, in Cohn's view, cigaret manufacturers are playing dumb about the state of the art—even though Cohn says he has approached them several times with his process.

Ann Browder, a Tobacco Institute spokeswoman, was recently quoted as saying that the federal proposal "is based on untested and highly questionable assumptions that such a cigaret can even be produced."

She added that "there is no research to determine if a self-extinguishing cigaret can be made."

At such statements, Charles Cohn chuckles. He is not angry. At 78, he has learned not to be impatient—there is no room in an inventor's life for impatience. In fact, now that he has a patent on what he considers a perfect process, he wants to move on to other things.

Rose Cohn sits across from her husband, smiling and prompting him. He doesn't have to blow his own horn. She takes care of that. She is his secretary, public-relations person and partner. He is her hero.

Cohn talks about the list of new inventions he wants to work on. He has them in a little black book.

"Ah," he muses in his youngster's voice, "if I only had 20 more years."

[From the Washington Post, June 1, 1980]

LIFE SAVERS: SELF-EXTINGUISHING CIGARETTES

(By Murray Waas)

One by one, Leonard Ragland identified the bodies of his family. "This is my mother. This is my father," he said as the white sheets were lifted. Then he identified the woman he was to marry the next day.

In all, seven persons had died in the fire at Ragland's home in McLean. Investigators said the fire, the worst residential fire in Fairfax County history, had been started by a cigarette left burning in an overstuffed chair in the basement. It could easily have been prevented had tobacco companies used patented processes, available for a number of years, which cause cigarettes to extinguish themselves when not being smoked.

An estimated 70,000 smoking-related fires occur each year in America, according to the U.S. Fire Administration, a federal agency which provides training and education programs to local fire departments. Every year, those fires result in more than 1,800 deaths, 4,000 injuries and $180 million in property losses. More than a third of all Americans killed in residential fires this year will die from smoking-related fires.

These deaths, like those of Leonard Ragland's family, could easily be prevented.

Scientific studies have found that a freshly lit cigarette will burn for more than 20 minutes without being puffed. After 10 to 15 minutes, a lit cigarette dropped into a piece of upholstered furniture will usually start to smolder and start a fire.

Patents for developing cigarettes that would self-extinguish after several minutes of not being puffed have been in existence for more than 50 years. But the tobacco companies have refused to manufacture self-extinguishing cigarettes. And every time legislation has been proposed in Congress that would require tobacco companies to make such cigarettes, it has been voted down.

In the 1920s, the late Rep. Edith Nourse introduced a bill to require cigarettes to be self-extinguishing. Although she introduced the bill in several successive sessions of Congress, it never was passed.

In 1975, the late Sen. Philip Hart introduced similar legislation which was passed in the Senate, but was overwhelmingly defeated in the House. The Tobacco Institute, a lobbying and trade association for the tobacco companies, waged an intensive lobbying effort against Hart's bill.

Most recently, bills have been introduced by Reps. Andrew Jacobs (D-Ind.), Joseph Moakley (D-Mass.), and Sen. Alan Cranston (D-Calif.).

Jacobs' bill would prohibit any substance from being added to a cigarette that would aid its burning. Moakley's and Cranston's would give the Consumer Product Safety Commission power to regulate the safety of cigarettes and possibly require that they be self-extinguishing.

Sources on Capitol Hill give all three bills little chance of passage. "The Tobacco Institute is just too powerful," says one congressional aide. "They've given dozens of members of Congress campaign contributions and honoraria. People around here don't forget where the money comes from."

Joy Jacobson, an aide to Cranston, concedes, "This year our bill has very little chance of passage." According to Jacobson, Cranston met with representatives of the Tobacco Institute and Philip Morris and was told that "manufacturing self-extinguishing cigarettes would be a relatively easy thing to start doing."

But the Tobacco Institute decided to oppose all three bills. "By admitting that they could simply resolve the problem," says Jacobson, "they would be opening themselves up to liability cases and lawsuits from people who have been injured in cigarette fires. In some cases, the awards could be tremendous."

A Tobacco Institute spokesman, Walker Merryman, says the trade association has several reasons for opposing these bills.

"One thing you have to keep in mind," says Merryman, "is that these cigarette fires don't occur in a vacuum. As many as half of those fires happen when an excessive amount of alcohol and/or drugs has been used."

"The person who accidentally sets the fire," retorts David Pittle, a member of the Consumer Product Safety Commission who has fought for the cause of the self-extinguishing cigarette, "is not always the only person killed. Often times it is little children or older people in the next room who are killed. They're the ones least likely to escape."

Adds a D.C. fire official: "In the Fairfax fire, only one person left the burning cigarette on the chair. But six other people died.

"I've seen this type of fire from first-hand experience. We'll find the children lying dead on their beds. Most of the time they don't even wake up. They just die in their sleep."

Another reason that the Tobacco Institute and the companies it represents oppose such legislation, according to Merryman, "is that the technology available right now is not commercially or financially feasible.

"They've developed technology which will cause cigarettes to self-extinguish. But at the same time, the output of tar, nicotine and carbon monoxide would increase.

"We might cut down on an insignificant number of people dying in fires. But at the same time we would be increasing the number of people who would contract lung and heart disease due to the increased tar and nicotine."

Critics of the Tobacco Institute point out, however, that Moakley's bill would bar any increase in tar, nicotine or carbon monoxide levels in self-extinguishing cigarettes.

One patented process for a self-extinguishing cigarette even reduces tar, nicotine and carbon monoxide. Charles Cohn of Atlantic City says his process makes cigarettes self-extinguishing by adding sodium silicate to the cigarette paper. A Department of Health, Education and Welfare study found that cigarettes produced with Cohn's method would give off up to 25 percent less tar, nicotine and carbon monoxide per puff to the smoker. The HEW study also found that Cohn's process would cause cigarettes to give off 60 percent less tar, nicotine and carbon monoxide into the air while not being puffed.

A major American tobacco company also tested Cohn's process and confirmed HEW's findings.

"The company didn't want to use my process, though," says Cohn. "They said they have their own research departments to do things like this."

Tobacco Institute spokesman Merryman says he is aware of Cohn's process, but claims it is "as ineffective and unfeasible as the others that have been developed."

Merryman could not, however, say specifically what is wrong with Cohn's process. "If I were to call up the individual companies and ask what is wrong with it, they wouldn't tell me," says Merryman, "That type of thing would be considered proprietary information."

Some 15 to 20 other patents have been filed with the U.S. Patent Office that would make cigarettes self-extinguishing. Some are as simple as one which would require the tobacco in a cigarette to be more tightly packed. But adding more tobacco to a cigarette or packing it more tightly would be costly to the tobacco companies.

Meanwhile, Peter Georgiades, general counsel of Action on Smoking and Health, a Washington-based public interest group, believes he knows the reason the Tobacco Institute opposes legislation requiring self-extinguishing cigarettes:

"The tobacco industry always opposes any legislation which would control or regulate them, even if only to a small degree. They're a lot like the anti-gun control people. Even the littlest regulation they perceive as a move by the government to totally dominate them."

Even if legislation is passed this year, a D.C. fire official notes, it won't become effective until 1981: "Between now and then an estimated 1,500 people are going to be killed in cigarette fires. If this type of legislation was passed 10 years ago, we might have 10,000 to 15,000 people alive who aren't. The fire in Fairfax County wouldn't have occurred either."

A Tobacco Institute spokesman also commented on the Fairfax fire: "All of this is regrettable. We don't want to encourage the unnecessary death of anybody . . . Perhaps they should have used smoke detectors."●

INAUGURATION DAY AS A HOLIDAY

HON. JOE WYATT, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. WYATT. Mr. Speaker, every 4 years this country demonstrates the vitality of the democracy by which we govern ourselves. Every fourth November we go to the polls to elect the person who will lead the country. This celebration of freedom has endured continuously longer in this Nation than in any other. For 204 years, our record is unblemished. Even during the Civil War, which divided our country, both sides held regular elections.

As we get ready to hold our 49th consecutive election for President since the first in 1789, I believe we should take the time to honor the office, the man elected, and the process which elected him by setting aside this next January 20 and all future inauguration days as national holidays.

I have discussed this proposal with my good friend Stan Mikula of Port Lavaca, Tex., who assures me that from his position as a County Commissioner, the people of Texas and the rest of the Nation would enjoy and respect a holiday every 4 years to join in the celebration surrounding the inauguration of the person newly inaugurated as President.

If nothing else, Mr. Speaker, this bill would help end an inequity which now exists in the law with regard to Inauguration Day. At present, Federal employees in the District of Columbia and the surrounding counties in Virginia and Maryland are given a holiday at this time. I can understand that at our first inauguration and for the subsequent 130 years or so, only those in Washington were able to participate. Now, with the advent and reach of the broadcast media, there is little reason why this holiday should not be extended to all Federal employees by making Inauguration Day a national holiday.

Mr. Speaker, in order to honor our tradition of democratic elections I respectfully urge my colleagues to seriously consider this proposal as a way to include the entire Nation in this event every 4 years and to end the present inequity in the law.

Thank you.●

VETERANS BEWARE

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1980

● Mr. MONTGOMERY. Mr. Speaker, on Friday, May 30, the chairman of the Committee on Veterans' Affairs (Mr. ROBERTS) placed into the CONGRESSIONAL RECORD a memorandum recently approved by the President to implement a new executive branch policy to substantially reduce construction of Veterans' Administration, Department of Defense, and Public Health Service medical facilities or modernization of those facilities in certain areas of the country.

I understand this policy change was announced by Health and Human Services officials yesterday.

So that my colleagues will have all the information made available to Mr. ROBERTS in reference to this decision, which seems to have been the brainchild of Alfred Kahn and Patricia Harris, there follows a discussion paper to Secretary Harris from her staff in reference to the issue:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C.,

Memorandum to: The President.
From: Patricia Roberts Harris.
Subject: Federal Support for Hospital Construction.

I have signed the memorandum on Federal Support for Hospital Construction from Stuart Eizenstat, Alfred Kahn, James McIntyre, Frank Press, Charles Schultze and me, but I want to express my concern about one aspect of this proposal.

Although I strongly support the goals of this proposal, the recent budget cuts in the Health Planning budget will be a barrier to implementing the proposal. The budget for Health Systems Agencies (HSAs) was cut by $38 million out of a total of $125 million.

The proposal provides that applicants for Federal loans, loan guarantees, subsidies and tax exemptions for hospital construction will be subjected to an additional review at the Federal level if HSAs and States do not have approved bed reduction plans. If States and HSAs have such plans, applications for Federal subsidies would be reviewed in conjunction with the certificate-of-need process. I believe the option of State and local review is preferable because it insures local input. However, it will be practically impossible for States and particularly HSAs to develop bed reduction plans, which are estimated to cost $40,000 to $200,000 per HSA to prepare, if the proposed budget cuts are put in effect.

If you decide to approve this proposal, I urge you to reconsider cuts in the Health Planning budget and restore sufficient funds to allow for implementation of this proposal. In the longer term, these funds will contribute to the establishment of a workable program which will help reduce inflation in health care costs.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF THE SECRETARY,
Washington, D.C., April 18, 1980.

Memorandum to: The Secretary.
From: John L. Palmer, Assistant Secretary for Planning and Evaluation, and David Calkins, Special Assistant to the Secretary.
Subject: Proposed Procedure to Limit Federal Support for Hospital Construction—Decision Memorandum.

I. ISSUE

A draft memorandum to the President from you, Stuart Eizenstat, Alfred Kahn and Jim McIntyre is attached. The memorandum proposes a Presidential directive outlining procedures to limit Federal support for the construction of new hospital beds or renovation of existing beds in overbedded areas.

The issue for your decision is whether to approve the proposed procedures for Federal facilities and for tax-exempt financings. Your advisors have negotiated this portion of the proposal with DPS, COWPS and OMB and recommend concurrence with certain caveats.

II. FACTS

History of Proposal: The proposed Presidential directive was discussed briefly by the White House Health Issues Work Group and has since been refined by COWPS and OMB in consultation with the Department and DPS. There is interest among White House staff in issuing such a directive in the context of the President's anti-inflation program.

Problem: There are an estimated 130,000 excess acute care hospital beds nationally which generate roughly $4 billion annually in excess hospital costs. This excess contributes substantially to the inflation in health care costs. Also, 196 out of the 202 Health Service Areas for which we have data fail to meet one or both hospital capacity standards set forth in the National Health Planning Guidelines—a bed to population ratio of 4 to 1,000 or less, and an average occupancy rate of 80 percent or more.

Current Practice: The Federal government has several ways of providing financial support for hospital construction.

Direct Federal Construction of Hospital Facilities: The VA, DOD and HHS all have programs for direct support of hospital construction. Over $850 million for direct Federal hospital construction and renovation is budgeted in 1981—most being in areas with excess capacity in non-Federal hospitals.

Loan, Loan Guarantee and Subsidy Programs: Several Federal agencies have programs for support of hospital construction. In 1980, Federal agencies will pay out or commit over $600 million for loans, loan guarantees and subsidies for new hospital construction and renovation projects. These Federal programs are as follows:

HHS, Hill-Burton Medical Facilities Construction Program. No new commitments are proposed for 1980.

HHS, Health Professions Teaching Facilities Construction Support Program. Since 1975, no new grants or loans have been awarded. We have not asked for renewal of this provision in our Health Professions legislation.

Department of Housing and Urban Development, Federal Housing Administration Section 242 Mortgage Insurance Program. New mortgage insurance commitments are estimated to be $272 million in 1980.

Department of Agriculture, Farmers Home Administration Loan Program for construction in rural communities. New loan guarantees for hospitals are estimated to be $422 million in 1980.

Department of Commerce, Economic Development Administration grant program for community construction. No funds for hospital construction projects are planned for 1980.

Small Business Administration Loan and Loan Guarantee Program for commercial construction. SBA estimates that it will make 50 loans amounting to $5.6 million to small business building contractors for hospital construction in 1980.

Appalachian Regional Commission funding of construction projects in Appalachia. No new funding has been committed as yet for hospital construction projects in 1980.

Department of Interior special legislation authorizations for funding hospital construction in the trust and other U.S. territories. New projects are authorized for the Marshall Islands and the Virgin Islands.

Federal Tax-exempt Bond Financing: Under the Internal Revenue Code, the interest from certain types of bond issues is exempt from Federal income taxation. Approximately $3 billion for new tax-exempt financings for hospital construction and renovation will be committed in 1980. Also, it is estimated that the Treasury will lose $400 million in revenue in 1980 because of the income tax exemption for interest on tax-exempt bonds of past hospital financings.

Medicare and Medicaid Capital Cost Reimbursement: These Federal health insurance programs pay for certain capital costs of health care providers, including depreciation, interest and, for proprietaries, a return on equity capital. Federal payment of these costs is estimated to be roughly $2 bilion in 1981.

III. SUBSTANCE OF PROPOSED PROCEDURE

The memorandum proposes that the President issue a directive to Federal agencies dealing with each type of Federal financial support for building new hospital beds or renovating existing beds in overbedded areas, as follows:

For Federally-operated facilities in overbedded Health Service Areas, decisions for construction will be made through enforcement of current budget policies. Also, DOD, VA and HHS would have to consider obtaining new capacity through acquisition or leasing of unused non-Federal facilities. State and local health planning agencies would be asked to review and comment on Federal construction and their findings, although non-binding, would be considered in the budget process by the Federal agencies involved.

For subsidies, loans or loan guarantees to non-Federal facilities, a new administrative procedure would be established to ensure that no such Federal support would be approved for construction and renovation projects that violate the National Health Planning Guidelines as modified by State and local health plans.

If the State and Health Systems Agencies (HSAs) within the State do not have reduction plans, approval for a Federal subsidy of new construction or renovation would be granted through a new Federal review process (unspecified as yet).

If the State and its HSAs have bed reduction plans, they would review applications for Federal subsidies in the context of such plans.

An exceptions process to the new Federal procedure would be developed to permit Federal support in overbedded areas where the proposed capacity is clearly required, i.e., to serve special populations or to address unique access problems.

With regard to tax-exempt financings, legislation would be sought to subject this indirect Federal subsidy of new hospital capital expenditures to the same approval process as that described for loans, loan guarantees and direct subsidies.

With regard to Medicare and Medicaid, the memorandum refers to Administration support for legislation now before the Congress which would make mandatory the now voluntary Section 1122 program. Under this program, States recommend denial of HCFA reimbursement for unapproved capital projects.

The memorandum also refers to the Administration's capital limits bill, which, although not well received by Congress, would strengthen the planning process. Finally, the memorandum promises that additional legislative and administrative proposals to limit reimbursement for hospital expansion will be forthcoming.

IV. DISCUSSION AND RECOMMENDATIONS

1. Issue

Whether to adopt the proposed procedures for Federal facilities and for Federal loans, loan guarantees, direct subsidies and tax-exempt financings. Medicare and Medicaid reimbursement for capital costs is not an issue, since the memorandum leaves future steps open.

2. Discussion

There are important implications of the proposed procedures that you should be aware of in making your decision:

Effect on State and Local Planning Process: The procedure proposed for Federal loans, loan guarantees, direct subsidies and tax exemptions may be difficult to implement and pose problems for the State and local planning process:

According to GC, there is adequate authority in the Health Planning Amendments of 1979 to require planning agencies to adopt institution-specific bed reduction plans where necessary, and the Department could issue regulations establishing a timetable and specifications for the development of such plans. For purposes of Federal loans and subsidies, the Department could require approval of these plans.

However, if we require bed reduction plans now, it will be some time before they are completed and approved. The proposed cuts in HSA funding (see Budget Impact) make it even less likely that States will have approved bed reduction plans.

Thus, for most States, the effect of the new procedure would be to impose a Federal review process in addition to existing State Certificate-of-Need and Section 1122 reviews, but with more rigorous observance of the National Health Planning Guidelines as modified by State and local health plans. This can be rationalized because it is Federal money being spent, but it does impose additional regulatory burdens on applicants.

Effect on the Department: The memorandum to the President does not specify whether HHS will have the lead in reviewing all Federal loans, loan guarantees direct subsidies and tax exemptions. While OMB and COWPS expect that central control would reside with HHS, they anticipate that some of the other agencies will resist this arrangement.

Since this proposal lies properly within the ambit of health planning which is of chief concern to this Department, we should ensure that HHS has the lead and controlling role in this procedure. As noted below, you may want to make your approval of this proposal conditional on the assurance that HHS will have the lead and final decision-making authority with respect to applications submitted for Federal subsidy support.

The Departmental role we envision would be similar to a current interagency agreement with HUD. This agreement, pertaining to the FHA 242 mortgage insurance program, delegates most of the programmatic aspects to the Department. HHS reviews and approves all FHA 242 applications. In addition, the applications must be approved by State and local planning agencies where such agencies have jurisdiction. The Department has discussed similar agreements with other Federal departments.

Budget Impact: The proposed procedure for Federal facilities should not have major budget impact on HHS and its planning programs. However, the budget impact of the proposed procedure for Federal loans, loan guarantees, direct subsidies and tax exemptions will be substantial.

Assuming that the Department takes on the primary responsibility for review and approval of applications for Federal loans, loan guarantee and direct subsidy programs, HRA estimates that 60 major applications would be reviewed annually, requiring 13 additional staff at a cost of almost $500,000.

The inclusion of tax-exempt financings would also have a substantial impact given the widespread use of this method of funding hospital construction. HRA anticipates that there would be conservatively 300 applications for tax-exempt financings annually, requiring 72 more additional staff at a cost of $2.6 million.

The administrative and budget impact on State planning agencies and HSAs would also be great were they to develop bed reduction plans. As pointed out above, most State and local planning agencies do not have bed reduction plans and it should be appreciated that developing meaningful plans (which would necessarily be institution-specific) is a major and expensive undertaking. For example, the Detroit, Michigan, HSA has spent over $200,000 this year alone to develop an institution-specific bed reduction plan which has yet to be completed. The HSA for Kalamazoo, Michigan expended approximately $40,000 (11 percent of its Federal grant) this year developing a bed reduction plan and the Michigan SHPDA expended $40,000 on its bed reduction plan. Neither of these plans are complete yet.

However, OMB budget proposals call for maintaining SHPDA funding at last year's level and cutting HSAs' funding by one-third. Many believe that it will be difficult for HSAs to carry out even their existing functions if the cuts are implemented.

Political Impact: These proposed procedures will be politically controversial:

There will be opposition from military and veterans groups to bringing the DOD and VA hospitals under even non-binding review by planning agencies and requiring consideration of leasing existing facilities. In view of this opposition, the proposal regarding treatment of the VA and DOD facilities is more limited than many in the Department and Administration believe is ultimately desirable.

The hospital industry will resist the new Federal procedure for reviewing all Federal loans, loan guarantees and direct subsidies. States and some other constituencies supporting the health planning program will view the new Federal procedure as an attempt to impose planning at the Federal level and to duplicate the functions of State and local planning agencies.

Because of the popularity of tax-exempt financings among hospitals, the hospital industry can be expected to oppose their inclusion in the new Federal review procedure most vigorously. Furthermore, purchasers of hospital tax-exempt bonds and the bond industry will resist this inclusion as well.

3. Recommendations

All of your advisors recommend that you support the proposed procedure for Federal facilities. We also recommend that you support the proposed procedure for Federal loans, loan guarantees, direct subsidies and tax-exemptions, with the caveats that the Department has the lead in the Federal review procedure and final authority on each application and that OMB authorizes the personnel increases that will be necessary to accomplish the reviews. Finally, we believe you should indicate that implementation of State and local bed reduction plans will be extremely difficult if the health planning budget cuts proposed by OMB prevail.

V. DECISION

Approve the proposed procedures for Federal facilities and for Federal loans, loan guarantees, subsidies and tax-exempt financings, but with the conditions recommended by your advisors.

Approved:

Disapproved:

Other:

Date:

(If the Secretary wishes to raise the planning agency budget cuts with the President, she should send a note to this effect with the memorandum to the President).●

DR. WILLIAM PRATTELLA: AN EXEMPLARY MEMBER OF THE EDUCATION COMMUNITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. BIAGGI. Mr. Speaker, it is my distinct pleasure to pay tribute to a most distinguished educator and administrator, Dr. William Prattella, who has been named one of the top school executives in North America by the Executive Educator, publication of the National School Boards Association. To those of us who are familiar with Dr. Prattella's dedication to the field of education, this award comes as no surprise. He has served with dedication and enthusiasm in his capacity as superintendent of the Mount Vernon school system since 1972, a position which has been, I am sure, the highpoint of an exciting and active career.

Dr. Prattella has achieved numerous accomplishments since his entry into the field of education as a teacher of Spanish and English in 1961. Few educators can boast of such an impressive array of credentials and activities that have touched the lives of so many. In his capacity as superintendent, several new and innovative activities have been instituted. A hotline was begun for confidential phone assistance to students and parents with both personal and educational problems. In addition, pilot programs to assist students with learning disabilities were set up as well as workshops for teachers to insure quality levels of instruction in the schools. Most notable, is Dr. Prattella's work to significantly improve the reading and math scores of Mount Vernon students, many of whom are in need of remedial assistance because of their disadvantaged backgrounds. Upon his arrival as superintendent in 1972, 36 percent of the students were performing below minimum competency on State tests. By 1978, through creation of the DISTAR reading program, this percentage figure was dramatically reduced to 7 percent. Those statistics most certainly speak for themselves.

Dr. Prattella has not only been an asset to the education community, but has also been involved with activities that benefit the community at large. Among his most noted accomplishments was the establishment of the annual citywide music and arts festival which involves all city schoolchildren. While all of us would agree that basic skills in education are certainly of primary importance, we must also recognize the value of arts and cultural programs for our children as well. Dr. Prattella is to be commended for his foresight in recognizing the value of the esthetic experience in our schools.

Such a record of accomplishment is why Dr. Prattella has been chosen for this honor. It is also for this reason why he is being honored by his friends and colleagues at a celebration in New Rochelle on June 12. On that day, it will be demonstrated that he is No. 1 in the hearts and minds of all who are fortunate enough to be affiliated with the Mount Vernon school system under his expert tutelage and guidance. Included among his colleagues is my daughter, Jacqueline Tarantini, who, as a fellow professional and educator, has also been witness to his many talents. These are the people who are part of a system which seeks to make the educational experience both unique and fulfilling to all who pass through it.

As New York's ranking member on the House Education and Labor Committee, I have spent many years helping to shape legislation which will enhance the quality of education which we are providing in schools across the Nation. When we in Washington seek to create new programs and expand existing ones, it is always our hope that there will be able and imaginative administrators to carry out the intent of Congress. I know of no administrator who fits this bill better than Bill Prattella. As a fellow Italo-American, as a member of the education community, as a legislator and as a citizen, I am proud to pay tribute to an able administrator, an innovative educator, and a concerned and committed professional who has made his family, his community, and his students very proud.●

THE ASSAULT ON TAIWAN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. ASHBROOK. Mr. Speaker, the State Department and the U.S. Customs Service are already trying to retrace their steps in the wake of criticism over the proposed ban on certain goods from the Republic of China. In an effort to cover up the blatant attempt to erase the name of a sovereign nation from all public records in America the Foggy Bottom bureaucrats have tried to state this is only an isolated incident. If we are to believe the official pronouncements the import ban against the Republic of China was an indiscrete act of overzealousness or misinterpretation. In fact, it is only the tip of the iceberg. There is a comprehensive policy to destroy any vestige of the Republic of China in order to further placate the rulers of Communist China. This policy is in violation of the provisions of the Taiwan Relations Act passed in 1979 and contradicts all the promises administration officials made to garner sufficient support for the legislation.

Some of the latest efforts to destroy the identity of the Republic of China have reached the level of absurdity. On one occasion the administration prevented a group from the Export-Import Bank from visiting the Republic of China even though it is the Eximbank's third largest borrower. Another recent example of this bizarre policy was a trip in late May by members of the Joint Economic Committee of the Congress. After much discussion a compromise was worked out where the members of the committee could journey to the Republic of China only if the crew on the official military plane wore civilian clothes and if the plane stayed in Taiwan only long enough for unloading and picking up the passengers. I cannot understand what grievious crime against the world this small and loyal friend has committed to warrant such treatment. I hope my colleagues will take some time to ask questions about this crusade on the part of the White House.

In an effort to further inform this House about what is going on in our relations with the Republic of China, I call my colleagues attention to an excellent article in the Journal of Commerce. This article outlines how the administration efforts to isolate the Republic of China are hurting American businesses. At a time when new markets are needed to ease the recession and to help stabilize our balance of trade it is unbelievable that efforts are underway to harass the flow of commerce to another friendly nation. Unfortunately this is exactly what is going on. If the recession results in more layoffs and factory closings this administration is going to have to answer to the American people as to why it worried more about the rulers of Peking than the workers in the United States and the markets on Taiwan.

The article follows:

[From the Journal of Commerce, May 29, 1980]

TAIWAN GOES ALL-OUT TO BUY AMERICAN

(By George F. W. Telfer)

TAIPEI.—Businesses here want to buy American, and the government of the Republic of China on Taiwan discriminates in favor of goods made in the United States, but U.S. companies often don't act quickly enough to get the business. Worse, sometimes they don't even bother to bid on multi-million dollar projects involving a majority U.S. partner in a joint venture here.

This aside, resentment against the Carter administration's treatment of relations with Taiwan, generally to the detriment of both U.S. and Taiwanese business interests, because of "oversensitivity" to the demands of the People's Republic of China, burst into the open at the 4th joint ROC-U.S.A. and U.S.A.-ROC economic councils and trade forum here Wednesday.

The administration is ignoring the significant changes the Congress made in the Taiwan Relations Act, and prevented an Export-Import Bank team from visiting Taiwan last week, even though this country is the Eximbank's third largest borrower. The Chinese here deeply resent the impending requirement that goods made here must carry the label "Made in Taiwan" and not "Made in ROC" or "Republic of China."

JAPANESE FREQUENTLY OVERCOME FAVORITISM

Taiwan desperately wants high-technology and energy-efficient capital goods for industries with low labor requirements. The government quickly approves import of U.S. capital goods while taking its time in approving Japanese-made goods, according to sources here. In consumer goods, where there is tremendous pent-up demand, U.S.-made cars are admitted while Japanese cars are discouraged. But the aggressive Japanese frequently overcome this favoritism toward U.S. goods.

The awesome prowess of the Japanese is illustrated by a story told by Robert P. Parker, an attorney with Kaplan, Russin & Vecchi, who also is president of the American Chamber of Commerce here.

A joint U.S.-Taiwanese venture, majority-owned by one of the 10 largest companies in the United States, wanted to buy U.S. for its planned multi-million dollar expansion. It solicited bids from leading U.S. suppliers.

Before they responded, the company was inundated by bids from several Japanese companies, none of which it had breathed a word to. The Japanese presented bids in Japanese, English and Chinese, they delivered flowers, etc., and they got the orders.

"Their intelligence is fantastic." Noting that the ROC Board of Foreign Trade clearly prefers U.S. goods, "If you buy Japanese, you wait for approval; if you buy American, it's approved immediately," Mr. Parker added, "the Japanese are so competitive its almost impossible to compete.

"Their quality is excellent, delivery fast, service superior, and the price is right."

For several years now, the ROC government has discouraged import of Japanese automobiles, while it opened the door somewhat to U.S. cars. Small U.S. cars proliferate here, with 30,000 a year allowed in. Large U.S.-style cars also are on the streets of Taipei.

Most cars are small Japanese types produced here but some European-style Fords are made here by Ford Lio Ho.

Many U.S. companies, of course, are not asleep at the switch. Furthermore, Mr. Parker says, "I think we're finally going to win the battle" over TV commercials in Taiwan. An old government regulation bans TV advertisement of a product's national origin. Desirable U.S.-made goods run up against that barrier.

OTHER BARRIERS

Taiwan has other barriers against U.S. goods. For years, the chamber has tried to persuade the government to evaluate imports for customs purposes on the generally lower f.o.b. basis, as the United States does, instead of the c.i.f. basis used in Japan and Europe. Since the Japanese have lower insurance and freight charges, this gives Japanese exporters an advantage over their U.S. and European competitors.

"We don't care if they raise the rates," says Mr. Parker. "All we ask is that they eliminate the discrimination against U.S. products. We suggested reciprocity—using f.o.b. on our goods."

Sparking the pleas by Chinese and American businessmen alike on the labeling was the discussion of a regulation quietly adopted by the United States. This requires that as of Aug. 1, goods from this country bear the label "Made in Taiwan."

Although this is of little commercial significance, since many goods made here already carry this label, it is resented by many older businessmen. The recent extension to Dec. 1 of the effective date is scorned.

"The short notice without prior consultation with us caused quite a shock," Minister of Economic Affairs Chang Kwang-shih said in a brief interview Wednesday evening.

Canada last year modified its requirement on labeling. Now goods from this country can say ROC or Republic of China although they still must say Made in Taiwan. Japan allows ROC or Republic of China labeling, even in Chinese characters.

U.S. delegates pledged to take the matter up with Sen. Frank Church of Idaho, chairman of the Foreign Relations Committee, and Sen. Richard Lugar, R-Ind., and others. The joint conferees here probably will pass a resolution Friday assailing the U.S. regulation.

The Taiwan Relations Act is being implemented by the Carter administration more in keeping with its proposed bill than with the version passed by Congress, which called for continued active and "friendly" cultural and commercial ties with Taiwan, according to Mr. Parker and Carl Ford, chief of staff for Asia at Senate Foreign Relations.

NARROW INTERPRETATION

He said a staff study soon to be released found that the State Department was narrowly interpreting the "unofficial relation" which the TRA said should continue with Taiwan Americans at the American Institute for Taiwan and the Coordination Council for North American Affairs, the euphemistic successors to the countries' embassies, are forbidden to see government officials in each other's countries.

CCNA is down to nine offices in the United States from the 14 consular offices which existed before de-recognition of the Republic of China government, and "the US has failed to provide security for ROC personnel in the U.S.," Mr. Ford added.

Mr. Parker pointed out that in addition to the Eximbank incident last week a subcommittee of the Joint Economic Committee of the U.S. Congress, which was studying U.S. competitiveness in Asia, had to fight tooth and nail with State before it was allowed to enter Taiwan, with which the United States has had a large deficit for several years. Even when State acquiesced, it required the crew of the military plane which flew the member and their staffs here to wear civilian clothes and to fly the plane back to Okinawa while the group conducted its survey work and to do so again when they flew back here to pick it up.

Taiwan's imports from the United States rose 50 percent in the first four months of this year from the level of January-April 1979, and Board of Foreign Trade Director General H. K. Shao said the U.S. trade gap could be reduced by $500 million, well below the $2.25 billion 1979 deficit and the $2.6 billion 1978 gap.

Premier Sun Yun-suan said Taiwan's buying mission to the United States, headed by Mr. Shao, "are not stunts; they are bona fide tokens of our intention to balance the trade between our two countries."

"I know that some of the orders would have been placed anyway, but a sizable number of them are new sales," Premier Sun stated.●

DOES GOVERNMENT CARE ABOUT INDIVIDUALS?

HON. JOE WYATT JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. WYATT. Mr. Speaker, I am today introducing legislation which would allow the Federal Government to do what many people say it cannot; to show that it cares about individual problems and that it can correct a past mistake.

Since the 1940's, the Hawes family of Calhoun County, Tex., had collected parcels of land on and around Matagorda Island right off the coast in the Gulf of Mexico. By 1940, the land on Matagorda Island belonging to the Haweses came to about 18,000 acres. Then in 1940 the U.S. Government condemned the Hawes' land. The land on the island was to be used as a gunnery and bombing range as a part of the country's upcoming war effort. The Haweses reached a settlement with the Government whereby they kept control of the mineral rights but the Government, for a nominal fee, had surface control of the island property until the end of the war. A 1944 law gave them preference in retaking the land once it could be declared surplus.

Then in 1949 Congress amended the law regarding the order of preference of claim for surplus military land. The Haweses, who were once at the front of the preference line for the claim to their old land, where they should be, fell to just about the end of the line.

Since then, the Hawes family has been in a battle to have the Government keep its original promise and return their rights to the land.

What the Haweses face now is a long line of claimants, with no ties to the land, who seem to care very little that the land they want control of is a sizable piece of property taken from private individuals by our Government and held on to only for the sake of holding on to it for the last 40 years.

I would invite any one of the potential claimants, be they the Department of the Interior, the State of Texas, or private speculators to place themselves in the shoes of a family who has had 8,000 hard-earned acres of land "borrowed" only to have the "borrower" keep it for 40 years and then try and give it away to other people.

I do not believe there are words to describe the injustice which has been done to the Haweses and I believe that this body should, and will support, an effort to make sure that, at least in this one case, the Federal Government can keep its word.

The bill I am introducing today would mandate an investigation by the Comptroller General of the United States into the acquisition of the Hawes' land in 1940 and to return rights to that land to the former owners. After 40 years, this is the least that can be done.

While we are facing national issues which will inevitably be part of the morning's headlines we cannot forget that Congress represents the people. We cannot overlook the need to address individual needs and if necessary correct past injustices to individuals. Only in this way can we prove that no family, or no injustice, or no individual is so small as to be ignored by this Congress

Thank you.●

OIL IMPORT FEE—THE WRONG WAY TO SOLVE ENERGY CRISIS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. CONYERS. Mr. Speaker, today I voted against the imposition of an oil import fee that would result in a 10-cent-a-gallon tax on each gallon of gasoline. I applaud the efforts of my colleagues, led by Mr. MOFFETT, who successfully fought the oil fee in the Federal courts.

Debate on this issue has centered on whether or not the administration's so-called gasoline conservation fee is really a fee or a tax and whether the President has the authority to impose such a measure. A number of other questions have received far less attention than they deserve, for example:

What evidence do we have that rising gasoline prices actually curb gasoline consumption over the long run?

What has been the impact of rising gasoline prices on the American auto industry, the market for American cars, and the ability to withstand import pressures, especially from Japan?

What has been the effect of rising gasoline prices on citizens who can least afford the prices, though they have as great a need to drive their cars as the rest of us?

There is broad agreement on the need to conserve energy and reduce wasteful consumption. Nor can there be any illusions that U.S. dependence on foreign oil and the $90 billion or more annually that it is costing the Nation has dangerously impaired the economy. The issue is not the goal of conservation, but the methods for achieving it that are most equitable and effective.

There is no solid evidence that raising the price of gasoline will significantly reduce consumption, or reduce it permanently over the long run. The European experience is instructive. Gasoline prices are far higher there. They range from $2.35 to $3.17 a U.S. gallon. Yet gasoline consumption has steadily increased, and greater numbers of cars are on the road. Experts there have concluded that price is not an effective deterrent to consumption over the long run, once consumers get over the initial shock of higher prices.

It should be clear by now that the sudden and steep rise in gasoline prices over the past few years has damaged Detroit's auto industry. The imposition of an oil import fee would occur at a time when controls are being phased out on domestic oil and the greatest impact on prices has not yet taken place. The administration's decision of a year ago to remove controls on domestic oil, and the resulting price increases, have clearly weakened the competitive edge of America's auto industry. As the price of gasoline rose, auto purchasers flocked to smaller, energy-saving imports. Detroit's automakers lacked the high volume small car production that the Japanese and Germans have. If controls had been maintained another 2 years, as the law allowed, prices at the pump would have risen more slowly, consumers would have purchased more Detroit cars, and the industry would have had the breathing room to retool and shift to mass small car production.

Nobody to my knowledge has studied the extent of the burden of price increases on citizens who can least afford them. Less advantaged citizens not only have to drive to work like the rest of us, but disproportionately own older, less fuel-efficient vehicles. Another sharp increase in gasoline prices would mean an even greater inequity toward them.

Gasoline rationing and a curb on imported oil would be a far fairer policy than using price increases to discourage consumption. In the longer run, creation of a Federal purchase authority for imported oil, as I have proposed in the Oil Imports Act (H.R. 3604), and a new system of oil and gas development on Federal lands, where the great bulk of these resources exist, that I have incorporated into the Federal Oil and Gas Development Act (H.R. 7282), would have a larger impact in increasing supply and managing consumption than the present policy of encouraging higher gasoline prices.

An article in the Wall Street Journal, May 12, 1980, that disputes the rationale behind the proposed oil import fee, follows:

EUROPE'S DRIVERS DON'T REDUCE GASOLINE USE DESPITE SOARING PRICES

(By June Kronholz)

PARIS.—Since the 1973-74 Arab oil embargo, the price of gasoline in France has almost tripled to the equivalent of $3.17 a gallon. The cost of running even a small car on the scale of Renault's Le Car adds up to 45 cents a mile. And filling up the tank of a big Citroen costs about $61.

So if price is a factor in the conservation of gasoline, as many energy-policy people in the U.S. believe, Frenchmen must be abandoning their cars by the garageful, urai?

Faux. In fact, there are 22% more cars on the roads of France today than there were before the embargo. Gasoline and diesel-fuel consumption was up by 21% last year over 1973. The average French driver is putting 8,400 miles a year on his car, up from 7,800 in 1973. And 1.2 million cars fight their way into Paris every working day, making l'embouteillage—the bottle neck, as the French call their traffic jams—as much a part of the landscape as the Eiffel Tower.

Across Europe, motor-fuel consumption is increasing despite prices that are about double those in the U.S. Between 1976 and 1979, consumption of gasoline and diesel fuel rose by about 16% in West Germany and 10% in Britain. Between 1977 and 1979, automobile ownership increased by 10% in Belgium and Italy, by 12% in Austria and by 13% in Germany and Norway. Meanwhile, gasoline is selling for the equivalent of $2.32 for a U.S. gallon in London. $2.45 in Frankfurt, $2.53 in Geneva and $2.90 in Brussels.

Europe's experience is instructive for those who believe that gasoline consumption and auto use will fall as gasoline prices climb: In Europe, at least, the theory doesn't seem to work. "The French cannot imagine life without their car, whatever it costs them," says Louis Leger, director of L'Argus, a French newspaper devoted to the automobile industry. "The rest of Europe feels pretty much the same way."

But consider the recent experience in the U.S.: Gasoline prices have nearly doubled since the beginning of 1979, consumption declined 5% last year from 1978, and so far this year consumption is down by 8%. Doesn't that show a link between price and consumption?

Energy analysts at the International Energy Agency, or IEA, an organization of 22 Western oil-importing countries, point out that U.S. drivers still burn up between three and four times as much gasoline as do drivers in France, Britain and Germany. Thus, Americans have more opportunities to eliminate gasoline waste than do Europeans.

A LONG WAY TO GO

The U.S., analysts say, still has a long way to go before reaching the degrees of fuel efficiency that are common in Europe, and the decline in U.S. consumption also can be accounted for by such things as efforts to make cars more efficient, a slowing in the number of cars being added to the country's already huge fleet and a greater use of mass transportation.

European cars are thought to be about as small and as light, and therefore as fuel-efficient, as they can be—the biggest Saab gets 33 miles to the gallon and the smallest Volkswagen, 48. Europeans already make good use of mass transit. Having done about all they can to conserve through efficiency, Europeans clearly aren't prepared to cut back on gasoline consumption simply because of the price.

"We've concluded that price isn't effective in conservation," says Claude Thierry, an oil expert at the French industry ministry. "It might stun people momentarily, but the effect doesn't last." Indeed, a recent poll found Frenchmen declaring that gasoline would have to cost from six to 10 francs a liter a staggering $5.25 to $8.70 a gallon before they would change their driving habits.

LEARNING TO BEAR IT

But how do Europeans afford gasoline that already is between $1 and $2 a gallon more than U.S. motorists are paying? The answer is by driving small cars, by charging cars to business expense accounts, by working and shopping close to home, and, as Americans are learning to do, by grinning and bearing it.

"So a tankful of gas costs 120 francs (about $30)—it costs that to go to dinner," says Gilbert Greenall, a young Paris businessman.

The French own about as many cars, pay about as much to operate them and are as passionate about driving as anyone else in Europe. Thus, a close look at what makes Pierre speed along provides some understanding of why it is so difficult to reduce gasoline consumption substantially.

France doesn't have any petroleum deposits of its own, and it imports all of its crude oil—91% from members of the Organization of Petroleum Exporting Countries. Gasoline prices have always been considerably higher in France than in the U.S., partly due to high taxes, which have provided the government with an important source of revenue. About 68% of the pump price of gasoline in France is tax, compared with about 10% in the U.S. The nearly $1.30 a gallon that American motorists are bewailing is incomprehensible to Frenchmen, who were paying $1 a gallon back in 1960.

"Americans have this attitude about the right to low-cost gas," says John Hemphill, an American who is an IEA administrator. "That attitude doesn't exist in Europe."

Gasoline prices in France remained fairly steady until 1974 when OPEC's increases in the price of crude oil caused the French pump price to jump by 40%. Since then, further increases have been frequent, although mostly small: 2% in February, 1977; 2% that June; 2% the following February; 11% in June, 1978, and 2% again in January, 1979. But after that, prices soared by 32%, or 77 cents a gallon.

"Gasoline always was high, but it went up gradually," says Susan Torn, a Paris writer who drives a British-made Austin. "It was easily absorbable in our budget."

As gasoline prices were rising, so were hourly wages—by about 15% a year since 1974. Moreover, while prices at French gas pumps increased by 120% between 1973 and 1979, the real price, taking France's annual inflation rate of over 9% into account, increased just 23%, L'Argus estimates. Likewise, in Germany pump prices increased by 36% over the years while the real price went up only 3.7%, the IEA says. And in Britain, where pump prices soared by 120%, the real price actually fell by 8%.

Even though last year's OPEC price increases caused European pump prices to soar, the increases didn't hit as painfully as those in the U.S., where Washington's phasing out of price controls on domestic oil production pushed prices even higher. So although the price of gasoline increased, the French apparently never saw that as a reason to cut consumption permanently. Gas use did drop after the 1974 round of increases, but it began to rise again the next year and has been going up an average of 3.3% a year ever since.

The major reason for the rise in consumption here is simply that there are more cars than ever on French roads. Frenchmen bought two million new cars in 1978, the newspaper L'Argus says, despite a 33% luxury tax that pushes the current price of the cheapest Volkswagen to about $8,000 and of a five-passenger Peugeot 604 to about $20,000. There is now a passenger car for every three people in France. That is low compared with the U.S., where every other person owns a car, but high by world standards: one in four people owns a car in Britain, one in six in Japan and one in seven in Spain.

THE COMPANY CAR

A company car and the cost of its upkeep are becoming key demands of European managers and many white-collar workers. About one-sixth of the late-model cars on French roads are company-owned, L'Argus estimates. In Britain, companies bought 43% of the new cars sold last year.

Nor has auto ownership approached the saturation point in Europe as many people think it has in the U.S. "Europeans are farther down the curve in auto ownership," the IEA's Mr. Hemphill says. "So it isn't a question of whether ownership will increase, but how fast."

In addition to owning more cars than ever, Frenchmen are driving them more often. "A car no longer is the beautiful toy it was even 10 years ago," says Nicolas Crespelle, director of marketing research for Publics Conseil, an advertising agency that works for Renault. "It is now a tool of everyday life." Indeed, almost half the car owners in France regularly drive to work, despite bus and subway systems that would make commuting by public transit a good deal cheaper.

Then, too, the French are beginning to emulate the American life style that depends so heavily on the car: a house in the suburbs, shopping centers miles from home, weekends in the country. The Sunday drive is a major form of recreation; half of all French car owners claimed in a recent poll that they regularly go out on Sundays. Three out of every four also take to the roads for their government-legislated month-long vacations.

MORE DIESELS

Even so, the French are making some adjustments. To take advantage of lower-priced diesel fuel (about $2 a gallon), the French owned 610,000 diesel-powered cars as of last year, triple the diesel ownership in 1974.

The country's first speed limits were imposed after the 1973 embargo, although they were set so high—80 miles an hour on national highways—that they don't really promise much in the way of conservation.

Mass transit is winning over more riders. Ridership on Paris buses, subways and trains has been rising since the embargo began the spiral in gasoline prices. Ridership had been steadily falling before then.

Plans to scrap more than a quarter of France's railroad track have been largely abandoned, and some new rail service has begun. Public transit systems are sprouting in smaller cities. For example, Caen, something of a showcase for French mass-transit planners, has 134 miles of bus routes now compared with only 25 miles before the embargo.

But there are limits to how much the French can or will do to cut consumption. Most of the country's buses and subways are too crowded to be an attractive alternative to driving: Four people share every square yard of space on Parisian subway cars. The French government's interest in improving public transit is still only minimal. In 1978, the Interior Department says, France gave only $13 million to her cities to help buy public transit systems and equipment, compared with $105 million for work on city streets.

Overall, it can be said that French drivers seem pretty unconcerned about conservation. The French Communist Party recently started a poster campaign aimed at discouraging gasoline consumption. The campaign received such a listless reception that the Communists abandoned their effort even before they finished hanging all their posters.●

EXCISE TAX ON LIGHTER GAGE STEEL DRUMS

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. GUARINI. Mr. Speaker, today I am introducing a bill which would amend the Internal Revenue Code of 1954 to impose a manufacturer's excise tax on the sale of light-gage steel drums.

Specifically, my bill would impose a tax equal to 20 percent of the selling price when a drum with a capacity of 35 to 65 gallons and made of steel lighter than 18 gage is sold by a manufacturer, producer, or importer. The purpose of my bill is to encourage the production, purchase, and use of heavy-gage steel drums which can be reconditioned for subsequent use. This will result in substantial energy and materials conservation as well as bolstering an existing system for the collection and disposal of hazardous and nonhazardous industrial materials.

The linchpin in this collection-and-disposal system is the steel drum reconditioning industry. This nationwide network handled 45 million drums last year and collected more than 50 million gallons of residual industrial materials which remained in the drums prior to reconditioning. However, the continued existence of the drum reconditioning industry is dependent upon the availability of drums which can be reconditioned. Heavy-gage steel drums can be put through the process nine or more times while light gage drums can be reconditioned only two or three times. The very lightest gage drums cannot be reconditioned at all.

In recent years there has been a serious decline in the national inventory of reconditionable steel drums because of the greater reliance upon light-gage drums. In 1969, heavy-gage steel drums comprised approximately 82 percent of new production. Today, 18-gage drums account for only 45 percent of new production and a continued decline in production is projected.

Although light-gage steel drums cannot endure the rigors of reconditioning, the attraction of the light drum is its lower initial cost, presently averaging $16.65 per drum compared to $18.65 per drum made of heavy-gage steel. The tax I am proposing would increase the cost of the light drum to approximately $19.98.

There are several important benefits to be derived from encouraging the continued production of heavy-gage steel drums.

First, there is already in place a nationwide network of drum reconditioners who act as centralized collecting points for both hazardous and nonhazardous materials. Without this system, drums will be less likely to be reconditioned and empty drums may well fall into the hands of those who are unable or unwilling to properly dispose of them.

Alternate methods of disposal are not readily available. Burial in landfills is not feasible because of limited space available. The impact of 45 million drums annually on existing landfills would be severe.

Even as scrap, unreconditioned drums are not desirable because of the possibility that they might contaminate other scrap materials with toxic or corrosive chemical residues.

The increased incidence of midnight dumping of chemicals and drums would only be enhanced if drum reconditioning is not available. Recent news articles document that such activities are extremely costly. In North Carolina, one such incident along 200 miles of highways cost the State approximately $6 million for cleanup, required the destruction of crops bordering the roadways where the dumping occurred, and jeopardized the health of residents.

Aside from the environmental aspects, a second significant benefit is energy conservation. It requires 10 times more energy to manufacture a new drum than to recondition an old one. This is not insignificant in light of the 45 million drums reconditioned annually.

Finally, drum reconditioning is important to materials conservation. Each year, the reconditioning industry recycles 1 million tons of steel. Put in perspective, this is the equivalent of 17 George Washington bridges.

Quite deservedly, America has earned the reputation of being a nation which needlessly wastes the resources which others would conserve and recycle. This has not always been our tradition, however. During World War II, the purchase of new steel drums was prohibited unless the user had reconditioned his supply of drums as many times as possible. This commonsense approach necessitated by wartime can certainly be applied to the crisis we face today in managing our resources, saving energy, and preserving our environment and I call upon my colleagues to support this proposal.●

SPIRIT OF HELSINKI VIGIL—1980

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. AMBRO. Mr. Speaker, I rise this afternoon to participate in the Spirit of Helsinki Vigil for the year 1980. I do so with mixed emotions. On the one hand, I am proud to participate in the continuing struggle against Soviet oppression of those whose only crimes are being Jewish and wanting to emigrate to Israel to rejoin their families. On the other, I am disheartened that for the fourth year in a row I have to come before my colleagues to report on the cases of additional Soviet Jewish families who are in prison, or are in internal exile, or are otherwise suffering the fate of being "refusniks."

Last year, just about at this time, I was pleased to learn that my second "prisoner-of-conscience," Mark Nashpitz, had just been released from prison, after having served a 4-year sentence. Joined by 80 of my colleagues, I immediately wrote a long letter to Soviet President Leonid Brezhnev requesting that Mark Nashpitz be granted his long-sought-after exit permit, so that he could be reunited with his parents now living in Israel. Unfortunately, last summer's hopes and expectations have turned into bitter disappointment as we head into this summer. This is because although he was released from jail, he has not been granted an exit permit, and indeed for many months was not even allowed to establish a permanent residence, something which is necessary before an application for such a permit can even be filed.

This situation is all the more serious, because Mark Nashpitz is now married, his wife is expecting a child very shortly, and the information that we receive is that he has been settled in the secret city of Vladimir Oblast, which is home to a secret munitions factory. If these facts are true, then the future for Mark Nashpitz and his family look even more dismal, given Soviet precedent of declaring those who live on or near military installations to be security risks who cannot be allowed to emigrate. All of this harassment and heartbreak are due to the fact that, in 1956, Mark's father defected from the Soviet Union and is now living in Israel. In a recent meeting with OVIR officials, Mark was told that he would never be allowed to emigrate because "a traitor—meaning Mark's father—is not going to be rewarded." Nonetheless, it was suggested that he reapply in 6 months.

Mr. Speaker, it is my fond hope, and I am sure that of all of the 80 signatories of the aforementioned letter to Brezhnev, that the next application will be speedily and affirmatively processed. Unfortunately, we cannot be optimistic that this will happen. Therefore, I am utilizing this forum, once again, to plead Mark's case and to strongly urge that Soviet officialdom rethink his status, and allow him to rejoin his parents, who now live in Israel. At any rate, I shall definitely keep my colleagues informed of any progress in this matter.

In addition to the case of Mark Nashpitz, I also would like to take this opportunity to highlight several other matters with respect to the plight of Soviet Jews:

The last three prisoners tried during the infamous Leningrad tribunals, Joseph Mendelevich, Yuri Fedorov, and Alexei Murzhenko, remain in detention, long after their fellow defendants have been released. All are suffering from ill health, and all have served longer than even Soviet law prescribes for their alleged crimes. We call upon the Soviet authorities, in the name of basic dignity and humanity to release them and finally end this entire infamous episode.

Ira, Boris, and Olya Gasparov, literary and linguistic scholars, have been continually and arbitrarily denied the right to emigrate to Israel to be reunited with other family members. I recently joined other Members in sending a telegram to Brezhnev requesting that their basic rights, under the Helsinki accords, be recognized and an exit permit be issued.

Igor Guberman was tried on March 11 and sentenced on March 18, 1980, to 5 years' imprisonment in a labor camp on strict regime on trumped-up charges of knowingly receiving stolen icons, on the testimony of convicted thieves after the prosecutor said he had the intuition that Guberman had been correctly accused and charged. While others testified at the trial to having indeed received stolen icons, no one but Guberman was charged or convicted, leading to the suspicion that he was being punished for his activist political stance rather than for some specious crime. It is my hope that the Soviet authorities will rethink this harsh and unjust sentence.

On May 21, 1980, Lev Blitshtein celebrated his 50th birthday, the fourth such occasion since he was forcibly separated from his wife and children who now live in the United States. While granting them exit permits in 1976, OVIR officials have consistently denied this right to Lev because he knows "too much about the time for storage of canned meats," and he knows how "to make sausage without meat." If the situation were not so tragic, it would be ludicrous. In clear violation of the Helsinki accords, a family was brutally split apart and remains apart because of Soviet intransigence, thereby preventing a father from witnessing the marriage of his only son 2 years ago and from being present at the impending birth of his first grandchild. The latest word that he has received is that his case will not be reviewed for at least another year.

Maybe by focusing attention on it today, and in the days to come, we can move the hard-hearted Soviet bureaucracy to allow the reunification of this fine man with his family in the United States.

The Leo Elbert's are refusniks who have been adopted by my constituents in the North Shore Synagogue in Syosset, N.Y. Under the able leadership of Rudy Appel, we have been working for several years to persuade the Soviet Government to grant them exit permits, requests which have been denied since 1975. Unfortunately, we have been unsuccessful to date, and Leo and his family have been subjected to repeated harassment and physical abuse. Nonetheless they, and we here in the United States will continue to press for permission for them to leave Russia. I have received several letters from Leo Elbert from his home in Kiev, and I can tell you that they are literate and moving testimony to the hope and faith with which oppressed peoples everywhere view our great democracy. We must not fail them by neglecting to constantly plead their case. It is for this reason that I come before you today, and will continue to come before you for as long as it is necessary.●

SEAN O'CASEY: VISIONARY PLAYWRIGHT AND IRISH PATRIOT HONORED ON THE CENTENARY OF HIS BIRTH

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. BIAGGI. Mr. Speaker, I would like to commend to the attention of my colleagues a noteworthy event which is being celebrated in many parts of the country during 1980. This event is the centenary of the noted Irish playwright, Sean O'Casey, whose works have been the objects of admiration and respect by many people the world over.

As the author of 21 plays, 6 volumes of autobiography, and several books of critical essays, Sean O'Casey's works have been translated into 26 languages, and his three major plays rank one, two, and three in the number of times performed in the history of the Abbey Theatre, Ireland's National Theatre in Dublin.

The American Committee for Sean O'Casey's Centenary was formed by a young man, Robert Lowery, who has been a staunch fan and admirer of O'Casey since his college days and is the publisher of the biannual Sean O'Casey Review. His interest in this playwright goes beyond the written word, and goes to the heart of what O'Casey stood for as a man—a great humanitarian.

As chairman of the Ad Hoc Congressional Committee for Irish Affairs, which is comprised of 132 Members of Congress, I have a special interest in and respect for the work and the life of Sean O'Casey. His life's work was an important complement to what we, the ad hoc committee, stand for—the return of peace and justice to all the Irish people. The words of Sean O'Casey best express the hallmarks of our work on the ad hoc committee, those being working to promote self-determination and respect for human rights in Ireland.

Speaking about the Ulster problem in his work, "There Go the Irish," written in 1944, O'Casey writes:

> * * * Geography has caught us both by the neck and forced us to be neighbors. A thousand years of fighting is enough for anyone. To give Ireland her due, she has almost always been sensible. It is time now to end this strife so that we can see what is to be done to make both ends meet when this war ends. The Scot, the Cymru, the Gael, and the Manxman must be equal with the Englishman. Equal as individuals; equal as nationalities. Unity in diversity—if this isn't to be, there can never be unity.

The ad hoc committee was formed in order to provide a more formidable voice for the constructive involvement of the United States in helping to restore civil and human rights to Ireland. We have been honored to have several noteworthy persons speak before us in support of our efforts, including Michael Mullen, secretary general of the Irish Transport & General Workers Union. During his visit to the United States last month, Mr. Mullen was also an honored guest of a "Labor Salute to Sean O'Casey" in New York. Aside from being a talented author, O'Casey was also a socially conscious individual who supported the labor movement in his work and in his deeds. In 1911, he was fired from his job on the Great Northern Railway of Ireland for refusing to disavow his union membership—to the same union which now has Michael Mullen at its head.

Joining in this salute were numerous trade union leaders including John Lawe, president of the Transport Workers Union of Greater New York; Thomas, Gleason, president of the International Longshoreman's Association; district 65 UAW head, David Livingston; and Edward F. Gray, director of region 9 United Auto Workers, all of who helped sponsor this celebration. Many noted playwrites, actors, and actresses are also members of the American Committee for Sean O'Casey's Centenary and they include Brooks Atkinson, drama critic; Pete Seeger, folksinger; Raymond Massey, noted actor and director; and the well-known actress, Lillian Gish. All these individuals and many others have enormous respect for O'Casey's literary talents as well as his dedication to the Irish civilization and culture.

This year, I join with many Irish Americans across this country in saluting the work and the life of Sean O'Casey, who provided enrichment and refinement to our own culture with his words. If the pen is truly mightier than the sword, those who continue to promote and practice the violent activity which has plagued Ulster for years, should look to Sean O'Casey, a man of both talent and vision. I am sure that if he were alive today, he would be actively working with us to help the ad hoc committee in its efforts to restore human rights to his beloved land of Ireland.●

NOW AFGHANISTAN—AND ALSO A SOLZHENITSYN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. DERWINSKI. Mr. Speaker, the 22d observance of Captive Nations Week will be held in this country and abroad on July 13-19. The concern of Americans for Afghanistan, the newest captive nation, can best be expressed and crystalized in this observance. No better context or forum can compare with this. As to its scope and meaning, I recommend the article on "Now Afghanistan—And Also a Solzhenitsyn," written by Dr. Lev E. Dobriansky, professor at Georgetown University and chairman of the National Captive Nations Committee. Its ideas and content are fully expressive of Public Law 86-90. Dr. Dobriansky's remarks follow:

NOW AFGHANISTAN—AND ALSO A SOLZHENITSYN

(By Lev E. Dobriansky)

At least for a while, the brutal Soviet Russian rape of Afghanistan stunned and concerned governments and peoples throughout the non-totalitarian world. The reactions varied; some were sharp, others bland. But, unquestionably, the strangest expression of rude awakening was provided by President Carter himself. On December 31, he reacted with this, "My opinion of the Russians has changed more drastically in the last week than even the previous two-and-a-half years." By this statement one would think the long and persistent record of Soviet Russian conquest and domination over non-Russian lands were non-existent. In all of this it was strange, too, that no official reaction in the non-totalitarian world saw Afghanistan as a new, emerging captive nation.

Several weeks later, in his State of the Union address, the President spoke in somewhat unique terms about Moscow's "East European empire" and "its colonial domination of others." He declared in part, "The vast majority of the nations on Earth have condemned this latest Soviet attempt to extend its colonial domination of others . . ."[1] These thoughts fall, of course, in the right direction and find few presidential precedents in the post-World War II period. However, as a perfect example of conceptual confusion, in the same address the President refers to the USSR as "a nation," thereby suggesting that the concepts of "empire" and "colonial domination" do not apply to the majority non-Russian nations within the USSR. The basic facts which this confusion cannot becloud are that, at the very least, the USSR is a contrived multinational state and certainly not "a nation"; that the "East European" empire of Soviet Russia extends from the Danube to the Urals and includes the largest single segment of it, Ukraine itself; and that Moscow's empire reaches into Central Asia and, with more refined meaning, into East Asia, and Cuba.

SALIENT THOUGHTS FOR THE 22D

By way of introduction these are just some salient preliminary thoughts for the

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[1] "Text of President Carter's State of the Union Address to Congress," The Washington Star, January 24, 1980.

22d Observance of Captive Nations Week (July 13-19). The annual Week is provided for in Public Law 86-90, the Captive Nations Week resolution passed by Congress and signed into law by President Eisenhower in July, 1959. In the eyes of some critics, PL 86-90 is supposed to be a "cold war relic," whatever this implies. Yet it intelligibly accommodates, more than any other outlook, the fate of an Afghanistan and future Afghanistans, and rationally affords a captive nations ideology that sooner or later must ground our foreign policy. Whether we like it or not, this outcome is inevitable. The accelerated aggressiveness of Moscow will underwrite its necessity.

The constructive criticisms made at the outset were assuredly not directed at the President. He simply furnished examples of a general condition of thought pervading the official councils of the nations in the still free world that should be in allied leadership against the Soviet Russian menace. Fortunately, the Afghanistan episode has spurred necessary and long outstanding reassessments at the West's military posture vis-a-vis the menace and its satraps. Why the espisode should have served as a catalyst for the belated step-up is another question. The dominant facts on the growing, across-the-board military disparities between the two groupings have been known for over a decade. On this, in his 1980 assessment presented to Congress, Defense Secretary Harold Brown painted a bleak picture of the situation, indicating that Moscow might soon be able to field enough forces to fight three wars at once. In sharp contrast, the U.S. hasn't had the capability of fighting even a one-and-a-half war.

Perilous and foolish as the comparative military trends have been, the conspicuous lag on the far broader politico-economic dimension, construed in its proper Aristotelian sense, has been seriously worse. What is meant by this? Very succinctly and tersely, our leadership, as well as that of some allies, has been gravely lacking in integrative and accurate thought regarding the nature of the Soviet Union, the real force behind the facade of communism, the incredible exploitation of non-Russian economic resources by Moscow for its global design, and the deeply-rooted vulnerabilities of imperialist Moscow within the Soviet Union itself. Put in other terms, the military component is only one important factor in the overall balance of forces. Behind guns and missiles, in planes, subs and tanks, is the ever-present and predominant human factor, in all its diversity, institutional loyalty and disloyalty, and volcanic unpredictability. Though sufficiency, nay, superiority on our side should be desired and attained, the military is essentially an instrument, relatively rigid and usable as the users may determine. Contrary to the current, novel fables of a Solzhenitsyn, the millions who deserted the armed forces of the USSR were predominantly non-Russian nationals, though Russians did as well.

Based on Public Law 86-90, the captive nations ideology has always stressed the indispensable requirement of this integrative, politico-economic approach, interlocking the political, the economic, the military, the national, the religious, the broadly human and other essential components of the overall balance. On this totalistic scale, the real forces are in our favor, not Moscow's, but they require proportionate actualization by a strategy founded on historical experience, keen perceptions into Moscow's fundamental vulnerabilities, and the will and courage to see it through. This requires groundbreaking leadership, one that would never have allowed Afghanistan to slip into the back pages of our newspapers while the problem in Iran was being over-emphasized. One cannot but wonder whether the additional Afghanistan experience is simply just another nudge in our awareness of the game being played, with no firm ground alas for the realistic cultivation of this type of strategy.

In brief, the captive nations ideology provides this firm ground. For those who understand it, the Afghan episode is only an additional one in a long series of similar and related episodes, dating back to the teens. The National Captive Nations Committee in Washington, which maintains the CNL—the Captive Nations List—was really not too hasty in declaring Afghanistan another captive nation.[2] On the basis of evolving and determining events, NCNC anticipated the outcome earlier in its "Who's Next?" section of the CNL.[3] As the new CNL below will show, it has been most conservative and scholarly in its listings of the captive nations.

The strictly documented record for the period since World War II also will show that no idea has concerned Moscow more than that of the captive nations in toto and its ideological foundation. Khrushchev, Suslov, Arbatov and others have incessently protested against it. Why? "Provocation" is the standard term. Yes, reality and truth are provoking, and no exercise in diplomacy or any foreign policy can be successful without the subtle underpinnings of such reality and truth. In the long-run we would only be deluding ourselves and feeding the determined enemy with encouragement bred from our weak will and fear to face reality and truth. In the greatest measure we have been pursuing this path since the last world war.

Plainly, despite their massive military strength and accelerated aggressions, the Kremlin's imperio-totalitarians scare most when these central facts are conveyed in varying forms: (1) the nature of the USSR is that of a basic empire within itself; (2) the real force threatening nations is Soviet Russian imperialism operating behind the ideological facade of mythical communism; (3) the global threat of Soviet Russia wouldn't be possible without the gross politico-economic exploitation of the resources of the non-Russian nations, both within and without the USSR and (4) our *natural* allies, who thirst for freedom, are the over two dozen captive nations which, directly or indirectly, have been the victims of Soviet Russian imperialism. All of this and more can be logically derived from Public Law 86-90.

THE AFGHANISTAN ADDITION

The Russian technique of being invited to invade a country is as old as the illegitimate Bolshevik regime. In 1918, for example, the quisling communist government in Kharkiv, Ukraine, also needed assistance from Trotsky's Red Army to destroy the Ukrainian National Republic. Essentially, as pointed out early this year, the fate of Afghanistan is no different from that of Ukraine and others sixty years ago.[4] According to President Carter, Brezhnev lied to him about Afghanistan. Not really, he was simply attesting to the operation of an old imperial Russian technique of providing "assistance" and "liberation" to others. A reading of Marx's articles on the Russian Empire should suffice on this. The "invitation" to invade Czecho-Slovakia in 1968 is just a recent example.

In a sequence of events in the region (Iran, Pakistan's decline, India's political rivalries) Moscow took advantage of the opportunity to seal Afghanistan's fate. What started in 1973 with the Russian subversion of Mohammad Daoud's neutral government, soon developed into a typical Russian scenario of staged coups and deaths. Daoud was ousted and conveniently interred; Nur Mohammad Taraki was installed as communist head of the fake Democratic Republic of Afghanistan, during whose time our Ambassador Adolph Dubs was murdered under Russian observation; in 1979, Taraki was ousted and murdered, and Hafizullah Amin took over; by December, during the invasion, he was deposed and murdered in favor of Babrak Karmal, whom Moscow fetched out of exile in Czecho-Slovakia. What a pretty picture of "civilized" Soviet Russian behavior! As concerns Moscow, this is par for the course where basics of power are involved, for Afghanistan is basic to its overall strategy.

Some of the speculative explanations and descriptions given by analysts for this rape of an 18 million Moslem nation should cause wonderment among our intelligent citizens. As one example, Mr. Kennan, who has been wrong so often, saw the rape simply as a defensive action because of political instabilities on both sides of the USSR border.[5] Another, Marshall D. Shulman, an adviser to former Secretary of State Vance, viewed the action as "a historic miscalculation," attributing it to vested military pressure on the Kremlin and resting his hopes for a more logical Russian policy based on Moscow's internal economic problems.[6] To play down Moscow's win in Afghanistan, some, like Clayton Fritchey, cited Moscow's reverses in Indonesia, Sudan and elsewhere, and fantastically quoted some new study by the Center for Defense Information, which purports to show "1958 as the high point of Soviet world influence." How is this measured? By simplistic percentages of world population and GNP of the Soviet-influenced countries. The false perceptions exemplified here are perhaps outmatched only by those who characterized the situation as "a Soviet Vietnam," as though freedom and conquest are identical

In the light of a captive nations perspective, involving geography, history and exploited Russian and non-Russian resources in Moscow's power play, the above explanations and descriptions are clearly indicative of the sorry state of thinking in many quarters of our society. Historically, traditional Russian imperialism moved in the direction of the Persian Gulf, the Indian Ocean and the Mideast. The current move is scarcely new. Strategically, as part of its campaign to isolate the Mideast from American influence, Moscow can intensify its subversive activities in Iran and Pakistan. The well-disciplined Tudeh communist party in Iran and the autonomy demands of the Kurds, Azerbaijani, Baluchis, Turkmen and Arabs are conduits for old-styled Russian operations. The Baluchi problem overlaps into Pakistan, and the goal of a separate Baluchistan carved out of both Iran and Pakistan is not unattainable. In short, the prospect for more captive nations in the region is real.

The bounds of Moscow's strategic advantage in Afghanistan go well beyond these. The emerging triangle of strategic placement in Afghanistan, Ethiopia and South Yemen could seriously endanger Saudi Arabia and other parts of the Mideast, not to say the vital oil interests of the West. Thus, on all essential counts, the Soviet Russian invasion of Afghanistan was a strategic win that in calculated time can be methodically parlayed throughout Southwest Asia and the Mideast. What the actual scenario in full will be, naturally will depend on the flow of the many variables and imponderables in the region. But for sure, Moscow will contine its present policy of peaceful coexistence with the governments in the area, hopefully with a revived detente with the West. However, the underground operations of this policy will be accelerated in view of the Afghan success. As in the past concerning other prospective captive nations, these include the standard Russian tactics of divide-and-conquer, subversion, terrorism and cultivated disorder precipitating the coup.

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[2] See Hon. Edward J. Derwinski. "Captive Nations", *Congressional Record*, April 16, 1980, pp. E1827-28.

[3] E.g., *What Happened to Human Rights?*, Congressional Record reprint, USGPO, 1978, p. 4.

[4] Michael Novak. "The Subjugation of Independent Lands," *The Washington Star*, January 29, 1980.

[5] George F. Kennan. "U.S. Thunders All Over the Place, Carrying a Relatively Small Stick," *The Washington Star*, February 3, 1980, p. E1.

[6] Don Oberdorfer. "U.S. Expert on Soviets Terms Afghan Invasion a Historic Miscalculation," *The Washington Post*, January 16, 1980, p. A17

Also as in the long past—and in the case of Afghanistan—the trumped-up Brezhnev doctrinal explanation will be invoked. Read this cynical sophistry, one among many—"Loyal to its international duty, the Soviet Union has always rendered and continues to render fraternal aid and support to peoples struggling for their independence and sovereignty and for revolutionary gains."[7] This is by Dimitri Ustinov, the USSR's minister of defense. What supreme irony, the prime Russian destroyer of the independence of the now captive nations "assisting" others in their independence and sovereignty! Ustinov avoids relating the atrocities of Soviet Russian barbarism in Afghanistan—the massacre of unarmed men, women, girls and boys, the use of poison gas, nightly executions, "liberating Russians" raping and looting, and Napalm, high explosives and rocket grenades heaped upon resisting Afghan patriots. For captive nations analysts, this is an old story repeated on a new stage. Tragic, too, is the lack of focus by the West on this latest of Soviet Russian savagery. In addition, what help is being given to the Afghan nationalists in their struggle for freedom?●

GRIM REMINDER

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. MINISH. Mr. Speaker, as a member of the House Banking Committee, I understand the concern over the state of the national economy and the safety and soundness of our financial institutions. Therefore, it is most encouraging to see the deftness and efficiency with which the Federal Savings and Loan Insurance Corporation and the New Jersey Department of Banking worked recently to merge a troubled savings and loan association with a healthy one.

It literally happened overnight, with the weaker association taken in by the stronger one. The next day, depositors merely found a new name on the door of the savings and loan, with no loss of service, no threat to their deposits, and no significant change in the handling and treatment of their loans.

The Newark Star Ledger carried an excellent editorial discussing this process. In introducing it in the RECORD at this time, I want to congratulate the Federal Home Loan Bank Board and its Federal Savings and Loan Insurance Corporation and the New Jersey Department of Banking for the swiftness and professionalism of their actions: Actions which cannot help but instill confidence in our financial system and its regulatory structure.

The editorial follows:

GRIM REMINDER

In the first such action since the Great Depression of the 1930s, the state Department of Banking joined with federal banking officials to seize a financially hobbled savings and loan association and transfer operations to stronger hands.

Continental Savings & Loan Association of Gloucester City skidded to the brink of bankruptcy by promising to lend out more money for mortgages than it was able to gather from savings and outside borrowing.

Continental's three offices were taken over by Collective Federal, the high bidder in a sale conducted by the Federal Savings & Loan Insurance Corp. (FSLIC), an agency created by Congress to protect depositors against losses when thrift institutions get into trouble.

The FSLIC was a direct response to the widespread failure of banks and savings and loans after the 1929 stock market crash and the ensuing collapse of the economy. The FSLIC and the companion Federal Deposit Insurance Corp., which protects bank depositors, were designed to restore public confidence in the savings institutions.

State officials emphasize that Continental's case is unique among the 150 savings and loan associations doing business in New Jersey and that its brush with insolvency is not the forerunner of mass failures.

That is reassuring.

Reassuring also is the effective way the system worked. Continental's depositors did not lose a penny of the $59 million they had put into the institution.

Framers of the protective legislation can pat themselves on the back for developing an uncomplicated mechanism that works so effectively for the public good.●

NORMAN LAMONT DISCUSSES WHY BRITAIN IS GOING NUCLEAR

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. McCORMACK. Mr. Speaker, I recently had the opportunity to hear Norman Lamont, who is Deputy Energy Secretary for the Department of Energy in the United Kingdom, discuss the energy situation and the increasingly important role nuclear energy is playing in the United Kingdom. I would like to call to my colleagues' attention to this recent speech here in the United States, and urge that this country's policymakers take into account the responsible initiatives of the United Kingdom in its plans to remain energy independent. Mr. Lamont's approach to nuclear safety and nuclear waste management is of unusual value.

The article follows:

WHY BRITAIN IS GOING NUCLEAR

(By Norman Lamont)

Nuclear power is the sword into the ploughshare. It holds out great hope for mankind. The opponents of nuclear power urge us not to hazard the lives of future generations, but I would ask that consideration should be given to the reaction of those generations if they were denied the benefits of nuclear power.

It seems to be inevitable that nuclear power must play an increasing role in the future. In the United Kingdom, energy forecasts for the year 2000 suggest that indigenous energy supply will fall short of demand, even after making allowances for substantial savings from energy conservation and for full exploitation of our coal resources, as well as a major expansion of nuclear power. These forecasts thus imply a significant import requirement at a time when oil in international markets is expected to be scarce and therefore much more expensive.

On any realistic assumption it would be very unlikely that the United Kingdom would be able to meet demand, at tolerable prices, without a major contribution from nuclear power.

This is why we in Britain have just announced, in December, our decision to authorize a major and continuing nuclear power station program. We believe that the pressurized water reactor (PWR) must be established as a valid option for this program and have therefore told the nuclear and electricity supply industries that, subject to the necessary safety clearances and consents, a PWR should be the next nuclear power station ordered.

I sometimes believe that people get the impression that safety consciousness has been forced on the industry in recent years by public protest. But in fact very great attention has been given to safety issues from the earliest days of nuclear power.

The consequences of radiation were fairly well understood even twenty years ago, and there is probably no other area of industrial activity in which such a wealth of time, expertise and resources have been devoted to safety issues.

Indeed the record speaks for itself. Britain has nearly a quarter century's experience in operating nuclear power stations; during that time no accidents have occurred that have given rise to significant public hazard and there is not evidence that any injury has been caused by radiation to the public from a nuclear power station in the UK.

In fact the radiation exposure to the UK population resulting from all the activities of the nuclear industry is less than half of one percent of the total radiation exposure from all natural and man-made sources. To an individual it is less than the increase in natural radiation exposure that he would incur by living in a granite area like Aberdeen in Scotland. Similarly, the dosage that one would receive from cosmic radiation standing on the steps of the Capital in Denver, Colorado, is twice that on the Capitol in Washington, D.C., and the difference is greater than would be caused by being in the vicinity of a nuclear power station.

The aspect of nuclear power that has possibly given rise to most public concern is the disposal of nuclear waste.

It is right that we should exercise the utmost caution in dealing with these materials. But it is also worth bearing in mind that there are other energy policy decisions, for instance those affecting the depletion of fossil fuel reserves, that can have implications for succeeding generations.

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[7] *Pravda*, February 14, 1980.

It is a mistake to believe that these radioactive wastes will continue to give off highly penetrative radiation for many thousands of years.

In fact most of the nuclear waste products which give off high penetrative radiation have half lives of less than thirty years and their radioactivity decays to negligible levels relatively rapidly. The long term problem is one of dealing with substances with comparatively low levels of radioactivity which are dangerous if taken into the body. This is why we must develop, and are now well on the way to developing, disposal techniques to ensure that these materials cannot reach man's environment in concentrations which are hazardous.

The problems of this disposal must be seen in relation to the quantities and technologies involved and the technologies that are available.

A single 25-pound Magnox fuel rod—the type of fuel rod used in Britain's first generation of nuclear stations—produces as much electricity as about 150 tons of coal. After spending five years in the reactor, 99 percent of this fuel will remain as unused uranium and plutonium which can be separated out for further use in fast reactors. Only about one percent is radioactive waste. That is why the volumes are so small. For instance, all the fission product so far generated as a result of Britain's nuclear power program would scarcely fill a four-bedroom house.

A method of converting fission product waste into a form of glass has been developed and demonstrated on a pilot scale. It has already operated successfully in France and will do so in the UK within the next decade.

Nuclear power is an extraordinarily difficult yet fascinating area of energy policy. As no other, it raises irrational emotions in otherwise rational human beings. Amidst the passion, governments can only try to reach rational conclusions.●

CUBAN REFUGEE DILEMMA

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. SHUMWAY. Mr. Speaker, the June issue of Dun's Review carried an editorial which speaks volumes in a few words. Commenting on the Cuban refugee dilemma, Editor Clem Morgello points out that perhaps as many individuals are fleeing from economic failure as from political oppression, and that those who criticize the American free enterprise system would do well to reconsider. If nothing else, he points out that we must observe the Cuban exodus to learn what not to do.

At this time, I would like to share Mr. Morgello's editorial with my colleagues, and I wholeheartedly commend it to their attention.

THE CUBAN EXODUS AND FREE ENTERPRISE

Underlying the human drama of the massive exodus from Cuba is an obvious but little noted reality: the failure of still another workers' paradise.

Certainly, a large number of Cubans are fleeing political persecution. But another large number—whether equal in size or larger, it is impossible to say—is running from a land that cannot provide them with adequate food, shelter or economic opportunity. Even Cuba's political repression stems to a considerable degree from its economic failure. Dictators always provide jails to house economic discontent.

All this is not without importance to the United States, entirely apart from the fact that it has become the refuge for thousands of newly arrived Cubans. It is a lesson in what not to do.

As they focus on the shortcomings of American society, many critics blame the ills overwhelmingly on "big business" or capitalism. Their proposed remedies invariably call for an increased dose of government—the regulation, break-up or control of everything from energy and steel companies to utilities and transportation. And what isn't to be accorded this treatment is usually called on to spend such vast sums for proposed cures that the failure or slow atrophy of an enterprise is all but insured. This kind of talk is bound to grow louder as the much-advertised recession bites deeper. There will be more talk about the "failure" of industry to provide jobs and to keep prices down, and such talk is likely to fall on more receptive ears.

Only the naive or the ideological purist would deny that government has a legitimate role to play in economic affairs. Alleviating the pains of unemployment during a recession is one of them. But we've all got to be on guard against those who would use antirecession proposals as a stalking horse for basically anti-free-enterprise ends.

For all the pain and distress it sometimes brings, the American economic system still provides more opportunity and well-being than any government-controlled setup. The fact that the refugees are moving from Cuba to the United States, and not the other way around, is just the latest proof of that.●

SWEARING IN OF U.S. HOLOCAUST MEMORIAL COUNCIL

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. WRIGHT. Mr. Speaker, here in Washington, D.C., May 28, 1980, there were sworn in the members of the U.S. Holocaust Memorial Council.

This Council was created by President Carter to establish a memorial to the 6 million Jews who perished in the Holocaust, and to give appropriate regard to other victims of genocide in the 20th century.

The Holocaust Memorial Council will carry out the recommendations of its predecessor, The President's Commission on the Holocaust, by establishing a memorial/museum in Washington, D.C., an educational research foundation, and a Citizen's Committee on Conscience. Funding will be principally from private contributions.

Chairman of the 60-member Council appointed by the President is Elie Wiesel, noted author and Andrew Mellon, professor of humanities at Boston University. Mr. Wiesel is a survivor of the Nazi concentration camps and is the leading spokesman for the victims of the Holocaust.

Serving as Vice Chairman is Mark Talisman, director, Washington Action Office of the Council of Jewish Federations. The Council Director is Monroe H. Freedman, former dean at Hofstra University Law School.

Among the members of the Council are distinguished scholars, civic and religious leaders, and survivors of the Holocaust.

In creating the Council, President Carter explained the reasons that the Holocaust is of such basic importance to the people of our own country. It was, the President noted, American troops who liberated many of the death camps and exposed the horrible truth of what had been done there. Moreover, the United States subsequently became the homeland of many survivors.

The President added that Americans must bear responsibility for not having been willing to acknowledge 40 years ago that this tragic event was occurring. Because Americans are a humane people, concerned with the human rights of all peoples, the President noted, the people of our country can, by studying the systematic destruction of the Jews by the Nazis, learn how to prevent recurrence of genocidal threats against any national or ethnic group.

The Council will submit its report to the President in December of this year.

Mr. Speaker, members of the Holocaust Memorial Council were sworn in by our colleagues, the Honorable JOHN BRADEMAS of Indiana, the distinguished majority whip of the House. Mr. BRADEMAS, acting in his capacity as Speaker pro tempore, also spoke briefly at the ceremonies and I insert at this point the text of his remarks:

REMARKS BY CONGRESSMAN JOHN BRADEMAS

I count it a great honor to participate in these ceremonies establishing the United States Holocaust Memorial Council.

President Carter has chosen some of America's most distinguished leaders to serve on the Council, and I am glad that among them are several dear friends of mine, including my remarkable constituent, Father Hesburgh of Notre Dame.

Indeed, only ten days ago I joined in welcoming to Notre Dame, where he was awarded an honorary degree, your distinguished Chairman, Elie Wiesel, who, I know, will give powerful, prophetic leadership to your efforts.

Chairman Wiesel, President Carter has charged you and the other members of this Council to undertake a mission of great difficulty but of equally great significance.

You are to establish a memorial to the victims of the greatest atrocity in history, a tragedy that defies comprehension but that nonetheless must be understood . . . and never forgotten—the Holocaust.

The memorial you select to 6 million Jews—and to other victims of genocide in our century—must recall for all who live hereafter not only the acts of savagery and inhumanity. The memorial must proclaim the indomitable spirit of both those who were murdered and those who survived; it must teach us lessons that will make impossible another Holocaust . . . for any people.

The memorial must commemorate not only the 6 million Jews and 3 million Poles who were destroyed but the Gypsies and Hungarians who were also barbarously killed.

The memorial must remind us not only of the victims but of the failure of the nations of the world—including the United States—to acknowledge what was happening.

Only last year, I visited Auschwitz and I felt again, but still more deeply, the anger and revulsion I experienced forty years ago as a school boy in Indiana when I first learned of the Holocaust.

Chairman Wiesel, you and your Council must show us, in the face of such barbarism, how not to forget, how not to be silent.

In his letter to President Carter transmitting the report of the President's Commission on the Holocaust, of which this Council is the outgrowth, Elie Wiesel wrote, "We hope to share our conviction that when war and genocide unleash hatred against any one people or peoples, all are ultimately engulfed in the fire."

That fire must not burn again.

Mr. Speaker, following are the remarks delivered by Mr. Elie Wiesel on the occasion of his swearing in as the Chairman of the U.S. Holocaust Memorial Council:

REMARKS OF ELIE WIESEL

On behalf of the United States Holocaust Memorial Council, it is my privilege to express to you, Congressman Brademas, our profound gratitude for joining us on this solemn occasion. You, Congressman Brademas, will be remembered by us, and our children, and their children.

The President's Commission on the Holocaust was sworn in some fifteen months ago by the Speaker of the House Thomas P. O'Neill. It is only fitting that its successor body be sworn in by yet another distinguished leader of the House, the Speaker Pro Tempore, our esteemed and cherished friend, The Honorable John Brademas from Indiana.

Your presence in our midst is, to us, both valuable and symbolic. You have devoted your public life to building and strengthening humanism in an era which has been preoccupied mainly with technology. Who, better than you, could understand that with the Holocaust in the background, all issues and all endeavors have moral implications? In the shadow of the burning shadows that inhabited Auschwitz, Treblinka, Babi Yar, we must affirm man's right and man's need to be measured in terms of human suffering and human compassion, and we must affirm man's right to be remembered.

Thus, for us, Congressman Brademas, no task is more urgent than the one that has been entrusted to us by the President of the United States, and now confirmed by you.

In any age tainted by violence, we must teach this generation and those who follow the origins and consequences of violence. In a society of distrust, skepticism, and moral anguish, we must tell our contemporaries that whatever the answer, it must grow out of human compassion and reflect man's basic quest for justice. The Holocaust was possible because the law had been violated by the state itself, and its principles distorted by its leaders. From the Holocaust, we have learned that we are responsible for one another. We are responsible for the past and for the future as well.

For some of us, this is the most solemn and awesome day in many, many months and, perhaps, in our lives. We are going to delve once more into the darkest recesses of our memory, only to confront a vanished universe surrounded by flames and penetrated by silence.

The living and the dead are locked together—young and old, princes and madmen, sages and wanders, beggars and dreamers. On this day we shall close our eyes and we shall see them—an erie procession which, slowly, meditatingly, walks toward angels of death carried on wings of night into night. We see them now as you see us. We are the link between you and them. And for allowing us to be that link, we thank all those who have made this project a project of their lives. We must realize the immensity of our task.

We, here, represent a broad spectrum of the American people. There are in our midst illustrious academicians and businessmen, artists and statesmen, Christians and Jews, survivors and nonsurvivors. But all share a passion for truth, a commitment to memory, a dedication to justice.

Let us hope that we shall do our work in harmony; that we shall learn from one another and help one another overcome obstacles and fears that are inherent in the project itself. In spite of our various origins and vocations, let us form a cohesive group bent on bringing back to life, in words and images, in memory—in memories alone—a desperate world filled with multitudes of courageous victims, their last hopes and their despair. Our task will not be an easy one, for whatever we do, we involve burning memories. We must show the world at large that we are capable of transcending petty divergencies, that we are capable of absolute quest for justice. We must remind the world that one generation ago, six million men, women, and children—all Jews—were forsaken, betrayed, massacred. As a Jew who belongs to a tormented and traumatized generation, I do not view the memory of the Jewish victims as a forum to exclude the others. I have said it before, I shall say it again. Although all Jews were victims, not all victims were Jews. And the other way around—not all victims were Jews, but all Jews were victims.

As Jews, we therefore shall remember the others as well. Our friends who perished because they gave us shelter must be remembered. And the resistance fighters from all over occupied Europe must be remembered and will be. And we shall remember them all with gratitude. No people is, or has been, so grateful as the Jewish people. But to mix all the victims together is unfair and unjust. There was something unique—uniquely Jewish—about the Holocaust. The event was Jewish, yet the implications are universal.

To our non-Jewish colleagues here, I therefore address my humble plea: try to understand our sensitivity as we shall try to understand yours.

And to you, Congressman Brademas, we thank you sincerely, from the depths of our being, for helping us take these first steps today. And, therefore, we here pledge that we shall fulfill our mission.

Mr. Speaker, at this point I include in the RECORD the names of the members of the U.S. Holocaust Memorial Council:

THE U.S. HOLOCAUST MEMORIAL COUNCIL MEMBERS

Mr. Elie Wiesel, Chairman. Survivor, distinguished author and scholar; served as Chairman of the President's Commission on the Holocaust; New York City.

Mr. Mark Talisman, Vice Chairman. Director of the Washington Action Program for the Council of Jewish Federations, and a founder and instructor at the John F. Kennedy Institute of Politics at Harvard University; Washington, D.C.

Rabbi Joseph Asher, National Vice President of the American Jewish Congress; San Francisco, California.

Mr. Tibor Baranski, Social Services Department, Catholic Charities, Buffalo, New York; honored by Yad Vashem for his actions saving Hungarian Jews during the Holocaust.

Mr. Irving Bernstein, National Executive Vice President of the United Jewish Appeal; New York City.

Dr. Marver Bernstein, President of Brandeis University; Waltham, Massachusetts.

Mr. Hyman Bookbinder, Washington Representative of the American Jewish Committee, who has also served as Washington Chairman of the Ad Hoc Coalition for Ratification of Genocide and Human Rights Treaties; Washington, D.C.

Mr. Victor Borge, the actor, long active in Tribute to the Danes, a foundation designed to honor the Danes for their efforts in World War II; Greenwich, Connecticut.

Dr. Robert McAfee Brown, Professor of Theology and Ethics, Pacific School of Religion; Berkeley, California.

Professor Harry James Cargas, Chairman of the Department of Literature, Webster College, and author of books on the Holocaust; St. Louis, Missouri.

Ms. Esther Cohen, Chair of the Simon Wiesenthal Center for Holocaust Studies, member of the Golda Meir Club, a trustee of Yeshiva University; Los Angeles, California.

Professor Gerson D. Cohen, Chancellor and Jacob H. Schiff Professor of History at the Jewish Theological Seminary of America; New York City.

Honorable Mario Cuomo, Lieutenant Governor of New York, former attorney and law professor, and a member of the Legal Committee for Soviet Jewry; Albany, New York.

A. Arthur Davis, Esquire, a Des Moines, Iowa, attorney active in civic and humanitarian affairs.

Professor Terrence DesPres, Professor of English at Colgate University and author of *The Survivor*, a study of how people survived the Holocaust; Hamilton, New York.

Pastor Constantine N. Dombalis, Theologian and Dean of the Greek Orthodox Cathedral, active in the National Conference of Christians and Jews Brotherhood; Richmond, Virginia.

Mr. Jaroslav Drabek, a survivor, former member of the Underground Czechoslovakia Against Nazi War Criminals, and an attorney who prosecuted Nazi war criminals in Czechoslovakia; Washington, D.C.

Ms. Kitty Dukakis, President of the National Center for the Study of the Holocaust and Armenian Genocide who was chairman of the Holocaust Subcommittee on Education; Brookline, Massachusetts.

Professor Willard Fletcher, former Chairman of the History Department at the University of Delaware, and who assisted the Office of the Public Prosecutor in West Germany in gathering evidence against Nazi war criminals; Newark, Delaware.

Mr. Irvin Frank, Chairman of the Board of Zochrim, Zachor: The Holocaust Resource Center, New York City, and past president of the Tulsa (Oklahoma) Jewish Community Council; Tulsa, Oklahoma.

Mr. Sol Goldstein, a survivor, a businessman and Chairman of the Chicago Committee for Holocaust Commemoration; Skokie, Illinois.

Cantor Isaac Goodfriend, a survivor, Cantor of Ahavath Achim Congregation in Atlanta, Georgia.

Professor Alfred Gottschalk, President of the Hebrew Union College—Jewish Institute of Religion; Cincinnati, Ohio.

Dr. Irving Greenberg, a rabbi, author, Holocaust scholar, and Director of the National Jewish Resource Center; New York City.

Ms. Dorothy Height, President of the National Council of Negro Women; New York City.

Father Theodore Hesburgh, President of the University of Notre Dame; South Bend, Indiana.

Professor Raul Hilberg, McCullough Professor of Political Science at the University of Vermont, author of *The Destruction of the European Jews;* Burlington, Vermont.

Julian E. Kulas, Esquire, a Chicago, Illinois, attorney and banker, Chairman of the Helsinki Monitoring Committee of Chicago, and of the Interfaith Group of the Jewish Federation of Chicago.

Professor Norman Lamm, President of Yeshiva University in New York City, an author, lecturer, and rabbi, Director for the Union of Orthodox Jewish Congress of America.

Mr. Frank R. Lautenberg, President of the United Jewish Appeal, a businessman and philanthropist; Clifton, New Jersey.

Mr. Miles Lerman, a survivor, businessman, and Vice Chairman of the National State of Israel Bonds; Vineland, New Jersey.

Professor Franklin Littell, Chairman of the Board of the National Institute on the Holocaust, a professor of religion at Temple University; Philadelphia, Pennsylvania.

Steven A. Ludsin, Esquire, attorney and investment banker, President of Remembrance of the Holocaust Foundation, on the board of directors of American Friends of Haifa University New York City.

Mr. Aloysius A. Mazewski, President of the Polish American Congress of Chicago and the Polish National Alliance; Chicago, Illinois.

Mr. Benjamin Meed, a survivor, businessman, President of the Warsaw Ghetto Resistance Organization; New York City.

Professor Ingeborg G. Muaksch, distinguished professor of nursing at Vanderbilt University, active in community affairs and human rights causes; Nashville, Tennessee.

Mr. Set Momjian, a human rights activist who was a U.S. representative to the U.N. General Assembly in 1978-79 and White House representative to the Human Rights Commission in Geneva in 1979; Huntingdon Valley, Pennsylvania.

Father John T. Pawlikowski, Professor of Social Ethics at Catholic Theological Union, a member of the National Conference of Catholic Bishops and the Secretariat for Catholic-Jewish Relations; Chicago, Illinois.

Rabbi Bernard S. Raskas, Rabbi of Temple of Aaron Congregation in St. Paul, Minnesota, an author on Jewish affairs.

Mrs. Hadassah Rosensaft, a survivor, lecturer and author on the Holocaust; New York City.

Mr. Bayard Rustin, President of the A. Philip Randolph Educational Institute; New York City.

Dr. Abraham Sachar, Chancellor and former President of Brandeis University; Waltham, Massachusetts.

Edward Sanders, Esquire, attorney and former Senior Advisor to President Carter; Los Angeles, California.

Mr. Julius Schatz, Director of the National Commission on Jewish Life and Culture of the American Jewish Congress, active in various Holocaust organizations; New York City.

Richard Schifter, Esquire, an attorney and former President of the Maryland State Board of Education; Washington, D.C.

Mr. Sigmund Strochlitz, a survivor, President of American Friends of Haifa University, where he endowed a chair in Holocaust Studies; New London, Connecticut.

Mr. Kalman Sultanik, a survivor, Vice President of the World Jewish Congress, Executive Co-President of the World Conference of General Zionists; New York City.

Mr. Glenn E. Watts, President of the Communications Workers of America; Washington, D.C.

Mr. Siggi B. Wilzig, a survivor, businessman and a national lecturer on the Holocaust; Jersey City, New Jersey.

Mr. Eli Zborowski, a survivor, businessman, Honorary President of the American Federation of Jewish Fighters, Camp Inmates and Nazi Victims, and member of the executive committee of Yad Vashem; New York City.

CONGRESSIONAL REPRESENTATIVES

The Honorable James J. Blanchard, House of Representatives.

The Honorable Rudy Boschwitz, United States Senate.

The Honorable John C. Danforth, United States Senate.

The Honorable Bill Green, House of Representatives.

The Honorable Henry M. Jackson, United States Senate.

The Honorable William Lehman, House of Representatives.

The Honorable Claiborne Pell, United States Senate.

The Honorable Stephen J. Solarz, House of Representatives.

The Honorable Richard B. Stone, United States Senate.

The Honorable Sidney R. Yates, House of Representatives.●

AMNESTY INTERNATIONAL'S CALL FOR A PRESIDENTIAL COMMISSION ON THE DEATH PENALTY

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. MOFFETT. Mr. Speaker, I would like to draw attention to Amnesty International's call for a Presidential Commission on the Death Penalty. The establishment of such a Commission in the United States has become necessary, as the number of death sentences being passed increases, yet no one really knows the social impact, constitutionality, efficacy, and desirability of the death penalty. More than 650 persons were on death row as of May 1980, and the number is growing at a rate of 10 per month. This is the largest death row population in U.S. history.

As proposed by Amnesty International, the Commission would specifically study the following issues:

Is the death penalty consistent with international recognized human rights standards and human rights commitments?

Might resumption of the use of the death penalty affect the United States reputation as an advocate of human rights or undermine its legal and moral authority to challenge executions in other countries?

Does the death penalty deter crime more effectively than any other punishment such as lengthy imprisonment?

Is the death penalty still imposed disproportionately on the poor and members of minority groups?

Are procedures adequate for insuring consistent treatment of like offenders?

Are there adequate safeguards to protect against the sentencing and/or execution of innocent people?

Is legal representation of the poor adequate?

Are State clemency procedures fair?

What are the costs of the death penalty in terms of financial and workload burden on the courts, and psychological, social, and financial burden on the correctional system?

It is especially timely that Amnesty International calls for such a Commission, as the execution of Jack Potts will take place today, June 5, 1980. I hope that other Members of Congress will join Amnesty International in its effort.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. CORCORAN. Mr. Speaker, due to a previous commitment in Illinois last Friday, I was not present to vote on the final passage of H.R. 4046, Antitrust Collateral Estoppel Act. If I had been present, I would have voted for the bill.●

THE APWA RECOGNIZES CHAIRMAN "BIZZ" JOHNSON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. ANDERSON of California. Mr. Speaker, during my years of service in public life and in Congress, it has been my pleasure to work with many outstanding men and women. I don't know if I have ever had the pleasure of meeting a more devoted, dedicated public servant than the distinguished chairman of our Public Works and Transportation Committee, Harold T. "Bizz" Johnson.

So, I was delighted to learn recently that Chairman Johnson—"Bizz"— has been selected as only the third recipient of the American Public Works Association's Distinguished Service Award. "Bizz" has done as much for his constituents, his community, and his country, as any Member here, and is certainly deserving of this rare recognition.

Mr. Speaker, I would like at this time to place in the Record an article about Chairman Johnson which appeared in the June 1980 edition of the APWA Reporter.

Congressman Harold "Bizz" Johnson To Receive APWA Distinguished Service Award

For the third time in the history of the American Public Works Association, an APWA Distinguished Service Award will be presented. This time, the worthy recipient will be Congressman Harold "Bizz" Johnson for his outstanding leadership in the advancement of the social and economic wellbeing of the people of the United States and in recognition of his work for the protection and enhancement of the human environment through his dedicated service as chairman of the House of Representatives Public Works and Transportation Committee of the United States Congress.

Elected to the California State Senate in 1948, he served in the upper house of the legislature for 10 years. He was elected to the United States Congress in 1959 and has since devoted his time and efforts to working for public works improvements through the legislative process.

While a member of the Water Resources Subcommittee of the House Public Works Committee, he established a long, outstanding record of support of public works programs at the national level by helping draft key legislative bills such as rivers and harbors flood control acts; acts providing for design and construction of dams, soil erosion prevention devices, irrigation, drainage, municipal and industrial water supply; and an act providing for a national program for inspection of dams. He was instrumental in the passage of the Water Quality Improvement Act of 1970 establishing federal controls on oil pollution and strict liability on oil shippers; extension of the Deep Water Port Act clearing the way for construction of offshore facilities to accommodate new supertankers; and the Clean Water Act of 1977, which brought about far-reaching reforms of the federal water pollution program including an intensified attack on toxic pollutants in the nation's waterways.

As chairman of Water and Power Resources Subcommittee of the House Interior and Insular Affairs Committee, Congressman Johnson's achievements included the Colorado River Project Bill, largest reclamation program ever authorized in a single piece of legislation, providing an aqueduct and dam system for Arizona; Colorado Salinity Control Act authorizing construction of four desalting complexes for treating saline water flowing into Mexico; Water Resources Research Act Amendments, which increased appropriations for water resources research to meet increasing needs; Reclamation Development Act, which provided funds for 14 separate projects; and Small Reclamation Projects Act Amendments, which increased the size of loans and grants for eligible programs and authorized an additional $100 million of appropriations.

In recognition of his active participation in public works affairs, Congressman Johnson in 1977 was elected by his colleagues to serve as chairman of the House Committee on Public Works and Transportation. Having served as a member of this committee for many years, he has participated actively in all areas of the committee's jurisdiction including aviation and airport development, economic development, public buildings and grounds, highway programs, mass transit projects, water and flood control programs, and water quality control efforts.

Congressman Johnson has spent a great deal of his life furthering the ideals for which APWA stands and is well deserving of the APWA Distinguished Service Award, which will be presented to him in June in Oroville, California.●

AN UNFORGIVABLE ACT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. ASHBROOK. Mr. Speaker, the recent actions by former Attorney General Ramsey Clark are some of the most dishonorable acts that have yet to arise from the ongoing tragedy in Iran. His embracing of the bloodthirsty regime of the Ayatollah Khomeini and his assault on the legality of the United States go beyond any bounds of reasonable dissent. His travel to Tehran and his attendance at the propaganda sessions on U.S. crimes are illegal under the International Emergency Economic Powers Act and should be pursued by the Federal Government.

Why is it that so many liberals in America want to give the Ayatollah so much support? In February of 1979 Andrew Young proclaimed that the Ayatollah would some day become a saint for his actions in Iran. In August 1979, President Carter expressed his closeness to the radicals of Iran and pressed for America to send heating fuel to the government in Tehran. Now we have the spectacle of Ramsey Clark stating his concern over the "fulfillment of the Iranian Revolution." Are the liberals of America really that devoted to the success of the so-called Islamic revolution? It is incredible that such statements could have been made in the face of mounting evidence of the Ayatollah tyranny in Iran. It is even more unbelievable that Mr. Clark would choose to make his statement when the fate of 53 Americans are at stake.

Mr. Clark's journey into committing a felony against America began long ago. In 1978 he visited the Ayatollah in Paris and praised him for his progressive and liberal ideas. Now he has taken his place among the fringe of world opinion for the propaganda conference in Tehran. Attending the conference are delegates from Iraq, Algeria, Cuba, the U.S.S.R., and members of the Communist movement in other nations. Mr. Clark, apparently moved by the comraderie he felt with the other delegates, called the aborted rescue mission a lawless act, and went on to state:

> It is unconceivable that constitutional government could ever delegate to a single person—president or prime minister—the power to risk killing many people half a world away in a foreign country.

Regardless of the reasons that may lay behind the failure of the rescue mission the laws providing the President with the power to protect American lives and property anywhere in the world are clear. For a former Attorney General to warp American law and diplomatic precedents for some fleeting moments of fame among his friends in Tehran is unconscionable. It is no wonder that the prince of the absurd in Tehran, Sadegh Ghotbzadeh, lists Mr. Clark as a staunch supporter.

At some point the ongoing love affair of American liberals with leftist tyranny will move loyal citizens to finally discredit that wing of American ideology permanently. How many photos of Jane Fonda manning a North Vietnamese antiaircraft battery or Ramsey Clark attending a propaganda conference in Tehran will it take to awaken this in the United States? At this point I cannot speculate. It is clear, however, that the days of Mr. Clark's credibility are numbered as are his days of freedom if the administration should choose to prosecute. It is not a moment too soon.●

HOW U.S. OFFICIALS LOST EASTERN EUROPE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. DERWINSKI. Mr. Speaker, the Soviet invasion of Afghanistan and their possible direct participation in the partition of Iran has brought grim reality to the true nature of Soviet imperialism. Even professional liberals are belatedly recognizing the danger to sovereign states of Soviet expansionism.

The book, "Dimitrov of Bulgaria," recently published by Caroline House of Thornwood, N.Y., and authored by Prof. Charles A. Moser, gives a vivid descripiton of the Communist seizure of power in Bulgaria. I insert a review of this book, which appeared in the May 24 Human Events, by Allan C. Brownfeld, which I believe is especially pertinent in light of current actions by the Soviet Union. Mr. Brownfeld's commentary follows:

HOW U.S. OFFICIALS LOST EASTERN EUROPE

(By Allan C. Brownfeld)

One of the sorriest chapters in U.S. diplomatic history took place at the end of World War II. We signed treaties with the Soviet Union at Yalta, Tehran and Potsdam calling for free elections in Eastern Europe. The Red Army, however, marched into Eastern Europe and remains there to the present day. Free elections were not held. The U.S. did nothing.

Our sins, however, were not simply of omission. We not only permitted communism to come to power in Eastern Europe, we helped it along in every way we could. In Yugoslavia we opted for Tito rather than his anti-Communist opposition. In Poland we did everything possible to assist the Soviet Union in extending its influence. We even forcibly returned to the Soviet Union Russian prisoners of war who sought asylum in the West.

In a recently published book, Dimitrov of Bulgaria, Prof. Charles A. Moser of George Washington University described in detail how the U.S. and Great Britain turned Bulgaria over to communism, even though the overwhelming majority of Bulgarians wanted only to be free and independent.

This story unfolds in the biography of Dr. Georgi Dimitrov (1903-1972), a central figure of the Bulgarian Agrarian Union, who headed the democratic opposition to the Communist seizure of power in 1944-45, and was the victim of postwar Eastern Europe's first major political show trial and execution had he not been a man of great initiative in engineering an escape. After fleeing Bulgaria and settling in the U.S. in 1946, Dr. Dimitrov dedicated himself to the struggle for the liberation of Eastern Europe from Communist tyranny.

Dr. Dimitrov (no relative of the Communist Bulgarian leader of the same name) is an inspiring figure. His life is described in detail by the author who, coincidentally, married Dimitrov's daughter, Anastasia. Dr. Moser brings to this task not only the objectivity of scholarship but also the involvement of one who is himself a part of the story.

The book, however, has an appeal which is broad, for it describes the beginnings of the political component of the Cold War.

The U.S. minister in Bulgaria at the conclusion of World War II stands out as a rare and courageous figure. Maynard Barnes sheltered Dr. Dimitrov in the U.S. residence after he fled from certain death at the hands of the Communists. Barnes, on his own, made repeated demands that the Soviet occupation force live up to the treaty commitments for free elections.

When the State Department learned that Barnes had requested a postponement of elections which would have been controlled and manipulated by the Russians, the State Department was alarmed. Barnes was reprimanded. Yet, Dr. Moser notes, "By the time the reprimand had left Washington, Soviet agreement to the postponement had already been announced and Secretary of State Byrnes was constrained . . . to support publicly what his representative in Sofia had achieved by exceeding his instructions."

A British foreign office official, W. G. Hayter, understood the situation all too well. He wrote in early 1946 that "The Russians know clearly what they want and the direction in which they are going. We and the Americans are inclined to live from hand to mouth. Consequently, although from time to time we may achieve a pyrrhic victory such as that over the Bulgarian elections, in the end we always lose because we do not know where we wish to go next."

The months gained as a result of the postponement of the elections were wasted. Dr. Moser writes: "The U.S. made no specific proposals. The two months . . . had largely gone to waste." The U.S. refused even to publish a report about the situation in Bulgaria.

When Secretary Byrnes presented Molotov with a copy of the report and mentioned to Stalin his idea of publishing it, Stalin replied that he would then ask Soviet writer Ilya Ehrenburg to publish his impressions of the Balkans. Byrnes replied, "That would be unfortunate . . . as the two reports would tend to separate rather than unite our two countries on this question." The U.S. then suppressed its own report about Soviet treaty violations.

The Bulgarian Communists rapidly eliminated the non-Communist opposition. "The U.S. reacted to all of this in cravenly hypocritical fashion," writes Moser. "Together with the British it sent notes of protest. . . . When Nikola Petkov was executed the State Department 'denounced the trial and execution as a travesty of justice.' But it refused Barnes permission to travel to Sofia in an attempt to gain Petkov's release immediately after his arrest . . . even worse, scarcely a week after Petkov's execution, the acting secretary of state announced that the U.S. would recognize Bulgaria. . . ."

Dr. Dimitrov fought both the Nazis and the Communists. A deeply patriotic Bulgarian, he was doomed to live most of his life abroad. He looked to the democratic countries of the West for support, but he received none. During the days of detente, the Nixon Administration even called upon him and other Eastern European exiles to mute their criticism of Moscow. Dr. Dimitrov refused.

Shortly after the atomic bomb was dropped in Hiroshima, Dr. Dimitrov wrote, "Either democracy will use the power of atomic energy in order forever to eradicate the violence, dictatorial methods, ideologies and systems of political and spiritual oppression, and to establish all over the world the authority of the people and freedom, or else atomic energy will be used by dictatorship and violence, for the destruction of human civilization."

It was a dire—and prophetic—analysis. Prof. Moser has retold an important chapter of history—one we would do well to remember.●

1981 BUDGET WILL BE BILLIONS IN DEFICIT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. GINGRICH. Mr. Speaker, the 1981 Federal budget will not be balanced. And if we absorb the kind of recession current policies are leading to, neither will the 1982 budget be balanced. Severe recession and continuing inflation will pay havoc with the revenue and outlay totals. It is time to face these realities now.

Although the people who control this Congress continue to talk about balanced budgets, evidence is mounting that they are failing to confront reality and level with the press and the people. Eileen Shanahan wrote in the Washington Star last Saturday that by July 15, when the Council of Economic Advisers turns in its revised economic assumptions and officially recognizes the rot in the economy, we will all be contemplating yet another budget deficit.

John Chancellor made that same point in his commentary on WRC radio this morning. He and others say that the 1981 deficit will be at least $25 billion. And, if we continue to do nothing, it will probably be worse than that.

One of our colleagues informs me of his staff economist's computations, which reveal the following: With 12 percent inflation and 9 percent unemployment during fiscal 1981, the majority's budget, excluding revenues from the gas tax, will be a staggering $55 billion in the red. That is a long way from the so-called first balanced budget in 12 years we keep hearing about. In fact, a deficit of that magnitude would be the largest deficit the United States has ever run, with the exception of the fiscal 1976 deficit of $66 billion.

When the history of this period is written, this Congress will be seen as following an irony-laden path from the first balanced budget in 12 years to what may be the second biggest deficit in American history. If our astronauts had this kind of planning capability, Tom Wolfe's recent book on their activities might have been entitled "Voyage to the Bottom of the Sea."

Of course, the 1981 deficit may not hit $55 billion. But any reasonable observer would have to agree that it is likely to be closer to that figure than to zero. The editors of the Kiplinger Washington Letter, for example, estimate it will total $40 billion. I would like my colleagues to consider the following excerpt from the Kiplinger newsletter of May 23, 1980. It minces no words, and its analysis is clear and crisp:

> Putting it bluntly, the fiscal '81 budget won't be in surplus, the "first deficit-free budget in 12 years," as is now being proclaimed.
>
> Won't even be near balance, so don't swallow the austerity line.
>
> Spending this fiscal year, ending September 30, about $572 billion, which is $8 billion more that Carter was estimating just four months ago.
>
> Expected revenues, in the neighborhood of $526 billion.
>
> Means this year's deficit is likely to run more than $46 billion.
>
> Spending next fiscal year, starting October 1, way over $613 billion, the amount now being bandied about by Congress. Government will spend more for jobless benefits and other assistance—even if there is restraint.
>
> Tax revenues next year will be off by billions, due to recession.
>
> So next year's deficit seems headed toward $40 billion-plus.
>
> Talk of a balanced budget is hooey—a political smoke screen thrown up by Congress and the White House. Sometimes later this summer, you'll be told "it's impossible—for reasons beyond anyone's control."
>
> The aim now is to let you down easy.●

CONGRESSIONAL MEDALS OF MERIT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. FORD of Michigan. Mr. Speaker, some weeks ago, I had the great honor to present Congressional Medals of Merit to several dozen young people in my district. This is a program which I inaugurated 3 years ago, and one that has brought me great satisfaction. The winners are selected each year by a citizens committee.

One of the winners, Marcia Jones, has written me a letter which so impressed me that I am inserting it into the Congressional Record.

The letter, also signed by 19 of Marcia's fellow pupils, was written in praise of Mrs. Ila M. Banbury, these young people's teacher at Eyler Elementary School in the Airport Community School District.

The letter is self-explanatory, and I insert it at this point, along with my personal congratulations to Mrs. Banbury:

Dear Congressman Ford: I have received a very great honor from you today and I would like to share it with the person who wrote to you about my nomination.

Her name is Mrs. Ila Banbury and she has been teaching in the Airport Community School System for twelve years.

It is because of her dedication and inspired teaching methods that I and many of her devoted students and parents would like to honor her in some special way.

If it is possible, would you send her a letter of congratulations for her outstanding efforts in the field of education.

Mrs. Ila Banbury is a credit to her profession, a blessing to her students, and embodies the true meaning of the word "teacher." I am proud to be one of her students.

Marcia Jones.

(Also signed by Lina Bodine, Jim Ploeger, Todd S., Susan Kemp, Jeff Bredow, Jennifer Zeits, William Hober, Beatrice Lancaster, Joseph Buckingham, Dawn Lindsay, Earl Duby, Todd Jackson, Bruce Jones, Lori Thorne, Brian Henning, William Ploeger, Kimberly McCormick, Gary Guy, Patrick B., Stacey Compton, students, and Richard R. Scheffler, Eyler School Principal.)●

WELCOME TO OUR NEWLY NATURALIZED AMERICANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. GILMAN. Mr. Speaker, it is with sincere pleasure that I congratulate the 156 Rockland County residents of New York's 26th Congressional District who have recently chosen to become citizens of the United States, with all of the privileges, freedoms, and responsibilities that American citizenship entails.

Our Hudson Valley region in New York State is proud of its newest citizens and I invite my colleagues to join me in welcoming the following newly naturalized Americans and extending to them our best wishes for a happy and prosperous life in their new homeland.

Vic Yern, Michel Jean Mary Bredy, Padmavathi Madhvaraja, Horfise Noisette, Pierre Richard Morbeth, Ginette Simon, Rodell Torres Ocampo, Jovita Luna Catalan, Bashir Ahmed Suba, Atul Ishverlal Shah, Rushije Dosku, John Gjok Nikic, Jean Louis Paul, Shrikant Gangadhar Joshi.

John Herman McArthur, Irene Kryszuk, Pedro Felipe Hernandez, Isabel Hernandez, Michael Stephen McNamee, Marie Maude Edouard, Eufemia Sales Tacadena, Restituto Cruz Marcelo, Sung Rae Park, Tsung-Hung Peng, Wolfgang Richard Behrends, Antonide Leocardie Gardiner, Cocherel Zamor, Marie Michele Dubreuil.

Jean Gerard Dubreuil, Iakovos Ziotis, Francesca Vacchiano, Sainvil Payen, Ester Tolentino Dealca, Jacqueline Esme Dent, Barrie John Dent, Eddy Lazare, Kailash Chandra Sharma, Rodrigo Nuque Manuel, Nora Weingarten, Barnabas Elek Somogyi, Eula Maud Williams, Luc-Pierre Trenard.

Padmakar Ganesh Shende, Charito Rodriguez-Estrada, John Michael Bradley, Allen Fu-Ning Mai, Elsa Polanco, Janusz Grabon, Hae-Jin Maing, Hwei-Yee Chen Nee, Dorothy Patricia Thompson, Yaffa Bella Zager, Liberacion Corpuz Amurao, Romeo Payumo Amurao, Sylvio Prevot, Jean Aldy Esteril, Joseph Zorbaron.

Marie Carmel Guerrier, Elias Alberto Cabrera, Trinidad Elena Ascanio, Enid Joyce McArthur, Joseph Israel Grossman, Sylfine Marie Tranquille, Paul Surian, Luz Parkan Reyes, Josephine Farnacio Udasco, Catherine Larrieux, Constancio Mendoza Fernando, James Martin, Roland Francois Herisse, Marc Jean-Baptiste.

Jacob Simon Wasserman, Dimitrios Karounis, Monique St. Clair, Jiwan Hasso Gandhi, Lina Liggieri, Marie Frantze Desir, Ilmas Majeed Butt, Marina Lim Chang, Anne Marie Carmel Cham, Frank Simon, Gloria Elsa Flamenco, Gila Frank, Marion Elsie Loperfido, Tae Yoon Byoun, Hwanny Jae Hwan Byoun.

Ernest Archie Rabinovitch, Andrzej Przedworski, Madhu Sudan Prasad Manandhar, Chia-Hwei Wu, Milady Mercedes Castillo, Victor Manuel Castillo, Vilma Bhat, Britt Margit Irma Lagomarsino, Nicolae Theodor Eliseu Ciropol, Miguel Angel Martinez, Abraham Berger, Parbati Bhattacharya, Rizwana Sharif, Pierre-Noel Jean-Louis.

Rolando Hermosura De Guzman, Cesar Enrique Baeza, Iris Adella Brown, Josephine Dezago, Tarak Kalikrishna Tanikella, Ana Hilda De La Cruz, James Loughlin Sutton, Fong Mao Lai, Vierge Bien-Aime Benjamin, Marie Helene Jacques, Ronald Supreme, Paolo Del Mastro, Zamira Tamir, Giora Tamir.

Halldora Svava Capio, Saroja Ganesan, Rachel Haya Mizrahi, Shaul Mizrahi, Dinette Lamothe, Ki Soon Kim, Myone Yul Kim, Arthur Santos Macapagal, Rachel Schwartz, Rosi Rottenbuecher, Nikolaus Rottenbuecher, Eva Jacyna, Devon Earl Grey, Hyacinth Verona Williams.

Josette Guerrier, Carmencita Claudio Aguas, Jeanine Eyssallenne Fong-Ging, Martina Rodriguez Veras, Rose Marie Kernisan, Rosita Tubianosa Rivera, Shin-Ling Sandy Lee, Quanpai David Lee, Joseph Neker St. Victor, Raimundo DeJesus Diaz, Cusi Haknasar, Yves Phanor, Lloyd Humphrey, Marie Jocelyne Thompson.

Fernande Morbeth, Jacqueline Morbeth, Pierre Arlite Romezie St. Cloud, Levon Esmez, Serkiz Esmez, Maria Stolz, Velma Elaine Hitchins, Ronald Victor Hitchins, Ramon Joaquin Morel, Mathilda Riedmuller, Maria Krupey, Moishe Kopel Hass, Eliezer Dahan, Egil Lindland.●

FEDERAL PROTECTIVE OFFICERS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. GONZALEZ. Mr. Speaker, the Federal Protective Service is the security arm of the General Services Administration's Public Buildings Services. It is charged with the primary responsibility of protecting Federal property and persons under the jurisdiction of the General Services Administration.

I have received several letters from Federal Protective Officers within my district. They have brought to my attention that their requirements under title 40 of the United State Code lack clarity. Although they are considered U.S. special policemen, their badges contain one word, police. Furthermore, their duties of providing security for more than 10,000 Federal buildings ranging from the Pentagon to the Justice Department, as well as providing the protection for the President, Vice President, Senators, and Members of Congress are not matched by sufficient remuneration or benefits.

I am proposing that Federal Protective Officers be included under titles 5 and 18 of the United States Code. Federal Protective Officers should be considered law enforcement officers and should be covered under the standard statutory benefits for early retirement, protection against assaults, and survivors benefits for death in the line of duty.

It is my hope that such legislation will correct present inequities within the system.●

VIEWS ON DEFENSE POSTURE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. SKELTON. Mr. Speaker, this morning, Adm. H. G. Rickover spoke before a Congressional Research Service breakfast. I commend his prepared remarks to the Members of this body.

The remarks follow:

Remarks by Adm. H. G. Rickover Before the Congressional Research Service Defense Breakfast Seminar

INTRODUCTION

I appreciate the opportunity to discuss some of my views on current topics affecting our defense posture and the future of our country. The views I will express are my own from my perspective after 50 years as a naval officer, engineer, and student of history.

I will not dwell on the specifics of the naval nuclear propulsion program I am responsible for because I have testified on that subject before several congressional committees. I would like to share with you thoughts on the importance of the Soviet naval threat as compared to our naval strength.

THE SOVIET NAVAL THREAT

Recent Soviet aggression in Afghanistan has brought renewed realization of Soviet intentions for world power and concern for the adequacy of our own defense. What many may not realize is that the Soviet threat in naval power, as in other areas, has been growing more ominous. Past warnings by many in the military have been greeted with some indifference. However, today we are faced with a naval threat more serious than any since World War II.

Twenty-four years ago, Admiral Gorshkov, Commander-in-Chief of the Soviet Navy, headed a navy which was little more than a defense oriented extension of the Soviet Army. Under him the Soviet Navy has been transformed. Since 1958, the Soviets have built over 1800 new ships and combatant craft, a program of naval expansion that surpasses the efforts of any other naval power. From a defensive fleet in World War II, it has evolved into a major blue-water navy that challenges the U.S. for control almost everywhere in the world. The Soviet momentum for superiority in naval warfare continues while U.S. naval plans fluctuate every year. Never in peacetime has there been anything comparable to the growth of the Russian naval power. This certainly raises concern over the Soviet desire to maintain the peace.

Here are some comparative examples to illustrate these concerns.

In the past 10 years the Soviets have built over 900 major and minor surface combatants, mine warfare, and amphibious ships, while the U.S. has built 100, or just over 10 percent as many.

The Soviets have more major surface combatants than we, and are introducing new ships at a greater rate. These include 4 new classes of cruisers, one of which will likely be nuclear powered. At about 22,000 tons, it would be the world's largest nuclear powered cruiser and will carry a formidable array of weapons.

The Soviets have almost 3 times as many submarines and one-third more nuclear submarines.

They have 5 submarine construction yards; we have two. All U.S. submarine construction capacity could fit into one Soviet submarine yard.

Since 1970, they have introduced 10 new submarine designs; the U.S. two. During this period, the Soviets have put to sea more new design submarines than any other country during a comparable period in all of naval history.

Their program has strong support and virtually unlimited funding. They are striving for qualitative superiority. They already have numerical superiority. Our program is uncertain and does not get strong support from the defense department.

NEED TO MAINTAIN A VIABLE U.S. FLEET

Any comparison of the Soviet and U.S. Navy must be viewed from the context that we are a maritime power dependent upon being able to maintain sea lanes of communication necessary to conduct military operations overseas and to support our allies. The mission of our Navy is a far more difficult one than that of the Soviets of denying us free use of the seas.

We have given up any chance of matching the Soviet Navy in numbers of ships. Therefore, the *quality* of our ships must be superior. It is axiomatic that a nation dependent on the *quality* of its weapons must design its forces around an offensive strategy if it is to prevail over a numerically superior foe. It cannot afford to fight a defensive war of attrition.

NEED FOR FLEXIBLE AND CAPABLE SHIPS

A few years ago, few people gave much thought to deploying naval forces to the Indian Ocean to protect our interests. Today that has become a reality. Few appreciate how difficult it is to maintain a significant naval force half way around the world. The supply line, particularly for oil fired ships, is tenuous. There may be a new realization that war of attrition at sea is a real possibility. In these circumstances, our naval forces must be able to defend the sea lanes and carry the battle to the enemy as well. In a global wartime situation we will not have the time to build the complex ships we need the way we did in the last world war. The ships we build in peacetime are those we will have to rely upon in the event of hostilities.

If we miscalculate or succumb to the easy economic choice of putting off decisions, and do not build ships adequate to face the threat, our choice will be to either give in to our enemies or resort to nuclear war. The cost of adequate strength to ensure peace is small compared to the cost of war.

CURRENT ISSUES

I would now like to comment specifically on several current issues related to the strength and capability of our naval forces.

1. The attack submarine issue

Whether we should build enough highly capable nuclear powered attack submarines to meet the Navy's minimum needs remains unsettled.

After a series of hearings, the Seapower Subcommittee of the House Armed Services Committee issued a strong report in December 1979 recommending an increased attack submarine building rate to keep the force level up, and recommending that the Navy proceed with building improved SSN688 Los Angeles class submarines.

Yet a mixed attack submarine force of some slower and some faster units continues to be studied by the systems analysts and will likely be studied for years to come. Even though all the studies show that the faster, more capable submarines are more cost effective over their lifetime in postulated "Operational Scenarios," the Defense Department continues to press for building cheaper, less capable submarines to save on initial costs.

The arguments for reducing cost by building new, less capable attack submarines are specious. With our limited submarine force level, the normal process of aging will give us a mixed force, with some submarines becoming less capable as they get older. All of the submarine designers and operators strongly support the more capable attack submarine. Recent operations have provided actual evidence of the superior capability of the faster Los Angeles class submarines. Even commanders in the fleet who are not submariners recognize this advantage.

Let me give you a few examples of what it would mean to reduce the speed of a new attack submarine by 5 knots below the attainable speed of a Los Angeles class submarine as is being suggested:

The slower U.S. submarine would be unable to keep up with and attack most Soviet nuclear attack submarines.

The slower U.S. submarines would be unable to stay with and attack high speed surface ships.

The slower U.S. submarines would be unable to escort U.S. surface ships in high speed operations.

The slower U.S. submarines would require an extra day and a half to transit the Atlantic. In a day and a half, a nuclear attack submarine could search an area the size of New England.

In addition, numerous exercises have demonstrated that nuclear attack submarines are superior to all other ASW weapon systems. The rapid buildup of the Soviet submarine fleet shows that the need for ASW capability is increasing. I know of no breakthroughs in ASW technology that have effectively countered the Soviet submarine threat.

Some systems analysts advocate building less capable submarines to perform less demanding missions. The fallacy here is that we cannot know in advance exactly what mission a given submarine will be called upon to perform in a real war. Unlike other weapons, the attack submarine fights its battles alone and with little external support. Under such circumstances, limited mission submarines are not suited to our needs.

The Defense Department posture to press for some cheaper, less capable submarines to save initial construction costs is being pushed by those in positions of authority who do not really understand submarine operations. For example, even though the current minimum force level of 90 attack submarines is lower than desired, the submarine operators have said that they would prefer fewer, more capable attack submarines if that is what it would take to get the best ones. Building fewer submarines is not the answer but this attitude shows how strongly those who really understand submarines feel.

This matter will ultimately have to be settled by Congress. The House has already taken positive action in the fiscal year 1981 defense authorization bill to recommend three SSN-688 class attack submarines. It also deleted all long lead funds for a slower, less capable attack submarine, and included advance funds for an improved SSN-688 class submarine design. Continued strong support by Congress will be needed to assure that this action is sustained.

2. Trident

Turning now to the ballistic missile submarines, the fiscal year 1981 shipbuilding program includes funds for the ninth Trident submarine. These submarines will have increased survivability compared to our existing Polaris and Poseidon submarines because they are being built with all the latest technology. They will be more difficult to detect than existing Polaris and Poseidon submarines because they will be quieter, and their longer range missiles will give them 10 to 20 times more ocean area in which to hide. Our existing Polaris and Poseidon submarines are noisy compared to present standards. They were all built with the technology of the 1950's. Quieter submarines are necessary to decrease the probability of detection and to insure survivability of our seaborne strategic deterrent.

The longer range of the Trident missiles will permit basing our ballistic missile submarines in the United States—no foreign basing will be required. This will eliminate the vulnerability or our ballistic missile submarine force to international political action that could deny us use of foreign bases. This is essential because we are always in danger of losing our foreign bases.

I consider the Trident program vital to our national survival. Continued congressional support will be needed.

3. Need for nuclear powered Aegis cruisers

For the past several years, Navy witnesses have testified that the Aegis system is needed to protect our surface ships against the projected Soviet air threat in the 1980's. These ships would be key elements in providing sophisticated air defense for our aircraft carrier strike forces against enemy missiles. Present Navy plans are to build a number of oil fired, gas turbine powered Aegis fleet air defense ships, the CG-47 class.

I consider that Aegis ships should be nuclear powered for the same reasons that aircraft carriers need to be nuclear powered—reasons that have been dramatically demonstrated recently in the Indian Ocean. The Aegis is planned as our most capable anti-air warfare weapons system. Because they will be expensive, regardless of their means of propulsion, there will never be a large number. In a naval war against an enemy employing sophisticated weapon systems, Aegis ships will be needed in the areas of highest threat. Under such circumstances, the advantages of nuclear propulsion are most urgently needed for maximum mobility and minimum logistic support. The nuclear powered carriers will be employed in high threat areas and they will need nuclear powered Aegis ships to accompany them.

It is highly unlikely that tankers can survive in areas where the threat is great enough to require first line naval strike forces. When a non-nuclear Aegis ship runs low on fuel, it will have to retreat to an area of lower threat to meet a tanker, losing the Aegis system's protection just when it is most needed. Unless nuclear powered Aegis cruisers are built, our nuclear carriers will have to be accompanied by conventionally powered Aegis ships when they enter the highest threat areas. This would constrain the task group to the logistics limitations of the oil fired, gas turbine powered cruisers, thus sacrificing the significant military advantages of the all-nuclear carrier task force in the very areas where these advantages are most needed.

Life cycle cost comparisons of nuclear and conventional warships compare peacetime costs, and assume that carrier task forces can be safely replenished wherever they may be. If the cost of providing the carrier task forces with the ability to conduct replenishment operations in areas subject to the Soviet naval threat of the 1980's were used, the overall cost of nuclear powered surface warships would be shown to be less than that of non-nuclear ships.

In the 1980's and beyond, in any areas where the Soviets challenge us, we will need all-nuclear carrier task forces to be able to keep our sea lanes of communication open. Aircraft carriers and AEGIS Fleet Air Defense ships will be the principal elements of these naval strike forces which must be capable of fighting in areas of highest threat. Considering the difficulties of providing logistic support in such areas, it is essential that our aircraft carriers and AEGIS warships be given the mobility and flexibility that only nuclear propulsion can provide.

4. Retention of experienced naval personnel

I want to mention one other important current problem with respect to our defense readiness. You have heard about the lack of qualified personnel in our Armed Forces. We cannot solve the problem by just bringing in more new people. We must retain more men after their first and second tours. Retention of experienced, nuclear-trained officers and men is the most critical problem facing the nuclear navy as well as the rest of the Navy. The problem is so acute we may have to tie up some of our nuclear powered ships for lack of trained, experienced people. Civilian industry is luring these people away at a high rate.

The key to improved retention with our all-volunteer military is adequate pay and benefits. The Navy can never compete equally with civilian industry, but the pay gap can be closed so we can retain highly qualified men in whom the Navy has so large a training investment.

Passage of the Nunn-Warner legislation already passed by the Senate will be one step. The overall fiscal year 1981 military construction bill being considered contains more improvements to help retain skilled people. Strong support by the Congress is needed for these measures.

CLOSING COMMENTS

I have shared with you my thoughts from my vantage point of being involved in our Nation's defense for a long time and in charge of the nuclear propulsion program since its inception over 25 years ago. From that perspective, I am particularly sensitive to the role that the Congress has played. Without repeated congressional actions and help throughout the years, we simply would not, today, have the strong nuclear fleet we have, now representing over 40 percent of the Navy's major combatants. You have the constitutional responsibility to maintain this Nation's ability to defend itself. Indeed no other national issue is more critical than national defense. If we are not able to prevail against our enemies, all other issues, however significant, become irrelevant. It is to the Congress that we all must look for a defense posture strong enough to assure our survival as a Nation.●

BOB GREENE TO RECEIVE MEDAL OF HONOR

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. OTTINGER. Mr. Speaker, Robert Greene of Mamaroneck, N.Y., has been selected by the 52 Association to receive this year's Medal of Honor Award for his untiring and unselfish efforts on behalf of our Nation's disabled veterans.

Bob Greene will be honored on Friday, June 6, at the Rye Town Hilton by members of the association, which was founded after World War II to serve disabled veterans. The 52 Association is a nonprofit organization headquartered in New York City which operates a very impressive 41-acre sports and recreation complex in Ossining, N.Y., serving 4,000 amputee, paraplegic, and blind veterans using the successful "rehabilitation through sports" concept.

Bob Greene has long been an effective and active member of the Westchester County community. He is the president of the International Brotherhood of Electrical Workers, Local 1783. He is a commissioner of the Westchester Parkway Commission and a former chairman of the East Hudson Parkway Authority. He is a trustee of Westchester Community College and a member of the council for the Downstate Medical Center. He is a consultant for the Power Authority of the State of New York. He also serves on the President's Committee for the Physically Handicapped.

For years, Bob Greene has dedicated his time and talent to improving and enriching the lives of disabled veterans. In the words of 52 Association director Allan Weinberg, "Bob Greene has given of himself endlessly in acknowledging the many sacrifices of those who were injured while serving our country." Bob Greene is highly deserving of the honor which will be given to him on Friday evening. Westchester and the country owe him our warmest congratulations.●

THE ROLE OF GOVERNMENT IN THE EIGHTIES

HON. BENJAMIN A GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. GILMAN. Mr. Speaker, recently I was pleased to have conducted a contest for high school seniors in the 26th Congressional District of New York on the subject of "The Role of Government in the Eighties."

Because of the intense interest shown in the writings of these students for their Government, it is my privilege to share with my colleagues the thoughts expressed in the winning essay and those of the second and third place winning essays:

THE ROLE OF GOVERNMENT IN THE EIGHTIES

(Douglas Neumetzger, Newburgh Free Academy, first place winner)

"Government of the people, by the people, for the people . . ." These ideas on government spoken by Abraham Lincoln in 1863 are the same as those Americans still hold dear to their hearts as we enter a new decade—the nineteen eighties.

In an effort to provide government for the people, however, a giant bureaucracy on all levels has emerged, creating bungling red tape that costs individuals and businesses billions of dollars each year. Government should re-evaluate itself during the next ten years to unravel some of that red tape and eliminate laws that are no longer feasible or are otherwise unnecessary.

Books have been written satirizing government, flouting such local statutes as those that declare the eating of peanuts in public a crime. Although these books make us laugh at ourselves and at our bureaucrats because of the absurdity involved, there is a very real message here. Some parts of government have become just too large and unmanageable. Our forefathers came to the "New World" to escape the controls that limited their individual freedoms. But over the years, we have done a complete turnaround and created laws that again severely restrain the rights of individuals through unnecessary regulation.

I find the views of William E. Simon most interesting. He points out that in 1975 the President's Council of Economic Advisers estimated that regulations costs United States citizens $130 billion each and every year. An estimated $25 billion is spent by industry to fill our government forms, the cost of which is passed on to the consumers.

On top of that, government spends approximately $15 billion to process the forms submitted by individuals and businesses which are passed on in the form of taxes. The average American worker labors until mid-May to pay federal, state, and local taxes, and Mr. Simon foresees a time in the near future when Americans will work until August to pay taxes.

I see the role of Government in the Eighties as one of reform . . . We must return to the ideas the first Americans had in mind when they established this great nation. I know it can be done.

THE ROLE OF GOVERNMENT IN THE EIGHTIES

(Paul Stoddard, Chester Union Free School District, second place winner)

When the American Colonists united "* * * to form a more perfect union * * *" over two-hundred years ago, they were seeking a central government which would provide those services that benefit all of the people. The government of the United States of America was developed to be an advantage—a more effective form of government than the colonial structure or the loose Confederation. Now, in the 1980's, our federal government will be expected to again indicate that it is a useful advantage.

During this decade the United States will have to address itself to two main areas: sufficiency and efficiency. Our government has grown and developed throughout these past two centuries just as its people have; it must face the problems which its size has created. Our federal bureaucracy will be called on to rid itself of the red tape, to cut down on waste, and to provide the necessary services by using existing services.

When I speak of sufficiency, I mean that our government should provide all those services which are needed and fall into its domain. Overall our government provides services which include almost every group of Americans; possibly our government goes overboard. Our leaders will be expected to scrutinize the many federal agencies and programs and eliminate those which are not absolutely necessary.

While they are examining those agencies, our officials should look for signs of waste, expense, and effort—and trim the bureaucracy accordingly. Duplication—and triplication—of services is nothing but wasteful; and in a time of rampant inflation, had best be eliminated.

The 1980's may be a decade of "Us"; we will work to solve the problems which lie ahead. Our government will be expected to lead us through the many unforeseen troubles in this decade. If we keep our priorities foremost in our minds and the duties we have to ourselves and our fellow Americans, as well as the easiest ways to perform those services, we will be able to survive any obstacles which lie before us.

THE ROLE OF GOVERNMENT IN THE EIGHTIES

(Juliet Charkin, Minisink Valley High School, third place winner)

The 1980's have arrived and the government of the United States must alter itself to deal with the economic and social problems of the new decade. Solutions must be found for domestic troubles, such as social security, industry, unemployment, welfare, energy, and the increasing numbers of illegal aliens. A way to regain the confidence and trust of the American people must be found, and the worldwide respect that we have lost in the last decade must be rebuilt.

A primary problem is excessive government regulation of industry. In past decades, government interference, regulations, and subsidies have hurt areas of the transport system such as railroad, shipping, airlines, and trucking. Other major industries, such as agriculture and communications, have also suffered as a result of over-regulation. The excessive government regulation of industry has contributed greatly to the declining economy. Some prominent economic experts have suggested cutting government spending and holding the monetary growth while simultaneously eliminated as many regulations as possible. Their feeling is to let private enterprise take over many of the government programs, including the energy commission. Hopefully, deregulation would then re-establish competition and improve the quality of our products.

Strengthening the economy, restoring our position as a world power, and gradually withdrawing government influence from our daily lives should be the primary objectives of our government in the eighties. Solutions to these problems will not be found quickly or easily, but if they are dealt with intelligently and with perseverance, we will be able to recover and prosper as a free nation.●

TAX CUTS A' COMIN'

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. BEREUTER. Mr. Speaker, a recent editorial carried by the Sioux City Journal contains some plain talk about congressional budget balancing efforts, the inevitability of an election year tax cut, and the misguided nature of our current policies. This editorial should be recommended reading for all Members of Congress:

[From the Sioux City Journal, May 17, 1980]

TAX CUTS A' COMIN'

The smart money these days is betting that Congress and Carter will combine in a rare act of cooperation to cut taxes later this year.

The major song being sung amongst our national movers and shakers today is: Balanced Budget. But indications are they'll lose the melody before the summer is old. Already some signs are apparent; when that federal judge ruled Carter couldn't put a 10-cent fee on each gallon of gasoline, it ruled out a $10 billion item in a balanced budget. While the administration is going to fight that ruling, the chances now of a dime-a-gallon fee are slight. And so will go other elements in the budget. Soon, the politicos will get the message: a balanced budget is impossible, so what other directions do we take?

Beyond that, the political necessities of the Carter camp and the Democratic contingent in Congress will demand some sort of tax relief for the guy who's going to vote on those incumbents next fall.

Editors of the Kiplinger Washington Letter predict momentum for a tax cut will begin to develop in July, as the economy continues to slump and as unemployment deepens.

Given these factors, the next question: what taxes will be cut? Kiplinger suggests we'll see a program that will relax rules on business cost write-offs, and allow faster depreciation of some business equipment. There could also be what is termed "relief" from those higher Social Security taxes that are scheduled to go into effect next January; something like income tax credit, or straight tax cuts on personal income.

Other tax cut possibilities might be to give working married people a break, since income taxes currently cost married folks more than they cost singles who live together and file separately.

In any event, the prospects are for some forms of tax relief. If the relief is indeed offered, it will certainly come before November and the general elections. And that is fine. But at the risk of boring repetition, we'd still like to see some move toward a cut in federal spending at the same time the tax cuts are considered.

Talk about vain hopes . . .●

VETERANS SACRIFICE FOR AMERICA

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. HARRIS. Mr. Speaker, too often we forget the heroism of our fellow Americans who fought to preserve freedom and justice throughout the world during wartime. Sometimes we forget because much time has passed and their efforts seem just another page in a history book. Sometimes we forget because it is painful to remember.

Whatever the reason, we must never forget the valor of those who served their Nation, those who gave their lives, and those who were disabled. Time cannot dim the glory of their deeds.

The commander of the Prince William County Chapter of the Disabled American Veterans reminded northern Virginians of this in a Memorial Day letter to the editor printed in the Manassas (Va.) Journal Messenger last Friday.

As this Congress considers significant budget cuts effecting veterans, I hope all my colleagues will read Commander France's words, and keep in mind always the sacrifices of America's veterans.

The letter follows:

VETERANS SACRIFICE FOR AMERICA

To the EDITOR:

Today, on the traditional Memorial Day, it is fitting to remember those brave men and women who have died defending our great nation, its people and their way of life.

Those who made this supreme sacrifice richly deserve the quiet tribute we pay them.

One such hero was Frank Luke, a young aviator from Arizona whose final act of courage made him the first American combat pilot to be awarded the Medal of Honor during the First World War.

In a daring display of flying ability, Luke dodged murderous anti-aircraft fire and outwitted 10 German Fighter Planes to shoot down three enemy observation balloons which were being used to direct artillery barrages against Allied Ground Forces.

Then, before serious wounds forced him to land in enemy territory, he raked German bunkers with machine gun fire and hand grenades tossed from the cockpit.

In one last act of defiance, Luke refused to surrender and was killed as he attempted to fight off his captors with nothing more than a .45 automatic pistol.

We must never forget the reasons why American patriots like Frank Luke were willing to fight so courageously and give their lives so valiantly. Certainly they loved their country and wanted to protect their land and their families.

There is more to it than that. Since our country's earliest days, the men and women who have fought America's wars were moved by a strong spirit of patriotism—an idealistic spirit based on the principles that serve as the foundation of our society.

Such words as freedom, justice, equality and democracy ring deeply in the souls of America's people.

In our country, we have achieved these ideals to a degree that stands as an example to the rest of the world. We freely admit that there is still some injustice and inequality in our society. But our system of government—which has allowed us to make unmatched progress in a mere 200 years—provides the mechanisms and flexibility needed to keep growing and improving.

Ours is a great country in which every citizen has a personal and spiritual stake. Because of this, we can understand why the men and women we honor faced death so bravely.

We owe our nation's fallen heroes a great debt. Without the sacrifices they so willingly made, America would not be the free and prosperous land it is today.

At the same time, the American people owe a debt to the 2.5 million soldiers, sailors, airmen and marines who became disabled during war time service. Their sacrifices, too, were needed to keep America free, strong and independent. Yet this debt is often forgotten today by many of our country's leaders. In the rush to cut federal spending, many programs designed to assist Disabled Veterans and their families have suffered.

The size and capacity of the medical system these Veterans depend on for treatment of their disabilities has been cut back year after year. Today, eligible Veterans are being turned away from VA health care facilities by the thousands.

No one deserves a decent job more than a Veteran disabled in war time service. No American would openly disagree with that. Yet, Veterans' job programs have been held at low priorities since the Vietnam War, and our youngest War-Disabled Veterans have suffered the most.

Veterans' preference has become a right that exists almost solely on paper, and compensation for War-Disabled Veterans and their survivors has fallen behind the rampant inflation that has ravaged our country in recent years.

Today, the White House is attempting to balance the federal budget by placing additional burdens on the backs of disabled veterans and their families. As it carves away at Veterans' programs, the Administration Office of Management and Budget recognizes no debt to the men and women who gave their blood or their health in the defense of our country.

With international relations as they are today, the threat of American involvement in armed conflict overseas cannot be taken lightly. It could happen.

Yet the VA medical system is poorly prepared to handle a new flow of Combat-Disabled Veterans should a new war erupt. My organization—The Disabled American Veterans—is totally justified in expressing its concern over this situation.

In these days of the All-Volunteer Armed Forces, many Americans have fallen into the habit of seeing military service as just another kind of a job. Such thinking makes it convenient for our politicians to ignore the needs of the men and women in our Armed Forces. For that matter, this way of thinking makes it easier to slight the needs of Veterans.

As any Veteran knows, military service is not just another way to earn a living. In time of war, the men and women of our Armed Forces are the ones who must do the fighting.

Many die, many more come home from the war disabled. Surely, it is wrong to forget the needs of those who are called upon to bear the risks of war. Truly, it is shameful to give those disabled in Wartime Service less than their due.

The best way to honor those who have died for America is to serve those who lived—and who came home from the war sick and disabled.

This ideal is one in which DAV and DAV Auxiliary members believe fervently. Our organizations are fighting to save America's Veterans from extinction.

In addition to the work being done by the DAV's national staff, DAV and DAV Auxiliary members at the state and local level are doing their part in the effort to reverse the anti-veteran trend that prevails today. This work is only part of the story. Countless examples of DAV and Auxiliary volunteerism and community work on behalf of disabled veterans and others add up to a record of service in which we can all take pride.

It can truly be said that DAV members—who have proven their loyalty by great sacrifices in America's Armed Forces—continue to show their patriotism through dedicated citizen activisim and public service.

They and the members of the DAV Auxiliary live up to the ideals upon which the United States of America was founded. In this way, they justify the sacrifices made by those who died to make America, as we know it today, a reality.

GROVER C. FRANCE JR.,
Commander, Disabled American Veterans, Prince William County Chapter No. 15.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent from the House of Representatives on Thursday, May 29, 1980. Had I been present, I would have voted: Aye on roll No. 272, agreeing to a motion that the House insist on its disagreement to the Senate amendment to House Concurrent Resolution 307, the Federal budget for fiscal years 1981, 1982, and 1983, and the revised budget for fiscal year 1980; aye on roll No. 273, to reject a motion to table a motion to instruct the House conferees to agree to figures for national security of $171.3 billion in budget authority and $153.7 billion in outlays; aye on roll No. 274, to reject a motion that the House adjourn.●

HEAVY TAX ON EVERY CORNER

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. HUBBARD. Mr. Speaker, as Americans continue to struggle with high inflation, high interest rates, and high unemployment, it is understandable that reaction to proposed tax measures such as one to withhold 15 percent of interest earned on savings accounts would be far from favorable. I would like to share a letter from Edwin and Colleen Wallace of Paducah, Ky., regarding their thoughts on this proposed tax:

> We are very much opposed to the law which The U.S. Treasury Department is asking Congress to pass requiring 15 percent of interest earned on savings accounts being withheld and sent to the government.
>
> 1. We believe it to be an unfair law since we are paying and have always paid state and federal tax on every cent of interest we have drawn. (We believe there should be no problem finding those who do not pay tax on interest—form 1099 system should be sufficient).
>
> 2. This law would discourage saving money and we believe more people than ever before would not save and any type of hardship would cause them to turn to the government for welfare or other assistance.
>
> 3. This law would be unfair to those of us who are trying and have tried to prepare for hardships which may come even before we become retirement age or disabled.
>
> 4. To us this law would be unfair because we as a family have tried to help conserve energy and are trying to do our part in reducing inflation. We are trying to do our part when the government ask and then the government turns around and tries to take more of our hard earned income. This is very discouraging.
>
> 5. There are those who for various reasons have to depend on their interest in order to survive today. If this law passes, these people will probably have to depend on the government for some type assistance.
>
> 6. It seems to us this law would help defeat all general purposes of any type security and discourage savings which our country needs in order to provide for a more sound economic future.
>
> We are asking that you vote against this over-tax system. We hard working, middle class people are already heavy taxed on every corner."
>
> Sincerely,
>
> EDWIN AND COLLEEN WALLACE.●

SATURDAY MAIL DELIVERY: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. BEREUTER. Mr. Speaker, the following editorial from the Norfolk News of May 16, 1980, underscores a point which has been missed by some during the debate on the Postal Service subsidy.

With effective and perhaps more innovative management, the Postal Service could continue to provide the services needed by rural areas and smaller cities while at the same time tightening its belt.

I strongly urge my colleagues to take a moment to read the editorial which follows:

[From the Norfolk News, May 16, 1980]

No Saturday Service?

Those in rural areas, towns and cities where business-as-usual is conducted on Saturdays have received a major blow. In the conference committee meeting of House and Senate negotiators, money which might have provided for the continuance of Saturday mail service was eliminated. The Senate had provided such funds, the House had not. The "compromise" in the budget package for 1981 reduced the annual postal subsidy by an amount which is believed will make necessary the elimination of the Saturday service.

Newspapers which rely on Saturday mail service for deliveries have a direct and special interest, of course. But it is one shared by many. The Postal Service should live within its budget limits. But "service," is due those in sparsely populated areas as well as big cities, with a frequency that serves the public well.

Even with careful cost-accounting, the service concept need not be discarded. That means finding ways to continue to serve the public on Saturday, perhaps on a curtailed basis, but allowing no two-day hiatus which could only build backlogs of unworked mail and overburden the system on some of the other five days a week.

With careful planning, it ought to be possible to cut down service in those business and financial centers which close on Saturdays and need no mail that day, and retain it in rural areas and smaller cities and towns where it is wanted and needed.●

THE CARIBBEAN: FROM AMERICAN LAKE TO SOCIALIST SEA

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. SOLOMON. Mr. Speaker, much attention has been paid, and rightly so, to this Nation's vulnerability in the Persian Gulf. Events in recent months, such as the Soviet invasion of Afghanistan and the takeover of our Embassy in Iran, have driven home the point that America's dependence on Persian Gulf oil gives the Russians a ripe opportunity to deliver a devastating blow to our military capability, our economy, and our very survival by fostering unrest and upheaval in this critical region.

But while all eyes are turned to the Middle East, we must recognize that the Soviets are posing an equally great threat to our security right in our own backyard—the Caribbean. As an excellent analysis by the respected Heritage Foundation explains: "The Middle East may be the petroleum pump, but for the United States the Atlantic is the oil line and the Caribbean is the nozzle." Recognizing this, the Russians have moved quickly and efficiently to prompt instability in Latin American countries such as Nicaragua, Panama, Guyana, El Salvador, and Guatemala. Through their proxy Castro and even in their own right, the Soviets maintain a massive naval presence in the Caribbean, one that could act at a moment's notice to block critical shipping lanes which not only bring us our imported oil, but also essential mineral shipments of iron, aluminum, and bauxite.

Mr. Speaker, I offer the following analysis from the Heritage Foundation to my colleagues because I believe it is absolutely critical to our survival as a free, prosperous Nation that we recognize the Communist threat in the Caribbean and that we take the necessary steps to rebuild our faltering military and diplomatic presence in this region. We must prevent the Caribbean from becoming another Red Sea.

The article follows:

Soviet Penetration of the Caribbean

The collapse of the U.S. presence in the Caribbean has endangered America's global power projection. Ever since 1898 America's worldwide reach has rested on a quiescent Caribbean and a supportive South America. The Caribbean, once an American Lake, is becoming a Socialist Sea.

The audacious attack by Cuban aircraft on the Bahamian gunboat *Flamingo* and the subsequent aerial harassment of Duncan Town on remote Ragged Island on Saturday, May 11, 1980, followed by the buzzing of a U.S. Coast Guard helicopter searching for *Flamingo* survivors, are indicative of the current crisis in the Caribbean.

"A gross violation of international law" indignantly intoned a State Department spokesman when queried about the *Flamingo* affair. Still State should not have been surprised. For while it is possible to consider Cuban claims that the patrol boat was erroneously attacked because the MIG pilots believed that it was a "pirate ship," one can only wonder what they mistook Duncan Town and the Coast Guard helicopter for. They knew what they were targeting. Havana also knew, as confirmed by *Granma's* later charges that the Cuban rocket attack was provoked by the CIA, what the U.S. response would be. They knew that the U.S. reply would essentially be the same as the Administration's October 1979 response to the garrisoning of a Russian combat brigade—placating platitudes. For the presence of an extra-continental power in the Caribbean—previously unacceptable and intolerable—has become an integral part of U.S. policy. Thus, the incident off Ragged Island is the logical outcome of the Administration's attempts to accommodate the Soviets, their satellites, and their surrogates.

President Jimmy Carter came to power with a plan for Latin America. And though petulance may now be replacing the initial policy, the President and his advisors have consistently followed the recommendations outlined in three basic documents. Two of these studies were published by the Center for Inter-American Relations, one in October 1974 and another on December 20, 1976. These were authored by a Commission on United States-Latin American Relations chaired by Sol M. Linowitz. The third report, the "Southern Connection" by the Trans-National Institute, a Program of the Institute for Policy Studies (IPS), appeared in February 1977. In general these three theses advocate U.S. acceptance of Marxist-Leninist regimes in Latin America and assume that the underdevelopment and unrest in the area was caused by American imperialism and intervention. In particular the triad urged ideological pluralism, respect for human rights, relinquishment of sovereignty over the Panama Canal, reconciliation with Cuba, recognition of Cuban claims to Guantanamo, reconsideration of the status of Puerto Rico, support for Socialist Jamaica, elimination of public and private military aid programs and withdrawal from U.S. air, army and naval bases in and around the Caribbean. All of these objectives have been either achieved or attempted since President Carter's inauguration in January 1977. It is in this context that current strategic developments in the Caribbean should be assessed.

CARIBBEAN CRITICAL

The Middle East may be the petroleum pump, but for the United States the Atlantic is the oil line and the Caribbean is the nozzle. In 1965 most of the oil shipped from the Middle East flowed through the Red Sea, Suez Canal and Mediterranean to Western Europe. Repeated closings of Suez rerouted the tankers southward through the Indian Ocean, past East Africa by way of the Mozambique Channel, around the Cape of Good Hope and northward *via* the Atlantic to European ports. Economy dictated the construction of super tankers of such size that they could not transit Suez even if it were open. The Indian Ocean—Cape of Good Hope—Atlantic passage became the standard shipping route for oil from the Middle East, not only for Western Europe, but also for Brazil and the United States. For by 1976 America had also become dependent on Arabian and Iranian oil. Concurrently, the Soviet Union started to intrude into the maritime choke points of the globe.

The Caribbean is a closed Sea. The Bahamas, Virgin, Leeward and Windward Islands along with Barbados, Tobago and Trinidad, encircle the eastern edge. North, Central and South America ring the rest. The only Pacific passage is the Panama Canal. The center of the circle is dominated by the Greater Antilles—Puerto Rico, Hispañola, Jamaica and Cuba, which also form a barrier between North and South America. Only three channels, Mona, Windward and Yucatan, cut through the Antillian island chain which lies athwart the sea lanes connecting the two continents. These waters also wash Mexico and Venezuela, two of the world's major oil exporting nations. Seventy-five percent of all the oil imported into the U.S.—some 30 percent of total consumption—transits the Caribbean. Thus, the Caribbean rim and basin is a petroleum focal point.

Through Caribbean channels, Antillian passages and the Panama Canal pulses the petroleum of the Middle East, Ecuador and Alaska. Super tankers sailing from the Persian Gulf around Africa do not dock directly in U.S. Atlantic or Gulf ports. These vast vessels transfer their cargoes at the Bahamas, Virgin Islands, Trinidad or Aruba-Curaçao into standard size tankers which then sail on to the eastern or southern seaboards of the United States. Venezulean oil also moves northward through the Mona, Windward and Yucatan Channels. Not all of this oil is crude. Since the U.S. has not completed a refinery in over seven years much of this imported petroleum is finished product having been processed at offshore locations.

POWER SHIFT

The Soviets have suddenly emerged as a great naval power. Soviet task forces cruise the Caribbean. Russian reconnaissance planes regularly fly round robin monitoring missions from Cuba to Guinea-Bissau. During the past two decades, the Caribbean has been increasingly infected with a cancer that threatens to choke off the oil and ore vital to the survival of the United States, the center piece of the western coalition. For the United States, which imports over 43 percent of its energy and is dependent on other lands for 93 out of 95 strategic minerals, the Caribbean is critical.

The Caribbean has been an American strategic preserve. Now it is becoming a Marxist-Leninist lake. Guyana is moving rapidly toward Marxism. General Omar Torrijos, titular ruler of the Republic of Panama, continues to maintain close ties with Castro. President Jimmy Carter, following the ideas advanced by the IPS in "The Southern Connection," deeded away the Panama Canal, encouraged the destabilization of Nicaragua and is contemplating giving away Guantanamo and granting independence to Puerto Rico. Withdrawal of the U.S. from the Caribbean and the Canal Zone—a Trans-Isthmian passage on which not only the U.S. but also Brazil and the Spanish-speaking republics of Central and South America depend for their sea borne commerce—further upset the situation. By mid 1979, pushed by popular front governments and shaken by subversion, several of the former British colonies in the West Indies—Dominica, St. Lucia and Grenada were pushed into Castro's camp. Grenada, which is situated on the northern edge of the Tobago Passage through which supertankers from Arabia and Africa move, has initiated the construction of a 40 million dollar airfield which could be used for military purposes. Maurice Bishop, the Marxist-Leninist leader, has also issued a call for the liberation of Puerto Rico, El Salvador and Guatemala and has reportedly provided facilities for training by Cuban advisors of English-speaking black West Indians for deployment in Puerto Rico and Belize. In addition to having the petroleum passages of Tobago and Panama within their grasp, Soviet surrogates are also in a position to squeeze off ore supplies.

Interdiction of oil and ore is the Soviet scenario. Just as the satellization of Mozambique and Angola in Southern Africa jeopardize the West's reserves of cobalt, chrome and ferro-manganese, Marxist moves in the New World Mediterranean endanger aluminum and iron shipments. America buys most of its bauxite from left-leaning Jamaica and Guyana. In 1979 the U.S. imported 14 million tons of bauxite. Nine million came from the Caribbean, mostly Jamaica where Prime Minister Michael N. Manley has openly allied himself with Havana. Manley's militia is being trained by Cubans, and according to an opposition politician "The Cubans have established their Caribbean desk in Kingston," for the Cuban ambassador is a top intelligence officer and is believed to be in direct contact with revolutionaries operating in the Caribbean.

Guyana, the other bauxite exporter, has, under Prime Minister Forbes Burnham, openly embraced Castro and allowed Georgetown's Hyde Park Airport to be used as a Cubana de Aviación fueling stop for ferrying Cuban mercenaries to Angola. Guyana's western and southern neighbors, Venezuela and Brazil, and major iron ore exporters to the U.S., and while most of the bulk carriers sail through the open seas of the Atlantic to U.S. eastern ports, some do thread their way through the closed sea of the Caribbean. Moreover, the 600,000 barrels per day of Venezuelan petroleum which reaches the U.S. must push its way northward through the Mona, Windward or Yucatan Channels—two of which are already dominated by Communist Cuba. Oil and ore are the game. However, there remains one vast reserve of 44 billion barrels yet available to America: Mexico.

Nicaragua is a Central American beachhead for eventual interdiction of the petroleum fields in southern Mexico. Moreover, Nicaragua is the only other economical site in Central America for the construction of a Trans-Isthmian Canal besides Panama. And the Panamanian National Guard, commanded by General Omar Torrijos and Colonel Manuel Noriega along with the Partido del Pueblo—the Panamanian Communist Party—assisted in the overthrow of Anastasio Somoza in July 1979. Using neutralist Costa Rica as a sanctuary, Panamanians, Cubans, East Germans and other international brigades joined the Frente Sandinista de Liberación Nacional (FSLN) in invading Nicaragua. The FSLN was defeated in the field, but the dispatch of U.S. arms to Panama for trans-shipment to the Sandinistas, U.S. interdiction of Israeli, South African and Argentine weapons destined for Somoza and the U.S. embargo of munitions for the Nicaraguan National Guard, delivered the Nicaraguan nation to the Communist camp.

Nicaragua increasingly appears to be a Soviet satellite. Pravda announced an agreement on March 23, 1980 between Central Committee members Boris Ponomarev, A. P. Kirilenko and I. V. Arkhipov with FSLN leaders Moises Hassan, Tomás Borges, Henry Ruiz and Humberto Ortega Saavedra which effectively established a Moscow-Managua axis. To further emphasize the importance of the event, the Sandinista delegation reportedly was received by Alexander Nicolas Bluskov, a rumored Brezhnev replacement. Moreover, Ponomarev is a specialist in the "National Liberation Struggle" and has consistently advocated a forward strategy in acquiring control of communications routes, concepts incorporated by Lenin into his Imperialism (1916).

El Salvador is under siege. U.S. installation of a military junta in El Salvador on October 14, 1979 has failed to stabilize the situation. In addition, U.S. intervention in preventing a series of takeovers since November by nationalist elements in the armed forces has not only created additional chaos, but also once again made a mockery of "ideological pluralism." For State seems to equate pluralism with leftist-internationalist regimes and automatically eliminates rightist-nationalist and seemingly even centrist parties. Faced with a choice between an occasional deplorable ally and a consistently deplorable enemy, the Administration, following the Linowitz and "Southern Connection" formulation, appears determined to advance the cause of its adversary. Even U.S military aid to its own junta in El Salvador has been hindered at the highest levels. Fearing a domestic backlash to the fall of El Salvador, the U.S. Government has reportedly responded to a threat by the Sandinistas to overtly invade El Salvador should the U.S. sponsored junta be adequately armed and advised, by refusing such support. The buying of time by buckling under to blackmail will, however, not save El Salvador. The insurgents supported and supplied by the Cubans and Sandinistas, are currently training and arming enough troops to move toward full field confrontation with the Salvadorian Armed Forces by July 1980.

Guatemala is the largest and most populous nation in Central America. President Dwight Eisenhower and CIA Chief Allen Dulles showed their strategic concern when they successfully engineered the overthrow of the leftist government of Jacobo Arbenz Guzman in 1954. However, in 1977 the Carter Administration, charging human rights violations, cut off military aid. Insurgency and infiltration are increasing. Tensions between Guatemala and Belize are also rising. Guatemala claims former British Honduras and should Whitehall grant full independence the Guatemalan Army will be constitutionally required to occupy the area. Prime Minister Margaret Thatcher is presumably under pressure to completely emancipate Belize. Should this occur and Guatemala invade, only the Marxists would benefit; West Indian revolutionaries are being readied in Grenada and, moreover, Guatemala would be condemned as an aggressor and the insurgents would receive worldwide support and sympathy. The last barrier between the Castroites and *Reforma* fields in Southern Mexico would have been breached.

The question is one of timing. The Sandinista Simón Bolivar Brigade is ready for action. The Soviets have sufficient airlift capacity to move the 3,000 Russian combat troops in Cuba to any area in the Caribbean. Debate over the date rages in Moscow, Havana and Managua. Of more immediate import was the transfer of the Panama Canal Zone to the Republic of Panama on October 1, 1979.

Carter-Torrijos Treaties and DeConcini Reservations notwithstanding, loss of the trans-Isthmian Canal by the United States long before the year 2000 is accepted in many Latin American circles. President Aristides Royo in his letters to Jimmy Carter of July 11, 1979 and January 10, 1980 made it abundantly clear that there are numerous areas of disagreement over interpretation of the treaties. Dispute over some minor point in the Carter-Torrijos Treaties can be escalated into a contrived confrontation between the Panamanian National Guard and the U.S. Army. Panama can nationalize the Canal under eminent domain and call upon their socialist brethren in Nicaragua and Cuba for support. Humberto Ortega Saavedra, Commander-in-Chief of the Sandanista Armed Forces told Panamanian officials on September 22, 1979 that his troops would fight alongside the Panamanian National Guard against the U.S. "if there is imperialist aggression." Faced with a fight, the U.S., bullied by the Brezhnev Doctrine and overshadowed by Soviet nuclear superiority, might be tempted to back down and withdraw.

CUBA: THE SOVIET BASE

Moscow is turning Cuba not only into a base from which to conduct terrorist, guerrilla and potential military operations against the nations of the Caribbean, but also into a strategic axis from which to interdict Western shipping crossing the Atlantic and oil tankers coming from the Persian Gulf. Table I illustrates the extent to which the Soviet Union has supplied Cuba with naval ships and military aircraft. In particular, the Soviet construction of the naval base at Cienfuegos poses potentially serious problems for U.S. security. As military analyst Drew Middleton has written, should Cienfuegos be expanded to handle additional attack or mine-laying submarines, "in time of war such submarines could be a threat to the movement of reinforcements and supplies out of United States ports."

TABLE I.—SOVIET-SUPPLIED CUBAN NAVAL AND AIR FORCES

	Total
Naval:	
Submarines (1-F, L-W class)	2
Large Patrol Craft (SO-1, Kronstadt)	18
Missile-carrying fast attack craft	27
Torpedo-carrying fast attack craft	24
Air Force:	
MIG-19 interceptors	40
MIG-17/MIG-21 MF interceptors	80
MIG-17 fighter/bombers	75
MIG-23/27 fighter/bombers	48
AN-2, IL-14, AN-24 transports	80

Source: Defense and Foreign Affairs Handbook, 1980 (Washington, D.C.: Copley & Associates, 1980) p. 148.

Senator Frank Church announced the existence of a Russian combat brigade in Cuba on August 31, 1979. September saw a series of strong statements about the unacceptability of Soviet ground troops in the Caribbean. (A curious controversy since the earlier arrival of MIG 23 aircraft with nuclear carrying capabilities had been calmly accepted.) Then, on October 2, 1979, President Carter announced a series of steps—increased surveillance of Cuba, especially by SR 71 overflights, the establishment of a Caribbean Contingency Joint Task Force at Key West, the dispatch of 1500 Marines to exercise at Guantanamo, and, in general, the augmenting of U.S. air and naval forces in the Caribbean. The President ended with an assurance from Brezhnev that the Soviet troops would not assume any combat function, nor would they pose a threat to the U.S. or any other nation.

Once again what had previously been intolerable was now acceptable. The months slipped by. Surveillance slacked off. The Marines landed and departed. Air and naval units were concentrated and dispersed. But Admiral Thomas H. Reploge and his Joint Task Force staff stayed at their stations in Key West. Naval maneuvers were scheduled for May 1980, a date selected because it coincided with a similar Soviet exercise. The U.S. was ready to show its might in the Caribbean. Then on May 1, 1980 President Royo of Panama wrote to President Carter. Royo expressed his concern over the impending U.S. exercises and reminded the President that the Caribbean has "ceased to be the private sea of the U.S." Carter cancelled the May maneuvers, picking up Cuban refugees instead.

Russia, under the shadow of emerging nuclear superiority is enveloping the People's Republic of China and tightening the noose on the oil and ore vital to the Free World's economies. The Soviet Union has responded to U.S. efforts at accommodation by building up a massive nuclear and naval machine. America's attempts to socialize the Soviets and their Caribbean allies by pursuing a policy of peace through weakness have failed. Survival knows no ideology and Caribbean and Central American nations, in pursuit of their own national interests, may not wish to be associated with a declining power. President Carter's scratching of the scheduled naval exercises and the audacious attack by Cuban aircraft on the Dahamian gunboat Flamingo are symptomatic of a deeper malaise in the American body politic.●

CAPITOL PAGE SCHOOL ANNUAL AWARDS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. MOAKLEY. Mr. Speaker, on last Friday, May 29, the Capitol Page School held its annual awards assembly. As chairman of the Democratic Personnel Committee I take real pride in placing in the RECORD the impressive list of awards received by our pages. They reflect outstanding achievement in academics and leadership and are characteristic of the fine service these young men and women have rendered the Congress.

The list follows:

CAPITOL PAGE SCHOOL AWARDS ASSEMBLY, MAY 29, 1980

Citizenship Medal—American Legion: Johannes Kuttner, and Mary Lynn Schoenhals.

Civitan Honor Key Award: David Frulla.

Harvard Book Award: Richard Cellini.

Danforth Award: Brian Helmer, and Nettie Millard.

Rensselaer Award: Jon Bridges.

Bausch and Lomb Award: Edward Greenspan.

Journalism Award: Laurie Kianka.

Academic Advancement: Charles Bowman.

Women's Bar Association of the District of Columbia: David Butcherite, Margaret Harris, Eric Heckman, Amy Sage, and Brian Wahler.

National Merit Scholarship Letter of Commendation: John Kromkowski.

National Mathematics Contest Award: Edward Greenspan.

New York State Regents Scholarship Award: David Frulla, and Johannes Kuttner.

Physics Award: Richard Cellini, and Maria Duchnowski.

Leadership Award—Senior Class: John Piland.

Special Recognition Award—

Advertising: Charles Bowman.

School Service: Laurence Tolliver.

Student Council Leadership: Brian Wahler.

Debate Tournament Champion: Stephen Wise.

Salutatorian Medal: Johannes Kuttner, and Mary Lynn Schoenhals.

Valedictorian Medal: David Frulla.

School Letters—

Service, Achievement: Nansie Bernard, Charles Bowman, Jon Bridges, Richard Cellini, Maria Duchnowski, David Frulla, George Hanks, Laurie Kianka, Bruce Middleton, Nettie Millard, John Piland, Mary Lynn Schoenhals, Precious Thomas, Laurence Tolliver, and Brian Wahler.

School star: Kelley Landolphi.

Varsity Basketball Awards: David Butcherite, John Harris, Palmer McLean, Donna McNeilly, Kent Meeks, John Piland, Laurence Tolliver, and Kris Warner.

Most Valuable Player: Kent Meeks.

Cheer Leaders: Laurie Kianka, Captain, Robin Buckley, Lisa Matera, Eric Heckman, Jacqueline Valenciano, Jon Bridges, and Margiee Wegley.

Street Law Mock Trial Competitions: Eugene Bayer, Jonathan Berger, Nansie Bernard, George Hanks, Geoffrey Heller, William Helton, Johannes Kuttner, Matthew Mulcahy, Kent Meeks, Monica Roquitte, Andre Rodwell, Laurence Tolliver, Kirk Van Praag, Stuart Weinstein, John Welch, and Todd Williams.

National Honor Society—

1979-1980 Inductees: Jon Bridges, Richard Cellini, Sarah Elterman, Shauna Foley, Edward Greenspan, Eric Heckman, Brian Helmer, Bruce Middleton, and John Piland.

Carol Acree, Kristin Brady, Ed Glabus, William Helton, Johannes Kuttner, Margie Meeks, Alex Masotti, Lisa Matera, Nettie Millard, Mary Lynn Schoenhals, Robert Schuler, Margiee Wegley, Powell White, Todd Williams, and Rhonda Zimmer.●

SPIRITUALLY WE ARE TOGETHER FOREVER

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. COELHO. Mr. Speaker, a recent article published in the Bakersfield Californian is one which I share with my colleagues. The article obviously shows a man's deep love for his son, now deceased. More importantly, it tells of the deep respect the father had for his son, not just as a son, but also as a person.

The article is an account of the Senate floor speech made by Senator ALAN CRANSTON in memory of his son, Robin, who died as a result of an automobile accident a few weeks ago.

Many times elected officials are accused of having no emotions, particularly when it involves friends and family. It is obvious from the floor speech and the article that elected officials really are human, that they have the same emotions, feelings, and concerns for their loved ones as everyone else.

Mr. Speaker, I offer this article not only as a tribute to a friend—ALAN CRANSTON—but also to a devoted father and public official who is willing to declare and express his feelings in this way. Congress is the richer for it.

We miss him terribly, separated physically as we now are. He had a wonderful sense of family, and it's heart-rending that he was taken from ours, and from life, at 32. But spiritually we are together forever.—ALAN CRANSTON.

(By Michael D. Green)

WASHINGTON.—"I think that all of us who knew and loved Rob have only learned in these last few days how deep that love was," Alan Cranston told the U.S. Senate yesterday.

It was an unusual speech, for both Cranston and the Senate. It was a long, emotion-filled, personal, unexpected statement from a normally nondemonstrative father who, as a senator, always speaks briefly to the issue at hand and never imposes himself on colleagues.

But this week he returned to the Senate from California after burying his 32-year-old son Robin, hit in a freak automobile accident while standing outside his Los Angeles home. Young Cranston died without regaining consciousness a week after he was injured. Cranston told associates, "It is the worst week of my life."

He spoke for 20 minutes, reading a long 16-page personal statement, while a handful of colleagues moved in and out of the chamber. One, Senator Russell Long, D-La., sat listening intently throughout.

An emotionally private man, Cranston explained he was giving the speech "in order to preserve in the history of the United States, on the page or so of the Congressional Record where these remarks will appear, a few of the memories of Robin that live in those who knew and loved him."

Cranston's son, a Hollywood production assistant in his brief life, was publicly known almost exclusively for well-publicized scrapes with the law, including one trial on charges brought by a young woman who claimed he drugged her. Cranston was acquitted. Still another scrape involving a girl friend was pending in the courts at the time of his death.

Much of his father's speech quoted moving tributes from friends and acquaintances of Robin attesting to his gentleness and love.

His son's life was stormy and exuberant but "Robin did not hurt anyone," Cranston said.

"He was born free, incredibly free. He was forever resentful of all authority that impinged upon his own sovereign spirit."

Yet he was also "gentle, sensitive, creative," Cranston said. He quoted Robin's younger brother, Kim, describing his sibling's "incredible imagination, wonderful sense of humor, strong, kind heart, and sense of fairness and justice. . ."

The senator appeared to be wondering at one point in his speech about the impact of his own career on his son's life. he told his Senate colleagues: "My life in public affairs affected his life in many ways, some fortunate, some unfortunate * * *" He acknowledged "a measure of anxiety and anguish" in raising his son. He described childhood experiences that always seemed to end up with the anxiety conquered by his son's warmth and capacity for humor.

The anguish was always "overwhelmingly surpassed by the excitement, the exhilaration, the joy and the pride he gave us," Cranston said.

Much of the difficulty he attributed to the age.

"Robin's was a life of tumult, like our times," he said. "It was touched in many ways by the great and small events of our era, and he, in turn, touched many of those with his ambition, his determination, his hopes, his dreams."

Friends of Robin, quoted extensively by Cranston, described him as a foe of the Vietnam War, a dedicated environmentalist, passionately loving, who once bought an abandoned missile base and planted wheat and roses.

"For me, his greatest asset was that he epitomized what Sophocles said, 'I was born not to share in hate, but to share in love'," said one friend. "He possessed a beautiful heart and an inquiring mind."

Said another: "He always had a lot of courage, a very vivid imagination—sometimes like a wild horse. But he had great beauty and an enormous capacity for love. He could have achieved a lot. He'll be missed. We love him very much."

Alan Sigal, Robin's lawyer during his first trial, said he thought the troubles were because "he was such an outgoing fellow, he was so trusting and he believed so much in the basic good in people. He really was falsely accused. Reading about it all, you might not have known that."

Ex-Senator Harold Hughes, D-Iowa, who spoke at the funeral, was quoted by Cranston describing "his concern for the creatures of the earth * * *"

For the Senate, Cranston recited the lyrics of songs sung at the services by one of Robin's friends: "You and I, we share the rain, Children in a mountain forest * * *"

One friend quoted described an evening overlooking the light of a valley when there was a Santa Ana wind blowing and Robin called him over to show you could see the air's path gliding on the twinkling lights below.

"And I began to think: 'God, somebody who can see the wind has really got something going for him.' So I began to listen to a part of his world * * *"

"When Robin lay shattered and unconscious after the random accident that took his life," Cranston told the Senate, "the President of the United States prayed for him, as did many others, known and unknown. I express abiding appreciation * * *"

He quoted from a song: "There is a place we'll go, Where there is mostly quiet * * *"

Then the speech ended and the reserved, undemonstrative Cranston left the Senate floor and returned to his private office.●

CAN YOU REMEMBER WHEN * * *

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. GUYER. Mr. Speaker, under leave to extend my remarks in the Record, I include the following:

Can You Remember When * * *

1. You could leave your front door open.
2. People weren't afraid to go out at night.
3. You went to church and found spiritual consolation.
4. You took for granted that women, the elderly, and all people of all ages, were respected.
5. People knew what the Fourth of July stood for.
6. A girl was a girl and a boy was a boy.
7. Communist was a dirty word.
8. Most of the poor were too proud to accept charity.
9. Protestants, Catholics, and Jewish people respected each other.
10. Law meant justice, and policemen were looked up to.
11. Young men did their best to join the Army, Navy and armed forces.
12. Young people wrote love letters.
13. Criminals went to jail.
14. You were proud of your home town, family, and country.
15. Politicians believed they belonged to their country, not the country belonged to them.
16. Service industry repairmen were happy to come to your aid.
17. Riots happened in other countries.
18. Ministers talked about religion in their sermons.
19. The Flag was a sacred and honored symbol.
20. Our government protected Americans anywhere around the world.
21. Persons who went wrong didn't blame their mother's nursing habits or their father's income.
22. Everyone knew the difference between right and wrong—even teachers and professors.
23. Only bums and hoboes had cookouts.
24. You considered yourself lucky to have a job.
25. You were proud to have one.●

THE BODIES COUNTED ARE OUR OWN

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. BONKER. Mr. Speaker, one day last year the people of our Nation watched the evening news in horror as Bill Stewart, an American TV correspondent, was shot and killed in cold blood by a member of Samoza's Nicaraguan Army. Last April 24, as I had previously called to the attention of my distinguished colleagues, Rene Tamsen, a reporter for WHUR Radio in Washington, D.C., was reported missing in El Salvador. Despite substantial efforts to locate his whereabouts, nothing has been heard. I can only hope that Rene Tamsen will be found alive and well, and again commend our Ambassador Robert White for all his efforts to find Mr. Tamsen.

But these are not isolated incidents of journalists disappearing and being killed while trying to perform their duties. Jacob Timerman, former publisher of the Argentine newspaper La Opinion who was abducted and jailed by the Argentine authorities for 30 months, has written a perceptive article entitled, "The Bodies Counted Are Our Own." He points out that:

> In view of the massacre of journalists in Argentina, and of the toll of victims of repression worldwide, the press must join the battle for human rights.
>
> For many years, we have been subjected to a drumroll of tragic statistics—the genocides in Southeast Asia, the thousands imprisoned in the Russian gulags, the millions exterminated in Nazi concentration camps, the hordes of Chinese executed in Mao's cultural revolution, the scores of people—their corpses coated with cement—who were thrown in to the Rio de la Plata by the Government of Argentina. The question for the press is a moral one: Is it enough merely to report the impersonal statistics?
>
> As a recently released political prisoner, my strong belief is that the press must join the battle for human rights in the world. I believe it must go beyond answering the question of how many lives have been lost and ask itself the question: How many lives can we save? The numbers here are a traumatic statistic.
>
> I discovered that a special relationship exists between journalism and human rights, first as an editor of a newspaper engaged in the human-rights struggle under a military dictatorship, then as a prisoner subjected to torture by that same Government.

Mr. Timerman, who was expelled by the Argentine Government and now lives in Israel, in this article published in the Columbia Journalism Review of May–June 1980, further points out:

> Unofficial estimates of the number of Argentine journalists who have "disappeared" or been murdered by members of the military forces range from sixty to seventy. It

would seem that in Argentina we have witnessed the first genocide of journalists to occur in a Western hemisphere nation. Two years ago, the Inter-American Press Association awarded its Ottmar Mergenthaler prize for the struggle for a free press to the murdered and missing journalists of Argentina and to those imprisoned there. Fearful of the government's repressive measures, the Argentine delegation to the IAPA congress did not accept the prize. It is being held in the association's offices in Miami, waiting for someone to claim it. Perhaps it is waiting to be claimed by the ghosts of all those Argentine journalists who were tortured with electric shocks, whose feet were burned, whose genitals were smashed by hammer blows, whose corpses were thrown into the sea from a helicopter.

Why has the military government's violence against journalists reached a magnitude that is, perhaps, even greater than that brought to bear against the nation's terrorists? A totalitarian government, be it left wing or right wing, has a fixed image of itself, a rigid concept of its role in history, and an unshakeable concept of its own justness. The only force that can topple this monolithic structure is the press. For only the press can dispute that monopoly on reality which is the sine qua non for the existence of any totalitarian government.

I would urge all my distinguished colleagues to read this tragic account, especially those who believe that the time has arrived for the normalization of our relationship with the military regime in Argentina.

The first installment of Mr. Timerman's two part article follows:

[From the Columbia Journalism Review, May/June 1980]

THE BODIES COUNTED ARE OUR OWN

(By Jacob Timerman)

For many years, we have been subjected to a drumroll of tragic statistics—the genocides in Southeast Asia, the thousands imprisoned in the Russian gulags, the millions exterminated in Nazi concentration camps, the hordes of Chinese executed in Mao's cultural revolution, the scores of people—their corpses coated with cement—who were thrown into the Rio de la Plata by the government of Argentina. The question for the press is a moral one: Is it enough merely to report the impersonal statistics?

As a recently released political prisoner, my strong belief is that the press must join the battle for human rights in the world. I believe it must go beyond answering the question of how many lives have been lost and ask itself the question: How many lives can we save? The numbers here are a traumatic statistic.

I discovered that a special relationship exists between journalism and human rights, first as an editor of a newspaper engaged in the human-rights struggle under a military dictatorship, then as a prisoner subjected to torture by that same government. For thirty months—from April 15, 1977, through September 25, 1979—I was held captive by the Argentine army. I spent twelve months in various prisons, although I had not been charged with any crime nor had I ever been brought to trial; and I spent eighteen months under strict house arrest.

For the first forty days I was kept in a clandestine jail, where I was tortured and interrogated. For the next thirty days, my jail was in the police headquarters in Buenos Aires. There I was allowed to see my wife and children for from three to five minutes each day in a small room crowded with people. Although it was difficult to carry on a conversation there, I was able to tell my family of at least some of the tortures I had been subjected to. No journalists were permitted to see me, and those who heard of my experiences raised the question: Who will be named as the source if we publish any of this information? Fearful of what the government might do, I did not want my family to be named. And the national press was afraid to act.

The international press, too, had to have some source to whom to attribute details. Despite the difficulties involved, I was able to put together some news, which was then sent abroad. When, subsequently, I was transferred to another clandestine prison, my family was acutely aware that my only hope of being saved lay in spreading the word about my situation.

Then, once again, I was back in the hands of the army. This time, however, there was less torture and some guards even showed me brief Argentine newspaper accounts about my disappearance. The accounts bore datelines from various cities and were credited to news agencies. So the news was getting out.

My situation improved after the arrival, first, of Patricia Derian, U.S. Assistant Secretary of State for Human Rights and Humanitarian Affairs, then of U.S. Representative Benjamin Gilman, of New York, in August 1977, who, as a member of the Inter-American Affairs Subcommittee, was allowed to interview me in the Casa Rosada in Buenos Aires. I was transferred to a legal prison. There, whenever they could win the friendship of one of the guards, journalists were able to get some newspapers to me. There, too, I was allowed to see my family for up to an hour a day.

As time went on, we were able to organize and refine a kind of news-spreading chain, whose effectiveness demonstrated to us the importance of the press. It worked like this:

Each time The Buenos Aires Herald—the outspoken English-language daily—published an article about my situation, my wife and children distributed copies to the international news agencies and to foreign correspondents. They also telexed these articles to papers throughout the world.

My wife also engaged Argentine journalists to write articles, under a pseudonym, which were then sent off to newspapers and magazines abroad. As they appeared, copies of these articles would then be distributed to the international news agencies in Buenos Aires. A few Argentine papers would always print at least a few lines.

Through the help of friends, my wife and children managed to obtain statements on my behalf from abroad—from institutions, prominent politicians, authors, and clergy. If the statement was issued in a small French city and not picked up by the French press, we would try to have it played up elsewhere in Europe—London, for example—and then sent via a news agency to Buenos Aires.

While it is probably true that the Argentine press used no more than one percent of what was published abroad, all the clippings from the foreign press about Argentina were on the desks of army leaders and members of the government. It became clear to us that what appeared to be merely professional journalistic reporting compelled the government to become more concerned about establishing its "legal" relationship with me. The government showed its power by confiscating my newspaper (it is now owned by the army and edited by a colonel) and other property, and by taking away my citizenship and expelling me from Argentina, but it could not accuse me of any crime because the international press had already laid bare the true nature of my situation: that I had been imprisoned and my paper closed down because I denounced all kinds of terrorism, whether carried out by the left or the right, the state or the individual; Because La Opinión defended the right to life and to a legal trial of any arrested person and published lists of the thousands of abduction victims who were never heard of again. (The Buenos Aires Herald was the only other paper that performed a similar task. Last December, its editor, Robert Cox, had to leave Argentina because of the constant death threats he and his family had received. As he explained in an article in Newsweek, the threats came from the very security forces which should have protected him from them.)

My family and I were able to establish our simple, yet effective, news-spreading chain because I am a professional journalist. I was encouraged to continue my efforts, both when in prison and later under house arrest, because I observed that each time a prisoner's relative was able to give him some facts about the campaign being waged on my behalf, the prisoner felt encouraged; he assumed that, beyond the prison walls, the international press was taking a strong stand against the Argentine dictatorship. Often, this was the only source of encouragement. I believe, however, that prisoners of conscience deserve more than the notice accorded a journalist who, like myself, happens to have good contacts abroad. They deserve attention on their own account.

Unofficial estimates of the number of Argentine journalists who have "disappeared" or been murdered by members of the military forces range from sixty to seventy. It would seem that in Argentina we have witnessed the first genocide of journalists to occur in a Western hemisphere nation. Two years ago, the Inter-American Press Association awarded its Ottmar Mergenthaler prize for the struggle for a free press to the murdered and missing journalists of Argentina and to those imprisoned there. Fearful of the government's repressive measures, the Argentine delegation to the IAPA congress did not accept the prize. It is being held in the association's offices in Miami, waiting for someone to claim it. Perhaps it is waiting to be claimed by the ghosts of all those Argentine journalists who were tortured with electric shocks, whose feet were burned, whose genitals were smashed by hammer blows, whose corpses were thrown into the sea from a helicopter.

Why has the military government's violence against journalists reached a magnitude that is, perhaps, even greater than that brought to bear against the nation's terrorists? A totalitarian government, be it left wing or right wing, has a fixed image of itself, a rigid concept of its role in history, and an unshakable concept of its own justness. The only force that can topple this monolithic structure is the press. For only the press can dispute that monopoly on reality which is the sine qua non for the existence of any totalitarian government. Another essential is that it must project an image of strength. But when a government persecutes obsessively, it is, in fact, weak. To allow itself to be perceived as weak is, for a totalitarian government, intolerable. Thus, the government of Argentina has consistently sought to prevent coverage of its murderous fury.●

A NEW RELATIONSHIP BETWEEN GOVERNMENT AND INDUSTRY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. OTTINGER. Mr. Speaker, for some time I have been calling for the creation of a new relationship between the public and private sectors in our country. Such a new cooperative relationship is essential if we are to get on with the task of reindustrializing our society and making it competitive with Germany, Japan, and others. That is why I was pleased to see the editorial entitled "Reindustrialization. What?" in Monday's New York Times. This editorial suggests some of the difficulties that this task will entail. It also pinpoints the key challenge: "The trick would be to move a step closer to planning without losing the benefits of competition." This task will not be an easy one, but it is one of the most important challenges facing our Nation today. The text of the editorial follows:

REINDUSTRIALIZATION. WHAT?

Reindustrialization: the word floats conspicuously on the political breezes. It first appeared as a theme of Jerry Brown's abortive campaign for higher office. More recently, Edward Kennedy has declared his support for a "new economy" based on reindustrialization; independent candidates John Anderson and Barry Commoner seem to be saying something similar. And the Carter Administration has set up a panel with organized labor to ponder the idea.

No one, however, is quite certain what reindustrialization really means. One thing it seems to refer to is the widely felt need to untangle haphazard, inconsistent Government policies that impede productivity and reduce American competitiveness abroad. Another meaning has to do with helping individual communities manage after giant plant closings. But translating these worthy goals into effective policy is harder than generally imagined. It is easier to reindustrialize political rhetoric than to reindustrialize America.

There is little question that the American economy is sick and that the disease is serious. Once-proud industries that symbolize modern prosperity—steel, autos—have lost great slices of their markets to foreign competitors. Productivity in business generally is gaining only at crawl speed. Unless it accelerates, there is no hope for significantly improving the standard of living. The question is how.

Ten years ago, economists would have agreed that basic ills called for basic remedies—like control of Federal spending or across-the-board tax changes. Now they are less confident. Broad strokes of policy, it is conceded, are not likely to modernize blast furnaces built during World War II, or induce consumers to buy Ford Thunderbirds, or create jobs in New York's garment district.

An alternative is to follow the lead of successful economies like Japan and Sweden. There, the lines between the private and public sectors have become nearly invisible. Government, along with management and labor, plans long-term strategy for each industry. Shipbuilders, for example, might get cash to ease the pain of dismantling obsolete yards; electronics manufacturers might benefit from guaranteed sales to government; steel might get tax credits for pollution abatement or a temporary dose of import protection.

Could it work here?

The American economy is uneasily poised between 19th-century no-holds-barred capitalism and real central planning. The trick would be to move a step closer to planning without losing the benefits of competition. After all, one whiff of Federal dollars makes it extremely difficult for even the most dedicated policy maker to distinguish between constructive reindustrialization and plain old bailout.

Today, Chrysler gets Government help before it goes belly-up—but only after an acrimonious debate in Congress and a humiliating public examination of the company's shortcomings. If access to Government money or protective regulation had been easier and less *ad hoc*, Chrysler might never have reached the point where its executives spent more time lobbying than running the store. On the other hand, the easier it is to get Government help, the less incentive business would have to fight for survival in the market.

It's hypocritical to rail against Washington's presence in the economy, as if there really were a choice between Government and no Government; American capitalism is not so pure that it would be defiled by a little more help from Uncle. It would take enormous political discipline, though, to make more Government pay off in greater productivity and improved treatment for people and places jarred by economic change. It is one thing to say that America needs a steel policy or an auto policy or a high technology policy. It is quite another to design programs that meet broad public concerns rather than the needs of special interests.●

OLDER AMERICANS MONTH—1980

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1980

● Mr. BIAGGI. Mr. Speaker, last Friday marked the official closing of Older Americans Month in this Nation. It was a month during which time all Americans should have recognized the absolutely essential role which older persons play in our society. As an original member of the House Select Committee on Aging, the month of May had specific significance for me, as I was pleased to participate in the 1980 senior intern program. My interns were Dr. and Mrs. Peter Di Napoli of Bronx, N.Y.

As we enter the 1980's, we must note the remarkable demographics of our Nation's population. In the 1970's alone we have registered more than a 16-percent increase in the number of persons over the age of 65. By the time we close out this century, one out of nine Americans will be a senior citizen. Aging in America is a success story in terms of how far we have come with respect to being able to live longer. However, we must be concerned with the quality of life as we are with the quantity of life.

Economically speaking, there remains far too many of our older persons hovering at or below the poverty level. We must work to provide our seniors with more protection against inflation. This includes increased employment opportunities as well as elimination of all barriers restricting outside earnings limitations for those on social security.

During the past decade, we have made great strides toward the quality of life for all older citizens. Among our more significant achievements was the ending of mandatory retirement at age 65. This was a landmark in the annals of legislative history because for the first time the civil rights of older persons were duly recognized.

Further this legislation demonstrated the commitment of Congress to improving the economic conditions of older persons, through extended periods of providing gainful employment.

In addition, during the 1970's one of the most important of all social service programs was then established. In 1973, under legislation amending the Older Americans Act, a national nutrition program was created. In 8 short years, this program has touched the daily lives of 500,000 older persons, providing them one hot meal a day, 5 days a week. I was proud in 1978 to lead the effort in the House which resulted in the establishment of a new program to serve the homebound elderly.

Another significant development of the 1970's was the creation by resolution, of the House Select Committee on Aging. The committee, under the able and dynamic leadership of CLAUDE PEPPER, has burst on to the national scene and has one of the most effective lobbying groups ever to be seen in Washington. Today it is the largest committee in the Congress with 45 members and the advocacy and activism will continue throughout the decade.

In 1981, the third White House Conference on Aging will be held. Clearly, what emerges from this conference will be the blueprint for public policy for the 1980's. It is essential that the White House Conference honestly examine the current national policy for the elderly. We should seek to expand those programs which are effective and modify those that are not doing the job. All seniors and friends of the elderly look forward to the upcoming deliberations of the White House Conference on Aging.

In this decade, we look to the expansion of emerging national trends involving older people. One of the most exciting is the renewed Federal commitments to provide expanded educational opportunities for the elderly. Before this current Congress adjourns, final action should be completed on legislation extending the Higher Education Act of 1965. One of the most important provisions of this legislation is its recognition and new support for the so-called nontraditional student—the adult student. Those of us who serve on the House Education and Labor Committee are aware of the fact that the future of higher education in this decade and beyond may conceivably rest upon its ability to respond to a changing student population. The nontraditional or older student represents the wave of the future and the time to plan programs is the present.

This Nation has dedicated and distinguished itself through its commitment to promoting the civil rights of all its citizens. We look to landmark laws such as the Civil Rights Act, the Voting Rights Act and the Age Discrimination Act as testimonials to this commitment. Similarly the 1980's should be dedicated in large part to the continued eradication of poverty and discrimination among our senior citizens.

A society which treats its elderly citizens with respect and care is a good society. We in the United States are growing increasingly cognizant of the valued contributions which our older citizens make to the everyday life of our Nation. Americans are living longer than ever before and we should adopt as a policy goal for this decade the assurance that the quality of life will keep pace with the quantity of life.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 5, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 6

9:30 a.m.

Labor and Human Resources

*Health and Scientific Research Subcommittee

To hold hearings on the possible health effects caused by inadequate disposal of toxic waste.

4232 Dirksen Building

10:00 a.m.

Banking, Housing and Urban Affairs

To continue hearings on S. 2236, to provide Federal law enforcement agencies full authority to investigate certain criminal activities, focusing on the illegal flow of money in south Florida due to narcotics trafficking.

5302 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment situation for May.

2128 Rayburn Building

10:15 a.m.

Judiciary

To hold joint hearings with the Labor and Human Resources' Subcommittee on Health and Scientific Research on the possible health effects caused by inadequate disposal of toxic waste.

4232 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold joint hearings with the Committee on the Judiciary on the possible health effects caused by inadequate disposal of toxic waste.

4232 Dirksen Building

JUNE 9

9:30 a.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings to review the current Federal gasoline allocation process.

3110 Dirksen Building

JUNE 10

9:30 a.m.

Judiciary

To hold joint hearings with the Labor and Human Resources' Subcommittee on Health and Scientific Research on S. 1865, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold joint hearings with the Committee on the Judiciary on S. 1865, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to resume consideration of S. 1480, to provide for the adequate and safe treatment of hazardous substances released into the environment.

4200 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.

5110 Dirksen Building

JUNE 11

9:00 a.m.

Judiciary

To hold oversight hearings on the activities of the Public Integrity Section of the Criminal Division, Department of Justice.

2228 Dirksen Building

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Office of the Inspector General of the Veterans' Administration.

412 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to continue consideration of S. 1480, to provide for the adequate and safe treatment of hazardous substances released into the environment.

4200 Dirksen Building

Governmental Affairs

Business meeting, to mark up S. 2, to provide for a review of Government programs every 10 years; and to resume markup of S. 2160, to require public disclosure of certain lobbying activities to influence issues before the Congress.

3302 Dirksen Building

Rules and Administration

Business meeting, to consider H.R. 6702, to allow Federal employees to make voluntary campaign contributions to other Federal employees, other than to their own employer, and other pending legislative and administrative business.

301 Russell Building

JUNE 12

9:00 a.m.

Judiciary

To continue oversight hearings on the activities of the Public Integrity Section of the Criminal Division, Department of Justice.

2228 Dirksen Building

9:30 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 2490, proposed Infant Formula Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold oversight hearings on the implementation of the Federal coal leasing program.

6226 Dirksen Building

Energy and Natural Resources

Parks, Recreation and Renewable Resources Subcommittee

To hold hearings on S. 2686, to provide for the protection of the Barrier Islands off the Atlantic and gulf coasts by reducing Federal spending on hazardous development projects.

3110 Dirksen Building

Judiciary

Criminal Justice Subcommittee

To hold hearings on S. 252, proposed Anti-Arson Act.

5110 Dirksen Building

JUNE 13

9:00 a.m.

Judiciary

To continue oversight hearings on the activities of the Public Integrity Section of the Criminal Division, Department of Justice.

2228 Dirksen Building

JUNE 16

10:00 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings to review the Food and Drug Administration's evaluation of the drug dimethyl sulfoxide (DMSO), to determine its application and effectiveness.

4232 Dirksen Building

2:00 p.m.

Conferees

On S. 932, authorizing funds to establish the production of synthetic fuels, gasohol, solar energy, renewable resources, geothermal energy, to establish an energy conservation program and energy supply targets, and to extend the Defense Production Act until September 30, 1986.

345 Cannon Building

JUNE 17

9:30 a.m.

Veterans' Affairs

To hold hearings on S. 2649, to increase the rates of compensation for disabled veterans, and to increase the rates of dependency and indemnity compensation for their survivors; S. 1212, to extend from 1 to 7 years the presumptive period during which a veteran suffering from the neurological disorder syringomyelia can obtain service-connected disability benefits if determined that the disease was brought on by active wartime military service; S. 2755, to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private, or local cemetery; S. 2758, to expand the eligibility for specially adapted housing benefits; and S. 2330, to provide for the confidentiality of the medical review process in VA hospitals.

412 Russell Building

10:00 a.m.

Energy and Natural Resources

To hold hearings on S. 2695, to limit the severance tax percentage that a State may impose on coal shipped in interstate commerce.

3110 Dirksen Building

Labor and Human Resources

*Education, Arts, and Humanities Subcommittee

To resume hearings on Title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Railway Association and the Washington Metropolitan Area Transportation Authority.

1224 Dirksen Building

JUNE 18

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on Title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building

JUNE 19

9:30 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade, focusing on the prospects for developing hydrocarbon resources in Latin America.

3110 Dirksen Building

Veterans' Affairs

To hold hearings on S. 2020 and 2596, bills to provide educational assistance programs for those individuals who enlist in the Armed Forces, and to hold oversight hearings on the implementation of current educational incentive programs to promote an All Volunteer Force.

412 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 1957 and H.R. 4310, bills to promote increased use of U.S. waterways and provide for continued recreational boat safety programs.

235 Russell Building

JUNE 24

10:00 a.m.

*Labor and Human Resources

Business meeting, to mark up S. 2375, authorizing funds for fiscal years 1982, 1983, and 1984 to provide support for the training of professionals in health service needs.

4232 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Transportation.

1224 Dirksen Building

Office of Technology Assessment

The Board to hold a meeting on pending business items.

EF-100, Capitol

JUNE 26

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on the administration's transition plans to develop an operational land remote sensing satellite system.

235 Russell Building

Labor and Human Resources

*Health and Scientific Research Subcommittee

To hold hearings on S. 1424, authorizing funds for fiscal years 1981-84 for the advancement of international cooperation and assistance in health matters.

4232 Dirksen Building

2:00 p.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 2283, 2418 and 2321, bills to increase the earned income exclusion for U.S. citizens working abroad who are bona fide residents of a foreign country.

2221 Dirksen Building

JULY 1

10:00 a.m.

Veterans' Affairs

To hold oversight hearings on the implementation of small business loan programs for veterans recommended by the White House Conference on Small Business.

412 Russell Building

JULY 24

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on the administration's transition plans to develop an operational land remote sensing satellite system.

235 Russell Building

JULY 29

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to assess certain provisions relating to the use of space environment contained in the proposed Agreement Governing the Activities of States on the Moon and Other Celestial Bodies (pending receipt by the Senate).

235 Russell Building

10:00 a.m.

Select on Indian Affairs

To hold hearings on S. 2166, to establish a National Institute of Native American Culture and Arts Development.

6226 Dirksen Building

JULY 31

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings to assess certain provisions relating to the use of space environment contained in the proposed Agreement Governing the Activities of States on the Moon and Other Celestial Bodies (pending receipt by the Senate).

235 Russell Building